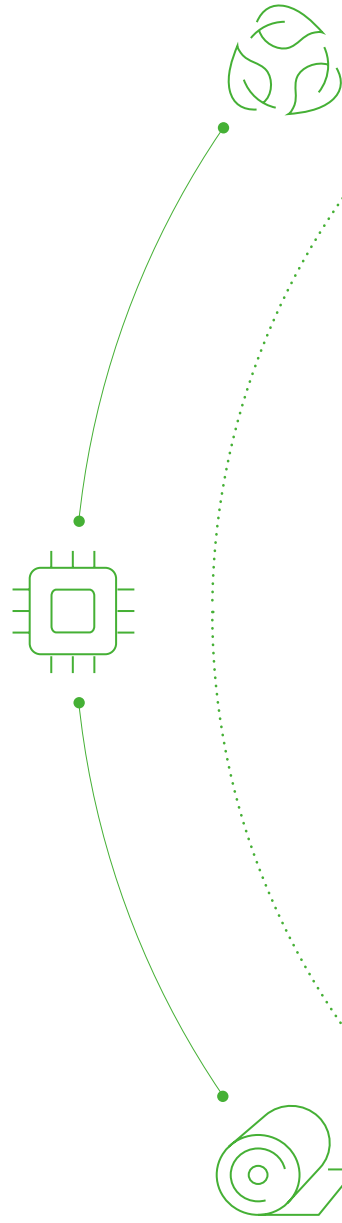


# SKC Sustainability Report 2025

ESG Solution Provider for the Next Generation



# About this report

## Report Overview

SKC has published its Sustainability Report annually since 2020. In line with the purpose of a sustainability report—"an activity to measure and disclose organizational performance for sustainable development and to make appropriate commitments to internal and external stakeholders"—we will continue to transparently disclose our ESG management efforts and key achievements, while actively reflecting stakeholders' feedback in our business operations.



## Cover Story

The growth of SKC's three core businesses—rechargeable batteries, semiconductors, and eco-friendly<sup>1)</sup> materials—is symbolized by a flourishing tree. The company's biodiversity conservation efforts are represented by animals under the tree, reflecting our direction to advance both business and ESG together.

1) Eco-friendly materials, one of our three growth pillars, refer specifically to biodegradable materials. "Biodegradable" here indicates decomposition after disposal. These materials include PBAT and LIMEX products that have obtained domestic and international biodegradability certifications, such as eco-labels.

## Reporting Period

This report covers activities from January 1 to December 31, 2024. It also includes significant achievements outside the reporting period, including those from before 2024 and the first half of 2025. To enhance comparability, data for the three years from 2022 to 2024 has been provided.

## Reporting Standards

This report has been prepared in accordance with the GRI Standards 2021, the global sustainability reporting guidelines. We also follow the standards of the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) to reflect industry-specific issues. In addition, we incorporate the Ten Principles of the United Nations Global Compact (UNGC) and the UN Sustainable Development Goals (UN SDGs). The financial information included in this report has been prepared in accordance with the Korean International Financial Reporting Standards (K-IFRS).

## Assurance of the Report

To enhance the fairness and credibility of the report's preparation process and content, SKC received third-party assurance from the Korea Productivity Center (KPC). The assurance was conducted in accordance with AA1000 Assurance Standard (AA1000AS) Type 2. Detailed assurance statements can be found on page 116.

## Reporting Boundaries

This report covers the domestic business sites of SKC and its key subsidiaries (SK nexilis, SK picglobal, and ISC), including Seoul, Suwon, Jeongeup, Ulsan, Pangyo, Ansan, Songdo, Cheonan, Icheon, and Seongnam. Some content includes data from other subsidiaries and overseas business sites. Where the reporting boundary differs or where past data disclosed in previous reports required restatement based on 2024 standards, the changes have been annotated accordingly.





- **Head Office/Research Centers:** Seoul, Pangyo, Suwon
- **Business Sites:** Jeongeup, Ulsan, Ansan (2 locations), Seongnam, Cheonan, Icheon, Songdo

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\*Korean Report Publication Date: June 30, 2025  
English Report Publication Date: July 31, 2025

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# Introduction



# CEO Message



## Dear Valued Stakeholders,

We are witnessing heightened uncertainty and challenges across industries and society, driven by the slowdown in electric vehicle market growth, paradigm shifts in the semiconductor sector, and the normalization of climate crises. In this pivotal time of transformation, SKC has spent the past year focusing not on “speed,” but on the “right direction.” We have remained committed to building a resilient structural foundation and strengthening our core competitiveness.

Our rechargeable battery and semiconductor material businesses have diversified their customer base, laying the groundwork for stable growth. The glass substrate business has entered the final phase of mass production readiness, preparing to advance into the high-end materials market. Backed by years of accumulated capabilities, our biodegradable materials business has also entered the stage of tangible execution.

At the heart of every step SKC has taken lies our unwavering commitment to ESG. SKC regards ESG not as a slogan, but as a core management system. We are embedding ESG into every aspect of our investments, supply chain, and operations. Our journey toward the “2040 Net Zero GHG Emissions” target is progressing without delay. We are focused on delivering concrete, measurable outcomes through expanded RE100 implementation at overseas sites and carbon reduction efforts at domestic facilities. Furthermore, we are driving innovation in organizational culture based on diversity and inclusion, strengthening our shared growth with local communities, and building responsible partnerships with shareholders and partners.

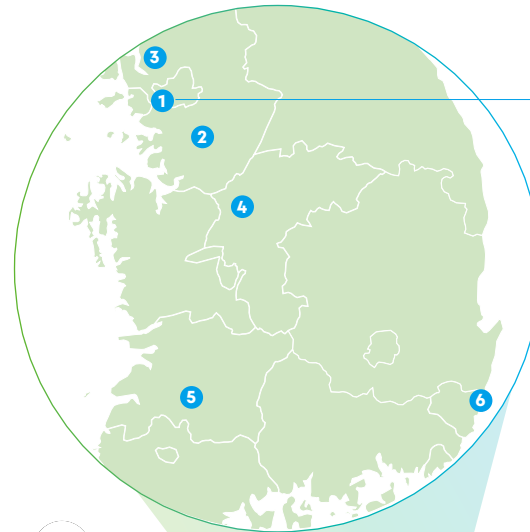
Dear stakeholders,  
SKC will continue to move forward quietly and faithfully toward a sustainable future through action, not just declaration, and through execution, not just planning. With the internalization of ESG and a commitment to transparent communication, we will go further and go deeper together. We sincerely ask for your continued interest and support as we move forward on our journey.  
Thank you.

CEO & President, SKC **Park Won-cheol,**

# Company Overview

## Global Network

Since launching the SK Group's first overseas production facility in Covington, Georgia, in 1996, SKC has continued to expand its global network by establishing production facilities and sales subsidiaries across the United States, Europe, Southeast Asia, and other regions. SK nexilis, a manufacturer of copper foil for rechargeable batteries, operates production bases in Kota Kinabalu, Malaysia—offering outstanding cost competitiveness—and Stalowa Wola, Poland, which provides excellent customer accessibility. ISC, a semiconductor test solution company, owns a production facility in Hanoi, Vietnam, and secures global big tech clients through its sales office in San Francisco, United States. Absolics has built the world's first semiconductor glass substrate production facility in Covington, Georgia, while SK leaveo is currently constructing a biodegradable PBAT material production plant in Hai Phong, Vietnam. Through continued global business expansion, SKC will further enhance our competitiveness and extend the reach of South Korea's industrial presence around the world.



### 1 Seoul

SKC, SK nexilis, SK picglobal, SK leaveo

#### Seoul: Chungmuro Office Building

In 2025, SKC relocated its office to Chungmuro, Seoul, marking a new beginning at our new urban base. This relocation was not merely a change in location but a transformative step aimed at creating a sustainable work environment that aligns with our future growth strategy and ESG management system. The new office has been designed to encourage autonomous collaboration among employees and foster an innovative culture where creative problem-solving and innovation arise naturally, grounded in a flexible work culture. Located in the heart of Seoul, the Chungmuro office enhances communication with various stakeholders and helps spread SKC's corporate culture that values openness and transparency. Building on the relocation to the Chungmuro office, SKC is accelerating internal and external collaboration and the fulfillment of social responsibilities to create sustainable value.



### 2 Gyeonggi-do

Suwon | SK nexilis, SK leaveo | Icheon | ISC  
Seongnam | ISC | Hwaseong | SK leaveo  
Ansan | ISC

### 3 Incheon

Songdo | ISC, Absolics

### 4 Cheonan

ISC

### 5 Jeongeup

SK nexilis

### 6 Ulsan

SK picglobal

# Company Overview

## Company Overview

SKC delivers differentiated products and solutions to customers by securing global reach and unrivaled technological superiority in rechargeable batteries, semiconductors, and eco-friendly materials. We provide optimal solutions in terms of price and quality in line with our customers' expansion and continuously develop future businesses through relentless R&D. In addition, we are committed to achieving sustainable growth by conducting all business activities based on ESG principles.



**CEO** Park Won-cheol



**Established** October 16, 1976



**Revenue** KRW 1.7216 trillion



**Operating Profit** KRW -276.8 billion



**Countries of Operation** 6 countries

## Business Areas

SKC is transforming its business model into a high-value-added, advanced industry centered on rechargeable batteries, semiconductors, and eco-friendly materials, striving to grow into a "Global ESG Material Solutions Company"

# SKC

### Semiconductor Materials

In 2023, SKC strengthened its competitiveness in the semiconductor back-end process by acquiring ISC, a semiconductor test solution company. We also launched a new business in glass substrates—an emerging material expected to reshape the next-generation semiconductor packaging industry—taking on the challenge of innovation in the semiconductor sector. SKC is establishing a glass substrate production facility in Georgia, United States, and is working to verify technologies and build the business foundation for full-scale market entry.

### Rechargeable Battery Materials

In the copper foil sector—an essential material for electric vehicle batteries—we have secured world-class technology and quality competitiveness. Based on continuous R&D, we are expanding our global production bases in Jeongeup (Jeollabuk-do, South Korea), Malaysia, and Poland, growing into a key material supplier in the EV transition era.

### Eco-Friendly Materials

SKC has begun constructing a high-strength biodegradable material (PBAT) production base in Vietnam, solidifying our position as a global supplier in the field of eco-friendly biodegradable materials. Through the expansion of markets for a wide range of eco-friendly materials—including PBAT (short for polybutylene adipate terephthalate) and biodegradable LIMEX—we aim to take the lead in addressing the plastic waste issue.

# Company Overview

SKC has grown through continuous technological innovation and business transformation in step with the evolving materials industry. Originally starting with film and chemical materials, SKC has evolved its business model into a high-value-added advanced materials company in response to major global shifts such as artificial intelligence, the electric vehicle era, and climate action. By entering next-generation industries—including copper foil, semiconductor test sockets and glass substrates, and biodegradable materials—SKC is transforming its accumulated technological capabilities into future growth drivers and delivering sustainable value.

SKC has also restructured its business with a focus on high-value, cutting-edge technologies. We are refining our business portfolio centered on rechargeable batteries, semiconductors, and eco-friendly materials by exploring new opportunities and streamlining existing operations, all while considering alignment with our core capabilities and long-term market viability. These efforts are laying the foundation for SKC to go beyond its traditional role as a manufacturing company and establish itself as a technology-driven ESG material solutions provider.

## 1970s

- 1976 • Established Sunkyung Chemical Co., Ltd.
- 1977 • Developed Korea's first polyester (PET) film



## 1980s

- 1980 • Became the fourth company in the world to develop video tape
- 1982 • Developed 5.25-inch floppy disk
- 1986 • Established SKC America Inc. in New Jersey, USA  
• Completed compact disc (CD) production plant
- 1987 • Changed company name to SKC



## 1990s

- 1990 • Began commercial production of PO and polyol
- 1996 • Developed DVD
- 1999 • Completed PET film plant in Georgia, USA—the SK Group's first overseas production facility

## 2000

- 2008 • Acquired management rights of Solmics  
• Became the world's first to complete an HPPO plant for eco-friendly PO production



## 2010s

- 2012 • Completed PET film plant in Jincheon
- 2014 • Acquired stake in BIOLAND and completed production plant for high-value polyurethane "Jaunce Bumper"
- 2015 • Established MCNS, a joint venture for polyurethane business
- 2016 • Completed CMP pad plant for high-value polyurethane
- 2017 • Opened Gwanghwamun office building
- 2018 • Achieved world's first commercialization of PCT film
- 2019 • Decided to acquire KCFT, a copper foil manufacturer for EV batteries

## 2020

- 2020 • Completed acquisition of SK nexilis  
• Established SK picglobal, a joint venture with Kuwait's PIC  
• Decided to invest in expanding SK nexilis's sixth copper foil plant for global No.1 production capacity



- 2021 • Decided to build SK nexilis's first overseas copper foil plant in Malaysia  
• Established SK TBMGEOSTONE, a joint venture with TBM of Japan  
• Decided to invest in high-performance semiconductor packaging glass substrates  
• Decided to build a copper foil plant in Poland through SK nexilis  
• Decided to establish a joint venture with Daesang and LX International for high-strength PBAT production



- 2022 • MCNS commercialized Korea's first eco-friendly repolyol technology  
• MCNS changed its name to SK pucore  
• SK nexilis secured the industry's first ultra-high-strength U-copper foil production technology  
• SK nexilis became the world's first to develop "V-copper foil," a highly stretchable material for next-generation cylindrical batteries  
• SK picglobal commercialized the world's first exclusive DPG process

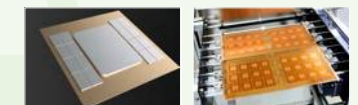
- 2023 • SKC Solmics changed its name to SK empulse  
• Decided to acquire ISC  
• SK empulse decided to sell its basic semiconductor materials business  
• SK leaveo decided to invest in facilities in Vietnam  
• Decided to sell SK pucore  
• SK empulse decided to transfer its fine ceramics business



- 2024 • SK leaveo began construction of a biodegradable materials production facility in Vietnam  
• SK nexilis completed its second plant in Malaysia  
• SK nexilis decided to sell its ultra-thin film business



- 2025 • Opened new office building in Chungmu-ro, Jung-gu, Seoul  
• Set to commercialize the world's first semiconductor glass substrates  
• Scheduled to complete high-strength PBAT production facility in Vietnam



# Overview of Subsidiaries

**SK nexilis** is a manufacturer of anode current collectors, a key material for rechargeable batteries. Through nearly 30 years of continuous research and development, we have secured world-class recipe and web handling technologies. We offer a full range of products required by our customers, including copper foil used in lithium-ion batteries and nickel alloy foil used in solid-state batteries. As part of our localization strategy, we have expanded our production bases from Jeongeup in Jeollabuk-do, Korea, to Malaysia and Poland, establishing a supply system capable of meeting the demands of global customers. SK nexilis is committed to achieving sustainable growth by promoting copper resource recycling, utilizing eco-friendly energy, and expanding water recycling technologies.

CEO  
Lyou Kwang-min



## Green Technology With Trust

The electric vehicle market is entering a new phase as environmental regulations tighten and demand for premium products increases. SK nexilis will continue to drive innovation through forward-looking R&D efforts, aiming to lead the EV materials market and secure global competitiveness by telling a new story of innovation.

### 2024 Performance

SK nexilis produces high-strength, high-elongation copper foil based on our unrivaled global No. 1 technology. We have built a global production system by expanding our manufacturing bases beyond Jeongeup to Malaysia and Poland, preparing for the post-EV boom market shift. Notably, we became the first Korean battery materials company to receive KRW 195 billion in Temporary Crisis and Transition Framework (TCTF) subsidies from the European Union through the Polish government, further establishing a global network of industry-academia-research collaboration.

### 2025 Strategic Directions

We plan to stably supply customized copper foil to major global clients while continuing to diversify our customer base to enhance competitiveness in the global supply chain. In line with the expected recovery in global demand, we aim to build a system that can respond immediately, while advancing operational efficiency and technology at each production site.

### Main Product

Copper Foil for Rechargeable Batteries



# Overview of Subsidiaries

**Absolics** Inc. is leading a paradigm shift in the semiconductor packaging industry by pioneering the world's first commercialization of glass substrates. Glass substrates, known for their excellent heat resistance, are eco-friendly materials optimized for high-performance and high-density semiconductors, offering a solution that maximizes power efficiency. Absolics has adopted the smart factory concept throughout its entire production process, enhancing both productivity and quality excellence. Through a digital process control system, we minimize energy and resource consumption while maximizing operational efficiency through data-driven process improvement and predictive maintenance. With this approach, Absolics is proactively establishing an eco-friendly and sustainable mass production system. In addition, through close collaboration with customers and partners, we aim to enhance the sustainability of the global semiconductor packaging ecosystem while advancing industry-wide technological sophistication and delivering ESG value.

CEO  
Park Won-cheol



## Global No. 1 Advanced Packaging Foundry Service Provider

Absolics is advancing the world's first commercialization of semiconductor glass substrates for high-performance computing. Glass substrates are gaining attention as a "game-changer" that overcomes the limitations of existing plastic and silicon interposer substrates and the fine process constraints of chipsets. We have completed our mass production facility in Covington, Georgia, United States, and are currently producing prototypes. Through the successful commercialization of glass substrates, we will continue to lead innovation in the semiconductor back-end process market.

### 2024 Performance

Based on our unrivaled glass substrate technology, Absolics was selected as a recipient of production subsidies under the United States Creating Helpful Incentives to Produce Semiconductors and Science Act (CHIPS Act), securing USD 75 million in funding. Additionally, we were selected for the United States National Advanced Packaging Manufacturing Program (NAPMP), an R&D subsidy program worth USD 100 million, solidifying our story of technology-driven growth. Building on our proven global technological capabilities, we are preparing for the world's first phased mass production.

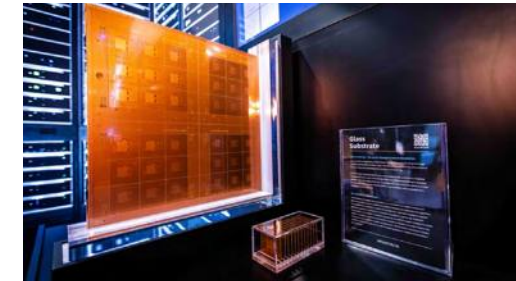


### 2025 Strategic Directions

We are focusing on securing the world's first glass substrate production technology and advancing mass production capabilities. Through close collaboration with customers and partners, we aim to lead innovation in the global semiconductor packaging ecosystem.

### Main Product

Glass Substrates

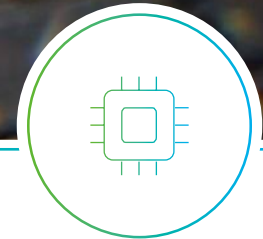
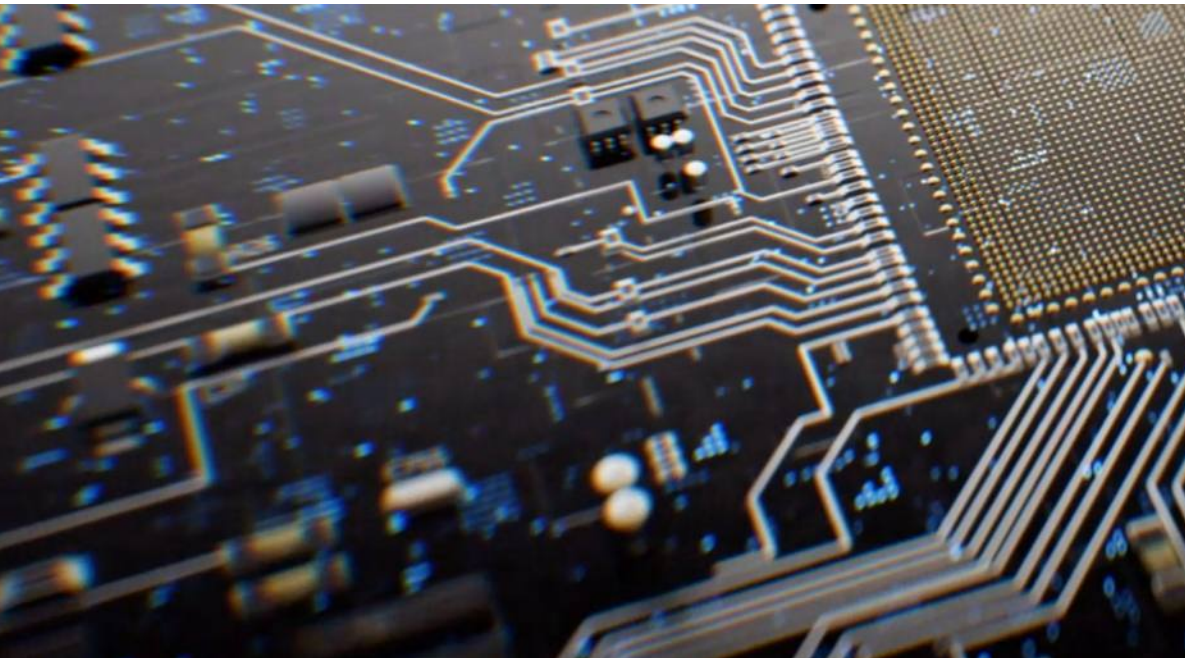


# Overview of Subsidiaries

ISC Co. Ltd. is building a bridge that connects technology, people, and the world through innovation in semiconductor test solutions. Semiconductor chips at the core of advanced industries—such as 5G smartphones, autonomous vehicles, AI, big data, and smart factories—reach the world through ISC’s precision test solutions. Our vision is to drive connection and transformation through cutting-edge technologies and to shape a better future. The year 2025 marks the starting point of our journey toward realizing the "ISC 2.0 Vision," as we aim to reach even higher goals.

Co-CEOs

Kim Jeong-ryeol, Yoo Ji-han



## Total Test Solution Provider

ISC supplies a full range of solutions used in semiconductor testing processes, including test sockets, interface boards, connectors, and burn-in sockets for both system semiconductors and memory semiconductors. Through the development of customized products, we provide optimal solutions to our clients and strive to grow as a global semiconductor test solution provider that fulfills its social responsibilities.

### 2024 Performance

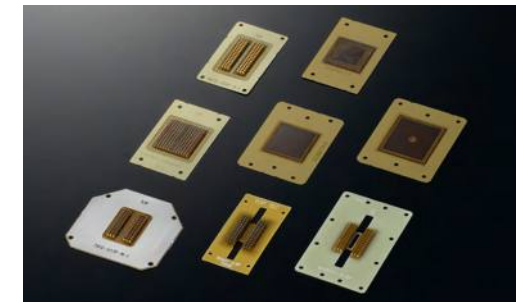
In 2024, ISC focused on "selection and concentration" as the direction for growth. We enhanced management efficiency by merging our manufacturing subsidiaries ITMTC and ProWell, and strengthened our core competitiveness by divesting the interface board business. Additionally, we showcased our new AI semiconductor test socket, WiDER FLEX, once again demonstrating our technological leadership in our core business of test sockets.

### 2025 Strategic Directions

To realize the "ISC 2.0 Vision," we will focus on advancing our test solution technologies. In line with the era of high-performance semiconductors, we plan to expand our portfolio of high-value, customized products for clients while also reinforcing our R&D capabilities in alignment with the ISC 2.0 strategy. Furthermore, we will strive to cultivate an organizational culture where individual achievement and employee well-being grow together.

### Main Product

Semiconductor Test Socket



# Overview of Subsidiaries

**SK picglobal** Co., Ltd. is a joint venture established through a strategic partnership between SKC and Petrochemical Industries Company (PIC), the state-owned petrochemical company of Kuwait. The company has set numerous milestones as a pioneer in the history of Korea's chemical industry. Starting with the first-ever domestic development of mass-production technology for Propylene Oxide (PO), SK picglobal has demonstrated its technological leadership in the global petrochemical market by commercializing the world's first Hydrogen Peroxide to Propylene Oxide (HPPO) process and the world's first standalone Dipropylene Glycol (DPG) process. SK picglobal continuously develops and produces high-value specialty petrochemical products, contributing to the enhancement of quality of life for people around the world.

CEO  
Choi Doo-hwan



## Global Eco-Life Solution Provider

SK picglobal is unwavering in its commitment to sustainable growth. By establishing and implementing ESG strategies across the entire value chain—including carbon footprint reduction, achieving Renewable Energy 100 (RE100), creating a zero-accident safety and environmental system, and pursuing shared growth with stakeholders—we aim to become a global leader in eco-friendly materials that fosters both sustainability and improved quality of life.

### 2024 Performance

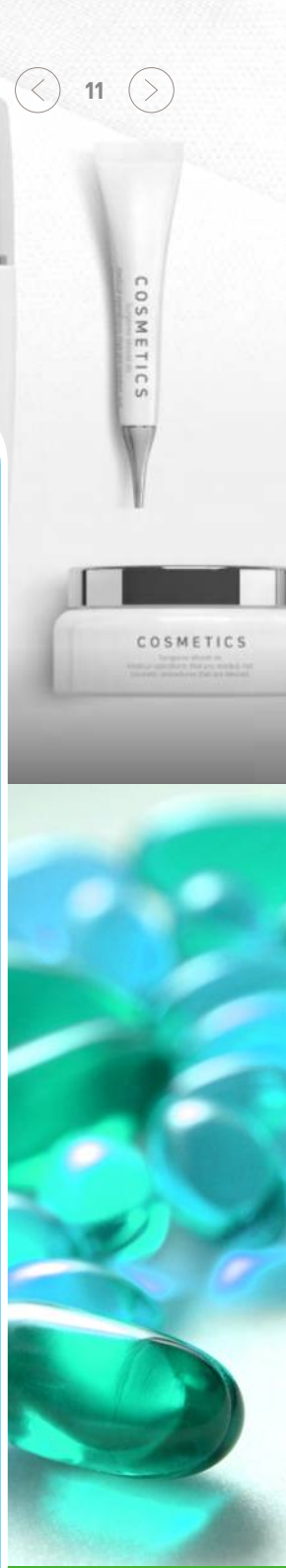
SK picglobal is actively practicing sustainable management through continuous process improvements, energy savings via steam networks utilizing waste heat from neighboring facilities, and a portfolio of eco-friendly, high-quality Propylene Glycol (PG) products. We also aim to maximize production volume by expanding our global production bases and to secure continued growth momentum by increasing the proportion of high-value-added products such as DPG.

### 2025 Strategic Directions

Despite the ongoing challenges in the petrochemical industry, we will strengthen our efforts to innovate and enhance competitiveness. We will continue to prioritize the values of both internal and external stakeholders and maintain open communication to drive mutual growth.

### Main Product

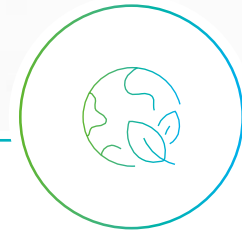
Propylene Oxide (PO), Propylene Glycol (PG), Styrene Monomer (SM)



# Overview of Subsidiaries

SK leaveo Co., Ltd. aims to build a better world through eco-friendly biodegradable materials, offering solutions for a sustainable society. We develop products that minimize environmental impact and broaden our market reach through biodegradable technologies and environmentally conscious solutions, engaging with customers around the globe. Our production base in Hai Phong, Vietnam, which is scheduled for completion this year, marks a major turning point in SK leaveo's global business expansion. By strengthening locally based manufacturing capabilities, we will enhance both cost competitiveness and supply stability while accelerating product development and prototype launches through strategic collaborations with global partners. SK leaveo also strives to create a sustainable industrial ecosystem where people and the environment coexist in harmony, based on eco-friendly processes and a safe working environment.

CEO  
Yang Ho-jin



## For a green sustainable planet, we leave zero plastic by using innovative technology

SK leaveo, guided by our philosophy of "We leave zero," produces biodegradable materials—"plastics that decompose"—with a focus on high-strength Polybutylene Adipate Terephthalate (PBAT), which is recognized for its versatile applications. Through continuous technological development, we are expanding the market beyond general disposable products to include specialized applications such as hygiene items like diapers, controlled-release fertilizer coatings, and mulching films. By expanding the market for eco-friendly biodegradable materials, we aim to take the lead in solving environmental problems caused by plastic waste.

### 2024 Performance

SK leaveo expanded the application scope of biodegradable PBAT into the hygiene and agricultural materials sectors. We jointly developed biodegradable wet wipes and diapers in collaboration with Korea's leading hygiene companies, Klean Nara and Bonoa. We also signed an agreement with agricultural specialist Nubo to co-develop biodegradable controlled-release fertilizer coatings, further strengthening the foundation for commercialization. In Hai Phong, Vietnam, we began construction of the world's largest single PBAT production plant with an annual capacity of 70,000 tons, entering full-scale development of global manufacturing capabilities.



### 2025 Strategic Directions

We plan to accelerate product diversification based on PBAT and biodegradable LIMEX, as well as entry into high-value-added markets. We will continue to commercialize everyday-use product lines in sectors such as hygiene, agriculture, and packaging, while establishing a global supply network linked to our Hai Phong production base through strategic partnerships with global companies. Through the ongoing popularization of biodegradable materials, we aim to establish ourselves as a key player in the era of the circular economy.

### Main Product

High-Strength Polybutylene Adipate Terephthalate (PBAT)



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# ESG Management



# Governance & Oversight Structure

## Board of Directors Status

(As of March 2025)

SKC operates its Board of Directors based on the principles of independence, diversity, and expertise, to establish a sound corporate governance system and build trust with key stakeholders. We appoint independent directors with relevant experience and knowledge to ensure that the board can perform its functions independently from management and controlling shareholders, while making a substantial contribution to management. The board is responsible for establishing and reviewing the company's goals and business strategies. It systematically evaluates matters such as the allocation of managerial resources and capital with ESG management in mind. In pursuit of enhanced operational efficiency, we strive to ensure transparent board decision-making that maximizes shareholder value, elevates corporate value, and creates both economic and social value.

● Independent Directors ● Executive Director ● Non-Executive Directors



**Chae Eun-mi,**  
Chair of the Board

**Expertise** Global Business  
**Term** March 2023 – March 2026  
**Key Experience and Positions**  
(Current) Member, Regulatory Reform Committee, Office for Government Policy Coordination  
(Current) Policy Advisory Committee Member, Ministry of Personnel Management  
CEO, FedEx Korea  
Vice Chair, Logistics Committee, Korea Chamber of Commerce and Industry



**Park Si-won**

**Expertise** ESG, Legal  
**Term** March 2021 – March 2027  
**Key Experience and Positions**  
(Current) Professor, School of Law, Kangwon National University  
(Current) Member, Regulatory Reform Committee, Ministry of Trade, Industry and Energy  
(Director, Environmental Law Center, Institute of Comparative Law, Kangwon National University



**Jung Hyun-wook**

**Expertise** Finance/Accounting, Risk Management  
**Term** March 2025 – March 2028  
**Key Experience and Positions**  
(Current) Certified Public Accountant / Foreign CPA (U.S.)  
(Current) Senior Advisor, Kim & Chang  
Finance Executive Director, Lam Research Korea  
CFO, Seoul Semiconductor  
Finance Director, GE Healthcare Korea



**Kim Jung-in**

**Expertise** General Corporate Management  
**Term** March 2023 – March 2026  
**Key Experience and Positions**  
(Current) CEO, Hyperlounge Co., Ltd.  
Global Head of Operations, Affinity Equity Partners  
Executive Vice President, Head of Business Division, Hyundai Card  
Partner, McKinsey & Company



**Park Won-cheol**  
CEO

**Expertise** General Corporate Management  
**Term** March 2022 – March 2028  
**Key Experience and Positions**  
(Current) CEO, SKC Co., Ltd. and Absolics Inc.  
Head, New Business Team, SUPEX Council  
Executive, Global Growth Support Team, SUPEX Council



**Yoo Ji-han**

**Expertise** General Corporate Management  
**Term** March 2024 – March 2027  
**Key Experience and Positions**  
(Current) Chief of Management Support Division, SKC Co., Ltd. and Co-CEO of ISC Co., Ltd.  
Head, Investment Team 2, SUPEX Council



**Kim Kee-dong**

**Expertise** Finance/Accounting, Risk Management  
**Term** March 2025 – March 2028  
**Key Experience and Positions**  
(Current) Head of Finance Division, SK Inc.  
Chief of Management Support Division and Finance Division, SK Chemical  
Head of Financial Support, SK Chemicals  
Chief of Finance Division, SK Discovery

# Governance & Oversight Structure

## Board Composition



### Board Independence

SKC operates its Board of Directors with a focus on independent directors to ensure that the board can carry out its oversight and decision-making responsibilities independently from management and controlling shareholders. We appoint independent directors to make up the majority of the board and maintain fairness and independence in the nomination process through the operation of the Independent Director Recommendation Committee.



### Board Diversity

SKC promotes a balanced board composition that embraces multiple perspectives and values by including directors from diverse backgrounds in terms of gender, age, career experience, and areas of expertise. To enhance diversity, SKC appointed an additional female director in March 2023, resulting in women making up half of the independent directors. Furthermore, in March 2025, we appointed our first-ever female Chair of the Board.

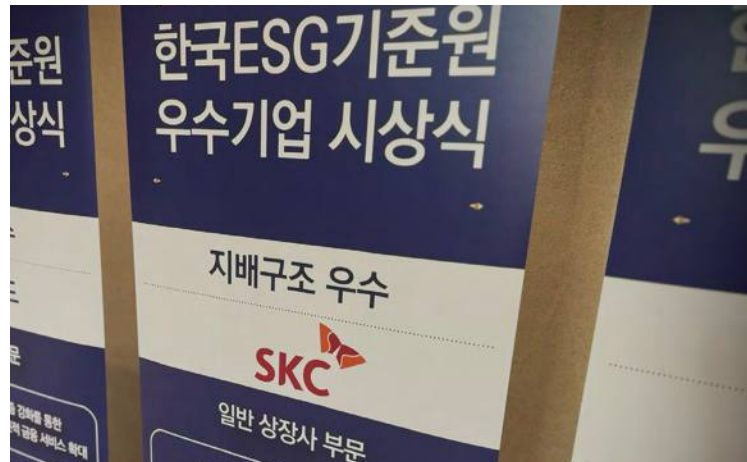


### Board Expertise

SKC forms its board with directors who possess specialized knowledge and experience in various fields, enabling them to make substantive contributions to corporate operations. Our current board includes expertise in corporate management, finance/accounting, global business, legal affairs, and ESG.

## Recognized for Excellence in Governance

In recognition of our efforts to establish and operate a sound governance structure and to continuously improve governance practices, SKC was named an excellent company in the governance category of the ESG evaluation conducted by the Korea Institute of Corporate Governance and Sustainability (KCGS) in 2024. Since establishing the ESG Committee under the board in 2021, SKC has been reviewing mid- to long-term ESG strategies and discussing major ESG-related decision-making items. We also took steps to enhance board gender diversity and transparency, appointing our first female independent director in 2021 and, in 2025, appointing the first female independent director as Chair of the Board since the company's founding. In addition, SKC prepares an Activity Report detailing board activities, evaluation methods, and the remuneration system, thereby reinforcing the soundness of our governance through transparent information disclosure. SKC will continue to build a stronger governance system in the face of a rapidly changing business environment and fulfill our social responsibilities as a model corporate citizen.



# Governance & Oversight Structure

## Interview with Chae Eun-mi, Chair of the Board of Directors



**Q1** You've been appointed as the first female Chair of the Board in SKC's history. How do you feel about this appointment?

It is a great personal honor to be appointed as the first female Chair of SKC's Board of Directors, and at the same time, I feel a profound sense of responsibility. I believe this appointment reflects the values that SKC pursues in an era where diversity and inclusion are increasingly important. I will do my utmost to meet both internal and external expectations for female leadership and to leave a positive precedent through exemplary board governance at SKC.



**Q2** SKC is often cited as a model for board-centered management within the SK Group. What do you think are the strengths unique to the SKC board?

Among the many strengths, I would particularly highlight expertise and passion. SKC's board is composed of veteran experts in finance, law, management, and related industries. Regardless of whether one is an executive or an independent director, everyone engages in in-depth and passionate discussions based on transparently provided information to make the best possible decisions on major agenda items. Additionally, we regularly convene the Independent Director Council, composed solely of independent directors, to explore ways to improve and advance board operations. Each month, before the board meeting, our committees engage in active deliberation and decision-making, allowing the board meetings themselves to run efficiently and focus on key issues. Thanks to these efforts, the SKC board has come to be recognized as a best practice within the SK Group. In fact, at last year's and this year's group-wide orientation sessions for newly appointed independent directors, SKC was invited to share its board operations as a model case representing the entire group.



**Q3** What efforts is the SKC board making to support sustainable management?

As the company's highest decision-making body, the board places top priority on sustainability when establishing business strategies and making key decisions related to the allocation of resources and capital. Looking ahead, we will further strengthen our oversight not only in financial matters, but also in increasingly critical non-financial areas such as safety, health, environment, information security, and risk management. In doing so, we aim to reinforce a governance system built on trust, transparency, and accountability.



**Q4** In what direction should the SKC board move forward, and what will be your main focus during your term to support that direction?

Last year, one of our key priorities was related to the CEO reappointment process—namely, establishing a CEO evaluation and compensation system and developing a succession pipeline. Starting this year, as we enter what we call the "Board-Centered Management 2.0" era, the demand for stronger oversight is increasing. SKC's board will therefore take a closer look at the company's management goals and strategies and focus on establishing a systematic framework for oversight—aimed at improving financial soundness and profitability and ensuring transparent management by the executive team in the interests of the company and its stakeholders, including shareholders. This enhanced oversight role will also extend to SKC's key subsidiaries. In parallel, we will continue to strengthen the board's internal capabilities through board competency evaluations and self-assessments of board and committee activities, using these as key criteria in future independent director nominations and reappointment decisions.



**Q5** Lastly, do you have any words for stakeholders reading this year's sustainability report?

As a leading ESG material solutions company, SKC is now focused on strengthening its core industries, diversifying relevant businesses, and driving globalization to respond to the rapidly changing business environment. In this period of transformation, I believe the role of the board is more important than ever. To ensure SKC's sustainable growth and development, our board will maintain an open mindset, communicate actively with a wide range of stakeholders, and strive to drive meaningful change. We sincerely ask for your continued interest and support.

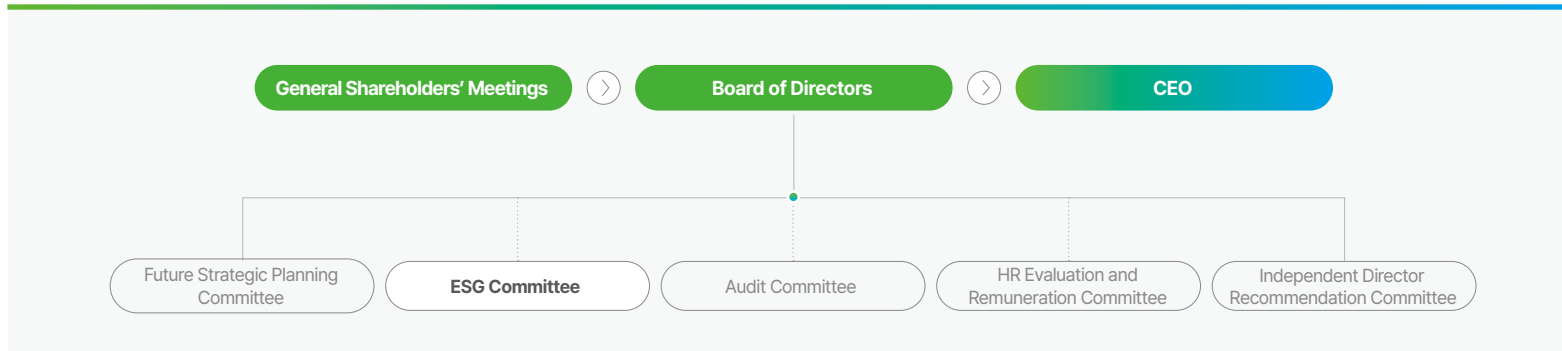
# INTERVIEW

# Governance & Oversight Structure

## Board Committees

SKC operates five committees under the Board of Directors, including the ESG Committee, which discusses ESG management strategies, identifies and manages risks, and supports sustainable growth.

### Board Committee Structure



### ESG Committee

To strategically respond to major ESG issues—such as climate change, air, and water resources—and to practice sustainable management, SKC established the ESG Committee under the board in 2021. The ESG Committee is responsible for formulating ESG strategies and reinforcing ESG-focused reviews of strategic investments. Its key roles include setting the mid- to long-term direction for ESG initiatives, reviewing risks, and developing management plans. Additionally, we operate the internal Sustainable Management Committee with participation from SKC division heads and portfolio company representatives, and the Sustainability Working Group composed of executives in charge of strategy/management planning from SKC and each portfolio company to identify major ESG agenda items. On a quarterly basis, the Sustainability Working Group reviews ESG-related initiatives. The Sustainability Management Committee then discusses implementation strategies, and key items are submitted to the ESG Committee for approval, enhancing execution and accountability.

#### Committee Members

Park Si-won, Independent Director (Chair)

Kim Jung-in, Independent Director (Member)

Yoo Ji-han, Executive Director (Member)

### ESG Agenda Review and Decision-Making Process



### ESG Committee Activities

| Session | Meeting Date | Agenda Items  |
|---------|--------------|---|
| 1st     | 2024.01.16   | Preliminary Review of the Proposed Amendment to the Board Regulations         |
|         |              | Preliminary Review of Amendments to the Committee Regulations                 |
| 2nd     | 2024.03.19   | Preliminary Review of the Proposed Amendment to the Board Regulations         |
|         |              | Preliminary Review of Amendments to the Committee Regulations                 |
| 3rd     | 2024.04.16   | Report on 2024 SHE (Safety, Health, Environment) Risk Management enhancements |
|         |              | Report on 2024 Annual Operating Plan  |
| 4th     | 2024.05.21   | Review of 2023 Corporate Governance Report publication                        |
|         |              | Preliminary review of Independent Director Compensation Policy                |
| 5th     | 2024.06.18   | Review of 2024 Sustainability Report publication                              |
|         |              | Net Zero Roadmap update   |
| 6th     | 2024.07.16   | Report on 2023 Scope 3 Greenhouse Gas Emissions measurement results           |
|         |              | Preliminary review of Board Regulation amendments                             |
| 7th     | 2024.10.15   | Preliminary review of Committee Regulation amendments                         |
|         |              | Report on 2024 SHE status and best practices for SHE improvement              |
| 8th     | 2024.12.10   | Report on 2024 External ESG Ratings Response Results                          |

# Governance & Oversight Structure

## Internal ESG strategy and direction

### Sustainability Management Committee

The Sustainability Management Committee is a company-wide consultative body that shares updates on SKC's ESG initiatives and discusses key issues on a quarterly basis. The committee plays a central role in supporting the ESG management activities of investee companies and enhancing their ESG maturity. It also actively responds to customer ESG requirements, analyzes the impact of policy changes, and establishes response strategies, thereby fostering an ESG management environment that strengthens business competitiveness.



**Yoo Ji-han**  
Chair/ Chief Financial Officer (CFO)



**Lyou Kwang-min**  
CEO, SK nexilis



**Choi Doo-hwan**  
CEO, SK picglobal



**Kim Jeong-ryeol**  
CEO, ISC



**Kim Sun-hyuk**  
Chief Strategy Officer (CSO)

### Sustainability Working Group

The Sustainability Working Group, a sub-body under the Sustainability Management Committee, is composed of executives in charge of strategy and planning at SKC and its key investee companies. It convenes prior to each Sustainability Management Committee meeting to identify and discuss company-specific ESG issues, develop implementation initiatives, and build consensus around key sustainability topics.



**Nah Yuna**  
Working Group Head  
Commissioner/ Director of  
External Relations Office



**Hwang Tae-hoon**  
Director of Global Strategy  
Office, SK nexilis



**Lee Doo-jin**  
Director of Business Strategy  
Office, SK picglobal



**Park Jong-hee**  
Director of Corporate Culture  
Office, ISC

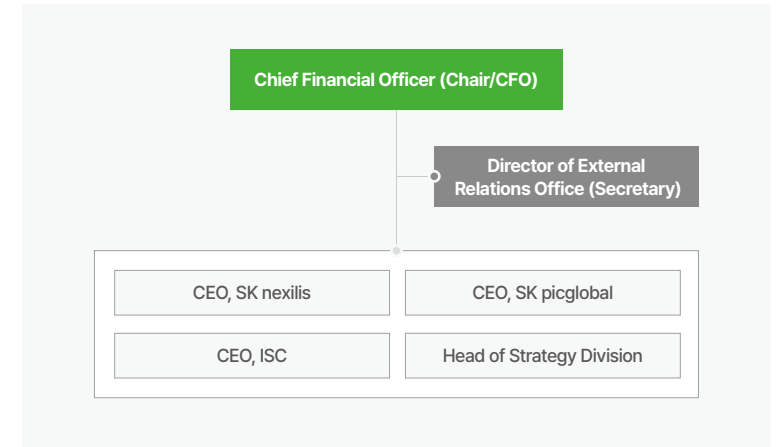


**Lee Kyung-nam**  
Director of Strategy Office

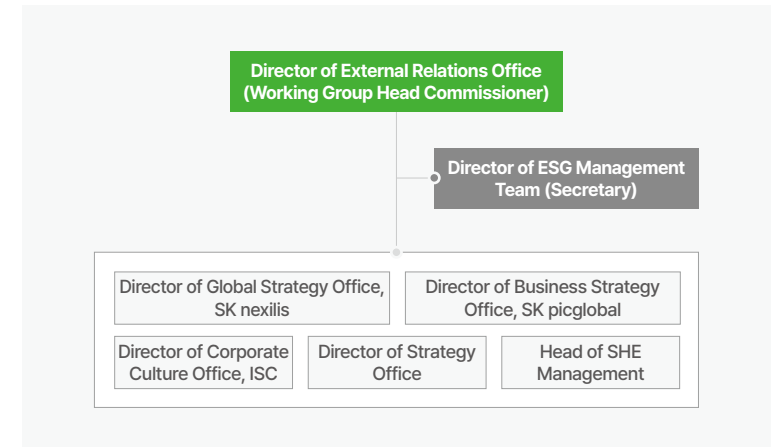


**Park Jong-mahn**  
Director of SHE Management  
Office

### Sustainable Management Committee Composition



### Sustainability Working Group Composition



# ESG Strategy & Execution System

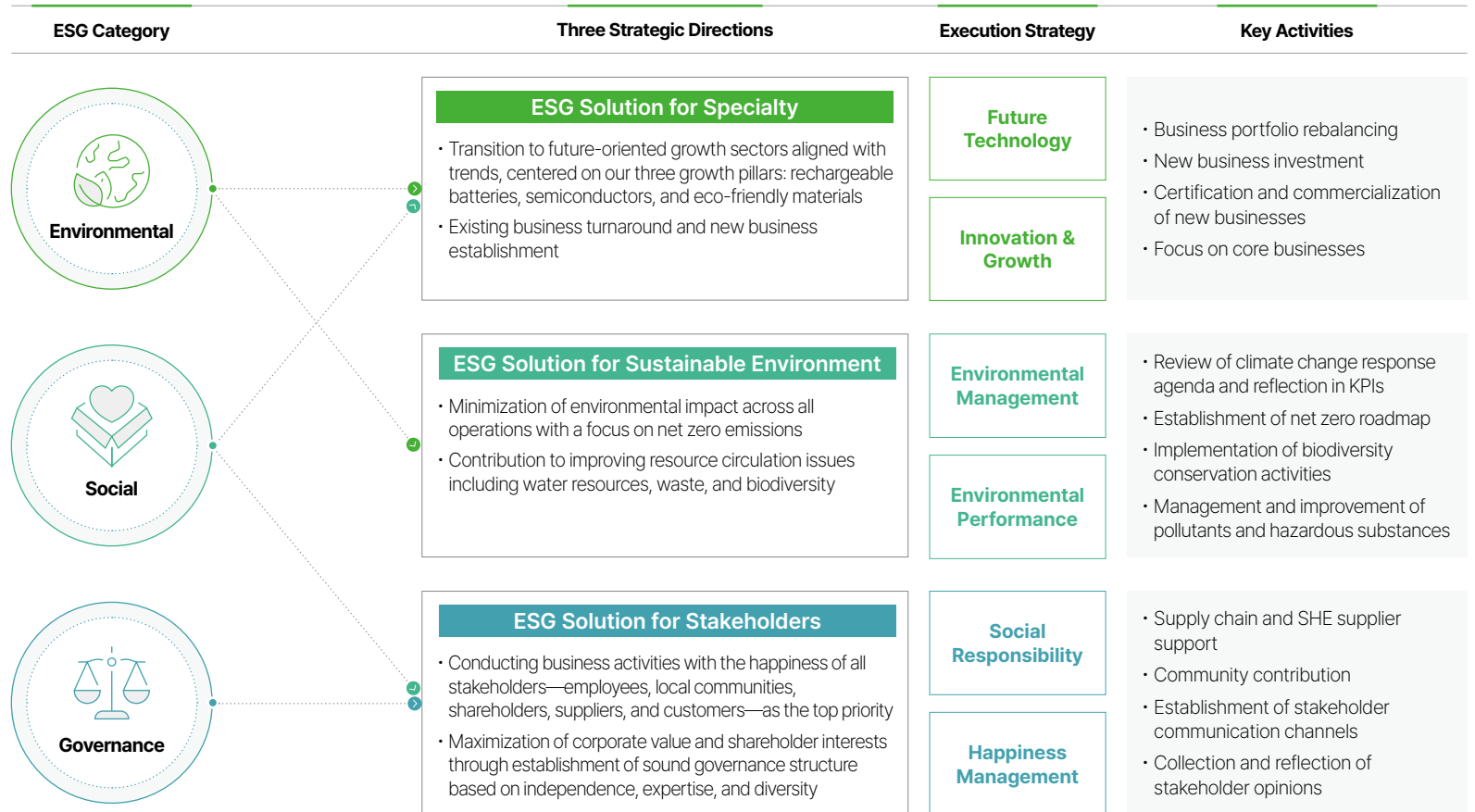
## ESG Vision

### “ESG Solution Provider for the Next Generation”

SKC's ESG vision, “ESG Solution Provider for the Next Generation,” aligns with our broader corporate vision of becoming a “Global ESG Material Solutions Company” This vision reflects our commitment to creating a safe and prosperous society for future generations through ESG management. Having transitioned our business portfolio toward rechargeable battery materials, semiconductor materials, and eco-friendly materials, SKC continues to pursue ESG management, social value (SV) creation, and reinforced SHE (Safety, Health, and Environment) practices in parallel. We are gradually expanding investments in clean tech products such as rechargeable battery materials and plan to continue initiatives aimed at improving the well-being of key stakeholders, including our employees.

## Three Strategic Directions

To create real value and achieve sustainable growth through ESG management, SKC is carrying out various implementation strategies based on close communication with stakeholders. These efforts have been materialized into three core directions: “ESG Solution for Specialty,” “ESG Solution for Sustainable Environment,” and “ESG Solution for Stakeholders,” and we have established implementation strategies and key activities according to each direction. SKC remains firmly committed to continuing its ESG journey, with “ESG Solution” at the heart of our strategy, as we take meaningful steps toward a sustainable future.



