

Guideline for Human Rights Management Execution

Version 3.0



310 Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do

SK Chemicals



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CHAPTER I GENERAL PROVISIONS


Article 1 (Purpose)

SK Chemicals (hereinafter referred to as "the Company") is committed to actively implementing human rights management to ensure that the rights and values of stakeholders, including members, are equally respected in all business activities. The Company strives to prevent human rights violations and mitigate related risks arising from its business operations. To achieve this, the Company adheres to international standards and guidelines, such as the Universal Declaration of Human Rights, the International Bill of Rights, the UN Guiding Principles on Business and Human Rights, International Labor Organization core conventions, OECD Guidelines for Multinational Enterprises, the UN Convention on the Rights of the Child, the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, the UN Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, and the UN Declaration on the Rights of Indigenous Peoples.

Article 2 (Definitions)

The terms used in these guidelines are defined as follows:

- ① "Human Rights" refers to the dignity, value, freedom, and rights of individuals as recognized by the Constitution and laws, as well as international human rights standards and guidelines.
- ② "Members" refer to executives and employees (including temporary staff) working for the Company.
- ③ "Stakeholders" are individuals or entities affected directly or indirectly by the Company's business activities, including members, workers in the value chain, business partners, government, and local communities.
- ④ "Human Rights Management" involves preventing human rights violations by the Company and conducting business activities that respect human rights. This includes declaring human rights management, conducting human rights due diligence, and providing remedial procedures for victims of human rights violations.


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Article 3 (Scope of Application)

- ① These guidelines apply to the Company's human rights management, except where other laws, articles of incorporation, or regulations provide otherwise. In cases of conflict between these guidelines and local laws at business sites, the stricter standards will apply.
- ② These guidelines apply to all Company members (including executives, employees, and temporary staff) at domestic and international production and sales subsidiaries, as well as joint ventures. Company members must adhere to these guidelines when dealing with suppliers and sales/service organizations and encourage all stakeholders in business relationships to respect these human rights management guidelines.

Article 4 (General Principles)

- ① (Prohibition of Child Labor and Protection of Minors) Child labor is strictly prohibited. Minors under 18 (including students, interns, and apprentices) must not be engaged in night work, overtime, or hazardous duties, and their education opportunities should not be restricted by work.
- ② (Prohibition of Employment Discrimination and Equal Compensation) The Company prohibits discrimination in recruitment, promotion, training, wages, and welfare based on gender, race, ethnicity, nationality, religion, disability, age, family status, social status, or political opinion. Equal pay principles ensure fair compensation for equal work without discrimination.
- ③ (Humane Treatment) The Company respects the privacy of all members, protects personal information, and ensures that physical and mental health is not compromised in the workplace.
- ④ (Prohibition of Forced Labor and Human Trafficking) The Company complies with labor laws, prohibits forced labor and human trafficking, and improves working conditions to balance work and personal life.
- ⑤ (Creating a Safe Working Environment) The Company strives to prevent accidents and provide optimal working conditions, ensuring a safe and clean work environment.
- ⑥ (Freedom of Association and Collective Bargaining) The Company guarantees the freedom of association and collective bargaining and provides ample communication opportunities for members.

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- ⑦ (Product/Service Safety) The Company ensures that customers can safely and conveniently use its products and services, responds promptly and accurately to customer needs, and strives to enhance customer satisfaction.
- ⑧ (Information Protection) The Company protects the personal information of stakeholders, including customers, in accordance with national and regional laws, and continuously improves technical and physical measures to safeguard collected information.
- ⑨ (Responsible Supply Chain Management) The Company avoids unfair or corrupt transactions, promotes fair and transparent dealings, and supports business partners in adopting and practicing human rights and ethical management.
- ⑩ (Protection of Local Residents' Rights) The Company ensures that its business activities do not infringe on the human rights of local communities and protects their rights and freedoms.
- ⑪ (Guarantee of Environmental Rights) The Company complies with domestic and international environmental laws, works to protect the environment and prevent pollution, and encourages environmentally friendly technologies and research.
- ⑫ (Protection of Shareholder Rights) The Company provides accurate, fair, and timely information to shareholders and investors as required by law, ensures transparency through the disclosure of accurate financial data, and works to enhance shareholder and investor value through reasonable decision-making and transparent management.
- ⑬ (Efforts for Remedial Actions) The Company provides prompt and appropriate remedial actions for human rights violations arising from its business activities.

Chapter II Human Rights Management System

Article 5 (Establishment of Human Rights Management System) The Company establishes an internal system necessary for implementing human rights management, regularly assesses and improves human rights risks, and shares the results with stakeholders.

Article 6 (Formulation of Basic Plan)

- ① The Company may formulate a basic plan for human rights management, including the following:
 - 1) Basic direction and goals of human rights management

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- 2) Implementation tasks and strategies for human rights management
 - 3) Plans for conducting human rights impact assessments
 - 4) Other necessary matters for the protection and promotion of human rights
- ② When formulating the plan, the Company may incorporate stakeholders' opinions as necessary.

