

CSR PURCHASE GUIDELINE

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Chengsong M&I Co. Ltd. 

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I . Corporate Objectives & Policies

Corporate Objectives

The company aims to pursue profitability through continuous customer creation with the development of high-quality new products and ethical business activities. The purpose is to enhance the quality of life for employees through the company's growth and contribute to society.

Management Principles

- * Actuating customer satisfaction through zero defects
- * Establishing standardization to build trust
- * Profit pursuit and customer satisfaction through cost-cutting activities
- * Talent acquisition and development
- * Development of eco-friendly products

Chengsong Sustainability Policy

In accordance with the purposes such as "Corporate Objectives" and "Management Principles," we conduct our business activities diligently and contribute to the continuous development of society. Additionally, we aim to build positive relationships with all stakeholders, gaining trust from society and striving for the ongoing development of the company.

1. Customers:

We recognize that customer satisfaction is the foundation of corporate development, and we make every effort to enhance customer rights and value.

2. Suppliers:

All transactions ensure equal participation opportunities, aiming to establish a free and fair collaborative relationship for long-term mutual development.

3. Employees:

We strive to create a fair and positive workplace, ensuring a safe and pleasant environment. Our goal is to enhance employee satisfaction and welfare.

4. Society and Local Community:

We engage in cultural exchange with various societies and communities, respecting their cultures and customs. Simultaneously, we actively participate in social contribution activities and environmental conservation efforts on a global scale.

Chengsong Procurement Policy

To provide products that satisfy our customers, we will advance our procurement activities based on the following five policies:

1. Mutual Trust and Co-prosperity:

We recognize our suppliers as important partners in business activities and strive to build relationships of trust and cooperation, aiming for co-prosperity.

2. Fair and Equal Transactions:

In purchasing materials, semi-finished products, and services, we conduct transactions with humility, maintaining a fair and equal position with our suppliers. Unfair transactions abusing a dominant position will never be tolerated.

3. Fair Selection:

Our selection of suppliers considers not only quality, technology, delivery, and price but also the commitment to continuous improvement in these aspects. Furthermore, we comprehensively evaluate efforts towards ethical practices, human rights, crisis management, environmental protection, labor standards, occupational health and safety, and social responsibility to avoid anti-social exclusion.

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4. Appropriate Evaluation and Distribution of Added Value:

Building on a strong partnership with our suppliers, we engage in activities such as new product development and cost-saving initiatives. Additionally, we appropriately evaluate products and services obtained through such activities and conduct transactions at fair prices.

5. CSR Purchases:

To promote CSR (Corporate Social Responsibility) purchases, we strive to raise awareness among our suppliers in accordance with Cheongsong Chamber of Commerce and Industry's purchasing guidelines. We make efforts to encourage their participation in CSR initiatives.

Chengsong Ethics Policy

Considering corporate ethics as the utmost value, we conduct transparent and fair transactions with stakeholders within the supply chain. Furthermore, we encourage our collaborative partners to establish an ethical management system, practice legal compliance, and respect international norms.

1. Business Integrity:

We adhere to the highest standards of integrity in all business activities. We maintain a zero-tolerance policy prohibiting all forms of bribery, corruption, embezzlement, and misappropriation.

2. Prohibition of Unfair Profits:

Promising, offering, approving, providing, or accepting bribes, or any other means to obtain undue or improper benefits, is strictly prohibited. This includes providing or accepting monetary gains directly or indirectly through third parties for the purpose of acquiring or holding business rights, granting business rights to specific individuals, or obtaining undue benefits.

3. Information Disclosure:

All business transactions must be transparent, and accurate records must be maintained in the accounting books. We disclose information about labor, occupational health and safety, environmental management practices, business activities, and financial performance in accordance with relevant regulations and industry best practices.

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4. Protection of Intellectual Property Rights:

We respect all intellectual property rights and safeguard the rights when transferring technology and know-how. Additionally, we securely protect the information of customers and collaborative partners.

5. Fair Trade, Advertising, and Competition:

We adhere to applicable regulations and standards regarding fair trade, advertising, and competition.

6. Identity Protection and Non-Retaliation:

Except where legally prohibited, we operate reporting channels and internal whistleblower programs that ensure confidentiality and anonymity. We inform all employees of the relevant procedures to encourage them to raise issues without fear of retaliation.

7. Personal Information Protection:

We protect the personal information of all stakeholders (employees, collaborators, clients, consumers). We comply with regulations related to the collection, storage, processing, transmission, and sharing of personal information.

8. Legal Acquisition of Raw Materials:

We operate policies to reasonably ensure that the extraction of tantalum, tin, tungsten, and gold used in product manufacturing does not directly or indirectly finance or benefit armed groups involved in serious human rights abuses in the Democratic Republic of Congo or neighboring countries. We conduct audits on the supply chain of these minerals and disclose relevant information to customers upon request.