# ESG Strategy & Execution System

## ESG Investment

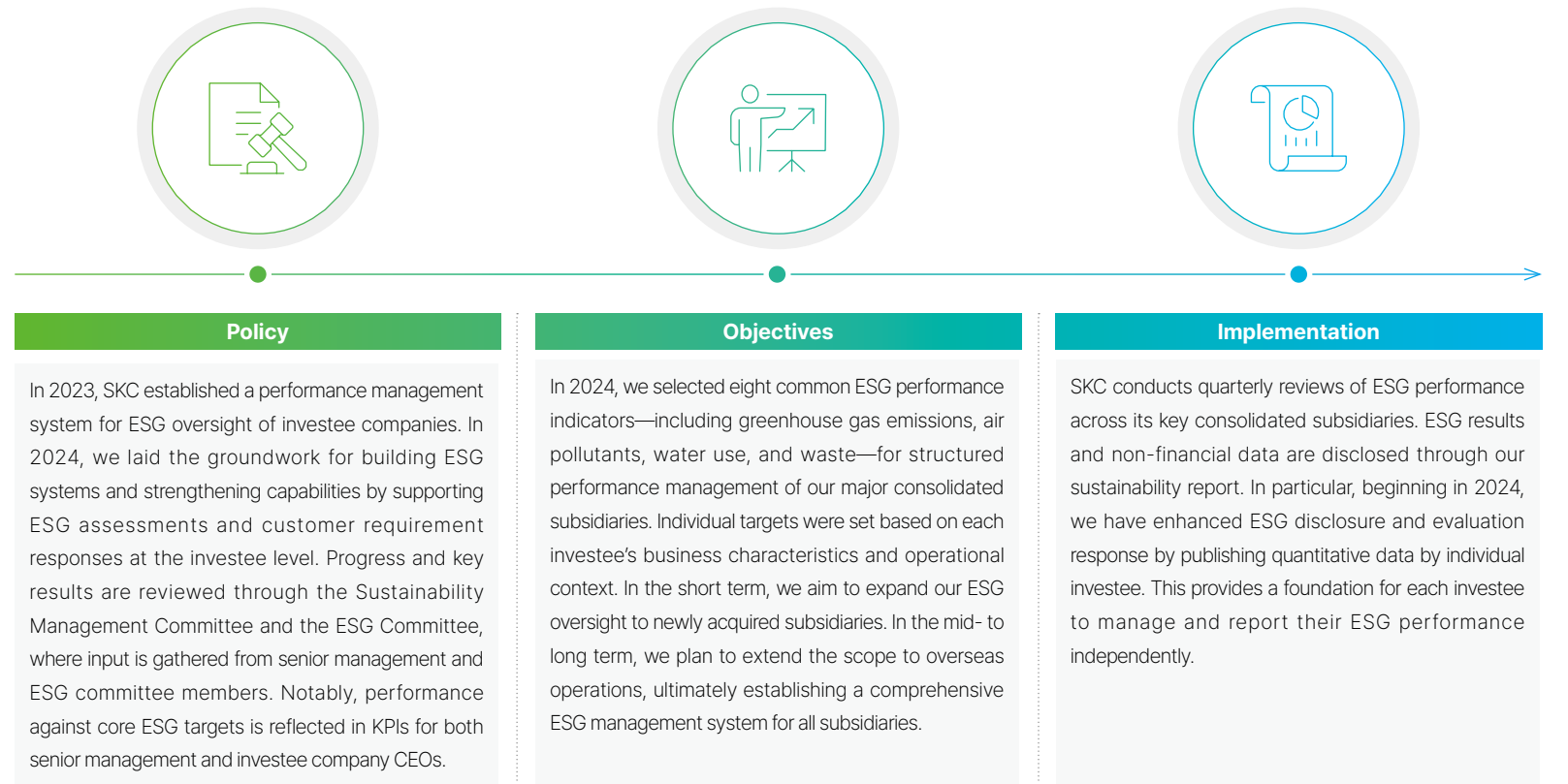
SKC integrates ESG factors into every stage of the investment decision-making process. In alignment with our identity as a “Global ESG Material Solutions Company” and our goal of achieving “2040 Net Zero Greenhouse Gas Emissions,” we have expanded and enhanced our ESG investment checklist to include 92 items. We have introduced an ESG review process for all investment proposals across the company. These proposals undergo a preliminary ESG risk and opportunity assessment by the ESG department, followed by a prior review by the ESG Committee. Additionally, we have adopted an Internal Carbon Price (ICP) system, which estimates carbon emissions from investments and reflects the cost of those emissions in the evaluation of investment proposals.

### Three ESG Investment Principles



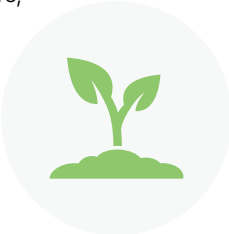




## Company-Wide ESG Management

SKC is committed to strengthening company-wide ESG capabilities, including those of major consolidated subsidiaries. We have established a unified ESG management system that also covers newly acquired subsidiaries, enabling an integrated response to ongoing ESG requirements from customers. We manage performance based on key ESG indicators selected with consideration of external assessment standards and SK Group's core ESG metrics. These, along with other non-financial data, are disclosed in our sustainability report to enhance both subsidiaries' ESG transparency and disclosure quality.



# SKC ESG Achievements 2024 - 2025

● Environmental ● Social ● Governance ● External Evaluations and Recognitions

|  |  |  |  |
|--|--|--|--|
| <p><b>Biodiversity Conservation</b></p> <p>Launched SKC My Green Nature, our first biodiversity conservation activity</p> <p>Seoul Headquarters and Seongnam, Jeongeup, Ulsan business sites</p>  | <p><b>UL ECV 2809</b></p> <p>SK nexilis Jeongeup Factory newly acquired UL ECV 2809 certification</p> <p>Certified for production of products using recycled materials</p>   | <p><b>First</b></p> <p>SKC appointed its first female Chair of the Board of Directors since its founding</p>                            | <p><b>Excellent Governance Company</b></p> <p>SKC was selected as an Excellent Company in the Governance category by the Korea Institute of Corporate Governance and Sustainability (KCGS)</p> <p>Received the Excellent Corporate Governance Award</p>  |
| <p><b>PPA Contract Signed</b></p> <p>SK picglobal signed a PPA contract</p> <p>To procure solar renewable energy for 20 years starting in 2026</p>   | <p><b>My Green School</b></p> <p>SKC My Green School was designated as an Excellent Environmental Education Program by the Ministry of Environment and won the Potential Award at the SK Group CSR Contest</p>  | <p><b>IR Communication Enhancement</b></p> <p>SKC launched a dedicated IR website and established a direct hotline for investors</p> <p>Enhanced communication by sharing IR activity details</p>                          | <p><b>CDP Rating Upgrade</b></p> <p>SKC's CDP (Carbon Disclosure Project) rating improved from B to A-</p>   |
| <p><b>Global Certification Acquisitions</b></p> <p>SK leaveo additionally acquired global certifications for rf-PBAT products</p> <p>TUV Soil , ABA Home</p>   | <p><b>ISO 17025</b></p> <p>SK picglobal obtained ISO 17025 certification for PG USP quality analysis</p> <p>Certified under the Korea Laboratory Accreditation Scheme (KOLAS)</p>  | <p><b>ISO 37301</b></p> <p>SKC newly acquired international standard certification for compliance management systems</p> <p>Obtained ISO 37301 established by the International Organization for Standardization (ISO)</p> | <p><b>ISC, KCGS Rating Upgrade</b></p> <p>ISC's ESG management evaluation rating by the Korea Institute of Corporate Governance and Sustainability improved from D to B</p>  |



# Materiality

Stakeholder Engagement **23**

Double Materiality Assessment **24**








# Stakeholder Engagement

Sustainable growth of a company is built on trust and collaboration with its stakeholders. SKC defines customers, employees, shareholders, local communities, and suppliers as key stakeholders and operates a variety of communication channels tailored to each group's characteristics. The feedback collected through these communication channels is reflected in our actual business operations, and the outcomes are transparently disclosed through our sustainability report and official website.



## Key Activities by Stakeholder Group

| Stakeholders  | Key Communication Channels   | Activities  |
|---|--|---|
| <b>Customers</b><br>           | <ul style="list-style-type: none"> <li>• YouTube</li> <li>• Website</li> <li>• Mobile platform</li> </ul>  | <ul style="list-style-type: none"> <li>• Upload video content introducing SKC and its portfolio companies and key activities</li> <li>• Regular updates on SKC's website and operation of a whistleblowing channel on the Ethical Management page</li> <li>• Launched the "My Green Place" app and provided information on waste separation and disposal</li> </ul>   |
| <b>Employees</b><br>           | <ul style="list-style-type: none"> <li>• Happiness Connect (Labor-Management Council)</li> <li>• Diversity Table, Happy Talk</li> <li>• SKC Family Crew</li> <li>• Online bulletin board "Raise Your Voice"</li> <li>• Newsletter</li> <li>• Educational programs</li> </ul> | <ul style="list-style-type: none"> <li>• Held briefing sessions on the operation of labor representative committees and conducted employee surveys to improve welfare</li> <li>• Operated the Diversity Table program for organizational culture improvement with employee participation and held Happy Talk sessions with the CEO to gather and reflect employee feedback</li> <li>• Facilitated networking among employees with shared interests</li> <li>• Provided an online platform where employees can voice their opinions and receive responses</li> <li>• Shared major news about the SKC Family and encouraged active internal communication</li> <li>• Supported employee development through internal language programs "Diligent Learn" and guest lectures by prominent external speakers through "InsiderLEARN"</li> </ul> |
| <b>Shareholders</b><br>       | <ul style="list-style-type: none"> <li>• General shareholders' meeting</li> <li>• Earnings releases, NDRs, etc.</li> <li>• Meetings, events, etc.</li> <li>• Website</li> <li>• Hotline</li> </ul>   | <ul style="list-style-type: none"> <li>• Held regular general shareholders' meetings and implemented electronic voting</li> <li>• Released quarterly earnings and held domestic and international non-deal roadshows (NDRs)</li> <li>• Participated in domestic and global brokerage conferences and hosted IR events such as analyst meetings, investor days, tech seminars, and line tours</li> <li>• Launched a dedicated IR website to provide IR-related information and manage Q&amp;As</li> <li>• Operated an IR hotline to respond to investor inquiries</li> </ul>   |
| <b>Local Communities</b><br> | <ul style="list-style-type: none"> <li>• Local networks and educational scholarships</li> <li>• Community contribution activities</li> <li>• Biodiversity conservation initiatives</li> </ul>  | <ul style="list-style-type: none"> <li>• Operated the environmental education program "My Green School" primarily at elementary schools near SKC business sites</li> <li>• Conducted cemetery maintenance campaigns at national cemeteries and donation/sponsorship activities targeting local communities near business sites</li> <li>• Implemented "My Green Nature," a biodiversity conservation initiative around the Seoul head office and business sites in Seongnam, Jeongeup, and Ulsan</li> </ul>   |
| <b>Suppliers</b><br>         | <ul style="list-style-type: none"> <li>• Supplier education programs, meetings, etc.</li> <li>• Consulting</li> <li>• Interest support program</li> <li>• Website channel</li> </ul>   | <ul style="list-style-type: none"> <li>• Provided education support through seminars for supplier CEOs and employees</li> <li>• Supported ESG management consulting through ESG diagnostics for suppliers</li> <li>• Operated the Shinhan ESG Excellent Shared Growth Loan Program and the SK Mutual Cooperation Fund</li> <li>• Operated a whistleblowing channel on the website and a separate communication channel on the purchasing portal</li> </ul>  |

# Double Materiality Assessment

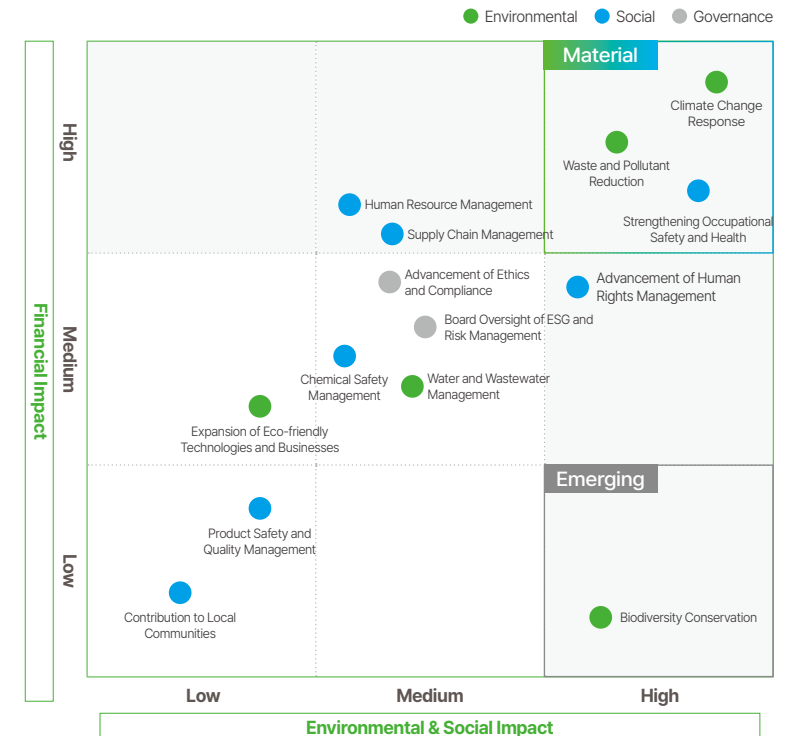
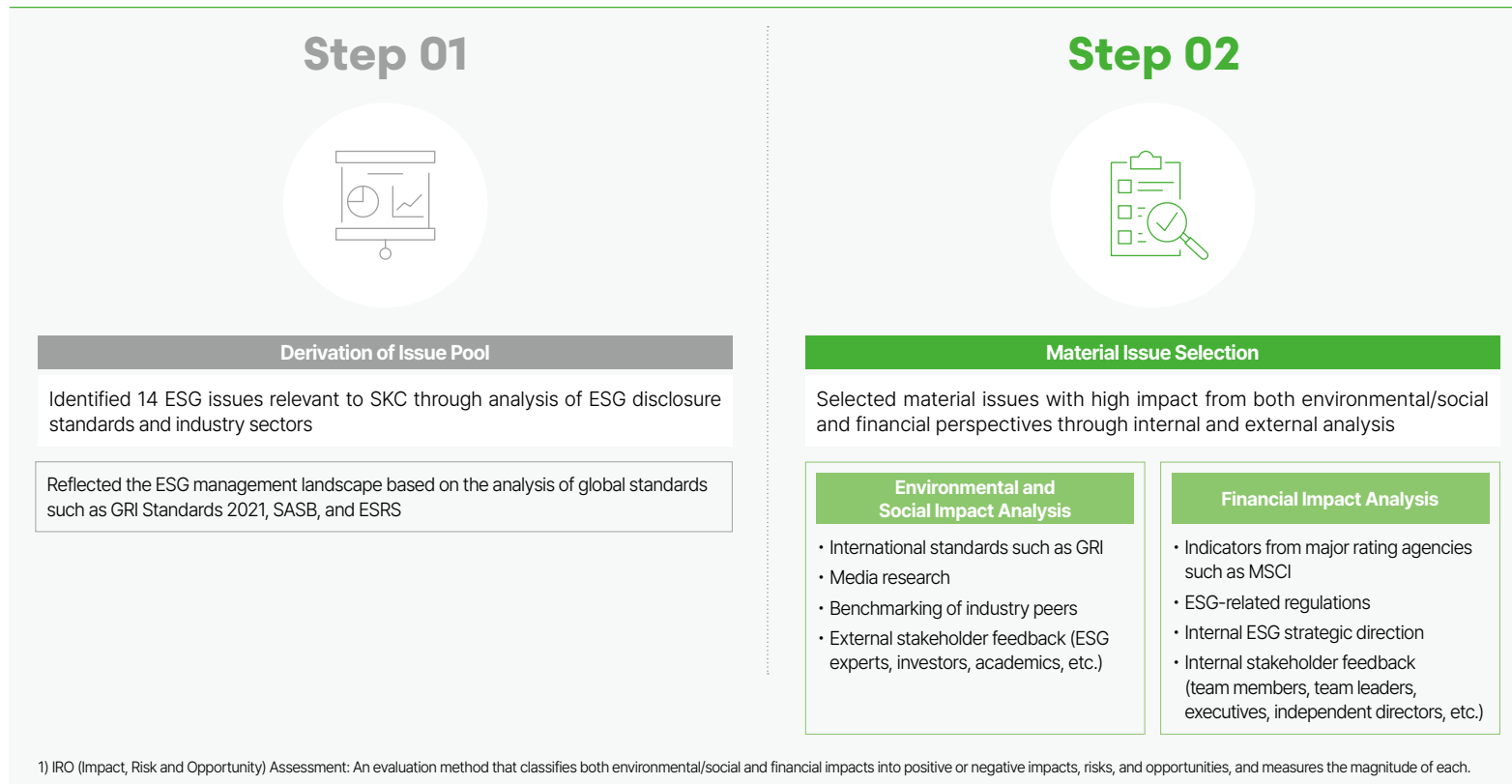
## Selection of Key Material Issues

SKC conducts a double materiality assessment each year to identify key ESG issues in the process of implementing ESG management. In 2024, we derived a pool of 14 issues through a comprehensive analysis of global ESG standards, assessment indicators, and internal issues. Each issue was evaluated based on its environmental and social impact as well as its financial impact. Based on the evaluation results, we selected as material issues those that had a high level of impact from both perspectives. To conduct a more in-depth analysis of these material issues, we interviewed relevant departments and focus groups and performed an IRO assessment<sup>1)</sup> to evaluate the degree and likelihood or timing of the issues' impact on the environment, society, and SKC. The final results were confirmed through reviews by the Board of Directors and management, and are continuously monitored and managed in connection with our company-wide risk management process.

## Material Issue Selection Results

SKC conducted a comprehensive analysis of the environmental/social and financial impacts of 14 ESG issues. As a result, we identified "Climate Change Response," "Waste and Pollutant Reduction," and "Strengthening Occupational Safety and Health" as material issues based on their high level of impact in both dimensions. Meanwhile, the issue of "Biodiversity Conservation<sup>1)</sup>," which was ranked 14th in the previous year, was newly classified as an "Emerging Issue" this year after being identified as having a high level of environmental and social impact.

1) The detailed impact assessment results are available on page 29 of this report.



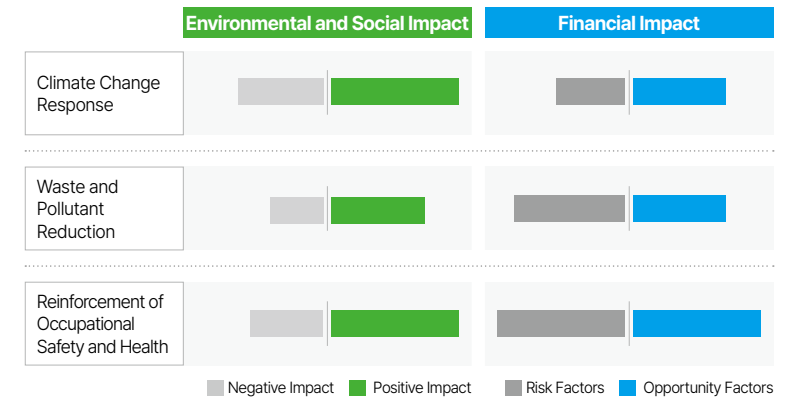
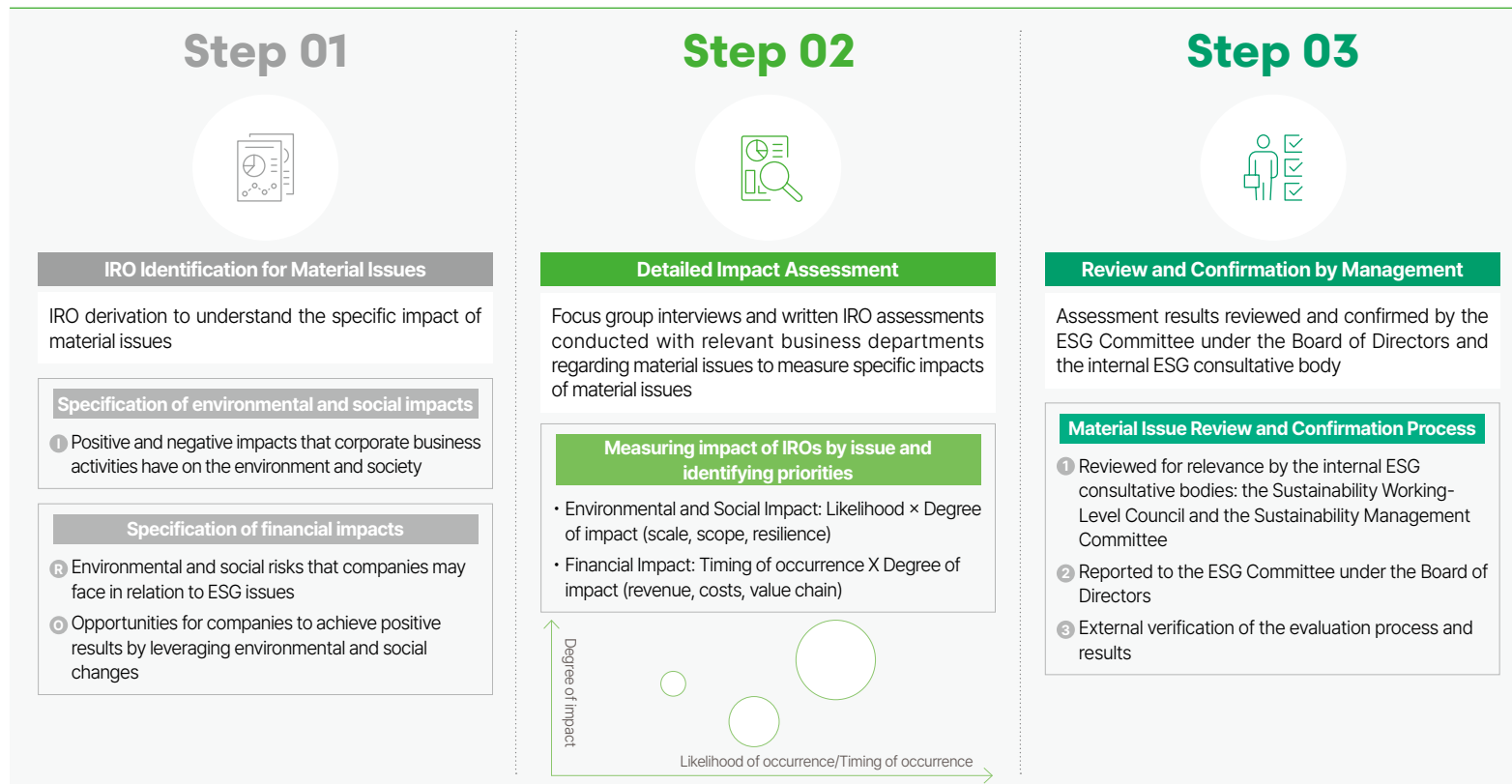
# Double Materiality Assessment

## Detailed Impact Assessment

To conduct a more in-depth analysis of material issues, SKC interviewed relevant departments and focus groups, and carried out an IRO (Impact, Risk & Opportunity) assessment to evaluate the degree of impact, likelihood, and timing of each issue's effect on the environment and SKC. A detailed assessment was conducted focusing on three material issues: Climate Change Response, Waste and Pollutant Reduction, and Strengthening Occupational Safety and Health. Environmental and social impacts were analyzed as either positive or negative, while financial impacts were divided into risks and opportunities. The evaluation integrated the likelihood or timing of each factor's occurrence along with the degree of impact. The final results were reported to the ESG Committee under the Board of Directors and to the internal ESG consultative body, the Sustainability Management Committee. This process enables the Board and management to review related risks and opportunities and manage material issues accordingly.

## Detailed Impact Assessment Results

SKC conducted a Focus Group Interview (FGI) with relevant departments to evaluate the IRO (Impact, Risk & Opportunity) of material issues and carried out an in-depth analysis of their environmental, social, and financial impacts. As a result, in the environmental and social dimension, the issues "Climate Change Response" and "Strengthening Occupational Safety and Health" were found to have the highest level of impact. In the financial dimension, "Strengthening Occupational Safety and Health" showed the highest level of impact. These findings reflect the reality that managing safety and environmental risks is a core factor directly tied to sustainability in SKC's manufacturing-based business.



# Climate Change Response

# MATERIAL ISSUE 1

## Governance

SKC recognizes climate change as both a key business risk and opportunity, and operates a structured response system based on ESG governance. The Sustainability Management Committee reviews climate-related risks and opportunities and submits them to the ESG Committee under the Board of Directors for deliberation and approval of major strategies and policies. The decisions made by the committees are implemented by the dedicated departments: the SHE Management Office and the ESG Management Team. The SHE Management Office is responsible for compliance with environmental regulations, environmental and safety management at business sites, and the management of greenhouse gas emissions. The ESG Management Team manages tangible ESG performance by establishing strategies, operating emissions reduction roadmaps, and analyzing emissions including Scope 3. In addition, C-level executives, including the CEO, incorporate ESG performance into KPIs to assess execution levels and reinforce the connection between strategy and business performance.

[Climate Change – Governance Details](#)



## Strategy

### Identification of Environmental and Social Impacts

|                     | Key Impact  | Likelihood of Occurrence   | Environmental and Social Impacts   |
|---------------------|---|--|--|
| <b>Positive</b><br> | <ul style="list-style-type: none"> <li>Enhance society-wide climate change resilience through the expansion of eco-friendly materials and products</li> <li>Expand renewable energy use and reduce greenhouse gas emissions</li> </ul>                    | <ul style="list-style-type: none"> <li>Low</li> <li>Medium</li> <li><b>High</b></li> </ul> | <ul style="list-style-type: none"> <li>Low</li> <li>Medium</li> <li><b>High</b></li> </ul> |
| <b>Negative</b><br> | <ul style="list-style-type: none"> <li>Increased greenhouse gas emissions due to plant expansion and operation of new production lines</li> <li>Decreased energy efficiency and continued greenhouse gas emissions due to aging infrastructure</li> </ul> | <ul style="list-style-type: none"> <li>Low</li> <li>Medium</li> <li><b>High</b></li> </ul> | <ul style="list-style-type: none"> <li>Low</li> <li><b>Medium</b></li> <li>High</li> </ul> |

### Identification of Financial Impacts and Response Status

|                      | Risk and Opportunity Factors   | Timing of Occurrence | Financial Impact | Key Response Activities  |
|----------------------|--|----------------------|------------------|--|
| <b>Risk 1</b>        | Increased electricity costs leading to higher product cost   | Short-Term           | High             | Improved efficiency through energy savings and promoted renewable energy through PPA contracts   |
| <b>Risk 2</b>        | Limited investment attraction and loss of global clients due to insufficient climate-related disclosure or poor response | Short-Term           | High             | Ensured compliance with environmental regulations, regularly published the sustainability report, established the 2040 greenhouse gas Net Zero Roadmap, and joined and maintained global RE100 |
| <b>Opportunity 1</b> | Enter high value-added markets and improve profitability through development of low-carbon, eco-friendly materials       | Mid-Term             | Very High        | Acquired global biodegradable certification for rf-PBAT. Developed and expanded investment in glass substrate products that contribute to electricity consumption reduction                    |

[Climate Change – Strategy Details](#)

## Risk Management

SKC systematically identifies and manages climate change-related risks by distinguishing between transition risks (e.g., policy and regulatory changes, supply chain disruptions) and physical risks (e.g., natural disasters, extreme weather). We evaluate the likelihood of occurrence and financial impact of risks at major domestic and overseas business sites, including SKC, SK nexilis, and SK picglobal, and prioritize responses based on risk levels. For new investments or business expansions, environmental impact assessments are conducted for the target entities, and response plans are established and implemented based on the analysis results. This management system is continuously reinforced through regular inspections and monitoring, and SKC is enhancing its company-wide capacity to respond to climate change risks.

[Climate Change – Risk Management Details](#)

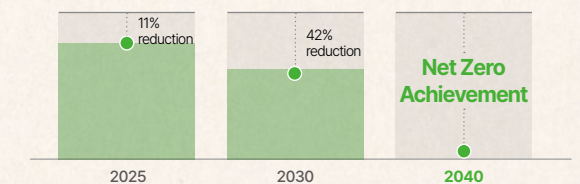
## Metrics & Targets

### Climate-Related Indicators for 2024

(Target entities: SKC, SK nexilis, SK picglobal, ISC)

|        | Greenhouse Gas Net Emissions (Scope 1 + 2) |
|--------|--|
| Target | <b>826,763</b> tCO <sub>2</sub> eq         |
| Result | <b>785,665</b> tCO <sub>2</sub> eq         |

### 2040 Net Zero Roadmap (Based on 113 million tCO<sub>2</sub>eq in 2020)



[Climate Change – Metrics & Targets Details](#)

# Waste and Pollutant Reduction

# MATERIAL ISSUE 2

## Governance

SKC recognizes waste and pollutants as both a significant business risk and an opportunity for sustainable management, and operates a structured response system based on ESG governance. The ESG Committee under the Board of Directors reviews the management status and improvement cases related to key SHE issues such as air, water resources, and waste, and deliberates on relevant strategies and policy directions. Decisions made by the Committee are executed primarily by the SHE Management Office and the ESG Management Team. The SHE Management Office is responsible for compliance with environmental regulations, pollutant management at business sites, and integrated emissions monitoring. The ESG Management Team incorporates key metrics—such as air pollutant emissions, water consumption, and waste recycling rates—into KPIs for major business sites and portfolio companies, sets goals, and manages quarterly performance, thereby realizing the internalization of sustainable management.

[Waste and Pollutants – Governance Details](#)



## Strategy

### Identification of Environmental and Social Impacts

|                     | Key Impact  | Likelihood of Occurrence  | Environmental and Social Impacts  |
|---------------------|---|---|---|
| <b>Positive</b><br> | <ul style="list-style-type: none"> <li>Reduce soil, water, and air pollutants through eco-friendly processes and waste reduction</li> <li>Contribute to improved environmental quality and community health by reducing pollutant emissions</li> </ul>              | <input type="radio"/> Low<br><input type="radio"/> Medium<br><input checked="" type="radio"/> <b>High</b> | <input type="radio"/> Low<br><input checked="" type="radio"/> <b>Medium</b><br><input type="radio"/> High |
| <b>Negative</b><br> | <ul style="list-style-type: none"> <li>Health and biodiversity risks to local communities in the event of chemical leaks or emissions during handling</li> <li>Long-term ecological impacts on soil and groundwater due to improper disposal of residues</li> </ul> | <input type="radio"/> Low<br><input checked="" type="radio"/> <b>Medium</b><br><input type="radio"/> High | <input type="radio"/> Low<br><input checked="" type="radio"/> <b>Medium</b><br><input type="radio"/> High |

### Identification of Financial Impacts and Response Status

|                      | Risk and Opportunity Factors  | Timing of Occurrence | Financial Impact | Key Response Activities  |
|----------------------|---|----------------------|------------------|--|
| <b>Risk 1</b>        | Fines for exceeding water/air emissions limits, notifications or orders for production suspension, decline in plant operating rate            | Short-Term           | High             | Conducted regular, ad-hoc, and special audits based on the SHE Audit Regulations                                   |
| <b>Risk 2</b>        | Decline in delivery reliability to B2B clients due to waste and pollutant risks   | Short-Term           | High             | Performed regular inspections and conducted SHE diagnostic assessments   |
| <b>Opportunity 1</b> | Increase in ESG-linked procurement from B2B/B2C clients through the acquisition of certifications for biodegradable or low-emission processes | Mid-Term             | High             | Expanded global certifications for biodegradability and maintained the ZWTL (Zero Waste to Landfill) Certification |

[Waste and Pollutants – Risk Management Details](#)

## Risk Management

To systematically identify and effectively manage risks related to environmental pollutants, SKC measures emissions regularly and conducts self-inspections at each business site in accordance with the SHE Management Policy. We operate leak detectors and conduct routine inspections of pollution prevention facilities to prevent equipment failure or accidents in advance. To mitigate the risk of non-compliance with environmental regulations, we conduct regular, ad-hoc, and special audits as well as internal ISO audits at all domestic and overseas business sites every year, based on the SHE Audit Regulations. We continuously review permitting status and compliance with emission standards. In addition, we establish improvement tasks and response strategies based on risk analysis results and incorporate them into environmental performance indicators (KPIs), thereby continuously strengthening our management capabilities in waste and pollutant control.

[Waste and Pollutants – Risk Management Details](#)

## Metrics & Targets<sup>1)</sup>

### ▶ Pollution Reduction Volume in 2024 (Unit: ton / KRW 1 billion)

|                      | NOx Emissions | SOx Emissions | Dust Emissions | VOCs Emissions |
|----------------------|---------------|---------------|----------------|----------------|
| Target <sup>2)</sup> | < 0.148       | < 0.038       | < 0.011        | < 0.015        |
| Result               | 0.113         | 0.004         | 0.009          | 0.003          |

### ▶ Pollution Reduction Targets

|      | Water Recycling Rate          | Number of ZWTL-Certified Sites | ZWTL Certification |
|------|-------------------------------|--------------------------------|--------------------|
| 2025 | 38.00%                        | 2 sites                        | Maintenance        |
| 2026 | 43.53%                        | 2 sites                        | Maintenance        |
| 2030 | <b>Highest among SK Group</b> | <b>All Sites</b>               | <b>Maintenance</b> |

<sup>1)</sup> Target entities: SK nexilis, SK piglobal (Targets may be revised due to new site construction, expansion, or inclusion of new portfolio companies)  
<sup>2)</sup> Based on SK Group's ESG core index, 5-point scale (Top-tier performance among peer group)

[Waste and Pollutants – Metrics & Targets Details](#)

# Strengthening Occupational Safety and Health

# MATERIAL ISSUE 3

## Governance

SKC recognizes the health and safety of all stakeholders, including employees and suppliers, as a core management element. We have established and operate an occupational safety and health management system centered on the SHE Management Office. Each business site is equipped with a dedicated SHE department, and a management representative is appointed as the Chief Safety Officer to ensure a systematic response to the Serious Accidents Punishment Act. The dedicated safety and health organization establishes annual safety and health goals and reviews major performance and response plans at least once a year. The implementation status of the occupational safety and health management system is reported semiannually to the CEO, and the results are reflected in performance indicators used in executive remuneration evaluation. Based on this structure, SKC continues to enhance its capacity to prevent industrial accidents and respond to safety and health risks by strengthening performance management according to key SHE tasks.

[Occupational Safety and Health – Governance Details](#)



## Strategy

### Identification of Environmental and Social Impacts

|                     | Key Impact   | Likelihood of Occurrence   | Environmental and Social Impacts   |
|---------------------|--|--|--|
| <b>Positive</b><br> | <ul style="list-style-type: none"> <li>Improve safety across the industrial ecosystem and build a sustainable industrial foundation by expanding support for occupational safety and health among suppliers and suppliers</li> <li>Improve working conditions and elevate the quality of the labor environment by securing the health and safety of workers</li> </ul> | <ul style="list-style-type: none"> <li>Low</li> <li>Medium</li> <li><input checked="" type="radio"/> High</li> </ul> | <ul style="list-style-type: none"> <li>Low</li> <li><input checked="" type="radio"/> Medium</li> <li>High</li> </ul> |
| <b>Negative</b><br> | <ul style="list-style-type: none"> <li>Serious industrial accidents may result in health deterioration, life-threatening injuries, or fatalities among workers</li> <li>Spread of concerns over violations of labor and human rights, leading to reduced credibility as a socially responsible company</li> </ul>  | <ul style="list-style-type: none"> <li><input checked="" type="radio"/> Low</li> <li>Medium</li> <li>High</li> </ul> | <ul style="list-style-type: none"> <li>Low</li> <li>Medium</li> <li><input checked="" type="radio"/> High</li> </ul> |

### Identification of Financial Impacts and Response Status

|                      | Risk and Opportunity Factors   | Timing of Occurrence | Financial Impact | Key Response Activities   |
|----------------------|--|----------------------|------------------|---|
| <b>Risk 1</b>        | Serious accidents involving high-risk processes (e.g., high pressure, chemical substances) may lead to production suspension and legal penalties (fines, construction halts) | Short-Term           | Very High        | Conducted compliance inspections on the safety and health management system and SHE legal compliance based on the SHE Audit Regulations |
| <b>Risk 2</b>        | Decline in delivery reliability to B2B clients due to occupational safety risks  | Short-Term           | Medium           | Operated site-specific continuous inspection systems  |
| <b>Opportunity 1</b> | Gained trust from global clients/investors through zero-accident certifications and strengthened occupational safety disclosures   | Short-Term           | Medium           | Carried out occupational safety risk assessments and shared best SHE improvement practices across portfolio companies                   |

[Occupational Safety and Health – Strategy Details](#)

## Risk Management

To systematically manage occupational safety and health risks, SKC conducts regular and ad-hoc audits under the SHE Audit Regulations. Each business site's safety and health management system and legal compliance are assessed and reported to the responsible executive once every six months. All business sites operate continuous monitoring systems and conduct internal PSM (Process Safety Management) audits to ensure follow-up on improvement actions related to process safety. Risk assessments are conducted initially, regularly, and on an ad-hoc basis. The results lead to improvement activities in various areas, including processes, tasks, and musculoskeletal risks. We also operate a continuous inspection system for supplier safety management and conduct regular evaluations through a supplier SHE assessment system. SKC continues to strengthen its company-wide capacity to manage occupational safety and health risks.

[Occupational Safety and Health – Risk Management Details](#)

## Metrics & Targets

### ISO 45001 Certification Business Site

|                 | Number of Certified Sites | Certified Sites  |
|-----------------|---------------------------|--|
| <b>Domestic</b> | 3 sites                   | SK picglobal Ulsan, SK nexilis Jeongeup, ISC Pangyo Headquarters |
| <b>Overseas</b> | 2 sites                   | SK nexilis Malaysia, ISC Vietnam                                 |

### ISO 45001 Certification Targets

|                        | 2025 | 2026 | 2027 |
|------------------------|------|------|------|
| <b>Total</b>           | 6    | 9    | 9    |
| <b>Certified Sites</b> |      |      |      |
| - Domestic             | 4    | 4    | 4    |
| - Overseas             | 2    | 5    | 5    |

[Occupational Safety and Health – Metrics & Targets Details](#)

# Biodiversity Conservation

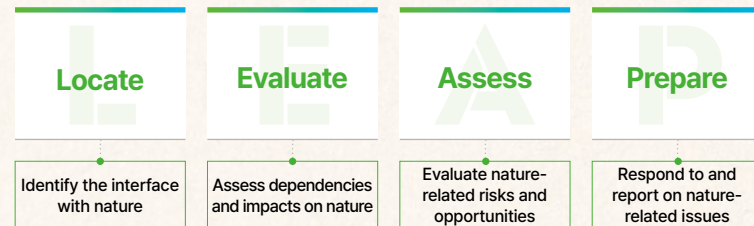
# EMERGING ISSUE

## Biodiversity Risk Analysis

SKC recognizes the importance of the risks and impacts that natural capital loss may pose to our business. To operate our business responsibly with consideration for natural capital, we conducted an assessment based on the LEAP approach recommended by the TNFD<sup>1)</sup>. We identified key natural capital and biodiversity-related factors in regions where our major business sites are located. For areas with high biodiversity risk, we conducted biodiversity impact assessments near business sites and derived corresponding improvement tasks.

1) TNFD (Taskforce on Nature-related Financial Disclosures): A framework that helps companies identify, assess, manage, and disclose risks and opportunities related to natural capital and biodiversity

### LEAP Approach



### Industry Classification and Business Sites Assessed

| Entity       | International Standard Industrial Classification (ISIC) |   |   | Business Site   |
|--------------|---|---|---|---|
|              | Division  | Group   | Class   |   |
| SK nexilis   |   | Fabricated metal products, except machinery and equipment | Other fabricated metal products and metalworking services | SK nexilis Jeongeup<br>SK nexilis Malaysia<br>SK nexilis Poland |
| SK picglobal | Manufacturing   | Manufacture of chemicals and chemical products            | Manufacture of basic chemicals                            | SK picglobal Ulsan  |
| ISC          |   | Manufacture of computer, electronic and optical products  | Manufacture of electronic components and boards           | ISC Vietnam<br>ISC Seongnam<br>ISC Ansan                        |

## Assessment of Natural Capital Dependency and Impact

To assess SKC's dependency on and impact on ecosystem services, we conducted an analysis using ENCORE<sup>2)</sup>. Given SKC's focus on the manufacture of electronic and chemical materials, our business exhibits relatively high dependency on natural capital. In particular, we were found to depend significantly on ecosystem services such as water supply, water purification, and flood regulation. From the perspective of impact, the results showed that SKC has a very high level of influence in areas such as soil contamination and the discharge of water pollutants. Additionally, light and noise disturbances and water consumption were also identified as having significant effects on nature. Due to its operational characteristics, SK picglobal's Ulsan Business Site exhibited the highest environmental impact. Based on these findings, SKC plans to strengthen sustainable business practices and nature-conscious decision-making processes.

2) ENCORE: A diagnostic tool recommended by TNFD in the Evaluate phase, based on the International Standard Industrial Classification (ISIC)

### Dependency

● Medium ● Low ● Very Low

| Ecosystem Services <sup>3)</sup>    |   | SK nexilis | SK picglobal | ISC |
|-------------------------------------|---|------------|--------------|-----|
| Provisioning Services               | Water supply                              | ●          | ●            | ●   |
|                                     | Solid waste treatment                     | ●          | ●            | ●   |
|                                     | Soil and sediment retention               | ●          | ●            | ●   |
|                                     | Water purification                        | ●          | ●            | ●   |
|                                     | Other regulating and maintenance services | ●          | ●            | ●   |
|                                     | Air purification                          | ●          | ●            | ●   |
|                                     | Flood regulation                          | ●          | ●            | ●   |
|                                     | Global climate regulation                 | ●          | ●            | ●   |
|                                     | Noise reduction                           | ●          | ●            | ●   |
|                                     | Other regulating and maintenance services | ●          | ●            | ●   |
| Regulating and Maintenance Services | Regional (micro and intermediate scale)   | ●          | ●            | ●   |
|                                     | Storm protection                          | ●          | ●            | ●   |
|                                     | Water flow regulation                     | ●          | ●            | ●   |
|                                     | Rainfall pattern regulation               | ●          | ●            | ●   |
|                                     |   | ●          | ●            | ●   |

3) Ecosystem Services: The goods and service benefits that ecosystems and species provide either directly or indirectly

### Impact Level

● Very High ● High ● Medium ● Low ● Very Low

| Risk and Opportunity Factors            |                                       | SK nexilis | SK picglobal | ISC |
|---|---------------------------------------|------------|--------------|-----|
| Land, Freshwater, and Marine Use Change | Land use area                         | ●          | ●            | ●   |
|   |                                       | ●          | ●            | ●   |
| Climate Change                          | Greenhouse gas emissions              | ●          | ●            | ●   |
|   | Emissions of non-GHG air pollutants   | ●          | ●            | ●   |
| Pollution / Pollution Removal           | Disturbance (e.g., noise, light)      | ●          | ●            | ●   |
|   | Soil and water pollution discharges   | ●          | ●            | ●   |
| Resource Use / Replenishment            | Generation and release of solid waste | ●          | ●            | ●   |
|   | Water consumption                     | ●          | ●            | ●   |

# Biodiversity Conservation

# EMERGING ISSUE

## Biodiversity Risk Analysis

### Biodiversity Sensitivity Assessment by Business Site

Based on the results of the natural capital dependency and impact assessment, SKC identified high-impact ecosystem services for each business site. SK nexilis selected six items: ▲ Water supply ▲ Solid waste treatment ▲ Water purification ▲ Flood control ▲ Storm mitigation ▲ Water flow regulation. SK picglobal selected six items: ▲ Water supply ▲ Soil and sediment retention ▲ Water purification ▲ Flood control ▲ Storm mitigation ▲ Water flow regulation. ISC selected five items: ▲ Water supply ▲ Water purification ▲ Flood control ▲ Storm mitigation ▲ Water flow regulation. We then analyzed the natural capital capacity of each region to provide these services using spatial data tools such as the WWF Biodiversity Risk Filter, UN Biodiversity Lab, and ENCORE. By summing the natural capital items selected for each business site, we identified the natural capital associated with each site. As a result, the SK nexilis business site in Kota Kinabalu, Malaysia was found to have the highest overall capacity for providing natural capital services.

In addition to evaluating natural capital, SKC also conducted a comprehensive quantitative assessment of protected areas and biodiversity status near its business sites in Jeongeup, Malaysia, Poland, and Ulsan using data from the UN Biodiversity Lab and the WWF Biodiversity Risk Filter. As a result, the SK nexilis copper foil plant located in Kota Kinabalu, Malaysia, was assessed as having the highest biodiversity sensitivity. This region is part of a tropical marine biome and contains a high concentration of mangrove forests, coral reef clusters, and Marine Protected Areas (MPAs) within a 50 km radius, making it a key location for biodiversity conservation. The SK picglobal chemical plant located in Ulsan is situated in a coastal ecosystem and is subject to the Marine Environment Management Act. Due to the nature of its operations, the site has a more significant impact on biodiversity. Both of these sites have been identified as requiring future actions such as reduction of light and noise, minimization of pollutant emissions, and enhanced cooperation with local communities.

### ➤ Natural Capital Analysis by Business Site

| Business Site       | Water Supply | Solid Waste Treatment | Soil and Sediment Retention | Water Purification | Flood Regulation | Storm Protection | Water Flow Regulation | Natural Capital |
|---------------------|--------------|-----------------------|-----------------------------|--------------------|------------------|------------------|-----------------------|-----------------|
| SK nexilis Malaysia | ●●●●●        | ●●●●●                 |                             | ●●●●○              | ●○○○○            | ●●●●○            | ●●●●●                 | ●●●●○           |
| SK nexilis Jeongeup | ●●●●○        | ●●●○○                 |                             | ●●●●○              | ●●○○○            | ●○○○○            | ●●○○○                 | ●●○○○           |
| SK nexilis Poland   | ●●●●○        | ●○○○○                 |                             | ●●●●○              | ●●●●○            |                  | ●●○○○                 | ●●●○○           |
| SK picglobal Ulsan  | ●●●○○        |                       | ●●●○○                       | ●●●○○              | ●○○○○            | ●○○○○            | ●●○○○                 | ●●○○○           |
| ISC Seongnam        | ●●●○○        |                       |                             | ●●○○○              | ●●○○○            | ●○○○○            | ●●○○○                 | ●●○○○           |
| ISC Vietnam         | ●●●●○        |                       |                             | ●○○○○              | ●○○○○            | ●○○○○            | ●●○○○                 | ●●○○○           |
| ISC Ansan           | ●●○○○        |                       |                             | ●●●○○              | ●●○○○            | ●○○○○            | ●●○○○                 | ●●○○○           |

### ➤ Biodiversity Sensitivity Assessment Results

| Business Site       | Natural Capital | Protected Areas | Biodiversity |
|---------------------|-----------------|-----------------|--------------|
| SK nexilis Malaysia | ●●●●○           | ●●●●○           | ●●●●●        |
| SK nexilis Jeongeup | ●●○○○           | ●●●○○           | ●●○○○        |
| SK nexilis Poland   | ●●●○○           | ●●●○○           | ●●○○○        |
| SK picglobal Ulsan  | ●●○○○           | ●●●○○           | ●●●○○        |
| ISC Seongnam        | ●●○○○           | ●●○○○           | ●●○○○        |
| ISC Vietnam         | ●○○○○           | ●●○○○           | ●○○○○        |
| ISC Ansan           | ●●○○○           | ●○○○○           | ●●○○○        |

# Biodiversity Conservation

# EMERGING ISSUE

## Biodiversity Activities

### Domestic Business Sites


In 2025, SKC launched My Green Nature, our first company-wide, region-linked biodiversity CSR program with employee participation. The program was implemented across four key regions—Seoul, Seongnam, Jeongeup, and Ulsan, where SKC and its portfolio companies are headquartered or operate business sites. Each business site collaborated with local environmental organizations to design and carry out biodiversity activities tailored to the ecological characteristics of the region. By encouraging active participation from employees, SKC is helping to preserve biodiversity and ecosystems, while simultaneously advancing ESG management and fostering shared growth with local communities.


### Overseas Business Sites

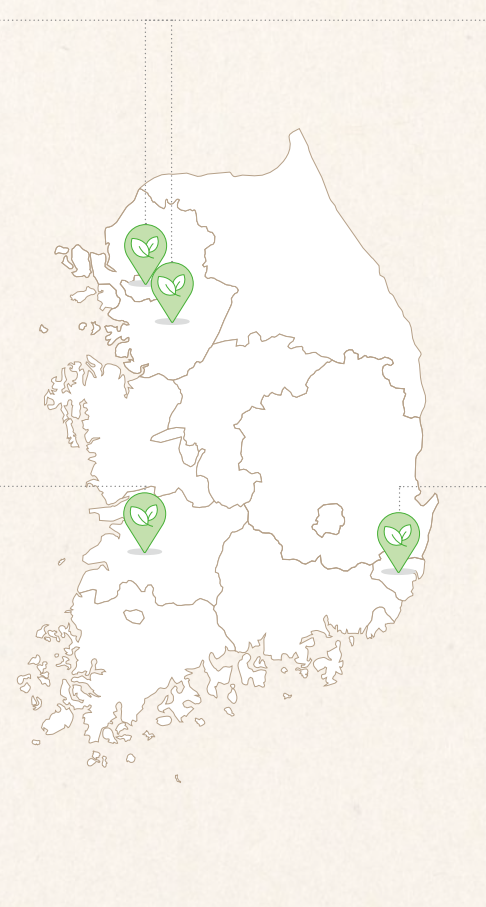
On June 5, 2024, in celebration of World Environment Day, the SK nexilis Malaysia business site participated in a tree-planting program hosted by EPD<sup>1)</sup> and KKIP<sup>2)</sup> in collaboration with nearby schools and companies. To contribute to environmental preservation and protection, the site planted saplings in a wetland area and donated RM 6,000 (approximately KRW 2 million) to EPD and KKIP.


1) EPD (Environment Protection Department): Sabah State environmental authority  
 2) KKIP (Kota Kinabalu Industrial Park): Kota Kinabalu Industrial Complex


### Detailed Activities by Business Site

| Seongnam             |   |
|----------------------|---|
| Purpose              | Restore aquatic ecosystems by cleaning Geumto Stream near the Seongnam business site  |
| Main Activities      | Threw EM (Effective Micro-organism) mud balls into the stream to break down pollutants accumulated on the riverbed and purify the water |
| Partner Organization | International Environment Action Association  |
| Participants         | ISC CEO and employees   |
| Activity Highlights  |    |

| Jeongeup             |   |
|----------------------|---|
| Purpose              | Remove invasive species and protect aquatic ecosystems in Naejang Lake, Naejangsan National Park  |
| Main Activities      | Captured and disposed of bluegill, a Ministry of Environment-designated invasive species, to restore native fish populations and rebalance the food chain |
| Partner Organization | Naejangsan National Park Office   |
| Participants         | SK nexilis CEO, employees, and their families   |
| Activity Highlights  |   |



| Seoul                |  |
|----------------------|--|
| Purpose              | Revitalize urban forests and restore native ecosystems by planting native species  |
| Main Activities      | Planted saplings in the children's forest at Namsan Park to provide habitat and food for local wildlife; conducted clean-up of nearby sand areas |
| Partner Organization | Jungbu Parks & Recreation Center, Seoul Metropolitan Government  |
| Participants         | Chair of the SKC Board and employees   |
| Activity Highlights  |    |

| Ulsan                |   |
|----------------------|---|
| Purpose              | Improve habitat conditions for migratory birds through environmental cleanup of Seonbawi Park     |
| Main Activities      | Removed invasive plants and conducted plogging and river clean-up activities around Seonbawi Park |
| Partner Organization | Forest for Life, Happy School Foundation (Ulsan)  |
| Participants         | SK picglobal CEO and employees  |
| Activity Highlights  |              |



# ESG Factbook

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**Environmental**

• **Climate Change Response**

Resource Use and Pollution Reduction

Expansion of Environmental Management

**Social**

Human Resource Management

Work-Life Balance

Advancement of Human Rights Management

Strengthening Occupational Safety and Health

Chemical Safety Management

Supply Chain Management

Product Safety and Quality Management

Contribution to Local Communities

Strengthening Information Security

**Governance**

Strengthening Board-Centered Management

Strengthening Ethical Management and Compliance

# Climate Change Response

## Governance

SKC operates the ESG Committee under the Board of Directors and the internal Sustainable Management Committee to continuously respond to and manage climate change issues. The ESG Committee reviews mid- to long-term strategies related to climate change, oversees risk management, and supervises implementation. The internal Sustainable Management Committee, held quarterly, serves as a platform for SKC and its subsidiaries to align on climate change issues and discuss actionable tasks. We also review and manage the climate change-related performance of operational units.

## CEO and Management

SKC recognizes climate change response as a core component of corporate management. The CEO holds the authority for establishing relevant strategies and making related decisions. To enhance the effectiveness of achieving net-zero, greenhouse gas (GHG) reduction performance is incorporated into the key performance indicators (KPIs) of C-level executives at both SKC and its subsidiaries<sup>1)</sup>. These KPIs are linked to the compensation system, thereby establishing an accountable execution framework across the entire management.

1) SK nexilis, SK picglobal

## ESG Committee

To strategically address key ESG issues such as climate change, air, and water resources, and to implement sustainable management, SKC established the ESG Committee under the Board of Directors in 2021. The ESG Committee consists of two independent directors and one executive director, with an independent director with expertise in ESG matters appointed as the chair. The committee is responsible for setting mid- to long-term strategic directions for ESG, reviewing risks, and establishing management plans. In 2024, the committee convened a total of eight times and reviewed agenda items related to climate change response, including net-zero and Scope 3 emissions measurement, as well as environmental management topics such as resource circulation and chemical management.

