

# SK Hynix Inc.

**TICKER**

KOSE:A000660

**MARKET CAPITALIZATION**

US\$49 billion

**HEADQUARTERS**

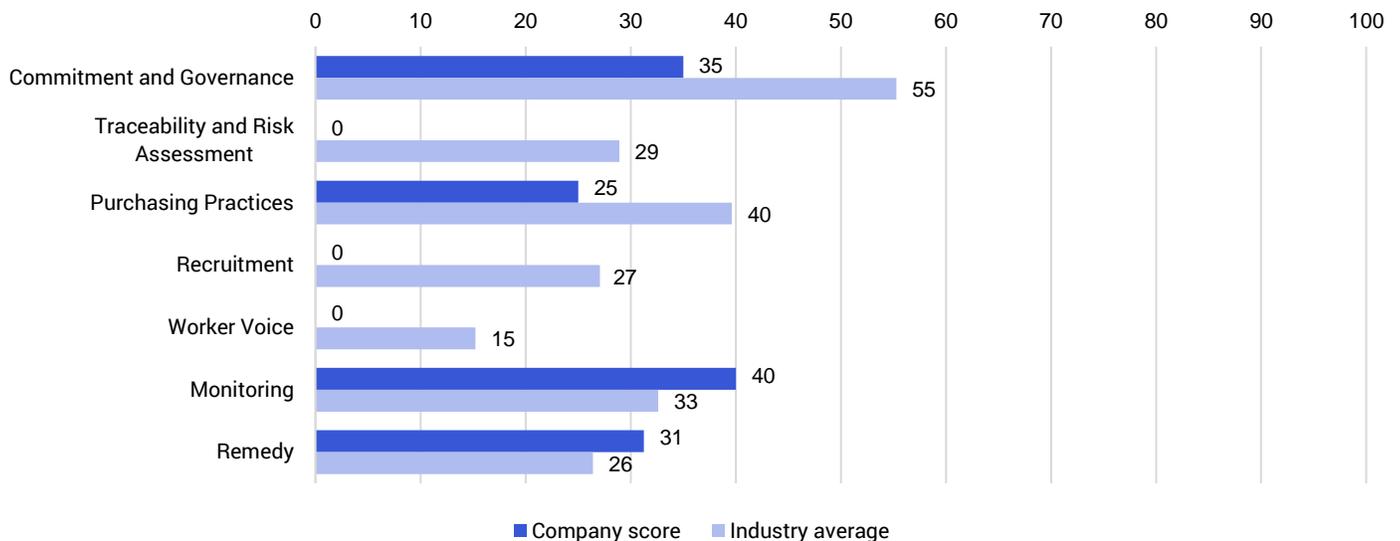
South Korea

**COMPLIANCE**
UK Modern Slavery Act: [None available](#)
California Transparency in Supply Chains Act: [Not applicable](#)
**COMMITMENTS**
[Yes](#)
**OVERALL RANKING**
**26 out of 40**

(2016: 17 out of 20)

**OVERALL SCORE**
**19 out of 100**
**SUMMARY**

SK Hynix Inc. (SK Hynix), a semiconductor company supplying to companies such as Apple, Hewlett Packard Enterprise, and Intel, ranks 26<sup>th</sup> out of 40 companies. Overall, it discloses less information on its forced labor policies and practices than its peers. The company's score has increased its score by one point since 2016 by disclosing that it requires suppliers to cascade its standards to lower tiers of its supply chains. The company has an opportunity to improve its performance and disclosure on the themes of traceability and risk assessment, recruitment, and worker voice.

**THEME LEVEL SCORES**


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## LEADING PRACTICES

None

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## NOTABLE FINDINGS

**Commitment and Governance:** SK Hynix discloses a supplier code of conduct which prohibits forced labor and is easily accessible on the company's website. It states that it shares this code with its suppliers. In addition, the company discloses that it is a member of the Responsible Business Alliance (RBA).

**Cascading Standards Through the Supply Chain:** SK Hynix discloses that it requires its suppliers to require their suppliers to acknowledge and implement its supplier code of conduct.

**Monitoring:** SK Hynix discloses that its supplier audits are conducted against the standards of the RBA Code (which includes forced labor), and that it evaluated suppliers using the RBA's Validated Audit Process (VAP). The VAP includes a review of relevant documents, such as working hour records and payroll, formal and informal interviews with workers which are conducted privately, and visits to production facilities and workers' housing.

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## OPPORTUNITIES FOR IMPROVEMENT

**Traceability and Risk Assessment:** To demonstrate a strong understanding of its supply chains, the company may consider disclosing the names and addresses of first-tier suppliers, the countries of below-first-tier suppliers, the sourcing countries of raw materials at high risk of forced labor, and information on its suppliers' workforce. The company is further encouraged to assess forced labor risks across its supply chains and disclose the risks identified.

**Recruitment:** To address the risk of exploitation of migrant workers through recruitment agencies in its supply chains, the company may consider requiring recruitment agencies used by its suppliers to uphold workers' rights and ensuring that workers in its supply chains are not charged fees during any recruitment-related process. The company is also encouraged to ensure recruitment agencies used by its suppliers are audited, and to work with suppliers to guarantee migrant workers' rights are respected (e.g., to ensure workers' passports or other personal documents are not retained).

**Worker Voice:** To prevent and address forced labor and human trafficking risks in its supply chains, the company may consider ensuring that a formal and effective mechanism to report grievances regarding labor conditions is available to and communicated to suppliers' workers and relevant stakeholders, such as worker organizations or labor NGOs. Further, the company is encouraged to take steps to ensure that workers in its supply chains are educated on their rights and are able to exercise their right to freedom of association.

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## COMPANY PROVIDED ADDITIONAL DISCLOSURE

[No](#)