

The Code of Conduct for suppliers of SK On Tech Plus

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1. INTRODUCTION

SK On Tech Plus Co., Ltd. (hereinafter, “SK”) is committed to sustainable practices and believes they are integral to how we conduct our business.

SK recognizes that we have a broad and diverse range of suppliers from around the globe. Therefore, it is critical to ensure that all suppliers of SK shall conduct sustainable activities in full compliance with the rules and regulations of country in which the suppliers operate their businesses in.

Therefore, SK establishes the Code of Conduct for suppliers of SK On Tech Plus (hereinafter “Code of Conduct”). This Code of Conduct sets out the minimum requirements that suppliers must comply in order to maintain business relations with SK.

The global standards and guidelines established by organizations such as, International Labor Organization (ILO), Organization for Economic Cooperation and Development (OECD), and other international standards may be used as the reference for the Code of Conduct.

Through our best endeavors, we want to extend our Code of Conduct policy to be applied to our supply chain and to this end, we expect that our suppliers are fully compliant with these ethical standards, as follows;

- **LABOR & HUMAN RIGHTS:** CODE OF CONDUCT includes prohibition of hiring children and management of youth workers, involuntary labor, discrimination, inhumane treatment.
- **SAFETY & HEALTH:** CODE OF CONDUCT envisages the safety and health of its employees, stakeholders, as well as the whole community.
- **ENVIRONMENT:** CODE OF CONDUCT declares its responsibility upon the environment and consideration of whole of life impact in our business decision making process.
- **ETHICS:** CODE OF CONDUCT requires SK and its stakeholders to comply all applicable laws, regulations and ethical standards of their community, country, and the globe.
- **RESPONSIBLE SOURCING OF MINERALS:** CODE OF CONDUCT requires SK and its stakeholders not to use raw materials obtained by illegal, unethical methods.

2. LABOUR & HUMAN RIGHTS

SK respects human rights and workplace rights, including the United Nations Declaration of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. With respect to their operations, all suppliers are required to meet the following standards, as a minimum:

A. Voluntary labor (prohibition of forced labor)

A supplier shall not impose forced labor (e.g., slave labor or human trafficking) against a worker's will. When hiring a worker, it shall execute a labor contract prepared in a language the worker can understand and provide a copy of this contract to the worker. When a foreign worker is hired, the worker himself/herself shall keep the originals of his/her passport, work permit, etc. A supplier shall not unreasonably restrict a worker's movements, and the worker shall be allowed to resign from the company of his/her free will.

B. Prohibition of hiring children and management of youth workers

A supplier shall not hire children. The term 'child' means anyone under 15 years of age (including anyone under 18 years of age who attends middle school) or anyone under the minimum employment age under the laws of the country of his/her nationality or employment. A worker under 18 years of age shall not be put to work on processes with safety & health risks or to work at night or work overtime. Students undergoing practical training shall be separately managed and supported in the practical training program, separately from regular workers.

C. Prohibition of discrimination

A supplier shall not engage in discrimination on the basis of race, skin color, age, gender, sexual orientation, sexual identity, ethnicity, disability, pregnancy, religion, political inclination, labor union membership, nationality, and marital status in employment practices such as hiring, wages, promotion, compensation, and education/training opportunities. A worker or job applicant shall not be asked to undergo a medical examination for items (e.g., pregnancy) which may be used as grounds for discrimination. A supplier shall take reasonable measures so that the worker may perform religious rituals upon request.

D. Working hours

Weekly working hours should not exceed the maximum working hours stipulated by law. In addition, the weekly working hours, including overtime working hours, should not exceed the working hours stipulated in the Labor Standards Act.

E. Wages and benefits

Compensation paid to employees shall comply with all applicable laws related to wages, including minimum wage and statutory benefits such as overtime allowance.

F. Humane treatment

A supplier shall respect all workers' human rights, and may not engage in harsh or inhumane treatment against workers, including sexual harassment, sexual abuse, corporal punishment, mental/physical coercion, violent language, or unreasonable restrictions. To this end, a supplier shall clearly provide for, implement, and announce to workers, reasonable procedures for disciplinary measures.

G. Guarantee of freedom of association

A supplier shall guarantee a worker's right to freely organize and join a labor union, and to engage in collective bargaining and peaceful assembly and demonstration under the laws of the country of his/her nationality or employment. It shall also guarantee the right to refuse to carry out such acts.

