

# **SK Hynix Supplier Code of Conduct**

**Version 2.1**

# Preface

SK hynix establishes and implements strategies to grow together with Suppliers (hereinafter "Supplier" and including subsidiary/contractors) in alignment with the corporate philosophy. The SK hynix Supplier Code of Conduct has been enacted to faithfully attend duties as a corporate and to fulfill business responsibilities requested by various persons of interests.

SK hynix Supplier Code of Conduct (hereinafter "Code ") applies to all organizations that may design, market, manufacture or provide goods and services that are used to produce goods of SK hynix and states the requirements of SK hynix to Suppliers.

The Code encourages Suppliers to ensure a safe working environment, treat workers with respect and dignity, and to operate businesses that are environmentally responsible and conducted ethically, and Suppliers shall actively pursue conformance to the Code while also requiring its next tier suppliers to acknowledge and implement the Code.

SK hynix or a professional organization designated by SK hynix may visit Suppliers to ensure that Suppliers are operating in full compliance with the Code, and may designate the deadline and the level of corrective actions when the Code is violated. The provisions in this Code are derived from the EICC Code of Conduct, and various global standards and guidelines. In the case the Code is at odds with the local law, the stricter standard is to be applied. The Code can be changed reasonably upon need, and changes will be notified to Suppliers through the company web site and the comprehensive procurement web site in advance.

# Supplier Code of Conduct

## **LABOR & HUMAN RIGHTS**

Suppliers shall establish a workplace devoid of illegal discrimination and harassment in terms of labor practices, and are committed to treat workers humanely without unreasonable restrictions or inhumane and harsh treatments. This applies to all workers including temporary, migrant, student, contract, direct employees and any other type of workers. All work must be voluntary and any form of forced labor including slavery or trafficking of persons shall be prohibited. All workers must be of age, and child labor is prohibited. Working hours should not exceed 60 hours per week, including overtime, and workers should be allowed at least one day off every seven days. Worker compensation shall comply with minimum wage, and there is to be no harsh and inhumane treatment, discrimination or confinement. Suppliers shall respect the rights of all workers to join trade unions of their own choosing.

## **SAFETY & HEALTH**

Suppliers shall remove all risk factors and take preventive actions to maintain industrial safety, and worker health is to be protected by providing appropriate personal protective equipment to workers in order to avoid exposure to safety hazards. Emergency plans and response procedures shall be implemented to minimize damage and procedures and systems must be established to manage industrial accidents and occupational illness. Workers are to be provided with cleanly maintained facilities and exposure to hazards of physically demanding tasks shall be prevented in advance. Production and other machinery shall be evaluated for safety hazards. Workers shall also be provided with clean toilet facilities, potable

water and sanitary food preparation, storage, and eating facilities. Worker dormitories are to be maintained to be clean and safe.

## **ENVIRONMENT**

Suppliers shall comply with environmental permits, approvals and reporting requirements while abiding by the environmental/quality requirements of SK hynix. Suppliers shall adhere to applicable laws regarding solid waste, wastewater, air pollutants and site boundary noise to prevent environmental pollution and reduce use of resource. Suppliers are to comply with all applicable laws, regulations, and customer requirements regarding prohibition or restriction of specific substances in products. Suppliers shall also make continuous efforts to prevent contamination of storm water runoff and minimize energy consumption and greenhouse gas emissions.

## **ETHICS**

All Suppliers are to uphold the highest standards of integrity in all business transactions by pursuing fair business and competition and ensuring full compliance with laws related to business activities while respecting business practices. Suppliers shall follow the Fair Trade Compliance System to ensure all business transactions adhere to the law and shall operate programs that ensure the confidentiality, anonymity and protection of Supplier and employee whistleblowers while prohibiting retaliation. All business dealings should be transparently performed and all activities carried out to gain an improper advantage shall be prohibited. Appropriate means shall be taken to respect and safeguard intellectual property rights, standards of fair business, customer information and personal information. This shall be the foundation of the contribution made for the sustainability of the local community.

## **RESPONSIBLE MINERAL SOURCING**

Suppliers shall clearly identify the source and chain of raw materials and minerals distributed to the entire Supply chain, and shall assure that the minerals in products they manufacture do not directly or indirectly finance or benefit armed groups that are the perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country (Sudan, Uganda, Rwanda, Burundi, Tanzania, Zambia, Angola, the Central African Republic).

## **MANAGEMENT SYSTEM**

Suppliers shall adopt and establish a management system that adheres to the relevant laws and this Code, and the content states that the following shall be managed: 1) Commitment to compliance and clear identification of corporate responsibilities, 2) applicable laws and codes, 3) recognition of customer requirements and monitoring, 4) environmental, health and safety, labor practices, and ethical risk evaluation and management related to operations, 5) targets and performance evaluations, 6) programs for training managers and workers, 7) corrective action process, 8) worker feedback and participation, 9) regular evaluations to ensure regulatory compliance and conformity to company requirements. The requirements of this Code shall be shared to Suppliers to be followed.