

# 0105. Code of Ethics Practice Guide

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## CHAPTER I GENERAL PROVISIONS

### Article 1 [Purpose]

The purpose of this “Code of Ethics Practice Guide” (hereinafter the “Practice Guide”) is to provide the standards for decision-making and determining how to behave in an ethical conflict that may arise during the course of business so as to ensure that the members of SK Materials Co., Ltd. affiliates fully understand and practice the Code of Conduct.

### Article 2 (Ethical Decision-Making and Behavioral Principles)

When a member is faced with an ethical conflict in relation to his/her duties, he/she must judge and behave according to the Code of Ethics and the Practice Guide. However, if the standards for determining are not clearly defined in the Practice Guide, he/she must judge and behave according to the following decision-making principles, and if he/she is not confident in his/her judgment, he/she must act according to the advice of the organization’s leader or the department in charge of ethical management.

Legality: Is there any possibility that your conduct may be construed as a violation of laws or company rules?

Transparency: Can you disclose your decision-making process and details?

Reasonableness: Would other members also make the same decisions under the same circumstances?

### Article 3 (Applicability)

This Practice Guide applies to the Company (including subsidiaries) and all members (including part time and contractual employees). However, as to the affiliates for which the Company holds a minority stake and business partners that deal with or have a contract relationship with the company, their members are recommended to comply with this Practice Guide.

## CHAPTER 2 MEMBERS’ MINDSET

### Article 4 (Loyal and Conscientious Performance of Duties)

Members must be clearly aware of their rights and responsibilities and perform their duties under the principle of good faith.

### Article 5 (Prevention of Conflicts of Interest)

(1) Members must make every effort to avoid any situation where a conflict of interest renders them to breach their duty of good faith owed to the Company in relation to performing their duties.

(2) Conflicts of interest to be aware of are as follows. However, since the following does not list all incidents of conflict of interest, members are required to exercise strict judgment and application in real circumstances:

1. Where the conduct is prohibited;

a. Using the Company's assets or management information for personal purposes to obtain personal gain;

b. Abusing one’s business position to exert undue influence on business partners, etc. to ask for an HR-related favor, various entertainment, and more;

c. Engaging in a sideline that requires enough effort to the extent that it impedes one's conscientious

- performance of his/her duties;
2. Where it is necessary to disclose the details of the conflict of interest to the organization's leader and obtain approval from the Company in line with associated procedures such as the rules on the approval by delegated authority;
    - a. Signing a contract or dealing with the Company directly or through a third party;
    - b. Possessing stocks of partner companies that may directly or indirectly exercise influence through business or performing management duties, etc.

#### **Article 6 (Protection and Appropriate Use of Company Assets and Information)**

Members must protect Company's tangible and intangible assets and use them in a reasonable manner.

- (1) Members must not use Company's assets for personal gain without approval, transfer, or lend them to a third party.
- (2) Members must not use Company's budget for personal reasons but spend it for the purpose set by the Company, and accurately record it in the ledger.
- (3) Members must not excessively use the computer, Internet, e-mail, telephone/fax, etc. for personal reasons.
- (4) Members must actively protect intellectual property rights such as patent rights, goodwill, trademark rights, copyrights, and other information with the asset value of the company. In addition, members must equally protect the intellectual property rights of others or other companies, and, in particular, must not use illegal software.
- (5) Members must strictly manage Company's information assets, including business information and technical information, by the security management regulations. Whether to disclose information assets and the scope of the disclosure are determined by applicable laws, company regulations, and company policies, and the same applies to interviews with the media.

#### **Article 7 (Prohibition of Financial Benefits, Gifts, Entertainment, Etc.)**

- (1) Members must engage in all business activities in a fair and transparent manner. Therefore, members must not provide any money and valuables, entertainment, etc. to stakeholders for the enjoyment of improper and unfair benefits.
- (2) Members must not accept money and valuables, entertainment, or other personal conveniences from stakeholders such as business partners; provided, however, that to maintain a wholesome relationship with stakeholders, members may provide stakeholders with foods and conveniences within the scope accepted under social norms or in an official event related to business, members may exchange transportation, accommodation, or foods that a host uniformly provides to attendants. Each organization may formulate and enforce its own regulatory details on this matter.
- (3) Forgiving debt or paying off debt on behalf of the debtor, renting a property at a price lower than its normal price, and accepting guarantees are deemed as financial benefits.
- (4) Employees must not accept or provide financial benefits from and to each other, and the financial benefits accepted by the employee's family members may be deemed to have been accepted by the employee.

#### **Article 8 (Creating a Wholesome Corporate Culture)**

- (1) Members must respect each other regardless of their position, practice good manners and maintain their dignity as members of SK Group.
- (2) Members must not discriminate based on gender, school affiliation, region of origin, marriage, race, nationality, religion, and so on.
- (3) Members must not engage in any acts of sexual harassment, workplace harassment, bribery, neglect of duties, and false reporting that may infringe upon individuals' human rights and undermine the working atmosphere.

