

**Company Name** SK Hynix  
**Industry** ICT (Own operations and Supply Chain)  
**Overall Score (\*)** 15.2 out of 100

Theme Score	Out of	For Theme
1.4	10	A. Governance and Policies
0.2	25	B. Embedding Respect and Human Rights Due Diligence
1.7	15	C. Remedies and Grievance Mechanisms
1.8	20	D. Performance: Company Human Rights Practices
7.5	20	E. Performance: Responses to Serious Allegations
2.7	10	F. Transparency

(\*) Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2019 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

## Detailed assessment

### A. Governance and Policies (10% of Total)

#### A.1 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Met: General HRs commitment: The company state that "SK Hynix respects all employees as equal human beings, and prohibits violation of human rights under all and any circumstances. [...] SK Hynix upholds and respects human rights and labor standards defined by such international organizations as the UN and ILO, and doesn't discriminate employees based on gender, race, national origin, religion, or age. [Modern Slavery, March 2019: <a href="http://skhynix.com">skhynix.com</a> &amp; Sustainability Management: <a href="http://skhynix.com">skhynix.com</a>]</li> <li>Met: UNGC principles 1 &amp; 2: The Company is a signatory to UN Global Compact since 2009. [UN Global Compact: <a href="http://unglobalcompact.org">unglobalcompact.org</a>]</li> <li>Met: UDHR: SK Hynix discloses that 'supports the UN's Universal Declaration of Human Rights'. [Sustainability Report 2019, 2019: <a href="http://skhynix.com">skhynix.com</a>]</li> <li>Not met: International Bill of Rights</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: UNGPs</li> <li>Met: OECD: SK Hynix states in its Sustainability Report that it 'supports and respects various global organizations' human rights and labor protection standards, including OECD Guidelines, 10 Principles of the UN Global Compact, UN Convention on the Rights of Children and ILO.' [Sustainability Report 2019, 2019: <a href="http://skhynix.com">skhynix.com</a>]</li> </ul>
A.1.2	Commitment to respect the human rights of workers	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Met: UNGC principles 3-6: The Company is a signatory to UN Global Compact since 2009. [UN Global Compact: <a href="http://unglobalcompact.org">unglobalcompact.org</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Not met: Explicitly list ALL four ILO for ICT suppliers: The Company states in its Human Rights/Labour Rights policy that "SK Hynix prohibits all kinds of inhumane treatment such as discrimination, forced labor, excessive working hours and under aged workers. We respect and strive to ensure all labor rights must be guaranteed such as freedom of association and minimum wage compliance. However, it is not clear if the company has a commitment on collective bargaining. [Supplier Code of Conduct, April 2017: <a href="http://skhynix.com">skhynix.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Explicit commitment to All four ILO Core: The Company Human Rights/Labour Rights policy list all four ILO commitment. With respect freedom of association and collective bargaining, the Company's policy indicates: 'SK Hynix warrants employees the freedom of association and right of collective bargaining in compliance with the labor relations regulations of the relevant country or region. No disadvantages are imposed for reasons such as signing up for a labor union, acting in one or forming one as well.' However, CHRB could not find alternative measures to support freedom of association and collective bargaining where they are restricted by law. [Human Rights/Labour Rights policy: <a href="http://skhynix.com">skhynix.com</a>]</li> <li>• Not met: Respect H&amp;S of workers</li> <li>• Met: H&amp;S applies to ICT suppliers: The Company states in its Supplier Code of Conduct that suppliers shall remove all risk factors and take preventive actions to maintain industrial safety, and worker health is to be protected by providing appropriate personal protective equipment to workers in order to avoid exposure to safety hazards. [Supplier Code of Conduct, April 2017: <a href="http://skhynix.com">skhynix.com</a>]</li> <li>• Not met: working hours for workers: The Company states that it complies with local regulations regarding work hours in countries where its worksites are located, and uses the e-HR system to manage such information as working hours and overtime allowance. In February 2018, it launched pilot operation of the maximum 52-hour-a-week system to improve upon long work hour practices and to help establish a healthy work-life balance. However, it is not clear if that includes overtime and resting periods. [Sustainability Report 2018, 31/12/2017: <a href="http://skhynix.com">skhynix.com</a> &amp; Sustainability Report 2019, 2019: <a href="http://skhynix.com">skhynix.com</a>]</li> <li>• Not met: Working hours for ICT suppliers: The Company states in its Supplier Code of Conduct that working hours should not exceed 60 hours per week, including overtime, and workers should be allowed at least one day off every seven days. However, no evidence found of references to standard weekly hours or the Company explicitly committing to respect ILO conventions on working hours. [Supplier Code of Conduct, April 2017: <a href="http://skhynix.com">skhynix.com</a>]</li> </ul>
