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Code of Ethics

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Happynarae

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Chapter 1. General Provisions

1.1 Purpose

This Code of Ethics provides decision-making and behavioral standards so that members of Happynarae (including its domestic and foreign investment companies controlled by Happynarae, hereinafter referred to as the "Company") can make the right choice when facing ethical conflict situations.

1.2 Scope of Application

This Code of Ethics is applicable to the Company and all Members of the Company. The Company shall encourage its stakeholders to understand and practice this Code of Ethics.

1.3 Decision-Making and Conduct Principles

1.3.1 The members should judge and act according to the following decision-making principles.

- A. Lawfulness : Is your behavior legitimate?
- B. Conformity : Does your behavior conform to company's code of ethics and rules?
- C. Transparency : Can you be confident even if your decision is made public?

1.3.2 If this Code of Ethics has no concrete and clear stipulations and is difficult to make clear judgments, it is recommended to consult with a department that oversees ethical management and to follow its interpretation.

1.4 Observance Obligation

1.4.1 The members are obligated to comply with the Code of Ethics and perform their duty accordingly.

1.4.2 The leaders of the organization are responsible for supporting and managing their members and business-related stakeholders to correctly understand and comply with the company's Code of Ethics. The leader also needs to set an example.

1.4.3 The members shall sign a pledge to practice ethical management every year and should comply with the details of Code of Ethics.

1.4.4 If there is a possibility of ethical norms being violated, members must actively cooperate with investigations conducted by the ethical management department.

1.4.5 The members may face disciplinary action if they encourage others to violate ethical norms, fail to cooperate with reporting or investigations, or retaliate against whistleblowers or participants in the investigation.

1.4.6 The members who become aware of any violations of the Code of Ethics are required to

report them to the organizational leader or the department responsible for ethical oversight, ensuring prompt action is taken to address and resolve the issue.

1.4.7 The Leaders who receive reports of Code of Ethics violations from members must immediately escalate these reports to the appropriate body overseeing ethical management within the organization.

1.4.8 Violations of this Code of Ethics will result in appropriate disciplinary actions and measures in accordance with relevant regulations and procedures.

1.5 Organization Overseeing Ethical Management

1.5.1 As an independent organization, it carries out the overall tasks for ethical management of the company such as implementation, modification, management, and supervision of the ethical management system.

1.5.2 The organization overseeing ethical management is in the headquarters and oversees domestic and foreign ethical management.

1.5.3 The organization overseeing ethical management for foreign investment companies controlled by Happynarae (Overseas Subsidiary) is as below:

- **1st Line Responsible for Ethical Management** : Ethical management officer appointed by the head of an overseas subsidiary, and the leader of an overseas subsidiary.
- **2nd Line Responsible for Ethical Management** : Ethical management organization of the headquarter in Korea. (2nd Line Responsible for Ethical management participates if further review is required or problems cannot be solved in the 1st line)
- **However**, if the related ethical management issue is occurred by the person overseeing ethical management for overseas subsidiary and the head of the overseas subsidiary, it shall be reported to the SK Ethics Information Channel and handled according to the relevant procedure.

1.6 Relation with Other Regulations

Code of ethics, which is the basis of ethical management practice, takes precedence over other regulations of the company.

1.7 Code of Ethics Application for Overseas Subsidiary

Overseas subsidiary may modify/change (apply) some items of the Code of Ethics to suit the social, cultural, and normative conditions of the relevant country within the scope of meeting the purpose of the Code of Ethics. However, it must be consulted with the ethical

management department of headquarter in advance.

1.8 Definitions of Terms

The meanings of the terms used in this guideline are as follows.