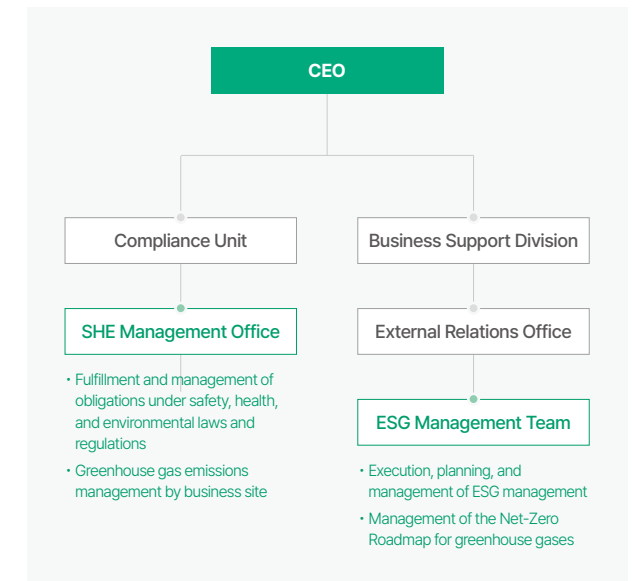
### ➤ Key Agenda Items Related to Climate Change Response and Environmental Management

| Session | Meeting Date | Agenda    | Agenda Items  |
|---------|--------------|-----------|---|
| 3rd     | 2024. 04. 16 | Review    | • Report on 2024 SHE Risk Management Enhancements                 |
| 5th     | 2024. 06. 18 | Review    | • Update of the Net-Zero Roadmap                                  |
| 6th     | 2024. 07. 16 | Reporting | • Report on 2023 Scope 3 Greenhouse Gas Emissions Results         |
| 7th     | 2024. 10. 15 | Review    | • Report on 2024 SHE Status and Best Practices in SHE Improvement |

## Environmental Management Execution Organization

SKC operates dedicated organizations to ensure systematic climate change response and effective environmental management. The SHE Management Office is responsible for compliance with environmental laws and regulations and for managing environmental safety at business sites. The ESG Management Team is in charge of executing ESG management, including strategy development and oversight. Through close collaboration between departments, we conduct internal education and provide operational support on environmental issues, aiming to enhance company-wide environmental management capabilities.

### ➤ Dedicated Environmental Management Departments



**Environmental**

• **Climate Change Response**

Resource Use and Pollution Reduction

Expansion of Environmental Management

**Social**

Human Resource Management

Work-Life Balance

Advancement of Human Rights Management

Strengthening Occupational Safety and Health

Chemical Safety Management

Supply Chain Management

Product Safety and Quality Management

Contribution to Local Communities

Strengthening Information Security

**Governance**

Strengthening Board-Centered Management

Strengthening Ethical Management and Compliance

# Climate Change Response

## Strategy

SKC conducts a comprehensive review of climate change-related risks that may arise from business operations and activities, as well as opportunities emerging from the energy transition. Based on these assessments, we establish company-wide response strategies and systematically pursue climate change initiatives. Our commitment to environmental protection, resource circulation and climate change response is embedded in our SHE Policy and put into practice accordingly. In particular, we actively participate in greenhouse gas (GHG) reduction initiatives to achieve our Net Zero and RE100 targets. We also operate energy and GHG management systems, including for our overseas business sites, thereby contributing to the creation of a sustainable environment. Furthermore, we make continuous efforts to minimize climate risks by complying with relevant regulations and identifying areas for improvement.

## Risk Management

To proactively manage the financial risks associated with climate change, SKC identifies physical and transition risks through scenario-based quantitative analysis. The outcomes of this analysis will be used to further develop our risk response framework, including the operation of an internal carbon pricing system and the formulation of reduction strategies.

### Methodology for Physical Risk Analysis

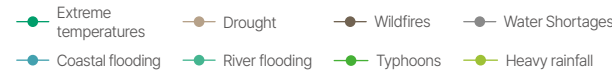
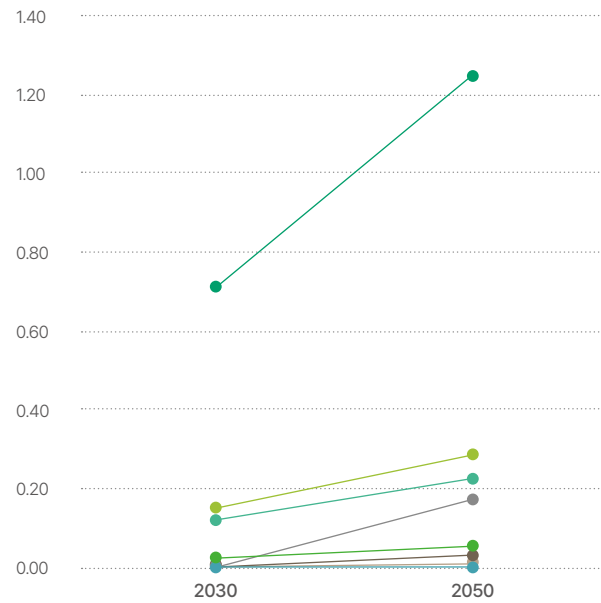
| S&P Global Climonomics® hazard modeling |  |
|---|--|
| Scope of Analysis                       | Four domestic and overseas business sites of SKC's subsidiaries (SK nexilis, SK picglobal)   |
| Analysis Scenario                       | SSP5-8.5: A high-carbon scenario projecting a 4.4°C rise in global temperature by 2100 due to continued reliance on fossil fuels   |
| Analysis Targets                        | Eight Climate Change Risk Factors<br>• Acute environmental events (Wildfires, river flooding, typhoons, heavy rainfall)<br>• Chronic environmental changes (Abnormal temperatures, drought, water scarcity, coastal flooding)                  |
| Analysis Methodology                    | Evaluated the impact of eight major risks on analysis target assets in terms of asset value loss amounts and loss rates in 10-year intervals until 2100, utilizing global climate risk forecasting, socioeconomic data, and econometric models |

## Results of Physical Risk Analysis

Using the SSP scenarios from the Intergovernmental Panel on Climate Change (IPCC), SKC projected asset loss rates caused by physical climate risks—such as abnormal temperatures, drought, and wildfires—under the high-carbon scenario (SSP5-8.5) from 2020 to 2050. The analysis showed that abnormal temperatures resulted in the highest asset loss rate throughout the assessment period, representing the greatest financial risk. In particular, the loss rate from abnormal temperatures is projected to increase by approximately 1.7 times, from 0.72% in 2030 to 1.25% in 2050. Additionally, the projected asset loss rates by 2050 due to other events were 0.29% for heavy rainfall and 0.23% for river flooding. These findings indicate that insufficient climate action could lead to significant asset losses. Based on this analysis, SKC continues to reassess climate risks at each business site and strengthen corresponding response strategies.

### Projected Average Annual Loss Rate

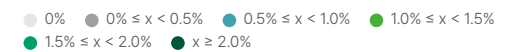
(Unit: %)



### Projected Regional Loss Rate

(Unit: %)

| Site                | Year | Extreme temperatures | Drought | Wildfires | Water Shortages | Coastal Flooding | River Flooding | Typhoons | Heavy Rainfall |
|---------------------|------|----------------------|---------|-----------|-----------------|------------------|----------------|----------|----------------|
| SK nexilis Jeongeup | 2030 | ●                    | ●       | ●         | ●               | ●                | ●              | ●        | ●              |
|                     | 2050 | ●                    | ●       | ●         | ●               | ●                | ●              | ●        | ●              |
| SK nexilis Malaysia | 2030 | ●                    | ●       | ●         | ●               | ●                | ●              | ●        | ●              |
|                     | 2050 | ●                    | ●       | ●         | ●               | ●                | ●              | ●        | ●              |
| SK nexilis Poland   | 2030 | ●                    | ●       | ●         | ●               | ●                | ●              | ●        | ●              |
|                     | 2050 | ●                    | ●       | ●         | ●               | ●                | ●              | ●        | ●              |
| SK picglobal Ulsan  | 2030 | ●                    | ●       | ●         | ●               | ●                | ●              | ●        | ●              |
|                     | 2050 | ●                    | ●       | ●         | ●               | ●                | ●              | ●        | ●              |
| Total               | 2030 | ●                    | ●       | ●         | ●               | ●                | ●              | ●        | ●              |
|                     | 2050 | ●                    | ●       | ●         | ●               | ●                | ●              | ●        | ●              |



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# Climate Change Response

## Risk Management

### Transition Risk Analysis

SKC analyzes the risk level of climate change regulations, particularly those focused on greenhouse gases, and strives to respond proactively. We conducted a financial impact analysis using climate change scenarios<sup>2)</sup> to identify risks that may arise from regulatory and economic changes during the net-zero transition, targeting SKC and its subsidiaries<sup>1)</sup> subject to Korea's Emissions Trading Scheme (ETS). This analysis focused on the financial effects of emission allowance price fluctuations. The result indicated that, without emission reduction activities, greenhouse gas emissions in Korea could incur an estimated cost of approximately KRW 118.9 billion by 2030. To minimize this risk, we have implemented an internal carbon pricing system. When considering new investments, we assess the financial risks related to carbon regulations and plan to respond to GHG regulatory risks through activities such as direct emission reductions and expanded use of renewable energy in line with the Net-Zero Roadmap. Additionally, we recognize that newly introduced climate and environmental regulations such as the European Union's Carbon Border Adjustment Mechanism (CBAM)<sup>3)</sup> and plastic taxes may pose mid- to long-term transition risks. We are continuously evaluating the potential impact of these regulations on SKC and plan to develop appropriate response strategies.

1) SK nexilis, SK picglobal  
 2) IPCC 1.5 °C (World), NGFS 1.5 °C Below (Korea), NGFS 2.0 °C Below (Korea)  
 3) CBAM: Carbon Border Adjustment Mechanism

## Metrics & Target

### 2040 Net Zero

Based on the Net-Zero Roadmap established in 2022, SKC is developing specific implementation plans and working toward achieving net zero by 2040. The roadmap, developed in line with the IPCC 1.5°C scenario and the Science Based Targets initiative (SBTi) guidelines, applies not only to our domestic sites but also to our global operations. To reinforce our commitment and execution capabilities, SKC has set an interim target of reducing greenhouse gas emissions by 42% by 2030 compared to the base year of 2020, when emissions totaled 1.13 million tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>eq), with the ultimate goal of achieving net-zero emissions by 2040. To reach this goal, we are actively identifying and implementing reduction initiatives at each business site, including investments in high-efficiency power and energy equipment and the expanded use of waste heat steam. Since 2023, we have also strengthened our net-zero execution framework through quarterly ESG performance management involving our subsidiaries, thereby enabling ongoing oversight of GHG data across all domestic and overseas operations.

#### Net Zero

##### Greenhouse Gas Reduction



2030 **42%** reduction (compared to 2020)

2040 **Achieve Net Zero**

### RE100 Implementation

RE100 implementation is one of SKC's core strategies for achieving net zero. In 2020, SKC officially joined the RE100 initiative and declared its goal of achieving RE100 across all business sites by 2040. To accelerate RE100 implementation and carbon neutrality, the SK nexilis Malaysia plant plans to achieve RE100 through the purchase of Renewable Energy Certificates (RECs), while the Poland plant intends to progressively implement RE100 through Power Purchase Agreements (PPAs) from the commencement of operations. Through these efforts, SKC aims to increase its renewable energy consumption ratio to 79% by 2030 and to 100% by 2040.

#### RE100

##### Share of Renewable Energy Use



2030 **Reach 79%** (compared to 2020)

2040 **Achieve RE100**

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# Climate Change Response

## Performance

### Greenhouse Gas Emission Management

Since being designated as a subject of the national Emissions Trading Scheme (ETS) in 2015, SKC has strictly complied with domestic greenhouse gas-related regulations and systematically manages emissions and allowances. We regularly monitor our emissions status through an internal management system using data on greenhouse gas emissions and energy consumption such as electricity and fuel. To ensure the accuracy and reliability of measured emissions, third-party verification is conducted for each business site subject to the ETS.

#### Scope 1 and 2 Management

To achieve net zero by 2040, SKC is implementing a wide range of greenhouse gas reduction initiatives across the company, including facility and energy efficiency improvements, fuel switching to lower-carbon alternatives, and the introduction of waste heat steam systems. For Scope 1 emission reductions, we are pursuing the transition from fossil fuels to electricity while considering process efficiency. For direct emission sources that are difficult to convert to electricity in the short term, we are exploring medium- to long-term alternatives such as carbon capture, utilization, and storage (CCUS), taking into account the maturity of available technologies. To reduce Scope 2 emissions resulting from purchased energy, we are continuously identifying and expanding measures to reduce electricity consumption. As a result of these efforts, SKC has met its Scope 1 and 2 net emissions reduction targets under the 2024 Net-Zero Roadmap.

#### Scope 3 Management

SKC has selected and disclosed 8 key categories from the 15 Scope 3 categories as priority management areas. In 2024, for the first time, we included ISC, in addition to our existing subsidiaries, in the Scope 3 emissions assessment. With third-party verification completed, we disclosed our company-wide Scope 3 emissions, thereby expanding our management scope. Going forward, we plan to enhance our Scope 3 measurement process by maintaining internal measurement guidelines and databases and by continuously including newly incorporated subsidiaries such as ISC within the measurement scope. We will also establish and implement phased strategies to reduce Scope 3 emissions in collaboration with key upstream and downstream stakeholders, including expanding the adoption of eco-friendly raw and subsidiary materials.

### Energy Consumption Management and Efficiency Improvement

SKC systematically manages energy consumption at each business site by utilizing the Operation Information System (OIS) and the Manufacturing Execution System (MES). We strive to manage energy use more effectively and improve efficiency through process optimization, development of new technologies, upgrades and improvements of production equipment and systems, and energy resource management.

### Energy Saving Activities and Reduction Volumes

|                   |   |
|-------------------|---|
| Activity Details  | <b>SK nexilis Jeongeup</b>  |
|                   | Development and mass production expansion of low-power copper foil stripping technology |
|                   | <b>SK picglobal Ulsan</b>   |
|                   | Optimal operation of incinerator fuel system  |
|                   | Maintenance of integrated RTO operation   |
|                   | Serial operation of HPPO reactors   |
|                   | Optimal operation of TMW pump   |
|                   | Additional purchase of external steam   |
| Reduction Volumes | <b>SK nexilis Jeongeup</b>  |
|                   | Approximately 1,964,000 kWh annually  |
|                   | <b>SK picglobal Ulsan</b>   |
|                   | Total LNG consumption reduced: 13,044 GJ  |
|                   | Total LPG consumption reduced: 144,169 GJ   |
|                   | Total electricity consumption reduced: 7,520 GJ   |

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# Resource Use and Pollution Reduction

## Governance

In accordance with environmental regulations, SKC conducts company-wide integrated management and monitoring of environmental pollutants, including air emissions, water pollutants, and waste. We regularly report the management status and improvement cases of each company through the ESG Committee under the Board of Directors and the Sustainable Management Committee.

In addition, key indicators such as air pollutant emissions, water consumption, and waste recycling rates are incorporated into our company-wide and subsidiary-level key performance indicators (KPIs). Each subsidiary sets its own targets, and progress is monitored on a quarterly basis for continuous management.

## Strategy

Based on our commitment to environmental protection, climate change response, and resource circulation outlined in the SHE Policy, SKC has strengthened environmental management by establishing and operating regulations and procedures for managing environmental pollutants, including air emissions, water pollutants, and waste. To minimize risks associated with regulatory compliance and ensure the safety and health of stakeholders, we regularly monitor pollutant emissions by type and take immediate corrective actions in case of abnormalities. In addition to legally mandated regular measurements of air and water pollutant emissions, we conduct voluntary self-measurements to prevent regulatory violations and enhance pollution reduction efforts. Leak detectors have been installed to monitor for emissions that may occur due to equipment malfunctions or operational errors, and the performance of pollution prevention facilities is regularly inspected to ensure proper function.

## Environmental Compliance

SKC mandates compliance with applicable environmental laws and regulations for pollutant emissions and pollution prevention facilities at all business sites, in accordance with our SHE Policy. All sites maintain the necessary environmental permits and are managed accordingly. We recognize the potential financial impact of violations of environmental regulations, such as inadequate facility management or exceeding emission standards, which could lead to fines and penalties. To mitigate this risk, we conduct regular, ad-hoc, and special audits, as well as internal audits under ISO 14001, across all domestic and overseas business sites, in accordance with our SHE audit regulations. We have also established operational standards for pollutant emissions and environmental facilities and conduct regular inspections and SHE diagnostics. The SHE Management Office oversees the management of identified improvement areas and key achievements, and these are regularly reported to the CEO and the ESG Committee through internal reporting channels. The outcomes are also reflected in our environmental goals and performance indicators.

### Environmental Audits

| Category                     | Audit Entity  | Regular Audit          | Ad-Hoc Audit  | Special Audit  |
|------------------------------|---|------------------------|---|--|
| ISO Internal Audit           | Each business site / SHE Management Office and external experts as needed | Once per year          | When follow-up on regular audit recommendations is required | CEO, executives, or SHE department head / In response to social issues |
| Safety and Health Inspection |   | Once per quarter       |   |  |
| SHE Diagnostic               |   | Once every three years |   |  |

## Risk Management

SKC conducts environmental impact assessments to proactively identify and manage risks that business activities may pose to the environment. To ensure systematic implementation, we have established and revised environmental impact assessment regulations and follow standardized procedures. These measures not only ensure legal compliance but also help identify potential adverse environmental impacts, enabling the development and implementation of effective mitigation strategies.

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# Resource Use and Pollution Reduction

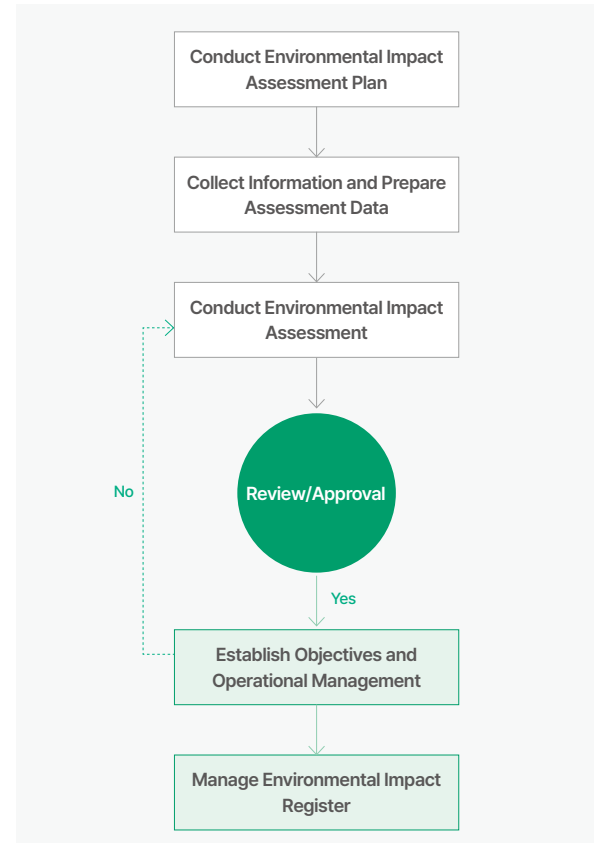
## Risk Management

To evaluate the environmental impact of our business sites and to establish and implement improvement plans for identified risks, all SKC business sites conduct annual environmental impact assessments. We have formalized the scope and frequency (regular/ad hoc) of the assessments to systematically identify environmental impact factors that may arise during business activities and site operations. The assessments include checklists that review the emission status of pollutants from air, water, and waste sources, along with compliance against legal thresholds and internal management standards. The potential impact on the surrounding environment is quantified and scored based on established evaluation criteria. Based on whether the site meets the minimum score threshold, we develop and implement corresponding improvement plans. Related regulations and procedures are documented and maintained to establish a systematic environmental impact assessment process.

## Environmental Impact Assessment for New and Expanded Sites

In 2023, SKC established SHE management regulations for the construction and expansion of domestic and overseas business sites. These regulations stipulate that environmental impact assessments must be conducted during new or expanded site development, and that improvement plans must be formulated and implemented for significant environmental impacts. This framework was established to prevent indiscriminate development and to strengthen ecosystem protection measures. Before the commencement of construction, we assess environmental risk factors in the surrounding area—including damage to habitats of flora and fauna, deforestation, wetland disruption, and river pollution—and identify potential risks. For any identified risks, response plans are developed and implemented. Construction begins only after completion of mitigation and improvement measures. Monitoring and inspections continue regularly until the project is completed.

### Environmental Impact Assessment Process



## Metrics & Target

SKC has established performance targets by incorporating air pollutant emissions, water recycling rates, and waste recycling (ZWTL) status into our key performance indicators (KPIs), and we are making ongoing efforts to achieve these goals. In 2024, these indicators were included as part of our company-wide KPIs and were continuously monitored. As a result, we achieved emissions below our air pollution targets, a water recycling rate of over 33%, and maintained Zero Waste to Landfill(ZWTL) certification.<sup>1)</sup> In 2025, these indicators will continue to be incorporated into the KPIs of our subsidiaries and monitored on a quarterly basis. To ensure ongoing achievement of our goals, we are reviewing methods to circulate and optimize industrial water use within our processes in order to further improve our water recycling rate. We also plan to expand the scope of ZWTL certification to cover all business sites, including newly established and expanded operations.

<sup>1)</sup> Targets apply to SK nexilis and SK picglobal

### Pollution Reduction Targets <sup>1)</sup>

| Category             | 2025                      | 2026        | 2030   |                    |
|----------------------|---------------------------|-------------|--|--------------------|
| Water Recycling Rate | 38.00%                    | 43.53%      | Improve to global top-tier level <sup>2)</sup> |                    |
| ZWTL                 | Number of Certified Sites | 2 sites     | 2 sites  | All business sites |
|                      | ZWTL Certification        | Maintenance | Maintenance                                    | Maintenance        |

<sup>1)</sup> Targets apply to SK nexilis and SK picglobal (Subject to change depending on new site development and incorporation of additional subsidiaries.)

<sup>2)</sup> Refers to the highest target level established within SK Group.

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# Resource Use and Pollution Reduction

## Performance

### Air Pollutant Management

At the SK nexilis Jeongeup Plant, nitrogen oxide burners have been installed to reduce emissions of nitrogen oxides and particulate matter. Emissions are managed at 20–40 ppm, which is approximately 60% below the legal emission limit. Since 2019, the SK picglobal Ulsan Plant has continued to invest in improving air pollution control facilities to comply with permissible air pollutant emission standards. These efforts include the installation of denitrification and dust removal systems for boilers and incinerators, as well as the use of clean fuel for heaters. At ISC, air pollutant emissions have been further controlled by installing an IoT-based air pollution prevention system, replacing outdated equipment, and installing new exhaust facilities. In addition, non-scheduled self-monitoring is conducted to detect any unanticipated emissions of air pollutants.

### Water Pollutant Management

At the SK nexilis Jeongeup Plant, an aging slaked lime storage tank was replaced to reduce water pollutants, and new removal systems were installed to improve the removal efficiency of hazardous substances in wastewater. The SK picglobal Ulsan Plant has installed real-time sensors at stormwater inflow points to reduce the inflow of initial rainwater into the wastewater treatment plant. This supports not only compliance with discharge standards but also efforts to reduce the overall volume of wastewater generated. ISC conducts irregular self-monitoring of water pollutants to monitor the emission of unpredictable pollutants. We reduced water pollution risks from waste liquid leakage through new installation of waste (liquid waste) storage facilities and improvement of storage equipment.

### Water

At the SK nexilis Jeongeup Plant, approximately 350,000 tons of water, equivalent to 23% of the plant's total water consumption in 2023, was recycled. In 2024, approximately 290,000 tons, or 26% of total water consumption, was recycled using a system that treats rinse wastewater from production equipment through reverse osmosis (RO) membranes for use in pure water production. The plant will continue to identify and implement additional water recycling methods. At the SK picglobal Ulsan Plant, 860,000 tons of water were recycled in 2023. The plant further enhanced water reuse in 2024 by implementing reuse initiatives such as reusing backwash water and concentrate from the water treatment system, recovering and reusing boiler condensate, and recycling groundwater. As a result, 2.58 million tons, or approximately 35% of the plant's total water use in 2024, were recycled.

### Waste

#### Waste Management

At the SK nexilis Jeongeup Plant, 5,846 tons—equivalent to 93% of total waste generated in 2023—were recycled. In 2024, 4,906 tons, or about 97% of total waste, were recycled. At the SK picglobal Ulsan Plant, efforts to convert incinerated and landfilled waste to recyclable waste since 2023 resulted in 686 tons of waste being recycled in 2024, reducing waste treatment costs by KRW 120 million. Additionally, the plant upcycled waste oil, reusing 17,832 tons as boiler fuel and 9,798 tons as fuel for wastewater incinerators, out of a total of 27,630 tons of waste oil in 2024. The ISC Ansan Plant recycled 8 tons of waste through source separation by waste type and plans to further increase waste recycling through the identification of new recycling partners.

### Waste Reduction Certifications and Initiatives

SKC has minimized landfill and incineration of waste at its major business sites and has obtained Zero Waste to Landfill (ZWTL) certification from UL (Underwriters Laboratories Inc.), a global safety and environmental certification body. This reflects SKC's achievements in waste recycling and excellence in environmental management. The SK nexilis Jeongeup Plant became the first in the rechargeable battery industry to obtain ZWTL Gold certification in 2021. The SK picglobal Ulsan Plant received the same certification for the first time in 2022. SK nexilis has maintained the Gold rating for three consecutive years through 2023 and obtained ZWTL certification in 2024. SK picglobal has also maintained the Gold rating for three consecutive years through 2024, and both sites are preparing for certification renewal in 2025. In the mid- to long-term, SKC aims to expand ZWTL certification to all domestic sites, including new business sites.

**Environmental**

- Climate Change Response
- Resource Use and Pollution Reduction

• **Expansion of Environmental Management**

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**Governance**

- Strengthening Board-Centered Management
- Strengthening Ethical Management and Compliance

# Expansion of Environmental Management

## Governance

SKC conducts statutory mandatory training and internal programs such as the Safety Academy to strengthen the SHE capabilities of our employees and suppliers. In addition, each business site's SHE department regularly hosts a SHE Council, which includes leadership-level participants. Training and drills are conducted based on global and domestic regulatory trends, as well as chemical accident and emergency response scenarios. The results are reported to management at least once every six months. These training outcomes and future plans are continuously reviewed and discussed by the ESG Committee under the Board of Directors and the Sustainable Management Committee.

## Strategy

Based on our environmental management system certifications, SKC recognizes the importance of complying with both global and domestic environmental laws and regulations. We conduct regular internal and external audits, regulatory compliance reviews, and environmental performance monitoring to maintain and expand international environmental management certifications such as ISO 14001. We also strengthen environmental education for both our employees and supplier companies to secure effective execution of environmental management practices. The training content includes SHE strategy and planning, risk assessment, and other key topics, allowing us to manage environmental strategies and risks in a structured manner.

## Risk Management

In consideration of the risks associated with legal violations, and in response to the regulatory compliance demands of customers and ISO certifications, SKC has developed and implemented a regulatory compliance management system. To minimize regulatory violations caused by oversight or misinterpretation, we strengthen SHE capabilities across employees and suppliers through internal education programs such as the Safety Academy. To maintain ISO 14001 certification, we conduct internal audits as well as regular, ad-hoc, and special audits and diagnostics according to audit regulations and designated cycles. We examine compliance with environmental laws and regulations, and for business sites where risks are identified, we establish response plans, implement corrective measures, and conduct detailed reviews of the results.

## Metrics & Target

### Expansion of Environmental Management System Certification

To strengthen the environmental management system across all business sites, SKC is committed to expanding ISO 14001 certifications.

➤ **ISO 14001 Certification Targets<sup>1)2)</sup>** (Unit: number of sites)

|                 | Category | 2025 | 2026 | 2027 |
|-----------------|----------|------|------|------|
| Certified Sites | Total    | 5    | 8    | 8    |
|                 | Domestic | 3    | 3    | 3    |
|                 | Overseas | 2    | 5    | 5    |

- 1) Excluding divested business sites
- 2) Certification targets are subject to change depending on new site construction, expansion, and subsidiary integration

### Environmental Management Certifications

SKC strives to realize sustainable management by obtaining various environmental certifications from third-party certification bodies. In 2023, SK leaveo obtained Environmental Label Certification (EL724) for its rf-PBAT and biodegradable LIMEX H100 products. SK nexilis Jeongeup Plant has obtained ZWTL certification, and SK picglobal Ulsan Plant maintains a ZWTL Gold rating. In addition, major domestic and overseas business sites have acquired ISO 14001 environmental management system certification.

➤ **ISO 14001 Certified Sites<sup>1)</sup>**

| Category | Number of Certified Sites | Certified Sites  |
|----------|---------------------------|--|
| Domestic | 3                         | <ul style="list-style-type: none"> <li>SK picglobal Ulsan</li> <li>SK nexilis Jeongeup</li> <li>ISC Pangyo Headquarters</li> </ul> |
| Overseas | 2                         | <ul style="list-style-type: none"> <li>SK nexilis Malaysia</li> <li>ISC Vietnam</li> </ul>   |

1) Excluding divested business sites

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# Expansion of Environmental Management

## Performance

### Environmental Education

To raise awareness of environmental and safety culture and to strengthen SHE capabilities, SKC provides a variety of educational programs. We operate the Safety Academy, offering a range of offline SHE training programs targeting SHE personnel at domestic and overseas business sites, as well as new hires, experienced employees, and promoted personnel. To enhance competencies in complying with environmental regulations, we have structured our environmental regulatory training curriculum into beginner, intermediate, and advanced levels. In the first half of 2024, beginner and intermediate-level courses were conducted, covering topics such as regulatory permitting, compliance, facility handling and emissions management, and performance reporting. A total of 24 participants completed the courses. Compared to 2022, before the implementation of this program, both the number of sessions and the average training hours per person increased significantly. Going forward, we plan to expand the training coverage to include managers at domestic and overseas business sites, as well as suppliers, by 2026. In addition, since 2022, we have been holding technical exchange meetings to facilitate information sharing, seminars, and education related to SHE tasks, while also gathering feedback from business sites. In 2024, a total of 62 training sessions were conducted, including cross-site inspections and participation in external professional training programs.

➤ **Safety Academy Program Status**



### Clean Technology

By 2022, SK nexilis completed the construction of production facilities with an annual capacity of 52,000 tons at the Jeongeup Plant. By 2024, the company completed its first and second plants in Kota Kinabalu, Malaysia, with a combined capacity of 57,000 tons. Considering productivity and cost competitiveness, SK nexilis is now centering its production system around the Malaysian plant. To meet changes in global demand, especially in Europe, the company is also expanding production capacity at its Poland plant to strengthen its global production base. Accordingly, annual production capacity is scheduled to increase to 110,000 tons by 2025 and 2026, and to 140,000 tons by 2027. In addition, SK nexilis plans to transition to 100% renewable energy across global production sites in alignment with RE100. The company is also preparing to adopt raw material innovation technologies to reduce the carbon footprint of its manufacturing process and enhance product safety.

➤ **Copper Foil Production Capacity**

(Unit: tons)

| Category                                 | 2025    | 2026    | 2027    |
|--|---------|---------|---------|
| Annual Production Capacity <sup>1)</sup> | 110,000 | 110,000 | 140,000 |

<sup>1)</sup> Design Capacity Subject to change depending on EV/battery market demand and company operating conditions.

SK nexilis has a product lineup designed to meet various form factors, built on its proprietary recipe and web handling technologies. These products support improved customer productivity through physical properties optimized to customer needs. Additionally, through continuous R&D and collaboration with customers, the company is expanding its product portfolio, including the development of new nickel (Ni)-based products for all-solid-state batteries.

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# Expansion of Environmental Management

## Performance





### Eco-Friendly Certified Products

SK leaveo is a company specializing in the production and development of new applications for biodegradable plastics, particularly PBAT, and aims to contribute to a sustainable environment by addressing the global issue of plastic waste. The company plans to complete the construction of a PBAT production plant with an annual capacity of 70,000 tons in Hai Phong, Vietnam, by the end of 2025. To consolidate eco-friendly businesses within SKC's investment portfolio and to operate resources and capabilities in an integrated manner, SK leaveo merged with SK TBM Geostone, the developer of biodegradable LIMEX that combines PBAT with the natural mineral limestone. Through this merger, SKC aims to strengthen its ability to diversify its portfolio and drive business growth, while securing ESG-oriented customers to gain early leadership in the global biodegradable materials market.

### rf-PBAT and Biodegradable LIMEX H100 Products – Biodegradable Certification Status

(All certifications first acquired in 2023)

■ Standard ■ High Level

|  |   |
|--|---|
| <p>Country   Europe</p> <p>Certification Body   TUV Austria<sup>1)</sup></p>  <p><b>OK Compost Industrial</b> (rf-PBAT, H100)</p> <p><b>OK Compost Home</b> (rf-PBAT)</p> <p><b>OK Bio-degradable Soil</b> (rf-PBAT) Acquired on April 4, 2025</p> | <p>Country   Australia</p> <p>Certification Authority   ABA<sup>2)</sup></p>  <p><b>Compostable</b> (rf-PBAT)</p> <p><b>Home Compostable</b> (rf-PBAT) Acquired on November 27, 2024</p> |
| <p>Country   United States</p> <p>Certification Authority   BPI<sup>3)</sup></p>  <p><b>Compostable Product</b> (rf-PBAT)</p>  | <p>Country   Republic of Korea</p> <p>Certification Authority   KEITI<sup>4)</sup></p>  <p><b>Environmental Label (EL724)</b> (rf-PBAT, H100)</p>                                      |

1) Technischer Überwachungsverein  
 2) Australasian Bioplastics Association  
 3) Biodegradable Products Institute  
 4) Korea Environmental Industry Technology Institute

## Resource Circulation Program

### My Green School

In 2022, SKC became the first in Korea to launch a gamified recycling information platform in the form of a smartphone application, "My Green Place." In 2023, to raise awareness of environmental protection and proper recycling among elementary school students—the next generation of leaders—SKC implemented the environmental education program "My Green School." The program was designed to help students understand the importance of resource circulation. Customized activities included games using the My Green Place app and card-based teaching tools that made it easy to learn proper separation and disposal methods for everyday items. We expanded the scope of activities by preparing grade-specific curricula including elementary school education aligned with regular curriculum, local children's center education to bridge educational gaps in communities, and Neulbom School, which is customized classes for first-grade elementary students. Additionally, we maximized educational effectiveness by distributing the platform free of charge so that it can be easily used for education not only in educational settings but also in individual homes, enabling people to learn proper waste separation methods and participate in real-life practices. In the first half of 2024, the program was officially recognized with the "Excellent Environmental Education Program Certification"<sup>1)</sup> designated by the Ministry of Environment. It also received the Potential Award in the SK Group CSR Competition, reinforcing the program's credibility and public value.

1) Excellent Environmental Education Program Certification: An official certification granted by the Ministry of Environment to programs that demonstrate excellence across various dimensions, including structure, content, and educational impact.

## Environmental

Climate Change Response  
Resource Use and Pollution Reduction  
Expansion of Environmental Management

## Social

### • Human Resource Management

Work-Life Balance  
Advancement of Human Rights Management  
Strengthening Occupational Safety and Health  
Chemical Safety Management  
Supply Chain Management  
Product Safety and Quality Management  
Contribution to Local Communities  
Strengthening Information Security

## Governance

Strengthening Board-Centered Management  
Strengthening Ethical Management and Compliance

# Human Resource Management

## Governance

At SKC, the continuous happiness of our members is considered a core value of management and the ultimate goal of the organization. To materialize a Total Design for employee-related matters, we operate the Happiness Promotion Committee. The committee regularly discusses strategic directions and implementation status across various areas of talent management, including performance-based compensation, mobility, career development, capability building, and welfare programs. It also facilitates the sharing of executive roles and responsibilities in relation to our people. The Happiness Promotion Committee is chaired by the SKC CEO and includes the CEOs of our subsidiaries and relevant executives. To reinforce execution capabilities, the HR Team and Change Management Team serve as operational units. The HR Team manages systems related to recruitment, benefits, and performance management, while the Change Management Team oversees organizational culture, employee education, and executive appointments across SKC and its subsidiaries.

## Strategy

### Talent Development Programs

SKC Family has structured its company-wide education framework into four packages: Leadership, Value, Global, and Expert. These programs are designed to support the continued development of employee capabilities in response to evolving external and internal business environments. Beginning in 2024, in light of increased uncertainty in the business landscape and the need to align with our management strategies, we have prioritized employee development programs under three themes: "quality control," "internal reinforcement," and "selectivity and focus." First, we are enhancing the quality of education by advancing existing training packages and improving operational efficiency. Second, we are reinforcing program depth by systematically organizing previously fragmented training systems and policies. Lastly, we apply a "selectivity and focus" approach by identifying and implementing priority training programs based on their importance and urgency.

## Support for Employee Well-being

To improve the work environment and ensure sustainable happiness, SKC regularly collects feedback from employees through various communication channels and uses this input to identify and implement actionable tasks. In particular, we are committed to improving HR programs and overall organizational culture closely tied to employee well-being. Moving forward, we will continue to drive meaningful change and open communication based on employee voices. As part of this effort, SKC is executing policies under the key themes of "Working Like a Pro," "Growing Together," and "Our Shared Safety Net" to enhance job satisfaction and strengthen employee capabilities. Through initiatives that foster a self-directed work environment, support skills development, build performance- and competency-based HR and recruitment processes, and establish a fair evaluation system, we are cultivating a culture where employees can grow their capabilities and receive fair compensation based on their performance and competencies.

## Metrics & Targets

To support the capability development and growth of our employees, SKC operates a wide range of annual training programs. As a result, the average number of training hours per person at SKC and its subsidiaries reached 20 hours in 2024.<sup>1)</sup> In 2025, we plan to develop and operate various training programs and workshops focused on spreading an organizational culture rooted in a strong understanding of and belief in our management philosophy, as well as on enhancing performance management capabilities. Through these initiatives, we aim to contribute to the personal growth and satisfaction of more employees within the organization.

<sup>1)</sup> Excluding divested sites and including newly added business sites

## Risk Management

[Human Rights Impact Assessment](#)

## Performance

### Organizational Culture and Communication

SKC operates various programs aimed at improving organizational culture and promoting communication. We implemented Diversity Table, an employee-participation-based program for enhancing organizational culture, which helped expand communication across the company and drive cultural improvement. Additionally, CEO-led Happiness Talk sessions were held five times across all SKC and subsidiary business sites, creating direct opportunities for dialogue between the CEO and employees. We also launched the company-wide communication board "Raise Your Voice," an online channel where employees can freely voice their opinions at any time. Through this platform, we are working to establish a flexible organizational culture that encourages open "speak-out" communication.

### Labor-Management Relations

SKC operates Happiness Connect, a labor-management council organized under the Act on the Promotion of Workers' Participation and Cooperation. Through this council, we strive to build a collaborative labor-management relationship based on mutual communication and trust. Regular quarterly meetings were held four times in 2024, where key management issues and improvements to the working environment were discussed. To promote employee participation, agenda items were selected in advance through the collection of employee opinions. All collected agenda items were addressed, resulting in a 100% resolution rate.

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# Human Resource Management

## Performance

### Evaluation & Remuneration

SKC implements development-oriented evaluations such as continuous feedback and 360-degree reviews. We are advancing related systems to ensure that evaluations focus on individual capabilities and are reflected in remuneration outcomes. To support this, we established a performance evaluation process that allows employees to continuously record their work activities and receive real-time feedback. By strengthening alignment with the strategic objectives of higher-level organizations, we have improved the evaluation system to be more data-driven, objective, and fair. To promote a culture centered on coaching and feedback, performance management workshops were conducted for leadership to discuss the evaluation framework. We conducted performance management workshops targeting leaders to solidify the evaluation and compensation system based on performance and create an evaluation culture centered on coaching and feedback, discussing the evaluation system. Additionally, to support ESG management, ESG indicators have been incorporated into the performance metrics of all executives, with evaluation results reflected in remuneration calculations.

#### ➤ KPI-Based Evaluation System by Position

| Team Leaders  | Team Members  |
|---|---|
| <ul style="list-style-type: none"> <li>Performance evaluation: 90% annual KPI, 10% based on execution rate of individual development plans (CDP/CDI) feedback</li> </ul>  | <ul style="list-style-type: none"> <li>Performance evaluation: 90% based on ongoing tasks, 10% based on CDP/CDI execution rate</li> </ul>   |
| <ul style="list-style-type: none"> <li>Competency evaluation: Includes assessments by supervisors, peers, and subordinates, reflecting both individual and organizational capabilities</li> </ul>   | <ul style="list-style-type: none"> <li>Competency evaluation: Includes supervisor and peer reviews</li> </ul>   |
| <ul style="list-style-type: none"> <li>Final scores calculated at year-end with performance evaluation 70% and competency evaluation 30% ratios, considering KPIs established at the beginning of the year and coaching and feedback conducted quarterly</li> </ul> | <ul style="list-style-type: none"> <li>Final score calculated as 70% performance (task completion) + 30% competency (year-end)</li> </ul>   |
| <ul style="list-style-type: none"> <li>Rating determined through a three-stage evaluation: 1st by division head/general manager, 2nd by executive vice president, 3rd by CEO</li> </ul>   | <ul style="list-style-type: none"> <li>Rating determined through a three-stage evaluation: 1st by team leader, 2nd by division head/general manager, 3rd by executive vice president</li> </ul> |

## Education

### Education Programs

SKC has continuously driven change and innovation across its education systems, infrastructure, and curriculum. We support employee growth through a range of company-wide programs including role-based training for new hires, lateral hires, and team leaders, as well as job-specific training in areas such as finance and ER expertise. Additionally, SKC utilizes mySUNI, SK Group's common learning platform, to offer a self-directed environment for skill development. We have also identified action items within SKC's four HR development categories—Value, Leadership, Expert, and Global—and are continuously improving our programs accordingly. To strengthen global competencies, we offer language programs and leadership development initiatives for future leaders. We are also expanding opportunities for organizational development and customized training based on position and role to support the adoption of SKMS-based VWBE (Voluntarily and Willingly Brain Engagement) work practices. In collaboration with our subsidiaries, we also provide One Company training programs such as team leader branding courses and insight lectures.

### Education Satisfaction Evaluation

SKC collects participant feedback and evaluates program effectiveness after each education session, applying the findings to enhance program content and operations. As a result, the average satisfaction score for training programs in 2024 was 4.6 out of 5. Moving forward, we will continue to improve based on feedback to create a training environment that supports real capability development and delivers tangible value to our employees.

#### ➤ Capability Development Programs by Category

| Category   | Key Programs   |
|------------|--|
| Value      | <ul style="list-style-type: none"> <li>SKC Sales Training for Subsidiaries</li> <li>Company-Wide SKMS WEEK (Workshop)</li> </ul>                         |
| Leadership | <ul style="list-style-type: none"> <li>Company-Wide Core Talent Selection &amp; Development</li> <li>Team Leader Leadership Training</li> </ul>          |
| Expert     | <ul style="list-style-type: none"> <li>Company-wide Insight Lecture Series (Insider Learn, 4 sessions)</li> <li>Job-specific Training Support</li> </ul> |
| Global     | <ul style="list-style-type: none"> <li>In-House Language Program (Diligent Learn, 2 sessions)</li> <li>1-on-1 Tutoring Support</li> </ul>                |

#### ➤ Education Program Satisfaction Ratings (out of 5 points)

|  |            |
|--|------------|
| SKC Sales Training for Subsidiaries                    | 4.8 points |
| Company-Wide Core Talent LEAP & REAP                   | 4.7 points |
| Team Leader Leadership Training (2 sessions)           | 4.4 points |
| Insight Lecture Series (Insider Learn, 4 sessions)     | 4.7 points |
| In-House Language Program (Diligent Learn, 2 sessions) | 4.4 points |
| Overall Average  | 4.6 points |

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# Work-Life Balance

## Governance

SKC recognizes work-life balance as a core value of management and has established and implemented various systems to realize this goal. The HR Team is responsible for developing systems that improve quality of life for employees—such as flexible work arrangements, benefits, and leave programs—while the Change Management Team drives tangible internal changes by gathering employee feedback and managing communication channels. We regularly collect employee input through initiatives such as Happiness Talk sessions and the Culture Survey, and reflect feedback in our improvement plans. These are reviewed by the Happiness Promotion Committee to facilitate continuous institutional enhancement and execution. Through this approach, SKC is working to foster a family-friendly and flexible organizational culture that promotes sustainable happiness for both employees and the organization.

## Strategy

SKC is committed to achieving work-life balance and employee well-being in parallel. Through an HR redesign informed by employee feedback, we are continuously improving compensation and benefits systems to support a “healthy life,” “balanced life,” and “life with rest.” In 2023, SK picglobal was officially certified as a family-friendly company for the first time, recognized for its exemplary operation of family-friendly programs.<sup>1)</sup> The company continues to meet certification standards through ongoing regulatory compliance and internal audits. We will continue to implement institutional improvements and practical initiatives based on employee feedback, further building a family-friendly work environment and flexible organizational culture.

<sup>1)</sup> Includes support for childbirth and parenting, flexible work systems, and the creation of a family-friendly workplace culture

## Metrics & Target

To support sustainable happiness for both employees and the organization, SKC is enhancing the effectiveness of its existing HR systems—such as flexible work arrangements and benefits. We are also improving the overall work environment by establishing a culture of work-life balance co-created with employees and optimizing work styles based on VWBE (Voluntarily and Willingly Brain Engagement). In particular, we aim to enhance employee satisfaction by expanding communication channels that capture and reflect employee opinions and by transparently sharing the outcomes of this feedback.

### Employee Satisfaction Measurement

SKC uses the company-wide Culture Survey to measure employee satisfaction and engagement across HR systems and organizational culture. Based on the findings, we identify and implement improvements. The survey evaluates employee beliefs in SK Group’s management philosophy, motivation and autonomy at work, ambition toward top-tier goals, and overall well-being, providing a comprehensive assessment of how employees work and perceive their environment.

To gain deeper insights, we also conduct Focus Group Interviews (FGIs)<sup>1)</sup> to hear employees’ candid perspectives. In 2024, the overall average score across SKC and its subsidiaries slightly declined to 70 points due to external management environment factors. However, SKC maintained a higher-than-group-average performance in areas such as belief in the management philosophy and pursuit of social value.

<sup>1)</sup> Focus Group Interview

## Risk Management

[Human Rights Impact Assessment](#)

## Performance

### Flexible Work Arrangements

SKC operates a flexible working hours system and a staggered commuting system, allowing employees to autonomously choose their work location and working hours based on their individual schedules. We also implement a self-designed flexible work arrangement that reflects the specific operational characteristics of each department, thereby supporting employees in achieving better work-life balance. For employees during pregnancy or childcare periods, we offer reduced working hour options, enabling them to balance both professional responsibilities and family care. Remote work is managed flexibly based on the nature of the task and the circumstances of each organization, with teams setting their own ground rules for implementation. In addition, we actively support employee rest by operating various leave programs, such as recommended collective leave, long-service leave, and a self-approval vacation system, which allows employees to take leave freely without supervisory approval.

### Employee Benefits

SKC continuously improves and operates a variety of employee benefits programs to enhance overall satisfaction. We offer the Happiness Card, which can be used flexibly for self-development, health management, and other lifestyle needs based on individual preferences. We also continue to operate the Happiness Camp program, where selected employees are fully reimbursed for accommodation at designated domestic and international resorts, providing them with opportunities to recharge. In 2024, we revamped our Crew System to foster greater interaction within the SKC Family. The program is now actively running based on voluntary employee participation. We also maintain systems that promote work-family balance. These include three months of paid parental leave, tuition support for children, medical expense reimbursement, and psychological counseling services. Our comprehensive health checkup support has also been extended to include one additional designated family member.

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# Advancement of Human Rights Management

## Governance

To prevent human rights violations and respond swiftly when they occur, SKC carries out human rights management activities through its designated human rights management unit. These include operating grievance channels and providing human rights education. In 2023, SKC reported its human rights management implementation plan to the ESG Committee. Since then, progress has been continuously monitored through the Happiness Promotion Committee to manage human rights-related policies and risks.

## Strategy

SKC has established employee happiness as the core purpose of management, in line with the human rights philosophy of SKMS. To lay the foundation for company-wide human rights management, we published a Human Rights Declaration, approved by the CEO, and established eight fundamental principles by aligning with international human rights and labor standards and guidelines, including the Universal Declaration of Human Rights and the UN Global Compact (UNGC).

### ➤ Human Rights Management Policy

#### Human Rights Declaration

SKC adopts SKMS, the group's management philosophy and cultural foundation, as the basis of its corporate management, pursuing employee happiness as its ultimate goal. We aim to play a key role in creating happiness for all major stakeholders, including customers, suppliers, shareholders, and society. To rapidly respond to customer needs and contribute to both customer success and human progress, SKC is progressively evolving into an ESG material solutions company. Under the belief that "people are our most important resource," we are fostering a corporate culture that respects human rights. To implement human rights management, we pledge to comply with international human rights and labor standards and guidelines, including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights (UNGPR), and the UN Global Compact (UNGC). Through our human rights management policy, built on these international standards, we are committed not only to our employees, but also to our subsidiaries and suppliers, to fulfill our responsibility to respect human rights. We are dedicated to preventing and continuously improving potential human rights risks that may arise in the course of our business activities, particularly those associated with stakeholders and the characteristics of the manufacturing industry.

September 2022, CEO of SKC Co., Ltd.



### ➤ Eight Fundamental Principles of Human Rights

Assurance of occupational safety



Protection of Local Community Rights



Prohibiting sexual harassment and bullying in the workplace



Prohibition of forced labor



Prohibition of Discrimination



Compliance with working conditions



Prohibition of child labor



Freedom of Association and Collective Bargaining

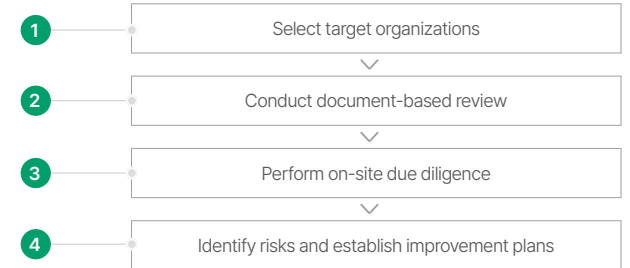


## Risk Management

### Human Rights Risk Assessment

As part of our human rights management and in compliance with labor regulations at home and abroad, SKC strives to identify and minimize human rights risks in all business activities. We conduct systematic assessments using human rights risk indicators developed based on our internal human rights management policy, as well as global frameworks such as the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct.

#### ➤ Human Rights Risk Assessment Process



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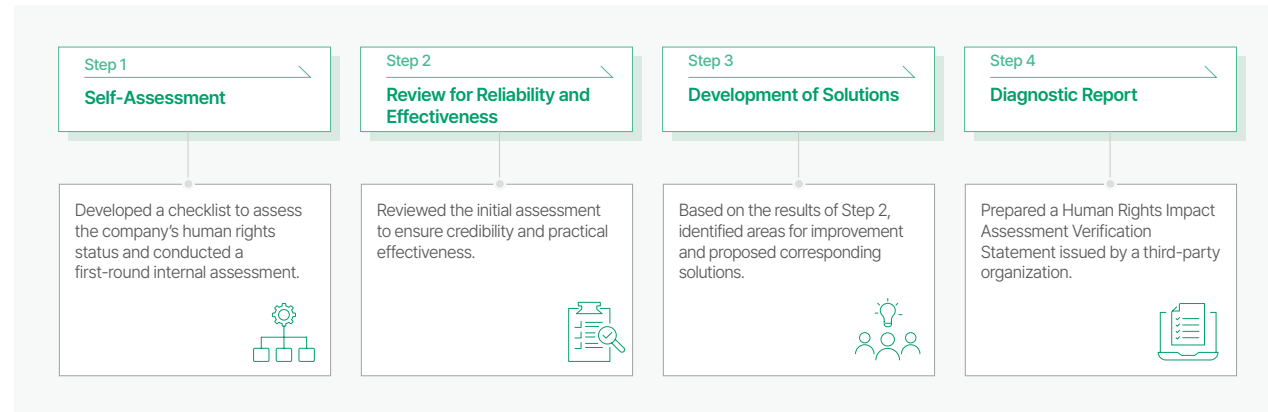
# Advancement of Human Rights Management

## Risk Management

### Human Rights Impact Assessment

To identify and address risks related to human rights management in advance, SKC conducted a human rights impact assessment in 2022. We utilized an internal assessment checklist based on UN human rights guidelines, and to ensure the reliability and effectiveness of the self-assessment results, the findings were reviewed by an independent third-party organization. As of 2023, we identified a total of 50 areas for improvement and set task-specific priorities in order to establish a mid- to long-term improvement plan.

