

# ESG Policy Book

**Hanwha TotalEnergies Petrochemical**

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## Business Principles

We, Hanwha TotalEnergies Petrochemical, aim to become a global chemical & energy leader exceeding customers satisfaction through delivering the best products and services on the basis of safety, cost efficiency and quality competitiveness. To this end, we view "Challenge, Commitment and Integrity" as the core values (HTC Values) that all employees should build and uphold. Furthermore, we set forth and implement the "Business Principles," which serve as the behavioral standards for all employees over the course of performing all business activities for the purpose of complying with laws and ethics and fulfilling corporate social responsibilities. Moreover, we adhere to the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the Anti-Graft & Bribery Act.

### Principle 1: Safety Health Environment (SHE)-driven Management Activities

- 1-1 Prioritize the safety and health of individuals.
- 1-2 Pursue eco-friendly management practices.

### Principle 2: Compliance with Laws and Ethics

- 2-1 Uphold the value of dignity and diversity
- 2-2 Conduct fair competition in adherence to laws and business ethics.
- 2-3 Maintain financial transparency through accurate bookkeeping jobs.
- 2-4 Remain neutrality refraining from being involved in politics.

### Principle 3: Transparency in Organizational Culture

- 3-1 Strictly differentiate public affairs from private ones in all business activities.
- 3-2 Protect and respect the intellectual property of the company and others.
- 3-3 Foster a healthy organizational culture.

### Principle 4: Respect for Customers, Shareholders and Employees

- 4-1 Put first customers satisfaction in management activities.
- 4-2 Pursue management practices oriented to shareholders' value.
- 4-3 Strive to enhance the quality of life for employees.

### Principle 5: Social Responsibility as a Global Corporate Citizen

- 5-1 Faithfully fulfill the fundamental obligations expected of a corporate citizen.
- 5-2 Respect local social and cultural characteristics and practice co-prosperity.
- 5-3 Establish mutually beneficial ties with partner companies.
- 5-4 Build a sustainable supply chain together with partner companies.

# SHE Management

We prioritize SHE as the first and foremost value & task in business activities, striving to establish the top-tier safety culture.

## Preamble

The company acknowledges that Safety, Health, Environment and Quality (SHEQ) not only provides enrichment to human society but also plays a key role in bringing prosperity and growth to a corporation. Accordingly, all employees pledge to act in adherence to SHEQ's strict rules and best practices while making endeavor to reflect the following principles into all activities.



## SHEQ Management Policies

### Compliance

We establish rigorous internal SHEQ standards in accordance with the requirements of relevant laws at home and abroad and are committed to identifying and applying best practices. Furthermore, we strictly monitor the internal standards and set an exemplary case in execution so as to constantly improve the SHEQ management system.

### Continued Improvement

In ensuring that management activities for the provision of goods and services satisfy the need of customers and do not put a strain on resources, the environment and climate, we continue to make improvements via periodic monitoring, evaluation and review.

### Accidents Prevention

We commit to preventing any possible injuries and property damage to employees, partners and stakeholders through fostering a safety culture. Also, working processes, process safety and a safe & clean working environment help keep under control risks related to products and services. It is critical to establish appropriate countermeasures against accidents and put in place regular updates and training sessions. Finally, we fully comply with the Serious Accidents Punishment Act in all business activities.

### Full Participation

All employees and partners should complete training programs, recognize the importance of SHEQ and show active participation so that SHEQ management activities are autonomously run. We also establish and operate a system accepting proposals for improvement from employees and partners.

### Transparent Management

We transparently disclose the entirety of information about SHEQ management activities to all employees, partners, customers, local communities and stakeholders for open communication. Additionally, we share the progress of activities and performance through annual ESG reports with stakeholders.

# Ethical Management

We establish and operate an ethical management system in order to become a world-class chemical and energy leader commanding the respect and trust of our customers based on sound corporate ethics and a healthy organizational culture. By enacting business principles, a charter of ethics, a code of ethics and employee guidelines as the criteria for behavioral and value judgment, we strive to instill an ethical organizational culture through continuously conducting ethical training programs for employees.

## Charter of Ethics

- 01 We put first customers satisfaction as the highest value and pursue mutual co-prosperity with employees, partners and shareholders as value-creation companion based on mutual trust and respect.
- 02 We respect the cultures and customs of all regions and countries doing business with us, comply with laws and ethics and fulfill the rights and obligations of a responsible corporate citizen through fair competition.
- 03 We put an emphasis on core values such as challenge, commitment and integrity and uphold the company's honor and dignity on the basis of trust and loyalty.
- 04 We are dedicated with honesty and sincerity, creating a healthy organizational culture on the basis of respectful and considerate human relationships and labor-management cooperation.

