

SK's Journey with Challenge, Passion and Integrity



SK Inc. Sustainability Report 2025



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SK ESG Story

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ESG Letter

Recent shifts in the global economy, driven by ongoing geopolitical conflicts, prolonged wars, and the rise of trade protectionism, have led to a landscape of heightened uncertainty. As these profound changes unfold, companies face increasing challenges to their sustainability, making innovation more vital than ever for overcoming adversity.

In the midst of such challenges, SK remains steadfast in upholding the SK Management System (SKMS) philosophy of “creating sustainable happiness for all stakeholders.” A company’s existence is rooted in society, and without a sustainable society, corporate sustainability cannot be achieved.

In response to the demands of our times, SK is redefining the purpose and role of business, shifting its focus from profit generation alone to the enhancement of social value, and is actively working to resolve social issues by leveraging its technology and capabilities.

SK is swiftly implementing operational improvements across all areas of its business to strengthen core competitiveness and establish a solid foundation for future growth, fostering synergies within the group in sectors such as semiconductors, AI, energy solutions, and bio.

AI, in particular, has emerged as a driving force for transformative change across every sector. Drawing on its advanced AI semiconductor technology, expertise in energy solutions, and partnerships with leading global AI service providers, which support the global expansion of its AI business, SK is accelerating AI innovation so that AI can positively shape people’s lives.

SK remains dedicated to creating value that contributes to humanity and the environment, grounded in responsible and innovative management. We pledge to collaborate with all stakeholders, including customers, business partners, local communities, and shareholders, to build a better future.

Thank you.

Chey, Tae-won
Chairperson & CEO, SK Inc.



ESG Letter

Dear valued stakeholders,

In 2025, the global economy is experiencing continued deceleration, with protectionist policies gaining strength and geopolitical tensions mounting, leading to a contraction in global trade.

As a result, companies are confronted with a level of macroeconomic uncertainty and risk that is more complex than ever before.

As the holding company of the SK Group, SK Inc. is committed to building a strong foundation for enhancing corporate value by responding swiftly and systematically to global risks. To this end, we are working closely with our subsidiaries to strengthen our business structure through portfolio rebalancing and advance fundamental business competitiveness through operation improvement (O/I). These efforts are designed to reinforce the basis for sustainable growth and create a platform for long-term value, even in an environment marked by considerable volatility.

Furthermore, SK Inc. recognizes ESG as a core pillar for enhancing competitiveness and sustainability.

We continue to advance our ESG management system in order to realize sustainable value for the future, and we are committed to maintaining stakeholder trust by transparently disclosing our ESG performance and information.

As a result of these ongoing efforts, in 2024, SK Inc. received top-level recognition from leading global rating agencies, securing the highest 'AAA' rating from MSCI for the third consecutive year and being listed on the S&P Global Dow Jones Sustainability World Index (DJSI World) for the 13th straight year.

Looking ahead, SK Inc. will remain proactive in driving change, pursuing sustainable growth, and delivering greater value in partnership with all stakeholders.

We sincerely appreciate your continued trust and support as we continue on our journey toward a brighter future.

Thank you.

Jang, Yong-ho
President & CEO, SK Inc.



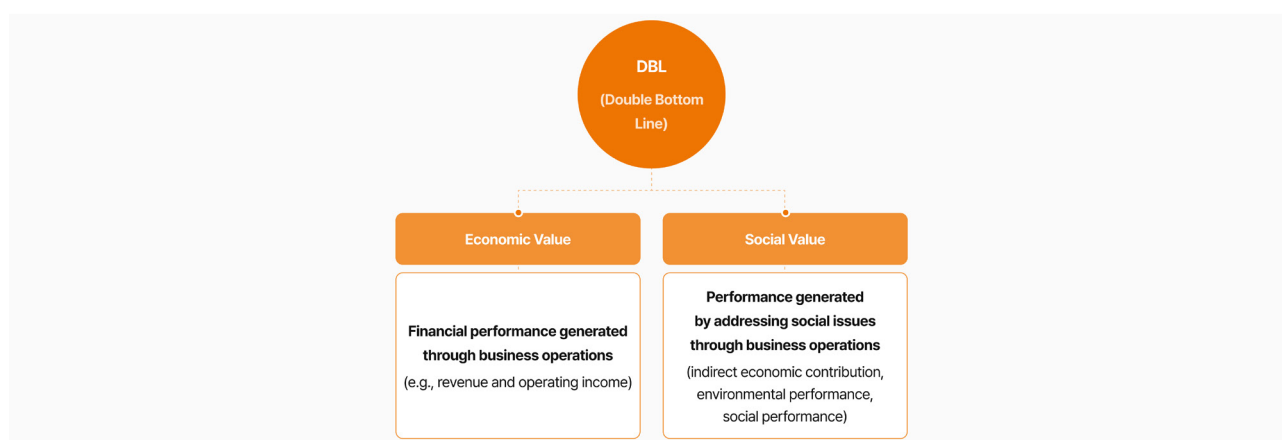
SK Double Bottom Line

SK Inc. adopts the Double Bottom Line (DBL) approach of the SK Group, striving to create both economic and social value to achieve shared growth with society. Through this philosophy, SK fulfills its social responsibilities while building a business model that enables sustainable growth.

SK DBL Management Philosophy

- The social value pursued by SK refers to all value created by the company to enhance the happiness of its stakeholders
- By leveraging its innovation capabilities, SK not only contributes to economic development but also actively creates social value to promote stakeholder well-being

SK DBL System

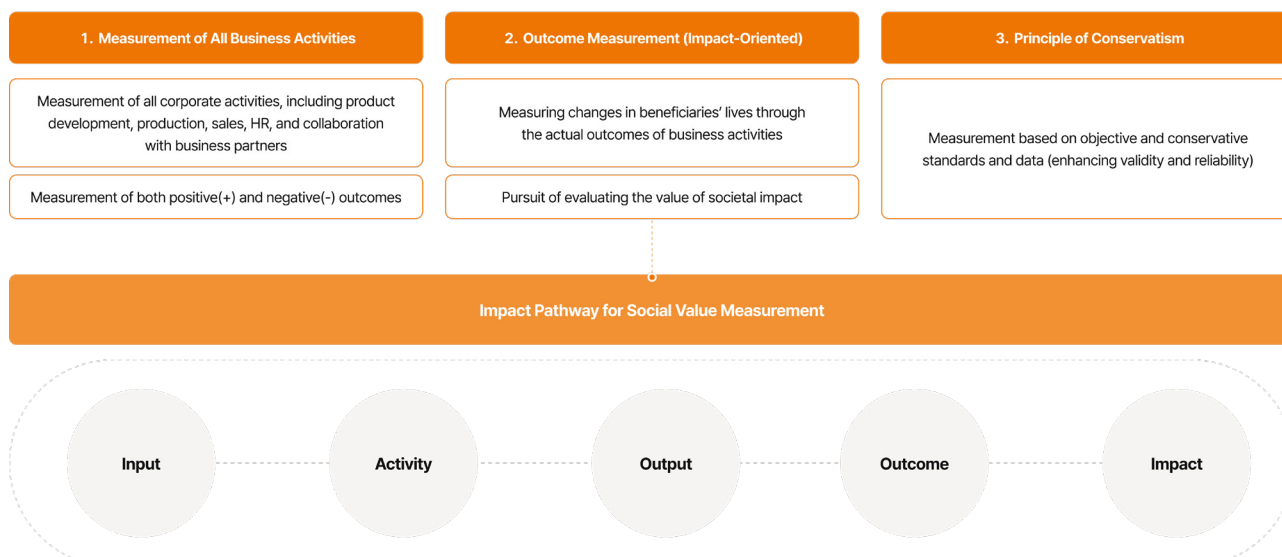


SK DBL Measurement

- Since 2018, SK Group has monetized and disclosed its social value, along with the relevant calculation methodologies, to enhance transparency and credibility
- SK Inc. measures social value based on the SK Group's methodology, which comprehensively reflects the impact of its business operations on various stakeholders, including the environment, employees, suppliers, and local communities

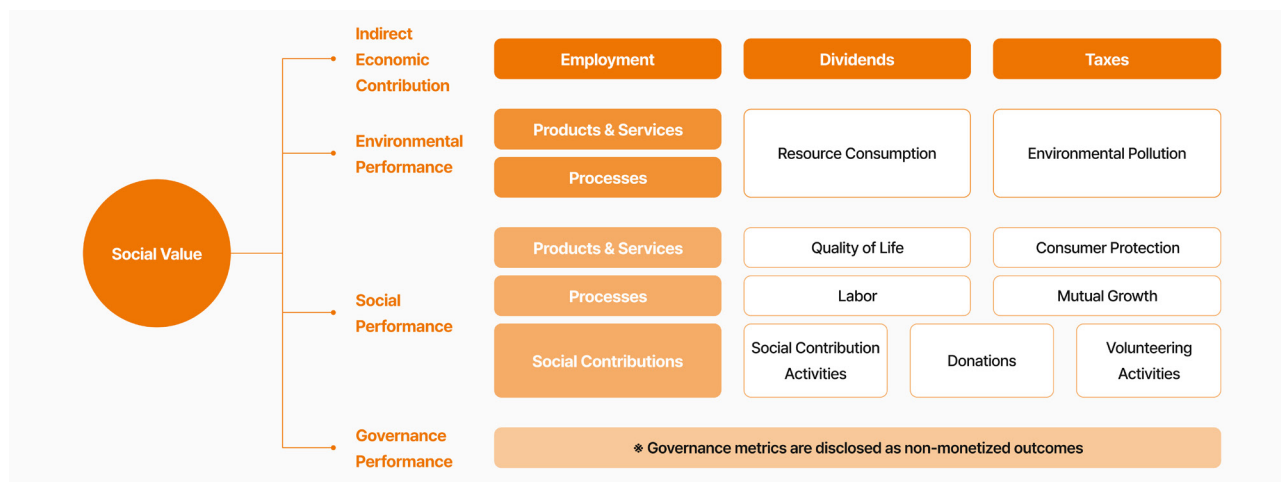
Social Value Measurement System

Principles of SK DBL Measurement



Social Value Measurement System

- The social value measurement system is aligned with ESG perspectives to enhance stakeholders' understanding
- It is categorized into three areas: indirect economic contribution, environmental performance, and social performance



01 Indirect Economic Contribution

- Employment: Amount paid in wages and employee welfare-related expenses
- Dividends: Cash dividend payments and retained earnings reduction due to treasury stock retirement
- Taxes: Tax payments including national and local taxes

02 Environmental Performance

- Products & Services: Positive environmental impact generated through eco-friendly products and services
- Processes: Negative environmental impact from water consumption, greenhouse gas emissions, and pollutant discharge during production and operational processes

03 Social Performance

- Products & Services: Value created by improving quality of life and promoting public interest through product manufacturing and service delivery
- Labor / Mutual Growth: Value created through improving employee working conditions and promoting mutual growth with suppliers
- Social Contributions: Value generated through community contribution and inclusive social engagement activities

2024 Social Value Measurement Results

* Scope of Measurement: SK Inc. and six domestic subsidiaries (SK Forest, SK Pinx, SK Biotek, SK Signet, SK REITs Management, SK Powertech)

Indirect Economic Contribution

(Unit: KRW 100 million)

Employment	Dividends	Taxes	Total
6,479	5,386	300	12,165

- Employment: A 3% year-over-year decrease in total wages and welfare-related expenses due to a reduction in workforce
- Dividends: A 20% year-over-year increase due to higher dividend payments (KRW +2,000 per common share) and retirement of treasury stock
- Taxes: A 33% year-over-year decrease in tax payments due to lower corporate and other tax liabilities

Environmental Performance

(Unit: KRW 100 million)

Products & Services	Processes	Total
1,526	△196	1,330

- Products & Services: A 12% year-over-year increase due to continued expansion of social value creation through IT service-based business areas
- Processes (Resource Consumption / Environmental Pollution): A 29% year-over-year decrease due to increased electricity usage and greenhouse gas emissions resulting from rising demand for data centers

Social Performance

(Unit: KRW 100 million)

Products & Services	Processes	Social Contribution	Total
154	372	75	601

- Products & Services: A 36% year-over-year decrease due to discontinuation of certain services in business areas
- Processes (Labor / Mutual Growth): A 13% year-over-year increase due to rising costs including employee education
- Social Contributions: A 39% year-over-year decrease due to reduction in donation amounts and related activities

Value Creation Story

As the holding company of SK Group, SK Inc. supports its member companies in strengthening core competitiveness and building a foundation for sustainable growth. In response to a rapidly evolving business landscape, the company is transforming its investment portfolio and exploring future growth opportunities to enhance corporate value and generate synergies across the SK Group. In addition, SK Inc. AX leverages its expertise across diverse industries and advanced AI technologies to deliver differentiated customer value and drive AI Transformation (AX), thereby contributing to the reinforcement of digital competitiveness and AI innovation for customers and society.

Business Model

IT Services Business Overview

- Leveraging deep insights into industry-specific business landscapes, SK Inc. AX supports clients in advancing AI innovation as a trusted AI Transformation Partner, contributing to the enhancement of core business competitiveness and innovation in customer value.
- By establishing a system and culture where all employees collaborate with AI, transforming business execution through Agentic AI, redesigning the organization for the AI era, and building an Agentic AI technology stack, SK Inc. AX is evolving into a company that works alongside 'AI-powered members'
- Through its AI capabilities and off/nearshoring strategies, SK Inc. AX is strengthening global execution and cost competitiveness to drive continuous growth in the global market.



Customer-Centric Business Execution System

- Enhancement of business and technology consulting services
- Establishment of an account-oriented organizational structure



AI Powered ITS Transformation

- Adoption of AI across all operational processes
- Backoffice AI innovation



Global Growth

- Factory automation
- Global localization of cloud/infra-centered businesses



Enhanced Delivery Efficiency

- Diversification of delivery structure
- Expansion of offshoring

“

SK Inc. AX has grown into a trusted Digital Transformation partner, helping clients across various industries address their IT challenges based on our foundation of stability and expertise.

However, the rapid rise of AI is now bringing fundamental changes to society and industry.

At SK Inc. AX, we recognize that AI must no longer be viewed merely as a tool for automation.

Instead, it calls for a new paradigm that redefines the standards of work, organizational culture, processes, and systems around AI.

In response to this shift, SK Inc. AX announced its new name in June, reaffirming—both internally and externally—our commitment to becoming “the best partner for strengthening business competitiveness through AI.”

This reflects our dedication to leading by example as a Being AX Role Model, and to driving innovation across our clients' entire value chains and management practices through an AI-First strategy.

By leveraging our capabilities in AI, data, cloud, and digital platforms, SK Inc. AX aims to establish itself as a true Being AX Company, and ultimately become an AI-First & Default Company that is aligned with the era of AI.

With innovation at our core, SK Inc. AX will continue to support the growth of our customers, employees, and business partners, while actively contributing to solving social issues and realizing responsible management for a sustainable future.

Thank you.

Poong-young Yoon

President, SK Inc. AX

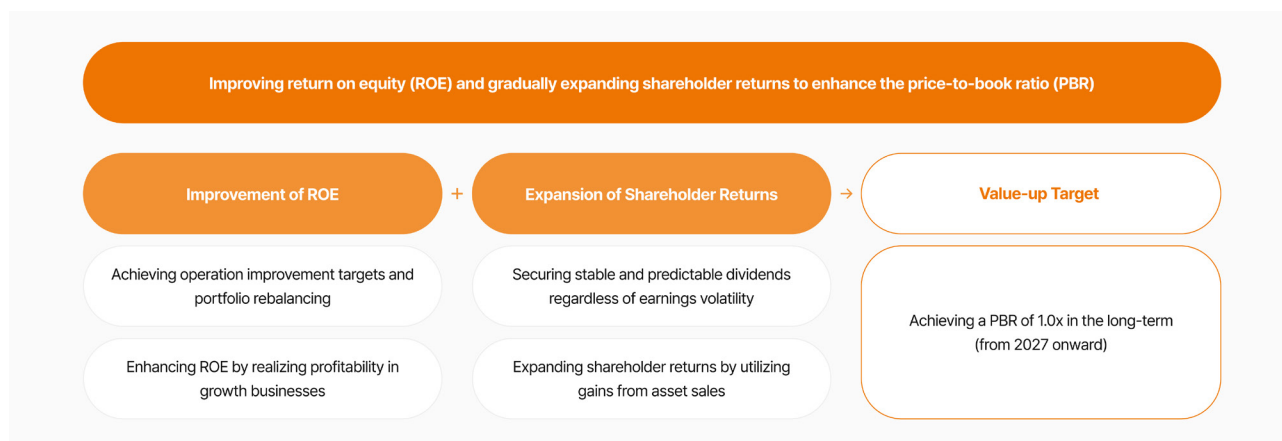


Enhancing Corporate Value

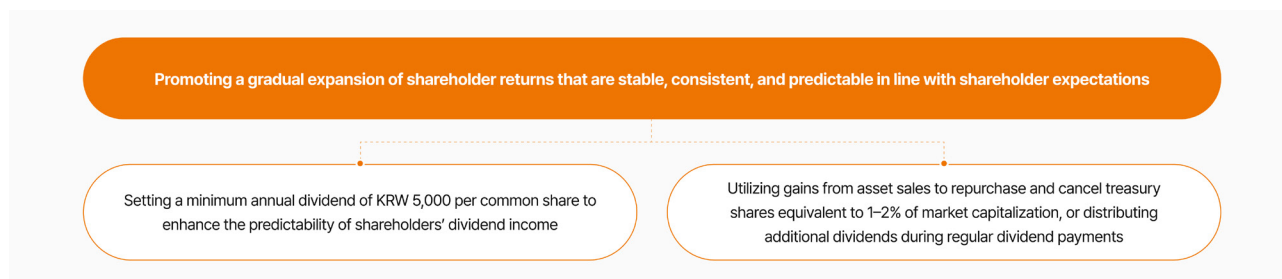
Corporate Value Enhancement Plan

- In October 2024, SK Inc. became the first holding company (excluding financial institutions) to announce a 'Corporate Value Enhancement Plan,' reinforcing its commitment to shareholder-friendly management and strengthened market communication
- By strengthening core competitiveness through member company operation improvement (O/I), portfolio integration and rebalancing, and financial structure stabilization, SK Inc. aims to drive sustainable growth and gradually expand shareholder returns, thereby enhancing long-term corporate value

Approach to Enhancing Return on Equity (ROE)



Expansion of Shareholder Returns



Enhancing Shareholder-Oriented Management

Protection of Shareholder Rights

- SK Inc. adheres to the 'one share, one vote' principle, ensuring that shareholders can exercise their voting rights on key management matters
- Golden shares for government institutions are not issued, ensuring equal rights for all shareholders
- The Articles of Incorporation can only be amended by a resolution at the General Meeting of Shareholders, requiring the approval of at least two-thirds of the voting rights of attending shareholders and one-third of the total number of issued shares (pursuant to Articles 433(1) and 434 of the Korean Commercial Act)

Facilitating Exercise of Voting Rights

- Electronic voting was introduced at the 27th Annual General Meeting of Shareholders in 2018 to improve the convenience of exercising voting rights
- Shareholders may exercise their voting rights by attending the general meeting in person, voting by proxy, or responding to a proxy solicitation

Measures to Strengthen Shareholder Communication



ESG Key Metrics

SK Inc. systematically manages its ESG performance based on key ESG metrics established at the SK Group level. All member companies use these metrics to periodically assess their ESG performance, identify company-specific key issues, and develop phased action plans aimed at achieving a global top-tier level. These goals are reflected in KPIs to drive continuous performance improvement. ESG-related data for each metric is regularly entered and managed through the group-wide integrated ESG management system, the Social Value Management System (SVMS).

ESG Key Metrics

Key ESG Performance Metrics

Environmental

Metrics (12)	Disclosure Management	Assessment Management
General Energy Consumption	· Total energy consumption · Direct energy consumption by source · Indirect energy consumption by source	· Energy consumption intensity
Renewable Energy Consumption	· Total electricity consumption · Total renewable energy consumption · Renewable energy consumption by source · Renewable energy consumption by procurement method	· Renewable energy usage rate (%)
Greenhouse Gas Emissions	· Target greenhouse gas emissions · Greenhouse gas reduction performance · Achievement rate of greenhouse gas reduction target (%) · Total greenhouse gas emissions · Scope 1/2/3 emissions	· Related policies/targets/performance · Achievement rate of greenhouse gas reduction target (%) · Total greenhouse gas emissions intensity
Climate Change Response (TCFD Disclosure)		· Related policies/strategies/performance
Environmental Pollution Prevention	· Status of pollution control facilities and monitoring systems · Status of environmental technology and education support · Status of violations of domestic and international environmental regulations	· Related policies/strategies/performance
Air Pollutant Emissions	· NOx emissions · SOx emissions · Dust emissions · VOC emissions	· NOx emissions intensity · SOx emissions intensity · Dust emissions intensity · VOC emissions intensity
Waste Generation	· Total waste generation · Waste generation by type	· Waste generation intensity
Waste Recycling	· Total volume of waste recycled	· Waste recycling rate (%)
Water Consumption	· Total water withdrawal · Water withdrawal by source · Water withdrawal in water-stressed areas	· Water withdrawal intensity
Water Recycling	· Total water consumption · Total volume of water recycled	· Water recycling rate (%)
Water Pollutant Emissions	· COD emissions · BOD emissions · T-N emissions	· COD emissions intensity · BOD emissions intensity · T-N emissions intensity
Clean Technology		· Related policies/targets/performance

Social

Metrics (14)	Disclosure Management	Assessment Management
Employee Profile	· Total number of employees · Employee demographics (by gender, age group, and employment type) · Number of new hires · Number of employees with disabilities · Proportion of female executives · Number of female executives	· Proportion of employees with disabilities
Employee Safety	· LTIR by employment type (in-house / supplier employees) · Number of lost-time injuries (in-house / supplier employees) · Employee fatality rate · Number of employee fatalities	· LTIR-related policies/targets/performance
Employee Health	· Occupational illness frequency rate (OIFR) · Number of occupational illness cases	· Related policies/targets/performance
Employee Human Rights		· Related policies/targets/performance
Employee Development	· Employee training hours (HRD)	· Related policies/targets/performance
Work-Life Balance		· Related policies/targets/performance
Product/Service SV		· SV(Social Value) generated through products/services
Product/Service Safety and Quality	· Number of violations of product/service safety regulations	· Related policies/targets/performance
Corporate Data and Customer Information Protection	· Number of corporate data and customer information breaches	· Related policies/targets/performance
Support for Supplier Mutual Growth		· Related policies/targets/performance
Supplier ESG Risk Management	· Number of suppliers assessed for ESG risks · Percentage of suppliers with corrective actions implemented	· Related policies/targets/performance
Support for Local Communities	· Percentage of employees participating in volunteer activities	· Related policies/targets/performance
Support for the SE Ecosystem		· Related policies/targets/performance
Fair Evaluation and Compensation	· Policies on employee evaluation and compensation · Status of performance evaluation and feedback processes	

Governance

Metrics (9)	Disclosure Management	Assessment Management
Executive Performance Evaluation and Compensation	· Status of Compensation Committee establishment and operation	· Policies/targets/performance on ESG-based executive evaluation and compensation systems
Identification of Stakeholder ESG Needs		· Related policies/targets/performance
ESG-Based Business Portfolio Strategy and Process		· Policies/targets/performance for new businesses and investments applying ESG criteria
Board Composition and Operation	· Status of board operations · Board remuneration policy · Status of board evaluations · Status of Independent Director Nomination Committee establishment and operation	· Policies/targets/performance related to board diversity/expertise/independence · Proportion of female directors · Policies/targets/performance related to ESG discussions within the board
Audit Committee Operation	· Status of Audit Committee establishment and operation	
Enhancement of Shareholder Value	· Shareholder rights protection policy · Shareholder return policy	
Anti-Corruption Management	· Number of violations of anti-corruption regulations	· Policies/targets/performance for anti-corruption · Policies/targets/performance on employee anti-corruption training
ESG Disclosure		· ESG key metrics disclosure rate · ESG management of subsidiaries and sub-subsidiaries
Participation in Global Partnerships		· Policies/targets/performance on participation in ESG-related global partnerships

Materiality

Stakeholder Engagement

Double Materiality Assessment

Impact Material Topics

Financial Material Topics

Stakeholder Engagement

SK Inc. systematically identifies key stakeholders whose interests are closely tied to its business, aiming to integrate their expectations into its management practices. The ESG-related expectations of these stakeholders are regularly gathered and reported to the management and the Board of Directors. The insights are then incorporated into strategic and operational decisions, fostering open communication and building trust with stakeholders.

Stakeholder Engagement Policy

Key Stakeholders

SK Inc. seeks to understand the level of awareness and interest that stakeholders have in ESG issues related to its business and to incorporate these insights into its management practices. To identify the ESG-related concerns of stakeholders, SK Inc. recognizes five key stakeholder groups: employees, shareholders and investors, suppliers, customers, and local communities. Key stakeholder expectations are regularly reviewed to develop appropriate response strategies, with findings reported to the management and the Board of Directors. Feedback from the management and the Board is reflected in business operations and forms the basis for continued engagement with stakeholders.



Stakeholder Communication Channels

- Communication with stakeholders is regarded as a critical element of management, and various customized channels are actively utilized
- Key issues identified by stakeholders are disclosed transparently each year through the sustainability report and official channels
- Efforts are continuously made to enhance information accessibility by improving disclosure and communication channels

Stakeholder	Communication Channel	SK Inc.'s Response Strategy
Employees	Evaluation/coaching programs	· Diversifying and specifying discussion topics and formats · Expanding employee feedback collection and data-driven approaches
	Communication with management	· Gathering and discussing employee opinions on happiness · Building an integrated online/offline communication platform
	Employee participation/networking	· Hosting Self-Design Sessions · Restarting offline programs · Facilitating team-level communication · Promoting employee-led initiatives
	Happiness-related programs	· Performing activity assessment · Providing personalized happiness assessments and solutions · Building a happiness data and reference · Conducting organizational happiness workshops
	Hangarae	· Securing ESG/Stakeholder Account content · Enhancing bulletin board functionality · Running regular events
	H.App	· Strengthening communication channels · Building a two-way communication environment · Fostering ongoing improvements in employee-led initiatives
Shareholders and Investors	Analyst and investor meetings	· Supporting publication of business reports · Visiting key business sites and hosting IR events
	General shareholders' meeting	· Diversifying communication channels · Creating events that meet shareholder expectations
	Disclosure and performance announcements	· Complying with regulatory guidelines · Expanding the sharing of detailed performance data
Suppliers	Mutual Growth Day Biz. Partner CEO Seminar	· Providing ESG risk management and support programs for suppliers · Expanding mutual growth programs for suppliers · Creating shared value while strengthening mutual competitiveness
Customers	VOC collection and follow-up	· Establishing regular survey and interview practices · Presenting discussion points
	Operation of team leader consultative body	· Holding regular meetings · Providing regular insight reports · Facilitating networking activities
	Customer satisfaction surveys	· Conducting on a regular basis · Expanding survey scope and target companies
Local Communities	Participation in community consultative councils	· Developing strategic CSR-linked programs based on local community issues
	Local governments/schools/institutions	· Continuing to develop and operate environmental education programs for vulnerable groups

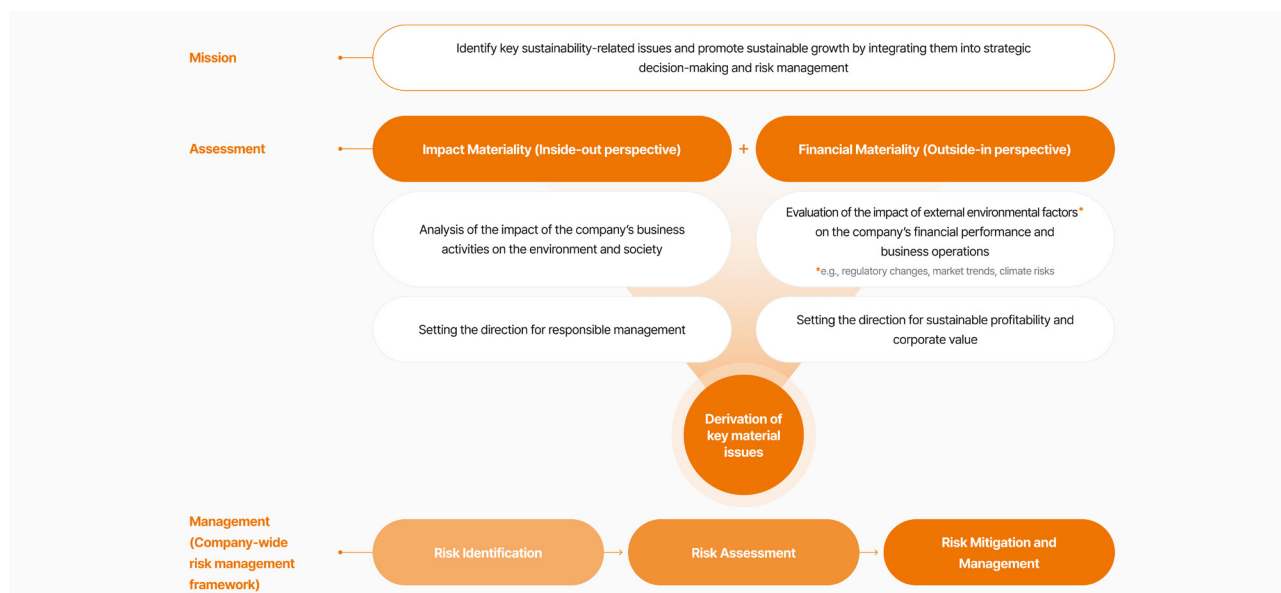
Double Materiality Assessment

SK Inc. conducts a double materiality assessment every year to establish a more refined sustainability strategy. Through this process, key sustainability-related issues are identified and incorporated into strategic decision-making and risk management to promote sustainable growth.

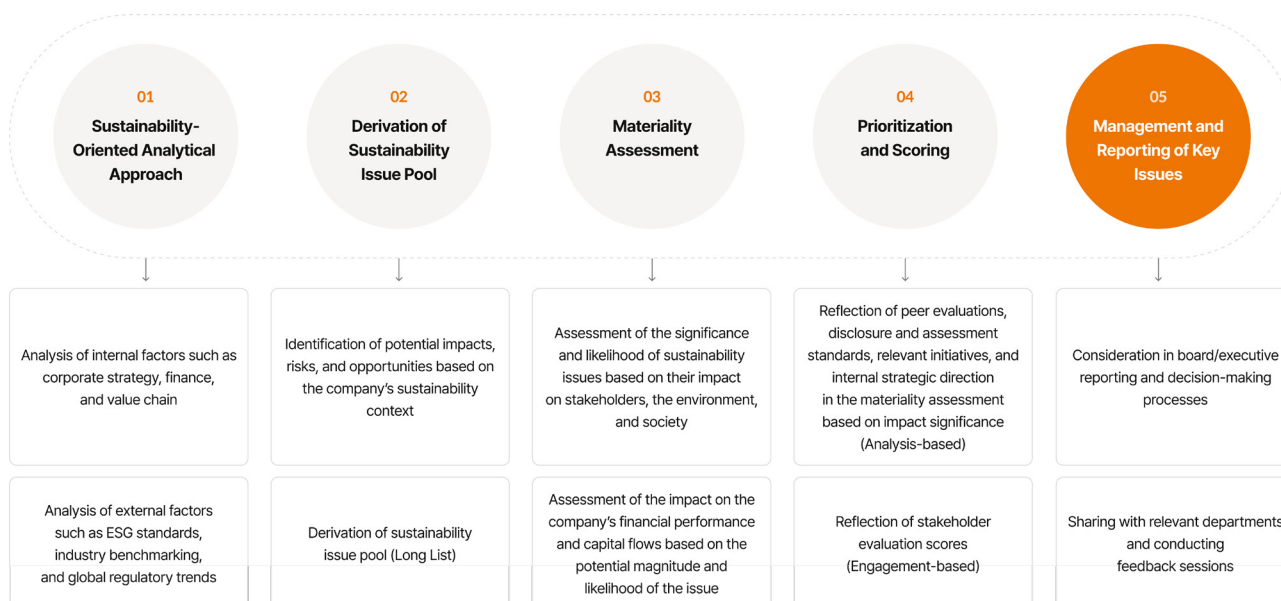
Materiality Assessment Process

Overview of the Assessment

- The double materiality assessment evaluates ESG issues from two perspectives: impact materiality and financial materiality
- The assessment is conducted in accordance with the principles of GRI 2021 and the guidelines of the Corporate Sustainability Reporting Directive (CSRD) of the European Union
- The process has been verified by an independent third-party organization to ensure the reliability and objectivity of the assessment



Assessment Process



Internal and External Environmental Analysis

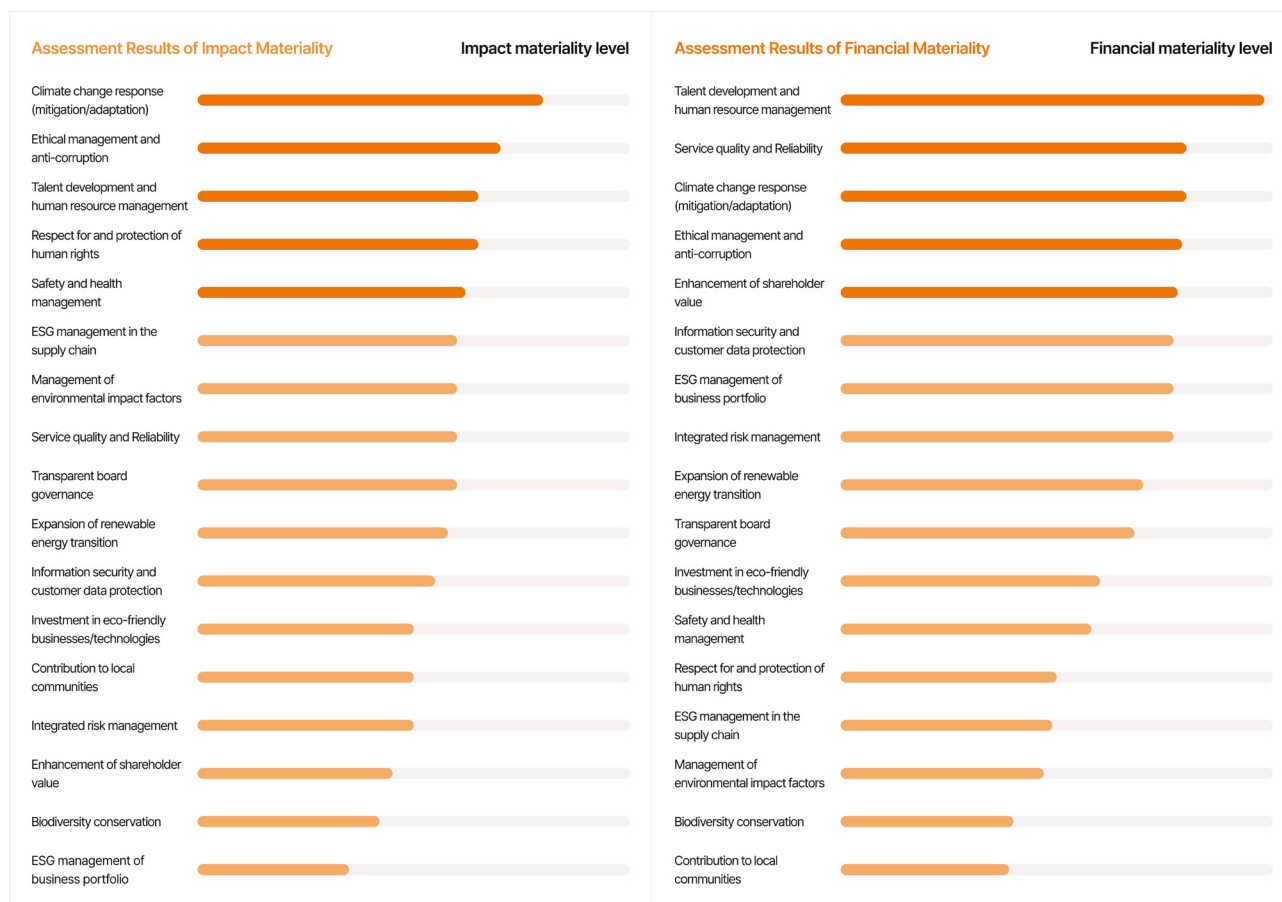
To identify material issues, SK Inc. conducts an internal and external environmental analysis of its business activities and the stakeholders they impact, including employees, customers, shareholders and investors, suppliers, and local communities

Category	Subject of Analysis	Detailed Description
Internal Analysis	IR data (business plan, strategy, financial statements, board agendas, internal KPIs, etc.)	Analysis of the company's current and future strategies, financial status, and key management metrics to define the direction for sustainability
	Company's business activities (products/services, geographic locations, etc.)	Assessment of the environmental and social impacts of the company's business activities and the products/services it provides
	Company's business relationships (value chain type, stakeholders affected, etc.)	Analysis of the company's relationships with its supply chain, customers, and partners, and their impact on corporate sustainability
	Issue pool from previous year	Evaluation of sustainability issues and performance presented in the previous year's report to reflect them in the current sustainability strategy
External Analysis	ESG standards and guidelines (GRI, SASB, ESRS, MSCI, etc.)	Analysis of external standards such as ESG evaluations, disclosures, and initiatives to establish management policies that align with them
	Benchmarking of leading domestic and global companies	Benchmarking of sustainability initiatives among industry peers to establish strategies that incorporate industry trends and enhance competitiveness

Materiality Assessment Results

Results of the Company-wide Materiality Assessment by Issue

- Based on quantified data, the top 30% of issues were classified as material, and five issues each from the impact and financial areas were selected as priority topics
- To ensure balanced decision-making, an equal number of impact material topics and financial material topics were selected



* Impact materiality: Quantitative thresholds are established based on severity and likelihood of occurrence

** Financial materiality: Quantitative thresholds are established based on the likelihood and potential magnitude of risks and opportunities over the short, medium, and long term

Impact Material Topics

Achieving sustainable management requires a clear understanding and systematic management of the environmental, social, and governance (ESG) impacts associated with business operations. Impact material topics, in particular, have the potential to significantly affect business strategy. Effectively assessing and addressing these topics is key to strengthening both corporate competitiveness and fulfilling social responsibility.

