

Code of Ethics

Enacted on 9 Nov 2007

Amended on 1 Jul 2009

Amended on 1 Jan 2019

1. Employees' Basic Ethics

All employees establish right ethics and values based upon honesty and reliability and are committed to carrying out their missions through continuing self-development and fair work performance.

(1) Basics attitude

- 1) All employees shall fulfil their obligations in a fair and diligent manner with pride and confidence as part of Handok.
- 2) All employees shall make endless efforts to maintain individual dignity and Handok's honor with right ethics and values.
- 3) All employees shall find out the right people for Handok with the global standards in the areas of research and development for drugs, sales marketing, production and business management, and endeavor to move toward the right people for the company through continuing self-development.

(2) Fulfillment of Responsibilities

- 1) All employees shall share the vision and values of Handok and fulfill their own duties.
- 2) All employees shall do the best to perform their jobs according to the applicable laws and regulations, and company policies.
- 3) All employees shall take the initiative in maintaining and protecting Handok's assets and adhere to confidentiality regulations regarding the information obtained during work.
- 4) All employees shall contribute to the creation of sound organizational culture that encourages all employees to work hard through efficient communication and active cooperation on a mutual basis.
- 5) All employees shall contribute to the creation of correct business values based upon a good quality of family life.

(3) Fair Duty Performance

- 1) All employees shall separate public and private life and perform their duties



in a fair manner in compliance with the applicable laws and regulations.

- 2) All employees shall not enjoy any forms of monetary benefits that would impede the fairness of value judgment in business.
 - 3) All employees shall not engage in unethical and illegal acts in terms of social norms, such as unjust order, unjust arrangement, solicitation and giving unfair privilege.
- (4) No Conflict of Interest
- 1) All employees shall not be involved in any acts or relationship that conflicts interests with Handok in connection with their duties.
 - 2) All employees shall not be allowed to use or steal the company's assets for their own purposes or interests.
- (5) Relationships between Employees
- 1) All employees shall practice good manners mutually and shall not commit any unjust orders or any discrimination.
 - 2) All employees shall not give and accept unreasonable solicitations, or excessive gifts or money and other valuables that are beyond social norms.
 - 3) All employees shall not engage in any acts that trigger seductive behaviors and sexual humiliation and tarnish Handok's reputation, such as sexual harassment.

2. Attitudes toward Customers

All employees shall put a priority on all judgments and behaviors for customers; respect the opinions of customers at all times; and fulfill their obligations as partners, thereby moving forward ultimately with customers.

- (1) Respect to Customers
 - 1) All employees shall listen to customers carefully for business management and do the best to meet the requests and expectations of the customers with a good quality of products.
 - 2) Furthermore, all employees shall understand that customers are the partners based upon mutual respect and continue to create true values that are required and satisfied by the customers.
- (2) Protection of Customers Interests
 - 1) All employees shall safeguard interests of customers, such as customer property and information based on the relevant laws and regulations, and



shall not infringe on customers interests unfairly.

- 2) All employees shall provide true and reliability information for customers and respond to their requests immediately and accurately.
- (3) Equal and Fair Opportunities
 - 1) Vendors shall be selected according to objective and fair criteria and with an equal-status interaction.
 - 2) Any unfair acts shall not be tolerated using a superior position and all transaction terms and procedures shall be fully discussed.
 - 3) All employees shall take the initiative in the creation of fair and transparent business circumstances and yield higher interests through mutual cooperation and innovation.

3. Responsibilities toward Stockholders and Investors

Handok shall create high business values through transparent and efficient management by principle, thereby leading to the maximization of interests of stockholders and investigators.

- (1) Respect for Stockholders and Investors
 - 1) Handok shall make the best efforts to reflect reasonable requests and proposals from stakeholders, such as stockholders and investors in the business management.
 - 2) Handok shall always keep in mind the protection of return on investment for stockholders and achievement of trust as management paradigm.
- (2) Protection of Interests of Stockholders and Investigators
 - 1) Handok shall pursue transparent management with board of directors.
 - 2) Handok shall document management data according to the applicable laws and regulations and standards, and announce the relevant information duly according to the applicable laws and regulations.
 - 3) Handok shall maximize enterprise values through efficient management based upon ceaseless innovation, and share the resulting outcomes with stockholders.

4. Responsibilities and Obligations for Fair Competition

Handok shall respect market-driven economy according to the free competition principles in all business areas worldwide, and shall be more competitive in the market

in a fair and right manner based upon mutual respect.

- (1) Compliance with Free Competition Principle
 - 1) All employees shall respect the market-driven economy according to the free competition principles in performing all business and sales activities, and gain trust and confidence from the customers through a good quality of products and services.
 - 2) Handok shall pursue a competition in good faith and with fairness based upon mutual respect, and shall never engage in improper behaviors, such as the infringement on the interests of the competitors unfairly or the use of weak points of others.