A worker or workers' representative shall be able to communicate with management concerning opinions and grievances on conditions of labor and management policy without, but not limited to, fear of discrimination, retaliation, and threat.

3. SAFETY & HEALTH

SK believes we can play an active role in driving positive outcomes for safety & health of the communities in which we operate and the economy as a whole. We are committed to agreements that are in accordance with the standards set out in the Code of Conduct.

A. Industrial Safety

The supplier shall conduct risk evaluations to be aware of workers' chances of exposure to harmful factors. It shall implement safe work process designs, technical/administrative controls, preventive maintenance, safety regulations formulation, and provide workers with continuous training, necessary personal protection equipment, and supervision of proper wearing in accordance with the results of the evaluation.

B. Response to emergency situations

Potential emergencies and accidents should be identified and evaluated in advance. Reporting, announcement to employees and evacuation procedures should be established and damages from emergency situations should be minimized by establishing emergency response procedures, such as emergency evacuation training, evacuation facilities, securing fire detection and fire extinguishing equipment, developing recovery plans and responding to emergencies properly.

C. Prevention of industrial accidents and illnesses

A supplier shall establish and comply with accident-handling procedures to prevent industrial accidents, occupational illnesses and to limit recurrence. It shall be aware of physically excessive tasks such as repetitive work and handling of heavy items, and to prevent musculoskeletal illnesses, shall take appropriate measures such as work process improvement.

D. Management of harmful factors in the work environment

A supplier shall periodically measure hazardous chemicals, noise, dust, etc. in the work environment to which workers may be exposed, determine their effects, and take technical measures, as well as conduct management and provide supervision to prevent exposure to listed harmful factors above permitted levels.

E. Equipment safety

A supplier shall classify the types of dangerous equipment used and then conduct periodic safety inspections. It shall provide physical protection devices/walls and control devices for workers' safety, and conduct preventive maintenance for such facilities.

F. Cafeteria and dormitory management

A supplier shall provide employees with clean restrooms and drinking water, and a place where they may cook, keep, and eat food in a clean environment. Employee dormitories provided by a supplier or a worker dispatch company shall be clean and safe, and be furnished with proper emergency exits, cooling/heating, ventilation devices, and personal lockers or spaces which may be locked.

G. Safety & health training

A supplier shall periodically provide safety & health training necessary for workers, and display, in highly visible locations, safety & health information which workers must be aware of.

4. ENVIRONMENT

SK expects our suppliers to conduct their business in an environmentally responsible manner and we are committed to minimizing the environmental impact of the goods and services. To this end we will consider their whole of life impact in our procurement decision making process. We further encourage our suppliers to support and actively participate in our projects and initiatives that are helping to reduce our environmental impact. Our priorities for the environment include:

A. Compliance with environmental laws

A supplier shall obtain and maintain statutory, mandatory environmental permits and licenses including, but not limited to, reporting of the installation, operation, and modification of emission/prevention facilities and comply with reporting obligations. In addition, it shall comply with laws concerning the environment and continue to be aware of and comply with recent changes in statutes.

B. Prevention of environmental pollution and reduced consumption of resources & energy

A supplier shall endeavor to reduce resources/energy consumption and waste emissions at a fundamental level through work process improvement, materials substitution, preventive preservation, resources preservation, and recycling/reuse.

C. Greenhouse gas emissions management and information disclosure

Suppliers should manage greenhouse gas emissions and make an effort to manage performance with respect to the establishment and achievement of greenhouse gas emission reduction targets. In addition, they should endeavor to produce low-carbon products and use renewable energy. Suppliers are expected to cooperate with SK to improve environmental performances and provide relevant information including energy consumption and CO₂ emissions (Scope 1,2 and 3) to SK, upon request.

D. Chemicals management

A supplier shall be aware of all chemicals (including designated waste) that pose a risk of environmental pollution if leaked, endeavor for safe storage, transportation, use, recycling/reuse, and disposal of such materials, and conduct periodic response training based on leakage response scenarios.

E. Waste disposal

A supplier shall be aware of the characteristics of waste produced, handle them in accordance with applicable laws, and then dispose of them in an appropriate manner. It shall endeavor to reduce the amount of waste produced.

