

Code of Conduct for HANDOK Business Partners



The Health Innovator



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Chapter 1. Preface

1. Purpose

Code of Conduct for HANDOK Business Partners (hereinafter, referred to as 'Code of Conduct') presents all business partners with high ethical standards that HANDOK expects and detailed execution principles on legal compliances based on the values and principles of HANDOK that are listed in 'HANDOK Code of Conduct.

2. Scope

HANDOK business partners subject to this Code of Conduct (hereinafter, referred to as 'Partner') refer to suppliers, distributors, collaborating partners, and other parties that are and plan to be in business relations with HANDOK. Partners shall implement the principles specified in this Code of Conduct within the organization and communicate them with their members to ensure that they comply with them when working with HANDOK.

3. Composition

This Code of Conduct is composed of five items below and presents basic principles for each item. In the event that it is ambiguous to judge because there are various cases that can happen in work situations, please contact the collaborating department of HANDOK.

- (1) Ethics and Compliance
- (2) Human Rights and Labor
- (3) Environment, Health and Safety
- (4) Quality
- (5) Management System

Chapter 1. Preface

4. Reporting

HANDOK operates a reporting channel that can be used for concerns or reporting of illegal or unethical behaviors. Reporting can be made online in the menu of 'HANDOK Reporting System' on the HANDOK website, and anonymous or real-name reporting is possible.

Go to HANDOK Reporting System:

<https://www.handok.co.kr/eng/company/ethical/reporting-center/>

HANDOK handles reports according to a fair process and prohibits discrimination or retaliation against the person who reports. HANDOK will do its best to investigate all trustworthy reports raised for possible breaches in good faith.

5. Application

This Code of Conduct may be continuously reviewed and updated and the latest version can be viewed on the HANDOK website.

(<https://www.handok.co.kr/eng/company/ethical/business-partners-coc/>)

In the event that provisions in this Code of Conduct conflict with contractual provisions with each Partner or are vague, the provision in the applicable contract shall prevail.

Chapter2. Code of Conduct

1. Ethics and Compliance

HANDOK expects that its Partners do their best to conduct business according to high ethical standards and the Partners' employees understand and comply with the principles and regulations on the ethical business practices of HANDOK when they work with HANDOK.

(1) Prohibition of Bribery and Prevention of Corruption

HANDOK would not tolerate any type of corruption or bribery taking.

Partners that are in business relations with HANDOK must comply with all laws related to the prevention of corruption including the following.

- U.S. Foreign Corrupt Practices Act
- UK Bribery Act
- KOREA Improper solicitation and graft Act

Partners shall not directly or indirectly provide, offer or accept money or valuables in order to influence the performance of work or to obtain or maintain business from HANDOK or a third party. This includes all kinds of incentives such as all benefits for HANDOK's executives and employees, fees, commissions, dividends, gifts, cash, services, rewards, etc.

In addition, Partners shall guarantee the same application of the principles of Prohibition of Bribery and Prevention of Corruption to all subsidiaries, agents, subcontractors, and brokers as well as to their own employees.

(2) Fair Trade

Partners shall observe laws related to fair trade and conduct the work in accordance with antitrust and fair business practices.

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1. Ethics and Compliance

(3) Money, Gifts and Entertainment

HANDOK and HANDOK's employees are prohibited from receiving money or valuables, gifts, meals or entertainments from outside stakeholders. It is because it may influence trades or business decisions and be interpreted as a conflict of interests.

However, it may be allowed only for the following cases.

- Gifts such as souvenirs, transportation, lodging or meals provided uniformly to all participants to official events related to the business trade
- Souvenirs or promotion goods to be distributed to unspecified people
- Food or gifts within KRW 100,000 as the traditional practices on New Year's Day and Chuseok
- Contribution or gifts less than KRW 100,000 in a congratulatory/condolence family event
- Food and beverage within KRW 50,000 per person to be provided unavoidably in a business trade

However, even the cases above limitedly permitted shall be prohibited if there is a possibility that they would be recognized as inappropriate acts according to conventional social terms such as before, during or right after purchase, contract, audit, assessment, etc. In such cases, any offering of money, valuables, gifts, meals or entertainment is prohibited.

Chapter2. Code of Conduct

1. Ethics and Compliance

(4) Conflicts of Interests

Partners shall take reasonable measures to prevent and control conflicts of interests. In the event of actual happening of conflicts of interests or confirming of potential conflicts of interests in business or trade relations with HANDOK, it must be notified to HANDOK.

(5) Privacy and Data Protection

HANDOK expects that its Partners protect confidential information.

Partners shall adopt and maintain the process to provide reasonable protection of personal, exclusive and confidential information including information received, accessed and processed on behalf of HANDOK

Partners shall be aware that any unauthorized use or destruction of the information may cause personal and legal reputation and financial losses to themselves or HANDOK.

Partners shall observe all laws related to privacy and data protection and information security.

Chapter2. Code of Conduct

1. Ethics and Compliance

(6) Intellectual Property Rights

Partners shall protect confidential information safely and use applicable information only in a necessary situation and try to protect the intellectual property rights of other Partners related to the business.

Partners shall not use the names or brands of HANDOK and HANDOK's subsidiaries in advertisements or promotions of the products without the prior written approval of HANDOK.