Key Issue Analysis

Five key topics were identified by assessing the scope and scale of impact, likelihood of occurrence, and irreversibility of the issues derived from the issue pool

Material Topic	Scope of Impacted Value Chain	Impact Level (Positive/Negative)	Impacted Stakeholders	Output Metric	Assessment of Environmental and Social Impacts	Impact Measurement Metric
① Climate Change Response (Mitigation/Adaptation)	Business sites Products/ services Supply chain	●●●	Environment Customers (End users) Suppliers	· Greenhouse gas emissions · Greenhouse gas emission reduction	Change in environmental value · Reduction of environmental impact through greenhouse gas emission reduction · Aggravation of the climate crisis due to fossil fuel and electricity consumption	· Negative environmental impact and social cost resulting from greenhouse gas emissions (estimated using the Social Cost of Carbon proxy value)
② Ethical Management and Anti-Corruption	Business sites Supply chain	●●●	Society Customers (End users) Suppliers	· Number of ethical management reports · Handling rate of ethical management reports	Change in social costs · Enhancement of corporate ethics and reinforcement of global trust · Decline in social trust and emergence of legal risks	Reduction of costs incurred from ethical management and anti-corruption violations
③ Talent Development and Human Resource Management	Business sites	●●○	Society Employees Suppliers	· Number of employees from vulnerable worker groups, including persons with disabilities · Employee satisfaction level (Culture Survey – ‘Happiness’ score) · Number of participants and satisfaction score for in-house/ core competency development programs	Change in household income level and improvement/ deterioration in quality of life · Contribution to quality job creation and economic revitalization · Potential imbalance in talent development and risk of social inequality	· Measurement of social value – measuring quality-of-life improvement through employment creation across society – labor – vulnerable groups · Degree of improvement in work engagement · Level of actual application in the workplace · Proportion of in-house instructors utilized through enhanced job expertise
④ Respect for and Protection of Human Rights	Business sites Supply chain	●●○	Society Employees Suppliers	Achievement rate of human rights impact assessment improvements	Change in social costs · Enhancement of corporate management reliability and minimization of social loss · Social harm caused by human rights violations and unethical practices	Reduction in the number of human rights grievances through improved human rights awareness and mitigation of human rights risk factors
⑤ Safety and Health Management	Business sites Supply chain	●●○	Society Employees Suppliers	Number of resolved risk factors within business sites	Change in health-related costs · Establishment of accident prevention systems through the promotion of a safety culture · Environmental pollution and health risks to local communities	Measurement of social value – evaluation of negative impact and social cost related to safety in the domains of society – labor – employees/suppliers, measured as negative performance

The material issues of SK Inc. are rated as High, Mid, or Low according to the level of their positive or negative impact on the environment and society

*High: ●●●, Mid: ●●○, Low: ○○○

Impact Occurrence and Control

01 Climate Change Response (Mitigation/Adaptation)

Actual/Potential Impacts	Achieving the Paris Agreement's target of limiting global warming to 1.5°C requires not only the role of governments and local authorities, but also the role of companies. Corporate efforts to address climate change play a critical role in supporting national greenhouse gas reduction goals and minimizing environmental and social impacts—both of which are essential for corporate sustainable development. SK Inc. has identified climate change response as a key priority within its company-wide sustainability management. The company is committed to enhancing environmental value by reducing greenhouse gas emissions through initiatives such as expanding renewable energy use, optimizing production processes, transitioning to electric vehicles, and decarbonizing the supply chain. These efforts contribute to increasing environmental value by generating positive outcomes such as mitigating climate risks. However, in certain business areas, there is still a dependency on fossil fuel-based energy and electricity, posing potential risks that could worsen the climate crisis. These risks may lead to increased carbon-related costs, stricter regulations, and heightened ESG expectations from stakeholders, all of which could negatively affect corporate sustainability. • Scope of impacted value chain: Business sites, products/services, supply chain • Key stakeholders impacted: Environment, customers (end users), suppliers
Response strategies	1) Climate risk management system • Recognition of climate change as a significant risk to financial soundness and operational continuity • Advancement of risk management through the establishment of a scientific, data-based identification and monitoring system • Integration of policy changes, industry trends, and stakeholder expectations into company-wide risk strategy 2) Expansion of renewable energy use • Implementation of RE100 (self-generation, PPAs, etc.) • Achievement of a 24.7% RE100 implementation rate in 2024, exceeding the target by 1.7%
Mid- to Long-Term Plans	• Establishment of Scope 1 and 2 reduction targets (near-term and long-term) for achieving Net Zero • Establishment of Scope 3 reduction targets to achieve SK Group's 2050-α Net Zero goal ▶ See detailed report

02 Ethical Management and Anti-Corruption

Actual/Potential Impacts	Ethical management and anti-corruption may result in widespread societal harm and increased social costs. Responsible practices such as anti-corruption, fair trade, and human rights protection serve as key standards for building trust with various stakeholders including investors, customers, and governments. As such, they represent material issues with significant implications for society at large. SK Inc. upholds ethical management and transparency as top priorities across all aspects of its business operations. These principles are fundamental to earning trust in global markets and establishing long-term relationships with stakeholders. A strong commitment to ethical conduct not only reduces social costs but also enhances corporate reputation and brand equity. This helps build trust with investors, customers, and business partners, and strengthens the foundation for sustainable business practices. Conversely, unethical behavior or corruption involving employees or executives can severely damage brand image and erode stakeholder confidence. It may also disrupt corporate culture, leading to lower employee morale, decreased productivity, and increased turnover. In light of tightening ESG-related regulations and heightened disclosure expectations, a lack of transparency may result in tangible social costs, such as fines, lawsuits, and divestments. • Scope of impacted value chain: Business sites, supply chain • Key stakeholders impacted: Society, customers (end users), suppliers
Response strategies	1) Operation of Committees and Implementation of Audits • Operation of an internal control and ethics/compliance risk management system centered on the Audit Committee • Execution of 14 Audit Committee meetings in 2024 and implementation of annual audits focused on domestic and overseas subsidiaries and staff functions • Enhancement of risk response effectiveness through the early identification and prevention of operational risks, including those related to the supply chain, quality, and finance 2) Ethical Management Training • Provision of annual ethical management training for all members of the organization (including permanent, contract, and part-time employees) to enhance awareness and prevent corruption • Mandatory annual completion of at least one training program related to assigned audit areas by all members of the dedicated team • Provision of online ethical management training for supplier personnel assigned to company projects, including an overview of the company's ethical management system, key violation cases, and available reporting channels
Mid- to Long-Term Plans	• Achievement of 'Leader' level in the ethical management evaluation system • Establishment and expansion of the anti-corruption management system • Elimination of unfair trade and unfair competitive practices ▶ See detailed report

03 Talent Development and Human Capital Management

Actual/Potential Impacts	SK Inc. plays a key role in enhancing the quality of life for employees and local communities by providing quality employment, maintaining a fair compensation system, and promoting mutual growth with supplier companies. These efforts represent a core strategy for fulfilling social responsibility while laying the foundation for sustainable growth. Effective talent management allows the company to strengthen its competitiveness, improve productivity and operational efficiency, and foster a positive corporate culture. In the process of strengthening talent development and human resource practices, SK Inc. also contributes to local economic revitalization by offering educational and vocational training opportunities to communities. Such initiatives help generate employment opportunities and support the inclusion of vulnerable groups and youth in the labor market, thereby reinforcing the company's commitment to social responsibility. However, disparities in job quality and access to employment—as well as growth concentrated in specific sectors or regions—pose potential risks, such as widening gaps in talent development and increasing social inequality. In particular, during periods of digital transformation and industrial restructuring, low-skilled workers and younger generations may face exclusion from the workforce, leading to potential declines in their quality of life. • Scope of impacted value chain: Business sites • Key stakeholders impacted: Society, employees, suppliers
Response strategies	1) Implementation of Fair Recruitment and Evaluation Systems • Introduction of AI-based recruitment agents in 2024, the first among major domestic corporations, to ensure fair and consistent evaluation throughout the recruitment process • Execution of objective evaluations based on competency-driven criteria (e.g., career vision, expertise, potential) to prevent gender discrimination risks in recruitment and promotion processes • Selection of leadership candidates based on competency, qualifications, and performance regardless of gender, and provision of individualized career development planning and support 2) Operation of AX College • Recognition of talent development as a core driver of corporate competitiveness and implementation of various training and support programs • Systematic support for capability development of employees and supplier companies through AX College, with customized training programs to enhance job expertise • Promotion of balanced growth across job functions and expansion of educational opportunities for diverse groups in collaboration with local communities through comprehensive talent development policies
Mid- to Long-Term Plans	• Expansion of the proportion of female employees and managers • Securing of talent for future growth, along with structural improvement and process innovation • Establishment of a corporate culture that supports work-life balance for employees ▶ See detailed report

04 Respect for and Protection of Human Rights

Actual/Potential Impacts	Ensuring the protection of workers' rights and proactively identifying and addressing potential human rights risks across the supply chain are fundamental to establishing a foundation for corporate sustainability. A structured approach to human rights risk management enables the protection of not only employees but also a wide range of stakeholders, including supplier companies, making it a critical component of corporate governance and social responsibility. Regular human rights impact assessments, improvements in working conditions, and the implementation of systems to prevent discrimination and harassment help mitigate the risk of legal disputes, consumer boycotts, and reputational damage—thereby reducing potential social costs before they arise. Proactive prevention of human rights risks enhances long-term corporate credibility and fosters positive ripple effects, such as reduced social conflict and operational cost savings. On the other hand, failures to address human rights issues can significantly damage a company's reputation and erode public trust, potentially resulting in legal action or regulatory sanctions. If such violations lead to investor withdrawal or divestment, the resulting social losses can escalate rapidly. Moreover, a breakdown in trust with local communities may intensify conflicts between the company and the region, increasing the cost of recovery and negatively impacting social stability. • Scope of impacted value chain: Business sites, supply chain • Key stakeholders impacted: Society, employees, suppliers
Response strategies	1) Implementation of Regular Human Rights Impact Assessments • Identification and improvement of potential risks through regular human rights impact assessments across all business sites and supplier companies • Assurance of objectivity and credibility in assessments through collaboration with external expert organizations • Planned expansion of the assessment scope to include mergers and acquisitions (M&A) and joint ventures 2) Operation of a Human Rights Risk Assessment System • Operation of a human rights risk assessment and management system led by the legal department • Establishment of a framework aligned with global standards and reinforcement of stakeholder human rights protection • Maintenance of a consistent level of human rights management with an achievement rate exceeding 90% since 2022
Mid- to Long-Term Plans	• Advancement and integration of human rights management • Expansion of supplier capacity-building programs for autonomous human rights management and risk management • Expansion of human rights management achievements ▶ See detailed report

05 Safety and Health Management

Actual/Potential Impacts	In the course of business operations, preventing safety incidents and managing the health of employees and supplier personnel are critical issues with implications that extend beyond the company to society as a whole. Strengthening safety and health policies, monitoring their implementation, and consistently providing training and awareness activities can significantly reduce the risk of industrial accidents and related social costs. These efforts also help foster a strong safety culture that enhances corporate sustainability. SK Inc.'s efforts to establish a company-wide safety culture and prevent industrial accidents and occupational health risks serve to protect the lives and well-being of individual workers while also reducing healthcare-related costs at the societal level. By operating a proactive safety and health management system, SK Inc. seeks to identify and eliminate workplace hazards in advance and provide safety training to all employees to minimize the risk of accidents. Such measures help reduce not only direct costs—such as medical expenses and compensation—but also long-term losses related to decreased productivity and costs arising from social losses. In contrast, insufficient safety and health measures can negatively affect not only employees but also the health of neighboring communities. In the event of an accident or major industrial incident, the consequences may extend beyond corporate risk, resulting in public criticism and significant economic losses. • Scope of impacted value chain: Business sites, supply chain • Key stakeholders impacted: Society, employees, suppliers
Response strategies	1) Operation of Risk Assessment • Implementation of annual risk assessments at all business sites to identify hazardous and risk factors in advance • Development of improvement plans based on quantified risk levels and acceptability-based risk grading • Integration of risk assessment results into company-wide safety management strategies to enhance the overall management system 2) Enhancement of Supplier Capabilities • Improvement of supplier response capabilities through safety training and risk management support programs • Introduction and implementation of an accident prevention-centered management system
Mid- to Long-Term Plans	• Establishment of an optimized SHE system aligned with business operations and early stabilization of SHE Basic • Enhancement of SHE competitiveness through a virtuous cycle of training, assessment, and improvement • Internalization of a business organization-centered autonomous safety culture at worksites ▶ See detailed report

Financial Material Topics

In the face of a rapidly evolving business environment, SK Inc. is exposed to a variety of financial risks and opportunities. Factors such as global economic volatility, interest and exchange rate fluctuations, supply chain risks, and regulatory changes can significantly affect financial performance. To ensure sustainable growth, it is essential to conduct in-depth analysis and implement proactive response strategies.

Key Issue Analysis

Five financially material topics were derived by assessing the likelihood of risks and opportunities and the potential scale of their financial impact within the issue pool

Rank	Topic	Area of Impact	Risk Impact		Opportunity Impact		Mid- to Long-Term Goal	KPI
			Impact Level	Impact Horizon	Impact Level	Impact Horizon		
①	Talent Development and Human Resource Management	Cost Revenue	●●○	Medium-term	●●●	Medium-term	- Development of experts with top-tier core competencies in Korea by 2030 - Establishment of a work-life balance culture led by employees	Annual measurement and scoring of employee satisfaction (Culture Survey – 'Happiness' score), reflected in company-wide KPIs linked to executive compensation
②	Service Quality and Reliability	Cost Revenue	●●●	Short-term	●●○	Medium-term	- Establishment of an operational system based on AI and big data analysis to predict service failures and enable proactive responses by 2027 - Achievement of zero failures in controllable areas such as human error	Annual scoring of customer satisfaction (VoC) improvements and zero-failure efforts, reflected in company-wide KPIs linked to executive compensation
③	Climate Change Response (Mitigation/Adaptation)	Cost Risk	●●○	Medium-term	●●○	Long-term	Target of a 60% reduction in emissions by 2030 compared to the 2023 base year	Establishment of company-wide KPIs linked to executive compensation based on the Net Zero goal (achievement level of annual emissions targets)
④	Ethical Management and Anti-Corruption	Cost Risk	●●●	Short-term	●●○	Long-term	Attainment of the 'Leader' rating in the SK Group ethical management evaluation system by 2030	Annual assessment and scoring of the level of ethical management, reflected in company-wide KPIs linked to executive compensation
⑤	Enhancement of Shareholder Value	Cost Risk	●●○	Medium-term	●●●	Medium-term	Minimum annual dividend of KRW 5,000 per share by 2027 (FY2026), and use of asset sale proceeds and other sources for share repurchase and retirement or additional dividend payment equivalent to 1–2% of market capitalization.	Incorporation of corporate value (stock price at the end of the evaluation year) into company-wide KPIs linked to executive compensation

The material issues are rated as High, Mid, or Low based on the magnitude of their impact on SK Inc.'s earnings and financial position

*High: ●●●, Mid: ●●○, Low: ●○○

Risk Management and Strategy

01 Talent Development and Human Capital Management

Risk/Opportunity Analysis	1) Cost - Increased cost burden for recruiting high-level personnel due to intensified competition for top talent - Short-term financial burden from enhanced welfare benefits aimed at preventing talent loss - Expansion of welfare benefits contributing to higher employee satisfaction and talent retention, potentially leading to reduced turnover and lower recruitment costs through improved long-term retention 2) Revenue - Improved operational efficiency and creation of new business opportunities through enhancement of digital capabilities - Increased employee productivity through capability development, resulting in faster time-to-market for new services and expansion of market share
Response strategies	1) Employee Support Programs - Operation of practical support programs to enhance employees' mental health and work engagement - Implementation of regular mindfulness programs and psychological assessments, including job stress and happiness surveys, to support emotional well-being and assess communication within the organization 2) Provision of Reasonable and Fair Compensation - Operation of a reasonable and fair compensation system that reflects job performance and market value for all employees - Implementation of reward programs such as the 'CEO Pride Award' and 'SKMS Practice Award' in addition to base salary and incentive bonuses - Motivation and continuous development of employees through the compensation system
KPI	- Implementation of systematic talent development activities in accordance with the annual business planning and execution management process, with regular review of targets and progress by the management - Reflection of company-wide KPIs linked to executive compensation based on annual measurement and scoring of employee satisfaction (Culture Survey – 'Happiness' score)
Mid- to Long-Term Plans	- Securing of talent for future growth, along with structural improvement and process innovation - Establishment of a corporate culture that supports work-life balance for employees ► See detailed report

02 Service Quality and Reliability

Risk/Opportunity Analysis	1) Cost - Increase in costs for quality assurance and certification required for IT infrastructure upgrades and security enhancement - Reduction of incident response costs through the establishment of proactive quality management and failure prevention systems - Prevention of customer compensation costs resulting from quality-related issues 2) Revenue - Risk of customer attrition due to loss of trust caused by service disruptions and quality issues - Acquisition of new customers and expansion of market share through the provision of high-quality IT services - Opportunity for global market expansion and client acquisition through the attainment of international standard certifications
Response strategies	1) Risk Management System - Implementation of a service quality policy and operational management system to ensure uninterrupted IT service delivery - Enhancement of incident response capabilities through biannual simulation and scenario-based training 2) Customer Satisfaction Survey and Management - Continuous improvement of service quality through identification and execution of improvement tasks based on customer satisfaction surveys - Strengthening of trust-based partnerships with customers by setting the annual customer satisfaction target at the 'Outstanding' level (70 points or higher) and implementing company-wide IT service improvement initiatives
KPI	Establishment of company-wide KPIs linked to executive compensation based on annual scoring of customer satisfaction (VoC) improvement and zero-incident performance outcomes
Mid- to Long-Term Plans	- Establishment of an AI-based service operation system - Leadership in AI operations at a global level ► See detailed report

03 Climate Change Response (Mitigation/Adaptation)

Risk/Opportunity Analysis	1) Cost - Need for financial risk management due to increased costs associated with energy transition and regulatory compliance - Increase in capital expenditures (CAPEX) for improving the energy efficiency of data centers and building carbon reduction infrastructure - Reduction of operating expenditures (OPEX) through the implementation of energy efficiency solutions for data center operations 2) Risk - Increase in supply chain disruptions and operational risks due to extreme weather events (e.g., heatwaves, floods, typhoons) caused by climate change - Intensification of government regulations and investor pressure in the event of failure to meet carbon reduction targets - Proactive preparation for regulatory tightening and mitigation of legal risks through climate change response initiatives
Response strategies	1) Development of Low-Carbon Infrastructure - Reduction of long-term operating expenditures (OPEX) by replacing existing equipment with energy-efficient systems at major business sites - Continuous expansion of renewable energy, including the installation of 650kW-scale on-site solar power systems in data centers 2) Management of Carbon Reduction Targets and Implementation - Establishment and execution of company-wide carbon reduction targets - Introduction of an internal carbon pricing system to control long-term costs and risks
KPI	- The incentive system contributes to the achievement of climate goals, enhancement of corporate sustainability, and improvement of climate response and ESG management performance - Establishment of company-wide KPIs linked to executive compensation based on the Net Zero goal (achievement level of annual emissions targets)
Mid- to Long-Term Plans	(Scope 1+2) 2040 Net Zero achievement (Base year 2023) (Scope 3) 90% emission reduction by 2050 compared to 2021 levels ▶ See detailed report

04 Ethical Management and Anti-Corruption

Risk/Opportunity Analysis	1) Cost - Increase in financial burden from fines, litigation costs, and sanctions in the event of legal or regulatory violations - Increase in costs for establishing legal compliance and oversight infrastructure due to inadequate internal controls - Reduction of litigation and sanction-related costs through enhanced internal controls and ethical management practices 2) Risk - Reputational damage and decline in brand value due to insufficient management of ethics, anti-corruption, and compliance, potentially leading to fines, penalties, legal actions, and other negative impacts in the mid- to long term - Prevention of ethical risks and improvement of internal trust through the operation of an internal reporting system (anonymous whistleblower program) - Prevention of legal risks through strengthened internal controls and rigorous management of ethics and anti-corruption issues
Response strategies	1) Strengthening of Internal Controls - Delivery of in-person briefings to all employees on key unethical conduct cases, reporting channels, insider trading, and anti-corruption guidelines - Annual rollout of a company-wide ethics pledge including the anti-corruption policy - Ongoing communication through occasional newsletters to share recent case examples, reporting channels, and principles for whistleblower protection 2) Whistleblower System Management - Delegation of reporting and case-handling procedures to the internal audit department - Transparent communication of investigation results, corrective actions, and follow-up measures to whistleblowers - Annual training for all employees on the use and procedures of ethics and anti-corruption reporting channels
KPI	Annual assessment and scoring of the level of ethical management, reflected in company-wide KPIs linked to executive compensation
Mid- to Long-Term Plans	- Achievement of 'Leader' level in the ethical management evaluation system - Establishment and expansion of the anti-corruption management system - Elimination of unfair trade and unfair competitive practices ▶ See detailed report

05 Enhancement of Shareholder Value

Risk/Opportunity Analysis	1) Cost · Increase in financial burden associated with dividend expansion and strengthened shareholder return policies · Alleviation of financial burden through efficient strategies for dividends and share buybacks 2) Risk · Risk of declining corporate value due to increased stock price volatility when shareholder expectations are not met · Possibility of heightened financial burden and deterioration of credit ratings by financial institutions if shareholder return efforts are overly focused on short-term gains · Contribution of shareholder return and capital efficiency enhancement strategies to sustainable corporate value creation and strengthened market trust
Response strategies	1) Improvement of Capital Efficiency · Strengthening of Operation Improvement (O/I) initiatives and execution capabilities · Advancement of portfolio rebalancing strategies and enhancement of financial structure 2) Shareholder-Oriented Management · Strengthening of transparent communication with shareholders through advance notice of general meetings and facilitation of voting rights · Building shareholder trust and delivering returns through a consistent dividend policy and share repurchase programs
KPI	Incorporation of corporate value (stock price) at the end of the evaluation year into company-wide KPIs linked to executive compensation
Mid- to Long-Term Plans	· Target of achieving a price-to-book ratio (PBR) of 1.0 by 2027 from a long-term perspective ▶ See detailed report

Environmental

Climate Change Response
(TCFD)

Clean Technology /
Business Investment

Environmental Impact
Management



Climate Change Response (TCFD)

SK Inc. reports its climate change response in accordance with the TCFD framework, covering governance, strategy, risk management, and metrics and targets. Climate change response strategies are developed and implemented based on scenario analyses conducted for both the investment and business divisions.

Governance

Board Oversight Structure

Operation of the Strategy and ESG Committee

· The Strategy and ESG Committee, established under the Board of Directors, is responsible for promoting the company's mid- to long-term sustainable growth, overseeing climate-related matters, and reviewing the climate strategy and its implementation plans

Functions and Roles

Management and Oversight of Climate-related Issues	Oversight and Monitoring of ESG Performance	Review of Mid-to-Long-Term Strategy and Annual Management Plans	Review of Major Investment Proposals
Managing and overseeing issues related to climate change	Planning and managing the implementation and outcomes of key ESG activities	Reviewing the company's mid-to-long-term strategy and annual business plans	Reviewing major investment proposals with strategic importance
Establishing strategies for a sustainable future and fulfilling environmental responsibilities	Managing and overseeing non-financial risks	Managing and overseeing key activities	Managing and overseeing financial risks

Committee Composition

Category	Members
Independent Director	Lee, Kwan Young (Chairperson); Yoon, Chi Won; Pak Hyun Ju Helen; Kim, Seon Hee; Jeong, Jong Ho
Executive Director	Jang, Yong Ho

Case

Climate-Related Agenda Reported in 2024

- The Strategy and ESG Committee addresses climate-related topics at least once annually
- In 2024, the committee reviewed the company's climate response progress, trends in domestic and international climate regulations and policies, and the strategic direction for complying with mandatory climate disclosure requirements

Agenda	Date of Meeting	Board Attendance
ESG response status and future plans (including the sustainability report)	September 25, 2024	6 out of 6 members
ESG disclosure/regulatory trends and response measures	September 25, 2024	6 out of 6 members

Role of Top Management

- The CEO concurrently serves as Chair of the Environmental Business Committee under the SUPLEX Council, SK Group's highest-level consultative body, and participates in discussions and decision-making on key ESG issues, including climate change response
- Recognizing the significant impact of climate change response on major stakeholders—such as investors, customers, and governments—the CEO leads company-wide collaboration by promoting eco-friendly business expansion and developing new business models. The CEO also oversees the incentive system through a performance monitoring process to ensure that climate-related achievements are linked to financial rewards
- Through the Environmental Management System (ISO 14001), the CEO regularly reviews reports on environmental risks, impact assessments, and internal audit results across business sites, incorporating these insights into organizational performance management
- The Chief Sustainability Officer (CSO) oversees ESG and sustainability issues, with responsibilities including the management of ESG-related goals and performance—such as climate change response—and the supervision of ESG and climate-related disclosures

Executive Compensation and Performance Linkage

- Climate-related metrics are incorporated into KPIs, with climate performance integrated into the compensation framework.
- The incentive system promotes the achievement of climate goals, enhances corporate sustainability, and contributes to the advancement of ESG management.

Climate Change Performance and Compensation Framework

Target	Details	Scale	Relevant KPI
CEO	Incentives are determined based on the performance of key strategic initiatives—such as participation in global climate initiatives like Net Zero and RE100, TCFD disclosure—and external stakeholder evaluations		
CFO, ESG-Related Executives, and Other Company-Wide Executives	KPI targets are established in connection with the CEO's KPIs, reflecting responsibility for company-wide ESG management	Determined based on performance evaluations against company-wide, team, or individual targets	GHG reduction targets, GHG reduction projects, energy efficiency improvement goals, supply chain engagement, and climate-related sustainability indices
Employees	Employee bonuses are adjusted based on year-end individual performance evaluations and KPI achievement, with additional points added or deducted based on the extent of achievement in Net Zero goals and ESG metrics		

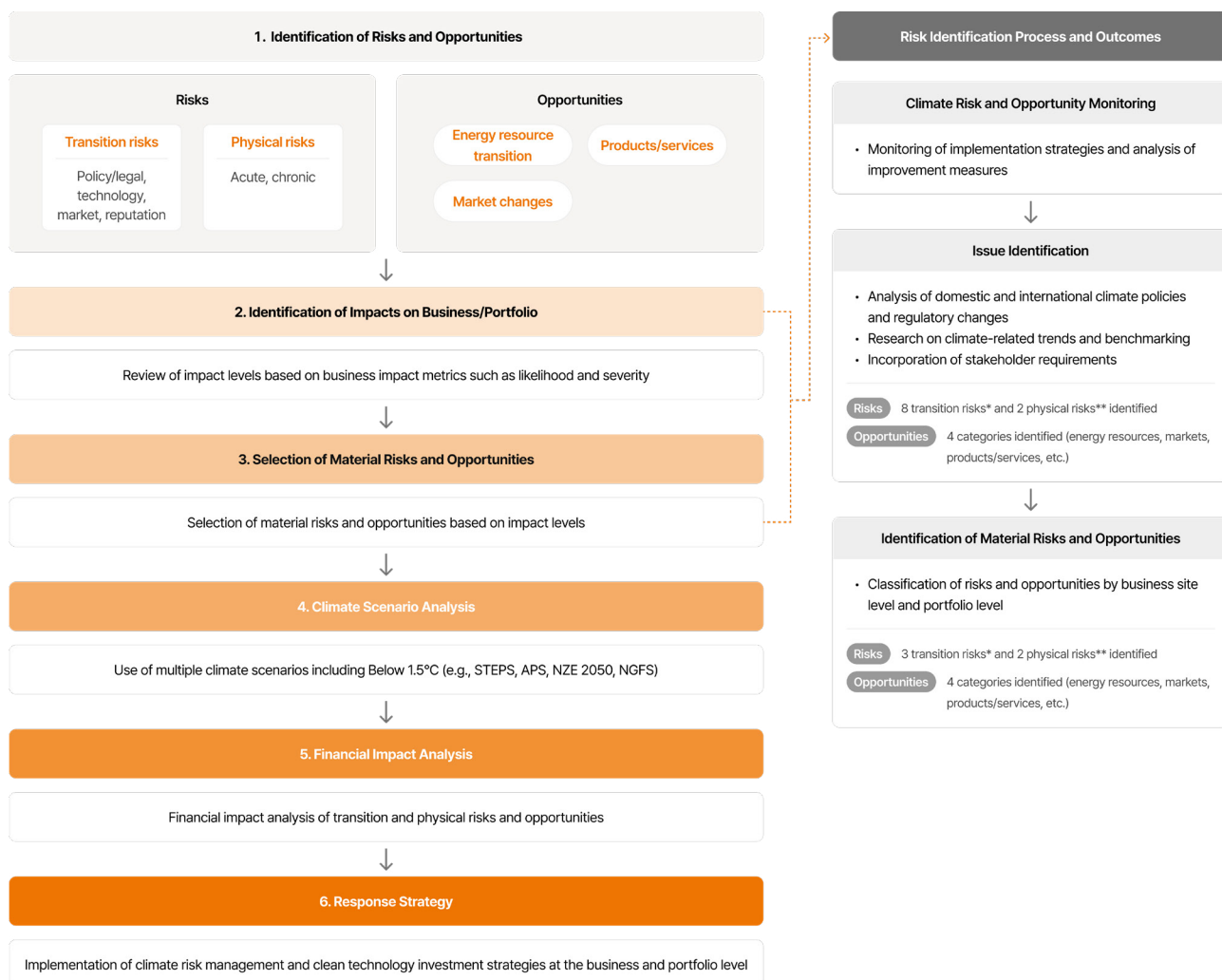
Case

Key Climate Change-Related KPI Tasks

KPI Tasks	Details
Expansion of board reporting on ESG agenda items	Expanding board (Strategy and ESG Committee) reporting on ESG agenda items, including climate change response
Maintenance of top-level performance in external ESG ratings	Maintaining top-level ESG ratings, including those related to climate response
Strengthening Net Zero implementation capabilities	Reducing greenhouse gas emissions (60% reduction from base year by 2030)

Strategy

Impact Analysis Scope and Process



* Transition risks: Risks of increased costs or reduced revenues that may arise during a company's transition toward carbon reduction or eco-friendly business practices, due to the introduction of new regulations, investments in technologies, or changes in consumer demands

** Physical risks: Risks of direct damage and economic loss caused by natural disasters such as heavy rainfall, droughts, heatwaves, and rising sea levels resulting from climate change

Identification of Climate Risks and Opportunities

- Climate risks and opportunities are identified in accordance with the TCFD framework, with issues derived based on the specific characteristics of each business area
- Progress in implementing climate strategies is reviewed, and material issues are defined by incorporating policy changes, benchmarking insights, and stakeholder expectations

Issue Pool Selection Results

- Scope of coverage: Covers the entire value chain across the enterprise, including core business areas, major assets, and customer-related activities
- Analysis horizon: Short-term (through 2025), mid-term (through 2030), and long-term (through 2040)
- Impact application criteria: Determined with reference to agenda items approved by the Board of Directors and the Strategy and ESG Committee, stakeholder expectations, and potential business impacts

Category	Type*	Risk and Opportunity	Time Frame	Impacted Stage of the Value Chain**	Impact
Transition Risks (8)	Policy/ regulation	T1 Policy volatility in RE100 implementation in South Korea	Short/Medium/Long Term	Operation	High
		T2 Introduction of Carbon Border Adjustment Mechanism (CBAM), ISSB, and other mandatory domestic requirements	Medium/Long Term	Operation	Mid
		T3 Strengthened Emissions Trading Scheme (ETS) regulations	Short/Medium Term	Operation	High
		T4 Litigation by environmental groups and others against companies failing to reduce greenhouse gas emissions	Long Term	Operation	Low
	Technology	T5 Loss of competitiveness due to failure to secure early investment in clean technologies	Medium/Long Term	Downstream	High
	Market	T6 Demand for eco-certified product information from customers	Medium/Long Term	All	Low
		T7 Need for climate risk management in investment portfolio	Short/Medium/Long Term	Downstream	High
	Reputation	T8 Stakeholder demands for climate transition planning and implementation performance	Medium/Long Term	All	Low
Physical Risks (2)	Acute	P1 Increasing frequency and intensity of natural disasters (e.g., floods, typhoons)	Long Term	All	High
	Chronic	P2 Increasing likelihood of extreme weather events and sea level rise	Long Term	All	High
Opportunities (4)	Energy resources	O1 Transition from fossil fuel-based energy sources to renewable energy sources	Medium/Long Term	Downstream	High
	Market	O2 Growing demand for electric vehicle materials and technologies	Short/Medium Term	Downstream	High
		O3 Rising demand in the sustainable food market	Medium/Long Term	Downstream	High
	Products & services	O4 Growing demand for IT management solutions and services for climate change response	Short/Medium Term	Operation	High

* P: Physical Risk, T: Transition Risk, O: Opportunity

** All: Entire value chain; Operation: Business operations; Upstream: Activities that occur before a product or service is created (e.g., sourcing and processing of inputs); Downstream: Activities that occur after a product or service is created (e.g., sales, distribution, consumption, disposal)

Criteria for Identifying Material Risks/Opportunities

Category	Details
Probability	· Speed of global climate policy and regulatory changes · Frequency of similar cases within the industry and their financial impact · Increasing demands for climate-related disclosures
Severity	· Impact on business revenue and cost structure · Scale of damage caused by supply chain disruptions and operational risks · Potential decline in corporate reputation and customer trust due to negative media exposure
Impact	· Identification of high-level material risks and opportunities through comprehensive analysis of climate-related risk and opportunity factors · Determination of priority areas for response by reflecting industry-specific characteristics

Identification Results of Material Risks and Opportunities

- Prioritization of material risks is determined by comprehensively considering Board linkage, stakeholder expectations, likelihood of occurrence, degree of severity, and enterprise-wide impact
- All risks and opportunities are categorized into the business-site level and portfolio level, reflecting the structural characteristics of SK Inc.'s business operations

Material Risks and Opportunities

Level	Type	Material Risk/Opportunity
Business-site Level	Cost of implementing carbon reduction measures	T1, T3
	Impact on data center operations/expansion	P1, P2, O4
Portfolio Level	Level of climate risk exposure by investment sector	T7, P1, P2
	Market outlook driven by the transition to low carbon	O1, O2, O3

Analysis of the Impact of Material Risks and Opportunities

Level	Material Risk and Opportunity	Time Horizon	Aspect of Impact	Business Impact	Response Measure
Business-site Level	Volatility in South Korea's renewable energy policy (T1)	Short/Medium/Long Term	Operation	· Limited availability of feasible procurement options for RE100 implementation, combined with instability in government policies regarding supply and pricing	
	Strengthened Emissions Trading Scheme (ETS) regulations (T3)	Short/Medium Term	Operation	· Increase in paid emission allowance purchases due to higher electricity consumption at data centers, driven by customer expansion during the 3rd commitment period · Calculation of the paid allocation ratio for the 4th commitment period*, based on emissions from 2022 to 2024	
	Data center operating costs due to rising temperatures (P1)	Long Term	All	· Increase in electricity costs for operating cooling systems at data centers due to rising external temperatures	
	Disaster recovery costs for data centers due to large-scale river flooding (P1)	Long Term	All	· Incurred costs for data center disaster recovery and customer compensation due to large-scale river flooding	
	Operational disruption of supplier manufacturing facilities due to natural disasters (P2)	Long Term	All	· Procurement delays caused by difficulties in sourcing raw materials due to natural disasters, and revenue loss and financial damage resulting from price increases in raw materials and similar competing products	
	Growing demand for IT management solutions and services for climate change response (O4)	Short/Medium Term	Operation	· Increasing demand for the advancement of energy management systems among energy-intensive companies · Expected growth in IT service demand linked to eco-friendly vehicle infrastructure management	
Portfolio Level	Need for climate risk management in investment portfolio (T7)	Short/Medium/Long Term	Downstream	· Market-perceived risk exposure related to the cost of corporate low-carbon transition	
	Heightened financial impact of physical risks on the investment portfolio (P1, P2)	Long Term	All	· Economic losses caused by natural disasters resulting from the increasing frequency of extreme weather events	
	Transition from fossil fuel-based energy sources to renewable energy sources (O1)	Medium/Long Term	Downstream	· Continued market expansion driven by active investment and support for clean energy by governments worldwide	
	Growing demand for electric vehicle materials and technologies (O2)	Medium/Long Term	Downstream	· Promotion of the replacement of commercial vehicles with eco-friendly vehicles under the Eco-Friendly Vehicle Act	
	Rising demand in the sustainable food market (O3)	Medium/Long Term	Downstream	· Target of reducing greenhouse gas emissions by 180,000 tons in the agriculture and livestock sector by 2030, compared to 2018 levels	

* The 4th commitment period: Refers to the fourth implementation period (2021–2025) of the Emissions Trading Scheme (ETS), operated in accordance with the Act on the Allocation and Trading of Greenhouse Gas Emission Permits

Business-Site Level Analysis

- The transition risk analysis is based on the implementation of the 'Net Zero 2040 Roadmap,' incorporating IEA's carbon price projections, Korea's national greenhouse gas reduction target (NDC), and relevant regulations
- The physical risk assessment evaluates the likelihood of climate hazards such as heatwaves, floods, and droughts using the Climonomics® model by S&P Global, based on the locations of operating sites and major suppliers

1. Scenario Analysis

1) Transition Risk Scenarios

Scenario Analysis Methodology

- Analysis conducted using three scenarios developed by the International Energy Agency (IEA)
- Financial impact assessed based on the implementation of the Net Zero roadmap, using carbon prices under each scenario pathway as a key variable

Category	Stated Policies Scenario(STEPS)	Announced Pledges Scenario(APS)*	Net Zero Emission by 2050 Scenario (NZE 2050)*
Scenario Overview	Projection incorporating existing national policies, implemented measures, and currently announced reduction targets	Projection of a 40% reduction in GHG emissions by 2050, despite implementation of the nationally determined contributions (NDCs) announced by governments	Projection of a phase-out of fossil fuels by 2030 and achievement of Net Zero emissions by 2050
Temperature Rise	Above 3 °C	Above 2 °C	Below 1.5°C
Carbon Price in Korea	USD 42 by 2030 USD 67 by 2040	USD 40 by 2030 USD 110 by 2040	USD 90 by 2030 USD 160 by 2040

* Based on emerging market and developing economies with Net Zero emissions pledges

Scenario Analysis Results

- Financial impact is assessed based on the extent of Net Zero implementation under each scenario
- The BAU (Business As Usual) baseline assumes no implementation of Net Zero, and represents the cost of purchasing emission allowances for excess emissions
- The Net Zero implementation basis refers to the costs incurred to avoid purchasing emission allowances (e.g., allowance avoidance costs), (emissions trading gains or losses) – (RE100 and energy efficiency investment costs)

Estimated Financial Impact of Each Scenario Relative to Net Zero Implementation

(Unit: KRW 100 million)

Scenario	Category	~2025	~2030	~2035	~2040	Total
STEPS	Based on BAU	24.9	166.9	190.9	307.3	690.1
	Net Zero implementation criteria	63.8	280.5	336.8	476.9	1,158.0
APS	Based on BAU	24.4	159.6	235.2	475.9	895.1
	Net Zero implementation criteria	63.4	273.5	379.3	638.2	1,354.4
NZE 2050	Based on BAU	37.5	342.1	428.0	723.8	1,531.3
	Net Zero implementation criteria	73.3	448.9	563.8	875.5	1,961.5

2) Physical Risk Scenario

Scenario Analysis Method

- To assess physical climate risks through 2040, projection data from four SSP-based scenarios were used to compare and analyze the physical risk levels of major business sites in relation to seven climate risk factors (abnormal temperature, sea level rise, drought, wildfires, typhoons, water scarcity, and river flooding)
 - **Scenarios used:** SSP1-2.6, SSP2-4.5, SSP3-7.0, SSP5-8.5
 - **Scope of analysis:** Directly operated sites (Daedeok Data Center, Pangyo Data Center) and major supplier sites (three global suppliers accounting for 45% of IT equipment procurement, five manufacturing facilities for products purchased by the company)
 - **Analytical approach:** Modeled Average Annual Loss was calculated in relation to the asset value of each site, based on the frequency of risk occurrence by site location and the vulnerability data by asset type

Scenario Analysis Results (Directly Operated Sites)

- Under all scenario pathways, the Average Annual Loss relative to the asset value of each business site was calculated to be below 3% (0-3%)
 - No significant physical loss risks were identified for the directly operated sites
 - In particular, even under the most conservative SSP5-8.5 (highest emissions scenario), the structural loss risk due to climate change for both data centers was assessed to be very low
 - Based on these findings, SK Inc. aims to continue improving energy efficiency and strengthening disaster response systems at its data centers

Modeled Average Annual Loss



* Analysis based on Climamomics Hazard data from S&P Global

** Items with no relevant risk sources are excluded from the analysis (indicated as '-')

SSP1-2.6 Pathway Analysis Results

Directly Operated Site	Chronic				Acute									
	Extreme Temperature			Sea Level Rise	Pluvial Flooding			Fluvial Flooding			Drought	Wildfire	Typhoon	Water Stress
	2020	2030	2040		2020	2030	2040	2020	2030	2040				
Daedeok Data Center				-										
Pangyo Data Center				-										

- SSP1-2.6: A scenario in which Net Zero is achieved by 2050, with the global average temperature projected to rise by 1.3–2.4°C by 2100 (aligned with the Paris Agreement target)

SSP2-4.5 Pathway Analysis Results

Directly Operated Site	Chronic				Acute									
	Extreme Temperature			Sea Level Rise	Pluvial Flooding			Fluvial Flooding			Drought	Wildfire	Typhoon	Water Stress
	2020	2030	2040		2020	2030	2040	2020	2030	2040				
Daedeok Data Center				-										
Pangyo Data Center				-										

- SSP2-4.5: A scenario in which emissions stabilize at current levels by 2050 and decline by 2100, with the global average temperature projected to rise by 2.1–3.5°C by 2100

SSP3-7.0 Pathway Analysis Results

Directly Operated Site	Chronic				Acute									
	Extreme Temperature			Sea Level Rise	Pluvial Flooding			Fluvial Flooding			Drought	Wildfire	Typhoon	Water Stress
	2020	2030	2040		2020	2030	2040	2020	2030	2040				
Daedeok Data Center				-										
Pangyo Data Center				-										