- ① The members : Executives and employees working for Happynarae Co., Ltd (Including regular, temporary, other non-regular employees and members of overseas subsidiary)
- ② The leaders : Members who have rights of management over members within the team, department, and headquarters and decision-making authority on other issues (team leaders, executives, etc.)
- ③ Money or other valuables : Bribe includes any and all gains from assets, such as money, stocks and bonds, other goods, vouchers, membership, invitation, admission ticket, other gift vouchers, real estate and other tangible and intangible economic gains
- ④ Entertainment : Providing or receiving meals, feast, golf, performances, domestic and overseas tours, and speculative entertainment
- ⑤ Conveniences : Benefits other than monetary gift and entertainment, such as transportation, accommodation, sightseeing and event assistance
- ⑥ Relatives : Cousin to the members or member's spouse
- ⑦ Stakeholder : Individuals, corporations or organizations whose rights or profits are directly and indirectly affected by the execution of jobs (customers, members, stockholders, BPs, local communities, the nation, and government official etc.)
- ⑧ Bullying in the workplace: Acts of causing physical, emotional, or mental pain to other members beyond the appropriate scope of work or deteriorating the working environment by using the superiority of position
- ⑨ Personal information : A list of information on a living individual with which an individual can be identified including a person's name, resident registration number, and image (any information that can be combined with others to identify a person even if such information alone is insufficient)
- ⑩ Lectures/Speeches outside the company : Any activities by a current member such as giving lecture/speech and seminar, contributing to media outlets, attending public hearing, being a panel at an event or offering counsel at other forms of meeting by using information and knowledge gained from the company
- ⑪ SV (Social Value) : Value created by solving social problems with corporate efficiency and capabilities
- ⑫ Conflicts of Interest : A situation in which a fair decision cannot be made due to

conflicts of interest, such as a situation in which the company or its affairs are at odds with the private interests of each member

- ⑬ Informants : A reporter of unethical or illegal acts, an whistleblower who has made a legitimate report (consultation or report), a person who has cooperated with the reporter or investigation by providing statements and data etc.
- ⑭ SK member companies : Companies included in the SK business group
- ⑮ Business partner (BP) : A business operator who has a transaction relationship for the purpose of technology, capital, human resources, goods, services, etc., or other relationships that help each other
- ⑯ SK Ethics Information Channel : Communication channel, which is established and operated in order to enable all stakeholders that include SK members, to report any suspected unethical business practices. (<https://ethics.sk.co.kr/>)

Chapter 2. Basic Ethics of Members

2.1 Forming a Sound Corporate Culture

2.1.1 As members of the organization, the members maintain dignity and pride and try to continuously develop based on the company's core values.

2.1.2 The members strive to improve job performance and efficiency through active cooperation and smooth communication between related departments.

2.1.3 Members, based on the relevant laws and company regulations, are to take legal and ethical approach as much as possible in executing jobs and take the responsibility for the jobs performed.

2.1.4 If the members witness or was approached with unethical or illegal activities, it is required for them to notify overseas Ethical Management Department.

2.2 Sincere Execution of Work Duty

2.2.1 The members shall perform their duties according to the principles of honesty and integrity based on a clear understanding of their authority and responsibility.

2.2.2 The members shall not engage in any of the following acts that hinder Sincere Execution of Work :

- ① Negligence : An act that may cause or cause a loss to the company by not performing duties of the position
- ② Careless Management and Supervision : An act that may cause or cause damage to the

company by failing to fulfill its duty of care as a manager

- ③ Bad Working Attitude : Intentionally or habitually late/absent or abnormally handling working time and attendance
- ④ Unreasonable Work :
 - a : Not performing what should be done or performing what should not be done, to give advantages or disadvantages to certain Stakeholder
 - b : To delay, disturb, assist, or instigate some work or make a false report to give advantages or disadvantages to certain Stakeholder
- ⑤ Arrogation : Breaching another person's authority by being involved in matters beyond one's authority and executing jobs that should not be done considering one's position or responsibility
- ⑥ Embezzlement of Public Money : Acts of using company-owned assets for purposes other than those specified, or acquiring them for self or third party profits
- ⑦ False Reports: The members should not cloud decision-making and judgment of internal and external stakeholders, or make them misjudge by hiding-downscaling-exaggerating-omitting something in the document or numbers or delaying the proceedings of documents.
 - a : Cover/reduce/exaggerate or omit negative contents and include positive aspects only in reports
 - b : Neglecting risk verification due to being buried/stuck in business success

2.2.3 The members shall perform their duties thoroughly and meticulously in accordance with the facts and shall ensure no loss is occurred to the Company due to negligence.

2.2.4 The members shall not hold outside jobs, nor engage in any part-time job or any extra job which may affect their duties within the Company (Multilevel businesses and mail order businesses such as online sales, proxy driving etc.)