#### Human Rights Impact Assessment Process



#### Human Rights Impact Assessment Results

(Assessment conducted in 2022)

| Category                     | Declaration and Internalization of Human Rights Policy | Human Rights Impact Assessment | Establishment and Implementation of Human Rights Management System | Monitoring and Disclosure | Grievance Handling Mechanism | Total           |
|------------------------------|--|--------------------------------|--|---------------------------|------------------------------|-----------------|
| Evaluation Tasks             | 15   | 13                             | 127  | 20                        | 9                            | 184 items       |
| Improvement Tasks            | 6  | 3                              | 15   | 8                         | 1                            | 33 items (18%)  |
| Short-Term Improvement Tasks | 1  | -                              | 2  | -                         | -                            | 3 items (2%)    |
| Long-Term Improvement Tasks  | 3  | 9                              | 21   | 12                        | 2                            | 47 items ( 26%) |

## Metrics & Target

SKC contributes to building a corporate culture that respects human rights by setting human rights management goals and establishing execution strategies for their implementation. To regularly assess our human rights performance and ensure ongoing improvement, we manage related issues using indicators such as the number of internal reports and resolutions, violations of laws and regulations, and completion hours of human rights training. In an effort to strengthen our capability to respond to human rights risks proactively, we are developing a stakeholder feedback process to increase participation from both employees and other stakeholders. Additionally, SKC conducts legally mandated training annually and aims to continuously expand and maintain training hours to ensure that all employees acquire a basic understanding of human rights.

#### Human Rights Education Target<sup>1)</sup>

(Unit: %)

| Category                               | 2025 | 2026 | 2027 |
|--|------|------|------|
| Human Rights Education Completion Rate | 100  | 100  | 100  |

<sup>1)</sup> Targets may be revised due to the exclusion of divested business sites and inclusion of newly added sites

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# Advancement of Human Rights Management

## Performance

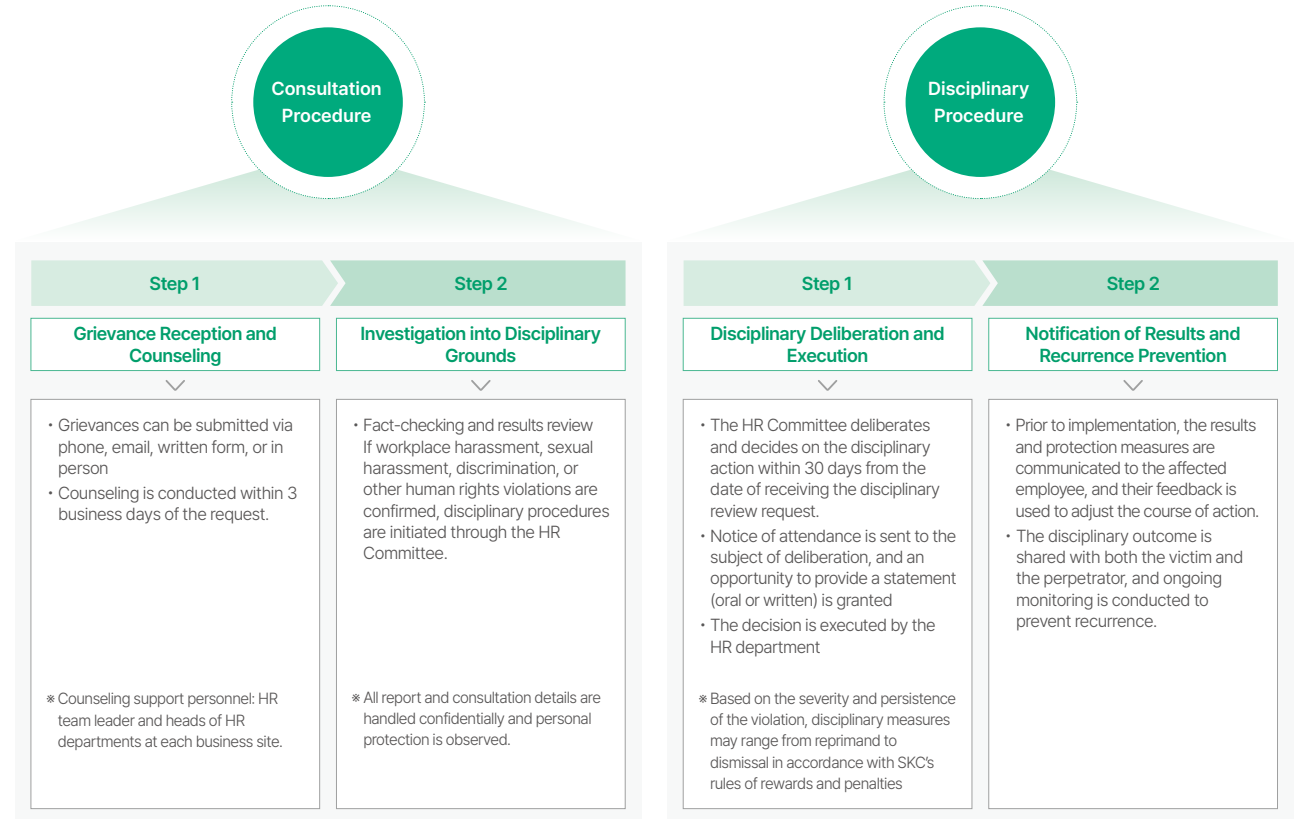
### Prevention and Reporting of Human Rights Violations

SKC has established and operates an internal grievance handling process to respond promptly to human rights violations and prevent recurrence. We receive reports through various online and offline channels and conduct counseling within three business days from the date of receipt to promptly verify the facts. If workplace harassment, sexual harassment, discrimination, or other human rights violations are confirmed through an investigation, disciplinary procedures are carried out through the HR Committee. Depending on the severity of the issue, the HR and Disciplinary Committee may be convened to decide and implement disciplinary measures within 30 days. We also carry out continuous monitoring to prevent recurrence. To protect the identity and privacy of the whistleblower, all reports and consultations are kept confidential by default.

### Human Rights Education

SKC conducts regular statutory education programs on human rights, such as disability awareness and sexual harassment prevention, to foster a corporate culture based on human rights management. In addition, we provide education on human rights and non-discrimination to interviewers to strengthen transparency and fairness in the recruitment process and to promote a hiring culture free of discrimination.

### Internal Grievance Handling Process



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# Strengthening Occupational Safety and Health

## Governance

At SKC, we are committed to preventing industrial accidents and providing a safe working environment and promoting the health of our employees, suppliers, and other key stakeholders through the SHE Management Office and each business site's dedicated SHE departments. We have designated our top management executive as the Chief Safety Officer to respond proactively to the Serious Accidents Punishment Act. We also operate a dedicated organization for safety and health management that establishes annual safety and health targets. Major achievements and response plans are reported to the Board of Directors at least once a year. In addition, we conduct inspections on the implementation of the safety and health management system and report the results semiannually to the top management. We also reflect key SHE initiatives in performance indicators that are linked to the remuneration assessment of the CEO and key executives.

## Strategy

### Safety, Health, and Environment (SHE) Policy

At SKC, we aim to realize the highest value of "business activities for people and the environment" by creating a safe work environment, promoting employee health, and minimizing environmental impact. To that end, we officially established and published our SHE Policy in 2022 with the approval of the top management. Not only our domestic business sites but also overseas sites—including SK nexilis' Malaysia and Poland plants, and Absolics' U.S. site—have adopted and declared the SHE Policy. We have built a SHE management system based on the core values of business sustainability and stakeholder trust. We ensure that this policy is actively implemented at the worksite level and continuously carry out improvement activities to strengthen the system.

### Safety, Health and Environment (SHE) Policy

SKC prioritizes the values of people and the environment and strives to achieve zero accidents, enhance employee health, and promote eco-friendly management. To that end, we fulfill our responsibilities and obligations related to relevant laws and the SHE regulations, and we aim to maintain and operate the SHE management system at the highest level. Through ongoing evaluation and improvement, we seek to become a sustainable company trusted and supported by society.

#### Safety and Health Policy

1. We prioritize a safe and healthy work environment, reduce safety and health risks, and eliminate hazards to create an optimal workplace.
2. We continuously enhance our safety and health standards through system advancement and capacity building, and we aim to achieve a zero-accident workplace through regular education and training.
3. We encourage participation from all employees, including our suppliers, and promote collaborative efforts to cultivate a culture of voluntary safety and health.

#### Environmental Policy

1. We minimize environmental impacts by developing eco-friendly products and designing environmentally sustainable production processes, and we protect both our business sites and local communities through systematic chemical substance management.
2. We respond to various risks from climate change by minimizing greenhouse gas emissions and participating in global initiatives to contribute to global environmental preservation.
3. We contribute to the creation of a sustainable environment by reducing the consumption of water and raw materials and promoting a virtuous cycle of resource use.

#### SHE Commitment

As members of SKC, we recognize that safety, health, and environment (SHE) are our top priorities and commit to internalizing them through the following principles:

- I strictly comply with SHE laws and internal regulations to prevent accidents and environmental pollution.
- I always remember that SHE is our highest priority and voluntarily and enthusiastically participate in SHE activities.
- I continuously improve unsafe conditions and behaviors.
- I remember that SHE is the foundation of happiness and fulfill my social responsibility to respect human dignity and preserve the environment.

March 2022. CEO, SKC Co., Ltd.



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# Strengthening Occupational Safety and Health

## Strategy

### Establishment of SHE Management System

SKC has enhanced its management by incorporating SHE regulations and procedures developed based on the revised SHE management manual. To create a work environment where employees can feel safe and secure, we have strengthened our SHE system, elevated the level of occupational safety and health, and minimized risks. In particular, to reduce blind spots for accidents and achieve zero-accident goals, we operate a safety inspection system based on the PDCA (Plan-Do-Check-Act) cycle.<sup>1)</sup> Furthermore, to foster a voluntary safety and health culture, we encourage the participation of all employees—including those from suppliers—in the safety and health management system, and we continuously collect feedback. We regularly monitor revisions and updates of 30 SHE-related laws through our legal compliance management system and evaluate our compliance with legal obligations at least semiannually based on the legal compliance management process, reporting the results to top management. We operate a legal compliance register to assess and manage the level of legal compliance at each business site. In the event of a legal violation, we conduct an internal system review and improvement activities to prevent recurrence. During the supplier selection process, we evaluate the level of SHE management through an assessment framework, and we actively support the enhancement of suppliers' safety management capabilities through the "SHE Shared Growth Program."

<sup>1)</sup> Plan, Do, Check, Act Cycle: A preventive accident management process based on ISO 45001 certification standards that consists of setting safety and health objectives, responding to and preventing accidents, eliminating risks, and conducting safety inspections.

### ➤ SHE Regulations and Procedures

| Regulation  | Procedure   | Regulation  | Procedure   |
|---|---|---|---|
| SHE Goal Management Regulation                            | • SHE Goal Management Procedure   | Occupational Safety and Health Management Regulation  | <ul style="list-style-type: none"> <li>• SHE Meeting Procedure</li> <li>• General/Mandatory Safety Rule Management Procedure</li> <li>• Personal Protective Equipment Management Procedure</li> <li>• SHE Signage Installation and Management Procedure</li> <li>• Workplace Risk Assessment Management Procedure</li> <li>• Workplace Management Procedure</li> <li>• SHE Inspection Procedure</li> <li>• Hazardous Machinery and Equipment Management Procedure</li> </ul>  |
| Environmental Impact Assessment Regulation                | • Environmental Impact Assessment Procedure   | Process Equipment Safety Regulation                   | <ul style="list-style-type: none"> <li>• Health Checkup and Follow-Up Management Procedure</li> <li>• Work Environment Measurement Procedure</li> <li>• Hazardous Factors Management Procedure</li> <li>• Asbestos Demolition and Removal Work Procedure</li> <li>• High-Pressure Gas Safety Management Procedure</li> <li>• Hazardous Materials Safety Management Procedure</li> <li>• Firefighting Facilities and Safety Equipment Management Procedure</li> <li>• Research Center Occupational Safety and Health Management Procedure</li> </ul> |
| Environmental Operation Management Regulation             | <ul style="list-style-type: none"> <li>• Air Quality Management Procedure</li> <li>• Water Quality Management Procedure</li> <li>• Waste Management Procedure</li> <li>• Noise and Vibration Management Procedure</li> <li>• Odor Management Procedure</li> <li>• Persistent Organic Pollutants Management Procedure</li> </ul> | Chemical Substance Management Regulation              | <ul style="list-style-type: none"> <li>• Risk Assessment Execution Procedure</li> <li>• Equipment Inspection and Maintenance Procedure</li> <li>• Work Permit Procedure</li> <li>• Interlock Bypass Management Procedure</li> <li>• Chemical Substance Registration and Evaluation Management Procedure</li> <li>• Chemical Substance Management Procedure</li> <li>• Safety Data Sheet (SDS) Management Procedure</li> </ul>   |
| SHE Legal Compliance Management Regulation                | • SHE Legal Compliance Management Procedure   | SHE Education and Training Management Regulation      | • SHE Education and Training Procedure  |
| SHE Management of Change Regulation                       |   | Supplier SHE Management Regulation                    |   |
| SHE Incident Management Regulation                        | • Incident Management Procedure   | SHE Emergency Response Management Regulation          | • Emergency Response Procedure  |
| SHE Audit Management Regulation                           |   | SHE Communication Regulation                          | • SHE Information Dissemination Procedure   |
| SHE Documented Information Management Regulation          | • SHE Education and Training Management Procedure   | Emissions Trading Scheme (ETS) Management Regulation  | • Emissions Trading Scheme Management Procedure   |
| SHE Risk Management Regulation                            |   | Risk Assessment Regulation                            |   |
| SHE Qualification Management Regulation                   |   | SHE Monitoring and Performance Measurement Regulation |   |
| SHE Management Review Regulation                          |   | SHE Corrective Action Regulation                      |   |
| SHE Management for New and Expanded Facilities Regulation |   |   |   |

**Environmental**

- Climate Change Response
- Resource Use and Pollution Reduction
- Expansion of Environmental Management

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- Strengthening Information Security

**Governance**

- Strengthening Board-Centered Management
- Strengthening Ethical Management and Compliance

# Strengthening Occupational Safety and Health

## Risk Management

### Inspection of Safety and Health Management System Implementation

SKC conducts regular and ad hoc SHE assessments in accordance with the SHE Audit Management Regulation to minimize safety and health-related risks. These assessments review compliance with the safety and health management system, relevant laws and regulations, and the overall SHE management system at all business sites. We have established Safety Golden Rules (SGRs) at every business site and defined clear action standards for violations of safety rules, in our effort to establish a culture of safety first and to prevent accidents and incidents. To encourage participation from all employees, we developed on-site focused self-safety inspection items and set continuous inspection system goals across all business sites. In addition, we have implemented a real-time monitoring system using AI and digital technology (DT), while conducting intensive inspections on specific equipment, high-risk areas, and hazardous substances. For the preparation and review of process safety reports, we operate a pre-review and management of change process based on the Process Equipment Safety Regulation and conduct internal PSM (Process Safety Management) audits. Improvement tasks identified through process safety assessments are managed through continuous monitoring to minimize process-related risks.

### ➤ SHE Risk-Specific Management Measures



### Operation of Continuous Inspection System

To prevent occupational accidents and ensure a safe working environment, SKC operates a continuous inspection system at its business sites. We share monthly updates on major domestic and international incidents and raise awareness among all employees and suppliers through “Office Safety” activities. All incidents, including legal violations and environmental accidents, are classified and recorded according to our management regulations. In the event of an incident or disruption, we activate a unified simultaneous notification system to enable a company-wide joint response. Regardless of the incident level, we conduct thorough root cause analyses and establish preventive measures, while also managing and verifying the implementation of those measures. At SK nexilis, the CEO leads monthly on-site safety inspections, and safety and health officers conduct semiannual site inspections and joint labor-management inspections. In addition, safety and health officers, departments using supplier services, and supplier representatives conduct quarterly safety inspections of suppliers. We also conduct annual special inspections to enhance safety awareness across all business sites. SK picglobal strengthens on-site safety management by appointing external safety experts to conduct continuous patrol inspections. Through various activities such as the Life Saving Report (LSR), near-miss reporting, and SHE suggestions, we identify and eliminate unsafe behaviors and conditions, sharing the outcomes with suppliers and employees. Moreover, we regularly conduct theme-based safety inspections and internal environmental audits to strengthen the on-site SHE inspection framework. ISC conducts hazardous element inspections to enhance the SHE leadership of the management representative and safety and health officer. Monthly and routine inspections are carried out by supervisors and laboratory safety managers to manage hazardous elements at worksites.

### ➤ Number of Feedback and Incident Reports



### Compliance with Safety and Health Regulations

SKC evaluates compliance with its safety and health management system and SHE regulations based on its SHE Audit Management Regulation. We identify any deficiencies, establish and implement improvement plans, and carry out follow-up inspections and management. To respond quickly to risks related to safety and health regulations, we have established a monitoring system for SHE-related legislation. This enables us to rapidly track regulatory updates and assess their potential impact through a digitized platform. Additionally, we promote field-oriented SHE culture by operating a technical exchange forum for on-site personnel to share knowledge and strengthen capabilities. To enhance the safety and health management systems and capabilities of suppliers, we operate the “SHE Shared Growth Program” targeted at our suppliers.

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# Strengthening Occupational Safety and Health

## Risk Management

### Accident Prevention Training

In accordance with the Occupational Safety and Health Act, SKC conducts annual emergency response drills at all business sites and establishes response scenarios for various types of accidents as outlined in the Emergency Response Management Regulation. We also aim to spread a culture of safety within our sites and raise awareness among our employees by conducting regular safety education programs and campaigns in line with the Education and Training Management Regulation.

### Safety and Health Risk Assessment

Based on the Risk Assessment Regulation, SKC selects evaluation targets and conducts initial, periodic, and ad-hoc assessments in compliance with safety and health legal requirements. Through process risk assessments, we identify technical hazards, and through task-specific risk assessments and musculoskeletal risk surveys, we assess hazards that may occur during work processes, including unsafe behaviors and conditions of workers. We then take appropriate improvement actions. We also conduct qualitative evaluations by considering the severity and frequency of the risks based on current and improved conditions, thereby reviewing the effectiveness of our actions. At SK nexilis, improvement actions were implemented based on risk levels identified through risk assessments. As a result, 125 of the 133 risk factors identified in 2024 were addressed, achieving a 94% improvement rate. Findings from the risk assessments are incorporated into employee and new hire education programs to enhance safety awareness. The implementation and effectiveness of improvements are reported to the management representative at least once a year to ensure systematic occupational safety and health management.

### Supplier Safety and Health Evaluation

SKC has established and is operating a continuous inspection system to strengthen the safety and health management systems and capabilities of its suppliers. In particular, in 2024, we reorganized our supplier SHE evaluation system so that evaluations can be conducted in pre-, mid-, and post-evaluation phases or through regular assessments at least twice a year. The implementation status and results of supplier SHE evaluations are reviewed semiannually and reported to the management representative. An incentive system is in place based on evaluation outcomes, and for suppliers requiring further management, we conduct risk mitigation activities and provide post-evaluation support. To promote voluntary SHE management by suppliers, we implemented the "Supplier Safety and Health Care Campaign," supporting the establishment of SHE management systems and the acquisition of relevant certifications. At SK nexilis, we supported one supplier in establishing a safety and health management system. At SK picglobal, in collaboration with the Korea Industrial Safety Association, we provided education and infrastructure for five suppliers to obtain ISO 45001 certification.

## Metrics & Target

SKC has set a target of zero injury incidents and zero serious accidents by 2025 based on its SHE (Safety, Health, and Environment) policy. To achieve this, we are enhancing our safety and health management system to strengthen our prevention-based approach. To advance our safety and health management system, we aim to obtain ISO 45001 certification for the SK nexilis Suwon R&D Center by 2025 and expand the certification to a total of nine domestic and overseas business sites by 2026 for continuous maintenance. In addition, prioritizing the health and safety of our members as a core value, SKC has established a health management and support system. In 2024, we expanded programs to support health improvement for members with findings related to six major cerebrocardiovascular diseases and implemented enhanced mental health care programs. In 2025, we plan to establish a policy related to cancer prevention and treatment to broaden the scope of our health-related support. Furthermore, in 2026, we intend to strengthen our mental health support programs by developing a mental health crisis detection tool and establishing a comprehensive response and follow-up management system.

➤ **ISO 45001 Certification Targets<sup>1)2)</sup>** (Unit: number of sites)

| Category        |          | 2025 | 2026 | 2027 |
|-----------------|----------|------|------|------|
| Certified Sites | Total    | 6    | 9    | 9    |
|                 | Domestic | 4    | 4    | 4    |
|                 | Overseas | 2    | 5    | 5    |

1) Excluding divested sites and including newly added business sites

2) Certification targets are subject to change depending on new site construction, expansion, and subsidiary integration

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**Governance**

- Strengthening Board-Centered Management
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# Strengthening Occupational Safety and Health

## Performance

### Safety and Health Management System (ISO 45001) Certification

SKC conducts SHE (Safety, Health, and Environment) assessments and improvement activities across all domestic and overseas business sites. In particular, we maintain the effectiveness of our safety and health management system through external audits based on the ISO 45001 standard. Our key domestic and overseas sites continue to retain and manage their ISO 45001 certifications, and we plan to newly acquire certification for the SK nexilis Suwon R&D Center by 2025. In addition to our own sites, SKC is operating a SHE win-win cooperation program for suppliers and has supported ISO 45001 certification acquisition for suppliers by providing education and infrastructure.

#### ▶ ISO 45001 Certified Sites<sup>1)</sup>

| Category | Number of Certified Sites | Certified Sites  |
|----------|---------------------------|--|
| Domestic | 3                         | <ul style="list-style-type: none"> <li>• SK picglobal Ulsan</li> <li>• SK nexilis Jeongeup</li> <li>• ISC Pangyo Headquarters</li> </ul> |
| Overseas | 2                         | <ul style="list-style-type: none"> <li>• SK nexilis Malaysia</li> <li>• ISC Vietnam</li> </ul>   |

<sup>1)</sup> Excluding divested sites and including newly added business sites

### Elimination of Hazardous Risk Factors

SKC removes hazardous risk factors within business sites through risk assessments, SHE proposals, and sharing of accident cases. In 2024, we selected specific risk themes for each business site, such as falls, slips, and collisions, and conducted a total of seven rounds of hazardous risk factor inspections. As a result, we identified 508 hazardous risk factors and implemented site-specific improvement plans, achieving a 97% improvement rate as of the first quarter of 2025. At SK nexilis, we built unmanned and automated equipment for disinfection tasks to prevent fall-related accidents. In addition, to prevent nip-point accidents with separator machinery, we developed an online weight correction plate, effectively eliminating risks associated with cutting and welding processes. SK picglobal installed high-altitude safety devices such as vertical and horizontal wires and auxiliary coils to eliminate fall risks. At ISC, a housing jig was developed for assembly processes to prevent musculoskeletal disorders in the fingers and wrists, and interlocks were installed on rotating parts to eliminate the root cause of nip-point accidents. The emergency stop switch mechanism was also modified to prevent crush injuries. Moreover, we improved the upper and lower inlets of local exhaust systems to meet legal standards for control air velocity, contributing to the prevention of respiratory illnesses among research personnel. Beginning in 2025, SKC plans to enhance the real-time inspection system by strengthening on-site communication led by senior management, creating an even safer working environment for all members.

### Employee Health Support

SKC recognizes employee health as a core value and has established a preventive health protection system by providing fitness centers and rest areas to promote employee well-being. At our headquarters, we have created a Health Keeper Room operated by a visually impaired therapist with a professional massage license, as well as a fitness space to help employees recover from fatigue and strengthen their physical health. In addition to physical health, we also offer a mental wellness program for all employees to support their psychological well-being. This program supports employees' emotional well-being by addressing various psychological counseling topics, and we expanded the scope to include employees' immediate family members. Moreover, the annual comprehensive health examination available to employees across all age groups now includes coverage for one additional stakeholder every even-numbered year. To protect employees in case of injury or illness, we have enrolled in group accident insurance and provide financial support for medical expenses within a set limit as part of our welfare program. We also support site-specific medical checkups to detect occupational diseases at an early stage and offer follow-up care for health recovery, such as health counseling, monitoring, and treatment support related to changes in worksite or job assignment. To reinforce executive responsibility for employee health and to encourage the establishment and implementation of workplace environment improvement plans, we report the status of health examinations and health promotion activities to the responsible executive on a semiannual basis.

**Environmental**

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**• Chemical Safety Management**

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**Governance**

- Strengthening Board-Centered Management
- Strengthening Ethical Management and Compliance

# Chemical Substance Safety Management

## Governance

SKC conducts semiannual inspections of chemical substance safety management at each business site to strengthen our chemical management system. The results of these inspections are reported to the responsible executive to ensure regular monitoring of chemical safety practices. During safety inspections, we perform a comprehensive audit based on the Serious Accidents Punishment Act to prevent accidents related to serious industrial hazards and minimize risks arising from legal violations. This audit covers compliance with safety, health, and environmental laws and internal procedures.

## Strategy

As a materials company, SKC acknowledges its responsibility for the use and management of chemical substances within the production process and is working to reinforce its chemical safety management system. We conduct a proactive review of legal compliance and safety before introducing any chemical substances and assess their hazardousness and risks from handling to disposal. Based on this, we establish and apply management regulations, procedures, and standards across our sites. To ensure compliance with chemical-related laws, SKC operates its proprietary chemical management system, SkyCHEMS, which is regularly updated with chemical information in accordance with domestic regulations. We monitor amendments to 11 chemical-related laws and apply the updated information to the chemical inventories at each site handling such substances. In accordance with the Act on the Registration and evaluation, etc. of Chemical Substances (K-REACH), we completed the third round of chemical registrations by 2024 and plan to classify and register substances for the fourth round beginning in 2025, thereby fully complying with regulatory requirements for imported and manufactured chemicals.

### ➤ Chemical Management System – SkyCHEMS



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**Governance**

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# Chemical Substance Safety Management

## Risk Management

### Compliance with Chemical Substance Regulations

SKC monitors and complies with domestic and international regulations on all chemical substances we handle in order to minimize legal risks. To ensure the accuracy and reliability of our management system, we periodically assess the hazards of chemical substances and update the relevant database accordingly. We have also established and are operating a compliance management system to prevent financial risks such as fines and suspension of product distribution that may result from the distribution of unregistered chemical substances. In addition, we carry out a preliminary review process before introducing any new chemical substance and have established response procedures for incidents such as chemical spills or exposure. We implement a range of activities in accordance with chemical substance management regulations and procedures, including chemical substance risk assessments, management of Safety Data Sheets (SDS) and protective equipment, and compliance through permits and notifications. We have developed an evaluation system consisting of 167 items to assess compliance across the entire life cycle of chemical substances—from introduction and use to discharge and disposal. Based on this system, we plan to conduct audits of each subsidiary to examine the implementation status and system establishment.

### Chemical Substance Compliance Management Measures

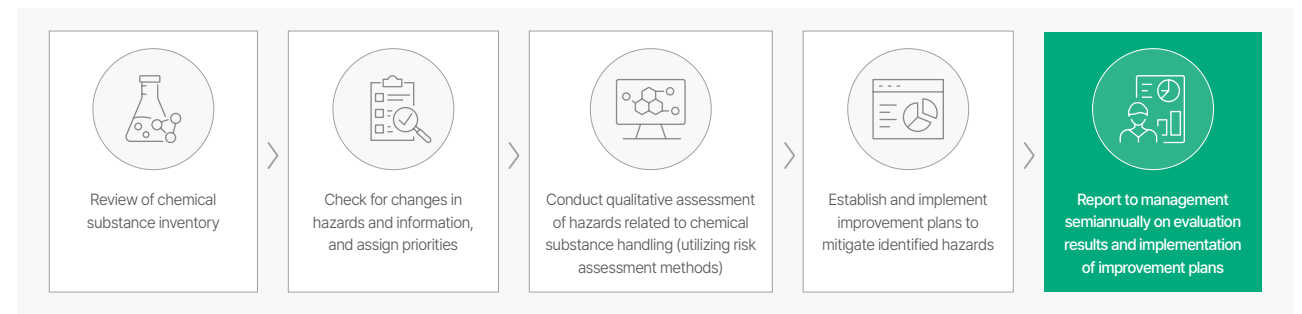
|  |  |
|--|--|
| <b>Manufactured and Imported Chemical Substances</b> | <ul style="list-style-type: none"> <li>• *Use permitted only after registration or exemption approval with the Ministry of Environment in accordance with the Act on the Registration and evaluation, etc. of Chemical Substances.</li> <li>• For unregistered chemical substances, submit a usage plan to ensure lawful procedures</li> </ul> |
| <b>Domestically Purchased Chemical Substances</b>    | <ul style="list-style-type: none"> <li>• Confirm registration status and notification plan received from suppliers before approving purchase orders</li> <li>• Check for potential supply disruptions due to supplier noncompliance with regulations</li> </ul>  |
| <b>Exported Chemical Substances</b>                  | <ul style="list-style-type: none"> <li>• Continuously update overseas regulations, including the European Union's REACH regulation</li> <li>• Supply products in accordance with identified regulatory procedures</li> </ul>   |

### Chemical Substance Risk Assessment

We conduct an environmental impact assessment on the use of chemical substances annually. In accordance with our chemical substance management regulations and policies, we identify risks of legal violations and environmental pollution and establish improvement plans, which we implement in stages. We also conduct initial, periodic, and ad-hoc<sup>1)</sup> risk assessments for all operations involving chemical substances, including new and existing substances, and follow safe work permit procedures when handling hazardous chemical substances and dangerous goods. SK picglobal manufactures and uses reagents in-house for the quality analysis of products and raw/subsidiary materials. Through annual analysis of hazardous and risk factors and risk assessments, we identify potential risks that may occur during the dilution and mixing of high-purity reagents and establish countermeasures to mitigate these risks. SK nexilis manages the entire life cycle of chemical substances used at its business sites, from purchasing to use and disposal. We keep the chemical inventory up to date and conduct regular risk assessments and education to eliminate potential risks. In 2025, we plan to advance our chemical substance management system by introducing an integrated management platform. ISC conducts a SHE pre-review in accordance with the chemical substance risk assessment process when introducing new chemical substances. We regularly update the status of changes in the hazardous properties of new substances and manage the chemical inventory.

<sup>1)</sup> Initial: Upon first introduction of a chemical substance / Periodic: Semiannual reporting to management on the implementation of evaluation and improvement plans / Ad-Hoc: In cases such as introduction or manufacturing of new substances, changes in chemical information, or occurrence of chemical accidents

### Chemical Substance Risk Assessment Process



**Environmental**

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**Governance**

- Strengthening Board-Centered Management
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# Chemical Substance Safety Management

## Metrics & Target

SKC manages all chemical substances in accordance with the Act on Registration and Evaluation of Chemical Substances, the Chemicals Control Act, and other domestic and international regulations. SK nexilis has established chemical substance management regulations and formalized its management measures into policy to enable systematic control of chemical substances. SK picglobal maintains a list of chemical substances subject to purchasing, manufacturing, importation, and registration. In 2024, we completed the third round of registration for four products and plan to complete the remaining registrations in phases by 2030. ISC manages chemical substances through a dedicated inventory of substances in use.

### ➤ Status and Plan for Chemical Substance Registration

| Category                   | Government Guidelines  | Performance and Plans   |
|----------------------------|--|---|
| 1st Phase                  | Designation of 510 chemical substances subject to national registration                          | Completed registration for 2 products (PO, SM) and 5 raw materials/by-products                              |
| 2nd Phase                  | Registration of chemical substances manufactured or imported in quantities of 1,000 tons or more | Completed registration for 7 products (PG, DPG, TPG, PPG, PM, DPM, Copper) and 13 raw materials/by-products |
| 3rd Phase (by 2024)        | Registration of chemical substances manufactured or imported in quantities of 100 to 1,000 tons  | Completed registration for 4 products (ADM, MP, TPM, O-Acid)  |
| 4th-5th Phases (2025-2030) | Registration of chemical substances manufactured or imported in quantities under 100 tons        | Planned registration for 3 products (N-Octane, 2 catalysts)   |

## Performance

### Elimination of Chemical Accident Risk Factors

To enhance worker safety during chemical substance handling, SKC has adopted unmanned robots and automated facilities to eliminate potential accident risks. SK nexilis improved accuracy and reliability in measuring chemical levels by upgrading its equipment, thereby eliminating the risk of chemical exposure during level checks and maintenance of chemical storage tanks. Previously, mechanical (pressure-based) level sensors posed risks of chemical inhalation due to dispersion during visual inspections or sensor replacements. However, by switching to non-contact laser sensors, we fundamentally eliminated these potential hazards. Additionally, SK picglobal introduced unmanned robots for reagent manufacturing, reducing the frequency of chemical handling by employees and minimizing errors during production. This has ensured uniform reagent quality and improved analytical reliability. As of 2024, 5-10% of all reagents are produced by automated robots, and we plan to gradually expand the proportion of robot-manufactured reagents going forward. At ISC, we installed safety rails along workplace walkways to prevent chemical accidents caused by tipping or falls during chemical handling operations.

### Substitution of Hazardous Chemical Substances

SKC continues to reduce the consumption of hazardous chemical substances across all product processes through its advanced chemical substance management system. In 2025, SK nexilis plans to replace the 98% sulfuric acid used at its Water Quality Conservation Center (formerly the wastewater treatment plant) with a non-hazardous chemical alternative of less than 10% concentration. SK picglobal has already reduced the environmental pollution risks associated with methanol leaks and spills by replacing high-concentration methanol with a low-concentration alternative. In 2024, we ceased the use of pipe insulation materials containing refractory ceramic fibers (a designated hazardous chemical) in the manufacturing process. During maintenance and replacement, 650 kg of the previously installed insulation material was removed and replaced entirely with non-hazardous alternatives.

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**• Supply Chain Management**

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**Governance**

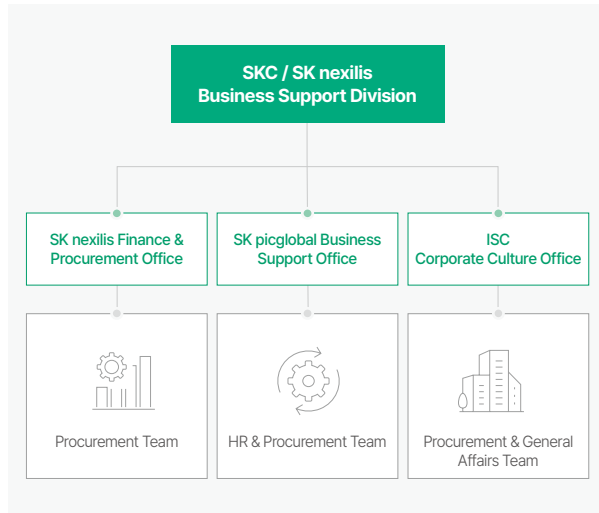
- Strengthening Board-Centered Management
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# Supply Chain Management

## Governance

SKC operates an integrated procurement system based on dedicated teams at each subsidiary. The integrated procurement organization manages ESG tasks across the entire supply chain at the company-wide level, provides policy support, and strives to establish a sustainable supply chain system and ensure stable and efficient procurement management.

### ▶ Integrated Procurement Organizational Chart



## Strategy

SKC recognizes its suppliers as key stakeholders and partners in ESG management, and seeks to build a responsible and sustainable supply chain by establishing supplier ESG risk management policies and promoting shared growth. To ensure that suppliers fulfill their social responsibilities, we have established a Code of Conduct outlining supplier obligations in areas such as human rights and labor, the environment, ethical management, and anti-corruption. All suppliers are required to comply with this Code. When selecting new suppliers, we assess their capabilities in quality, cost, and delivery (QCD), as well as environmental and safety elements, to evaluate their production management and ESG capabilities in advance. All selected suppliers must agree to the Supplier Code of Conduct, an ESG compliance pledge, through our internal procurement system prior to signing a contract. This agreement is a mandatory condition for entering into a business relationship under our procurement policy. Compliance with ESG requirements is managed through annual ESG assessments of key suppliers.<sup>1)</sup> If any noncompliance or deficiencies are identified, we offer ESG consulting at our own expense to help suppliers establish improvement plans, and we subsequently review the implementation status of those plans. If ESG risks are not sufficiently resolved over time, we deliberate internally and may terminate the business relationship, thereby reinforcing our system for ensuring ESG compliance by suppliers.

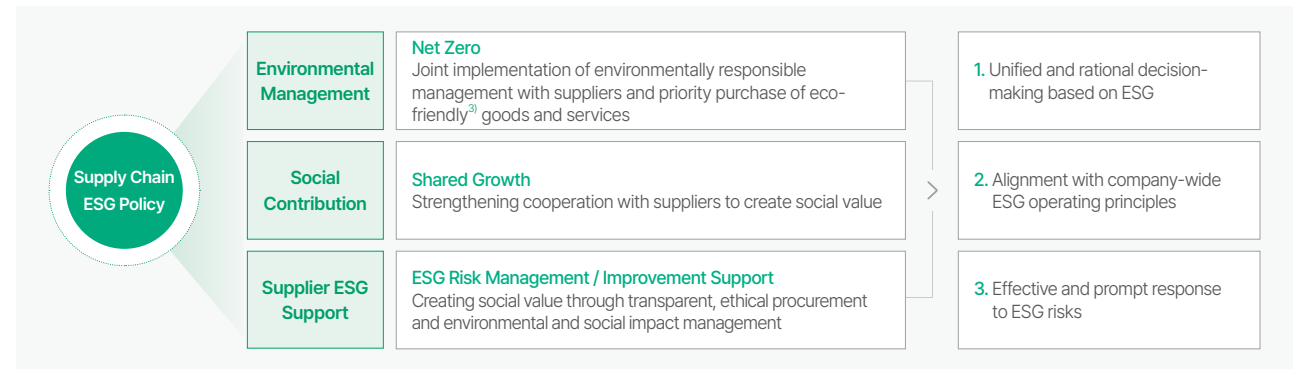
All ESG-related policies and processes for suppliers are reported to and decided by C-level executives, thereby clearly assigning corporate responsibility and accountability and enhancing execution. We also publicly disclose our policies on our website to gain stakeholder trust and encourage active participation from suppliers.

1) Suppliers selected based on a comprehensive evaluation of transaction volume, frequency, business size, and strategic importance

2) ISC plans to establish an ESG management framework including ESG compliance pledges and ESG assessments. The requirements did not apply to ISC in 2024

### ▶ Supply Chain ESG Strategy

[Code of Conduct and Supplier Code of Conduct](#)



3) Products/services that minimize the use of energy and resources and reduce greenhouse gas emissions and pollutants

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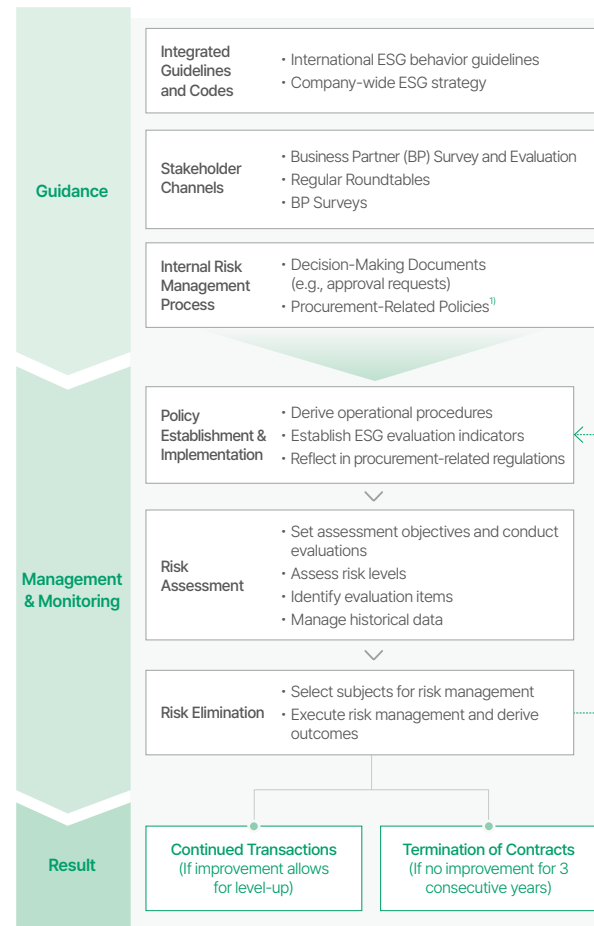
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# Supply Chain Management

## Risk Management

SKC operates an ESG risk management process for all Tier 1 suppliers and strives to minimize risks across the entire supply chain by continuing business with suppliers that have completed ESG assessments. We also continuously improve our supplier ESG risk management by annually reviewing and enhancing our ESG risk assessment procedures and evaluation indicators. We conduct supplier ESG assessments every year using standardized criteria composed of 22 items (10 environmental, 8 social, and 4 governance) and 66 indicators. Based on the assessment results, suppliers are categorized into three risk levels (low, medium, high), and improvement support policies are implemented, focusing on high-risk suppliers. To further enhance the relevance of the assessments to each supplier's industry characteristics and scale, we improved the ESG diagnostic scale by restructuring the assessment to include 60 essential elements and 6 Controversy indicators for violations. Key suppliers are selected through a preliminary evaluation that considers factors such as strategic importance and transaction scale. We analyze their ESG management systems to identify and address vulnerabilities in advance, thereby enhancing supply chain stability. SKC will continue to strengthen the effectiveness of its ESG assessments through active communication, including gathering supplier feedback and concerns throughout the evaluation process.

### Supplier ESG Risk Management and Improvement Process



<sup>1)</sup> Procurement Management Regulations, Procurement Management Rules, Subsidiary Management Regulations, Supplier ESG Management Procedure Manual

### Supplier ESG Indicators

| Area                          | ESG Assessment Indicators  |  |
|-------------------------------|--|--|
| Environmental (26 indicators) | <ul style="list-style-type: none"> <li>Environmental Management (6)</li> <li>Greenhouse Gas Emissions (2)</li> <li>Waste Management (3)</li> <li>Air Pollutants (2)</li> <li>Raw and Subsidiary Materials (2)</li> </ul> | <ul style="list-style-type: none"> <li>Environmentally Friendly Products (2)</li> <li>Energy Consumption (2)</li> <li>Hazardous Chemical Substances (3)</li> <li>Natural Capital (1)</li> <li>Water Resources (3)</li> </ul> |
|                               | <ul style="list-style-type: none"> <li>Human Rights (4)</li> <li>Employment (3)</li> <li>Working Environment (4)</li> <li>Social Contribution (2)</li> </ul>   | <ul style="list-style-type: none"> <li>Information Security (4)</li> <li>Health and Safety (6)</li> <li>Conflict Minerals (2)</li> <li>Fair Trade (2)</li> </ul>   |
|                               | <ul style="list-style-type: none"> <li>Information Disclosure (2)</li> <li>Auditing (2)</li> </ul>   | <ul style="list-style-type: none"> <li>Management System (3)</li> <li>Ethical Management (6)</li> </ul>  |
| Social (27 indicators)        |  |  |
| Governance (13 indicators)    |  |  |

### Enhancing Supplier Communication

SKC operates dedicated communication channels to gather feedback and address concerns from suppliers, who are regarded as key stakeholders. These include the Ethical Management Report/Consultation Channel on our website and a separate communication channel within the procurement portal. We also hold annual supplier roundtables to share our ESG management policies and operational practices with our suppliers. In particular, SK nexilis holds individual meetings with select suppliers to review ESG improvement progress and listen to their needs for additional support, actively working to strengthen direct communication with suppliers.

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# Supply Chain Management

## Metrics & Target

As of 2024, SKC achieved a 100% ESG compliance agreement rate from all suppliers, and we aim to maintain this rate through 2027 to ensure continued participation in ESG management by our suppliers. We have set a target to reduce the proportion of high-risk suppliers—identified through ESG assessments of selected key suppliers—to below 25% by 2025 and below 20% by 2026. We will continue conducting ESG assessments, identifying suppliers requiring management, and providing improvement support such as education and consulting to maintain a 100% support ratio.

| Category                               | 2025 | 2026 | 2027 |
|--|------|------|------|
| ESG Compliance Agreement Rate          | 100  | 100  | 100  |
| Improvement Support Ratio              | 100  | 100  | 100  |
| High-Risk Supplier Ratio <sup>2)</sup> | 25   | 20   | 15   |

1) Targeted at domestic suppliers  
 2) 2025 target may be adjusted due to divestment of subsidiaries; future targets may be revised with inclusion of new subsidiaries

## Supplier Support Programs

| Category   | Program Name                                | Details  | Participants   |
|------------|---|--|----------------|
| Seminars   | Shared Growth CEO Seminar                   | • Quarterly ESG and leadership lectures for CEOs of suppliers                                  | 5 participants |
|            | Shared Growth Team Leader School            | • Leadership and job competency training for current and prospective team leaders of suppliers | 2 participants |
| Education  | Legal/Ethical Management Education          | • Legal and ethical management education for suppliers   | 10 companies   |
|            | SK Shared Growth Fund                       | • Interest reduction support for excellent suppliers aiming for shared growth                  | 2 companies    |
| Incentives | Shinhan ESG Excellent Supplier Support Loan | • Interest support for ESG-performing suppliers  | 2 companies    |

## Performance

### Supplier Management and Support

SKC systematically operates ESG assessments, education, incentives, and monitoring activities for suppliers to enhance sustainability throughout the supply chain. We aim to improve the overall ESG performance of our suppliers and foster a sustainable supply chain ecosystem by reducing the risks associated with high-risk suppliers and providing tangible benefits to outstanding ones.

### Education and Consulting Support

In 2024, we provided ESG consulting to five high-risk suppliers to help improve their ESG management levels. We also held seminars covering topics such as ESG and leadership to support suppliers in fulfilling their social responsibilities and to enhance their willingness and interest in implementing ESG practices. Post-seminar satisfaction surveys were conducted and monitored to ensure high-quality programming. In addition, we offered leadership-related training for supplier executives, providing opportunities for capacity building and job competency development.

### Fund, Interest, and Incentive Support

Suppliers that achieved excellent results in ESG assessments were offered interest support for business loans. In collaboration with Shinhan Bank, the Shinhan ESG Excellent Supplier Support Loan program provides interest support exclusively to top-performing suppliers. In 2024, two suppliers were selected and received a total of KRW 31.5 million in incentives. We also participated in the SK Shared Growth Fund, a joint program with the Industrial Bank of Korea promoted by the SK Group. In 2024, the program supported four suppliers with approximately KRW 1.4 billion in loan support and interest reduction benefits. As a result, the proportion of high-risk suppliers decreased to approximately 31% in 2024—down by more than 21 percentage points compared to 2023. We will continue to implement consistent supplier management and support programs to further reduce this figure.

### Support for Environmental Management System Development

We monitored the progress of improvement plans established through ESG consulting for participating suppliers and gathered feedback on areas requiring additional support. Based on the environmental performance improvement goals submitted by suppliers in the first half of 2024, we conducted comprehensive ESG improvement consulting in the second half to revise and supplement those plans. To help suppliers meet key improvement targets—such as the gradual reduction of energy consumption—we conducted consultations on a phased implementation schedule divided into short-, mid-, and long-term timelines. Moreover, to strengthen suppliers' environmental management capabilities, we provided SKC's R&C (Resources and Capabilities) related to greenhouse gas emissions measurement, enabling suppliers to continuously measure and manage their environmental performance. Through this consulting support, we helped suppliers establish environmental policies and develop and distribute environmental declarations, thereby laying the foundation for practical environmental management.

**Environmental**

- Climate Change Response
- Resource Use and Pollution Reduction
- Expansion of Environmental Management

**Social**

- Human Resource Management
- Work-Life Balance
- Advancement of Human Rights Management
- Strengthening Occupational Safety and Health
- Chemical Safety Management
- Supply Chain Management
- Product Safety and Quality Management**
- Contribution to Local Communities
- Strengthening Information Security

**Governance**

- Strengthening Board-Centered Management
- Strengthening Ethical Management and Compliance

# Product Safety and Quality Management

## Governance

To ensure product safety and quality control, SKC has established dedicated organizations and consultative bodies for each subsidiary. SK nexilis launched a Global Quality Committee directly under the CEO, which is held monthly and chaired by the CEO. SK picglobal operates a quality-related consultative body once a year, while ISC manages quality internally through its quality management department and continues efforts to enhance quality through regular initiatives.

## Strategy

SKC promotes ongoing quality improvement by establishing quality management policies and systems tailored to each subsidiary. SK nexilis established a new quality policy and implemented both a global Quality Management System (QMS) and Manufacturing Execution System (MES) to manage quality across domestic and international operations. The company is committed to fostering a culture of quality and enhancing customer satisfaction. Internal and external customer satisfaction surveys are conducted twice a year to identify areas for improvement, and biannual process audits by theme are carried out to strengthen internal quality competitiveness. SK picglobal develops its quality management system policy with the CEO's approval and shares quality issues and improvement items through its consultative body. Based on a continuous process framework, the company has established a real-time inspection and preventive quality management system. It systematically manages product quality by verifying the accuracy of collected data and the process capability index. ISC sets quality management policies and objectives while continuously evaluating and improving the effectiveness of its quality management system based on internal and external requirements. Quality manuals are updated regularly based on improvement discussions and managed under internal approval protocols, with final approval granted by the CEO.

## Risk Management

### Quality Risk Management

SKC has developed systematic quality management measures through risk assessments. SK nexilis conducts annual evaluations of process and supply continuity risks, identifying root causes and formulating countermeasures according to established procedures to ensure that defective products are not shipped. Anomaly detection points and interlock systems are applied to prevent accidents and defects. SK picglobal performs risk assessments every four years, determining risk levels by target and establishing corresponding action plans. For PG (Propylene Glycol) products used in food and feed additives and as excipients in pharmaceuticals, international pharmacopoeias are reviewed and incorporated into our internal quality specifications. ISC recognizes supply chain risks related to materials and components used in customer product manufacturing and proactively monitors global market trends to identify areas requiring action and mitigate risks in advance.

## Metrics & Target

SKC has obtained ISO 9001 certification for the following sites: SK nexilis' Jeongeup and Malaysia sites, SK picglobal's Ulsan site, and ISC's headquarters and Vietnam site. We are currently preparing for ISO 9001 certification for SK nexilis' Poland site, with a target completion date in 2026.

### ISO 9001 Certification Targets<sup>1)2)</sup> (Unit: number of sites)

| Category        | Unit           | 2025 | 2026 | 2027 |
|-----------------|----------------|------|------|------|
| Certified Sites | Total sites    | 5    | 6    | 6    |
|                 | Domestic sites | 3    | 3    | 3    |
|                 | Overseas sites | 2    | 3    | 3    |

<sup>1)</sup> Excluding divested sites and including newly added business sites

<sup>2)</sup> Certification targets are subject to change depending on new site construction, expansion, and subsidiary integration

## Performance

In 2024, SK nexilis' Jeongeup site newly acquired the ECV2809 certification granted by UL, officially recognizing the production of products using recycled materials. In addition, the site conducts internal quality inspections of its processes, quality management systems, and products through internal audits such as QMS (Quality Management System) audits, standard audits, and product audits. Regular evaluations of suppliers are also conducted to enhance the quality management level of incoming materials. SK picglobal's Ulsan site established a management system that meets key quality requirements—such as manufacturing control, hygiene control, and quality control—through quality management consulting. As a result, after over a year of preparation and assessment, the site acquired ISO/IEC 17025 certification (KOLAS, Korea Laboratory Accreditation Scheme) for PG USP (Propylene Glycol United States Pharmacopeia) quality analysis, which was a key target for 2024. This achievement enhanced the credibility of PG quality data, improving customer satisfaction and reinforcing trust in our quality management system. We plan to continuously expand the scope of our KOLAS certification through sustained quality management efforts.

