

# Supplier Code of Conduct

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SK Inc. expects a high level of operational standards for the workplace environment of its suppliers. To strengthen the compliance management as the foundation of SK Inc.'s co-prosperity with its suppliers, the Supplier Code of Conduct (hereinafter referred to as "the Code") has been established. Furthermore, SK Inc.'s suppliers must comply with all applicable laws and regulations, ensure a safe working environment, and establish a management environment where workers are respected, and operate their businesses ethically.

This Code outlines the requirements that SK Inc. places on its suppliers. The scope of the Code includes all forms of organizations involved in designing, selling, manufacturing, or providing materials and services used in the production of SK Inc.'s services/products. All suppliers must comply with the Code, and they are required to ensure compliance with the Code throughout their sub-supply chains.

SK Inc. or designated external agencies may conduct visits to assess the suppliers' compliance with this Code. In the event of a significant violation of this Code by a supplier within the specified improvement period, SK Inc. may suspend transactions or terminate contracts with the supplier.

Additionally, the Code may be revised based on changes in SK Inc.'s supplier management policies and criteria. In case of any conflict between this Code and local regulations, the more stringent standard will prevail.

## **1. Human Rights and Labor**

Suppliers must protect the human rights of workers and guarantee their dignity at a level that is accepted in the international community. This applies to all types of workers, including temporary workers, migrant workers, interns, and temporary workers. Workers must be guaranteed legal work and rights protection in accordance with local laws and regulations.

### **1-1. No Forced Labor**

Suppliers must guarantee voluntary participation in all labor activities. Forced labor, workers under human restraint contracts (including bondage for debt repayment), involuntary convict workers, and



human trafficking workers shall not be hired. This includes any act of moving, hiring, or relocating the socially underprivileged through threats, coercion, coercion, kidnapping, or fraud for the purpose of labor exploitation. Workers must not be required to surrender their government issued identification cards, passports, or work permits as a condition of employment. Suppliers or labor dispatch companies must not ask workers for fees (e.g. job placement, etc.) or deposits.

In addition, working conditions must be documented and communicated in a language that workers can understand.

### **1-2. Underage Workers**

Employment of protected child workers by suppliers is strictly prohibited. "Child" means a person under the highest of 15 years of age, the age at which compulsory education ends, or the minimum legal employment age in accordance with local laws. If a child worker is discovered, the supplier must take immediate countermeasures. We must immediately stop hiring child workers and improve the age verification process for workers in the hiring process. When a supplier operates an intern program, etc., it must comply with local laws and regulations. Suppliers may hire youth workers older than the legal minimum age for employment, but workers under the age of 18 must not perform hazardous work (including overtime and night shifts) in terms of safety and health.

### **1-3. Compliance with Working Hours**

Suppliers must not exceed the maximum working hours stipulated by law in terms of weekly working hours. Furthermore, with the exception of emergencies or special circumstances, weekly working hours, including overtime, must not exceed the working hours set forth in the Labor Standards Act.

### **1-4. Wages and Benefits**

Suppliers should include the minimum wage, overtime pay, welfare benefits stipulated by law, etc. in the wages paid to workers, and comply with all local laws and regulations. All overtime work must be done voluntarily with the consent of the worker, and overtime pay that is higher than the hourly wage applied to regular working hours must be paid in accordance with local laws and regulations. Wage reductions are not permitted as a means of disciplinary action. Wage payment standards and items for workers must be provided in a language that workers can understand through a pay stub or a written document on which pay details are recorded, as well as on the company intranet.

### **1-5. Humane Treatment**

Suppliers must not engage in harsh and inhumane treatment, including sexual harassment, sexual



abuse, corporal punishment, mental or physical coercion, and verbal abuse, and must not threaten workers with such treatment. Suppliers must define policies and procedures that ensure humane treatment of workers and fully explain them to workers.