Article 7 (CEO)

- ① The CEO proclaims the declaration of human rights management and ensures that members adopt it as a code of conduct and value judgment criterion in all business activities.
- ② The CEO establishes and manages regular plans for promoting human rights management through committees or executive meetings involving key decision-makers .

Article 8 (Secretariat of the Human Rights Management Committee)

- ① The Company establishes an organization responsible for human rights management, tasked with:
 - 1) Establishing and operating the foundation for human rights management
 - 2) Operating the Human Rights Management Committee and its affiliated bodies
 - 3) Checking the implementation of human rights management
 - 4) Formulating and implementing annual human rights management plans
 - 5) Reviewing and revising the declaration of human rights management
 - 6) Conducting human rights impact assessments
 - 7) Disclosing and promoting human rights management-related information internally and externally
 - 8) Other tasks deemed necessary by the CEO or the Human Rights Management Committee Chair
- ② The secretariat periodically reviews and revises the declaration of human rights management as necessary.

Article 9 (Education and Dissemination)



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- ① The responsible department implements human rights management education and policy promotion to build a culture of respect for human rights, reporting the education plans and results to the Human Rights Management Committee.
- ② The Company conducts human rights management education to enhance understanding and awareness among members, preventing human rights violations and encouraging the reporting of identified cases and risks.
- ③ The Company shares information about human rights management plans, risk assessment procedures, and results with suppliers, sales/service organizations, and other business-related entities through optimal channels (e.g., audio, video, written) and languages (e.g., Korean, English).

Article 10 (Human Rights Violation Reporting)

- ① The Company operates procedures for reporting and handling human rights violation issues, including discrimination, working conditions, humane treatment, forced and child labor, transactions with business partners, community and environmental rights, and information leaks.
- ② If necessary, the Company may delegate the reception, consultation, investigation, and reporting of human rights violation cases to external agencies.
- ③ The department handling human rights violation reports will not submit the report to the committee if the investigation and review of the reported content falls under any of the following cases. The results and reasons will be communicated to the reporter or interested parties:
 - 1) When it is clear that the content of the report is not true or there is no objective evidence to support its truth.
 - 2) When the investigation results show that it does not constitute a human rights violation or discriminatory act.
 - 3) When it is recognized that no additional remedial action is necessary, such as when recovery for the damage has already been achieved.
- ④ If the reported content falls under disciplinary action by the HR Committee or violates the ethical code of conduct, the content may be referred to the designated department for further handling, with prior notification and consent from the original reporter.



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- ⑤ The Company operates channels for reporting human rights violations or risks, and related departments discuss specific remedial measures considering the characteristics of each case.
- ⑥ The Company refers to court precedents, regulations of relevant authorities, past internal handling practices, and industry practices to determine the best remedial measures, especially for cases with significant impact on victims' rights or potential reputation risks for the Company.
- ⑦ The Company provides various online and offline reporting mechanisms to enhance accessibility for reporting human rights violations.

Article 11 (Remedial Measures for Human Rights Violations)

- ① Remedial measures may include monetary compensation, apologies, restoration, rehabilitation, non-financial compensation, sanctions, and commitments to prevent recurrence. The process must comply with relevant laws and international guidelines, or in their absence, refer to similar cases.
- ② Upon receiving a human rights violation report, the matter is submitted for deliberation and decision by the Human Rights Management Committee.
- ③ If human rights violations are confirmed, the Committee may recommend:
 - 1) Cessation of the violation
 - 2) Restoration, compensation, apologies, non-financial compensation, and other necessary measures
 - 3) Sanctions such as audit requests and educational orders
 - 4) Measures to prevent recurrence
 - 5) Improvement or correction of policies and practices
- ④ Even if not recognized as human rights violations, the Committee may express opinions on improving policies and practices if justified.
- ⑤ Departments receiving recommendations must share results with department heads and strive to respect and implement them in all business activities.

Article 12 (Protection Measures for Whistleblowers)

The Company shall not disclose, reveal, or report the identity or any identifiable information of

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the whistleblower to others. Furthermore, details of the victim, the nature of the violation, remedial procedures, and outcomes shall be kept confidential. The Company shall take necessary measures to ensure that whistleblowers who report human rights violations or risks do not suffer any adverse consequences due to their reporting.