## Code of Ethics

### Safety, Health and Environment

All employees prioritize safety, health and the environment in business activities and strive to establish a world-leading safety culture.

### Autonomy, Creativity and Spirit of Challenge

We respect individuals' autonomy, creativity and spirit of challenge.

### Responsibility

In understanding corporate management philosophy, goals and values, each one faithfully carry out the duties assigned according to the policies.

### Continuation of Clean Organization

Employees clearly distinguish between personal and public matters and do not pursue personal gains by taking advantage of personal positions.

### Respect for Intellectual Property

Employees recognize the importance of intellectual property rights, including trade secrets and respect and protect others' rights as well as both their own ones.

### Information and Security Recordkeeping

Employees record & hold any corporate information obtained in the workplace as intellectual property and ensure strict confidentiality.

### Sound & Firm Coworkers Relationship

Employees maintain healthy relationships with coworkers.

### Healthy Organizational Culture

Employees promote a cooperative labor-management culture on the basis of smooth communication, mutual trust and respect between seniors, subordinates and coworkers .

### Political Involvement

Employees do not engage in political activities in the capacity of a corporate member.

### Compliance with Business Principles

All employees must adhere to the business principles, and each organizational leader is held accountable for ensuring that their team members observe these principles.

# Compliance Management

We set integrity management as the corporate key value, with us being cognizant of corporate social responsibility, fair competition and anti-corruption as key elements in management. After arranging a Compliance Team directly under CEO, the Team operates Compliance Programs (CP), including compliance system, compliance communication, compliance education and compliance checking, so that all employees could adhere to laws, regulations and compliance over the course of undertaking duties.

## Compliance Program (CP)

The Compliance Team sets down and provides detailed operating standards, manuals and checklists to help employees readily understand and comply with duties-related laws at home and abroad. The team undertakes compliance checking activities on a periodic basis, and each employee also implements autonomous monitoring using the manuals and checklists provided. All employees should participate in compliance training programs annually and proactively attend other stratified, per-position and specialized training programs for enhanced compliance awareness. Besides, the team reports compliance activities and plans to the Board of Directors (BoD) once per year.

1. Compliance System
  - CP reporting for BoD, management of compliance risks and operation of compliance policies & standards
2. Compliance Communication
  - Dissemination of compliance management notices, organization of HTC's COMPLIANCE WEEK and distribution of compliance newsletters
3. Compliance Education
  - Implementation of common training programs for all employees and that of stratified/per-position/specialized training programs
4. Compliance Checking
  - Periodic checking at home and abroad led by the Compliance Team, employees' monitoring over autonomous checking and corrective actions

# Human Rights Management

We seek to enrich human lives on the basis of "Passion and Challenge," "Efficiency and Rationality," and "Love and Trust." We also respect the human rights of stakeholders as well as those of employees and strive to implement human rights management. We back human rights-related international principles, such as the UN's Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the International Labor Organization (ILO) Declaration and observe domestic laws where these principles are applied. Moreover, we make an effort into preventing & removing factors prone to breach human rights, promptly addressing human rights issues and eliminating the root causes.

## Human Rights Management Policy

### Discrimination-free Working Environment

We provide a work environment free of discrimination on the basis of race, ethnicity, nationality, religion, disability, gender, place of birth, political views, gender identity, sexual orientation, beliefs and age, etc., in the employment of employees.

### Wages and Benefits

We respect members' personalities and provide fair and reasonable treatment on the basis of competency and performance while complying with all the laws related to wages. We take the measures required for boosting employees' benefits.

### Freedom of Association and Collective Bargaining

We respect the rights of employees to association and collective bargaining as guaranteed by labor laws. Employees are not disadvantaged for organizing or engaging in legitimate union activities. We also respect and faithfully implement the results of collective bargaining reached through mutual consultation.

### Prohibition of Forced Labor and Management of Working Hours

We do not employ any form of forced labor whatsoever. Complying with labor-related laws and regulations on overtime and off-days, we do not force employees to work overtime.

### Prohibition of Child Labor

We do not employ any form of child labor whatsoever.

### Assurance of Industrial Safety

We establish systems to ensure the safety and health of all members, regularly conduct relevant training and comply with laws and internal rules related to safety, health, working hours, etc.

