



SK D&D Supplier Code of Conduct

1. Overview

A. Purpose

- SK D&D has formulated this code of conduct to foster a sustainable supply chain. It mandates all business partners to adhere rigorously to relevant laws and regulations governing their operations. Concurrently, it calls for the adoption of best practices in ethics, environment, labor/human rights, safety/health, and management systems. The 2022 European Commission's approval of mandatory supply chain audits and the expansion of laws related to sustainable supply chain management worldwide indicate the importance of companies mitigating ESG risks
- SK D&D envisions that adherence to this code of conduct by business partners will set the foundation for win-win growth.

B. Scope of Application

- All business partners that have entered into contracts with SK D&D for goods, services, or other transactions should operate their businesses in compliance with this code of conduct. Business partners subject to this code, such as vendors and subcontractors, can recommend that their entire supply chain adhere to the guidelines presented in this code of conduct.

C. Supplier's Roles and Responsibilities

- All business partners of SK D&D are encouraged to consider the matters presented in this Code of Conduct when making management decisions and operating their businesses. Third-party institutions entrusted by SK D&D can inspect and audit whether business partners are complying with the provisions presented in this Code of Conduct, as permitted by law. Based on the results of inspections and audits concerning adherence to this Code of Conduct, SK D&D may recommend improvements for identified risks. Should any areas of improvement be identified, the business partners should establish and implement a risk mitigation plan in consultation with each other. This Code of Conduct does not explicitly list all the obligations for the business partners to fulfill, and it may be supplemented and revised periodically. This Code of Conduct can be accessed on the SK D&D website, and

specific details about it can be inquired through the responsible department at SK D&D.

2. Business Ethics

A. Transparency and Anti-Corruption

- The content adheres to the ethical management compliance statement that SK D&D requires from business partners upon contracting.

B. Conflicts of Interest

- Business partners should perform their duties responsibly according to the work regulations.
- Employees of business partners should not promise, suggest, authorize, or provide specific means for unjust or inappropriate gains. Furthermore, actions that cause harm to the company for the personal benefit of employees or receiving personal benefits through third parties are prohibited.

C. Fair Trade and Competition

- Business partners should comply with fair trade-related laws and standards specific to each country where they conduct business.
- Business partners should not engage in actions that could hinder fair competition, such as abusing dominant market positions or transactional positions.
- Actions that restrict competition by business partners (such as colluding with other businesses on matters related to the price, supply quantity, trading areas, trading conditions, and so on) are prohibited.
- Business partners should not obtain information through illegitimate means from competing companies, partner businesses, or other organizations. They should not use or disclose information that has been illegitimately acquired by the company or a third party

D. Information Protection

- Business partners should not unauthorizedly disclose customer or trading partner trade secrets or confidential information, and information acquired during work should not be

stored or used without prior permission and approval.

- Business partners should respect the intellectual property rights held by customers and business associates and take appropriate measures to protect their own intellectual property rights. At the same time, they should periodically verify if intellectual property rights are being infringed upon.
- Business partners should collect and use personal information within the scope agreed upon in advance, including the purpose of collection and use, as well as the retention and usage period. If there are any changes to these matters, prior consent should be obtained.

3. Environment

A. Establishment of Environmental Management System

- Business partners should comply with environmental laws and regulations specific to each country and should maintain all necessary environmental permits required for business operations
- Business partners should operate an environmental management system consisting of organization, planning, procedures, performance evaluation, and more to mitigate environmental impacts from business operations.
- Business partners should consider eco-friendly material procurement and usage when making purchases.
- Business Partners should conduct an environmental impact assessment or life-cycle assessment of product materials and components, from the process of resource collection to the final disposal of the product, to account for the environmental load of the product.

B. Cooperation to build Green Buildings

- SK D&D has established a green building development and operation framework to minimize the environmental impact throughout life cycle. When necessary, business partners should collaborate on green building certification and operations

C. Management of Energy Use and Greenhouse Gas Emissions

- Business Partners should establish a system to measure energy use and greenhouse gas

emissions, and strive to use renewable energy, install high-efficiency facilities and electrical appliances, and utilize smart building technologies to the extent possible to reduce energy consumption and greenhouse gas emissions

D. Water Resources Management

- Business Partners should establish a system that can measure water use and wastewater emissions, and strive to reduce water use and increase recycling capacity. In addition, discharged water pollutants should be managed according to legal or higher internal standards.

E. Air Pollutant Management

- Business Partners should establish a system to measure air pollutant emissions and minimize air pollutant emissions through appropriate methods. In addition, efforts should be made to establish and comply with legal or higher internal standards for air pollutants emitted.

F. Waste Management

- Business Partners shall establish a system to measure waste emissions, minimize landfill and incineration to the extent possible, expand waste reuse/re-activation, and recover discarded raw materials and parts.

