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# Code of Ethics and Practical Guideline for Ethical Management

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## 1. Introduction

### 1) Purpose

Under the vision 'a company that creates a happy future with a healthy food culture,' DAESANG places the health and happiness of customers first and foremost, and our mission is to provide safe and reliable products. This Code of Ethics and Practical Guideline for Ethical Management was established as a guideline to practice fair and transparent management and fulfill corporate social responsibility by clarifying the ethical standards that all employees and executives must adhere to. Through this, we aim to strengthen trust with consumers, employees, partners, shareholders, and local communities, and pursue sustainable growth.

### 2) Scope

This Code of Ethics and Practical Guideline for Ethical Management applies to all employees and executives of DAESANG. It is also shared with our partners, suppliers, and other business partners, and we expect them to adhere to our ethical values and principles.

This Code of Ethics and Practical Guideline for Ethical Management applies to all business activities, including product development, production, marketing, sales, and service. It includes areas such as legal compliance, quality control, environmental protection, respect for human rights, labor conditions, fair trade, and social contribution.

All parties involved are responsible for being aware of and complying with this Code of Ethics and Practical Guideline for Ethical Management. Any violation will be subject to strict investigation and appropriate action will be taken.

## 2. Code of Ethics

### Chapter 1 Ethics for Customers

- Create value through customer satisfaction.
  - ① Respect for customers
    - Always think and act from the customer's perspective, and strive to achieve customer satisfaction by providing the best products and services that customers can trust and be satisfied with.
    - Provide customers with accurate information about products and services.
  - ② Customer protection
    - Protect the interests, safety and personal information of customers and do not engage in unfair practices toward customers.
  - ③ Quality management
    - Contribute to creating value through customer satisfaction through quality management.
    - Value our customers' voices and actively use them to improve quality and service.

### Chapter 2 Ethics for Shareholders

- Protect shareholders' rights by providing accurate management information in a transparent and timely manner.
  - ① Protection of shareholders' rights
    - Protect shareholders' rights and respect their legitimate demands and suggestions.
    - Faithfully disclose management information to build a relationship of mutual trust with shareholders and investors and strive to maximize shareholder profits.
  - ② Active information provision
    - Provide accurate management information in a timely manner in accordance with relevant laws and regulations to enable investors and other information users to make rational investment decisions.
  - ③ Transparent management

- Strive to improve the reliability of accounting information and ensure transparency.

## Chapter 3 Ethics for Employees

Respect the human rights of our employees and executives, foster talent, and treat them fairly.

① Fair treatment

- Do not unfairly discriminate against employees and executives and provide them with fair opportunities based on their abilities and qualifications.

② Working environment

- Strive to provide a healthy and safe working environment for our employees and executives.
- Respect the independent personality and fundamental rights of employees and executives and create an environment where they can freely make suggestions and proposals.

③ Talent management

- Respect the autonomy and creativity of each employee and executive and support talent development.

## Chapter 4 Ethics for Business Partners

Pursue shared prosperity through fair trade and mutual cooperation.

① Fair trade

- Build mutual trust and cooperative relationships and pursue joint development through fair trade with our partners.
- Do not use superior position to force or exert influence over any form of unfair conduct.

## Chapter 5 Ethics for Society

Contribute to the enrichment of human life and social development.

① Compliance with domestic and international laws and regulations

- As a member of the country and the community, comply with various laws

and regulations as well as internationally applicable laws and regulations.

- ② Tax administration responsibility
  - Comply with tax-related laws of each country in which we conduct business and manage tax risks.
- ③ Environmental protection
  - Strive to protect nature and preserve a clean environment.
  - Pursue eco-friendly management.
  - Strive to protect biodiversity.
- ④ Social contribution
  - Contribute to the national economy and social development through increased productivity, job creation, honest tax payment, and social contribution.
- ⑤ Fair competition
  - Respect the free market economic order based on the principles of free competition and compete fairly with our competitors.

## Chapter 6 Service Ethics

As a member of DAESANG, maintain lawfulness, integrity, honesty, and trustworthiness.