- SSP3-7.0: A scenario in which emissions double by 2100, with the global average temperature projected to rise by 2.8–4.6°C by 2100

SSP5-8.5 Pathway Analysis Results

Directly Operated Site	Chronic				Acute									
	Extreme Temperature			Sea Level Rise	Pluvial Flooding			Fluvial Flooding			Drought	Wildfire	Typhoon	Water Stress
	2020	2030	2040		2020	2030	2040	2020	2030	2040				
Daedeok Data Center				-										
Pangyo Data Center				-										

- SSP5-8.5: A scenario in which emissions triple by 2075, with the global average temperature projected to rise by 3.3–5.7°C by 2100

**Scenario
Analysis Results
(Supply Chain)**

- Physical climate risks across all climate factors were generally assessed to be minimal
- However, under the Worst Case scenario (SSP5-8.5), relatively high water stress risk was identified at some supplier sites located in Jiangsu, China
- In response, SK Inc. collects data annually from suppliers on greenhouse gas reduction efforts and climate risk response to strengthen climate resilience throughout the supply chain
- The status of Business Continuity Plan (BCP) implementation among key suppliers is reviewed to ensure minimal disruption to production in the event of natural disasters

Modeled Average Annual Loss


* Analysis based on Climanomics Hazard data from S&P Global

** Items with no relevant risk sources are excluded from the analysis (indicated as '--')

*** For major supplier sites, information was based on suppliers that agreed to disclose location data (asset type uniformly categorized as 'General Manufacturing')

SSP1-2.6 Pathway Analysis Results

Major Supplier Site	Chronic		Acute							
	Extreme Temperature	Sea Level Rise	Drought	Wildfire	Typhoon	Water Stress			Fluvial Flooding	Pluvial Flooding
						2020	2030	2040		
Supplier A										
Supplier B (Facility1)										
Supplier B (Facility2)										
Supplier B (Facility3)										
Supplier C										

- SSP1-2.6: A scenario in which Net Zero is achieved by 2050, with the global average temperature projected to rise by 1.3–2.4°C by 2100 (aligned with the Paris Agreement target)

SSP2-4.5 Pathway Analysis Results

Major Supplier Site	Chronic		Acute							
	Extreme Temperature	Sea Level Rise	Drought	Wildfire	Typhoon	Water Stress			Fluvial Flooding	Pluvial Flooding
						2020	2030	2040		
Supplier A										
Supplier B (Facility1)										
Supplier B (Facility2)										
Supplier B (Facility3)										
Supplier C										

- SSP2-4.5: A scenario in which emissions stabilize at current levels by 2050 and decline by 2100, with the global average temperature projected to rise by 2.1–3.5°C by 2100

SSP3-7.0 Pathway Analysis Results

Major Supplier Site	Chronic		Acute							
	Extreme Temperature	Sea Level Rise	Drought	Wildfire	Typhoon	Water Stress			Fluvial Flooding	Pluvial Flooding
						2020	2030	2040		
Supplier A										
Supplier B (Facility1)										
Supplier B (Facility2)										
Supplier B (Facility3)										
Supplier C										

- SSP3-7.0: A scenario in which emissions double by 2100, with the global average temperature projected to rise by 2.8–4.6°C by 2100

SSP5-8.5 Pathway Analysis Results

Major Supplier Site	Chronic		Acute							
	Extreme Temperature	Sea Level Rise	Drought	Wildfire	Typhoon	Water Stress			Fluvial Flooding	Pluvial Flooding
						2020	2030	2040		
Supplier A										
Supplier B (Facility1)										
Supplier B (Facility2)										
Supplier B (Facility3)										
Supplier C										

- SSP5-8.5: A scenario in which emissions triple by 2075, with the global average temperature projected to rise by 3.3–5.7°C by 2100

2. Impact Analysis and Response Measures

- SK Inc. identifies key climate-related risks and opportunities and presents corresponding response strategies across the following three areas
- 1) Net Zero implementation, 2) Response strategies for business sites and supply chain, 3) Transition opportunities related to climate change

1) Net Zero Implementation

T1 Policy Volatility in RE100 Implementation in South Korea

Impact Analysis

- South Korea's renewable energy supply policies and pricing mechanisms present structural risks for companies pursuing RE100, particularly in terms of limited procurement options and price volatility
- In practice, the availability and efficiency of renewable energy procurement methods—such as self-generation, green premiums, and PPAs—are heavily influenced by government policies, leading to significant variability and potential uncertainty in establishing long-term strategies for achieving RE100

RE100 Implementation Options in South Korea	Limitation
Green Premium	Lack of recognition as actual GHG reduction under the Emissions Trading Scheme
REC	Price risk due to volatility in the government's RPS* operations
PPA Scheme	Constraints such as higher prices compared to conventional electricity and limited supply volume

* RPS: Renewable Portfolio Standard; A regulatory system that mandates a specific percentage of total electricity generation to be supplied or procured from renewable energy sources

Response Measures

- In line with the self-generation-first strategy, solar power facilities with a total capacity of 650kW are in operation by maximizing the use of available space within business sites. This is expected to reduce annual electricity costs by approximately KRW 100 million and cut more than 400 tons of greenhouse gas emissions
- In addition to self-generation, a strategic combination of multiple renewable energy procurement methods—such as green premiums, power purchase agreements (PPAs), and renewable energy certificates (RECs)—is under active review
- Since 2021, SK Inc. has participated in RE100 policy discussions hosted by the Ministry of Trade, Industry and Energy. In 2022, it joined the Corporate Renewable Energy Foundation (CREF) as a member and sponsor, contributing as a private-sector participant to government policy improvement efforts

Estimated Additional Electricity Purchase Costs for Implementing the RE100 2040 Roadmap (2021–2040)

General Electricity Cost	Green Premium Only	Mixed*
KRW 1,166.7 billion	+ KRW 56.6 billion	+KRW 17.0 billion

* Mixed: Electricity cost + Green Premium fee + PPA + Emissions Allowance

* Key assumptions for cost estimation: Assumes an average annual electricity rate increase of 3% through 2040 and reflects profit and loss from emissions allowances based on a carbon credit price of KRW 15,000

T3 Strengthening of the Emissions Trading Scheme (ETS)

Impact Analysis

- In 2022, SK Inc. was designated as a covered entity subject to paid allocation under the national Emissions Trading Scheme (ETS), and changes in ETS policy and carbon price fluctuations are now recognized as material financial risks at the company-wide level
- As of 2024, 18 business sites are subject to both free and paid allocations under the scheme. While the paid allocation ratio stood at 10% during the 3rd commitment period, it is expected to rise in the 4th commitment period
- The increasing share of paid allocations is projected to drive up domestic carbon prices, resulting in higher carbon allowance purchase costs for SK Inc

Response Measures

- A company-wide response framework has been established to manage the Emissions Trading Scheme (ETS), enabling flexible responses to evolving conditions through continuous monitoring of GHG emissions, policy shifts, and carbon market fluctuations
- Aligned with the Net Zero 2040 roadmap, SK Inc. is progressively implementing GHG reduction initiatives such as the deployment of self-generation systems, procurement of renewable energy through RECs and PPAs, and enhanced energy efficiency at data centers
- In preparation for an increase in the proportion of paid allocations and rising carbon prices, the company is reinforcing its emissions management system and executing complementary strategies to mitigate the financial impact of allowance purchases
- As a fundamental approach to decarbonization, SK Inc. is continuously evaluating and expanding the adoption of carbon reduction and energy-efficient technologies, including high-efficiency HVAC systems

2) Business Site & Supply Chain Response Strategy

P1 Impact of Rising Temperatures on Data Center Operating Costs

Impact Analysis

- Electricity consumption from cooling systems and IT equipment accounts for approximately 45% of total data center operating costs, and rising ambient temperatures are a key physical risk factor that directly leads to increased electricity expenses
- The growing frequency of heatwaves and tropical nights during summer elevates cooling system usage, resulting in higher energy consumption and potentially driving up cumulative annual operating costs
- A sustained 1°C increase in average external temperature could raise annual electricity costs by approximately 2.5–3.5%, resulting in an estimated additional expenditure of KRW 440 to 620 million per year

Response Measures

- To mitigate physical risks associated with rising temperatures, high-efficiency HVAC systems are being introduced and energy-saving operational strategies are being implemented in phases
 - To enhance cooling efficiency, an automatic misting system has been installed around the chiller units to supplement the performance of outdoor air cooling
 - Computational Fluid Dynamics (CFD) solutions are utilized to precisely analyze airflow and optimize the performance of the HVAC system
 - Data center-specific energy efficiency strategies are being continuously reinforced, including the replacement of inefficient HVAC equipment, relocation of IT devices, and advanced temperature control by zone

P1 Disaster Recovery Costs from Large-Scale River Flooding at Data Centers

Impact Analysis

- Under the SSP5-8.5 scenario (a global warming pathway exceeding 4°C), the likelihood of damage to data center assets from large-scale river flooding—currently considered 100-year occurrences—is projected to increase significantly after 2030
- In the event of flooding, facility restoration costs and business interruption losses could amount to more than 30% of the total asset value of the data center
- Power outages and service disruptions may result in compensation claims due to customer SLA violations, along with additional recovery costs

Response Measures

- Disaster response infrastructure is being established to withstand heavy rainfall exceeding 100mm per hour, with flood response drills and humidity control simulation training conducted at least once a year on a regular basis
 - During weather advisories, preemptive inspections and reinforcements of key infrastructure—such as leakage points, drainage pumps, and channels—are conducted to prevent potential damage
 - To prepare for large-scale power outages, a dual power system with high-capacity UPS units and emergency generators is maintained, along with regular power switchover drills to ensure immediate and uninterrupted transition to backup power during grid failure
 - These measures are intended to ensure the availability of data centers and the continuity of customer SLAs in the event of a disaster

P2 Disruption of Supplier Manufacturing Facilities Due to Natural Disasters

Impact Analysis

- Approximately 60% of the hardware (H/W) and network (N/W) equipment required for IT service delivery is sourced from overseas manufacturing facilities located in countries such as China, Malaysia, Ireland, and Singapore (as of 2022)
- According to scenario analyses under SSP5 to SSP8.5, these regions are identified as having relatively high risks of water stress and other climate-related disasters, including floods and heatwaves, indicating vulnerabilities in the supply chain
- In the event of natural disasters that disrupt raw material procurement or suspend the production of specific equipment, indirect impacts may include delivery delays, increased procurement costs, higher prices of competing products, disruptions to customer project timelines, and revenue losses

Response Measures

- To address physical risks at the supply chain level, business continuity planning (BCP) status is reviewed for key suppliers, and suppliers are requested to establish climate risk response plans
- To prevent overconcentration of manufacturing bases in high-risk areas, the results of regular risk monitoring are incorporated into supply diversification strategies
- Physical climate risk levels at supplier locations are pre-assessed using Climametrics®-based risk modeling and are integrated into the supply chain management process at least once a year

3) Climate Transition Opportunities

O4 Growing Demand for IT Solutions/Services for Climate Change Response

Impact Analysis

- South Korea has introduced mid- to long-term national strategies through its '2050 Carbon Neutrality Scenario,' including energy management systems (EMS), building energy efficiency improvements, and expansion of electric vehicle (EV) infrastructure—serving as a foundation for increased demand for related IT solutions
- Demand is expected to rise, particularly in the manufacturing sector and energy-intensive industries, for advanced EMS, EV charging station management platforms, and IT services linked to emissions monitoring
- According to the latest IEA Net Zero scenario, achieving the 1.5°C target is unlikely under the current Net Zero 2050 strategies alone, indicating the need for stronger regulations and carbon reduction efforts driven by digital technologies
- As Scope 3 reduction requirements (including supply chain emissions) continue to expand, managing carbon footprints based on life cycle assessment (LCA) and participating in carbon credit markets are emerging as key non-financial strategic priorities among global companies

Response Measures

- As the importance of value chain management grows and transparency in emissions reductions becomes increasingly demanded, the need for digital management systems to support GHG measurement and verification, emissions tracking, and carbon credit transactions is expected to rise
- Leveraging its digital capabilities in big data, AI, and blockchain, SK Inc. views this rising climate response demand as a business opportunity driven by digital transformation
- In particular, SK Inc. is developing and providing end-to-end climate response services—from carbon emissions monitoring and reduction simulation to carbon credit-linked transactions—from the perspective of serving as a 'Green Digital Partner' to support customers in their Net Zero transition

Types of IT Solutions/Services

Category	Key Focus Areas	Description
Expansion of the Net Zero Ecosystem	Renewable energy, EMS, carbon reduction IT systems	Focused on supporting voluntary carbon reduction solutions
ESG-Based IT Services	ESG diagnosis, reporting, and consulting platforms	Linked to addressing Scope 3 emissions and supply chain management
Carbon Trading Market-Linked Business Models	Emission reduction certification, credit trading, and platform operation	Opportunity-driven approach for the voluntary carbon market
Generative AI-Based Automation Solutions for ESG/Climate Tasks	Automation of ESG/Net Zero reporting and policy response	GHG estimation and ESG strategy consulting

3. Climate Resilience Enhancement Strategy

Environmental Strategy for Net Zero Implementation

01
Operation of
Energy-Efficient
Data Centers

Pangyo Data Center

- Deployment of high-availability, high-efficiency state-of-the-art facilities
- Stabilization of operational efficiency of floor space

Daedeok Data Center

- Attainment of Green Data Center Certification (since 2013)
- Expansion of solar power generation facilities
- Gradual replacement of aging HVAC systems with inverter-type high-efficiency equipment

02
Energy Efficiency
Improvements

- The share of renewable energy in total electricity consumption at data centers—which account for over 90% of total electricity use—is designated as a key performance metric and is managed with priority
- Energy audits are conducted every five years through a certified energy audit agency designated by the Minister of Trade, Industry and Energy (most recently conducted in August 2022)
- Dedicated data center personnel assess actual energy use, identify sources of loss, develop energy-saving improvement plans, and continue to invest in high-efficiency energy-saving equipment

Category	Energy Efficiency Status
High-Efficiency Equipment	Modular uninterruptible power supply (UPS), pre-cooling chillers, inverter-based precision air conditioning units
Energy-Saving HVAC Solutions	Application of water mist spray functions during the summer season and installation of new overhead containment systems for high-heat-density equipment
Others	Optimization through real-time monitoring of facilities and power systems and the use of CFD solutions

03
Operation of
Eco-Friendly
Company Vehicles

- Adoption of eco-friendly vehicles (electric and hybrid) to reduce carbon emissions from corporate transportation
- Support for voluntary use of eco-friendly vehicles by employees through the installation of EV charging infrastructure and dedicated parking spaces at office buildings
- As of the end of 2024, eco-friendly vehicles account for 22.3% of the total fleet



Total number of company vehicles

157 vehicles



Number of eco-friendly vehicles

35 vehicles



Proportion of eco-friendly vehicles

22.3%

SK Inc. Sustainability Report 2025

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Portfolio-Level Analysis

- SK Inc. conducts a carbon cost-based risk exposure analysis across different sectors of its investment portfolio using NGFS scenarios
- For physical risk assessment, the MSCI Climate Value-at-Risk (Climate VaR) Report is referenced to identify regional exposure of major listed subsidiaries, while global energy policy and technology outlooks are analyzed based on the IEA Net Zero Scenario and supplemented with projections from South Korea's 2050 Carbon Neutrality Scenario (NDC) to inform investment strategy

1. Scenario Analysis

1) Transition Risk Scenarios

Scenario Analysis Method

- Three commonly referenced scenarios from financial institutions and government policy banks were selected, and transition risks were assessed based on the carbon price and greenhouse gas (GHG) emissions trends under each scenario
- For the NGFS Current Policies scenario, the carbon price was adjusted using the average emission allowance price from the 2nd commitment period (2018–2020) of Korea's Emissions Trading Scheme (ETS)

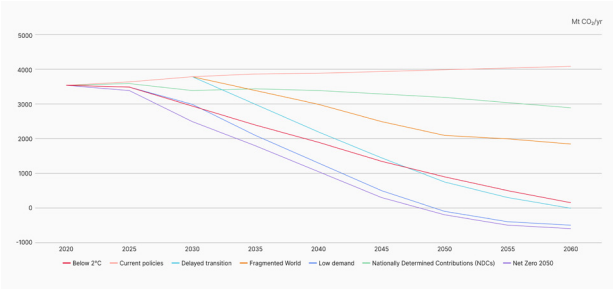
Types of NGFS Scenarios

Category	Current Policies	Delayed Transition	Net Zero 2050
Description	Maintenance of current government regulations	Regulatory strengthening after 2030	Gradual regulatory strengthening
Temperature Rise	Above 3°C	1.6°C	1.4°C
Key Parameters	Carbon price & national emissions trends	Carbon price & national emissions trends	Carbon price & national emissions trends

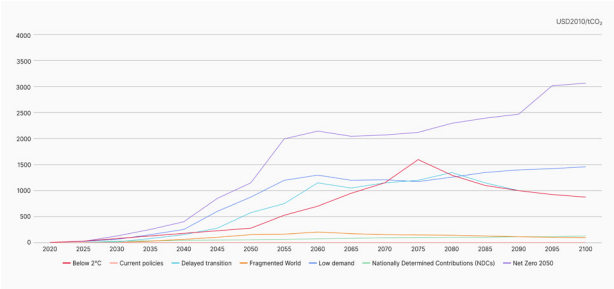
Scenario Analysis Results

- Under the Current Policies pathway, greenhouse gas emissions remain at 2020 levels
- Under the Delayed Transition pathway, if the transition plan is postponed, emissions can be maintained through 2030, but carbon prices begin to rise sharply
- Under the NDC-aligned pathway, greenhouse gas emissions gradually decrease, and the carbon price burden is lower compared to other scenarios

Carbon Emissions by NGFS Scenario



Carbon Prices by NGFS Scenario



2) Physical Risk Scenario

Scenario Analysis Method

- Climate risks with the potential to affect the value of investment assets were compared and analyzed for each scenario using the MSCI Climate Value-at-Risk (Climate VaR) tool based on RCP scenarios
 - Scenarios used:** Representative Concentration Pathways (RCP) scenarios based on the IPCC Fifth Assessment Report (AR5)
 - Scope of analysis:** Business sites located in each country within the portfolio (South Korea, the United States, Japan, China, Indonesia, Vietnam, India, Hungary, UAE, etc.)
 - Risk factors:** Expected impacts from more than 10 climate-related hazards (heatwaves, strong winds, coastal flooding, wildfires, tropical cyclones, heavy snowfall, heavy rainfall, droughts, floods/inundation, extreme cold, etc.)



Scenario Analysis Results

- RCP scenarios are used to quantify the physical and financial impacts of climate change, based on assumed levels of radiative forcing driven by future changes in greenhouse gas concentrations
- Physical risks to key investment portfolios were compared under RCP 2.6, RCP 4.5, RCP 6.0, and RCP 8.5 pathways
- The analysis focused on the business sites of major investee companies, with a 15-year time horizon, to identify regions with high levels of financial loss due to climate-related risks

High-Risk Factor	High-Risk Region
Heatwaves, coastal flooding, tropical cyclones	Busan/Incheon in South Korea, Dumai in Indonesia

2. Impact Analysis and Response Measures

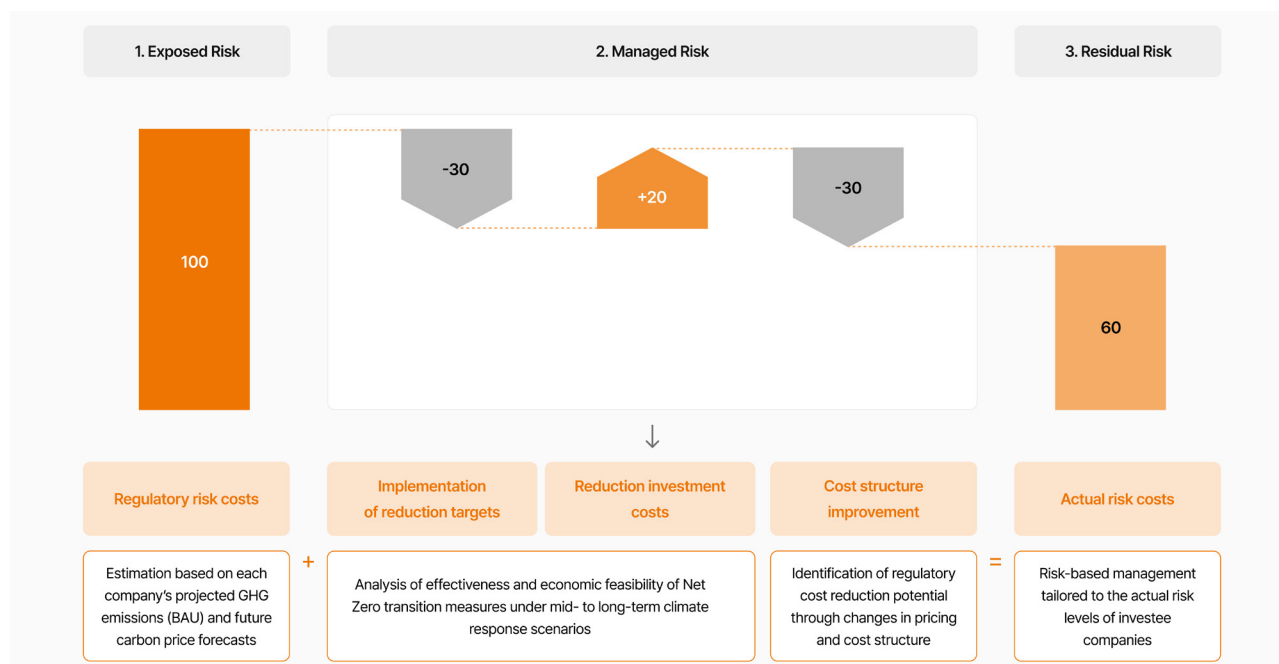
1) Transition Risks in the Investment Portfolio

T7 Need for Climate Risk Management in the Investment Portfolio

Financial Impact Management Framework

- The actual risk—calculated by deducting the mitigated portion of regulatory risks through management of each investee company—is used as the basis for evaluating investee companies
- Alongside the effectiveness and cost-efficiency of each investee company's emissions reduction measures, the analysis also considers whether the company has sufficient marketability to withstand transition risks
- The resulting actual transition risk is converted into the 'carbon risk burden ratio,' a metric comparing the risk against the investee company's future revenue-generating capacity, to assess the financial soundness in terms of carbon risk

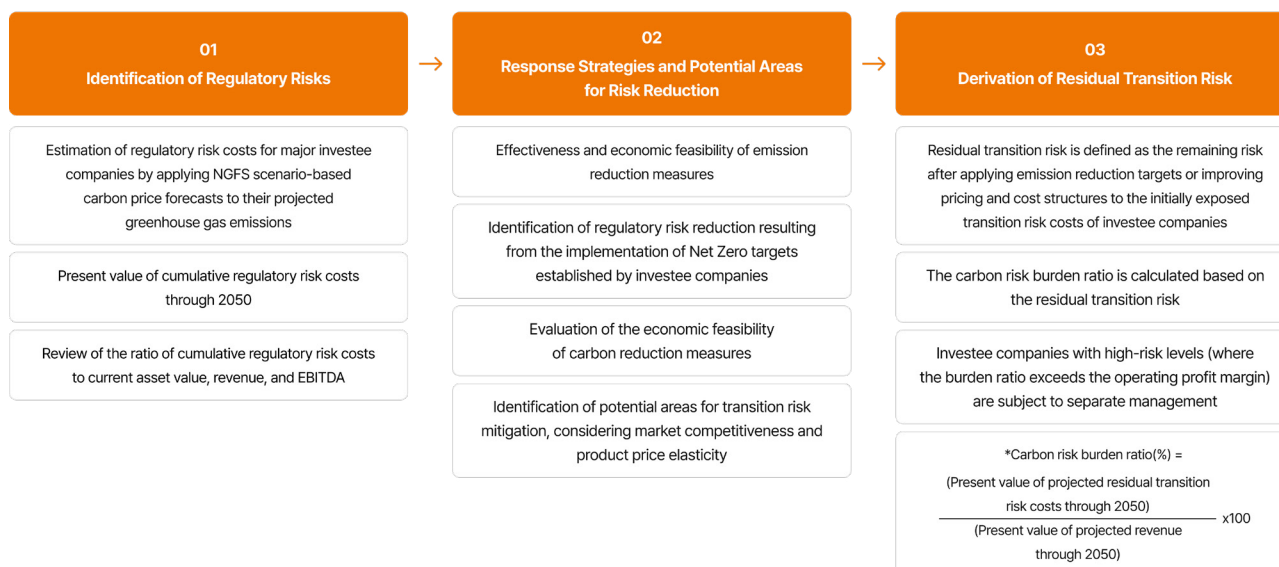
Transition Risk Framework



Phased Management Strategy

- Assessment of climate risk exposure across all portfolio companies based on BAU emissions to determine industry-specific climate risk levels
- If the carbon risk burden ratio of a portfolio company exceeds its operating profit margin, the company is classified as carbon-constrained and becomes subject to a portfolio adjustment review
- Companies that are not classified as carbon-constrained but exhibit greater climate risk exposure than industry peers are required to implement more cost-effective emission reduction measures

Carbon Risk Burden Ratio Assessment Process



2) Physical Risks in the Investment Portfolio

P1 P2 Investment Decision-Making Framework Reflecting Physical Risks

- A multi-layered response strategy has been established to protect the investment portfolio from physical risks
- Highly reliable external climate and weather data sources, such as MSCI Climate VaR, are actively utilized to pre-assess the expected financial impact by business site for each investee company
- Each investee company's physical risk management system is regularly reviewed to ensure that proper response mechanisms are in place
 - For business sites located in high-risk areas, separate monitoring systems are operated, and continuous reviews are conducted to confirm whether climate risk response systems are functioning effectively
 - When planning new investments or business expansions, a preliminary analysis is conducted to determine the level of climate risk exposure in the relevant region
 - The results of the analysis are considered as key input in the investment decision-making process
 - The availability of infrastructure or strategic measures to mitigate the identified risks serves as a critical criterion in determining whether to proceed with investments in regions with high climate risk

3) Climate Transition Opportunities

O1 Transition from Fossil Fuel-Based Energy Sources to Renewable Energy Sources

Impact Analysis

- According to IEA and NDC scenarios as well as various market reports, the global clean energy market is expected to continue expanding, driven by active investments and policy support in major countries
- In South Korea, limited renewable energy resources highlight the need to overcome domestic resource constraints
- The International Energy Agency (IEA) projects in its IEA Net Zero 2050 scenario that CCUS will contribute 10% of cumulative carbon emissions reductions in the global energy sector between 2021 and 2050 (CCUS is considered essential in South Korea due to the carbon burden associated with its current power generation and industrial structure)

Response Strategy

- Investment plans in CCUS technology companies for the establishment of a clean hydrogen-based ecosystem, aimed at overcoming resource limitations and driving innovation in the domestic energy market
- Investments in the hydrogen industry, including the construction of hydrogen refueling stations and the operation of liquefied hydrogen plants
- Investment in the world's largest CCS project and promotion of collaboration on small modular reactor (SMR) power generation projects

O2 Growing Demand for Electric Vehicle Materials and Technologies

Impact Analysis

- The South Korean government aims to distribute 4.5 million electric and hydrogen vehicles by 2030 and reduce greenhouse gas emissions from the transportation sector by approximately 29.7 million tons, while promoting the transition of commercial vehicles to eco-friendly alternatives in line with the Act on Environment-Friendly Motor Vehicles
- According to the IEA Net Zero Emissions (NZE) 2050 scenario, the global electric vehicle market share is expected to surge from 4.3% in 2020 to 60.9% by 2030

Response Strategy

- Continued expansion of investments to lead key technologies and infrastructure in the electric vehicle market in line with policy direction and global trends
- Market leadership through investments in global companies specializing in core materials and infrastructure for the electric vehicle industry
- Expansion of leading EV charging-related technologies and provision of eco-friendly energy solutions based on the existing investment portfolio

O3 Rising Demand in the Sustainable Food Market

Impact Analysis

- The South Korean government has set a target to reduce greenhouse gas emissions in the agriculture and livestock sector by 180,000 tons by 2030 compared to 2018, including reductions through alternative processed foods
- The agriculture and livestock sector accounts for 22% of global greenhouse gas emissions and is increasingly contributing to land and water pollution through the use of pesticides and waste, positioning sustainable food as a proposed solution
- Despite a downward trend in investment since 2022 due to macroeconomic factors and other influences, the market is expected to grow rapidly, driven by future key consumer groups such as the millennial generation

Response Strategy

- Entry into the alternative food sector in 2020 in response to its rapid growth and large market potential
- Strategic sourcing of alternative food and food tech startups through the acquisition of board seats via additional investments
- Investment in leading global companies in the alternative food industry

3. Climate Resilience Enhancement Strategy

Internal Carbon Pricing Policy

- Potential costs associated with greenhouse gas emissions are preemptively considered by applying an internal carbon price to business decision-making processes (new business investments and operations)
- When calculating the internal carbon price, both the domestic emissions trading price and carbon price projections from reputable international institutions are taken into account
- The base price for each year is calculated by reflecting the previous year's closing price of Korea Allowance Units (KAUs)* and the NGFS 1.5°C scenario carbon price projection, and is updated annually with mid- to long-term carbon price forecasts through 2040

*Year-end closing price of Korea Allowance Units (KAUs) in 2024: KRW 9,490/tCO₂eq

Investment Decision-Making Process



Case Case of Investment Decision-Making Using Internal Carbon Pricing

Prior to the construction of a new data center, SK Inc. applied an investment decision-making process based on the Internal Carbon Pricing (ICP) system to assess the business feasibility.

Internal Carbon Pricing Application Method	1. Conventional Analysis Method	Assessment of financial feasibility focused on facility efficiency, construction cost, and operating cost
	2. Carbon Cost Inclusion	Estimated GHG emissions × Internal carbon price = Inclusion of climate-related costs (internal cost)
	3. Financial Impact Analysis	Assessment of emissions-related costs and associated financial impacts, incorporated into profit and loss simulations
	4. Reflection in Decision-Making	Use of financial simulation analysis, reflected in investment decision-making
Estimated Profit and Loss Impact	· Profit and loss was estimated by incorporating internal carbon pricing, prior to major decisions such as investments · It was determined that the estimated profit and loss impact could be significant due to the projected increase in carbon prices during the actual colocation service period of the data center (2027–2031)	

Risk Management

Integrated Environmental Risk Management

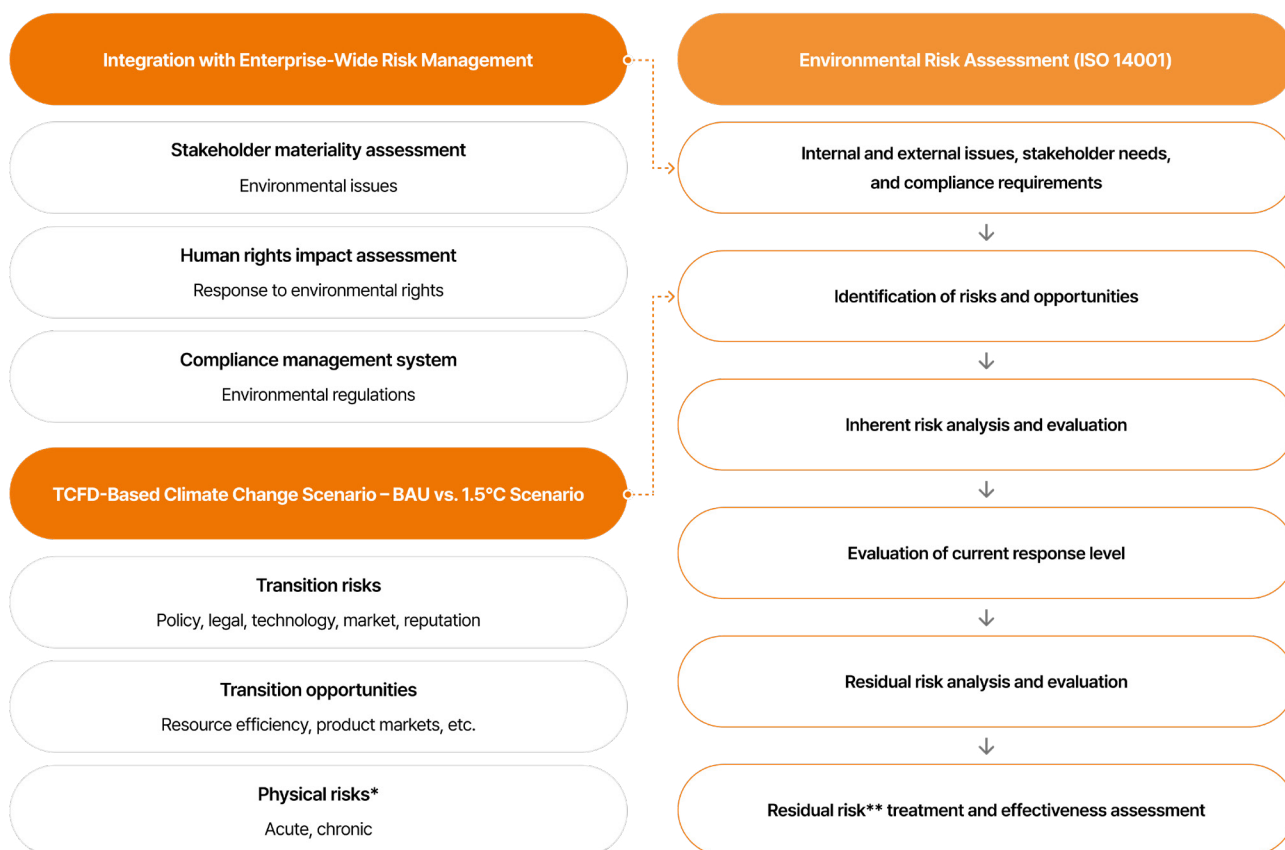
Operating System and Process

- An integrated process is operated that links the Environmental Management System (ISO 14001) with the company-wide Enterprise Risk Management system (ISO 31000) to preemptively identify and assess climate risks, while simultaneously implementing preventive measures using proactive response strategies such as self-generation, transition to renewable energy, and improvement of cooling efficiency
- The appropriateness and effectiveness of risk assessments are verified through internal and external audits conducted at least once a year
- Adequacy of the enterprise risk management system is ensured, and ESG and business risks are managed in an integrated manner based on the process of 'Identification–Analysis–Response–Evaluation–Improvement'

Climate Risk Identification and Monitoring System

- A systematic climate risk identification and monitoring system has been established and is operated based on scientific data
- Domestic and international policy environments, climate-related issues, industry benchmarking cases, and the needs of stakeholders (including clients, government, and investors) are comprehensively taken into account
- Likelihood of occurrence, level of severity, and business impact are comprehensively considered through the Risk Management Council to define risk appetite and establish response strategies
- Material environmental and climate risks are reported to the CEO and the Board of Directors to ensure a company-wide response and integration into key decision-making

Climate Risk Management Process



* Assessment includes new operations

** Any material risks are escalated to the CEO and the Board for review

Climate Risk Management Across the Value Chain

- Strengthen climate risk management for suppliers, customers, and investee companies by identifying transition and physical risk factors, managing Scope 3 emissions, and improving the environmental performance of products and services
- Expand the scope of environmental risk impact levels and establish the foundation to enhance the environmental risk management system

Upstream (Suppliers)	Downstream (Investee Companies)
• Provision of support activities to improve suppliers' environmental management, including ESG Code of Conduct dissemination and ESG performance assessment advisory	• Initiation of climate risk exposure management for investee companies starting in 2022
• Implementation of greenhouse gas reduction engagement activities focused on major upstream emission sources, particularly in HW/NW equipment manufacturing	• Execution of financial analysis, including comparison of operating profit margins that reflect actual risk costs based on reduction target implementation costs and market-driven price/cost structures
• Request for eco-friendly product certifications, LCA information, and climate risk-related business continuity plans (BCPs) in 2023, based on the climate risk management framework	• Advancement of downstream climate risk management through expansion of the management scope and reinforcement of assessment methodologies

Metrics and Targets

Greenhouse Gas Emissions and Reduction Targets



Scope 1 & 2 Emissions

- SK Inc. manages its Scope 1 and Scope 2 greenhouse gas emissions, with Scope 2 emissions calculated using both location-based and market-based approaches
- Third-party verification is conducted annually to ensure the reliability and accuracy of the calculation criteria
- Approximately 98% of total GHG emissions are attributed to electricity consumption (Scope 2), with data centers accounting for over 90% of total electricity use

GHG Emissions and Energy Consumption Calculation Criteria

- '2006 IPCC Guidelines for National Greenhouse Gas Inventories'
- Compliance with the 'Guidelines on Reporting and Verification of Emissions under the Emissions Trading Scheme'
- Verification of appropriateness through a third-party verification body (Verification standards: 'Guidelines for Verification under the Emissions Trading Scheme', '2006 IPCC Guidelines', 'ISO 14064-1', 'ISO 14064-3')

(Unit: tCO₂eq)

Category	2021	2022	2023	2024
Scope 1+2 Emissions (Total)	86,109	109,213	126,641	136,665
Scope 1	1,432	1,431	1,434	1,283
Scope 2 (Location-based)	84,677	107,782	125,207	135,382
Scope 2 (Market-based*)	-	-	102,604	102,626

* Greenhouse gas emissions reflecting the use (purchase) of renewable energy

※ The total GHG emissions above are calculated in accordance with the Guidelines on Reporting and Verification of Emissions under the Emissions Trading Scheme and may differ from the sum of emissions by individual energy sources

** Scope 1+2 emissions target for 2024: 156,719 tCO₂eq

Strengthening Scope 1 and Scope 2 Management

- The proportion of renewable energy used in data center electricity consumption is designated as a key performance metric, and the transition rate is being increased annually in line with the RE100 roadmap
- On-site generation is prioritized as the primary method of renewable energy procurement, and solar power facilities installed within available areas of data centers are being operated at maximum capacity (0.83 GWh in 2024)
- To secure a stable supply of renewable energy over the long term, SK Inc. is reviewing the adoption of Power Purchase Agreements (PPAs). Considering the uncertainty of the domestic renewable energy market, the company plans to determine the optimal procurement strategy based on an economic analysis of each renewable energy procurement method
- To continuously improve the energy efficiency of data centers, power consumption is set as a key performance metric, with annual forecasts of power demand and efficiency performance monitored, and specialized personnel in data center safety and environment engaged in optimizing HVAC operations and investing in facility improvements
- Although the Net Zero target and its implementation pathway may be adjusted due to changes in policy, the pace of technological development, and market or business conditions, SK Inc. plans to enhance the feasibility of achieving Net Zero by regularly reviewing reduction pathways and identifying the most effective abatement measures

Scope 3 Emissions

- SK Inc. manages Scope 3 emissions by distinguishing between upstream (Categories 1–7) and downstream (Categories 11, 12, and 15), and conducts third-party verification to enhance data accuracy
- Emissions are calculated for all applicable categories, including employee commuting, business travel, and product use
- Approximately 90% of Scope 3 emissions are generated from Category 15 (Investments)

GHG Emissions and Energy Consumption Calculation Criteria

- GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard

(Unit: tCO₂eq)

Classification	Category	2021	2022	2023	2024
Total	Total Scope 3 emissions	13,391,021	11,529,818	13,860,200	14,210,016
Upstream	Category 1: Purchased goods and services	7,480	7,854	8,307	22,533
	Category 2: Capital goods	2,588	1,840	1,701	351
	Category 3: Fuel- and energy-related activities (not included in Scope 1 or 2)	84	8,402	9,877	21,016
	Category 4: Transportation and distribution	12	7	13	23
	Category 5: Waste generated in operations	30	1	8	3
	Category 6: Business travel	896	2,129	3,013	2,596
	Category 7: Employee commuting	3,324	1,900	942	743
Downstream	Category 11: Use of sold products	56,442	61,926	65,500	111,791
	Category 12: End-of-life treatment of sold products	265	291	307	277
	Category 15: Investments*	13,319,899	11,445,468	13,770,532	14,050,684

* Calculated based on disclosed data and internally managed data from major subsidiaries among the investee companies