### Responsible Management of Supply Chain Networks

We require all suppliers and partners to fulfill their obligations to protect human rights. In the case of breaching significant human rights from the side of suppliers or partners, we can take necessary measures, such as a call for corrective actions.

### Assurance of Environmental Rights

We comply with environmental laws and regulations and strive for carbon neutrality, eco-friendliness and resource circulation.

### Protection of Consumer Human Rights

To avoid causing harm to the life, health and safety of customers, we ensure due care need to be paid in providing products and services according to laws.

## Sustainable Supply Chain Policy

The company demands all forms of partners contracted to offer products & services or other services to fulfil the requirements from the aspect of labor human rights, safety & health, the environment and ethical management and to be engaged in ESG management for the purpose of establishing sustainable supply chain networks. If potential or actual ESG-related risks are identified from a partner, we may take necessary measures such as corrective actions. We established the 'Suppliers ESG Code of Conduct' on the basis of international norms & standards and legal requirements. This code applies to all partners across our supply chain networks, including ourselves and may be revised according to potential changes to our partner management policies and standards.

### Labor Human Rights

We protect the human rights and dignity of workers to a level accepted by international society. This applies to all types of workers, including direct employees, temporary workers, migrant workers, interns and short-term contract workers. Workers are guaranteed legal employment and protection of rights in accordance with local laws.

### Safety and Health

We establish and commit to maintain a safe and healthy workplace according to local laws and rules so as to minimize work-related injuries and illnesses, enhance the quality of products and services, restrain production disruptions as much as possible, maintain workers' years of service and boost morale.

### Environment

We comply with environmental laws and regulations such as chemical & waste management and disposal, recycling, industrial water management & reuse and control over greenhouse gases and air pollutant emissions. We identify the environmental impact that resulted from the corporate operation and endeavor to reduce its likelihood.

### Ethical Management

In terms of business activities, we comply with all local laws and regulations and adhere to the highest standards of ethics.

### Eco-Friendly Procurement

We contribute to reducing greenhouse gas emissions and conserving energy and resources by expanding the purchase and use of eco-friendly products that minimize greenhouse gas emissions, energy/resource waste and environmental pollution. Efforts are made to prevent environmental pollution.

### Supply Chain Due Diligence

If necessary, due diligence can discern potential/actual negative impacts for new and existing partners. We will take necessary measures to reduce, prevent, or rectify the identified negative impacts.

# Partners ESG Code of Conduct

The Partners ESG Code of Conduct of Hanwha TotalEnergies Petrochemical ("the Company") sets forth what the Company expects of partners from the aspect of labor human rights, safety & health, environment and ethical management. The Company wishes all partners to engage in ESG management through making use of the code of conduct. This code applies to all forms of partners contracted to offer products & services or other services to the Company. Partners should require its sub-supply chains to observe the code while complying with it at the same time. The Company may demand improvements after paying a visit to partners' business sites in order to ensure their compliance. The code is written down based on international norms and standards and legal requirements and subject to change according to changes in corporate partners' management policies and standards. If the code and local laws conflict, the stricter standard will take precedence.

## 1. Labor Human Rights

Partners must protect employees' human rights and dignity to the extent accepted by the international community. This applies to all types of workers, including direct workers, temporary workers, migrant workers, interns and short-term contracts. Workers should be guaranteed legal employment and rights protection according to local laws.

### 1.1 Voluntary Employment

Partners' work should be voluntary and workers are allowed to resign at their own will. Partners must not employ such workers as forced labor, confinement labor, involuntary prison labor and/or trafficked labor. This includes any act of moving, recruiting, or transferring vulnerable groups for the purpose of exploitation through threats, force, coercion, abduction, or fraud etc. Partners should record and deliver employment terms and conditions in the form of a language that workers can understand. Employers and their agents must not request workers to surrender government-issued identification cards, passports, or work permits or to pay placement fees or deposits on the condition of employment

### 1.2 Protection of Minor Workers

It is strictly banned to exploit child labor. A "child" is defined as a person below the highest age applicable among those under the age of 15, the age for completing compulsory schooling programs, or the minimum legal employment age stipulated by local law. Partners must comply with local laws and regulations if apprenticeship programs are to be conducted. Partners may employ young workers above the minimum employment age, but workers under 18 must not perform hazardous work, including overtime and night shifts from the aspect of safety & health.

### 1.3 Compliance with Working Hours

Working hours must not exceed the maximum set by local law. Partners must ensure that workers have at least one day off at an interval of seven days. Workers' right not to participate in such activities must be respected. Workers and their representatives must be able to communicate openly with management regarding working conditions and business practices without fear of discrimination, retaliation, intimidation, or harassment.