A.1.3.ICT.a	Commitment to responsible sourcing of minerals	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Responsible mineral sourcing in conflict areas: The Company states that as a member of the EICC [RBA], it follows the EICC Code, which requires EICC members to: (1) adopt a conflict minerals sourcing policy; (2) exercise due diligence on the source and chain of custody of conflict minerals in their supply chain; and (3) make such due diligence measures accessible to customers upon request. However, it is not clear if the company's policy commitment includes responsible sourcing of minerals from conflict affected and high-risk areas. [GLOBAL COMPLIANCEGUIDEBOOK, April 2015: <a href="http://skhynix.com">skhynix.com</a>]</li> <li>• Not met: Based on OECD Guidance: See above. The Company states that it conducts conflict minerals supply chain due diligence in accordance with the EICC Code and OECD Guidelines. [GLOBAL COMPLIANCEGUIDEBOOK, April 2015: <a href="http://skhynix.com">skhynix.com</a>]</li> <li>• Not met: Requires responsible mineral sourcing from suppliers: On its Supplier Code the company state that "suppliers shall clearly identify the source and chain of raw materials and minerals distributed to the entire Supply chain, and shall assure that the minerals in products they manufacture do not directly or indirectly finance or benefit armed groups that are the perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country (Sudan, Uganda, Rwanda, Burundi, Tanzania, Zambia, Angola, the Central African Republic)." However, it is not clear if this is considered high-risk areas by the company. [Supplier Code of Conduct, April 2017: <a href="http://skhynix.com">skhynix.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Responsible conflict mineral sourcing covers all minerals: The Company states that it will not, subject to its reasonable discretion, approve the purchase of any conflict minerals or products containing conflict minerals without first receiving the information from the supplier. To ensure that any conflict minerals in the supply chain are responsibly sourced, the Company will conduct regular assessments of the materials and components found in its products and flow down the applicable requirements to all suppliers through purchasing terms and</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>conditions. It is not clear if the responsible sourcing of minerals apply to all minerals. [GLOBAL COMPLIANCEGUIDEBOOK, April 2015: <a href="http://skhynix.com">skhynix.com</a>]</p> <ul style="list-style-type: none"> <li>• Not met: Suppliers expected to make similar requirements of their suppliers: See above. It is not clear if the responsible sourcing of minerals apply to all minerals. [Supplier Code of Conduct, April 2017: <a href="http://skhynix.com">skhynix.com</a>]</li> </ul>
A.1.3.ICT.b	Commitment to respect human rights particularly relevant to the industry (ICT)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Women's Rights</li> <li>• Not met: Children's Rights</li> <li>• Not met: Migrant worker's rights</li> <li>• Not met: Expecting suppliers to respect these rights: The Company indicates in its Supplier Code of Conduct "Suppliers shall establish a workplace devoid of illegal discrimination and harassment in terms of labor practices, and are committed to treat workers humanely without unreasonable restrictions or inhumane and harsh treatments. This applies to all workers including...migrant...and any other type of workers." However this is not a clear commitment to upholding the rights of Migrant workers. [Supplier Code of Conduct, April 2017: <a href="http://skhynix.com">skhynix.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: CEDAW/Women's Empowerment Principles</li> <li>• Not met: Child Rights Convention/Business principles</li> <li>• Not met: Convention on migrant workers</li> <li>• Not met: Expecting suppliers to respect these rights</li> </ul>
A.1.4	Commitment to engage with stakeholders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Commits to stakeholder engagement: SK Hynix aims to establish the continuous communication and cooperation systems with a variety of people concerned in the region such as customers, employees, stock holders, and partners in order to increase their happiness. However, it is not clear if the company has a commitment to stakeholder engagement. [Sustainability Management: <a href="http://skhynix.com">skhynix.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Regular stakeholder engagement</li> </ul>
A.1.5	Commitment to remedy	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Commits to remedy</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Not obstructing access to other remedies</li> <li>• Not met: Collaborating with other remedy initiatives</li> <li>• Not met: Work with ICT suppliers to remedy impacts</li> </ul>
A.1.6	Commitment to respect the rights of human rights defenders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Zero tolerance attacks on HRs Defenders (HRDs)</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Expects ICT suppliers to reflect company HRD commitments</li> </ul>