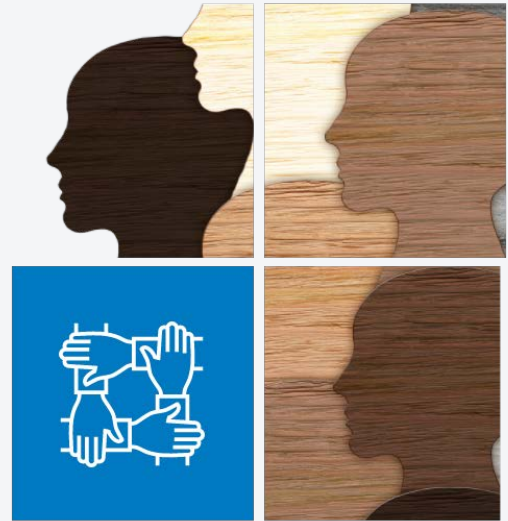
(7) Accurate Record Management

The records on business transactions with HANDOK and all business trades and expenses incurred on behalf of HANDOK shall be maintained accurately, completely and reliably. All records shall be maintained timely and with reasonable details in accordance with related accounting principles, laws and regulations.

Chapter2. Code of Conduct

2. Human Rights and Labor

HANDOK expects that its Partners respect and protect their employees' human rights, do not discriminate in any way and comply with labor-related laws such as Labor Standards Act and the Gender Equality Employment Act. .



(1) Labor by Free Choice

Partners shall guarantee labor by free will and shall ensure that they shall not impose them or their employees do not participate in forceful labor by mental or physical restraint.

(2) Prohibition of Child Labor

Partners shall not use child labor in any businesses and facilities and all workers shall be over legal employment age.

(3) Respect for Diversity and Prohibition of Discrimination

Partners shall treat their employees' diversity as valuable assets and provide inclusive and non-discriminatory working environment so that different ideas, perspectives and beliefs can be respected. In hiring employees, any discrimination against race, gender, age, religion, or marital status should not be tolerated and it should be assured that any unfair discrimination shall not be tolerated in hiring and labor conditions.

Chapter2. Code of Conduct

3. Environment, Health and Safety

HANDOK expects that its Partners have responsibility for the environment, operate in a way to use resources efficiently, maintain safe business sites and do their best to guarantee their employees' rights to work in a healthy way. In addition, they should observe all laws related to environmental protection, safety and health.

(1) Permission related to Environment

Partners shall assure that they observe all laws and business instructions related to environmental protection, obtain all required environmental permits, licenses and information registrations and comply with the requirements on applicable work and reporting.

(2) Wastes and Discharges

Partners should be equipped with the system that wastes, wastewater or discharges are processed, transported, released, stored, recycled, reused and managed safely and legally and wastes, wastewater or discharges should be measured, tested, controlled and processed before being released to the natural environment.

(3) Spills and Discharges

Partners should be equipped with the system of preventing and mitigating accidental spills and discharges to the environment. In order to process incidents and accidents causing dangers to the environment, they should execute emergency procedures, regular drills and responsive procedures, so that potential damages can be minimized.

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3. Environment, Health and Safety

(4) Workers' Health and Protection

Partners shall protect their employees not to be overexposed to chemical, biological and physical dangers in the business sites and protect them against dangers related to the infrastructure facilities that the employees use.

(5) Preparation for and Response to Emergency

Partners shall be equipped with the system that allows the safest operation and maintenance of all works and minimize the impact by confirming and evaluating emergency situations that can occur in the business sites and adopting emergency response plans and procedures.

(6) Safe Handling and Process

Partners shall be equipped with the system to prevent or mitigate the discharge of lethal chemicals and comply with related laws and regulations.

(7) Information and Education on Hazards

Education and training on hazardous substances and safety information to protect from hazardous substances shall be provided to the employees. This includes the safety information on the hazardous substances used for chemical substances, pharmaceutical compounds and pharmaceutical intermediates.

Chapter2. Code of Conduct

4. Quality

Partners are expected to comply with applicable laws and regulations and provide high-quality safe and effective products and services.

(1) Quality/ Delivery Execution

Partners shall guarantee timely delivery in accordance with HANDOK's requirements and contracts.

Partners shall be equipped with the system to monitor product quality and performance, prove continuous improvements by measuring internal defects, customer complaints and reduction of defects shipment and to have timely response to any complaints raised by HANDOK.

(2) Quality System

Partners shall be equipped with the quality system and the product registration process that their products comply with all relevant regulations of the countries where their products are produced and/or distributed.

Chapter2. Code of Conduct

5. Management System

Partners are expected to operate the management system that assists in ensuring the compliance with all related laws and this Code of Conduct.

(1) Declaration of Will to Comply

As a responsible party to comply with this Code of Conduct, the management of Partners shall declare its will to comply to the entire company.

(2) Risk Assessment and Management

Partners shall have the process to check and manage risks of all areas mentioned in this Code of Conduct.

(3) Legal and Customer Requirements

Partners shall have the process to understand, monitoring and handling related laws and regulations and customers' requirements.

(4) Documentation and Records

Partners shall create and manage documents and records that verify the compliance with related laws and requirements of this Code of Conduct.

(5) Education and Communication

Partners shall operate educational programs to meet the requirements of this Code of Conduct.

Chapter2. Code of Conduct

5. Management System

(6) Continuous Improvements

Partners shall continue to improve the internal control environment by executing proper corrections of deficiencies confirmed in internal or external evaluations, audits or monitoring.

(7) Grievance Handling and Internal Reporting

Partners are expected to have the process that ensure their employees to show their concerns about their work and workplaces without fear of retaliation and this process of internal reporting should be clearly understood by the employees and guarantee the informant's protection.

Code of Conduct for HANDOK Business Partners

Effective Date : July 1, 2021
Contact : Ethics&Compliance@handok.com

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