4. Labor and Human Rights

A. Non-Discrimination

- Business Partners should not engage in any form of discrimination based on gender, race, ethnicity, nationality, religion, disability, age, marital and family status, social identity and political affiliation in hiring and employment practices such as recruitment, promotion, training, etc.
- Business Partners should not engage in any form of discrimination in providing wages and worker's benefits.

B. Wage and Benefits

- Business Partners should compensate workers in accordance with the applicable laws and regulations of the countries where they maintain business operations. Compensation should be paid in a timely manner according to schedule, and workers should be provided with a clear wage statement in a language that the workers can understand.
- Business Partners should ensure pleasant working conditions and strive to provide all employees with benefits to improve quality of life.
- Business Partners should provide mandatory training in accordance with the laws and regulations of the countries where they maintain business operations. Moreover, they should strive to help all employees build their careers and strengthen their capabilities.

C. Working Hours

- Business Partners should comply with all applicable laws, in relation to legally defined working and resting hours, of the countries where they maintain business operations.
- Business Partners should ensure that any hours worked beyond normal work hours are voluntary, and provide lawful compensation for overtime if employees work overtime under unavoidable circumstances.
- Business Partners should ensure that all employees receive on average at least one day off every week.

D. Humane Treatment

- Business Partners should respect the privacy of all employees and refrain from assigning unnecessary overtime tasks.
- Business Partners should notify employees in advance and obtain voluntary agreement when collecting their personal information.
- Business Partners should prohibit workplace harassment, which includes any act that may cause physical or mental distress, or that aggravates the working environment for other employees beyond the normal scope of their work. Appropriate changes and measure should be implemented to reduce such harassment, such as disciplinary measures against offending workers and changing workplaces or placements upon request.

E. Freedom of Association

- Business Partners should respect the right of employees to associate and bargain collectively and allow them to form and manage lawful bargaining bodies.
- Business partners should guarantee freedom of association and collective bargaining, and allow the establishment and operation of legitimate bargaining bodies
- Business Partners should engage, with sincerity, in collective bargaining negotiations with the representatives of employees.

F. Prohibition of Child Labor

- Business Partners should ban any and all forms of child labor. They should verify the age of all employees and applicants through legitimate documents such as identification cards, birth certificates, etc.
- If hiring young workers, Business Partners should not employ them in high-risk jobs as defined by safety and health standards, and should have appropriate measures in place to ensure educational opportunities.
- Business Partners should not receive goods and services from business partners that are engaged in child labor or that violate applicable laws, should take appropriate measures if such violations are confirmed.

G. Prohibition of Forced Labor

- Business Partners should comply with the labor rules of the countries where they maintain business operations, and prohibit all forms of forced or mandatory labor that is contrary to the free will of the employee
- Business Partners should not, for the purpose of restricting employees' personal activities, require employees to submit their identification cards or visas, nor should they engage in activities such as assault, intimidation, or confinement for the purpose of Forced Labor
- Business Partners should not receive goods or services from businesses that either restrict the mental and physical freedom of employees or that engage in Forced Labor, and should require their partners to obtain the same commitment from their subcontractors

H. Protection of Indigenous peoples

- Business Partners should comply with the United Nations Declaration of Indigenous Rights

(UNDRIP) and recognize, respect, and protect Indigenous rights to land, territory, and resources when operating businesses in real estate development, investment projects, etc.

- If any Business Partner operates a business in an area with indigenous issues, they should engage the indigenous people in the business-related discussions and seek appropriate consent.

5. Health and Safety

A. Establishment of Health and Safety Management System

- Business Partners should comply with applicable workplace health and safety laws and regulations in the countries in which they have business operations, and fully obtain and maintain all health and safety-related permits and licenses required for their business operations.
- Business Partners should establish a Health and Safety Management System and should operate to prevent workplace hazards and accidents in accordance with plan(P)–do (D)-check(C)-act(A).

B. Real Estate and Construction Industrial Safety Management

- Business partners should prevent the person who provides the labor from being injured by the construction, equipment, raw materials, gas, steam, dust, etc. related to the work, or other work, and shall manage to comply with safety regulations.
- Business Partners should install and manage safety devices, barriers, and emergency devices to prevent safety accidents caused by the use of harmful or dangerous machinery, equipment, and facilities in the workplace.
- Business Partners should provide safety protection equipment for the protection of workers. The safety protection equipment must be easily and conveniently used by executives and employees and must be maintained and managed continuously

C. Emergency Preparedness

- Business Partners should have an established plan to respond to emergencies, including natural disasters, cluster infections, fire and other occupational accidents. Moreover,

guidelines should be in place that stipulate the reporting process, response procedures, and follow-up in case of emergency.

