SK hynix Sustainability Report 2024

About this Report

Overview

SK hynix actively engages in a diverse range of activities across the economic, social, and environmental sectors, and has been publishing an annual sustainability report since 2008 to provide transparent information to its stakeholders. During the report's publication process, the company conducted a materiality assessment reflecting stakeholders' viewpoints to identify key issues. This sustainability report provides a comprehensive overview of SK hynix's efforts and achievements related to these issues.

Reporting Period

The reporting period for this report spans from January 1, 2023, to December 31, 2023. Significant achievements outside this period are included in this report, covering activities in the first half of 2023. Quantitative performance data from 2020 to 2023 is provided for trend analysis.

Reporting Boundaries

This report covers SK hynix's ESG activities and performance at all its sites in Korea (Icheon, Cheongju, Bundang, and satellite offices in Seoul) and manufacturing facilities in China (Wuxi, Chongqing). Partial information is provided for the facilities in Wuxi and Chongqing, China, with reporting boundaries specified for each dataset.

Reporting Standards

This report aligns with ISO 26000, the UN Global Compact principles, SASB Standards, and ISSB Standards. Financial information is presented on a consolidated basis, following the reporting standards and definitions of K-IFRS. Both financial and non-financial information are based on the fiscal year according to our disclosure system. Energy use-related data and greenhouse gas emissions were prepared in accordance with verified emission results. Any significant changes are separately indicated.

Report Assurance

To enhance the credibility of the reported information, SK hynix commissioned LRQA, an independent assurance provider, to verify the fairness and reliability of our reporting process, as well as the disclosed data and content. The verified report is then submitted to the CEO. Detailed assurance statements can be found in the Appendix.

For Additional Information and Inquiries

SK hynix ESG Engagement | sustainability_skhynix@sk.com

COMMUNICATION ON PROGRESS

UN GLOBAL COMPACT

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

SK hynix upholds the Ten Principles of the UN Global Compact and strives to integrate these principles throughout its management practices.

Last updated: August 14, 2024

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Interactive PDF

This report has been published as an interactive PDF, incorporating features such as internal links to related pages within the report, hyperlinks to relevant webpages, and additional information.

Introduction

CEO Message

CEO of SK hynix
Kwak Noh-Jung

Noh-Jung Kwak

In 2023, the semiconductor industry confronted formidable challenges amid ongoing geopolitical tensions and global economic uncertainties. Nevertheless, SK hynix remained resolute in its determination to surmount these obstacles and strive for greater heights.

Consequently, with the onset of the AI era, SK hynix positioned itself as a "first mover in AI," leading the High Bandwidth Memory (HBM) market with superior technological prowess. Beyond our business accomplishments, we have actively pursued various initiatives for sustainable growth, yielding significant outcomes across environmental, social, and governance sectors.

To begin with, SK hynix achieved a renewable electricity adoption rate of approximately 30% across both Korean and overseas facilities for the second consecutive year. In February 2024, we bolstered our commitment by securing a 100MW Power Purchase Agreement (PPA), laying the groundwork for diverse approaches to fulfilling our RE100 commitments. In the social sphere, SK hynix garnered recognition as the first "Supreme Family-Friendly Company" among Korean semiconductor companies, underscoring our dedication to fostering an inclusive corporate environment. In governance, we attained the distinction of being the first Korean semiconductor company to obtain international certifications for both compliance management and anti-corruption measures.

Furthermore, recognizing that a sustainable society cannot be achieved by companies alone, SK hynix is expanding collaboration with various stakeholders. Having concluded the two-year ESG evaluation of first-tier suppliers starting in 2021, we have laid the foundation for a sustainable supply chain management system. Moving forward, we are committed to exploring avenues for mutual growth and societal advancement through diverse collaborative relationships.

SK hynix's commitment to sustainability remains unwavering in 2024. Guided by our conviction that innovative technological developments contribute not only to economic growth but also to global efforts to mitigate carbon emissions, we will redouble our efforts in developing high-efficiency products, focusing on AI-powered solutions. Concurrently, we will prioritize initiatives aimed at achieving our net-zero emissions goal. We firmly believe that the quickest path to bolstering our sustainability is maximizing stakeholder happiness, including customers, suppliers, employees, and communities. As such, we are dedicated to continuously increasing our contributions to social value creation. We pledge to transparently communicate the processes and outcomes of these endeavors through SK hynix's novel ESG strategy framework, "PRISM."

As a global ICT enterprise, SK hynix remains steadfast in its commitment to fostering a sustainable society by leveraging cutting-edge technologies to address environmental and social challenges. We invite our stakeholders to support and champion SK hynix's ESG journey with earnest engagement and encouragement. Thank you.

Company Profile

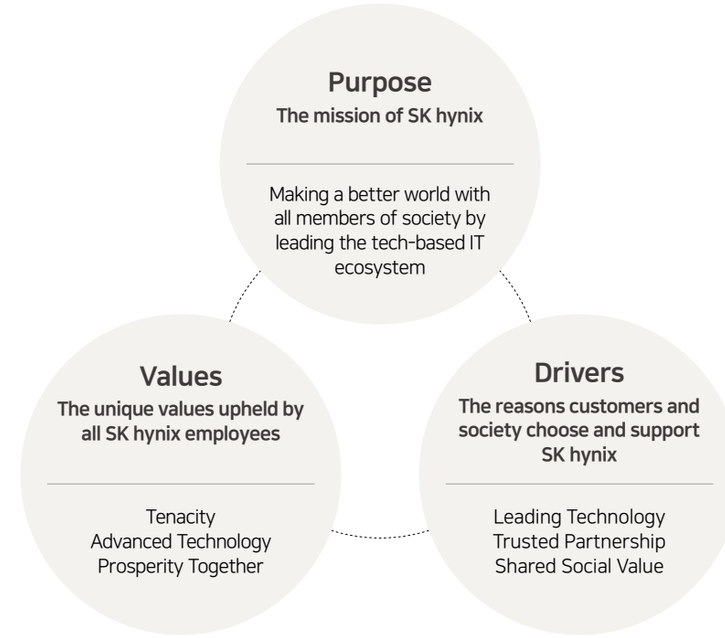
At the forefront of advanced technology, we strive to build a better world.

Entering the era of AI beyond PCs and mobile, the ICT industry is rapidly evolving day by day, with memory semiconductors at its core.

Celebrating its 40th anniversary in 2023, SK hynix has continuously grown since producing Korea's first 16Kb SRAM in 1984, driven by relentless technological innovation. Leveraging world-leading technology, we supply memory semiconductors to the ICT industry, leading the "Memory Centric AI Everywhere" era.

In the burgeoning AI era, expanding beyond ICT into fields such as education and healthcare, SK hynix strives to be a "Total AI Memory Provider," offering the finest semiconductors to bring new value to customers and society. Moreover, we are committed to addressing pressing global challenges, including climate change, and contributing to solving diverse societal issues. Through the creation of sustainable social value, we aspire to foster happiness among all stakeholders.

We Do Technology | SK hynix



Company name	SK hynix
CEO	Kwak Noh-Jung
Date of commencement of semiconductor business	February 1983
Area of business	Manufacture and sales of semiconductor devices
Address of headquarters	2091, Gyeongchung-daero, Bubal-eup, Icheon-si,Gyeonggi-do, Korea
Products and services	**Memory semiconductor** DRAM, NAND Flash, MCP (Multi-Chip Package), etc. **System semiconductor** CIS (CMOS Image Sensor), etc.

2023 at a Glance

Creating a New Era as the Global No.1 AI Memory Solutions

SK hynix is driving relentless innovation towards the pinnacle of technological excellence, recognizing the semiconductor's pivotal role in shaping a new era driven by AI.
Following the groundbreaking development and launch of the world's highest-performing HBM3, we have further solidified our leadership in the memory semiconductor market by achieving the world's first mass production of its extended version, HBM3E.
We continuously demonstrate our technological prowess by setting unprecedented and unparalleled records, exemplified by the unveiling of the world's highest 321-layer NAND Flash sample.
In 2024, SK hynix remains committed to pioneering innovative technological advancements, cementing our status as the Global No.1 AI Memory Solutions.

Advancing Technological Innovation

Leveraging our world-leading technology, SK hynix maintained its leadership in the memory market, particularly in AI memory, throughout 2023. Following the successful launch of HBM3, we continued to excel with the development and mass production of HBM3E (March 2024), while also driving efforts towards the commercialization of next-generation memory solutions like Compute Express Link (CXL)[E]. Concurrently, we unveiled the prototype accelerator card AiMX, based on Processing-In-Memory (PIM)[E] semiconductor GDDR6-AiM. Furthermore, we showcased our unmatched technological prowess by unveiling the world's highest 321-layer NAND Flash sample and commencing mass production of 238-layer 4D NAND Flash. Through proactive R&D investments, SK hynix is poised to strengthen our market leadership in flagship products, expedite the development of next-generation semiconductor technologies, and explore new business models, thereby fostering sustainable growth.

Enhancing Crisis Response Capabilities

In the unprecedented downturn of the memory market in 2023, SK hynix focused on bolstering its crisis response capabilities through structural improvements. We established a decision-making system designed to optimize and maximize sales in response to shifting market demands. This involved cost savings through yield improvement and productivity enhancements, as well as increasing investment efficiency through rigorous suitability reviews. These efforts culminated in the establishment of a management system where all employees operate as One Team, optimizing operations throughout the organization. Consequently, SK hynix achieved remarkable outcomes amidst the rapid growth of AI memory demand, turning a profit within just one year. The company also recorded its highest-ever first-quarter revenue and the second-highest operating profit in its history in the first quarter of 2024.Looking ahead, beyond technological prowess, SK hynix will continue to strengthen its crisis response capabilities to maximize profitability in any market scenario.

Investment for Future Growth Drivers

SK hynix remains steadfast in investing to expand future growth opportunities for next-generation semiconductor production facilities. SK hynix's Yongin Semiconductor Cluster production base project, with an investment of KRW 120 trillion, is set to commence construction of the first fab in March 2025, with completion targeted for 2027. Additionally, we aim to bolster the industry's ecosystem by constructing a mini-fab to support technology development, verification, and evaluation for small and medium-sized enterprises in the material, parts, and equipment sectors. Furthermore, in April 2024, SK hynix entered into an investment agreement for the construction of an advanced packaging production base for next-generation HBM (targeting mass production in the second half of 2028) and semiconductor research and development cooperation with a local research institution in Indiana, United States. Following a board resolution in the same month, SK hynix decided to construct a new fab, M15X, in Cheongju, Chungcheongbuk-do, designating it as a DRAM production hub. The company plans to invest approximately KRW 5.3 trillion in the fab's construction. Through astute market analysis and bold strategic investments, SK hynix will not only enhance its production capabilities but also strengthen the global semiconductor ecosystem, laying a solid foundation for sustainable growth.

ESG Strategy

Our Business

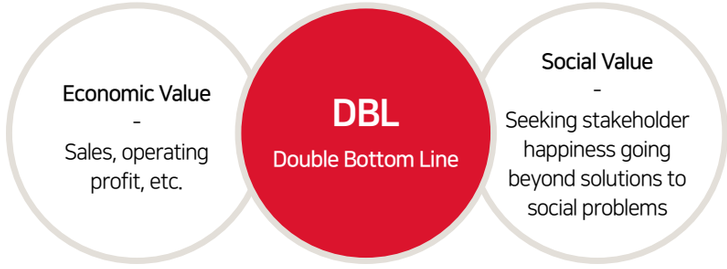
Double Bottom Line (DBL)

DBL Management Philosophy

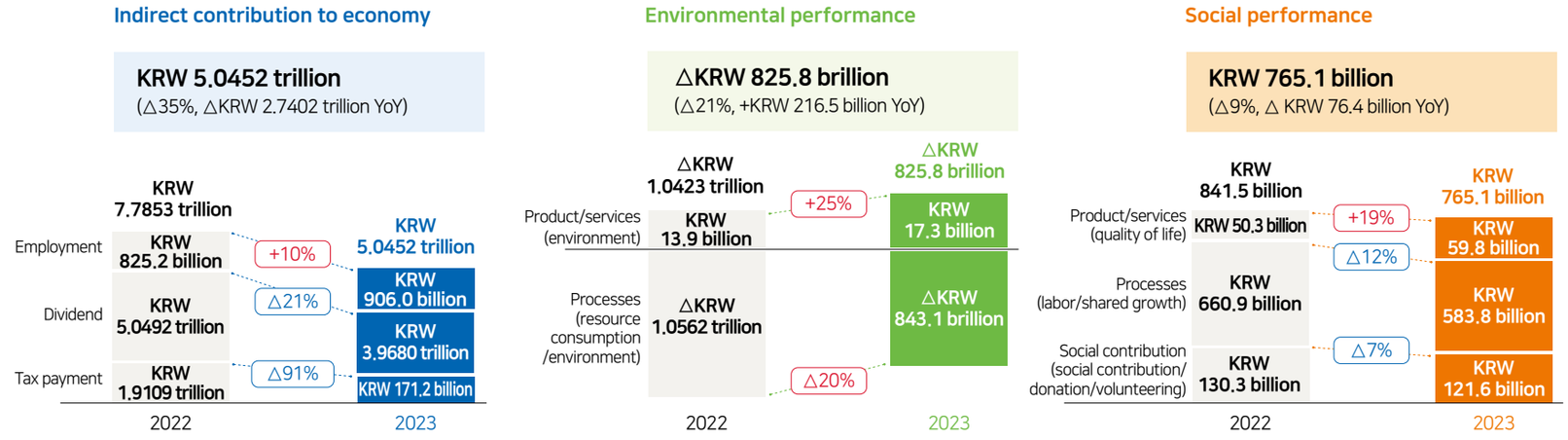
Double Bottom Line (DBL) is SK hynix's guiding principle, aiming to enhance economic value (EV) and social value (SV) concurrently, fostering symbiotic growth with society. As societal connections strengthen amid ongoing social shifts, stakeholders' expectations regarding a company's societal role escalate. Earning trust and support from stakeholders is vital for sustainable corporate development. Therefore, SK hynix endeavors to secure stakeholders' trust and support by embracing DBL principles, delivering both EV and SV, ultimately maximizing stakeholder happiness.

2023 SV Performance Measurement Results

In 2023, SK hynix generated KRW 4.9845 trillion in social value (SV). This represents a 34% decrease from the SV of KRW 7.5845 trillion in 2022, broken down into "Indirect economic contribution" of KRW 5.0452 trillion, "Environmental performance" of -KRW 825.8 billion, and "Social performance" of KRW 765.1 billion. The primary reasons for the decrease in SV compared to the previous year are attributed to declines in employment and tax contributions due to the downturn in the semiconductor industry. However, there has been a meaningful increase in social value (SV) performance in the Product/services (quality of life) category compared to the previous year, driven by initiatives supporting vulnerable groups through social enterprises. SK hynix will continue its efforts to increase SV performance alongside economic value as the business grows. The formula for measuring social value can be found on the SK Group website.



SK hynix's Performance in Creating Social Value in 2023



* Comprehensive performance value including SK hynix and its six subsidiaries, and four social enterprises
(Subsidiaries: SK hynix system IC, SK hystec, Key Foundry, SK hyeng, Happy More, Happy Narae / Social enterprises: Happy Lunchbox, Happy School, Happy Together, Wuxi Cleaning)
* The indirect economic contribution in 2022 was recalculated due to a change in the measurement criteria for tax contributions from accrual basis to cash basis.

Our Business

SK hynix's Social Value Management System

Social value measurement system

Indirect contribution to economy	**Economic** The value that the company indirectly creates for the economy through business activities	Employment		
		Dividend		
		Tax payment		
Environmental performance	**Environment** Environmental benefits generated by the company's products and services	Products/services	Resource consumption	Environmental pollution
		Processes		
Social performance	**Social** Social benefits generated by business activities	Products/services	Quality of life	
			Consumer protection	
		Processes	Labor	
			Shared growth	
		Social contribution	Social contribution activities	
			Donation	
			Volunteering	
Governance	**Governance** How the company strengthens its business stability through transparent governance	※ The governance indicator is being reviewed as social value metrics based on governance activities		

Social value measurement principles

1. We aim to measure all business activities.
- Measure overall corporate activities, including product development, production, sales, HR, and cooperation with business partners
- Measure positive as well as negative performance

2. We measure outcomes but aim to measure impacts.
- Measure the changes in the lives of the beneficiaries as the direct outcome of business activities
- Aim to assess the impact that our business activities ultimately have on society

Input → **Activity** → **Output** → **Outcome** → **Impact**

3. Principle of conservatism
- Use objective and conservative criteria and data to increase validity and reliability

Our Business

Ethical Management

Code of Ethics

Built upon the SK Management System (SKMS), the cornerstone of SK's corporate management, SK hynix has established and publicly disclosed the Ethics Mission as a guideline for proper conduct and value judgment, along with the Ethics Action Guide, which outlines specific principles of conduct for all employees. Key stakeholders, including the Board of Directors, employees, and suppliers, understand and practice the Ethics Mission and the Ethics Action Guide, integrating them as norms for decision-making and behavior throughout business processes.

SK hynix's Code of Ethics

Corporate Ethics Mission and Directions

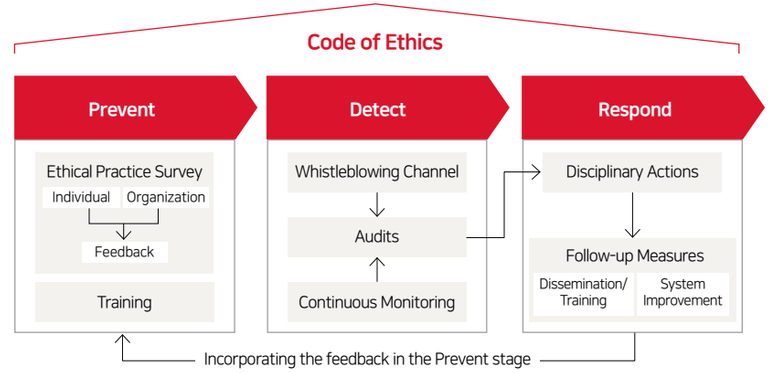
Making substantial contributions to strengthening the core competitiveness of the semiconductor business through prevention, assessment, and audit activities aimed at addressing unethical conduct

Key Areas	Consensus	Compliance	Cost Effectiveness/ Efficiency
Mission	Continually enhance overall infrastructure and systems to enhance ethical empowerment among employees.	Focus on risk assessment and intensive inspection of high-risk areas to detect and rectify unethical behavior.	Identify factors of waste and reduction through effectiveness and efficiency monitoring relative to cost execution objectives.
2024 Directions	Improve the integrity and reliability of our compliance systems and support gradual and systematic ethical management activities for subsidiaries and suppliers	Conduct integrity-related inspections and expand inspections of similar cases and operations involving unethical occurrences	Eliminate inefficiencies and waste factors in line with the profitability-centered management policy and broaden the scope of audits for overseas units and subsidiaries.

Ethical Management Framework

SK hynix operates an ethical management framework, directly overseen by the CEO, setting its ethical management objectives and directions annually. This framework, consisting of three stages - Prevent, Detect, and Respond - aims to enhance the execution of ethical management practices. Following this structure, the Ethics Management Department plans and implements specific tasks aimed at corruption prevention, regularly reporting plans and outcomes to the CEO and the Audit Committee. Furthermore, SK Group conducts a comprehensive annual assessment of the adequacy of the ethical management framework, integrating the evaluation results into the management's key performance indicators (KPIs). SK hynix is dedicated to continual enhancement of operational capabilities and risk management standards based on these evaluations.

Expansion of Ethical Management to Subsidiaries
In 2023, SK hynix launched the Ethical Management Council, involving all subsidiaries, to promote the expansion of ethical management practices. The council shared best practices, such as the ethical practice pledge, training, and survey, as well as disseminated guidelines and know-how for handling reports. Additionally, using SK Group's ethical management measurement system, SK hynix assessed the ethical management progress of its subsidiaries, identified improvement tasks for each company, enhancing the overall execution level of ethical management.



❶ Prevent

Ethical Practice Pledge and Survey

All employees at SK hynix and its suppliers acknowledge the significance and necessity of ethical management. They annually reaffirm their commitment to ethical standards through the Ethical Practice Pledge. In addition, SK hynix conducts an Ethical Practice Survey among all employees to assess changes in their ethical practice levels and derive effective improvement measures for its ethical framework.

Ethics Training

SK hynix provides comprehensive ethics education for all employees across its global facilities, encompassing regular, contract, and dispatched workers. This includes annual "Basic Ethics Training," covering topics such as mutual respect, the prohibition of supplier mistreatment, bribery, and appropriate use of company assets, and case-based "Advanced Discussion-based Training" sessions facilitated by team leaders. Additionally, tailored sessions were held in 2023 for 154 newly appointed team leaders and dispatched personnel, highlighting the importance of ethical leadership and providing strategies for handling ethical conflicts. Moreover, ethics management training sessions were conducted for newly appointed Audit Committee members to assist in making ethical judgments in decision-making processes.
Furthermore, SK hynix consistently updates and disseminates content such as the "Useful Ethical Management Dictionary," addressing various ethical conflict situations commonly raised by employees using company regulations and real-life examples, through company-wide announcements.

Participation Rates in Ethical Practice Pledge and Training (Unit: %)

Category		2020	2021	2022	2023
Ethical Practice Pledge		98.4	97.1	98.4	98.4
Ethics Training	Basic Training (Online)	98.7	99.0	99.4	99.5
	Advanced Discussion-based Training (Offline)	100	100	100	100

* Ethical practice pledge data for 2021 was updated due to simple numerical errors.
* A total of 979 suppliers participated in the 2023 Ethical Practice Pledge.

Our Business

❷ Detect

Whistleblowing and Counseling

SK hynix maintains open communication channels, including its website, phone lines, and email, to enable both internal and external stakeholders to seek guidance or report ethical concerns about the company. Whistleblowers can choose to remain anonymous or disclose their identity when reporting, with assurance that their identity and report content will be kept confidential in line with whistleblower protection regulations. SK hynix conducts post-reporting monitoring for a minimum of one year to prevent any adverse consequences resulting from whistleblowing. Notably, since 2023, the scope of subjects and individuals under post-reporting monitoring has been expanded and carefully managed. Furthermore, all SK hynix employees have access to counseling on various topics, including unethical behavior, sexual harassment, and bullying, through a dedicated internal channel.

Whistleblowing and Counseling (Unit: Cases)

Category		2020	2021	2022	2023
Whistleblowing	Total Reports	237	368	308	283
	Valid Reports	36	85	51	49
Counseling	Ethics Counseling Center	213	207	90	61

* Report count for subsidiaries in 2023: 173 reports (40 valid reports).
* The received reports were 100% processed in accordance with the report processing procedure.
* Due to changes in data collection scope, the data for 2020-2022 has been updated.
* Scope of data collection: All subsidiaries and facilities in Korea and abroad

Control Self-Assessment

SK hynix conducts annual self-assessments of key business areas such as procurement, HR, expenses, and investment management to autonomously identify and manage associated risks. The Ethics Management Department categorizes necessary assessment items by area and collaborates with operational teams to conduct assessments using checklists or supports them in conducting self-assessments. Based on data extracted from each business system, the Ethics Management Department evaluates the adequacy of self-assessment results. In 2023, SK hynix established a dedicated team utilizing IT systems such as Robotic Process Automation (RPA) to proactively assess risks of unethical conduct and has shortened assessment cycles for high-risk areas.

Audits and Assessments

SK hynix conducts audits and assessments of its global facilities and subsidiaries to ensure compliance with regulations and procedures, assess the adequacy and efficiency of business operations, and identify unethical behavior. As a principle, audits and assessments of company-wide functions are conducted at least once every three years. We divide the company-wide work into 7 areas and 23 sectors to conduct risk assessment in each sector, with the scope determined based on risk assessments of each areas, particularly focusing on high-risk areas. Audit results are reported regularly through a dual reporting system to the CEO and the Audit Committee. In 2023, a total of six reporting sessions were conducted, and assessments of overseas manufacturing plants and subsidiaries are planned for 2024.

Audits and Assessments by Year

❸ Respond

Upon identifying areas for improvement in ethical or efficiency aspects during the Detect stage, SK hynix takes immediate corrective actions or collaborates with relevant departments to determine improvement tasks. Additionally, thorough monitoring is regularly conducted to prevent the recurrence of risks. For serious unethical behaviors such as false reporting, bribery, sexual misconduct, and harassment, a zero-tolerance principle is applied, and strict measures are taken regardless of position. To strengthen the accountability of leaders (executives) who should lead by example, the company has introduced a “Penalty Points” system to deduct points from their key performance indicators (KPIs) for unethical behaviors by themselves or their subordinates. In 2023, a total of 24 executives received penalty point deductions. In cases where suppliers are implicated in unethical conduct, the BP Sanctions Review Committee imposes sanctions such as trade restrictions or suspensions and restricted access to facilities.

Support for Supplier Ethics Management Program
In order to enhance the ethics management framework for our suppliers, SK hynix conducted sessions in 2023 tailored to suppliers heavily reliant on our company’s revenue over the past two years. These sessions centered on educating them about recent unethical incidents involving suppliers (such as collusion and exploitation), alongside explanations of ethics management policies and procedures, and listening to grievances.

Disciplinary Actions for Employees and Sanctions for Suppliers (Unit: Cases)

Category		2020	2021	2022	2023
Employees	Light Disciplinary Action	35	25	27	33
	Severe Disciplinary Action	52	65	72	84
Suppliers	Restricted Access/Supplies	2	-	1	1
	Contract Suspension/Termination	4	12	1	5

* In 2023, out of the total number of disciplinary actions taken against employees, 16 cases involved instances of discrimination and harassment.
* Severe disciplinary actions: Wage cut, suspension, demotion, dismissal
* Scope of data collection: All subsidiaries and facilities in Korea and abroad

Our Business

Compliance

Global Compliance Goals

SK hynix has set the goal of establishing an internal global compliance program to meet the standards required by relevant laws and regulatory agencies in the countries where we operate. To achieve this, we continually improve our global compliance program each year. Specifically, based on the relevant laws, international agreements, and customer requirements in our operational regions, SK hynix aims to achieve zero violations in the following key areas: ① strategic materials and export control systems, ② counterparty risk management, ③ antitrust and unfair trade practices, ④ anti-corruption, and ⑤ personal data protection. To effectively mitigate compliance risks and prevent violations, we implement proactive inspections and preventive measures, as well as post-inspection activities. In 2023, our global compliance efforts focused on minimizing the company's legal risks and protecting both the company and our employees.

Acquisition of ISO 37301 and 37001

In July 2023, SK hynix obtained the international standard certifications ISO 37301 and 37001 for its compliance program and anti-corruption system, established to enhance external credibility and prevent legal risks for the company and its employees. SK hynix is the first Korean semiconductor company to achieve both certifications. Covering areas such as fair trade, subcontracting, antitrust, anti-corruption, strategic materials, and personal data, these certifications recognize the company's achievements in building its compliance and anti-corruption systems. The certifications signify enhanced stakeholder trust, proactive prevention of legal violations, the establishment of continuous improvement processes, increased employee awareness of compliance, and the dissemination of an anti-corruption culture within the company. SK hynix remains committed to ongoing improvements in its compliance and anti-corruption systems through continuous monitoring.

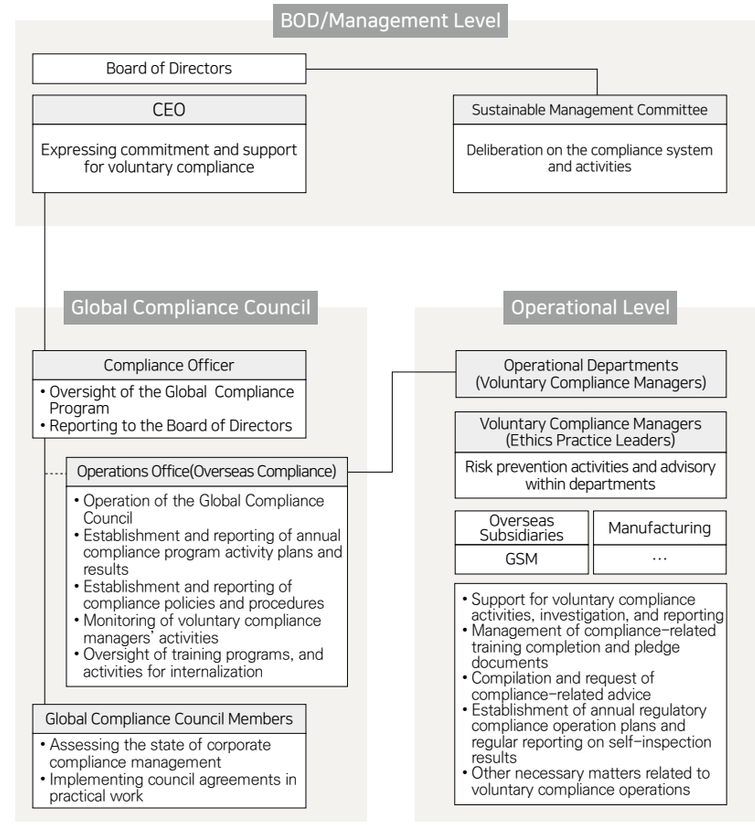
Global Compliance Council

SK hynix recognizes that compliance with international laws and regulations cannot be achieved solely through the activities of a single department. To ensure active participation from all employees and establish a company-wide response system, SK hynix operates the Global Compliance Council. Chaired by the executive responsible for sustainable management, who also serves as the compliance officer, this council includes relevant department heads and key personnel based on the agenda items. In 2023, the council discussed various topics, including the operational status of the Global Compliance Management System (GCMS), its expansion to manufacturing plants in China, achieving an AAA rating for the Compliance Program (CP), and obtaining certifications for anti-corruption and compliance management systems. SK hynix ensures that management decisions are disseminated throughout the organization and integrated into relevant departments to achieve global compliance goals.

Publication of Affiliate Transactions Manual

There is growing interest in affiliate transactions within large corporate groups, with an increasing emphasis on compliance with related laws. In response, SK hynix published the Affiliate Transactions Manual in July 2023 to ensure compliance with legal and fair procedures for such transactions. This manual consolidates various regulations from the Fair Trade Act, Commercial Act, and other relevant laws into process-specific guidelines, making it easier for employees to reference during their work. Since prohibited or restricted actions related to affiliate transactions can vary by case, and relevant laws are frequently amended, SK hynix will continually update the manual and provide training to employees on the important considerations for affiliate transactions.

Organization Chart of the Global Compliance Council



Our Business

Human Rights Management

Principles of Human Rights

SK hynix is dedicated to respecting and safeguarding the human rights of all stakeholders, including employees. Our human rights management is anchored in our "Human Rights & Labor Policy." This policy defines governance for human rights management, frameworks for mitigating human rights risks, and processes for grievance resolution. Additionally, it outlines operational guidelines for 13 human rights issues. In 2023, we further strengthened our institutional framework by establishing detailed policies addressing three high-risk issues from a human rights infringement perspective: child labor, migrant workers, and discrimination and harassment. Furthermore, SK hynix has enhanced systems and processes to prevent human rights risks across all aspects of our business operations. We are committed to fostering a corporate culture that respects and protects human rights through initiatives such as human rights education and campaigns.

SK hynix Human Rights & Labor Policy and detailed policies

Human Rights Risk Assessment

SK hynix employs a self-assessment approach using checklists to conduct human rights impact assessment (HRIA) across our headquarters, subsidiaries, and global operations. This method systematically examines compliance with human rights policies, response procedures, and systems. Additionally, we administer human rights surveys among employees to collect and analyze their insights and experiences regarding potential human rights issues, thereby identifying opportunities for improvement. Furthermore, we perform on-site human rights due diligence to reassess identified risks. This involves interviews with personnel to verify policy compliance, examination of documents related to human rights issues, and employee interviews to validate survey findings. Moving forward, SK hynix plans to broaden the scope of our human rights impact assessments to include global sales and research entities. We will also measure the effectiveness of improvement initiatives identified from assessments, surveys, and due diligence conducted between 2021 and 2023, as part of our ongoing efforts to enhance our human rights management framework.

Labor & Human Rights Council

SK hynix operates the Labor & Human Rights Council to proactively identify and address key human rights and labor-related issues that may arise in internal operations and relationships with suppliers, ensuring risk prevention and preparedness. Given the pervasive nature of human rights and labor issues across business activities, the Labor & Human Rights Council comprises leaders and team members from four related departments (HR, Procurement, Domestic Legal Affairs, and ESG Engagement) to comprehensively discuss and review these issues. In addition to monthly regular meetings, the council also holds subcommittee meetings with relevant departments for efficient operation. Major issues discussed within the council are regularly reported to the Board of Directors and management through HR, the department responsible for human rights issues. In 2024, the Labor & Human Rights Council will focus on human rights risk assessment and improvement initiatives for enhancing human rights management, including the methodology for calculating living wages and measures to identify human rights issues in new supplier contracts.

Implementation of HRIA Improvement Tasks (Unit: Cases)

Implementation Term	Improvement Needed	Implemented	Implementation Rate
Short-term	18	18	100%
Medium-term	28	21	75%
Long-term	18	17	94.4%
Total	64	56	87.5%

*Short-term: Within 6 months / Medium-term: Within 2 years / Long-term: Over 2 years

Key Discussions of the Labor & Human Rights Council in 2023

Category	Discussions	
Policies	• Establishment of detailed human rights policies • Review of supply chain ESG management policy	• Revision of Supplier Code of Conduct
Human Rights Risk Assessment	• Establishment and implementation of specific processes for identifying human rights risks	• Progress check on human rights surveys and due diligence • Review of human rights survey questions for subsidiaries

Our Business

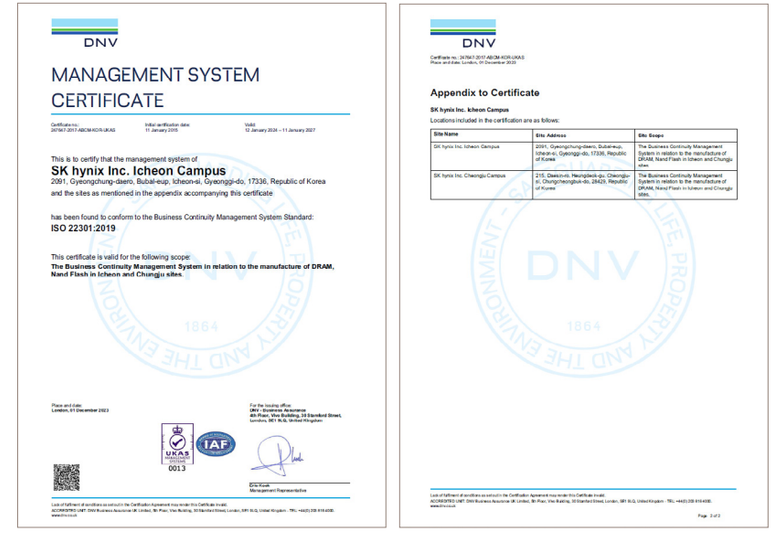
Business Continuity Plan

Business Continuity Plan Management Process

With the increasing frequency of extreme weather events, global pandemics, and geopolitical tensions, businesses face escalating risks that are larger and more complex. Ensuring business continuity and crisis response capabilities has become essential for survival, with its significance growing daily. Recognizing the responsibility to mitigate risks that could impact not only the company but also stakeholders at a national level, SK hynix has established and operates a robust Business Continuity Plan (BCP) to sustain business activities even amidst unexpected crises. Annually, SK hynix secures ISO 22301 certification, an internationally recognized standard for business continuity, from an accredited certification body, thereby demonstrating the company's adeptness in crisis management. Specifically, we identify and evaluate risk factors that could disrupt production lines, manage risks within the BCP framework, define key tasks for recovery, and develop response strategies accordingly. Furthermore, we conduct regular training sessions to ensure the efficacy of BCP strategies, identifying areas for enhancement and integrating them into the process to fortify the BCP system. Employees undergo regular BCP training designed to instill awareness and cultivate a BCP-centric culture within the organization. In times of emergency, the existing organizational structure of SK hynix seamlessly transitions into a BCP framework and promptly initiates emergency response and recovery activities to restore operations to predefined standards. SK hynix remains committed to bolstering BCP-driven initiatives, thereby upholding customer trust through the reliable provision of products and services under any circumstances.

