

HYOSUNG

Anti-Slavery and Human Trafficking Policy



Nautilus Hyosung America, Inc.

Hyosung TNS Inc.

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INTRODUCTION:

Nautilus Hyosung America Inc. and Hyosung TNS (Hyosung)'s Anti-Slavery and Human Trafficking Policy sets out our expectations and commitments in accordance with relevant local laws and regulations.

Hyosung and the United States Government prohibit trafficking in persons. The U.S. Government's policy prohibiting trafficking in persons is available at 48 CFR § 52.222-50 and is summarized below under the heading: "Summary of U.S. Government Policy of Prohibiting Trafficking in Persons." Hyosung Corporation, headquartered in the Seoul, Korea, has over 30,000 employees in offices across the globe. We have zero tolerance for slavery and human trafficking in any part of our business, including our supply chains. We have a number of policies in place to ensure all our employees have the right to work and are paid fairly, that we act with integrity and ethically, and that we have effective measures in place to ensure slavery is not present anywhere in our business or supply chain. Hyosung is committed to a work environment that is free from human trafficking and slavery, which for purposes of this policy includes forced labor and unlawful child labor. Hyosung will not tolerate or condone human trafficking or slavery in any part of our global organization.

Hyosung employees, subsidiaries, contractors, subcontractors, vendors, suppliers, partners, and others through whom Hyosung conducts business must avoid complicity in any practice that constitutes trafficking in persons or slavery.

POLICY:

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labor and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

We are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains.

We are also committed to ensuring there is transparency in our own businesses and in our approach to tackling modern slavery throughout our supply chains, consistent with our disclosure obligations under the Trafficking in Persons Protocol and relevant local laws and regulations. We expect the same high standards from all of our contractors, suppliers and other business partners, and as part of our contracting processes, we include specific prohibitions against the use of forced, compulsory or trafficked labor, or anyone held in slavery or servitude, whether adults or children, and we expect that our suppliers will hold their own suppliers to the same high standards.

This policy applies to all persons working for us or on our behalf in any capacity, including employees at all levels, directors, officers, contract workers, unionized employees, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners.

This policy does not form part of any employee's contract of employment and we may amend it at any time.

SCOPE

This policy applies to all personnel employed by or engaged to provide services to Hyosung, included, but not limited to, employees, officers, and temporary employees of Hyosung's U.S. and international subsidiaries, and independent contractors (for ease of reference throughout this policy, "employees").

Every employee is responsible for reading, understanding, and complying with this policy. Hyosung managers are responsible for ensuring that employees who report to them directly, or indirectly, comply with this policy and complete any certification or training required of them. If you have any questions or concerns relating to this policy, consult the Hyosung legal department or human resources department.

The human resources department leader for each company has primary and day-to-day responsibility for implementing this policy, monitoring its use and effectiveness, dealing with any queries about it, and auditing internal control systems and procedures to ensure they are effective in countering modern slavery.

Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training on it and the issue of modern slavery in supply chains.

You are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries are encouraged and should be addressed to the human resources leader for the appropriate Hyosung business unit.

CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT (CTSCA)

Hyosung supports the CTSCA. Hyosung is committed to supporting the California Transparency in Supply Chains Act of 2010:

- To provide consumers with information regarding our efforts to eradicate slavery and human trafficking from supply chains.
- To educate consumers on how to purchase goods produced by companies that responsibly manage their supply chains, and, thereby,
- To improve the lives of victims of slavery and human trafficking.

PROCEDURE

What We Do

- Hyosung continuously verified our product supply chains to evaluate and address risks of human trafficking and slavery. This verification is conducted by a third party engaged for this specific purpose, who reports to Hyosung's senior management on a quarterly basis.
- Hyosung conducts audits of all of our suppliers to evaluate compliance with Hyosung standards for trafficking and slavery in supply chains. These audits include inspections conducted on an unannounced basis by a third party engaged for this specific purpose, who reports to Hyosung's senior management on a quarterly basis.
- Hyosung requires our direct suppliers to certify that materials incorporated into our products comply with the laws regarding slavery and human trafficking of the country or countries in

which they are doing business.

- Hyosung maintains internal accountability standards and procedures for employees and contractors who fail to meet our standards regarding slavery and trafficking;
- Hyosung provides all of our management and employees who have direct responsibility for supply chain management with training on human trafficking and slavery.
- Hyosung provides all of our management and employees who have direct responsibility for supply chain management with training on human trafficking and slavery, particularly with respect to mitigating risks within the supply chains of products.