2.3 Act of Conflicting Interests with The Company

2.3.1 In the event of a conflict of interest, members should prioritize the interests of the organization/company over personal interests and make decisions with the medium/long-term interests as top priority over short-term interests.

2.3.2 The members shall ensure that they do not violate their duty of good faith to the company in the event of a conflict of interest. In addition, the following examples of conflicts of interest are listed to aid understanding, and the conflicts of interest are not limited to the following examples. Therefore, when applying the items, strict judgment and application are required according to individual issues and specific facts.

A. Examples of Conflicts of Interest which is prohibited are as follows:

- ① When a member gains personal benefits from using the Company's assets or management information directly or through a third party
 - a. Investing in real estate or securities that the Company plans to invest in, purchase, or lease
 - b. Acts of using or providing company information to ensure employment or employment recommendation of the members or a third party from a stakeholder
- ② Engaging in financial transactions including loan, co-investment, loan guarantee, and gambling with BPs directly by the member or through a third party
- ③ Receipt of compensation from BPs directly by the member or through a third party
- ④ The act of a member doing business with a company in the name of himself, his/her spouse, or his/her relative
- ⑤ The act of requesting or receiving registration or transaction of BP

B. Examples of Conflict of Interest that require the Company's approval in advance

- ① The act of a member trading assets, such as real estate lease or sale, with a company directly or through a third party
- ② The act of a member doing business with a BP and competitor directly or through a third party
- ③ The members maintaining employment in a business entity that has an interest in the Company directly by the members or through a third party
- ④ The members possessing shares or bonds issued by BPs that could exert influence directly by the members or through a third party

2.3.3. If it is found that the spouse or relatives of the members are dealing with a company or BP, they must report it to the organization that oversees ethical management.

2.4 Mutual Respect

2.4.1 The members shall create a pleasant working environment based on mutual respect for colleagues.

2.4.2 The members shall not engage in any form of unreasonable discrimination based on race, religion, gender, disability, etc. between members.

2.4.3 The members shall not engage in any inappropriate physical contact, making improper

jokes or sharing or posting obscene images with others, other conversations or illicit behaviors that could cause sexual humiliation.

2.4.4 The members shall not engage in any disrespectful or overbearing behaviors including verbal abuse, psychological abuse, physical violence, acts of harassment, creating a working environment that undermines the physical and mental health of other members such as forcing someone to drink or smoke, or giving private orders taking advantage of one's job position or duty.

2.5 Establishment of Healthy Relationships

2.5.1 The members shall perform their duties in a fair and transparent manner by clearly distinguishing between personal affairs and business affairs. Members shall not engage in any act that hampers the establishment of healthy relationships.

- ① Such as inappropriate financial transactions, activities of acquiring interest through money transactions between members (the act of borrowing or lending money, guaranteeing loans, joint investment, etc.)
- ② An act of burdening a member with a private request unrelated to the company's business
- ③ Unreasonable instructions which may be interpreted as violations of the company's management policies or standards (In such cases, members must resolutely reject the unreasonable instructions and request assistance from the leader who have the next higher authorization in a team or ethical management department)
- ④ Any gift or financial reward given to leader by a subordinates
- ⑤ An act of demanding or receiving gifts from the overseas subsidiaries during overseas business trip

2.6 Wasting or Using Company Budget for Personal Benefit

2.6.1 The members shall not engage in any unethical acts that may occurs wasting or using company budget for personal benefit as follows.

- ① Use of company expenses/budget for purposes unrelated to the company's business
- ② The act of incurring or wasting unnecessary expenses just because there is room in the budget
- ③ Pre-payment of expenses, overseas business trips unrelated to business purposes, deposit the remaining budget at the end of the year with the client or waste it unnecessarily

2.6.2 Any expenses incurred must be covered using corporate credit card as a principle, and corporate credit card should be used accordingly based on the regulation on the use of corporate card management and guidelines.

2.6.3 The members shall not use false evidence in the execution and settlement of expenses.

2.7 Protection of Corporate Assets and Information

2.7.1 Company's tangible assets, intangible assets and budget must be properly used based on the purpose and must not be used for personal purpose as follows.

- ① The members must not transfer or lend the company's assets to the person or a third party at a low price than the market price or fair price.
- ② The members must not buy or borrow third-party's assets at a high price than the market price or fair price with the company's budget.
- ③ The members shall not leak or disclose (providing) any tangible and intangible assets of the company (company facilities, machines, materials and other item) to third parties without permission.