## A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: CEO or Board approves policy</li> <li>• Not met: Board level responsibility for HRs</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Speeches/letters by Board members or CEO</li> </ul>
A.2.2	Board discussions	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Board/Committee review of salient HRs</li> <li>• Not met: Examples or trends re HR discussion</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both examples and process</li> </ul>
A.2.3	Incentives and performance management	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Incentives for at least one board member</li> <li>• Not met: At least one key ICT HR risk, beyond employee H&amp;S</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Performance criteria made public</li> </ul>

## B. Embedding Respect and Human Rights Due Diligence (25% of Total)

### B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: Commits to ILO core conventions</li> <li>Not met: Senior responsibility for HR</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Day-to-day responsibility</li> <li>Not met: Day-to-day responsibility for ICT in supply chain</li> </ul>
B.1.2	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Senior manager incentives for human rights</li> <li>Not met: At least one key ICT HR risk, beyond employee H&amp;S</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Performance criteria made public</li> </ul>
B.1.3	Integration with enterprise risk management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: HR risks is integrated as part of enterprise risk system</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Audit Ctte or independent risk assessment</li> </ul>
B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: Commits to ILO core conventions</li> <li>Not met: Communicates its policy to all workers in own operations</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Commits to all 4 ILO core conventions</li> <li>Not met: Communication of policy commitments to stakeholder</li> <li>Not met: How policy commitments are made accessible to audience</li> </ul>
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Commits to all 4 ILO core conventions for suppliers</li> <li>Not met: Communicating policy down the whole ICT supply chain: The Company states in its Supplier Code of Conduct that suppliers shall have programs for training managers and workers. However, it is not enough to be awarded. [Supplier Code of Conduct, April 2017: <a href="http://skhynix.com">skhynix.com</a>]</li> <li>Not met: Requiring ICT suppliers to communicate policy down the chain</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: How HR commitments made binding/contractual</li> <li>Not met: Including on ICT suppliers</li> </ul>
B.1.5	Training on Human Rights	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Scores at least 1 on A.1.2</li> <li>Not met: Trains all workers on HR policy commitments</li> <li>Not met: Trains relevant ICT managers including procurement</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Score of 2 on A.1.2</li> <li>Not met: Both requirements under score 1 met</li> </ul>
B.1.6	Monitoring and corrective actions	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Scores at least 1 on A.1.2</li> <li>Met: Monitoring implementation of HR policy commitments: The Company states that Validated Audit Process covers 100% of its own operation, which includes labor and human rights audit. In addition, the Company discloses the ratio of the issues identified and the ratio of the risks improved. [Sustainability Report 2019, 2019: <a href="http://skhynix.com">skhynix.com</a>]</li> <li>Met: Monitoring ICT suppliers: The Company states that "In 2018, in particular, we took pre-emptive measures against potential risks through consulting on labor and human rights issues. Environmental and safety inspections as well as labor and human rights reviews were carried out on high-risk suppliers handling chemicals." In addition, the Company discloses the ratio of the issues identified and the ratio of the risks improved. [Sustainability Report 2019, 2019: <a href="http://skhynix.com">skhynix.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Score of 2 on A.1.2</li> <li>Not met: Describes corrective action process</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Met: Example of corrective action: The Company states that in 2018, "plans were established to improve overtime, extra training hours for OT and probation period and follow-up process was taken to ensure its compliance. We also conducted interviews and inspections of suppliers operating within our company, and corrective measures were taken against RBA training, and ethics training." [Sustainability Report 2019, 2019: <a href="http://skhynix.com">skhynix.com</a>]</li> <li>• Not met: Discloses % of ICT supply chain monitored</li> </ul>
B.1.7	Engaging business relationships	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: HR affects ICT selection of suppliers</li> <li>• Not met: HR affects on-going ICT supplier relationships</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> <li>• Not met: Working with ICT suppliers to improve performance</li> </ul>
B.1.8	Approach to engagement with potentially affected stakeholders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Stakeholder process or systems</li> <li>• Not met: Frequency and triggers for engagement</li> <li>• Not met: Workers in ICT SC engaged</li> <li>• Not met: Communities in the ICT SC engaged</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Analysis of stakeholder views and company's actions on them</li> </ul>