#### **1-6. Non-discrimination and Harassment**

Suppliers should take measures to prevent workers from being harassed or unlawfully discriminated against. Discrimination based on race, skin color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political orientation, union employeeship, marital status, etc. should not stand. Except in the case of exceptions required by local law or workplace safety, workers or job candidates may not be required to undergo medical examinations that could be used as grounds for discrimination.

#### **1-7. Freedom of Association**

Suppliers must respect the right of workers to organize and join an employee council or labor union, freely associate with other workers for collective agreements and peaceful assembly, in accordance with the laws of the local country, and workers will not participate in such activities. Rights must also be respected. In addition, workers and worker representatives must be able to freely communicate and share their opinions and difficulties on working conditions and management policies with suppliers without worrying about discrimination, retaliatory measures, threatening behavior, or harassment.

## **2. Safety and Health**

Suppliers should recognize that activities to ensure the safety and health of workers are essential in all activities conducted in the company's business. Suppliers shall strive to establish and maintain a safe and healthy workplace in accordance with local laws and regulations.

#### **2-1. Industrial Safety**

In order to control workers' exposure to potential safety hazards (e.g. electric shock, fire, vehicle, risk of falling, etc.), suppliers must conduct appropriate administrative control, preventive maintenance, and continuous safety training. Where hazards cannot be adequately controlled by the means outlined above, workers must be provided with appropriate personal protective equipment. In addition, pregnant women should not be placed in hazardous environments.

#### **2-2. Emergency Preparedness**

Suppliers should identify and evaluate potential emergencies and accidents in advance. In the event of an emergency, report, notify workers and evacuation procedures, etc., and prepare emergency



evacuation drills for workers to prevent emergencies, escape facilities, fire detection and fire extinguishing equipment, etc. to minimize damage caused by emergencies.

### **2-3. Prevention of Industrial Accidents and Diseases**

Suppliers must have procedures and systems in place to prevent, manage, track, and report industrial accidents and diseases of workers. These include preventing occupational accidents and diseases by encouraging workers to report freely, classifying and recording occupational accidents and diseases, providing necessary medical treatment, and implementing corrective actions to investigate each case and eliminate its causes; Provisions should be included to support the return of workers who have been placed on leave due to

### **2-4. Physical Demands of Workplace**

Suppliers shall identify, evaluate, and control workers' exposure to physically strenuous tasks, including repetitive manual work for long periods of time, heavy lifting or standing work, and physical strength-consuming assembly work.

### **2-5. Safety Management of Hazardous Machines, Instruments and Facilities**

Suppliers should evaluate the safety of using machinery, instruments and facilities necessary for production. Physical guards, interlocks and barriers must be provided and properly maintained when workers are using machinery that may expose them to a risk of injury.

### **2-6. Management of Exposure to Harmful Factors in the Work Environment**

Suppliers should regularly measure employees' exposure to factors such as hazardous chemicals, noise, and dust to identify the impact and implement technical measures and supervision to prevent exposure beyond the standard level. Staff must be trained on the hazards involved, and personal protective equipment must be provided if the hazards are not adequately controlled.

### **2-7. Safety and Health Education**

Suppliers must conduct appropriate safety and health training for workers, and training must be conducted in the language the workers mainly use. Safety and health-related information in the workplace must be posted in a conspicuous place

## **3. Environmental Management**

Suppliers should fully understand and strive to reduce the environmental impact caused by business operations and the provision of products and services to SK Inc. Environmental laws and regulations, such as disposal, recycling, industrial water management and reuse, and management of greenhouse



gases and atmospheric emissions, must be complied with.

### **3-1. Obtaining Environmental Permits and Reporting**

Suppliers must acquire, maintain, and manage all environmental permits and registrations necessary for corporate operation, and reflect the latest revisions. In addition, it must comply with the requirements such as operation and reporting necessary for the licensing process.

### **3-2. Pollution Prevention and Resource Efficiency**

Suppliers should minimize or eliminate the emission of reduced pollutants and the generation of waste by adding pollutant control facilities. The use of natural resources, including water, fossil fuels, minerals and virgin forests, must be conserved through methods such as improving production processes, strengthening maintenance, modifying plant processes, replacing materials, reusing, conserving and recycling materials.