- (2) Compliance with Applicable Laws and Regulations
 - 1) In performing all business and sales activities in Korea and other countries, Handok shall comply with the applicable laws and regulations in the applicable country, as well as obligations under the agreement with the other business partners, and international convention and regulations on investment and transaction for the national pride and development; and respect the international trade customs.
 - 2) Handok shall have Compliance Program in place to ensure the compliance with the related laws and regulations governing fair trade and implementation of Fair Competition Code.

5. Attitudes toward Employees

Handok shall respect the human dignity of all employees; treat them in a fair and equal manner depending on their competence and performances; and create the working environment to encourage them to contribute to Handok development with their creativeness.

- (1) Respect for People
 - 1) Handok shall respect all individual employees as human beings based upon mutual trust and affection.
 - 2) Handok shall do the best to ensure that each of employees can feel rewarding and proud of their work with ownership
 - 3) Handok shall establish the system to ensure that employees can perform their work to the best of their abilities under the best working condition, and seek any actions required, such as education, training, coaching etc.



- (2) Fair and Reasonable Rewards and Recognition
 - 1) Handok shall offer all employees fair and reasonable opportunities in connection with education and promotion, depending on their abilities and qualifications.
 - 2) Handok shall offer performance review and compensation according to fair and reasonable standards, and shall not discriminate all employees unfairly for some reasons including sex, educational background, age, religion, region of origin, and disability.

- (3) Creativity Promotion and Self-Development
 - 1) Handok shall create the environment to the fullest extent where all employees can exchange their opinions freely and give any suggestions to motivate creative and autonomous thinking and behaviors.
 - 2) Handok shall arrange for the system to allow for fostering of professional and creative human resources and fully support the education and training system.
 - 3) Handok shall use the best efforts to create the working environment where all employees can work in a comfortable and safe manner to motivate creativity and active engagement and improve the quality of life, such as health, education and employee benefits for employees and their families.

6. Responsibilities and Obligations toward Nation and Society

Handok shall fulfill its responsibilities and obligations as community members in pursuit of the growth of sound enterprise through transparent and reasonable business activities, and be contributed to the improvement of quality of life and social development through the creation of social values.

- (1) Contribution to Social Development
 - 1) Handok shall be devoted to national development through job creation and as a faithful and transparent taxpayer, and shall be contributed to social development by running culture and social welfare programs.
 - 2) All employees shall endeavor to contribute to cultural and economic development as community members, and comply with the applicable laws and regulations in the community and respect its culture and tradition.
 - 3) All employees shall promote positive benefits, such as market expansion and trust building, and business achievement in efforts to engage in international cooperation and partnership and at the same time, contribute to international community development.



- (2) Accident Prevention
 - 1) All employees shall be always aware of and comply with the applicable laws and regulations regarding safety, and do the best to control disasters and risk prevention.
 - 2) Each of employees shall be responsible to pay attention to the protection of themselves and their colleagues at all times and take actions to improve unsafe practices or environment for enhancement of business performance.

- (3) Development based upon Stabilization of Labor -Management relations
 - 1) Both of labor and management shall keep in mind that they are part of the society with a sense of ownership, and make the efforts to ensure the co-existence of labor and management and development of Handok based upon mutual trust and respect.
 - 2) Both of labor and management shall be clearly aware of roles, authorities, responsibilities and obligations arising out of their jobs and accordingly, put into action; and shall do the best to increase the competitiveness by sharing the company's management philosophy and creating the ethical enterprise culture.

- (4) Value Creation through Protection and Improvement of Environment
 - 1) Handok shall fully understand the importance of environment problems for preservation of clean environment and do the best to ensure protection of environment and prevention of contamination in compliance with the applicable laws and regulations and through environment friendly management.
 - 2) Handok shall understand that the enterprise doing the best for environment and the society will lead the industry and at the same time, take a shortcut to the high financial achievement and the securement of excellent human resources.

7. Supplementary Provisions

- (1) Obligations and Responsibilities for Compliance
 - 1) All employees shall be aware of and adhere to Code of Ethics at all time, and do the best to avoid any violation against Code of Ethics.
 - 2) All executives and heads of departments shall be responsible for management and supervision of compliance with Code of Ethics of their staff members.



- (2) Rewards and Disciplinary Actions
 - 1) CEO may offer the corresponding rewards (e.g. performance review) to the employees that adhere to Code of Ethics and have contributed to the settlement of ethical management.
 - 2) CEO may put employees who commit any violations against Code of Ethics under necessary disciplinary actions. The type, process and effect of specific disciplinary actions shall be subject to HR regulations.

- (3) Ethical Management Committee
 - 1) CEO shall set up and operate Ethical Management Committee for effective operation and settlement of Ethical Management.
 - 2) The operation of Ethical Management Committee shall be subject to [Ethical Management Operation Policy].

Additional clause

- (1) [Effective date] This Code of Ethics shall be effective from 9 Nov 2007.

- (2) [Interpretation and relationship with other regulations] Any matters not defined herein shall be subject to HR regulations, defined by rules of employment and collective agreement.

- (3) [Amendment date] Below is the amendment history of this Code of Ethics.
1st amendment: 1 Jul 2009
2nd amendment: 1 Jan 2019