## B.2 Human Rights Due Diligence (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Identifying risks in own operations</li> <li>• Not met: Identifying risks in ICT suppliers</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Ongoing global risk identification</li> <li>• Not met: In consultation with stakeholders</li> <li>• Not met: In consultation with HR experts</li> <li>• Not met: Triggered by new circumstances</li> </ul>
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Salient risk assessment (and context)</li> <li>• Not met: Public disclosure of salient risks</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Action Plans to mitigate risks</li> <li>• Not met: Including in ICT supply chain</li> <li>• Not met: Example of Actions decided</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: System to check if Actions are effective</li> <li>• Not met: Lessons learnt from checking effectiveness</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> </ul>
B.2.5	Communicating : Accounting for how human	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Comms plan re identifying risks</li> <li>• Not met: Comms plan re assessing risks</li> <li>• Not met: Comms plan re action plans for risks</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
	rights impacts are addressed		<ul style="list-style-type: none"> <li>• Not met: Comms plan re reviewing action plans</li> <li>• Not met: Including ICT suppliers</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Responding to affected stakeholders concerns</li> <li>• Not met: Ensuring affected stakeholders can access communications</li> </ul>

### C. Remedies and Grievance Mechanisms (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Channel accessible to all workers: The Company states that it has set up an anonymous bulletin board on its Intranet to allow the reporting of human rights issues. The Company also operates various online and offline channels to receive reports on ethics-related issues, with an aim to promote participation by all informants. It also operates the informant protection program, which guarantees anonymity of internal and external informants, as a measure to prevent retaliation, including disadvantages in relation to status or discrimination in work conditions. [Sustainability Report 2019, 2019: <a href="http://skhynix.com">skhynix.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Number grievances filed, addressed or resolved: The Company discloses the number of Reports and Disciplinary Actions for Ethical Practice. However, there is no description about how many cases are related to human rights. [Sustainability Report 2019, 2019: <a href="http://skhynix.com">skhynix.com</a>]</li> <li>• Not met: Channel is available in all appropriate languages</li> <li>• Not met: Expect ICT supplier to have equivalent grievance systems</li> <li>• Not met: Opens own system to ICT supplier workers</li> </ul>
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Grievance mechanism for community</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Describes accessibility and local languages</li> <li>• Not met: Expects ICT supplier to have community grievance systems</li> <li>• Not met: ICT supplier communities use global system</li> </ul>
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Engages users to create or assess system</li> <li>• Not met: Description of how they do this</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Engages with users on system performance</li> <li>• Not met: Provides user engagement example on performance</li> <li>• Not met: ICT suppliers consult users in creation or assessment</li> </ul>
C.4	Procedures related to the mechanism(s)/channel(s) are publicly available and explained	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Response timescales</li> <li>• Not met: How complainants will be informed</li> <li>• Not met: Who is handling the complaint</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Escalation to senior/independent level</li> </ul>
C.5	Commitment to non-retaliation over complaints or concerns made	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Public statement prohibiting retaliation: The Company states that it will not tolerate retaliation against any individual who submits such a report in good faith, and any suspected retaliation should be reported to the Chief Compliance Officer or the Cyber Opinion Center. "SK Hynix will not tolerate retaliation against any employee [...] Violation of this non-retaliation policy will result in disciplinary action, up to and including termination. " [GLOBAL COMPLIANCEGUIDEBOOK, April 2015: <a href="http://skhynix.com">skhynix.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Met: Practical measures to prevent retaliation: See above. The Company states that operates 'the informant protection program, which guarantees anonymity of all informants, as a measure to prevent retaliation, including disadvantages in relation to status or discrimination in work conditions'. [Sustainability Report 2019, 2019: <a href="http://skhynix.com">skhynix.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Has not retaliated in practice</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>Not met: Expects ICT suppliers to prohibit retaliation: The company states "Suppliers shall follow the Fair Trade Compliance System to ensure all business transactions adhere to the law and shall operate programs that ensure the confidentiality, anonymity and protection of Supplier and employee whistleblowers while prohibiting retaliation. However, it is not clear if this include other stakeholders. [Supplier Code of Conduct, April 2017: <a href="http://skhynix.com">skhynix.com</a>]</li> </ul>
C.6	Company involvement with State-based judicial and non-judicial grievance mechanisms	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Not met: Won't impede state based mechanisms</li> <li>Not met: Complainants not asked to waive rights</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: Will work with state based or non judicial mechanisms</li> <li>Not met: Example of issue resolved (if applicable)</li> </ul>
C.7	Remedying adverse impacts and incorporating lessons learned	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Not met: Describes how remedy has been provided</li> <li>Not met: Says how it would remedy key sector risks</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: Changes introduced to stop repetition</li> <li>Not met: Approach to learning from incident to prevent future impacts</li> <li>Not met: Evaluation of the channel/mechanism</li> </ul>