## 1.4 Wages and Benefits

Wages paid to workers must include minimum wages, overtime and legally stipulated benefits, and all applicable wage laws and rules should be observed. All overtime work must be voluntary under the consent of the worker and be compensated at a rate greater than the hourly-wage applicable to regular working hours. Standards and breakdown of wages payment must be provided in a language which can be understood among workers by means of pay slips or intra-nets.

## 1.5 Humanitarian Treatment

There should not be any forms of brutal and inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, mental or physical coercion and verbal abuse, not to mention any threats to give such treatments. After setting down the policies and procedures that assure workers humanitarian treatment, partners should provide notification to them.

## 1.6 Prohibition of Discrimination and Harassment

Partners should take action so that workers would not be harassed or be illegally discriminated against. In terms of employment practices like wages, promotion, rewards and training and so on, partners must not discriminate on the basis of race, skin color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political view, union membership and marriage status, etc. Partners cannot request a medical check-up that could be used as a ground for discrimination from workers or job seekers unless the request is made due to local laws or the safety of workplaces.

## 1.7 Freedom of Association

Partners must respect the rights of workers to gather, join labor unions and to freely form an association for collective bargaining and peaceful assemblies according to local laws. Also, they need to respect the rights of workers to refrain from such activities. Workers and their representatives must be able to openly discuss employment terms & conditions and business practices with management without fear of discrimination, retaliation, intimidation, or harassment.



## Partners ESG Code of Conduct

### 2. Safety and Health

Partners must strive to establish and maintain a safe and healthy workplace in accordance with local laws and regulations to minimize work-related injuries and illnesses, improve the quality of products and services, reduce production disruptions, retain employees and boost morale.

#### 2.1 Industrial Safety

Partners must identify and evaluate situations in which workers may be exposed to safety hazards (chemical substance, electrocution, fire, vehicles and falls, etc.). These hazards must be controlled and managed through appropriate designing, engineering and administrative measures, preventative maintenance and safe work procedures (such as locking/protective devices). Safety training must be provided on a continued basis. If the identified hazards cannot be adequately handled through the stated means above, partners must provide workers with appropriate personal protective gear. Partners must take reasonable measures to leave out pregnant or nursing women from hazardous working environments, eliminate or reduce health and safety risks and provide convenient facilities for nursing women.

#### 2.2 Emergency Preparedness

Partners must identify and evaluate potential emergency situations and accidents in advance. They must provide reporting, notification and evacuation procedures in case of an emergency while establishing and implementing emergency plans, including evacuation drills for employees, exit facilities, fire detection, obtainment of fire extinguishing equipment and restoration plans in order to prevent possible emergencies from occurring.

#### 2.3 Occupational Injury & Illness

Partners must have procedures and systems in place to prevent, manage, track and report occupational injuries & illnesses. These procedures must encourage worker reporting, classify and record injury and illness cases, provide necessary medical treatment, investigate and implement corrective actions to eliminate their causes and facilitate the return of workers to work after an injury or illness.

#### 2.4 Industrial Hygiene

Partners must identify, evaluate and control the possibility of workers being exposed to chemical, biological and physical agents at the workplace. Workers must be protected through the elimination of hazards or improvement of production facilities either through technical controls or administrative controls as shown in legal and regulatory requirements. Where such measures do not adequately rein in hazards, partners must provide workers with appropriate personal protective gear and training programs

#### 2.5 Physical Labor

Partners must identify, assess and control physically demanding tasks for workers, including repetitive tasks, heavy objects handling tasks and strenuous tasks.

#### 2.6 Equipment Safety Management

Partners must evaluate the safety of production equipment and other machinery. If workers are prone to injury risks, partners must provide physical protection devices, safety interlocking devices and protection walls.

#### 2.7 Hygiene, Food and Housing

Partners must provide workers with clean restroom facilities and drinking water, as well as space for hygienic food preparation, storage and consumption. Dormitories offered must be clean, safe and include adequate lighting, emergency exits, heating and cooling systems, ventilation, personal storage and reasonable personal space.

#### 2.8 Safety and Health Education

Partners must provide appropriate safety and health training in the form of a language that can be understood by workers, covering all identified workplace hazards such as machinery, electricity, chemicals, fire and physical hazards. Safety and health information must be posted in plain view at the workplace. Training must be provided before job placement, and periodic training should be held even after the placement. Partners should create an environment in which workers are encouraged to raise safety concerns.

