

# **Ethics Mission**

2019-7-1

**SK hynix system ic ( Wuxi ) Co., Ltd**

# Declaration of Ethical Management

**SK hynix executes its duties ethically and lawfully, with an understanding of contemporary norms, and strives to establish an order of fair trade. SK hynix also promotes a transparent and clean corporate culture to fulfill its social responsibilities.**

01. All management activities will comply with the laws and local customs of the nation and the international community based on ethical values.

02. The company will establish an order of transparent and fair trade to eradicate injustice and corruption.

03. The company will establish a corporate culture based on ethical management and try to spread it to cooperative firms.

04. The company will establish an office to take charge of ethical management, in order to create a system in which ethical management is put into practice and continuously improved.

05. The company will make this declaration public to all stakeholders in order to effectively fulfill its intent.

## Chapter 1 General Provisions

### Article 1 (Scope of Application)

These rules shall apply to members of SK hynix(hereinafter referred to as 'company').

### Article 2 (Principles)

SK hynix strives to create value for various stakeholders, including customers, members, stockholders, business partners(BP hereafter), community members and the national, using SKMS as the foundation of management, and aims to play a core role in social and economic development. Furthermore, the company will practice management that contributes to the happiness of mankind. To achieve this, the company will enact a declaration of ethical management and an ethics code, which all members will use as a yardstick for judging decision-making and acts in management activities.

### Article 3 (Main Agents and Roles of Ethical Management)

#### 1. The Executive in Charge of Ethical Management

On behalf of the company's management, the executive in charge of ethical management will manage and oversee tasks related to ethical management such as unethical behavior prevention and remedies management.

#### 2. Relevant Organization for Ethical Management

As an organization that can operate autonomously, it carries out the overall tasks for ethical management of the company such as implementation, modification, management, and supervision of the ethical management system.

#### 3. The Head of Office/Group(or Team Leader for Project-Based Team Organization) in Charge of Execution Part of Ethical Management

As the person in charge of ethical management, the Head of Office/Group(or Team Leader for Project-Based Team Organization) should manage and oversee

with a sense of responsibility over the practice of ethical management by establishing and executing action plans.

#### 4. Ethical Practice Leader

Elected from each organizational unit, Ethical Practice Leaders are expected to play a key role, which includes propagation of ethical management related company enforcements and counseling on ethical management related issues within the organization.

### Article 4 (Detailed System Guidelines for Ethical Management)

To execute the code of conduct, we operate under the system defined below.

#### 1. Code of Conduct Practice Guideline

The code is set to guide the members in the decision making process, and to set standard for actions and judgment in ethically conflicted situations.

#### 2. Ethics Compliance Pledge

Stakeholders in the company have the obligation to comply with the Code of Ethics and Ethics Compliance Pledge, and in order to reaffirm commitment to Ethics Compliance, once per year, members must sign Ethics Compliance Pledge.

#### 3. Unethical Behavior Prevention System

The company shall operate the ethical infraction prevention system for reasons of identifying and preventing potential ethical risk factors and to make improvement in the futures.

##### - Ethics Education :

Employees shall complete the Ethics Training course every year to promote ethical awareness and practice ethical management voluntarily. The course will be divided into two different levels. The basic course covers general information on ethics that everyone should be aware of as a member of SK Group, whereas the intensive course is based on the environment and characteristics of job positions and duties.

- Ethics Survey :

The ethics management office shall regularly conduct an ethics survey to allow the executives and employees to examine the degree of ethical practice and use the results to check the level ethical management and establish improvement actions.

- Risk Prevention Check :

Critical functions or areas, such as HR, Cost, Procurement, BP, Bond, Investment, are checked regularly by each business unit's continuous self-monitoring system, and RM(Risk Management system), a system operated by Ethical Management organization which focuses on the Group's key Risk factors.

- Internal Audit :

There are three types of audit; regular audit, special audit, and daily audit. Items on overall audit activities, such as audit policy, scope of application, and operation method, will be handled according to the separate company regulations(regulation on internal audit).

4. Communication Channel for Ethics Counseling/Reporting

- Communication channel will be established and operated, in order to enable all stakeholders, including members, to freely seek counsel related to ethical management and report any suspected unethical business practices.

- After consideration or review, compensation could be given to those who states his/her real name in addressing and reporting any unethical practices that contributes to increasing business performance.

## Chapter 2 Commitment to Customers

### Article 5 (To Respect Customers)

We respect customers' opinions with an attitude of faith and sincerity, and actively accept customer's requests so long as they are reasonable and just.

## Article 6 (Creating Customer Value)

1. We always try to find the true value needed by our customers through innovation and creativity.  
We provide the highest-quality products and services at appropriate times
2. and do our best to satisfy customers by developing technology and improving the product quality.