#### D. Performance: Company Human Rights Practices (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.4.1.a	Living wage (in own production or manufacturing operations)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Not met: Living wage target timeframe</li> <li>Not met: Describes how living wage determined</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: Achieved payment of living wage</li> <li>Not met: Regularly review definition of living wage with unions</li> </ul>
D.4.1.b	Living wage (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Not met: Living wage in supplier code or contracts</li> <li>Not met: Improving living wage practices of suppliers</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: Both requirements under score 1 met</li> <li>Not met: Provide analysis of trends demonstrating progress</li> </ul>
D.4.2	Aligning purchasing decisions with human rights	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Not met: Avoids business model pressure on HRs</li> <li>Not met: Positive incentives to respect human rights</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: Both requirements under score 1 met</li> </ul>
D.4.3	Mapping and disclosing the supply chain	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Not met: Identifies suppliers back to product source</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: Discloses significant parts of supply chain and why</li> </ul>
D.4.4.a	Prohibition on child labour: Age verification and corrective actions (in own production or manufacturing operations)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Met: Does not use child labour: The Company states that 'do not hire children under 15 (if the term "child" refers to any person under the age of 15, or under the minimum age based on country-determined, we comply with all laws and regulations in the country) and all suppliers that contract with SK Hynix must comply with this rule as well'. [Human Rights/Labour Rights policy: <a href="http://skhynix.com">skhynix.com</a>]</li> <li>Met: Age verification of job applicants and workers: In its Human rights Policy, the Company discloses that 'all business sites in Korea and abroad as well as suppliers must observe strict employment procedures including reviewing ages of newcomers and no child labor of any form will be tolerated'. [Human Rights/Labour Rights policy: <a href="http://skhynix.com">skhynix.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: Remediation if children identified</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.4.4.b	Prohibition on child labour: Age verification and corrective actions (in the supply chain)	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: Child Labour rules in codes or contracts: The Company discloses in its Supplier Code of Conduct that 'all workers must be of age, and child labor is prohibited.' [Supplier Code of Conduct, April 2017: <a href="http://skhynix.com">skhynix.com</a>]</li> <li>Not met: How working with suppliers on child labour</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Both requirements under score 1 met</li> <li>Not met: Provide analysis of trends demonstrating progress</li> </ul>
D.4.5.a	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Pays workers in full and on time</li> <li>Not met: Payslips show any legitimate deductions</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters</li> </ul>
D.4.5.b	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Debt and fees rules in codes or contracts</li> <li>Not met: How working with suppliers on debt &amp; fees</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Both requirements under score 1 met</li> <li>Not met: Provide analysis of trends in progress made</li> </ul>
D.4.5.c	Prohibition on forced labour: Restrictions on workers (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Does not retain documents or restrict movement</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: How sure about agencies or brokers</li> </ul>
D.4.5.d	Prohibition on forced labour: Restrictions on workers (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Free movement rules in codes or contracts</li> <li>Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Both requirements under score 1 met</li> <li>Not met: Provide analysis of trends in progress made</li> </ul>
D.4.6.a	Freedom of association and collective bargaining (in own production or manufacturing operations)	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: Commits not to interfere with union rights and collective bargaining and prohibits intimidation and retaliation: SK Hynix warrants employees the freedom of association and right of collective bargaining in compliance with the labor relations regulations of the relevant country or region. No disadvantages are imposed for reasons such as signing up for a labor union, acting in one or forming one as well. [Human Rights/Labour Rights policy: <a href="http://skhynix.com">skhynix.com</a>]</li> <li>Not met: Discloses % covered by collective bargaining</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Both requirement under score 1 met</li> </ul>