Identified Significant Risks

Category	Major risks
Geopolitical Risk	Review of global operations strategy
Transition Risk	Regulatory changes in greenhouse gas emissions, setbacks in low-power product development, decline in corporate reputation and value, challenges in initiating new businesses, declining profitability
Physical Risk	Increase in average temperature, rise in sea levels
Economic Risk	Economic downturn, recession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MANAGEMENT SYSTEM CERTIFICATE

This is to certify that the management system of
SK hynix Inc. Icheon Campus
2091, Gyeongchung-daero, Bubal-eup, Icheon-si, Gyeonggi-do, 17336, Republic of Korea
and the sites as mentioned in the appendix accompanying this certificate

has been found to conform to the Business Continuity Management System Standard:
ISO 22301:2019

This certificate is valid for the following scope:
The Business Continuity Management System in relation to the manufacture of DRAM, Nand Flash in Icheon and Chungju sites.

DNV

Appendix to Certificate

SK hynix Inc. Icheon Campus

Locations included in the certification are as follows:

Site Name	Site Address	Site Scope
SK hynix Inc. Icheon Campus	2091, Gyeongchung-daero, Bubal-eup, Icheon-si, Gyeonggi-do, 17336, Republic of Korea	The Business Continuity Management System in relation to the manufacture of DRAM, NandFlash in Icheon and Chungju sites
SK hynix Inc. Chungju Campus	215, Daesin-ro, Heungdeok-gu, Cheongju-si, Chungcheongbuk-do, 28429, Republic of Korea	The Business Continuity Management System in relation to the manufacture of DRAM, NandFlash in Icheon and Chungju sites.

ISO 22301 Certificate

Materiality Assessment

Materiality Assessment Methodology

Context

The recent introduction of global disclosure regulations, such as the Sustainability Disclosure Standards (IFRS S1&S2) by the International Sustainability Standards Board (ISSB) and the European Sustainability Reporting Standards (ESRS) established by the European Financial Reporting Advisory Group (EFRAG), has led to the disclosure of detailed guidelines for materiality assessments. SK hynix predicts that the company will be required to comply with mandatory disclosures based on the draft of the Korea Sustainability Standards Board (KSSB), which follows the IFRS Sustainability Disclosure Standards, starting after 2026. From 2029, these disclosures will also need to align with ESRS standards.

The materiality assessment required by Korean disclosure standards excludes the impact a company has on the external environment and considers only the risks or opportunities that external factors pose to the company's prospects, known as single materiality (financial materiality) assessment. In contrast, European disclosure standards require a double materiality assessment, which considers both financial materiality and the impacts on external stakeholders.

Stakeholder Engagement

In the 2024 materiality assessment, we refined the survey structure based on the ESRS Materiality Assessment Implementation Guidance released in December 2023. This refinement allowed us to reassess all issues from a consolidated perspective and evaluate them from a financial materiality standpoint, targeting respondents including executives and practitioners from relevant departments.

We began by revisiting the comprehensive list of all ESG indicators that require our compliance or response. This involved aligning all subsidiaries on a consolidated basis and matching them with the 12 industry-specific standards provided by the Sustainability Accounting Standards Board (SASB), alongside indicators required by IFRS S1&S2 and ESRS. Additionally, we consulted over 3,000 indicators, including those from evaluation agencies, SK Group, and SK hynix, as well as reporting indicators from similar businesses. Using this comprehensive approach, we integrated and redefined all sustainability issues, resulting in a pool of 23 key issues.

We also refined the survey structure to enable the evaluation of the "probability" and "potential impact" of operational risks expected from a financial perspective for each issue on a 5-point scale. Furthermore, we have enhanced our assessment of the importance of each issue from the viewpoint of external stakeholders by supplementing our evaluation with data collected through crawling from various sources, including corporate reports, policies/regulations, and media, using a big data platform, which has been utilized since 2022, alongside key investor inquiries over the past three years.

Future Plans

SK hynix plans to progressively enhance its materiality assessment methodology to effectively respond to ESG disclosure regulations. First, with the expected introduction of regulations under Korean sustainability disclosure standards, we will review appropriate objective thresholds (quantitative or qualitative) during the financial materiality assessment. Additionally, recognizing the essential role of stakeholder engagement in materiality assessments, we will refine our methods for selecting and engaging key stakeholders. In the long term, to comply with European sustainability disclosure standards, we will continuously advance our impact materiality assessment methodology for consolidated double materiality assessments, ensuring an effective and efficient response to disclosure regulations.

Materiality Assessment

Materiality Assessment Process

Following the materiality assessment methodology, SK hynix conducted the following process:

Identification of Issues ▸ We identified all sustainability issues applicable to SK hynix and over 60 subsidiaries' industries and derived a pool of 23 issues. Additionally, we assessed the expected operational risks and the scope of the value chain impacted by each issue.

↓

Survey ▸ Opinions from internal experts who oversee specific subject matters and have a deep understanding of the company are crucial in the materiality assessment. SK hynix conducted surveys targeting key executives, including members of the ESG Management Committee, and practitioners from relevant departments with expertise in individual issues.

↓

Big Data Analysis ▸ To mitigate potential biases from internal surveys, we leveraged a big data analysis platform to incorporate various regulations, initiatives, disclosed data from peers and clients, and media analysis results. For investors, one of our key stakeholders, we analyzed and integrated their inquiries from the past three years.

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Identification of Material Issues ▸ Material issues were identified based on "business impact" (X-axis) and "stakeholder importance" (Y-axis) derived from survey responses and big data analysis.

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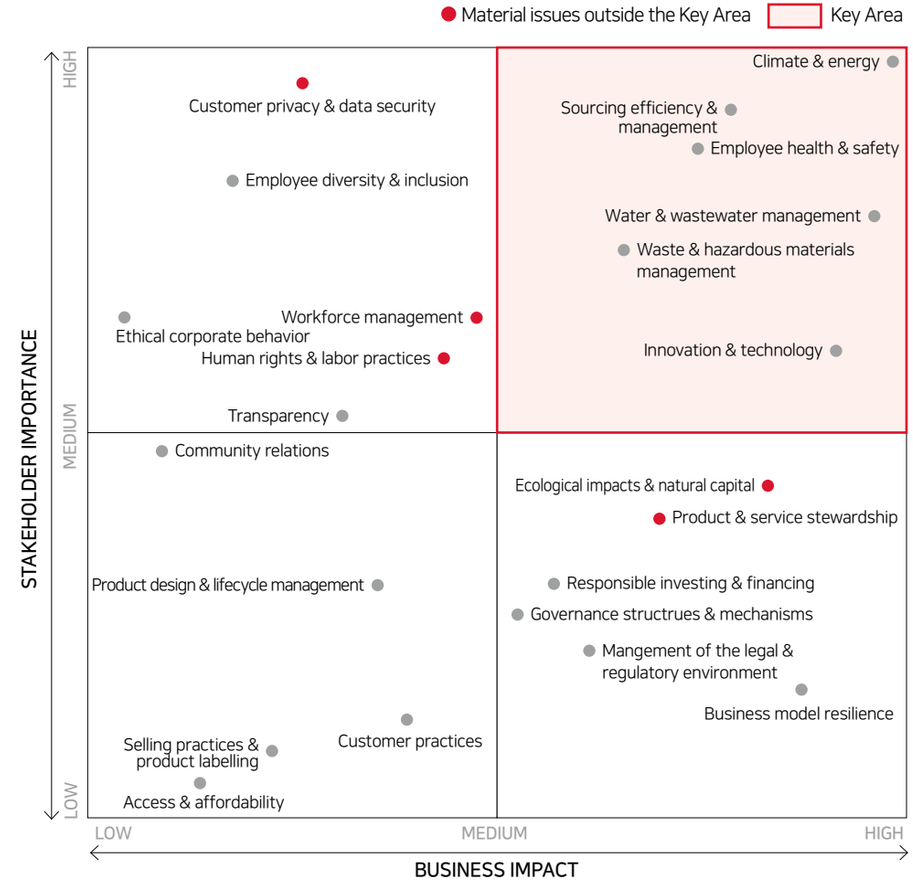
Board Review ▸ The identified material issues were reported to the Sustainable Management Committee under the Board of Directors, completing the materiality assessment after review and approval by the committee members.

2024 Materiality Assessment Results



Materiality Assessment

Selection of Material Issues and Analysis of Changes

SK hynix maintained a total of 11 material issues from the previous year. However, through the process of integrating and redefining the entire pool of issues, the number of issues was reduced to 23 this year from 27 last year, and the issues included in the key area decreased to six. By consolidating three similar issues from the previous year—"Climate Change & GHG Emissions," "Transition to Renewable/ Alternative Energy," and "Energy Management"—into a single issue called "Climate & Energy," this issue was identified as the top priority. "Climate & Energy" was recognized as the highest priority internally and was also ranked within the top six by all stakeholder groups, reaffirming its significance.

"Water & Wastewater Management," previously included in the "Natural Capital" issue, was identified as a separate issue this year reflecting the high importance of water resources in the semiconductor industry, and it was ranked as the second highest priority in our internal survey. This issue was also highly rated by other stakeholder groups, allowing it to be selected as one of the material issues within the key area despite being newly idenfied.

"Waste & Hazardous Materials Management" was a general issue last year but has been newly classified into the key area this year, ranking within the top ten priorities across internal surveys and stakeholder groups. With the continued emphasis on resource circulation within the industry and regulations related to hazardous materials such as per- and polyfluoroalkyl substances (PFAS), the priority of this issue has increased.

In addition to the six issues within the key area, SK hynix categorized five additional issues as material issues. "Ecological Impact & Natural Capital," "Workforce Management," "Human Rights & Labor Practices," and "Customer Privacy & Data Security," which were material issues in the 2022 to 2023, were again selected as material issues for 2024, as they did not significantly deviate from the key area. "Product & Service Stewardship" is a new issue related to product and service safety or quality and has been included in the material issues due to its significant impact on SK hynix's business strategy. On the other hand, "Ethical Corporate Behavior" which was a material issue from 2022 to 2023, is excluded due to its low priority in financial perspective (internal survey).

SK hynix will continue to closely monitor global trends and changes in stakeholder demands to identify and strategically address issues that require management attention.

Material Issues Identified

Issues	Internal Priorities	Customers	Peers	Investors	Media	Initiatives	Regulators	Reporting Page
Climate & energy	1	2	6	1	3	1	6	36-41, 49-50
Water & wastewater management	2	8	9	4	16	4	8	42-43
Sourcing efficiency & management	6	1	1	3	7	13	16	57-65
Employee health & safety	7	6	2	8	11	12	4	30-33
Innovation & technology	3	13	13	18	1	8	13	49-56
Waste & hazardous materials management	9	4	7	11	14	10	7	34-35, 46-48
Ecological impacts & natural capital	5	17	17	12	20	6	11	44-45
Workforce management	13	7	4	6	5	20	17	66-76
Product & service stewardship	8	16	14	23	4	18	10	54
Human rights & labor practices	14	14	11	7	21	11	3	14
Customer privacy & data security	18	3	3	13	2	5	1	55-56

Stakeholder Engagement

SK hynix values stakeholder opinions and strives to create shared happiness by categorizing key stakeholders into seven groups and actively engaging with each group through the most effective channels.
The needs and demands identified through this process are integrated into SK hynix's business activities in various ways, and the results are shared with the stakeholders.

Stakeholder Group	Communication Channels		Communication Activities	
Customers	• Customer-oriented QI (Quality Intelligence) activities	• SHA (Stakeholder Account) • Website	• The Customer Service Center (CSC) handles customer inquiries and requests on the website • Quarterly Business Review (QBR) to share business updates with customers	• Quarterly Technical Review (QTR) meetings to review production plans and technical issues
Employees	• Management briefings • Labor-Management Council • Communication bulletin board	• Junior Board, 1-on-1 meetings • Employee surveys	• "THE Communication" conducted quarterly for communication between the CEO and employees • Upgrade of the employee communication bulletin, Comm.ON	• Regular 1-on-1 meetings between executives and employees • Regular conduct of "Culture Survey" and "SwitchON Survey" for all employees
Shareholders/Investors	• Earnings calls • General shareholders' meeting	• Meetings with investors and securities firms • Website, telephone inquiries	• Quarterly earnings conference calls and website disclosures • Year-round meetings with investors and securities firms	• Regular general shareholders' meetings and e-voting
Suppliers	• Shared Infrastructure Portal • Shared Growth Committee	• ECO Alliance • ESG consulting	• Ongoing support programs for suppliers, such as Semiconductor Academy and Youth Hy-Five, through the Shared Infrastructure Portal	
Communities	• Work Environment and Health Center • Happiness Sharing Fund Steering Committee	• Regional Committee on Chemical Substances	• Operation of the Work Environment and Health Center • Opening of the Work Environment and Health Center in Icheon	• Operation of the Steering Committee for the execution of the Happiness Sharing Fund • Participation in the Gyeonggi Committee on Chemical Substances
Government/NGO	• Korea Chamber of Commerce and Industry (KCCI) • National Assembly	• Policy meetings • UNGC	• Participation in the KCCI Digital Leaders Academy	• Submission of the UNGC Communication on Progress (CoP)
Associations/Initiatives	• Korea Semiconductor Industry Association • Semiconductor Equipment and Materials International	• Semiconductor Climate Consortium (SCC)	• Participation in the World Semiconductor Council (WSC) meeting	• Participation in the SCC as a founding member

PRISM Framework and 2030 Goals

PRISM Framework

Since unveiling our distinctive ESG strategy framework, PRISM, in 2022, SK hynix has consistently engaged in transparent communication with stakeholders regarding our ESG management objectives, methods, and advancements each year. The five pillars of PRISM hold specific significance, embodying SK hynix's medium- to long-term aspirations to be realized by 2030 in our sustainability journey. Not only does SK hynix diligently disclose the steps taken toward these goals, but we also remain committed to identifying new challenges continuously, aiming to contribute to a better world by closely monitoring external environmental shifts and heeding stakeholder input.

2023 Achievements and 2024 Targets

In alignment with our 27 mid- to long-term PRISM 2030 goals, SK hynix has established annual targets, sharing our efforts and progress toward their attainment. In 2023, we set 26 annual targets, excluding one biennial target, with 22 of them successfully reaching the desired levels. In May 2024, the ESG Management Committee, including the CEO and key executives, analyzed these outcomes and established targets for the upcoming year. To meet the market's growing demand for enhanced product energy efficiency, we have revised the target timeline to achieve "Doubling HBM Energy Efficiency" from the original goal of 2030 to the earlier date of 2026, advancing it by four years.

Furthermore, in response to the increasing importance of the circular economy, we introduced a new target of "Achieving 30% Use of Recycled Materials." SK hynix remains steadfast in our pursuit of the PRISM 2030 goals, committed to keeping stakeholders informed of our progress through our Sustainability Report and sustainability reporting system.

2030 PRISM Goals at a Glance

● Achieved ○ Underachieved - N/A (Biennial goals)

Category		2030 Goals(Base year: 2020)	2024 Targets	2023 Targets	2023 Achievements	Compared to 2023 Target
PURSUE	Our Value to Society	Generate value created from SV social contribution activities of KRW 1 trillion (cumulative)	KRW 390.4 billion	KRW 289.1 billion	KRW 372.2 billion	●
		Create 1,000 jobs for people with disabilities or low-income households*	1,000 jobs	1,000 jobs	1,026 jobs	●
		Promote the participation of 100,000 people in the global ICT talent fostering program (cumulative)*	37,650 persons	27,467 persons	27,471 persons	●
		Help 100,000 people from underserved communities by conducting social contribution activities with cutting-edge technology (cumulative)*	41,362 persons	28,015 persons	32,662 persons	●
		Serve 12,000 people through our meal sharing program (cumulative)*	5,300 persons	4,280 persons	4,290 persons	●
	Robust Governance	Increase gender/nationality diversity of the Board to 30%	20%	20%	20%	●
	Safety & Health at Work	Reduce the integrated incidents rate by 10%* (Base year: 2021)	3.3% decrease	2.2% decrease	0.8% decrease	○
		Reduce the rate of metabolic syndrome by 10%* (Base year: 2021)	3.3% decrease	2.2% decrease	10.9% increase	○
RESTORE	Climate Action	Maintain Scope 1 and 2 GHG emissions at 2020 levels	6.17 million tCO_2eq	6.19 million tCO_2eq	5.42 million tCO_2eq	●
		Reduce GHG emissions intensity by 57% (by 2026)	32% decrease	37% decrease	43% decrease	●
		Create energy saving of 3000 GWh (cumulative)	1,274 GWh	678 GWh	978 GWh	●
		Achieve 33% renewable electricity use	30.0%	30.0%	30.0%	●
	Water Stewardship	Conserve 600 million tons of water (cumulative)	201 million tons	140 million tons	158.22 million tons	●
		Reduce water withdrawals intensity by 35% (by 2026)	10% decrease	5% decrease	10% decrease	●
	Circular Economy	Receive ZWTL Gold (99%) certification	99% (overall)	99% in Wuxi, 95% in Chongqing	100% in Wuxi, 99% in Chongqing	●
		(New goal) Achieve 30% recycled materials use***	16%	-	-	-
INNOVATE	Sustainable Manufacturing	Reduce GHG emissions from process gases by 40%	40% decrease	26% decrease	55% decrease	●
		Improve the destruction and removal efficiency of scrubbers to 95%	93% (overall)	90% (overall)	93% (overall)	●
	Green Technology	Double HBM energy efficiency (by 2026)	1.38 times	1.38 times (2024)	1.28 times (2022)	-
		Increase eSSD energy efficiency by 1.8 times	1.5 times	1.26 times	1.28 times	●
SYNCHRONIZE	Responsible Engagement	Ensure 100% of new suppliers sign SK hynix Supplier Code of Conduct	100%*	100%*	100%*	●
		Ensure 100% of first-tier suppliers complete online ESG self-assessment (every two years)	100%* (2025)	100%*	99%*	○
		Ensure 100% of high-risk/critical suppliers receive on-site ESG assessment (every two years)	94%*	100%*	100%*	●
		Triple the number of responsibly sourced minerals (from 3TG minerals to 12 minerals)	6 minerals	5 minerals (3TG and Cobalt)	6 minerals (3TG, Cobalt and Mica)	●
	Shared Growth	Invest KRW 3 trillion in technological cooperation to promote shared growth (cumulative)	KRW 1,008.2 billion	KRW 782.3 billion	KRW 926.6 billion	●
MOTIVATE	Inclusive Workplace	Triple the ratio of women in executive positions (Base year: 2021)	3.0%	2.4%	2.5%	●
		Ensure 10% representation of women in team leader positions**	5.8%	5.1%	5.1%	●
	Empowering People	Achieve 200 hours of annual self-development education per employee**	138 hours per employee	128 hours per employee	109 hours per employee	○

* Figures from domestic sites ** Figures based on domestic engineering and office staff *** Figures based on product weight (excl. SSD case)

※ Emissions targets are based on market-based method. GHG emissions from the Dalian fabrication plant (acquired from Intel), and Key Foundry are not reflected. All intensities are measured by a unit of production (Gigabit equivalent)

PRISM Framework and 2030 Goals

PURSUE

Among the eight targets within the Pursue pillar, we successfully accomplished six targets in 2023. Regarding the targeted number of participants in the Global ICT Talent Development Program, which fell short of its 2022 goal, we directed our efforts towards expanding IT education infrastructure for children and adolescents, thereby successfully meeting the target in 2023. Additionally, we contributed to strengthening board diversity in 2023, including the appointment of a new female director.
Despite our various efforts, the integrated incident rate saw a slight decrease compared to the target, and there was a rise in the metabolic syndrome rate compared to the base year. In 2024, we plan to enhance safety programs for different employee groups, increase SHE consulting support for suppliers, and broaden the scope of health management to include employees at risk of metabolic syndrome, with the aim of achieving the targeted performance levels

● Achieved ○ Underachieved

Category	2030 Goals (Base year: 2020)	2024 Targets	2023 Targets	2023 Achievements	Compared to target
Our Value to Society	Generate value created from SV social contribution activities of KRW 1 trillion (cumulative)	KRW 390.4 billion	KRW 289.1 billion	KRW 372.2 billion	●
	Create 1,000 jobs for people with disabilities or low-income households*	1,000 jobs	1,000 jobs	1,026 jobs	●
	Promote the participation of 100,000 people in the global ICT talent fostering program (cumulative)*	37,650 persons	27,467 persons	27,471 persons	●
	Help 100,000 people from underserved communities by conducting social contribution activities with cutting-edge technology (cumulative)*	41,362 persons	28,015 persons	32,662 persons	●
	Serve 12,000 people through our meal sharing program (cumulative)*	5,300 persons	4,280 persons	4,290 persons	●
Robust Governance	Increase gender/nationality diversity of the Board to 30%	20%	20%	20%	●
Safety & Health at Work	Reduce the integrated incidents rate by 10%* (Base year: 2021)	3.3% decrease	2.2% decrease	0.8% decrease	○
	Reduce the rate of metabolic syndrome by 10%* (Base year: 2021)	3.3% decrease	2.2% decrease	10.9% increase	○

* Figures from domestic sites

RESTORE

Within the Restore pillar, all seven targets set for 2023 were achieved. Through the Energy Conservation Task Force activities, we identified and implemented energy-saving measures across all manufacturing facilities, surpassing the 2023 target. The renewable electricity usage rate increased slightly to 30.0% from 29.6% in the previous year, representing a significant accomplishment given the challenging renewable electricity sourcing environment in Korea. Our water conservation efforts also exceeded targets through expanded reuse and efficient utilization of water resources. SK hynix remains committed to achieving planned environmental targets, despite increased production resulting from the semiconductor market rebound.

● Achieved ○ Underachieved

Category	2030 Goals (Base year: 2020)	2024 Targets	2023 Targets	2023 Achievements	Compared to target
Climate Action	Maintain Scope 1 and 2 GHG emissions at 2020 levels	6.17 million tCO_2eq	6.19 million tCO_2eq	5.42 million tCO_2eq	●
	Reduce GHG emissions intensity by 57% (by 2026)	32% decrease	37% decrease	43% decrease	●
	Create energy saving of 3000 GWh (cumulative)	1,274 GWh	678 GWh	978 GWh	●
	Achieve 33% renewable electricity use	30.0%	30.0%	30.0%	●
Water Stewardship	Conserve 600 million tons of water (cumulative)	201 million tons	140 million tons	158.22 million tons	●
	Reduce water withdrawals intensity by 35% (by 2026)	10% decrease	5% decrease	10% decrease	●
Circular Economy	Receive ZWTL Gold (99%) certification	99% (overall)	99% in Wuxi, 95% in Chongqing	100% in Wuxi, 99% in Chongqing	●
	(New goal) Achieve 30% recycled materials use*	16%	-	-	-

* Figures based on product weight (excl. SSD case)
※ Emissions targets are based on market-based method. GHG emissions from the Dalian fabrication plant (acquired from Intel), and Key Foundry are not reflected. All intensities are measured by a unit of production (Gigabit equivalent)

PRISM Framework and 2030 Goals

INNOVATE

In the Innovate pillar, all 2023 targets were achieved, with the exception of one biennial management target. The target for reducing process gas emissions surpassed the 2030 goal of 40%, albeit this was influenced by the semiconductor downturn. We intend to continue managing this target through 2030. Additionally, the HBM energy efficiency goal was moved up to 2026 from 2030, underscoring SK hynix's commitment as a leading technology company to reduce greenhouse gas emissions from product use. In 2024, SK hynix will persist in developing alternative gases to minimize process gas emissions and optimize product energy efficiency with top-notch technology.

● Achieved ○ Underachieved - N/A (A biennial goal)

Category	2030 Goals (Base year: 2020)	2024 Targets	2023 Targets	2023 Achievements	Compared to target
Sustainable Manufacturing	Reduce GHG emissions from process gases by 40%	40% decrease	26% decrease	55% decrease	●
	Improve the destruction and removal efficiency of scrubbers to 95%	93% (overall)	90% (overall)	93% (overall)	●
Green Technology	Double HBM energy efficiency (by 2026)	1.38 times	1.38 times (2024)	1.28 times (2022)	-
	Increase eSSD energy efficiency by 1.8 times	1.5 times	1.26 times	1.28 times	●

SYNCHRONIZE

Within the Synchronize pillar, four out of five 2023 targets were achieved. For the target of responsible mineral sourcing, SK hynix expanded the scope to include mica in addition to the existing five minerals (3TG and cobalt), completing supplier and smelter evaluations and surpassing the initial plan. However, the target for ESG assessments of suppliers was not fully met due to incomplete assessments. In 2024, SK hynix aims to achieve all planned targets by enhancing ESG management capabilities and fostering mutual growth with suppliers.

● Achieved ○ Underachieved

Category	2030 Goals (Base year: 2020)	2024 Targets	2023 Targets	2023 Achievements	Compared to target
Responsible Engagement	Ensure 100% of new suppliers sign SK hynix Supplier Code of Conduct	100%*	100%*	100%*	●
	Ensure 100% of first-tier suppliers complete online ESG self-assessment (every two years)	100%* (2025)	100%*	99%*	○
	Ensure 100% of high-risk/critical suppliers receive on-site ESG assessment (every two years)	94%*	100%*	100%*	●
	Triple the number of responsibly sourced minerals (from 3TG minerals to 12 minerals)	6 minerals	5 minerals (3TG and Cobalt)	6 minerals (3TG, Cobalt and Mica)	●
Shared Growth	Invest KRW 3 trillion in technological cooperation to promote shared growth (cumulative)	KRW 1,008.2 billion	KRW 782.3 billion	KRW 926.6 billion	●

* Figures from domestic sites

MOTIVATE

In the Motivate pillar, both targets for increasing the ratio of female executives and team leaders were attained, reflecting successful efforts to promote leadership diversity. However, the growing demand for AI chips, including HBM, necessitated greater work engagement, resulting in a slight decline in employee training hours compared to the previous year. For 2024, SK hynix plans to meet target levels by expanding AI-specialized courses and digital skills development programs, catering to employee development needs.

● Achieved ○ Underachieved

Category	2030 Goals (Base year: 2020)	2024 Targets	2023 Targets	2023 Achievements	Compared to target
Inclusive Workplace	Triple the ratio of women in executive positions (Base year: 2021)	3.0%	2.4%	2.5%	●
	Ensure 10% representation of women in team leader positions*	5.8%	5.1%	5.1%	●
Empowering People	Achieve 200 hours of annual self-development education per employee*	138 hours per employee	128 hours per employee	109 hours per employee	○

* Figures based on domestic engineering and office staff

Pursue

2023 Achievements

Cumulative value created from SV social contribution activities
KRW 372.2 billion

Women representation in the Board of Directors
20%

Integrated incident rate reduction (compared to 2021)
0.8%

Material Issues
Employee Health & Safety, Waste & Hazardous Materials Management

Our Value to Society

Social Contribution

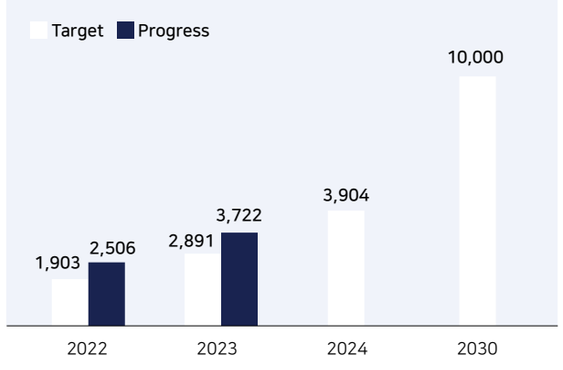
Our Approach and Focus Areas

"Creating Happiness by Connecting People and Technology"

Establishing an ICT-based Social Safety Net	Nurturing Future Talent	Encouraging Voluntary Employee Participation

Key targets and progress

Value created from SV social contribution activities (Cumulative since 2020) (Unit: KRW 100 million)



Establishing an ICT-based Social Safety Net

Happy GPS

The Happy GPS program aims to prevent and detect missing incidents among individuals with dementia or developmental disabilities by providing GPS tracking devices and covering telecommunication service charges. Since its inception in 2016, the Happy GPS initiative has delivered GPS tracking devices to over 31,800 individuals, enabling them to lead safer lives. Notably, in 2023, we distributed 2,871 units of a new model featuring enhanced functionalities such as location tracking and health monitoring. These improvements have contributed not only to resolving missing incidents but also to promoting a healthier lifestyle. In 2023, a total of 2,232 missing people safely returned home with the assistance of Happy GPS. In recognition of our contribution to creating a happier and safer society, SK hynix received a plaque of appreciation from the Minister of Health and Welfare at the 16th Dementia Awareness Day ceremony in September 2023. SK hynix remains committed to advancing the Happy GPS program to ensure the safety and well-being of individuals with dementia and developmental disabilities.

Plaque of Appreciation from the Minister of Health and Welfare (Happy GPS Project)

Silver Friend

Silver Friend offers AI speakers with features such as conversation, voice control, and caregiving assistance based on pattern analysis to elderly individuals living alone, aiming to reduce loneliness and promote better healthcare. In 2023, SK hynix distributed 1,000 new AI speakers, enabling over 6,100 elderly individuals to continue living safe and healthy lives with Silver Friend

ICT Happy Aging

ICT Happy Aging is a senior ICT cultural complex created by SK hynix to expand opportunities for senior citizens in the local community to receive education and healthcare services utilizing ICT technology, thereby bridging the digital divide. Opened in February 2024 at the Cheongju Seowon Senior Welfare Center, ICT Happy Aging comprises themed spaces such as Experience Land, Health Land, and Education Land. Each space offers experiential and educational activities using smartphones and kiosks, AI-enabled health management services, financial fraud prevention education such as voice phishing and smishing, and other welfare programs that utilize digital/ICT technology to bridge the information gap. ICT Happy Aging is expected to provide innovative elderly welfare services to the local community.

Nurturing Future Talent

Happy ICT STUDY LAB

To help bridge the ICT education gap in smaller cities, SK hynix established the "Happy ICT STUDY LAB" in February 2023 at the Icheon City Library to enhance access to ICT creative convergence education for children and adolescents. The Happy ICT STUDY LAB provides a modern learning environment with state-of-the-art teaching aids and educational content, covering areas such as coding, artificial intelligence, the Internet of Things, and autonomous driving. Designed to bolster the capabilities of children and adolescents for the Fourth Industrial Revolution, the lab saw 2,069 local children and adolescents visit throughout 2023, nurturing their dreams. In February 2024, SK hynix opened the Happy ICT STUDY LAB Bubal Center at the Icheon Bubal Youth Cultural Center and plans to continue supporting more children and adolescents by providing educational opportunities.

Opening Ceremony of the Happy ICT STUDY LAB Bubal Center

Our Value to Society

Heinstein

To nurture future ICT talents, SK hynix runs “Heinstein,” a creative convergence science education program targeting children and adolescents. Heinstein consists of two main components: “IT Creative Convergence Education,” which provides science education tailored to elementary, middle, and high school students, and “Hy-Dreaming,” which empowers high school science clubs to tackle local community issues. In 2023, over 3,500 students nationwide participated in IT Creative Convergence Education, and science clubs from five schools took part in Hy-Dreaming. Additionally, we run the “Happy Dreaming Volunteer Group,” which engages SK hynix employees and STEM university students. Employees from SK hynix who participate in this group serve as mentors for university student volunteers, offering career mentoring and guidance. These university students, in turn, mentor middle and high school students in their local communities, focusing on educational support and STEM career guidance. This two-tier mentoring approach enhances educational outcomes effectively. The program concluded with an Olympiad event, where students showcased their achievements throughout the year and encouraged one another. SK hynix will continue to operate various educational programs, including Heinstein, to provide a learning environment where future talents can dream bigger.

Encouraging Employee Volunteering

Happiness Sharing Fund

SK hynix supports neighbors in need within local communities through the “Happiness Sharing Fund,” created through voluntary donations from employees. The Happiness Sharing Fund operates on a matching grant basis, where the company matches the amount donated by employees, thereby doubling the impact of sharing. Since its inception in 2011, the cumulative donations to the Happiness Sharing Fund have reached KRW 32.2 billion by December 2023. Despite the semiconductor downturn in 2023, the fund increased by KRW 130 million compared to 2022, highlighting the employees’ commitment to helping their neighbors. The funds from the Happiness Sharing Fund have been used in SK hynix’s various social contribution projects, bringing happiness to approximately 87,700 individuals (10,726 in 2023) to date.

Friends Volunteer Group

In October 2023, SK hynix launched the “Friends Volunteer Group.” This group consists of employees who provide support at Happy More, an SK hynix subsidiary recognized as a standardized workplace for persons with disabilities, and Purme Social Farm, another standardized workplace for individuals with disabilities supported by the company. In the three months following its inception, the Friends Volunteer Group conducted a total of five activities until the end of 2023. In 2024, we plan to introduce various new content to the Friends Volunteer Group to diversify its activities and significantly increase the number of participants and the duration of volunteer activities, enabling more employees to experience the joy of giving back.

Heinstein Olympiad in 2023

Inauguration Ceremony of the Heinstein Happy Dreaming Volunteer Group in 2023

Delivery Ceremony of the Happiness Sharing Fund in 2024


Happy Bread Bakery Employee Volunteer Activity in 2023

Our Value to Society

Community Sharing

Happy Lunchbox

SK hynix has been running the Happy Lunchbox program since 2012, aiming to provide nutritious side dishes to children in underserved communities, ensuring their healthy growth through balanced nutrition intake. In 2023, we regularly provided lunchboxes to 810 children once a week. In 2024, we plan to extend our support to 1,010 children across more regions, spreading warmth along with the lunchboxes.

1 Company 1 Park/1 Stream Programs

SK hynix is committed to enhancing the quality of life for local employees by preserving and improving the local environment. In April and September 2023, we signed agreements with Cheongju City for the “1 Company 1 Stream” and “1 Company 1 Park” programs. These initiatives involve projects to enhance Gagyeongcheon Stream and Solbat Neighborhood Park, as well as employee-led cleanup efforts. We have developed a comprehensive three-year plan for Solbat Neighborhood Park to systematically improve it until 2025. Furthermore, we will organize cultural events within the park to engage the community, creating a shared recreational space for local residents. SK hynix will continue to lead various support initiatives, contributing to the growth of both our company and the community.

All Win Peak: Handball League for Individuals with Developmental Disabilities

In 2023, SK hynix launched South Korea’s first-ever handball league for individuals with developmental disabilities, as part of our broader handball training initiative launched in 2021. The league, comprising nine teams, engaged in 21 preliminary matches, culminating in the “All Win Peak,” a Special Olympics-style event. Emphasizing the values of perseverance and teamwork, All Win Peak celebrates the achievements of all participants, with each team receiving trophies and medals. Co-hosted by SK hynix, Seowon University, the Chungbuk Community Chest of Korea, and the Korea Handball Federation, and sponsored by Cheongju City, All Win Peak transcends corporate social responsibility, embodying communal support for the growth and empowerment of individuals with developmental disabilities. In 2024, SK hynix aims to improve league operations by implementing a promotion and relegation system and strengthening player support programs to enhance overall effectiveness.