### Certified Sites for Quality Management<sup>1)</sup>

| Category     | Number of Certified Sites | Certified Sites  |
|--------------|---------------------------|--|
| ISO 9001     | 5                         | <ul style="list-style-type: none"> <li>SK nexilis Jeongeup</li> <li>SK nexilis Malaysia</li> <li>SK picglobal Ulsan</li> <li>ISC Pangyo Headquarters</li> <li>ISC Vietnam</li> </ul> |
| IATF 16949   | 2                         | <ul style="list-style-type: none"> <li>SK nexilis Jeongeup</li> <li>SK nexilis Malaysia</li> </ul>   |
| EXCIPACT GMP | 1                         | <ul style="list-style-type: none"> <li>SK picglobal Ulsan</li> </ul>   |
| ECV2809      | 1                         | <ul style="list-style-type: none"> <li>SK nexilis Jeongeup</li> </ul>  |
| ISO17025     | 1                         | <ul style="list-style-type: none"> <li>SK picglobal Ulsan</li> </ul>   |

<sup>1)</sup> Excluding divested sites and including newly added business sites

**Environmental**

- Climate Change Response
- Resource Use and Pollution Reduction
- Expansion of Environmental Management

**Social**

- Human Resource Management
- Work-Life Balance
- Advancement of Human Rights Management
- Strengthening Occupational Safety and Health
- Chemical Safety Management
- Supply Chain Management
- Product Safety and Quality Management

**• Contribution to Local Communities**

- Strengthening Information Security

**Governance**

- Strengthening Board-Centered Management
- Strengthening Ethical Management and Compliance

# Contribution to Local Communities

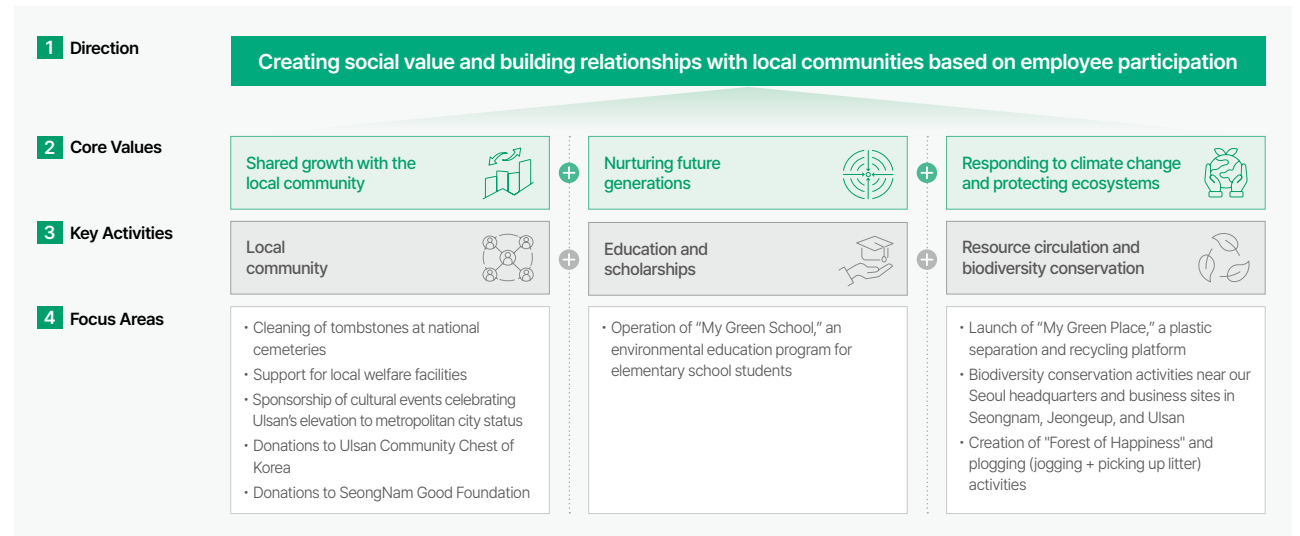
## Governance

SKC recognizes local communities as key stakeholders and strives to build shared growth and trust. The company's Sustainability Management Committee, which meets quarterly, reviews the operational plans and execution strategies of company-wide CSR programs and evaluates the outcomes of community engagement efforts. The ESG Management Team serves as the implementing body, planning and operating all corporate CSR programs and overseeing social contribution activities conducted by SKC and its subsidiaries.

## Strategy

Aligned with SK Group's Double Bottom Line (DBL) management philosophy, SKC aims to create both economic and social value across its business operations through active employee participation, while fostering shared growth with local communities. We have identified co-prosperity with local communities, nurturing future generations, and addressing climate change and ecosystem conservation as our core values. To realize these goals, we operate social contribution programs that reflect the specific characteristics and needs of the local communities in which we operate. Additionally, our employees participate in volunteer activities held near our business sites, ensuring alignment with our company's social contribution policy direction.

## Social Contribution Policy



## Metrics & Target

My Green School is an environmental education program for future generations, jointly participated in by SKC employees, university students, and elementary school students. The program began in 2022 with sessions at local community child centers and was expanded in the second half of 2023 to become an official environmental education program conducted during regular school hours at elementary schools. In addition, SKC introduced a customized class for first-grade students called Neulbom School, alongside continued educational support at community child centers, aiming to help bridge regional education gaps. As a result, a total of 2,285 elementary school students participated in the program in 2024, allowing SKC to achieve its 2025 target ahead of schedule. To further enhance environmental awareness and action among future generations, SKC plans to continue expanding the number of student beneficiaries annually.

### Target for Expanding Student Beneficiaries



**Environmental**

- Climate Change Response
- Resource Use and Pollution Reduction
- Expansion of Environmental Management

**Social**

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**• Contribution to Local Communities**

- Strengthening Information Security

**Governance**

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# Contribution to Local Communities

## Performance

### My Green School

To provide broader and more equitable access to environmental education, SKC expanded its outreach beyond the regular school curriculum, offering diverse educational programs in underserved regions. In 2024, we visited community child centers in Uiseong-gun (Gyeongsangbuk-do), Gochang-gun (Jeollabuk-do), and Ulsan to deliver environmental education. The programs featured experiential learning formats designed to help students easily understand environmental issues—such as sustainability and carbon neutrality—that they would not typically encounter in their daily lives. In addition, in alignment with the Ministry of Education’s Neulbom School initiative, SKC conducted customized classes for first- and second-grade students at three elementary school classes in Seoul and Gyeonggi-do. The curriculum was tailored to suit students’ developmental stages and interests, encouraging natural engagement and interest in environmental topics. As a result, a total of 2,285 elementary school students participated in the program through regular elementary school classes, community child centers, and Neulbom School. According to satisfaction surveys, the program achieved an average satisfaction score of 4.63 out of 5—student satisfaction was rated at 4.51, and teacher satisfaction at 4.75. SKC will continue strengthening the inclusivity and continuity of environmental education to help create a sustainable future that everyone can take part in, regardless of region, age, or educational environment.

#### ▶ My Green School Performance

|  |  |   |          |                                     |       |       |
|--|--|---|----------|-------------------------------------|-------|-------|
| Elementary School Regular Education<br>1,829 | Happiness Alliance School<br>37            | Neulbom School<br>139                       | >        | Total<br>2,285                      |       |       |
| Elementary School Regular Education          | Category                                   |   |          |                                     |       |       |
|  | Seoul                                      | Seongnam                                    | Jeongeup | Ulsan                               | Total |       |
|  | Number of Classes                          | 39  | 28       | 6                                   | 5     | 78    |
|  | Number of Students                         | 915   | 696      | 121                                 | 97    | 1,829 |
| Student Satisfaction <sup>1)</sup><br>4.51   | Teacher Satisfaction <sup>1)</sup><br>4.75 | Instructor Satisfaction <sup>2)</sup><br>93 | >        | Willingness to Reparticipate<br>95% |       |       |

1) Based on a 5-point scale 2) Based on a 100-point scale

### Implementation of Social Contribution Activities

Despite a rapidly changing business environment, SKC has continued to operate its company-wide CSR program, My Green School, and has participated in the national cemetery maintenance campaign alongside its subsidiaries, a commitment that has been maintained for 18 consecutive years since forming a sisterhood relationship in 2008. In addition, each subsidiary independently engages in social contribution activities such as environmental cleanups and donations near their business sites. SKC will continue its efforts to create social value and build sustainable relationships with local communities.

#### ▶ Activities by SKC and Subsidiaries

| Common   | SK nexilis   | SK picglobal  | ISC  |
|--|--|---|--|
| <p><b>My Green School</b></p> <ul style="list-style-type: none"> <li>SKC and subsidiary employees participated as environmental education instructors, providing education on resource circulation and waste separation to a total of 2,285 elementary school students near the headquarters and three business sites</li> </ul> | <p><b>Forest of Happiness Project</b></p> <ul style="list-style-type: none"> <li>Forest creation activities on Mt. Gwangdeoksan in Cheonan-si</li> </ul> | <p><b>Donations and Sponsorships</b></p> <ul style="list-style-type: none"> <li>Support for local welfare facilities through employee salary deduction donations</li> <li>Sponsorship of cultural events celebrating Ulsan's elevation to metropolitan city status</li> <li>Employee donation of final paycheck balances in collaboration with the Ulsan Community Chest of Korea.</li> </ul> | <p><b>Employee Donations</b></p> <ul style="list-style-type: none"> <li>All employees donated through salary deductions to the SeongNam Good Foundation</li> </ul> |
| <p><b>National Cemetery Maintenance Campaign</b></p> <ul style="list-style-type: none"> <li>Cleanup and floral tribute activities at the sisterhood-designated section of the cemetery; participation by SKC and ISC employees.</li> </ul>   | <p><b>Plogging</b></p> <ul style="list-style-type: none"> <li>Cleanup activities around the Jeongeup 3rd Industrial Complex</li> </ul>                   |   |  |

### Cookstove Support Project in Myanmar

SKC is participating in a cookstove support project jointly promoted by the Climate Change Center, the Government of Myanmar, and the SK Group. The project aims to improve residents' living environments by supplying cookstoves, which are high-efficiency cooking appliances, to vulnerable populations in areas where electricity and gas are not available due to insufficient energy infrastructure in Myanmar. As of 2024, this project created a total social value of KRW 7.482 billion, including KRW 88 million in job creation for low-income groups, KRW 1.428 billion in reduced firewood consumption, and KRW 5.966 billion in increased available time through reduced cooking time.

**Environmental**

- Climate Change Response
- Resource Use and Pollution Reduction
- Expansion of Environmental Management

**Social**

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- Chemical Safety Management
- Supply Chain Management
- Product Safety and Quality Management
- Contribution to Local Communities

**Strengthening Information Security**

**Governance**

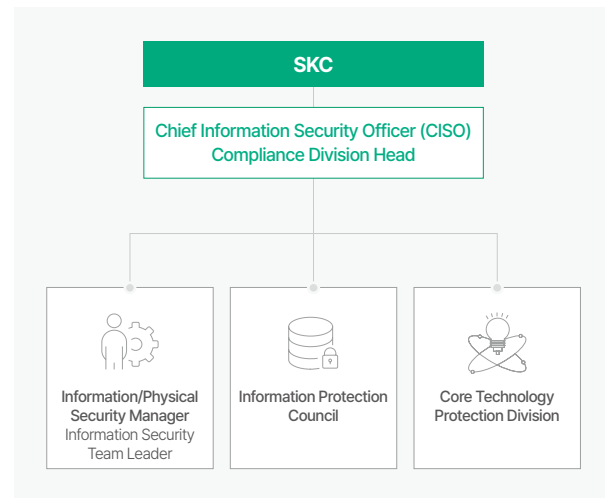
- Strengthening Board-Centered Management
- Strengthening Ethical Management and Compliance

# Strengthening Information Security

## Governance

SKC has designated an executive-level Chief Information Security Officer (CISO) and officially reported the appointment to the Ministry of Science and ICT to establish a company-wide information security system encompassing all subsidiaries. This structure enhances the execution of internal information security measures and clearly assigns responsibility for monitoring and responding to data breach incidents. We also operate an Information Security Council, including related departments, to review the development of new information security policies as well as the effectiveness and implementation status of existing ones on a quarterly basis. To further protect core technologies, we have established a dedicated Core Technology Protection Subcommittee, which collaborates with relevant departments to minimize the risk of intellectual property leakage and to reinforce our technical security framework.

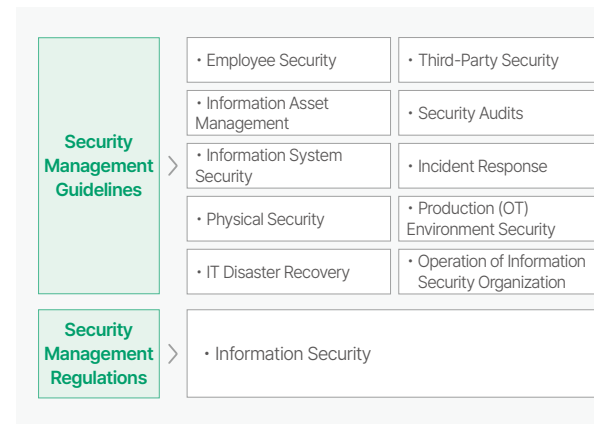
### Information Security Governance Framework



## Strategy

SKC continuously strengthens its information security system to prevent the leakage of critical information such as customer personal data, company confidential information, and intellectual property. To that end, we have integrated information security policies across SKC and its subsidiaries based on relevant laws such as the Act on Promotion of Information and Communications Network Utilization and Information Protection, the Personal Information Protection Act, and the Act on Prevention of Divulgence and Protection of Industrial Technology, as well as SK Group's security guidelines. We currently operate and revise a total of 11 types of security management guidelines and regulations to maintain and enhance our information security system.

### Security Management Guidelines and Regulations



## Risk Management

### Compliance with SK Group's Security Framework

SKC follows SK Group's security management system guidelines (five areas: security governance, cyber risk management, system security, internal information leak control, and physical security) to assess information security levels and establishes and implements information security activities based on inspection results. In 2024, we identified improvement needs across 844 items within the five areas and developed corresponding action plans, which have since been executed. Through these efforts, SKC continues to enhance its company-wide information security capabilities and proactively address potential security issues.

### Information Security Risk Assessment

To preemptively manage information security risks, SKC conducts an annual risk assessment of its information assets. We identify and update our information assets, and have established a set of criteria to assess their criticality. To minimize information security incidents, we analyze the criticality, threat level, and vulnerability of major information assets and calculate overall risk. Based on this analysis, we determine a target risk level (Degree of Assurance, DoA). For items with risk levels exceeding the DoA, we develop and implement specific information protection measures. SKC also participates in SK Group's annual internal Security Management System Evaluation. In 2024, SKC scored 3.70 points—an improvement of 0.19 points from the previous year—maintaining a "Good" rating.

**Environmental**

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**• Strengthening Information Security**

**Governance**

- Strengthening Board-Centered Management
- Strengthening Ethical Management and Compliance

# Strengthening Information Security

## Metrics & Target

SKC remains committed to maintaining "zero incidents of corporate data and customer personal data breaches or violations" and continuously improving its performance under the SK Group Security Management System. We have set a target score of 3.8 ("Good" grade) for the SK Group's internal Security Management System Evaluation in 2024 and have established and implemented action plans to achieve this goal. In parallel, we are also assessing the current status and maturity level of information security across our subsidiaries and overseas business sites. SKC will continue to maintain international information security certification (ISO/IEC 27001) at SKC and SK nexilis business sites, operating a systematic and reliable information security management system.

| Targets   | 2025              | 2026              | 2027                   |
|---|-------------------|-------------------|------------------------|
| Zero incidents of corporate data or customer information breach/violation | 0 cases           | 0 cases           | 0 cases                |
| Improvement in SK Group Security Management System Score (Grade)          | 3.8 points / Good | 3.9 points / Good | 4.0 points / Excellent |
| ISO/IEC 27001 Certified Sites <sup>1)2)</sup>                             | 2                 | 2                 | 2                      |

1) Excludes divested business sites  
 2) Certification targets are subject to change depending on new site construction, expansion, and subsidiary integration

## Performance

### Information Security Activities

To prevent and minimize the risk of leakage involving key stakeholder data—including customer personal data and corporate confidential information—SKC implements a wide range of information security activities. We have adopted and regularly manage multiple solutions such as media control systems, anomaly detection monitoring systems, and outbound email restriction systems. We also perform regular inspections and real-time monitoring of major information assets to quickly identify and respond to vulnerabilities. To foster a culture of proactive information protection, SKC provides company-wide information security training, conducts mock drills on phishing email responses, and implements document security audits. These efforts are aimed at raising awareness and promoting security-conscious behaviors across all employees, thereby enhancing the company-wide information security capability.

### Information Security Education

SKC conducts annual security education for all employees to strengthen awareness of information protection. In 2024, company-wide education was provided for employees at SKC and its subsidiaries to prevent internal data leaks and security incidents.

### Information Security Investment

SKC continues to invest in strengthening its company-wide information security framework. In 2024, 7.4% of SKC's total IT operations budget was allocated to information security, while ISC allocated 17%. For 2025, we plan to allocate 6% of SKC's total IT budget and 10% of ISC's budget to information security, ensuring continued financial support for protective measures.

### Information Security Certification

SKC and SK nexilis maintained their ISO/IEC 27001 Information Security Management System (ISMS) certifications in 2024, thereby ensuring continued stability and reliability of our information security systems.

**Environmental**

- Climate Change Response
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**Governance**

• **Strengthening Board-Centered Management**

- Strengthening Ethical Management and Compliance

# Strengthening Board-Centered Management

## Governance

To establish a transparent corporate governance structure centered on the Board of Directors, SKC clearly defines the authority and responsibilities of the Board. The Board holds the authority over matters stipulated by law and the Articles of Incorporation, as well as major business decisions, and supervises and manages the executive management to ensure responsible operations. It is also tasked with setting and reviewing the company's goals and business strategies, taking into account the interests of various stakeholders. The Board operates based on independence, diversity, and expertise. A majority of the directors are independent directors whose independence has been verified, thereby enabling a balanced and effective decision-making structure. SKC continues to strengthen the composition requirements of the Board to enhance its functionality.

## Strategy

SKC identifies sustainable growth and long-term stakeholder value creation as core management strategies and continues to enhance the Board's strategic decision-making capabilities to achieve these goals. The Board oversees and supports company-wide decision-making not only on short-term financial performance but also on strategic integration of ESG issues, including climate change response, talent acquisition, and business ethics, to strengthen corporate sustainability. To this end, since 2022, SKC has adopted a Board Skills Matrix to assess whether independent directors possess diverse professional expertise in areas such as leadership, global business, finance and risk, and ESG. As of 2025, the Board is composed based on expertise across seven core areas, including ESG and risk management, and it actively carries out deliberation and supervisory functions on key strategic issues.

## Risk Management

### Board Skill Matrix

Since 2022, SKC has adopted the Board Skills Matrix (BSM) as a tool in the independent director selection process to define and assess the necessary competencies and expertise of the Board of Directors. The BSM is composed of seven evaluation categories, including "Leadership" and "International Relations & Global Business," and is designed to systematically evaluate the Board's overall capabilities. Based on the results of this assessment, SKC identifies areas of expertise held by each director and selects independent director candidates who possess competencies aligned with the company's mid- to long-term business strategy (Financial Story) objectives. This approach aims to establish a strategically structured and effective Board.

#### Board Skills Matrix<sup>1)</sup>



| Skills & Expertise                        | Park Won-cheol | Chae Eun-mi | Park Si-won | Kim Jung-in | Jung Hyun-wook | Kim Kee-dong | Yoo Ji-han | Note   |
|---|----------------|-------------|-------------|-------------|----------------|--------------|------------|--------|
| Leadership                                | ●              | ●           | ●           | ●           | ●              | ●            | ●          | 7 of 7 |
| International Relations / Global Business | ●              | ●           | ●           | ●           | ●              | ●            | ●          | 7 of 7 |
| Environment / Social / Governance (ESG)   | ●              | ●           | ●           | ●           | ●              | ●            | ●          | 7 of 7 |
| Finance / Accounting & Risk               | ●              | ●           |             | ●           | ●              | ●            | ●          | 6 of 7 |
| M&A / Business Strategy                   | ●              | ●           |             | ●           | ●              | ●            | ●          | 6 of 7 |
| Core Industry                             | ●              |             | ●           | ●           | ●              | ●            | ●          | 5 of 7 |
| Legal / Public Policy                     |                | ●           | ●           |             | ●              |              |            | 3 of 7 |

1) As of May 2025

**Environmental**

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- Expansion of Environmental Management

**Social**

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**Governance**

- Strengthening Board-Centered Management**
- Strengthening Ethical Management and Compliance

# Strengthening Board-Centered Management

## Risk Management

Since 2022, SKC has worked to enhance the Board's capabilities and improve its corporate governance through evaluations of Board activities and individual directors. The 2024 performance evaluation was completed in October of the same year, and the results were reported to the Board in December along with the operational and evaluation plans for the following year. The evaluation results, along with the activity records of individual independent directors, are used to identify areas for improvement in the composition and operations of the next Board and its committees, including decisions on reappointments.

### Self-Assessment of Board and Board Committee Activities

Independent and non-executive directors at SKC conducted self-assessments on 28 items related to the Board's role, composition, and operations, using a 5-point scale.

| Category          | Description  |
|-------------------|--|
| Board Role        | • Discussion of strategic direction, risk management, stakeholder engagement       |
| Board Composition | • Diversity and expertise, structure of subcommittees                              |
| Board Operation   | • Planning and improvement, level of resource allocation, culture, support systems |

In addition, independent and non-executive directors evaluated each committee based on 12 items per committee using a 5-point scale, focusing on composition, operation, and expertise.

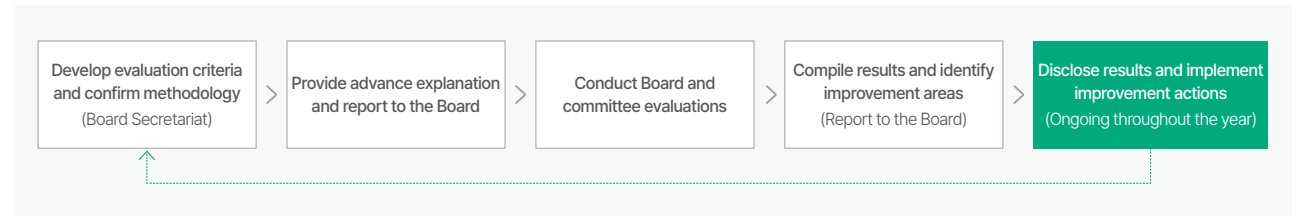
| Category              | Description  |
|-----------------------|--|
| Committee Composition | • Structure, size, and responsibilities of the committee           |
| Committee Operation   | • Frequency of meetings, accessibility of information              |
| Committee Expertise   | • Operation in relation to each committee's area of specialization |

### Individual Director Evaluations

To strengthen the competencies of independent directors and improve the overall quality of Board operations, SKC conducted individual evaluations based on peer reviews and interviews. The evaluation consisted of 15 questions in both multiple-choice (5-point scale) and open-ended formats. Key assessment criteria included independence, dedication, understanding of the company, and contribution to decision-making. Individual feedback was provided to each director based on the results and is being used as a foundation for enhancing the effectiveness and professionalism of Board operations going forward.

| Category      | Description  |
|---------------|--|
| Independence  | • Makes ethical decisions without pursuing personal interests                        |
| Dedication    | • Time and effort committed to Board activities, and attendance rates for workshops. |
| Understanding | • Comprehension of the company's Financial Story and industry trends                 |
| Contribution  | • Level of participation in decision-making  |

### Board Activity Evaluation Process



### Evaluation Results<sup>1)</sup>

|                   |             |
|-------------------|-------------|
| Board Role        | 4.42 points |
| Board Composition | 4.61 points |
| Board Operation   | 4.57 points |

<sup>1)</sup> Score (out of 5)

## Environmental

Climate Change Response  
Resource Use and Pollution Reduction  
Expansion of Environmental Management

## Social

Human Resource Management  
Work-Life Balance  
Advancement of Human Rights Management  
Strengthening Occupational Safety and Health  
Chemical Safety Management  
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Contribution to Local Communities  
Strengthening Information Security

## Governance

### • Strengthening Board-Centered Management

Strengthening Ethical Management and Compliance

# Strengthening Board-Centered Management

## Metrics & Target

SKC has established mid- to long-term goals to enhance the independence and diversity of its Board of Directors. While the current Board consists of four independent directors, thereby meeting the minimum legal requirements, we aim to go beyond compliance by increasing the proportion of female and globally experienced directors to over 30%, and the ratio of independent directors to two-thirds of the total Board as a long-term objective<sup>1)</sup>. Through this effort, we intend to further enhance Board independence and diversity, thereby reinforcing a sustainable governance system.

<sup>1)</sup> The expansion of the independent director ratio is subject to periodic review as a mid- to long-term goal.

## Performance

### Board Composition

SKC's Board of Directors maintains its independence from both controlling shareholders and management. As of now, independent directors account for more than half of the Board, with a total of four members. To ensure fairness and independence in the appointment of independent directors, SKC complies with Article 542-8 (4) of the Commercial Act by appointing them through a strict screening process conducted by the Independent Director Recommendation Committee, which consists of a majority of independent directors. Even after appointment, independent directors are subject to restrictions on stock ownership beyond the limits specified under relevant laws (Commercial Act Article 542-8 (2), Enforcement Decree Article 34 (5) (5), etc.) concerning disqualifying conditions for independent directors.

### ▶ Board of Directors Status<sup>1)</sup>

| Position                      | Name (Date of Birth)          | Gender | Key Experience and Positions   | Expertise                            | Term                |
|-------------------------------|-------------------------------|--------|--|--------------------------------------|---------------------|
| CEO                           | Park Won-cheol (1967.08)      | Male   | <ul style="list-style-type: none"> <li>(Current) CEO, SKC Co., Ltd. and Absolics Inc.</li> <li>Head, New Business Team, SUPEX Council</li> <li>Executive, Global Growth Support Team, SUPEX Council</li> </ul>   | General Corporate Management         | '22. 03. ~ '28. 03. |
| Executive Director            | Yoo Ji-han (1969.12)          | Male   | <ul style="list-style-type: none"> <li>(Current) CFO, SKC Co., Ltd. and Co-CEO of ISC Co., Ltd.</li> <li>Head, Investment Team 2, SUPEX Council</li> <li>Head of Business Development, SK Siltron</li> <li>Head of China Operations, Samsung C&amp;T Trading Division</li> </ul>   | General Corporate Management         | '24. 03. ~ '27. 03. |
| Independent Directors         | Chae Eun-mi (Chair) (1962.08) | Female | <ul style="list-style-type: none"> <li>(Current) Member, Regulatory Reform Committee, Office for Government Policy Coordination</li> <li>(Current) Policy Advisory Committee Member, Ministry of Personnel Management</li> <li>CEO, FedEx Korea</li> <li>Vice President, AMCHAM Korea</li> </ul>   | Global Business                      | '23. 03. ~ '26. 03. |
|                               | Park Si-won (1978.06)         | Female | <ul style="list-style-type: none"> <li>(Current) Professor, School of Law, Kangwon National University, Licensed Attorney, New York State</li> <li>(Current) Director, Center for Environmental Law, Institute of Comparative Legal Studies, Kangwon National University</li> <li>(Current) Member, Regulatory Reform Committee, Ministry of Trade, Industry and Energy</li> </ul> | ESG, Legal                           | '21. 03. ~ '27. 03. |
|                               | Kim Jung-in (1971.11)         | Male   | <ul style="list-style-type: none"> <li>(Current) CEO, Hyperlounge Co., Ltd.</li> <li>Global Head of Operations, Affinity Equity Partners</li> <li>Executive Vice President, Head of Business Division, Hyundai Card</li> <li>Partner, McKinsey &amp; Company</li> </ul>  | General Corporate Management         | '23. 03. ~ '26. 03. |
|                               | Jung Hyun-wook (1964.06)      | Male   | <ul style="list-style-type: none"> <li>(Current) Certified Public Accountant / Foreign CPA (U.S.)</li> <li>(Current) Senior Advisor, Kim &amp; Chang</li> <li>Finance Executive Director, Lam Research Korea</li> <li>CFO, Seoul Semiconductor</li> <li>Finance Director, GE Healthcare Korea</li> </ul>   | Finance/ Accounting, Risk Management | '25. 03. ~ '28. 03. |
| Others Non-Executive Director | Kim Kee-dong (1971.02)        | Male   | <ul style="list-style-type: none"> <li>(Current) Head of Finance Division, SK Inc.</li> <li>Chief of Management Support Division and Finance Division, SK Chemical</li> <li>Head of Financial Support, SK Chemicals</li> <li>Chief of Finance Division, SK Discovery</li> </ul>  | Finance/ Accounting, Risk Management | '25. 03. ~ '28. 03. |

<sup>1)</sup> As of March 2025

**Environmental**

- Climate Change Response
- Resource Use and Pollution Reduction
- Expansion of Environmental Management

**Social**

- Human Resource Management
- Work-Life Balance
- Advancement of Human Rights Management
- Strengthening Occupational Safety and Health
- Chemical Safety Management
- Supply Chain Management
- Product Safety and Quality Management
- Contribution to Local Communities
- Strengthening Information Security

**Governance**

- Strengthening Board-Centered Management**
- Strengthening Ethical Management and Compliance

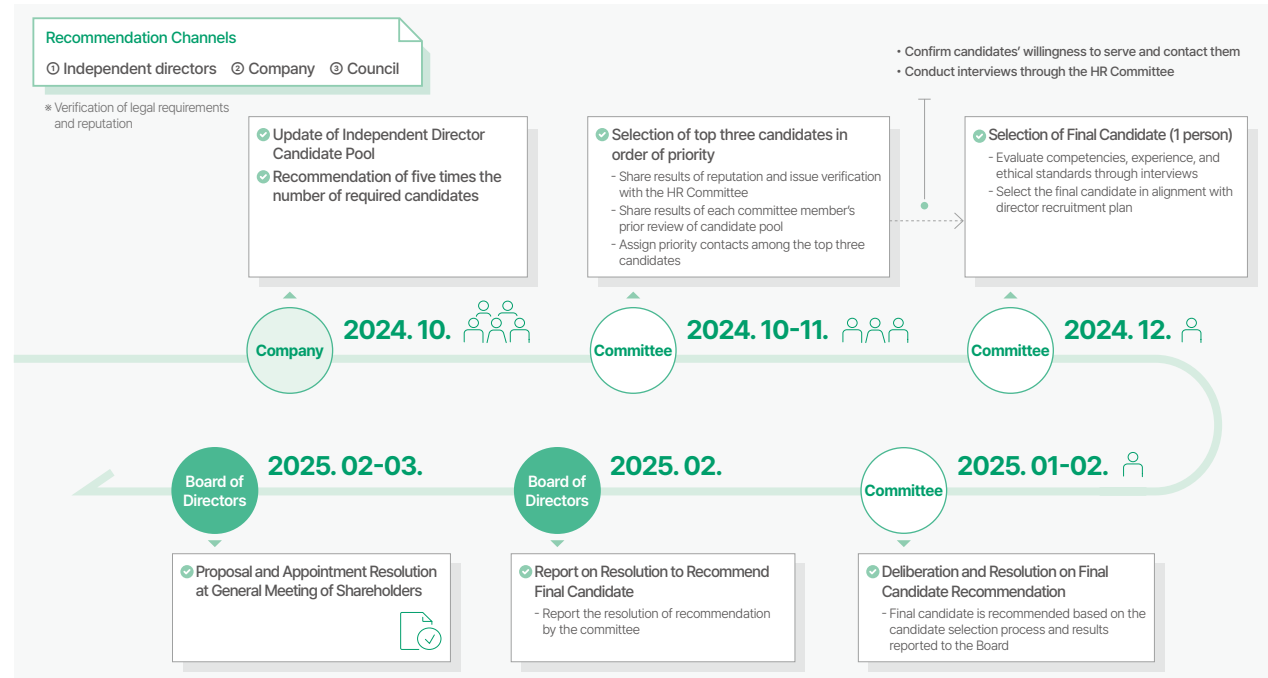
# Strengthening Board-Centered Management

## Performance

### Appointment of Independent Directors

The Independent Director Recommendation Committee under the Board of Directors is responsible for the systematic management of the independent director candidate pool as well as the recommendation and verification of candidates. To ensure the independence and fairness of independent directors, the committee thoroughly reviews the transaction history between each candidate and SKC or its subsidiaries to identify any conflicts of interest. If such a conflict is identified, the candidate is excluded from the candidate pool. The candidate review begins with a checklist-based assessment and includes an independent verification process to ensure objectivity. After reviewing the documents submitted by candidates and conducting background checks, the committee selects the initial candidate group. Final candidates are then recommended following interviews and a comprehensive evaluation of their competencies, experience, and ethical standards. For the recommended candidates, a qualification statement confirming their eligibility as independent directors is submitted and reviewed to determine final eligibility.

#### Independent Director Nomination Process



### Operation and Responsibility

SKC's Board of Directors is, in principle, convened on a monthly basis. To ensure that directors have sufficient time to review agenda items, we share relevant documents three business days prior to each board or committee meeting. Since launching the board information system in 2022, we have provided access to management information, agenda histories, and materials requested by board members, enabling them to stay informed at all times. In addition, each committee under the Board of Directors pre-reviews agenda items to be deliberated at the board level, facilitating more in-depth discussions from the perspective of each committee's area of expertise. In 2024, the average attendance rate of board members was 95%, reflecting their commitment to fulfilling their responsibilities. To support a stable corporate management environment, we review not only financial risks but also non-financial risks such as our net-zero roadmap, safety and health management, and recruitment through board-level committees. Furthermore, since May 2022, we have operated an Independent Directors' Council consisting of all independent directors to enhance their management oversight and support functions.

| Session | Meeting Date | Agenda   | Note                              |
|---------|--------------|--|-----------------------------------|
| 1       | 2024. 05. 30 | • Discussion on improvements to board operations | All independent directors present |
| 2       | 2024. 11. 28 | • Discussion on improvements to board operations | All independent directors present |

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**Governance**

- Strengthening Board-Centered Management**
- Strengthening Ethical Management and Compliance

# Strengthening Board-Centered Management

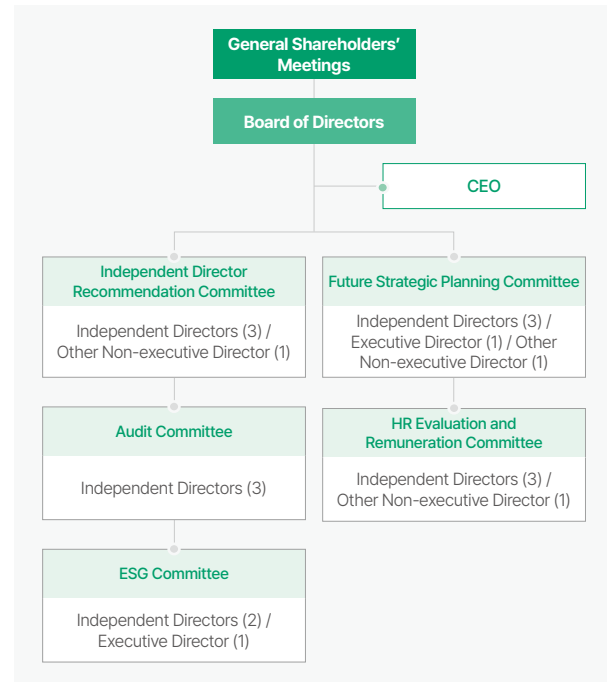
## Performance

### Board Committees

SKC currently operates a total of five committees under the Board of Directors in accordance with the Commercial Act and board regulations. To ensure independence, all committees are composed of a majority of independent directors and are chaired by an independent director.

[Governance](#)

### Governance Structure



### Internal Transactions Committee

The Internal Transactions Committee, responsible for reviewing transactions and investments involving related parties, is composed entirely of three independent directors, thereby ensuring full independence. In 2024, the committee held a total of 12 meetings and reviewed 17 reporting agenda items. To enhance operational efficiency, we dissolved the Internal Transactions Committee on October 22, 2024, and transferred part of its functions to the Audit Committee.

### Independent Director Recommendation Committee

To strengthen fairness in the recommendation of independent director candidates, we restructured the existing HR Committee on May 25, 2023. The functions related to the evaluation and compensation of executive directors were transferred to the newly established HR, Evaluation, and Compensation Committee, and the committee was renamed the Independent Director Recommendation Committee. In 2024, the committee held a total of five meetings, during which it reviewed three resolution agenda items and four reporting agenda items. Currently, no members of the Board of Directors have disqualifications for independent directorship due to any final court rulings for embezzlement, breach of trust, or unfair trade practices.

### Audit Committee

The Audit Committee is responsible for designing and evaluating the operation of the internal control system, as well as reviewing non-financial risks. All three committee members are independent directors, and one member has been appointed as an accounting and finance expert to ensure the committee's professional capacity in audit-related matters. In accordance with Article 8 (2) of the Audit Committee Regulations, committee members are authorized to evaluate the head of the internal audit department. The committee also reviews the internal audit department's audit plan and provides prior review and approval of non-audit service agreements with external auditors. In 2024, the Audit Committee convened 13 meetings and reviewed 16 resolution agenda items, 14 reporting agenda items, 3 prior review items, and 1 discussion item. Committee members also participate in audit-related training provided by professional institutions to strengthen their audit competencies.

### Audit Education

| Education Date | Organizer                           | Attending Audit Committee Members         | Reason for Absence | Key Education Topics  |
|----------------|-------------------------------------|---|--------------------|---|
| 2024. 07. 04   | Samjong KPMG                        | Chae Eun-mi                               | Personal reasons   | • Audit Committee Institute (ACI) seminar   |
| 2024. 08. 20   | Ernst & Young Han Young Corporation | Park Young-seok, Chae Eun-mi              | Personal reasons   | • Financial Supervisory Service guidelines for building effective internal controls |
| 2024. 09. 06   | Ernst & Young Han Young Corporation | Chae Eun-mi                               | Personal reasons   | • Accounting transparency seminar   |
| 2024. 10. 10   | Samil PwC                           | Park Si-won, Park Young-seok, Chae Eun-mi | -                  | • Value enhancement of the internal accounting management system                    |
| 2024. 01. 01   | Samjong KPMG Academy                | Chae Eun-mi                               | Personal reasons   | • Audit Committee education program   |

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**Governance**

- Strengthening Board-Centered Management**
- Strengthening Ethical Management and Compliance

# Strengthening Board-Centered Management

## Performance

### ESG Committee

SKC operates the ESG Committee to establish ESG promotion strategies and strengthen ESG-based reviews of strategic investments. In 2024, the committee, composed of two independent directors and one executive director, held a total of eight meetings and reviewed 15 agenda items subject to prior review and evaluation. The ESG Committee aims to enhance SKC's sustainable growth by reviewing major decision-making matters and advancing our environmental, social, and governance practices through the implementation of ESG strategies. To further enhance the qualitative growth of the ESG Committee, we plan to provide education on key ESG topics selected for in-depth discussion.

### ESG Committee Activities

| Session | Meeting Date | Agenda  |
|---------|--------------|---|
| 1st     | 2024.01.16   | Preliminary review of Board Regulation amendments                             |
|         |              | Preliminary review of Committee Regulation amendments                         |
| 2nd     | 2024.03.19   | Preliminary review of Board Regulation amendments                             |
|         |              | Preliminary review of Committee Regulation amendments                         |
| 3rd     | 2024.04.16   | Report on 2024 SHE (Safety, Health, Environment) Risk Management enhancements |
|         |              | Report on 2024 Annual Operating Plan  |
| 4th     | 2024.05.21   | Review of 2023 Corporate Governance Report publication                        |
|         |              | Preliminary review of Independent Director Compensation Policy                |
| 5th     | 2024.06.18   | Review of 2024 Sustainability Report publication                              |
|         |              | Net Zero Roadmap update   |
| 6th     | 2024.07.16   | Report on 2023 Scope 3 Greenhouse Gas Emissions measurement results           |
|         |              | Preliminary review of Board Regulation amendments                             |
| 7th     | 2024.10.15   | Preliminary review of Committee Regulation amendments                         |
|         |              | Report on 2024 SHE status and best practices for SHE improvement              |
| 8th     | 2024.12.10   | Report on 2024 External ESG Ratings Response Results                          |

### Future Strategic Planning Committee

On May 2023, SKC established the Future Strategic Planning Committee by separating the function of business strategy review from the ESG Committee. To ensure independence, the majority of committee members are independent directors (three independent directors, one executive director, and one other non-executive director). The committee deliberates on business plans, key performance indicators (KPIs), annual management plans, and large-scale investments. In 2024, the Future Strategic Planning Committee convened eight meetings and reviewed 14 reporting agenda items.

### HR Evaluation and Remuneration Committee

The HR Evaluation and Remuneration Committee, newly established in May 2023 by separating it from the Independent Director Recommendation Committee, is composed of three independent directors and one other non-executive director, thereby securing independence through a majority of independent directors. Based on Article 12 of the HR Evaluation and Remuneration Committee Regulations, the committee approves the evaluation and compensation of executive directors and recommends CEO candidates. It conducts regular reviews of the CEO candidate pool and operates a CEO succession process to enhance continuity and transparency in management. In 2024, the committee held 10 meetings and reviewed two resolution agenda items and 13 reporting agenda items.

### Evaluation & Remuneration

SKC pays director remuneration within the limit approved at the general meeting of shareholders. The approved limit and payment details are disclosed in the business report. To ensure independence, independent directors are not compensated based on performance evaluation, and their evaluation results are primarily used as a key reference for reappointment decisions. Remuneration is determined through a comprehensive evaluation based on both quantitative indicators, such as activities aimed at enhancing corporate value aligned with the company's performance and compensation criteria, and qualitative indicators, including leadership, expertise, and commitment to ethical management. For executive directors, Performance Share Units (PSUs) are granted in connection with mid- to long-term performance. In 2024, director remuneration was paid within the remuneration limit approved by the general meeting of shareholders and consisted of a base salary reflecting their responsibilities, expertise, and SKC's management environment, as well as stock-based compensation to link corporate value creation with compensation.

## Environmental

Climate Change Response  
Resource Use and Pollution Reduction  
Expansion of Environmental Management

## Social

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Chemical Safety Management  
Supply Chain Management  
Product Safety and Quality Management  
Contribution to Local Communities  
Strengthening Information Security

## Governance

### • Strengthening Board-Centered Management

Strengthening Ethical Management and Compliance

# Strengthening Board-Centered Management

## Performance

### Strengthening Shareholder Rights

#### Enhancing Shareholder Rights and Participation

To enhance shareholder value, SKC established the Charter of Corporate Governance, which defines the principles and responsibilities of corporate governance, and is committed to shareholder-friendly management practices. We have also established the Disclosure Information Management Regulations to protect shareholder rights by ensuring the provision of accurate disclosure information, and we manage our disclosure system and internal control system in a systematic manner. In particular, SKC achieved an 80% compliance rate with the key indicators of the 2024 Corporate Governance Report, which is significantly higher than the average compliance rate of 63.5%. This reflects our efforts to provide transparent and accurate information on our governance structure. As the owners of the company, SKC's shareholders have the right to receive timely information necessary to exercise their shareholder rights, such as attending the general meeting of shareholders and exercising voting rights, in accordance with the Commercial Act and our Articles of Incorporation. To ensure this, we notify shareholders of the date, venue, and agenda of the general meeting of shareholders four weeks prior to the meeting, enabling them to thoroughly review the agenda in advance and actively exercise their voting rights. We also provide English-language disclosures to mitigate information asymmetry for foreign shareholders. When determining the schedule of the general meeting of shareholders, we participate annually in the Korea Listed Companies Association's voluntary compliance program for the dispersion of general meetings, thereby avoiding peak dates. Since 2023, we have provided online live broadcasts to improve accessibility for shareholders. Additionally, we have adopted the electronic voting system since 2019 and encourage proxy voting to facilitate voting and ensure that shareholders can exercise their voting rights conveniently.

#### Advancing the Dividend Policy

SKC determines the level of dividends by comprehensively considering the scale of profit generation, financial soundness, and investments for future growth. In 2022, we became the first company within the SK Group to launch an online dividend inquiry site, allowing shareholders to conveniently check their dividend history. At the 50th General Meeting of Shareholders held on March 28, 2023, we amended the Articles of Incorporation to revise the dividend record date and enhance the predictability of dividend payments. We plan to review our shareholder return policy when profitability-driven growth is achieved and stable free cash flow is generated. In accordance with the Commercial Act and our Articles of Incorporation, decisions will be made through the Board of Directors and the general meeting of shareholders, and we will provide fair and transparent communication through disclosures, our website, and other channels.

#### Diversifying IR Communication

SKC holds quarterly earnings presentations hosted by management in the form of conference calls to regularly communicate our business status to the market. These presentations are also webcast on our website to allow real-time access for both domestic and international shareholders. In addition, we conduct various IR activities such as the annual C-level Investor Day, Tech Seminars, and domestic and overseas non-deal roadshows (NDRs) targeting institutional investors. To further enhance shareholder value, we are continually working to diversify our communication channels—accepting online questions in advance of the general meeting of shareholders, hosting post-meeting IR sessions for individual shareholders, and operating a dedicated IR website.

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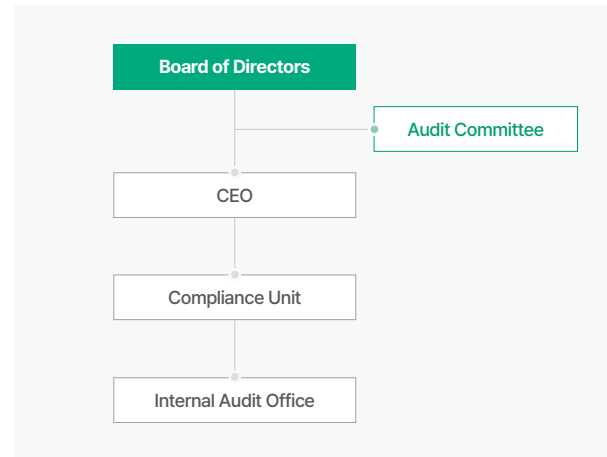
# Strengthening Ethical Management and Compliance

## Governance

SKC operates the Audit Committee under the Board of Directors to ensure independent and fair audits. We regularly report to the CEO and the Audit Committee on the planning, outcomes, and improvement measures for regular audits, management diagnoses, whistleblowing, compliance (including anti-corruption and legal compliance), and the overall ethical management system, thereby securing transparency. To ensure operational efficiency, we have established a dedicated organization and carry out a series of activities across the stages of "Prevention-Monitoring-Response," aimed at prevention, detection, post-management, and recurrence prevention. In addition, to ensure fair trade across all operations, we operate a company-wide "Fair Trade Compliance Program" under the supervision of the Legal Team, designating personnel in each department to serve as internal compliance officers and conduct continuous monitoring.

[Audit Committee Activities](#)

### Audit Committee and Audit Organizational Chart



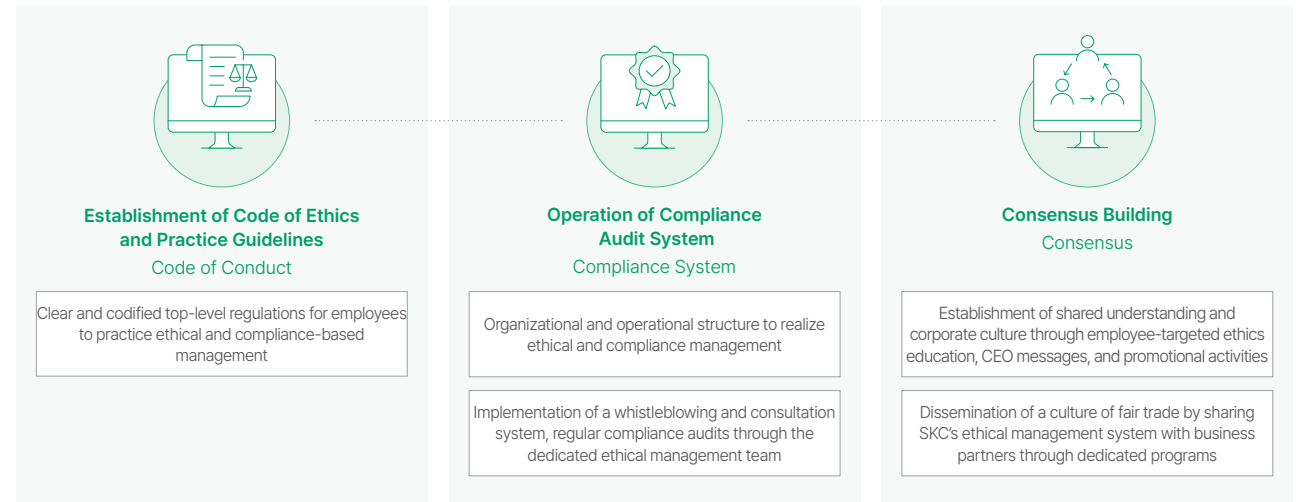
## Strategy

Since first introducing ethical management in 2006, SKC has made continuous efforts to advance its ethical practices to create value and enhance the well-being of key stakeholders—including customers, shareholders, employees, and suppliers. We have established ethical standards and guidelines that serve as the foundation for the behavior and value judgment of all employees, and based on this, we operate the "3C Ethical Management Framework." We do not limit our responsibility to legal compliance but extend it to the establishment and implementation of ethical standards as part of corporate decision-making and codes of conduct. We ensure that all business sites, domestic and overseas, comply with anti-corruption laws and regulations. To help stakeholders clearly understand and apply our ethical standards, we disclose the Code of Ethics and Code of Conduct, Anti-Corruption Policy and Guidelines, and Partner Code of Conduct transparently via our website. We also review the Code of Ethics and Code of Conduct regularly to reflect amendments to relevant laws and social issues. In 2023, we revised the Code of Ethics with the approval of the CEO.

[Full Text of Code of Ethics and Practice Guidelines](#)

[Full Text of Anti-Corruption Policy and Practice Guidelines](#)

### 3C Ethical Management Framework



**Environmental**

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**Governance**

- Strengthening Board-Centered Management
- Strengthening Ethical Management and Compliance**

# Strengthening Ethical Management and Compliance

## Risk Management

SKC has established a dedicated organization to systematically manage and operate ethics, compliance, and anti-corruption risks through a three-step process: Prevent – Detect–Respond. The current status of this system is reported annually to the Audit Committee. We also conduct annual comprehensive evaluations under the SK Group's ethical management assessment framework to objectively assess our ethical management level and identify areas for improvement. Based on the results, we evaluate the capability and effectiveness of our ethical management system, review our risk management level, and strive for continuous improvement and enhancement.

### Step 01

#### Prevention (Prevent)

##### Ethical Management Practice Survey

To assess the implementation level and identify areas for improvement in our ethical management system, SKC conducts an annual Ethical Management Practice Survey targeting all employees at SKC and its subsidiaries. Based on the survey results, we implemented initiatives such as campaigns to promote whistleblowing channels and improvements in ethics education content. In 2024, we further refined our ethical management programs through additional surveys. We will continue to conduct various surveys to incorporate employee feedback into our ethical management activities.



##### Ethical Management Education

SKC provides annual basic online ethics education for all employees at domestic and overseas business sites, including the CEO. To facilitate global participation, the educational materials are translated into both Korean and English. Issues identified through the Ethical Management Practice Survey, whistleblowing reports, and audits are incorporated into the ethics education curriculum. Through in-depth workshops, we also listen to employee concerns on difficult ethical decisions and discuss practical solutions and improvement measures. We provide in-person ethics education for new hires, recruited employees, and new leaders in sessions with 20 or more participants. In 2024, we conducted an in-person education expansion campaign to promote a culture of ethical management. To help establish a culture of fair trade, we support our suppliers in introducing ethical management systems. As of 2024, 26 suppliers have completed ethics education. We also offer anti-corruption law compliance education for our employees to foster a culture of anti-corruption compliance.

##### Spreading Ethical Management Culture

SKC promotes ethical awareness and voluntary practice by collecting Ethical Practice Pledges from all employees company-wide each year. In 2024, we achieved a 100% participation rate. The CEO's message emphasizes a healthy corporate culture rooted in ethical decision-making and conveys management's strong commitment to ethical practices. We use internal communication channels to provide guidance on matters such as gift exchange during holidays and run diverse campaigns using screen savers and posters to promote our whistleblowing system and whistleblower reward program. In the first quarter of 2025, we revised and distributed the Ethical Practice Guidebook for all employees, including leadership, to provide ethical guidelines for daily business conduct and promote a voluntary culture of ethical management. All outcomes of these ethical management initiatives are reported to the CEO and the Audit Committee.