Expanding Scope 3 Management Coverage

- Emissions for major Scope 3 categories are calculated in accordance with the GHG Protocol and undergo third-party verification
- Emissions have been calculated for a total of 10 categories to date, and the management scope continues to expand
- The calculation criteria for overseas business travel (Category 6) have been refined to incorporate trip structure and flight distance
 - Transfer status is considered when calculating flight distances, and travel is classified as short-haul or long-haul to enable more accurate emissions calculations

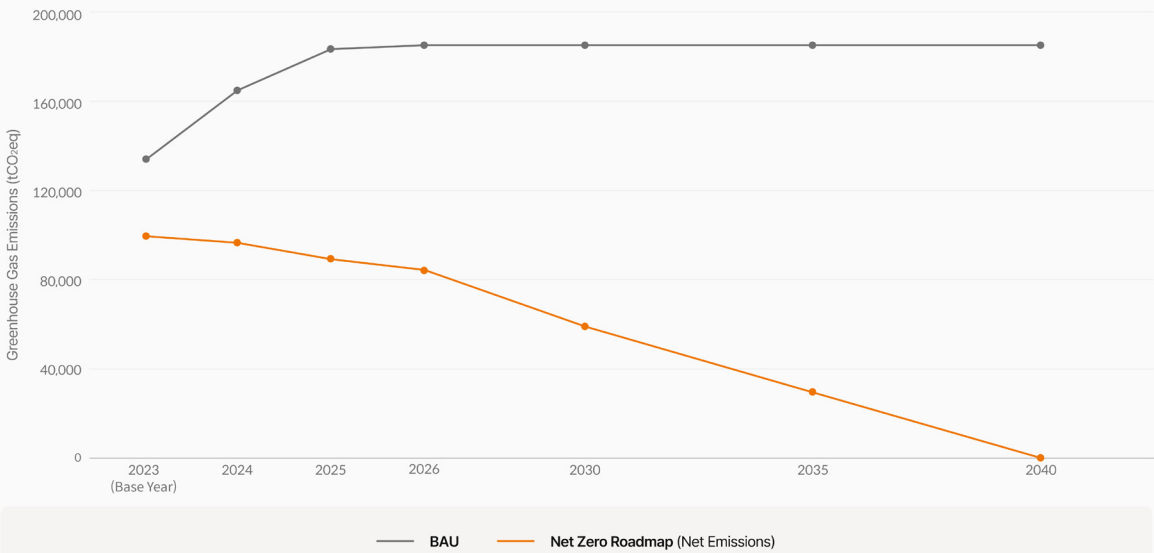
Enhancing Supplier Engagement for Upstream GHG Reduction

- Over 70% of GHG emissions in Scope 3 Categories 1 and 2 are generated by hardware and network equipment suppliers
- Supplier data is being collected to calculate emissions based on LCA (Life Cycle Assessment) of purchased products, along with enhancements to the procurement management system
- A questionnaire is distributed to suppliers to collect information on their GHG reduction efforts, including GHG emissions, participation in the Science Based Targets initiative (SBTi) and related plans, eco-friendly product certifications, and ISO certification status

Greenhouse Gas Emission Reduction Targets

Scope 1+2 Reduction Target (Net Zero)

- SK Inc. has designated the ‘Net Zero roadmap target emissions’ as a core KPI and monitors GHG emissions by business site on a monthly basis
- Low-carbon strategic investments are being gradually expanded, including increasing the renewable energy transition rate at data centers, improving the efficiency of cooling systems, and reviewing geothermal heat pump systems, with the contribution to emissions reduction regularly evaluated



Category	Details
Long-Term Target	Achieve Net Zero for Scope 1 and 2 by 2040 (based on 2023 as the base year)
Near-Term Target	· Target to achieve 30% by 2025 · Target to achieve 60% by 2030 (Near-Term) based on 2023 as the base year

Scope 3 Reduction Targets

- Since 2022, emissions from key Scope 3 categories (10 in total) applicable to the company have been calculated and disclosed externally
- A structured management system is in place for investee companies, purchased goods, and the use and end-of-life treatment of products—which together account for approximately 90% of Scope 3 emissions—including quantitative assessments, supplier surveys, and the encouragement of reduction target setting

Category	Details
Long-Term Target	Target of a 90% reduction in total Scope 3 emissions by 2050 compared to 2021 levels
Near-Term Target	30% reduction in Category 15 (Investments) emissions by 2030 compared to 2021 levels

Global Initiatives

Greenhouse Gas Reduction Initiatives

- SK Inc. joined the Global RE100 Initiative in December 2020 to contribute to the acceleration of global greenhouse gas reduction efforts
- A 2040 RE100 roadmap aligned with the 1.5°C target of the Paris Agreement was established, and Net Zero by 2040 (based on Scope 1 and 2) was declared
- Since 2021, greenhouse gas reduction performance has been publicly disclosed annually to enhance transparency in managing Net Zero targets

Renewable Energy Transition Targets (RE100)

- Renewable energy transition is recognized as a top priority for climate change response and sustainable growth, with phased targets established to drive RE100 implementation
- Electricity use at major sites, including data centers, is being optimized, while on-site renewable energy generation and diverse procurement strategies are actively pursued to support continued progress in the energy transition

RE100 Targets

Category	Details
Long-Term Target	Transition 100% of electricity consumption to renewable energy by 2040
Short-Term Target	Transition 30% of electricity consumption to renewable energy by 2025 Transition 60% of electricity consumption to renewable energy by 2030

RE100 Implementation Progress

Year	Target	Performance
2023	16%	18.1%
2024	23%	24.7%
2025	30%	-
2026	38%	-
2030	60%	-
2035	80%	-
2040	100%	-

SK Group's Net Zero Goal

- In 2021, SK became the first Korean company to declare a group-wide Net Zero goal, committing to achieve net-zero greenhouse gas emissions ahead of the national 2050 carbon neutrality goal (2050-α)
- Each member company is implementing decarbonization strategies tailored to its business characteristics, and the level of Net Zero implementation is reflected in individual KPIs, which are linked to executive performance evaluations and compensation
- SK Inc. regularly monitors the Net Zero implementation status of its member companies, and in August 2024, SK Group established a group-wide Net Zero management system to oversee data management and performance monitoring

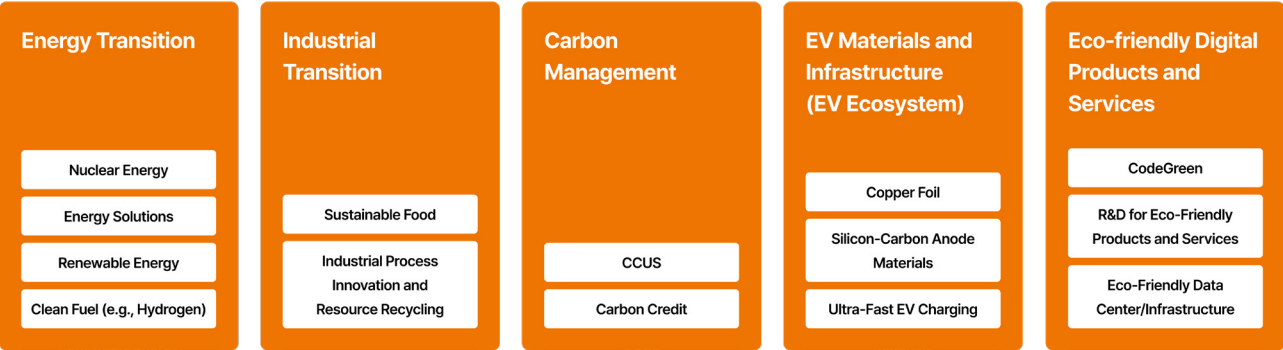
Clean Technology / Business Investment

Amid the accelerating push for decarbonization, demand for clean technologies and investment is on the rise. In response, SK Inc. has defined five strategic focus areas in clean technology and established corresponding investment strategies and goals.

Investment Strategy

Key Investment Areas

- SK Inc. is expanding its businesses to support climate change response and the transition to eco-friendly practices, while actively investing in technologies that reduce carbon emissions and solutions that enable carbon removal
- By proactively investing in clean technologies and businesses, it aims to enhance inter-affiliate synergies within the SK Group and advance the green economy
- To stay ahead in responding to the accelerating decarbonization trend and to secure long-term business opportunities, SK Inc. has identified five strategic focus areas and is reinforcing its investments in cleantech
- Investment directions and goals have been defined and are being implemented for each cleantech and business area

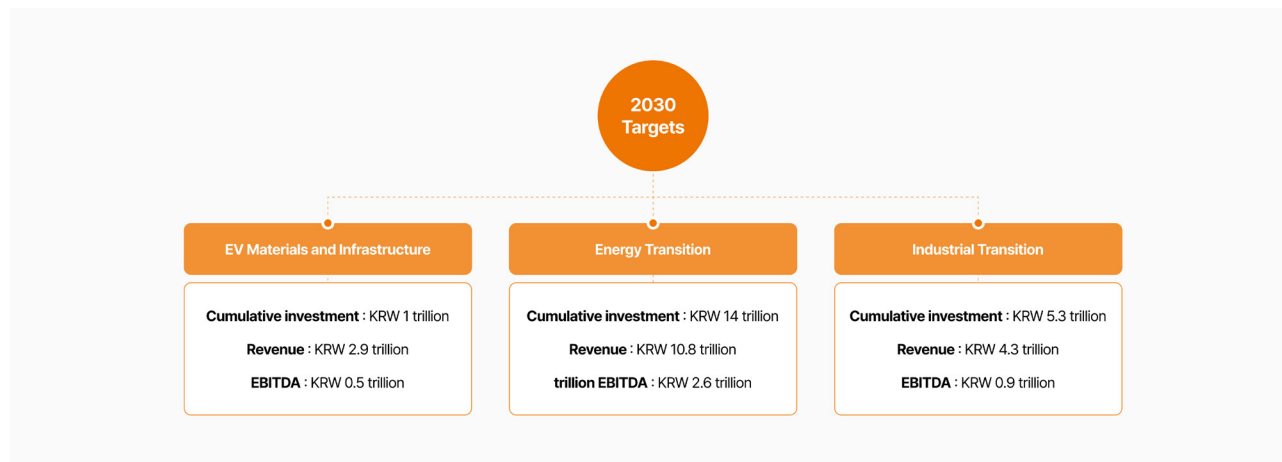


Strategy by Clean Technology/Business Area

Area	Detailed Strategies
EV Materials/ Infrastructure	· Copper foil / SiC anode materials: Extend EV driving range by improving battery performance through the supply of advanced materials that lead the global market · EV charging: Promote EV adoption by developing and expanding the supply of next-generation ultra-fast and high reliability chargers
Energy Transition	· Clean Fuel (e.g., hydrogen): Secure core technologies and business foundation to replace fossil fuels · Nuclear power: Secure next-generation SMR (Small Modular Reactor) technologies and develop domestic and international SMR projects to establish a foothold in the global carbon-free power generation market · Energy solutions: Expand electrification-related businesses in the U.S. market (e.g., grid systems, residential ESS, microgrids)
Industrial Transition	· Manage portfolios within the sustainable food sector, where high growth is expected · Promote carbon reduction in carbon-intensive industries by securing technologies for industrial process innovation and recycling
CO ₂ Management	· Create synergies by investing in CCUS technologies/infrastructure and leveraging SK's owned assets · Invest in global carbon credit developers to meet SK Group's carbon offset demand and ensure a stable supply of high-quality voluntary carbon credits
IT Solutions/Services for Climate Change Response	· Expand digital technologies centered around the 'CodeGreen' brand to enable more efficient and accurate execution of ESG initiatives · Increase R&D investment in eco-friendly solutions, including energy savings and carbon emissions reduction · Promote revenue growth in eco-friendly products and services within the IT services business segment

Investment Strategy

· SK Inc. has set targets for investment amount, revenue, and EBITDA in clean technologies and businesses by 2030

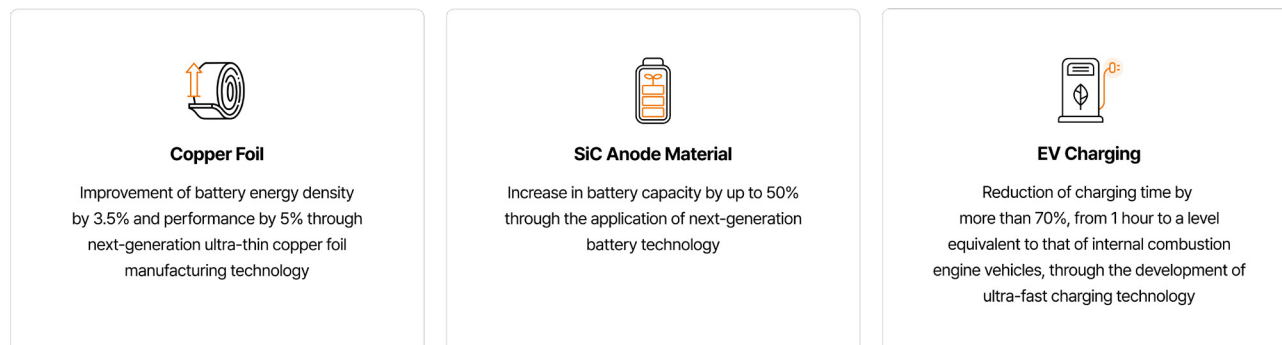


※ The 2030 targets are forward-looking statements based on current expectations and are subject to change depending on future business environment conditions

Clean Technology Development Targets

· Based on a clean technology-focused strategy, SK Inc. has established mid- to long-term investment and development targets for clean technologies by 2030 to drive sustainable growth and enhance corporate value

· In particular, continued efforts are being made to develop core technologies aimed at extending driving range and reducing charging time, supporting the expansion of electric vehicles



Investment Performance

Investment Portfolio Overview

Investments by Area

Area	Details
EV Materials/ Infrastructure	· Invested in Wason, a global leader in copper foil manufacturing—a key material for EV batteries · Completed construction of a JV plant for SiC anode materials, a next-generation solution for improving EV battery performance · Acquired a controlling stake in SK Signet, a company engaged in the manufacturing of ultra-fast EV chargers and in the operation of EV charging businesses
Energy Transition	· Entered the SMR business as a decarbonized baseload power source through an investment in TerraPower, a U.S.-based company specializing in the design of sodium-cooled fast reactors · Secured an early foothold in the turquoise hydrogen and eco-friendly carbon black portfolio through an investment in Monolith, a U.S.-based plasma technology company · Invested in Lunar Energy, a U.S. residential energy storage system (ESS) company
Industrial Transition	· Invested in Perfect Day, a global leader in fermented dairy protein · Invested in Nature's Fynd, a microbial-based alternative protein food company · Invested in Wildtype, a U.S. cell-based seafood company · Participated in a joint fund with Joyvio to support sustainable food investments in China · Invested in Ecosecurities, a global top-tier carbon credit developer
CO ₂ Management	· Invested in 8 Rivers, a company that holds multiple proprietary CCUS technologies, including CO₂-based power generation and high-efficiency clean hydrogen production · Invested in Summit Carbon Solutions, the developer of the world's largest CCS project
IT Solutions/ Services for Climate Change Response	· Since 2020, each business unit has established mid- to long-term eco-friendly business goals and promoted the development of green solutions and platform-based businesses · In 2024, the CodeGreen brand was launched to support Digital ESG, offering 12 solutions across key areas such as energy savings, greenhouse gas reduction, resource circulation, and safety management

EV Materials and Infrastructure

- SK Inc. invested KRW 380 billion in Wason, the largest copper foil manufacturer in China, to support the advancement of high-performance copper foil production and battery technologies. This investment is expected to drive market growth by enabling an annual production capacity of 175kt
- A 53.4% stake (KRW 293 billion) was acquired in SK Signet (formerly Signet EV), a company specializing in ultra-fast charging technology. An additional KRW 115 billion is scheduled to be invested in 2025 to further expand the domestic supply of ultra-fast chargers and lead the eco-friendly energy solution market.

Detailed Investment Status

Investee Company	Key Technology	Investment Amount	Investment Year
Wason	Copper foil manufacturing (Global No.1)	Approx. KRW 380 billion	2019, 2020
SK Signet	Ultra-fast EV charger manufacturing	Approx. KRW 410 billion	2021, 2025

Clean Energy Transition

- SK Inc. entered the decarbonized baseload SMR (Small Modular Reactor) power generation market by investing in TerraPower, a U.S.-based company with next-generation SMR design capabilities utilizing sodium-cooled fast reactor technology
- An investment was made in Monolith, a U.S. plasma technology company, to secure turquoise hydrogen production capabilities and gain an early lead in the eco-friendly carbon black portfolio

Detailed Investment Status

Investee Company	Key Technology	Investment Amount	Investment Year
PlugPower	Water electrolysis and hydrogen fuel cells for green hydrogen production	Approx. KRW 1.8 trillion (Joint investment with SK Innovation E&S)	2021
Monolith	Methane pyrolysis for hydrogen and solid carbon production (No CO ₂ emissions)	Undisclosed	2021
TerraPower	Design technology for next-generation SMRs using sodium-cooled fast reactors	Approx. KRW 325 billion (Joint investment with SK Innovation)	2022

Sustainable Food

- Considering the rapid growth and scale of the alternative food market, SK Inc. invested KRW 54 billion in Perfect Day beginning in 2020, securing a board seat through additional investment and initiating full-fledged efforts to identify and invest in alternative food and food-tech startups
- Since 2022, the company has expanded its alternative food portfolio by selectively investing in global leading companies such as Nature's Fynd, a U.S. firm with fermented protein technology, and Wildtype, a developer of cell-cultured salmon
- In partnership with a major Chinese F&B distribution company, a joint fund was established in 2021 to invest in alternative food and agri-tech startups in China

Detailed Investment Status

Investee Company	Key Technology	Investment Amount	Investment Year
Perfect Day	Production of fermented dairy protein – Applicable as an ingredient in ice cream, cheese, bread, etc.	Approx. KRW 130 billion	2020, 2021, 2024
Nature's Fynd	Possession of fermented protein technology – Launched cream cheese and alternative meat patty products	Approx. KRW 29 billion	2021
Wildtype	World's first successful development of cell-cultured salmon – Plans for commercial production following FDA GRAS approval in the U.S.	Approx. KRW 8.8 billion	2022

Environmental Impact Management

In response to climate change and increasing global environmental regulations, SK Inc. has formulated the Green ICT 2040 strategy, which outlines its Net Zero 2040 and RE100 2040 targets. Guided by this strategy, the company is systematically advancing environmental management practices in alignment with international environmental standards.

Environmental Management System

Environmental Policy

- SK Inc. places environmental protection and respect for life at the core of its management values and embeds these principles throughout all business activities
- The company formulates and implements policies to address key environmental issues—such as climate change, resource circulation, and pollutant reduction—based on its Environmental Management Policy
- An environmental management system aligned with ISO 14001 has been established to systematically manage environmental impacts at each business site
- Efforts are being made to minimize environmental impact across all aspects of the business, while strengthening ESG-based decision-making to drive sustainable growth

[Environmental Management Principle and Policy →](#)

Environmental Management Implementation Framework

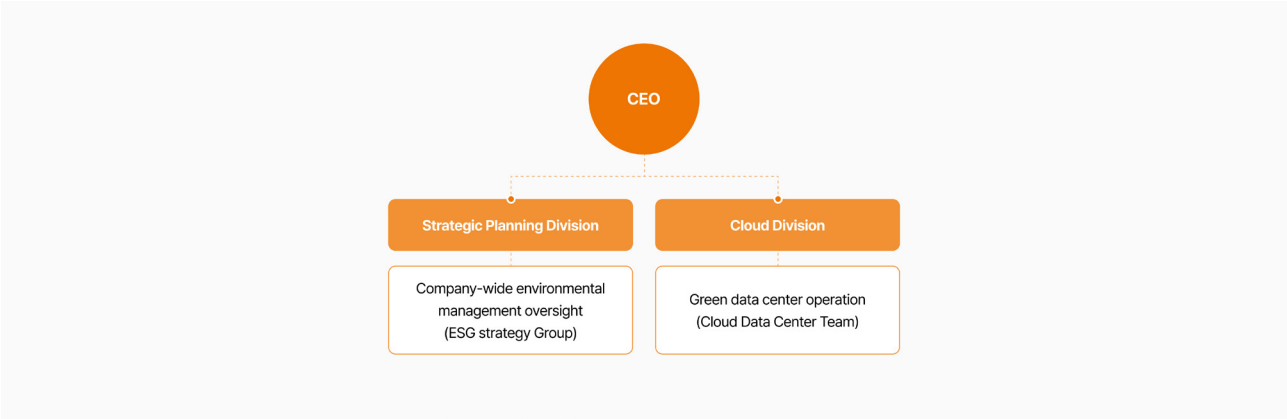
Green ICT 2040

- Under the Green ICT 2040 strategy, SK Inc. is advancing its supply chain environmental management system by measuring Scope 3 emissions, monitoring carbon reduction progress, and conducting BCP assessments
- By engaging with suppliers and disclosing information aligned with global initiatives such as RE100 and TCFD, the company aims to foster stakeholder trust



Company-wide Environmental Management System

- SK Inc. has established a company-wide environmental management system based on ISO 14001 and implements ESG target setting and performance management through a strategy and operations unit reporting directly to the CEO
- Environmental policies and performance data are shared through the Environmental Management Portal on HiSK, the company's internal intranet, providing a foundation for company-wide communication
- The Strategic Planning Division oversees ESG strategy and disclosure, while the Cloud Division is responsible for managing greenhouse gas emissions, energy, waste, and water usage, with a focus on data center operations



Organizational Roles in Environmental Management

Category	Role
CEO	· Oversees company-wide environmental performance by reviewing quarterly environmental management performance metrics · Conducts management review through the company-wide environmental management system (ISO 14001)
Strategic Planning Division	· Serves as the central unit for company-wide ESG strategy, responsible for developing strategies and establishing and operating the performance management system · Manages environmental disclosures such as CDP and DJSI, and communicates with internal and external stakeholders
Cloud Division	· Manages GHG performance of the Daedeok/Pangyo Data Center in alignment with company-wide targets · Promotes on-site renewable energy generation, renewable energy procurement, and energy efficiency improvements at data centers · Oversees the management of GHG emissions, energy, and waste, and conducts assessments on compliance with environmental regulations

Environmental Risk Management

Risk Identification and Response

Risk Identification

- Risks are identified through regular annual analyses of internal and external environmental issues as well as stakeholder needs
- The appropriateness of response measures for identified risks is evaluated, and mitigation plans are established for any remaining high-risk items

Environmental Impact Assessment	· Although SK Inc. does not operate any facilities subject to mandatory environmental impact assessments, it conducts annual evaluations of the environmental impacts associated with business activities and facility operations at each site · Greenhouse gas emissions from data centers have been identified as a significant environmental impact, and PUE (Power Usage Effectiveness) is managed by data center in connection with company-wide environmental targets · Environmental safety risks are monitored in an integrated manner through the ISO 45001-certified safety and health management system, with environmental accidents managed as part of the company-wide safety and health accident response system
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Risk Response

Data Center PUE Performance Management	· Power Usage Effectiveness (PUE) is used as an ESG performance metric to quantitatively assess the energy efficiency of data centers and the reduction of Scope 2 greenhouse gas emissions. It is directly linked to power consumption optimization, Scope 2 emissions reduction, and the execution of the Net Zero strategy · PUE performance at Pangyo and Daedeok Data Centers is regularly monitored · Ongoing efforts to improve PUE include the adoption of high-efficiency equipment, increasing the share of renewable energy, and strengthening energy management training
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Compliance with Environmental Regulations	· Environmental accidents and compliance risks are managed through periodic compliance assessments of relevant departments, in connection with the company-wide compliance management system (ISO 37301 – Environmental Protection) · Following its designation by the Ministry of Environment in January 2022 as an allocation target entity under the Emissions Trading Scheme (ETS), SK Inc. was subject to both free and paid emissions allowance obligations during the 3rd commitment period (2021–2025), with a total of 18 business sites designated as ETS-covered facilities (as of 2024), and fulfilled its obligations for GHG emissions reporting and allowance surrender accordingly
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Environmental Management Awareness Enhancement

Promoting Engagement in Eco-friendly Initiatives

Culture Survey Assessing the level of environmental awareness Measuring employees' understanding of Net Zero environmental goals and strategies	ESG Portal Sharing SK Inc.'s Net Zero strategy and environmental management information and strengthening communication with employees	Climate Action App 'Hangarae' Providing Social Value Points as incentives to encourage employee participation in eco-friendly practices Raising awareness of carbon neutrality, water use, and waste through events and educational videos
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Employee Carbon Footprint Performance (as of 2024)

Number of participants	Cumulative number of actions taken	Cumulative number of steps	Cumulative amount of *SVP provided	Amount of GHG emissions reduced (gCO ₂ eq)	Estimated cost savings from GHG reduction (KRW)	Estimated cost savings from resource use reduction (KRW)	Estimated savings in social costs (e.g., health, congestion) (KRW)
2,653	703,496	1,217,309,135	53,526,993	236,757,879	25,142,481	70,790,928	86,509,036

* SVP (Social Value Point) is an incentive point within the SK Group for social value activities, and is automatically accumulated based on the type of action taken

Case Digital Carbon Footprint Reduction through the Hangarae App (2024)

Reducing the Digital Carbon Footprint

The climate crisis caused by greenhouse gases poses a serious threat to the health and quality of life of both ourselves and future generations



Anyone can take part in 'reducing digital carbon footprint' through everyday actions, with small habits leading to meaningful change

Turning off the PC at the end of the workday
661g

Setting the PC to standby mode during lunch break
18g

Adjusting screen brightness (70%/Dark Mode)
31g

Switching off the power strip after work
20g

Regularly organizing emails (deleting/unsubscribing)
100g

Actively using collaboration tools for file sharing
60g

Regularly organizing files (deleting/downsizing)
110g

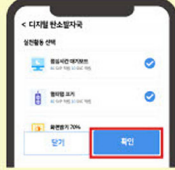
How to Participate



Scan the QR code to access the Digital Carbon Footprint page



1. Hangarae app – Activity Type – Select 'Digital Carbon Footprint'



2. Check off completed actions each day and confirm



3. View the amount of carbon reduced through completed actions

앱 다운로드 방법



안드로이드
Play스토어에서 '행가래'
검색 · 설치 또는 QR코드



iOS
앱스토어에서 '행가래'
검색 · 설치 또는 QR코드

- In 2024, SK Inc. launched a digital carbon footprint reduction campaign through 'Hangarae,' a participatory action app designed for employee engagement
- The campaign provides carbon reduction guidelines for specific digital behaviors, such as shutting down PCs and monitors, minimizing cloud storage, reducing email attachments, organizing files, and adjusting document viewer settings
- Participants earn Social Value Points (SVPs) automatically through their engagement, encouraging voluntary action
- Greenhouse gas reductions based on six key digital behavior standards are automatically tracked and accumulated within the Hangarae platform
- To encourage active participation, SK Inc. promoted employee engagement through company-wide announcements, mobile campaign notifications, and in-app certification features

Employee Capacity Building

- Company-wide environmental training and practical guides related to RE100 and Net Zero are provided to all employees
- Designated environmental management agents in each division complete ISO 14001 training as part of a structured certification program

Status of Environmental Training Programs in 2024

Training Area	Program Title	Program Description	Target Group	Training Period	Total Training Hours	Number of Participants	Format (On/Offline)
Climate Change Response	First Steps Toward 2040 Net Zero	Practical measures for Net Zero, energy conservation, water and waste reduction	All employees	August 8, 2024 – December 24, 2024	1,030	792	Online
Regulatory Response	Regulatory response to the Carbon Border Adjustment Mechanism (CBAM)	Overview of CBAM and emission calculation guidelines	Relevant departments	February 26, 2024	120	15	Offline
Environmental Management	Environmental Management Operations	Management systems for greenhouse gases, water, waste, and recycling	Relevant departments	January 18, 2024 – November 6, 2024	144	30	On/Offline
	ISO 14001 environmental management system auditor training program	Practical training on ISO 14001 certification and audit procedures	Relevant departments	October 30–31, 2024	240	15	Offline

Environmental Management Goals



Water

Water Resource Management

- Water withdrawal and recycling rates at owned facilities are managed and disclosed in accordance with international standards
- Wastewater is not discharged, and preventive measures are implemented to avoid water pollution in local communities, with prior consideration of water-stressed areas
- A reclaimed water treatment facility is operated, and daily metering and leakage inspections are conducted to reduce potable water consumption and wastewater generation, establishing a system to prevent water waste in advance

Usage Locations	· B4 floor: Make-up water, reclaimed water tank, and water storage tank in the mechanical room · 1st floor: Landscaping water and fountain · Rooftop (1st floor level): Cooling water for chiller system
Inspection Locations	· Restrooms on all floors

Case

Water Management at the Pangyo Data Center

The Pangyo Data Center utilizes both potable water and reclaimed water, conducting daily meter checks to monitor usage and detect potential leaks. Water quality improvement and purification cost reduction are achieved through the operation of a reclaimed water treatment system and the use of eco-friendly detergents. Cooling water supply efficiency is managed based on temperature-linked standards.



1. Monitoring
Daily water meter readings and leak inspections



2. Reduction Measures
Operation of reclaimed water treatment facilities and use of eco-friendly detergents



3. Efficient Supply
Management of cooling water supply based on rooftop temperature



4. Facility improvement
Planned replacement of activated carbon filters and membrane units

Waste

Waste Management Standards and Operational Policy

- The waste recycling rate is managed as a metric in accordance with international standards such as Zero Waste to Landfill and the World Resources Institute
- As there are no manufacturing facilities, most waste consists of general municipal waste, while hazardous waste, generated intermittently, is properly handled and reported in accordance with relevant regulations
- Hazardous waste is legally processed through licensed waste treatment contractors with verifiable disposal records, and the disposal routes are tracked through registration in the Ministry of Environment's 'Allbaro' system

Case Waste Management System and Audit Practices

SK Inc. manages waste generated at the Pangyo Data Center in a way that minimizes environmental impact. General and hazardous waste is consigned to licensed waste treatment contractors registered with the government, while municipal solid waste is disposed of using designated volume-based waste bags and processed through incineration, landfilling, or recycling (including conversion to fuel).

At the on-site sorting station within the data center, waste is separated and classified by type, allowing for monitoring of waste discharge categories. In addition, waste streams are tracked based on internal classification standards, and disposal records from external contractors are reviewed to improve the level of categorization as part of waste audit efforts.

SK Inc. is making ongoing efforts to increase the recycling rate through continuous management of waste separation and detailed classification, and is pursuing mid- to long-term improvements to enhance the efficiency and environmental performance of waste treatment.



1. Target Setting

Establishment of waste treatment standards and a service provider management system



2. Sorting and Discharge

Execution of thorough sorting and discharge at the data center sorting station



3. Contracting and Transportation

Conclusion of contracts with certified treatment providers and transportation through designated companies



4. Treatment

- Treatment focused on recycling (e.g., fuel, recycled materials)
- Handling of designated waste by specialized companies (e.g., used batteries → recycled batteries)

* A total of 10,754 volume-based waste bags were used from 2021 to March 2025, with most waste processed through recycling. Some items were incinerated and converted into fuel.

Waste Management at Business Sites

- Municipal solid waste is minimized through engagement programs such as reducing the use of disposable items and leftover food
- At major facilities such as data centers, SK Inc. has achieved an approximately 100% recycling rate in accordance with the Zero Waste to Landfill standard and aims to maintain this level beyond 2025
- At the Pangyo Data Center, waste is manually separated at the sorting station into general waste (volume-based waste bags), other waste (non-recyclable items such as styrofoam, fabric, and vinyl), and hazardous waste (such as waste oil, waste acidic water, and used batteries)
- General waste is further classified based on treatment method—incineration, landfilling, or recycling—and all waste generated at the Pangyo Data Center is fully recycled and utilized for the production of fuel, solid recovered fuel (SRF), and intermediate processed products

Types of Waste Generated by SK Inc.

Category	Type	Details
General Waste	Volume-based waste bags	Incineration (basic), landfilling (basic), recycling (fuel)
	Household batteries	Transferred to and processed at a recycling sorting facility
Hazardous Waste	Waste oil and acidic water	Recycled as fuel material (liquid) and treated by high-temperature incineration (solid)
	Used batteries	Recycled for use in producing secondary batteries or battery materials

Subsidiary Case

Enhancing Waste Recycling Performance through the Expansion of ZWTL Certification Across Domestic and Overseas Operations

- SK Innovation and SKC obtained the globally recognized Zero Waste to Landfill (ZWTL) certification in recognition of their strong performance in waste recycling
- SK Innovation secured ZWTL certification for all domestic business sites—including the Ulsan Complex (SK Energy, SK Geo Centric, and SK Enmove), SK On, SK Incheon Petrochem, and SK IE Technology—as well as key overseas operations
- SKC has obtained and maintained Gold level certification under the ZWTL program at its SK Nexilis Jeongeup and SK picglobal Ulsan sites

Entity	Business Site	Certification Level ¹⁾
SK Innovation	SKE	Certified
	SKGC	Certified
	Seosan	Platinum
	SKOJ	Platinum (New)
	SKEN	Gold
	SKIPC	Gold (New)
	Jeungpyeong	Gold
	SKIET	Certified
	SKBMP	Certified (New)
SKC	SKNX	Gold
	SKPICG	Gold

1) Certification levels are classified based on recycling rates: Platinum (100%), Gold (95–99%), Silver (90–94%), Certified (80–89%)

Biodiversity

Biodiversity Management

Integrated Biodiversity Management

- Biodiversity and deforestation risks are integrated into the company-wide risk management system
- Mid- to long-term goals are established and managed for biodiversity conservation
 - (No Net Loss) Efforts are made to operate businesses without causing degradation or loss of biodiversity by 2050
 - (Net Positive Impact) Investments and initiatives are promoted to conserve, restore, and enhance biodiversity by 2050
- Biodiversity risks and potential impacts in areas surrounding business sites and local communities are assessed, and hierarchical mitigation actions are implemented

Biodiversity Protection Policy

- The mid- to long-term goals and scope of application are specified within the biodiversity protection policy
- The policy is reviewed at the board and executive levels, and in the event of significant biodiversity-related risks arising during business operations, the matter is reported to the Strategy and ESG Committee within the board for major decision-making

[Biodiversity Policy →](#)

Biodiversity-Related Activities

- In line with SK Inc.'s biodiversity protection policy, its subsidiary SK Forest carries out various forest management activities such as forest tending and afforestation across approximately 4,500 hectares of forest
- Forest Management (FM) certification under the Korea Forest Certification Council (KFCC), supervised by the Korea Forest Service, has been obtained and is maintained through annual third-party verification, ensuring equivalence with PEFC
- Together with SK Forest, a forest management strategy is established, and the progress and outcomes of biodiversity conservation activities are regularly monitored to strengthen sustainable forest management

Biodiversity Risk Assessment

Risk Analysis Method

- To identify biodiversity risks and natural capital surrounding business sites, tools such as IBAT and BRF developed by IUCN and WWF are utilized, with the goal of strengthening real-time monitoring and expanding habitat protection and ecological restoration activities
- A location-based approach is applied to account for the ecological characteristics and biodiversity risk levels of the areas surrounding business sites
- Biodiversity risk assessments are integrated into the company-wide risk management process and incorporated as a key evaluation factor within the climate change response and environmental management system, thereby enhancing risk responsiveness and supporting continued responsible business operations

Risk Analysis Results

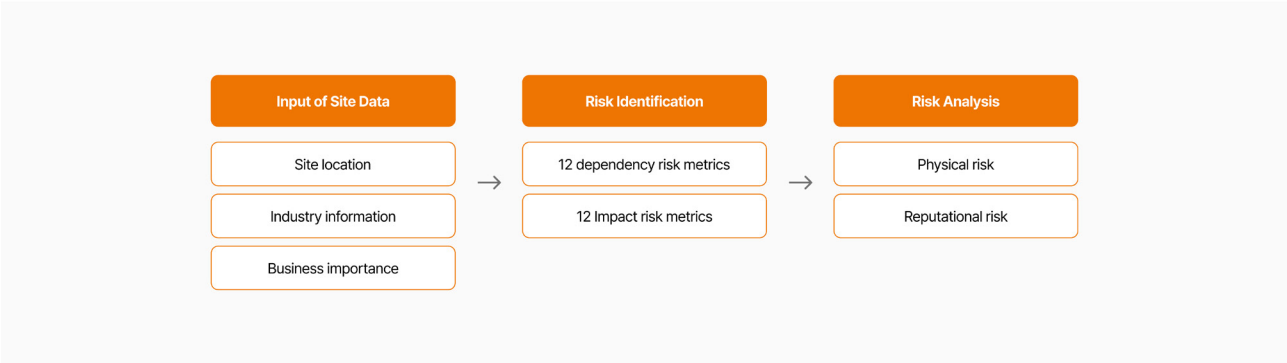
IUCN Red List

- Monitoring is conducted not only for forest areas owned by SK Inc. or its subsidiaries, but also for regions with biodiversity value, referencing the IUCN Guidelines for Applying Protected Area Management Categories
- Using the Integrated Biodiversity Assessment Tool (IBAT), an analysis was conducted to identify potential habitats of endangered species within a 50 km radius of directly operated sites—Jongno Office and Pangyo Office
- The analysis identified 102 potentially present endangered species around the Jongno Office and 98 species around the Pangyo Office. Based on these findings, operations are managed in a way that minimizes environmental impact

WWF Biodiversity Risk Filter

- WWF designates areas rich in biodiversity as 'Key Conservation Areas,' which represent habitats of endangered species and critical components of ecosystems, and carries out conservation activities in these regions
- For business sites with high risk levels, physical and reputational risks are assessed by applying a comprehensive analysis that includes adjacent areas. The evaluation considers both biodiversity dependency risks and impact-related risks stemming from business activities
- A focused biodiversity risk assessment was conducted for the Pangyo and Daedeok Data Centers, which have relatively high energy consumption and greenhouse gas emissions

Risk Assessment Process



Assessment of Key Business Sites

- Biodiversity risk assessments were conducted focusing on the Pangyo and Daedeok data centers, which have high energy consumption and greenhouse gas emissions
- These data centers are not located within ecologically sensitive areas, and no habitat destruction occurs during operations; however, there remains the potential for indirect environmental impacts
- Efforts are being made to minimize potential impacts through operational efficiency improvements, such as the adoption of high-efficiency equipment and energy-saving measures

WWF BRF Analysis Results

Category	Daedeok Data Center	Pangyo Data Center
Physical Risks		
Provisioning Services		
Regulating and Supporting Services		
Regulating Services (Mitigation)		
Cultural Services	-	-
Pressure on Biodiversity		
Reputational Risks		
Environmental Factors		
Socioeconomic Factors		
Other Reputational Factors		

Very Low-Risk, Low-Risk, Medium-Risk, High-Risk

Subsidiary Case**Risk Assessment for Sustainable Conservation of Natural Capital**

SK Telecom establishes and operates its network infrastructure through the phases of designing, building, operating, and decommissioning to deliver telecommunications services. To support natural capital conservation and prevent deforestation throughout this process, the company adopts the LEAP Framework¹⁾ developed by the Taskforce on Nature-related Financial Disclosures (TNFD)²⁾, tailoring it to fit its operational context. During the design phase, SK Telecom analyzes its value chain to examine the locations where infrastructure is to be deployed and the types of activities conducted there, with a focus on conserving natural capital and preventing forest degradation. If an activity or site is assessed to have high significance or potential impact in terms of natural capital conservation and deforestation prevention, SK Telecom reviews and implements mitigation measures that minimize negative impacts on customer service quality while safeguarding natural capital and preventing forest loss.

