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Compliance



Compliance Management

Roadmap	2023	2025	2030
Target	Internalization of the compliance management system	Advancement of the compliance management system	Continually expanding the outcomes of the compliance management system
Operation plan	<ul style="list-style-type: none"> • Maintain the certification of compliance management system • Update compliance management system policies/guidelines • Ongoing company-wide compliance training 	<ul style="list-style-type: none"> • Renewing compliance management system certification • Continuously/systematically managing assessment of compliance risk • Upgrade compliance and measurement and monitoring 	<ul style="list-style-type: none"> • Achieving global top-tier member compliance • Sharing lessons learned with member companies and others • Zero non-compliance incidents

Non-compliance occurrence "Zero"

Fair Trade

Roadmap	2009~2010	2011~2023	2025	2030
Target	Introducing and Settling Stage	Stage for sustaining and spreading internal compliance culture	Dissemination of compliance culture to business partners and subsidiaries	Zero unfair trade/unfair competition
Operation plan	<ul style="list-style-type: none"> • Introduced CP (Compliance Program) in 2009 • Obtained "A" in CP grade evaluation in 2010 • Established and operated CP (Compliance Program) operation plan and compliance training plan 	<ul style="list-style-type: none"> • Establishment of CP Expert (fair trade/fair competition instructors) operation system • Implementation of about 20 courses related to our business-related laws and systems every year • Annual compliance risk assessment (2022 and onwards) • Implementation of company-wide employee compliance awareness assessment (2023 and onwards) 	<ul style="list-style-type: none"> • Expansion of compliance training content to some business partners and subsidiaries (30%) 	<ul style="list-style-type: none"> • Raise awareness of fair trade/fair competition within the value chain by expanding compliance training content to business partners and subsidiaries (100%) • Zero unfair trade/unfair competition

Key Point

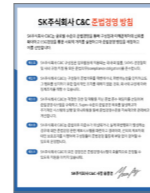
Operation of Compliance Management System

- SK Inc. enacted compliance management system policy in 2022, acquired global compliance management certification ISO 37301, and was recognized for meeting the international standards of our compliance management system through post-examination
- Completed update of compliance management system operating regulations, etc. to reflect management changes and organizational reorganization
- Disseminated and shared data such as compliance obligations and compliance risks for each organization through the compliance management portal, and conducted training to raise awareness of the compliance management system for company-wide employees (mySUNI)

* Hi -SK → ESG Management → Compliance Management Portal



ISO 37301 Certificate



Compliance Management Policy



Compliance Management Portal



Education to Raise Compliance Management Awareness

Management

Communication System for Compliance Management

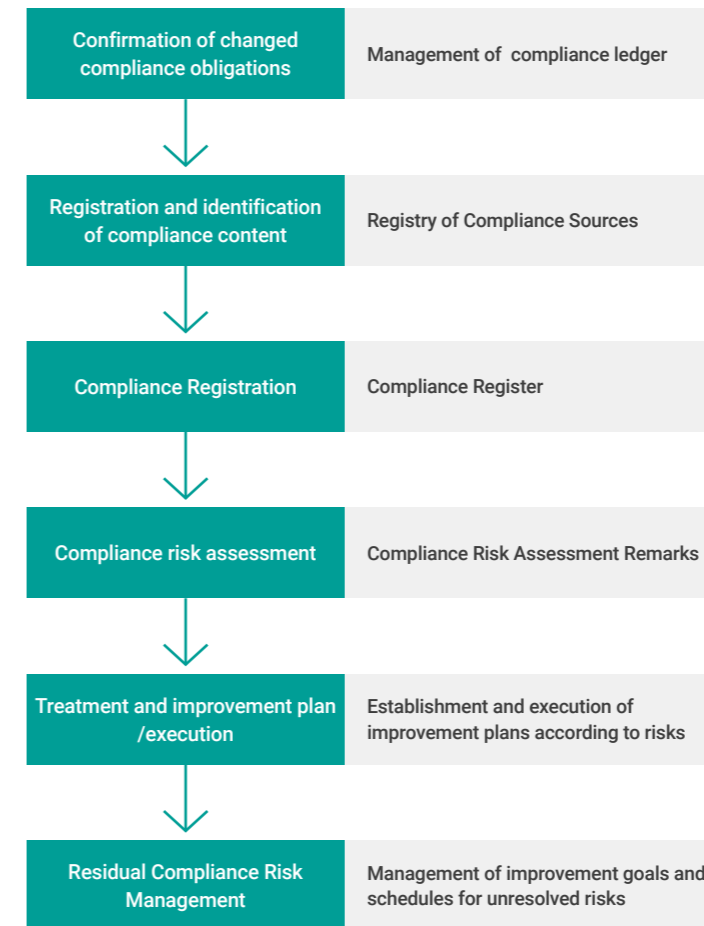
- Frequent communication with employees through various methods on all matters related to compliance management

