

# **Guiding Principles for Human Rights Management**

## **CHAPTER I GENERAL PROVISIONS**

### **Article 1 (Purpose)**

**The guiding principles aim to set out the policy for protecting and promoting human rights of all stakeholders in Hyundai Construction Equipment (hereinafter referred to as the “Company”), and other matters necessary for the implementation thereof.**

### **Article 2 (Definition)**

**The terms used in the guiding principles are defined as follows:**

- 1. The term “human rights” means the dignity, value, freedom and rights of human beings, granted by the constitution and law or recognized under international human rights treaties and customary international laws joined and ratified by the Republic of Korea.**
- 2. The term “human rights management” means preventing human rights violations by the Company and engaging in human rights friendly business activities. The Company is required to issue a manifesto for human rights management, fulfill its duty to practice and inspect human rights, and provide remedial procedures for the victims of human rights violations.**
- 3. The term “executives/employees” means all members of executives and employees (including temporary employees) working in the Company.**
- 4. The term “stakeholders” means persons related to the Company's business activities, such as executives/employees, investors, business partners, customers, and local communities.**

### **Article 3 (Scope)**

- ① **The guiding principles are applied to all domestic and foreign executives/employees and stakeholders. The scope extends to executives/employees working abroad in accordance with local laws.**
- ② **The Company's human rights management is governed by the provisions on this paper, except as otherwise provided in other laws or articles of association.**

## **CHAPTER II GENERAL PRINCIPLES**

### **Article 4 (Basic Principles)**

**The Company endorses and complies with the international standards and norms on human rights, including the United Nation's Universal Declaration of Human Rights.**

### **Article 5 (Practice of Human Rights Management)**

**The Company complies with the general principles in this Chapter to prevent human rights abuse beforehand and make efforts to relieve damage.**

### **Article 6 (Prohibition on Discrimination)**

**The Company respects diversity and prohibits all forms of discrimination based on gender, age, race, disability, religion, political affiliation, region of origin, and the like.**

### **Article 7 (Working Conditions)**

**The Company complies with the statutory working hours of the countries in which it runs business. It also pays all executives/employees a reasonable remuneration for their work along with pay checks.**

#### **Article 8 (Prevention of Workplace Abuse and Sexual Harassment)**

**The Company recognizes workplace abuse and sexual harassment as illegal acts that negatively affect work enthusiasm and reduce productivity. All executives/employees actively engage in preventing and eradicating workplace abuse and sexual harassment.**

#### **Article 9 (Freedom of Association and Collective Bargaining)**

**The Company guarantees the freedom of association and collective bargaining under the Constitution of the Republic of Korea and labor-related Acts. It does not take any unfavorable measures on the formation, subscription, or activities of a trade union.**

#### **Article 10 (Prohibition on Forced Labor and Child Labor)**

**The Company prohibits all kinds of forced labor and denounces hiring minors to work.**

#### **Article 11 (Prohibition on Exploitation of the Labor Force)**

**The Company prohibits any act of recruiting, transporting, moving, hiding, or receiving labor force as a means of exploitation, as well as coercion, kidnapping, fraud, or deception.**

#### **Article 12 (Safety and Health)**

**The Company creates safe and healthy working conditions to promote occupational health and safety.**

#### **Article 13 (Responsible Supply Chain Management)**

**The Company conducts responsible supply chain management by treating its business partners with fairness and assisting the partners in practicing human rights management.**

#### **Article 14 (Protection of Human Rights for Local Residents)**

**The Company takes heed of infringement upon the rights of local residents such as the right to health and safety, and freedom of residence.**

#### **Article 15 (Guarantee of Environmental Rights)**

**The Company complies with domestic and foreign environmental laws and endeavors to protect the environment and prevent pollution during the course of its business operations.**

#### **Article 16 (Protection of Human Rights for Customers)**

**The Company strives to protect customers' health and safety as well as confidentiality of personal information.**

## **CHAPTER III HUMAN RIGHTS MANAGEMENT SYSTEM**

#### **Article 17 (Manifesto for Human Rights Management)**

**The Company proclaims a manifesto for human rights management to guarantee human dignity and value in all business activities. All executives/employees of the Company incorporate the manifesto as a code of conduct and criteria for value judgements.**

#### **Article 18 (Governance)**

- ① **The Company devises an internal system for human rights management to respect human rights in all business activities. The Company's human rights management governance is composed of the ESG Committee within the board of directors, ESG Management Committee, Human Rights Management Committee, and relevant departments.**
- ② **Roles and responsibilities of each organization are as follows:**
  - 1. **The ESG Committee deliberates and approves the key issues**

**associated with human rights as the highest decision-making body of human rights management.**

- 2. ESG Management Committee establishes the Human Rights Management Committee and assumes the chair to run the committee.**
- 3. The Human Rights Management Committee makes decisions on the key issues and reviews performance associated with human rights, solidly fulfilling human rights requirements.**
- 4. Relevant departments (Human Resources, Employee Relations, Legal Affairs, Purchasing, Shared Growth, EHS, etc.) perform practical business affairs for human rights management, including: identifying human rights risks and room for improvement; monitoring and reporting potential issues; filing internal and external reports and making public announcements; providing human rights education.**

#### **Article 19 (Exclusive Organization)**

- ① The Company designates one of the relevant organizations as an exclusively responsible organization for human rights management (hereinafter referred to as the “exclusive organization”), to ensure a systematic implementation of policy development, execution, and education.**
- ② The duties of the exclusive organization include:**
  - 1. Planning and implementing human rights promotion on a yearly basis;**
  - 2. providing human rights education**
  - 3. conducting human rights impact assessment;**
  - 4. addressing other matters deemed necessary by the Company or the chairperson of the Human Rights Management Committee.**

