

# **SK hynix Suppliers Code of Conduct**

**Version 2.4**

# Preface

SK hynix has established and implemented strategies for joint growth with Suppliers (hereinafter including subsidiaries and contractors) based on the company's business philosophy. And the company has enacted SK hynix Suppliers Code of Conduct to faithfully fulfill its social responsibilities required by various stakeholders and the role of corporate citizen.

SK hynix Suppliers Code of Conduct (hereinafter referred to as "the Code") applies to organizations in all forms that design, sell, manufacture or provide all products and services that are used in producing SK hynix products, and suggests what SK hynix requires from its Suppliers.

This Code recommends the establishment of a safe working environment, respect for human rights of employees, environmental responsibility and ethical corporate management of Suppliers. In addition, Suppliers shall not only make effort to comply with the Code, but also require other companies in the downstream supply chain to comply with it as well.

SK hynix or a specialized organization designated by SK hynix can visit Suppliers to evaluate the compliance of Suppliers to the Code, and can require the deadline and level for improvement.

This Code is based on the RBA and codes of conduct of major customers, and utilized various global standards and guidelines as additional reference. When the Code conflicts with local laws and regulations, stricter rules shall apply. In addition, this Code can be modified reasonably upon the necessity, and the modifications shall be notified beforehand to Suppliers via SK hynix website and disclosed materials.

# Suppliers Code of Conduct

## **LABOR & HUMAN RIGHTS**

As for employment practice, Suppliers shall make effort to create a working environment without illegal discrimination and bullying. All types of employment, including temporary, immigrant, student, contract, regular and other employees, shall be based on voluntary labor, not forced labor such as slavery, human trafficking, etc., and Suppliers shall not receive monetary fees from job seekers or employees for any hiring. If a Supplier does receive monetary fees or impose expenses to employees in connection with a hiring, the Supplier shall return such fees or expenses.

They shall comply with the followings: Compliance to the working age regulation including the ban on child labor, compliance with the weekly 60 work-hour limit (including overtime) or in case a stricter regulation applies in the country where the Supplier is located, the regulation of the relevant country, provision of at least 1 day off for every 7 days, compliance to the minimum wage defined by law, ban on pay cut as a disciplinary measure, humane treatment of employees and ban on discrimination, ban on harsh treatment, freedom of association, freedom to join the labor union and collective bargaining. Suppliers shall respect and protect the human rights of the socially disadvantaged. In particular, suppliers shall fulfill their obligations to protect and support socially vulnerable groups, such as women and children, the disabled, and migrant workers. Also, throughout the business process, suppliers shall not commit any act that threatens human rights advocates.

Suppliers shall pay employees the statutory minimum wage for livelihood in accordance with the laws and regulations of the country where the Supplier is located.

## **ENVIRONMENTAL**

Suppliers shall comply with environmental laws and regulations to minimize environmental impact and protect the local community environment. They shall make utmost efforts in reducing environmental pollution and preventing environmental accidents, such as the acquisition of environmental approvals necessary for company operation, reduction of waste, wastewater and atmospheric contaminants, noise reduction, reduction of energy consumption, minimization of greenhouse gas emission, hazardous chemical management, compliance to the hazardous material regulation in products, etc. And they shall develop environmentally friendly products and actively cooperate with customer requirements.

## **RESPONSIBLE SOURCING MINERALS**

Suppliers shall clearly define the sources of minerals that are distributed in the supply chain, such as tantalum, tin, tungsten, gold, cobalt, etc., based on the OECD guideline or equivalently recognized inspection framework, and guarantee that mineral mining for products and equipment is conducted legally and humanely.

## **SAFETY & HEALTH**

Suppliers shall remove all risks for industrial safety and take necessary preventive measures accordingly. As for industrial hygiene, they shall provide appropriate individual protective gears for employees to prevent the exposure to risk factors. In addition, they shall acquire all safety and health approvals as a basic step, set up an emergency plan and response procedures to minimize damage, and establish a procedure and system to manage industrial disaster and occupational disease. Suppliers shall keep the places for work clean, preemptively control the risks of manual labor, evaluate and remove the hazards related to pregnant women, and production and other facilities. In addition, they shall provide employees with clean restrooms, drinking water, and clean cooking, storage and cafeteria facilities. And employee dormitories shall be kept clean and safe.

## **ETHICS**

Suppliers shall strictly comply with the laws and regulations based on free competition and fair trade, and conduct all transactions in a legal and ethical manner. In addition, Suppliers shall operate a channel for unethical behavior reporting and an informant protection program. In particular, they must protect informants, and ban any retaliation against them. Based on those efforts, Suppliers shall maintain the highest-level of integrity in business transactions, while continuously make effort to protect intellectual property rights and customer information and to respect and protect personal information.

## **MANAGEMENT SYSTEM**

Suppliers shall establish a management system that includes human rights, labor, and ethics as well as environment, safety, and health, and continuously manage them so that the following can be implemented.

- 1) Declaration of compliance
- 2) Clarification of management responsibility
- 3) Recognition and monitoring of related laws and regulations, and customer requirements
- 4) Evaluation and management of environment, safety and health, labor practice and ethical risks related to company operation
- 5) Goal management and performance evaluation
- 6) Operation of training programs for concerned people
- 7) Operation of the corrective action process
- 8) Employee feedback and participation
- 9) Check on whether to comply with SK hynix business policy, etc

Suppliers shall manage regular self-evaluation, etc.

Version	Major content and modification application standard	Date
1.0	Enactment and implementation of Pledge of compliance to Business Suppliers Code of Conduct (Internal contractor workshop)	May 2011
2.0	Enactment of preface and early-stage detailed behavior guideline (reflecting RBA Ver.4.0 and Apple CoC4.0)	Apr 2015
2.1	Modification of preface and detailed behavior guideline (reflecting RBA Ver.5.1 and Apple Coc4.2)	Feb 2017
2.2	Modification of preface and detailed behavior guideline (reflecting RBA Ver.6.0.1 and customer CoC)	Mar 2021
2.3	Modification of detailed code of conduct (added provisions to protect socially vulnerable groups and human rights advocates)	Nov 2021
2.4	Modification of detailed code of conduct (reflecting CHRB Comment, RBA7.0 and customer CoC)	August 2022