### **CHAPTER III COMPLIANCE WITH LAWS AND COMPANY MANAGEMENT POLICIES**

Members must be well-versed with domestic and foreign laws, Company policies, and Company rules associated with the Company's management activities and perform their duties in line with them.

#### **Article 9 (Creation of Management Information and Faithful Reporting)**

- (1) Accounting information must be accurately recorded and maintained according to generally accepted accounting principles, associated laws, and company rules, and no accounting information must be manipulated or hidden.
- (2) All management information of the Company, including financial information, must accurately reflect the relevant facts or transaction details to back up the decisions made by the management, and must not enable the management to make wrong decisions by reporting intentionally concealed, understated, or exaggerated facts.
- (3) The management information must be disclosed to external stakeholders in a transparent and fair manner by applicable laws and company rules.

#### **Article 10 (Fair Trade and Competition)**

- (1) Members must clearly understand and comply with fair trade-related laws and the Company's management regulations on voluntary compliance with fair trade requirements.
- (2) Issues that may be interpreted as violations of fair trade-related laws must be dealt with after sufficient consultation with the compliance officer in advance, and decisions must not be based on discretionary interpretation.

#### **Article 11 (Compliance with Quality Policy)**

All requirements must be observed to supply products that meet customer expectations and requirements for quality, reliability, and safety.

#### **Article 12 (Policy on Safety, Health, and Environment)**

Members must comply with domestic and foreign laws and international conventions associated with safety, health, and environment, and seek to make continuous improvements in safety, health, and environment outcomes.

### **CHAPTER IV OPERATION OF PRACTICE GUIDE**

#### **Article 13 (Responsibilities and Duties of Members)**

- (1) All members are responsible for complying with the Code of Ethics and Practice Guide, and for any questionable issues, they must inquire and consult with the leader of the organization or the ethical management department, and act according to the interpretation given.
- (2) Members who have violated this guide are obliged to report the violation to the leader of the organization or the ethical management department, and members who become aware of another member's violation are also obligated to report the fact to the ethical management department of the Company.
- (3) If an investigation is launched into a transaction or act that has violated or may violate the Code of Ethics, members must submit the data requested by the Company before the deadline and provide full cooperation. Members who do not provide full cooperation may be deemed to have admitted their violation of the Code of Ethics.
- (4) Organization leaders are responsible for active support and management for their members and business-related stakeholders to properly understand and comply with the Company's Code of Ethics and Practice Guide. In addition, Members must serve as a model for others by complying with the Code of Ethics and Practice Guide through conscientious and responsible decisions and behaviors.

#### **Article 14 (Protection of Whistleblowers)**

To create a wholesome organization, all members must report or consult with the ethics management department immediately if they become aware of any unfair trade or unethical behavior or receive a proposal to engage in unethical behavior from a stakeholder.

The Company must run an internal reporting scheme to prevent risks through early detection of unfair and unethical behaviors and unreasonable business processes of the organization or its members, protect the identity of whistleblowers and prohibit penalization or retaliation against whistleblowers for their reports.

- (1) No penalization in the status or discrimination in terms of working conditions is allowed due to the

whistleblowers' legitimate reports, related statements, and submission of data.

(2) Those who helped with the investigation by making statements and providing data during the process of verifying the facts about the report must be equally protected as the whistleblowers.

(3) If a whistleblower is penalized for his/her report, he/she may request the ethics management department to take protective measures such as a remedy and transfer to another department. In this case, the ethics management department must inquire whether it is true and address the issue and develop and enforce measures designed to prevent recurrence that include sanctions against involved personnel.

(4) The person who investigated the report and the person who learns the report must keep the identity of the whistleblower confidential to ensure that it is not disclosed against his/her will.

(5) The following conducts in violation of the duty to protect whistleblowers will be subject to disciplinary action under relevant regulations:

1. Retaliation takes place against an internal or external whistleblower who has reported the violation of regulations;
2. Tracking down a whistleblower or instructing others to do so.

#### **Article 15 (Duties of Auditors)**

When investigating a report, the auditor must, as a matter of principle, protect the whistleblower, and must comply with the following:

(1) The auditor must not disclose or suggest the identity of the whistleblower without the whistleblower's consent.

(2) All aspects of data related to the report must be accessible by authorized personnel only and security must be maintained strictly.

(3) If the auditor discloses the identity of the whistleblower known during the investigation at will, he/she will be subject to disciplinary action by relevant regulations; provided, however, that an exemption may be granted under the following circumstances:

1. An issue that may cause serious personal safety accidents or business disruption;
2. False accusation/slander, serious scandal, leakage of company secrets and forgery/falsification of data, media reports, etc.

(4) The head of the ethical management department is responsible for educating and managing auditors for issues associated with the investigations on reports.

#### **Addendum (July 1, 2023)**

**Article 1 (Enforcement Date)** This Practice Guide shall enter into force on July 1, 2023.

**Article 2 (Measures against Violations)** Any violation of this Practice Guide shall be dealt with by the Company rules.