2.7.2 In the event of the occurrence of actual loss to the Company or such possibility, The members shall immediately report such occurrence or possibility to the Company and take measures to prevent or minimize any loss.

2.7.3 The members shall not make any attempt to gain personal benefits by using nondisclosed information of the company obtained during his/her performance of duties or by providing such information to a third party.

2.7.4 The members shall not divulge or disclose, internally or externally, Company's information or trade secrets without prior approval.

2.7.5 The members shall comply with information protection, IT security, and customer information protection regulations in accordance with the Company's information security policies, and fully cooperate with the Company's inspections.

2.7.6 When a member gives a lecture/speech outside the company using information and knowledge obtained while working at the company, the member should seek an approval from the leader. (A member should not receive a fee for the external lecture/speech given outside of the company. If a member receives such fee, the fee should be returned to the company so that it can be used for other purposes including making contribution to the society)

2.7.7 The members shall not post on SNS any material can infringe upon company's confidential and proprietary information.

2.7.8 The members shall not engage in illegal acts such on SNS including, but not limited to slander, violation of human rights, leakage of personal information, and distribution of obscene materials.

2.8 Money laundering

2.8.1 The members shall not engage in any activities related to unfair money laundering involving the company, individuals, or stakeholders.

2.8.2 The members must take care to ensure that they are not used in the process of laundering funds generated from illegal activities, such as criminal activities.

2.8.3 If members identify transactions suspected to be derived from illegal activities or transactions suspected to involve money laundering, they must report them to the ethical management department following the procedures and methods prescribed by relevant laws and regulations.

2.9 Undermining the Dignity of a Member and the Company

2.9.1 The members should always be mindful that their words and actions reflect the company, and they should make every effort to uphold the company's credibility and reputation.

2.9.2 As a general principle, any situation, even in personal matters, where a member's actions expose both themselves and the company to harm, damaging personal dignity or the company's reputation, will be considered a violation of ethical management.

2.9.3 The members must not engage in unethical activities or assist in actions such as gambling, sexual offenses, violence, fraud, other criminal acts, behaviors that cause social scandal, or actions likely to provoke social condemnation, as these can harm personal dignity and tarnish the company's brand.

Chapter 3. Attitude Towards Customers

3.1 Enhancement of Customer Value and Protection of Customer Information

3.1.1 As an SCM specialized company, the company strives to provide efficient and transparent procurement services that enhance customers' purchasing competitiveness based on their needs.

3.1.2 The company contributes to customer supply chain management by selecting competitive and responsible partners aligned with business objectives through fair

standards.

- 3.1.3 The company strives to ensure that its trading BPs consistently comply with laws and regulations related to fair trade.
- 3.1.4 The company provides accurate and useful information about the products customers purchase, enabling informed decisions. The company does not provide false or exaggerated information.
- 3.1.5 The company strives to build trust with its customers by consistently delivering exceptional customer service and ensuring high levels of satisfaction.
- 3.2.6 The members are expected to put forth their best efforts to enhance customer satisfaction by providing top-quality products and services in a timely manner.
- 3.3.7 The company is committed to complying with all laws related to the protection of customer information and will make every effort to safeguard customer data.

Chapter 4. Responsibility for Shareholders

4.1 Rights Protection

- 4.1.1 The Company shall improve the transparency and efficiency of its business management to enhance corporate values so that create shareholder's value.
- 4.1.2 The Company shall prepare disclosure documents including financial statements in accordance with the relevant laws, regulations, and accounting standards, and disclose them fairly, accurately, completely, and timely based on the relevant laws.
- 4.1.3 The Company sincerely provides reliable information on management, including business activities, structure, financial conditions and business performance, which are needed by stockholders according to the related laws and general industrial practices.
- 4.1.4 The Company shall practice transparent business management centered on the Board of Directors and respect the reasonable requests and suggestions of the shareholders.

Chapter 5. Relationship with Business Partners

5.1 Cooperation for Mutual Growth with BPs

- 5.1.1 The Company shall provide fair opportunities to its BPs and support the enhancement of their competitiveness to achieve mutual growth based on trust.