D.4.6.b	Freedom of association and collective bargaining (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: FoA &amp; CB rules in codes or contracts</li> <li>Not met: How working with suppliers on FoA and CB</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Both requirements under score 1 met</li> <li>Not met: Provide analysis of trends in progress made</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.4.7.a	Health and safety: Fatalities, lost days, injury rates (in own production of manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Injury Rate disclosures: The Company discloses its injury rate. In the last year the rate was 0.37. [Sustainability Report 2019, 2019: <a href="http://skhynix.com">skhynix.com</a>]</li> <li>• Not met: Lost days or near miss disclosure</li> <li>• Not met: Fatalities disclosures</li> <li>• Met: Occupational disease rates: The Company discloses that its occupational Illness frequency rate in 2018 was 0.00. [Sustainability Report 2019, 2019: <a href="http://skhynix.com">skhynix.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Set targets for H&amp;S performance</li> <li>• Not met: Met targets or explains why not</li> </ul>
D.4.7.b	Health and safety: Fatalities, lost days, injury rates (in the supply chain)	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Sets out clear Health and Safety requirements: The company indicates in its Supplier Code of Conduct "Worker health is to be protected by providing appropriate personal protective equipment to workers in order to avoid exposure to safety hazards...Workers are to be provided with cleanly maintained facilities and exposure to hazards of physically demanding tasks shall be prevented in advance. Production and other machinery shall be evaluated for safety hazards. Workers shall also be provided with clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories are to be maintained to be clean and safe." [Supplier Code of Conduct, April 2017: <a href="http://skhynix.com">skhynix.com</a>]</li> <li>• Not met: Injury rate disclosures</li> <li>• Not met: Lost days or near miss disclosures</li> <li>• Not met: Fatalities disclosures</li> <li>• Not met: Occupational disease rates</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: How working with suppliers on H&amp;S</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.4.8.a	Women's rights (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Process to stop harassment and violence</li> <li>• Not met: Working conditions take account of gender</li> <li>• Not met: Equality of opportunity at all levels</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Meets all of the requirements under score 1</li> </ul>
D.4.8.b	Women's rights (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Women's rights in codes or contracts</li> <li>• Not met: How working with suppliers on women's rights</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.4.9.a	Working hours (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Respects max hours, min breaks and rest periods in its own operations</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: How it implements and checks this</li> </ul>
D.4.9.b	Working hours (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Working hours in codes or contracts: The Company states in its Supplier Code of Conduct that working hours should not exceed 60 hours per week, including overtime, and workers should be allowed at least one day off every seven days. However, no evidence found of references to standard weekly hours or the Company explicitly committing to respect ILO conventions on working hours and/or if incorporate these commitments into supplier code and contract. [Supplier Code of Conduct, April 2017: <a href="http://skhynix.com">skhynix.com</a>]</li> <li>• Not met: How working with suppliers on working hours</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.4.10.a	Responsible Mineral Sourcing: Arrangements with Suppliers and Smelters/Refiners in the Mineral Resource Supply Chains	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Responsible mineral sourcing due diligence in supplier contracts [GLOBAL COMPLIANCEGUIDEBOOK, April 2015: <a href="http://skhynix.com">skhynix.com</a>]</li> <li>Not met: Builds capacity with smelters/refiners</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Disclosure of smelter information in supplier requirements</li> <li>Not met: Responsible conflict mineral sourcing covers all minerals</li> </ul>
D.4.10.b	Responsible Mineral Sourcing: Risk Identification in Mineral Supply Chain	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Risk identification and disclosure in line with OECD Guidance</li> <li>Not met: Identification of smelter/refiners and OECD due diligence</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Discloses smelters/refiners judged in line with OECD due diligence</li> <li>Not met: Responsible conflict mineral sourcing covers all minerals</li> </ul>
D.4.10.c	Responsible Mineral Sourcing: Risk Management in the Mineral Supply Chain	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Describes mineral risk management plan for supply chain: The Company has supply chain due diligence and conflict minerals data management system. However, it does not have risk management system for conflict minerals. [GLOBAL COMPLIANCEGUIDEBOOK, April 2015: <a href="http://skhynix.com">skhynix.com</a>]</li> <li>Not met: Monitoring, tracking and whether better risk prevention/mitigation over time</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Supplier and stakeholders engaged in risk management strategy</li> <li>Not met: Responsible conflict mineral sourcing covers all minerals</li> </ul>