Communication	Time	Targets	Method	Responsibility
Establishing a conflict of interest	Upon establishment	Employees	Publishing on the member intranet (Hi-SK)	Legal affairs manager
		Stakeholder	Publishing on the webpage	Legal affairs manager
Legal Obligations	Upon enactment and revision	Each unit organization	Announcement/circulation	Compliance manager
		Member	Compliance Master List	Legal affairs
Compliance risk	Every year	CEO	Risk assessment (can be included in management review report)	Legal affairs
		Department	Notice/circulation of each department	Compliance manager Legal affairs manager
Compliance training	Every year	Former employee	Compliance Management Guidebook	Legal affairs
Internal audit	Every year	Compliance Officer	Internal audit report	Legal affairs
Management review	Every year	CEO	Management review report	Compliance officer

Advancement of Compliance Management System

Continuous/Systematic Assessment and Management of Compliance Risks

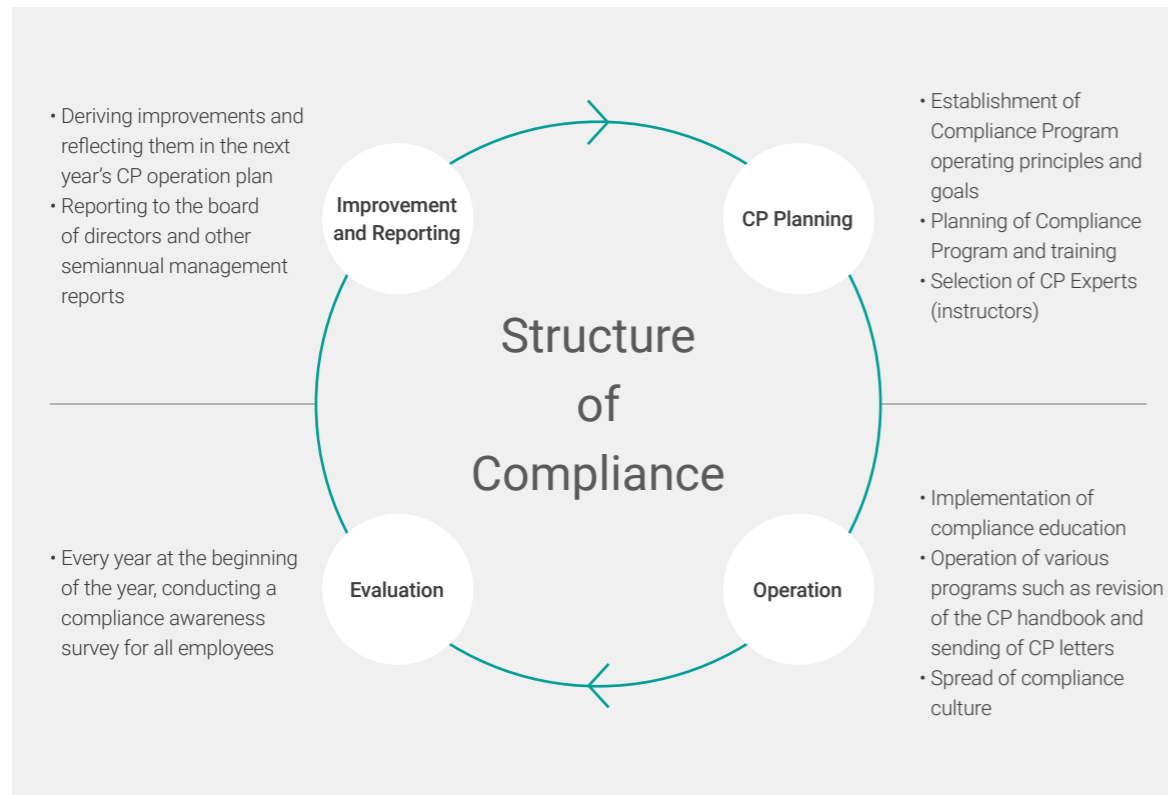
- Identification, analysis and evaluation of compliance risks by relating compliance obligations to relevant aspects of business activities, products, services and operations
- Identifying new and changed compliance obligations to ensure continued compliance management
- Remuneration is paid by reflecting employees' compliance/code of conduct in the company's KPI.



Spreading a Culture of Fair Trade

Compliance System

- The Compliance Program operating system consists of repeating the 4-step process of CP planning → operation → evaluation → improvement and reporting
- Thoroughly analyzes and evaluates relevant major compliance risks to plan a compliance program at the global level, spreads and propagates a compliance culture
- CP understanding surveys and compliance capability diagnoses are performed on all employees at the end of each year to derive improvement points and establish the CP plan for the following year. Operating outcomes and plans are reported to the Board of Directors and management semiannually



Operation of the Fair Trade Compliance Program

- Introduced the Fair Trade Compliance Program (CP) in 2009 to internalize related laws and procedures and create a culture of voluntary compliance
- Revision of the Voluntary Fair Trade Compliance Handbook to reflect the latest revised laws and response guides every two years
 - Through this handbook, employees can be familiar with laws related to fair trade, prevent violations related to fair trade/subcontracting in advance while performing duties, and cultivate employee compliance awareness.
 - Implementation of compliance programs such as sending CEO letters and compliance manager letters, compliance training, and operating a compliance portal
 - Support for effective compliance activities such as selection of CP Experts for each compliance area composed of in-house experts related to various regulations, education and consultation