Chengsong Labor Policy

Our company complies with international and domestic laws and strives to understand each employee's values and personality, creating a positive working environment.

1. Code of Conduct:

1.1 Labor Conditions:

We make efforts to maintain and improve the personnel management system and labor conditions.

1.2 Working Environment:

To ensure a favorable working environment, we comply with laws related to occupational health and safety and promote the implementation of systems such as ISO45001.

1.3 Work-Life Balance:

We strive to achieve a balance between work and personal life, respecting each individual's privacy. We exercise caution and diligence in handling personal information.

1.4 Human Rights and Non-Discrimination:

We respect human rights and their entitlements, avoiding unfair discrimination or treatment. We also respect and understand employees' cultures, religions, customs, and systems, making efforts to improve necessary welfare facilities and amenities.

1.5 Humane Treatment:

We make efforts to prevent physical, mental, or sexual harassment and inhumane acts. Training is provided on internal disciplinary measures and legal consequences in case of incidents.

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1.6 Freedom of Employment:

Users shall not compel workers to engage in labor that goes against their free will through means such as assault, threats, confinement, or any other method that unjustly restricts mental or physical freedom. Employment and termination of employment are conducted based on criteria defined by relevant laws, allowing for free job changes. Employment conditions are communicated in writing in a language understandable to the employees.

1.7 Prohibition of Child Labor:

The company does not employ individuals below the minimum employment age defined by relevant laws. For workers under 18 years of age (child workers), the company ensures that they do not perform tasks that threaten health or safety, including night shifts and overtime. The company guarantees appropriate management of student records and strict inspections of education and training partners in accordance with the law. It ensures the protection of the rights of student workers, provides appropriate support and training to all student workers, and ensures that there is no disadvantage in wage levels in accordance with the law.

1.8 Working Hours:

Except in emergencies or exceptional situations, the company adheres to international norms and relevant laws regarding working hours. Appropriate break times and holidays are provided in accordance with the law and the company's rules. Matters related to military service and other issues are managed in accordance with relevant laws and company regulations.

1.9 Wages:

The company pays overtime allowances and other payments in accordance with relevant laws. Detailed salary information is communicated to employees in writing and recorded for documentation.

1.10 Freedom of Association:

The company adheres to international norms and relevant laws regarding freedom of association.

Chengsong Occupational Health and Safety Policy

In accordance with the CSR spirit, we strive to prevent industrial accidents in all business activities and create a pleasant working environment to enhance the safety and health of workers.

1. We comply with health-related laws, other requirements, and internal regulations.
2. We conduct regular environmental measurements to appropriately control risk factors.
3. In accordance with the regulations of the Ministry of Employment and Labor, we regularly provide safety and health education

Chengsong Quality and Environmental Policy

With the goal of securing external trust as an environmentally friendly company, we aim to be the best in the industry by meeting customer expectations and demands with the highest quality and excellent service, while striving for environmental conservation with the dedication of all employees.

1. Commitment to the highest quality standards.
2. Dedication to the highest environmental standards.
3. Commitment to the highest service standards.

II. Chengsong M&I Co. CSR Purchasing Guidelines

Code of Conduct for Suppliers

Suppliers are required to comply with the laws and regulations of each country for all business activities.

1. Respect for Worker's Rights

- Non-discrimination, Humane treatment, Prohibition of child labor exploitation, Workplace hygiene, Freedom of association

A. Voluntary Labor (Prohibition of Forced Labor)

Suppliers must not coerce forced labor (slavery, human trafficking, etc.) against the will of workers. When hiring, a written employment contract in a language understandable to the worker must be signed and provided to the worker. Original documents such as passports and work permits for foreign workers should be kept by the worker unless legally required to be retained by the employer. Workers should not be unreasonably restricted in their movements, and they should be free to resign if desired. Suppliers should not charge workers any fees related to employment.

B. Prohibition of Child Labor and Management of Young Workers:

Suppliers must refrain from employing children, defined as individuals below the age of 15 or the minimum legal employment age as stipulated by local regulations. Workers under the age of 18 should not be assigned to hazardous processes or subjected to extended or night shifts. Interns should be treated separately from regular workers, with specific support and management based on internship programs, and compliance with relevant regulations should be regularly verified.

C. Prohibition of Excessive Overtime:

Weekly working hours should not exceed local legal standards or 60 hours. Additionally, a minimum of one day off should be allowed every seven days.

D. Wages and Benefits:

- Wages must be paid above the legal minimum wage for the hours worked and accompanied by a detailed payslip outlining deductions.
- Overtime and night shift allowances must be provided in accordance with local regulations.
- Disciplinary measures involving wage cuts are not allowed, except for deductions for hours not worked due to tardiness, etc.
- Social insurance contributions for workers must be diligently paid.

