Compliance & Business Ethics

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Code of Conduct and Ethical standards

Preamble

We, Hynix Semiconductor Inc., recognizing current time’s request for Ethics and Compliance Management on the basis of corporate value “Honesty and Integrity”, pursue to build up transparent corporate culture in which job is performed in ethical and lawful manner and fair transaction and social responsibility is well accomplished.

As such, We understand the necessity to establish and to affirm the Hynix Code of Conduct as company’s moral principles and values.

Chapter 1 : Responsibilities and obligations to Customers

Chapter 2 : Fair competition

Chapter 3 : Corporate Responsibilities to Employees

Chapter 4 : Employee’s responsibilities and obligations

Chapter 5: Responsibilities to Country and Society

Chapter 1 : Responsibilities and obligations to Customers

Recognizing customer gives us reason for being, we create customer value and mutual trust through customer satisfaction management.

1. Respect for Customers

We are always truthful to our customers, and regard them as primary standard for our decisions and conducts.

2. Creating Value

We continuously create practical value that fully benefits and satisfies our customers

3. Providing Value

Through manufacture of quality products and services, we will constantly
pursue the technological development and quality improvement.

4. Securing Customers’ Information

Private information about customers should be kept in strict confidence and used only in their best interests.

Chapter 2 : Fair competition

Upholding the principle of free market economic system and fair competition, we conduct all business transactions in strict accordance with local laws and regulations. We pursue mutual effort and cooperation with our dealers and vendors.

1. Pursuit of Free Competition

We compete fairly and capably with our competitors, but do not intrude upon their interests or exploit their weakness.

2. Compliance with Laws and Regulations

All business transactions shall be conducted in accordance with the country’s laws, regulations and business customs.

3. Cooperation with Dealers and Vendors

We pursue mutual prosperity with our dealers and vendors.

   (1) We offer equal opportunities to all qualified companies seeking to become our business partners.
   (2) All business transactions shall be conducted fairly and equally, and the terms and conditions of the contracts will be sufficiently discussed between all parties involved.
   (3) We support to enhance their competitiveness with our technological and managerial assistance, and share the profits derived from business innovations.

Chapter 3 : Corporate Responsibilities to Employees

We respect the human dignity of our employees and provide fair treatment based on their abilities and performance. We make utmost effort to promote a work environment conducive to creative thinking and quality of life.

1. Respect for Human Dignity

   (1) We strive to foster a creative and safe working environment for our
employees.
(2) We treat each employee with trust and affection and value every individual's human dignity.
(3) We make best effort to help employees attain personal fulfillment by instilling a sense of ownership in their jobs.
(4) We establish necessary regulations and educational guidelines for employees to perform their duties in fairness.
(5) Individual religious belief and political opinion will be respected.
(6) Individual privacy shall be guaranteed especially while off duty.

2. Fair Treatment

(1) We provide fair treatment to all employees regardless of sex, education, religion etc. and offer equal opportunities based on their abilities and talents.
(2) We motivate employees for self development through fair evaluation and reward.

3. Promoting Creativity.

(1) We make every effort to promote creative working environment.
(2) We strive to promote free communication atmosphere and solve any grievances.

4. Developing Human Resources

We develop our human resources on a long term basis and give active support to cultivate their abilities.

5. Reporting Violations

In case of acknowledging any violation, Hynix employees should immediately report to relevant office.

Chapter 4: Employee’s responsibilities and obligations

Based on a strong belief in honesty and fairness, Hynix employees make every effort to fulfill the duties through continuous self-development and fairness in performance and exert themselves in enhancing human relations with mutual trust.

1. Basic ethics

(1) Employees take pride in Hynix and always sustain honest and fair attitude in all our business affairs.
(2) Hynix employees continuously strive to maintain their personal dignity and company's honor based on high standard of morality.
(3) In performing their duties, Hynix employees will;
   - comply with local laws and company regulations in conscientious manner.
   - eschew unethical, unlawful behavior.
2. Fairness in performance

(1) Adhering to relevant laws and company regulations, Hynix employees carry out assigned duties in the lawful and ethical manner.
(2) Hynix employees are committed to accomplish their duties in compliance to the visions and policies of the company.
(3) Any violation against relevant laws and company regulations shall be reported in the designated procedure.
(4) Hynix employees make best effort to enhance work efficiency thorough open communication and cooperation with related departments.
(5) In performing business with other interest parties, Hynix employees shall not accept or give any form of financial benefit.
(6) Any usage of illegal software in the company is strictly prohibited.