- ① Fair performance of duties
  - Employees and executives perform their work fairly by strictly distinguishing between public and private affairs.
- ② Establishing a sound corporate culture
  - Employees and executives share the company's management philosophy, sympathize with the goals and values pursued by the company, and faithfully carry out the missions assigned to them in accordance with the company's business policy.
  - Employees and executives create an organizational culture based on smooth communication and mutual trust between superiors and subordinates within the company.

- ③ Compliance with the Code of Ethics
  - Employees and executives must faithfully comply with the Code of Ethics, and if they violate it, they will be held responsible for the act.

### 3. Practical Guideline for Ethical Management

#### Chapter 1 Ethics for Customers

- Create value through customer satisfaction.
  - ① Respect for customers
    - Take prompt action when there is legitimate information or request about a product from customers.
    - Always keep our promises to our customers.
    - Facts that customers need to be informed should be promoted to them through any possible means.
    - Have knowledge of the product and understand all applicable laws and regulations.
  - ② Customer protection
    - Prevent significant safety deficiencies in products, such as design defects, manufacturing defects, labeling defects, and other types of defects (defects that can normally be expected and defects in the distribution process).
    - Conduct 'safe product manufacturing.'
      - Manage the process from raw material receipt to distribution.
      - Introduce and apply safety and quality assurance systems such as HACCP and ISO.
      - Set a goal to reduce customer claims and engage in continuous improvement activities.
  - ③ Quality management
    - Strive to improve products and enhance quality through VOC (customer claims, suggestions, etc.).
    - Regularly investigate all market information and potential consumer complaints regarding products and reflect this in our management policies.

#### Chapter 2 Ethics for Shareholders

- Protect shareholders' rights by providing accurate management information in a transparent and timely manner.
  - ① Protection of shareholders' rights
    - Actively create shareholder value by increasing the value of the company through continuous innovation and change.



- Engage in active IR activities.
- ② Active information provision
  - Strive to provide information that meets the needs of shareholders by activating communication with them.
- ③ Transparent management
  - The company's important transactions are properly reflected in accordance with corporate accounting standards.
  - Secure an internal control system through efficient division of work.

## Chapter 3 Ethics for Employees

Respect the human rights of our employees and executives, foster talent, and treat them fairly.

- ① Fair treatment
  - Provide equal opportunities to improve the capabilities of employees and executives.
  - Evaluate and reward fairly based on fair standards based on achievements.
  - Do not engage in unreasonable discriminatory treatment based on gender, academic background, religion, physical disability, or other reasons.
- ② Working environment
  - Employees and executives respect each other's privacy and freely express suggestions, opinions, and concerns, thereby creating a more harmonious organizational culture.
  - Create a dynamic corporate culture through participation.
- ③ Prohibition of sexual harassment or bullying
  - Employees and executives shall not engage in any language or behavior that harms healthy coworker relationships, including physical, verbal, or physical acts that are recognized as causing sexual humiliation.
  - Employees and executives shall not use advantage in their position or relationship at work to cause physical or mental suffering to other colleagues or to worsen the working environment beyond the scope of their work.

- ④ Health and safety and risk prevention
  - Employees and executives must comply with all laws and standards regarding health and safety and do their best to prevent and manage accidents and risks.
  - Create a comfortable and 'safe work environment.'
    - Fulfill all safety precautions to ensure a safe and sanitary working environment.
    - Regularly conduct safety education training and carry out inspections of facilities.
  - Strive not to provide products or services that may be harmful to health and safety.
  
- ⑤ Talent management
  - Actively support talent development and foster talent from a long-term perspective.
  - Establish the necessary systems to foster employees as autonomous and creative talents.
  - Systematically cultivate global management talents with international sensibilities and civic sense.
  - Foster experts in each field by strengthening core competencies.

## Chapter 4 Ethics for Business Partners

- Pursue shared prosperity through fair trade and mutual cooperation.
  - ① Fair trade with partners
    - Registration and selection of partner companies are carried out in a reasonable manner based on fair evaluation criteria.
    - When bidding, information about competitors must not be provided to other companies.
    - The bid of a partner company that engages in unfair practices such as collusion may be rejected.
    - Create and apply transparent and fair internal standards and systems to enable improvement of trading conditions and guidance through regular evaluations of our partner companies.
    - Present and manage 'quality standards' to our partner companies for strict quality control.