## Article 7 (To Protect Customers)

1. The members shall not reveal the information of customers to other parties, or use their information for other purposes; the company shall protect customers' properties and reputation.
2. We transparently make information public that customers should know or we should let them know so that they can make reasonable judgments.

## Chapter 3 Commitment to Members

### Article 8 (To Respect Members)

1. The company shall strive to support and respect internationally announced human rights protections, and is working to promote diversity at all domestic and overseas offices.
2. The company guarantees the basic livelihood of all members, and continuously strives to improve quality of life for members and their families.  
The company guarantees members' physical, mental and social stability to the
3. greatest extent possible, and does the to create a working environment suitable for capacities of members.
4. The company strives to minimize disputes among members and aims to establish sound labor-management relations.

Hiring and working conditions(working hours, safety/well-being/environment, 5. welfare, holidays and vacation etc) of minors will be in accordance with the international standard and laws.

#### **Article 9 (Ban on Discrimination)**

1. In all employment practices, including hiring, promotion, compensation and training opportunities, the company does not discriminate based on race, skin color, nationality, ethnicity, sex, name of university attended, birthplace, political views, social status, marital status(pregnancy), and disability.
2. The company grants fair opportunities according to abilities and performance, assesses employees according to fair criteria and rewards employees fairly.

#### **Article 10 (To Protect Informants)**

The company shall take all possible measures, including the listed items below, so that the informants' reporting of unethical and illegal acts, or whistle-blower's reasonable report or testimony on the case along with submission of evidence will not lead to their suffering disadvantage, discrimination, or retaliation at any given circumstance.

- Any attempts to expose the identity of the informant, such as making inquiry to Ethical Management organization or trying to find out the details of the report through any means, are prohibited.- If the informant fears of a possible retaliation or penalty inflicted by a third party or the very person who is considered by the informant to be involved in activity that is deemed illegal, unethical, or not correct(employer), or if actual damage was inflicted upon the informant, the informant can acknowledge the Ethical Management organization about such act for countermeasure or protection, and accordingly, the Company will make sure to take appropriate and protective measures for the informant by using any means possible so that no harm is inflicted upon the informant.- Also, through after-action monitoring, Ethical Management organization, on a regular basis, will keep checks on the occurrence of any harm, such as retaliation or penalty, inflicted upon the informant, even if the case is closed.

#### **Article 11 (To Protect Personal Information)**

In accordance with the relevant law and company rules, the company protects the collected, stored, and managed personal information and guarantees the right of the informant.

#### **Article 12 (To Promote Creativity)**

1. The company creates an environment to pursue SUPEX so that members can maximize their creativity voluntarily and ambitiously.

- For its members, the company provides an environment in which they can work
2. in a spirit of making changes and taking on new challenges through knowledge-based creative management.

#### **Article 13 (Nurturing Talents)**

- The company provides opportunities to its members to receive education and training to develop technology and get promotions. It also strives to help them
1. improve their personal capacities and working abilities and lead a healthy and high-quality life.

2. The company assigns work to its members based on their aptitude and abilities, and provides opportunities to grow through continuous education.

### **Chapter 4 Commitment by Members**

#### **Article 14 (Basic Ethics of Members)**

1. As members of the organization, we maintain our dignity and pride and try to continuously develop based on the company's core values.
2. Members strive to improve job performance and efficiency through active cooperation and smooth communication between related departments.



Members, based on the relevant laws and company regulations, are to take legal and ethical approach as much as possible in executing jobs and take the responsibility for the jobs performed.

4. If one witnesses or was approached with unethical or illegal activities, it is required that they notify the relevant organization.

#### **Article 15 (Executing Job in a Fair and Just Manner)**

Members should not solicit or receive any favors, such as gifts, conveniences, hospitality, and by separating business from personal matters, should act in a manner that is fair and just in everyday activities.

In executing jobs, members should avoid all business acts in which company interests are in conflict with members' interests. In such a situation, the member's highest priority should be the interests of the company, to the extent ethical standards allow.

#### **Article 16 (Protection of Company Assets and the Use of Budget)**

1. Any company assets or budget must be appropriately used in accordance with the intended purpose.

2. Members must not leak or reveal any tangible and intangible assets of the company to third parties without permission, and must strictly comply with security regulations.

#### **Article 17 (Forming a Sound Corporate Culture)**

1. All Members must strictly observe working hours so that it does not affect other members, and also must perform job duties with responsibility and integrity.

2. Members should respect others based on trust and respect.

3. Members should report honestly without holding back or exaggerating facts.

4. Members should act with discretion so as not to hurt personal dignity and the dignity of the company.

## Chapter 5 Commitment to Stockholders and Investors

### Article 18 (To Protect Interests)

We do our best to protect the interests of our stockholders and investors by continuously pursuing growth and development.