Closing Ceremony of the 2023 All Win Peak Regular League

SPARK: Youth Entrepreneurship Park

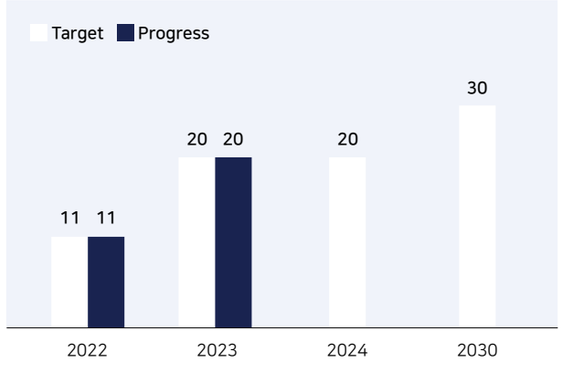
In Cheongju, where SK hynix’s campus is located, youth unemployment has emerged as a pressing community concern, leading to an exodus of young talent. Recognizing the imperative of fostering sustainable employment opportunities as part of our corporate social responsibility, SK hynix launched the “SPARK” program in 2023 to nurture youth entrepreneurship. SPARK focuses on cultivating social entrepreneurs and assisting university startup clubs, thereby fostering local job creation. Through the “ESG Zero Carbon Project,” SPARK also addresses environmental challenges in the North Chungcheong region. In 2023, we selected 26 teams to participate in SPARK, offering comprehensive educational programs, including intensive incubation and mentoring, and covering business expenses, including prototype development costs. At year-end, we hosted a performance sharing event to inspire participating teams and commemorate their achievements. SK hynix plans to establish a dedicated SPARK complex, providing facilities and development programs for aspiring young entrepreneurs to pursue their dreams, ensuring sustained economic prosperity within the community.

Robust Governance

Responsible Governance through Board Oversight

Key targets and progress

Gender and nationality diversity on the Board (Unit: %)



Corporate Governance Principles

At SK hynix, we believe that transparent and robust corporate governance serves as the cornerstone for earning the trust of all stakeholders and conducting business activities with reason and responsibility. SK hynix has instituted a governance structure centered around the Board of Directors to foster a transparent and healthy management environment. As the highest decision-making body within SK hynix, the board sets the company's core management objectives and fundamental policies, oversees executive management activities, and comprises a majority of independent directors with expertise and competence across various domains, ensuring the effective performance of duties. Both the chairman of the board and the chairman of the subcommittee are appointed as independent directors to ensure independence.

SK hynix Charter of Corporate Governance
SK hynix Regulations of the Board

In 2023, SK hynix conducted a total of 14 board meetings, during which reviews and decisions were made on 52 agenda items. For detailed information about the board composition, agenda, and resolutions in 2023, please visit our website.

Board Attendance Rate (Unit: %)

2020	2021	2022	2023
100	100	100	99

* Minimum mandatory attendance rate for board meetings: Over 75%

Board Expertise

BSM(Board Skills Matrix)

The Board Skills Matrix (BSM) serves as an objective and transparent measure of our directors' expertise. In 2022, the initial BSM assessment revealed a relative lack of industry and technology proficiency among our board members. To address this, in 2023, we appointed new directors with deep expertise in semiconductor technology to strengthen our strategic decision-making and enhance our industry competitiveness. SK hynix remains committed to continuously improving the objectivity and transparency of our board composition and director appointments through the use of BSM.

Board Skills Evaluation Results in 2023

Audit Committee Activities to Enhance Oversight of Internal Transactions

The SK hynix Audit Committee ensures the fair execution of internal transactions among affiliates to enhance management transparency. Recognizing the importance of overseeing internal transaction management, the Audit Committee conducted training sessions in April 2023 for newly appointed committee members. These sessions covered regulations on providing unfair support and receiving improper benefits, as well as the status of affiliate transactions and internal transaction review processes. Throughout 2023, the SK hynix Audit Committee meticulously reviewed and resolved 12 internal transaction matters to preempt unfair or improper practices. The committee is committed to strengthening management and oversight by continuously scrutinizing potential conflicts of interest.

Field Board Program for Enhanced Expertise

To deepen independent directors' understanding of company operations and industry dynamics, SK hynix has initiated a "Field Board" program wherein independent directors visit business sites. In August 2023, despite its brief duration of three days, the program included visits to the company's largest overseas production base, the Wuxi manufacturing plant, and various local joint projects (such as school and hospital establishments). The program also facilitated in-depth discussions on mid-to-long-term management strategies. SK hynix aims to continue fostering opportunities for independent directors to increase their understanding of corporate management and market dynamics, listen to frontline perspectives, and enrich board expertise through diverse field board programs in the future.

Programs for the Board Expertise

Field Board Program – Visit to the Wuxi Plant

Robust Governance

Board Evaluation and Compensation

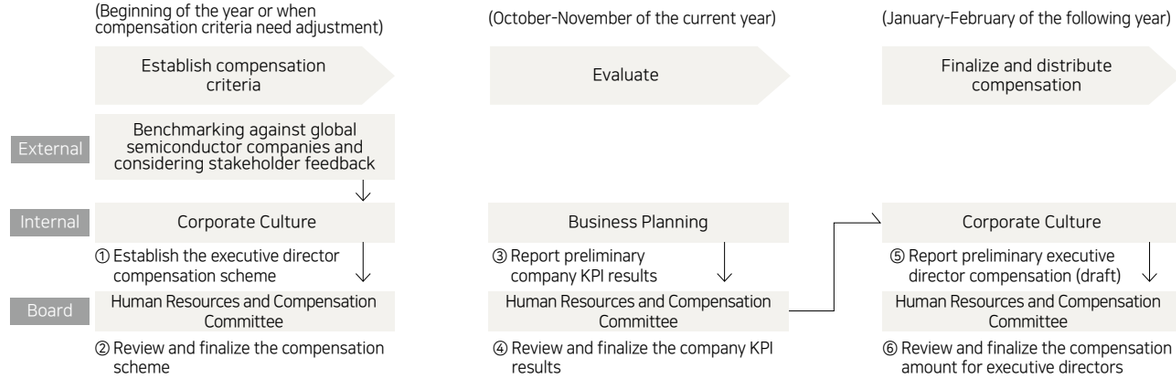
Compensation Policy for Board of Directors

The compensation policy for board directors at SK hynix primarily consists of base salary (annual salary), performance-based bonuses, and other forms of income.
The maximum compensation that a director can receive is determined within the limits approved by the general shareholders' meeting. These limits are based on the company's compensation policy and take into account various factors, including the directors' salaries and performance-based bonuses from the previous year, and the number of registered directors. This comprehensive approach also reflects the projected maximum compensation over the next three to five years. Due to the semiconductor industry's inherent volatility, performance can fluctuate significantly, leading to considerable variations in bonuses awarded to executive directors compared to other sectors. Therefore, we maintain a stable mid-term compensation limit to ensure stability.

Director Compensation Structure and Payment Criteria

Category		Details	Limits
Base salary (annual salary)		Determined annually based on the previous year's performance, the role performed by the director, and the internal and external compensation competitiveness to attract and retain top talent. Adjusted within 0-10% of the previous year's salary.	Adjusted within 0-10% of the previous year's salary.
Performance-Based Bonuses	Short-Term (1 year)	Target Incentive(TI) - Paid based on the achievement of individual KPIs, with final amounts adjusted considering the overall achievement of the company's KPIs.	0-50% of the annual salary
		Value Incentive(VI) - Paid according to financial performance (e.g., operating profit) linked to the company's performance and corporate value	0-110% of the annual salary
	Long-Term (3 years)	Stock-based compensation schemes such as stock options, stock grants, stock appreciation rights (SARs), and performance share units (PSUs) PSUs have been in operation since 2023 and are awarded based on the company's stock price and KOSPI 200 growth rate over three years.	PSU: Stock equivalent to 0% to 300% of the initial grant size

Director Compensation Determination Process



* According to Article 11 (Matters for Resolution) and Article 13 (Delegation) of the Board of Directors Regulations, the compensation for executive directors is delegated to the Human Resources and Compensation Committee.

Strengthening Board Performance Evaluation and Functions of the Human Resources and Compensation Committee

SK hynix reviews and decides on the establishment and evaluation of CEO key performance indicators (KPIs), as well as corresponding compensation, through the Human Resources and Compensation Committee under the Board of Directors. In October 2023, SK hynix amended the regulations of the Human Resources and Compensation Committee to allow it to make decisions on the items specified in Article 4 (Functions) that were previously subject to the committee's review only, thus strengthening its decision-making authority and clarifying its responsibilities. As part of efforts to enhance oversight and management of the CEO, SK hynix rigorously reviews the establishment and evaluation of CEO KPIs and compensation. In 2023, the committee held six meetings to reassess CEO KPIs, review evaluation results, and examine and adjust compensation policies. These measures helped the committee effectively fulfill its role while also enhancing the transparency and independence of governance. SK hynix will consistently ensure that the role of the Human Resources and Compensation Committee remains at global standards.

Robust Governance

ESG Management

ESG Management Committee

The ESG Management Committee, established in 2021 to establish a system for managing and deciding on ESG issues at the management level, has become a central decision-making body for SK hynix's ESG management. Chaired by the CEO and comprising key executives, the committee addresses over 20 agenda items annually. In 2023, the ESG Management Committee discussed a wide range of issues, including climate change response, biodiversity, supply chain management, and human rights. The committee also reviewed the implementation status of the mid-to-long-term goals of the ESG strategy framework PRISM and set annual targets. Notably, some of PRISM's mid-to-long-term goals were incorporated into the KPIs of key executives through the committee's decisions, thereby enhancing execution toward achieving these goals. SK hynix integrates critical aspects of climate change, ethical management, and PRISM goals into the CEO's KPIs. Significant issues discussed by the ESG Management Committee are reported to the Sustainable Management Committee and the Board of Directors to ensure responsible oversight of ESG management.

Key Agenda Items of the ESG Management Committee in 2023

- Status of PRISM 2030 goal management and analysis of 2023 KPI-PRISM alignment*
- Major human rights management initiatives and plans*
- Status and plans for renewable electricity procurement*
- Development of biodiversity policy and future plans
- Response to conflict/responsible minerals regulations and plans to expand the use of recycled materials
- Establishment of Supply Chain ESG Management Policy and future plans

* Reported to the Sustainable Management Committee or the Board of Directors

Introduction of the ESG Checklist

As the importance of ESG management continues to rise, external organizations are increasingly demanding the inclusion of ESG factors in significant investment or transaction decisions related to company management. Additionally, forthcoming global ESG disclosure standards will mandate the disclosure of these same elements. While SK hynix has already taken environmental and compliance factors into account in significant investment decisions, we introduced an ESG checklist in 2024 to better align with stakeholders' elevated expectations. This checklist aims to broaden the review scope, ensuring comprehensive coverage of all ESG aspects in investment decision-making. The purpose is to proactively assess potential ESG issues for major investment agendas in external new business investments (M&A, venture investments) that fall under the purview of the Board of Directors. The ESG checklist comprises 23 items that evaluate investment risk and opportunity factors in the environmental, social, and governance sectors, tailored to SK hynix's industry specifics. During investment deliberations, the proposing department is required to submit the results of the ESG checklist review for the investment target and the review opinions of the dedicated ESG team. Following this, the investment deliberation department conducts a post-execution assessment based on the submitted checklist to discuss response measures to ESG risks arising during project implementation. This process is designed to minimize potential ESG risks and maximize growth opportunities. Going forward, SK hynix plans to gradually expand the scope of application of the ESG checklist and remains committed to enhancing ESG practices throughout its business activities, including investment projects.

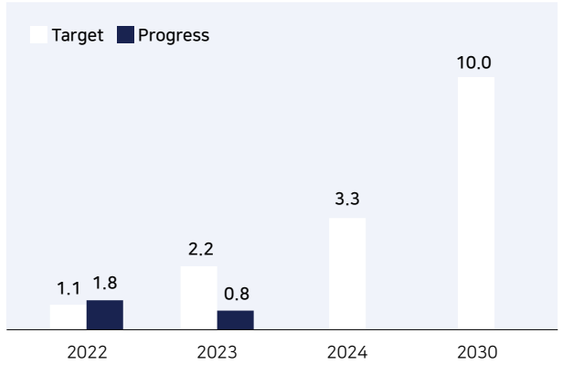
Safety & Health at Work

Safety and Health Management

Key targets and progress

Integrated incidents rate reduction (Base year: 2021)

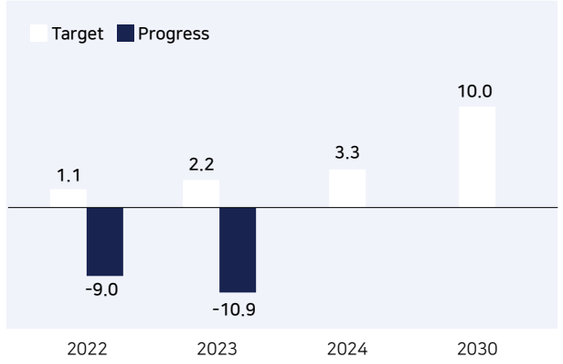
(Unit: %)



* Figures based on domestic sites.

Metabolic syndrome rate reduction (Base year: 2021)

(Unit: %)



* Figures based on domestic sites.

Safety and Health Management System

At SK hynix, we consider the safety and health of our employees as our foremost values. To ensure systematic safety and health management, we have developed safety policies and established a dedicated safety organization under the Manufacturing/Technology executive, who also serves as the Chief Safety Officer (CSO). Additionally, key deliberations and decisions regarding workplace safety and health are collaboratively undertaken by both labor and management through the Occupational Health and Safety Committee. To maintain accountability and oversight of our safety and health management system at the board level, SK hynix annually reports important matters, such as safety and health plans, to the Board of Directors. Our systematic approach to safety and health management is recognized through ISO 45001 certification, and we are committed to continuously improving our standards.

SK hynix Safety, Health & Environment Policy

Workplace Safety

Job Risk Assessment

In our commitment to ensuring workplace safety and preventing employee risks or illnesses, SK hynix conducts annual risk assessments for all operations within our facilities under the supervision of our dedicated safety and health organization. In 2023, these assessments covered around 41 thousand tasks, resulting in the identification and improvement of 1,824 hazardous risk factors. This marked a significant 50% reduction in risk levels from 5.2 to 2.6 before and after improvement. Prior to the 2023 assessment, we provided a job risk assessment manual and improvement guides for hazardous risk factors to integrate risk assessment practices throughout our operations, ensuring that every department and supplier meticulously assess newly identified hazardous risk factors during task-specific evaluations. Additionally, to enhance safety management for tasks requiring work permits, we expanded work safety management for tasks requiring work permits through standardization of work safety information, including task-type segmentation. We have also expanded safety management horizontally by implementing our in-house Hy-Work system, with a particular emphasis on high-risk tasks. Moreover, to manage the gray zone of tasks excluded from safety work permit issuance, which previously accounted for a significant portion of accidents, we have implemented a new mobile Tool Box Meeting (TBM) app on-site. This system enables all stakeholders, including site supervisors and workers, to conduct TBMs before commencing any task. In 2024, SK hynix aims to further empower participants in job risk assessments through comprehensive training initiatives. We also plan to expand the validation of work procedures and risk assessment documents and strengthen management regarding compliance with procedures at actual work sites, ensuring continued improvement in workplace safety standards.

On-Site Compliance Inspections

SK hynix is committed to fulfilling its safety and health obligations under the Serious Accidents Punishment Act by continuously enhancing and monitoring its safety and health management system. In 2023, we conducted on-site compliance inspections to improve the practical implementation of our safety and health management system and to prevent accidents during actual operations. These inspections involved monitoring major tasks within our facilities to ensure compliance with legal regulations, such as the Rules on Occupational Safety and Health Standards, and to implement improvements that address risk factors effectively. We also established standards for the preparation and review of construction safety and health ledgers to proactively address potential industrial accidents during construction projects. In the latter half of 2023, we conducted intensive diagnostics of potential risks not fully covered by existing documents or traditionally overlooked, by closely observing all processes of selected high-risk tasks over an extended period. In 2024, we plan to expand our diagnostic projects for potential risk factors to reflect the unique characteristics of each workplace and to increase stakeholder participation. This approach ensures that no risks are overlooked, further strengthening the effectiveness of our on-site safety and health management system, which focuses on practical implementation.

Safety & Health at Work

Safety Digital Transformation (SDX)

SK hynix is driving Safety Digital Transformation (SDX) by various ICT technologies applicable to safety fields and integrating them into our operations. Through SDX, we aim to minimize human involvement in high-risk processes and automatically predict pre-task risks using AI algorithms. We use on-site data to promptly identify and address hazardous situations, thus transitioning our safety management paradigm toward autonomy, intelligence, and automation.

Unmanned Patrol Robots

Since 2023, SK hynix has deployed unmanned patrol robots, called "GAON" and "DAON," to replace human patrols in high-risk processes. These quadruped walking robots patrol the approximately 30,000-square-meter Pump & Scrubber (P&S) Room, performing tasks such as temperature diagnostics and hazardous gas detection using image sensors. In the event of any anomalies, they promptly alert designated personnel. Specifically, they capture thermal images of equipment piping joints to check for temperature and gas leaks, analyze temperature trends for anomaly detection, and monitor changes in the worksite environment from a 3S (Sort, Set in order, Shine) perspective. SK hynix plans to gradually expand the deployment of quadruped walking robots while enhancing diagnostic accuracy to further improve workplace safety.

Development of Safety Vision AI

SK hynix has developed the 'Safety Vision AI,' an AI-driven video analysis model incorporating object detection and pose estimation to assume and detect various types of accidents such as intrusion, falls, collapse, and fire that could occur in areas with limited personnel. Leveraging Safety Vision AI, we generate training data optimized for the workplace environment, train it using machine learning, and apply the results to on-site CCTV for 24-hour monitoring, enabling real-time accident detection.

Establishing an Accident Prediction System Using IoT Sensors and AI Technology

SK hynix has deployed IoT sensors at worksites to enhance predictive capabilities for accident prevention. By using IoT sensors to identify areas inaccessible to human inspection, we minimize the risk of worker exposure to hazardous chemicals and reduce the likelihood of casualties during heavy equipment and high-altitude work. Additionally, we have developed AI algorithms to comprehensively analyze integrated safety data. This allows workers to double-check potential accident points before commencing work by referencing past work data. Through the continuous advancement of this system, SK hynix aims to predict and prevent safety incidents in advance, ensuring safe work execution.

Securing Golden Time through Integrated Safety Systems

To ensure prompt emergency response, SK hynix has integrated dispersed safety systems into a unified monitoring system. This integration enables real-time monitoring of emergency situations, including location information, CCTV footage, surrounding sensor data, and on-site work information, facilitating swift understanding and dissemination of accident circumstances. Since implementing the integrated safety system, the total accident response time, including initial response and subsequent measures, has been reduced by approximately 84% compared to previous levels (57% reduction in initial response time, 90% reduction in follow-up measures).

Unmanned Patrol Robots GAON

Safety & Health at Work

Cultivating a Culture of Safety

Creating a safe workplace requires more than just establishing policies and systems; it also demands active employee participation. The “Serious Accident Reduction Roadmap,” announced by the Ministry of Employment and Labor in December 2022, emphasizes a “self-regulatory prevention system” centered on risk assessment. This approach encourages employees to take “ownership” of safety and health. Consequently, since 2023, SK hynix has been developing an autonomous safety management system and culture that embodies the distinctive characteristics and strengths of SK hynix. We actively engage with employees and undertake various initiatives to foster a safety culture that resonates with everyone.

As part of this effort, in late 2023, SK hynix established the “Safety Culture Team” to underscore the importance of nurturing a safety culture. We have also expanded our safety campaigns to systematically encourage voluntary and proactive employee participation. Additionally, we formed the “SHE Committee” to facilitate employee suggestions and participation. Comprising voluntary participants from SHE and PSM personnel, along with on-site safety managers, the SHE Committee plays a pivotal role in promoting safety culture. Through regular communication among employees, the committee elevates the pride of safety managers and facilitates the exchange of safety-related suggestions and improvement ideas, driving changes in on-site safety.

Moreover, we have revamped the training curriculum to enhance the expertise of safety managers in each department and introduced new training programs to enhance safety skills for all employees. This restructuring supports the improvement of employees’ safety skills. Furthermore, we regularly conduct “Safety Talk Concerts,” led by the manufacturing/technology executive responsible for safety and health management, to emphasize the importance of safety to employees. To promote leadership in fostering a safety culture, we organize safety quizzes for leaders, safety challenges for employee participation, and safety culture contests. These initiatives aim to cultivate SK hynix’s distinctive and sustainable safety culture, where employees autonomously create and maintain safe working environments.

Efforts for Community Safety

SK hynix is dedicated to fostering a safe environment not only within its facilities but also in the communities where it operates. Since 2022, we have actively engaged in promoting a culture of safety within the local community through pro bono initiatives, providing safety consulting services to social enterprises in the Icheon area. We assess the workplaces of these social enterprises based on the Occupational Safety and Health Act and conduct inspections focusing on fire safety to prevent industrial accidents and pinpoint areas for improvement. As of April 2024, we have carried out these pro bono activities for six social enterprises, two each year. In 2024, in collaboration with the Icheon Fire and Disaster Team, we conducted joint on-site inspections to identify workplace hazards, offer recommendations and support for improvements, and provide CPR training and safety educational materials to social enterprise employees. These efforts aid in mitigating risk factors and bolstering the safety capabilities of social enterprises.

Safety & Health at Work

Employee Health

Enhancing Employee Health

Under the vision of "establishing a "world-class sustainable occupational health system," SK hynix is committed to fostering a healthy workplace environment. To achieve this, we have created a health-friendly work environment by establishing fitness centers, gyms, swimming pools, golf clinics, and a SHE experience center within our campuses. We design and implement health promotion programs at both individual and organizational levels, encouraging employees to prioritize the management of chronic illnesses and preventive care. Our aim is to ensure a healthy work-life balance for all employees. For musculoskeletal disorders, we annually identify employees experiencing pain in specific body areas and provide medical interventions such as physical therapy, personalized exercise regimens, and posture assessments to alleviate discomfort. Additionally, we conduct preventive activities by enhancing the work environment and regularly disseminating musculoskeletal health information. Moving forward, SK hynix will continue to develop diverse and effective health promotion initiatives to achieve the PRISM 2030 target of reducing the prevalence of metabolic syndrome by 10%, ultimately fostering employee happiness through healthy living.

Mindwalk

Since 2011, SK hynix has operated Mindwalk as an in-house psychological counseling center, helping employees relieve work-related stress and maintain mental health. Mindwalk promotes mental well-being and helps employees understand their own and others' mental and emotional states by offering services such as company-wide job stress assessments and follow-up management, mental health training for middle managers, sleep disorder management for shift workers, return-to-work programs for employees returning from leave, and workplace crisis management to address potential structural risk factors. Mindwalk employs 12 counselors certified by the Korean Psychological Association, and they adhere to the ethics code for counselors in all aspects of their counseling services.

In 2023, Mindwalk established the life-cycle Mind Care System (MCS) to promote and prevent mental health issues among all employees. To provide customized management considering the life cycle characteristics of our employees, we have 1) conducted a company-wide survey to identify key values and stress factors, 2) categorized employees into three stages: the initiation stage (20-33 years), expansion stage (34-43 years), and transition stage (44 years and older), and 3) created and distributed educational columns based on the primary stress factors identified. In 2024, we plan to expand our mental health and stress prevention initiatives by collaborating with external specialized institutions catering to specific life cycle stages. We aim to improve two-way communication with employees through online and offline campaigns, while also proactively addressing foreseeable risk factors at each stage of the life cycle.

CASE

Major Health Promotion Programs in 2023

Expanded Health Checkup Program

SK hynix supports employees in managing their health through regular comprehensive health checkups. Starting in 2023, the coverage has been expanded to include biennial health checkups for employees under 40 years old (previously limited to annual support for those over 40 or with over 10 years of service). Additionally, specialized checkup items have been added for shift workers.

NicoBye Program

SK hynix continues to run the "NicoBye Program" to encourage and support voluntary smoking cessation among employees. Employees wishing to quit smoking can participate in a personalized smoking cessation clinic program for up to three months at an in-house hospital or health management office. Employees who successfully quit smoking receive gifts to stay motivated. Additionally, those who maintain their smoke-free status for 12 weeks after quitting receive additional gifts, supporting them in leading healthier lives.

Mobile Healthcare (Metabolic Syndrome Management)

SK hynix launched the mobile healthcare platform "Healthy Habits" app in 2022 to manage the employees health. As part of this, we operate an on-line '12-Week Metabolic Syndrome Care Coaching Program' for intensive health management of members with metabolic syndrome in 2023, as well as various events in parallel with off-line events, allowing members to check their own health habits and learn habits that are beneficial to their health. In 2024, a coaching program is also offered to employees at risk of developing metabolic syndrome to proactively manage their health.

Health Awareness Activities

SK hynix conducts various awareness activities to help employees understand the importance of regular health management and take charge of their health. The company publishes a regular newsletter providing information on chronic diseases, dietary habits, lifestyle, and exercise methods. Monthly exercise programs are also conducted through the Healthy Habits app. SK hynix engages employees in health management through various online and offline interactive programs with Icheon public health care center using board game formats, health quizzes, health metrics assessments, consultations with doctors, and exercise trials with fitness trainers to foster interest and engagement.

Safety & Health at Work

Hazardous Chemical Management

Chemical Management Policy

SK hynix acknowledges the significant impact that chemicals used in semiconductor manufacturing can have on people and the environment. In our commitment to safety, we not only substitute harmful substances with those less harmful to employees and the environment but also establish and operate the "SK hynix RSC (Regulated Substances for Chemical Management)" to systematically and thoroughly manage chemical usage for enhanced safety. We closely monitor changes in domestic and international chemical management policies and regulations and incorporate key updates through policy revisions in the RSC. The SK hynix RSC is designed to assist suppliers in understanding the company's chemical management policies and supply procedures. It also provides information on substances likely to be regulated in the future and the use of safer chemicals. In January 2024, SK hynix translated the RSC into three languages (English, Japanese, and Chinese) and, in March of the same year, conducted RSC briefings for chemical suppliers to ensure their compliance with the company's chemical management policies.

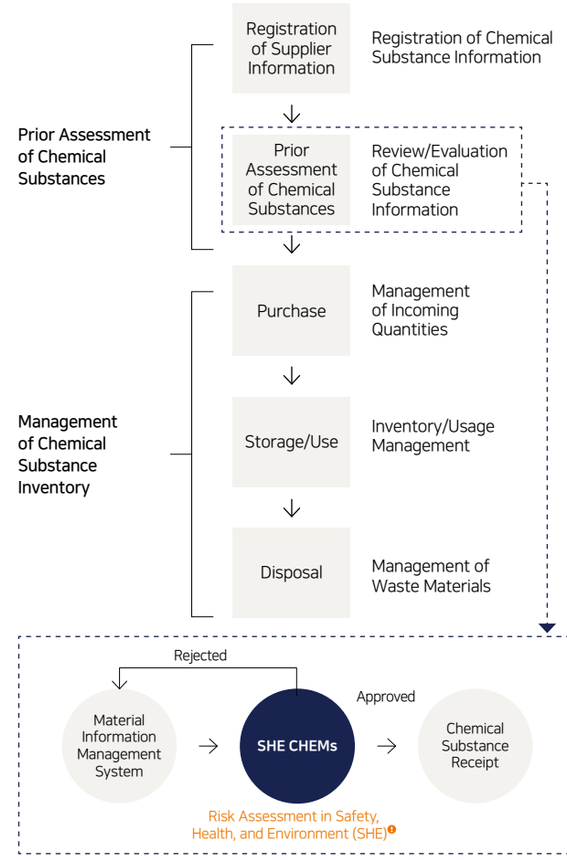
Furthermore, SK hynix designates and manages its own list of regulated substances (prohibited/restricted substances) that are strictly prohibited for internal use. In addition to complying with legally prohibited substances and those regulated by international conventions, we also manage chemicals with significant environmental hazards (such as air and water) and high human hazards (such as carcinogenicity, reproductive toxicity, and germ cell mutagenicity) to ensure that such substances are not introduced into our company. We also ensure the non-use of chemicals that our customers have requested to be regulated by aligning their policies and regulatory requirements in the countries where they are located with our own list of regulated substances. As part of our commitment to corporate social responsibility within the global supply chain, we comply with the Responsible Business Alliance (RBA)'s chemical regulations.

SK hynix Chemical Substance Management Policy

Chemical Life Cycle Management

In pursuit of safe and transparent chemical management practices, SK hynix implements a systematic, system-based approach to managing the entire lifecycle of chemical substances, from preliminary assessment to disposal. Specifically, our SHE CHEMs (SHE Chemical Hazard Management System) ensures that all incoming chemicals comply with MSDS requirements and internal regulations. Chemicals failing to meet these standards are prevented from entering our facilities. Once approved and introduced, chemicals undergo regular monitoring to track their usage across key areas and equipment, as well as inventory levels. All data from usage to disposal, along with worker exposure data aligned with the actual movement of chemical substances, is meticulously managed. This data is then proactively utilized for workplace environment assessments and health screenings based on hazardous factors.

Chemical Life Cycle Management Process



Safety & Health at Work

Improving the Reliability of MSDS

MSDS provide fundamental information for the safe use and management of chemical substances. At SK hynix, we acquire MSDS from chemical substance suppliers and manage them through a system-based database. Low reliability of MSDS provided by suppliers can lead to risks such as non-compliance with regulations and difficulties in implementing safety and health measures. Therefore, SK hynix is continuously striving to improve the reliability of MSDS.

First, we review the submitted MSDS prior to receiving chemical substances to ensure compliance with the Occupational Safety and Health Act and the Ministry of Employment and Labor's regulations. To enhance the efficiency of this process, we have developed a system that incorporates AI technology to verify the consistency of MSDS in 2023. We are currently training this system with various forms of MSDS to ensure its stability, and we plan to fully implement it in the future to improve operational fficiency.

As the requirements for safety and health measures have increased, the demands from related inspection agencies have also intensified. Therefore, in addition to reviewing the submitted MSDS, we conduct periodic monitoring and request additional information from suppliers to ensure safety measures are in place according to the characteristics of the materials. By securing comprehensive MSDS information, we enhance the reliability of MSDS and take appropriate safety and health measures for users.

To enhance the capability of chemical substance manufacturers and suppliers in preparing MSDS, SK hynix provides regular training on relevant regulations and MSDS preparation methods. Through continuous promotion and guidance, we emphasize the importance of MSDS reliability.

Chemical Hazard Risk Assessment

Since 2017, SK hynix has been conducting chemical hazard risk assessments utilizing the Chemical Hazard Risk Management (CHARM) system to prevent health hazards caused by chemicals, using toxicity data and workplace environmental measurement results.

Based on the risk assessment results, we are implementing measures such as substance substitution, engineering improvements, and management enhancements in accordance with the risk classification. Additionally, we enforce strict standards for protective equipment regardless of the risk level to minimize chemical exposure. Furthermore, we operate a Fit Test system for respiratory protective gear to provide training on proper usage and motivation for compliance with wearing procedures.

In 2024, we will continue managing chemical hazards while focusing on enhancing our capabilities in preventing occupational injuries and accidents caused by chemicals through various activities aimed at minimizing employee exposure to chemicals, such as reducing detection rates in workplace environmental assessments and enhancing the management of local exhaust system.

Preventing Serious Civil Accidents

Recognizing the potential impact on local communities in the event of workplace chemical incidents, SK hynix endeavors to prevent serious civil accidents caused by chemical substances. To prepare for such incidents, we have developed accident scenarios to assess their magnitude and provide the local community with guidance on evacuation protocols and reporting procedures. Regular emergency response drills are conducted to enhance our capability to manage such incidents effectively. Furthermore, SK hynix actively participates in the Gyeonggi Committee on Chemical Substances and the Icheon Chemical Safety Management Committee, collaborating with the local community and experts to devise measures for mitigating chemical-related risks

Community Notification Details

❶ Facility information (Facility name, address, contact number)

❷ List of hazardous chemicals with toxicity information

❸ Overall impact magnitude of accident scenarios

*Impact magnitude: The range within which people or the environment may be affected by hazardous substances released from chemical accidents, including fire/explosion or leakage/spillage, from the accident site

❹ Emergency contact protocol

❺ Evacuation alert procedures in the event of accidents

❻ Evacuation sites and protocols in the event of accidents

Restore

2023 Achievements

Overall renewable electricity usage rate
30.0%

Cumulative water savings (since 2021)
158.22 million tons

Overall ZWTL achievement rate
Over 99%

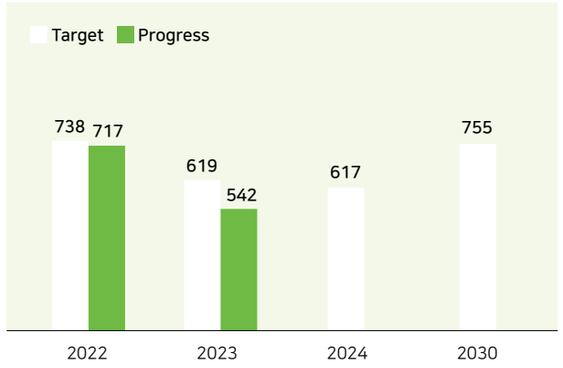
Material issues
Climate & Energy, Water & Wastewater Management, Waste & Hazardous Materials Management, Ecological Impact & Natural Capital

Climate Action

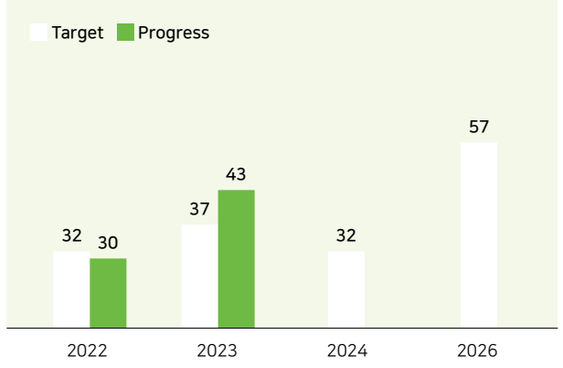
Response to Climate Change

Key targets and progress

Scope 1 and 2 GHG emissions (Unit: 10,000 tCO_2eq)



GHG emissions intensity reduction (Unit: %)



* Market-based method Scope 1&2 emissions and intensity under PRISM goals.

Climate Change Governance

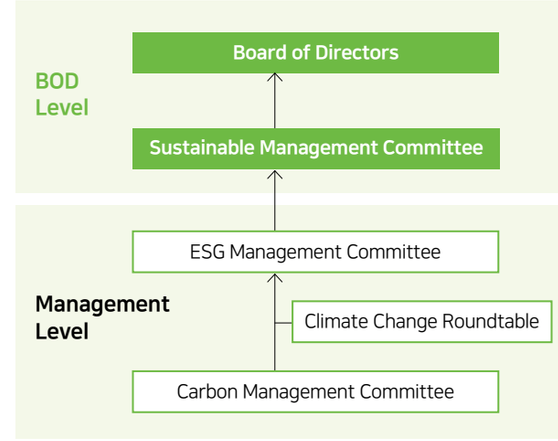
Carbon Management Committee

SK hynix has established the Carbon Management Committee under the ESG Management Committee to improve company-wide strategies for reducing greenhouse gas emissions. Chaired by the manufacturing/technology executive, this committee convenes monthly to identify and implement various initiatives aligned with the company's climate change response strategy. Regular reports on the outcomes of these initiatives are submitted to the ESG Management Committee and the Board of Directors. In 2023, we reported on the progress and results of initiatives aimed at reducing greenhouse gas emissions, including developing alternative gases, expanding processes to reduce the use of high global warming potential[6] nitrogen trifluoride (NF_3), improving scrubber treatment efficiency, introducing new scrubbers, and collaborating with suppliers to decrease the power consumption of equipment and components. Additionally, efforts were made to refine GHG emission calculation criteria for suppliers and expand Scope 3 emission categories for more accurate emissions management. In 2024, the Carbon Management Committee intends to broaden its GHG reduction efforts by establishing new subcommittees, including one dedicated to material recycling, alongside the existing eight subcommittees. Furthermore, it plans to refine the net-zero implementation strategy, strengthen the management system for medium- and long-term initiatives, and improve their execution.

