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# Ethics Charter & Code of Conduct

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# Ethics Charter & Code of Conduct

Enacted: May 20, 2021

1st Revision: May 28, 2024

## I. General Provisions

### 1. Purpose

The purpose of this Ethics Charter and Code of Conduct is to enable Cosmax employees to clearly recognize the 'corporate philosophy' pursued by Cosmax and the 'management policy' of the company's management, respect the free competitive order of the market and the principle of fair competition, and comply with the highest standards of ethics. Through this, the Company shall increase its corporate value by complying with all laws and regulations in all regions and countries where it operates, and at the same time pursue the common prosperity of the Company and all stakeholders. Accordingly, the Company has established the Ethics Charter, which serves as a standard for proper value judgment and a principle of behavior to be observed by all employees, and all Cosmax employees pledge to actively practice it.

### 2. Scope

This Ethics Charter and Code of Conduct applies to all employees of Cosmax, its subsidiaries, and second-tier subsidiaries. We also encourage all stakeholders, including customers, employees of suppliers, local communities and residents, and employees of national organizations, who are involved in Cosmax's business, to observe and practice the Code.

### 3. Roles and Responsibilities

The Board of Directors oversees Cosmax's ethical management risk management and performance improvement activities. The BOD makes decisions on compliance control standards and supervises the CEO, who is responsible for establishing, maintaining, operating, and supervising the compliance control system. The compliance officer is responsible for establishing and implementing compliance education and training programs for employees, and the auditor is responsible for supervising the establishment and operation of the compliance control system. The department in charge of ethics management and the heads of each business division shall manage and supervise employees' compliance with this Ethics Charter.

**4. Quantitative Targets**

In accordance with this Ethics Charter and Code of Conduct, Cosmax will gradually increase the percentage of sites certified on ISO 37001 to 100% by 2030. In addition, will strive to achieve each of these goals in the following specific areas.

Category	Item	2023 Performance	2030 Target
Corruption	Percentage of sites with a corruption risk assessment	100%	Keep 100%
Ethics training*	Percentage of employees trained	100%	Keep 100%

\* Training on "Anti-Corruption, Conflicts of Interest, Money Laundering, Fraud, and Anti-Competitive Behavior

**5. Review Cycle**

This Ethics Charter and Code of Conduct is reviewed annually based on national laws and international guidelines.

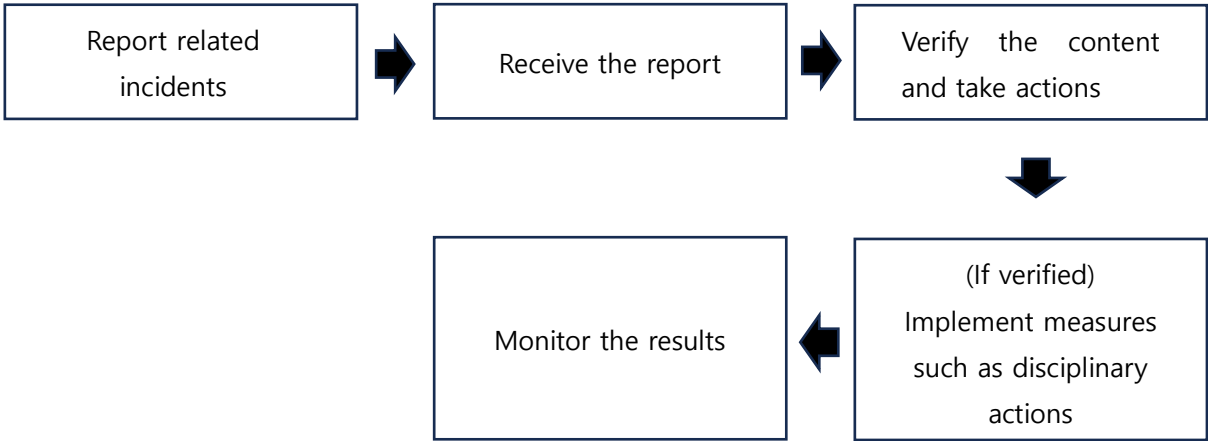
**6. Consultation and Reporting Procedures**

To address ethics violations, such as corruption and misconduct involving the Company, COSMAX provides channels and dedicated personnel for employees and other stakeholders to make reports, either anonymously or by name. Cosmax protects the anonymity of whistleblowers and the confidentiality of information and prevents unfair retaliation.