### Article 19 (To Guarantee Rights)

1. The company respects stockholders' right to know, demands and suggestions, and actively reflects them in managing the company.  
The company sincerely provides reliable information on management, including business activities, structure, financial conditions and business performance,
2. which are needed by stockholders and investors according to the related laws and general industrial practices.

## Chapter 6 Commitment to Fair Competition and Transaction

### Article 20 (Upholding Free Competition)

1. The company respects the market economy's order and actively participates in fair trade practices based on responsibility and transparency.  
The company strives to contribute to the development of a fair society
2. without corruption by preventing corruption such as money laundering and/or insider trading/dealing and improving fairness and reliability.

### Article 21 (Ensuring Compliance of Laws and Regulations)

1. The company shall strive to respect national and local business practices

and norms and strictly comply with relevant laws and regulations in everyday business and sales activities.

The company shall continuously strive to have all employees voluntarily

2. follow laws and regulations by operating a system for voluntarily observing fair trade.

3. The company shall strive to secure transparency in the raw material supply chain and do its best not to violate environmental laws and human rights.

#### **Article 22 (Shared Growth with BP)**

1. The company applies fair and reasonable standards and grants a fair opportunity to all cooperative firms.

The company conducts all transactions transparently and fairly, sufficiently

2. discusses transaction conditions and procedures, and keeps business secrets.

The company actively supports BPs through technological assistance and

3. management cooperation so that they can gain competitiveness in the long run.

The company supports BPs so they can abide by international norms and

4. standards re human rights, protect their workers' human rights and treat them fairly.

### **Chapter 7 Commitment to the Nation and Society**

#### **Article 23 (Responsibility toward the Nation)**

As a semiconductor maker, the company creates jobs, provides high-quality products and service, and works as a sincere taxpayer.

#### **Article 24 (Contribution for Social Development)**

- The company guarantees its members' participation in sound social activities, and
1. contributes to social and economic development by improving the social environment.
  2. The company strives to establish mutual trust with stakeholders and faithfully fulfills its social responsibility as a corporate citizen.

#### **Article 25 (Ban on Participation in Political Activities)**

- The company does not participate in politics, and will not provide donations or expenses to candidates running for elected posts, political parties and political
1. committees, directly or indirectly. The company, however, can express its position about policies or laws when stated policies or laws are connected with its interests.
  2. The company respects personal opinions of its members, but members should be careful that any opinions they express are not construed as the views of the company. No political activities are allowed within the company.

#### **Article 26 (Environment-Friendly Management)**

1. The company observes environment-related domestic and international laws and agreements, and does its best to preserve a clean environment.
2. The company strives to prevent all pollution that has negative effects on public health and stability.
3. The company promotes the sustainable use of resources by enhancing energy efficiency, water resource protection and raw material use efficiency.
4. The company fulfills its responsibility to alleviate the changes in the climate and the ecosystem caused by greenhouse gas emissions.

### **Chapter 8 Commitment to Compliance of the Code of Ethics**

#### **Article 27 (Responsibility to Comply with the Code of Ethics)**

1. Members have the responsibility and obligations to comply with the Code of Ethics.

- The leader of the organization has the responsibility to support and oversee the organization by take the lead and becoming an example by complying with the
2. Code of Ethics, so that members and relevant stakeholders can properly understand and comply with Ethics Practice Guidelines.

3. Anyone violating the Code of Ethics be subject to disciplinary action and procedure based on relevant rules and regulations.

## **Additional Clauses**

### **Article 1 (Time of Enforcement)**

1. This ethics code is enacted and enforced from Jun 1, 2000.
2. This ethics code is enacted and enforced from Aug 1, 2001.
3. This ethics code is enacted and enforced from May 1, 2003.
4. This ethics code is enacted and enforced from Feb 5, 2008.
5. This ethics code is enacted and enforced from Jul 1, 2009.
6. This ethics code is enacted and enforced from May 1, 2011.
7. This ethics code is enacted and enforced from Jul 1, 2012.
8. This ethics code is enacted and enforced from Jul 1, 2013.
9. This ethics code is enacted and enforced from September 1, 2014.
10. This ethics code is enacted and enforced from October 1, 2015.
11. This ethics code is enacted and enforced from October 1, 2016.

### **Article 2 (Standard of Interpretation)**

If there are no regulations related to the company's ethical management activities in the ethics code and the ethics code practice guideline, and there are issues related to

interpretation, members should follow the interpretation and decision of the office in charge of ethics management.

### **Article 3 (Relation with Other Regulations)**

The ethics code and the ethics code practice guideline, which are the basis of ethical management practice, take precedence over other regulations of the company.