### **3-3. Hazardous Substance Management**

Suppliers must separately manage chemicals and other substances harmful to humans or the environment, such as identification marks and labeling, to ensure safe handling, transportation, storage, use, recycling, reuse, and disposal.

### **3-4. Waste Water and Waste Management**

Suppliers must systematically identify, manage, reduce, and dispose/recycle solid waste (non-hazardous). Wastewater and solid waste generated from various corporate activities, production processes, and sanitation facilities must be characterized, monitored, managed/treated in accordance with regulations, and discharged/disposed. In addition, measures to reduce wastewater generation must be taken, and the treatment efficiency of the wastewater treatment process must be monitored at all times.

### **3-5. Greenhouse Gas Emissions and Energy Consumption**

Suppliers should identify energy consumption and GHG emissions at the company-wide and business site level in each phase of emission. We also need to find cost-effective ways to minimize energy consumption and greenhouse gas emissions while increasing energy efficiency. Ultimately, efforts to reduce greenhouse gas emissions must continue every year, such as establishing a 'Science Based Target' that meets the needs of the international community. SK Inc. may request related data (including manufacturer data such as greenhouse gas emissions/reduction plans), and suppliers must actively cooperate in this regard.

### **3-6. Air Pollutants**

Suppliers should identify the characteristics of volatile organic compounds, aerosols, corrosive gases,



dust, ozone layer depleting substances, and combustion by-products generated in the process, monitor them at all times, and manage/treat them in accordance with domestic and international laws before discharging them.

### **3-7. Expansion of Eco-friendly Products**

Suppliers should prioritize the use of eco-friendly products that can reduce environmental pollution in the absence of special reasons by considering environmental risk factors from the purchase of raw and subsidiary materials, and strive to continuously expand eco-friendly products and services.

### **3-8. Water Resources Protection**

Suppliers must systematically prevent rainwater pollution. To this end, a water resource management program that monitors water resource use and discharge must be implemented, contamination pathways must be controlled, and all wastewater discharges and wastewater treatment must be monitored.

### **3-9. Management of Soil/Noise/Vibration/Odor and Raw Materials**

Suppliers must monitor noise, soil pollution, odor, biodiversity, etc. to reduce the negative impact on the ecosystem near the business site, and introduce related systems to reduce the use of raw materials and measure them separately.

### **3-10. Biodiversity Conservation**

Suppliers must have a system to minimize negative impacts during business activities in biodiversity conservation areas and nearby areas. When conducting existing projects and reviewing new projects, the current status of biodiversity around the business site must be identified and the impact monitored.

### **3-11. No Forest Destruction**

Suppliers must have a system to minimize the risk and negative impact of deforestation caused by business activities. Contribute to carbon reduction through forest protection and continuous afforestation, and participate in forest conservation and climate crisis resolution.

## **4. Ethical Management**

Suppliers must comply with all local laws and regulations in business activities, and SK Inc. requires suppliers to maintain the highest standards of ethics.

### **4-1. Integrity and Anti-Corruption**

Suppliers must maintain the highest level of integrity in their business relationships with all



companies. You must not engage in any form of corrupt behavior (extortion, embezzlement, bribery, kickbacks, gifts, etc.), including giving money or other forms of advantage to a related party to influence decisions.

#### **4-2. Prohibition of Unfair Profit**

Suppliers must not provide, permit the provision, or receive any means to obtain unfair or improper benefits, and must implement monitoring and crackdown procedures.

#### **4-3. Avoiding Conflicts of Interest**

Employees of partner companies must handle their work responsibly and in accordance with the established business rules. In addition, employees of partner companies must not engage in any act that damages the company for personal gain or receives a promise of personal gain through a third party.

#### **4-4. Information Disclosure**

Information on labor/safety and health/environmental management, management activities, governance, financial status, and performance of suppliers must be disclosed in accordance with applicable laws and general industry practices. Falsification of records or misrepresentation of conditions and practices in related areas within the supply chain is unacceptable.