#### **Article 20 (Human Rights Education)**

**The Company provides human rights education to all executives/employees**

**at least once a year.**

- 1. The education is provided with multiple choices of time frames and methods such as online education, off-the-job-training, or handbooks.**
- 2. The Company may provide human rights education to other stakeholders, including dispatched workers and employees from partner companies.**

#### **Article 21 (Support for Human Rights Activities)**

**The Company may take necessary measures for better protection of human rights and values. It may provide support to human rights institutions, organizations, and business partners.**

## **CHAPTER IV HUMAN RIGHTS MANAGEMENT COMMITTEE**

#### **Article 22 (Formation and Functions)**

**Human Rights Management Committee (hereinafter referred to as the “Committee”) is formed to deliberate on the following matters to protect and promote human rights of stakeholders including its executives/employees:**

- 1. Enacting and amending Manifesto for Human Rights Management and the guiding principles for human rights management.**
- 2. Designing primary plans for human rights management;**
- 3. Matters of human rights impact assessment;**
- 4. Matters of human rights education;**
- 5. Proposals for improvement of human rights;**
- 6. Remedial procedures for the reported cases of human rights violation;**
- 7. Other matters concerning the protection and enhancement of human rights.**

## **Article 23 (Composition)**

- ① The Committee consists of no more than ten members, including one chairperson.**
- ② The Committee is composed of executives or team leaders (department heads) of relevant departments of human rights management. The chief ESG officer assumes the position of the chairperson.**
- ③ The chairperson represents the Committee and oversees the entire operation. If the chairperson is unable to fulfill his/her duties for compelling reasons, the person designated beforehand by the chairperson acts on his/her behalf.**
- ④ Advisory members who specializes in human rights management may be appointed if necessary.**
- ⑤ The Committee appoints one administrative secretary to oversee its general affairs. The team leader of the exclusive organization assumes the position of the administrative secretary.**

## **Article 24 (Meetings and Quorum)**

- ① The Committee holds regular meetings twice a year. It may convene special meetings when the chairperson deems it necessary, or at the request of at least one-third of registered members.**
- ② The Committee meeting requires the majority of the registered members in attendance, and resolutions are passed by a majority vote of the members present.**
- ③ Making a resolution requires a meeting convened by the Committee in principle. However, written resolutions may be made if the agenda matter is minor or in urgency.**
- ④ The administrative secretary is responsible for recording and storing minutes of the Committee meeting.**

## **Article 25 (Hearing of Opinions and Request for Data Submission)**

- ① The Committee may invite the persons directly involved or related to the meeting agenda to hear the opinions if necessary.**

- ② **The Committee may request data submission related to the meeting agenda from relevant departments and other stakeholders if necessary.**

#### **Article 26 (Confidentiality)**

**Meeting attendees must not divulge trade secrets from their work.**

#### **Article 27 (No Conflict of Interest)**

**The Committee must exclude members whose interest conflict with certain agenda from discussing and resolving on the agenda.**

#### **Article 28 (Term of Office of the Committee Members)**

- ① **Internal members are ex-officio members.**
- ② **Advisory members hold office for three years. They may serve consecutive terms; in which case the term of office is limited to the incumbency of the first appointment.**

#### **Article 29 (Dismissal of Members)**

**The Company may dismiss a member prior to the termination of office under the following circumstances:**

- 1. The member does not make a genuine effort to fulfill his/her duties;**
- 2. The member divulges a secret that he/she has learned during the course of his/her employment;**
- 3. The member fails to perform his/her duties due to illness or other factors;**
- 4. The member engages in a human right violation;**
- 5. The member is an external member and changes occur in his/her position at the time of appointment;**
- 6. The member is deemed inappropriate to perform his/her duties due to injury to dignity or other factors.**



### **Article 30 (Human Rights Impact Assessment)**

- ① **The Company conducts human rights impact assessment at least once a year.**
- ② **The Company may conduct human rights impact assessment on issues that affect executives/employees and stakeholders such as company operations and main businesses.**
- ③ **The Committee may request the Chief Executive Officer to conduct human rights impact assessment when the Company plans to implement policies that may have a significant impact on the stakeholders' human rights including executives/employees.**
- ④ **The exclusive organization may request relevant data from each department to supervise human rights impact assessment.**
- ⑤ **The Company may outsource human rights impact assessment to a specialized institution.**
- ⑥ **The results of human rights impact assessment are reviewed by the Committee and then submitted to the Chief Executive Officer.**
- ⑦ **Human rights impact assessment is conducted on a separate plan with specific procedures and manner established to address each particular issue.**

## **CHAPTER V REMEDY FOR HUMAN RIGHTS VIOLATIONS**

### **Article 31 (Remedial Procedures for Human Rights Violations)**

- ① **Anyone who has experienced or discovered human rights violation may file a report to the exclusive organization.**
- ② **If the informer of the case wishes, the exclusive organization must report the case to the chairperson and set it as an agenda for the Committee to discuss remedial procedures and other measures to be taken.**
- ③ **The Committee may advise the infringer to refrain from further**

**violations and may request for a disciplinary action under the Company policy. It may report the case to the National Human Rights Commission of Korea or investigative agencies.**

- ④ Specific procedures and manner for the remedy should follow detailed guidelines that is to be established.**

#### **Article 32 (Guarantee of Informer Confidentiality)**

**The exclusive organization, the Committee members, and persons in charge must guarantee the confidentiality of the informer and take measures to protect the informer from any unfavorable action.**

## **CHAPTER VI SUPPLEMENTARY PROVISIONS**

#### **Article 33 (Effective Date)**

**The guiding principles shall come into force on July 20, 2022.**