REPORTING

Report any conduct that you believe to be a violation of this policy to Hyosung’s legal or human resources department. Reports may also be made through the Hyosung Ethics hotline.

To report a concern:

Call: USA and Canada: (844) 990-0002

Email: reports@lighthouse-services.com – must include Company name with report

Fax: (215) 689-3885

Employees who fail to report actual or suspected misconduct may be deemed in violation of this policy and may be subject to appropriate action by the company.

DISCIPLINARY ACTIONS

Hyosung will not tolerate retaliation against an employee for reporting a concern in good faith or for cooperating with a compliance investigation, even when no evidence is found to substantiate the report.

Any violation of this policy may be grounds for disciplinary action, up to and including termination. Hyosung and its subsidiaries have the exclusive right to interpret this policy regarding their respective employees.

Violation of the U.S. Government’s policy against human trafficking may also result in criminal prosecution of responsible individuals.

SUMMARY OF U.S. GOVERNMENT POLICY OF PROHIBITING TRAFICKING IN PERSONS

U.S. Government policy prohibits trafficking in persons and slavery. Government contractors and their employees, subcontractors, subcontractor employees, and agents must not engage in any practice that constitutes trafficking in persons or slavery. This includes, but is not limited to, the following activities:

- Engaging in any form of trafficking in persons.
- Procuring commercial sex acts.
- Using forced labor in the performance of any work.

- Destroying, concealing, confiscating, or otherwise denying access by an employee to the employee's identity or immigration documents, such as passports or drivers' licenses, regardless of issuing authority.
- Using misleading or fraudulent practices during the recruitment of employees or offering of employment/contract positions, such as failing to disclose, in a format and language understood by the employee or applicant, basic information; or making material misrepresentations during the recruitment of employees regarding the key terms and conditions of employment, including wages and fringe benefits, the location of work, the living conditions, housing, and associated costs (if provided by the employer or agent), any significant cost to be charged to the employee or applicant, and, if applicable, the hazardous nature of the work.
- Using recruiters that do not comply with local labor laws of the country in which the recruiting takes place.
- Charging applicants recruitment fees.
- If required by law or contract, failing to provide return transportation or failing to pay for the cost of return transportation upon the end of employment.
- If required by law or contract, failing to provide or arrange housing that meets the host country housing and safety standards.
- If required by law or contract, failing to provide an employment contract, recruitment agreement, or other required work document in writing with legally required information and in a language the employee understands.

COMPLIANCE WITH THIS POLICY

Employees must ensure that they read, understand and comply with this policy. The prevention, detection, and reporting of modern slavery in any part of our business or supply chains is the responsibility of all those working for us or under our control. Employees are required to avoid any activity that might lead to, or suggest, a breach of this policy. Employees must notify their manager OR the legal and human resources as soon as possible if they believe or suspect that a conflict with this policy has occurred, or may occur in the future. Employees are encouraged to raise concerns about any issue or suspicion of modern slavery in any parts of our business or supply chains of any supplier tier at the earliest possible stage. If employees believe or suspect a breach of this policy has occurred or that it may occur they must notify their manager or the legal or human resources department as soon as possible. If employees are unsure about whether a particular act, the treatment of workers more generally, or their working conditions within any tier of our supply chains constitutes any of the various forms of modern slavery, employees should raise it with their manager or the legal or human resources department.

We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken. Hyosung is committed to ensuring no one suffers any detrimental treatment as a result of reporting in good faith their suspicion that modern slavery of whatever form is or may be taking place in any part of our own business or in any of our supply chains. Detrimental treatment includes dismissal, disciplinary action, threats, or other unfavorable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform human resources immediately.

COMMUNICATION AND AWARENESS OF THIS POLICY

Training on this policy, and on the risk our business faces from modern slavery in its supply chains, will be provided as necessary. Our zero-tolerance approach to modern slavery must be communicated to all suppliers, contractors, and business partners at the outset of our business relationship with them and reinforced as appropriate thereafter.

BREACHES OF THIS POLICY

Any employee who breaches this policy will face disciplinary action, which could result in termination for misconduct or gross misconduct. Hyosung may terminate our relationship with individuals or organizations working on our behalf if they breach this policy.