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-HWASEUNG PROTOCOL –

1.Protocol Purpose

Supplier Risk Assessment protocol explains process steps to proactively identify assess, and mitigate Supplier risks to safeguard our operations,maintain our reputation and deliver additional value to all our stakeholders

2.Scope

-Why Monitoring Supplier Risk?

Proactively managing Supplier risk means ensuring Hwaseung suppliers are meeting our requirements. This is supporting Hwaseung objective to enhance Supplier relationships,drive innovation,and build a robust Value Chain that can avoid potential distruptions

-When do we do Risk Assesments?

HWASEUNG Supplier Risk Assessment program including environmental,social and governance (ESG) criteria is conducted during:

- Supplier selection
- Supplier onboarding/par tor Requirement for Direct Supplier Onboarding Process
- Continuous Supplier Risk Monitoring for Existing and Potential Suppliers

Process Stakeholders

- Procurement Professional**-Buyer/Category Manager/Regional Director
- Supplier**-Third Party entity selling products and/or services to HWASEUNG This includes Direct Suppliers,Subcontractors,Consultants&Indirect Suppliers

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-Procurement Excellence Team-Supplier Risk Management team ensuring registration and Management and monitoring of Supplier on the platform

-Requester-Could be the Procurement Excellence team or the Procurement Professional

-Finance-Assisting in low financial risk scores for approval or corrective action plan to proceed

3-Supplier Risk Assessment Onboarding Questionnaire:

As part of Supplier registration to HWASEUNG Supplier Risk assesment program that Supplier has to answer to below questions

Sections	Sustainable Procurement Policy& Survey Questions
Sustainability	<ul style="list-style-type: none"> -Are you assessed by Global ESG Ratings provider and scored medium or above -Does your company have a Sustainability Policy? -Does your company have a Sustainability Report? -Does your company have a goal and programs to Reduce Energy User? -Does your company have a goal and programs to Reduce Packaging Material? Does your company have a goal and programs to Reduce Waste Generetaion? -Does your company have a goal and programs to Reduce Greenhouse Gas (GHG) Emissions? Does your company have initiatives to use renewable energy,biomass,solar,wind, or purchase Renewable energy certificates (RECs) -Does your company respond to the Carbon Disclosure Project (CDP)?
Security	Do you subscribe to CTPAT or equivalent?
Certifications (ISO/REC)	<ul style="list-style-type: none"> -Are there effective measures to ensure security of all materials? -For the sites supplying HWASEUNG with materials,has your company obtained RC 14001 certifications? -For the sites supplying HWASEUNG with materials,has your company obtained ISO 14001 certification?

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	<p>-For the sites supplying HWASEUNG with materials,has your company obtained OHSAS 18001/ISO 450001 certification?</p> <p>-For the sites supplying HWASEUNG with materials has your company obtained ISO 9001 certification?</p> <p>Is your company e member of a chemical trade association that paticipates in the International Council of Chemical Associations (ICCA)</p>
Environmental	<p>Does your company have an Environmental Policy?</p> <p>Does your company assess the environmental impact of its operations?</p> <p>Does your company measure and publicly report Environmental information an annual environmental,sustainability, or corporate socially responsible/CSR report?</p> <p>Does your company plan and carry out internal environmental audits?</p> <p>Does your company monitor emissions to land,water and air from the manufacturing process?</p>
Product Stewardship	<p>Does your company use a Product Stewardship/Lifecycle approach to reduce the environmental impact of its products and operations?</p> <p>Does your company make energy and natural resources key considerations when it designs,develops,and improves its products and processes?</p> <p>Does your company provide all health safety information retalted to its products?</p> <p>Does your company have a formal incident investigation program in place for product incidents?</p> <p>Does your company have programs ,standards,or procedures to identify and reduce potential health safety hazards related to its products?</p> <p>Does your company respond to requests for emergency Support,from any point in the supply chain,for its products on a 24-hour basis?</p>
Safety	<p>Is your site PSM/ seveso regulated?</p> <p>Has National authorities inspected the site more than once a year during last 4 years?</p> <p>Please indicate Number of Emergency shutdowns during last 4 years</p> <p>Please indicate the number of forced shutdowns from the National authorities due to legal violations during last 6 years</p> <p>Please indicate the number of notices of violation from the National authorities during last 6 years</p> <p>Please indicate LTI Lost time Injury incidence Rate of last years</p> <p>Please indicate the number of fatalities during last 5 years</p>
Evaluationof Supplier own supply chain	<p>Does your company ask its value chain partners (warehouses,distributors,and carriers)to immediately report incidents associated with the handling our use of its</p>