3. Self development

In global age, Hynix employees constantly discipline themselves to achieve professional knowledge and technology.

4. Avoidance of Conflict with Company Interests

Hynix employees should avoid any individual behaviors that are in conflict with company interests. When such conflict occurs, company interests should be prior to all others, if they are not against ethic standard.

5. Ethics among Employees

Human relationship in the company shall be united based on faith and integrity.

(1) Hynix employees help each other to foster cooperative and comfortable work environment with basic etiquette.
(2) Any partisanship or discrimination is prohibited relating education, sex, religion, ancestry, national origin etc.
(3) To observe relevant laws and regulations, Hynix employees are committed to help and oversee each other.
(4) Any unjust asking, money transaction, and individual financial granting are prohibited. But small gift granting in memory of birthday, job transfer etc. is allowed exceptionally.
(5) Hynix employees must follow superior's instruction as best as they can.
   Exercising veto shall be secured over superior's unjust, illegal instruction, if not corrected later on, they shall follow the designated reporting procedure.
(6) Adhering to preventive regulation, Hynix employees must stay away from any sexual harassing behavior.

6. Preserving Company Property and Confidential Information

(1) Hynix employees are required to use working hours and company asset on business purpose only.
(2) Buying or selling stocks of the company or advising others in trading
of such stocks through exploitation of internal information is not permitted.

(3) Hynix employees are required to keep all proprietary information confidential and must not disclose any material or information to any outside party without prior permission under the company's rules and regulations. At the time of employment termination with Hynix, employees will be required to submit all originals or copies of any company information or property.

7. Safety

(1) Proper measures should be taken to assure adequate on-the-job safety.
(2) In an emergency, full scale recovery effort should be required with an immediate report procedure.
(3) Safety rules and regulations shall be strictly observed in work area.

8. Reporting Ethics Violations

If Hynix employees violate, or are forced to violate, or witness any violation, they should immediately report to relevant office.

Chapter 5 : Responsibilities to Country and Society

We contribute to national economy, respect local tradition and culture, preserve natural environment, and strive to maximize stockholder's values.

1. Responsibilities to Country

We serve as a provider offering quality product and service, a major local employer and tax payer.

2. Responsibilities to Society

(1) We contribute to the local community through job creation and social services.
(2) We promote employee's participation in social services.
(3) We make every effort to respectfully accept and fulfill reasonable demands from local communities.

3. Prohibition of Political Activities

(1) Political activities, including any illegal endowment to political entities, are generally prohibited in work area. We can express our own opinion about a legislation or policy making relating company interests

(2) Individual right to vote should be secured, but personal opinion should be carefully addressed not to be understood as whole company's
4. Responsibilities and Obligations to Shareholders

(1) We consider the interests of shareholders as our first priority.
(2) We seek to provide shareholders with stable profitability through effective business operations.
(3) We also respect the right and interest of minority among all shareholders.

5. Preserving Environment

We prevent pollution and observe relevant regulations through eco-friendly management.

Appendix

Chapter 1 (Effective Date)

1. Enacted as of June 1, 2000.
2. Revised as of August 1, 2001
3. Revised as of May 1, 2003

Chapter 2 (Practicing Rules)

Details that employees should observe regarding Code of Conduct are described in the practicing rules like "Employee Guidance Rule", "Use of Company Assets", "Regulation Indication System", "Ethics & Compliance Guide", "Whistle Blowing"

Chapter 3 (HR Assessment, Reward, Punishment)

Any achievement or violation regarding Code of Conduct will be reflected in HR procedure like personal assessment, reward, disciplinary measure.

Chapter 4 (Advising)

When employees need any help regarding Code of Conduct and other practicing rules, relevant organizations should advise them in the designated procedure.

Chapter 5 (Interpretation)

The authority of interpreting Code of Conduct and other practicing rules belongs to Internal Audit Team.

Chapter 6 (Priority)

Code of Conduct including practicing rules shall have priority over any other company regulations.