- Internal Complaint box: Grievance box
- Integrated grievance reporting sites: Whistleblower system (cos-114@naver.com), Integrated reporting channel (posted on the homepage)

6-1. Procedures for reporting and handling ethical issues

Report and handle ethics-related incidents in accordance with the procedures below.



6-2. Employees shall not accept or provide gifts, entertainment, etc. that are outside the scope of socially recognized values, regardless of the reason. In the event of sensitive transactions based on this Code of Conduct, such as unavoidable receipt of money, gifts and entertainment outside the socially accepted range, the following separate procedures shall be followed for approval and handling. Money, gifts and entertainment that are outside the scope of socially recognized norms shall be determined in accordance with the attachment.

- Money and gifts, etc.: The person who receives them shall determine whether they are returnable and, if so, return them without delay, and report the fact to the head of the department or report it to the head of the ethics management department. If it is not returnable, it shall be reported to the head of the department and the head of the ethics management department, and when the ethics management department receives the report, it shall be handled appropriately in accordance with relevant laws, company regulations or provisions.

- Entertainment, convenience, etc.: Report to the head of the department and the head of the ethics management department, and if the entertainment, convenience, etc. is recognized as work-related, the amount spent on the entertainment, convenience, etc. shall be expensed or returned as company expenses. If the entertainment, convenience, etc. are not work-related, they shall be paid or returned as personal expenses of the person who provided or received the entertainment, convenience, etc. and the employee shall submit proofs such as transfer confirmation to the Ethics Management Department.

## **II. Ethics Charter**

### **1. Basic Principles**

1-1 We prioritize customer satisfaction and trust from our customers.

1-2 We are committed to increasing the value of our shareholders' and investors' investments.

1-3 We respect the human dignity of our corporate members and strive to improve the quality of life of each of them.

1-4 We pursue common development through mutual trust with our suppliers.

1-5 We respect the principle of free competition and lead the development of a healthy industry.

1-6 We actively contribute to the healthy development of the country and society and the preservation of the environment.

1-7 We share the company's corporate philosophy and fulfill our roles and responsibilities accordingly.

### **2. Application**

2-1 Members of the Company are obligated to comply with this Ethics Charter and the Code of Conduct and to pledge compliance with ethical standards and shall consult with and be advised by the head of the Ethics Management Department and its officials when there is any doubt regarding the interpretation and application of this policy.

2-2 Violations of this Ethics Code shall be dealt with in accordance with the Company's regulations.

2-3 The executive in charge of ethics management may establish and implement 'Ethical Practice Guidelines' as deemed necessary in connection with the implementation of this Ethics Charter and Code of Conduct.

2-4 The executive in charge of ethical management, in consultation with the head of the relevant business unit, may recommend that each business unit establish and implement a code of ethical behavior that considers the characteristics of its business.

### III. Code of Conduct for Employees

Cosmax employees shall comply with laws and ethical guidelines. Based on the corporate philosophy of 'Ethical Enterprise, Innovative Technology, Make People Beautiful', we will contribute to the common good of customers, the nation, and mankind and continuously develop into a global No. 1 company by practicing respect and integrity, creativity, innovation, professionalism, environmental management, and sharing management. To this end, Cosmax has established the following Code of Conduct for the company and its employees to observe and pledges to implement it.

#### 1. Comply with the Law and Ethics.

##### 1-1 Respect individual dignity and diversity.

Respect the basic human rights of all people. We do not tolerate forced labor, sweatshops, or child labor under any circumstances. We do not discriminate against any stakeholder, including customers, employees, or others, based on nationality, race, gender, or religion.