- ① Prohibition of Retaliatory Actions
- ② Separation of Duties and Workspace, Provision of Leave, and Psychological Counseling Support
- ③ Prevention of Secondary Harm through Settlement, Mediation, or Post-Case Monitoring
- ④ Establishment of Measures to Prevent Recurrence of Secondary Harm
- ⑤ Confidentiality Obligations Regarding the Identities and Details of the Persons Involved


Chapter III Human Rights Management Committee

Article 13 (Establishment and Functions)

- ① To effectively promote human rights management, the Company may establish a Human Rights Management Committee (hereinafter "the Committee"), which will review and deliberate on matters related to the protection and promotion of human rights for members and stakeholders, including:
 - 1) Establishment and revision of the human rights management declaration
 - 2) Human rights management-related systems, policies, and regulations
 - 3) Formulation and implementation of human rights management plans
 - 4) Review and adoption of human rights impact assessment results
 - 5) Recommendations for improving human rights-related issues
 - 6) Deliberation and remediation of human rights violations
 - 7) Matters related to human rights management reports
 - 8) Other significant policies and improvements related to human rights management as determined by the Committee

Article 14 (Composition)

- ① The Committee consists of up to 10 members, including the Chairperson.

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- ② The Chairperson of the Committee is the CEO.

Article 15 (Gathering and Meeting)

- ① The Committee holds regular and ad hoc meetings.
- ② The Chairperson convenes one regular meeting annually and ad hoc meetings as necessary or upon request by one-third of the members.
- ③ Meetings are opened with the majority attendance of members and resolutions are passed by a majority vote of attendees. In case of a tie, the issue is re-submitted once, and if tied again, it is rejected.
- ④ Meetings are conducted in person, but the Chairperson may allow written resolutions for urgent or minor matters with the majority vote of members.
- ⑤ The Chairperson must notify members of the meeting schedule and agenda at least seven days in advance, except in urgent or unavoidable situations.
- ⑥ Meeting proceedings and results are generally disclosed, except for deliberations on human rights violation reports, which are kept confidential.


Article 16 (Opinions)

- ① The Chairperson may summon stakeholders or related parties to present their opinions on agenda items.
- ② The Chairperson may request related departments or stakeholders to submit relevant materials for agenda items.

Article 17 (Exclusion, Challenge, and Recusal of Members)

- ① Committee members with conflicts of interest (personal or familial) are excluded from deliberations on specific agenda items.
- ② Complainants may request the exclusion of a member for potential bias, which is decided by the Committee.
- ③ Members may voluntarily recuse themselves from deliberations in case of conflicts of interest.

Article 18 (Obligations and Oath of Members)

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- ① Committee members must comply with relevant guidelines and policies, perform their duties faithfully, and maintain confidentiality of information obtained during their duties .

Article 19 (Dismissal of Members) The Chairperson may dismiss a member of the committee if any of the following circumstances apply

- ① Failure to comply with the duties and pledge of the member.
- ② Disclosure of confidential information obtained in the course of duties.
- ③ Involvement in acts of human rights violations or related incidents.
- ④ Inability to perform duties due to illness or other reasons.
- ⑤ Indictment for a crime related to the member's duties.
- ⑥ Determination by the President or the committee that the member is unsuitable to perform duties due to reasons such as damage to reputation.

Chapter IV Human Rights Risk Assessment


Article 20 (Human Rights Risk Assessment System)

- ① The Company conducts regular assessments of negative impacts and potential human rights risks arising from its business activities.
- ② The assessment includes risks in business relationships, supply chains, and compliance with international human rights standards, especially regarding the rights of migrant workers and indigenous peoples.
- ③ The human rights management department oversees the assessment, requesting necessary data from relevant departments and, if needed, outsourcing the assessment to independent external agencies.
- ④ The assessment uses indicators and due diligence tools developed in line with international guidelines such as the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises.

Article 21 (Operation of Human Rights Risk Assessment System)

- ① The Company operates an evaluation process to identify human rights violation cases and potential risks within the scope of the human rights declaration.

- 1) Selection of evaluation targets

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- 2) Document review
 - 3) On-site due diligence (with third-party audits if necessary)
 - 4) Development of improvement plans
- ② Evaluation targets conduct self-assessments using provided indicators and guidelines, and are encouraged to develop improvement plans for identified deficiencies.
 - ③ Based on document reviews, on-site due diligence verifies specific risks through interviews and site inspections. Independent third-party audits may be conducted to ensure objectivity, and immediate improvements or plans are required for identified high-risk or non-compliant issues.
 - ④ The human rights risk assessment process and indicators are regularly reviewed and revised for accuracy and efficiency .

Article 22 (Risk Mitigation and Improvement Measures)

- ① The Company formulates improvement plans and implementation tasks based on human rights risk assessment results. This includes headquarters, domestic and international subsidiaries, suppliers, and other business-related entities.
- ② Continuous monitoring ensures that departments implement improvement measures effectively. Regular communication ensures timely execution of tasks and addresses any potential delays

Article 23 (Disclosure and Reporting)

- ① Significant insights and major risks identified through assessments are reported to the Human Rights Management Committee. Approved reports may be shared with relevant departments to enhance human rights management effectiveness.
- ① Information on human rights violation reports, risk assessment results, and improvement measures is disclosed through various channels (e.g., website, integrated report, sustainability report) for easy access and clear understanding by members and stakeholders.

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Chapter V General Information

Category	Details
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