

SK hynix
Human Rights and Labor Policy

2021. 11

Background

We respect the dignity and values of our employees at all our workplaces and the members of our suppliers and strive to maintain and enhance the working environment for all to ensure sustainable wellness. We will continue to comply with labor laws and regulations of the countries and regions in which we operate and cater to individual needs of our customers to achieve improvement.

Application Extent

We pledge to respect human rights in all our actions and decisions based on this Policy. This Policy illustrates the basic obligations that should be fulfilled by our employees, suppliers, joint ventures, and others who engage in transactions with us. Our suppliers are required to conform to the Supplier Code of Conduct and Guidelines in addition to this Policy.

Operation System

1. Human Rights Governance

We support respect for human rights and strive to prevent human rights violations. To this end, our highest decision-making body reviews and manages the current status of human rights management and related risks. We also formed an organizational unit committed to enterprise-wide human rights management.

We fully recognize the importance of close communication with internal and external stakeholders in achieving human rights management. We stress our will for human rights management by regularly sharing the updates of this Policy with all our stakeholders from our employees to our suppliers. We also collect their opinions and ideas through various channels and promote their engagement to enhance our human rights management practices.

2. Human Rights Risk Management System

We operate the HRIA process to identify and manage human rights risks. We check human rights risks through human rights impact assessments, and as for risks identified thus, we cooperate with relevant departments to analyze the root cause, define and implement improvement tasks, and compensate for any damages. All our workplaces, joint ventures, and suppliers are subject to assessment. We undergo human rights risk identification prior to advancing into a new business sector and forming a new partnership.

3. Grievance Procedures

We are equipped with channels for reporting human rights violations. We operate an intranet bulletin that

guarantees anonymity while offering ethical management counseling for and receiving related reports from external and internal stakeholders both online and offline. The online service is offered in the local languages of the corresponding regions in which we operate in addition to Korean, English, and Chinese.

When a human rights violation is reported, remediation is discussed after investigating and reviewing the related details. We make sure to keep all information related to the reported incident and whistleblower confidential and to protect the whistleblower from any possible retaliation.

Among the matters reported, those that are materially illegal or improper shall be escalated and reported to the CEO in accordance with our internal regulations.

Our reporting and grievance process neither requires the waiver of legal rights nor impedes the access to judicial or non-judicial procedures, and in the event it is required, we actively cooperate with non-judicial relief procedures of government agencies

<Our Channels for Reporting Human Rights Violations>

SK's online whistleblowing channel for ethical management: <https://ethics.sk.co.kr/>

Detailed Operation Guidelines

1. Respect for Human Rights

We respect the human rights of all our employees and strive to prevent all forms of human rights violations in the workplace.

2. Forced Labor Prohibition

We do not force labor against our employees' will by means of physical or emotional restraint including the imposition of commissions for joining or maintaining employment at our company, bonded labor, slavery, and human trafficking. We do not keep personal documents of workers, such as ID cards, passports, and work permits issued by the government, on the grounds of employment. We do not restrict our employees' freedom of bodily movement, including the use of restrooms and staff lounges, outside healthcare facilities, factories, and dormitories. All our suppliers, contractors, and workforce recruitment agencies must conform to these requirements.

3. Child Labor Prohibition

We do not hire children under 15 and make sure that all our suppliers comply with this requirement (or the minimum age requirement of each individual country in which we operate if it is stricter). All our workplaces in Korea and beyond and our suppliers must follow the stringent admission procedures (age verification, etc.) when recruiting new employees and apply zero tolerance to all

forms of child labor. When detecting cases of child labor, check the children's health condition first and return them to their place of residence or provide support for the completion of compulsory education.

4. Employment of Young Workers

Young workers under 18 (including students, interns, trainees, and apprentices) should be hired in compliance with labor laws and regulations of individual countries and regions and strictly excluded from high-risk and harmful tasks, including night shifts and overtime shifts. Wages of young workers should be equal at minimum to those of new employees charged with similar tasks.

5. Working Hours

Regular working hours, overtime hours, break time, and holidays are determined in alignment with the more stringent of either international standards or local labor laws and regulations of the country or region in which the workplace is located. Overtime shifts require the voluntary agreement of workers and the payment of overtime allowances pursuant to local labor laws and regulations of each country or region. Employees are also entitled to take at least one day off every seven workdays. All our suppliers are required to comply with these provisions.

6. Wages

Wages of all our employees are set to exceed the minimum wage level prescribed in labor laws and regulations of each country or region.

7. Discrimination Prohibition

We have a zero-tolerance policy against all acts of discrimination. We prohibit discrimination based on gender, race, nationality, ethnicity, religion, pregnancy, marital status, political conviction, and sexual identity, as well as discrimination in relation to recruitment, promotion, wages and rewards, employee welfare, work progress, and resignation and dismissal. We strive to root out discrimination and promote an inclusive corporate culture in the workplace.

8. Workplace Sexual Harassment and Bullying Prohibition

We prohibit sexual harassment, sexual violence, and any acts that may incur sexual humiliation in the workplace, as well as all acts of bullying using the superior organizational status and rank, which harm the physical and psychological health of others. We offer workplace sexual harassment and bullying prevention education and have established easily accessible whistleblowing channels. We also have an effective system in operation to protect victims, impose sanctions against harassers,

and implement follow-up measures.

9. Freedom of Association

Freedom of association and collective bargaining rights are guaranteed based on labor laws and regulations of individual countries and regions, and employees must not be treated unfavorably or discriminated against on the grounds of joining or forming a labor union or participating in related activities.

10. Responsible Mineral Sourcing

We take human rights violations and environmental pollution incurred during the mineral mining process seriously and thus do not use conflict minerals (3TG metals and cobalt) sourced from the Democratic Republic of the Congo, its adjoining countries, and other conflict-affected and high-risk areas. We perform inspections on the origins of minerals and our suppliers to ensure adherence to this practice and disclose the findings from such inspections to our customers when requested.

11. Information Protection

We prioritize transparency in every business transaction and require information protection education (e.g., the need for the job transition prohibition agreement and information protection pledge).

12. Protection of Vulnerable Groups

We respect and protect the human rights of and fulfill our responsibilities to support socially vulnerable groups including children, women, people with disabilities, and non-Korean migrant workers.

13. Respect for Human Rights Advocates

We respect individuals, organizations, and social institutions taking action to protect human rights and freedom (hereinafter referred to as "human rights advocates"). We are aware of dire difficulties that human rights advocates around the world face in their activities to promote human rights and firmly stand against all forms of threats, intimidation, retaliation, and physical and psychological attacks against them.

References

This Human Rights and Labor Policy advocates the following declarations, standards, and initiatives.

- UDHR (Universal Declaration of Human Rights)
- International Bill of Human Rights
- UN Guiding Principles on Business and Human Rights
- ILO Fundamental Principles and Rights at Work
- Deferred Action for Childhood Arrivals (DACA)
- OECD Guidelines for Multinational Enterprises
- CEDAW (UN Convention on the Elimination of Discrimination against Women)
- CRC (UN Convention on the Rights of the Child)
- UN Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families)

Milestones

2014 The Human Rights and Labor Policy is established.

2021 The Human Rights and Labor Policy is revised.