##### 1-2 Compete fairly and in accordance with the law and good business practices.

Comply with national and local laws and regulations, respect the order of market competition, and compete fairly. We do not take unfair advantage of unfair methods that deviate from business practices. We do not give or receive gifts, bribes, or entertainment in exchange for anything of value in business activities.

##### 1-3 Maintain accounting transparency through accurate accounting records.

Accurately record and manage all company transactions so that all stakeholders can objectively understand business activities. Comply with the accounting laws and regulations of each country and internationally accepted accounting standards. Diligently disclose major management matters and corporate information, including financial changes, as required by law.

##### 1-4 Do not intervene in politics and remain neutral.

Respect the suffrage and political will of individuals, but do not engage in political activity within the Company. Do not use Company funds, personnel, or facilities for political purposes.

##### 1-5 Prohibit gifts and entertainment.

1-5-1 Do not accept money or gifts and entertainment from all stakeholders, including business partners. Do not provide or receive money or gifts and entertainment that are beyond the scope of socially accepted norms to stakeholders such as business partners in connection with company business.

1-5-2 Do not accept money or excessive gifts and entertainment, even from each other.

1-5-3 If you observe a sensitive transaction that could be perceived or implied to be a solicitation, you should report it immediately through the online reporting channels.

1-5-4 If you are forced to accept money, gifts, entertainment, etc., you must report it to the relevant department of the company and take necessary measures in accordance with relevant laws and regulations, the company's ethics charter and code of conduct, and other company regulations.

1-6 Prevent money laundering.

Do not engage in any activity that makes it difficult to trace the source of funds by converting illegitimate money related to non-funds, crime, tax evasion, bribery, etc. into legitimate money in a variety of ways.

1-7 Prohibit all forms of fraud.

Fraud is an act (or omission) that intentionally misleads another person with the intent to change a situation to one's or another's advantage or to avoid an obligation or liability. All fraudulent activity is prohibited, and actual or suspected cases of fraud should be reported immediately through our online reporting channels.

The term "fraud" includes any of the following.

- Dishonest or deceptive behavior
- Diverting funds
- Embezzlement
- Forgery or alteration of securities, such as company checks or bills of exchange
- Misappropriation of company, employee, customer, partner, or vendor assets
- Converting cash, securities, supplies, property, or other company assets to personal use
- Unauthorized handling or reporting of company transactions
- Falsification of company records or financial statements for personal or other reasons

2. Maintain a Clean Organizational Culture.

2-1 Strictly separate public and private affairs in all work activities.

Prioritize the legitimate interests of the Company in cases of conflict between Company and personal interests. Do not use the company's property and your position to promote personal interests, and do not engage in any misconduct such as embezzlement or misappropriation of company assets. We shall not use information acquired in the course of our duties to pursue personal interests, such as the purchase and sale of stocks. Insider trading using company secrets, knowledge, business information, organizational information such as mergers and acquisitions, stock price-related information, internal decision-making, etc. is prohibited.

2-2 Protect and respect the intellectual property of the Company and others.

Do not disclose internal intellectual property or confidential information without prior permission or authorization. Respect the intellectual property of others and do not engage in any infringing behavior such as unauthorized use, reproduction, distribution, or alteration.

2-3 Create a healthy organizational climate.

I will not engage in any behavior that undermines healthy coworker relationships, including sexual harassment, financial exploitation, or violence. We do not form cliques or form private organizations that cause discomfort within the organization. We will build a cooperative and win-win labor-management relationship based on mutual trust and communication.

3. Respect Customers, Shareholders, and Workers.

3-1 Make customer satisfaction a priority.

Provide products and services that meet customer needs and expectations in a timely manner. Treat customers with trust and love, and humbly accept their suggestions and complaints. Respect and protect our customers' honor and information.