### E. Performance: Responses to Serious Allegations (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		<ul style="list-style-type: none"> <li>Headline: IBM and other US tech companies criticized for failing to ensure safety of women workers in South Korean supplier plants</li> <li>Area: H&amp;S - occupational health</li> <li>Story: The press claimed that health damage was caused by the chemicals used in computer chips that were assembled in South Korea for companies including Samsung and SK Hynix. It also stated that US companies such as IBM and Intel sourced the chips from those companies. According to the research introduced in the press, the miscarriage rates in the production lines are significantly elevated and some toxic substances were found in some samples that were randomly taken from Samsung and SK Hynix plants. SK Hynix has not responded to the case and has not made a full disclosure of the toxins used in the manufacturing process. However according to the press report, SK Hynix began to to pay privately compensate current and former workers or their families for illnesses and deaths and they pay for cases of infertility or miscarriages for women who are still with the company. (Current and former employees of both companies are eligible for payments if their children were born with birth defects or suffered childhood cancers and similar diseases.) SK Hynix said in 2016 that miscarriages made up the biggest share of all approved cases, or about 40 percent.</li> <li>Sources: [Bloomberg Businessweek, 15/06/17: <a href="http://bloomberg.com">bloomberg.com</a>]</li> </ul>
E(1).1	The Company has responded publicly to the allegation	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Public response available: CHRB could not find the evidence of the Company's response in public regarding this case.</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Response goes into detail</li> </ul>
E(1).2	The Company has appropriate policies in place	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: Company policies address the general issues raised: The Company states that "All employees are entitled to a safe, clean, and healthy working environment. Accordingly, SK Hynix has implemented safety and health management procedures to prevent safety-related accidents and minimize health risks. These measures include the Environment, Safety, and Health Experience Center; systems to prevent human error and monitor environmental conditions on production floors; and implementation of</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>emergency drills. Employees must comply with all safety measures implemented by the Company." [GLOBAL COMPLIANCEGUIDEBOOK, April 2015: <a href="http://skhynix.com">skhynix.com</a>]</p> <ul style="list-style-type: none"> <li>• Met: Policies apply to the type of business relationships involved: The policy also applies to the Company's suppliers. [Supplier Code of Conduct, April 2017: <a href="http://skhynix.com">skhynix.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Policies address the specific rights in question: The Company discloses the number of industrial accidents. [Sustainability Report 2018, 31/12/2017: <a href="http://skhynix.com">skhynix.com</a> &amp; Sustainability Report 2019, 2019: <a href="http://skhynix.com">skhynix.com</a>]</li> </ul>
E(1).3	The Company has taken appropriate action	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Engages with affected stakeholders: CHRB did not find the evidence of the Company's engagement with affected stakeholders.</li> <li>• Not met: Encourages linked business to engage affected stakeholders: CHRB could not find the evidence of the Company's encouraging its business partners to engage with the affected stakeholders.</li> <li>• Met: Provides remedies to affected stakeholders: According to the article, SK Hynix began to pay privately compensate current and former workers or their families for illnesses and deaths and they pay for cases of infertility or miscarriages for women who are still with the company. (Current and former employees of both companies are eligible for payments if their children were born with birth defects or suffered childhood cancers and similar diseases.)</li> <li>• Not met: Has reviewed management systems to prevent recurrence: CHRB did not find evidence of the Company reviewing the system followed by the case.</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Remedies are satisfactory to the victims</li> <li>• Not met: Has improved systems and engaged affected stakeholders: CHRB did not find evidence of the Company's improving the system or engaging with stakeholders followed by the case.</li> </ul>