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- **Strengthening Ethical Management and Compliance**

# Strengthening Ethical Management and Compliance

## Risk Management

### Step 02

#### Monitoring (Detect)

##### Internal Audit and Management Diagnosis

SKC establishes its annual internal audit plan by evaluating and analyzing key risk factors that may hinder the achievement of business objectives, focusing on impact and likelihood. Based on this plan, our internal audit departments conduct regular audits—at least once every three years—across all SKC and subsidiary business sites. These audits assess compliance risks, including anti-corruption and unethical practices, to strengthen our internal control system. Additionally, ad hoc management diagnoses are performed to assess the appropriateness of key strategic business directions and identify hidden risks within business execution, thereby supporting business value enhancement. The results of both regular audits and management diagnoses are reported periodically to the CEO and the Audit Committee.

##### Ethical Management Self-Assessment System

SKC operates a self-assessment system by developing checklists that identify management risks across key functional areas such as expenses, procurement, investment management, and human resources. This allows for annual voluntary self-checks. Each year, departments conduct self-assessments based on these checklists prepared by the internal audit team, leading to continuous improvement in business processes. The internal audit organization verifies the effectiveness of the checklists and separately inspects high-risk items such as fund (including advance payments) management, payroll, and corporate card usage to further enhance the level of internal controls.

##### Ethical Management Counseling and Reporting

SKC provides various reporting channels—including the website, email, mail, and phone—through which stakeholders can freely report unethical conduct related to all business activities, such as unfair transactions, bribery, coercion, or violations of laws and regulations. We ensure the strict protection of whistleblowers' identities to prevent any disadvantage or retaliation. Our whistleblower protection policy is clearly defined and enforced under our Code of Conduct. Employees may also seek ethics and anti-corruption counseling through the internal audit organization when ethical questions arise during their work. In 2024, of the five valid whistleblowing cases reported, four involved violations of the Code of Conduct. In these cases, disciplinary actions were taken in accordance with our disciplinary regulations, reinforcing awareness and accountability regarding unethical behavior.

### Step 03

#### Follow-up Management and Recurrence Prevention (Respond)

##### Correction and Improvement

SKC carries out disciplinary and corrective actions in accordance with procedures defined under revised disciplinary regulations. These actions are based on the findings from management diagnoses, whistleblowing reports and investigations, and self-assessment inspections. We strictly enforce a zero-tolerance policy for serious ethical violations such as intentional misreporting, bribery, and sexual harassment—regardless of the individual's position. We also transparently communicate the occurrence of unethical behavior and related disciplinary actions to all employees annually. Additionally, we collaborate with relevant departments to identify corrective measures and monitor their implementation status in order to prevent recurrence.

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# Strengthening Ethical Management and Compliance

## Risk Management

SKC continuously monitors the latest domestic and international regulations, government policy trends, and external environments to prevent potential financial losses and reputational damage caused by legal violations or policy noncompliance. We comply with all relevant anti-corruption laws and manage compliance risks accordingly. In particular, to effectively manage risks related to unfair trade practices such as antitrust violations and collusion, we operate a Fair Trade Compliance Program. We have continued to provide fair trade education to SKC and subsidiary CP (Compliance Program) Agents and have conducted ongoing reviews of transactions to ensure compliance with fair trade principles. The annual plan and performance of this program are reported regularly to the Board of Directors. We also revised the SKC Fair Trade Compliance Manual to reflect amendments to the Monopoly Regulation and Fair Trade Act. Furthermore, through the Audit Committee, we review transactions and investments involving related parties and conduct post-audits to manage internal transaction risks, thereby maximizing transparency in management.

## Enhancing the Compliance Management System

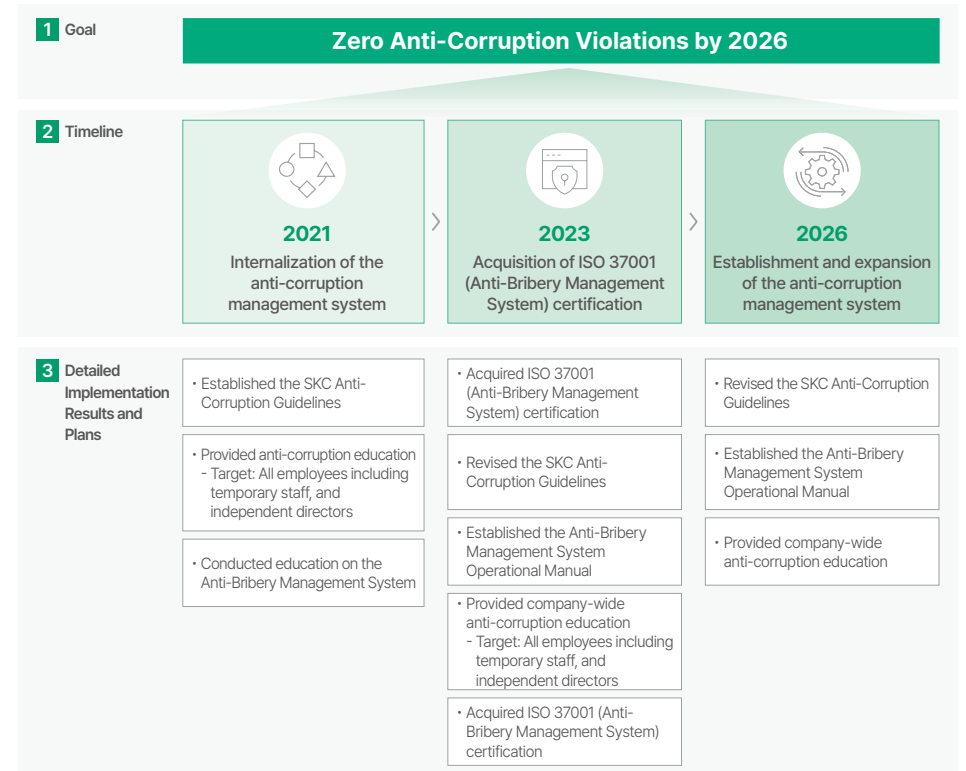
In line with the SK Group's strategic direction to reach a global best-in-class compliance management level, SKC conducted a compliance status review in the first quarter of 2025 with the support of external experts. This included the identification of key areas for compliance management and applicable laws and regulations. To strengthen our compliance management framework, we completed revisions and updates to related internal regulations and operational manuals, thereby establishing the foundation for a robust compliance control environment. To ensure objective validation and trust in our efforts to strengthen the compliance system, SKC obtained ISO 37301 (Compliance Management System) certification from an external institution in the second quarter of 2025, laying the groundwork for reinforcing compliance management over the mid- to long-term. We plan to further advance our compliance management framework by establishing dedicated organizations and working groups, providing education on major regulations such as fair trade laws, conducting related promotional activities, and supporting the establishment of compliance systems across our subsidiaries. We will also focus on enhancing employee awareness and expanding a culture of compliance.



## Metrics & Target

Since acquiring ISO 37001 (Anti-Bribery Management System) certification in 2023, SKC has successfully achieved its target of "Zero anti-corruption violations" as of 2025. To prepare for the renewal audit scheduled for early 2026, we plan to expand the anti-corruption management system through initiatives such as rolling out the framework to subsidiaries and publishing an Anti-Corruption Guidebook. In addition, we will strengthen our educational content by including case studies of anti-corruption violations, aiming to foster a voluntarily sustained culture of anti-corruption across the company.

### ▶ Status of Anti-Corruption Management System Operation



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# Strengthening Ethical Management and Compliance

## Performance

### Ethical Management Education

Since 2018, SKC has supported the introduction of ethical management systems for its suppliers to foster fair and transparent relationships and build a foundation for shared growth. In 2024, a total of 26 suppliers participated in SKC's online ethics education program, which included mandatory legal education.<sup>1)</sup> Internally, we incorporate ethics education into in-person training sessions for groups of 20 or more, including new hires, recruited employees, and newly appointed leaders. We also conduct team-based ethics workshops led by team leaders for all employees of SKC and its subsidiaries. These workshops provide a platform for open discussion between leaders and employees on key issues such as anti-corruption, business partner collusion, and information security.

<sup>1)</sup> Mandatory education includes sexual harassment prevention, workplace bullying prevention, and disability awareness training.

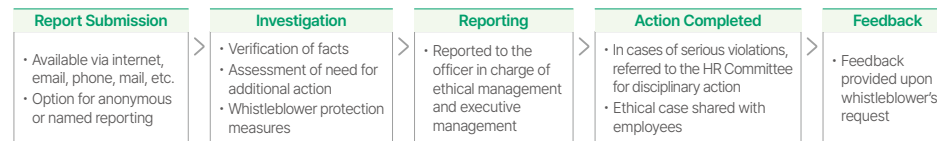
#### ➤ Ethics Education Overview

| Period           | Note  | Content  |
|------------------|---|--|
| 2nd half of 2024 | Online ethics education for employees           | • 100% participation, including part-time employees, contract workers, and dispatched staff; includes subsidiaries       |
|                  | Online ethics education for business partners   | • 27 business partners of SKC and its subsidiaries   |
|                  | Team-based ethics workshops led by team leaders | • Conducted across all departments, including subsidiaries   |
| As needed        | Internal education programs                     | • Ethics education conducted by the Audit Team during in-person training/workshops for groups of 20 or more participants |

### Ethical Management Counseling and Reporting

SKC operates various whistleblowing channels—including website, email, and more—so that stakeholders can report unethical conduct freely and securely. Received reports are processed according to the report processing procedures, and in 2024, among 5 valid reports related to ethical management, 4 cases were Code of Conduct violations, and we implemented strict follow-up measures including personnel actions for related employees according to reward and punishment regulations. Through this, we are enhancing employees' ethical management awareness and vigilance against unethical behavior.

#### ➤ Report Processing Process



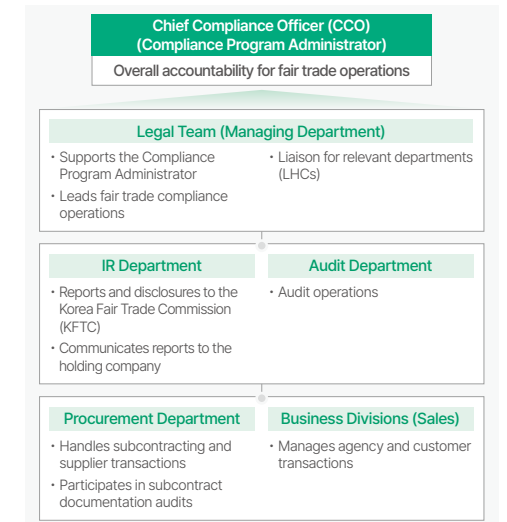
### Fair Trade Compliance Program

SKC operates a Fair Trade Compliance Program to reduce legal risks while enhancing corporate credibility and competitiveness. The Legal Team, which manages the program, designates working-level personnel in departments identified as needing strengthened fair trade capabilities—such as Procurement, IR, and IT/DT—and establishes an internal compliance framework to ensure fairness throughout the entire business process. Following 2023, we also conducted education in 2024 for members of fair trade-related departments on amendments to the Subcontracting Act and recent fair trade policy trends. In particular, the scope of CP Agents was expanded in 2024 to include subsidiaries. We provided guidance on the newly introduced price adjustment system for subcontracting payments, along with key considerations. Additionally, we delivered tailored training by department on the Monopoly Regulation and Fair Trade Act regarding the abuse of market dominance and unfair collaborative activities. These efforts aimed to deepen employees' understanding of laws and policies, reinforce trust and collaboration with stakeholders, and strengthen the organization's sense of responsibility in building fair trading relationships.

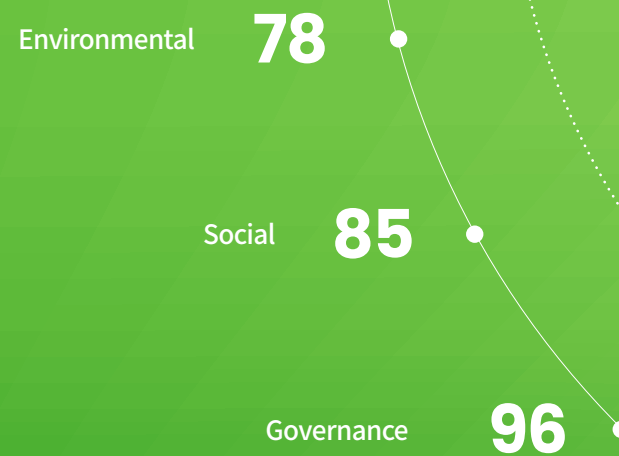
#### ➤ Eight Core Elements of the Fair Trade Compliance Program

- 1 Establishment and implementation of compliance standards and procedures
- 2 Conduct of compliance education
- 3 Expression of strong commitment and support from top management
- 4 Establishment of internal monitoring and control systems
- 5 Appointment of a Compliance Program Administrator
- 6 Disciplinary action against employees who violate fair trade laws
- 7 Development and utilization of a fair trade compliance manual
- 8 Evaluation of program effectiveness and implementation of improvements

#### ➤ Fair Trade Compliance Program Organizational Chart



# ESG Data



# Environmental Data

The reporting boundaries for environmental data by year are as follows. Any exceptions or special notes related to scope are indicated separately in footnotes.

- 2022 Reporting Boundary: SKC, SK nexilis, SK picglobal, SK empulse (Anseong, Cheonan, Chupal, Jangdang), SK pucore domestic business sites
- 2023 Reporting Boundary: SKC, SK nexilis, SK picglobal, SK empulse (Anseong, Cheonan) domestic business sites
- 2024 Reporting Boundary: SKC, SK nexilis (excluding the ultra-thin film business), SK picglobal, ISC domestic business sites

## Greenhouse Gas Emissions (Domestic)

| Category  | Unit                                | 2022                  | 2023                  | 2024                    |       |            |              |        |
|---|-------------------------------------|-----------------------|-----------------------|-------------------------|-------|------------|--------------|--------|
|   |                                     | Total                 | Total                 | Total                   | SKC   | SK nexilis | SK picglobal | ISC    |
| Total Emissions                                       | tCO <sub>2</sub> eq                 | 931,479               | 607,693               | 661,116 <sup>1)</sup>   | 1,437 | 119,202    | 538,031      | 2,446  |
| - Scope 1 Emissions                                   | tCO <sub>2</sub> eq                 | 518,972               | 343,870               | 440,248                 | 330   | 15,113     | 424,687      | 118    |
| - Scope 2 Emissions <sup>2)</sup>                     | tCO <sub>2</sub> eq                 | 412,507               | 263,823               | 220,868                 | 1,107 | 104,089    | 113,344      | 2,328  |
| - Intensity (Scope 1, 2) <sup>3)</sup>                | tCO <sub>2</sub> eq / KRW 1 billion | 297                   | 387                   | 384                     | -     | -          | -            | -      |
| Scope 3 Emissions                                     | tCO <sub>2</sub> eq                 | 2,499,790             | 1,044,501             | 1,430,870 <sup>5)</sup> | 765   | 39,763     | 1,369,984    | 20,358 |
| - C1. Purchased Goods and Services                    | tCO <sub>2</sub> eq                 | 2,338,019             | 958,163               | 1,330,403               | -     | 16,376     | 1,298,821    | 15,206 |
| - C2. Capital Goods                                   | tCO <sub>2</sub> eq                 | 49,890                | 17,391                | 4,052                   | -     | 932        | 1,445        | 1,675  |
| - C3. Fuel- and Energy-Related Activities             | tCO <sub>2</sub> eq                 | 46,042                | 43,940                | 67,899                  | 191   | 18,539     | 48,857       | 311    |
| - C4. (CDP) Upstream transportation and distribution  | tCO <sub>2</sub> eq                 | 50,405                | 18,699                | 20,392                  | -     | 2,264      | 17,835       | 292    |
| - C5. Waste Generated in Operations                   | tCO <sub>2</sub> eq                 | 2,837                 | 1,707                 | 487                     | -     | 276        | 192          | 19     |
| - C6. Business Travel                                 | tCO <sub>2</sub> eq                 | 1,291                 | 1,539                 | 1,667                   | 472   | 641        | 163          | 391    |
| - C7. Employee Commuting                              | tCO <sub>2</sub> eq                 | 2,731                 | 1,123                 | 1,093                   | 102   | 434        | 242          | 314    |
| - C9. Downstream Transportation and Logistics         | tCO <sub>2</sub> eq                 | 8,574                 | 1,942                 | 4,879                   | -     | 301        | 2,428        | 2,150  |
| Intensity (Scope 3) <sup>3)</sup>                     | tCO <sub>2</sub> eq / KRW 1 billion | 796                   | 665                   | 831                     | -     | -          | -            | -      |
| Greenhouse Gas Reductions (Compared to Previous Year) |                                     |                       |                       |                         |       |            |              |        |
| Total Reduction (Scope 1+2)                           | tCO <sub>2</sub> eq                 | 178,602 <sup>4)</sup> | 323,786 <sup>4)</sup> | (53,423)                | -     | -          | -            | -      |
| - Scope 1 Reduction                                   | tCO <sub>2</sub> eq                 | 88,219 <sup>4)</sup>  | 175,102 <sup>4)</sup> | (96,378)                | -     | -          | -            | -      |
| - Scope 2 Reduction                                   | tCO <sub>2</sub> eq                 | 90,383                | 148,684               | 42,955                  | -     | -          | -            | -      |

1) GHG emissions for SKC and SK picglobal are calculated in accordance with the Guidelines on Emissions Reporting and Certification under the Emissions Trading Scheme (Ministry of Environment Notification No. 2023-221). SK nexilis emissions are based on the values stated in the GHG Emissions Verification Statement, with internally calculated emissions from the divested ultra-thin film business excluded. Re-verification will be conducted for the portion separated from the business sold during the year. ISC, which is not subject to the Emissions Trading Scheme, calculated emissions independently

2) Scope 2 emissions are calculated based on regional emission factors

3) Revenue used for intensity calculations is based on consolidated revenue disclosed in the business report

4) Corrections made due to data entry errors

5) Totals are aggregated after truncating to whole numbers at each site, which may result in minor discrepancies compared to the figures in the table

## Greenhouse Gas Emissions (Overseas)<sup>1)</sup>

| Category                      | Unit                | 2024                  |               |
|-------------------------------|---------------------|-----------------------|---------------|
|                               |                     | SK nexilis (Malaysia) | ISC (Vietnam) |
| Total Emissions (Scope 1, +2) | tCO <sub>2</sub> eq | 116,052               | 8,497         |
| - Scope 1 Emissions           | tCO <sub>2</sub> eq | 17,102                | 80            |
| - Scope 2 Emissions           | tCO <sub>2</sub> eq | 98,950                | 8,417         |

1) Scope 2 emissions for overseas business sites were calculated using national grid emission factors from the following sources:

- Malaysia: CDM Electricity Baseline for Malaysia, Malaysia Green Technology and Climate Change Corporation, 2015

- Vietnam: Vietnam Grid Emission Factors, Vietnam Department of Climate Change, 2023

# Environmental Data

## Energy (Domestic)<sup>1)</sup>

| Category                       | Unit   | 2022               | 2023       | 2024       |            |            |              |           |        |
|--------------------------------|--|--------------------|------------|------------|------------|------------|--------------|-----------|--------|
|                                |  | Total              | Total      | Total      | SKC        | SK nexilis | SK picglobal | ISC       |        |
| <b>Total</b>                   | Total Energy Consumption                             | GJ                 | 16,691,760 | 10,958,495 | 12,157,013 | 28,801     | 2,472,720    | 9,599,756 | 55,736 |
|                                | Direct Energy Consumption                            | GJ                 | 6,207,709  | 4,170,591  | 6,062,687  | 5,659      | 297,624      | 5,757,655 | 1,749  |
|                                | - Gasoline   | GJ                 | 7,350      | 1,934      | 5,966      | 2,594      | 1,502        | 988       | 882    |
|                                | - Diesel   | GJ                 | 4,551      | 3,555      | 1,421      | 38         | 241          | 462       | 680    |
|                                | - Kerosene   | GJ                 | 4,387      | 7,016      | 3,511      | -          | -            | 3,511     | -      |
|                                | - LPG  | GJ                 | 2,402,663  | 2,153,928  | 3,391,266  | 3          | -            | 3,391,076 | 187    |
|                                | - LNG  | GJ                 | 1,384,085  | 830,991    | 777,484    | 3,024      | 295,881      | 478,579   | -      |
|                                | - Others (by-product oil, by-product gas, etc.)      | GJ                 | 2,404,672  | 1,173,168  | 1,883,039  | -          | -            | 1,883,039 | -      |
|                                | Indirect Energy Consumption                          | GJ                 | 10,484,051 | 6,787,904  | 6,094,326  | 23,142     | 2,175,096    | 3,842,101 | 53,987 |
| <b>Domestic Business Sites</b> | - Electricity <sup>2)</sup>                          | GJ                 | 8,436,055  | 5,464,109  | 4,609,584  | 23,142     | 2,175,096    | 2,368,488 | 42,858 |
|                                | - Steam  | GJ                 | 2,047,996  | 1,323,795  | 1,484,742  | -          | -            | 1,473,613 | 11,129 |
|                                | Intensity  | GJ / KRW 1 billion | 5,319      | 6,977      | 7,062      | -          | -            | -         | -      |
|                                | Total Electricity Consumption                        | MWh                | 877,907    | 570,809    | 480,166    | 2,411      | 226,573      | 246,718   | 4,464  |
|                                | Total Renewable Energy Consumption                   | MWh                | 14,834     | 9,407      | -          | -          | -            | -         | -      |
|                                | Renewable Energy Usage Ratio                         | %                  | 1.69       | 1.65       | -          | -          | -            | -         | -      |
|                                | Renewable Energy Consumption by   Procurement Method | MWh                | 14,834     | 9,407      | -          | -          | -            | -         | -      |
|                                | - Green Premium                                      | MWh                | 14,834     | 9,407      | -          | -          | -            | -         | -      |

<sup>1)</sup> In accordance with the "Guidelines on Emissions Reporting and Certification under the Emissions Trading Scheme," LNG has been reclassified as direct energy. Therefore, direct, indirect, and total energy consumption data for 2022–2023 have been corrected

<sup>2)</sup> Electricity consumption (MWh) converted into energy consumption (GJ) based on the "Guidelines on the Operation of Greenhouse Gas Target Management in the Public Sector" [Effective February 1, 2024]

# Environmental Data

## Air Pollutant Emissions<sup>1)</sup>

| Category                          | Unit      | 2022                | 2023   | 2024   |        |            |              |        |      |
|-----------------------------------|-----------|---------------------|--------|--------|--------|------------|--------------|--------|------|
|                                   |           | Total               | Total  | Total  | SKC    | SK nexilis | SK picglobal | ISC    |      |
| Nitrogen Oxides (NOx)             | Emissions | ton                 | 187.13 | 123.27 | 194.36 | -          | 11.43        | 182.89 | 0.04 |
|                                   | Intensity | ton / KRW 1 billion | 0.059  | 0.078  | 0.113  | -          | -            | -      | -    |
| Sulfur Oxides (SOx)               | Emissions | ton                 | 92.80  | 3.52   | 7.46   | -          | 1.13         | 6.31   | 0.03 |
|                                   | Intensity | ton / KRW 1 billion | 0.029  | 0.002  | 0.004  | -          | -            | -      | -    |
| Volatile Organic Compounds (VOCs) | Emissions | ton                 | 25.78  | 9.43   | 5.44   | -          | 0.46         | 4.98   | -    |
|                                   | Intensity | ton / KRW 1 billion | 0.008  | 0.006  | 0.003  | -          | -            | -      | -    |
| Hazardous Air Pollutants (HAPs)   | Emissions | ton                 | 10     | 1.72   | 15.43  | -          | -            | 15.43  | -    |
|                                   | Intensity | ton / KRW 1 billion | 0.003  | 0.001  | 0.009  | -          | -            | -      | -    |
| Particulate Matter (PM10)         | Emissions | ton                 | 18.8   | 17.03  | 15.07  | -          | 7.69         | 7.33   | 0.06 |
|                                   | Intensity | ton / KRW 1 billion | 0.006  | 0.011  | 0.009  | -          | -            | -      | -    |

1) Air pollutant emissions data for SK nexilis and SK picglobal are based on reporting results confirmed after July and may be subject to future changes

## Water Pollutant Emissions

| Category                        | Unit      | 2022                | 2023  | 2024  |       |            |              |       |      |
|---------------------------------|-----------|---------------------|-------|-------|-------|------------|--------------|-------|------|
|                                 |           | Total               | Total | Total | SKC   | SK nexilis | SK picglobal | ISC   |      |
| Biochemical Oxygen Demand (BOD) | Emissions | ton                 | 38.28 | 15.60 | 17.17 | -          | 15.37        | 1.89  | -    |
|                                 | Intensity | ton / KRW 1 billion | 0.012 | 0.010 | 0.010 | -          | -            | -     | -    |
| Total Nitrogen (T-N)            | Emissions | ton                 | 30.48 | 24.50 | 16.47 | -          | 5.60         | 10.76 | 0.11 |
|                                 | Intensity | ton / KRW 1 billion | 0.010 | 0.016 | 0.010 | -          | -            | -     | -    |
| Total Organic Carbon (TOC)      | Emissions | ton                 | 69.81 | 71.58 | 33.18 | -          | 19.02        | 13.97 | 0.19 |
|                                 | Intensity | ton / KRW 1 billion | 0.022 | 0.046 | 0.019 | -          | -            | -     | -    |
| Suspended Solids (SS)           | Emissions | ton                 | 15.38 | 18.52 | 16.81 | -          | 3.79         | 12.92 | 0.10 |
|                                 | Intensity | ton / KRW 1 billion | 0.005 | 0.012 | 0.010 | -          | -            | -     | -    |

# Environmental Data

## Hazardous Chemicals

| Category   | Unit                                     | 2022  | 2023      | 2024    |           |            |              |           |    |
|------------|--|-------|-----------|---------|-----------|------------|--------------|-----------|----|
|            |  | Total | Total     | Total   | SKC       | SK nexilis | SK picglobal | ISC       |    |
| Management | Number of Substances                     | ea    | 53        | 29      | 46        | -          | 6            | 13        | 27 |
|            | Volume of Hazardous Chemicals Used       | ton   | 1,059,740 | 414,121 | 1,062,088 | -          | 2,787        | 1,059,299 | 2  |
| Release    | Number of Major Hazardous Chemical Leaks | cases | 0         | 0       | 0         | -          | 0            | 0         | 0  |

## Water (Total Volume)

| Category          | Unit                                     | 2022                | 2023                 | 2024                 |           |            |              |           |        |
|-------------------|--|---------------------|----------------------|----------------------|-----------|------------|--------------|-----------|--------|
|                   |  | Total               | Total                | Total                | SKC       | SK nexilis | SK picglobal | ISC       |        |
| Water Withdrawal  | Total Water Withdrawal                   | ton                 | 7,913,149            | 5,655,355            | 5,724,811 | 793        | 823,780      | 4,874,400 | 25,838 |
|                   | - Water Supplied by Third Parties        | ton                 | 7,040,679            | 5,107,527            | 744,645   | -          | 744,645      | -         | -      |
|                   | - Municipal Water                        | ton                 | 361,372              | 98,420               | 4,980,166 | 793        | 79,135       | 4,874,400 | 25,838 |
|                   | - Groundwater                            | ton                 | 489,491              | -                    | -         | -          | -            | -         | -      |
|                   | - Surface Water                          | ton                 | 21,606               | 449,408              | -         | -          | -            | -         | -      |
|                   | Intensity                                | ton / KRW 1 billion | 2,485                | 3,600                | 3,325     | -          | -            | -         | -      |
| Water Consumption | Total Water Consumption                  | ton                 | 9,991,553            | 6,878,294            | 8,596,926 | 793        | 1,114,060    | 7,456,235 | 25,838 |
|                   | Intensity                                | ton / KRW 1 billion | 3,138 <sup>1)</sup>  | 4,379                | 4,994     | -          | -            | -         | -      |
|                   | Reduction Rate (based on intensity)      | %                   | (15.1) <sup>1)</sup> | (27.3) <sup>1)</sup> | (12.3)    | -          | -            | -         | -      |
| Water Discharge   | Total Wastewater Discharge               | ton                 | 2,617,019            | 1,810,909            | 1,346,619 | -          | 502,837      | 833,658   | 10,124 |
|                   | Number of Violations of Discharge Limits | cases               | 1                    | 0                    | 0         | -          | 0            | 0         | 0      |
| Water Recycled    | Volume of Water Recycled                 | ton                 | 2,078,404            | 1,222,939            | 2,872,115 | -          | 290,280      | 2,581,835 | -      |
|                   | Recycling Rate                           | %                   | 20.9                 | 17.8                 | 33.4      | -          | 261          | 34.6      | -      |

<sup>1)</sup> Corrections were made due to data entry errors

# Environmental Data

## Water (by Business Site)

| Category   | Unit | 2022  | 2023      | 2024      |
|--|------|-------|-----------|-----------|
|  |      | Total | Total     | Total     |
| <b>Headquarters / Research Center<sup>1)</sup></b> |      |       |           |           |
| Total  | ton  | -     | 50,522    | 48,043    |
| - Water Supplied by Third Parties                  | ton  | -     | -         | -         |
| <b>Water Withdrawal</b>                            |      |       |           |           |
| - Municipal Water                                  | ton  | -     | 50,522    | 48,043    |
| - Groundwater                                      | ton  | -     | -         | -         |
| - Surface Water                                    | ton  | -     | -         | -         |
| <b>Consumption</b>                                 | ton  | -     | 50,522    | 48,043    |
| <b>[SK nexilis] Jeongeup Plant</b>                 |      |       |           |           |
| Total  | ton  | -     | 1,198,892 | 776,530   |
| - Water Supplied by Third Parties                  | ton  | -     | 1,159,448 | 744,645   |
| <b>Water Withdrawal</b>                            |      |       |           |           |
| - Municipal Water                                  | ton  | -     | 39,444    | 31,885    |
| - Groundwater                                      | ton  | -     | -         | -         |
| - Surface Water                                    | ton  | -     | -         | -         |
| <b>Consumption</b>                                 | ton  | -     | 1,552,863 | 1,066,810 |
| <b>[SK picglobal] Ulsan Plant</b>                  |      |       |           |           |
| Total  | ton  | -     | 4,397,487 | 4,874,400 |
| - Water Supplied by Third Parties                  | ton  | -     | 3,948,079 | -         |
| <b>Water Withdrawal</b>                            |      |       |           |           |
| - Municipal Water                                  | ton  | -     | -         | 4,874,400 |
| - Groundwater                                      | ton  | -     | -         | -         |
| - Surface Water                                    | ton  | -     | 449,408   | -         |
| <b>Consumption</b>                                 | ton  | -     | 5,264,468 | 7,456,235 |
| <b>Cheonan Plant<sup>2)</sup></b>                  |      |       |           |           |
| Total  | ton  | -     | 7,691     | -         |
| - Water Supplied by Third Parties                  | ton  | -     | -         | -         |
| <b>Water Withdrawal</b>                            |      |       |           |           |
| - Municipal Water                                  | ton  | -     | 7,691     | -         |
| - Groundwater                                      | ton  | -     | -         | -         |
| - Surface Water                                    | ton  | -     | -         | -         |
| <b>Consumption</b>                                 | ton  | -     | 9,678     | -         |

| Category                          | Unit | 2022  | 2023  | 2024   |
|-----------------------------------|------|-------|-------|--------|
|                                   |      | Total | Total | Total  |
| <b>Anseong Plant<sup>2)</sup></b> |      |       |       |        |
| Total                             | ton  | -     | 763   | -      |
| - Water Supplied by Third Parties | ton  | -     | -     | -      |
| <b>Water Withdrawal</b>           |      |       |       |        |
| - Municipal Water                 | ton  | -     | 763   | -      |
| - Groundwater                     | ton  | -     | -     | -      |
| - Surface Water                   | ton  | -     | -     | -      |
| <b>Consumption</b>                | ton  | -     | 763   | -      |
| <b>[ISC] Pangyo<sup>3)</sup></b>  |      |       |       |        |
| Total                             | ton  | -     | -     | 10,560 |
| - Water Supplied by Third Parties | ton  | -     | -     | -      |
| <b>Water Withdrawal</b>           |      |       |       |        |
| - Municipal Water                 | ton  | -     | -     | 10,560 |
| - Groundwater                     | ton  | -     | -     | -      |
| - Surface Water                   | ton  | -     | -     | -      |
| <b>Consumption</b>                | ton  | -     | -     | 10,560 |
| <b>[ISC] Ansan<sup>3)</sup></b>   |      |       |       |        |
| Total                             | ton  | -     | -     | 5,811  |
| - Water Supplied by Third Parties | ton  | -     | -     | -      |
| <b>Water Withdrawal</b>           |      |       |       |        |
| - Municipal Water                 | ton  | -     | -     | 5,811  |
| - Groundwater                     | ton  | -     | -     | -      |
| - Surface Water                   | ton  | -     | -     | -      |
| <b>Consumption</b>                | ton  | -     | -     | 5,811  |
| <b>[ISC] Songdo<sup>3)</sup></b>  |      |       |       |        |
| Total                             | ton  | -     | -     | 1,572  |
| - Water Supplied by Third Parties | ton  | -     | -     | -      |
| <b>Water Withdrawal</b>           |      |       |       |        |
| - Municipal Water                 | ton  | -     | -     | 1,572  |
| - Groundwater                     | ton  | -     | -     | -      |
| - Surface Water                   | ton  | -     | -     | -      |
| <b>Consumption</b>                | ton  | -     | -     | 1,572  |

| Category                                   | Unit | 2022  | 2023  | 2024  |
|--|------|-------|-------|-------|
|  |      | Total | Total | Total |
| <b>[ISC] Cheonan<sup>3)</sup></b>          |      |       |       |       |
| Total                                      | ton  | -     | -     | 377   |
| - Water Supplied by Third Parties          | ton  | -     | -     | -     |
| <b>Water Withdrawal</b>                    |      |       |       |       |
| - Municipal Water                          | ton  | -     | -     | 377   |
| - Groundwater                              | ton  | -     | -     | -     |
| - Surface Water                            | ton  | -     | -     | -     |
| <b>Consumption</b>                         | ton  | -     | -     | 377   |
| <b>[ISC] Icheon<sup>3)</sup></b>           |      |       |       |       |
| Total                                      | ton  | -     | -     | 34    |
| - Water Supplied by Third Parties          | ton  | -     | -     | -     |
| <b>Water Withdrawal</b>                    |      |       |       |       |
| - Municipal Water                          | ton  | -     | -     | 34    |
| - Groundwater                              | ton  | -     | -     | -     |
| - Surface Water                            | ton  | -     | -     | -     |
| <b>Consumption</b>                         | ton  | -     | -     | 34    |
| <b>[ISC - ITMTC] Seongnam<sup>3)</sup></b> |      |       |       |       |
| Total                                      | ton  | -     | -     | 74    |
| - Water Supplied by Third Parties          | ton  | -     | -     | -     |
| <b>Water Withdrawal</b>                    |      |       |       |       |
| - Municipal Water                          | ton  | -     | -     | 74    |
| - Groundwater                              | ton  | -     | -     | -     |
| - Surface Water                            | ton  | -     | -     | -     |
| <b>Consumption</b>                         | ton  | -     | -     | 74    |
| <b>[ISC - ITMTC] Ansan<sup>3)</sup></b>    |      |       |       |       |
| Total                                      | ton  | -     | -     | 7,410 |
| - Water Supplied by Third Parties          | ton  | -     | -     | -     |
| <b>Water Withdrawal</b>                    |      |       |       |       |
| - Municipal Water                          | ton  | -     | -     | 7,410 |
| - Groundwater                              | ton  | -     | -     | -     |
| - Surface Water                            | ton  | -     | -     | -     |
| <b>Consumption</b>                         | ton  | -     | -     | 7,410 |

1) From 2024, the SKC R&D Center was reclassified as the SK nexilis R&D Center

2) Data included through 2023 only, as these sites were formerly operated by SK enpulse and have since been divested

3) For ISC, water withdrawal and consumption are reported as the same values, as no distinction is made between the two

# Environmental Data

## Waste<sup>1)</sup>

| Category     | Unit                                 | 2022                | 2023   | 2024   |        |            |              |                   |      |
|--------------|--------------------------------------|---------------------|--------|--------|--------|------------|--------------|-------------------|------|
|              |                                      | Total               | Total  | Total  | SKC    | SK nexilis | SK picglobal | ISC <sup>2)</sup> |      |
| Generation   | Total Waste Generated                | ton                 | 21,969 | 15,591 | 14,330 | 30         | 5,077        | 9,199             | 24   |
|              | - General Waste                      | ton                 | 12,644 | 11,194 | 10,671 | 30         | 3,603        | 7,029             | 9    |
|              | - Designated Waste (Hazardous Waste) | ton                 | 8,396  | 3,673  | 3,659  | -          | 1,474        | 2,171             | 14   |
|              | - Construction Waste                 | ton                 | 929    | 724    | -      | -          | -            | -                 | -    |
|              | Intensity                            | ton / KRW 1 billion | 7.0    | 9.9    | 8.3    | -          | -            | -                 | -    |
| Treatment    | Total Treated Volume                 | ton                 | 21,969 | 15,591 | 14,330 | 30         | 5,077        | 9,199             | 24   |
|              | General Waste                        | ton                 | 13,574 | 11,918 | 10,671 | 30         | 3,603        | 7,029             | 9    |
|              | - Recycled or Reused                 | ton                 | 12,300 | 10,590 | 10,315 | 17         | 3,592        | 6,706             | -    |
|              | - Incinerated (General)              | ton                 | 25     | -      | 4      | -          | -            | -                 | 4    |
|              | - Incinerated (Energy Recovery)      | ton                 | 400    | 335    | -      | -          | -            | -                 | -    |
|              | - Landfilled                         | ton                 | 849    | 993    | 352    | 13         | 11           | 323               | 5    |
|              | Designated Waste (Hazardous Waste)   | ton                 | 8,396  | 3,673  | 3,659  | -          | 1,474        | 2,171             | 14   |
|              | - Recycled or Reused                 | ton                 | 6,808  | 2,680  | 3,386  | -          | 1,314        | 2,062             | 9    |
|              | - Incinerated (General)              | ton                 | 587    | 621    | 222    | -          | 140          | 77                | 5    |
|              | - Incinerated (Energy Recovery)      | ton                 | 106    | 294    | 23     | -          | -            | 23                | -    |
| - Landfilled | ton                                  | 895                 | 78     | 29     | -      | 20         | 9            | -                 |      |
| Recycling    | Volume of Water Recycled             | ton                 | 19,613 | 13,899 | 13,723 | 17         | 4,906        | 8,791             | 9    |
|              | Recycling Rate                       | %                   | 89.3   | 89.1   | 95.8   | 56.2       | 96.6         | 95.6              | 39.9 |

1) Waste treatment and recycling data for 2022–2023 have been revised from the ZWTL (Zero Waste to Landfill) standard to the Allbaro system standard, resulting in updated figures

2) 2024 ISC waste data includes: ISC Pangyo, ISC Ansan, ITMTC Seongnam, and ITMTC Ansan.

# Environmental Data

## Environmental Engagement

| Category                              | Unit   | 2022            | 2023                | 2024                |       |            |              |       |     |
|---------------------------------------|--|-----------------|---------------------|---------------------|-------|------------|--------------|-------|-----|
|                                       |  | Total           | Total               | Total               | SKC   | SK nexilis | SK picglobal | ISC   |     |
| Environmental Education <sup>1)</sup> | Number of Participants                               | persons         | 1,392               | 735                 | 568   | -          | 311          | 240   | 17  |
|                                       | Education Hours                                      | hours           | 9,242               | 4,396               | 5,510 | -          | 2,928        | 2,320 | 262 |
|                                       | Education Hours per Employee                         | hours           | 6                   | 6                   | 10    | -          | 9            | 10    | 15  |
|                                       | Participation Rate                                   | %               | 100                 | 100                 | 100   | -          | 100          | 100   | 100 |
| Environmental Investment              | Environmental Investment Amount                      | KRW 100 million | 106                 | 4                   | 19    | -          | 14           | 5     | -   |
| Green Revenue <sup>2)</sup>           | Green Revenue  | KRW 100 million | 7,706 <sup>3)</sup> | 5,873 <sup>4)</sup> | 3,176 | -          | -            | -     | -   |
| Environmental Certifications          | ISO 14001 Certification Rate <sup>5)</sup>           | %               | 88                  | 83                  | 43    | -          | 50           | 100   | 25  |
| Environmental Evaluation              | Business Sites with Environmental Impact Assessments | %               | 100                 | 100                 | 100   | -          | 100          | 100   | 100 |
| Environmental Law Violations          | Regulatory Violations                                | cases           | 2                   | -                   | -     | -          | -            | -     | -   |
|                                       | Fines and Penalties                                  | KRW million     | 3 <sup>6)</sup>     | -                   | -     | -          | -            | -     | -   |
|                                       | Environmental Liability Insurance <sup>5)</sup>      | V               | V                   | V                   | V     | -          | V            | V     | V   |

1) Data revised due to changes in calculation standards

2) Based on the K-Taxonomy, green revenue refers to revenue from the production of copper foil used in zero-emission vehicles—recognized as a key technology for carbon neutrality

3) 4) Green revenue figures may vary due to the divestiture of SK nexilis's ultra-thin film business

5) Excludes office-based sites (Seoul, Cheonan, Icheon, Songdo) from certification coverage

6) Corrections made due to data entry errors

# Social Data

The reporting boundaries for Social Data by year are as follows. Any exceptions or additional explanations regarding the scope are noted separately in footnotes:

- 2022 Reporting Boundary: SKC, SK nexilis, SK picglobal, SK enpulse (Anseong, Cheonan, Chupal, Jangdang), SK pucore domestic business sites
- 2023 Reporting Boundary: SKC, SK nexilis, SK picglobal, SK enpulse (Anseong, Cheonan) domestic business sites
- 2024 Reporting Boundary: SKC, SK nexilis (excluding the ultra-thin film business), SK picglobal, ISC domestic business sites

## Labor-Management Relations

| Category                 | Unit                    | 2022  | 2023  | 2024  |     |            |                            |     |
|--------------------------|-------------------------|-------|-------|-------|-----|------------|----------------------------|-----|
|                          |                         | Total | Total | Total | SKC | SK nexilis | SK picglobal <sup>1)</sup> | ISC |
| Labor-Management Council | Number of Union Members | 1,970 | 1,131 | 1,251 | 185 | 543        | 173                        | 350 |
|                          | Union Membership Rate   | 100   | 86.9  | 88.4  | 100 | 100        | 51.3                       | 100 |

1) For SK picglobal, the number and percentage represent labor union membership

## Employee Status<sup>1)</sup>

| Category           | Unit                        | 2022        | 2023        | 2024        |     |            |              |     |
|--------------------|-----------------------------|-------------|-------------|-------------|-----|------------|--------------|-----|
|                    |                             | Total       | Total       | Total       | SKC | SK nexilis | SK picglobal | ISC |
| Total Employees    | persons                     | 1,970       | 1,302       | 1,415       | 185 | 543        | 337          | 350 |
| By Gender          | Male                        | 1,685(85.5) | 1,089(83.6) | 1,109(78.4) | 118 | 477        | 295          | 219 |
|                    | Female                      | 285(14.5)   | 213(16.4)   | 306(21.6)   | 67  | 66         | 42           | 131 |
| By Age Group       | Under 30                    | 432(21.9)   | 225(17.3)   | 196(13.9)   | 15  | 90         | 34           | 57  |
|                    | 30 to Under 50              | 1,203(61.1) | 794(61.0)   | 903(63.8)   | 142 | 376        | 160          | 225 |
|                    | 50 and Over                 | 335(17.0)   | 283(21.7)   | 316(22.3)   | 28  | 77         | 143          | 68  |
| By Employment Type | Total Regular Employees     | 1,828(92.8) | 1,186(91.1) | 1,242(87.8) | 153 | 445        | 326          | 318 |
|                    | - Male                      | 1,594       | 1,015       | 989         | 93  | 403        | 290          | 203 |
|                    | - Female                    | 234         | 171         | 253         | 60  | 42         | 36           | 115 |
|                    | Total Non-Regular Employees | 142(7.2)    | 116(8.9)    | 173(12.2)   | 32  | 98         | 11           | 32  |
|                    | - Male                      | 91          | 74          | 120         | 25  | 74         | 5            | 16  |
| - Female           | 51                          | 42          | 53          | 7           | 24  | 6          | 16           |     |

1) Includes 65 non-affiliated workers (51 men and 14 women)

# Social Data

## Employee Diversity

| Category  | Unit  | 2022                        | 2023 <sup>1)</sup> | 2024  |     |            |              |     |     |
|---|---|-----------------------------|--------------------|-------|-----|------------|--------------|-----|-----|
|   |   | Total                       | Total              | Total | SKC | SK nexilis | SK picglobal | ISC |     |
| Male  | Number of Male Executives                       | persons                     | 56                 | 58    | 57  | 20         | 18           | 7   | 12  |
|   | Number of Employees in Revenue-Generating Roles | persons                     | 828                | 708   | 673 | 0          | 339          | 262 | 72  |
|   | - Senior Management                             | persons                     | 30                 | 38    | 43  | 0          | 20           | 10  | 13  |
|   | - Middle Management                             | persons                     | 109                | 148   | 136 | 0          | 50           | 52  | 34  |
|   | - Junior Management                             | persons                     | 119                | 72    | 66  | 0          | 31           | 11  | 24  |
|   | - Other   | persons                     | 570                | 450   | 428 | 0          | 238          | 189 | 1   |
|   | Other Roles                                     | persons                     | 733                | 247   | 225 | 86         | 81           | 26  | 32  |
|   | - Senior Management                             | persons                     | 82                 | 50    | 41  | 21         | 10           | 6   | 4   |
|   | - Middle Management                             | persons                     | 241                | 115   | 110 | 40         | 41           | 15  | 14  |
|   | - Junior Management                             | persons                     | 159                | 42    | 45  | 18         | 14           | 2   | 11  |
|   | - Other   | persons                     | 251                | 40    | 29  | 7          | 16           | 3   | 3   |
|   | STEM Roles                                      | persons                     | 68                 | 76    | 154 | 12         | 39           | 0   | 103 |
|   | Female  | Number of Female Executives | persons            | 2     | 5   | 6          | 4            | 2   | 0   |
| Number of Employees in Revenue-Generating Roles |   | persons                     | 77                 | 59    | 149 | 0          | 29           | 20  | 100 |
| - Senior Management                             |   | persons                     | 0                  | 1     | 3   | 0          | 0            | 1   | 2   |
| - Middle Management                             |   | persons                     | 4                  | 8     | 9   | 0          | 2            | 4   | 3   |
| - Junior Management                             |   | persons                     | 27                 | 16    | 20  | 0          | 8            | 3   | 9   |
| - Other   |   | persons                     | 46                 | 34    | 117 | 0          | 19           | 12  | 86  |
| Other Roles                                     |   | persons                     | 175                | 134   | 135 | 61         | 28           | 22  | 24  |
| - Senior Management                             |   | persons                     | 0                  | 3     | 6   | 4          | 1            | 0   | 1   |
| - Middle Management                             |   | persons                     | 49                 | 32    | 37  | 24         | 6            | 2   | 5   |
| - Junior Management                             |   | persons                     | 58                 | 38    | 42  | 14         | 6            | 6   | 16  |
| - Other   |   | persons                     | 68                 | 61    | 50  | 19         | 15           | 14  | 2   |
| STEM Roles                                      | persons   | 31                          | 15                 | 16    | 2   | 7          | 0            | 7   |     |

<sup>1)</sup> Previously reported data revised due to changes in the revenue-role classification criteria for SK nexilis

# Social Data

## Employee Diversity

| Category                  | Unit         | 2022        | 2023    | 2024    |         |            |              |     |   |
|---------------------------|--------------|-------------|---------|---------|---------|------------|--------------|-----|---|
|                           |              | Total       | Total   | Total   | SKC     | SK nexilis | SK picglobal | ISC |   |
| Persons with Disabilities | Total Number | persons (%) | 45(2.3) | 32(2.5) | 30(21)  | 4          | 11           | 8   | 7 |
| National Veterans         | Total Number | persons (%) | 20(1.0) | 22(1.7) | 18(1.3) | 0          | 5            | 13  | 0 |
| Foreign Nationals         | Total Number | persons     | 20      | 20      | 8       | 3          | 3            | 1   | 1 |
|                           | - USA        | persons     | 3       | 4       | 3       | 1          | 1            | 1   | 0 |
|                           | - China      | persons     | 5       | 4       | 4       | 2          | 2            | 0   | 0 |
|                           | - Malaysia   | persons     | 12      | 11      | 0       | 0          | 0            | 0   | 0 |
|                           | - Poland     | persons     | -       | 1       | 0       | 0          | 0            | 0   | 0 |
|                           | - Vietnam    | persons     | -       | -       | 1       | 0          | 0            | 0   | 1 |

## Recruitment & Tenure

| Category      | Unit           | 2022        | 2023      | 2024      |          |            |              |      |     |
|---------------|----------------|-------------|-----------|-----------|----------|------------|--------------|------|-----|
|               |                | Total       | Total     | Total     | SKC      | SK nexilis | SK picglobal | ISC  |     |
| All New Hires | persons        | 290         | 159       | 105       | 11       | 66         | 12           | 16   |     |
| By Gender     | Male           | persons (%) | 198(68.3) | 113(71.1) | 82(78.1) | 8          | 57           | 10   | 7   |
|               | Female         | persons (%) | 92(31.2)  | 46(28.9)  | 23(21.9) | 3          | 9            | 2    | 9   |
| By Age Group  | Under 30       | persons (%) | 152(51.5) | 77(48.4)  | 26(24.8) | 6          | 9            | 6    | 5   |
|               | 30 to Under 50 | persons (%) | 125(43.1) | 75(47.2)  | 65(61.9) | 5          | 46           | 6    | 8   |
|               | Over 50        | persons (%) | 13(4.5)   | 7(4.4)    | 14(13.3) | 0          | 11           | 0    | 3   |
| Tenure        | Average Tenure | years       | 11.1      | 11.1      | 11.2     | 9.0        | 9.3          | 18.7 | 8.0 |
|               | Male           | years       | 12        | 12.2      | 12.1     | 9.8        | 9.9          | 20.0 | 7.5 |
|               | Female         | years       | 6.8       | 5.6       | 7.8      | 7.6        | 4.4          | 10.1 | 8.8 |



# Social Data

## Turnover

| Category                  | Unit                        | 2022    | 2023  | 2024  |     |            |              |     |     |
|---------------------------|-----------------------------|---------|-------|-------|-----|------------|--------------|-----|-----|
|                           |                             | Total   | Total | Total | SKC | SK nexilis | SK picglobal | ISC |     |
| <b>Total Turnover</b>     | <b>Total Turnover</b>       | persons | 178   | 138   | 138 | 13         | 87           | 24  | 14  |
| <b>By Gender</b>          | Male                        | persons | 138   | 97    | 118 | 9          | 77           | 21  | 11  |
|                           | Female                      | persons | 40    | 41    | 20  | 4          | 10           | 3   | 3   |
| <b>By Age Group</b>       | Under 30                    | persons | 91    | 61    | 31  | 0          | 23           | 4   | 4   |
|                           | 30 to Under 50              | persons | 62    | 46    | 69  | 10         | 45           | 8   | 6   |
|                           | Over 50                     | persons | 25    | 31    | 38  | 3          | 19           | 12  | 4   |
| <b>By Position Level</b>  | Executives                  | persons | 6     | 4     | 4   | 1          | 1            | 0   | 2   |
|                           | - Senior Management         | persons | 8     | 8     | 6   | 1          | 2            | 2   | 1   |
|                           | - Middle Management         | persons | 18    | 28    | 33  | 5          | 18           | 8   | 2   |
|                           | - Junior Management         | persons | 146   | 82    | 44  | 6          | 28           | 3   | 7   |
| <b>Voluntary Turnover</b> | Number of Voluntary Leavers | persons | 130   | 95    | 123 | 11         | 86           | 12  | 14  |
|                           | Voluntary Turnover Rate     | %       | 6.6   | 7.3   | 8.7 | 5.9        | 15.8         | 3.6 | 4.0 |