Climate Change Roundtable

In 2023, SK hynix established the Climate Change Roundtable to analyze and review the risks and opportunities associated with climate change and their potential impacts. Within this roundtable, we operate a working group comprising internal operational teams and an advisory group of external experts. The working group is divided into seven subgroups according to climate change risks and opportunities as defined by the Task Force on Climate-related Financial Disclosure (TCFD). Led by the leaders of 26 SK hynix teams with extensive understanding and experience in the semiconductor industry, the working group identifies company-specific climate change risks and opportunities and evaluates their potential financial impacts. Throughout 2023, the working group held two workshops (comprising a total of 13 subgroup sessions) and engaged in three additional workshops with the advisory group to gather insights from both internal and external experts. The analysis results from discussions and assessments within the Climate Change Roundtable were reported to the ESG Management Committee. On the other hand, SK hynix manages material climate risk factors in an integrated manner through a Market/Risk Management Meeting, which takes charge of enterprise risk management. In this meeting, which is chaired by a CEO and involves key executives such as a head of Manufacturing/Technology, a head of Corporate Strategy & Planning, and a head of Finance, they identify the potential impacts from material climate risks and establish mitigating strategies. Furthermore, they strengthen the risk management responsibilities by monitoring the progress of action items from relevant departments.

SK hynix's Climate Change Governance



Climate Action

Participation in the SCC

Since becoming a founding member of the Semiconductor Climate Consortium (SCC) in 2022, SK hynix has actively collaborated with leading companies representing various sectors of the semiconductor industry to continuously discuss greenhouse gas reduction strategies throughout the semiconductor value chain. Participating in SCC's five working groups, SK hynix offers insights on specific tasks undertaken by each group. In 2023, SK hynix contributed to crafting emission guidelines for Scope 3 Category 1 and shared its experiences with net-zero supply chain initiatives through the ECO Alliance at SCC. Looking ahead, SK hynix remains dedicated to active involvement in SCC initiatives, contributing to the development of effective greenhouse gas reduction strategies through industry collaboration.

Refining Value Chain Emissions Management

Scope 3 greenhouse gas emissions refer to indirect emissions generated throughout the value chain, rather than those directly emitted from the company's production activities. However, SK hynix considers Scope 3 emissions as significant as its direct emissions and actively works to reduce them through collaboration with its suppliers. To achieve this, we recognize the importance of reliable Scope 3 emissions data and focus on refining emission calculation methods and accurately aggregating supplier data. In 2023, we adopted a hybrid approach for calculating Category 1 emissions, originating from purchased raw materials/services, known for its higher reliability compared to average data. We have also implemented a system that automates emission calculations by integrating with the purchasing system. This system enables real-time emissions management by supplier and material category and facilitates comparison analysis of emissions with those of similar industry players. Building on this, we aim to gradually extend the system-based management to automate the calculation and analysis of emissions for other categories.

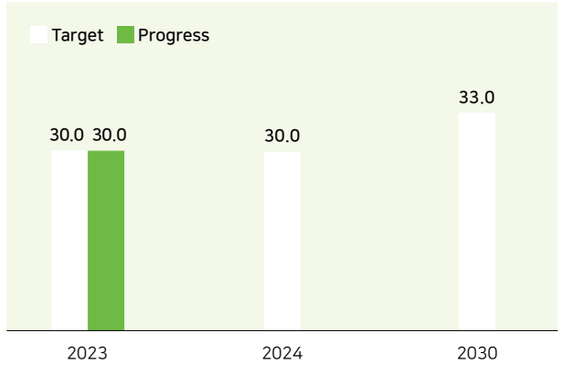
Moreover, SK hynix is spearheading collaborative initiatives aimed at reducing emissions from suppliers. In 2022, we joined the CDP Supply Chain (SC) program to bolster our suppliers' capacity for climate action. Subsequently, in 2023, we organized online training sessions and circulated case studies among participating suppliers to enhance their capabilities in managing greenhouse gases. During the same year, the response rate of suppliers engaged in SK hynix's CDP Supply Chain program surged by 24 percentage points from the previous year, reaching 84%. Furthermore, 41% of all participating companies attained new CDP ratings or witnessed an improvement in their evaluation scores compared to the previous year. In collaboration with suppliers, SK hynix remains dedicated to progressively reducing emissions throughout the entire value chain by fostering collective efforts within the semiconductor ecosystem.

Climate Action

RE100 Implementation

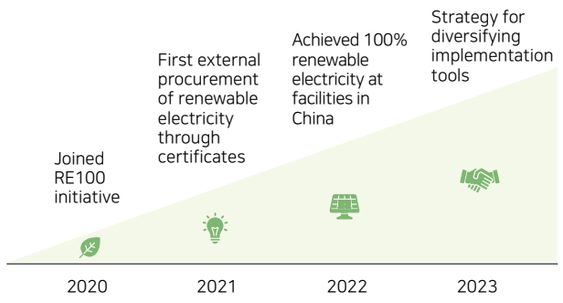
Key targets and progress

Renewable electricity use (Unit: %)



* 2022 Target was 100% RE use of overseas sites and it is accomplished (100% of overseas, 29.6% of overall)

Renewable Electricity Implementation Milestone



RE100 Goals and Implementation Plans

In 2020, SK hynix joined the RE100 initiative, committing to achieve 100% renewable electricity usage by 2050. In 2022, we set an interim target to source 33% of the total electricity consumption for all our facilities from renewable sources by 2030, publicly demonstrating our commitment to increasing renewable electricity usage. To meet these renewable electricity procurement goals, SK hynix established the RE subcommittee within the Carbon Management Committee. This subcommittee is responsible for developing mid- to long-term RE100 implementation strategies, aligning renewable electricity procurement plans with the company's 2050 net-zero goal and the Korean government's Basic Plan for Long-term Electricity Supply (BPLE). In 2022, SK hynix achieved early RE100 compliance at our overseas manufacturing facilities, where renewable electricity resources are relatively abundant, and has since maintained this proportion. For our facilities in Korea, we plan to gradually increase the share of renewable electricity usage based on supply conditions. We will closely monitor renewable electricity policies and procurement trends to continuously refine our mid- to long-term RE100 implementation strategies. Furthermore, we plan to strengthen collaboration with various stakeholders within the renewable electricity ecosystem and diversify our methods for implementing RE100, thereby enhancing the execution of our renewable electricity transition.

Renewable Electricity Procurement

In 2023, SK hynix sourced 30% of the total electricity used at our global operations from renewable electricity. While the year-over-year increase in renewable electricity usage was modest, this figure is significant, considering the challenging domestic environment for renewable electricity procurement, following the achievement of RE100 at our overseas manufacturing facilities in 2022. SK hynix remains committed to maintaining RE100 at its overseas facilities and plans to expand the use of renewable electricity at its Korean facilities through various means, including the purchase of renewable electricity certificates, direct power purchase agreements (PPAs), and self-generation. Expanding the use of renewable electricity within Korea presents challenges due to geographic constraints, such as limited land area, low solar insulation, and low wind speeds. Despite these difficulties, SK hynix is dedicated to progressively widening its RE100 implementation through collaboration with renewable electricity producers and intermediaries.

SPOTLIGHT

First Power Purchase Agreement (PPA)

In February 2024, SK hynix signed its first PPA with SK ecoplant, marking the largest solar PPA in Korea with a capacity of 100MW, to ensure a stable supply of renewable electricity. This is Sk hynix's first PPA, which will allow SK hynix to procure renewable electricity more stably in Korea, and it is also expected to reduce greenhouse gas emissions. SK hynix plans to leverage this first PPA to enhance collaboration with various stakeholders in the renewable electricity ecosystem and further accelerate its transition to renewable electricity.

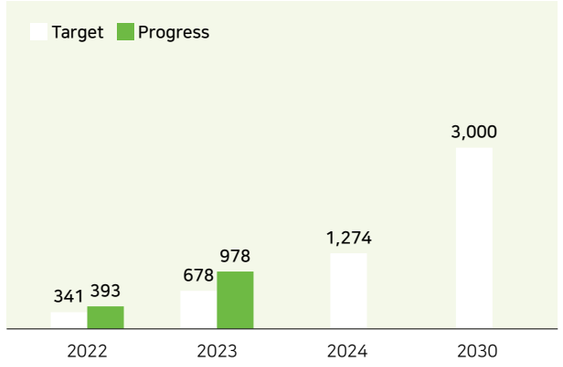
Signing ceremony for direct PPA for renewable electricity

Climate Action

Energy Management

Key targets and progress

Energy saving (Cumulative since 2021) (Unit: GWh)



Energy Conservation Organization

Since introducing the Energy Management System (ISO 50001) in 2012 and obtaining certification in 2014, SK hynix has remained steadfast in its commitment to international standards in energy-saving efforts. In 2023, the need for energy conservation heightened due to a significant surge in energy prices driven by global inflation and the semiconductor market downturn. To address these challenges, SK hynix set a company-wide energy reduction target for 2023 under the leadership of the Energy Conservation Task Force and conducted monthly meetings. They effectively managed energy-saving initiatives by actively promoting the use of off/idle modes for manufacturing equipment and utility facilities, and identifying high-impact energy-saving measures through continuous system improvements like operational optimization. As a result, SK hynix achieved a total energy savings of 585 GWh across all manufacturing facilities, more than double the initial target of 285 GWh set at the beginning of the year. In 2024, recognizing the need for agile responses to dynamic business environment variables, such as rising energy costs, and the importance of contributing to ESG management through greenhouse gas emissions reduction, SK hynix restructured the existing Energy Conservation Task Force into a permanent Energy Conservation Working Committee. With this revamped organizational framework, we are poised to explore energy-saving measures that are not only effective but also sustainable.

2023 Energy Saving Achievements

Category	Energy-saving Item Discovery/Improvement [Cases]	Energy Savings [GWh]
Icheon	235	295
Cheongju	443	223
Wuxi	143	64.6
Chongqing	10	2.4
Total	831	585 (978 cumulative)

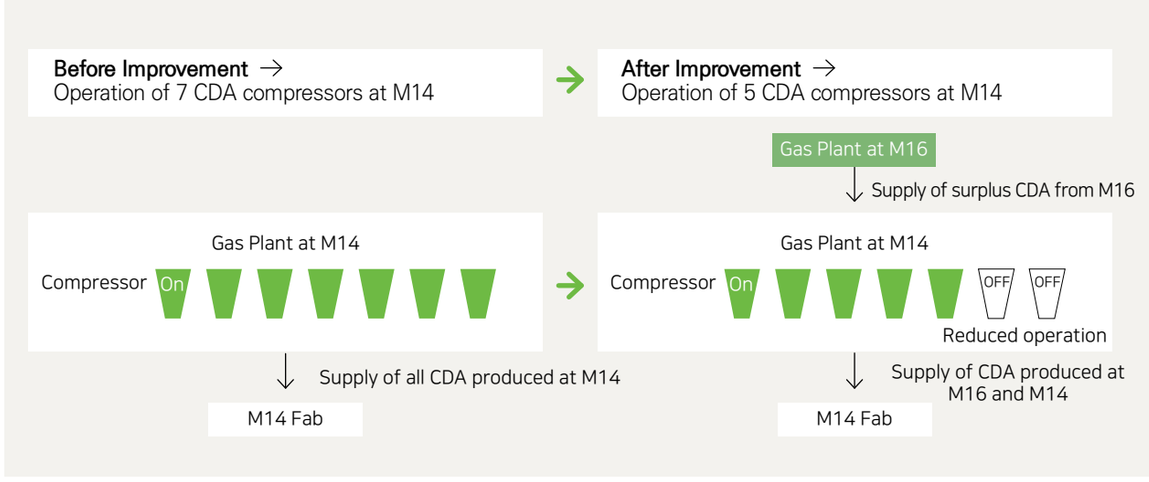
Efficient Chiller Operations

Within semiconductor fabs, ensuring consistent environmental conditions, such as temperature and humidity, is essential, necessitating the efficient operation of cooling and heating systems. Specifically, the cooling process, which regulates temperature and humidity levels, relies on chilled water produced by chillers. Power consumption varies depending on factors like the temperature of the cooling water used to cool the refrigerant and the temperature of the chilled water produced. At SK hynix, we are maximizing chiller operation efficiency and reducing power consumption by analyzing chiller system data. Through data regression analysis simulations, we derive optimal results and operational strategies for energy savings. In 2023, we conducted a data correlation analysis to assess how the coefficient of performance (COP)[9] changes when the chilled water temperature increases by 1 degree and the cooling water temperature decreases by 1 degree. Furthermore, we also examined the COP variation based on the chiller load ratio. Through regression analysis simulations focusing on the three key elements of energy efficiency - chilled water temperature, cooling water temperature, and load ratio - we explored the most suitable operational strategies. Our findings indicate that maximizing the chiller load ratio operation not only minimizes environmental risks but also results in significant energy savings. By implementing this approach on-site, we achieved a reduction of 112.5 GWh in power consumption for chiller operations from March to August 2023. In 2024, SK hynix aims to further enhance energy savings by developing a management tool to expand the application of the chiller load adjustment method previously applied for around six months to an annual basis and conduct continuous monitoring to further increase energy savings.

Climate Action

Efficient CDA System Operations

In semiconductor production processes, compressed dry air (CDA) is used for various purposes, including equipment operation. SK hynix has installed systems within its gas plants consisting of compressors and dryers to produce compressed dry air (CDA), which is supplied to each fab. The operation of these gas plants is governed by a Monthly Take or Pay (MTOP) policy, requiring payment based on MTOP levels even if CDA usage falls below this minimum threshold. Therefore, by redistributing surplus CDA from fabs using less than MTOP to other fabs using more than MTOP, we can decrease the operational efficiency of the recipient fabs' CDA systems, ultimately reducing overall power consumption. In 2023, SK hynix implemented an operational strategy by routing surplus CDA from the M16 Fab, one of our semiconductor manufacturing facilities, which used CDA below the MTOP threshold, to the M14 gas plant via interconnected pipelines. Consequently, the number of compressors operating at M14 was downsized from 7 to 5, accompanied by a proportional reduction in dryer operation. This initiative yielded a power cost savings of KRW 3.66 billion in 2023, while also contributing to a reduction in greenhouse gas emissions associated with power usage.



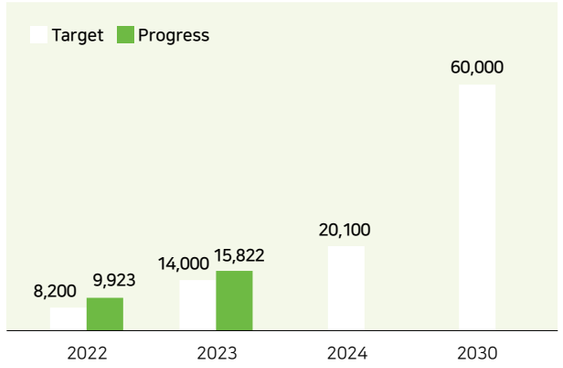
Water Stewardship

Water Management

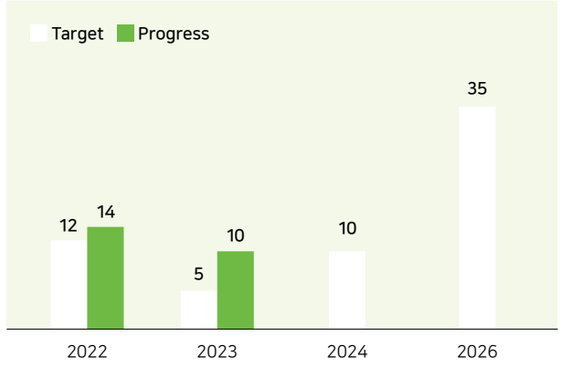
Key targets and progress

Water conservation (Cumulative since 2021)

(Unit: 10,000 tons)



Water withdrawals intensity reduction (Unit: %)



Direction of Water Management

Demonstrating Water Conservation Leadership

- We proactively adopt water-saving technologies and ensure the continuous implementation of water conservation activities to secure leadership in water resource management.
- We prioritize water conservation and sustainability, raising awareness among our employees to consider water conservation as an integral part of our corporate culture.
- Through comprehensive water management across the entire product manufacturing process, we demonstrate our leadership approach that combines water management technologies with a culture of water conservation.

Water Risk Management

- We assess potential impacts on water resources that may arise from our business operations and establish response scenarios to minimize risks considering factors of climate change.
- We set ambitious goals to maximize water reuse and consistently increase our investment in facilities and equipment utilization rates to achieve these objectives.
- Through a real-time monitoring system, we monitor the status of supplied water resources and respond to water-related risks.

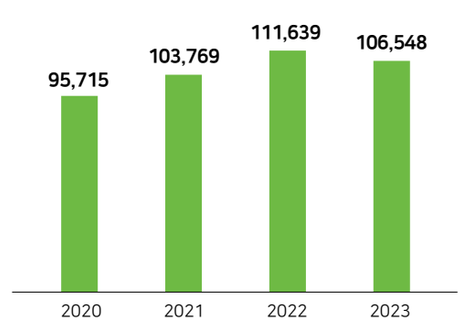
Ensuring Healthy Ecosystems

- We strictly manage and maintain the quality of effluent to create an environment in which various species, such as plants, mammals, and birds, can inhabit the local rivers.
- By regularly monitoring aquatic ecosystems, we identify and mitigate the impacts of effluent on the surrounding ecosystems.
- Through our research activities on biodiversity, we foster a healthy environment where we can thrive with the local communities.

SK hynix's Biodiversity Commitment and Policy

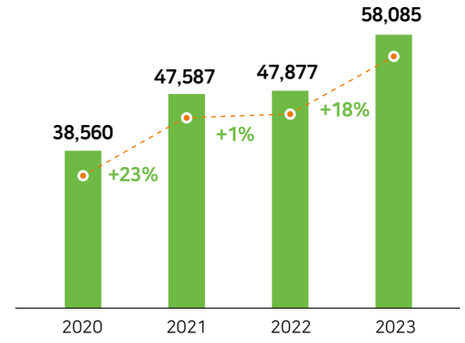
Water Withdrawals

(Unit: 1,000 tons)



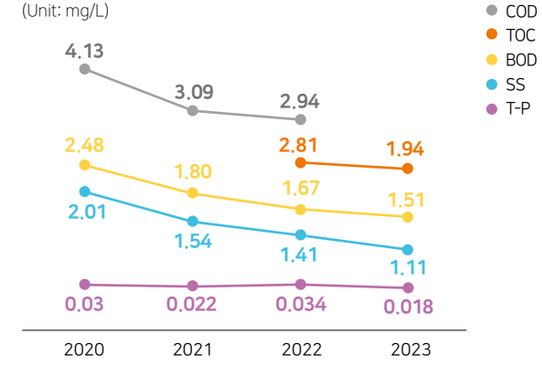
Water Reused

(Unit: 1,000 tons)



Discharged Water Quality Concentration (Korea)

(Unit: mg/L)



* The quality of water discharged from our domestic operations is being maintained at levels that exceed key "Good Water" management indicators (COD ≤ 5, TOC ≤ 4, BOD ≤ 3, SS ≤ 25, T-P ≤ 0.1, unit: mg/L).

Water Stewardship

Water Management Based on Water Stress

SK hynix assesses the water stress levels of regions where its manufacturing facilities are located using the World Resources Institute's (WRI) Water Risk Atlas. Management plans are then established according to the stress levels identified for each region. In 2024, we reassessed the water stress levels using the newly updated Aqueduct 4.0 by WRI as of August 2023. This evaluation, based on the latitude, longitude, and baseline analysis of each SK hynix manufacturing facility, revealed changes in water stress levels in some areas. Cheongju is now classified as a "High" stress area, while Icheon and Wuxi fall under "Medium-high." In response to the newly identified high water stress levels at the Cheongju Campus, SK hynix has introduced the industry's first external reuse of treated wastewater in the Korean semiconductor sector starting from 2023. Furthermore, dual water supply pipelines have been implemented to ensure a stable water supply, even during unforeseen environmental incidents. For the Icheon and Chongqing facilities, efforts are continuously made to expand the use of recycled water through wastewater reuse facilities. Particularly, the Icheon facility has established a recycling system with a capacity of 94,400 tons per day, the highest in the industry, to support its water reuse needs. SK hynix remains committed to monitoring the water stress levels in the regions where our facilities are located and implementing various water conservation efforts to ensure production stability while minimizing the impact on local communities.

Process Wastewater Reuse

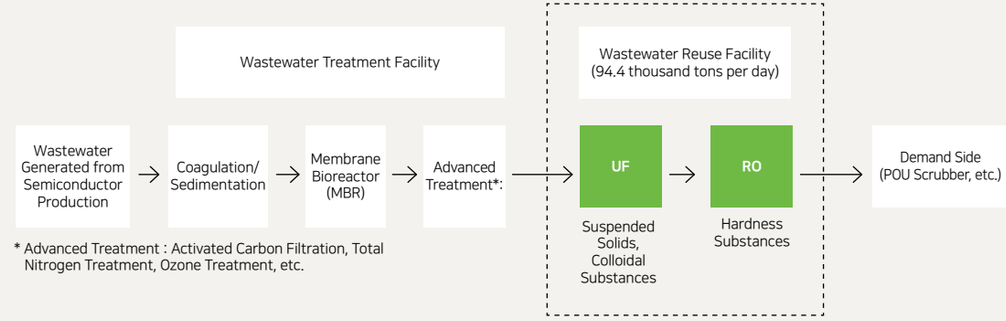
To conserve water resources, reducing water usage and reusing wastewater are essential practices. SK hynix is dedicated to reducing water intake by expanding our wastewater reuse efforts. At our wastewater reuse facilities, wastewater undergoes primary physical, chemical, and biological treatments, followed by processes such as ultrafiltration (UF)[9] and reverse osmosis (RO) to meet quality standards. The treated water is then supplied to meet specific demands, such as point of use (POU) scrubbers. This reclaimed water is primarily utilized in air pollution control facilities, contributing to greenhouse gas reduction.

Our wastewater reuse facility at the Icheon Campus processes approximately 94,400 tons daily, with a total of about 24.32 million tons of wastewater reused in 2023. Additionally, the Chongqing Campus established a facility in 2023 to reuse wastewater from the back grinding[9] process, securing an average of 1,000 tons of reclaimed water daily. SK hynix aims to continually expand wastewater reuse by enhancing the operational efficiency of our reuse systems.

Total water reduction in 2023 (Unit: 1,000m³)

Reuse from onsite	47,858
Reuse from offsite	10,227
Total reuse	58,085
Water usage reduction	908
Total water reduction	58,992

Wastewater Reuse Process (Icheon)



Water Stewardship

Biodiversity

Monitoring the Aquatic Ecosystem of Rivers

Considering the semiconductor industry's high water usage and discharge, SK hynix has been regularly monitoring the aquatic ecosystems of rivers receiving discharge from our facilities in Korea since 2019. We conduct optimized surveys tailored to each campus location (Icheon, Cheongju, and Yongin) to assess the health of the aquatic ecosystem and identify the presence of endangered (legally protected) species. Our efforts include controlling invasive and ecologically disruptive species to improve habitats for native species. We also monitor ecological changes in communities of plants, mammals, birds, fish, benthic macroinvertebrates, and attached algae to understand their roles as habitats and food sources. Taking it a step further, SK hynix has published a visual map of aquatic ecosystem health based on the monitoring results collected over the past five years.

Moving forward, we plan to use these visual materials to raise awareness in the local community about the health of discharge river ecosystems and to develop programs that encourage participation and interest in biodiversity issues. In line with our commitment to coexistence with all life forms in the ecosystem, SK hynix will continuously review the strengths and weaknesses of our ecological management system to contribute to biodiversity conservation policies.

Monitoring of discharge rivers

Monitoring of discharge rivers

Biodiversity Conservation with Stakeholders

SK hynix recognizes the potential impact of water usage throughout the manufacturing process on biodiversity, including the need for stable water supply and proper management of wastewater. To mitigate this impact, we are implementing various measures. As one of these efforts, we are proactively managing not only the discharge rivers in Icheon and Cheongju where our facilities are located, but also Anseongcheon, a river in the vicinity of the forthcoming Yongin Semiconductor Cluster. Since signing the "AI for Biodiversity" MOU with Microsoft in 2021, SK hynix has been running the Anseongcheon Biodiversity Project for three years, as of 2024. The Anseongcheon Biodiversity Project is a long-term project of six years or more aimed at contributing to biodiversity conservation by accumulating ecosystem change data before and after the development of the Yongin Semiconductor Cluster. It involves the establishment and execution of specific tasks, such as citizen science activities for objective data collection, biodiversity tour programs, research with experts, and nurturing digital talent in the environmental field. To enhance transparency, citizen scientists lead the ecosystem change data collection. In 2023, the Korea Safety Health Environment Foundation, a partner in the Anseongcheon Biodiversity Project, collected ecosystem data with environmental club students from nearby middle schools. In April 2024, participation expanded to include local residents, SK hynix employees, and Microsoft employees and their families. From the second half of 2024, we plan to hold a biodiversity forum to contribute to the biodiversity conservation by deriving ways to utilize AI technology in the field of biodiversity with various stakeholders such as the government, academia, non-government organization, and companies. SK hynix remains committed to collaborating with various stakeholders to promote a healthier ecosystem.

Water Stewardship

Ecological Restoration through Ecopark

Over the course of about 3 years and 5 months since 2019, SK hynix developed an ecological park covering approximately 6,200 square meters outside the Icheon Campus. SK hynix utilized funds from the Green Bond issued in 2021 to cover part of the costs for creating the park. The park is divided into areas designed as green spaces, such as an ecological forest, and sections using discharged water from our facilities, including an ecological wall stream, a cascading waterfall, and an ecological river. Notably, the ecological river allows visitors to see the treated wastewater from SK hynix's Icheon Campus flowing into the Icheon Jukdangcheon Stream. Following the park's completion, SK hynix has regularly improved the environment by introducing first-grade indicator fish species and maintaining the surrounding greenery, creating a habitat that supports the natural settlement of various wildlife. Additionally, landscaping activities have been conducted to ensure the park serves as a relaxing space for local residents. SK hynix remains committed to our responsibility of coexisting harmoniously with the communities where we operate by fostering a nature-friendly environment around our facilities.

Icheon Ecopark

CASE

Biodiversity Tour Package

On April 22, 2024, in celebration of the 54th Earth Day, SK hynix conducted the Biodiversity Tour Package program in collaboration with Microsoft employees. This program, part of the Anseongcheon Biodiversity Project, aims to sustain interest in biodiversity through citizen science activities in the area where the Yongin Fab is planned to be constructed. The activity site for the Biodiversity Tour Package is the uppermost reach of the Anseongcheon Stream. Once the Yongin Semiconductor Cluster is established, treated water will be discharged, increasing the water flow and potentially altering the surrounding riverine ecosystem. This makes it an ideal observation point to monitor the implementation of the biodiversity project. SK hynix plans to continue organizing various participation programs to maintain ongoing interest in the ecosystem and biodiversity of the Anseongcheon Stream.

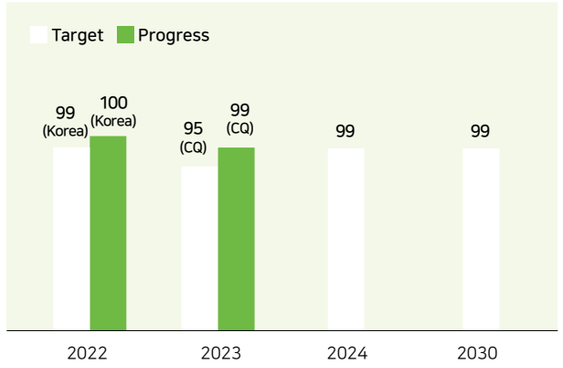
Biodiversity Tour Package Program in 2024

Circular Economy

Resource Circulation

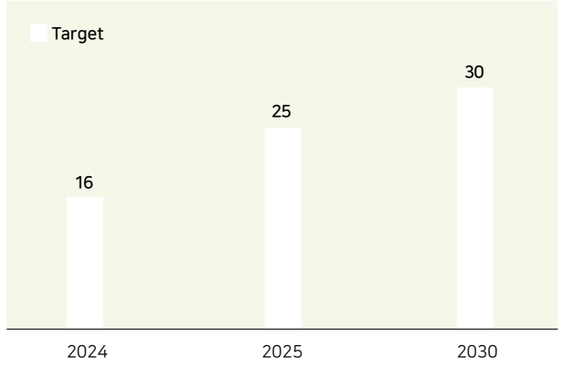
Key targets and progress

ZWTL Gold (99%) certification (Unit: %)



Recycled materials use

(Unit: %, based on product weight (excl. SSD case))



Acheiveing ZWTL Certification

Zero Waste to Landfill (ZWTL) certification evaluates a company's actual waste recycling rate and landfill volume, based on its level of resource recycling and the final amount of residual waste ending up in landfills. Since obtaining ZWTL certification for our Korean facilities in Icheon and Cheongju in 2018, SK hynix has expanded certification to our overseas facilities in Wuxi and Chongqing in 2019. Furthermore, in 2022, recognizing our sustained efforts to reduce waste generation and enhance recycling, all our Korean facilities attained the highest Platinum rating. In 2023, the Wuxi Campus became the first overseas facility to attain Platinum status, with increased recycling rates achieved through waste segmentation and heat recovery from incinerated waste. SK hynix remains committed to continuously advancing waste management standards continually, aiming for the highest rating across all facilities, including the Chongqing Campus.

2023 ZWTL Certification Rate (Unit: %)

Sites	Icheon	Cheongju	Wuxi	Chongqing
Target	100	100	99	95
Achievement	100	100	100	99

Circular Solutions Using Recycled Materials[9]

In February 2024, SK hynix unveiled a policy on the use and management of recycled materials, aiming to lead as the first global semiconductor company to integrate recycled materials into its products to reduce environmental impact through efficient resource utilization. In order to actively review and manage the use of recycled materials in the product design and manufacturing stages, SK hynix launched a taskforce covering various departments such as development, procurement, sales, quality assurance, including ESG, in the first half of 2023. Based on the expertise of each department, we have set a mid- to long-term goal of using recycled materials for 25% of all products by 2025 and 30% by 2030 on a product weight basis (excluding SSD cases). To ensure the quality of products incorporating recycled materials, rigorous reliability testing is conducted from the initial stages of adoption. For directly purchased raw materials, we have enhanced internal certification procedures and quality assessments prior to product application. For materials included in components supplied by partners, we meticulously scrutinize quality assessment reports to meet stringent semiconductor product standards while minimizing environmental impact.

SK hynix wants to use recycled materials from some metals used in back-end process considering the impact on the environment, characteristics of materials, and weight. Throughout 2024, SK hynix will prioritize the shift from using copper materials in memory semiconductor product substrates to recycled materials, with plans to expand the use of recycled materials through close collaboration with stakeholders, including the supply chain. We commit to transparently disclosing the process and outcomes of our initiatives in using recycled materials through our sustainability report.

SK hynix Recycled Materials Usage and Management Policy

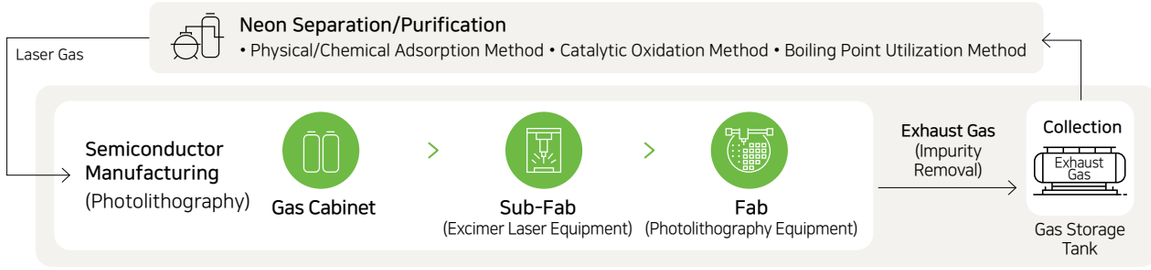
Circular Economy

Neon Gas Recycling Technology

In April 2024, SK hynix successfully developed the industry's first neon (Ne) gas recycling technology in collaboration with TEMC, a Korean specialty gas company for semiconductors. Neon is a crucial component, making up approximately 95% of the excimer laser gas essential for semiconductor photolithography processes. However, neon is a rare gas, present in only 0.00182% of the atmosphere. One of its key characteristics is that it does not chemically decompose or alter when used as a laser light source, making it possible to recycle neon by removing impurities through separation and purification processes. Recognizing this potential, SK hynix and TEMC initiated the development of neon recycling technology and succeeded in capturing neon gas, which was previously released into the air through scrubbers after the photolithography process, collecting it in storage tanks, and selectively separating and purifying the neon through TEMC's gas treatment process. The purified neon is then supplied back to SK hynix for use in semiconductor manufacturing. SK hynix has achieved a neon recovery rate (discharge volume x collection volume x purification yield) of approximately 72.7% and plans to continuously improve the yield to raise the recovery rate to 77%. When applied to fabs, this technology is expected to save around KRW 40 billion annually in neon purchase costs.

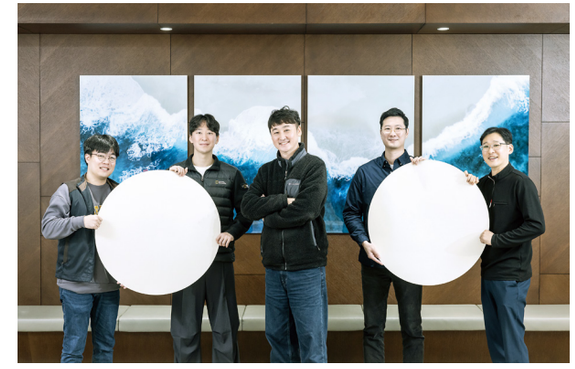
In 2024, SK hynix established the Materials Recycling Subcommittee under the Carbon Management Committee. The aim is to recycle all materials that do not chemically decompose or alter during manufacturing processes. By 2025, the subcommittee plans to develop recycling technologies for a total of 10 raw materials, including four gases-neon, deuterium (D_2), hydrogen (H_2), and helium (He)-and chemicals such as sulfuric acid (H_2SO_4). The technical review for all non-chemically altered materials is planned to be completed by 2030. SK hynix seeks to address the supply issues of materials heavily dependent on overseas sources by developing raw material recycling technologies in partnership with specialized component and material companies. This effort will enhance the company's competitiveness and contribute to greenhouse gas reduction through resource circulation.

Neon (Ne) Gas Recycling Process



CMP Pad Recycling Technology

In semiconductor manufacturing, consumables such as wafers and pads are typically discarded after use, impacting the environment depending on disposal methods in various ways. SK hynix has been investing in technology development to minimize the environmental impact of these consumable wastes. As a result, SK hynix developed wafer reprocessing technology in 2020 and successfully developed CMP pad recycling technology in 2023. CMP pads are consumables used in the chemical mechanical polishing (CMP) process to flatten the wafer surface for evenly stacking multiple layers of circuits and devices during semiconductor manufacturing. These pads have rough surfaces with patterns that wear down after a certain level of use, making them unusable. Our newly developed technology reconstructs the patterns on discarded pads, producing recycled pads with quality comparable to new ones. Through CMP pad recycling technology, SK hynix not only reduces the environmental impact by minimizing harmful gases produced during the incineration of pads, which are made from petroleum-derived polyurethane, but also achieves cost savings. Starting in 2024, we plan to gradually implement recycled pads in the Touch CMP process, which has lower complexity and risk. Additionally, efforts are underway to develop technology for extracting raw materials from used pads. SK hynix is committed to continuously developing technologies to reduce waste and contribute to reducing environmental impact.



