



Foreword

SK tes Business Code of Conduct is based on the Responsible Business Alliance (RBA) Code of Conduct version 8, published on 1st January 2024, and guides employees over the conduct of business worldwide.

The RBA Code of Conduct establishes social, environmental, and ethical standards for the industry. These standards are based on international norms and guidelines, including the Universal Declaration of Human Rights, ILO International Labor Standards, OECD Guidelines for Multinational Enterprises, and ISO and SA standards, among others. While initially developed for the electronics industry, the Code of Conduct can be applied and is now widely accepted and utilized across various industries.

SK tes expects our business partners to similarly adopt and adhere to the principles and good business practice as outlined in this document.

This document undergoes updates upon each release of the latest revision by the Association.



A. LABOR

Statement:

We are committed to respect the human rights of workers, and to treat them with dignity. This applies to direct and indirect suppliers, as well as all workers including temporary, migrant, student, contract, direct employees, and any other type of worker.

1) Prohibition of Forced Labor

Forced labour in any form, including but not limited to, bonded (including debt bondage) or indentured labour, involuntary or exploitative prison labour, slavery or trafficking of persons is not permitted. This includes transporting, harbouring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labour or services.

There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company- provided facilities including, if applicable, workers' dormitories or living quarters.

As part of the hiring process, all workers must be provided with a written employment agreement in their native language, or in a language the worker can understand, that contains a description of terms and conditions of employment. Foreign migrant workers must receive the employment agreement prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms.

All work shall be voluntary, and workers shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given, which shall be clearly stated in workers' contracts. We shall maintain documentation on all leaving workers.

We, our agents, and sub-agents' will not hold or otherwise destroy, conceal, or confiscate identity or immigration documents, such as government-issued identification, passports, or work permits.

Notwithstanding the foregoing, we shall only hold documentation if necessary to comply with the local law. In this case, at no time shall our workers be denied access to their documents. Workers shall not be required to pay employers' agents or sub-agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.



2) Young Workers

Child labour shall not be used in any stage of manufacturing. The term “child” refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is higher or older.

Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime. We will ensure the proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students’ rights in accordance with applicable laws and regulations and we will implement an appropriate mechanism to verify the age of workers.

The use of legitimate workplace learning programs, which comply with all laws and regulations, is supported and we will provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns, and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks. If child labour is identified, assistance and / or remediation shall be provided.

3) Working Hours

Working hours shall not exceed the maximum set by local law. Further, a workweek shall not be more than 60 hours per week, including overtime, except in emergency or unusual situations. All overtime shall be voluntary. Workers shall be allowed at least one day off every seven days.

4) Wages and Benefits

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. All workers shall receive equal pay for equal work and qualification. Workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted.

For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. Use of temporary, dispatch and outsourced labour shall be within the limits of the local law.

5) Non-Discrimination / Non-Harassment / Humane Treatment

We are committed to a workplace free of harassment and unlawful discrimination. There shall be no harsh or inhumane treatment including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of workers; nor is there to be the threat of any such treatment.



We do not and will not engage in discrimination or harassment based on race, colour, age, gender, sexual orientation, gender identity or expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training.

Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers. Workers shall be provided with reasonable accommodation for religious practices and disability. In addition, workers or potential workers should not be subjected to medical tests, including pregnancy or virginity tests, or physical exams that could be used in a discriminatory way. This was drafted in consideration of ILO Discrimination (Employment and Occupation) Convention (No.111).

6) Freedom of Association and Collective Bargaining

Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment. In alignment with these principles, we respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively, and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities.

Where the right of freedom of association and collective bargaining is restricted by applicable laws and regulations, workers shall be allowed to elect and join alternate lawful forms of worker representations.



B. HEALTH AND SAFETY

Statement:

We recognize that in addition to minimizing the incidence of work-related injuries and illnesses, a safe and healthy working environment enhances the quality of products and services, consistency of production and worker retention and morale. We also recognize that ongoing worker input and education are essential to identifying and solving health and safety issues in the workplace.