## Chapter 5 Ethics for Society

- Contribute to the enrichment of human life and social development.
  - ① Compliance with domestic and international laws and regulations
    - As a company, respect proper social values and comply with various laws and regulations of the country and local community.
  - ② Tax administration responsibility
    - Comply with the tax laws and international regulations of each country in which we conduct business and fulfill our proper tax obligations.
    - Conduct BEPS (Base Erosion and Profit Shifting) documentation to respond to relevant national obligations.
    - Establish a transfer price management system and set transfer prices based on the independent enterprise principle.
    - Do not use tax avoidance transactions or tax havens.
    - Do not engage in acts of transferring value between countries or transactions without commercial substance.
  - ③ Environmental protection
    - Strive to prevent environmental pollution and preserve the natural environment through environmentally friendly management.
    - In order to create a safe and pleasant consumer living environment, strive to develop environmentally friendly technologies and recycle resources when providing goods and services.
    - Conduct biodiversity monitoring and strive to minimize our impact on biodiversity.
  - ④ Social contribution
    - Contribute to the development of the local community, secure trust from the international community, and respect local culture.
    - Guarantee and encourage participation of employees and executives in healthy social service activities.
  - ⑤ Fair competition
    - Prohibit acts that harm market fairness by abusing a monopoly position or unfairly restricting competition and respond strictly to acts that violate this.

- By adhering to the principles of fair and transparent competition in all business activities, strive to become a company trusted by our customers and partners.

## Chapter 6 Service Ethics

As a member of DAESANG, maintain lawfulness, integrity, honesty, and trustworthiness.

- ① Prohibition of conflict of interest
  - Employees shall endeavor to avoid any actions or relationships that conflict with the interests of the company, and in the event of a conflict of interest between the company and an individual or department, they shall give priority to the interests of the company and act accordingly.
- ② Prohibition of use of insider information and illegal fund operations
  - Employees and executives shall not trade stocks using insider information obtained in the course of work.
  - Employees and executives shall not provide undisclosed material information that may affect stock prices to third parties without following proper procedures.
  - Employees and executives are strictly prohibited from engaging in any type of crime, including concealing the source and purpose of funds, or engaging in any illegal fund operations.
- ③ Protection of company property and important information
  - Employees and executives must protect the company's physical property, intellectual property rights, and trade secrets, and must not use them for personal purposes.
  - Employees and executives shall not use their positions to pursue personal gain or engage in unfair trade practices using non-public information obtained from the company.
  - Employees shall not disclose to outside parties any important information that may affect the company's interests.
- ④ Prohibition on illegal use of credit (corporate) cards
  - Do not use the company's budget resources, such as business promotion expenses, for personal purposes.

- In principle, corporate cards must be used when executing expenses, and they must be used in accordance with the purpose of the budget and the standards stipulated by law.
- ⑤ Prohibition of political involvement
- The political views and participation of each individual are respected, but each employee must ensure that their political views or political involvement are not misconstrued as representing the company's position.
- ⑥ Prohibition on accepting money or entertainment
- Employees and executives shall not receive money, gifts, or entertainment from business partners or other stakeholders.
  - Employees and executives shall not provide money or valuables, nor gifts or entertainment that exceed the socially acceptable range to business partners or other stakeholders in relation to the company's business.
  - Employees and executives shall not accept money or other valuables or excessive gifts or entertainment from each other.
  - Specific details are provided in Attachment 1 of Appendix.
- ⑦ Fair performance of duties
- Perform all duties fairly, and when handling work that is not covered by company regulations or for which regulations are unclear, perform it transparently and reasonably.
  - Do not manipulate document counts or make false reports.
- ⑧ Establishing a sound corporate culture
- Employees and executives shall have pride and confidence that their conduct represents the company, dress appropriately and behave in a dignified and polite manner.
  - Illegal software must be deleted and all software within the company must be purchased and used as genuine copies.
  - To create a clean and pleasant work environment, make cleanliness a habit.
  - Promote a healthy drinking culture. Specific details are provided in Attachment 2 of Appendix.
- ⑨ Duty to report
- Employees and executives must report to the Management Improvement

Office when forced to engage in an act that violates the Code of Ethics and Practical Guideline for Ethical Management or become aware of an unfair act.