- Business Partners should implement worker training and emergency drills in accordance with their own plans or guidelines, or the laws of the countries where they maintain business operations
- Business Partners should have adequate exit routes and signs, fire detection and warning equipment, and fire prevention facilities in case of emergency, and ensure that the above all function properly.

D. Accident Management

- Business Partners should have programs to measure industrial accidents and illness.
- Business Partners should immediately cease operations if an industrial accident or severe disease outbreak occurs, and take necessary countermeasures including the evacuation of employees.
- Business Partners should investigate the causes of industrial accidents or illness and endeavor to provide relevant improvement plans to reduce their incidence.

E. Safety Evaluation

- Business Partners should regularly conduct safety risk evaluations to ensure that employees are not exposed to accident risk and harmful factors. Evaluation results should be communicated to employees and machinery, equipment, and facilities should be improved according to the evaluation results.
- Business Partners should provide employees with information on accident risk and harmful factors in the workplace based on safety risk evaluation results. The information should be written in a language that employees can understand, and should be displayed in an easily accessible place.
- Business Partners should not require pregnant women and young people to conduct tasks involving high safety and health risks, and should strive to create a working environment so that other vulnerable employees such as the disabled and migrant workers do not have difficulties in their work

F. Health Management

- Business partners may provide employees with resting areas, toilet facilities and dining areas, and should strive to maintain hygiene and cleanliness in such facilities if they are provided.
- Business partners should provide general or special medical examinations in compliance with relevant laws and regulations on employee health applicable in the countries where they have business operations. Moreover, based on the results of employees' medical examinations, business partners should implement necessary measures such as change in working areas or tasks, shortened working hours, etc.

6. Environmental, Social and Governance Risk Management

A. Company Statement Disclosure

- Business Partners should disseminate the code of conduct or its corresponding level of commitment to fulfillment of social responsibility internally and externally.
- Business Partners should share this Supplier Code of Conduct, or their commitment to fulfilling sustainable business practices, through internal channels, such as the New Year's address by executives, internal guidelines, or the in-house bulletin board. Moreover, they are recommended to disclose them via websites, management reports and publications.

B. Appointment of ESG Management

- Business partners should appoint a supervisor who is responsible for social responsibility activities and other ESG related activities.
- Business partners should appoint a person who manages the planning and implementation of corporate social and environmental sustainability activities (social responsibility activities)

C. Risk Assessment

- Business Partners should endeavor to identify ethical, environmental, labor/human rights, safety/health risks associated with their business operations. And also, partners should develop and implement measures to mitigate risks if significant risks are discovered.

- For business partners in real estate or financial investment sector, it is recommended to conduct an environmental/social (e.g. biodiversity, greenhouse gas emissions, etc.) risk assessment of their investment portfolios.

D. Training and Communication

- Business partners should endeavor to identify ethical, environmental, labor/human rights, safety/health risks associated with their business operations.
- Business partners should develop and implement measures to mitigate risks if significant risks are discovered.

E. Information Management

- Business partners should accurately record and manage information concerning ethical, environmental, labor/human rights, and safety/health risks.
- Business partners should strive to disclose information in a transparent matter when local laws, industrial associations and important clients with contractual obligations request such information, unless the disclosure is prohibited by law.

F. Grievance Mechanisms for Advice and Concerns

- Business partners should operate a grievance mechanism allowing employees who confirm or identify violations of ethics, environmental, labor/human rights, safety/health laws and regulations to seek advice and raise concerns. These mechanisms should allow employees to report infringements of their individual rights or interests. And also, Business partners should protect employees who report ethical concerns against unfair treatment such as layoffs, threats, retaliation, and mockery. Employees who report such concerns should have their identity protected.

G. Management of Business Partners (Subcontractors)

- Business partners should recommend that their business partners (subcontractors) and other participants in the supply chain engage in management of ethical, environmental, labor/human rights, and safety/health factors in planning, designing, selling and manufacturing goods and services.
- Business partners should strive to recommend that their business partners (subcontractors)

and other participants in the supply chain improve violations or risks concerning ethical, environmental, labor/human rights, and safety/health laws and provisions when they identify such violations or recognize such risks.

H. Compliance of Code of Conduct

- As permitted by relevant laws and regulations, business partners should provide evidence of compliance with this Supplier Code of Conduct during regular written assessments or on-site visits carried out by SK D&D or designated third parties.
- Business partners should prepare and manage appropriate documents⁶ to prove their compliance with this Supplier Code of Conduct. Such documents should be based on facts and reflect business operations.
- Business partners should strive to establish and implement plans to promptly address deficiencies and violations of compliance with this Supplier Code of Conduct, as identified by written assessments or on-site visits