1) An acronym for Locate, Evaluate, Assess, and Prepare, the LEAP Framework is TNFD's approach for helping companies assess their nature-related risks and opportunities

2) The Taskforce on Nature-related Financial Disclosures (TNFD) is a global environmental initiative involving governments and institutions worldwide, aiming to prevent nature loss and support ecosystem restoration by guiding companies in disclosing nature-related financial information

Risk Assessment Process for Natural Capital Conservation

1) Design	Value chain identification	- Identification of organizational activity scope - Classification by direct operations/adjacent areas to direct operations/upstream/downstream
	Priority area selection	- Identification of relevant biomes and ecosystems - Ecosystem services and assets related to organizational processes - Selection of priority areas - Level of ecosystem conservation - Importance of natural capital - Water stress - Areas influenced by the organization's potential dependencies and impacts
2) Build	Dependency and impact identification	- Identification of dependencies and impacts - Identification of sector-specific dependencies and impacts using the ENCORE tool, categorized as high/medium/low
	Risk/opportunity identification and assessment	- Risk and opportunity analysis (Future) scenario analysis
3) Operate	Target setting	- Identification of target subjects - Selection of metrics for quantitative target setting - Establishment of baseline and target setting
4) Decommission	Mitigation measures	- Implementation of mitigation measures to achieve targets - Avoidance, reduction, restoration and regeneration, transformation
	Monitoring and verification	Monitoring, reporting, and review processes

Example of Natural Capital Conservation Risk Assessment

SK Telecom Activity	Activity Location (Administrative District)	Site Assessment		Regional Characteristics/ Dependency/Impact	Significance and Risk Assessment Result	Mitigation Measure
		Ecological Conservation Area Status	Wildlife Protection Area Status			
5G service provision in the Namsan area of Seoul	Yejang-dong, Jung-gu, Seoul	O	X	Namsan pine forest area with developed Mongolian oak communities	High	Conservation area avoidance facility
5G service provision in the Donggang region	Mitan-myeon, Pyeongchang-gun, Gangwon-do	O	X	Habitat of endangered species such as otters and musk deer	High	Shared 5G network
Replacement of aging antennas	Nationwide	X	X	Waste generation due to replacement of antennas	Medium	Waste recycling
Enhancement of 5G quality at City Hall Station platform in Seoul Subway	Seosomun-ro, Jung-gu, Seoul	X	X	Equipment installed within urban infrastructure (no impact)	Low	-

Forest Protection and Deforestation Prevention Policy**No-Deforestation Policy**

· SK Inc. integrates deforestation risks into its company-wide risk management system and escalates significant deforestation risks to the Strategy and ESG Committee for key decision-making

Through sustainable forest management and system development, the company seeks to ensure forest stability, adaptability, and biodiversity, while maintaining and enhancing their public value functions

Efforts include reducing carbon emissions and addressing the climate crisis through afforestation, as well as conducting deforestation impact assessments and monitoring when launching new businesses or pursuing acquisitions

A corporate goal has been set to prohibit deforestation by 2050, with continued efforts to prevent, minimize, and mitigate deforestation impacts

[No Deforestation Policy →](#)

Social

Human Rights Management

Talent Management

Safety and Health

Supply Chain Management

Information Security

Service Quality and Reliability

Social Contribution

Human Rights Management

SK Inc. has implemented a Human Rights Management Policy and incorporates it across its business activities to safeguard human rights and ensure responsible management. By conducting regular human rights impact assessments and due diligence, the company proactively manages potential risks and cultivates a culture of respect for the rights of all stakeholders.

Human Rights Management Governance

Human Rights Management Policy

- SK Inc. supports and complies with international human rights standards, including the 'Universal Declaration of Human Rights (UDHR),' the 'UN Guiding Principles on Business and Human Rights (UNGPs),' and the 'OECD Guidelines for Multinational Enterprises'
- In 2015, the company established its 'Human Rights Management Policy' and disclosed the 'Detailed Guidelines for Human Rights Management,' which cover key areas such as the prohibition of forced labor and child labor, compliance with labor conditions, humane treatment, non-discrimination, freedom of association, and occupational safety and health
- The policy applies to employees at SK Inc.'s headquarters, all domestic and overseas business sites, and subsidiaries, as well as individuals involved in its business activities—including suppliers, subcontracted workers, women, children, Indigenous peoples, migrants, and members of local communities—thereby promoting and disseminating the importance of human rights management

[Human Rights Management Principle and Policy →](#)

Human Rights Management Framework

Human Rights Management System

- SK Inc. has established a human rights management system to implement its Human Rights Management Policy, including conducting human rights impact assessments and due diligence, addressing identified issues, and monitoring implementation
- The company obtains third-party certification for its human rights management system and renews it annually (HRMS 2024 certified)
- Human rights impact assessments are conducted annually, and the Human Rights Impact Report is submitted to the Human Rights Management Committee
- Major issues are reviewed by the Human Rights Management Committee and the Human Rights Violation Remedy Committee, and are reported to the Board of Directors through the Strategy and ESG Committee
- A Human Rights Management Portal has been launched on the intranet (HiSK), providing all employees with access to the Human Rights Management Principle, key agendas of the Human Rights Management Committee, and related announcements

Dedicated Organization

To ensure the effective implementation of human rights management, SK Inc. has formed the Human Rights Management Committee as its highest decision-making body, under the management and responsibility of the C-level Chairman of the committee



Roles of Human Rights Management Bodies

Category	Role Description
Board of Directors	· Reviews human rights risks and related issues through the Strategy and ESG Committee · Makes decisions on key human rights-related matters
Human Rights Management Committee	· Serves as the highest decision-making body on human rights issues and regularly discusses critical human rights matters · Reviews and approves human rights policies, key issues, and improvement plans · Reviews the results of human rights impact assessments and related improvement tasks, and reports to the Strategy and ESG Committee
Human Rights Violation Remedy Committee	· Reviews investigations and resolutions related to human rights violation cases

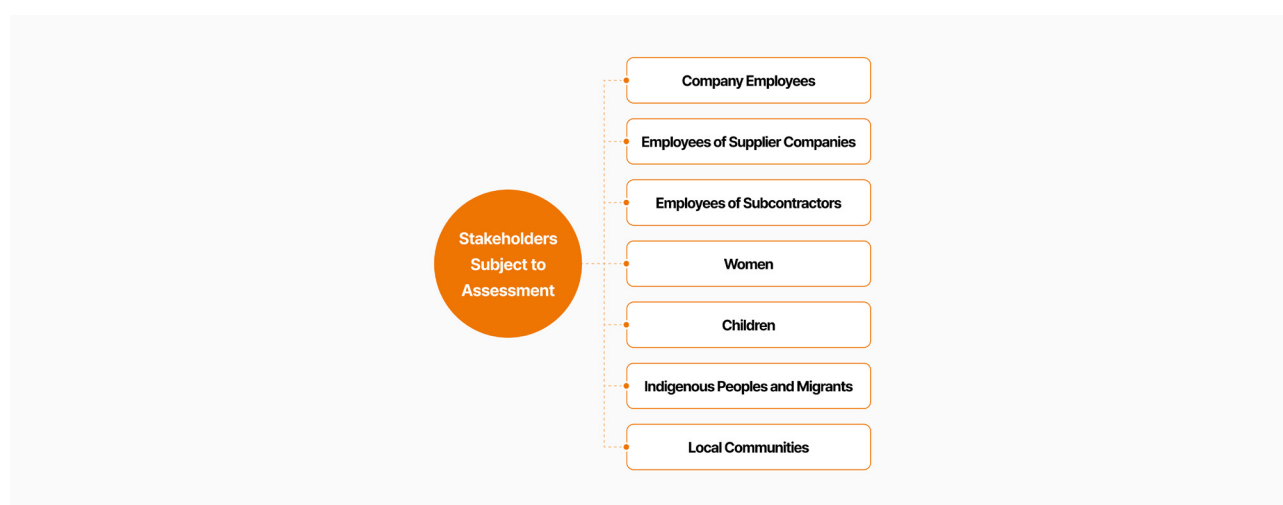
Human Rights Due Diligence

Human Rights Impact Assessment

- SK Inc. conducts human rights impact assessments with the goal of establishing a human rights management system aligned with global standards and taking appropriate measures to address human rights risks faced by stakeholders
- The assessments cover a wide range of stakeholders, including employees of SK Inc. and its suppliers, women, children, indigenous peoples, migrants, local communities, and government entities
- Through these assessments, SK Inc. evaluates the current level of human rights management implementation and continuously improves its practices, with plans to expand the assessment scope to include new business areas such as mergers and acquisitions and joint ventures
- Under the leadership of the Legal Affairs Group, SK Inc. conducts the assessments annually in collaboration with external experts, including supplier human rights due diligence. The Human Rights Management Committee reviews and approves improvement measures based on the findings

Stakeholders in Human Rights Impact Assessments

- By assessing the needs and expectations of diverse stakeholder groups and evaluating the impact of its business and investment activities, SK Inc. develops concrete measures to safeguard and advance human rights



Human Rights Impact Assessment Process



Human Rights Impact Assessment Metrics

- Human rights impact assessment metrics were developed based on the standard framework provided by the National Human Rights Commission of Korea, taking into account various standards, including the Workplace Harassment Prevention Act, ILO Core conventions, the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, the EU Corporate Sustainability Due Diligence Directive(CSDDD), and the German Supply Chain Due Diligence Act(LkSG)
- A total of 163 metrics were selected across 11 areas and 34 items, and finalized after incorporating feedback on the operational metrics

Evaluation Metrics

Area (No. of Metrics)	Item
1. Establishment of Human Rights Management System (35 Metrics)	Declaration of a human rights policy
	Regular implementation of human rights impact assessments
	Necessary measures to institutionalize human rights management
	Human rights management performance
2. Non-Discrimination in Employment (15 Metrics)	Establishment of a grievance mechanism
	Non-discrimination in employment
	Gender-based non-discrimination in employment
	Non-discrimination for temporary workers
3. Guarantee of Freedom of Association and Collective Bargaining (16 Metrics)	Non-discrimination for foreign workers
	Freedom of association and collective bargaining
	Prohibition of unfair treatment for union activities
	Guarantee of collective bargaining and good-faith engagement
4. Prohibition of Forced Labor (10 Metrics)	Measures in response to the absence of labor unions
	Prohibition of forced labor and human trafficking
5. Prohibition of Child Labor (5 Metrics)	Prevention of forced labor by subsidiaries and supplier companies
	Prohibition of child labor
6. Ensuring Occupational Safety (21 Metrics)	Workplace safety
	Protection of pregnant individuals and persons with disabilities
	Provision of necessary equipment and training
	Support for workers affected by occupational accidents
7. Responsible Supply Chain Management (12 Metrics)	Prevention of human rights violations involving supplier companies and other partners
	Implementation of monitoring
	Prevention of human rights violations involving security personnel
8. Protection of Human Rights of Local Communities (6 Metrics)	Protection of intellectual property rights of local residents
	Establishment and maintenance of an environmental management system
9. Protection of Environmental Rights (18 Metrics)	Disclosure of environmental information
	Principle of precautionary approach to environmental issue
	Development of emergency response plans
10. Protection of Customer Rights (8 Metrics)	Compliance with laws for customer protection
	Protection of customer privacy
11. Protection of Human Rights in the Workplace (17 Metrics)	Prevention of workplace bullying
	Prohibition of workplace sexual harassment
	Effectiveness of grievance procedures for workplace human rights violations
	Protection of workers with disabilities

Human Rights Impact Assessments

Identification of Human Rights Risks

- External human rights trends and both positive and negative issues are identified through macro-environmental analysis—covering political, economic, social, and technological factors—and media monitoring
- Internal human rights issues over the past three years are reviewed to assess the occurrence of major cases and the progress of related improvements

Key Human Rights Risks Identified

Category	Relevant Stakeholders	Details
Labor Rights	Employees, women, labor unions, and suppliers (including subcontracted workers)	· Occupational safety and health related (e.g., occupational accidents, stress, death from overwork, suicide) · Infringement on the three fundamental labor rights, including unfair labor practices against labor unions · Unreasonable labor practices (e.g., excessive workloads for developers, high-intensity tasks) · Workplace human rights violations (e.g., abuse of power, discrimination, workplace bullying, sexual harassment, discrimination against persons with disabilities, emotional labor)
Responsible Supply Chain Management	Suppliers (including subcontracted workers)	· Vicious cycle of poor working conditions caused by multi-tier subcontracting structures · Inadequate protection of human rights for workers at supplier and partner companies · Lack of effective sanction measures for human rights violations by suppliers
Environment	Local communities (migrants and indigenous peoples)	· External disclosure of environmental information · Efforts to reduce electricity consumption through green data center operations, and the use of renewable and eco-friendly energy · Initiatives to reduce greenhouse gas emissions · Preparedness for environmental disasters · Risks related to global warming
Safety	Employees, labor unions, and suppliers (including subcontracted workers)	· Efforts to prevent data center fires · Establishment of an incident reporting system based on emergency response plans · Strengthening human rights training for security personnel

Stakeholder Needs and Expectations

- Human rights impact assessments are conducted for SK Inc. AX business sites and supplier companies
- Taking into account the characteristics of SK Inc.'s core business in the ICT industry, key stakeholders are identified as employees, labor unions, suppliers, and local communities

Key Stakeholder	Needs and Expectations
Employees of SK Inc.	· Prohibition of habitual excessive working hours · Fostering a culture of respect for workers · Embedding integrity and ethical awareness
Women	· Prohibition of discrimination and abuse of power based on status or gender · Prohibition of workplace bullying and sexual harassment
Labor Union	· Good-faith collective bargaining with the labor union · Good-faith implementation of labor-management agreements · Reflecting workers' opinions through the labor-management council
Supplier Companies (Including Subcontracted Workers)	· Promoting fair trade through transparent contract execution · Preventing infringement of suppliers' interests through unfair bidding or contract terms · Ensuring timely payment through lawful invoicing procedures
Local Communities (Migrants and Indigenous Peoples)	· Disclosure of information (e.g., transparency in human rights management processes) · Alleviating public concerns through safety management at data centers · Ensuring occupational safety and protecting environmental rights

Identification of Key Human Rights Issues

- As a result of the materiality assessment, three key human rights issues were identified for 2025: implementing necessary measures to institutionalize human rights management, preventing rights violations involving security personnel, and ensuring a workplace free from sexual harassment
- Corresponding improvement initiatives have been outlined, with detailed response plans to be developed moving forward

Item	Assessment Details	Identified Risk	Key Stakeholders
Necessary measures to institutionalize human rights management	An independent Human Rights Management Committee is operated under the CEO, consisting of an executive council made up of relevant departments (Legal Affairs, Talent, HR Innovation, ESG Strategy, Ethics Management, etc.)	No external members participating in the Human Rights Management Committee	Employees, supplier companies, customers, local communities
Prevention of human rights violations by security personnel	Contracts related to outsourced security are directly executed Security companies are selected to manage and supervise for the company's security operations, receiving regular performance checks and provision of training—such as disability awareness and sexual harassment prevention—from the company.	No systematic monitoring of on-site security offices	Employees, women, supplier companies, local communities
Prohibition of sexual harassment in the workplace	The response process to incidents is announced through the operation of the intranet sexual harassment counseling center Reporting and counseling are available through in-house psychological counselors A response process for sexual harassment cases is established through the HI-SK	Procedures are established, but no workplace sexual harassment manual is in place	Employees, women

Monitoring of Improvement Task Implementation

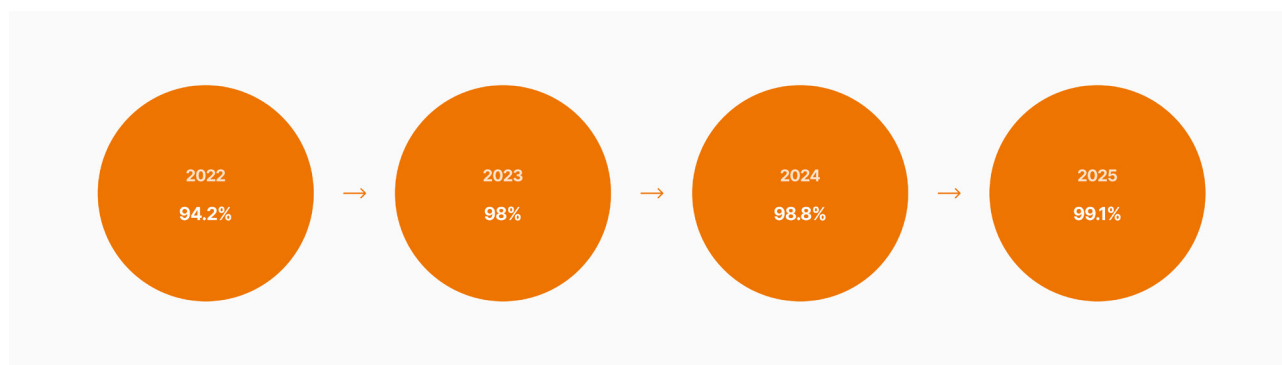
- All human rights issues identified through the human rights management assessment were fully addressed, with improvement tasks and action plans established for 100%, and ongoing monitoring conducted to track implementation progress

Identified Risk	Remedial/Mitigating Measure (Improvement Task)	Implementation Plan
Securing diversity in the Human Rights Management Committee The committee is composed solely of internal members, which limits the incorporation of diverse stakeholder perspectives and the objectivity of decision-making	Appointment of external members to gather diverse stakeholder perspectives and enhance objectivity in decision-making	Review of long-term measures to ensure that diverse stakeholder perspectives are reflected in the Human Rights Management Committee (including the potential appointment of external members)
Human rights violations by security supplier companies Human rights monitoring is insufficiently carried out for supplier personnel working at security service sites (e.g., lobby reception, access card registration, etc.)	Regular monitoring of personnel working at security service sites, in addition to periodic and ad-hoc human rights training for supplier companies	Strengthening efforts to prevent human rights violations by requiring supplier companies to implement human rights training for security administrative staff and security-related personnel
Establishment of a workplace sexual harassment (including bullying) prevention manual Detailed procedures for the prevention of and response to workplace sexual harassment and bullying are required	Development and use of a manual covering workplace sexual harassment (including workplace bullying) counseling, investigation, remediation, and victim recovery support programs (EAP)	Annual online training on sexual harassment prevention for all employees, and planned development of a workplace bullying response manual

Four-Year Summary of Human Rights Impact Assessment Results

- Since 2022, human rights management has been consistently maintained with performance rates exceeding 90%
- Key areas identified as vulnerable in the 2021 assessment—including the establishment of a human rights management system, responsible supply chain management, and protection of environmental rights—have each achieved over 95% performance following focused improvement efforts
- Areas such as freedom of association and collective bargaining, prohibition of child labor, protection of local community rights, and customer rights have consistently achieved 100% performance since 2021
- Some gaps remain in the area of workplace human rights protection, despite ongoing efforts to enhance practices

Annual Achievement Rate of Human Rights Impact Assessments



Score Status by Assessment Area

Area	2024	2025	Improvement Rate
Establishment of Human Rights Management System	98.6%	98.6%	-
Ensuring Non-discrimination in Employment	100.0%	100.0%	-
Ensuring Freedom of Association and Collective Bargaining	100.0%	100.0%	-
Prohibition of Forced Labor	100.0%	100.0%	-
Prohibition of Child Labor	100.0%	100.0%	-
Ensuring Occupational Safety	100.0%	100.0%	-
Responsible Supply Chain Management	95.8%	95.8%	-
Protection of Local Communities' Rights	100.0%	100.0%	-
Ensuring Environmental Rights	100.0%	100.0%	-
Protection of Customer Rights	100.0%	100.0%	-
Protection of Workplace Human Rights	94.1%	97.1%	3.0%p
Total	98.8%	99.1%	0.3%p

Human Rights Assessment for Supplier Companies

- In 2025, SK Inc. identified potential and actual human rights risks among its suppliers and supported risk mitigation efforts through continuous monitoring
- Due diligence assessments and analyses were conducted across five evaluation categories—social goal management, information security, human rights, safety and health, and labor—for all suppliers that participated in the human rights due diligence
- Improvement measures were developed for all evaluation metrics with low compliance rates

Results of the 2025 Supplier Human Rights Assessment and Improvement Strategy

Scope of Assessment	Key Findings	Monitoring and Improvement Strategy
1,472 suppliers of SK Inc. AX	· The compliance rate with requirements in areas such as social goal management, information security, human rights, and labor ranged from 81.6% to 88.0%, indicating a generally high level of compliance · Compliance in the area of safety and health was found to be relatively lower	· To ensure compliance with ESG and human rights requirements, support is provided for the establishment of safety and health management systems aimed at preventing industrial accidents and occupational illnesses · Continuous improvement is promoted through training and consulting services for supplier companies



Human Rights Remediation and Grievance Mechanism

Whistleblower Protection Program

- To protect the safety and rights of whistleblowers, an Employee Assistance Program (EAP) is operated alongside an effective response system

Purpose of Whistleblower Protection Program

- Strict confidentiality of whistleblower identities and case details
- Prohibition of unfair treatment and retaliation
- Ongoing follow-up to prevent recurrence of human rights violations

Reporting Channels

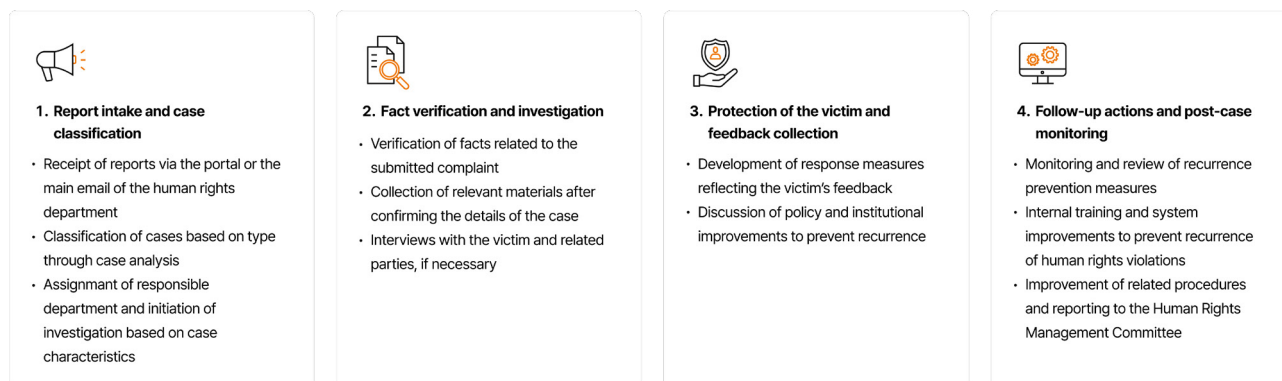
- A variety of human rights counseling and reporting channels are in place and accessible at all times to both employees and external stakeholders

Reporting human rights violations via website/email	https://ethics.sk.co.kr skcc.ethics@sk.com
Reporting workplace sexual harassment/violence via intranet	Intranet [HiSK] → [Sexual Harassment Counseling and Reporting] bulletin board
Employee-led grievance handling and suggestion submission via mobile	Happy design suggestions via the communication mobile app, 'H.App'
Submission of other human rights violation reports	Remediation process following receipt of complaints by the dedicated human rights department

Reporting and Investigation Process

- Upon receiving reports of human rights violations or harm, a Human Rights Violation Remedy Committee is convened to ensure the protection of victims' rights and adherence to human rights principles through a prompt and fair grievance resolution process
- Reported cases are assigned to the relevant department based on the type and nature of the grievance
- After verifying the facts, follow-up actions are taken, including gathering feedback and developing measures to prevent recurrence

Human Rights Grievance Investigation Process



Status of Human Rights Grievance Handling

- SK Inc. defines human rights grievances—such as workplace bullying, discrimination, and sexual harassment—by category and takes corrective or disciplinary action in accordance with internal regulations when such issues arise
- In 2024, disciplinary actions such as pay reduction and dismissals were implemented in response to cases of workplace bullying and sexual harassment

Definition of Grievance Types by Category

Category	Details
Ensuring Non-discrimination in Employment	Prevention of discrimination based on race, religion, disability, gender, place of birth, or employment status
Prohibition of Forced Labor	Prohibition of forced labor in any form
Prohibition of Child Labor	Prohibition of child employment
Ensuring Occupational Safety	Ensuring occupational health and on-the-job safety
Prevention of Workplace Harassment and Abuse	Prevention of harassment such as coercive work orders, authoritative discipline, and verbal abuse
Responsible Supply Chain Management	Efforts to maintain business relationships that do not infringe on human rights
Protection of Local Residents' Rights	Protection of the human rights of local residents in areas where overseas subsidiaries and factories are located
Ensuring Environmental Rights	Efforts to prevent environmental pollution and global warming
Protection of Consumer Rights	Ensuring product safety and protecting the diverse rights of consumers

Status of Human Rights Grievance Handling

(Unit: case)

Grievance Category	2022	2023	2024	Actions Taken in 2024
Workplace Bullying	6	2	2	Pay reduction (2 cases)
Sexual Harassment	2	1	2	Dismissal (1), Pay reduction (1)

Human Rights Management Goals



Human Rights Management KPI

Key Metric	2026 Target	2027 Target	2030 Target
Participation rate* of supplier companies in human rights assessments	Achieve 74% participation rate in supplier human rights assessments	Achieve 78% participation rate in supplier human rights assessments	Achieve a participation rate of at least 80% in supplier human rights assessments

* Participation rate (%) = (Number of participating suppliers / Total number of suppliers) × 100
※ Total number of suppliers: 1,872 as of 2024

Talent Management

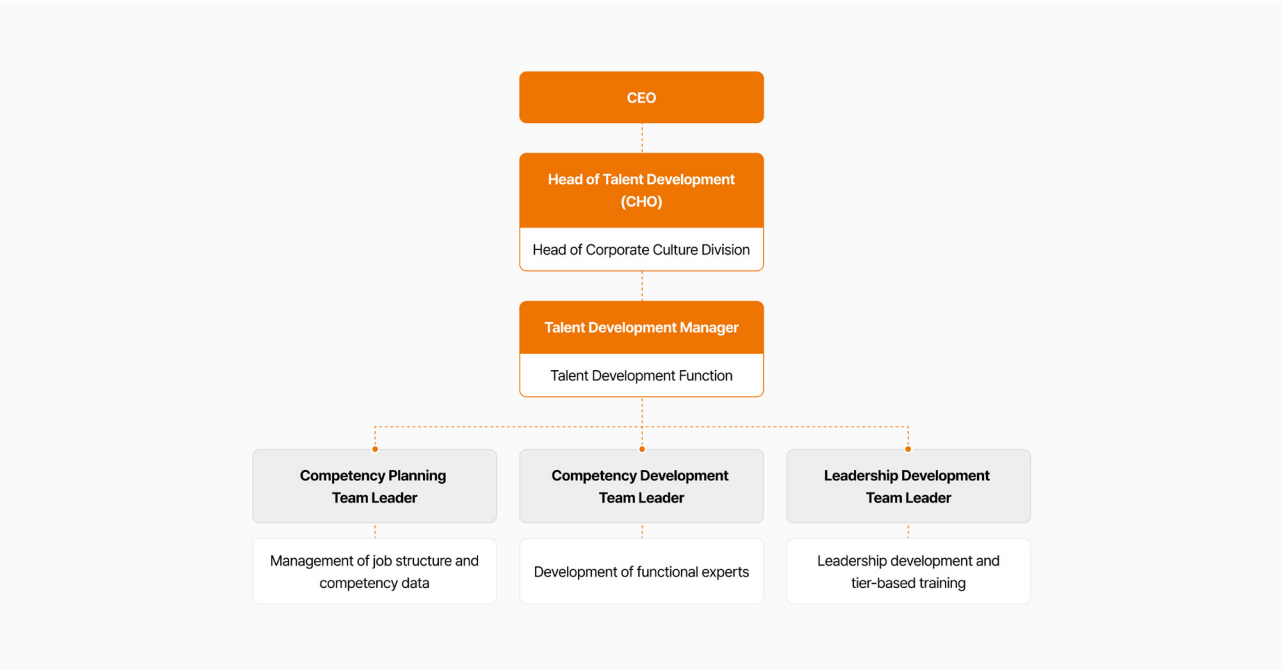
SK Inc. promotes a talent management approach that empowers employees to grow while finding purpose and confidence in their work. Through structured competency-building programs and comprehensive welfare benefits, the company supports work-life balance and embraces employee well-being as a key driver of organizational competitiveness and sustainable growth.

Talent Management Governance

Talent Management Operational System

Dedicated Organization

- Under the leadership of the CEO, the Chief Human-resource Officer (CHO) oversees the review and approval of key matters related to talent development
- Employee expertise is continuously strengthened through SK Group's structured HRD programs and participation in leading global HR seminars
- Talent-related risks and opportunities are considered in major management decisions, supported by a continuous reporting system that keeps senior leadership informed of key talent management issues



Roles of the Talent Management Group

Category	Role Description
CEO	Oversees the talent development organization; holds a clear decision-making structure to implement strategic talent management
CHO (Chief Human-resource Officer)	Responsible for talent development; reviews and approves key matters
Operational-Level Unit	Comprised of talent development managers and team leaders, with personnel assigned based on experience and expertise in the HR field

Operation of the Management Council

- The Management Council, comprising both management and employee representatives, is held on a regular basis to strengthen mutual communication
- Agendas and meeting schedules are set in advance through prior consultation; for 2025, the Council is planned to convene quarterly, with a total of eight sessions throughout the year
- A wide range of topics—such as key business issues, working conditions, and employee welfare systems—are discussed and agreed upon, and the resulting resolutions are applied to all employees

Discussion Topics of the 2024 Management Council

Category	Date	Key Discussion Topic
Investment Sector	1st Meeting (March 2024)	· Discussion on factors influencing employee happiness
	2nd Meeting (June 2024)	· Discussion on improvement measures to reduce inefficiencies · Establishment of new support criteria for parental health checkups · Discussion on parental leave rules and introduction of substitute allowance during parental leave · Discussion on ground rules for working styles
	3rd Meeting (September 2024)	· Discussion on measures to enhance AI capabilities · Introduction of a support program for employees with children entering elementary school · Evaluation of SKMS Practice Award
	4th Meeting (December 2024)	· Sharing progress on 2024 discussion topics and deliberation on 2025 Management Council agenda
Business Sector	1st Meeting (January 2024)	· Improvement of support programs for employees experiencing infertility · Explanation of 2023 IB distribution for employees
	2nd Meeting (June 2024)	· Sharing of recent management environment updates for the company and the group
	3rd Meeting (September 2024)	· Enhancement of support for employee surveys · Employee capability self-profiling

Talent Attraction and Retention

Fair HR System

Fair Recruitment Framework

- Since 2020, a company-wide Recruitment Committee has been in operation to enhance the fairness and objectivity of interview evaluations
- Institutional foundations have been established to ensure unbiased evaluation throughout the entire recruitment process. In October 2022, the job grade system was unified to assign roles based on competence and to introduce a performance-based compensation system
- In 2024, an AI recruitment agent was introduced for the first time among major domestic companies, ensuring fair and consistent evaluations throughout the hiring process
- A talent management system is continuously advanced, grounded in a performance-driven culture and based on diversity and inclusion
- In the event of workforce restructuring or personnel changes, the company ensures prior consultation with employees and guarantees a minimum notice period, aiming to maintain a trust-based HR operation

HR System

Category	Details
Role-based workforce management	All employees perform challenging and outcome-oriented tasks from an equal position, regardless of job grade or tenure, based on their capabilities and expertise
In-depth assessment of capabilities and performance	To ensure fairness in evaluation, S-Day is held twice a year (in the first and second half), during which employees' competencies and performance are thoroughly reviewed and assessed
Compensation based on roles and performance	Compensation levels are determined based on individual capabilities, contributions, and performance rather than job grade or tenure
Support for adaptation to changes in job structure	Multi-competency and multi-role capabilities are encouraged through the introduction of a structured competency management system and a job grade

Mitigating Gender Imbalance

- Objective evaluations are conducted during the recruitment process to prevent gender bias, focusing on competency-based criteria (career vision, expertise, and growth potential, etc.)
- Leadership candidates (mid-level manager/team leader) are identified based on competency, qualifications, and performance, regardless of gender, and are supported through tailored career development plans

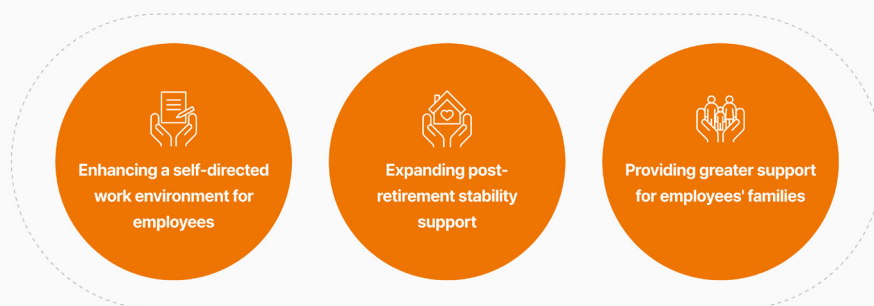
Evaluation Criteria for Appointment of Mid-Level Managers

Evaluation Category	Details
Position Requirements	· Verification of whether the scope and complexity of assigned tasks are sufficient · Level of self-directed task execution · Number of direct reports under supervision
Leadership Requirements	· Assessment of expertise and sufficient hands-on experience in the relevant field · Evaluation of leadership potential as a manager - Ability to set and execute ambitious work-related goals - Communication, collaboration, consideration, and leading by example with peers

Fostering Work-Life Balance (WLB)

Employee WLB Policy

- To foster a culture of work-life balance, structured WLB policies have been established and are systematically implemented
- Support is provided for balancing work and life for all employees, including permanent and contract employees, with employee feedback and survey results actively reflected in policy design
- Key focus areas have been identified to promote employee-led improvements in the working environment, and continuous advancement is underway
- In accordance with Article 53 of the Korean Labor Standards Act, maximum working hours for all employees comply with domestic legal requirements. Attendance and working hours are monitored in real time through an IT-based system
- In accordance with Article 60 of the Korean Labor Standards Act, annual paid leave is granted at the beginning of each year, and plans are established to increase usage rates through vacation promotion initiatives



Enhancing Employee-Driven Work Environment

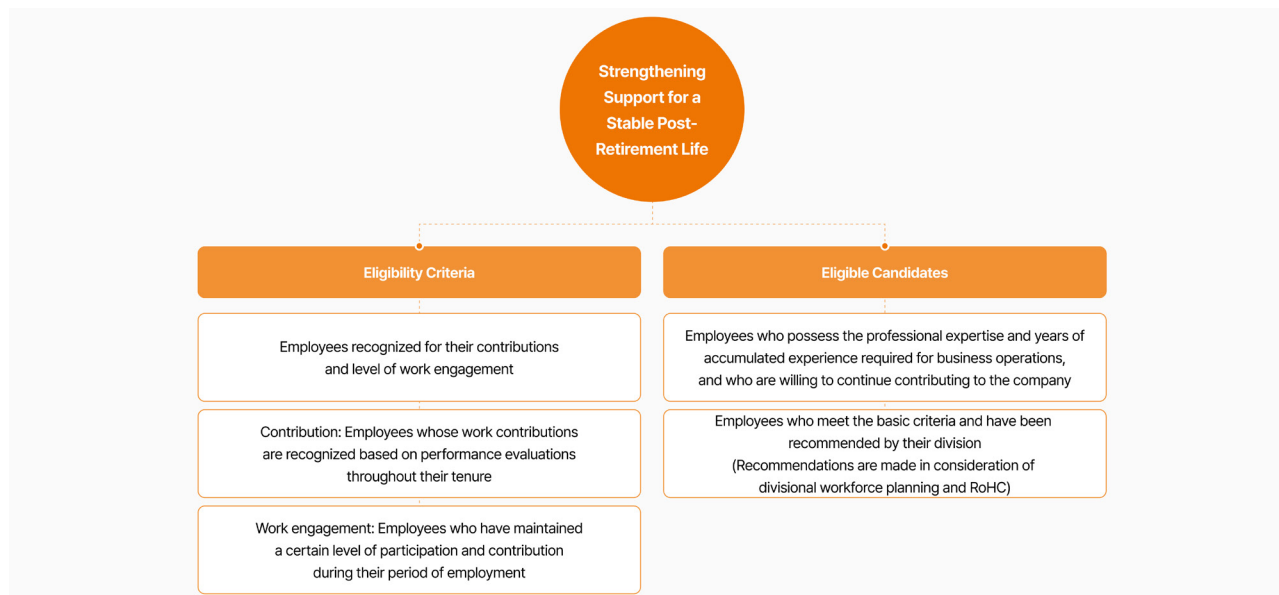
- To address the growing need for better health management and innovation in work practices, smart work systems have been actively implemented
- Efforts are focused on enhancing organizational efficiency while enabling employees to complete their tasks through self-directed work

Smart Work

Category	Definition	In-House Program
Space	Expansion of Workspace Concept Improvement of the work environment and expansion of shared offices	My Time Program (Flexible Working Hours System) · To support employees in managing their work hours according to individual needs such as academic pursuits, childcare, or family care, a flexible working hours system has been introduced that allows employees to freely choose their working hours
Time	Flexible and optimized use of time Flexible work, remote work, part-time work, etc.	ABC Program (Anywhere But Connected) · A remote work system that allows employees to work from anywhere—as long as productivity is maintained—such as from home or any location that enables efficient work
Work System	Diversification of work systems Enhancement of remote work environments, etc.	External Satellite Offices · Office spaces are provided near employees' residences to support those who wish to work remotely but lack a suitable home environment, helping to promote work-life balance and improve efficiency

Expanding Support for a Stable Post-Retirement Life

- Both DB and DC pension plans are offered, allowing employees to choose based on their individual circumstances. Retirement benefits, equivalent to 100% of the estimated amount, are deposited with an external financial institution in compliance with legal standards and paid either as a lump sum or in the form of a pension
- Beginning six months prior to retirement, a '2nd Life Preparation Period' is provided, offering tailored career transition programs (reemployment, entrepreneurship, and life planning, etc.) as well as opportunities for career exploration and skills development
- A 'Post-Retirement Reemployment' program is also available, enabling senior employees to continue contributing their experience and expertise in a meaningful way



Outcomes of the Retirement Support Program

Category	Result
Participants	26 retirees as of 2024
Satisfaction Score	4 out of 5
Employment and Start-up Rate	40.0%

Enhanced Care for Employees' Families (Support for Immediate Family Members)

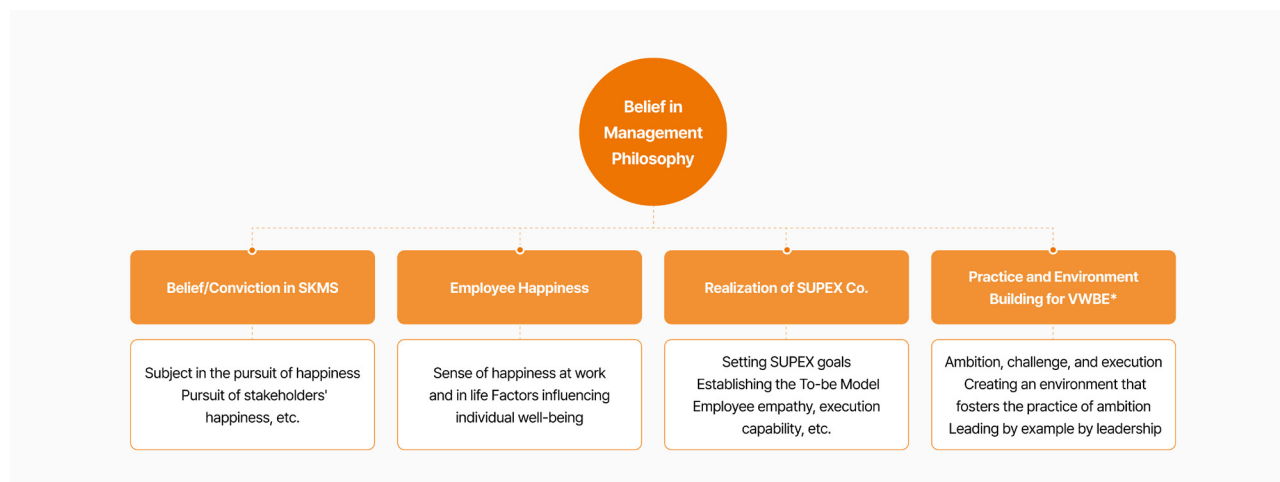
- Non-salary welfare programs focused on employees' families are provided to all employees (including permanent, contract, and part-time staff) such as child education support and family care leave
- Based on the current year's living wage announced by each local government, employees are paid at a level that exceeds the living wage to ensure they and their families can maintain a basic standard of living

Category	Details
In-house childcare center	To prevent career interruptions due to childcare and enhance work focus, support is provided for the enrollment of children aged 1 to 5 in the company's in-house daycare center, along with financial assistance
Child education support	Financial support for children's education (ages 5 through university) is offered to ease the financial burden and promote work-life balance for employees
Gifts for children entering elementary school/university and for college entrance exam takers	Gifts are provided to celebrate school admission and to support children taking the college entrance exam
Special education support for children with disabilities	100% of special education expenses are covered up to the age of 25
Family event support	Leave and congratulatory payments are provided to celebrate major family events, including parents' 60th/70th/80th birthdays, siblings' weddings, and the birth or marriage of an employee's child
Family care program	Support is offered to help employees care for family members in need—due to illness, injury, etc.—while continuing to pursue their own careers - Family care leave (10 days) / long-term family care leave (up to 1 year) / reduced working hours (up to 2 years) - Leave of absence for elementary-aged child care (up to 6 months) and paid leave (5 days) for children entering elementary school - Support for family-related counseling (parenting, marital issues, domestic violence, etc.)
Support program for employees bereaved of family members	To provide comfort following the loss of a family member, the program offers condolence leave, condolence payments, funeral supplies and services, mutual aid support, and post-bereavement counseling

Employee Happiness Support

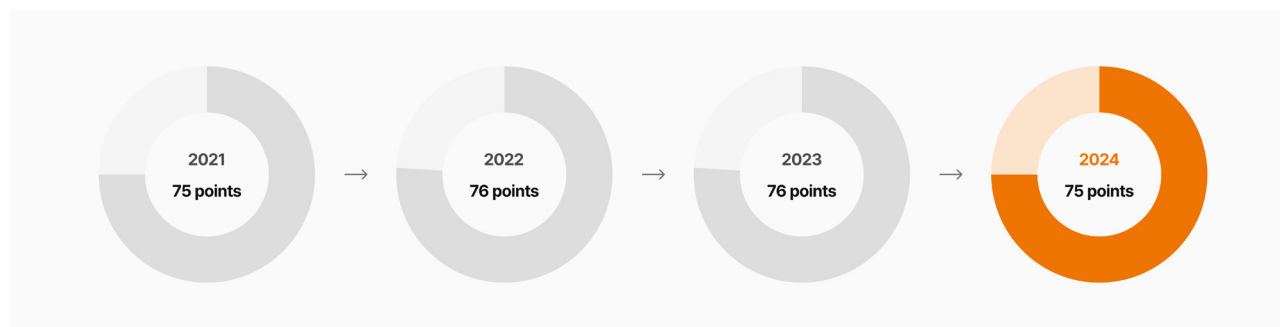
Employee Satisfaction Impact Measurement

- SK Inc. conducts an annual Culture Survey to assess employees' understanding and practice of the SKMS management philosophy
- The Culture Survey includes items that assess employee happiness (life satisfaction, satisfaction with the company, future outlook), sense of purpose (SUPEX goals, To-be Model), work engagement, job satisfaction, and stress levels to evaluate their impact on overall employee satisfaction
- Improvement initiatives are carried out based on survey results and collected feedback
- The 'Happiness Index' (employee satisfaction score) from the Culture Survey is incorporated into the KPIs of senior leadership, including the CEO, and is linked to performance-based compensation to promote continuous improvement in employee satisfaction



* Voluntarily Willingly Brain Engagement

4-Year Trend of Employee Satisfaction (Culture Survey) – Happiness Score



* Applies to SK Inc. and its listed consolidated subsidiaries, including SK Innovation, SK Telecom, SK Networks, SK Square, SKC, and SK Biopharmaceuticals

Job Stress Assessment

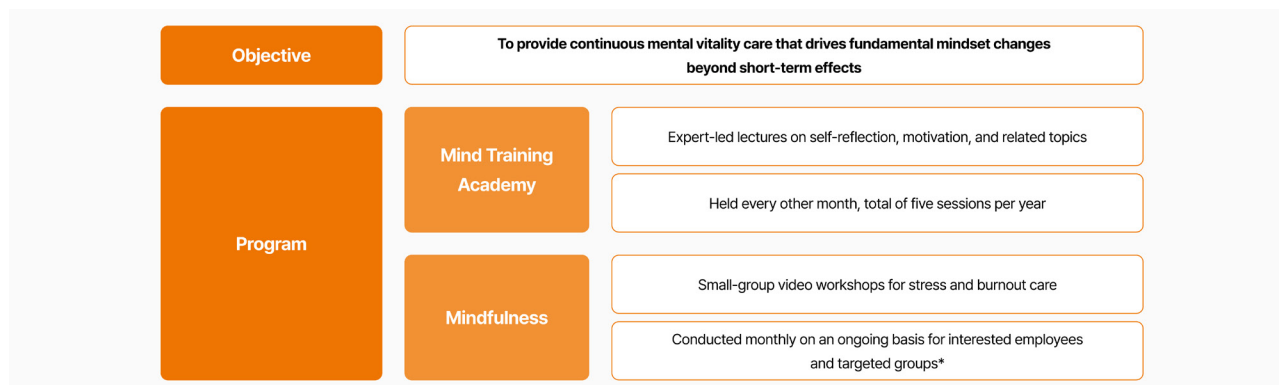
- Recognizing mental health as a core element of employee well-being, SK Inc. provides psychological counseling services based on its proprietary job stress assessment developed in 2022
- Upon request, employees are offered in-house counseling services or referred to external EAP* professionals, with the company covering the cost for up to 8 sessions per person annually
- As of 2024, a total of 1,024 job stress assessments have been conducted, and the company continues to revise its safety and health policies to reduce stress

* EAP: Employee Assistance Program

Mindfulness Program

- Recognizing the importance of supporting employees' mental well-being, the 'Mental Vitality Program' was introduced
- The program is designed to promote fundamental mindset shifts and psychological recovery
- Practice-based 'Mindfulness' meditation workshops are offered to help relieve anxiety, improve emotional control, and foster emotional connection

Overview of the Mindfulness Program



* Voluntary participants/target examples: Experienced employees, high-risk group for job-related stress, newly appointed team leaders, etc.