Successfully recycled CMP pad sample

Circular Economy

Waste Reduction and Certification

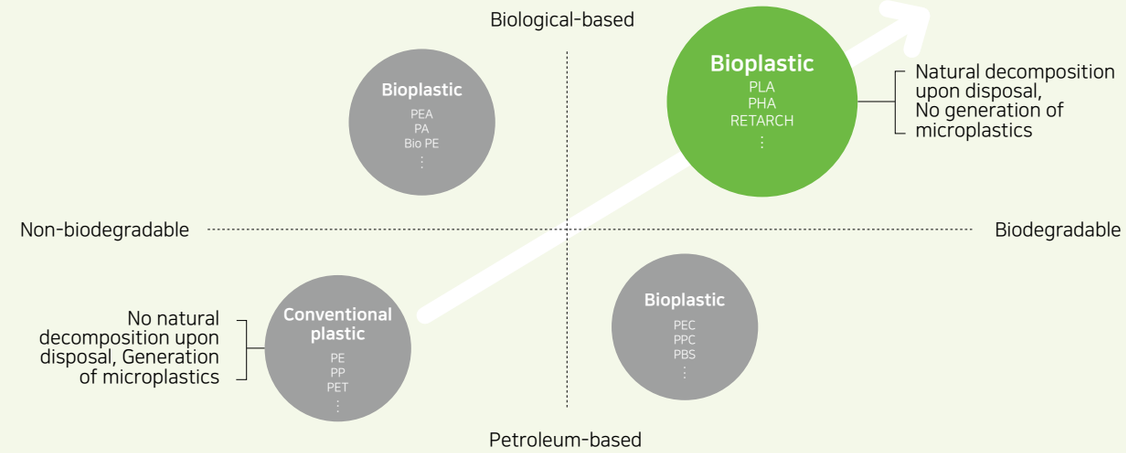
The waste generated in semiconductor manufacturing processes and office spaces at our facilities is diverse. While most of this waste can be recycled, some types are non-recyclable and must be incinerated. SK hynix is committed to maximizing the utility of incinerated waste by recovering heat generated during incineration. Simultaneously, we continuously strive to reduce the proportion of waste that is incinerated through activities such as strengthening the separation and discharge of waste and discovering new recycling sites to minimize environmental pollutants. In 2019, SK hynix became the first large corporation to receive the Ministry of Environment's "Circular Resource Certification," recognizing IC trays as resources. Following this, in 2023, recognition was additionally granted to nine types of waste used in manufacturing processes, including wafer carriers and non-ferrous metals, for their low human and environmental toxicity and high economic value, thereby converting them into resources. Once certified as circular resources, these materials are exempt from waste-related regulations, contributing to reducing waste generation and enabling their efficient utilization as resources.

SK hynix will continue to actively seek new ways to utilize waste, aiming to further reduce the proportion of waste that is incinerated or landfilled. We are dedicated to promoting waste resource utilization to foster a circular economy.

CASE

In-House Use of Biodegradable Plastics

Aligned with the Ministry of Environment's initiative to reduce plastic waste, SK hynix is transitioning from conventional non-biodegradable plastics to biodegradable alternatives within its facilities. Starting with the replacement of plastic packaging for cafeteria convenience foods, we are progressively integrating biodegradable items, including containers for convenience foods, tomato cups by Purme Social Farm, and Happy Lunchbox containers from the Happy Together project. In March 2024, SK hynix successfully conducted efficacy testing on RETARCH, a biodegradable plastic material developed by the DAY1LAB team, which emerged as the grand prize winner in the 1st Social Problem Solving Startup Idea Competition held in 2021. RETARCH has demonstrated a quicker natural decomposition rate compared to traditional plastics and maintains similar convenience to non-biodegradable alternatives (PP, PET, etc.) without leaving a microplastic residue. Looking ahead, SK hynix intends to explore expanding the use of biodegradable plastic products throughout the organization, assessing their applicability across various aspects of operations.



Innovate

2023 Achievements

Scrubbers efficiency (overall)
93%

eSSD energy efficiency increase
1.28 times

R&D investment cost
KRW 4.1884 trillion

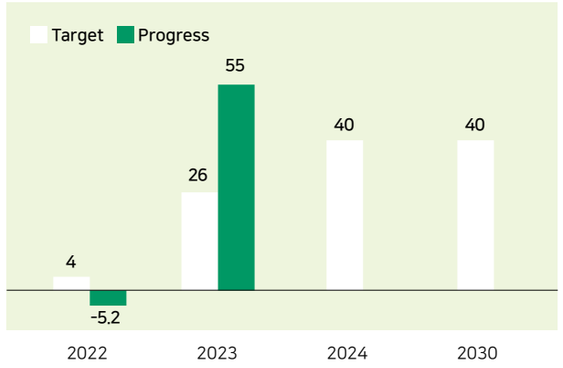
Material Issues
Innovation & Technology, Product & Service Stewardship, Customer Privacy & Data Security

Sustainable Manufacturing

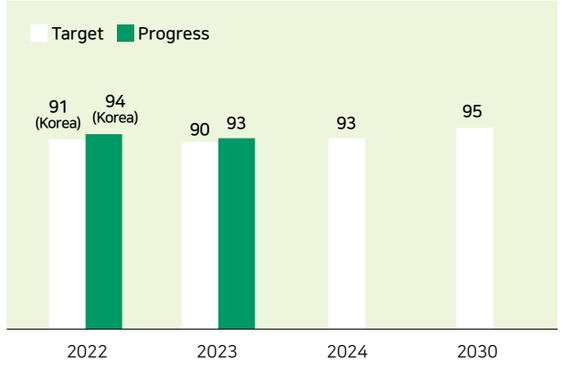
Low Carbon Processes

Key targets and progress

GHG emissions from process gases reduction (Unit: %)



Destruction and removal efficiency of scrubbers (Unit: %)



Efforts for Developing Alternative Gases

Since the establishment of the Carbon Management Committee in 2022, SK hynix has been actively involved in the development of gases that can substitute high-GWP (Global Warming Potential) process gases, aiming to reduce direct carbon emissions from semiconductor manufacturing processes. This effort is led by the subcommittee on alternative gas introduction. Beyond achieving company goals, SK hynix is committed to fostering the sustainable development of the semiconductor ecosystem by actively engaging in three-way collaborations with material and equipment suppliers through close communication to advance alternative gas development. Furthermore, SK hynix participates in the Semiconductor Climate Consortium (SCC) organized by the Semiconductor Equipment and Materials International (SEMI), facilitating discussions on alternative gas development with various industry stakeholders.

Transition to Alternative Gases and Optimization of Nitrogen Trifluoride (NF_3) Cleaning Processes

SK hynix is implementing various initiatives to reduce the usage of perfluorocarbons (PFCs), which are used in semiconductor etching and chamber cleaning processes and have a high global warming potential (GWP), leading to considerable greenhouse gas emissions. First, to reduce greenhouse gas emissions by decreasing gas input, we identified high-emission processes within the etching process and examined and evaluated the introduction of mixed process gases, after which we began mass production implementation in the second half of 2023. Additionally, to reduce the usage of nitrogen trifluoride (NF_3), which is predominantly used for chamber cleaning, we optimized over 100 processes by analyzing cleaning by-products with Time-of-Flight Mass Spectrometry (ToF-MS)[9]. Furthermore, we evaluated the transition to alternative gases with lower GWP that do not compromise product quality and began applying them to some processes in 2023. As a result of these efforts to optimize processes and transition to alternative gases, SK hynix significantly reduced PFC usage, cutting annual greenhouse gas emissions by approximately 30,000 tons of CO_2 equivalent in 2023.

Improving Scrubber Treatment Efficiency

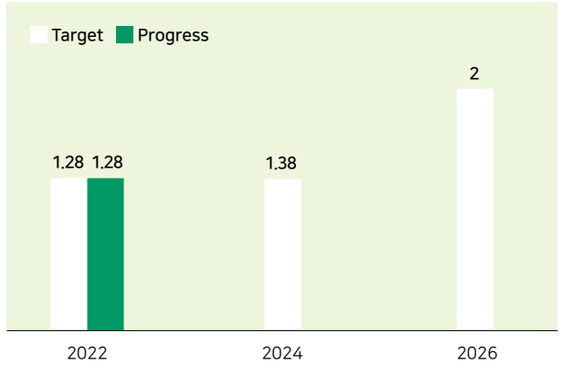
To reduce greenhouse gases emitted directly from processes, it is crucial not only to use gases with lower global warming potential and optimize the processes but also to properly treat the generated greenhouse gases. Therefore, enhancing the efficiency of scrubbers that remove gases and compounds generated during semiconductor processes is essential for reducing greenhouse gas emissions. SK hynix has set a goal to increase scrubber treatment efficiency to 95% by 2030. To achieve this, we are collaborating with our suppliers to develop process gases that can be treated with low power and to optimize gas usage. Furthermore, we are developing new equipment aimed at reducing water and power consumption by the scrubbers themselves. We are also continuously developing new technologies such as integrated treatment techniques that allow a single scrubber to process gases and compounds generated from multiple pieces of equipment. SK hynix is actively exploring ways to maximize scrubber treatment efficiency to minimize greenhouse gas emissions from our processes.

Green Technology

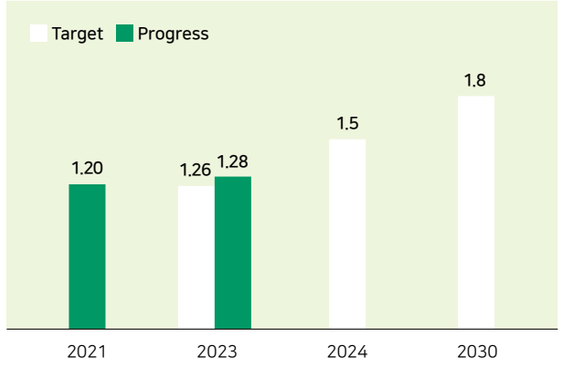
Sustainable Technology

Key targets and progress

HBM energy efficiency increase (Unit: times)



eSSD energy efficiency increase (Unit: times)



* Previous biennial target has been changed to the annual target.

Sustainable Technology Research

The shift towards a data-centric society is accelerating with the onset of the AI era, driving a significant rise in data processing demands and an increased market demand for high-performance memory semiconductors. In this evolving landscape, semiconductor companies are tasked with the challenge of creating products that excel in performance while also being environmentally sustainable.

In 2021, SK hynix announced "Memory ForEST" as a visionary roadmap for the future technological ecosystem. This initiative aims to develop sustainable products that minimize greenhouse gas emissions during the product usage phase. Recognizing the crucial role of energy efficiency in emissions reduction during product usage, SK hynix has integrated energy-efficient technology development into its overarching strategy, with a focus on enhancing the energy efficiency of products with each successive generation.

MEMORY FOREST

Sustainable Products

SK hynix has designated HBM and eSSD as "sustainable products" and has set specific targets: doubling HBM energy efficiency (by 2026) and increasing eSSD energy efficiency by 1.8x (by 2030). Progress on these objectives is reported annually. To ensure objectivity in product sustainability, SK hynix received recognition in 2023 from the Center of Net Zero (Centero), operated by the Korea Chamber of Commerce and Industry. This acknowledgment underscores SK hynix's commitment to reducing carbon emissions during the product usage phase, particularly for DRAM products incorporating HBM and eSSD. By utilizing SK hynix's latest-generation products, customers can anticipate reduced strategic consumption per data processing unit, thereby contributing to lower greenhouse gas emissions during product usage.

SK hynix remains steadfast in its commitment to continuously enhance the energy efficiency of these product lines. The company aims to reduce unit power consumption across various industries, including data centers and AI technology, where semiconductor usage is surging, thereby contributing to the reduction of greenhouse gas emissions.

Continuous Expansion of R&D Investment

To drive the development of sustainable products, SK hynix recognizes the critical importance of robust R&D investments, which encompass talent acquisition and infrastructure development. The company is dedicated to advancing technology through research teams focused on product development and forward-looking technology exploration for next-generation semiconductors. Currently, our focus lies in the development of energy-efficient products such as HBM4 (planned for mass production in 2026) and 321-layer NAND (planned for mass production in the first half of 2025). SK hynix aims to progressively increase its R&D investment ratio to global leadership standards. A portion of the funds procured from the issuance of the 2023 Green Bond is allocated towards enhancing the energy efficiency of our DRAM and NAND products. SK hynix aims to uphold its unparalleled competitive edge by leveraging top-notch technological capabilities through proactive R&D investments.

R&D Investment Performance

Category	Unit	2020	2021	2022	2023
Investment Cost	KRW 100 million	34,820	40,448	49,053	41,884
Revenue-to-Investment Ratio	%	10.9	9.4	11.0	12.8
Research Personnel	Persons	8,295	8,742	8,977	8,765

Green Technology

Green Products

Green Product Policy

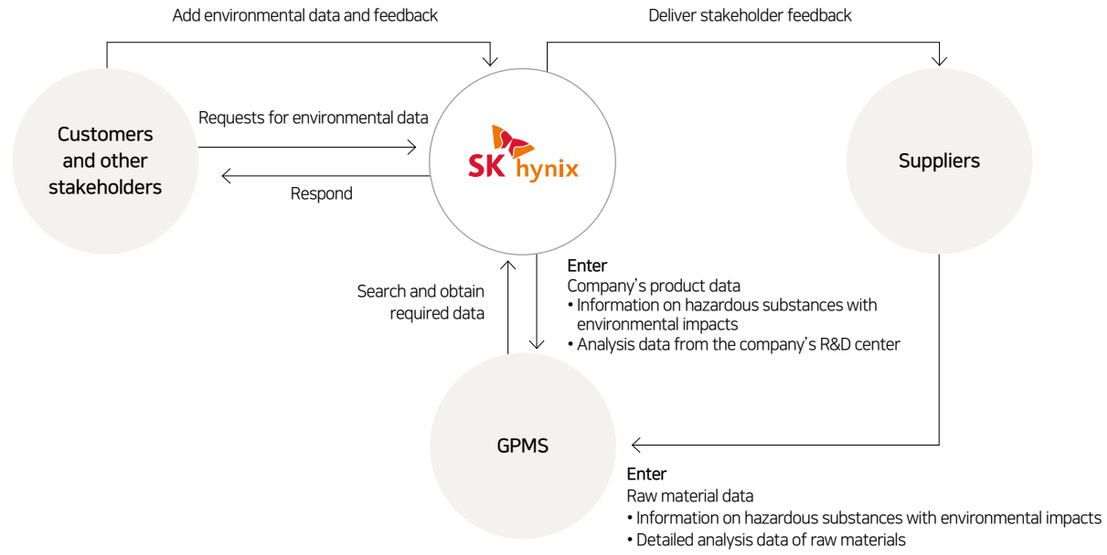
SK hynix establishes and manages a Green Product Policy to produce safe products that minimize environmental and human health impacts while meeting international standards and customer demands. All materials contained within products produced and delivered by SK hynix comply with international standards, such as the EU Restriction of Hazardous Substances (RoHS) directive.

Following the Green Product Policy, SK hynix considers factors to minimize environmental impact from the development stage and designs and verifies products with the goal of avoiding harmful substances. Additionally, verification procedures are in place from receipt to use for the use of materials free from hazardous substances, along with ongoing inspections and regular assessments to ensure that suppliers provide environmentally friendly materials. During manufacturing and shipping, hazardous substances used in processes are strictly managed to prevent product contamination. SK hynix continuously monitors trends in environmental regulations for electronic products, such as RoHS and REACH, to ensure these management systems align with international standards and regulations. For new regulatory substances, verification measures such as comprehensive surveys of raw materials and components and securing alternatives are implemented to block the entry of new hazardous or regulatory substances at the source. SK hynix is committed to supplying safe products to customers by rigorously managing materials used in processes and proactively responding to the latest regulations.

Integrated Green Product Management

To systematically and rigorously manage compliance with international standards and customer requirements for substances in our products, SK hynix operates the Green Product Management System (GPMS). GPMS integrates various management aspects, including product and raw material information, product certification, response to customer requests, and control of hazardous and regulatory substances. This system enables us to promptly address regulatory changes and stakeholder requests, including those from customers, by using the data entered into GPMS. SK hynix utilizes GPMS to conduct rigorous inspections and management starting from the raw material stage. Through this system, we are dedicated to delivering products that have no negative impact on customers and the environment.

Integrated Green Product Management System Operation Process



Environmental Product Declaration (EPD)

The Environmental Product Declaration (EPD) certification measures the environmental impact of products throughout their entire lifecycle, from raw material extraction to production, providing indicators such as carbon and water footprints. This certification serves as a crucial resource for external stakeholders, including customers and investors, to understand our contributions to climate change and water security. SK hynix annually pursues EPD certification for our main DRAM and NAND flash memory products. Starting with the achievement of the industry's first EPD certification for 20nm 4Gb DDR3 in 2013, we obtained carbon and water footprint EPD certifications for 10nm 6Gb LPDDR4 DRAM and 3D-V4 NAND Flash 256Gb TLC in 2021. In 2022, we not only received additional Korean EPD certifications but also secured the Carbon Trust's carbon footprint label for our eSSD and cSSD products. Continuing our commitment, SK hynix further expanded EPD certifications by achieving carbon and water footprint EPD certifications for 10nm 16G DDR5 DRAM and NAND flash 512Gb TLC in 2023.

Green Technology

High-efficiency Semiconductor Development

Development and Mass Production of HBM[e]3E DRAM

Following the successful mass production of HBM3, the highest-speed and maximum-capacity DRAM available at the time, SK hynix introduced HBM3E, a new AI memory product, in August 2023. Just seven months later, in March 2024, we initiated the world's first large-scale mass production of HBM3E. HBM3E, the 5th generation of HBM and an expanded version of HBM3, achieves world-leading performance in all aspects required for AI memory, including speed and heat management. HBM3E processes up to 1.18TB (terabytes) of data per second. To manage heat dissipation for the extremely high-speed operation required by AI memory, it employs advanced Mass Reflow-Molded Underfill (MR-MUF)[e] technology, resulting in a 10% improvement in heat dissipation performance compared to the previous generation. HBM exemplifies SK hynix's commitment to developing energy-efficient products and we will continue to invest in research and development to create products that consume less power while processing the same amount of data.

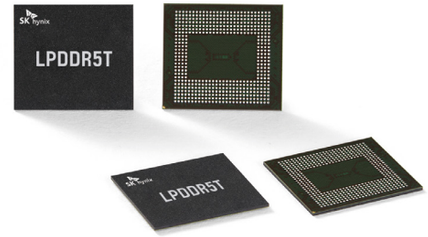
Commercialization of the World's Fastest LPDDR5T DRAM

In November 2023, SK hynix began supplying customers with a 16GB Low Power Double Data Rate 5 Turbo (LPDDR5T) package for mobile applications, achieving commercialization just 10 months after the successful product development. LPDDR5T stands as the world's fastest mobile DRAM, boasting data transfer speeds of 9.6Gb per second. The commercially launched 16GB package operates within the minimum voltage range, set by the Joint Electron Device Engineering Council (JEDEC), of 1.01-1.12V, ensuring both high speed and ultra-low power consumption simultaneously. The exceptional performance of LPDDR5T is attributed to the implementation of the High-K Metal Gate (HKMG) process, a technique previously employed in LPDDR5X. The HKMG process uses materials with a high dielectric constant (K) in the insulation layer of DRAM transistors, effectively preventing leakage current and improving capacitance. This next-generation process enables faster speeds while simultaneously reducing power consumption. SK hynix is dedicated to developing unparalleled technology to consistently deliver products that excel in both performance and power efficiency.

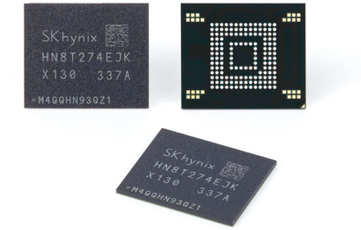
Next-Generation Mobile NAND Solution ZUFS[e] 4.0

In May 2024, SK hynix successfully developed Zoned UFS (ZUFS) 4.0, a mobile NAND solution for on-device AI[e] applications. This milestone is a result of forecasting the AI memory market demand and collaborative efforts with global platform companies since 2019. Unlike previous UFS, which indiscriminately stores data, ZUFS organizes similar data characteristics within designated zones, enhancing smartphone operating system speeds and storage device management efficiency. ZUFS not only boasts industry-leading performance but also delivers approximately a 45% improvement in smartphone app execution time compared to existing UFS in long-term usage scenarios, while maintaining high energy efficiency. With plans to commence mass production of ZUFS in the third quarter of 2024, SK hynix remains committed to continuously developing high-performance, energy-efficient NAND products that meet evolving customer needs.

HBM3E



LPDDR5T



ZUFS 4.0

Green Technology

Quality Innovation

Product Quality Policy

Customer Happiness › We create customer happiness by instilling trust and brand pride in products that surpass customer satisfaction levels, driven by the highest quality competitiveness.

Quality Innovation › We take the lead in quality technology through innovative products and bold vision, serving as the pathfinder of the New ICT era.

Sustainable Growth › We achieve sustainable growth by realizing positive social and economic values, rooted in a steadfast quality mindset for the happiness of all team members and stakeholders.

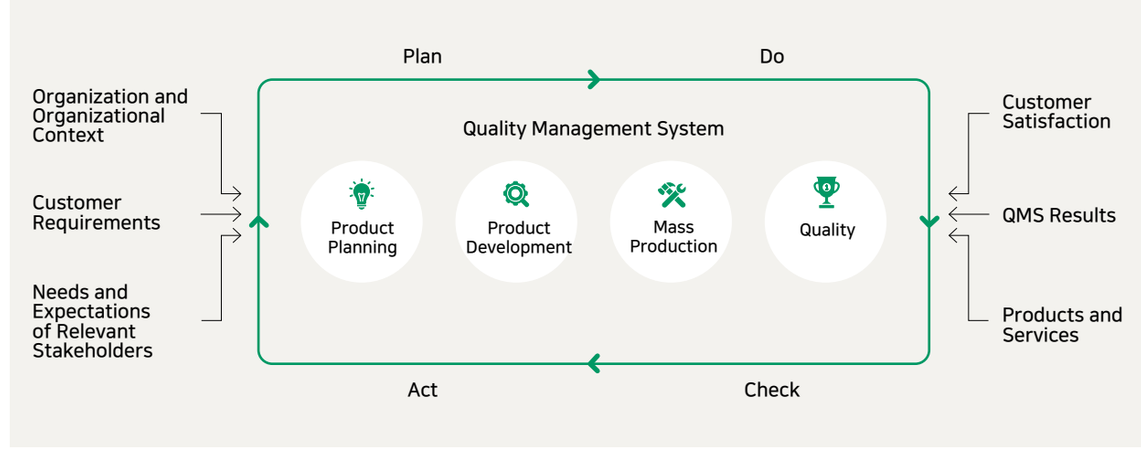
Quality Innovation Council

SK hynix operates the Quality Innovation Council to ensure quality competitiveness and elevate customer value. Led by the CEO and attended by key executives bi-monthly, the council strives to establish the "Best-in-Class (BIC) Customer Brand" rooted in customer trust. During these meetings, executives from product development, manufacturing, and sales departments collaborate to mitigate potential quality risks and enhance product competitiveness. Each year, SK hynix sets "Event Zero Quality" as the quality target to reinforce customer trust and actively works to minimize quality issues through the realization of innovative ideas generated within the council. In 2024, the company has devised quality strategies including "Establishing Quality Trust Unaffected by Environmental Factors," "Ensuring Best Quality for Premium Products," and "Establishing Customized Quality Baselines" to meet the diversified and evolving needs of customers. SK hynix aims to establish the BIC Customer Brand and evolve into the "Number One Quality Provider Trusted by Customers" based on this robust quality management framework.

Publication of the SK hynix Quality Manual

Amidst escalating global semiconductor competition, there is a growing interest among customers in Quality Management Systems (QMS). In response to these demands, SK hynix published the Quality Manual in June 2023, underscoring its steadfast commitment to quality management. Anchored on the International Standard Quality Management System (ISO 9001:2015), SK hynix's QMS has been further enhanced with the integration of the Automotive Quality Management System (IATF 16949:2016) to align with the growing automotive market. The Quality Manual comprehensively outlines the entirety of our quality management system, encompassing marketing, production, quality, product development, and customer support processes, including manufacturing quality systems and customer support protocols. The complete Quality Manual is accessible on the SK hynix website.

Quality Management System



Green Technology

Protection of Intellectual Property Rights

Management of Intellectual Property Rights

SK hynix has established a dedicated team responsible for the development, application, registration, and dispute resolution of intellectual property rights. We are dedicated to enhancing our intellectual property competitiveness by securing these rights early and systematically managing associated risks

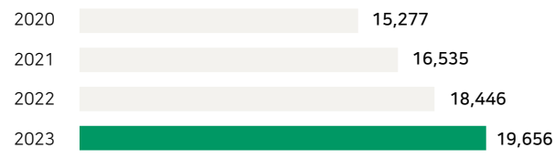
Efforts to Secure Intellectual Property Rights

SK hynix is building a robust patent portfolio to develop future technologies, thereby securing growth drivers and enhancing global competitiveness. We conduct numerous patent training sessions to strengthen employees' capabilities in patent-related areas and to lay a solid foundation for internal patent creation. We also operate a range of patent development programs across different technological sectors, such as a patent development council, to actively explore patents at an early stage. For the patents discovered through these efforts, we provide various forms of compensation and rewards to encourage invention activities and patent applications. Furthermore, we expand our patent portfolio by acquiring high-quality patents from external sources and securing patents through industry-academia collaborations with multiple universities. As of the end of 2023, SK hynix holds approximately 19,000 registered patents worldwide. The company plans to continue its proactive patent acquisition strategy by constantly monitoring market and technological trends and focusing on the development of high-utility and next-generation technology patents.

Response to Intellectual Property Disputes

SK hynix is actively addressing intellectual property disputes. We proactively respond to global patent infringement lawsuits to mitigate risks. When facing potential resource outflow and quantifiable losses, we acknowledge and manage them as liabilities. Furthermore, we have established numerous patent license agreements regarding the production and sale of our products.

Patent Holdings (as of the registration basis) (Unit: cases)



Information Security

Industrial Security Governance

SK hynix aims to create a robust security culture by establishing top-tier security infrastructure and management systems under the guidance of the Chief Information Security Officer (CISO), ensuring effective management and control of security risks to minimize negative impacts on business operations. In 2024, SK hynix established a Security Analysis Team to proactively and comprehensively address cyber threats and enhance internal data leak route analysis. Additionally, the company has established a global industrial security governance system, focusing on integrated security monitoring for overseas subsidiaries, vulnerability assessment and improvement, reinforcement and operation of security infrastructure, promotion of security awareness, and the operation of an industrial security council.

Cyber Threat Response

SK hynix has established and operates security solutions tailored to cyber threat vectors, including detection and analysis of malware indicators, prevention of malware ingress, and isolation and quarantine of infected systems. Both domestically and internationally, the company has systems in place 24/7 to proactively prevent external cyber threats and continually enhances response capabilities through simulated hacking exercises. Additionally, various measures are taken, including scenario-based anomaly detection and improvement, to protect industrial technology from cyber threats.

Security Enhancement and Inspection

SK hynix proactively establishes and conducts inspection activities to promptly adapt to institutional security changes, aiming to respond swiftly to any potential threats. The company's security system is externally accredited through ISO/IEC 27001, the international standard for information security management systems.

Since 2023, with SK hynix's semiconductor technology included in the "Act on Special Measures for Strengthening the Competitiveness of, and Protecting National High-tech Strategic Industries," the company has implemented strategic technology protection measures to prevent technology leakage and ensure business continuity under this law. Additionally, in compliance with the "Act on Prevention of Divulgence and Protection of Industrial Technology," SK hynix appoints a security officer, convenes a security review committee, and reports on security enhancement plans and progress to protect national core technologies (NCTs).

Furthermore, SK hynix has established and operates a file transfer system capable of blocking ransomware and malware, alongside a fab access control system to prevent production data leakage. Ongoing security inspections are conducted on critical information assets such as NCTs and fab equipment information. The status of information security personnel, investment, and activities is annually disclosed in accordance with the Act on the Promotion of Information Security Industry.

For comprehensive industrial security, it is imperative for subsidiaries and suppliers to establish appropriate security systems. SK hynix conducts intensive security field inspections for newly joined subsidiaries to identify and implement security enhancement tasks. Continuous improvement activities are also undertaken through regular security inspections of suppliers and subsidiaries.

Green Technology

Raising Security Awareness

To prevent security incidents like information leakage, it is essential to not only establish security systems but also foster a strong sense of security awareness among employees. SK hynix undertakes diverse activities to bolster employees' security consciousness. Firstly, employees renew their security pledge annually to reinforce their understanding of responsibilities and obligations regarding information protection. Additionally, monthly Security Days are designated for security training sessions led by department leaders. Biannual online security training covers topics such as security policies safeguarding the company's trade secrets, including national core technology and national high-tech strategic technology, along with case analyses to prevent security incidents. In 2023, the completion rate for overall online industrial security training stood at 100%. Post-training, tests are administered to gauge understanding, and feedback on educational content is collected to improve training courses. Furthermore, various security campaigns, such as completing security bubbles, selecting security catchphrases, issuing a white paper on security risk situations, hosting quizzes on Information Protection Day, and creating a HySecurity cartoon, aim to heighten security awareness among employees. Additionally, to prevent damages from malware infections and information leakage via phishing emails, training emails have been sent to all employees, providing guidance on how to respond to phishing attempts.

Privacy Protection

SK hynix recognizes the significance of privacy protection and is committed to safeguarding the personal data of all stakeholders in our business operations. To comprehensively manage risks associated with privacy protection, we have appointed an executive responsible for industrial security as the Chief Privacy Officer (CPO). We securely manage the personal data of customers, employees, and suppliers to prevent loss, theft, leakage, or tampering through robust management systems and protective measures. SK hynix ensures the safe management of personal information through data encryption, along with strengthening monitoring to prevent incidents of personal information leakage, by implementing technical measures such as security solutions, intrusion detection and prevention systems installation, and regular security updates. Furthermore, in accordance with internal management plans, we conduct inspections at least once a year to verify compliance with the Personal Information Protection Act and the implementation of administrative and technical protective measures for systems processing personal data. Through the operation of HyPrivacy, our personal information security management system, we conduct regular security inspections and improvement activities targeting personal data processing systems and subcontractors, thereby enhancing the level of personal data protection. SK hynix undergoes regular surveys on unique identification information conducted by the national agency, the Personal Information Protection Commission, and takes necessary improvement measures based on the survey results.

Additionally, SK hynix ensures global-level privacy protection by incorporating regulations and systems from major countries, such as the General Data Protection Regulation (GDPR) of Europe, the California Consumer Privacy Act (CCPA) of the United States, and the Personal Information Protection Law of the People's Republic of China (PIPL), enhancing our privacy responses tailored to each country. In 2023, SK hynix conducted GDPR compliance inspections for European subsidiaries, and the Chinese facilities completed personal information impact assessments and overseas transfer contracts in accordance with local laws.

Moreover, SK hynix operates response processes in preparation for potential personal data leakage incidents. Under the Personal Information Protection Act, in the event of a personal data leakage incident, we promptly notify the data subject and relevant authorities and inform t the data subject of the specific personal information leaked, the circumstances and timing of the leak, measures to minimize damage, and provide contact information for the department responsible for response measures and consultation, via email and our website. Additionally, we have subscribed to liability insurance to fulfill compensation obligations in case of damages to data subjects.

In accordance with the Personal Information Protection Act, SK hynix conducts privacy training at least once a year for all employees, focusing on cases of personal data leakage. This training emphasizes the importance of privacy protection and aims to raise awareness among employees.

Synchronize

2023 Achievements

On-site ESG Assessments of High-risk/Critical Suppliers
100%

Responsible minerals managed
6 types (3TG, Cobalt and Mica)

Cumulative investment in technological cooperation with suppliers
KRW 926.6 billion

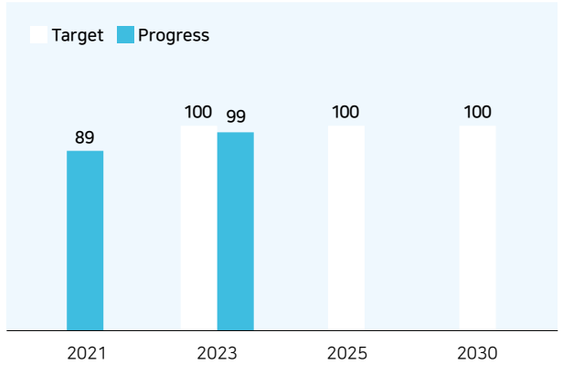
Material Issues
Sourcing Efficiency & Management, Human Rights & Labor Practices

Responsible Engagement

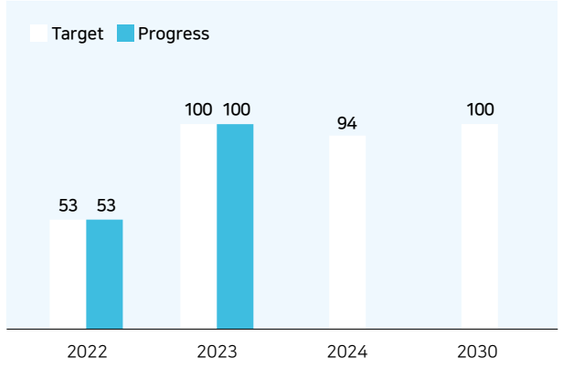
Supply Chain ESG Management

Key targets and progress

Online ESG self-assessment of first-tier suppliers (Unit: %)



On-site ESG assessment of first-tier suppliers (Unit: %)



* First-tier suppliers are companies from which SK hynix makes direct purchases.

Supply Chain ESG Management Policy

Recognizing the significant management risks posed by ESG factors in the supply chain, SK hynix established the "SK hynix Supply Chain ESG Management Policy and Guidelines" in May 2023 to ensure compliance with international standards and norms and foster a sustainable and responsible supply chain. This policy serves as a benchmark for managing supplier risks. SK hynix evaluates essential ESG management criteria related to suppliers' practices starting from their registration. Following registration, SK hynix provides ESG consulting and training programs to suppliers to help identify and address potential risks, thereby enhancing their ESG management levels and ensuring compliance with our supply chain ESG policies. Should a supplier violate the policy or demonstrate unwillingness to rectify identified major violations within the specified deadline, SK hynix may take sanctions such as suspending transactions, based on the severity of the situation.

SK hynix is dedicated to enhancing suppliers' ESG management capabilities in alignment with the Supply Chain ESG Management Policy and Guidelines, thereby fostering the creation of a sustainable semiconductor supply chain.

SK hynix Supply Chain ESG Management Policy and Guidelines

Supply Chain ESG Risk Management

At SK hynix, we have established and implemented a robust system for evaluating the ESG management practices of our suppliers and identifying areas for improvement. We conduct regular supply chain ESG assessments based on indicators derived from a comprehensive review of the RBA's Code of Conduct and internationally required supply chain management criteria, supporting improvements in identified ESG risks. Our supply chain evaluation process involves self-assessment, on-site assessment, risk identification, implementation of improvement measures, and monitoring across five key areas: human rights and labor, safety and health, environment, ethics, and management systems. This approach empowers our suppliers to gain a comprehensive understanding of their ESG management status and address any shortcomings. We continuously monitor the improvement initiatives of high-risk suppliers and critical suppliers identified through our evaluations, while providing them with ESG consulting and training programs. By doing so, we aim to enhance the ESG management levels of our suppliers, thus contributing to the development of a sustainable supply chain.