F. Air pollution management

A supplier shall be aware of the characteristics of volatile organic compounds, aerosols, corrosive gas, dust, ozone layer-depleting materials, and combustion byproducts present in work processes, handle them in accordance with applicable laws, and then dispose of in an appropriate manner. The status of emissions shall be monitored at all times.

G. Circular economy

A supplier is expected to cooperate with SK to build circular economy and to provide sustainable product for society. In addition, suppliers shall provide life cycle assessment results and supporting data upon SK's request.

5. ETHICS

SK believes the compliance of the ethics of the community, the country, and the globe, will return the positive outcomes. We are committed to agreements that are in accordance with the standards set out in the Code of Conduct.

A. Compliance with transparent management and prohibition of unjust enrichment

A supplier shall, as a policy, prohibit and continuously check and monitor corrupt behaviors such as bribery, including gifts and embezzlement. All transactions shall be recorded and managed in a transparent manner.

B. Information disclosure

A supplier shall, in accordance with the applicable laws and industry practices, truthfully disclose information on the status of management in the following areas, amongst others: labor, safety & health, environmental matters, management activities, corporate governance, and financial status and performance.

C. Protection of intellectual property rights ("IPRs")

A supplier shall respect all IPRs, and protect relevant rights when transferring technology or expertise. It shall safely protect all information concerning SK's affiliates, whose information it became aware of in transactions with these affiliates.

D. Compliance with fair, transparent transactions

A supplier shall comply with fair trade-related laws and may not engage in activities such as unfair trade practices which compromise fair trade.

E. Protection of identity and prohibition of retaliation

A supplier shall operate a reporting system guaranteeing anonymity and keep any relevant information confidential, so that workers may participate without fear of retaliation.

F. Protection of personal information

A supplier shall systematically manage and protect the personal information of all stakeholders (including suppliers, client companies, and employees). When collecting, keeping, processing, transmitting, and sharing personal information, it shall comply with laws on personal information protection and information security.

6. RESPONSIBLE SOURCING OF MINERALS

A. A supplier shall establish a policy for prohibition of “Risk Minerals” (as defined in Appendix I) sourced through illegal, unethical, or improper processes which result in adverse environmental impact, unsafe and unhealthy work environments, and human right abuses.

B. A supplier shall develop and execute due diligence policy and system on handling “Risk Minerals” from Conflict-Affected and High-risk Areas (as defined in Appendix I), in accordance with all applicable laws and international industry standards including the *OECD Due diligence Guidance for Responsible Supply chains of Minerals from Conflict-Affected and High-risk Areas (hereinafter “OECD Guidance”)*, so that the origin and supply chain of minerals, including refiners/smelters and mines, can be tracked. A supplier shall conduct appropriate due diligence process (as defined in Appendix I), and make efforts to ensure the “Risk Minerals” provided to SK do not contribute to the risks listed in Annex II of OECD Guidance and international standards.

C. A supplier is required to support and cooperate with SK to demonstrate transparency and traceability on supply chain. They shall inform its sub-suppliers of SK’s policy and encourage dissemination of the SK’s policy.

D. Suppliers are expected to guarantee that they provide the products by not using the “Risk Minerals” which were and/or are in breach of sustainability standards required by SK regarding environment, human rights, health and safety.

E. A supplier shall provide any necessary documents or supporting materials such as due diligence practice, proof of responsible sourcing, and code of conduct to SK. (e.g. supply chain information including origins, smelter/refiners and mines, the 3rd party audit result or the performance results of due diligence practices in its raw material supply chain, introduction of chain of custody system), which will be provided upon SK’s reporting process and/or requests.

F. If the damages relevant to failure of act hereunder are arisen due to cause attributable to the supplier, a supplier will indemnify SK and save it harmless from costs, liabilities, expenses, or indirect, punitive, exemplary or consequential damages to the extent applicable.

7. MANAGEMENT SYSTEM

A supplier shall build its own management system and comply with the Code of Conduct and applicable laws.

- A. Declare commitment to self-compliance
- B. Clarify management responsibility
- C. Recognize and monitor applicable laws and regulations and customers' requests
- D. Evaluate and manage operational risks relating to SHE, labor practices, and ethics
- E. Goal management and performance evaluation/compensation
- F. Run training/training programs for employees
- G. Employee feedback and engagement
- H. Record and manage documents in accordance with applicable laws and internal document management regulations
- I. Process of corrective measures
- J. Participation and responsibilities in supply chain management

A supplier, to check whether the policy on transactions with SK is complied with, shall perform and manage periodic self-evaluation, disseminate the Code of conduct to sub-suppliers, and request compliance in this regard.