Employee Welfare and Benefit System

- A wide range of welfare programs are offered to all employees, including permanent, contract, and part-time workers
- The programs are designed to enhance quality of life by supporting physical and mental health, work-life balance, personal development, and financial stability, with a focus on high-impact non-monetary benefits
- Regular feedback is gathered from employees to create a more autonomous and satisfying work environment through initiatives such as flexible work arrangements, health checkups and counseling, family-friendly policies, self-development support, and leisure and cultural activity programs

Strengthening Maternity Protection for Employees

Category	Details
Parental Leave	· Provision of parental leave for male and female employees with children aged 8 or younger (continued access to key welfare benefits such as medical expense coverage during the leave period) - Paid parental leave period for primary and non-primary caregivers: 1 year - At least 3 months of parental leave for each parent, and up to 1.5 years of leave for single parents or parents of children with severe disabilities
Spousal Leave for Childbirth	Supports postpartum care including the spouse's psychological well-being and recovery (up to 20 days)
Maternity Leave	Available for 90 days before and after childbirth; extended to 100 days in the case of premature birth
Support for Infertility Treatment	· Reimbursement of in-vitro fertilization (IVF) expenses up to KRW 5 million per session, twice a year · Paid leave (up to 9 days) and unpaid leave of absence (up to 1 year) available for infertility treatment
Miscarriage Leave	Leave of up to 90 days provided to support psychological stability and recovery
Reduced Working Hours	· During pregnancy: Reduced working hours by 2 hours per day for pregnant employees, applicable throughout the entire pregnancy period upon request · During childcare period: Reduced working hours available upon request; reduced hours during pregnancy and childcare are counted as working hours when calculating annual leave entitlement - Up to 3 years for employees with children under the age of 12 (1 year + any unused portion of parental leave)
Operation of Breastfeeding Facilities and Rest Areas	Independent rest areas for pregnant and breastfeeding employees, equipped with refrigerators for breast milk storage and spinal heating therapy devices
Health Leave	Health leave for female employees (1 day per month)

Other Employee Welfare Programs

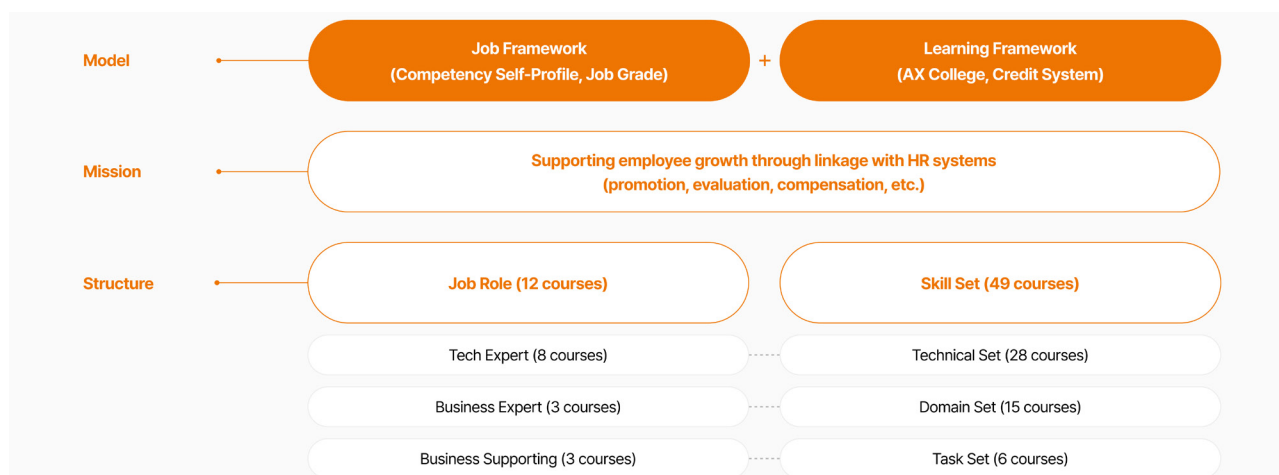
Category	Details
SK Happy Express	Commuter shuttle bus support
Club Activity Support	Support for club activities such as soccer, hiking, tennis, quilting, movie appreciation, and art
Mobile Device/Phone Bill Support	Support for mobile devices and communication fees needed for work
Housing Loan/Living Stability Fund	Support for housing loans and living stability funds
Disaster Relief Support	Support for recovery from damage to employees or their families due to disasters (e.g., housing, farmland, crops, facilities)
Resort Support	Year-round support for domestic resort reservations and expenses to enhance work focus through refreshment
On-Site Fitness Center / Mental Wellness Programs	· Operation of fitness center and shower facilities for employees · Around 20 programs offered monthly, including stretching, yoga, and meditation (live online sessions and personalized coaching available)
Birthday Leave for Unmarried Employees	One day of leave per year, available regardless of marital status, selectable between birthday or wedding anniversary
Support for Overseas Assignments and Business Trips	Support for local treatment, evacuation, and psychological counseling in the event of medical emergencies or security-related situations

Competency Enhancement

Development Management and Operational System

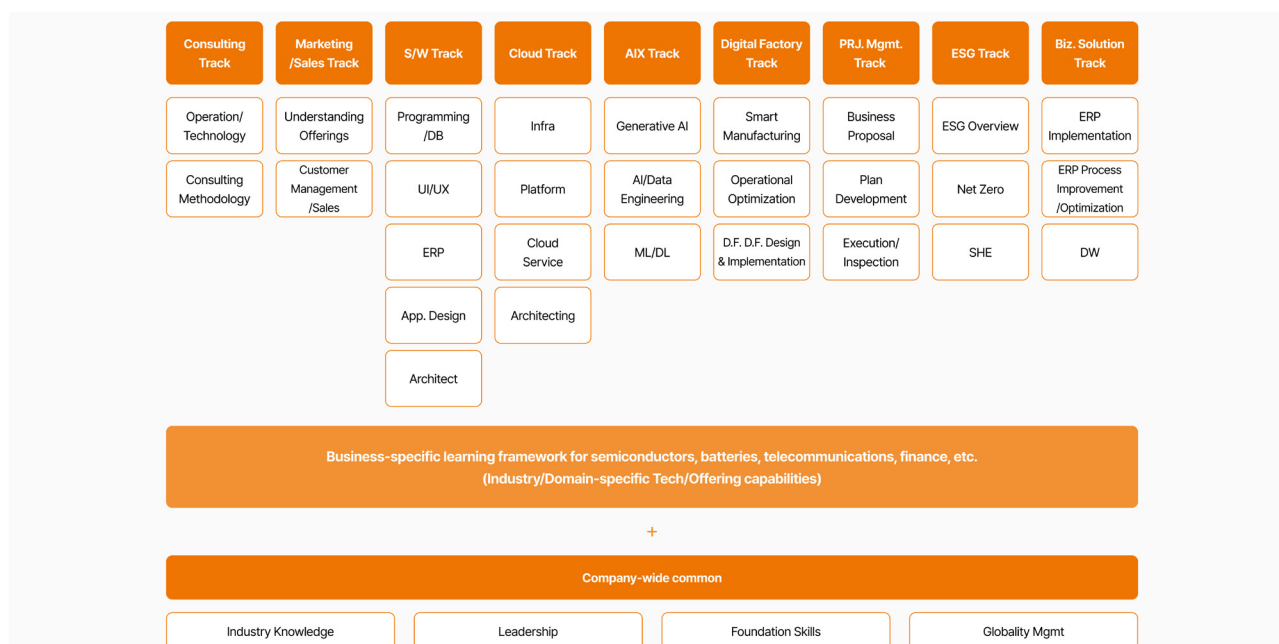
Talent Development Framework

- In 2024, the company restructured its job framework based on its corporate vision and talent profile to establish a mid- to long-term competency development system for employees
- A total of 12 job categories and 49 skill sets have been defined, along with a five-grade structure based on individual competency assessments, to enable more precise competency management
- Learning guides are provided for each skill set to support employees in building job expertise and establishing personalized competency growth roadmaps
- A credit-based, customized training program is offered to all employees, ensuring a continuous learning environment through integration with the promotion system



AX College Training System

- Based on the skill sets that serve as the management units of the job framework, training tracks are structured according to core competencies required for business execution. Each business unit's training track is designed to reflect industry- and domain-specific competencies
- Each Learning Guide consists of mandatory, specialized, and recommended courses aligned with each skill set. Employees refer to the Learning Guide to plan their annual learning schedules, apply for courses, and complete them accordingly
- Through the academic management system, employees can monitor learning outcomes and competency development progress, while establishing mid- to long-term growth plans based on their individual development roadmaps
- All employees, including contract employees who wish to participate, are provided with competency development opportunities. The training system is also under review to ensure the same learning opportunities can be offered to part-time employees once they are hired



* A new training framework for the semiconductor and battery sectors was established in 2024, with a planned expansion to other sectors such as telecommunications and finance

Competency Enhancement Programs

AX College Programs

- Each training track is divided into Basic, Practical, and Expert levels based on the difficulty and target audience, providing a structured roadmap for sequential learning
- All courses are continuously updated throughout the year, incorporating feedback from in-house and field experts, with approximately 600 courses currently in operation
- Over 60% of the training courses are offered in IT/DT-related fields, and a competency development program is in operation to ensure that all employees (including contract workers) can complete the required courses (completed by a total of 4,314 participants)

(Unit: each)

Category	Area	Internal Course	Group/mySUNI	External Course	Total
By Track	Marketing/Sales	13	6	17	36
	Consulting	13	-	3	16
	SW	38	3	38	79
	Cloud	53	3	3	59
	AIX	35	42	1	78
	Digital Factory	18	1	1	20
	PJT. Mgmt	25	0	0	25
	ESG	12	7	7	26
	Biz. Solution	36	0	3	39
	Company-Wide Common	9	97	84	190
By Business	Semiconductor	31	0	0	31
	Battery	8	0	0	8
Total		291	159	157	607

Employee Master's Degree Program

- In partnership with Yonsei University, a new master's program in Department of Digital Integration Engineering was established to strengthen employees' digital capabilities through practical content and a modular, step-by-step learning structure
- The first cohort of 12 employees began the program in January 2024, followed by a second cohort of 12 who enrolled in January 2025
- Planned and operated by SK Inc. as part of the SK Group's shared infrastructure, the program contributes to strengthening digital expertise across the group, including employees from affiliated manufacturing companies
- Digital capability development opportunities are offered to all employees, including contract staff who wish to participate, with plans to extend the same opportunities to future part-time hires

Key Growth Support Initiatives

System/Program	Description
mySUNI (Group-Wide)	An SK Group-wide online learning platform that covers a wide range of topics including technology, well-being, and culture, providing an accessible and convenient learning environment for employees
Self-Directed Development	Financial support for education that can be utilized individually by employees
	Support for work-related book purchases through a dedicated site/platform called 'Bukjeokbukjeok'
	Support for global online learning content through a partnered subscription service (Udemy Business)
	Operation of voluntary learning groups (Learning Collabo Lab) where employees from various functions—such as Tech, Marketing, Sales, Project Management, and Staff—collaborate on research and development projects
Job Competency Training	Intensive development of Digital ITS experts capable of addressing customer pain points, with specialized performance and quality training programs (basic, practical, and expert levels) using a hands-on approach
Open Lab	Seminars aligned with business needs, covering topics such as markets, domestic and international trends, and real-world case studies
Leadership Program	Leadership programs focused on the areas of Leading Business, Leading People, Leading Organization, and Leading Myself, including leadership assessments, training/seminars, coaching, and organizational development initiatives
Language Intensive Program	Business-focused language courses (English) offered for employees
Certification Acquisition and Renewal Support	Support for employees who need to obtain or maintain job-related certifications, including training programs and related expenses (e.g., professional engineer certifications)
Job Community	Operation of an online community (Do Learn Do Learn) that supports knowledge sharing and problem-solving by job function
Overseas Short-Term Training Program	Incentive-based overseas short-term training programs offered to top learners and internal instructors (in 2024, 20 selected employees participated in a training program at FPT in Vietnam)
Understanding of Global Business/Culture	Sharing of global business experience and lessons learned, and provision of compliance and trend information for key global markets such as Europe and Vietnam

Job Competency Development Performance

AX College Training Performance

- 98% of all employees completed at least one training course, with each employee participating in an average of 2.8 tracks
- Approximately 4,800 cumulative participants joined 258 job competency courses conducted as in-house group training sessions—more than double the number from the previous year
- By increasing the proportion of internal instructors, the program strengthened field-oriented content, which led to higher satisfaction levels. As a result, the program will continue to be updated with practical, field-driven content

Number of Participants in In-House Group Training Courses by Development Area

(Unit: person)

Category	2024
AI/Data	1,092
Cloud/Infra	644
SW, Biz. Solution	1,074
Biz. (Marketing/Sales, Consulting, ESG, etc.)	447
PM	1,014
Digital Factory	490
Total	4,761

* Excluding legal requirements; based on cumulative number of participants

** As of 2024, AX College in-house group training courses have been consolidated and reorganized

In-House Group Training Program Overview

Category	2021	2022	2023	2024
Program Scale	52 programs 200 sessions 3,311 hours	85 programs 150 sessions 1,771 hours	98 programs 126 sessions 2,738 hours	166 programs 258 sessions 3,151 hours
Internal Instructor Ratio (%)	0%	15.3%	37.8%	69.3%
Satisfaction Score* (Instructor/Content/Operation Support)	4.2 points	4.3 points	4.4 points	4.6 points

* Based on a 5-point scale

Performance of Expert Development Program

- To enhance AI literacy across the organization, eight sessions of AI theory and practical training were conducted in 2024 for all employees in managerial positions
- For the Core Competency Program, effectiveness was improved by monitoring based on real-world applicability and participant satisfaction, with a focus on enhancing work-related impact
- The program led to high applicability in actual work, faster decision-making, and increased productivity, positively contributing to tangible business outcomes and improved ROI

Core Competency Program Results

Training Target	No. of Trainees	Training Method	Training Outcome*	Satisfaction Score**	Real-world Application Rate***
Large-scale/Next-generation PM	21	Scenario-based task execution and coaching based on real workplace issues (3 months, PBL)	"Formed a sense of shared understanding among training participants, broadened insight, and gained practical know-how and tips for solving real issues"	4.7 points	97%
App. Archi.	15	Practical exercises and feedback following theoretical learning (1–1.5 month short-term intensive course)	"Was able to develop AA-based competencies, such as understanding the role of an architect and learning how to review and select technologies for each architectural design activity"	4.3 points	82%
Data Archi.	15		"Lectures and assignments based on real work materials, along with detailed feedback from internal experts, were highly helpful"	4.9 points	74%

* Based on employee voice and satisfaction survey results

** Based on a 5-point scale

*** Evaluation conducted three months after training to assess whether the training was applied to actual work

Performance-Based Compensation

Employee Performance Management System

Performance Evaluation Program

- Performance evaluations are conducted based on Management by Objectives (MBO), incorporating 360-degree evaluations (including leader and peer assessments) and ongoing feedback sessions between leaders and team members
- A company-wide incentive program (cash-based) is in place, with differentiated rewards provided based on achievement levels

S-day(One-on-One Coaching and Evaluation Program)

- ‘S-day’ is held twice a year (first and second half) to support employees’ career development and performance management
- Through one-on-one coaching sessions between leaders and team members, participants can freely discuss and receive feedback on topics such as career development, execution of tasks, and competency enhancement
- At the beginning of the year, employees independently set their work plans and goals, while leaders provide tailored coaching to support their growth. At year-end, a comprehensive review of competencies and performance is conducted, followed by feedback focused on future development directions and areas for improvement

Provision of Performance-Based Rewards

- Various performance-based reward programs are operated for all employees, including contract employees, with differentiated rewards provided based on organizational and individual performance
- In addition to annual salary and incentive bonuses, recognition programs such as the ‘CEO Pride Award’ and the ‘SKMS Practice Award’ are granted to top performers
- The reward system is designed to motivate employees and encourage continuous growth

Compensation System	Description
Annual Salary	Operates a career-level-based salary system that links performance evaluations to compensation, providing motivation and supporting the continuous development of job expertise
Incentives Bonus	Implements a performance-based compensation system through the Profit Share (PS) program, which distributes a portion of excess annual business profits to employees, and the Target Incentive (TI) program, which rewards employees based on the achievement of KPIs
CEO Pride Award	Recognizes and rewards individuals who have contributed to the company’s growth and serve as role models for their colleagues
SKMS Practice Award (New in 2025)	Recognizes and rewards members who have demonstrated the SUPEX spirit and strong drive beyond management goals, significantly enhancing the company’s fundamental competitiveness in their respective areas
Domestic and Overseas Training Support	Provides high-performing talents with opportunities to participate in key conferences and development programs
Top Performers in Job Competency Development	Selects approximately 20 top learners and instructors from each college track to participate in global seminar training programs

※ Employee stock ownership programs (such as ESOP – Employee Stock Ownership Plan and ESPP – Employee Stock Purchase Plan) are not currently in operation, but may be considered for future implementation

SKMS Practice Award Categories and 2024 Achievements

Award Category	Description	2024 Achievements
PI/SI	· Achieved underrun through strategic contract wins that met the Hurdle Rate and outstanding delivery · Projects that contributed to the company’s financial performance	6 projects, 25 people
SUPEX Operation	· Projects that contributed to securing future growth readiness by actively and proactively utilizing AGS to respond to changes in business structure	200 people
Challenge	· Projects that contributed to strengthening business competitiveness by achieving landmark outcomes such as acquiring new customers or win-backs, driving operational innovation through AI, or eliminating obstacles to achieve zero incidents	19 projects, 100 people

Human Capital Development Goals

Diversity Targets

- Achieve 24.4% female employee representation by 2026
- Achieve 13.8% female manager representation by 2026
- * As of 2024: Female employees – 23.4%, Female managers – 10.0%

Goals for Talent Development and Competency Enhancement

Goal



Talent acquisition, structural improvement, and process innovation for future growth

2025

[Plan] Establishment of a Core Competency Securing Framework

- Advancing the multi-skill development framework through college upgrade (e.g., expansion of track- and business-specific learning programs)
- Designing and proposing new growth paths for employees
- Accelerating core competency expert development programs (e.g., newly established training courses for large-scale PMs, specialized architects, and AI developers)



2026

[DO] Acceleration of Core Competency Acquisition

- Focusing on top talent development in core growth areas
- Transforming the competency structure through re/up-skilling (e.g., expansion of job competency transition programs)
- Standardizing AI utilization capabilities across all employees (AI literacy certification)



2030

[See] Achievement of Top-Level Competency in Korea

- Completing core competency expert development and acquisition
- Rediscovering and executing next development areas

Goals for Enhancing Employee Work-Life Balance (WLB)

Goal



Development of a corporate culture that enables work-family balance for employees

2025

Improvement of WLB through enhanced operational efficiency

- Spreading a learning and growth mindset and innovating work through AI
- Promoting a shift toward field-oriented ways of working



2027

Advancement of WLB policies to global top-tier standards

- Expanding the definition of employees
→ Establishing and operating Global Top-tier care programs for employees' families



2030

Establishment of an employee-driven WLB culture

- Establishing and promoting self-directed work practices
- Fostering a self-driven corporate culture through enhanced communication platforms

Safety and Health

SK Inc. is committed to preventing declines in operational efficiency and productivity caused by inadequate safety and health management. By providing a safe working environment that protects workers’ rights and establishing a safety and health risk management system to eliminate and prevent hazardous elements, the company strives to minimize risks that could disrupt its business operations.

Safety and Health Governance

Safety and Health Management Principle

- In 2021, a safety and health management principle was established in alignment with SK Group's SHE strategic direction
- Grounded in a human-centered management philosophy, SK Inc. prioritizes safety and health at every stage of its business operations. This includes a strong commitment to legal compliance, creating a healthy work environment for all employees, encouraging consultation and participation, providing safety and health training, and recognizing social responsibility — all with a clear intention to drive continuous improvement

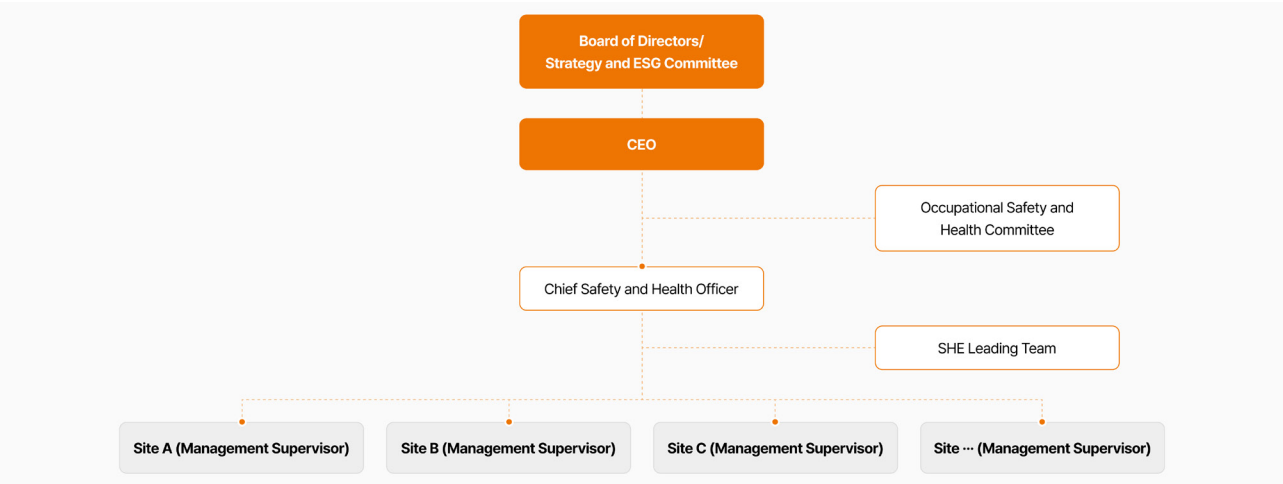
[Safety and Health Management Principle and Policy](#) →

Safety and Health Management System

- SK Inc. has established a company-wide safety and health management system and maintains ISO 45001 certification
- The company operates a safety and health portal on its intranet (HiSK) to provide key announcements, share materials by department, and communicate major agendas and outcomes of the Industrial Safety and Health Committee

Dedicated Safety and Health Organization

- In accordance with the Board of Directors’ resolution, a dedicated safety and health organization is operated to ensure compliance with legal obligations such as the Occupational Safety and Health Act and the Serious Accidents Punishment Act
- A Chief Safety and Health Officer is appointed, and the Board of Directors, including the CEO, incorporates safety and health performance into ESG KPIs across the company and each division/center, linking them to performance evaluations and compensation
- SK Inc. continues to strengthen its safety management capabilities by enhancing the expertise of the dedicated safety and health organization and expanding its personnel

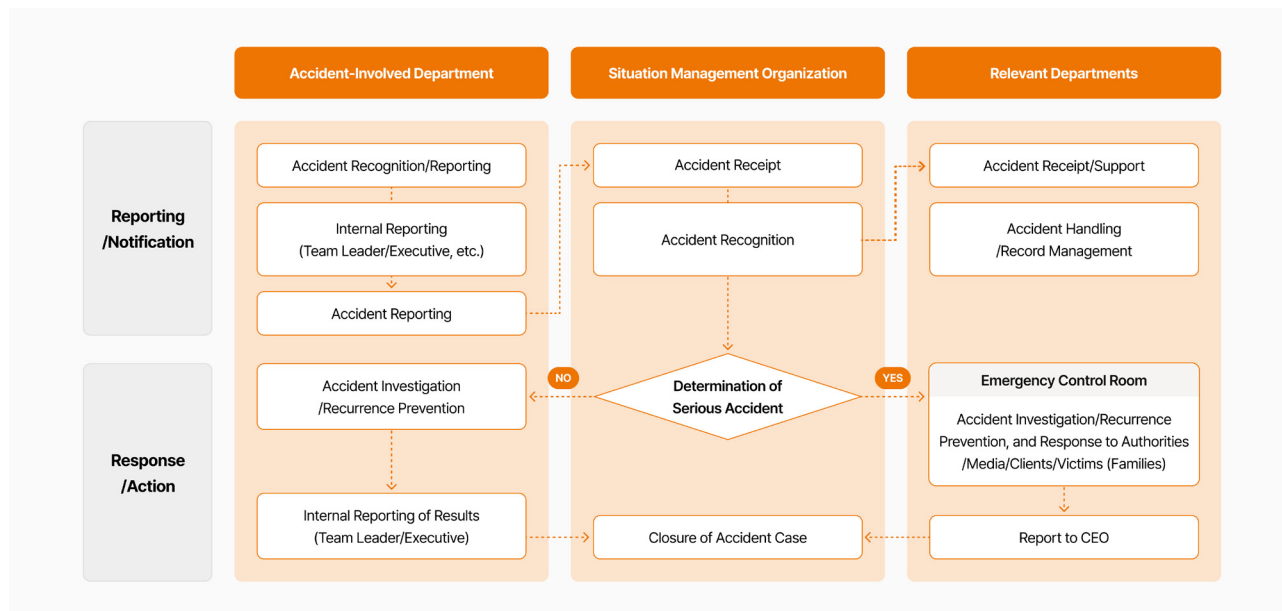


Roles of the Dedicated Safety and Health Organization

Category	Role Description
Board of Directors/Strategy and ESG Committee	· Receives reports on safety and health issues; makes decisions on major matters, and reviews their management status
Chief Safety and Health Officer	· Oversees and manages safety and health operations · Assigns qualified professionals for safety and health management
Occupational Safety and Health Committee	· Holds regular quarterly meetings of the Occupational Safety and Health Committee, which includes employee representatives · Deliberates and makes decisions on employee safety-related matters, such as the status of occupational accidents (held once per quarter in 2024, for a total of four meetings)

Safety and Health Accident Response System

- SK Inc. has established a detailed accident response system and corresponding manuals, which are categorized by area and severity, to ensure swift and effective action in the event of a safety or health accident
- Any property damage expected to have a significant impact on SK Inc. or its clients must be reported to the responsible department
- In accordance with the principle of sharing safety accidents, all employees must immediately report and share the incident with the responsible unit and appropriate supervisor upon recognition
- Sharing and reporting of accidents is a fundamental requirement and must be strictly followed. Violations may result in disciplinary action in accordance with company regulations



Safety and Health Accident Response Training

Category	Details
Fire Safety Inspection and Emergency Response Training Evaluation	· Emergency response drills conducted for employees of tenant companies, supplier staff, and emergency response center · Scenario-based training for simulated fire incidents at data centers and operation of an emergency control room · Training on response measures in the event of a serious accident
Emergency Patient Response System	· Operation of a hotline system to ensure immediate transfer of employees in the event of a medical emergency during working hours

Safety Accident Reporting and Grievance Handling Channels

- SK Inc. operates a safety accident reporting system through the employee mobile app 'H.App' and a hotline, enabling employees to report near-miss cases and other safety and health accidents while encouraging them to carry out routine self-inspections. In 2024, three risk factors were identified and addressed through these self-inspections
- Employee grievances and reports of hazardous facility conditions submitted through the 'My Service' support request system are promptly addressed. In 2024, a total of 204 cases (110 in the first half and 94 in the second half) were resolved

Safety and Health Risk Management

Risk Assessment

Assessment Process

- SK Inc. conducts occupational safety risk assessments at all business sites on an annual basis, leveraging its in-house capabilities
- Through these risk assessments, new hazardous and risk factors are identified, and corresponding improvement plans are established and managed for implementation
- After implementing the improvement measures, their effectiveness is evaluated to further enhance the overall risk management system

Assessment Results

- As of 2024, a total of 17 risk factors were identified, with corrective actions completed for 16 of them. The remaining one is currently in progress and is scheduled to be completed within 2025
- An evaluation of the effectiveness of the implemented improvement measures indicated a reduction in risk levels and no occurrence of related accidents

Hazard and Risk Factor Management Process

Step	Detailed Process
1	Identification of hazardous and risk factors related to indoor/outdoor tasks at each business site
2	Classification of risks based on estimated severity; identification of risk factors within acceptable and unacceptable thresholds
3	Review of the validity of hazardous and risk factors identified in the previous year and reflection in current control measures
4	Evaluation and review of the effectiveness of improvement measures for hazardous and risk factors
5	Measurement of performance results of improvement actions based on risk assessments

Key Results of 2024 Risk Assessment and Implementation of Improvement Measures

(Unit: case)

Identified Key Risk Factor	Action Taken	Hazardous and Risk Factors	Action Completed	Action In Progress
· Risk of falling while working on ladders · Risk of falling objects during heavy lifting operations · Risk of fire and burns from kitchen deep fryers · Risk of a medical emergency during a nurse's solo shift in the infirmary	· Pre-check before ladder use (outriggers, anti-spread straps, and two-person operation) · Securing a safe working distance during heavy lifting operations · Usage following regular inspection and the wearing of apron, boots, and gloves · Emergency situation response enabled by installing an emergency bell	17	16	1

Strengthening Safety and Health Competency

Key Safety and Health Inspection Activities in 2024

- Implementation of safety and health performance monitoring (once a year)
- Establishment and execution of inspection plans for safety at data centers and key project sites (2 times for data centers, 4 times for project sites)
- Inspections through performance evaluations of safety and health management officers and related personnel (twice a year)
- Inspections of compliance with legal obligations under safety and health regulations (twice a year)
- Inspections of the implementation of safety and health communication among workers (twice a year)
- Inspections of the implementation of qualified subcontractor evaluations (twice a year)

Safety and Health Training

- Online safety and health training is provided to enhance employee awareness of safety and minimize safety risks
- In 2024, company-wide regular safety and health training covered fire classifications and disaster prevention by earthquake magnitude (3,175 participants completed the training)
- Safety and health training was provided to employees performing certain specialized duties (e.g., executive drivers)
- Advanced training was conducted for team leaders on their roles and responsibilities as safety and health supervisors
- As of 2025, structured training programs are being implemented to strengthen the competencies of SHE personnel, accompanied by an evaluation system to ensure a certain level of expertise
- Introductory training is also provided in 2025 for new employees to improve their understanding of the SHE system

Training Program	Training Content
Online Regular Safety and Health Training	Fire and earthquake damage prevention training 1. Residential fires 2. High-rise building fires 3. Electrical fires 4. Factory fires 5. Fires in multi-use facilities 6. Earthquakes (magnitude and intensity) 7. Earthquake damage prevention
Compliance Training for Team Leaders (Advanced Training)	Regular safety and health training for team leaders 1. Concept of occupational accidents 2. Status and case examples of workplace accidents 3. Accident prevention activities 4. Accident response procedures and reporting system 5. Occupational accident compensation insurance system
Training for SHE Personnel	Pre-assignment training for SHE personnel in field departments 1. Legal obligations related to subcontracted work 2. Work permit process 3. Safety responsibilities through case studies of accidents
Training for New Employees	Basic SHE training for new hires 1. Accident case studies and reporting procedures 2. Near-miss incidents and reporting channels

Fire Response Drills

- Fire response drills are conducted based on detailed response plans that reflect conditions similar to actual fire situations
- These drills focus on the implementation and internalization of initial response systems, including fire reporting, personnel evacuation, and situation communication
- The drills are held at least twice a year, including company-wide and scenario-based exercises, while global business sites conduct them four times annually
- Joint training sessions are conducted with local fire departments to establish a cooperative system during fire suppression activities

Pilot Operation of Online Safety and Health Platform

- A pilot operation of an online safety and health platform has been in place for data centers since January 2024 to enhance safety management efficiency
- Development of a customized safety and health management system is currently underway, with plans for implementation in 2025
- The system will continue to be advanced to become a field-oriented and efficient platform that reflects the company's operational characteristics and requirements

Operational Effectiveness

- Preventing omissions in compliance with safety and health regulations
- Simplifying repetitive tasks and reducing processing time through a system-based approach
- Digitalizing and systematically managing safety data
- Ensuring consistency in work processes and enhancing internal audit responsiveness
- Strengthening real-time responsiveness of on-site personnel

Safety and Health Campaign

- To systematically establish a company-wide culture of safety and health and enhance employees' safety awareness, practical daily campaigns are conducted
- Safety guidelines for office spaces are communicated through easy-to-understand posters, and everyday safety practices are promoted via in-house broadcasts and newsletters



Supplier Safety and Health Management

Supplier Safety and Health Capability Assessment

- During subcontracted projects, safety evaluations of subcontractors are conducted at the bidding stage to select those with proven capabilities in preventing industrial accidents
- The process of evaluating whether subcontractors possess adequate safety and health management capabilities is incorporated into the procurement and contracting procedures

Safety and Health Inspection Areas



Results of Supplier Safety and Health Competency Assessment

- Safety and health competency assessments are conducted prior to contract signing to strengthen suppliers' safety and health management systems
 - In 2024, a total of 98 assessments were conducted for construction suppliers and 517 for SI suppliers at the time of contract execution
 - If a supplier is rated as nonconforming based on the assessment results, corrective actions are requested, and trading restrictions are imposed if improvements are not made
- To ensure the safety of supplier employees performing night shifts alone, a health monitoring system using smartwatches (e.g., heart rate) is in place, with additional unit distributed (1 device)
- For suppliers managing office buildings and facilities, safety management solution training is provided, and compliance with legal obligations under the Occupational Safety and Health Act and the Serious Accidents Punishment Act is reviewed semiannually, with requirements filtered according to specific working conditions

Contract with Construction Suppliers	Contract with SI Suppliers
98 assessments	517 assessments

※ Corrective actions are requested when a supplier is deemed nonconforming, and trading restrictions are imposed if improvements are not made

Supplier Safety and Health Grievance Channels

- To strengthen communication with suppliers, a feedback channel was announced within the procurement information system, and various methods—such as Google Forms—have been made available to enhance accessibility and support the ongoing submission of safety and health-related grievances
- In 2022, a total of two grievances were submitted and addressed promptly, and no additional cases were reported in 2023 or 2024

Supplier Safety and Health Grievance Channel →

Health Support Initiatives

Employee Health Promotion Programs

- A variety of programs are offered to promote both physical and mental health for all employees (including contract workers)
- In addition to regular health checkups, tailored wellness programs are provided—such as stress management, health and psychological counseling, medical expense support, and treatment plans—to foster a healthy work environment and enhance quality of life
- Health-related information and self-care content are made available to help employees manage their health independently in daily life

Category	Program	Support Details
Prevention and Stress Management	On-site fitness center	Operation of fitness center and shower facilities for employees
	Mind and body training	Operation of approximately 20 monthly programs, including stretching, yoga, and meditation, with real-time online sessions and personalized coaching
	Health checkups	· Support for health checkups for employees and eligible family members under the medical benefits plan · Support for two types of health checkups based on age group (KRW 350,000 for comprehensive checkups; KRW 100,000 for basic checkups) · Provision of paid leave on the day of the health checkup (4 hours)
	Health/psychological counseling	· Mental health care: Psychological counseling for employees (covering work and family issues), job stress assessments, and coaching programs to foster a growth mindset, etc. · Preventive care for disease: Counseling/management for employees requiring health improvement, intensive monitoring for the prevention of cerebrovascular and cardiovascular diseases · Vitamin Day program: Health and psychological counseling services for employees at external sites and supplier companies · Implementation of a postural imbalance improvement and prevention program, providing expert consultation and personalized one-on-one treatment based on detailed postural assessment results
Treatment	Medical expense support	· Support for medical expenses, prescription costs, health checkups, and vaccinations for employees, their spouses, children, and parents (including parents-in-law)
	Group health insurance	· Enrollment in group accident insurance for all employees: Accidental death, permanent disability due to accident, death due to illness and severe disability (80% or more) due to illness, daily hospitalization benefit for accident-related injuries · A Type (4th-generation indemnity insurance), B Type (surgery/hospitalization/diagnosis), C Type (dental preservation/prosthetics)
	Sick leave policy	· Leave of absence (up to 2 years) for long-term treatment and recovery from occupational and non-occupational injuries or illnesses
	Support for overseas assignments/business trips	· Support for local treatment, evacuation, and psychological counseling in the event of medical emergencies or security-related situations

Mental Health Support for Employees

- Psychological counseling services are offered to support employees in managing stress from diverse sources, resolving mental health issues, and maintaining effective work performance
- In 2025, the Mind and Body Care Program will be upgraded to enhance accessibility by expanding non-face-to-face counseling channels such as phone, video, and chat. The scope of counseling topics will also be broadened to include not only workplace stress and emotional issues but also family-related matters such as parenting. In addition, the eligible recipients will be expanded to include spouses and children

Employee Health Risk Management

- Potential risks of occupational diseases are identified and prioritized through surveys conducted with external experts and internal employees
- Based on the identified risks, specific response plans are established, and corresponding support programs are implemented

Health Risk Management Program

Potential Risk	Response Measure	Support Program
Disease Prevention/Management	Provision of health information (bi-monthly)	· Provision of disease-specific information and specialist consultations for interested employees (e.g., diabetes, hypertension, hyperlipidemia)
	Provision of individual consultation and management guides	· Provision of individual consultation and management guides for employees seeking health improvement (e.g., cardiovascular and cerebrovascular diseases)
Workplace Stress	Implementation of mobile app-based 'workplace stress assessment'	· Operation of assessment items based on major stress factors among SK Inc. employees and analysis of potential health risks under expert consultation · Early identification of high-risk employees and provision of psychological counseling and monitoring based on risk analysis data

Safety and Health Goals



Safety and Health KPI

Key Metric	2025 Target	2026 Target	2027 Target
3-year average LTIR (Lost Time Injury Rate)*	· Strengthening occupational accident prevention at worksites · Achieving a 3-year average LTIR of 0.014	· Strengthening occupational accident prevention at worksites · Achieving a 3-year average LTIR of 0.007	· Strengthening occupational accident prevention at worksites · Achieving a 3-year average LTIR of 0.000

* LTIR = Number of lost time injuries × 200,000 / Total hours worked (Number of lost time injuries per 200,000 working hours)
* 3-year average LTIR as of 2024: 0.02

Supply Chain Management

SK Inc. is committed to building a sustainable supply chain and reinforcing shared competitiveness through trusted relationships with its suppliers. To support this effort, the company runs eight mutual growth programs aimed at strengthening suppliers' ESG capabilities, thereby fostering responsible environmental and social practices and promoting sustainable business operations.