Supply Chain ESG Risk Management Procedure

Policy Application
- Formulation/revision of the Code of Conduct
- Provision of the Code of Conduct
- Code of Conduct compliance commitment (pledge letter, standard contract)

Information Collection
- Collection of supplier information
- Selection of self-assessment targets
- Selection of critical suppliers

Self-Assessment
- Online self-assessment by area
- Selection of high-risk suppliers

On-site Assessment
- In-person assessment (based on self-assessment results)
- Identification of improvement tasks
- Interviews

Utilization of Results
- Monitoring of improvement tasks
- Incentives for suppliers with best practices
- Incorporation into procurement policy

Responsible Engagement

Supply Chain ESG Assessment

Online Self-Assessment

Since 2021, SK hynix has implemented biennial online ESG self-assessments for our suppliers to gauge their ESG management performance. In 2023, we conducted the second self-assessment for first-tier suppliers with annual transactions exceeding KRW 100 million, noting changes in suppliers' ESG practices since the initial assessment. Additionally, based on feedback from the first self-assessment, SK hynix revised evaluation indicators and procedures. To ease the burden on suppliers and enhance participation rates, we streamlined the evaluation criteria from 131 to 85 key indicators and conducted an offline pre-assessment briefing session for supplier practitioners. A total of 163 practitioners attended the offline briefing, and an online live briefing was held for those unable to attend. Furthermore, the online briefing video was posted on the SK hynix DBL Square website, accessible to all suppliers. These efforts, focused on reducing barriers to self-assessment, resulted in an increased participation rate from 89% in 2021 to 99% in 2023. SK hynix plans to continue engaging with suppliers through various channels and refining the evaluation system to ensure accurate and effective online self-assessments of the supply chain.

On-Site Assessment

Following the online self-assessment aimed at assessing the overall ESG awareness within our supply chain, SK hynix conducts on-site assessments by physically visiting supplier locations to identify and mitigate actual risks. In 2023, in collaboration with an external professional organization, we conducted on-site assessments for 46 suppliers, all of which were found to have well-managed conditions without any high-risk cases. While the majority of suppliers exhibited commendable management practices in areas such as human rights, safety, and environmental stewardship, some deficiencies were identified in ethical management protocols. Specifically, we noted the need for regular compliance checks with internal regulations related to fair trade and for efforts to transparently and accurately disclose company information. SK hynix encourages suppliers to develop improvement plans for any identified non-compliances, provides support in implementing these plans, and monitors the progress of these improvements. Beginning in 2024, SK hynix will expand the scope of on-site assessments to include all suppliers except for specific categories (large corporations, SK group member companies, those with RBA or EcoVadis evaluation histories), comprising the top 95% in terms of annual purchase amounts.

Findings and Improvement Rates in 2023

Areas	Main Findings	Improvement Rate
Human Rights/Labor	Working hours, wages, etc.	79%
Safety/Health	Emergency response procedures, etc.	85%
Environment	Management of hazardous substances, etc.	86%
Ethics	Regulations on prevention of unfair trade practices, responsible sourcing of materials, etc.	78%

On-Site Assessment of Suppliers of Overseas Subsidiaries

In 2023, SK hynix expanded its evaluation of the supply chain's ESG practices to include suppliers transacting with overseas subsidiaries, in addition to those based on the existing headquarters' criteria. An online self-assessment for first-tier suppliers of these overseas subsidiaries revealed that 57 expanded its evaluation of the supply chain's ESG practices. Consequently, SK hynix conducted on-site assessments for 12 of these high-risk suppliers, scrutinizing their compliance in five areas: labor/human rights, safety/health, environment, ethics, and management systems. While most suppliers did not engage in major violations like forced labor, some deficiencies in regulatory adherence and management practices were identified. Following the on-site assessments in 2023, all 12 assessed suppliers submitted improvement plans for the identified issues. SK hynix intends to monitor the progress of these plans through supplier site visits in the first half of 2024. Furthermore, starting in the first half of 2024, SK hynix will conduct on-site assessments for 45 high-risk suppliers who have not yet undergone evaluations, aiming to raise the ESG management standards of these suppliers.

Key Assessment Items for Suppliers of Overseas Subsidiaries

Areas	Details	Types
Labor Rights	Inclusion of voluntary labor guarantees in company regulations	Insufficient regulation
	Inclusion of prohibition of nighttime/overtime work for young workers in company regulations	
Safety/Health	Identification and evaluation procedures for physically demanding tasks	Insufficient management
Environment	Establishment of goals and activities for reducing pollutant discharges	
Ethics	Management procedures and operations for reporting channels and protecting internal whistleblowers	
Management Systems	ESG inspections and training programs for major first-tier suppliers	

Enhancing ESG Capabilities in the Supply Chain

SK hynix is conducting diverse training programs to heighten awareness and implementation of ESG management among suppliers, with the aim of promoting responsible procurement practices and ESG management to second-tier suppliers and beyond. In 2023, the company invited corporate and labor relations legal experts to deliver an 8-hour course on human rights and labor issues, including forced labor and non-discrimination, with 79 suppliers completing the program. Furthermore, the training programs, initially targeted at first-tier suppliers, have expanded to include second-tier suppliers. This expansion encompasses both online and offline seminars on ESG regulation compliance within the supply chain, covering topics such as human rights, labor standards, and carbon emissions, with 41 second-tier suppliers participating. SK hynix remains committed to enhancing ESG management capabilities throughout its supply chain through these educational efforts.

Responsible Engagement

ECO Alliance

SK hynix operates the ECO Alliance to facilitate collaborative responses to environmental issues and enhance the competitiveness of Korean semiconductor companies. Launched in 2019 with 31 first-tier suppliers, the ECO Alliance expanded to include 46 companies by 2023. The alliance engages in activities such as setting joint greenhouse gas reduction targets, participating in the CDP Supply Chain program, and enhancing member capabilities and networking through workshops.

In 2022, SK hynix announced joint targets for greenhouse gas reduction, renewable electricity use (energy savings), and waste reduction. To support these goals, SK hynix examined the environmental practices of its members and provided tailored one-on-one consulting in 2023. This support helped each member establish their environmental goals aligned with the joint targets. As a result, by 2023, 39 of the 46 member companies (excluding 7 with negligible greenhouse gas emissions) had set at least one target in the joint target categories, laying the groundwork for their environmental management systems.

SK hynix conducted four training sessions to assist members participating in the CDP Supply Chain program and created a best practice guide for CDP responses. For members who completed their responses, SK hynix offered feedback by reviewing their submissions and correcting any errors to enhance the accuracy of their responses. In 2023, 41 of the 42 eligible members completed their CDP responses, thereby strengthening SK hynix's Scope 3 management while reviewing the greenhouse gas management systems of ECO Alliance members.

Additionally, SK hynix publishes the ECO Alliance newsletter, covering domestic environmental regulations, global supply chain environmental issues, and green technology case studies. SK hynix also disseminates details about on government support programs and facilitates small group meetings and workshops to discuss development directions and share information among members, enhancing their environmental management capabilities.

Moving forward, SK hynix will continue to actively incorporate member feedback to refine the operation of the ECO Alliance, ensuring it plays a crucial role in creating a sustainable semiconductor ecosystem.

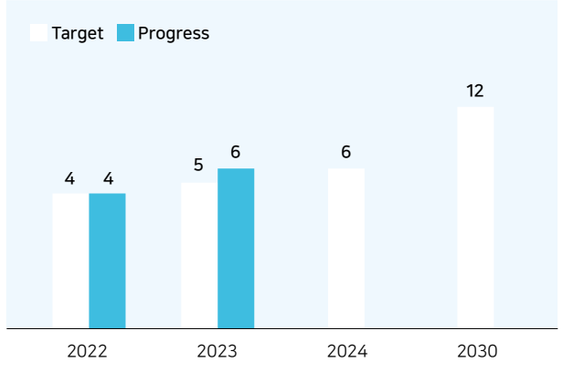
2023 ECO Alliance Workshop

Responsible Engagement

Responsible Minerals Management

Key targets and progress

Responsibly sourced minerals (Unit: minerals)



Responsible Minerals Management Policy

In our commitment to responsibly procure minerals necessary for semiconductor manufacturing, SK hynix meticulously designates and manages responsible minerals from the refining process onwards. Alongside the commonly known 3TG minerals – tantalum, tin, tungsten, and gold – we incorporated cobalt and mica into our managed minerals list in 2023. These minerals are exclusively obtained from smelters and refiners certified under the Responsible Minerals Assurance Process (RMAP).

SK hynix enters into a "Responsible Minerals Use Compliance Pledge" with all our raw material suppliers, pledging not to source minerals from conflict or high-risk areas. We regularly monitor mineral supply chain information using our Minerals Management System. Moreover, we offer consulting and training programs on responsible minerals to heighten supplier awareness and compliance levels. Should a pledged supplier provide false information or fail to address identified risks, SK hynix deems them non-compliant and suspends transactions.

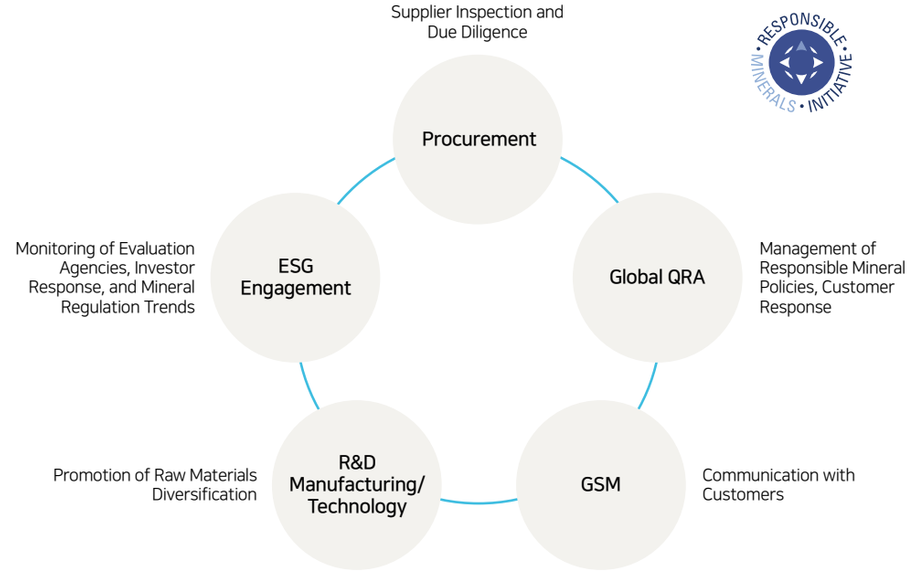
We are dedicated to continuously improving our policies and management programs to ensure responsible use of raw materials. Our goal is to gradually expand our list of responsibly managed minerals to include 12 types by 2030. This commitment aims to address human rights and environmental issues in conflict and high-risk areas.

SK hynix Minerals Mangement Report

Minerals Regulation Response Council

SK hynix operates the Minerals Regulation Response Council to systematically oversee responsible mineral management. This council comprises key departments directly and indirectly involved in tasks related to responsible minerals, including Procurement, ESG Engagement, Global Quality & Reliability Assurance (QRA), Revolutionary Technology Center, Manufacturing/Technology, and Global Sales & Marketing (GSM). By tracking global mineral regulation trends and stakeholder demands, the council aims to enhance policies and procedures for responsible mineral management. It conducts periodic assessments of conflict minerals and responsible minerals supply status in alignment with management policies. Matters deliberated in the Minerals Regulation Response Council, including the status of responsible mineral management, are reported to the ESG Management Committee to bolster implementation effectiveness.

Responsible Minerals Management Procedure



Responsible Engagement

Responsible Minerals Management Procedure

Management Procedure

- Establish SK hynix Responsible Minerals Policy
- Request suppliers to sign the Responsible Minerals Use Compliance Pledge

- Collect information on minerals from high-risk areas minerals through the Minerals Management System (twice a year)
- Monitor the status of RMAP-conformant smelters and refiners for minerals procurement within the supply chain

- Request removal of non RMAP-conformant smelters and refiners and establish a removal schedule

- Send a checklist based on RBA CoC responsible sourcing of minerals
- Conduct due diligence with third-party agencies: (checklist verification, management policy inspection, executive interviews, etc.)

- Sanctions and remediation measures against unauthorized RMAP partners
- Request for corrective action plan for major nonconformities

2023 Performance

- **1083** suppliers signed the pledge (As of December 2023)

- **77** suppliers using 3TG, cobalt, and mica
- **284** smelters and refiners

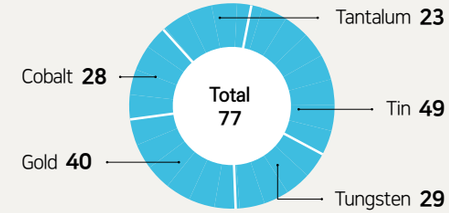
- **42** non-conformant smelters removed
- **242** smelters and refiners (Final RMAP conformance rate: **100%**)

- Priority inspections of critical suppliers with third-party agencies

- Provide feedback on the due diligence results and request for improvement plans

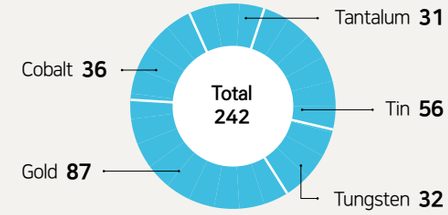
Suppliers Using Responsible Minerals

(Unit: number, including duplicates)



RMAP-conformant Smelters and Refiners

(Unit: number)



Shared Growth

Expanding Social Value across the Supply Chain

SV Measurement Consulting for Suppliers

The demand for robust ESG management from external stakeholders including customers and investors is steadily increasing. Recently, there has been a heightened emphasis on companies improving ESG practices throughout their supply chains, including areas such as greenhouse gas emissions, human rights, and governance transparency. To support suppliers facing ESG management challenges, SK hynix offers “SV Measurement Consulting” through its dedicated ESG team. This service involves quantitatively assessing and analyzing suppliers’ ESG practices, helping them autonomously enhance their ESG performance. SG performance. Aligned with SK hynix’s own SV performance criteria, we have provided this service to 19 suppliers since 2022 (7 in 2022, 12 in 2023), spanning equipment, materials, and logistics sectors. Additionally, when SK hynix reports its annual SV creation performance, we also disclose the contributions of our suppliers.

In 2024, we aim to validate the effectiveness of improvement initiatives identified in the previous assessment for each supplier and provide substantial support in setting medium to long-term ESG goals. SK hynix remains committed to refining the SV Measurement Consulting program and broadening its reach to include more eligible suppliers, all in pursuit of a sustainable semiconductor ecosystem.

Supplier SV Measurement Academic Seminar

In October 2023, SK hynix co-hosted an academic seminar with the Center for Social Value Enhancement Studies and the Korean Academic Society of Business Administration. The seminar aimed to promote Social Value (SV) and Double Bottom Line (DBL) management by focusing on the impact of SV measurement on suppliers’ business management practices. Prior to the seminar, SK hynix conducted surveys, face-to-face interviews, and in-depth discussions with 13 suppliers who measured their SV in 2022 and 2023 to assess the influence of SV measurement on suppliers’ awareness of SV importance. Additionally, academic research examined whether SV measurement translated into tangible DBL management practices within these companies. The research findings revealed that a significant number of participating suppliers recognized the importance of SV. It was concluded that continuous SV measurement enables companies to incorporate non-financial indicators like SV into their decision-making processes. Moreover, SK hynix’s direct and consistent leadership, particularly its long-term efforts in SV creation, was identified as crucial for expanding DBL management within the semiconductor ecosystem. Based on these findings, SK hynix is dedicated to continuing SV measurement and maximizing SV creation through mutual growth and enhanced cooperation with suppliers.

2023 Supplier SV Performance Measurement Academic Seminar

INTERVIEW

Interviews with Participating Suppliers in Consulting

Wonik Holdings —— “By quantifying the value of various non-financial activities such as environment, safety, health, compliance, employment, and welfare, we began to clearly see our strengths and weaknesses that we hadn’t noticed before. This process allowed our management and many employees to recognize how their work contributes to creating social value and understand its importance.”

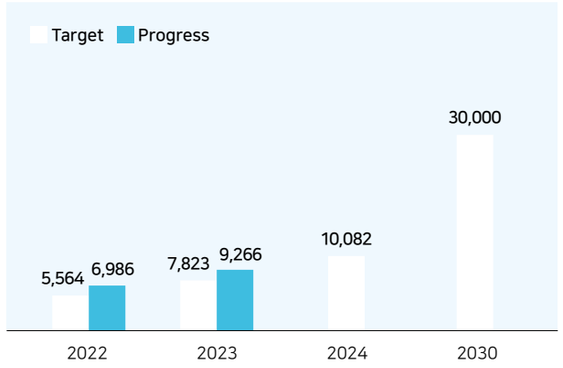
SIMMTECH —— “Realizing that our company’s activities in employment, procurement, sales, and taxation contribute to society gave us a sense of pride in our company and our work. Through this consulting, we have clearly identified our strengths and areas for improvement. As an ESG manager, I’ll work to effectively address these gaps.”

Shared Growth

Shared Growth

Key targets and progress

Investment in Technological Cooperation with Suppliers (Cumulative since 2020) (Unit : KRW 100 million)



Shared Growth Council

SK hynix operates the Shared Growth Council, which comprises suppliers specializing in materials, components, and equipment, each possessing unique core competencies in their respective fields. The council's objective is to foster collaboration by sharing internal and external management updates and enhancing strategic partnerships. Amid increasing societal concern regarding environmental and human rights issues in corporate supply chains, and the global reinforcement of supply chain ESG regulations, the focus in 2023 was on sharing SK hynix's supply chain ESG management policy with the council and developing concrete implementation strategies. As a significant milestone, during the regular general meeting of the Shared Growth Council convened in May 2023, representatives from over 90 suppliers adopted the "Joint Declaration to Practice ESG Management." Through this declaration, both SK hynix and council member companies acknowledge ESG management as indispensable for corporate sustainability and commit to collectively advancing ESG practices across all realms, including environment, society, and governance.

Regular General Meeting of the Shared Growth Council in 2023

Supporting Supplier Capacity Enhancement

SHE Consulting Program for External Suppliers

Since 2018, SK hynix has been running the SHE Consulting Program as part of its commitment to mutual growth with suppliers. This program provides customized solutions to suppliers at no cost, involving collaboration with representatives of interested suppliers to assess their safety, health, and environmental management practices. We then develop improvement strategies and assist in their implementation, share our management expertise to help suppliers prevent industrial accidents, occupational diseases, and environmental incidents while enhancing their self-management capabilities. In 2023, SK hynix provided consulting services to 164 suppliers, identifying a total of 2,503 issues and proposing improvement measures. Additionally, we selected occupational health programs tailored to each supplier's needs, including training on preventing occupational diseases and consultations on preventing and rehabilitating musculoskeletal disorders, and conducted a total of 351 sessions benefiting 5,966 supplier employees. Moreover, through the Work Environment Improvement Support Project, we subsidized approximately KRW 250 million out of KRW 390 million in costs to improve 61 high-risk work environments identified during the consulting. This initiative aimed to assist small and medium-sized suppliers facing financial constraints in their investments in facilities and equipment. Starting in 2024, with the expansion of the Serious Accidents Punishment Act to include businesses with fewer than 50 employees, the legal risks associated with safety, health, and environmental issues have notably escalated, underscoring the critical need for suppliers to establish self-regulatory prevention systems. In response, SK hynix plans to increase the scale of SHE consulting support by 25% compared to the previous year in 2024. Additionally, we intend to broaden the scope of consulting support to include key suppliers of SK hynix's first-tier suppliers (SK hynix's lower-tier suppliers), aiming to engage approximately 200 suppliers. The primary focus will be on guiding and supporting these suppliers in establishing management systems to comply with the Serious Accidents Punishment Act. Furthermore, SK hynix plans to establish a collaborative framework between the public and private sectors to aid small-scale suppliers. This involves organizing programs that integrate with diverse government-led support projects, including initiatives like "management system establishment consulting" and the "safety support project."

Shared Growth

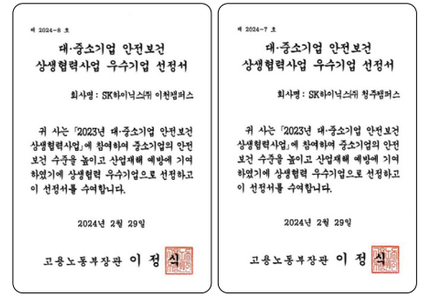
Safety and Health Partnership Project

To enhance safety and health partnership with suppliers, SK hynix participates in the "Safety and Health Partnership Project for Large, Medium, and Small Enterprises," led by the Ministry of Employment and Labor and the Korea Occupational Safety & Health Agency (KOSHA). In this project, large enterprises (parent companies) collaborate with suppliers to develop joint activity plans and offer technical and matching support to help suppliers establish self-regulatory prevention systems and enhance safety and health management standards. The goal is to narrow the gap in safety and health management levels between parent companies and suppliers while fostering a culture of autonomous cooperation. The project comprises three primary components: the operation of a collaborative safety and health consultation body for transferring expertise, technology, and safety management experience from parent companies to suppliers; technical support to facilitate companies' autonomous cooperative initiatives effectively; and cost matching support between parent companies and the government to enhance the safety and health standards of suppliers.

In 2023, SK hynix engaged in the partnership project with 195 major suppliers (115 in Icheon and 80 in Cheongju) to assist them in establishing self-regulatory prevention systems, participating in a range of safety and health cooperation activities. The Ministry of Employment and Labor and KOSHA annually assess the efforts and achievements of participating companies in the partnership project, selecting outstanding companies. Both SK hynix's Icheon and Cheongju campuses were awarded the highest rating, "Excellent Business," in 2023. SK hynix will continue its efforts to elevate the safety and health management capabilities of suppliers to the level of SK hynix by further promoting various safety and health cooperation activities linked to the partnership project in the future.

Safety and Health Partnership Project for Large, Medium, and Small Enterprises in 2023

Category	Main Activities	Campus	Eligible Suppliers
Technical Support	Establishment and execution of plans for self-directed safety and health cooperation activities with suppliers, led by parent companies - Identification and enhancement of hazardous and risky factors, on-site safety level inspections, and recognition of safety and health accomplishments.	Icheon	115
		Cheongju	80
Matching Support	Government and parent companies share costs equally, choose consulting firms, and offer consulting assistance to suppliers.	Icheon	3
		Cheongju	3


대·중소기업 안전보건
상생협력사업 우수기업 선정서

회사명 : SK하이닉스㈜ 이천캠퍼스

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2024년 2월 29일

고용노동부장관 이 정 식

대·중소기업 안전보건
상생협력사업 우수기업 선정서

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2024년 2월 29일

고용노동부장관 이 정 식

Outstanding Enterprise Recognition in Safety and Health Partnership Projects for Large, Medium, and Small Enterprises

Technical Support

SK Group Technology Sharing

In collaboration with the Ministry of Trade, Industry and Energy (MOTIE), SK hynix participates in the Technology Sharing project aimed at enhancing the technological competitiveness of small and medium-sized enterprises (SMEs) by transferring unused patents held by large corporations and public agencies to SMEs at no cost. In 2014, SK hynix became the first large corporation to join the Technology Sharing project, initiated by MOTIE and the Korea Institute for Advancement of Technology in 2013. Since 2021, our involvement has expanded at the group level under the banner of "SK Group Technology Sharing." SK Group Technology Sharing involves key SK Group member companies, such as SK hynix, SK innovation, SK telecom, SK siltron, and SK planet. In 2024, SK Group offered a total of 171 patents in the semiconductor, information and communication, and chemical sectors to 53 companies, transferring 76 patents free of charge, while SK hynix transferred 10 patents free of charge to 11 companies. SK hynix will continue its efforts to foster a collaborative growth ecosystem through innovative technology sharing, exploring avenues to maximize the utilization of unused patents, and driving technological innovation.

CASE

7th Round of Innovative Tech Companies

SK hynix runs the "Innovative Tech Companies" program, focusing on nurturing suppliers with significant potential to achieve semiconductor material, component, and equipment localization. Initiated in 2017, companies selected for the 7th round of the program will benefit from joint technological development with SK hynix, interest-free loans for technological development funds, and management consulting for up to three years. In 2023, SK hynix selected four companies for the 7th round of the program: material company YCCHEM, components company SoulbrainSLD, and equipment companies ISTE and Kovis Technology. Joint development projects have been developed to enhance the localization level of materials, components, and equipment with high foreign dependency.

Meanwhile, SK hynix generated social value amounting to KRW 47.6 billion in 2023 through the Innovative Tech Companies program. Notably, among the 18 companies that participated from the 1st to the 7th rounds, three became listed companies. Additionally, the revenue of companies from the 1st to the 4th rounds in 2023 surged by an average of 374% compared to before they were selected, underscoring the program's significant contribution to the growth of the Korean semiconductor industry. SK hynix remains committed to steadfast support for the growth and advancement of Korean suppliers, aiming to establish a sustainable virtuous cycle for continual success.

Motivate

2023 Achievements

Representation of women in executive positions
2.5%

Representation of women in team leader positions
5.1%

Employee training satisfaction score (based on 5-point scale)
4.63 points

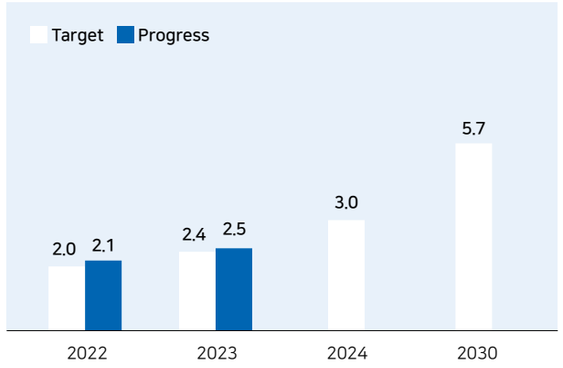
Material Issues
Workforce Management

Inclusive Workplace

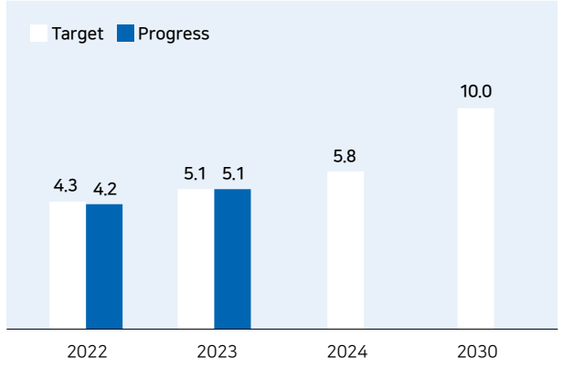
Diversity and Inclusion

Key targets and progress

Representation of women in executive positions (Unit: %)



Representation of women in team leader positions (Unit: %)



* Figures based on domestic engineering and office staff.

Efforts to Ensure Leadership Diversity

SK hynix believes that creating a work environment free from discrimination based on gender, race, nationality, or religion, where diverse backgrounds are respected and open communication is encouraged, is essential for sustainable growth. With this belief, we are actively working to ensure diversity in our leadership. In 2022, SK hynix made bold strides in diversity by appointing a female executive, our first executive from the production staff, and a young executive born in 1982. The trend continued in 2023 with the appointment of another female executive and a young technical leader born in 1980. In 2024, we furthered our efforts by appointing our first female research fellow and the youngest executive in the company's history, born in 1983.

To further ensure leadership diversity, SK hynix participates in various leadership development programs organized by SK Group to support the growth of outstanding female talent into strong leaders. Through these programs, future female leaders are given opportunities to develop skills in strategic thinking, problem-solving, and leadership coaching. The programs also provide a platform for sharing the experiences of established female executives within the group.

SK hynix is committed to fostering and selecting future leaders with diversity in mind, aiming to create a creative corporate culture grounded in diverse and inclusive thinking.

Endorsing the WEPs

In June 2023, SK hynix endorsed the Women Empowerment Principles (WEPs), an initiative jointly launched by the United Nations Global Compact (UNGC) and UN Women. WEPs provide guidelines and implementation strategies for promoting gender equality and respecting human rights. With this endorsement, SK hynix will explore ways to foster gender equality and enhance women's leadership within the organization, while also implementing measures to ensure gender equality in the broader community. The company remains dedicated to advancing diversity and inclusion initiatives beyond gender equality.

CASE

Appointing the First Female Research Fellow

In the 2024 executive appointments, SK hynix named Vice President Oh Hae-soon as the company's first female research fellow. Oh was chosen as a research fellow for the newly established "N-S Committee," an organization created to enhance the competitiveness of NAND and solution businesses. Having worked in the company's Revolutionary Technology Center and the DRAM Development Team, she has been dedicated to developing next-generation NAND platforms since 2007. Oh has significantly contributed to technological innovation at SK hynix by leading several successful projects, including the development of 3D NAND technology and Quadruple Level Cell (QLC) products, as well as the mass production of 4D NAND.

SK hynix believes that pluralistic thinking based on diversity can transform existing paradigms and drive innovation. The company will continue to build a supportive environment where female leaders can excel across diverse fields within the organization.

Inclusive Workplace

Policies for Work-Life Balance

SK hynix implements a range of family-friendly policies and programs to promote work-life balance among its employees. First, our “All-in-One Care” system provides comprehensive support, from pregnancy planning to childbirth and childcare. Employees preparing for parenthood can access facilities like the “Dodamibang” (available at 39 locations nationwide) during pregnancy and childbirth. They also benefit from provisions such as infertility leave, assistance with infertility medical expenses, and reduced working hours for expectant mothers. In 2023, we introduced an “Infertility Concierge Service” offering guidance on infertility treatment and procedures. Employees interested in this service receive support through our in-house hospital, from counseling on treatment processes and hospital information to assistance with administrative paperwork, residency-based support programs, and administering prescribed infertility injections.

In addition to statutory childcare leave, SK hynix offers a school enrollment childcare leave policy for parents of children entering elementary school. This includes parental leave for those caring for children entering elementary school, as well as benefits such as enrollment congratulation money, children’s education funds, and assistance with education expenses for children with severe disabilities. Additionally, we gift “The Brick,” a block set depicting our campus, to employees’ children on Children’s Day to help create cherished memories together. Moreover, SK hynix organizes various programs to strengthen family bonds and create lasting memories. These include “The Camp,” where families can enjoy special experiences at SK Academy facilities, “The Educance,” combining an English camp for employees’ children with a family vacation, and “The Open,” a fab tour program for employees’ families and friends.

A Workplace for Persons with Disabilities

SK hynix established Happy More, a standardized workplace for individuals with disabilities, in 2016 with the aim of fostering the economic independence of those with developmental disabilities to lead fulfilling lives. Originally starting as a laundry service for protective clothing at the Cheongju Campus, Happy More expanded its operations to include Happy Bread Bakery, a baking business, at the Icheon Campus in 2021, following the stabilization of its operations. Happy More has been acknowledged as a disability-friendly workplace, earning the Comfortable Workplace award from the Ministry of Employment and Labor in 2018. This recognition underscores our commitment to ensuring all facilities are easily accessible for socially disadvantaged individuals, including persons with disabilities, the elderly, and pregnant women, as validated by the Barrier Free certification. Our positive work environment has also garnered external recognition through various accolades, such as being named Korea’s Leading Employer in 2021, receiving the Best Family Friendly Management certification in 2022, and being honored as a Best Labor-Management Culture Enterprise in 2023. To support employee well-being, Happy More has introduced a range of family-friendly policies. These encompass medical expense coverage of up to KRW 5 million annually, holiday bonuses, extended leave for childbirth and prenatal checkups beyond legal requirements for spouses, as well as allowances for congratulatory and condolence events, and Family Day leave. Furthermore, by empowering staff with responsibility and autonomy, Happy More aims to nurture a vibrant organizational culture characterized by youth and freedom. Looking ahead, Happy More is dedicated to progressively expanding employment opportunities for individuals with developmental disabilities and fostering a corporate environment where employees with disabilities can showcase their strengths and enhance their happiness.

Happy More

CASE

Recognition as Supreme Family-friendly Company in 2023

In 2023, SK hynix achieved recognition as the Supreme Family-friendly Company, maintaining the “Best Family Friendly Management” certification bestowed upon companies with outstanding family-friendly policies since 2009, for a period of 15 years. This achievement acknowledges SK hynix’s continuous efforts in establishing a family-friendly corporate culture tailored to the age, generation, gender, and work styles of its employees, as recognized by the government. Moving forward, SK hynix remains committed to prioritizing family-friendly management practices, contributing to addressing social issues such as declining birth rates and career breaks for women professionals, while also fostering a robust corporate culture where top semiconductor talents can thrive and demonstrate their fullest potential.

Supreme Family-friendly Company Plaque

Inclusive Workplace

Talent Acquisition

Principles of Talent Acquisition

SK hynix believes that the happiness of its employees translates to corporate happiness and social value. Under this conviction, we strive to recruit outstanding talent who can contribute to both cutting-edge technology and overall happiness. We invest considerable effort in attracting individuals who are driven by determination and passion, continuously seeking new challenges. SK hynix does not discriminate based on gender, disability, or any other unjustifiable reason during the selection process while carefully selecting specialized talent for each role based on the necessary skills, expertise, and potential for the job.

Desired Talent for SK hynix

VWBE
Voluntary and Willing Brain Engagement

SUPEX
Those who challenge themselves to achieve a super-excellent (SUPEX) level

Determination
Those who motivate themselves and strive for growth

Collaborative skills
Those who constantly communicate and collaborate across boundaries to achieve excellence in product development

Technology skills
Those who can contribute to the realization of cutting-edge technology at SK hynix, a global semiconductor leader

Thinking and execution skills
Those who stay ahead of market trends and proactively pursue technological advancements

Securing Future Talent

SK hynix has developed a strategic roadmap for proactively recruiting top talent in accordance with its mid- to long-term technology development plans, aiming to proactively secure talent with high expertise and potential from both home and abroad. To attract global talent, senior technology executives from SK hynix participate in the annual “SK Global Forum” held in Silicon Valley, United States, engaging in exchanges with talents from the Americas and sharing diverse insights on semiconductor technology. SK hynix is focusing on building and maintaining a robust pool of global talent, ensuring that the exchange with global talent leads to the acquisition of outstanding individuals and serves as a sustainable growth driver for the future semiconductor industry.

Semiconductor Contract Departments

SK hynix is striving to nurture future talents specialized in the semiconductor industry through collaboration with prestigious universities at home and abroad to operate semiconductor contract departments. Starting with the establishment of the Department of Semiconductor Engineering at Korea University in 2020, SK hynix expanded its efforts by establishing the Department of Semiconductor Engineering at Hanyang University and the Department of System Semiconductor Engineering at Sogang University in 2022. Through these partnerships, SK hynix systematically develops semiconductor-related curricula and recruits outstanding talent early each year to cultivate semiconductor experts. Additionally, the company invites students from these contract departments to participate in lectures on the semiconductor industry’s vision, fab tours, and hands-on practice programs, enabling them to become key players in the industry’s future growth.

Tech Day

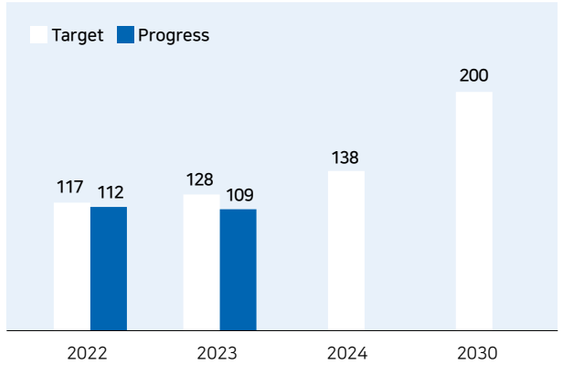
To attract top master’s and doctoral talent, SK hynix hosts its annual “Tech Day” event at major university campuses. This event invites graduate researchers specializing in future technology fields to engage with SK hynix’s senior executives across key technology domains, facilitating discussions on the company’s future growth trajectory and technological challenges. Following this event, we offer career counseling sessions with team leaders to introduce on-the-job roles, aiming to secure world-leading semiconductor development capabilities.

Empowering People

Talent Development

Key targets and progress

Annual self-development education per employee
(Unit: Hours)



* Figures based on domestic engineering and office staff.