E. Humanitarian Treatment:

Suppliers must respect the dignity of all workers and ensure that there is no harsh or inhumane treatment, including harassment, sexual abuse, corporal punishment, mental or physical coercion, verbal abuse, unreasonable restrictions, etc. Suppliers should have reasonable disciplinary regulations and procedures, which should be communicated to workers.

F. Non-Discrimination:

Suppliers should not engage in discrimination based on race, color, age, gender, sexual orientation, gender identity, disability, pregnancy, religion, political affiliation, nationality, marital status, or any other factors in hiring, wages, incentives, promotions, and other employment practices. Medical examinations that could be used as a basis for discrimination (such as pregnancy status) cannot be required for workers or job applicants.

2. Health and Safety:

This section covers industrial safety, hygiene, emergency preparedness, occupational accidents, diseases, consciousness, and equipment safety.

A. Industrial Safety:

Suppliers must identify the potential exposure of workers to hazards and conduct regular risk assessments. Based on assessment results, they should implement safe process design, control, preventive maintenance, incorporate safety aspects into work procedures, and provide ongoing education. Necessary personal protective equipment must be provided, and workers must be supervised to ensure proper usage. Pregnant or lactating workers should be excluded from high-risk tasks, and efforts should be made to eliminate or reduce job-related safety and health risks. Adequate measures, such as providing lactation breaks and a suitable location, should be taken for nursing workers.

B. Emergency Preparedness:

Suppliers need to define potential emergency situations requiring priority response and establish response plans for each situation. Emergency exits should be open for evacuation at all times, and regular evacuation drills involving all employees in various facilities (e.g., dining areas, dormitories) and situations (day and night) should be conducted to maintain swift and effective evacuation capabilities.

C. Occupational Injury and Disease Prevention:

Suppliers must adhere to the following procedures to prevent occupational injuries and diseases and suppress recurrence:

- 1) Incident and accident reporting
- 2) Recording and classification of injury and disease cases
- 3) Provision of necessary treatment
- 4) Root cause analysis and establishment of corrective and preventive measures
- 5) Support for workers returning to the workplace after treatment

D. Management of Exposure to Hazardous Agents in the Work Environment:

Suppliers must identify hazardous agents that workers may be exposed to and regularly assess the impact through environmental measurements. Potential risk factors should be managed below the specified standards through appropriate supervisory and technical/administrative measures. If the risk factors are not adequately controlled, suppliers should provide workers with suitable protective equipment and proper training.

E. Management of Physically Demanding Tasks:

Suppliers should identify physically demanding tasks such as repetitive work or handling heavy loads and improve processes or implement measures like rotating shifts and stretching to prevent musculoskeletal disorders resulting from such tasks.

F. Equipment Safety:

Suppliers must conduct regular safety inspections for all hazardous equipment according to regulations and maintain records. To ensure worker safety, physical protective barriers and safety devices should be installed, and preventive maintenance for these devices must be carried out.

3. Environmentally Friendly Facility Management:

A. **Compliance with Environmental Regulations (Permits and Reporting):**

Suppliers must obtain and maintain legal environmental permits (e.g., discharge/prevention facilities, installation, operation, modification reports) and comply with reporting obligations. Additionally, they should continuously monitor and manage the latest regulatory amendments.

B. Pollution Prevention and Resource/Energy Conservation:

Suppliers are required to make efforts toward reducing resource and energy consumption and waste generation at the source through process improvements, raw material substitutions, preventive maintenance, resource conservation, and recycling/reuse initiatives. Recording and analyzing energy usage to minimize power and energy consumption, as well as minimizing waste discharge, are essential.

C. Hazardous Substance Management:

Identify and record all chemical substances (including designated waste) that could be harmful to human health or pose a risk of environmental contamination in case of leakage. Safely store, transport, use, recycle, reuse, and dispose of such substances, ensuring proper labeling for management.

D. Waste Management:

Identify the types, characteristics, and quantities of generated waste. Dispose of waste in accordance with regulations and make efforts to reduce the amount generated. Waste disposal companies (including transportation companies) should be selected after evaluating their ability to legally transport, process, and dispose of waste.

E. Air Pollution Management:

Identify the types, characteristics, and quantities of volatile organic compounds, smoke, corrosive gases, particulate matter, ozone-depleting substances, and combustion by-products generated in the process. Process them in accordance with regulations and discharge them appropriately.

F. Compliance with Regulation on Hazardous Substances in Products and Processes:

Manage products and processes to ensure they do not contain substances prohibited by domestic and international environmental regulations or substances that pose a risk to human health. Adhere to Cheongsong Sanggong's latest standards for hazardous substance management.

G. Water Management:

Suppliers must understand and manage the characteristics of water during withdrawal, usage, and discharge. All wastewater must be treated and discharged in accordance with regulations, with continuous monitoring to ensure compliance with established standards.