1) Occupational Health and Safety

Worker potential for exposure to health and safety hazards (chemical, electrical and other energy sources, fire, vehicles, and fall hazards, etc.) shall be identified and assessed, mitigated using the Hierarchy of Controls. Where hazards cannot be adequately controlled by these means, workers shall be provided with appropriate, well-maintained, personal protective equipment, and educational materials about risks to them associated with these hazards.

Gender-responsive measures shall be taken, such as not having pregnant women and nursing mothers in working conditions, which could be hazardous to them or their child and to provide reasonable accommodations for nursing mothers.

2) Emergency Preparedness

Potential emergency situations and events shall be identified and assessed, and their impact minimized by implementing emergency plans and response procedures including emergency reporting, employee notification and evacuation procedures, worker training, and drills.

Emergency drills shall be executed at least annually or as required by local law, whichever is more stringent. Emergency plans shall also include appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities, contact information for emergency responders, and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment, and property.

3) Occupational Injury and Illness

Procedures and systems shall be in place to prevent, manage, track and report occupational injuries and illnesses, including provisions to encourage worker reporting, classify and record injury and illness cases, provide necessary medical treatment, investigate cases and implement corrective actions to eliminate their causes, and facilitate the return of workers to work.

We allow workers to remove themselves from imminent harm, and not return until the situation is mitigated, without fear of retaliation.



4) Industrial Hygiene

Worker exposure to chemical, biological, and physical agents shall be identified, evaluated, and controlled according to the Hierarchy of Controls. When hazards cannot be adequately controlled, workers shall be provided with and use appropriate, well-maintained, personal protective equipment free of charge.

We are committed to provide workers with safe and healthy working environments, which shall be maintained through ongoing, systematic monitoring of workers' health and working environments.

We will also provide occupational health monitoring to routinely evaluate if workers' health is being harmed from occupational exposures. Protective occupational health programs shall be ongoing and include educational materials about the risks associated with exposure to workplace hazards.

5) Physically Demanding Work

Worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing, and highly repetitive or forceful assembly tasks shall be identified, evaluated, and controlled.

6) Machine Safeguarding

Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks, and barriers shall be provided and properly maintained where machinery presents an injury hazard to workers.

7) Sanitation, Food, and Housing

Workers shall be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories – if any provided by us, shall be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting, and adequate conditioned ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space along with reasonable entry and exit privileges.



8) Health and Safety Communication

We will provide workers with appropriate workplace health and safety information and training in the language of the worker or in a language the worker can understand for all identified workplace hazards that workers are exposed to, including but not limited to mechanical, electrical, chemical, fire, and physical hazards.

Health and safety related information shall be clearly posted in the facility or placed in a location identifiable and accessible by workers. Health information and training shall include content on specific risks to relevant demographics, such as gender and age, if applicable. Training shall be provided to all workers prior to the beginning of work and regularly thereafter. Workers shall be encouraged to raise any health and safety concerns without retaliation.



C. ENVIRONMENT

Statement:

We recognize that environmental responsibility is integral to delivering world class service. We identify the environmental impacts and minimize adverse effects on the community, environment, and natural resources, while safeguarding the health and safety of the public.

1) Environmental Permits and Reporting

All required environmental permits (e.g. discharge monitoring), approvals, and registrations shall be obtained, maintained, and kept current, and their operational and reporting requirements shall be followed.

2) Pollution Prevention and Resource Conservation

Emissions and discharges of pollutants and generation of waste shall be minimized or eliminated at the source or by practices such as adding pollution control equipment; modifying production, maintenance, and facility processes; or by other means.

The use of natural resources, including water, fossil fuels, minerals, and virgin forest products, shall be conserved by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling, or other means.

3) Hazardous Substances

Chemicals, waste, and other materials posing a hazard to humans, or the environment shall be identified, labelled, and managed to ensure their safe handling, movement, storage, use, recycling or reuse, and disposal. Hazardous waste data shall be tracked and documented.

4) Waste

We implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle waste, where waste data are be tracked and documented.

5) Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting substances, and combustion byproducts generated from operations shall be characterized, routinely monitored, controlled, and treated as required prior to discharge.

Ozone- depleting substances shall be effectively managed in accordance with the Montreal Protocol and applicable regulations. We conduct routine monitoring of the performance of its air emission control systems.