# Social Data

## Evaluation

| Category  |  | Unit    | 2022  | 2023               | 2024  |      |            |              |      |
|---|--|---------|-------|--------------------|-------|------|------------|--------------|------|
|   |  |         | Total | Total              | Total | SKC  | SK nexilis | SK picglobal | ISC  |
| <b>Coverage of Competency-Based Evaluation System</b> |  | %       | 61.6  | 53.3 <sup>1)</sup> | 58.3  | 91.9 | 48.8       | 38.6         | 71.4 |
| <b>Total</b>  | Covered Persons                              | persons | 1,681 | 1,217              | 1,274 | 170  | 461        | 321          | 322  |
|   | Implementation Rate                          | %       | 96.8  | 99.6               | 99.5  | 100  | 100        | 97.8         | 100  |
| <b>By Gender</b>                                      | Male Employees Covered                       | persons | 1,484 | 1,049              | 1,019 | 108  | 417        | 285          | 209  |
|   | Implementation Rate (Male)                   | %       | 98.2  | 99.6               | 98.6  | 100  | 100        | 95.1         | 100  |
|   | Female Employees Covered                     | persons | 197   | 168                | 255   | 62   | 44         | 36           | 113  |
|   | Implementation Rate (Female)                 | %       | 89.2  | 99.4               | 100   | 100  | 100        | 100          | 100  |
| <b>By Position Level</b>                              | Executives Covered                           | persons | 56    | 51                 | 53    | 19   | 17         | 8            | 9    |
|   | Implementation Rate (Executives)             | %       | 100   | 100                | 100   | 100  | 100        | 100          | 100  |
|   | Management-Level Employees Covered           | persons | 791   | 643                | 715   | 133  | 225        | 116          | 241  |
|   | Implementation Rate (Management)             | %       | 97.6  | 98.6               | 100   | 100  | 100        | 100          | 100  |
|   | Non-Management Employees Covered             | persons | 834   | 523                | 506   | 18   | 219        | 197          | 72   |
|   | Implementation Rate (Non-Management)         | %       | 96.8  | 99.8               | 98.8  | 100  | 100        | 97.0         | 100  |
| <b>By Evaluation Method</b>                           | Implementation Rate of 360-Degree Evaluation | %       | 49.2  | 61.4               | 58.9  | 88.8 | 52.5       | 36.1         | 74.8 |
|   | Implementation Rate of Goal Management       | %       | 36.2  | 73.5               | 76.0  | 89.4 | 99.6       | 36.1         | 74.8 |

<sup>1)</sup> Data previously reported by SK nexilis has been revised due to changes in evaluation criteria

## Equal Pay

| Category                  |   | Unit  | 2022  | 2023  | 2024  |     |            |              |     |
|---------------------------|---|-------|-------|-------|-------|-----|------------|--------------|-----|
|                           |   |       | Total | Total | Total | SKC | SK nexilis | SK picglobal | ISC |
| <b>Equal Pay</b>          | Ratio of Female to Male Base Salary <sup>1)</sup>                       | %     | 100   | 100   | 100   | 100 | 100        | 100          | 100 |
| <b>Compensation Ratio</b> | Ratio of Highest-Paid Employee's Compensation to Median Employee Salary | times | 8.9   | 5.8   | 5.8   | 7.3 | 6.4        | 4.3          | 5.8 |

<sup>1)</sup> Based on entry-level base salary

# Social Data

## Education

| Category           | Unit                            | 2022         | 2023      | 2024      |           |            |              |         |        |
|--------------------|---------------------------------|--------------|-----------|-----------|-----------|------------|--------------|---------|--------|
|                    |                                 | Total        | Total     | Total     | SKC       | SK nexilis | SK picglobal | ISC     |        |
| Education Hours    | Total Education Hours           | hours        | 64,756    | 46,677    | 28,731    | 7,345      | 7,390        | 6,513   | 7,483  |
|                    | Education Hours per Employee    | hours        | 32.9      | 35.9      | 20.3      | 39.7       | 13.6         | 19.3    | 21.4   |
|                    | By Gender                       |              |           |           |           |            |              |         |        |
|                    | - Male                          | hours        | 33        | 33.9      | 21.2      | 41.3       | 13.0         | 19.8    | 30.4   |
|                    | - Female                        | hours        | 32.2      | 46.0      | 16.9      | 36.9       | 18.3         | 15.7    | 6.4    |
| Education Expenses | Total Education Expenses        | KRW thousand | 4,612,848 | 4,935,761 | 2,913,175 | 1,264,677  | 1,104,748    | 446,545 | 97,205 |
|                    | Education Expenses Per Employee | KRW thousand | 2,348     | 3,791     | 2,059     | 6,836      | 2,035        | 1,325   | 278    |

## Parental Leave

| Category                                       | Unit                                      | 2022    | 2023  | 2024  |      |            |              |      |                 |
|--|---|---------|-------|-------|------|------------|--------------|------|-----------------|
|  |   | Total   | Total | Total | SKC  | SK nexilis | SK picglobal | ISC  |                 |
| Employees Eligible for Parental Leave          | Male                                      | persons | 406   | 242   | 304  | 28         | 144          | 62   | 70              |
|  | Female                                    | persons | 35    | 34    | 32   | 3          | 6            | 9    | 14              |
| Employees Who Took Parental Leave              | Male                                      | persons | 8     | 11    | 19   | 2          | 10           | 6    | 1               |
|  | Female                                    | persons | 22    | 16    | 9    | 2          | 2            | 2    | 3               |
| Employees Who Returned to Work                 | Male                                      | persons | 5     | 7     | 12   | 1          | 5            | 5    | 1               |
|  | Female                                    | persons | 11    | 13    | 3    | 2          | 0            | 0    | 1               |
|  | Return-to-Work Rate                       | %       | 70.0  | 87.5  | 78.9 | 100        | 100          | 71.4 | 50.0            |
| Employees Retained for 12+ Months After Return | Male                                      | persons | 1     | 5     | 2    | 1          | 1            | 0    | 0               |
|  | Female                                    | persons | 7     | 10    | 15   | 2          | 3            | 9    | 1               |
|  | Retention Rate After Return <sup>1)</sup> | %       | 50.0  | 93.8  | 85.0 | 100        | 100          | 69.2 | - <sup>2)</sup> |

1) Data has been revised due to changes in the calculation criteria

2) For ISC, returnee data after 2024 was not available due to limitations in data aggregation

# Social Data

## Human Rights Reporting and Resolution

| Category                         | Unit  | 2022  | 2023  | 2024  |     |            |              |     |
|----------------------------------|-------|-------|-------|-------|-----|------------|--------------|-----|
|                                  |       | Total | Total | Total | SKC | SK nexilis | SK picglobal | ISC |
| Human Rights-Related Reports     | cases | 0     | 0     | 0     | 0   | 0          | 0            | 0   |
| Human Rights-Related Resolutions | cases | 0     | 0     | 0     | 0   | 0          | 0            | 0   |
| Cases of Discrimination          | cases | 0     | 0     | 0     | 0   | 0          | 0            | 0   |

## Human Rights Regulatory Violations

| Category             | Unit         | 2022  | 2023  | 2024  |     |            |              |     |
|----------------------|--------------|-------|-------|-------|-----|------------|--------------|-----|
|                      |              | Total | Total | Total | SKC | SK nexilis | SK picglobal | ISC |
| Number of Violations | cases        | 0     | 0     | 0     | 0   | 0          | 0            | 0   |
| Penalties            | KRW thousand | 0     | 0     | 0     | 0   | 0          | 0            | 0   |
| Fines                | KRW thousand | 0     | 0     | 0     | 0   | 0          | 0            | 0   |

## Human Rights Education

| Category                                   | Unit                         | 2022  | 2023              | 2024  |     |            |              |     |
|--|------------------------------|-------|-------------------|-------|-----|------------|--------------|-----|
|  |                              | Total | Total             | Total | SKC | SK nexilis | SK picglobal | ISC |
| Total                                      | Education Hours per Employee | 2.1   | 3.0 <sup>1)</sup> | 2.0   | 2.0 | 1.7        | 2.0          | 2.1 |
|  | Employee Completion Rate     | 100   | 100               | 100   | 100 | 100        | 100          | 100 |
| Sexual Harassment Prevention Education     | Education Hours per Employee | 1.0   | 1.5               | 1.0   | 1.0 | 0.7        | 1.0          | 1.1 |
|  | Employee Completion Rate     | 100   | 100               | 100   | 100 | 100        | 100          | 100 |
| Disability Awareness Improvement Education | Education Hours per Employee | 1.0   | 1.5               | 1.0   | 1.0 | 1.0        | 1.0          | 1.0 |
|  | Employee Completion Rate     | 100   | 100               | 100   | 100 | 100        | 100          | 100 |

<sup>1)</sup> Data previously reported by SK picglobal has been revised due to changes in calculation criteria

# Social Data

## Occupational Safety and Health

| Category          | Unit                           | 2022  | 2023  | 2024  |                 |            |              |     |
|-------------------|--------------------------------|-------|-------|-------|-----------------|------------|--------------|-----|
|                   |                                | Total | Total | Total | SKC             | SK nexilis | SK picglobal | ISC |
| Safety Management | Risk Assessments <sup>1)</sup> | V     | V     | V     | - <sup>2)</sup> | V          | V            | V   |
|                   | Supplier Safety Management     | V     | V     | V     | - <sup>3)</sup> | V          | V            | V   |
| Health Support    | Physical Health Support        | V     | V     | V     | V               | V          | V            | V   |
|                   | Mental Health Support          | V     | V     | V     | V               | N          | V            | V   |

1) Business sites operated primarily by office workers (Seoul, Cheonan, Icheon, Songdo) are excluded  
 2) Until 2023, the SKC R&D Center was subject to risk assessment  
 3) SKC's suppliers are limited to indirect services (e.g., IT systems, consulting), and therefore are not included in occupational safety and health management

## Industrial Accidents

| Category  | Unit                        | 2022      | 2023      | 2024      |         |            |              |         |
|---|-----------------------------|-----------|-----------|-----------|---------|------------|--------------|---------|
|   |                             | Total     | Total     | Total     | SKC     | SK nexilis | SK picglobal | ISC     |
| Total Working Hours <sup>1)</sup>                       | Employees                   | 4,586,780 | 3,251,380 | 2,896,080 | 419,760 | 945,120    | 636,240      | 894,960 |
|   | Suppliers                   | 1,548,140 | 1,564,530 | 712,800   | -       | 245,520    | 464,640      | 2,640   |
| Number of Fatalities                                    | Employees                   | 0         | 0         | 0         | 0       | 0          | 0            | 0       |
|   | Suppliers                   | 0         | 0         | 0         | -       | 0          | 0            | 0       |
| Occupational Illness Cases                              | cases                       | 0         | 0         | 0         | 0       | 0          | 0            | 0       |
| Occupational Illness Frequency Rate (OIFR)              | cases per 20 thousand hours | 0         | 0         | 0         | 0       | 0          | 0            | 0       |
| Total Lost-Time Injuries                                | Total                       | 18        | 11        | 5         | 0       | 3          | 2            | 0       |
|   | Employees                   | 15        | 7         | 5         | 0       | 3          | 2            | 0       |
|   | Suppliers                   | 3         | 4         | 0         | -       | 0          | 0            | 0       |
| Lost-Time Injuries Frequency Rate (LTIFR) <sup>2)</sup> | Total                       | 2.93      | 2.28      | 1.39      | 0       | 2.52       | 1.82         | 0       |
|   | Employees                   | 3.27      | 2.15      | 1.73      | 0       | 3.17       | 3.14         | 0       |
|   | Suppliers                   | 1.94      | 2.56      | 0         | -       | 0          | 0            | 0       |

1) Calculated as: number of workers at business sites × 10 hours/day × 22 days/month × 12 months  
 2) Calculated as: total number of lost-time injury cases ÷ total working hours × 1,000,000

# Social Data

## Occupational Safety and Health Certification

| Category  | Unit   | 2022  | 2023  | 2024  |     |            |              |     |    |
|---|--|-------|-------|-------|-----|------------|--------------|-----|----|
|   |  | Total | Total | Total | SKC | SK nexilis | SK picglobal | ISC |    |
| Ratio of Internationally Certified Business Sites <sup>1)</sup> | ISO 45001 (Occupational Health and Safety Management System) | %     | 80    | 83    | 43  | -          | 50           | 100 | 25 |

<sup>1)</sup> Business sites operated primarily by office workers (Seoul, Cheonan, Icheon, Songdo) are excluded

## Occupational Safety and Health Education Participation<sup>1)</sup>

| Category                          | Unit    | 2022  | 2023  | 2024  |     |            |              |     |
|-----------------------------------|---------|-------|-------|-------|-----|------------|--------------|-----|
|                                   |         | Total | Total | Total | SKC | SK nexilis | SK picglobal | ISC |
| Target Participants <sup>2)</sup> | persons | 1,330 | 799   | 876   | -   | 385        | 177          | 314 |
| Participants                      | persons | 1,330 | 799   | 876   | -   | 385        | 177          | 314 |
| Employee Completion Rate          | %       | 100   | 100   | 100   | -   | 100        | 100          | 100 |

<sup>1)</sup> Business sites operated primarily by office workers (Seoul, Cheonan, Icheon, Songdo) are excluded

<sup>2)</sup> Based on the criteria for mandatory safety and health education under the Occupational Safety and Health Act

## SHE Opinion Collection<sup>1)</sup>

| Category                  | Unit  | 2022  | 2023  | 2024  |     |            |              |     |
|---------------------------|-------|-------|-------|-------|-----|------------|--------------|-----|
|                           |       | Total | Total | Total | SKC | SK nexilis | SK picglobal | ISC |
| Number of Opinions        | cases | -     | 394   | 150   | -   | 37         | 105          | 8   |
| Cases Resolved            | cases | -     | 375   | 145   | -   | 32         | 105          | 8   |
| Number of Cases Processed | %     | -     | 95.2  | 96.7  | -   | 86.5       | 100          | 100 |

<sup>1)</sup> SK nexilis: Number of Occupational Safety and Health Committee agenda items; SK picglobal: SHE Suggestion System; ISC: Employee opinion collection channels

## Occupational Safety and Health Regulatory Violations

| Category             | Unit         | 2022  | 2023  | 2024   |     |            |              |     |
|----------------------|--------------|-------|-------|--------|-----|------------|--------------|-----|
|                      |              | Total | Total | Total  | SKC | SK nexilis | SK picglobal | ISC |
| Number of Violations | cases        | 4     | 4     | 3      | -   | 0          | 3            | 0   |
| Penalties            | KRW thousand | 4,560 | -     | 40,400 | -   | 0          | 40,400       | 0   |

# Social Data

## Supplier Management

| Category                             | Unit  | 2022      | 2023            | 2024  |     |            |              |                   |
|--------------------------------------|---|-----------|-----------------|-------|-----|------------|--------------|-------------------|
|                                      |   | Total     | Total           | Total | SKC | SK nexilis | SK picglobal | ISC <sup>3)</sup> |
| Total Number of Suppliers            | companies   | 1,526     | 933             | 674   | 89  | 240        | 291          | 54                |
| Number of Newly Registered Suppliers | companies   | 187       | 212             | 274   | 19  | 77         | 32           | 146               |
| ESG Compliance Pledge by Suppliers   | Signature Rate  | %         | - <sup>1)</sup> | 100   | 100 | 100        | 100          | -                 |
|                                      | Compliance Rate   | %         | - <sup>2)</sup> | 100   | 100 | 100        | 100          | -                 |
| ESG Assessment                       | Number of Suppliers Assessed for ESG Risks                                  | companies | 70              | 56    | 30  | -          | 10           | 20                |
|                                      | Implementation Rate of Corrective Actions Among ESG Risk-Assessed Suppliers | %         | 13              | 0     | 0   | -          | 0            | 0                 |
| Environmental Impact Assessment      | High-Risk Suppliers   | companies | 26              | 32    | 9   | -          | 5            | 4                 |
|                                      | Suppliers That Implemented Corrective Actions                               | companies | 9               | 0     | 0   | -          | 0            | 0                 |
| Social Impact Assessment             | High-Risk Suppliers   | companies | 6               | 13    | 5   | -          | 1            | 4                 |
|                                      | Suppliers That Implemented Corrective Actions                               | companies | 9               | 0     | 0   | -          | 0            | 0                 |

1) 2) Purchasing system established since 2023 allowing for tracking suppliers' ESG compliance pledges

3) ISC plans to establish an ESG management system, including ESG compliance pledges and ESG assessments, and is therefore not included in the 2024 data

## Supplier Grievance Resolution

| Category                      | Unit                          | 2022  | 2023  | 2024  |     |            |              |     |
|-------------------------------|-------------------------------|-------|-------|-------|-----|------------|--------------|-----|
|                               |                               | Total | Total | Total | SKC | SK nexilis | SK picglobal | ISC |
| Supplier Grievance Resolution | Number of Grievances Received | cases | 0     | 0     | 0   | 0          | 0            | 0   |
|                               | Number of Cases Resolved      | cases | 0     | 0     | 0   | 0          | 0            | 0   |
|                               | Resolution Rate               | %     | 0     | 0     | 0   | 0          | 0            | 0   |

## Supplier Purchasing

| Category            | Unit   | 2022            | 2023  | 2024  |      |            |              |      |
|---------------------|--|-----------------|-------|-------|------|------------|--------------|------|
|                     |  | Total           | Total | Total | SKC  | SK nexilis | SK picglobal | ISC  |
| Supplier Purchasing | Amount Spent on Recycled Raw Materials <sup>1)</sup> | KRW 100 million | 4,536 | 2,563 | 362  | -          | 362          | -    |
|                     | Purchase Ratio From Domestic Suppliers               | %               | 93.1  | 87.9  | 96.4 | 100        | 78.3         | 99.3 |

1) Amount spent on recycled raw materials (copper from waste cables)



# Governance Data

## Board Composition

|              | Category                                | Unit        | 2022  | 2023  | 2024  |
|--------------|---|-------------|-------|-------|-------|
| Independence | Ratio of Independent Directors          | %           | 57.1  | 57.1  | 57.1  |
|              | Limit on Number of Concurrent Positions | companies   | 2     | 2     | 2     |
| Diversity    | Male                                    | persons (%) | 5(71) | 5(71) | 5(71) |
|              | Female                                  | persons (%) | 2(29) | 2(29) | 2(29) |
|              | Under 30                                | %           | 0     | 0     | 0     |
|              | 30 to 50                                | %           | 29    | 29    | 14    |
|              | 50 or older                             | %           | 71    | 71    | 86    |
| Expertise    | Directors With Industry Experience      | persons (%) | 3(43) | 3(43) | 3(43) |
|              | Risk Management Experts                 | persons (%) | 1(14) | 1(14) | 2(29) |
|              | Finance Experts                         | persons (%) | 2(29) | 2(29) | 2(29) |
|              | ESG Experts                             | persons (%) | 1(14) | 1(14) | 1(14) |
| Efficiency   | Average Tenure                          | years       | 2.6   | 2     | 2     |
|              | Attendance Rate <sup>1)</sup>           | %           | 94.0  | 92.9  | 93.3  |

<sup>1)</sup> Data has been revised due to changes in the calculation standard (reflecting attendance of both directors before appointment and after resignation)

## Board Responsibilities

|                           | Category  | Unit  | 2022 | 2023 | 2024 |
|---------------------------|---|-------|------|------|------|
| Responsibility Mitigation | Directors and Officers (D&O) Liability Insurance Coverage | V     | V    | V    | V    |
|                           | Number of Leadership-Related Incidents                    | cases | 0    | 0    | 0    |
| Director Education        | Participation in In-House Education                       | V     | V    | V    | V    |
|                           | Use of External Experts Upon Request                      | V     | V    | V    | V    |

## Board Operations

|                               | Category              | Unit     | 2022 | 2023 | 2024 |
|-------------------------------|-----------------------|----------|------|------|------|
| Number of Board Meetings Held |                       | sessions | 15   | 15   | 14   |
| Reports and Resolutions       | Reporting Agenda      | cases    | 19   | 31   | 36   |
|                               | Resolved Agenda Items | cases    | 52   | 34   | 28   |
| Opinions by Agenda            | Approved              | cases    | 50   | 34   | 28   |
|                               | Opposed               | cases    | 0    | 0    | 0    |
|                               | Modified              | cases    | 2    | 0    | 0    |
|                               | Abstained             | cases    | 0    | 0    | 0    |

# Governance Data

## Board Committees

|  | Category  | Unit     | 2022 <sup>1)</sup> | 2023 | 2024 |
|--|---|----------|--------------------|------|------|
| Independent Director Recommendation Committee          | Number of Members   | persons  | 3                  | 4    | 4    |
|  | Ratio of Independent Directors                                | %        | 66.7               | 75.0 | 75.0 |
|  | CEO Participation (excluding when 100% independent directors) | V        | -                  | -    | -    |
|  | Number of Board Meetings Held                                 | sessions | 4                  | 3    | 5    |
|  | Attendance Rate   | %        | 100                | 88.9 | 100  |
|  | Resolved Agenda Items   | cases    | 2                  | 1    | 3    |
|  | Reporting Agenda  | cases    | 5                  | 3    | 4    |
| Future Strategic Planning Committee <sup>1)</sup>      | Number of Members   | persons  | -                  | 5    | 5    |
|  | Ratio of Independent Directors                                | %        | -                  | 60.0 | 60.0 |
|  | Number of Board Meetings Held                                 | sessions | -                  | 7    | 8    |
|  | Attendance Rate   | %        | -                  | 91.4 | 93.7 |
|  | Resolved Agenda Items   | cases    | -                  | 1    | 0    |
| HR Evaluation and Remuneration Committee <sup>1)</sup> | Reporting Agenda  | cases    | -                  | 10   | 14   |
|  | Number of Members   | persons  | -                  | 4    | 4    |
|  | Ratio of Independent Directors                                | %        | -                  | 75.0 | 75.0 |
|  | Number of Board Meetings Held                                 | sessions | -                  | 5    | 10   |
|  | Attendance Rate   | %        | -                  | 100  | 91.2 |
|  | Resolved Agenda Items   | cases    | -                  | 1    | 2    |
|  | Reported Agenda Items   | cases    | -                  | 6    | 13   |

<sup>1)</sup> The Future Strategic Planning Committee and HR Committee were newly established in 2023 and therefore do not have 2022 data

|                                | Category                                    | Unit              | 2022    | 2023 | 2024 |
|--------------------------------|---|-------------------|---------|------|------|
| Audit Committee                | Number of Members                           | persons           | 3       | 3    | 3    |
|                                | Ratio of Independent Directors              | %                 | 100     | 100  | 100  |
|                                | Financial Expertise of Committee Chair      | V                 | V       | -    | -    |
|                                | Finance Experts                             | persons           | 1       | 1    | 1    |
|                                | Number of Board Meetings Held               | cases             | 9       | 10   | 13   |
|                                | Attendance Rate                             | %                 | 100     | 100  | 100  |
|                                | Resolved Agenda Items                       | cases             | 5       | 5    | 16   |
|                                | Reporting Agenda                            | cases             | 13      | 18   | 18   |
|                                | Number of Objections or Amendment Proposals | cases             | 0       | 0    | 0    |
|                                | Internal Transactions Committee             | Number of Members | persons | 2    | 3    |
| Ratio of Independent Directors |   | %                 | 100     | 100  | 100  |
| Number of Board Meetings Held  |   | cases             | 9       | 8    | 12   |
| Attendance Rate                |   | %                 | 100     | 100  | 97.3 |
| Resolved Agenda Items          |   | cases             | 1       | 1    | 0    |
| Reporting Agenda               |   | cases             | 21      | 17   | 17   |
| Number of Members              |   | persons           | 5       | 3    | 3    |
| ESG Committee                  | Ratio of Independent Directors              | %                 | 60.0    | 66.7 | 66.7 |
|                                | ESG Experts                                 | persons           | 1       | 1    | 1    |
|                                | Number of Board Meetings Held               | sessions          | 8       | 10   | 8    |
|                                | Attendance Rate                             | %                 | 100     | 86.4 | 97.0 |
|                                | Resolved Agenda Items                       | cases             | 1       | 2    | 0    |
|                                | Reporting Agenda                            | cases             | 7       | 7    | 3    |
|                                | Pre-Deliberation Agenda Items               | cases             | 5       | 5    | 7    |
|                                | Pre-Review Agenda Items                     | cases             | 2       | 9    | 5    |

# Governance Data

## Strengthening Shareholder Rights

| Category                            |  | Unit | 2022 | 2023 | 2024 |
|-------------------------------------|--|------|------|------|------|
| Promotion of Voting Rights Exercise | Introduction of Electronic Voting System                   | V    | V    | V    | V    |
|                                     | Offer Proxy Voting for All Shareholders                    | V    | V    | V    | V    |
| Shareholder Rights Protection       | Notification of Agenda Items Before Shareholders' Meetings | V    | V    | V    | V    |
|                                     | Disclosure of Audit Report Prior to Notice of Convocation  | V    | V    | V    | V    |

## Efforts for Ethical Management

| Category                  |   | Unit  | 2022 | 2023 | 2024 |
|---------------------------|---|-------|------|------|------|
| Ethics Education          | Education Hours per Employee            | hours | 1.5  | 1.0  | 1.0  |
|                           | Completion Rate                         | %     | 100  | 100  | 100  |
|                           | Ethics Education for Suppliers          | V     | V    | V    | V    |
| Anti-Corruption Education | Anti-Corruption Education               | V     | V    | V    | V    |
|                           | Anti-Corruption Education for Suppliers | V     | V    | V    | V    |
| Online Ethics Pledge Rate | %                                       | 100   | 100  | 100  |      |

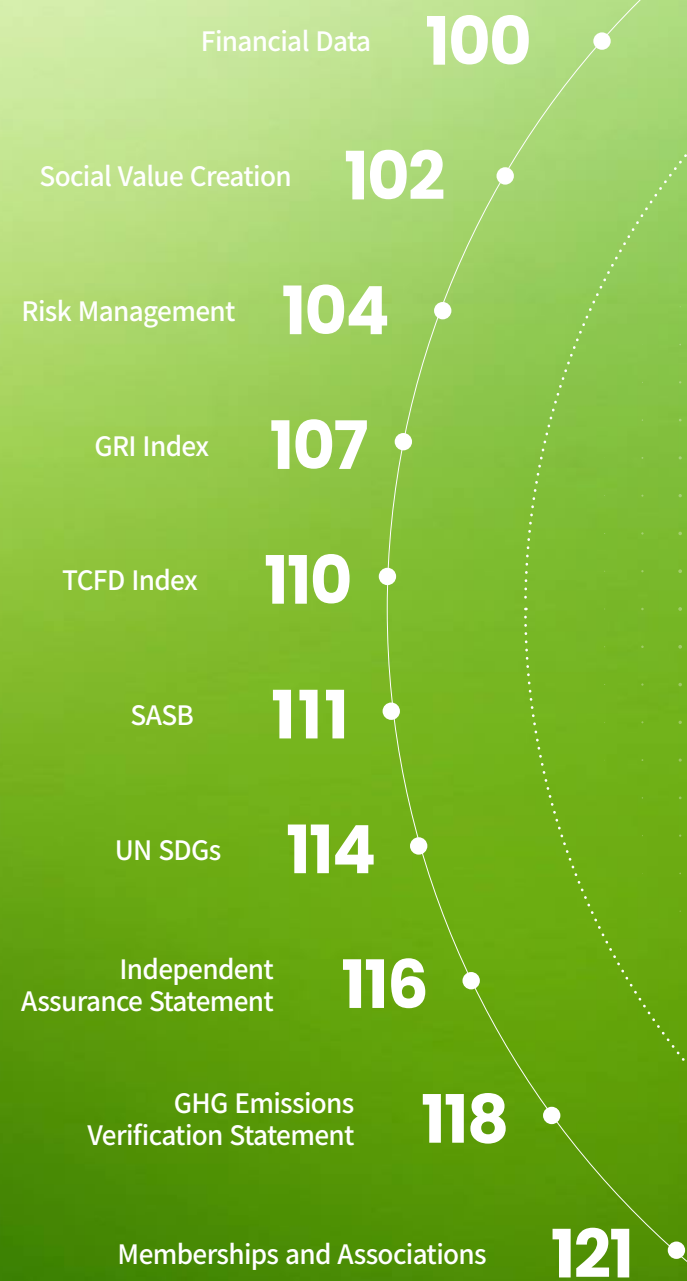
## Fair Trade Compliance Efforts

| Category                      |                            | Unit | 2022 | 2023 | 2024 |
|-------------------------------|----------------------------|------|------|------|------|
| Fair Trade Compliance Program | Internal Monitoring System | V    | V    | V    | V    |

## Ethical Management Counseling and Reporting

| Category                                    |   | Unit  | 2022 | 2023 | 2024 |
|---|---|-------|------|------|------|
| Reports and Inquiries on Ethical Management | Total Reports   | cases | 9    | 6    | 5    |
|   | - Employees   | cases | 7    | 4    | 2    |
|   | - Suppliers   | cases | 1    | 0    | 1    |
|   | - Customers   | cases | 0    | 0    | 0    |
|   | - Others  | cases | 1    | 2    | 2    |
| Violations of the Code of Conduct           | Total   | cases | 9    | 6    | 5    |
|   | - Sexual Harassment / Workplace Harassment                    | cases | 3    | 1    | 1    |
|   | - Bribery or Receipt of Gifts                                 | cases | 1    | 0    | 0    |
|   | - Non-Compliance with Ethical Standards                       | cases | 1    | 1    | 3    |
|   | - Violations of Safety, Health, and Environmental Regulations | cases | 1    | 0    | 0    |
|   | - Negligence of Duty  | cases | 0    | 1    | 0    |
|   | - Others  | cases | 3    | 3    | 1    |
| Actions Taken                               | Investigation (Audit)   | cases | 8    | 3    | 4    |
|   | Transferred to Relevant Department                            | cases | 1    | 3    | 1    |
|   | Other (e.g., Dismissed Cases)                                 | cases | 0    | 0    | 0    |

# Appendix



# Financial Data

## Summary of Consolidated Financial Information

(Unit: KRW)

| Category  | 2024                     | 2023                     | 2022                     |
|---|--------------------------|--------------------------|--------------------------|
|   | 52nd                     | 51st                     | 50th                     |
| <b>Non-current Assets</b>   | <b>5,228,226,893,488</b> | <b>4,951,062,237,944</b> | <b>3,866,947,514,202</b> |
| Tangible Assets / Right-of-Use Assets                                 | 3,305,753,148,067        | 2,738,905,434,990        | 1,978,765,342,581        |
| Intangible Assets / Goodwill  | 1,492,808,088,301        | 1,670,875,478,446        | 1,523,593,341,383        |
| Investment Properties   | 78,165,940,861           | 68,484,446,725           | 747,025,637              |
| Long-Term Financial Instruments                                       | 43,222,851               | 27,500,000               | 248,816,366              |
| Investments in Associates and Joint Ventures                          | 205,485,622,688          | 248,587,966,734          | 241,604,420,420          |
| Long-Term Investment Securities                                       | 11,977,485,812           | 46,255,573,779           | 12,638,407,037           |
| Other Long-Term Receivables<br>(Loans, Accounts Receivable, Deposits) | 8,757,294,496            | 15,588,585,038           | 7,979,608,985            |
| Derivative Financial Assets   | 904,439,021              | 12,141,742,309           | 5,874,301,081            |
| Deferred Tax Assets   | 77,085,260,109           | 90,026,092,372           | 41,117,058,698           |
| Other Non-Current Assets  | 47,246,391,282           | 60,169,417,551           | 54,379,192,014           |
| <b>Current Assets</b>   | <b>1,520,451,642,691</b> | <b>2,081,259,893,738</b> | <b>2,526,145,050,706</b> |
| Trade Receivables   | 218,212,767,051          | 162,451,481,898          | 388,081,444,299          |
| Other Receivables   | 51,554,171,046           | 21,759,523,353           | 29,236,584,746           |
| Derivatives   | 4,243,665,412            | 6,036,282,704            | 3,474,168,439            |
| Other Current Assets  | 79,759,947,103           | 93,769,094,760           | 87,639,429,555           |
| Inventories   | 234,679,326,195          | 332,902,731,126          | 553,271,367,576          |
| Short-Term Financial Instruments                                      | 322,476,500,000          | 29,447,000,000           | 366,000,000,000          |
| Cash and Cash Equivalents   | 403,559,820,743          | 531,046,016,471          | 1,098,442,056,091        |
| Current tax assets  |                          | -                        | -                        |
| Assets Held For Sale  | 205,965,445,141          | 903,847,763,426          | -                        |
| <b>Total Assets</b>   | <b>6,748,678,536,179</b> | <b>7,032,322,131,682</b> | <b>6,393,092,564,908</b> |
| <b>Attributable to Owners of Parent</b>                               | <b>1,172,309,309,435</b> | <b>1,410,660,511,084</b> | <b>1,725,496,452,384</b> |
| Capital   | 189,341,490,000          | 189,341,490,000          | 189,341,490,000          |
| Additional Paid-In Capital  | 3,749,041,068            | 1,350,786,348            | 79,708,566,928           |
| Retained Earnings (Consolidated)                                      | 685,856,971,671          | 1,135,515,621,582        | 1,450,957,852,808        |
| Accumulated Other Comprehensive Income (Consolidated)                 | 293,361,806,696          | 84,452,613,154           | 5,488,542,648            |

(Unit: KRW)

| Category  | 2024                     | 2023                     | 2022                     |
|---|--------------------------|--------------------------|--------------------------|
|   | 52nd                     | 51st                     | 50th                     |
| <b>Non-controlling Interests</b>  | <b>1,120,423,398,543</b> | <b>1,113,763,737,856</b> | <b>516,354,308,824</b>   |
| Total Equity  | 2,292,732,707,978        | 2,524,424,248,940        | 2,241,850,761,208        |
| Valuation Method for Investments in Subsidiaries,<br>Associates, and Joint Ventures | Cost Method              | Cost Method              | Cost Method              |
| <b>Non-current Liabilities</b>  | <b>2,244,911,265,914</b> | <b>2,662,321,928,790</b> | <b>2,280,356,237,847</b> |
| <b>Current Liabilities</b>  | <b>2,211,034,562,287</b> | <b>1,845,575,953,952</b> | <b>1,870,885,565,853</b> |
| <b>Total Liabilities</b>  | <b>4,455,945,828,201</b> | <b>4,507,897,882,742</b> | <b>4,151,241,803,700</b> |

| Category  | January 1, 2024 to December 31, 2024 | January 1, 2023 to December 31, 2023 | January 1, 2022 to December 31, 2022 |
|---|--------------------------------------|--------------------------------------|--------------------------------------|
| Revenue   | 1,721,564,345,604                    | 1,493,474,706,830                    | 2,296,659,590,933                    |
| Operating Profit (Loss)                                     | -276,832,854,584                     | -213,727,995,613                     | 171,528,604,222                      |
| Profit (Loss) Before Tax From Continuing Operations         | -661,977,166,265                     | -398,614,019,112                     | 176,767,747,425                      |
| Net Profit (Loss) from Continuing Operations                | -578,220,907,942                     | -279,151,949,676                     | 186,825,915,265                      |
| Net Profit (Loss) From Discontinued Operations After Tax    | 123,165,366,343                      | -47,208,067,350                      | -211,462,742,206                     |
| Net Profit  | -455,055,541,599                     | -326,360,017,026                     | -24,636,826,941                      |
| Net Profit (Loss) Attributable to Owners of the Parent      | -443,482,911,248                     | -275,533,847,969                     | -69,056,595,178                      |
| Net Profit (Loss) Attributable to Non-Controlling Interests | -11,572,630,351                      | -50,826,169,057                      | 44,419,768,237                       |
| <b>Basic Earnings Per Share</b>                             |                                      |                                      |                                      |
| Continuing Operations Income                                | -16,663                              | -6,749                               | 3,927                                |
| Discontinued Operations Income (Loss)                       | 3,630                                | -1,356                               | -5,864                               |
| <b>Diluted Earnings Per Share</b>                           |                                      |                                      |                                      |
| Continuing Operations Income                                | -16,663                              | -6,749                               | 3,922                                |
| Discontinued Operations Income (Loss)                       | 3,630                                | -1,356                               | -5,856                               |
| Number of Consolidated Entities Included                    | 22                                   | 42                                   | 33                                   |

\* The above summary of consolidated financial information has been prepared in accordance with Korean International Financial Reporting Standards (K-IFRS)

# Financial Data

## Summary of Separate Financial Information

(Unit: KRW)

| Category   | 2024                     | 2023                     | 2022                     |
|--|--------------------------|--------------------------|--------------------------|
|  | 52nd                     | 51st                     | 50th                     |
| <b>Non-current Assets</b>  | <b>2,868,675,469,323</b> | <b>2,637,665,936,082</b> | <b>2,395,687,838,270</b> |
| Tangible Assets / Right-of-Use Assets  | 28,937,386,808           | 32,945,934,547           | 68,252,085,414           |
| Intangible Assets  | 19,814,515,480           | 21,962,177,922           | 20,605,360,713           |
| Investment Property  | 27,675,656,955           | 47,187,734,769           | 16,581,731,637           |
| Long-Term Financial Instruments  | 19,500,000               | 22,000,000               | 22,000,000               |
| Investments in Subsidiaries and Associates                                       | 2,763,965,898,700        | 2,440,218,404,837        | 2,263,862,526,314        |
| Long-Term Investment Securities / Derivative Financial Assets                    | 17,204,908,368           | 78,737,417,451           | 4,436,135,302            |
| Finance Lease Receivables / Long-Term Loans / Deposits                           | 1,546,868,600            | 8,695,075,929            | 9,659,120,757            |
| Other Assets / Deferred Tax Assets   | 9,510,734,412            | 7,897,190,627            | 12,268,878,133           |
| <b>Current Assets</b>  | <b>32,038,391,894</b>    | <b>393,538,419,180</b>   | <b>862,564,370,037</b>   |
| Trade Receivables  | 2,145,158,787            | 2,369,875,639            | 3,951,479,515            |
| Accrued Income / Lease Receivables / Deposits / Loans                            | 12,651,764,922           | 7,105,886,700            | 21,840,125,869           |
| Derivative Financial Assets  | -                        | -                        | 125,878,593              |
| Other Current Assets   | 12,898,539,492           | 10,125,471,949           | 13,543,053,042           |
| Inventories  | -                        | -                        | 2,039,949,209            |
| Short-Term Financial Instruments   | -                        | -                        | 366,000,000,000          |
| Cash and Cash Equivalents  | 1,617,728,693            | 1,394,024,819            | 455,063,883,809          |
| Assets Held For Sale   | 2,725,200,000            | 372,543,160,073          | -                        |
| <b>Total Assets</b>  | <b>2,900,713,861,217</b> | <b>3,031,204,355,262</b> | <b>3,258,252,208,307</b> |
| Capital  | 189,341,490,000          | 189,341,490,000          | 189,341,490,000          |
| Additional Paid-In Capital   | -85,403,587,630          | -97,837,184,360          | -100,192,489,235         |
| Retained Earnings  | 1,445,683,888,991        | 1,718,476,761,231        | 1,762,306,500,846        |
| Accumulated Other Comprehensive Income   | -7,844,923,459           | -8,607,463,039           | -8,646,991,346           |
| <b>Total Equity</b>  | <b>1,541,776,867,902</b> | <b>1,801,373,603,832</b> | <b>1,842,808,510,265</b> |
| Valuation Method for Investments in Subsidiaries, Associates, and Joint Ventures | Cost Method              | Cost Method              | Cost Method              |
| <b>Non-current Liabilities</b>   | <b>605,928,248,188</b>   | <b>574,214,481,934</b>   | <b>612,244,528,411</b>   |
| <b>Current Liabilities</b>   | <b>753,008,745,127</b>   | <b>655,616,269,496</b>   | <b>803,199,169,631</b>   |
| <b>Total Liabilities</b>   | <b>1,358,936,993,315</b> | <b>1,229,830,751,430</b> | <b>1,415,443,698,042</b> |

(Unit: KRW)

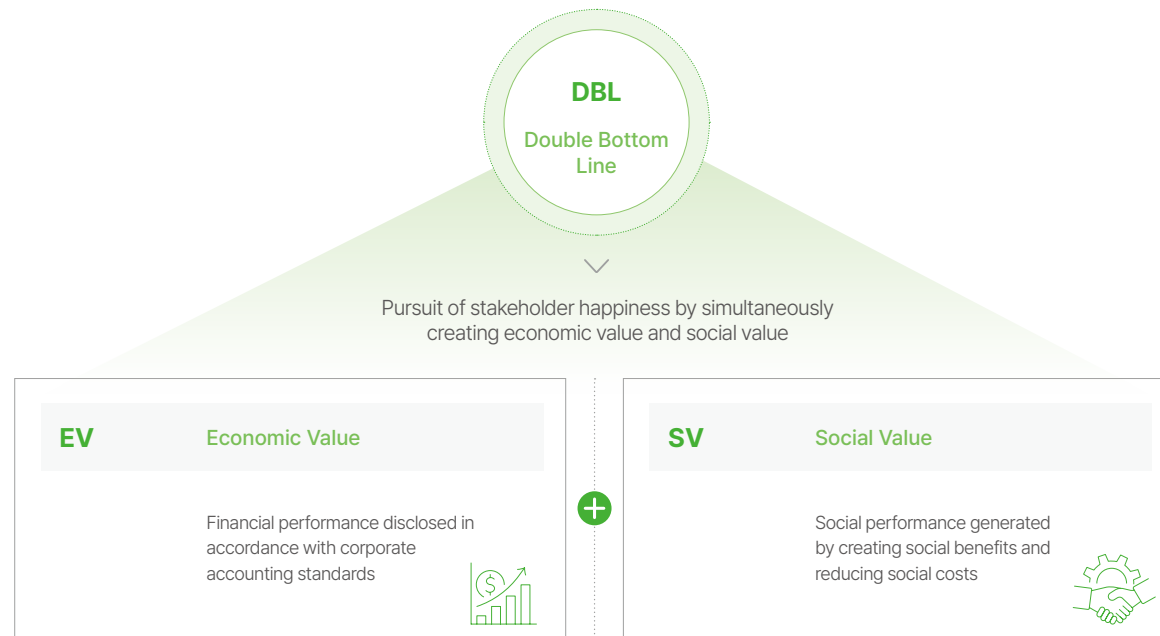
| Category   | January 1, 2024 to December 31, 2024 | January 1, 2023 to December 31, 2023 | January 1, 2022 to December 31, 2022 |
|--|--------------------------------------|--------------------------------------|--------------------------------------|
| Revenue  | 205,562,994,885                      | 83,049,107,080                       | 101,125,043,177                      |
| Operating Profit   | 143,197,409,868                      | 22,124,681,946                       | 74,572,991,259                       |
| Profit Before Corporate Tax                                    | -314,609,364,378                     | -6,474,905,929                       | 200,272,243,833                      |
| Net Profit for the Period                                      | -272,216,226,695                     | -5,507,821,484                       | 118,429,349,194                      |
| <b>Basic Earnings (Loss) Per Share</b>                         |                                      |                                      |                                      |
| Basic Earnings (Loss) Per Share from Continuing Operations     | -8,766                               | 1,877                                | 5,969                                |
| Basic Earnings (Loss) Per Share from Discontinued Operations   | 765                                  | -2,039                               | -2,647                               |
| <b>Diluted Earnings (Loss) Per Share</b>                       |                                      |                                      |                                      |
| Diluted Earnings (Loss) Per Share from Continuing Operations   | -8,766                               | 1,876                                | 5,961                                |
| Diluted Earnings (Loss) Per Share from Discontinued Operations | 765                                  | -2,038                               | -2,643                               |

\* The above summary of financial information has been prepared in accordance with Korean International Financial Reporting Standards (K-IFRS)

# Social Value Creation

## Double Bottom Line (DBL) Management Principle

SK Group has adopted the Double Bottom Line (DBL) management principle, which pursues both Economic Value (EV) and Social Value (SV) across all business activities. Based on SK Group's DBL management philosophy, SKC aims to achieve both business model innovation and the pursuit of stakeholder happiness.



## SV Measurement Principles and Metrics

Using SK Group's social value measurement methodology, SKC quantitatively calculates and manages the social value it creates annually across three categories: economic indirect contribution performance, environmental performance, and social performance. The results are shared through our sustainability report.

### SK DBL SV Measurement Principles

- 1 Measure all quantifiable social value generated through corporate activities.
- 2 Aim to measure the social impact resulting from business operations.
- 3 Apply objective and conservative criteria to measure value in monetary terms.

| Classification of Measurement Metrics | Details               |   |
|---------------------------------------|-----------------------|---|
| Indirect economic contribution        | Employment            | • Wages paid to executives and employees  |
|                                       | Dividends             | • Total amount of dividend payments   |
|                                       | Tax payment           | • Total amount of corporate tax, national tax, and local tax  |
| Environmental Performance             | Products and Services | • Reduction of resource consumption and environmental pollution at the final consumption stage of products/services |
|                                       | Total Process         | • Total amount of pollutant emissions × unit cost of environmental impact   |
| Social Performance                    | Labor                 | • Employment of vulnerable labor groups, employee welfare benefits, and improvements in working conditions          |
|                                       | Shared Growth         | • Costs related to fair trade and support for suppliers in finance, technology, recruitment, and management         |
|                                       | Social Contribution   | • Social benefits received by beneficiaries from social contribution activities                                     |
|                                       | Donations             | • Total amount of donations   |
|                                       | Volunteer Activities  | • Total volunteer hours of employees × hourly wage  |

# Social Value Creation



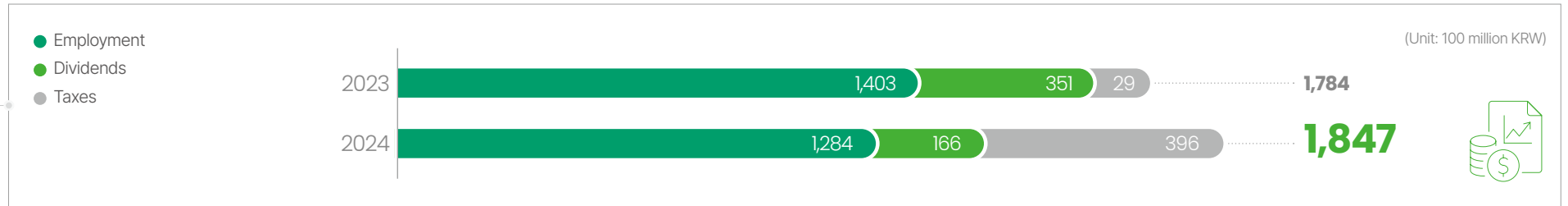
Total SV Performance in 2024

KRW **115.7** billion

(Change from the previous year)

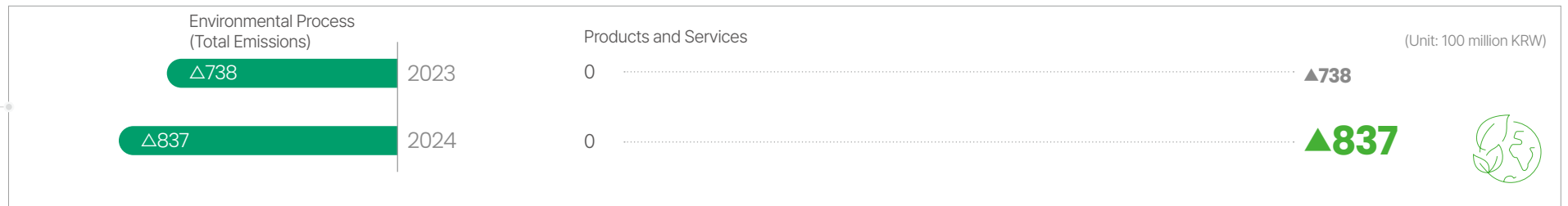
**Economic Indirect Contribution Performance**

KRW **6.3** billion



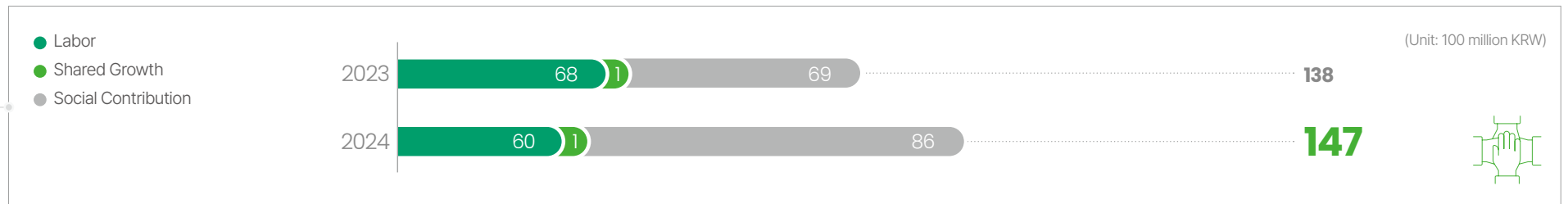
**Environmental Performance**

KRW **△9.9** billion



**Social Performance**

KRW **0.9** billion



# Risk Management

## Integrated Risk Management

At SKC, we recognize the importance of proactively responding to unpredictable risks in a rapidly changing business environment. To this end, we have established an integrated risk management system that encompasses both financial and non-financial factors, and we continue to strengthen our management capabilities to identify and respond to potential risks in advance.

## Financial Risk Management

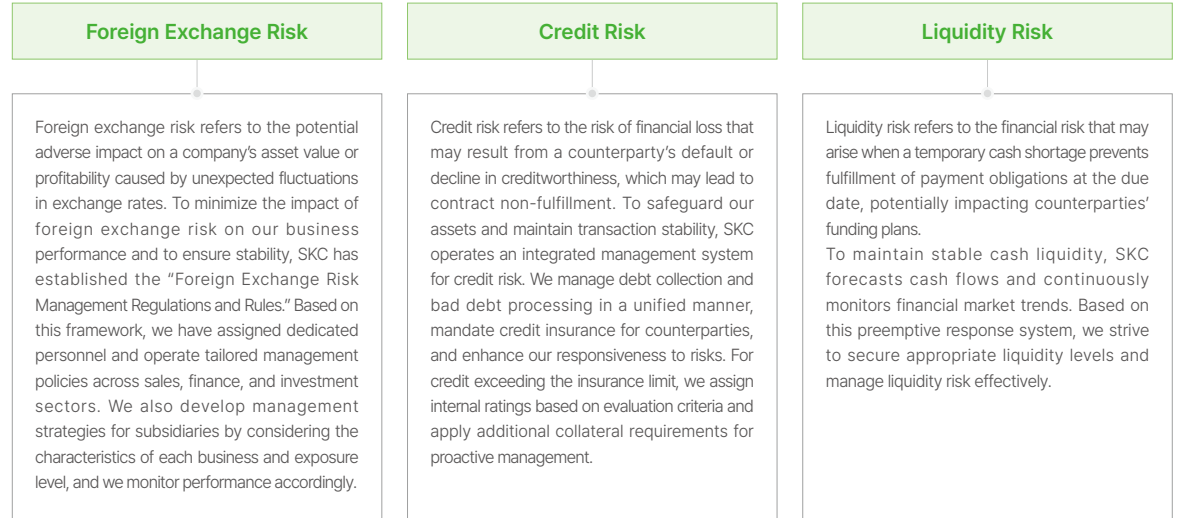
### Internal Accounting Management System

SKC operates an internal accounting management system to ensure the reliability of financial information and transparent disclosure. The system is designed and evaluated based on the "Conceptual Framework for the Design and Operation of the Internal Accounting Management System," published in 2018. We manage the system systematically using Article 3-2 (Evaluation and Reporting of the Internal Accounting Management System) of the "Detailed Enforcement Rules of the External Audit and Accounting Act" as the evaluation standard. Since 2023, we have expanded the scope of internal accounting audits from the separate financial statements to the consolidated financial statements. Accordingly, we have strengthened the operational standards for the internal accounting management systems of our major subsidiaries. The Head of the Finance Division serves as the internal accounting manager and ensures compliance with external audit requirements in accordance with relevant laws. To enhance accounting transparency and expertise, we also engage the services of external accounting firms. Non-audit services are conducted only for items that have been pre-approved and agreed upon by the Audit Committee. In such cases, a preliminary review is carried out to ensure compliance with independence requirements for external auditors and relevant laws, particularly the restrictions under the Certified Public Accountant Act. The internal accounting management system's operation plan is established annually and reported to the Audit Committee and the Board of Directors at the beginning of each year.

### Financial Risks

SKC identifies a range of financial risks that may arise from the highly volatile financial market and operates a financial management policy designed to minimize these risks. Key financial risks include foreign exchange risk, credit risk, and liquidity risk. Based on our management status, we develop optimal control measures tailored to each risk type to ensure that our risk levels remain within acceptable limits. To this end, the Audit Committee supervises whether management complies with financial management policies and procedures, evaluates the adequacy of the management system, and assigns responsibility and accountability to management for financial risk management.