5.1.2 The members shall provide fair trade opportunities to BPs related to their work.

5.1.3 The members shall not show bad business etiquette such as verbal abuse, violence, sexual harassment, an informal speech/instructiveness or ignorance to BPs by using their superior position.

5.1.4 For samples, in principle, the company purchases only the minimum quantity required for testing. (However, if the sample which requested are recyclables such as test equipment, it can be returned after testing without making payments)

5.2 Fair Trade and Compliance

5.2.1 The members respect the market economic order based on responsibility and transparency, and actively participate in the establishment of a fair trade order.

5.2.2 Matters that may be interpreted as violations of fair trade-related laws and regulations should be dealt with after sufficient consultation with the Fair Trade or Legal Affairs Department in advance.

5.2.3 The members shall handle all transactions transparently and fairly, and proceed in full consultation with BPs regarding transaction conditions and transaction procedures.

5.2.4 The members shall protect the information and trade secrets of its BPs; shall not use such information for purposes other than carrying out a designated work; and shall not unlawfully acquire or use such information and trade secrets.

5.3 Improper Solicitation

5.3.1 The members shall not use their superior position to make demands or solicitations that undermine fair trade.

5.3.2 The members shall not conduct business in a manner favorable to stakeholders or third parties based on improper solicitation from stakeholders.

5.3.3 The members should not engage in Improper Solicitation such as the following:

- ① Act that influences making decision on human resources, such as hiring, evaluation of people
- ② Requesting or accepting a job offer in the future
- ③ Guaranteeing a contract or similar remuneration to interested parties
- ④ Asking for or brokering a favor for personal gains

5.4 Collusion

5.4.1 The members must not exchange information such as sales prices, terms of sales, profits or margins, market share, or distribution methods with competitors for the purpose of

collusion.

5.4.2 The members must not participate in collusion.

5.5 Receiving Money or Other Valuables

5.5.1 The members must not accept money, valuables, entertainment, or gifts from stakeholders in relation to their duties, particularly by leveraging their superior position. (However, souvenirs given to event attendees are permitted.)

5.5.2 The members should not receive meals, drinks, access to entertainment, or visits to extravagant establishments, such as golf outings, from their business partners (BPs). In the case of unavoidable meals (lunch or dinner) with a BP, the company will cover the costs as a general rule.

5.5.3 If a BP pays for the meal first, the member must request reimbursement for the meal amount and must pay for the cost that was refunded by the BP.

5.5.4 The members must not accept goods or services free of charge from business partners (BPs) for the purpose of supporting the company's internal events, nor should they request or receive financial support for overseas business trip expenses from BPs.

5.5.5 The members are also prohibited from informing a BP of their own or a co-worker's congratulatory or condolatory event, or from accepting money for such events. If a BP provides congratulatory or condolatory money without the member notifying them of the event, the member must politely return the money.

5.5.6 The members should not accept congratulatory or condolatory wreaths from business partners (BPs). If, under unavoidable circumstances, a wreath is received, it should not be displayed.

5.5.7 The members are also prohibited from engaging in monetary transactions with BPs. Such actions are considered a violation, regardless of whether a contract has been concluded or if there is any financial interest involved.

5.6 Procedures to handle Money or Gifts received

5.6.1 If a member has unavoidably received money, valuables, or gifts, they must follow the procedure outlined in section 5.5.2 and promptly inform their leader. Additionally, they are required to report any developments to the organization responsible for overseeing ethical management.

5.6.2 The procedures for handling received money, valuables, or gifts are as follows:

- ① If possible, immediately return the money, valuables, or gifts received.
- ② If returning the items is not feasible due to factors such as spoilage or deterioration:

The members must promptly deliver the items to the organization responsible for ethical management. The company will then take appropriate measures to ensure the items are donated to a charity organization.

Chapter 6. Commitment to Members

6.1 Respects among Members

- 6.1.1 The Company shall strive to support and respect internationally announced human rights protections, and is working to promote diversity at all domestic and overseas offices.
- 6.1.2 The Company guarantees the basic livelihood of all members, and continuously strives to improve quality of life for members and their families.
- 6.1.3 The Company strives to minimize disputes among members and aims to establish sound labor-management relations.
- 6.1.4 Hiring and working conditions (working hours, safety/well-being/environment, welfare, holidays and vacation etc.) of minors will be in accordance with the international standard and laws.