6) Materials Restrictions

We adhere to all applicable laws, regulations, and customer requirements regarding the prohibition or restriction of specific substances in products and manufacturing, including labelling for recycling and disposal.

7) Water Management

We implement a water management program that documents, characterizes, and monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination. All wastewaters are characterized, monitored, controlled, and treated as required prior to discharge or disposal. We conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance.

8) Energy Consumption and Greenhouse Gas Emissions

We establish and report against a corporate-wide greenhouse gas reduction goal. Energy consumption and all Scopes 1, 2, and significant categories of Scope 3 greenhouse gas emissions are tracked, documented, and publicly reported.

We consistently look for methods to improve energy efficiency and to minimize their energy consumption and reduce emissions in line with our science based net zero targets.



D. ETHICS

Statement:

To meet social responsibilities and to achieve success in the marketplace, we uphold the highest standards of ethics in our code and our business.

1) Business Integrity

The highest standards of integrity shall be upheld in all business interactions. We have a zero-tolerance policy to prohibit all forms of bribery, corruption, extortion and embezzlement.

2) No Improper Advantage

Bribes or other means of obtaining undue or improper advantage shall not be promised, offered, authorized, given, or accepted. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. Monitoring, record keeping, and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

3) Disclosure of Information

Business dealings are transparently performed and accurately reflected on our books and records.

Information regarding our labour, health and safety, environmental practices, business activities, structure, financial situation, and performance are disclosed in accordance with applicable regulations and prevailing industry practices.

Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

4) Intellectual Property

Intellectual property rights are respected. Transfer of technology and know-how is to be done in a manner that protects intellectual property rights, and customer and supplier information shall be safeguarded.

5) Fair Business, Advertising and Competition

Standards of fair business, advertising, and competition are upheld.



6) Protection of Identity and Non-Retaliation

Our whistleblowing program is confidential, anonymous and protects the employee and (as or) other whistleblowers to the permissibility of the law. Additionally, we communicate and have a communicated process where our employees can raise any concerns without fear of retaliation.

7) Privacy

We are committed to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers, and employees. We comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

E. MANAGEMENT SYSTEMS

Management system with a scope that is related to the content of this Code / document, designed to ensure:

- (a) compliance with applicable laws and regulations;
- (b) conformance with this Code; and
- (c) identify and mitigate operational risks related to this Code;
- (d) facilitate continual improvement.

1) Company Commitment

Human rights, health and safety, environmental and ethics policy statements affirming our commitment to due diligence and continual improvement, endorsed by executive management. Policy statements are openly available and communicated to workers in a language they understand via accessible channels.

2) Management Accountability and Responsibility

Identified senior staff members and representative(s) responsible for ensuring implementation of the management systems and associated programs. Status of the management systems reviewed periodically.

3) Legal and Customer Requirements

Processes to identify, monitor and understand applicable laws, regulations, and customer requirements, including the requirements of this Code.

4) Risk Assessment and Risk Management

Processes to identify the legal compliance, environmental, health and safety, labour practice and ethics risks, including the risks of severe human rights and environmental impacts, associated with our business and will determine the significance for each risk and implement appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

5) Improvement Objectives

Performance objectives, targets and implementation plans to improve our social, environmental, and health and safety performance, including a periodic assessment of our performance in achieving those objectives.

6) Training

Relevant training programs for staff on our policies, procedures, and improvement objectives and to meet applicable legal and regulatory requirements.

7) Communication

Processes to communicate clear and accurate information about our policies, practices, expectations, and performance to workers, suppliers, and customers.

8) Worker/Stakeholder Engagement and Access to Remedy

Processes for ongoing two-way communication with workers, their representatives, and other stakeholders where relevant or necessary, aim to obtain feedback on operational practices and conditions covered by this Code, and to foster continuous improvement. Workers are given a safe environment to provide grievance and feedback without fear of reprisal or retaliation.

9) Audits and Assessments

Conduct periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code, and customer contractual requirements related to social and environmental responsibility.

10) Corrective Action Process

Process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations, and reviews.

11) Documentation and Records

Create and maintain documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.

12) Supplier Responsibility

Process to communicate Code requirements to suppliers and to monitor supplier compliance to the Code.