Supply Chain Management Governance

Supply Chain Management Policy

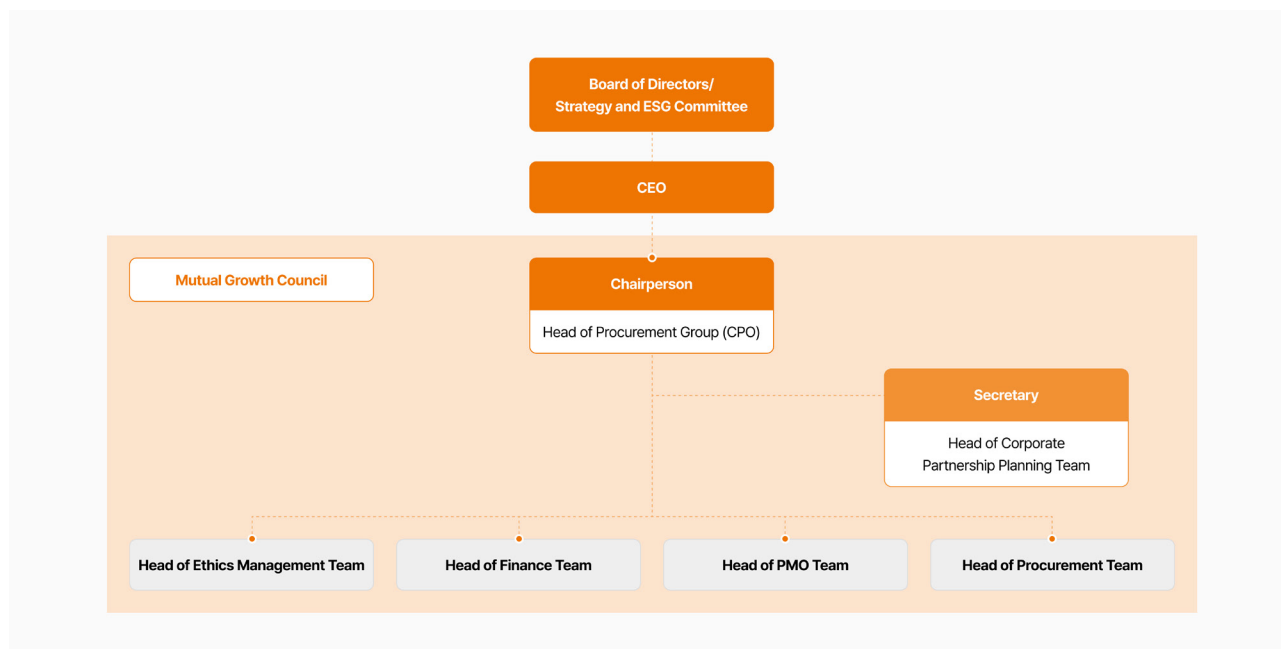
- All suppliers operate under a direct contract system to promote mutual growth and cooperation between large and small enterprises. Signing the Supplier Code of Conduct, Supplier Ethical Management Practice Agreement, and Supplier Security Compliance Agreement is mandatory for all contracts
- To maintain sustainable relationships with suppliers, ESG assessments are conducted on a regular and ad-hoc basis, and in-depth evaluations and improvement support are provided for those designated as significant suppliers
- A green procurement system is implemented to proactively eliminate environmental risks from the sourcing stage of raw and sub-materials and equipment

[Supply Chain Sustainability Management Policy →](#)
[Supplier Code of Conduct →](#)

Supply Chain Management System

- Under the leadership of the Chief Procurement Officer (CPO), SK Inc. operates a monthly Mutual Growth Council involving the procurement division and key RM departments to deliberate on major issues related to sustainable supply chain management
- Plans and performance related to mutual growth initiatives are reviewed by the Strategy and ESG Committee under the Board of Directors
- Corporate Partnership Planning Team is responsible for managing the supplier ESG assessment program and overseeing mutual growth programs that support and improve supplier performance. Through close communication with suppliers, the team identifies their current status and needs and carries out comprehensive activities required for sustainable supply chain management

Organizational Structure of the Mutual Growth Council



Supply Chain Due Diligence

Supply Chain Management Program

- SK Inc. operates under a direct contract system with all suppliers in business relationships. All suppliers are classified as Tier 1, with no distinction between internal/external or direct/indirect suppliers (no non-Tier 1 suppliers exist)
- The Corporate Partnership Planning Team, SK Inc.'s procurement organization, conducts annual evaluations of all suppliers and carries out both regular and ad-hoc ESG assessments to manage ESG-related risks
- Through the due diligence process, SK Inc. reviews the alignment of suppliers' ESG management strategies with its own procurement standards, with efforts made to resolve conflicting elements and drive ongoing improvement
- Periodic evaluations of suppliers reflect both the level of partnership—considering business execution capabilities (technological and quality competitiveness), transaction volume, and continuity—and the results of ESG assessments

Periodic Supplier Evaluation

Periodic Supplier Evaluation Criteria

- Companies scoring 65 points or higher out of 100 are designated as 'key suppliers.' If the score is below 65, the supplier may be subject to restricted transactions for specific projects or even disqualification (e.g., termination of business)
- ESG assessment scores are a key component of the periodic evaluation, with 10 points allocated. Suppliers that have not undergone an ESG assessment are given a score of zero in this category
- Suppliers designated as significant suppliers based on ESG assessment results are required to establish corrective action plans and complete implementation within 12 months
- If additional major ESG issues arise without implementing the corrective plan, stricter penalties are applied

Supplier Periodic Evaluation Ratings

Periodic Evaluation Score		Supplier Evaluation Rating	
Significant Suppliers	80 points or above	Excellent S Supplier	· Possesses top-tier expertise in the relevant field · Excels in project execution, collaboration, and ESG performance as part of a comprehensive evaluation · Granted priority access to benefit programs
	65 points or above	Excellent Supplier	· Demonstrates a certain level of market competitiveness · Maintains financial soundness
	Below 65 points	General	· Engaged only for specific projects when necessary · Limited transactions allowed
		Application of Benefit Program	
		· Sharing business opportunities and support through the Mutual Growth Fund · CEO seminars for mutual growth and on/offline training · Roundtable discussions, ESG consulting, and ISO certification support · Support for welfare benefits	

Supplier Performance Evaluation

Benefit Program

- Incentive-based benefit programs are offered to suppliers that achieve excellent results in periodic evaluations and ESG assessments
- The benefit programs continue to expand and include support in the form of business opportunities (e.g., early access to project information, subcontracting opportunities), financial assistance (e.g., interest support/discounts, exemption from performance bonds), and capability-building initiatives such as ESG consulting

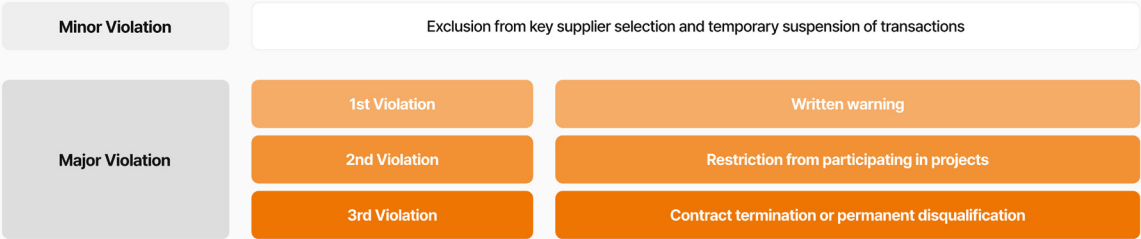
Benefit Program Support Areas

Category	Support Details
Business Support	Provision of order volume, sharing of business information
	Joint market entry
Financial Support	Exemption from performance bonds
	Expansion of Mutual Growth Fund support (interest benefits)
ESG Capability Development	ESG consulting
	Support for Global ESG certification (EcoVadis)
	ISO certification support (CLICK ISO)
Other	Labor consulting/advisory services (upon request)

Penalty Program

- Penalties are applied when a supplier falls below the periodic evaluation criteria or when major ESG issues occur, such as violations of ethical business practices or non-compliance with SHE standards
- Depending on the evaluation results related to the issue, the supplier may be excluded from key supplier status or face temporary suspension of transactions
- In the event of a serious ESG violation, a three-step penalty process is applied: 1) initial written warning, 2) restriction from participating in projects, and 3) contract termination or permanent disqualification

Penalty Actions by Severity and Stage

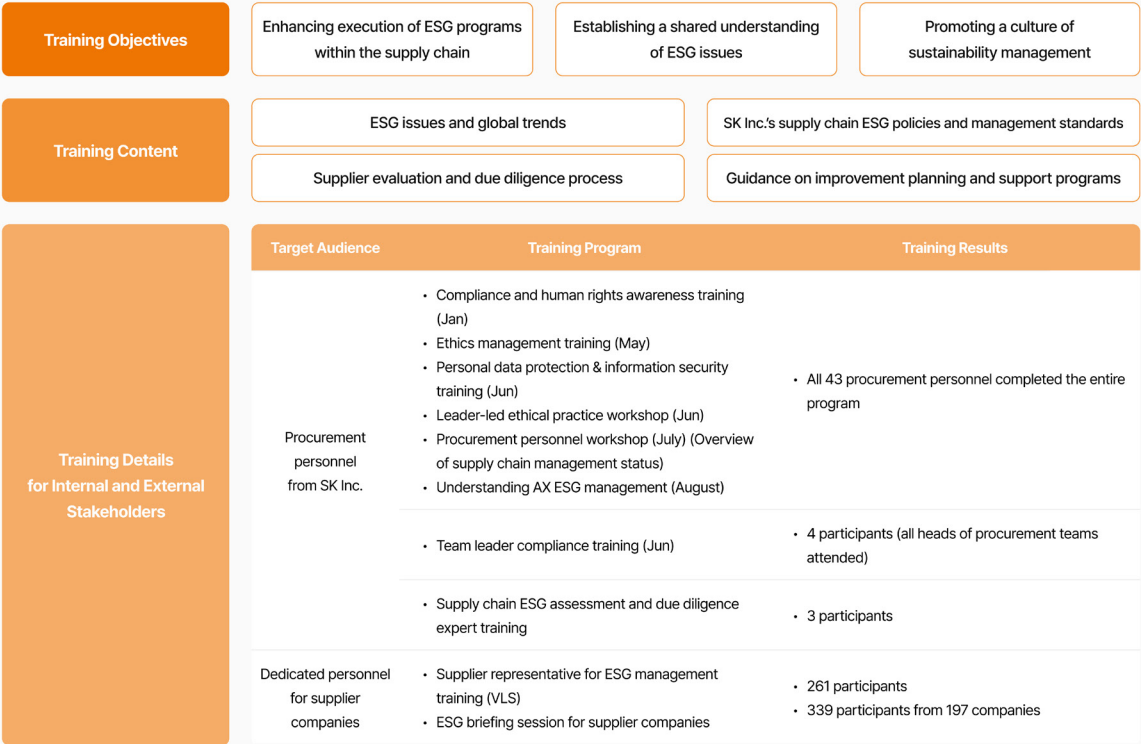


2024 Penalty Cases

Type of Penalty	Number of Cases
Suspension of transactions (1–5 years)	11 cases
Permanent disqualification	3 cases

※ Reasons for penalty application include: 11 cases of ethical management violations, 1 case of information protection violation, and 2 other cases

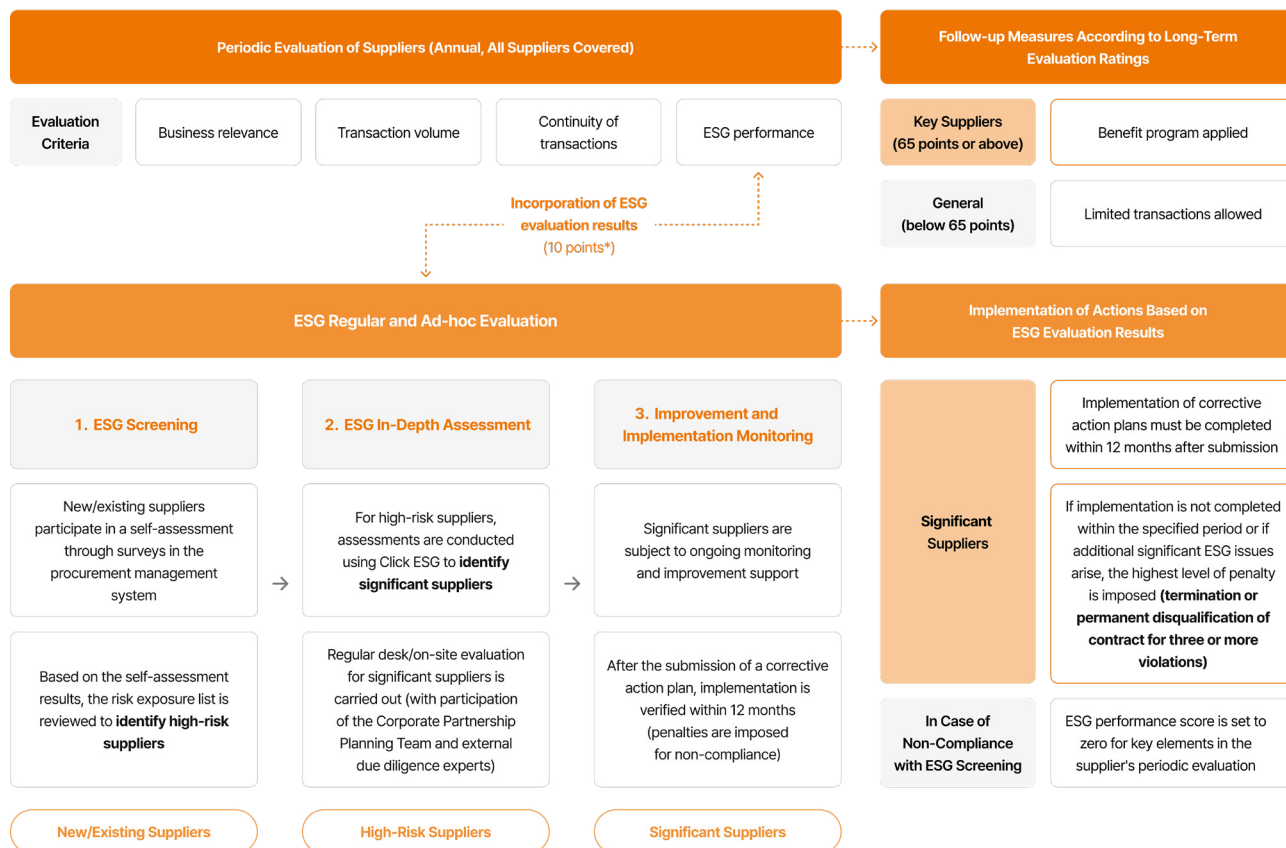
Supply Chain ESG Training



Supply Chain ESG Assessment

Assessment Process

- The Corporate Partnership Planning Team at SK Inc. is responsible for assessing supplier ESG risks and managing improvement efforts, while leading the overall ESG evaluation process
- To enhance supply chain sustainability, ESG assessments are conducted regularly for suppliers
- The assessment process consists of three stages: ESG screening, ESG in-depth assessment (due diligence), and improvement. A customized ESG assessment platform, 'Click ESG,' is utilized to select metrics and apply weightings based on the specific characteristics of each supplier



* In periodic supplier evaluations, the results of the ESG screening assessment are reflected with a maximum of 10 points out of a total score of 100, and ESG performance is considered in supplier selection and contract signing

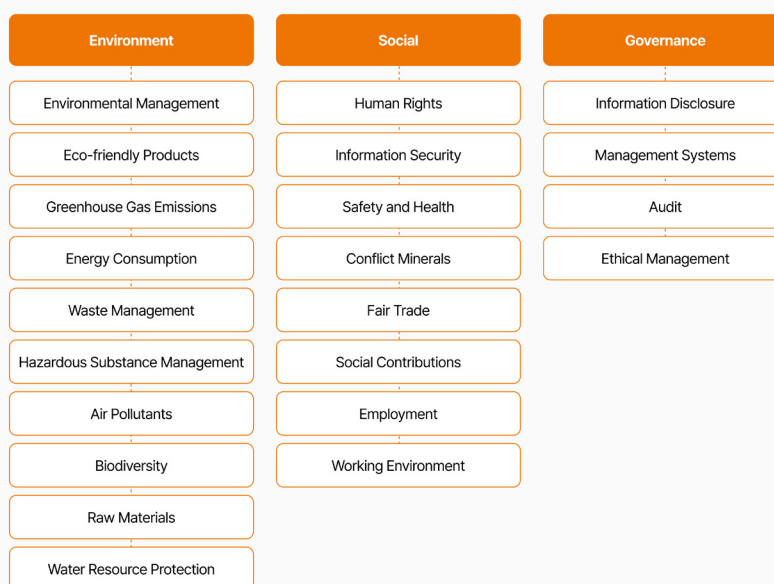
ESG Screening

- Regular and ad-hoc ESG screenings are conducted annually for all suppliers to proactively identify and manage potential ESG risks
- Based on the screening scores, suppliers are classified into three risk levels, with tailored measures applied to each group
- Suppliers categorized as low or medium risk are required to implement improvements focused on deficient areas, along with ongoing risk monitoring
- 'Significant suppliers' are selected primarily from high-risk suppliers and are subject to in-depth ESG assessments
- Supplier ESG risks are managed with a focus on domestic operations in Korea—which account for over 90% of the company's revenue and profit—by identifying risks specific to countries, industries, and products/services, such as avoiding equipment sourced from conflict-affected countries, verifying the use of conflict minerals, and prioritizing the procurement of eco-friendly products

Core ESG Screening Metrics

- SK Group applies a standardized set of core ESG screening metrics for suppliers, consisting of 22 ESG-related management areas and a total of 66 detailed metrics
- Suppliers are categorized by type (hardware manufacturing, software development, workforce supply, and construction) based on their industry characteristics, and tailored evaluations are conducted by applying differentiated weightings of ESG metrics for each category
- The core ESG screening metrics for suppliers are continuously refined and improved by taking into account industry-specific characteristics and risk types, while also advancing in alignment with evolving supply chain regulations and market issues*

22 Management Areas for Core ESG Screening Metrics



* Reflecting standards such as Responsible Business Alliance (RBA), EcoVadis, K-ESG government agency supply chain management criteria, the Corporate Sustainability Due Diligence Directive (CSDDD), and the Corporate Sustainability Reporting Directive (CSRD)

ESG Risk Level	Key Response Measure
Low Risk	Eligible for benefit program support, including assistance with obtaining global certifications
Medium Risk	Identification of underperforming metrics and development of an improvement plan
High Risk	Formulation of a corrective action plan and request for risk mitigation measures

ESG In-Depth Assessment

- SK Inc.'s Corporate Partnership Planning Team oversees the significant supplier selection—from ESG assessment and development of improvement plans to implementation monitoring—leading the entire evaluation process
- In particular, an external expert organization directly participates in both desk and on-site due diligence to help establish and operate more practical support programs
- Procurement personnel responsible for due diligence identify underperforming ESG metrics of significant suppliers, support the development of improvement plans, and monitor their implementation status
- Suppliers with actual or potential negative impacts are required to establish corrective actions and improvement plans
- Corrective actions and improvement plans must be completed within 12 months of being established, and failure to do so may result in penalties by being reflected in the supplier's periodic evaluation score

Target	High-risk suppliers among significant suppliers and key suppliers
Period	March to September (7 months)
Executing Body	SK Inc. procurement personnel (Corporate Partnership Planning Team), external professional organization (Korea Management Registrar)

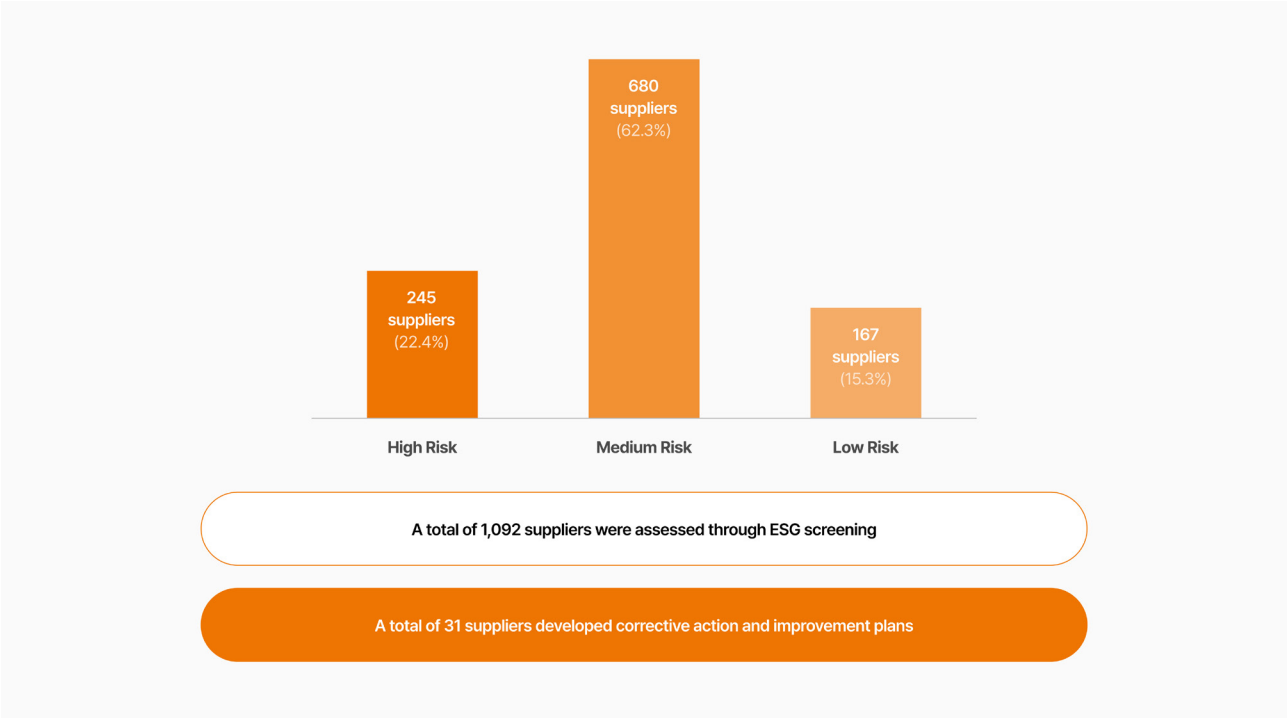
Detailed Activities of ESG In-Depth Assessment

Stage	Conducting Body	Specific Activities
ESG Evaluation / In-Depth Assessment Briefing	SK Inc. procurement personnel (Corporate Partnership Planning Team)	· Guidance on each metric · Explanation on how to use Click ESG
Desk/On-Site Due Diligence	SK Inc. procurement personnel (Corporate Partnership Planning Team) Korea Management Registrar	· Verification of implementation through metric-specific supporting evidence
Development of Supplier-Specific Improvement Plans	SK Inc. procurement personnel (Corporate Partnership Planning Team)	· Review of improvement measures focused on underperforming metrics
Support for Implementation of Improvement Plans	SK Inc. procurement personnel (Corporate Partnership Planning Team)	· Online group sessions and 1:1 consulting (as needed) · Offline on-site visits
ESG Reassessment	Korea Management Registrar	· Verification of implementation of improvement measures · Adjustment of ESG rating
Monitoring of Implementation and Support for Improvement	SK Inc. procurement personnel (Corporate Partnership Planning Team)	· Verification of improvement plan execution · Provision of supplier support programs

Supply Chain ESG Assessment Results

- In 2024, ESG screenings were conducted for 1,092 suppliers, who were classified into three risk levels—high, medium, and low—based on the results, with tailored follow-up actions taken by risk level
- Among key suppliers and those identified as high-risk in the ESG screening, 110 were designated as significant suppliers and underwent in-depth ESG assessments and desk/on-site due diligence
- Of these, 31 suppliers were required to establish corrective actions and improvement plans, and all completed their improvements within 12 months

2024 Supplier Assessment Results



Supply Chain ESG Assessment Results

Category	2024
Total number of suppliers	1,872 suppliers
Total Tier 1 suppliers	1,872 suppliers
Total non-Tier 1 suppliers	0 suppliers
Number of ESG-assessed suppliers (proportion)	1,092 suppliers (58%)
Number of newly assessed suppliers in 2024 (proportion)	130 suppliers (11.9%)
High-risk suppliers (proportion)	245 suppliers (22.4%)
Number of significant suppliers* (proportion)	110 suppliers (10.1%)
Suppliers with actual or potential negative impact	31 suppliers
Suppliers with corrective actions and improvement plans (proportion)	31 suppliers (100%)
Number of suppliers that completed corrective actions (proportion)	31 suppliers (100%)
Total number of suppliers that participated in capability-building programs	251 suppliers
Number of significant suppliers that participated in capability-building programs (proportion)	110 suppliers (100%)

* Selected from among all suppliers, and includes some suppliers who did not undergo self-assessment

Support for Supplier ESG Improvement

- SK Inc. regularly identifies the needs of its suppliers through online surveys and operates customized ESG improvement and support programs based on the results
- According to survey results, approximately 70% of suppliers requested practical support such as training, guidelines, and consulting, while 30% expressed interest in assistance with external certification and sharing of best practices
- In parallel with the mutual growth program, SK Inc. seeks to reduce ESG risks among its suppliers and strengthen their sustainable capabilities

Supplier ESG Support Performance

Category	Details	2024 Performance
Training	· Mutual growth CEO seminar: Provision of ESG insights for CEOs (hosted monthly by the Group) · ESG training for VLS personnel (applications collected monthly) · Provision of ESG self-training content for suppliers: Information security, intellectual property rights, safety and health, etc.	· 19 attendees · 261 trainees · All key suppliers (251 companies)
Guide	· Regular ESG letters: Sharing of ESG policies, trends, and relevant materials (monthly) · Provision of ESG diagnostic guidebook: Including assessment metrics, evaluation methods, and sample supporting documents · Support for global ESG assessment (EcoVadis) for low-risk, top-performing suppliers	· 12 editions × 251 companies · All suppliers (1,872 companies) · 1 company
Consulting	· ESG consulting: Metric-level verification of actual supporting documents (third-party validation), explanatory guide sessions for each assessment item, on-site visits · ESG improvement support through sharing of exemplary supplier cases and best practices	· 110 companies
Financial Support	· Differential loan interest rate discounts based on ESG evaluation grades (1.2%–6% support)	· 6 companies

Mutual Growth Program

Eight Core Support Systems

- SK Inc. has developed mutual growth programs to provide practical support for enhancing the competitiveness of its suppliers and operates eight core support systems based on these programs
- The company aims to go beyond one-time support by offering differentiated programs that help suppliers achieve sustainable growth and build self-reliance
- Mutual growth programs are continuously advanced and refined in response to supplier needs and changes in the business environment, with the goal of building a sustainable supply chain based on trust and mutual benefit
- Since 2014, SK Inc. has received the highest 'Excellent' rating for ten consecutive years in the Mutual Growth Evaluation conducted by the Korea Commission for Corporate Partnership

Eight Core Mutual Growth Programs

Program Category	Description
1. Fair Trade/Ethical Management	· Implementation of the four Fair Trade Commission guidelines to strengthen the foundation for mutual growth · Reinforcement of supplier compliance with ethical management through the operation of a code of ethics and related codes of conduct · Respect for suppliers' tangible and intellectual property rights through the use of standard subcontract agreements · Inclusion of a supplier code of conduct pledge as a mandatory document in all purchase contracts via the procurement system · Operation of an ethics management channel for suppliers (https://ethics.sk.co.kr/)
2. Financial (Funding) Support	· Mutual Growth Fund, Network Loan, ESG Interest Support Program - Development and operation of a system that allows suppliers to secure necessary funds at interest rates lower than market rates to support stable business operations - Utilization of the program as an incentive for suppliers with high ESG evaluation ratings · Provision of cash payments and timely settlement of payments to suppliers - Implementation of 100% weekly cash payments for subcontracting transactions since 2006 to support supplier liquidity and enable planned financial operations - Provision of financial and funding support totaling approximately KRW 12 billion in 2024
3. Technology Support/Protection	· Provision of development methodologies and patented technologies · Support for patent application costs · Operation of a technology data escrow system
4. Business Support	· Introduction/operation of a performance-sharing system · Advance sharing of business information · Joint execution of R&D and marketing activities · Provision of management consulting support
5. Education/Training Support	· Provision of SK Group courses and SK Inc. in-house courses · Participation in external IT professional courses
6. Sharing of Welfare Programs	· Support for health checkups, flu vaccination services, funeral support services, and EAP psychological counseling (Vitamin Day) · Purchase of OA equipment
7. Communication Enhancement	· Regular supplier meetings · Individual visits to suppliers · Operation of an online grievance handling center
8. Continuous Development of Mutual Growth Programs	· Efforts to listen to suppliers' real voice · Improvement and enhancement of existing programs and continuous development of new programs

Operational Status and Performance

Education/Training Support

Program Name	Program Details	Performance (No. of Participants)	Program Frequency	Remarks
Mutual Growth CEO Seminar	Expert lectures (management, humanities, history, etc.)	19	Once per quarter	Provided by SK Group (Mutual Growth Academy)
Mutual Growth e-Learning	100 online courses in IT, QA, management, etc.	585	Ongoing	
VLS Online Course	IT, leadership, data analysis, etc.	460	Ongoing	
In-house College Training	PLM consulting, cloud, etc.	95	Ongoing	Provided by SK Inc.
Supplier Leadership School	Leadership lectures, coaching, etc.	6	August	
External Expert Courses	Multicampus, Korea Productivity Center, STA, Convergence Lifelong Education Institute, Fast Campus	154	Ongoing	

Support for Enhancing Suppliers' DT Business Capabilities

- SK Inc. supports suppliers in acquiring technical knowledge and certifications necessary for the effective use of Microsoft and Azure services
- CloudZ service training is provided to help suppliers enhance their competitiveness in cloud technologies
- SK Inc. supports improvements in suppliers' business performance and service quality by enhancing their employees' technical capabilities through joint participation in initiatives such as the Cloud App Modernization Factory course by in-house experts
- SK Inc. offers relevant AX College courses to supplier employees (AIX track, Digital Factory, Business Solution, ESG track, etc.)

Technology and Business Support Performance

- Provision of SK Inc.'s patented technologies: Supported technology-based commercialization of SMEs in the IT sector by offering free licenses to SK Inc.'s patented technologies to suppliers and startups
- Joint R&D and market entry: Strengthened supplier capabilities by sharing SK Inc.'s proprietary technologies and business execution know-how through joint R&D
- Technology data escrow system: Deposited core technical documents of supplier companies with a third-party institution

(Unit: case)

Mutual Growth Program	Performance Area	2021	2022	2023	2024
Technology Support and Protection	Free transfer of patented technologies	29	34	34	34
	Joint R&D	17	31	32	33
	Technology data escrow cases	55	56	56	55
	Patent application support cases	5	7	3	6
Business Support	Joint market entry cases	10	8	5	5

Status of Support for Suppliers of Group Member Companies

Mutual Growth Program	Program Details	Number of Supported Companies (Cases of Support)
Education and Training Support	Provision of training programs (VLS, external, DT, etc.)	4 companies (115 cases)
Welfare Benefits Program Sharing	Provision of health check-up programs	2 companies (3 cases)
Business Support	Provision of recruitment platform support program	3 companies (3 cases)

Supplier Grievance Handling

- Regular communication with suppliers
 - Hosting events such as Mutual Growth Day and supplier CEO seminars to promote mutual understanding
- On-site visits to suppliers and enhancement of face-to-face communication
 - Conducting one-on-one visits and engaging in communication with supplier executives and representatives
- Operation of online communication channels
 - Operation of a grievance-handling channel within the SK Procurement Information System to capture the real voice of suppliers regarding collaboration proposals, grievance resolution, and business support ([SK Inc. Procurement Information System](#))
 - Operation of an ethics management channel for suppliers (<https://ethics.sk.co.kr/>)

Category	2021	2022	2023	2024
Number of grievances received	1	1	0	1
Number of grievances resolved (resolution rate)	1(100%)	1(100%)	0(-)	1(100%)

Sustainable Supply Chain Goals

Advancing Supplier ESG Management



Supplier ESG KPI Management

Key Metric	2024 Performance	2025 Target	2026 Target	2027 Target	2030 Target
Supplier code of conduct signing rate	100%	100%	100%	100%	100%
ESG assessment coverage rate for suppliers	58%	80%	85%	90%	100%
Expansion of in-depth ESG assessments for suppliers	100% of significant suppliers	100% of key suppliers	100% of key suppliers	100% of key suppliers	100% of all suppliers
Improvement plan submission rate among high-risk key suppliers (significant suppliers)	100%	100%	100%	100%	100%
Suppliers that completed improvement within 12 months after submission of improvement plan	95% or higher (100% achieved)	95% or higher	95% or higher	95% or higher	95% or higher

※ In-depth ESG assessments for the same suppliers are conducted biennially. Accordingly, the annual targets for expanding assessment coverage are established based on the performance from two years prior

Information Security

SK Inc. has established and operates an information security management system aligned with global standards, and continues to reinforce its initiatives in response to the rapidly evolving digital landscape. These efforts are intended to build customer trust and ensure the continuous advancement of the company's information security management system.