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	<p>products?</p> <p>Does your company periodically review the performance of its suppliers?</p> <p>Does your company periodically review the performance of its distributors,customers and other direct product receivers to foster proper use,handling,recycling,disposal and tarnsmittal of appropriate information to downstream users?</p> <p>Does your company plan carry out suppliers audits?</p> <p>Are you willing tol et a representative from HWASEUNG visit you to take part in your sustainability work?</p>
<p>Health,Safety and Environmental</p>	<p>Does your company have a Health and Safety Policy?</p> <p>Does your Company have goals and programs to prevent and reduce work related employee injuries and illness</p> <p>Does your company have ethical and legal employment practices assuring compliance with all applicable employment laws impacting employees and suppliers?</p> <p>Does your company plan and carry out internal health and safety audits?</p> <p>Does your company have a program or procedure to ensure confidentiality and protection of workers that report suspect violations of ethical misconduct?</p> <p>Does your company have written policies and programs to establish and maintain a diverse workplace environment?</p> <p>Are the minimum hiring age and minimum wages for your employees in accordance with local/national laws?</p> <p>Has your company been adjudged to have violated,or been the subject of any süit,claim,inquiry or investigation alleging its violation of applicable laws,rules and regulations pertaining to forced,bonded or compulsory labor or human trafficking and slavery?</p>
<p>Human Rights,Labor Laws, and Policies</p> <p>HWASEUNG expects suppliers to commit to protocols and regulations</p>	<p>Does your organization Engage in,or Support child labor practices?</p> <p>Ensure that their employees meet the minimum age required by law?</p> <p>Engage in,or Support forced,or compulsory labor as defined by the Convention Concerning Forced or Compulsory Labor,1930(No.29),including prison,bonded,indentured,slavery and human trafficking practices?</p> <p>Ensure that all work performed is voluntary and employees have the right to terminate employment with reasonable notice?</p> <p>Enforce with existing suppliers to agree to the principles contained within our SupplierCode of Conduct compliance and other risk monitoring factors are determined before a new Supplier is onboarded?</p> <p>Ensure Compensation should be uniform regardless of race,color,national origin,religion,gender,age,disability,marital or partnership status,sexual orientation,veteran status,political beliefes,or any other legally protected personal</p>

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	<p>attribute within each jurisdiction?</p> <p>Employee rights to Collective bargaining or freedom of association?</p> <p>Does your organization also agree that:</p> <p>Suppliers shall not discriminate against employees based on race,color,national origin,religion,gender,age,disability,marital or partner ship status,sexual orientation,veteran status,political opinions or any other personal characteristic protected by law in each locality?</p>
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Following the questionnaire completion the Supplier has to upload Documentation to justify answers provided to the questions above,Documents required are listed below(If the documents aren't listed below that means the Risk assesment does not require a document upload but information for that Risk component will be generated by our Risk assesment partner)

General Supplier Organization Information

-Headquarters information

-Supplier Point of Contact Information

Sustainability/ESG Certificate (Or Sustainable Procurement Survey to be filled if not)

-Supplier Sustainability Policy

-Supplier Environmental Policy

-ISO/RC Certifications

ISO 9001-ISO24000-ISO 26000-ISO 14001

ISO 45001-RC 14001-OHSAS 18001

Supplier latest Annual ESG/Sustainability Report

Experian Financial Risk Profile/Equifax Business Report

Supplier's Code of Conduct

Conflict minerals Supplier

Terms and conditions

Columbite-tantalite (coltan), cassiterite, wolframite and gold, or their derivatives, including tantalum, tin, and tungsten, originating from the Democratic Republic of the Congo (DRC) and adjoining countries (often referred to as "Conflict Minerals") are sometimes mined and sold by armed groups to finance unfair labor practices or human rights violations. Some of these Conflict Minerals can make their way into the supply chains of the products used around the world. It is the policy of HWASEUNG

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BULGARIA to avoid Conflict Minerals that directly or indirectly finance or benefit armed groups in conflict-affected regions.

HWASEUNG BULGARIA will endeavor to only procure raw materials containing Conflict Minerals that do not support conflict.

In support of this sourcing policy, HWASEUNG will:

Exercise due diligence with relevant suppliers consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and encourage our suppliers to do likewise with their suppliers.

Provide, and expect its suppliers to cooperate in providing, due diligence information to confirm that any Conflict Minerals in its supply-chain do not support conflict.

Immediately discontinue engagement with suppliers who pose a reasonable risk to be supporting conflict.

Specific	Risk Component	Risk Scoring
	Sustainability	
All Hwaseung Suppliers	Hwaseung Supplier Code of Conduct	
All Hwaseung Suppliers	Sustainable Procurement Policy&Survey including Human Rights	
	Financial Stability	
All Hwaseung Suppliers	Equifax Business Credit Score/Experian International profile/Bankruptcy Monitoring	
All Hwaseung Suppliers	Experian Financial Stability Risk Score (FSR/GDN) Equifax Business Credit Score	
All Hwaseung Suppliers	Judgements Monitoring	
	Liens Monitoring	
	Regulatory Compliance	
	Regulatory Compliance	

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All Hwaseung Suppliers	Global Watch List and Adverse Media Monitoring	
	Social Responsibility	
All Hwaseung Suppliers	Tax Form	
	Total	

Sustainable Procurement Survey-Corrective action Plan

Risk Rating Components	Required Proof/Evidence	Risk Scoring Status	Outcome/Corrective Action Plan	
Sustainability Rating				
HWASEUNG Sustainable Procurement Policy&Survey				
Diversity Status Verification				
Hwaseung Supplier Code of Conduct				
Global Watch list and Adverse Media Monitoring/Judgements/Monitoring				
Tax Form				

Points of Contact

Stakeholder	Name	Contact Mail

PREPARER/PUBLISHER Management Responsible		Confirmed CEO
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