8. RAISING CONCERS

A supplier is encouraged to promptly notify us if they become aware of any potential risk of non-compliance to the standards set out in these Code of Conduct.

[Appendix I] RESPONSIBLE SOURCING OF MINERALS – DUE DILIGENCE

1. Due diligence Scope

✓ Risk Minerals

1. Conflict Minerals : Tin, Tantalum, Tungsten, and Gold (known as 3TGs)
2. Responsible Minerals : Responsible Minerals such as Cobalt, Lithium, Nickel, Graphite, and any other additional minerals or materials, which may be added by request of SK, sourced from Conflict-Affected and High-Risk areas

✓ Conflict-Affected and High-Risk Areas

1. Areas identified as under the influence of armed conflict, widespread violence or other risks of harm to people in accordance with OECD Guidance and applicable laws (e.g. Democratic Republic of Congo(DRC) and adjoining countries)
2. Areas connected to adverse environmental impacts, health and safety risks, labor rights risks such as forced labor, human right abuses in accordance with applicable laws and international industry standards

2. Due diligence Process (based on OECD Guidance 5 step frame)

- ✓ Establish strong company management system
- ✓ Identify and assess risk in the supply chain based on OECD Guidance Annex II
- ✓ Design and implement a strategy to respond to identified risks
- ✓ Carry out independent third-party audit of supply chain due diligence at identified points in the supply chain
- ✓ Report on supply chain due diligence

3. Reference for RESPONSIBLE SOURCING OF MINERALS

- ✓ All applicable laws and international industry standards
- ✓ OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
 - <http://www.oecd.org/investment/mne/mining.htm>

[Appendix II] Acknowledgement of the Code of Conduct for suppliers of SK On Tech Plus

The supplier and its affiliates (hereinafter “Supplier”) fully acknowledge and agree on the Code of Conduct for Suppliers (hereinafter “Code of Conduct”) of SK On Tech Plus (hereinafter “SK”).

1. The supplier is fully aware of the contents of the Code of Conduct, and is committed to continuously improve its system to comply with the requirements therein, recognized as significant factor to maintain business relationship with SK.
2. The supplier shall communicate the contents of the Code of Conduct to its employees as well as sub-suppliers, and cause them to comply with the terms and conditions of the Code of Conduct.
3. If SK or any party appointed by SK requests to submit survey/document or to visit facilities in relation to audit and compliance with the Code of Conduct, the supplier is expected to cooperate with it and respond to relevant requests.
4. If the supplier breaches the Code of Conduct, or its sub-suppliers are considered at risk of violating the Code of Conduct, SK may request the suppliers to implement appropriate corrective actions in order to prevent, mitigate and resolve the risks. If repeated problems occur even with SK’s notification or corrective actions are not fully implemented for a reasonable period of time without reason, SK may consider taking following actions including but not limited to, suspension or termination of business relationships to suppliers. If the supplier becomes aware of any breach of the Code of Conduct, the supplier shall immediately notify SK in writing.
5. The supplier shall maintain documents and records of identified risk and the corrective actions taken to manage the risk. In order to comply with applicable laws or respond to stakeholders’ requirements, SK may report information regarding compliance with Code of conduct to the extent suppliers’ confidential business information is not disclosed.
6. The Acknowledgement of the Code of Conduct shall be valid while any supply contract is in effect between SK and the supplier, and shall no longer be in effect when the business relationship is terminated.

[Appendix II] Acknowledgement of the Code of Conduct for suppliers of SK On Tech Plus

This Acknowledgement is made in two original copies, one for the supplier and the other for submission to SK. Electronic copies (PDF) of signatures will constitute originals for all purposes.

Date: _____, 20____

Signature

Company Name:

Name:

Address:

Title:

[Appendix III] References for The Code of Conduct for suppliers of SK On Tech Plus

ILO (International Labor Organization) standards

United Nations Guiding Principles on Business and Human rights

OECD Guidelines for Multinational Enterprises

OECD Guidance for Responsible Business Conduct

OECD Due diligence Guidance for Responsible Supply chains of Minerals from Conflict-affected and High risk areas

OECD Due diligence Guidance for Responsible Business Conduct