A. Business Integrity:

All business activities must adhere to the highest standards of integrity. Participating companies should maintain a zero-tolerance policy against bribery, corruption, embezzlement, and misappropriation in all forms.

B. Prohibition of Unfair Advantage:

No promises, offers, approvals, or acceptance of bribes, or any other means to obtain bribery or unfair or inappropriate benefits should be made. This includes directly or indirectly through third parties offering or accepting bribes for the purpose of acquiring or retaining business rights or granting business rights to specific individuals or obtaining unfair benefits.

C. Information Disclosure:

All business transactions must be transparent, and accurate records must be kept in the accounting books. Suppliers must disclose information about labor, safety and health, environmental management practices, business activities, and financial performance in accordance with relevant laws and industry best practices.

D. Protection of Intellectual Property Rights:

Suppliers must respect all intellectual property rights and ensure the protection of rights when transferring technology or know-how. Additionally, they must securely protect the information of customers and downstream partner companies.

E. Fair Trade, Advertising, and Competition:

Suppliers must comply with applicable regulations and standards related to fair trade, advertising, and competition.

F. Identity Protection and Non-Retaliation:

Unless legally prohibited, suppliers must operate channels for reporting with guaranteed confidentiality and anonymity. They should inform all workers about relevant procedures to enable them to raise issues without fear of retaliation.

G. Personal Data Protection:

Suppliers must protect the personal information of all stakeholders (suppliers, customers, consumers). Furthermore, they must comply with regulations governing the collection, storage, processing, transmission, and sharing of personal information.

H. Legal Acquisition of Raw Materials:

Suppliers must operate policies that reasonably ensure they do not directly or indirectly provide funding or benefits to armed groups engaged in serious human rights abuses related to the extraction of minerals such as tantalum, tin, tungsten, and gold in the Democratic Republic of Congo or neighboring countries.

Suppliers should conduct audits of the supply chain for these minerals' origins and, upon customer request, disclose relevant information related to these audits.

5. Establishment of Crisis Management System

To ensure the safety of employees' lives and physical well-being and to facilitate the continued operation and safe supply of products in unforeseen situations or disasters, partner companies must establish a crisis management system and supply chain.

The criteria for the crisis management system are as follows:

A. Formulation of Business Continuity Plan (BCP)

- Define the types and levels of risks that can impact business continuity.
- Develop a Business Continuity Plan (BCP) to mitigate these impacts.

B. Maintenance of Emergency Contact Network

- Maintain and update an emergency contact network, including your company and partner companies, to minimize damage and facilitate swift recovery and response measures.

C. Securing Alternative Production Sites

- Assume scenarios involving disasters and secure alternative production sites to ensure continued operations in case of emergencies.

D. Listing of Critical Raw Materials

- Compile a list of critical raw materials essential for producing the partner company's products and regularly review and manage the sources of these materials. In the event of a risk of supply disruption for raw materials, establish predetermined methods or measures for procurement.

E. Implementation of Supply Chain BCP

- Promote the dissemination of Business Continuity Plans (BCP) across the entire supply chain, including partner companies and their sub-contractors, to establish a crisis management system for the entire supply chain.

6. Management System

A. Declaration of Management's Commitment and Responsibility

- The management of the partner company, as the compliance officer for this code of conduct, must express their commitment in writing and display it in the workplace.

B. Response to External Requirements

- The partner company should establish procedures to identify, monitor, and understand the latest legal regulations, including this code, and customer requirements.

C. Risk Assessment and Management

- The partner company should identify potential risks in terms of labor, ethics, environment, and occupational health and safety. For risks with high occurrence probability and significant impact, a management plan should be established and implemented.

D. Goal Setting and Management

- The partner company should establish goals, targets, and action plans for improving social and environmental performance and monitor and manage progress toward achieving them.

E. Education, Training, and Communication

- The partner company should implement training programs for managers and workers to ensure compliance with this code and legal regulations. Clear information about the partner company's policies, objectives, and performance should be shared with workers, subcontractors, and customers.

F. Employee Feedback and Improvement

- The partner company should assess the understanding level of employees regarding this code, gather feedback, and improve procedures for substantial implementation.

G. Documentation and Records

- The partner company should manage relevant documents and records in accordance with applicable regulations and internal document management policies.

H. Responsibilities of the Partner Company

- The partner company should communicate the requirements of this code to its subcontractors, demand compliance, and conduct compliance assessments.

About This Guideline:

1. We will not disclose the information provided by the partner company to external parties.
2. The contents of this guideline may be subject to changes due to amendments in legal regulations, internal policies, etc. Please check the website of Chengsong Corporation for the latest updates.
3. If you have any inquiries regarding this guideline, please contact the following:

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문서 이력

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