#### Management Approaches by Financial Risk Type



# Risk Management

## Financial Risk Management

### Climate Change Risk

SKC recognizes the importance of identifying and addressing various risks associated with climate change, such as natural disasters, disruptions in raw material supply, and increased operational uncertainty at business sites. Accordingly, we classify risks into transition risks and physical risks, assess the potential financial impact of each risk type, and work to establish appropriate response strategies. The assessment of transition risks was conducted for the domestic business sites of SKC, SK nexilis, and SK picglobal, while physical risks were evaluated for both the domestic and overseas sites of these companies. We are also conducting a new risk analysis for ISC and plan to develop corresponding response measures.

### SHE Risk

#### Environment

SKC strictly complies with applicable regulations and our SHE policy regarding pollutant emissions and prevention facilities at all business sites. We proactively prevent regulatory violations through permit management and environmental audits. To this end, we conduct annual environmental audits across all our domestic and overseas sites, and we carry out regular inspections and assessments based on pollutant emissions and facility operation standards. The identified improvement items are managed by the SHE Management Office and are regularly reported to the ESG Committee and the CEO. These are also reflected in our environmental goals and performance indicators. In addition, we conduct environmental impact assessments annually at all business sites to identify potential environmental impact factors throughout the entire business operation cycle. We quantify environmental impacts and establish and implement improvement plans when performance falls short of standards. The evaluation process is documented to systematically manage the environmental impact assessment system. Based on the new SHE management regulations for new and expanded domestic and overseas business sites established in 2023, we have strengthened our response system to assess environmental impacts in advance and prevent ecological damage. We establish risk prevention and response plans from the project planning stage and initiate construction only after implementing necessary improvement measures. We also conduct regular monitoring and inspections following project initiation. In parallel, we conduct internal education programs to enhance the SHE competency of both our employees and suppliers. To maintain ISO 14001 certification, we continuously verify compliance with environmental regulations through internal audits and assessments based on audit regulations, including defined subjects and cycles.

### Safety and health

To minimize SHE risks, SKC conducts regular and ad-hoc inspections and checks compliance with safety and health management systems and relevant regulations at all business sites. We have established the Safety Golden Rules (SGRs) and implemented action standards for violations to foster a strong safety culture. In addition, we operate a constant inspection system and self-check items to encourage employee participation. We have introduced an AI/DT-based monitoring system to conduct focused inspections on high-risk areas and equipment. A pre-review and change management process is in place to support the evaluation of Process Safety Reports. Identified process safety improvement items are continuously monitored, and risks are managed through our in-house Process Safety Management (PSM) audits. To prevent industrial accidents, we have established a company-wide real-time inspection system, raise awareness by sharing domestic and international accident cases, and categorize incidents by severity for coordinated response at the company level. After analyzing root causes and establishing preventive measures, we manage and monitor the execution status of those actions. Unsafe conditions involving both employees and suppliers are identified, improved, and the results are shared transparently. To strengthen compliance with safety and health-related regulations, we operate a regulatory monitoring system, which supports rapid response and impact assessment through digitization. We are promoting a field-oriented safety culture through technical exchange meetings and operate win-win cooperation programs for our suppliers. In accordance with the Occupational Safety and Health Act, we establish emergency response training and scenarios and enhance safety awareness through regular education and campaigns. We assess process and task-related risks based on our risk assessment regulations, implement necessary improvements, and report qualitative assessments of hazardous factors and reviews of their effectiveness to management. To enhance the SHE capabilities of our suppliers, we operate a regular evaluation system and report the results biannually to management. We also support the establishment of management systems for our suppliers through training and infrastructure assistance to help them obtain certifications. In terms of chemical substance management, we continuously update our database through regulatory monitoring and hazard assessments and operate pre-review and incident response procedures. We plan audits of each subsidiary based on an assessment system that covers the entire lifecycle of chemical substances—from use to disposal. Furthermore, through environmental impact assessments, we identify risks related to regulatory violations and environmental pollution, and we establish and implement improvement plans. We apply risk assessments and safe work permit procedures to all chemical-handling tasks and strengthen risk reduction activities for accident prevention in high-risk processes.



# Risk Management

## Financial Risk Management

### Human Rights Risk

To prevent human rights violations throughout its business operations, SKC continues its efforts to identify and minimize human rights risks in advance, based on its Human Rights Management Policy and relevant labor laws and regulations both in Korea and abroad. We also conduct systematic assessments of human rights risks using human rights risk assessment indicators developed in alignment with the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidelines. Based on our human rights impact assessment process, we identified 50 areas for improvement as of 2023, determined their priorities, and established action plans to address them.

### Supply Chain Risk

SKC operates an ESG risk management process for all Tier 1 suppliers and strives to minimize risks across the supply chain by continuing business relationships with suppliers that have completed ESG assessments. To this end, we review and update our ESG risk assessment procedures and evaluation indicators annually, thereby strengthening our systematic ESG supply chain management system. Suppliers are categorized by risk level based on the assessment results, and we support improvement activities for high-risk suppliers. We also apply a customized assessment system that reflects industry characteristics and supplier size to ensure more practical and effective evaluations and management.

In addition, we identify and drive improvements in supply chain ESG risks by selecting key suppliers—based on strategic importance and transaction volume—and conducting in-depth assessments. SKC will continue to enhance the effectiveness of ESG assessments through ongoing communication with suppliers and lead the way in building a responsible supply chain.

### Information Security Risk

To enhance our company-wide information security posture, SKC conducts assessments based on SK Group's Security Management System Guidelines. We identify areas for improvement in information security from the assessment results and establish and implement response plans accordingly, thereby strengthening our overall information security system. We also perform annual risk assessments on key information assets, analyzing asset criticality and vulnerabilities to set target risk levels (DoA, Degree of Assurance). For items where risk levels exceed the DoA, we implement separate protective measures to control such risks. Additionally, we participate in the annual Security Management System Evaluation led by SK Group and maintained a "Good" rating in 2024 with improved performance compared to the previous year. SKC will continue to proactively respond to security risks and build a stable information protection environment through systematic information security initiatives.

### Compliance Risk

To systematically manage ethical management and compliance risks, SKC operates a three-phase process—prevention, monitoring, and post-management including recurrence prevention—centered around a dedicated organization. The compliance status is reported annually to the Audit Committee. We also conduct annual evaluations based on SK Group's ethical management assessment framework to review the capabilities and effectiveness of our ethical management system and reflect improvement items to continuously enhance our risk response. Through ongoing monitoring of domestic and international regulatory and policy changes, we preemptively prevent financial and non-financial losses caused by legal violations or policy non-compliance. In doing so, we also actively manage anti-corruption and fair trade risks while adhering to relevant laws. In particular, we operate a Fair Trade Compliance Program to prevent unfair trade practices, and the program's plans and performance are reported to the Board of Directors annually. Furthermore, we conduct post-reviews of transactions with related parties to prevent violations of the Fair Trade Act, and we manage related risks through the Internal Transaction Committee, thereby enhancing management transparency. Aiming to establish a globally recognized compliance management system, we work with external experts to review current practices and identify legal and regulatory issues. Based on this, we have revised relevant policies and operational manuals. We have also obtained ISO 37301 certification for compliance management systems, establishing a solid institutional foundation, and plan to further enhance our management system through the operation of a dedicated organization and working groups. In addition, we aim to raise compliance awareness through employee education and internal communications and actively support our subsidiaries in building autonomous compliance systems.

# GRI Index

|  |  |
|--|--|
| <b>Statement of Use</b>                | The reporting organization, SKC, has prepared this report in accordance with the GRI (Global Reporting Initiative) Standards 2021, for the reporting period from January 1, 2024 to December 31, 2024. |
| <b>GRI 1 used</b>                      | GRI 1: Foundation 2021   |
| <b>Applicable GRI Sector Standards</b> | As of the publication date, no GRI Sector Standards applicable to the industry classification of the reporting organization, SKC, have been issued; therefore, they are not applied.                   |

## Universal Standards

| Topic                                 | No.  | Disclosure  | Reporting Page            |
|---------------------------------------|------|---|---------------------------|
| <b>GRI 2:<br/>General Disclosures</b> | 2-1  | Organizational Details  | 5-7                       |
|                                       | 2-2  | Entities Included in the Organization's Sustainability Reporting            | 1                         |
|                                       | 2-3  | Reporting Period, Frequency, and Contact Point                              | 1                         |
|                                       | 2-4  | Restatements of Information   | 1, indicated in footnotes |
|                                       | 2-5  | External Assurance  | 116                       |
|                                       | 2-6  | Activities, Value Chain, and Other Business Relationships                   | 6                         |
|                                       | 2-7  | Employees   | 85-87                     |
|                                       | 2-8  | Workers Who Are Not Employees   | 85                        |
|                                       | 2-9  | Governance Structure and Composition  | 67                        |
|                                       | 2-10 | Nomination and Selection of the Highest Governance Body                     | 65-70                     |
|                                       | 2-11 | Chair of the Highest Governance Body  | 67                        |
|                                       | 2-12 | Role of the Highest Governance Body in Overseeing the Management of Impacts | 65-70                     |
|                                       | 2-13 | Delegation of Responsibility for Managing Impacts                           | 65-70                     |
|                                       | 2-14 | Role of the Highest Governance Body in Sustainability Reporting             | 65-70                     |
|                                       | 2-15 | Conflicts of Interest   | 65-70                     |
|                                       | 2-16 | Communication of Critical Concerns  | 65-70                     |

| Topic  | No.  | Disclosure   | Reporting Page  |
|--|------|--|---|
| <b>GRI 2:<br/>General Disclosures</b>                    | 2-17 | Collective Knowledge of the Highest Governance Body          | 65-70   |
|  | 2-18 | Evaluation of the Performance of the Highest Governance Body | 65-70   |
|  | 2-19 | Remuneration Policies  | 65-70   |
|  | 2-20 | Process to Determine Remuneration                            | 65-70   |
|  | 2-21 | Annual Total Compensation Ratio                              | 65-70   |
|  | 2-22 | Statement on Sustainable Development Strategy                | 4   |
|  | 2-23 | Policy Commitments   | 46, 49  |
|  | 2-24 | Embedding Policy Commitments                                 | 19-20   |
|  | 2-25 | Processes to Remediate Negative Impacts                      | 34-35, 37-38, 43, 46-48, 51-52, 55-56, 58-59, 63, 73-75 |
|  | 2-26 | Mechanisms for Seeking Advice and Raising Concerns           | 73-75   |
| <b>GRI 3:<br/>Disclosures of<br/>Management Approach</b> | 2-27 | Compliance With Laws and Regulations                         | 73-75   |
|  | 2-28 | Membership Associations                                      | 121   |
|  | 2-29 | Approach to Stakeholder Engagement                           | 23  |
|  | 2-30 | Collective Bargaining Agreements                             | 43, 85  |
|  | 3-1  | Process to Determine Material Topics                         | 24, 25  |
|  | 3-2  | List of Material Topics                                      | 24, 25  |

# GRI Index

## Topic Standards

| Topic                                | No.   | Disclosure   | Reporting Page                |
|--------------------------------------|-------|--|-------------------------------|
| <b>Climate Change Response</b>       | 3-3   | Management of Material Topics  | 26-28                         |
| <b>GRI 201: Economic Performance</b> | 201-2 | Financial Impact and Other Risks and Opportunities Due to Climate Change                         | 26, 34-35                     |
|                                      | 302-1 | Energy Consumption within the Organization   | 79                            |
| <b>GRI 302: Energy</b>               | 302-3 | Energy intensity   | 79                            |
|                                      | 302-4 | Reduction of Energy Consumption  | 36                            |
|                                      | 305-1 | Direct Greenhouse Gas (GHG) Emissions (Scope 1)  | 78                            |
|                                      | 305-2 | Other Indirect GHG Emissions (Scope 2)   | 78                            |
| <b>GRI 305: Emissions</b>            | 305-3 | Other Indirect GHG Emissions (Scope 3)   | 78                            |
|                                      | 305-4 | GHG Emissions Intensity  | 78                            |
|                                      | 305-5 | Reduction of GHG Emissions   | 78                            |
| <b>Waste and Pollutant Reduction</b> | 3-3   | Management of Material Topics  | 26-28                         |
|                                      | 305-6 | Emissions of Ozone-Depleting Substances (ODS)  | Not Applicable (No Emissions) |
| <b>GRI 305: Emissions</b>            | 305-7 | Air Emissions of Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Other Significant Air Emissions | 80                            |
|                                      | 306-1 | Waste Generation and Significant Waste-Related Impacts   | 37-39                         |
|                                      | 306-2 | Management of Significant Waste-Related Impacts  | 37-39                         |
| <b>GRI 306: Waste</b>                | 306-3 | Waste Generation   | 83                            |
|                                      | 306-4 | Waste Diverted From Disposal   | 83                            |
|                                      | 306-5 | Waste Directed to Disposal without Recycling/Reuse   | 83                            |

| Topic   | No.    | Disclosure  | Reporting Page |
|---|--------|---|----------------|
| <b>Strengthening Occupational Safety and Health</b> | 3-3    | Management of Material Topics   | 26-28          |
|   | 403-1  | Occupational Health and Safety Management System  | 49             |
|   | 403-2  | Hazard Identification, Risk Assessment, and Incident Investigation  | 51-52          |
|   | 403-3  | Occupational Health Services  | 50-53          |
|   | 403-4  | Worker Participation, Consultation, and Communication on Occupational Health and Safety                       | 52-53          |
| <b>GRI 403: Occupational Health and Safety</b>      | 403-5  | Worker Training on Occupational Health and Safety   | 52             |
|   | 403-6  | Promotion of Worker Health  | 53             |
|   | 403-7  | Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships | 49-53          |
|   | 403-8  | Workers Covered by an Occupational Health and Safety Management System  | 49-53          |
|   | 403-9  | Work-Related Injuries   | 92             |
|   | 403-10 | Work-Related Diseases   | 92             |

# GRI Index

## Non-Material Topics

| Topic   | No.   | Disclosure  | Reporting Page          |
|---|-------|---|-------------------------|
| <b>GRI 203: Indirect Economic Impacts</b>         | 203-1 | Investment in Infrastructure and Support Services   | 61-62                   |
|   | 203-2 | Significant Indirect Economic Impacts   | 102-103                 |
|   | 205-1 | Assessment of Corruption Risks in Business Sites  | 75                      |
| <b>GRI 205: Anti-corruption</b>                   | 205-2 | Communication and Training on Anti-corruption Policies and Procedures   | 73-76                   |
|   | 205-3 | Confirmed Incidents of Corruption and Actions Taken   | 75, 98                  |
| <b>GRI 206: Anti-Competitive Behavior</b>         | 206-1 | Legal Actions for Anti-Competitive Behavior, Anti-Trust, and Monopoly Practices                               | Business Report 495-497 |
|   | 303-1 | Interactions with Water as a Shared Resource  | 37-39                   |
| <b>GRI 303: Water</b>                             | 303-2 | Management of Water Discharge-Related Impacts   | 37-39                   |
|   | 303-3 | Water Withdrawal  | 81-82                   |
|   | 303-4 | Water Discharge   | 81                      |
|   | 303-5 | Water Consumption   | 81                      |
|   | 304-1 | Operations Owned, Leased, or Managed in, or Adjacent to, Protected Areas and Areas of High Biodiversity Value | 29-30                   |
| <b>GRI 304: Biodiversity</b>                      | 304-2 | Significant Impacts of Activities, Products, and Services on Biodiversity                                     | 29-30                   |
|   | 304-3 | Habitats Protected or Restored  | 31                      |
|   | 308-1 | New Suppliers That Were Screened Using Environmental Criteria   | 94                      |
| <b>GRI 308: Supplier Environmental Assessment</b> | 308-2 | Negative Environmental Impacts in the Supply Chain and Actions Taken  | 57-59, 94               |

| Topic   | No.   | Disclosure   | Reporting Page |
|---|-------|--|----------------|
| <b>GRI 401: Employment</b>                      | 401-1 | New Employee Hires and Employee Turnover   | 87-88          |
|   | 401-3 | Parental Leave   | 90             |
|   | 404-1 | Average Training Hours per Employee  | 90             |
| <b>GRI 404: Training and Education</b>          | 404-2 | Employee Capacity Building and Career Transition Support Program                             | 43-44, 90      |
|   | 404-3 | Percentage of Employees Receiving Regular Performance and Career Development Review          | 89             |
|   | 405-1 | Diversity of Governance Bodies and Employees   | 67, 86, 96     |
| <b>GRI 405: Diversity and Equal Opportunity</b> | 405-2 | Ratio of Basic Salary and Remuneration of Women to Men                                       | 89             |
|   | 406-1 | Incidents of Discrimination and Corrective Actions Taken                                     | 47, 91         |
| <b>GRI 406: Non-discrimination</b>              | 413-1 | Operations with Local Community Engagement, Impact Assessments, and Development Programs     | 61-62          |
|   | 413-2 | Operations with Significant Actual or Potential Negative Impacts on Local Communities        | 29-30, 38      |
| <b>GRI 413: Local Communities</b>               | 414-1 | New Suppliers That Were Screened Using Social Criteria                                       | 94             |
|   | 414-2 | Negative Social Impacts in the Supply Chain and Actions Taken                                | 57-59, 94      |
| <b>GRI 414: Supplier Social Assessment</b>      | 418-1 | Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data | 95             |
| <b>GRI 418: Customer Privacy</b>                |       |  |                |

# TCFD Index

The Task Force on Climate-related Financial Disclosures (TCFD) is an initiative established by the Financial Stability Board to encourage companies to voluntarily and consistently disclose climate-related information. SKC is committed to proactively addressing the climate crisis and has declared its support for the TCFD. We disclose climate-related information in accordance with TCFD recommendations to ensure effective and transparent communication.

| Category          | TCFD Recommendations   | Related CDP Questions                  | Report Location |
|-------------------|--|--|-----------------|
| Governance        | a) Board oversight of climate-related risks and opportunities  | C1.1, C1.1a, C1.1b                     | 26, 33          |
|                   | b) Management's role in assessing and managing climate-related risks and opportunities   | C1.2                                   | 26, 33          |
| Strategy          | a) Climate-related risks and opportunities identified over the short, medium, and long term  | C2.4, C2.4a                            | 26, 34-35       |
|                   | b) Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning                | C2.4a, C3.1, C3.2a, C3.2b, C3.3, C3.4  | 26, 34-35       |
|                   | c) Resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C scenario   | C3.2, C3.2a, C3.2b                     | 26, 34-35       |
| Risk Management   | a) Processes for identifying and assessing climate-related risks   | C2.1, C2.1a, C2.2, C2.2a               | 26, 35          |
|                   | b) Processes for managing climate-related risks  | C2.2                                   | 26, 35          |
|                   | c) Integration of climate-related risk identification, assessment, and management into the organization's overall risk management      | C2.2                                   | 26, 34-35       |
| Metrics & Targets | a) Metrics used to assess climate-related risks and opportunities in line with the organization's strategy and risk management process | C4.2, C4.2a, C4.2b                     | 26, 34-36, 78   |
|                   | b) Greenhouse gas emissions (Scope 1, Scope 2, and Scope 3 where applicable) and associated risks                                      | C6.1, C6.3, C6.5, C6.5a, C9.1          | 26, 35-36, 78   |
|                   | c) Targets used by the organization to manage climate-related risks and opportunities, and performance against targets                 | C4.1, C4.1a, C4.1b, C4.2, C4.2a, C4.2b | 26, 35-36, 78   |

# SASB Index

The Sustainability Accounting Standards Board (SASB) is a nonprofit organization that establishes the fundamental concepts, principles, definitions, and objectives for non-financial disclosures related to sustainability. SKC manages and discloses indicators for the Chemicals sector in accordance with the SASB Industry Standards, and we continue to engage with stakeholders regarding each topic through ongoing communication.

## Sustainability Disclosure Topics and Accounting Metrics – Non-Material Topics

| Topic                    | Code         | Indicator  | Unit                | Report Page & Notes  |
|--------------------------|--------------|--|---------------------|--|
| Greenhouse Gas Emissions | RT-CH-110a.1 | (1) Total Scope 1 Emissions  | tCO <sub>2</sub> eq | 440,248tCO <sub>2</sub> eq   |
|                          |              | Percentage Covered Under Emission-Limiting Regulations   | %                   | 99.9%<br>The ratio is calculated based on the share of Scope 1 emissions from facilities subject to emissions regulations out of SKC's total Scope 1 emissions                             |
|                          | RT-CH-110a.2 | (2) Discussion of Strategy, Targets, and Performance for Scope 2 Emissions Management (Short-Term and Long-Term) | N/A                 | 26, 34-35  |
| Air Quality              | RT-CH-120a.1 | (1) Nitrogen Oxides (NO <sub>x</sub> ) Emissions   | ton                 | 194.36ton  |
|                          |              | (2) Sulfur Oxides (SO <sub>x</sub> ) Emissions   | ton                 | 7.46ton  |
|                          |              | (3) Volatile Organic Compounds (VOCs) Emissions  | ton                 | 5.44ton  |
|                          |              | (4) Hazardous Air Pollutants (HAPs) Emissions  | ton                 | 15.43ton   |
| Energy Management        | RT-CH-130a.1 | (1) Total Energy Consumption   | GJ                  | 12,157,013GJ   |
|                          |              | (2) Grid Electricity Percentage  | %                   | 38%<br>Grid electricity percentage is calculated based on the proportion of electricity purchased from KEPCO (Korea Electric Power Corporation) relative to SKC's total energy consumption |
|                          |              | (3) Percentage of Renewable Energy   | %                   | -  |
|                          |              | (4) Total Self-Generated Energy  | GJ                  | 0  |
| Water Management         | RT-CH-140a.1 | (1) Water Withdrawal in Water-Stressed Areas and Percentage of Total Withdrawal                                  | m <sup>3</sup> , %  | In Korea, the volume of water withdrawn from stressed areas is currently minimal. SKC plans to establish stress-area management strategies for all sites in the future                     |
|                          |              | (2) Water Consumption in Water-Stressed Areas and Percentage of Total Consumption                                |                     |  |
|                          | RT-CH-140a.2 | Number of Incidents of Non-Compliance With Water Quality Permits, Standards, and Regulations                     | cases               |  |
|                          | RT-CH-140a.3 | Discussion of Water-related Risks and Strategies and Actions to Mitigate Risks                                   | N/A                 | According to the Population Action International (PAI), South Korea is categorized as a water-stressed country. SKC is making efforts to reduce and recycle water use accordingly          |

# SASB Index

| Topic   | Code   | Indicator   | Unit   | Report Page & Notes  |
|---|--|---|--|--|
| Hazardous Waste Management                    | RT-CH-150a.1   | 1) Amount of Hazardous Waste Generated  | ton  | 3,659ton   |
|   |  | 2) Hazardous Waste Recycling Rate   | %  | 93.1   |
| Community Relations                           | RT-CH-210a.1   | Discussion of Engagement Processes to Manage Risks and Opportunities Related to Community Interests   | N/A  | At SK picglobal Plant, stakeholder councils such as the Yongyeon-Yongjam Plant Managers' Council and the Ulsan Plant Managers' Council are operated to facilitate active communication with local stakeholders and promote shared growth with the community. At SK nexilis Jeongeup Plant, regular communication is maintained with the Jeongeup city government, and various community engagement activities are carried out to establish a foundation for effective communication with local residents.  |
| Employee Health and Safety                    | RT-CH-320a.1   | (a-1) Total Recordable Incident Rate (TRIR) for Direct Employees  | %  | Employee Lost Time Injury Rate: 1.73<br>SKC currently uses the Lost Time Incident Rate (LTIR) as its key safety and health management indicator.<br>Detailed health and safety data are provided on page 99 of this report.  |
|   |  | (a-2) Fatality Rate for Direct Employees  | %  | 0  |
|   | (b-1) Total Recordable Incident Rate (TRIR) for Contract Employees | %   | Contract employees at SKC are limited to indirect roles such as IT systems and consulting services, and are not subject to LTIR measurement. |  |
|   | (b-2) Fatality Rate for Contract Employees                         | %   | N/A  |  |
|   | RT-CH-320a.2   | Efforts to Assess, Monitor, and Reduce Exposure to Long-Term (Chronic) Health Risk  | N/A  | SKC conducts annual medical checkups for all employees, including contract workers. For employees working in specific processes, special medical examinations are also conducted. Through these efforts, SKC monitors occupational and work-related illnesses, and when harmful factors are identified in the results, follow-up counseling and treatment support are provided.  |
| Product Design for Use-Phase Efficiency       | RT-CH-410a.1   | Revenue From Products Designed for Use-Phase Resource Efficiency  | KRW 100 million  | 3,176<br>Represents sales of battery copper foil products by SKC's subsidiary, SK nexilis. These products are key materials used in rechargeable batteries for electric vehicles (EVs), energy storage systems (ESS), and various small- and mid-sized IT devices.   |
| Chemical Safety and Environmental Stewardship | RT-CH-410b.1   | (1) Percentage of Products That Contain Substances of Concern or Are Classified Under Global Harmonized System (GHS) Category 1 or 2 for Health and Environmental Hazards | %  | SKC does not currently manage the sales proportion of GHS-category products as an internal KPI, but plans to review including it in the future. In accordance with the Act on the Registration and evaluation, etc. of Chemical Substances, all imported or manufactured chemical substances are registered (or exemption is applied for) with the Ministry of Environment and are subject to hazard and risk assessments.   |
|   |  | (2) Percentage of Products Assessed for Health and Environmental Impacts  | %  | N/A<br>SKC currently does not manage the revenue proportion of products that have undergone hazard assessments among GHS-classified products as an internal management indicator. However, it has established a chemical management system (SkyCHEMS) to conduct product hazard assessments based on the latest chemical-related regulations. SKC utilizes this system to analyze the hazardous properties of chemicals contained in its products and disclose this information to internal and external stakeholders by including it in the MSDS. |
|   | RT-CH-410b.2   | (1) Discussion of Strategy to Manage Chemicals of Concern   | N/A  | p. 54-56   |
|   |  | (2) Discussion of Strategy to Develop Safer Alternatives With Reduced Human and Environmental Impact  | N/A  | p. 56  |

# SASB Index






| Topic  | Code         | Indicator   | Unit  | Report Page & Notes   |
|--|--------------|---|-------|---|
| Genetically Modified Organisms (GMOs)                | RT-CH-410c.1 | Percentage of revenue from products containing genetically modified organisms (GMOs)  | %     | 0   |
| Management of Legal and Regulatory Environment       | RT-CH-530a.1 | Description of the company's approach to government regulations and policy proposals that address environmental and social factors affecting the industry | N/A   | SKC monitors changes in major domestic and international policies and laws related to environmental and social issues. We collect regular internal demand for regulatory issues and policy proposals. Through this, we identify key issues affecting our business and engage in advocacy by participating in public hearings on the enactment or revision of relevant laws or responding to surveys. We also actively engage in monitoring and response activities regarding safety, health, and environmental regulations, policy trends, and legislative developments specific to each industry by participating in industry associations as a member company. By utilizing these industry-specific associations, we actively express our stance as a company by submitting our opinions on regulations that impact our business. |
| Process Safety, Emergency Preparedness, and Response | RT-CH-540a.1 | Number of Process Safety Incidents (PSIC)   | cases | 0   |
|  |              | Total Process Safety Total Incident Rate (PSTIR)  | %     | 0   |
|  |              | Process Safety Incident Severity Rate (PSISR)   | %     | 0   |
|  | RT-CH-540a.2 | Number of Transportation Accidents  | cases | 0   |

## Activity Metrics

| Topic              | Code        | Indicator  | Unit           | Report Page & Notes |
|--------------------|-------------|--|----------------|---------------------|
| Roles & Activities | RT-CH-000.A | Battery materials – Copper foil for rechargeable batteries | ton            | 11,497              |
|                    |             | Semiconductor materials – Test sockets and pins            | Thousand units | 15,048              |
|                    |             | Chemicals – POD  | ton            | 432,803             |
|                    |             | Chemicals – SM   | ton            | 412,221             |





# UN SDGs

SKC and the United Nations Sustainable Development Goals (SDGs): SKC is actively pursuing various initiatives in alignment with 9 out of the 17 UN SDGs.

| Primary SDGs  | Detailed Objectives   |
|---|---|
|  <p><b>4</b> QUALITY EDUCATION</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>                                 | <p>4.4 Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship</p> <p>4.5 Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples, and children in vulnerable situations</p> <p>4.7 Ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development</p> <ul style="list-style-type: none"> <li>• Strengthened employee capabilities through "mySUNi," a group-wide education platform</li> <li>• Operated "My Green School," a program linked with Korea's first game-based waste sorting information platform, "My Green Place," to provide consumers with accurate guidance on plastic sorting</li> <li>• Delivered nationwide circular economy education programs for elementary students in collaboration with the Happy School Foundation, a foundation under the SK social enterprise initiative</li> </ul> |
|  <p><b>5</b> GENDER EQUALITY</p> <p>Achieve gender equality and empower all women and girls</p>  | <p>5.1 End all forms of discrimination against all women and girls everywhere</p> <p>5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life</p> <ul style="list-style-type: none"> <li>• Appointed the first female chairperson at SKC, enhancing board diversity</li> <li>• Operated diverse support systems for childbirth and parenting, including reduced working hours during pregnancy and childcare, parental leave for employees and their spouses, and customized support according to children's life stages</li> </ul>  |
|  <p><b>6</b> CLEAN WATER AND SANITATION</p> <p>Ensure availability and sustainable management of water and sanitation for all</p>  | <p>6.3 Improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally</p> <p>6.4 Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity</p> <ul style="list-style-type: none"> <li>• At SK picglobal's Ulsan business site, promoted process water reuse by implementing activities such as reusing backwash and concentrate water from water treatment facilities, recovering and reusing boiler condensate, and recycling groundwater, resulting in the reuse of 35% of total water consumption</li> <li>• At SK nexilis' Jeongeup Plant, reused 26% of total water consumption</li> </ul>   |
|  <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p> <p>Ensure access to affordable, reliable, sustainable, and modern energy for all</p>  | <p>7.2 Increase substantially the share of renewable energy in the global energy mix</p> <p>7.3 Double the global rate of improvement in energy efficiency</p> <p>7.a Enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology</p> <ul style="list-style-type: none"> <li>• Systematically managed daily energy consumption through the production management and production information systems</li> <li>• At SK nexilis' Jeongeup business site, saved approximately 1,964,000 kWh annually by developing and scaling up low-power rolling technology</li> <li>• At SK picglobal's Ulsan business site, implemented diverse energy-saving measures, including optimized operation of the incinerator and introduction of additional external steam, resulting in total savings of 13,044 GJ of LNG, 144,169 GJ of LPG, and 7,520 GJ of electricity</li> </ul>   |
|  <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p> | <p>8.2 Achieve higher levels of economic productivity through diversification, technological upgrading, and innovation, including through a focus on high value-added and labor-intensive sectors</p> <p>8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</p> <ul style="list-style-type: none"> <li>• Pursued high value-added businesses by expanding the development of biodegradable plastic products like PBAT and biodegradable LIMEX, as well as products that reduce electricity consumption, such as glass substrates.</li> <li>• Promoted a culture of using annual leave through programs like "Happiness Camp" and "Recommended Leave"</li> <li>• Enhanced both physical and mental well-being by establishing wellness facilities such as massage rooms and fitness spaces, expanding medical support (including comprehensive health checkups for one stakeholder), and offering psychological counseling</li> </ul>   |

# UN SDGs

SKC and the United Nations Sustainable Development Goals (SDGs): SKC is actively pursuing various initiatives in alignment with 9 out of the 17 UN SDGs.

| Primary SDGs   | Detailed Objectives   |
|--|---|
|  <p><b>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</b></p>  | <p>9.2 Promote inclusive and sustainable industrialization and significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries</p> <p>9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities</p> <ul style="list-style-type: none"> <li>• Acquired domestic and international certifications for SK leaveo's rf-PBAT and the biodegradable LIMEX H100 product</li> <li>• Became the world's first to commercialize dipropylene glycol (DPG), a high value-added material, in 2022</li> <li>• Significantly expanded ESG checklist indicators incorporated into investment decision-making to thoroughly assess ESG opportunities and risks</li> </ul> |
|  <p><b>Ensure sustainable consumption and production patterns</b></p>   | <p>12.2 Achieve the sustainable management and efficient use of natural resources</p> <p>12.4 Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment</p> <ul style="list-style-type: none"> <li>• Declared "Net Zero by 2040"</li> <li>• Achieved Zero Waste to Landfill (ZWTL) gold rating at SK nexilis' Jeongeup business site for three consecutive years (2021–2023), and at SK picglobal's Ulsan business site for three consecutive years (2022–2024)</li> <li>• SK nexilis became the first in the copper foil industry to obtain carbon footprint certification</li> </ul>   |
|  <p><b>Take urgent action to combat climate change and its impacts</b></p>  | <p>13.2 Integrate climate change measures into national policies, strategies, and planning</p> <p>13.3 Improve education, awareness-raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning</p> <ul style="list-style-type: none"> <li>• SKC's net-zero target is based on the IPCC 1.5°C scenario and applies to all global business sites</li> <li>• Joined RE100 in 2020</li> <li>• Reflected greenhouse gas reduction performance and key ESG indicators in the core performance indicators of major subsidiaries, including SK nexilis and SK picglobal</li> <li>• Received the Special Award for Carbon Management at the 2022 CDP Korea Awards</li> </ul>  |
|  <p><b>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable and inclusive institutions at all levels</b></p> | <p>16.5 Substantially reduce corruption and bribery in all their forms</p> <p>16.6 Develop effective, accountable, and transparent institutions at all levels</p> <p>16.7 Ensure responsive, inclusive, participatory, and representative decision-making at all levels</p> <ul style="list-style-type: none"> <li>• Established ethical standards, Anti-Corruption Policy, and implementation guidelines</li> <li>• Acquired ISO 37001 (Anti-Bribery Management System) certification and ISO 37301 (Compliance Management System) certification</li> <li>• For the first time, provided a live webcast of the Annual General Meeting of Shareholders in March 2023 to enhance convenience for shareholders exercising their voting rights</li> </ul>  |



# Independent Assurance Statement

## To the stakeholders of SKC Co., Ltd.

The Korea Productivity Center (hereinafter referred to as the "Assurer") was commissioned by SKC Co., Ltd. (hereinafter referred to as "the Company") to conduct independent assurance of the "SKC Co., Ltd. 2025 Sustainability Report" (hereinafter referred to as the "Report") and hereby provides the following assurance statement.

### Responsibility and independence

The Company is solely responsible for the information and opinions presented in this Report. The Assurer is solely responsible for the assurance opinions expressed herein. As an independent assurance body, the Assurer did not participate in the preparation of this Report and has no relationships or interests that could impair the Assurer's independence.

### Assurance Standards and Approach

This assurance engagement was conducted based on the AA1000 Assurance Standard (AA1000AS, 2008)\*, using a Type 2 assurance and a moderate level of assurance. Additionally, the Assurer assessed adherence to the four principles set forth in the AA1000 Accountability Principles (AA1000AP, 2018)\*\*—Inclusivity, Materiality, Responsiveness, and Impact—and assurance was carried out in accordance with the structure of these principles. The Assurer verified the balance, comparability, accuracy, timeliness, clarity, and reliability of the indicators and information presented in the Report through documentation provided by the reporting organization and on-site interviews.

### Assurance Methodology

The assurance was conducted through the following procedures:

- Verified compliance with the requirements of the GRI Standards 2021
- Assessed adherence to the content and quality principles based on the GRI Standards 2021
- Reviewed the materiality and appropriateness of the material issues
- Conducted cross-analysis with other sources to confirm the appropriateness of the Report content and correct any errors in expression
- Performed an on-site inspection at the Seoul headquarters to confirm the basis of key data and information and verify internal processes and systems

### Findings and Conclusion

The Assurer confirmed that this Report faithfully and fairly reflects the Company's sustainability management activities and performance. The Assurer also verified that the Report complies with the requirements of the GRI Standards 2021. It was confirmed that the General Disclosures were prepared in accordance with the relevant requirements and that, for material topics, the Report meets the requirements for Material Topics and Topic Disclosures as outlined below:

### Universal Standards

Organization and Reporting Practices (2-1~5), Activities and Workers (2-6~8), Governance (2-9~21), Strategy, Policies, and Practices (2-22~28), Stakeholder Engagement (2-29~30), and Material Topics (3-1~3)

### Topic Standards

Economic Performance (201-2), Indirect Economic Impacts (203-1~2), Anti-Corruption (205-1~3), Anti-Competitive Behavior (206-1), Energy (302-1, 3~4), Water and Effluents (303-1~5), Biodiversity (304-1~3), Emissions (305-1~7), Waste (306-1~5), Supplier Environmental Assessment (308-1~2), Employment (401-1, 3), Occupational Health and Safety (403-1~10), Training and Education (404-1~3), Diversity and Equal Opportunity (405-~2), Non-Discrimination (406-1), Local Communities (413-1~2), Supplier Social Assessment (414-1~2), Customer Privacy (418-1)

#### • Inclusivity: Stakeholder Engagement

The Company was found to be promoting stakeholder engagement activities through communication channels tailored to each stakeholder group to comply with the principle of inclusivity. The Company defines its key stakeholders in five groups—customers, employees, shareholders, local communities, and suppliers—and collects feedback through communication channels customized to the characteristics of each group. The feedback gathered from stakeholders is reflected in management strategies, and this integration into decision-making processes is considered a best practice.

#### • Materiality: Identification and Reporting of Material Issues

It was confirmed that the Company identifies its material issues through a materiality assessment process. The company builds an issue pool by analyzing international standards and evaluation frameworks such as the GRI Standards 2021, UN SDGs, and ESRS, as well as through media research and benchmarking of peer and leader companies. The Company gathers internal and external stakeholder input on environmental and social materiality, as well as financial materiality, to identify key issues. Furthermore, by reporting these issues in connection with a stakeholder matrix based on a double materiality assessment, the Company was found to clearly present its future response directions on core issues.

# Independent Assurance Statement

## • Responsiveness: Organizational Response to Issues

The Assurer confirmed that the Company identifies key issues that impact stakeholder performance and has established sustainability management strategies in response, which are appropriately described in the Report. In particular, the Company's responses to material issues were objectively assessed through its annual stakeholder surveys and interviews. Additionally, it was confirmed that the Company transparently discloses its response activities and performance centered on its sustainability management material issues.

## • Impact: Consideration of Organizational Impact

The Company considers the social impact of the organization by establishing boundaries for the impact of major issues. Through ESG management, the Company focuses on environmental and safety impacts as well as social issues, and discloses in the Report its efforts to minimize negative impacts through product development and other activities.

## • Reliability: Credibility and Quality of Specific Information

In addition to evaluating compliance with AA1000AP (2018) principles, the Assurer verified the reliability of the Company's economic, environmental, and social performance information related to sustainability. Interviews were conducted with responsible personnel, and data sampling, supporting documents, and external and public sources were reviewed to confirm the credibility of the information. No intentional errors or misstatements were found in the sustainability performance data.

## Limitations

The Assurer verified the reliability of the performance disclosed in the Report in accordance with the scope and level of assurance described above. On-site verification was conducted at the Seoul headquarters. Financial data were verified through audited financial statements, public disclosures, and internal reports, while environmental and social performance data were verified by checking the compiled data. The Assurer notes that if further verification procedures are carried out, the results may differ. This assurance statement was prepared for the management of the Company under the terms of the engagement, and the Assurer shall bear no liability or joint liability to any individual or organization that relies on this statement in making decisions.

## Recommendations

The Assurer highly commends the Company's diverse efforts and achievements to enhance sustainability and makes the following suggestions for future reporting and further advancement in sustainability management:

- The Company identified and reported a total of three material issues for each area of environment, society, and governance. It systematically manages and transparently discloses strategies, policies, governance, activities, and performance related to each material topic. The Assurer recommends that the Company continue monitoring and disclosing its ESG management practices and business achievements on an ongoing basis to enhance stakeholder communication and engagement.

June 2025

Park Sungjoong, President,  
Korea Productivity Center (KPC)

Yonghwa Lee,  
Lead Verifier



The ESG Consulting Center of the Korea Productivity Center is an officially accredited assurance body by AccountAbility, the developer of the AA1000 global standard for stakeholder engagement and verification, and is authorized to conduct independent assurances. The assurance panel consists of professionals who have extensive experience and specialized training in sustainability consulting and assurance.

\* AA1000AS (2008): The AA1000 Assurance Standard (2008), established by AccountAbility, is a global assurance standard that provides methods for reporting sustainability management issues by evaluating organizational conduct, adherence to principles, and the reliability of performance information.

\*\* AA1000AP (2018): The AA1000 AccountAbility Principles Standard (2018), developed by AccountAbility, outlines the core principles that form the foundation of the AA1000 standards.

# GHG Emissions Verification Statement

## SKC Co., Ltd.

### Scope of Assurance

The Korean Standards Association conducted an assurance engagement of SKC Co., Ltd.'s greenhouse gas emissions statement, covering direct emissions (Scope 1) and indirect emissions (Scope 2).

### Assurance Standards and Procedures

The Korea Standards Association conducted assurance in accordance with the following standards and procedures:

- Guidelines on Reporting and Certification of Emissions under the Emissions Trading Scheme (Notification of the Ministry of Environment No. 2024-155)
- Guidelines on Verification for the Operation of the Emissions Trading Scheme (Notification of the Ministry of Environment No. 2024-169)
- 2006 IPCC Guidelines, KS I ISO 14064-1:2018, and KS I ISO 14064-3:2019

### Level of Assurance

The materiality assessment result for SKC Co., Ltd.'s greenhouse gas emissions satisfied the threshold for a reasonable level of assurance, within a margin of less than  $\pm 5.0\%$  of total emissions.

### Level of Assurance

The verification team found no material misstatements, omissions, or misrepresentations in the emissions statement. It was confirmed that the greenhouse gas emissions data were appropriately calculated.

### Greenhouse Gas Emissions in 2024 (Scope 1 and Scope 2)

(Unit: tCO<sub>2</sub>eq)

| Year | Direct Emissions | Indirect Emissions | Total |
|------|------------------|--------------------|-------|
| 2024 | 330,694          | 1,107,468          | 1,437 |

\* Note: Greenhouse gas emissions by site are rounded down to the nearest whole number before summation, which may result in slight differences between the totals and the sum of each emission source.

June 16, 2025

President, Korean Standards Association



## SK picglobal Co., Ltd.

### Scope of Assurance

The Korean Standards Association conducted an assurance engagement of SK picglobal Co., Ltd.'s greenhouse gas emissions statement, covering direct emissions (Scope 1) and indirect emissions (Scope 2).

### Assurance Standards and Procedures

The Korea Standards Association conducted assurance in accordance with the following standards and procedures:

- Guidelines on Reporting and Certification of Emissions under the Emissions Trading Scheme (Notification of the Ministry of Environment No. 2024-155)
- Guidelines on Verification for the Operation of the Emissions Trading Scheme (Notification of the Ministry of Environment No. 2024-169)
- 2006 IPCC Guidelines, KS I ISO 14064-1:2018, and KS I ISO 14064-3:20

### Level of Assurance

The materiality assessment result for SK picglobal Co., Ltd.'s greenhouse gas emissions satisfied the threshold for a reasonable level of assurance, within a margin of less than  $\pm 2.5\%$  of total emissions.

### Level of Assurance

The verification team found no material misstatements, omissions, or misrepresentations in the emissions statement. It was confirmed that the greenhouse gas emissions data were appropriately calculated.

### Greenhouse Gas Emissions in 2024 (Scope 1 and Scope 2)

(Unit: tCO<sub>2</sub>eq)

| Year | Direct Emissions | Indirect Emissions | Total   |
|------|------------------|--------------------|---------|
| 2024 | 424,687.409      | 113,344.652        | 538,031 |

\* Note: Greenhouse gas emissions by site are rounded down to the nearest whole number before summation, which may result in slight differences between the totals and the sum of each emission source.

June 16, 2025

President, Korean Standards Association



# GHG Emissions Verification Statement

## SK nexilis Co., Ltd.

Korea Management Registrar Inc. (KMR) conducted an assurance engagement on the 2024 greenhouse gas emissions (Scope 1 and Scope 2) of SK nexilis Co., Ltd.

### Scope of Assurance

The assurance covered all business sites and emission sources under the operational control of SK nexilis Co., Ltd.

### Assurance Criteria

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National Greenhouse Gas Inventories (2006)
- Guidelines on Reporting and Certification of Emissions under the Emissions Trading Scheme
- Guidelines on Verification for the Operation of the Emissions Trading Scheme
- Guidelines on the Operation of the Target Management System for Greenhouse Gas Emissions

### Assurance Procedures

The assurance was conducted using a risk-based approach and on-site verification based on data evaluation. The data and emission factors used in calculating greenhouse gas emissions were assessed for appropriateness based on objective evidence. The verification team reasonably assured the reported greenhouse gas emissions during the reporting period, in accordance with applicable verification standards.

### Independence of the Assurer

KMR has no relationships or conflicts of interest with the organization being assured and does not conduct verification with any biased views or perspectives. This assurance engagement was carried out based on the established verification standards, and the entire verification process was reviewed internally to ensure completeness.

### Limitations of Assurance

The verification team verified the relevant reports, information, and data provided by the entity using sampling or a complete enumeration method. Inherent limitations exist, and there may be differences in the interpretation of appropriateness. Although KMR made every effort to conduct a thorough and faithful assurance in accordance with the verification standards, it acknowledges the limitation that undetected errors, omissions, or misstatements may still be present.

### Assurance Criteria

- The greenhouse gas emissions verification was performed to meet the criteria for a reasonable level of assurance.
- No material errors were found in the emissions calculation, and supporting documentation and records were appropriately managed and used for the calculation. A final opinion of "reasonable assurance" is expressed.
- Materiality: Meets criteria of less than 5%
- Emissions (total)

| Greenhouse Gas Emissions | Direct Emissions | Indirect Emissions | Total Emissions (tCO <sub>2</sub> -eq) |
|--------------------------|------------------|--------------------|--|
| 2024                     | 15,676.831       | 109,878.266        | 125,554                                |

| Energy Consumption | Fuel    | Electricity | Steam | Total (TJ) |
|--------------------|---------|-------------|-------|------------|
| 2024               | 308.703 | 2,296.054   |       | 2,604      |

\* Note: There are differences between emissions by greenhouse gas type and the total emissions by business site. (Site-level emissions with decimal truncation are summed at the company level)

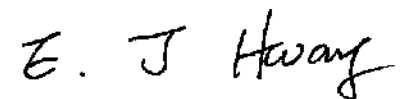
### Overall Conclusion

The assurance confirmed that emissions from major emission sources were calculated and reported without omission.

\* The organization is responsible for preparing its documentation in accordance with the "Guidelines on Reporting and Certification of Emissions under the Emissions Trading Scheme" (Notification of the Ministry of Environment No. 2021-278), and KMR's responsibility is limited to the contracting party under the agreed terms. KMR bears no responsibility for investment or other decisions made based on this assurance statement.

\* The organization must comply with the agreed terms for the use of certification marks and logos under its contract with KMR.

April 24, 2025  
Eun-Ju Hwang  
CEO of Korea Management Registrar (KMR)




# GHG Emissions Verification Statement

## SKC Co., Ltd.

Korea Management Registrar Inc. (KMR) conducted an assurance engagement on the 2024 greenhouse gas emissions of SKC Co., Ltd. In accordance with the applicable verification standards, we issue a conclusion of "reasonable assurance."

### Scope of Assurance

The assurance covered SKC Co., Ltd. and its subsidiaries<sup>1)</sup>, including all business sites and emission sources under their operational control.

1) SK picglobal Co., Ltd., SK nexilis Co., Ltd., and ISC Co., Ltd.

### Assurance Criteria

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National Greenhouse Gas Inventories (2006)
- Guidelines on Reporting and Certification of Emissions under the Emissions Trading Scheme (Ministry of Environment, Notification No. 2025-64)
- WRI/WBCSD GHG Protocol (2013)

### Assurance Procedures

The assurance was conducted using a risk-based approach and data evaluation methodology, supported by on-site verification. The data and emission factors applied in the emissions calculations were assessed for appropriateness based on objective evidence. The verification team reasonably assured the reported greenhouse gas emissions during the reporting period, in accordance with applicable verification standards.

### Independence of the Assurer

KMR has no conflicts of interest with the organization being assured and conducted the verification without bias or subjectivity. The verification was conducted based on the verification standards to derive an independent and objective conclusion, and the entire verification process was reviewed through an internal review.

### Limitations of Assurance

The verification team reviewed relevant reports, information, and data provided by the assured organization using sampling or, where applicable, full review methods. As a result, there are inherent limitations, and differences in the interpretation of appropriateness may arise. Although KMR made every effort to conduct a thorough and faithful assurance in accordance with the verification standards, it acknowledges the limitation that undetected errors, omissions, or misstatements may still be present.

### Assurance Criteria

- The greenhouse gas emissions verification was conducted to satisfy a limited level of assurance in accordance with the applicable verification standards, and no material misstatements were identified.
- Based on KMR's assurance approach, we found no indications that SKC Co., Ltd. failed to disclose accurate and reliable data and information in all material aspects.

## Greenhouse Gas Emissions

|              |  | Other Indirect Emissions (Scope 3) Total Emissions (tCO <sub>2</sub> eq) |                        |                      |               |                  |
|--------------|--|--|------------------------|----------------------|---------------|------------------|
|              |  | 1,430,870  |                        |                      |               |                  |
| Category     | Scope 3  | 2024   |                        |                      |               | Total            |
|              |  | SKC Co., Ltd.  | SK picglobal Co., Ltd. | SK nexilis Co., Ltd. | ISC Co., Ltd. |                  |
| 1            | Purchased Goods and Services                                       |  | 1,298,821.168          | 16,376.286           | 15,205.638    | 1,330,403.091    |
| 2            | Capital Goods  |  | 1,445.074              | 931.870              | 1,675.139     | 4,052.083        |
| 3            | Fuel- and Energy-Related Activities (Not Included in Scope 1 or 2) | 191.446  | 48,857.231             | 18,539.1593          | 310.770       | 67,898.605       |
| 4            | Upstream Transportation and Logistics                              |  | 17,835.470             | 2,264.008            | 292.4847      | 20,391.962       |
| 5            | Waste Generated in Operations                                      |  | 191.821                | 276.111              | 18.729        | 486.661          |
| 6            | Business Travel  | 472.1561   | 163.305                | 640.65721            | 391.160       | 1,667.278        |
| 7            | Employee Commuting   | 102.049  | 242.143                | 434.319              | 314.204       | 1,092.714        |
| 9            | Downstream Transportation and Logistics                            |  | 2,427.885              | 300.816              | 2,150.303     | 4,879.004        |
| <b>Total</b> |  | <b>765</b>   | <b>1,369,984</b>       | <b>39,763</b>        | <b>20,358</b> | <b>1,430,870</b> |

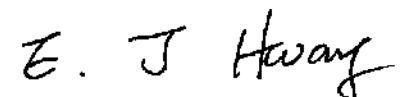
- \* Categories 8, 10, 11, 12, 13, and 14 are not relevant to the companies' business activities. Category 15 was not included in the calculation.
- \* For SKC Co., Ltd., only Categories 3, 6, and 7 were subject to calculation.
- \* Company-specific totals are rounded down to the nearest whole number, and the overall total reflects the sum of each company's rounded total.

## Overall Conclusion

The assurance confirmed that the emissions from major emission sources were calculated and reported without omission.

- \* The organization is responsible for preparing the verification documentation in accordance with the "Guidelines on Reporting and Certification of Emissions under the Emissions Trading Scheme" (Notification of the Ministry of Environment No. 2021-278). KMR's responsibility is limited to the contractual obligations with the reporting entity, and it bears no liability for investment or other decisions made based on this assurance statement.
- \* The organization must comply with the agreed terms for the use of certification marks and logos under its contract with KMR.

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# Memberships and Associations

## Membership Status of SKC

|  |   |
|--|---|
| Korea Chamber of Commerce and Industry | Korea Intellectual Property Association           |
| Korea International Trade Association  | Korea Exchange                                    |
| Korea Enterprises Federation           | Korea Federation of Plastic Industry Cooperatives |
| Korea Listed Companies Association     | The Climate Group                                 |

## Membership Status of Subsidiaries

| SK nexilis   |  |
|--|--|
| Korea Battery Industry Association                         |  |
| SK picglobal   |  |
| Korea Specialty Chemical Industry Association              | Korea Chemical Industry Association                  |
| Korea Hydrogen Industry Association                        | Korea International Trade Association                |
| ISC  |  |
| Semiconductor Equipment and Materials International (SEMI) | Korea Research Association of Silicone Industry      |
| Korea Semiconductor Industry Association                   | The Korean Silicone Society                          |
| The Institute of Semiconductor Test of Korea               | Korea Electronics Packaging and Circuits Association |