Cases of unfair competition/antitrust violations in 2022
Zero



Compliance Portal
* Hi-SK → ESG Management → Compliance Portal



CEO Letter



Voluntary Fair Trade Compliance Handbook

Main Contents of the Voluntary Fair Trade Compliance Manual

- CEO's declaration of willingness to comply, CP definition and reasons for introduction, CP implementation system, 8 core elements of CP
- Commentary on laws related to fair trade (Fair Trade Act, Subcontracting Act, Mutually Beneficial Cooperation Act, Improper Solicitation and Graft Act)
- Commentary on other company-related laws (Act on the Protection of Temporary Agency Workers, Intellectual Property Rights, Personal Information Protection Act)
- In-house regulations (relevant company regulations, step-by-step guide for business progress, whistleblowing system, introduction of the department in charge)

Spreading a Culture of Fair Trade

Operational Status of 8 Core Factors of Fair Trade Compliance

Key elements	Operation status
Establishment and implementation of CP standards and procedures	<ul style="list-style-type: none"> Revision of 'Voluntary Fair Trade Compliance Operation Regulations/Guidelines' (January 2022) Enactment of 'Voluntary Fair Trade Compliance Reward System Enforcement Guidelines' (Dec. 2016) Document management and posting through internal compliance portal and fair trade bulletin board of external website
CEO's commitment to voluntary compliance and support	<ul style="list-style-type: none"> Efforts to secure customer trust Protection of customer information Efforts to secure customer trust and mutual development Prohibition of bribery and hospitality (including kickbacks) Protection of personal information of customers/business suppliers/employees, etc.
Appointment of a compliance manager in charge of CP operation	<ul style="list-style-type: none"> Appointment of a compliance manager through the board of directors Sending a compliance manager letter to employees (once a year) Reporting CP operation status and plans to the Board of Directors (half-yearly)
Production and distribution of compliance handbook	<ul style="list-style-type: none"> Production and distribution of compliance handbook (at least once every 2 years) Production and publication of e-book and mobile handbook MARU (in-house library)
Continuous and systematic voluntary compliance training	<ul style="list-style-type: none"> Training for PM/business management/sales (once a year) Training of prevention of technology misuse under the Subcontracting Act and Intellectual Property Rights for all employees (once a year) Training for new/experienced employees (frequently) Compliance training for each business (frequently)
Establishment of an internal monitoring system	<ul style="list-style-type: none"> Preliminary inspection of issues for each PJT and project stage (constantly) Operation of the RM SPOC system Regular inspection of fair trade risks (semi-annually)
Sanctions against executives and employees who violate fair trade-related laws	<ul style="list-style-type: none"> Revision of 'Voluntary Fair Trade Compliance Operation Regulations/Guidelines' (January 2022) Online/offline counseling center operation
Effectiveness evaluation and improvement measures	<ul style="list-style-type: none"> Obtained A grade in CP rating evaluation by Fair Trade Commission (2010) Compliance awareness evaluation for all employees (once a year) Based on the results, plan for the following year is established

2022 Fair Trade Compliance Program Operation Performance

Education and activities	Regulations related	Remarks
Focus target compliance training	Fair Trade Act, Subcontracting Act, Dispatched Worker Protection Act, company regulations	1 time
Education on the Improper Solicitation and Graft Act	Improper Solicitation and Graft Act	1 time
Cloud and personal information compliance training	Personal Information Protection Act, Information and Communications Network Act, Cloud-related Act, etc.	1 time
Compliance training for new employees and sales employees	Fair Trade Act, Subcontracting Act, Company Rules	always
Global compliance training	GDPR (EU Privacy Protection Act), FCPA (Foreign Corrupt Practices Act)	1 time
Electronic finance and personal information compliance training	Electronic finance related laws and regulations, personal information protection law	1 time
Technology misappropriation prevention and intellectual property rights education	Subcontracting Law, Intellectual Property Rights	1 time
Public Business compliance training	Subcontracting Act, Public Contract Law, Software Promotion Act, Improper Solicitation and Graft Act	1 time
Leader ESG Compliance Training	Subcontracting Act, Serious Accident Act, Occupational Safety and Health Act, Compliance Awareness, Raising Human Rights Awareness	1 time
Internal transaction compliance training	Fair Trade Act, Company Rules	3 times
CP operation performance and plan report to the Board of Directors	All of our related laws and regulations	2 times
Operation of CP portal	All of our related laws and regulations	always
Autonomous compliance manager letter, ceo autonomous compliance letter	Fair Trade Act, Subcontract Act	2 times
Elevator campaign	Subcontract Act	1 time
Company-wide notification of changes in the legal system	Legal systems amended in 2022, related to our company	Occasional
Participants enrolled in compliance training*		5,380

* Including overlaps