## Partners ESG Code of Conduct

### 3. Environment

Partners must comply with environmental laws and regulations related to the management and disposal of chemical substances & waste, recycling, management & reuse of industrial water and control over greenhouse gases and air pollutant emissions. They should identify the environmental impact that resulted from the corporate operation and endeavor to reduce its likelihood

#### 3.1 Environmental Licensing

Partners must obtain, maintain and manage all required environmental permits (e.g., discharge and prevention permits) and registrations. They must keep up-to-date with any revisions to applicable laws and comply with the operational and reporting requirements necessary over the course of obtaining licenses.

#### 3.2 Pollution Prevention and Resource Reduction

Partners must minimize or eliminate the release of pollutants and the generation of waste through adding the equipment that restrains sources of pollution. Natural resources such as water, fossil fuels, minerals, and virgin forest products must be conserved through improved production process, maintenance enhancement, substitutes use, resource conservation and material reuse & recycling.

#### 3.3 Hazardous Substance Management

Partners must implement separate control through identification marks or labeling so that chemicals and other substances that do harm to humans or the environment could be safely handled, moved, stored, used, recycled/reused and disposed of.

#### 3.4 Solid Waste Management

Partners must systematically identify, manage, reduce and responsibly dispose of or recycle non-hazardous solid waste.

#### 3.5 Air Pollutants Emission

Partners must characterize, routinely monitor, control and treat volatile organic compounds (VOCs), aerosols, corrosive gases, particulates, ozone-depleting substances and combustion by-products generated from operations and discharge them as required by local laws. Partners should regularly monitor the working efficiency of air pollution-preventing equipment.

#### 3.6 Restriction on Substances

Partners must comply with the Company's requirements and all the local laws & regulations related to the prohibition or restriction of specific substances, including display of their information during the recycling and disposal phases.

#### 3.7 Water Management

Partners must implement a water management program that documents, monitors and controls water usage & discharge and explores water conservation opportunities. All wastewater must be characterized, monitored, controlled and treated prior to discharge or disposal, and the performance of wastewater treatment and containment systems must be monitored to ensure optimal performance and compliance with relevant regulations.

#### 3.8 Energy Consumption and Greenhouse Gas Emissions

Partners should endeavor to set up a system which can measure, estimate and manage energy consumption amount and greenhouse gas emissions. Also, at the request of the Company, partners must provide information about their energy consumption and greenhouse gas emissions. Partners should set a target to bring down greenhouse gas emissions and continually seek ways to achieve these reductions.

## Partners ESG Code of Conduct

### 4. Ethical Management

Partners must comply with all local laws and regulations in their business activities and the highest standards of ethical conduct.

#### 4.1 Business Integrity

Partners must uphold the highest standards of integrity in all business interactions. They must adopt a zero-tolerance policy against all forms of bribery, corruption, extortion and embezzlement.

#### 4.2 Prohibition of Unjust Enrichment

Partners must not promise, offer, authorize, give, or accept bribes or other means of obtaining an improper or unfair advantage. This includes directly or indirectly offering, promising, giving, or accepting anything of value to obtain or retain business or to gain an improper advantage. Suppliers must comply with anti-corruption laws and implement monitoring and procedures to ensure compliance.

#### 4.3 Information Disclosure

All business dealings of partners must be transparently performed and accurately reflected in their accounting books and records. Information regarding labor, health and safety, environmental control practices, business activities, governance, financial status and performance must be disclosed in accordance with applicable laws and industry practices.

#### 4.4 Intellectual Property Protection

Partners must respect intellectual property rights and safeguard the transfer of technology and know-how in a manner that protects intellectual property rights. Confidential information regarding the company learned through business dealings must be securely protected.

#### 4.5 Fair Trade, Advertising and Competition

Partners must comply with fair trade, advertising and competition standards.

#### 4.6 Protection of Identity and Non-Retaliation

Except as prohibited by law, partners must implement a program to protect the identity of whistleblowers (confidentiality and anonymity) to ensure that workers can raise concerns without fear of retaliation.

### 4.7 Responsible Sourcing of Minerals

Partners must ensure that minerals sourced from specific regions, which the international community restricts (such as tantalum, tungsten, tin and gold), are not used in the company's supply chain. They must strive to source minerals in a manner that complies with international regulations and national laws.

### 4.8 Privacy Protection

Partners must make efforts to protect the personal information of all individuals involved in their business operations, including partners, clients, consumers and employees. They must comply with privacy and information security laws regarding the collection, storage, processing, transmission and sharing of personal information.