3-2 Pursue management centered on shareholder value.

Provide long-term benefits to shareholders through rational investment and improved management efficiency. Generate stable profits and enhance the market value of the company through sound management activities. Respect the rights, legitimate demands, and will of shareholders.

3-3 Strive to improve the well-being of workers.

Provide equal opportunities for all workers and treat them fairly based on their abilities and performance. Encourage continuous self-improvement of employees and actively support them in improving the competencies required to perform their jobs. Create a work environment where employees can work autonomously and creatively.

4. Value the Environment, Safety, and Health.

4-1 Pursue environmentally friendly management.

Comply with international standards, relevant laws and regulations, and internal regulations related to environmental protection. We shall endeavor to protect the environment in all business activities, including development, production, and sales. Take the lead in efficient use of resources, including recycling of resources.

4-2 Value the safety and health of people.



Comply with international standards, relevant laws, and internal regulations related to safety. Prevent safety accidents by observing safety rules and creating a pleasant working environment. We shall endeavor not to provide products or services that may harm human health and safety.

5. Fulfill Our Social Responsibility as a Global Company.

5-1. Fulfill our basic responsibilities as a company.

Strive to fulfill our responsibilities and obligations as a member of the community to increase trust in the company. We strive to create stable employment and fulfill our tax responsibilities in good faith.

5-2. Respect local social and cultural characteristics and practice mutual benefit.

Respect the laws, culture, and values of the local community and contribute to improving the quality of life of residents. Promote healthy social development through public service activities in each field, including academics, arts, culture, and sports. Actively participate in social service activities such as volunteering and disaster relief.

5-3. Build a coexistence with business partners.

Establish a reciprocal relationship with business partners based on mutual trust and recognize them as strategic partners. Strengthen the competitiveness of business partners through legal support and pursue common development.

[Attached] Gifts and entertainment that are socially acceptable when provided to a business or professional associate.

1. "Gifts, entertainment, etc. that are not prohibited" refers to providing or receiving money, etc. that fall under any of the following headings

- a. Food and beverages (meals, refreshments, alcoholic beverages, beverages, and other similar items) costing less than ₩30,000 per person per occasion within the range of socially acceptable frequency
- b. Items under ₩100,000 for Lunar New Year and Chuseok holidays
- c. Products that cost ₩50,000 or less per person per time
- d. Anything of value, such as transportation, lodging, food, etc. that is customarily and uniformly provided by the organizer to attendees at official job-related events
- e. Souvenirs or promotional items intended for distribution to an unspecified number of people, or money or prizes received through contests or lotteries
- f. Beverages or meals routinely served to executives and employees in company cafeterias
- g. Actual expenses such as travel, food, and lodging under the contract

2. "Prohibited gifts, entertainment, etc." means gifts, entertainment, etc. that fall under any of the following headings, except for gifts, entertainment, etc. that are not prohibited under item 1.

- a. Provide any property interest, including money, securities, real estate, goods, lodging, memberships, gift certificates, prepaid cards, admission tickets, discounts, invitations, tickets to see a show, or the right to use real property
- b. Providing other tangible or intangible economic benefits, such as debt forgiveness, employment, or granting of interests. However, this excludes goods and services provided in accordance with legitimate rights, such as the fulfillment of debts resulting from private transactions (excluding gifts)
- c. Domestic and international travel expenses paid at the expense of the Company, its affiliates, executives, or related parties that are not business-related
- d. Receiving products that exceed ₩50,000 or purchasing them at a price that is significantly lower than the market price
- e. Food (including meals, refreshments, alcoholic beverages, beverages, and other similar items) that exceeds ₩30,000 per person per time
- f. Items exceeding ₩100,000 for Lunar New Year and Chuseok holidays
- g. Entertainment, such as golf (including screen golf)
- h. Accommodations, such as transportation and lodging

## ADDENDUM

This policy is effective May 20, 2021.

1. Enacted May 20, 2021
2. Revised May 28, 2024