Leadership Development

New Team Leader On-Boarding Program

Each year, SK hynix supports newly appointed leaders through the "New Team Leader On-Boarding Program" to clarify their roles and facilitate a successful transition. The program commences with a Kick-off session in January, enabling new team leaders to promptly assume their responsibilities upon appointment. Throughout the year, various development initiatives are offered to enhance their skills. During the Kick-off session, detailed information on essential aspects of organizational management, including HR, ER management, accounting, and ethical management, is shared. Discussions also focus on the roles and action plans of SK hynix team leaders, emphasizing key elements for leadership practice to nurture the fundamental skills required by new team leaders. Following sessions include leadership style assessments and Teamship Build-up workshops, aiming to enhance self-awareness and expand positive influence on employees. Throughout the year, the Digital Leadership Course is offered to enhance leaders' digital competencies in critical areas such as data-driven operations and smart factory leadership in the age of generative AI. Also, SK Group offers programs such as the "New Team Leader Program" and "Leadership Core Skills Program" to support value and leadership capacity enhancement among leaders. Additionally, SK hynix provides diverse insights through its leadership blog and a community exclusively for new team leaders, aligned with the SK hynix Leadership Framework. The company also assists new team leaders in self-assessing and improving their leadership status through semi-annual leadership assessments and feedback sessions. SK hynix plans is committed to continuing its systematic onboarding program to ensure the successful transition of new team leaders into their roles.

Organization Development Program "Change-Up"

SK hynix operates the "Change-Up" program to enhance team effectiveness and support the implementation of VWBE (Voluntary and Willing Brain Engagement) at the team level for continuous performance improvement. This program consists of four self-development processes tailored to each team's situation and characteristics, with options for online and offline participation. In 2023, Change-Up supported the organizational development of 153 teams, and satisfaction evaluations for participating employees (with an average satisfaction rating of 4.9 out of 5) were conducted to guide improvements to existing programs and the development of new ones.

Hyper-Technology Leadership Program (H-TLP)

SK hynix operates the H-TLP course to systematically develop its core talent. H-TLP is designed for future leaders of SK hynix to acquire essential skills and build their personal leadership brand. Reflecting the self-development needs of core talent, the program fosters clear self-awareness and leadership development while providing extensive learning to cultivate an integrated business perspective. In 2023, the program began with a three-day intensive training on essential skills, such as Self Identity & Role, Values & Leadership, and Global Business Perspective. This was followed by various ongoing capacity development courses throughout the year, including the Future Semiconductor Forum and Global Scenario Planning. SK hynix plans to expand and reinforce the H-TLP program to drive the growth of its core talent.

Detailed Change-Up Programs

Category	Description	Recommended Audience
Teamship Build-up	• Identifying personality traits using the Birkman Method • Exploring solutions for effective communication	• Teams wishing to enhance team communication and mutual understanding among individuals
Energy & Balance	• Supporting the boost of positive energy for work and daily life	• Teams wanting to explore methods for recharging team energy
Positive Recipe	• Understanding the concept of organizational culture and deriving ground rules • Understanding the importance of positive language	• Teams seeking to understand organizational culture • Teams wishing to foster a culture of mutual praise
Empathetic Generation	• Recognizing the necessity of intergenerational communication within the organization • Discussing mutual role expectations and behaviors	• Teams composed of diverse generations aiming to understand mutual expectations and facilitate smooth communication

Empowering People

Employee Skills Development

University Degree Programs

SK hynix operates a range of university degree programs through SK hynix University (SKHU), an internal platform dedicated to employee development.

The longest-standing program within SKHU is the Academic Degree Program (ADP), which assists exceptional employees in earning degrees relevant to their roles, with the aim of securing future strategic capabilities. Each year, we select outstanding employees based on internal performance criteria, providing them with a one-year preparatory period. Upon acceptance to desired universities and majors in Korea and abroad, they are granted off-duty status to pursue master's degrees for up to two years and doctoral degrees for up to four years. Throughout this period, the company covers tuition fees and other associated costs, alongside providing a living stipend, thereby providing an environment conducive to focused study.

In addition, SK hynix offers Target Department Master's Programs, allowing employees to pursue advanced degrees from specific universities and departments in Korea while continuing their professional duties. To bolster global capabilities, SK hynix introduced Online Overseas Master's Programs in 2022, enabling employees to develop skills in areas beyond their primary job responsibilities, such as semiconductor technology, data science, and MBA.

Since 2023, SK hynix has participated in an industrial liaison program with Yonsei University's Department of Digital Integration Engineering, operated by SK Group, establishing a 1.5-year master's program aimed at nurturing professionals capable of designing integrated systems across the entire spectrum of manufacturing and logistics automation.

SK hynix is dedicated to fostering an environment where employees can chart their growth trajectories according to their unique circumstances and preferences, thus fulfilling their personal development aspirations. Concurrently, we aim to expand interdisciplinary learning opportunities to create effective and sustainable synergy between academia and industry.

Category	Field	Training Institution	Training Period	Eligible Participants
ADP (Off-duty)	Semiconductor Technology	8 Korean universities Global top 30 universities	Master's: 2 years, Doctoral: 4 years	Employees in Production/R&D
	MBA	Global top 50 universities	Master's: 2 years	Employees in Marketing/Supporting
Target Department Master's Programs (On-duty)	V-KEPSI	KAIST	Master's: 3 years	Employees in Production/R&D
	Department of Semiconductor Convergence Engineering	Korea Univeersity	Master's: 2 years	
	DSS	Yonsei University, Korea Univeersity	Master's: 2 years	Employees in all job roles
Online Overseas Master's Programs (On-duty)	Semiconductor Technology	Global top 30 universities	Master's: 2 years	Employees in all job roles
	Data Science	Data science programs at global top 30 universities		
	MBA	MBA programs at global top 50 universities		

Citizen Data Scientist (CDS) Camp

As data-driven decision-making becomes increasingly integral to a company's core values, the demand for citizen data scientists (CDS) is growing. In response, SK hynix has been developing and implementing various educational programs to enhance employees' digital capabilities.

One such initiative is the CDS Camp, a two-week intensive training program designed to cultivate "CDS employees who can analyze data using automation tools and extract insights to solve problems based on an understanding of data." Since its inception in 2019, a total of 2,061 employees have completed the CDS Camp by 2023.

Starting in 2023, we have internalized processes previously conducted through an external educational institution. Instructors, composed of in-house Python experts, utilize the company's data and tools to conduct learning sessions tailored to the semiconductor industry's characteristics. Unlike external programs, where applying real-world data to courses was hindered by security concerns, the 2023 CDS Camp, conducted internally, allowed participating employees to enhance their Python skills by directly processing and analyzing actual fab data using in-house digital tools.

As the internalized sessions stabilized in 2023, the focus in 2024 is on expanding the scale of talent development. Considering the increasing demand for enrollment in the CDS Camp, we plan to expand the annual development scale from 500 to 1,000 employees. Furthermore, we plan to develop customized CDS Camps tailored to production staff to provide learning paths for CDS employee development in manufacturing settings. Additionally, specialized curricula tailored to each team's unique data and operational utilization methods will be developed to further enhance the integration between education and practical application, aiming to drive innovation and employee growth through data utilization.

Empowering People

Spartan

SK hynix operates the Spartan program to help employees acquire field analyst skills through problem-solving projects. Spartan is a project-based learning (PBL) initiative where CDSs, cultivated through various digital skills training programs, directly analyze field issues and develop solutions. This program spans a six-month immersion period with full support from leaders, focusing on real-world problem-solving. Participants are provided with a computing environment for analysis and 1:1 mentoring from digital experts. At the end of the program, outstanding cases are selected and rewarded through competition, showcasing examples of problem-solving and business achievements using digital skills across the company. This also enables the application of Spartan projects in the field, disseminating CDS skills to other employees.

Since 2023, the Spartan course has been focused on resolving on-site issues. Under the review of top management, participants are selected to tackle at least one key project per college[9], alongside business-critical projects. Spartan participants collaborate on these projects with the assistance of data intelligence expert mentors, temporarily stepping away from their regular duties and being provided with a dedicated space to focus on their projects. The off-duty period for Spartan participants can be adjusted within a maximum of six months, during which they regularly update their leaders on project progress to ensure recognition of their achievements.

SK hynix plans to continually develop a variety of training programs to enhance data analysis capabilities, ensuring that data-driven decision-making becomes an integral part of the company's work culture.

Global Talent Development Programs

In order to respond more agilely to global environmental changes, it is crucial to develop global capabilities alongside professional expertise. SK hynix operates a range of programs designed to nurture employees into global talents.

Global Leadership Program (GLP)

The GLP is a mini-MBA program that helps employees grow into global leaders by acquiring practical management knowledge from top experts around the world. GLP participants attend lectures given by professors from business schools in Korea, as well as renowned universities abroad, such as Stanford University. Following this, they engage in activities such as visiting leading global companies and undertaking projects to propose innovative ideas, thereby enhancing their global leadership skills.

Global Business English/Chinese/ Japanese Program (GBEP/GBCP/GBJP)

The GBEP/GBCP/GBJP is an English/Chinese/Japanese education program designed for employees who require proficient English language skills to effectively communicate with overseas subsidiaries, customers, and other stakeholders. To enhance participants' language proficiency effectively, the program provides support for a designated period, allowing them to step away from their regular duties and focus intensively on language learning.

Global eXperience Program (GXP)

Under the GXP program, employees have the option to relocate to overseas subsidiaries or supplier locations and engage in a self-designed 5-week work program to enhance their global competitiveness. During this time, they concurrently manage domestic and international responsibilities, maximizing collaboration efficiency and gaining firsthand experience of the working practices and environments of global companies.

Global Insight Program (GIP)

GIP is a short-term overseas training program designed to foster technical exchange or cultivate specialized work-related knowledge through collaboration with research institutions within prestigious universities overseas. Participants in this program have the opportunity to engage in collaborative projects with overseas research institutions or participate in educational courses at foreign universities for up to one year, enhancing their technical proficiency and professional expertise.

Employee Evaluation and Compensation

SK hynix operates a system aimed at motivating employees by fostering both individual and organizational growth through fair evaluations and rewards.

Firstly, we implement an evaluation system that includes regular coaching and feedback throughout the year to continually improve employee performance. This system reflects fair absolute evaluations to support the long-term growth of employees. For promotions based on evaluations, we have established an expert-centered promotion system. This system assigns higher competency levels, taking into account employees' job skills, levels of expertise, and potential for higher roles.

Furthermore, SK hynix places importance on employees' abilities and motivation. To this end, the company maintains top-tier salary standards in Korea. In addition to annual salaries, incentives of up to 50% of the annual salary are provided based on business performance, ensuring rational compensation. We believe that promoting happiness through fair evaluations and rewards, along with fostering employee growth and fulfillment through their work, are core values in talent management. We are committed to continuously striving for the growth and happiness of our employees.

Empowering People

Fostering Future Semiconductor Talent

Semiconductor Curriculum

SK hynix runs the “Semiconductor Curriculum” program, providing universities with practical online learning materials in semiconductor studies developed based on the technical expertise and know-how of in-house experts. Launched in 2022 to support students in becoming future semiconductor professionals and fostering growth within the semiconductor industry, this program offers over 100 lectures tailored to key semiconductor tasks such as device, process, and design. The curriculum, developed by dedicated SKHU professors, who are former SK hynix executives, alongside instructors and industry experts, aims to address the specific needs of the semiconductor sector while providing broader insights into the industry.

SK hynix provides online learning content to engineering students in their third and fourth years of undergraduate studies, as well as graduate students at major Korean universities. Partner universities can integrate this curriculum into credit-bearing courses and incorporate the educational content into their lectures.

Since the introduction of the Semiconductor Curriculum, the number of participating students has exceeded 2,000 annually. Upon completing the program and passing the test, students receive certification. To incentivize learning, SK hynix selects outstanding learners based on their learning history, test scores, and participation in promotions, offering benefits such as campus tours and scholarships.

SK hynix will continuously update the learning content and enhance the program’s effectiveness by introducing new educational methods aligned with digital trends.

Semiconductor Curriculum Campus Tour

Semiconductor hy-School

SK hynix has been operating the “Semiconductor hy-School” program since 2023 to cultivate future semiconductor talents. The program targets high school students and consists of three components: “Online Lectures,” providing 10 videos aimed at sparking interest in semiconductor studies, “Outreach Semiconductor Class,” where SK hynix employees visit high schools to teach semiconductor lessons, and the “SK hynix Campus Tour Program,” allowing students to visit SK hynix facilities.

The online video content is accessible through SK hynix’s official YouTube channel and the Gangnam District Office’s internet streaming website for College Scholastic Ability Test (CSAT) sessions. It covers various semiconductor topics, from an overview to market trends, industry insights, processes, and future trends. Rather than simply explaining theories, the videos incorporate diverse case studies to keep students engaged in semiconductor studies.

The Outreach Semiconductor Class program was conducted for selected 20 classrooms from 17 high schools nationwide through online applications. SK hynix’s in-house education experts, with decades of semiconductor research experience, delivered special lectures on semiconductors. Students experienced virtual fab tours, observed wafers, tried on cleanroom suits, and engaged in discussions with senior alumni who graduated from the same high school, among other programs essential for students aspiring for a semiconductor career.

The Campus Tour program offers students a firsthand experience to observe and explore semiconductor industry sites that are not easily accessible. Through fab window tours and interactions with employees, high school students aspiring for careers in the semiconductor industry can gain motivation and valuable insights.

SK hynix plans to continue operating various educational programs to nurture future talents and contribute to the development of the Korean semiconductor talent ecosystem.

Outreach Semiconductor Class

Empowering People

Employee Happiness

A Culture of Open Communication

"New CoC" Created Together by Employees

In 2023, SK hynix unveiled the New Code of Conduct (New CoC), a set of behavioral guidelines developed with active employee participation. To ensure that employees find the New CoC accessible, the company distributed a guidebook and organized an ongoing contest inviting individuals and teams to share examples of how they incorporate the new behaviors into their daily routines. These efforts aim to communicate and establish the New CoC effectively among employees. SK hynix is committed to creating an environment where employees can work happily by actively listening to their feedback and fostering a culture of participation and communication.

SK hynix's New Way of Working

New CoC

Hyper-technology for greater happiness!

Bar Raising
Aim higher for Best-In-Class

Innovation
Stack more, scale down, store more

Data Driven
Speak from data, solve with data

Customer Focus
Move one step ahead of customers

One Team
Connect and collaborate as one team

Perfection
Detail makes the difference

Junior Board

Since 2010, SK hynix has continuously operated the Junior Board, a unique employee committee dedicated to shaping the company's distinct corporate culture. Members of the Junior Board are selected from employees willing to participate, ensuring diversity in department, gender, and age. Over a one-year term, they generate and discuss improvement ideas for important corporate culture issues each year. In 2023, the board focused on four themes (immersive/collaborative work methods, employee and family happiness, employee growth/development, and work environment improvement), creating initiatives to enhance the corporate culture. Discussions and proposals from the Junior Board are shared company-wide through our Comm ON communication channel, inviting all employees to contribute their ideas. Depending on the topic, focus groups are formed to gather detailed feedback from specific demographics, such as new employees and working parents. SK hynix will continue to expand a corporate culture centered on employees, who are the main architects of happiness.

"The Communication" Event with the CEO

Since 2022, SK hynix has hosted "The Communication" events where the CEO and key executives meet with employees to discuss management issues and share thoughts. During these events, the CEO provides detailed explanations of the company's performance, business strategies, and long-term management direction. Employees also have the opportunity to ask questions, which the CEO and executives address directly, covering a wide range of topics. "The Communication" has been held nine times from Q2 2022 to Q2 2024 and will continue quarterly to facilitate close communication between management and employees.

Q1 2024 "The Communication" Event

Empowering People

Cultivating a Culture of Happiness

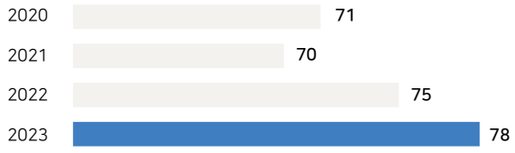
Employee Happiness Index

SK hynix conducts an annual Culture Survey to continuously enhance its robust and exemplary corporate culture alongside employees. Through this survey, the company assesses the current status of SKMS practices, identifies key aspects of its corporate culture, and develops strategies for enhancing the workplace culture to practice happiness management based on SKMS principles.

The happiness index of employees derived from the 2023 Culture Survey increased by 3 points from the previous year to 78 points (out of 100), indicating the effectiveness of corporate culture activities aimed at enhancing employee happiness. Specifically, there was a year-over-year improvement in the happiness of female employees who had relatively lower happiness indices. This improvement was attributed to the expansion of family-friendly programs alongside various policies ranging from pregnancy to childcare. As a result of these efforts, SK hynix was also recognized as the Supreme Family-friendly Company in 2023. Furthermore, concerted efforts to foster a culture of autonomy and participation led to an increase in the happiness index for the majority of employees.

On another note, employees identified several strengths in SK hynix's corporate culture, including "One Team culture for corporate goals beyond organizational competition," "faster and more transparent communication," "creating a culture of overcoming challenges through collaboration," and "respecting autonomy and immersion, as seen in initiatives like Happy Friday (a four-day workweek once a month) and establishing satellite offices." Moving forward, SK hynix will continuously strive towards building an organizational culture that fosters consensus by transparently sharing the company's strategic direction with employees and actively incorporating their feedback into policies, aiming to make corporate culture a key competitive advantage for the company.

Culture Survey Results (Unit: Points)



Publication of the Third Edition of the "Happiness Map"

SK hynix publishes the "Happiness Map" to make its core philosophy of "happiness management" more accessible to employees and to offer them opportunities for reflecting on the value of happiness. The previous editions, released in 2021 and 2022, aimed to help employees explore and nurture the concept of happiness. In the latest 2024 edition, derived from employee happiness data, the Happiness Map examines the impact of factors influencing happiness at SK hynix. Utilizing accumulated data, the company aims to discern the circumstances where employees experience the greatest happiness and to enhance happiness by amplifying positive influences through company policies and programs. Statistically, the factor most crucial to employee happiness is the sense of competence felt when acknowledged and praised for their achievements. Following this, wellness and work-life balance were identified as significant contributors. This underscores the importance of a corporate culture that actively recognizes achievements and contributions, alongside the necessity for physical and psychological well-being to underpin a healthy life.

Based on this analysis, SK hynix is making various efforts to create a corporate culture that enhances employees' sense of competence, such as the selection of "Masters."[9] Additionally, programs involving family participation, such as "The OPEN," "Children's English Camp," and "The Camp," are operated to help employees find psychological stability, which have received enthusiastic responses from employees. Thanks to these efforts, the minimum daily happiness index of employees rose significantly from 47.4 points in 2021 to 68.9 points in 2022, indicating a positive change in the lower bounds of happiness. SK hynix will continue to strive to create an organizational culture based on the philosophy of happiness, where employee happiness fosters VWBE culture, and VWBE culture leads to SUPEX performance.

The Third Edition of the Happiness Map - "Journey to Happiness"

Empowering People

Employee Happiness Programs

SK hynix offers various programs to ensure employees have sufficient opportunities to refresh, take care of themselves and their families, and fully engage in their work.

Examples include the “Recommended Joint Annual Leave Days” and the “Annual Leave Reward Program,” aimed at fostering a work culture where employees can work autonomously and immerse themselves in their tasks while having ample opportunities to recharge.

To enhance employee happiness and productivity, programs like “Happy Friday” allow employees to schedule their work hours and use the second Friday of each month as a recharge day. Additionally, designated “Recommended Joint Annual Leave Days” on bridge holidays, traditional holidays/year-end, and the fourth Friday of each month provide further recharge opportunities. In 2023, we introduced the “Annual Leave Reward Program” to strengthen a culture where employees work and rest autonomously. Additionally, through “Long-Service Leave,” which provides one week off every five years and three weeks off every ten years, we ensure ample opportunities for rest.

Furthermore, SK hynix provides various programs and services to promote employee happiness both at work and in daily life. These include access to hotels, resorts, and amusement parks, external partnership programs for domestic and international travel, dining, and shopping, as well as the in-house performance festival called “The Campus Begin Again.” The “Refresh Lounge” opened in 2023 serves as a welfare support platform, enabling employees to easily access and apply for benefits and partnership programs anytime, anywhere.

We operate satellite offices in three locations—Seoul and Bundang, Gyeonggi Province—to enhance flexibility in working spaces and improve employees’ work efficiency. Other initiatives, such as care programs for shift workers, limousine commuter buses, and the establishment of the on-campus “Happiness Trail,” contribute to boosting employee happiness and pride.

Employee band “HappyGlet” performed at the Campus Begin Again.

ESG Data

Financial Highlights

Key financial performance

(Unit: KRW billion)

Category	2020	2021	2022	2023
Sales	31,900	42,998	44,622	32,766
Gross profit	10,811	18,952	15,628	(533)
Operating profit	5,013	12,410	6,809	(7,730)
Profit before corporate tax	6,237	13,416	4,003	(11,658)
Corporate tax	1,478	3,800	1,761	(2,520)
Cash taxes paid[1)]	371	1,015	3,979	1,384
Net profit	4,759	9,616	2,242	(9,138)
Total assets	71,174	96,347	103,872	100,330
Total borrowings	11,252	17,624	22,995	29,469

1) Cash taxes paid are based on the corporate tax expense determined in the previous year. In 2023, cash taxes paid amount to approximately 35% of the profit before corporate tax in 2022.

Shareholders' status

(As of the end of 2023, common stocks)

Category	No. of stocks	Shareholding (%)
SK square[1)] and others[2)]	146,133,332	20.07
National Pension Service[3)]	57,523,599	7.90
Others	484,481,718	66.55
Treasury Shares	39,863,716	5.48
Total	728,002,365	100

1) SK Inc. is the largest shareholder of SK Square, with members of the founding family representing the majority shareholders.
2) Executives and related parties hold 33,332 shares.
3) SK hynix does not issue any golden shares for government institutions.

Shareholding by executives and special affiliated investors

(As of the end of Q1 2024)

Category	Name	No. of stocks
Executive directors	Kwak Noh-jung	4,016
	Ahn Hyun	2,833
Independent directors	Ha Yung-ku	1,586
	Han Ae-ra	1,066
	Jeong Deog-kyoon	416
	Kim Zeong-won	416
Total		10,333

* Excluding two other non-executive diretors (Park Sung-ha, Jang Yong-ho) and two independent directors (Yang Dong-hoon, Sohn Hyun-chul) who did not hold shares as the end of Q1 2024

Stock types and voting rights

(As of the end of 2023)

Category	Issued stocks	Ratio (%)	Remarks
Preferred stocks	0	0	No voting right
Common stocks with voting right	688,138,649	94.52	Voting right
Common stocks - Treasury stocks	39,863,716	5.48	No voting right
Total	728,002,365	100	

Financial Highlights

Key financial performance by international region in 2023

(Unit: KRW 100 million)

Company name	Country	Type of business	No. of employees (persons)	Sales	Profit before tax	Corporate tax (accural basis)	Corporate tax (cash basis)
SK hynix Semiconductor (China) Ltd.	China	Semiconductor production	4,225	51,293	2,540	124	74
SK hynix Semiconductor (Chongqing) Ltd.	China		2,816	10,681	1,267	189	150
SK hynix (Wuxi) Semiconductor Sales Ltd.	China	Semiconductor sales	231	79,207	1,174	311	511
SK hynix America Inc.	U.S.		369	125,461	1,058	10	287
SK hynix Deutschland GmbH	Germany		26	2,712	47	15	15
SK hynix UK Ltd.	U.K.		12	7,055	24	0	0
SK hynix Japan Inc.	Japan		56	7,959	112	40	37
SK hynix Asia Pte. Ltd.	Singapore		28	11,604	46	0	0
SK hynix Semiconductor Hong Kong Ltd.	Hong Kong		18	18,103	38	3	0
SK hynix Semiconductor Taiwan Inc.	Taiwan		55	23,379	(6)	0	82
SK hynix Semiconductor India Pvt. Ltd.[1)]	India		6	897	4	1	(1)
SK hynix memory solutions America Inc.	U.S.	Semiconductor R&D	281	1,620	157	0	0
SK hynix memory solutions Taiwan Ltd.	Taiwan		41	98	9	1	2

1) Business year of India subsidiary: From April 1st 2023 to March 31st 2024.
* Data scope: Key semiconductor manufacturing, sales, and R&D subsidiaries among our consolidated entities.
* Due to varying accounting audit schedules for each country, some subsidiaries' financial figures are before the audit, and there may some changes after the audit.

Ratio of CEO compensation in 2023

Category	Unit	CEO[2)]	Employees	
			Mean	Median
Compensation[1)]	KRW million	1,100	74	67
CEO compensation divided by the employee compensation	times	-	14.86	16.42

1) Compensation is calculated based on contractual annual salaries.
2) The CEO's compensation is based on CEO Kwak Noh-jung

BOD compensation in 2023

(Unit: KRW million)

Category	No. of directors (persons)	Total compensation	Average compensation per person[1)]
Executive directors	3	6,282	2,094
Independent directors (excluding members of the Audit Committee)	3	441	158
Members of the Audit Committee	4	645	161

1) The average compensation per person is calculated by dividing the total compensation by the average number of individuals over the period.

Environment

Greenhouse gas emissions

Category		Unit	2020	2021	2022	2023
Scope 1	CO_2	tCO2eq	106,640	111,567	197,807	1,165,172
	CH_4		515	496	10,150	10,434
	N_2O		146,593	72,920	71,954	45,438
	HFCs		236,172	253,753	252,547	42,789
	PFCs		1,036,958	961,220	1,020,389	184,136
	SF_6		232,692	248,419	228,907	41,874
	NF_3		951,838	980,546	1,161,003	848,248
	Total		**2,711,409**	**2,628,921**	**2,942,757**	**2,338,090**
Scope 2[1)]	CO_2		4,829,381	5,193,396	6,116,917	4,969,392
	CH_4		1,317	1,001	1,106	864
	N_2O		6,221	19,611	21,854	16,634
	Total		**4,836,919**	**5,214,008**	**6,139,877**	**4,986,890**
Scope 3	Purchased raw materials and services		2,801,363	3,092,433	2,616,779[2)]	1,604,881
	Fuel- and energy-related activities[3)]		-	-	557,269	878,254
	Upstream transportation and distribution		26,849	55,269	70,096	153,694
	Downstream transportation and distribution		29,447	26,832	2,934	1,087
	Waste generated in operations		6,197	228,419	261,498	286,402
	Business travel		167	144	1,944	1,993
	Employee commuting[4)]		24,435	29,680	26,869	24,717
	Total		**2,888,458**	**3,432,777**	**3,537,388**	**2,951,027**
Emissions intensity by sales[5)]	Scope 1&2	tCO_2eq/KRW 100 million	23.66	18.24	20.35	22.36

1) Location-based method emissions.
Market-based method Scope 1&2 emissions managed under PRISM goals: 7,548,327 tCO_2eq in 2020, 7,638,465 tCO_2eq in 2021, 7,173,550 tCO_2eq in 2022, 5,415,283 tCO_2eq in 2023.
2) For services, new disclosures have been made since 2022. For raw materials, emissions from the Chongqing plant that were double-counted with the headquarters' emissions have been excluded.
3) Newly disclosed figures starting from 2022.
4) Data for 2020 and 2022 was updated due to an error from suppliers' data and recalculated through the 3rd party verification.
5) Based on revenue according to the Annual Report's consolidated accounting standards; 2021-2022 data was updated based on location-based method emissions.
Market-based method emissions intensity by sales: 23.66 in 2020, 17.79 in 2021, 16.08 in 2022, 16.53 in 2023 (unit: tCO_2eq/KRW 100 million)

* Global warming potential (GWP) values from The Fifth Assessment Report (AR5) of the Intergovernmental Panel on Climate Change (IPCC) are applied.
* Based on the criteria of the US Electronic Product Environmental Assessment Tool (EPEAT), the F-GHG process emissions in 2023: 1,288,854 tCO_2eq (Using IPCC Tier 2a methodology, IPCC AR5, Measured DREs by IPCC)
* Data scope: Icheon, Cheongju, Bundang, Seoul (satellite offices), Wuxi, Chongqing.
* Scope 2 emissions and intensity data for 2021~2022 was updated as electricity coefficient in Chongqing, China has been updated.

Environment

Air pollutant emissions

Category		Unit	2020	2021	2022	2023
Icheon	SOx	Ton	6.8	7.7	22.6	10.6
	NH_3		33.1	20.6	11.1	21.7
	NOx		363.5	241.3	158.2	142.1
	HF		1.7	3.0	3.6	0.6
	HCl		5.6	2.7	7.4	2.9
	VOC[1]		-	-	-	-
	Dust		0.0	0.0	0.4	0.0
Cheongju	SOx		4.8	7.9	5.2	1.4
	NH_3		21.2	26.7	22.3	8.3
	NOx		341.7	248.8	82.7	79.2
	HF		2.1	3.5	2.6	0.7
	HCl		10.4	10.1	3.6	4.6
	VOC[1]		-	-	-	-
	Dust		32.1	37.8	24.9	4.9
Wuxi	SOx		3.3	2.6	0.7	4.7
	NH_3		10.6	6.6	0.1	1.3
	NOx		4.7	0.0	0.0	2.9
	HF		0.2	0.2	0.0	0.0
	HCl		13.4	28.6	23.7	23.9
	VOC		9.7	0.6	0.3	13.0
	Dust		-	-	-	-
Chongqing	SOx		0.0	0.0	0.5	0.1
	NH_3		-	-	-	-
	NOx		6.9	6.8	2.8	2.9
	HF		-	-	-	-
	HCl		0.4	0.4	0.0	0.0
	VOC		0.2	0.1	0.0	0.4
	Dust		9.8	8.5	2.1	9.2

1) This substance is not used in our production processes and is determined to have no impact on pollutant emissions due to its minimal emission concentration. Therefore, it has been excluded from the substances subject to air pollutant management in Icheon/Cheongju since 2020.
* All legal emission standards for each campus are met. Figures for the Air pollutant emissions of Icheon and Cheongju in 2022 were updated due to confirmation of data submitted to the Ministry of Environment.

Energy consumption

Category		Unit	2020	2021	2022	2023
Enegy consumption	Electricity[1]	GJ	83,403,131	95,498,700	99,215,693	76,540,811
	LNG		2,026,936	2,199,591	3,450,666	22,973,048
	Steam		4,733,947	5,801,655	6,176,572	5,927,267
	Other		-	59,725	40,017	37,505
	Total		**90,164,014**	**103,559,671**	**108,882,947**	**105,478,631**
Consumption intensity by sales[2]	Electricity	GJ/KRW 100 million	261.45	222.10	222.35	233.60
	LNG		6.35	5.12	7.73	70.11
	Steam		14.84	13.49	13.84	18.09
	Other		-	0.14	0.09	0.11
	Total		**282.64**	**240.85**	**244.01**	**321.92**

1) According to the Enforcement Rules of the Energy Act in the Republic of Korea, 1MWh of domestic electricity consumption equals 9600MJ, while 1MWh of overseas electricity consumption equals 3600MJ. Self-generation through the Smart Energy Center (SEC) was excluded to avoid double counting of electricity usage and included in LNG usage.
2) Based on sales in the Annual Report's consolidated accounting standards.
* Data scope: Icheon, Cheongju, Bundang, Seoul (satellite offices), Wuxi, Chongqing; Bundang and Seoul (satellite offices) included from 2022.
* Electricity consumption data for 2022 was updated due to simple numerical errors.

Electricity consumption

Category		Unit	2020	2021	2022	2023
Total electricity	Consumption[1]	GWh	9,887	10,921	12,083	12,011
	Consumption by sales[2]	GWh/KRW billion	0.31	0.25	0.27	0.37
Renewable electricity	Consumption	GWh	0.97	440	3,572	3,606
	Rate	%	0.01	4.0	29.6	30.0

1) Total electricity consumption including self-generation through SEC.
2) Based on sales in the Annual Report's consolidated accounting standards.
* Data scope: Icheon, Cheongju, Bundang, Seoul (satellite offices), Wuxi, Chongqing; Bundang and Seoul (satellite offices) included from 2022.

Energy savings

Category	Unit	2020	2021	2022	2023
Target	GWh	177	177	155	285
Achievement		243	186	207	585

* Reduction in GHG emissions based on energy savings in 2023: 268,574 tCO_2eq (An emission coefficient of 0.4591 tCO_2eq/MWh, reflecting GWP values from AR5, was applied)
* Data scope for 2020~2022 was based on domestic sites, and was expanded to overseas manufacturing sites from 2023.

Environment

Water management

Category			Unit	2020	2021	2022	2023
Domestic sites	Withdrawals	Municipal water	1,000m³	36,163	39,355	43,488	40,237
		Surface water		30,960	32,343	34,697	31,534
		Reclaimed water		-	-	-	2,375
		Total		**67,123**	**71,698**	**78,185**	**74,146**
	Consumption			10,423	13,714	17,327	15,925
	Wastewater discharge			56,700	57,984	60,858	58,221
	Ultra pure water consumption			27,437	29,254	29,475	27,313
Overseas sites	Withdrawals	Municipal water		21,272	24,771	26,154	24,550
		Surface water		-	-	-	-
		Reclaimed water		7,320	7,300	7,300	7,852
		Total		**28,592**	**32,071**	**33,454**	**32,402**
	Consumption			2,995	4,268	3,523	3,273
	Wastewater discharge			25,597	27,803	29,931	29,129
	Ultra pure water consumption			9,936	10,925	10,040	8,950
Total	Withdrawals	Municipal water		57,435	64,126	69,642	64,787
		Surface water		30,960	32,343	34,697	31,534
		Reclaimed water		7,320	7,300	7,300	10,227
		Total		**95,715**	**103,769**	**111,639**	**106,548**
	Consumption			13,418	17,982	20,851	19,198
	Wastewater discharge			82,297	85,787	90,789	87,350
	Ultra pure water consumption			37,373	40,179	39,515	36,262

Water reuse and reuse rate

Category		Unit	2020	2021	2022	2023
Water reuse	Domestic sties	1,000m³	26,932	34,464	36,075	46,462
	Overseas sites		11,628	13,124	11,802	11,623
	Total		**38,560**	**47,587**	**47,877**	**58,085**
Water reuse rate	Domestic sites	%	32	37	37	44
	Overseas sites		31	32	28	29
	Total		**32**	**36**	**35**	**40**

Wastewater discharge quality

Category		Unit	2020	2021	2022	2023
Domestic sites	COD	Ton	234.2	203.9	-	-
	TOC[1]		-	-	194.5	115.0
	BOD		140.7	116.6	110.7	90.6
	T-P		1.6	1.0	2.0	1.0
	SS		113.8	97.0	96.9	67.2
Overseas sites	COD		365.6	430.1	453.1	369.1
	F		19.2	23.9	36.5	87.4
	NH_3-N		65.5	65.4	137.0	80.0

1) Starting from 2022, among the management items for organic matter in the discharged wastewater of domestic wastewater treatment facilities, COD has been changed to TOC. Accordingly, COD data is replaced with TOC data.

Water stressed areas

Category		Unit	2020	2021	2022	2023
Withdrawals	Amount	1,000m³	38,597	39,708	42,115	35,919
	Rate	%	40	38	38	34
Consumption	Amount	1,000m³	6,793	10,153	11,274	5,074
	Rate	%	51	56	54	26

* As new water stress areas (above High) were identified based on the updated WRI Aqueduct 4.0 framework as of August 2023, data for 2020-2022 was disclosed based on Icheon, while data for 2023 was disclosed based on Cheongju.