#### **4-5. Intellectual Property Protection**

The intellectual property rights of suppliers must be respected. Suppliers must transfer technology and know-how in a way that protects intellectual property rights and safely protect SK Inc.' information.

#### **4-6. Prohibiting Anti-Competitive Practices**

Comply with applicable antitrust (anti-collusion), advertising, and competition regulations and standards. You must not engage in any anti-competitive behavior that may limit or restrain competition in the marketplace.

#### **4-7. Privacy**

Suppliers must make reasonable efforts to protect the personal information of all people involved in business, including business suppliers, customers, consumers, and employees.

#### **4-8. Data Security**

Suppliers must comply with confidentiality obligations for data that they learn or receive in the course of conducting business. In addition, when a data infringement case is discovered, you must



report/notify us, and you must actively cooperate with access to the data processing system performed in the process of confirming the infringement.

#### **4-9. Whistleblower Protection**

Suppliers must report all matters related to violations of the Code of Conduct or retaliation (harassment, discrimination, unfair behavior, etc.) for whistleblowing. SK Inc. will keep whistleblowing facts confidential, and will take strict action if retaliation against whistleblowing is discovered. In addition, we will fairly identify the issues raised and devise solutions.

#### **4-10. Prohibition of Use of Conflict Minerals**

Suppliers must establish and implement a prohibition policy that prohibits the use of raw materials obtained through illegal and unethical methods (e.g., minerals from mines occupied by armed forces, etc.).

#### **4-11. Community Contribution**

Establish strategies considering the characteristics of local social contribution companies and strive for social contribution activities by operating various employee participation programs.

### **5. Management system**

Suppliers must implement and maintain as much as possible by establishing a system capable of continuous improvement to comply with this Code, related laws, and customer requirements. This should include clear goals and objectives, regular measurement and performance evaluation, and the implementation of continual improvement.

#### **5-1. Declaration of Commitment**

Suppliers must express in writing the company's commitment to compliance and continuous improvement, approved by the management, and post it at the workplace.

#### **5-2. Management Duties and Responsibilities**

Suppliers should appoint a person in charge of periodic inspection of the implementation and status of the management system and norm-related programs, and the company's CEO should review the status of the management system on a regular basis.

#### **5-3. Response to Laws and Customer Requirements**

Suppliers shall establish a process to identify, monitor, and understand the latest laws and regulations and customer requirements, including the requirements of this Code.





#### **5-4. Risk Assessment and Management**

Suppliers should identify potential risks in terms of environment, occupational safety and health, human rights and labor, and ethics, establish management plans for risks with high probability of occurrence and ripple effects, and report the implementation status to the management.

#### **5-5. Goal Setting and Management**

Suppliers should establish goals and action plans in terms of environment, occupational safety and health, human rights and labor, and ethics, and periodically evaluate the achievement status.

#### **5-6. Training and Communication**

Suppliers shall establish and operate a program to train managers and workers to implement the company's policies, procedures, and improvement goals and comply with applicable laws and regulations, and provide information on policies, practices, expectations, and performance-related information to workers, company and establish a communication process with customers.

#### **5-7. Employee Feedback, Participation and Grievance Handling**

Suppliers must have an independent auditing organization and reporting system, and conduct regular self-evaluation to verify compliance with this Code and local laws and regulations.

#### **5-8. Auditing and Evaluation**

Suppliers should conduct regular self-evaluation to check compliance with this code and local laws and regulations.

#### **5-9. Corrective Action Process**

Suppliers must establish procedures to appropriately correct deficiencies identified through internal or non-compliance evaluations, inspections, investigations, and reviews.

#### **5-10. Supplier Participation and Fulfillment of Responsibilities (Supplier Management)**

Suppliers who transact with SK Inc. must deliver this Code to sub-suppliers, request compliance, and conduct compliance evaluations.

**We hereby acknowledge and agree to adhere to the detailed provisions of the Supplier Code of Conduct as required by SK Inc. We commit to actively implementing these standards.**

**To SK Inc.**