- A 'ShinMunGo (Whistleblower)' system is operated for voluntary reporting, corruption reporting, and unfair practices reporting, and a hotline system is operated so that anyone can report to the company and provide suggestions for improvement.
- Whistleblower protection program thoroughly protects whistleblowers and their reports through the reporting system.

⑩ Complaints handling

- A separate reporting channel to address grievances from employees and executives and stakeholders is operated.
- When a report is received, the Grievance Handling Center of the Management & Safety Headquarters will promptly implement relief procedures in accordance with internal regulations and will prioritize victim protection from the investigation to the conclusion of the damage, and cooperate with external experts when necessary.

[Appendix]

Attachment 1. Standards for Accepting Gifts, etc.

1) Purpose

Establish fair trade order and eliminate secret transactions and unreasonable waste resulting from the acceptance of money or gifts, thereby enhancing corporate competitiveness.

2) Application criteria

A. The following application criteria are applied in principle

B. Distribution of promotional materials to an unspecified number of people is permitted.

C. Products provided to groups (departments) rather than specific individuals are not considered gifts.

- Provision of our products on Chuseok and Lunar New Year is temporarily permitted only to external customers.

D. In the case of unavoidable gifts, disclosure is encouraged through the ShinMunGo (reporting system) and the proceeds from auctions shall be used as social donations.

<Application criteria>

	<b>Classification</b>	<b>Application criteria</b>
<b>Gift</b>	Partners and clients	No gift acceptance
	Employees and executives within the company	No gift acceptance
	Domestic and international business trips	No gift acceptance
<b>Wreath</b>	Personnel transfer	No flowerpot or wreath acceptance
<b>Money or valuables</b>	Accepting bribes	No money or valuables (cash, check, ticket, gift card, etc.) acceptance

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Definition of terms: 'Gift' and 'money or valuables' refer to cash, securities, goods, and other material and economic benefits.

3) Congratulatory wreath/flowerpot limit

Employees and executives should not exchange congratulatory wreaths or flowerpots

with each other in connection with personnel transfers, promotions, inaugurations, etc. However, if they wish to send congratulatory messages, they may do so via e-mail or congratulatory text messages (telephone).

## Attachment 2. Guidelines for 'Drinking Culture Improvement'

- 1) Purpose
  - A. Enhancing corporate competitiveness by protecting human resources.
  - B. Implementing corporate philosophy of respect for humanity.
  - C. Improving work efficiency.
  - D. Taking advantage of the benefits of drinking alcohol.
  
- 2) Details
  - A. Avoid heavy drinking in places such as pubs and room salons, and refrain from secondary drinking.
  - B. Do not force excessive drinking (promote a culture of filling up the glass before it is empty)
    - \* Offer only as much as the glass has been emptied and fully utilize the benefits of drinking.
  
- 3) Proper drinking culture (recommendations)
  - ① Offer and drink only as much as the glass has been emptied. (Introducing a culture of filling up the glass before it is empty, avoiding passing around glasses)
  - ② Keep to one's drinking limits and do not force colleagues to drink.
  - ③ Do not drink alcohol on an empty stomach.
  - ④ Drink alcohol as slowly as possible.
  - ⑤ If unwilling to drink, clearly express the intention not to drink. (Respect the expression of the intention as much as the glass has been emptied)
  - ⑥ Do not drink alcohol continuously every day.
  - ⑦ Never drive a car after drinking even a small amount of alcohol.
  - ⑧ Do not drink alcohol while taking medication.



Document Summary

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Date of enactment	January 2005		
Revision history	Version	Revision Date	Major Revisions
	2	Sept. 2024	Establishment of purpose and scope Addition of provisions on tax administration obligations Specification of provisions on fair competition Addition of provisions on biodiversity Addition of provisions on sexual harassment and bullying prevention Addition of complaint handling process
Department in charge	Legal Team		