Environment

Total waste

Category			Unit	2020	2021	2022	2023
Domestic sites	Total waste generated		Ton	298,090	300,694	368,711	326,090
	Waste treatment	Recycled		287,688	291,992	359,188	318,784
		Self-reuse[1]		-	-	-	-
		Incineration[2]		6,853	8,338	9,057	5,517
		Others[3]		3,549	364	465	1,789
Overseas sites	Total waste generated			169,780	204,165	221,767	174,870
	Waste treatment	Recycled		135,377	184,971	206,018	159,669
		Self-reuse[1]		15,363	14,117	11,533	12,145
		Incineration[2]		2,790	2,937	3,183	3,029
		Others[3]		16,250	2,139	1,033	27
Total	Total waste generated			467,871	504,859	590,478	500,960
	Waste treatment	Recycled		423,065	476,963	565,206	478,452
		Self-reuse[1]		15,363	14,117	11,533	12,145
		Incineration[2]		9,643	11,275	12,240	8,546
		Others[3]		19,799	2,503	1,498	1,817

1) Self-reuse of waste within the facility, separate from recycling through external waste treatment facilities.
2) Recycling through heat energy recovery, such as generating steam and electricity using heat generated from waste incineration.
3) Solidification, landfilling, neutralization, incineration without energy recovery, etc.
* Data scope: Korea (Icheon, Cheongju), overseas (Wuxi, Chongqing)

ZWTL Certification (Waste Diversion Rate)

Category		Unit	2020	2021	2022	2023
Domestic sites	Icheon	Certification	Gold (98%)	Gold (98%)	Platinum (100%)	Platinum (100%)
	Cheongju		Gold (97%)	Gold (98%)	Platinum (100%)	Platinum (100%)
Overseas sites	Wuxi		Gold (98%)	Gold (99%)	Gold (98%)	Platinum (100%)
	Chongqing		- (90%)	- (91%)	- (94%)	- (99%)

* Due to reconfirmation of the certification criteria, Chongqing data for 2020~2022 was updated.

SHE investment result

Category	Unit	2020	2021	2022	2023
Invested capital	KRW million	82,456	74,354	62,227	70,721

Hazardous waste

Category			Unit	2020	2021	2022	2023
Domestic sites	Total waste generated		Ton	220,138	214,432	254,961	223,037
	Waste treatment	Recycled		214,371	210,182	250,107	219,621
		Self-reuse[1]		-	-	-	-
		Incineration[2]		5,125	3,886	4,389	1,627
		Others[3]		642	364	465	1,789
Overseas sites	Total waste generated			111,589	139,760	149,824	114,237
	Waste treatment	Recycled		81,078	125,419	137,959	101,856
		Self-reuse[1]		15,363	14,117	11,533	12,145
		Incineration[2]		60	48	131	237
		Others[3]		15,087	174	200	0
Total	Total waste generated			331,727	354,191	404,784	337,274
	Waste treatment	Recycled		295,449	335,601	388,066	321,476
		Self-reuse[1]		15,363	14,117	11,533	12,145
		Incineration[2]		5,186	3,934	4,520	1,864
		Others[3]		15,729	538	665	1,789

* Footnote description is the same as total waste

Breach of environmental laws

Category	Unit	2020	2021	2022	2023
Breach of law	Cases	0	0	0	0

* Cases of non-compliance with a value exceeding $10,000.

Environmental training (Korea)

Category	Unit	2023
Training hours	Hours	131,141

Social

Employee status

Category		Unit	2020	2021	2022	2023
Number of employees		Persons	37,195	38,352	40,153	39,810
Type	Regular		35,205	36,243	35,437	35,939
	Temporary		1,990	2,109	4,716	3,871
Gender	Male		23,381	24,255	25,616	25,481
	Female		13,814	14,097	14,537	14,329
Age group	~29		11,615	11,934	11,889	9,833
	30~49		24,182	24,603	25,713	27,056
	50+		1,398	1,815	2,551	2,921
Nationality	Korea		29,345	30,484	31,892	32,018
	China		6,855	6,909	7,263	6,876
	U.S.		43	38	121	34
	Others		952	921	877	882
Location	Korea		28,375	29,473	31,217	31,439
	China		7,690	7,766	7,744	7,304
	Americas		552	541	618	662
	Others		578	572	574	405

* Due to changes in data collection standards, data for 2020-2022 has been updated by work location.

Employee status by type and gender in 2023 (Korea)

Category		Unit	Type		
			Regular	Temporary	Total
Gender	Male	Persons	20,570	47	20,617
	Female		10,787	35	10,822
	Total		31,357	82	31,439

Hires

Category		Unit	2020	2021	2022	2023
New hires		Persons	2,003	3,549	3,901	739
Gender	Male		996	2,483	2,892	568
	Female		1,007	1,066	1,009	171
Age group	~29		1,195	2,550	2,927	228
	30~49		763	936	932	497
	50+		45	63	42	14
Average hiring costs (Korea)		KRW	1,620,516	952,538	1,164,986	1,353,895
Average length of service (Korea)		Years	11.4	11.7	11.8	12.7

* Average hiring cost = Current year's hiring cost / Number of hires in the current year

Social

Turnover (Korea)

Category			Unit	2020	2021	2022	2023
Voluntary turnover rate	Gender	Male	%	2.0	4.1	2.4	1.8
		Female		1.8	2.5	1.5	1.1
	Age group	~29		3.4	5.7	3.1	2.4
		30~49		1.3	2.7	1.6	1.2
		50+		1.8	2.8	2.1	1.5
	Total			**1.9**	**3.5**	**2.0**	**1.5**
Non-voluntary turnover rate	Gender	Male		0.4	0.4	0.5	0.4
		Female		0.1	0.1	0.2	0.1
	Age group	~29		0.3	0.1	0.1	0.1
		30~49		0.1	0.1	0.3	0.1
		50+		5.6	4.2	2.9	2.6
	Total			**0.3**	**0.3**	**0.3**	**0.3**
Total turnover rate	Gender	Male		2.4	4.5	2.8	2.2
		Female		1.9	2.5	1.6	1.1
	Age group	~29		3.7	5.8	3.2	2.5
		30~49		1.4	2.8	1.9	1.3
		50+		7.4	7.1	5.0	4.1
	Total			**2.2**	**3.8**	**2.4**	**1.8**

* Due to changes in calculating turnover rate, data for 2020~2022 was updated.

Diversity (Korea)

Category			Unit	2020	2021	2022	2023
Representation of female	Total		%	35.5	35.2	33.9	34.4
	Leadership[1]	Senior managers		-	1.9	2.1	2.5
		Middle managers		27.7	28.4	29.6	29.6
	Revenue-generation functions[2]	Management level		27.9	29.0	29.6	32.1
		Non-management level		37.8	37.3	35.5	35.5
Others	Employees with disabilities	Own operation	Persons	194	189	188	184
		Subsidiaries[3]		781	800	889	852
	National veterans			319	320	328	324

1) Leadership criteria
Senior managers: Executives (registered and non-registered)
Middle managers: Team leaders, independent part leaders, field managers, line leaders.
2) Revenue-generating functions: Departments directly contributing to sales or product manufacturing (excluding support departments)
3) Happymore
* Figures for employees with disabilities are calculated based on Article 22 (3) of the Act on the Employment Promotion and Vocational Rehabilitation of Persons with Disabilities.

Social

Parental leave (Korea)

Category			Unit	2020	2021	2022	2023
No. of employees who used a maternity leave			Persons	662	646	431	431
Childcare leave	No. of valid employees for childcare leave	Male	Persons	7,588	7,306	7,691	7,769
		Female	Persons	4,856	4,808	4,051	4,995
		Total	Persons	**12,444**	**12,114**	**11,742**	**12,764**
	No. of employees on childcare leave	Male	Persons	91	117	145	217
		Female	Persons	765	724	775	827
		Total	Persons	**856**	**841**	**920**	**1,044**
	No. of employees who returned to work after childcare leave	Male	Persons	74	107	130	167
		Female	Persons	822	779	777	799
		Total	Persons	**896**	**886**	**907**	**966**
	Return to work rate after childcare leave	Male	%	96.1	99.1	91.6	94.4
		Female	%	99.6	99.5	98.1	99.3
		Total	%	**99.3**	**99.4**	**97.1**	**98.4**
	No. of employees who worked for at least 12 months after returning to work (%)	Male	Persons (%)	51(92.7)	65(87.8)	98(91.6)	124(95.4)
		Female	Persons (%)	818(94.0)	772(93.9)	743(95.4)	765(98.5)
		Total	Persons (%)	**869(93.3)**	**837(93.4)**	**841(94.9)**	**889(98.0)**

Labor (Korea)

Category		Unit	2020	2021	2022	2023
Working hours	Annual working hours per person	Hours	2,277	2,180	2,116	2,126
	Average weekly working hours	Hours	43.8	41.9	40.7	40.9
	No. of employees on flexible working	Persons	15,382	16,551	18,612	18,966
Share of labor union membership[1)]	Icheon	%	97	96	95	99
	Cheongju	%	99	99	99	99

1) The contents of the collective agreement between labor and management apply equally to all employees (100%) of SK hynix.

Compensation (Korea)

Category		Unit	2023
Equal pay ratio[1)]	Executive level	%	100
	Team leader level	%	103
	Non-management level	%	100
New hires starting salary	Monthly salary	KRW	4,659,188
	Percentage of monthly starting salary to legally required minimum	%	232

1) Sampling was conducted to determine the pay equality ratio (female salary/male salary) based on equivalent positions. (The sampling was done for executives and team leaders with two years of service as of 2023, as well as new employees who joined in January 2023).

Social

Employee training (Korea)

Category		Unit	2020	2021	2022	2023
Expenses	Total	KRW 1,000	53,227,246	51,349,240	60,673,330	54,516,012
	Per person		3,675	3,381	3,764	3,244
Time	Total	Hours	1,749,666	1,708,234	1,798,881	1,831,753
	Per person		121	112	112	109

Employee engagement (Korea)

Category		Unit	2020	2021	2022	2023
Total		%	72	70	66	71
Gender	Male		72	72	67	72
	Female		68	58	55	63
Job positions	Senior mangers		78	93	84	93
	Middle managers		76	91	80	86
	Others		71	68	63	69

* Engagement data for 2022 was updated due to a simple numerical error.

Occupational safety management

Category	Unit	2020	2021	2022	2023
Accident rate	%	0.061	0.076	0.078	0.091
Lost time injuries frequency rate	Per 200,000 working hours	0.058	0.046	0.037	0.021
Fatalities	Persons	0	0	2	0

* Data scope: Korea (Icheon, Cheongju, Bundang)
* Lost time injuries frequency rate data for 2020-2022 was updated due to simple numerical errors.

Occupational safety and health management system (ISO 45001)

Category	Icheon	Cheongju	Wuxi	Chongqing
Valid of certification	2024.01.07~ 2027.01.06	2024.01.07~ 2027.01.06	2021.08.03~ 2024.08.02	2022.01.18~ 2025.01.18

Social

Supplier status

Category	Unit	2020	2021	2022	2023
Total suppliers (first-tier)[1]	Companies	1,747	1,789	1,822	1,717
Critical suppliers (first-tier)[2]		-	59	59	59
High risk suppliers (first-tier)[2]		-	46	45	45
New suppliers[3]		203	185	145	70
Total purchase amount	KRW 100 million	210,213	246,956	273,308	186,045

1) Our first-tier suppliers are divided into equipment, raw materials, infrastructure, and parts categories.
2) One critical and high-risk supplier was included in duplicate.
3) All new suppliers passed our SHE adequacy assessments (human rights and labor, environment, safety).
* Based on domestic transactions.

Supplier management

Category	Unit	2020	2021	2022	2023
New suppliers that agreed with the Supplier Code of Conduct	%	100	100	100	100

* Based on domestic transactions.

Supply chain ESG assessment

Category	Unit	2023
Suppliers ESG online self-assessment[1]	Companies	731
Critical and high-risk suppliers ESG on-site assessment[2]		49
RMAP certification	%	100

1) Starting in 2021, assessments have been conducted every two years, targeting Korean suppliers excluding SK affiliates, large corporations, and transactions below KRW 100 million.
2) Participants are selected based on online self-assessment, and assessments were conducted until 2023 for high-risk and critical suppliers selected in 2021. The on-site assessment has been completed 100% for a total of 103 target suppliers by 2023.
* Based on domestic transactions.

Shared growth

Category	Unit	2020	2021	2022	2023
Total amount of support	KRW 100 million	2,705	2,800	2,914	2,815
No. of companies on Shared Growth Agreement	Companies	123	123	122	129
No. of companies that joined Shared Growth Committee		79	82	91	94

Ethical training status (2023)

Category		Unit	2023
SK hynix		%	100
Subsidiaries	SK hynix system IC		100
	SK hystec		100
	SK hyeng		100
	Key Foundry		100
	Happy More		100
	Happy Narae		100

Social

Product quality

Category	Unit	2020	2021	2022	2023
No. of recalled products	Cases	0	0	0	0
No. of complaints from customers		0	0	0	0

Community support (Korea)

Category			Unit	2020	2021	2022	2023
Expenditure	Investment	Social contribution	KRW 100 million	736	710	748[1)]	559
	Donations	Cash		559	600	576	474
		In kind		4.4	0.1	2.0	0.3
		Total		**564**	**600**	**578**	**474**
	Employees fund raising	Amount raised		28	22	22	23
		Employee participation	Persons	15,979	11,070	11,117	11,090
Employees volunteering	Employee participants			1,991	400	3,256	3,275
	Participation rate		%	6.9	1.3	10.2	10.4
	Total time spent		Hours	13,027	7,127	12,129	15,019
	Time spent per person		Hours per person	0.45	0.24	0.38	0.48

1) 2022 Data was updated due to a simple numerical error.

Contributions to relevant associations

Category	Unit	2020	2021	2022	2023
Total amount	KRW 100 million	22.1	23.6	29.8	30.9

Contributions to relevant associations in 2023

Category	Unit	Amount
Korea Semiconductor Industry Association	KRW million	756.0
Information Technology Industry Council		506.9
Korea Enterprises Federation		302.5
The National Academy of Engineering of Korea		200.0
Silicon Integration Initiative		196.3

* Apart from the aforementioned relevant associations, there were no contributions related to lobbying, interest groups, or political funds.

Appendix

SASB

<table>
<tr><th>Category</th><th>Index</th><th>Code</th><th>SK hynix's response activities</th><th>Page</th></tr>
<tr><td rowspan="2">GHG Emissions</td><td>(1) Gross global Scope 1 emissions and
(2) amount of total emissions from perfluorinated compounds</td><td>TC-SC-110a.1</td><td>
<table>
<tr><th>Category</th><th>Unit</th><th>2020</th><th>2021</th><th>2022</th><th>2023</th></tr>
<tr><td>Scope 1 emissions</td><td rowspan="2">tCO_2eq</td><td>2,711,409</td><td>2,628,921</td><td>2,942,757</td><td>2,338,090</td></tr>
<tr><td>PFCs</td><td>1,036,958</td><td>961,220</td><td>1,020,389</td><td>184,136</td></tr>
</table>
* Data scope: Icheon, Cheongju, Bundang, Seoul (satellite offices), Wuxi, Chongqing</td><td>80</td></tr>
<tr><td>Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets</td><td>TC-SC-110a.2</td><td>In 2020, SK hynix became the first company in Korea to join the RE 100 initiative along with other SK Group companies, and in 2021, we announced our goal to achieve net zero emissions by 2050. To this end, we aim to keep our absolute emissions (Scope 1 & 2) in 2030 at 2020 levels through aggressive GHG reduction efforts despite the expected increase in production with the operation of new fabs to be built in the Yongin Semiconductor Cluster. GHG emissions from the Dalian fabrication plant we acquired from Intel in December 2021 are not reflected in this goal. Emission control targets for new facilities such as Key Foundry, for which the acquisition contract was completed in 2022, will be announced later after a separate detailed analysis.</td><td>21</td></tr>
<tr><td>Energy Management</td><td>(1) Total energy consumed,
(2) percentage grid electricity,
(3) percentage renewable</td><td>TC-SC-130a.1</td><td>
<table>
<tr><th>Category</th><th>Unit</th><th>2020</th><th>2021</th><th>2022</th><th>2023</th></tr>
<tr><td>Total energy consumed</td><td rowspan="3">GJ</td><td>90,164,014</td><td>103,559,671</td><td>108,882,947</td><td>105,478,631</td></tr>
<tr><td>Total grid electricity consumed</td><td>-</td><td>89,652,551</td><td>99,208,556</td><td>76,526,802</td></tr>
<tr><td>Total renewable electricity consumed</td><td>275,990</td><td>2,597,398</td><td>18,883,026</td><td>19,991,873</td></tr>
</table>
* Data scope: Icheon, Cheongju, Bundang, Seoul (satellite offices), Wuxi, Chongqing; Bundang and Seoul (satellite offices) included from 2022
* In general, 1kWh is converted into 3.6MJ, but for facilities in Korea, 1kWh is considered equivalent to 9.6MJ under local energy law.
* In general, 1kWh is converted into 3.6MJ, but for facilities in Korea, 1kWh is considered equivalent to 9.6MJ under local energy law.
* Total energy consumed data and total grid electricity consumed data for 2022 was updated due to a simple numerical error.</td><td>81</td></tr>
<tr><td>Water Management</td><td>(1) Total water withdrawn,
(2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress</td><td>TC-SC-140a.1</td><td>
<table>
<tr><th>Category</th><th>Unit</th><th>2020</th><th>2021</th><th>2022</th><th>2023</th></tr>
<tr><td>Total water withdrawn</td><td rowspan="2">$1,000m^3$</td><td>95,715</td><td>103,769</td><td>111,639</td><td>106,548</td></tr>
<tr><td>Total water consumed</td><td>13,418</td><td>17,982</td><td>20,851</td><td>19,198</td></tr>
<tr><td>Withdrawals with 'High' or above water stress area ratio</td><td rowspan="2">%</td><td>40</td><td>38</td><td>38</td><td>34</td></tr>
<tr><td>Consumption with 'High' or above water stress area ratio</td><td>51</td><td>56</td><td>54</td><td>26</td></tr>
</table>
* Data scope: Icheon, Cheongju, Wuxi, Chongqing
* As new water stress areas (above High) were identified based on the updated WRI Aqueduct 4.0 framework as of August 2023, data for 2020-2022 was disclosed based on Icheon, while data for 2023 was disclosed based on Cheongju.</td><td>82</td></tr>
<tr><td>Waste Management</td><td>Amount of hazardous waste from manufacturing, percentage recycled</td><td>TC-SC-150a.1</td><td>
<table>
<tr><th>Category</th><th></th><th>Unit</th><th>2020</th><th>2021</th><th>2022</th><th>2023</th></tr>
<tr><td rowspan="2">Amount of hazardous waste from manufacturing</td><td>Domestic</td><td rowspan="2">Ton</td><td>220,138</td><td>214,432</td><td>254,961</td><td>223,037</td></tr>
<tr><td>Overseas</td><td>111,589</td><td>139,760</td><td>149,824</td><td>114,237</td></tr>
<tr><td rowspan="2">Hazardous waste recycling rate</td><td>Domestic</td><td rowspan="2">%</td><td>97.4</td><td>98.0</td><td>98.1</td><td>98.5</td></tr>
<tr><td>Overseas</td><td>86.4</td><td>99.8</td><td>99.8</td><td>99.8</td></tr>
</table>
* Data scope: Icheon, Cheongju, Wuxi, Chongqing
* The scope of hazardous waste calculation varies depending on the waste laws of the country where each facility is located.</td><td>83</td></tr>
</table>

SASB

<table>
<tr><th>Category</th><th>Index</th><th>Code</th><th>SK hynix's response activities</th><th>Page</th></tr>
<tr><td rowspan="2">Employee Health & Safety</td><td>Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards</td><td>TC-SC-320a.1</td><td>Guided by the principle of “Safety First,” SK hynix strives to create a workplace where all employees can work happily. To ensure the safety and health of our employees and those of our suppliers, we have integrated the safety and health management system (ISO 45001), the environmental management system (ISO 14001), and the process safety management system into our Safety, Health, and Environment (SHE) management system. Furthermore, we conduct annual risk assessments to identify and continuously improve potential risk factors in the workplace.</td><td>30-33</td></tr>
<tr><td>Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations</td><td>TC-SC-320a.2</td><td>This is in accordance with “3. Sanction-related Matters (p.409)” in the 2023 Annual Report.</td><td>2023 Annual Report p.409</td></tr>
<tr><td>Recruiting & Managing a Global & Skilled Workforce</td><td>Percentage of employees that are
(1) foreign nationals and
(2) located offshore</td><td>TC-SC-330a.1</td><td>
<table>
<tr><th>Category</th><th>Unit</th><th>2020</th><th>2021</th><th>2022</th><th>2023</th></tr>
<tr><td>Percentage of foreign employees</td><td rowspan="2">%</td><td>0.2</td><td>0.2</td><td>0.2</td><td>0.1</td></tr>
<tr><td>Percentage of employees located offshore</td><td>24</td><td>23</td><td>22</td><td>21</td></tr>
</table>
* Foreign employees are based on the Korean workplace workers.
* Due to changes in data collection standards, percentage of employees located offshore for 2020~2022 has been updated.
</td><td>84</td></tr>
<tr><td rowspan="2">Product Lifecycle Management</td><td>Percentage of products by revenue that contain IEC 62474 declarable substances</td><td>TC-SC-410a.1</td><td>SK hynix does not use substances in the IEC 62474 Declarable Substance List (DSL), and all substances we use comply with international standards. For more information, please refer to the related page in our Sustainability Reporting System (PRISM ▸ Innovate ▸ Green Technology).</td><td>-</td></tr>
<tr><td>Processor energy efficiency at a system-level for: (1) servers, (2) desktops, and (3) laptops</td><td>TC-SC-410a.2</td><td>N/A</td><td>-</td></tr>
<tr><td>Materials Sourcing</td><td>Description of the management of risks associated with the use of critical materials</td><td>TC-SC-440a.1</td><td>SK hynix recognizes that human rights violations, such as labor exploitation, ecosystem damage, and environmental pollution that occur in the mining process of conflict-affected and high-risk areas, are serious problems, and makes every effort to eradicate them. Since we do not directly purchase and procure any minerals used for semiconductor manufacturing from mines but source them through suppliers, we transparently track and manage the entire supply chain under our policy based on the OECD Due Diligence Guidance for responsible minerals sourcing.
SK hynix requires raw material suppliers to sign a Responsible Mineral Use Compliance Pledge, committing not to purchase minerals from conflict-affected and high-risk areas. To ensure compliance, we use the Conflict Minerals Reporting Template (CMRT) provided by the Responsible Minerals Initiative (RMI) to regularly verify information about our mineral supply chain. If a supplier provides false information or fails to take corrective measures for identified risks, SK hynix considers it non-compliant with the pledge and suspends transactions. SK hynix also provides consulting and training to suppliers to raise awareness of responsible minerals sourcing. As of December 2023, there were a total of 242 3TG, cobalt and mica smelters and refiners, and the RMAP conformance rate was 100%.</td><td>61-62</td></tr>
<tr><td>Intellectual Property Protection & Competitive Behavior</td><td>Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations</td><td>TC-SC-520a.1</td><td>N/A</td><td>-</td></tr>
</table>

Membership associations

The American Chamber of Commerce in Korea
Compute eXpress Link
Global Semiconductor Alliance
IOWN Global Forum
Information Technology Industry Council
Joint Electron Device Engineering Council
Mobile Industry Processor Interface
Responsible Business Alliance
Semiconductor Climate Consortium
Stanford Center for Image System Engineering
Semiconductor Equipment and Materials Institute
Silicon Integration Initiative Compact Model Coalition
Silicon Integration Initiative Open Access Coalition
The Climate Group
UCL Express
Association for Supporting the Sustainable Development Goals for the United Nations
UN Global Compact Network Korea
University of New Hampshire Interoperability Laboratory
Voluntary Control Council for Interference
World Semiconductor Trade Statistics
Gyeonggi Enterprises Federation
Process Safety Council in Southern Gyeonggi Province
Consultative Group of Manufacturing Safety Managers in Eastern Gyeonggi Province
Korean National Quality Award-winning Enterprise Council
Corporate Renewable Electricity Foundation
Korea Mech. Const. Contractors Association
Korea Industrial Safety Association Seongnam Branch
Korea Industrial Safety Association Chungbuk Branch
The Korea Chamber of Commerce & Industry Carbon Neutral Research Association
The Institute of Electronics and Information Engineers
The Korean Society of Occupational and Environmental Medicine
Korea Handball Federation Industrial Athlete Committee
Korean Society of Environmental Engineers
Carbon Free Association
Ministry of Trade, Industry and Energy Emergency Planning Council
Metropolitan Area Chemical Safety Community Council
Icheon Chamber of Commerce
Icheon Chamber of Commece Council of Environmental Safety Department Heads
Korea Business Council for Sustainable Development
Korean Association of Occupational Health Nurses
Cheongju Chamber of Commerce
Chungbuk Enterprises Federation
Chungbuk Process Safety Council
Chungbuk Environmental Engineers Association
Chungchung Green Company Council
Chungchung Chemical Safety Community Council
Authorized Economic Operator
Korea Forum of Chief Information Offices
Korea Investor Relations Service
Korea Enterprises Federation
Korea Fair Competition Federation
The National Academy of Engineering of Korea
Korea Customs Logistics Association
The Korean Microelectronic and Packaging Society
Korea International Trade Association
Korean Society on Water Environment
Korea Semiconductor Industry Association
Consortium of Semiconductor Advanced Research
The Institute of Semiconductor Test of Korea
The Korean Association for Industrial Technology Security
Korea Industrial Technology Association
Korean Industrial Hygiene Association
Korea Occupational Hygiene Association
Korea Listed Companies Association
Korea Fire Safety Institute (Icheon)
Korea Fire Safety Institute (Cheongju)
Korean Academy of Organization and Management
Korea Power Exchange
Korea Electric Engineers Association (Icheon)
Korea Electric Engineers Association (Cheongju)
Korea Intellectual Property Association
Korea Integrated Logistics Association
Korean Standards Association (Icheon)
Korean Standards Association (Cheongju)
The Korean Society for Quality Management
The Korean Quality Master Association
Korea Chemicals Management Association
Korea Environmental Preservation Association Chungbuk Branch

Independent Assurance Statement

LRQA Independent Assurance Statement

Relating to SK hynix Inc.'s Sustainability Report for the calendar year 2023

This Assurance Statement has been prepared for SK hynix Inc. in accordance with our contract but is intended for the readers of this Report.

Terms of engagement
LRQA was commissioned by SK hynix Inc. to provide independent assurance on its 'SK hynix Sustainability Report 2024' ("the report") against the assurance criteria below to a moderate level of assurance and materiality of professional judgement using Accountability's AA1000AS v3, where the scope was a Type 2 engagement.

Our assurance engagement covered SK hynix Inc.'s operations and activities in Korea and China, and specifically the following requirements:
• Evaluating adherence to the AA1000 AccountAbility Principles[1] of Inclusivity, Materiality, Responsiveness and Impact
• Evaluating the accuracy and reliability of data and information related to performance indicators on material topics listed in page 20 of the report.

Our assurance engagement excluded the data and information of SK hynix Inc.'s suppliers, contractors and any third-parties mentioned in the report.

LRQA's responsibility is only to SK hynix Inc. LRQA disclaims any liability or responsibility to others as explained in the end footnote. SK hynix Inc.'s responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of SK hynix Inc.

LRQA's Opinion
Based on LRQA's approach nothing has come to our attention that would cause us to believe that SK hynix Inc. has not, in all material respects:

• Met the requirements above
• Disclosed accurate and reliable performance data and information as all errors or omissions identified during the assurance engagement were corrected
• Covered all the issues that are important to the stakeholders and readers of this report.

The opinion expressed is formed on the basis of a moderate level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a moderate assurance engagement is less than for a high assurance engagement. Moderate assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a moderate assurance engagement is substantially lower than the assurance that would have been obtained had a high assurance engagement been performed.

LRQA's approach
LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

• Assessing SK hynix Inc.'s approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this through reviewing documents and associated records.
• Reviewing SK hynix Inc.'s process for identifying and determining material issues to confirm that the right issues were included in their Report. We did this by benchmarking reports written by SK hynix Inc. and its peers to ensure that sector specific issues were included for comparability. We also tested the filters used in determining material issues to evaluate whether SK hynix Inc. makes informed business decisions that may create opportunities that contribute towards sustainable development.
• Auditing SK hynix Inc.'s data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the report.
• Checking whether GHG emissions and energy consumptions in the report were transposed correctly from the GHG inventory which was verified by the third-party assurance provider.
• Reviewing additional evidence made available by SK hynix Inc. at its office in Seongnam-si, Gyeonggi-do.

1 https://www.accountability.org

Independent Assurance Statement

Observations
Further observations and findings, made during the assurance engagement, are:

- Inclusivity:
  We are not aware of any key stakeholder groups that have been excluded from SK hynix Inc. 's stakeholder engagement process.
- Materiality:
  We are not aware of any material issues concerning SK hynix Inc.'s sustainability performance that have been excluded from the report. It should be noted that SK hynix Inc. has established extensive criteria for determining which issue/aspect is material and that these criteria are not biased to the company's management.
- Responsiveness:
  SK hynix Inc. has developed a strategic framework called PRISM to address material sustainability issues and has set goals through 2030. Some of these goals are linked to KPIs to manage performance effectively.
- Impact:
  SK Hynix Inc. is monitoring the impact of its ongoing programs related to material sustainability issues.
- Reliability:
  SK hynix Inc.'s data management system for the selected indicators are well defined.

LRQA's standards, competence and independence
LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021 Conformity assessment – Requirements for bodies providing audit and certification of management systems that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification engagement is the only work undertaken by LRQA for SK Hynix Inc. and as such does not compromise our independence or impartiality.

Dated: 20 June 2024

Tae-Kyoung Kim
LRQA Lead Verifier
On behalf of LRQA
2nd Floor, T Tower, 30, Sowol-ro 2-gil, Jung-gu, Seoul, Republic of Korea
LRQA reference: SE000000814

AA1000
Licensed Report
000-11/V3-OLR7O

Greenhouse Gas Verification Statement

SK HYNIX INC.

bsi. Verification Opinion

Scope:

- The annual GHG emission for the 2023 calendar year inclusive
- The physical scope is limited within the boundary of Domestic Area for SK HYNIX INC in Korea. (purchased products and services in Scope 3 emissions include Wuxi and Chongqing campuses in China)
- GHG emissions for Scope 1(Direct-emissions), Scope 2(Indirect-energy related) and Scope 3(Indirect-emissions from logistic, commuting etc.) as defined in WBCSD/WRI GHG protocol Chapter 4 "Setting Operational Boundaries"
- GWP (The 100-year time horizon global warming potential) applies the IPCC Fifth Assessment Report, 2014 (AR5)

Data Verified:

Scope 1 and Scope 2 GHG emissions of domestic sites in 2023 with GWP of AR5 are as follows.

(Unit: tCO_2e/y)

Scopes \ Sites	Icheon Campus	Cheongju Campus	Boondang Campus	Seoul Shared Office	Sub Total
Direct Emissions (Scope 1)	1,201,120	125,769	495	71	1,327,455
In-direct Emissions (Scope 2)	1,835,441	1,614,595	4,771	428	3,455,235
Optional Information (Used the NF_3)	482,801	358,616	-	-	841,417
Total	**3,519,362**	**2,098,980**	**5,266**	**499**	**5,624,108**

Emissions of each greenhouse gas in 2023 with GWP of AR5 are as follows.

(Unit: tCO_2e/y)

GHG	CO_2	CH_4	N_2O	HFC	PFC	SF_6	NF_3	Total
Emissions	4,589,155	1,442	28,380	18,718	118,658	26,338	841,418	**5,624,108**

Scope 3 GHG Emissions in 2023 with GWP of AR5 are as follows and Emission boundaries and calculation methods for each Scope 3 sector are described in the verification report.

(Unit: tCO_2e/y)

Category	Emissions in 2023
1. Purchased goods and services	1,604,881
3. Fuel-and energy-related activities (not included in scope1 or scope2)	481,883
4. Upstream transportation and distribution	27,613
5. Waste generated in operations (waste transportation included)	265,306
6. Business travel	1,599
7. Employee commuting	22,013
9. Downstream transportation and distribution	831
Scope 3 Total emissions	**2,404,126**

GHG Criteria & Protocols used for Verification:

The verification was performed at the request of SK HYNIX INC. using the followings:

- Guideline for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading Scheme
- WBCSD/WRI Technical Guidance for Calculating Scope 3 Emissions (version 1.0)
- 2006 IPCC Guidelines _Volume 2_chapter 3 Mobile Combustion
- IPCC Climate Change 2013_chapter 08_Anthropogenic and natural Radiative forcing (AR5)
- ISO14064-1:2018 & ISO 14064-3:2019
- Environmental Product Declaration Assessment Emission Factor – Korea Environmental Industry & Technology Institute, 2021
- EPA Center for Corporate Climate Leadership, Emission Factors for GHG inventories (EPA, 2023)
- BSI GHGEV Manual

Verification Opinion

BSI Group Korea's verification opinions on the result of carrying out verification in accordance with the GHG criteria and protocols mentioned above are as follows.

- This verification of the sites in Korea were conducted to provide a reasonable level of assurance in accordance with the 'Guideline for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading Scheme'.
- Scope 3 emissions have been verified with a limited assurance level.
- Data quality was considered acceptable in meeting the key international principles for greenhouse gas emissions verification.
- No material misstatement during the verification process for emissions was found, it was confirmed that relevant activity data and evidence were properly managed. Therefore, the BSI Group Korea Verification Team provides a verification opinion that is "appropriate".

For and on behalf of BSI:
Issue: 10/06/2024

Managing Director Korea, SeongHwan Lim

Greenhouse Gas Verification Statement

Wuxi site

SGS

Statement of Conformity CN24/00003042

Greenhouse Gas Verification Statement

The inventory of Greenhouse Gas emissions in
01 Jan. 2023 to 31 Dec. 2023 of

SK Hynix Semiconductor (China) Co., Ltd.

Business address: Plot K7, Comprehensive Bonded Zone, Wuxi High-tech Zone, Jiangsu Province, P.R. China
Organization boundary: Plot K6-3 & Plot K7, Comprehensive Bonded Zone, Wuxi High-tech Zone, Jiangsu Province, P.R. China

has been verified in accordance with ISO 14064-3:2019 as meeting the requirements of

ISO 14064-1:2018

Direct Emissions [Category 1]
161,551.60 tonnes of CO2e
Indirect Emissions from Imported Energy [Category 2]
1,452,255.16 tonnes of CO2e
Indirect Emissions from Transportation [Category 3]
125,284.44 tonnes of CO2e
Indirect Emissions from Products Used by An Organization [Category 4]
414,920.44 tonnes of CO2e
Indirect Emissions Associated with The Use of Products from The Organization [Category 5]
[be determined as non-significant indirect emissions and not quantified]
Indirect Emissions from Other Sources [Category 6]
[be determined as non-significant indirect emissions and not quantified]
Total Emissions Quantified
2,154,011.64 tonnes of CO2e

Authorized by
David Xin
Sr. Director - Business Assurance
DATE: 24 Apr. 2024

SGS-CSTC Standards Technical Services Co., Ltd.
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Page 1 of 4

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Chongqing site

SGS

Statement of Conformity CN24/00002068

Greenhouse Gas Verification Statement

The inventory of Greenhouse Gas emissions in
01 Jan. 2023 to 31 Dec. 2023 of

SK Hynix Semiconductor (Chongqing) Co., Ltd.

Business address: V2-4/02, ZONE V, XIYONG GROUP, SHAPINGBA DISTRICT, CHONGQING, CHINA
Organization boundary: V2-4/02, ZONE V, XIYONG GROUP, SHAPINGBA DISTRICT, CHONGQING, P.R. CHINA

has been verified in accordance with ISO 14064-3:2019 as meeting the requirements of

ISO 14064-1:2018

Direct Emissions [Category 1]
7,666.13 tonnes of CO2e
Indirect Emissions from Imported Energy [Category 2]
0.00 tonnes of CO2e
Indirect Emissions from Transportation [Category 3]
4,418.37 tonnes of CO2e
Indirect Emissions from Products Used by An Organization [Category 4]
2,546.95 tonnes of CO2e
Indirect Emissions Associated with The Use of Products from The Organization [Category 5]
[be determined as non-significant indirect emissions and not quantified]
Indirect Emissions from Other Sources [Category 6]
[be determined as non-significant indirect emissions and not quantified]
Total Emissions Quantified
14,631.45 tonnes of CO2e

Authorized by
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