6.2 Non-Discrimination

- 6.2.1 In all practices that include hiring, promotion, compensation, and training opportunities, the company does not discriminate based on race, skin color, nationality, ethnicity, sex, name of university attended, birthplace, political views, social status, marital status (pregnancy), and disability.
- 6.2.2 The Company grants fair opportunities according to abilities and performance, assesses members according to fair criteria and rewards members fairly.

Chapter 7. Responsibility for Society

7.1 Responsibility for Safety, Health and The Environment

- 7.1.1 The Company shall establish systems for the safety, health and environment of its members and observe relevant international standards, laws, and internal regulations.
- 7.1.2 The Company shall create a safe working environment by following safety rules
- 7.1.3 The Company shall recognize the importance of environmental problems and actively participate in environmental protection activities.

7.2 Responsibilities as a Society's Member

7.2.1 The Company shall conduct business based on social norms and shall use its best efforts to achieve mutual growth with society by creating SV (social values).

7.2.2 The Company shall comply with the relevant laws and regulations of the regions where it conducts business and shall endeavor to create and promote a healthy work environment.

Chapter 8. Code of Ethics Observance, Operation, and Procedures

8.1 Ethical Management Counseling/Reporting Center

8.1.1 Stakeholders, including members, may consult or report related details to the organization that oversees ethical management if event of an ethical management issue occurs.

8.1.2 The company may provide rewards to those who contribute to the company's interests through counseling or reporting.

A. Rewards are granted only when the company determines that the contribution to company profits (hereinafter referred to as "contribution amount") is objectively and quantitatively measurable. This includes reports of unethical acts, such as embezzlement, asset misuse, or the leakage of key information and trade secrets, which directly result in financial gains or loss prevention for the company.

B. The reward amount will be determined by the company based on the contribution amount for each case.

8.1.3 If it is deemed necessary to further verify and investigate the details of counseling cases or reports, the head of the Ethical Management Department may conduct the investigation directly or assign it to the appropriate department.

8.1.4 The results of the investigation shall be managed in accordance with the relevant company policies, including personnel management regulations and disciplinary procedures.

8.2 Handling Procedures for case Report and Counseling Request

8.2.1 The following measures shall be taken upon the receipt of counseling cases or reports regarding BPs.

- ① The Company may take measures deemed necessary, such as limiting the transaction volume or terminating contracts with a certain BP, considering the seriousness of the matter or impact on society and the Company.
- ② Notwithstanding the preceding clause, the Company may offer leniency to the BP or the accused if the impact is minor, in consideration of the willingness to prevent any recurrence.

8.3 Informants Protection

8.3.1 The Company shall protect the identity and details of counseling and reports of the counseling recipients, reporters, and other informers, and shall not give any disadvantage following the counseling or report.

8.3.2 If the informant fears of a possible retaliation or penalty inflicted by a third party or the very person who is considered by the informant to be involved in activity that is deemed illegal, unethical, or not correct(employer), or if actual damage was inflicted upon the informant. Informants may request the protection of his/her identity from the organization that oversees ethical management, and in such cases, organization overseeing ethical management may take measures deemed necessary in consultation with the head of the Human Resources Department, including transfer across departments.

8.3.3 The members shall not engage in any act that has the possibility of disclosing the identity of Informants such as inquiring about their identity to organization overseeing ethical management or conducting an investigation. If there is a violation of this clause, measures shall be taken in accordance with the regulations on personnel management.

8.3.4 If an informant took part in a fraudulent act, but requests counseling or reports the fact to the Company, the Company may consider the extenuating circumstances for punishment or disciplinary action.

8.3.5 Through after-action monitoring, organization overseeing ethical management, on a regular basis, will keep checks on the occurrence of any harm such as retaliation or penalty inflicted upon the informant, even if the case is closed.

8.4 Handling of compliance with the Code of Ethics

8.4.1 The company may take necessary measures, such as disciplinary action, against members who violate ethical norms. However, the specific level of disciplinary action will

be determined in accordance with the procedures of the personnel committee (disciplinary committee).

8.4.2 The level of disciplinary action for unethical behavior will be deliberated and resolved by considering the degree, level, and intent of the act, and appropriate weighting or reduction factors will be applied.