

# Human Rights Management Principle and Policy

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SK Inc. aims to earn trust and support through the creation of economic and social value, and to contribute to the sustainable happiness of our society and stakeholders through the creation of economic and social value, based on the SKMS, which is to pursue the happiness of our stakeholders, including our employees, customers, business partners, shareholders, and society, by achieving continuous stability and growth.

## Human Rights Management Principle

Based on the SK Group's Corporate Philosophy (SKMS), which emphasizes pursuing the happiness of both employees and stakeholders, SK Inc. declares its Human Rights Management Policy with the aim of realizing the value of respecting human rights in all aspects of its business activities.

Article 1: SK Inc. will respect the human rights of all stakeholders and ensure their dignity as human beings.

Article 2: SK Inc. officially supports and commits to comply with the standards and regulations of international organizations and bodies related to labor and human rights, such as the Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights (Ruggie Framework), and International Labour Organization conventions.

Article 3: SK Inc. requests compliance with the aforementioned international human rights and labor standards from all stakeholders in the value chain, including employees, business suppliers, local communities, customers, and suppliers. It will make every effort to prevent any violations of human rights in the value chain and promote respect for human rights.

Article 4: SK Inc. will adhere to all labor principles and laws recommended by the International Labour Organization (ILO) and ratified by the respective countries, including the prohibition of child labor, forced labor, ensuring health, safety, and working hours.

Article 5: SK Inc. respects diversity and strives to eliminate discrimination based on gender, race, age, social status, and other reasons. In the event of human rights violations, it will actively seek remedies for the victims.



Article 6: SK Inc. will establish and implement management systems necessary for human rights management, including anti-corruption (ethical management), environment/health/safety, compliance, and personal information protection.

SK Inc. C&C CEO 

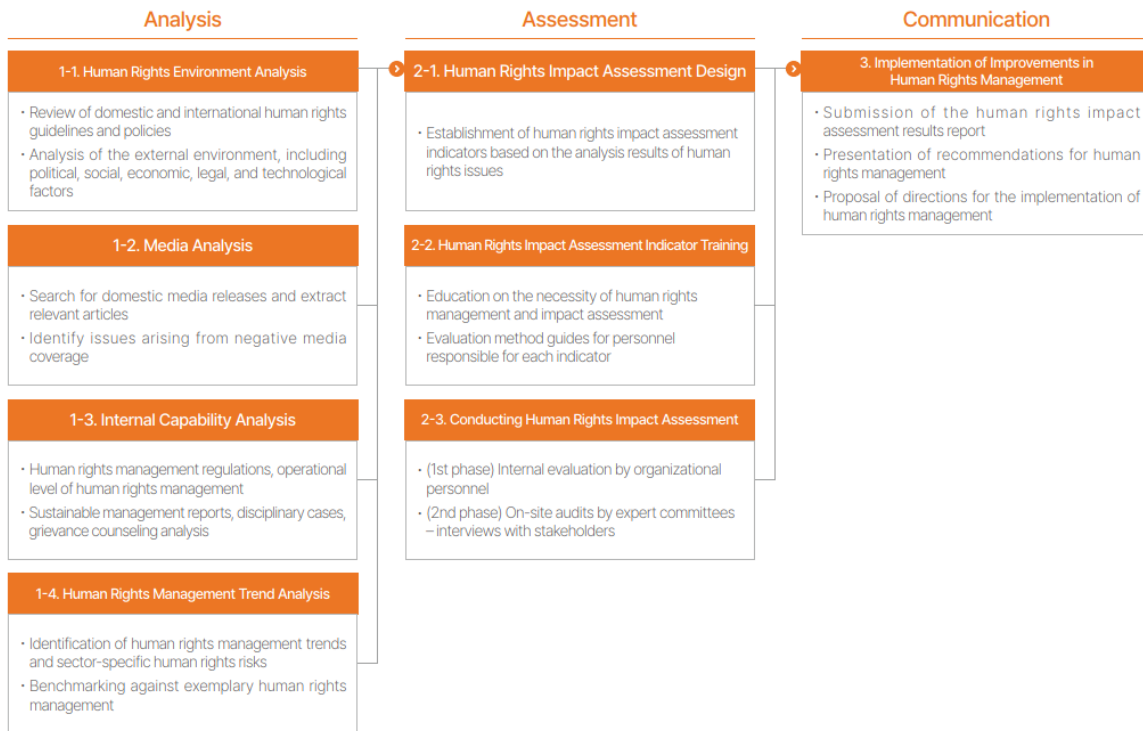
## **Human Rights Management System**

In order to respect the human rights of all employees and to prevent and mitigate risks, SK Inc. regularly conducts human rights impact assessments through external expert diagnosis once a year under the supervision of the Legal Affairs Department in accordance with the Human Rights Management Policy, and surveys the actual status of business partners' human rights, and the Human Rights Management Committee deliberates and decides on improvement measures. The Human Rights Management Committee operates the Human Rights Violation Remedy Committee, which deliberates on the investigation and handling of human rights violation cases under the Human Rights Management Committee.

In addition, we have strengthened our human rights management by obtaining independent external verification (HRMS 2019) certification, and we conduct annual training on discrimination and harassment prevention, such as sexual harassment prevention training and disability awareness training, for all employees to strengthen employees' awareness of human rights management.

