

DN Automotive Supply Chain ESG Policy

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Chapter 1 Overview of Supply Chain ESG Management

Article 1 Purpose of Establishment

DN Automotive establishes this policy to promote environmental, social, and ethical responsibility in partnership with its suppliers, strengthen mutual cooperation, and systematically manage ESG risks, thereby building a stable and sustainable supply chain.

Article 2 Scope of Application

This policy applies to all stakeholders influenced by DN Automotive, including not only suppliers with direct and indirect business relationships but also all entities across the upstream and downstream value chain.

Article 3 Responsibility for Supply Chain ESG Management

DN Automotive operates a dedicated department responsible for supply chain ESG management to carry out related tasks. This department continuously monitors supply chain management policies and processes, evaluates the supply chain, and provides training on sustainable procurement to the Company's purchasing personnel to enhance ESG management capabilities. Additionally, the policy is regularly reviewed and revised to align with changing internal and external environments. When revising the policy, the Company considers and incorporates stakeholder feedback, changes in domestic and international regulations, industry trends, and emerging issues. All policy enactments and revisions require approval from the CEO, and any changes are communicated to relevant stakeholders.

Chapter 2 Principles of Supply Chain ESG Management

DN Automotive conducts comprehensive assessments of suppliers in the areas of Environment (E), Social (S), and Governance (G) to identify and mitigate actual or potential risks. To enhance supply chain sustainability, suppliers are managed in accordance with this policy and the DN Automotive

Supplier Code of Conduct. ESG compliance clauses are included in contracts with suppliers, recommending adherence to ESG management practices.

Article 1 Environment

The Company manages and encourages improvements in suppliers' environmental management practices, including:

Establishing environmental management systems (with dedicated environmental management departments)

Managing greenhouse gas emissions and energy use

Water resource management

Air pollutant control

Waste management

Chemical substance management

Article 2 Social

The Company oversees suppliers' compliance with human rights management principles, including:

Prohibition of discrimination

Compliance with fair labor conditions

Prohibition of forced and child labor

Guarantee of freedom of association and collective bargaining

Prohibition of harassment and discrimination

Respect for diversity and inclusion

Additionally, the Company monitors suppliers' occupational health and safety management, including:

Establishing safety and health management systems (with dedicated safety management departments)

Ensuring machinery, equipment, and facility safety

Emergency response readiness

Health management practices

The Company encourages continuous improvement in labor/human rights and safety and health performance.

Article 3 Governance

The Company manages and encourages improvements in suppliers' ethical and compliance practices, including:

Transparent management and anti-corruption measures

Prevention of conflicts of interest

Fair trade practices

Prevention of counterfeit parts and assurance of legally sourced raw materials

Information security management

Chapter 3 Supply Chain ESG Assessment

Supply chain management indicators are developed based on internationally recognized standards and evaluation criteria, covering five key areas: Environmental Management, Human Rights Management, Occupational Health and Safety Management, Ethical Management, and Management Systems.

To identify actual and potential risks within the supply chain, DN Automotive conducts annual assessments of both new and existing suppliers. Assessment methods may include written surveys, on-site inspections, and interviews, among others. Suppliers are initially required to complete a self-assessment survey. Based on the results, high-risk suppliers are identified and subjected to on-site audits. Suppliers are recommended to implement corrective actions to mitigate or prevent identified risks. The Company monitors the implementation of these measures and provides support where necessary to ensure improvements. Based on the assessment results, incentives or penalties may be applied to suppliers. DN Automotive communicates the outcomes of supplier assessments and risk mitigation/prevention efforts transparently with stakeholders.

Chapter 4 Supply Chain Support and Communication

Article 1 Supply Chain Support

DN Automotive provides both financial and non-financial support programs to help suppliers implement ESG-related improvements. This includes funding and loan support to enhance suppliers' competitiveness, as well as training programs aimed at strengthening suppliers' ESG capabilities and job-specific expertise. Additionally, the Company may offer support for joint research, in-house technology development, and the protection of intellectual property.

Article 2 Supply Chain Communication and Grievance Handling

The Company establishes and publicizes accessible channels for all stakeholders within the supply chain to submit concerns or provide feedback on DN Automotive's supplier-related policies. A grievance handling system is in place to address submitted concerns. Upon receiving a report, cases are categorized based on their nature, and investigations are conducted to verify the facts. The Company collaborates with relevant departments to address the issues. The actions taken and the outcomes are shared with the reporter, while ensuring strict confidentiality and anonymity. DN Automotive also ensures that no reporter faces any disadvantages or retaliation as a result of submitting a grievance.