## F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	0.69 out of 4	Out of a total of 52 indicators assessed under sections A-D of the benchmark, SK Hynix made data public that met one or more elements of the methodology in 9 cases, leading to a disclosure score of 0.69 out of 4 points.
F.2	Recognised Reporting Initiatives	2 out of 2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Company reports on GRI: The Company reports on GRI Index in its Sustainability Report 2019, which includes human rights issues. [Sustainability Report 2019, 2019: <a href="http://skhynix.com">skhynix.com</a>]</li> <li>• Not met: Company reports on SASB</li> <li>• Not met: Company reports on UNGPRF</li> </ul>
F.3	Key, High Quality Disclosures	0 out of 4	<p>SK Hynix met 0 of the 10 thresholds listed below and therefore gets 0 out of 4 points for the high quality disclosure indicator.</p> <p>Specificity and use of concrete examples</p> <ul style="list-style-type: none"> <li>• Not met: Score 2 for A.2.2 : Board discussions</li> <li>• Not met: Score 2 for B.1.6 : Monitoring and corrective actions</li> <li>• Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers</li> <li>• Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s)</li> </ul> <p>Discussing challenges openly</p> <ul style="list-style-type: none"> <li>• Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts</li> <li>• Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned</li> </ul> <p>Demonstrating a forward focus</p> <ul style="list-style-type: none"> <li>• Not met: Score 2 for A.2.3 : Incentives and performance management</li> <li>• Not met: Score 2 for B.1.2 : Incentives and performance management</li> <li>• Not met: Score 1 for D.4.1.a: Living wage (in own production or manufacturing operations)</li> <li>• Not met: Score 2 for D.4.7.a: Health and safety: Fatalities, lost days, injury rates (in own production of manufacturing operations)</li> </ul>

### Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2019 Key Findings report and technical annex for more details of the research process.

The Benchmark is made available on the express understanding that it will be used solely for general information purposes. The material contained in the Benchmark should not be construed as relating to accounting, legal, regulatory, tax, research or investment advice and it is not intended to take into account any specific or general investment objectives. The material contained in the Benchmark does not constitute a recommendation to take any action or to buy or sell or otherwise deal with anything or anyone identified or contemplated in the Benchmark. Before acting on anything contained in this material, you should consider whether it is suitable to your particular circumstances and, if necessary, seek professional advice. The material in the Benchmark has been put together solely according to the CHRB methodology and not any other assessment models in operation within any of the project partners or EIRIS Foundation as provider of the analyst team.

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As CHRB Ltd, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.