## **Human Rights Impact Assessment Process**

SK Inc. operates a human rights impact assessment process to ensure compliance with and improve the level of human rights management. In order to identify human rights management risks and implement improvements, we have established and implemented a process of 'analysis (analysis of human rights environment, media, internal capabilities, and trends in human rights management) → evaluation (evaluation design, training on indicators, and evaluation) → communication and execution (submission of result reports, deliberation, implementation of improvement measures, and monitoring). The results of the human rights impact assessment are reported to the CEO and key executives and disclosed in the Sustainability Report and intranet (Hi-SK).



## Human Rights Risk Due Diligence Process

Our human rights risk due diligence is conducted in accordance with the Human Rights Impact Assessment Guidelines, involving legal officers, designated human rights agents within each department, and external audit/inspection experts. During the 'assessment' phase of the human rights impact assessment, the following processes are adhered to. The risks identified through this due diligence are reviewed by the Human Rights Management Committee, which then formulates improvement measures.

### Step 1. Selection of Human Rights Risk Due Diligence Indicators

The legal department selects indicators necessary for the human rights risk due diligence based on the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, ILO conventions, OECD Guidelines for Multinational Enterprises, the National Human Rights Commission's Human Rights Impact Assessment Guidelines, internal and external company issues, stakeholder needs and expectations, and the previous year's human rights impact assessments.

### Step 2. Education on Human Rights Risk Indicators and Due Diligence

The legal department conducts education on human rights management policies, objectives, and



compliance with the human rights management system, as well as on the human rights impact assessment indicators and due diligence for human rights agents in each department, in accordance with the Human Rights Management Education and Training Guidelines.

**Step 3. Self-assessment**

Human rights agents in each department complete the human rights impact assessment checklist and prepare supporting evidence.

**Step 4. External assessment**

Based on the checklists and supporting evidence prepared during the self-assessment, external audit/inspection experts verify the evidence and conduct interviews, providing recommendations and corrective actions if necessary.

## **Guidelines for Human Rights Management**

### **Humanitarian Courtesy**

For the realization of human dignity and value, we make active efforts to prevent mental or physical inhumane treatment in advance. In the event of inhumane treatment, we will take strict measures in accordance with relevant regulations and strive for active relief.

### **No Forced Labor**

We respect workers' free will for labor. Violence, intimidation, confinement, human trafficking, slave labor, and other forms of labor that unreasonably suppress mental or physical freedom are prohibited. Strive for fair and transparent labor contracts, strictly abide by the Labor Standards Act in relation to labor contracts, and give consideration to ensuring that workers fully understand their contents.

### **No Child Labor**

We abide by regulations related to underage labor, provide appropriate procedures and support in accordance with laws and regulations, such as guaranteeing educational opportunities and consideration for safety when working with minors, and continuously check compliance with laws and regulations.

### **Non-Discrimination**

We respect the diversity of all employees, and discrimination does not occur in the personnel process such as recruitment, wages, promotion, training, and placement for reasons such as gender,



race, age, gender identity, education, disability, religion, political orientation, and social status. We provide equal remunerations and a working environment of mutual respect and consideration.

### **Working Hours Compliance**

We comply with local working hour laws and regulations, such as regular, overtime and holiday work, and do not force employees to work beyond regular working hours. Revisions of laws and regulations are continuously managed to prevent violations.

### **Responsible Supply Chain Management**

We identify the status of human rights protection within the supply chain, including management suppliers, and conduct appropriate education and training to prevent substantial or potentially significant negative human rights impacts.

### **Remunerations and Benefits**

We pay more than the minimum wage stipulated in the region along with the pay slip and provide legal compensation for overtime work carried out under mutual agreement between labor and management. We seek to improve the quality-of-life safety and work motivation of our employees and strive to contribute to sound economic development.

### **Guaranteed Equal Remunerations**

In accordance with the principle of equal remunerations, we provide equal pay for equal work to all members without discrimination based on gender, race, ethnicity, nationality, religion, disability, age, family status, social status, or political views.

### **Guaranteed Freedom of Association**

We promote sound organizational development through smooth and continuous communication between labor and management. We guarantee freedom of association in accordance with local labor-related laws and regulations, and we do not treat unfairly on account of joining or participating in a labor union.

### **Personal Information Protection**

To protect the rights of all stakeholders, including customers, in accordance with the local regulations, we ensure the protection of their personal information and take necessary measures to secure the security of such information. We do not use personal information without the consent of the individuals for purposes other than the intended use, and we respect privacy to the fullest extent.



## **Community Engagement**

We identify potential impacts on the nearby communities and listen to their opinions to avoid any adverse effects. We strive for continuous communication with the local communities. Furthermore, we make efforts to respect and protect the rights and property of the local communities and ensure their safety.

## **Ensuring Environment/Safety/Health**

We strive to protect the environment and prevent pollution by complying with domestic and international environmental laws, setting measurable goals for environmental improvement, and regularly checking whether the goals are appropriate.

## **Human Rights Impact Assessment**

Conduct regular human rights impact assessments to prevent human rights violations and respect human rights. The human rights impact assessment is carried out faithfully and fairly, and we strive to practice human rights management by reflecting the results of the human rights impact assessment.

## **Coverage**

- ① This policy applies to employees of SK Inc. headquarters, all domestic and overseas business sites, subsidiaries, partners and subcontractors involved in business activities other than employees, women, children, indigenous peoples and migrants, and community members.
- ② SK Inc. encourages all stakeholders involved in business relationships with the company, including our suppliers and business partners, to adopt this policy and promotes the necessity of human rights management.