Information Security Governance

Information Security Policy

Information Security Guidelines

- SK Inc. has established an information security principle and related regulations that all employees are required to follow, and made them accessible to all members through the intranet (HiSK)
- In accordance with the Personal Information Protection Act, the company has developed and disclosed its personal information processing policy, and any updates are continuously made publicly available

Information Security Principle →

Information Security/Personal Information Protection Regulations

Category	Relevant Regulation
Information Security Regulations and Guidelines	Information Security Regulations (Including the Information Security Principle)
	Personal Information Protection Management Guidelines
	Information Security Management Guidelines
	Employee Security Guidelines
	IT Security Management Guidelines
	Physical Security Management Guidelines
Privacy Policy	Privacy Policy disclosed on the website

Security Management for Suppliers

- The 'Supplier Security Compliance Agreement' is attached as a mandatory document in the procurement system's contract process and signed alongside the contract when entering into agreements with all suppliers
- The 'Supplier Security Compliance Agreement' outlines cooperation for maintaining the supplier's information security management (e.g., compliance with regulations, cooperation in audits and inspections), and defines accountability for any breach of security policy
- All supplier personnel participating in projects are required to sign an individual security pledge. For contracts lasting more than one year, the security pledge must be renewed annually
- Supplier personnel who enter company premises are provided with security training covering internal security rules and policies, prohibited activities, response procedures in the event of a security incident, and reporting protocols

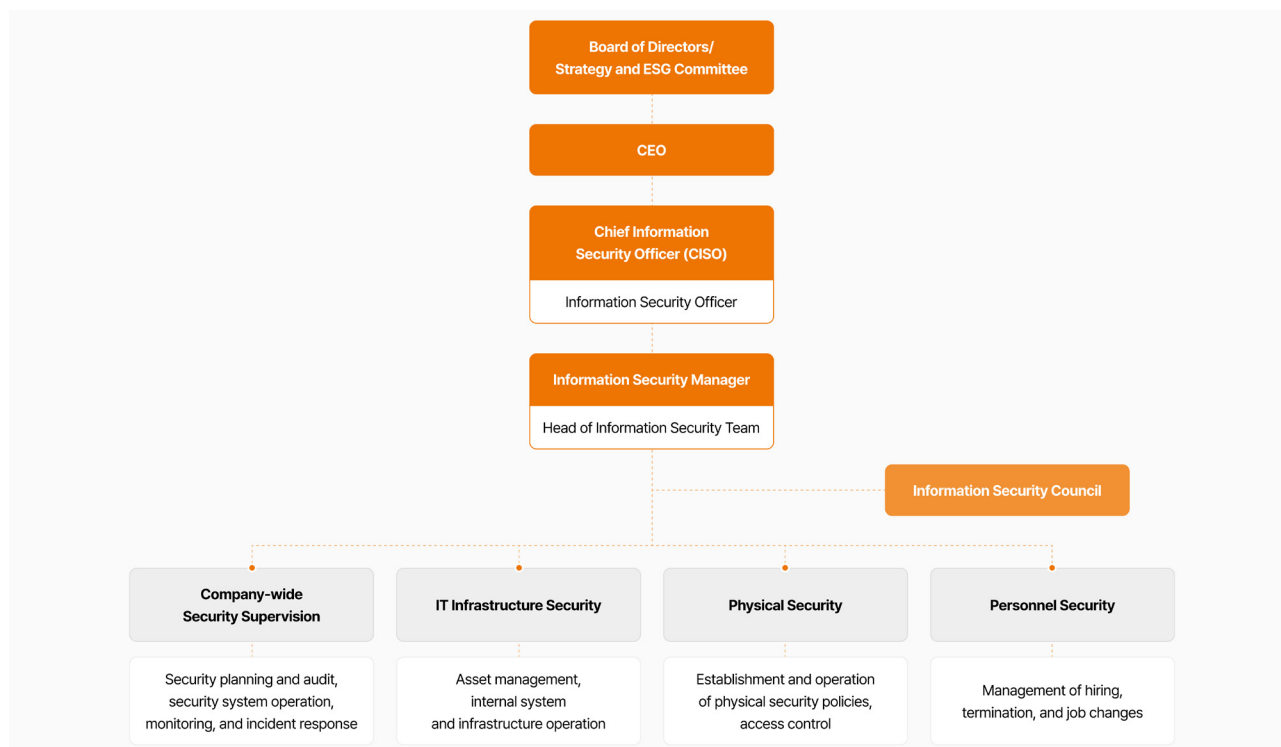
AI Information Security

- SK Inc. proactively identifies potential privacy risks in generative AI environments and develops measures to ensure the safe use of data, safeguarding both corporate and customer personal information
 - Security guidelines are established for the development and operation of AI services
 - To ensure regulatory compliance and data protection, a pre-deployment security review and vulnerability remediation procedures are conducted during the development and release of AI services
 - External AI services are used only after their security has been validated and they have been approved as standard tools
 - AI services are subject to regular inspections and continuous monitoring during their operation and use
 - Awareness and education programs are provided for employees, alongside the establishment and implementation of ongoing improvement measure

Information Security Management System

Information Security Organization

- The executive in charge of information protection serves as the Chief Information Security Officer (CISO), with overall responsibility for leading and supervising the company's information security operations
- In the event of a significant information security incident, reports are submitted to the Strategy & ESG Committee and the Board of Directors. Additionally, the Board receives regular annual updates that include compliance support activities and key information security matters
- An Information Security Council has been established to coordinate security-related matters across relevant departments and to review key issues, including company-wide security policies



Information Security Certifications

- SK Inc.'s information security management system has earned both domestic and international certifications, which are maintained through annual audits—demonstrating the company's commitment to continuous management and stable operation of its security practices
- SK Inc. has acquired information security certifications (ISO 27001, ISO 27017, ISO 27018) covering its entire IT infrastructure (covering 90.3% of total employees)

Status of Information Security Certifications (External Audits)

Certification	Accrediting Body	Certification Details
Information Security Management System (ISMS)	Ministry of Science and ICT	· Certification under the domestic information security management system in accordance with the Information and Communications Network Act · Initial certification acquired in 2013 · Recertified in 2023 (valid through 2026) · Post-audit completed in 2024
International Standard: Information Security Management System (ISO 27001)	ISO/IEC	· Certification under the international standard for information security management systems · Initial certification acquired in 2006 · Recertified in 2025 (valid through 2028)
International Standards: Cloud Information Security and Personal Information Protection Management System (ISO 27017, ISO 27018)	ISO/IEC	· Certification under the international standard for cloud information security and personal information protection management systems · Initial certification acquired in 2022 · Recertified in 2025 (valid through 2028)

Information Security Disclosure

- In June 2024, SK Inc. completed its integrated information security disclosure
- Recognized for its consistent efforts in acquiring security certifications, cultivating professional talent, and investing in information security, the company has been named an 'Outstanding Information Security Investment Company' for three consecutive years

[Disclosure of Information Security Status](#) →

Information Security Activities

Prevention of Security Incidents

Data Protection

- Regular inspections are conducted to ensure compliance with IT security management guidelines and procedures, helping to maintain system security and stability
- Security measures such as encryption and data backup are applied during data storage and transmission to safeguard personal information and critical data
- Potential hacking threats are addressed proactively by communicating system vulnerability countermeasures and taking preventive actions in advance

Security Assessment and Inspection

- The implementation of vulnerability remediation is managed through mock hacking and infrastructure vulnerability assessments prior to the launch of new services (infrastructure vulnerability assessments, source code analysis, and penetration testing)
- Inspections are conducted to assess the current status of personal information processing systems and to verify the implementation of necessary improvements
- The overall level of security is enhanced through regular and ad-hoc internal audits of the IT infrastructure and information security management systems

Third-Party Information Security Verification and Inspection Activities

Verification	Supervising Agency	Certification Details
Inspection of Major ICT Facilities	Ministry of Science and ICT	Acquisition of the top rating in the 2024 Comprehensive Information Security Level
Inspection of Integrated ICT Facilities	Ministry of Science and ICT	Implementation of protective measures for integrated ICT facilities at the Daedeok and Pangyo Data Centers and enrollment in liability insurance

Monitoring

- Security operations are continuously monitored through a security control center that operates 24 hours a day, 365 days a year
- Emerging cyber threats are monitored via threat intelligence that provides the latest attack information both domestically and internationally
- A range of activities is carried out, including the collection and analysis of network packets, logs, and event data, as well as the detection of abnormal behaviors—such as malware infections and data leakage—on systems and user PCs
- Based on the monitoring results, response measures such as blocking network access, distributing alerts on security vulnerabilities, and analyzing new or mutated worms are established and implemented

Types of Information Security Monitoring

Category	Monitoring Details
WAF	Detection and blocking of web vulnerability attacks targeting web servers
NIDS	Detection of network-based intrusion threats
DLP	Detection and blocking of internal information leakage
ePM	Detection of malicious/phishing URLs and malicious attachments in emails
EDR	Detection and response to APT attacks targeting endpoints

Security Incident Response

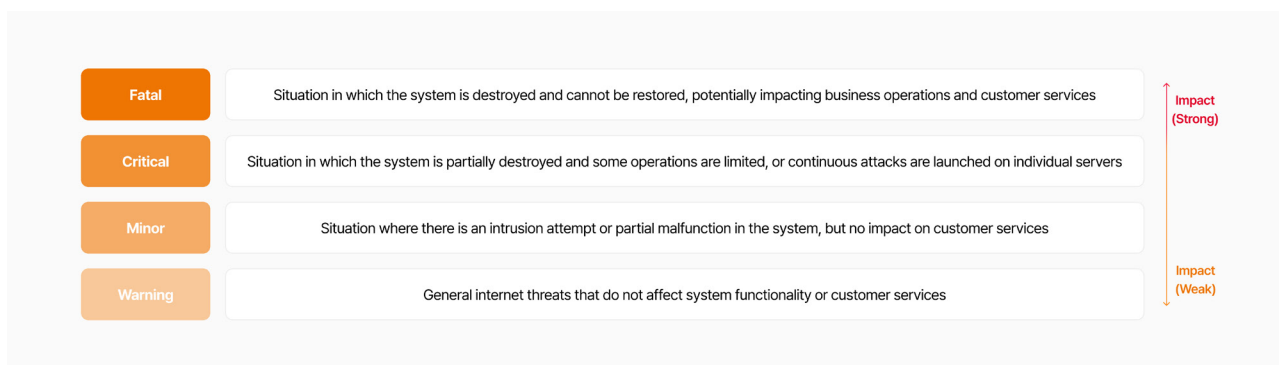
Incident Response System

- SK Inc. has established a reporting process that allows employees to promptly report any information security issues they encounter
- Security incidents are classified into four severity levels, and standardized response procedures are in place for each type of incident to ensure rapid notification and escalation in the event of a security breach
- Potential security risks are managed through monthly reviews, which are categorized into prevention, intrusion detection, incident response, and other relevant activities
- In cases where internal personnel violate security policies, disciplinary actions are taken in accordance with company regulations to clarify responsibility and strengthen security awareness

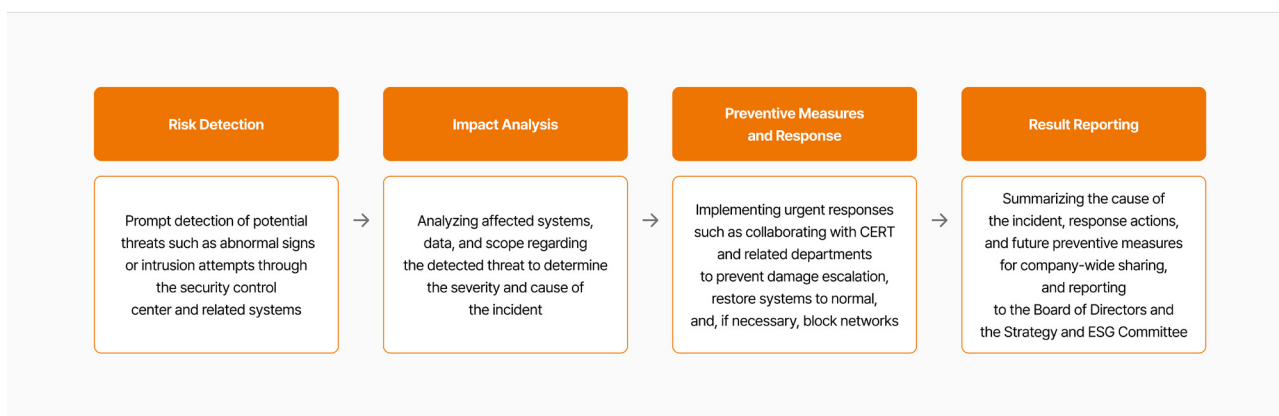
Types of Information Security Breach Incidents

Type	Key Details
System attack	Attempts to upload web shells, attacks targeting vulnerabilities in Web/WAS (such as Apache), DDoS attacks, and attempts to hijack administrator privileges, etc.
Worm/virus infection	Installation of malicious code (virus, worm, ransomware, etc.) on PCs/servers via suspicious links
Malicious email	Inducing the installation of malicious code via malicious site URLs or attachments in the email body

Incident Severity Levels



Incident Notification and Reporting Process



Departmental Roles in Responding to Security Incidents

Department	Role Description
① Reporting Department	- Report security incidents to the Information Security Group upon occurrence - ISAC: Receive and report security incidents reported by employees - Control center, situation room, and external agencies: Notify detected security threats
② Information Security Group	- Receive and analyze security incident reports (Security Reporting Center) - Announce security incidents via email or company-wide notifications - Collaborate with the CPR and Legal Affairs Group in the event of an information leakage incident - Coordinate with the Incident Management Department in the event of IT incident escalation - Verify response results and submit the final report
③ Incident Management Department	- Implement the incident/situation management process upon confirmation of an IT incident - Share response status with the Information Security Group - Manage the situation and report closure
④ System Operations Team	- System-specific incident response (intrusion blocking, containment measures) - Provide assistance for intrusion response audits - Report incident response results to the Incident Management Department and the Information Security Group
⑤ CPR/ Legal Affairs Group	- Assess the risk of information leakage incidents - Determine whether to report the incident to external agencies - Report to Group SHE and external agencies, and oversee response coordination

Enhancing Information Security Awareness

Information Security Initiatives

- SK Inc. is a member of the Korea Academy of Industrial Security, participating in regular activities and attending the Industrial Security Conference each year
- In 2024, SK Inc. supported the publication of the 'Cloud Utilization Guide for Corporate Information Protection'
- Through its involvement in various information security initiatives, the company contributes to enhancing awareness across the industry

Information Security Training

- In addition to company-wide training on information security and personal data protection, customized programs are provided to help employees internalize essential security competencies required for their roles
- Training support is also offered to assist employees in obtaining professional information security certifications

Status of Information Security Training

Training Program	Key Training Content	Target Audience	Completion Rate
Information Security Training	Major security incident cases and response methods	All employees (mandatory)	98.6%
Personal Information Protection Training	Revised Personal Information Protection Act, AI and personal data protection	All employees (mandatory)	98.6%
New and Recently Hired Employee Training	Company-wide information security management system, including enterprise security policies, daily security practices, and incident response	New and recently hired employees	100%
Project Security Training*	PC security, asset management, account management, infrastructure security, cloud security, and inspection activities	Development/business-related employees and suppliers	96%
Development Security Training*	Security compliance requirements during system development, including the analysis, design, development, and testing phases	Development-related employees and suppliers	97%

* Project security training and development security training are conducted in parallel for supplier company employees

AI and Personal Information Protection Training Curriculum

Topic	Details
Precautions When Using AI	· Caution against inputting public or personal information · Caution regarding response reliability, ethical issues, and potential bias
Security Considerations for AI Models	· Outlier management, robustness assurance, collection of data from trusted sources, validation and testing, vulnerability assessment, etc. · Need for voluntary review of personal data handling when designing and using AI services · Six principles of personal information protection in AI - Participation (guaranteeing data subject rights), transparency (disclosure of processing history), accountability (clarification of responsibility), lawfulness (lawful processing of personal data), fairness (protection against privacy infringement), and security (establishment of safe management measures)

Information Security Change Management

- Through the provision of videos on the latest security trends, trend newsletters, and recognition for outstanding participants in security events, the company strengthens employee awareness of information security

ChatGPT Guide

ChatGPT Guide for the Safe Use

Information entered into generative AI may be exposed to an unspecified number of users, posing risks such as corporate data leakage and potential legal liability.

Please review the following precautions and use ChatGPT with caution.

Risk

Why Is It Risky?

Compliance Issue
Entering personal information, trade secrets, or using responses without review may lead to violations of laws such as the Personal Information Protection Act and Copyright Act

Information Leakage
Risk of compromising corporate competitiveness due to the leakage of internal data

Service Vulnerabilities
Risk of inaccurate responses and potential inclusion of malicious code

Caution

How Should You Use It?

Be Careful When Entering Questions!

- The input of source code containing sensitive information, complete source code or internal company data that may undermine corporate value is prohibited
- The entry of legally protected information or customer data is prohibited

Do Not Rely on the Responses!

- Requirement for pre-validation in view of potential response inaccuracies and copyright violations
- Caution against malware infection when accessing URLs included in responses

Make sure to check with an internal expert!

- If individual judgment is difficult, seek support from the Information Security or Legal team

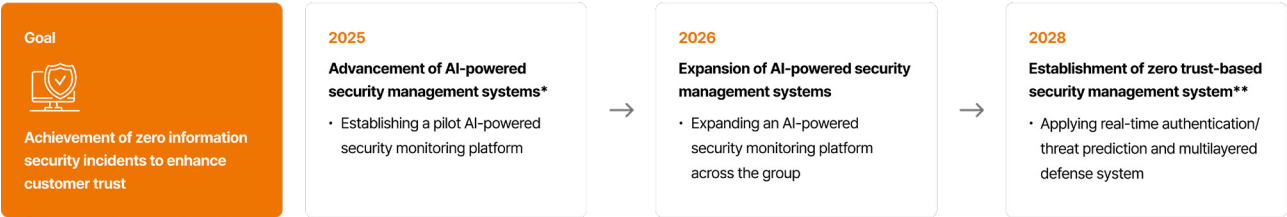
In addition to the above examples, all members are strongly advised to exercise caution to prevent incidents caused by misuse.

2024 Simulated Malicious Email Training

SK Inc. Sustainability Report 2025

Information Security Goals

Strengthening Information Security



* AI-powered security management system: A security operations system that utilizes artificial intelligence (AI) technology to detect, analyze, and respond to security threats in a more intelligent and efficient manner

** Zero trust security: A security operations method based on the principle of “never trust, always verify”, which involves the continuous verification, control, and monitoring of all access requests to IT infrastructure, while granting only the minimum privileges required

Service Quality and Reliability

Delivering reliable services is essential for increasing customer satisfaction, strengthening brand reputation, and gaining a competitive edge. SK Inc. has established principles and systems to manage service quality and proactively prevent risks, while actively collecting customer feedback regarding service quality.

Service Quality Governance

Service Quality Principle

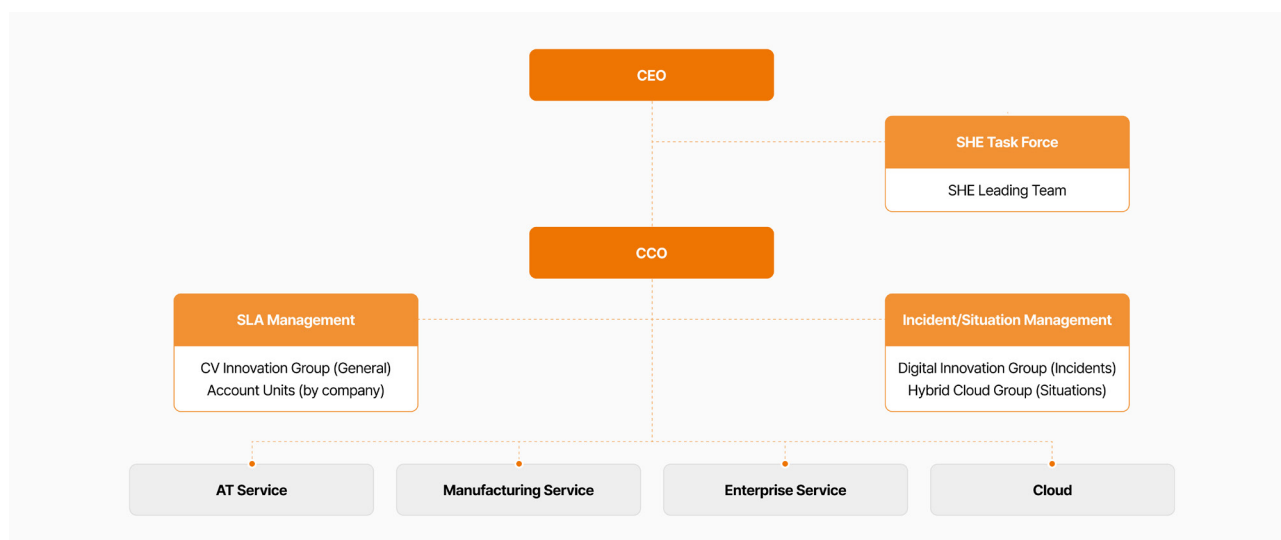
Seven Principles of SGRs (Service Golden Rules)

- SK Inc. has defined seven core SGR principles to ensure uninterrupted delivery of IT services
- All employees are required to adhere to the service quality principle, and any violations are subject to penalties in accordance with company regulations

1. Identify targets for preventive inspections and conduct them on a regular basis.
2. Ensure compliance with the change management process for modification activities, including prior approvals.
3. Define backup targets and schedules, perform backups regularly, and verify results.
4. Define and manage monitoring targets and key performance indicators (KPIs) based on the business criticality of each customer.
5. Immediately escalate and respond upon identifying an incident and establish and implement recurrence prevention measures after resolution.
6. Adhere to operational protocols and ensure that tasks performed by supplier companies are conducted under SK Inc.'s supervision.
7. Comply with the security process, including vulnerability assessments during implementing new service, changes, and termination

Service Management System

Dedicated Organizations



- SK Inc. has established a service management system by forming a dedicated organization for SLA management and incident/situation management, led by operations service executives under the Chief Client Officer (CCO)
- In the event of a major IT incident, reports are submitted to the Group's SUPEX Council, which oversees its management and review
- To enhance incident response capabilities and strengthen customer trust, SK Inc. has adopted the 'Key Operational Principles (7 Principles)' aimed at eliminating human-error-related incidents, preventing major incidents, and enabling swift response
- Recurrence prevention measures and the embedding of those practices into operations are discussed based on the root causes of major incidents

Operation of Organizations under the Group ICT Committee

- SK Inc. operates the DT Subcommittee and the IT Planning Team Leaders' Council under the Group ICT Committee to deepen customers' insight into IT/DT
- The IT Planning Team Leaders' Council facilitates networking activities aimed at enhancing DT competitiveness across the SK Group, fostering synergy, and strengthening collaboration among member companies

DT Subcommittee	IT Planning Team Leaders' Council
· Responsible for promoting and implementing group-wide DT initiatives · Comprised of CSOs or DT 2.0 initiative executives from 21 member companies · Presents tasks to member companies, drives execution through L/H/C, and provides DT technologies and a shared group-wide DT platform	· IT Planning Team Leaders' Council · Composed of IT planning team leaders from 18 member companies · Engages in identifying new DT tasks and discussing shared IT issues · Conducts activities such as seminars with invited experts and networking to foster collaboration among member companies

Quality Management Certification

- SK Inc.'s quality management system has been internationally and domestically recognized through certifications granted by reputable organizations
- By undergoing annual external audits to maintain these certifications, the company demonstrates its ongoing commitment to systematic quality management and stable operations

Certification	Certifying Body	Certification Details
Quality Management System (ISO 9001)	ISO	Initial certification acquired in 2000 Recertified in 2024 (valid through 2027)
IT Service Management System (ISO 20000)	ISO/IEC	Initial certification acquired in 2006 Recertified in 2024 (valid through 2027)

Service Interruption Management

Service Interruption Risk Management

- Service interruptions are categorized based on the duration of downtime experienced by customers, and incident cases are managed accordingly
- The potential financial loss associated with service interruptions is assessed, along with estimated downtime
- Mock drills and scenario-based training sessions are conducted at least twice a year to manage company-wide incident situations and ensure business continuity, with global sites conducting such training four times annually

Service Quality Risks

Category	Description	Response Activities
Facility-related Risk	Data center fire	· Conducting fire response drills based on detailed response plans, including fire reporting, personnel readiness, and situation communication
	IT system failure	· Conducting awareness campaigns and distributing letters to employees · Operating a quality inspection tool for data models · Providing development quality support/inspection services · Sharing best practices for incident recurrence prevention and operational quality improvement, as well as incident case studies
IT-related Risk	System incidents, including hacking	· Distributing letters to employees on malicious email prevention, email security guidelines, and data leak prevention · Updating IT system vulnerabilities · Conducting simulated drills for malicious email response · Providing guidance for handling incidents of dark web exposure
	SLA management	· Monitoring management items, assessing service quality, and performing reporting and documentation

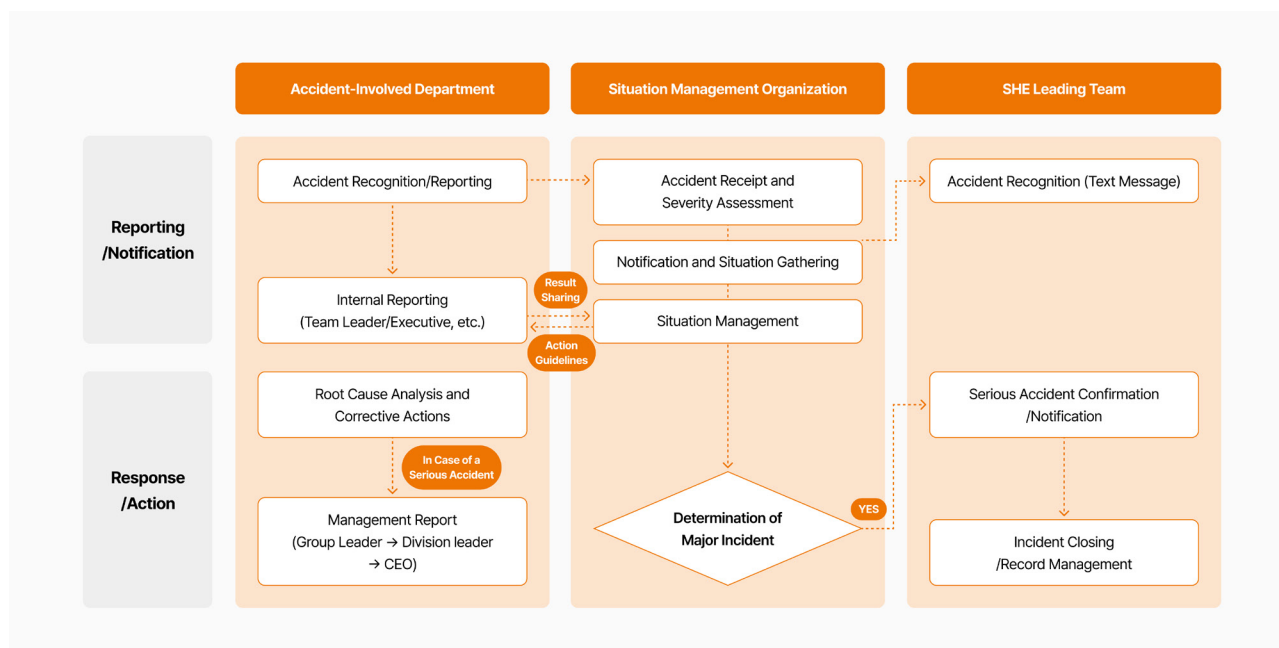
Service Incident Response

Critical Principal for IT Service Operation

1. No change work is allowed without a change plan
2. All work must be conducted by a team of at least two people, including in-house personnel
3. Simultaneous tasks in both operational and development environments are prohibited
4. In case of operational errors, thoroughly verify all high-impact backups and high-risk commands
5. For services with expiration dates, such as certificates, necessary actions must be taken before the expiration
6. Immediately report and escalate any incident upon occurrence
7. Collaborate with domain experts to ensure prompt incident resolution

Service Incident Response System

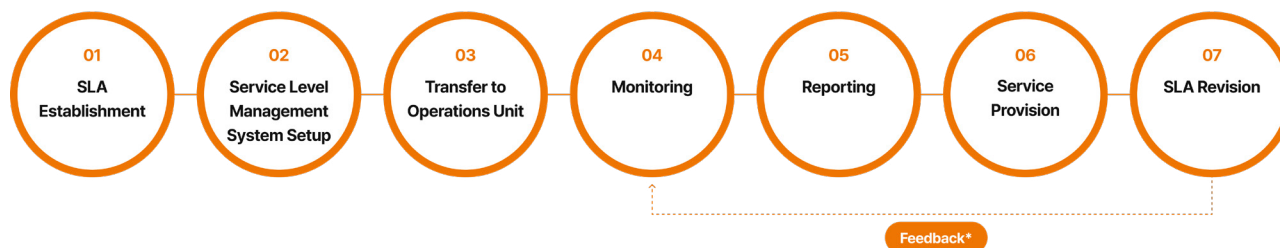
- An incident communication and management system is in place for group-wide common services, including 13 key services such as the group portal and Hangarae
- Each division is responsible for establishing recurrence prevention measures and conducting quarterly reviews to ensure implementation, thereby improving overall service quality
- In the event of a major incident, an executive-led incident management system is activated to strengthen control and coordination of the response



Service Level Management

- Potential service issues are identified in advance, and service levels are measured and managed quantitatively to improve service quality and customer satisfaction
- Key management items are monitored and service quality is assessed using a service level management system (SLA, Service Level Agreement)
- Performance reports on service delivery are utilized to identify major issues, and service evaluation meetings are held every month

SLA Operation Procedure



* Results of SLA revision are reflected in monitoring activities

Customer Satisfaction

Customer Satisfaction Survey

- Customer needs and dissatisfaction factors are identified and analyzed based on the results of the customer satisfaction survey (CSI)
- An online survey is conducted with IT personnel from client companies and internal business representatives to collect customer VOC and determine key areas for improvement based on factors contributing to lower scores
- The survey items are structured around five key areas that comprehensively cover the overall customer experience
 - Capability: Industry expertise, level of ITS/DT capabilities
 - Management System: Adequacy of the overall structure for project and service operations, including organizational structure, work scope and schedule adherence, and provision of suitable personnel
 - Relationship: Communication, collaboration, and sense of responsibility in building a trust-based relationship with customers
 - Customer Value Proposition: Customer value activities aimed at enhancing customer business performance, including identifying new initiatives and conducting marketing activities
 - IT Service Quality: Service quality management activities, including process compliance, quality improvement, integrated incident management, and internal enhancements

2024 Customer Satisfaction Survey

Survey Overview	Survey on the satisfaction level with in-house IT services
Survey Target	3,160 system users from member companies
Survey Method	Customer satisfaction measured using a 7-point scale by category, then converted to a 100-point scale
Survey Details	Evaluation and identification of improvement areas in three categories (quality assessment by category/system usability evaluation/comparative evaluation of IT service providers)
Survey Results	Overall satisfaction score: 70.4

Customer Satisfaction Management

- To strengthen trust-based partnerships with customers, the annual customer satisfaction target is set at an 'Outstanding' level (70 points or higher), and company-wide efforts are continuously made to improve IT services
- In addition to the overall score, the company analyzes satisfaction levels by specific area and identifies factors contributing to score declines. Based on these findings, improvement tasks are identified from the customer's perspective, and internal operations and collaboration processes are refined to enhance service quality and customer value
- Since 2022, the company has maintained an 'Outstanding' level of customer satisfaction for three consecutive years

VOC Process



4-Year Customer Satisfaction Trend

Year	2021	2022	2023	2024
Customer satisfaction score*	67.6	70.7	72.1	70.4

* Since 2023, the 'Security Service' has been separated; the scores for the three years after 2021 have been adjusted accordingly

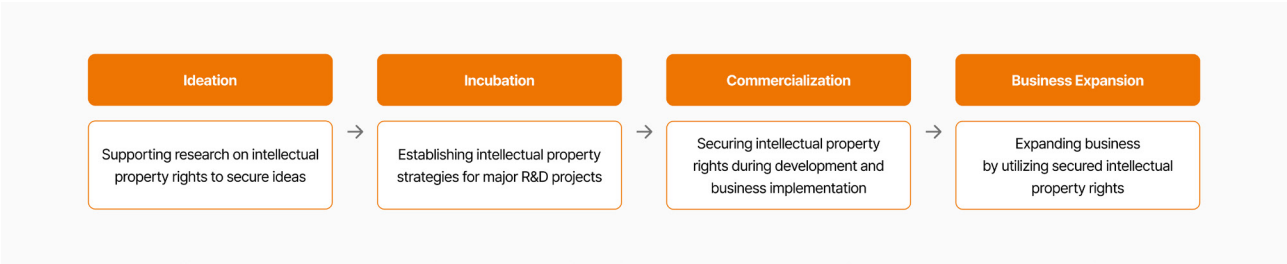
* Satisfaction score criteria: 80 or above (Excellent), 70 or above (Outstanding), 60 or above (Average)

R&D Intellectual Property Management

IPR Strategy

- Support for business expansion through company-wide branding, digital asset trademark acquisition, and P/F and copyright registration
- Patent infringement risk assessment for major platforms and timely acquisition of IP rights
- Company-wide compliance obligation risk assessment (IPR)

Intellectual Property Management Process



Patent Holdings by Field (2024)

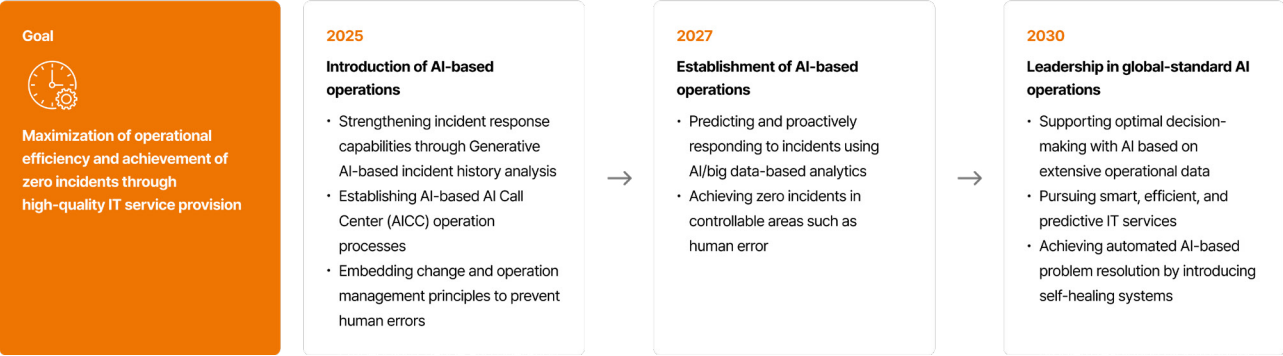
Field	Number of Patents Granted/Registered
AI	31
Blockchain	13
Cloud	2
Data	17
Healthcare	1
Financial Strategy	11
Solution	19
Manufacturing	65
Telecommunications	31
Integrated Service	1
Existing Business	57
Clean Technology (Eco-friendly)	15
Total	263

Status of Owned Licenses and Data Processing/Storage Capacity (2025)

Category	Status	Description
Number of Owned or Subscribed Licenses	216 licenses (owned)	8 provided via cloud (3.7%)
Data Processing Capacity	461 servers	9,286 cores
Data Storage Capacity	1,012TB	Capacity of general server disks and SAN storage

* Based on the company's own assets, excluding customer-owned equipment used in operations and services. No outsourcing equipment is used for data processing or data storage

Service Quality Management Goals



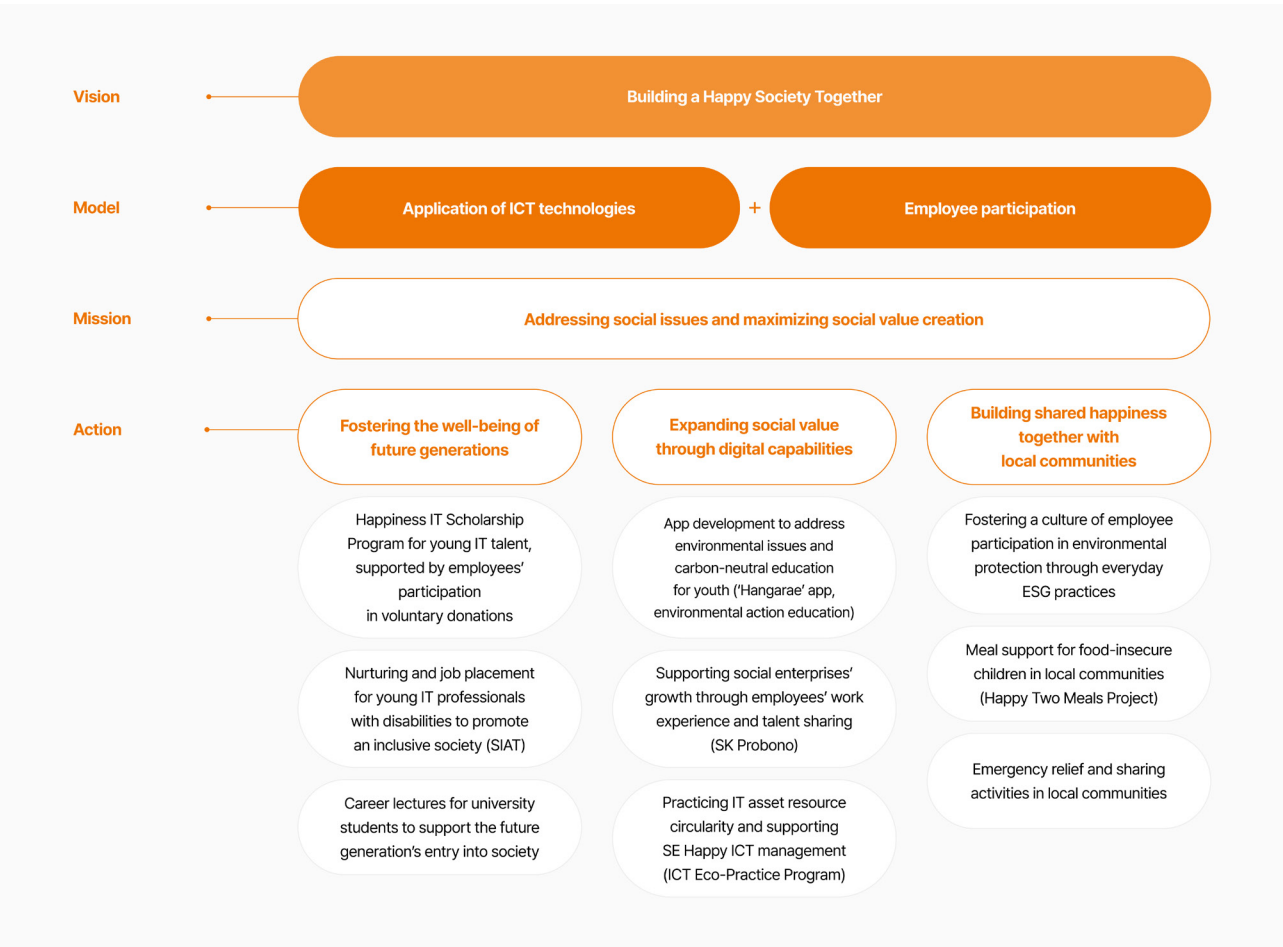
Social Contribution

SK Inc. operates various support initiatives and programs aimed at addressing social issues and creating social value, with the goal of realizing a ‘Happy Society Together’ in collaboration with local communities.

Community Engagement Policy

- SK Inc. carries out social contribution activities based on communication with local communities
- The Strategy and ESG Committee, under the Board of Directors, reviews major local community risks identified through stakeholder engagement

Community Engagement Policy →



Community Engagement

- SK Inc. engages in regular communication with key stakeholders to identify and support urgent local issues and underserved areas in need of assistance
- SK Inc. strengthens community engagement through collaboration and partnerships with local public-private councils (such as Community Welfare Councils), organizations and institutions (including Volunteer Centers and Sustainable Development Councils), and social enterprises

Key Social Contribution Activities

Fostering the Well-being of the Next Generation

- SK Inc. is implementing the Stepping Stone Project to support the well-being of the future generation by addressing key social issues. The program includes scholarship initiatives to support education and vocational training to aid their transition into society
- This program contributes to UN SDG Goal 4 (Quality Education) and Goal 8 (Decent Work and Economic Growth)

Overview of Next Generation Development Initiatives



Performance in Fostering the Next Generation

Program	Category	Unit	2024 Performance
Happy IT Scholarship Program	Scholarship amount	KRW thousand	127,442
	Number of scholarship recipients	Persons	32
SIAT Project	Number of hires (graduates)	Persons	37(40)
	Number of hiring companies	Companies	26
Career Lectures	Number of participants	Persons	10

Promoting Social Value Through Digital Capabilities

- SK Inc. promotes social value by leveraging its digital capabilities to develop and support participatory platforms that enable engagement in solving social issues, as well as by encouraging employees to contribute their professional expertise through talent donation
- These programs contribute to the achievement of UN SDG Goal 8 (Decent Work and Inclusive Economic Growth), Goal 9 (Building Resilient Infrastructure), and Goal 12 (Responsible Consumption and Production)

Overview of Digital Competency Development Initiatives



Performance in Expanding Social Value

Program	Category	Unit	2024 Performance
Environmental Practice Education	Number of registered participants	Persons	72,831
	Number of companies/organizations that participated	Entities	108
	Amount of social value created	KRW 100 million	30.6
SK Probono	Number of participants	Persons	124
	Participation time	Hours	1,726
	Number of supported social enterprises	Companies	153
ICT Eco Practice	Number of total employees	Persons	70
	Number (ratio) of employees with disabilities	Persons (%)	28(40)
	Number of donated IT assets	Units	2,696

Case Government Award in the Field of Information Culture Advancement

In 2024, SK Inc. was honored with the Presidential Citation at the 37th Information Culture Month hosted by the Ministry of Science and ICT, in recognition of its contributions to advancing information culture. This award recognizes individuals and organizations that have contributed to building an inclusive digital society and promoting a healthy information culture by addressing digital disparities, fostering sound information culture, and responding to the negative impacts of digital technology.

As part of its social contribution efforts, SK Inc. has taken the lead in enhancing digital accessibility and empowering digitally marginalized groups through various programs. These include job support for ICT professionals (SIAT, Happy ICT), ICT-based technical support (Hangarae App, Speech Catch, free cloud support services), IT competency training (IT lectures for university students, Open Seed Mate, upskilling programs for currently employed individuals, and DDA programs for middle-aged individuals and women with career gaps), and the Happy IT Scholarship Program for students exploring career paths—contributing to the realization of an inclusive and sustainable digital society.

Fostering Shared Happiness and Mutual Growth with the Local Community

- As a member of the local community, SK Inc. strives to fulfill its responsibilities and roles by conducting daily ESG practice campaigns and supporting the local social safety net, thereby promoting the sharing of happiness.
- This program contributes to UN SDG Goal 1 (No Poverty) and Goal 13 (Climate Action).

Overview of Local Community Mutual Growth Initiatives



Performance in Mutual Growth with Local Communities

Program	Category	Unit	2024 Performance
Employee-led ESG Practices	Number of participants	Persons	2,653
	Number of practices	Cases	703,496
	Social value created	KRW 1 million	182
Community Support	Donation amount	KRW 1 million	50
	Number of beneficiaries	Persons	495
Kimchi-making Support for Vulnerable Groups	Donation amount	KRW 1 million	50
	Number of beneficiary households	Households	2,600

Participatory ESG Platform 'Hangarae'

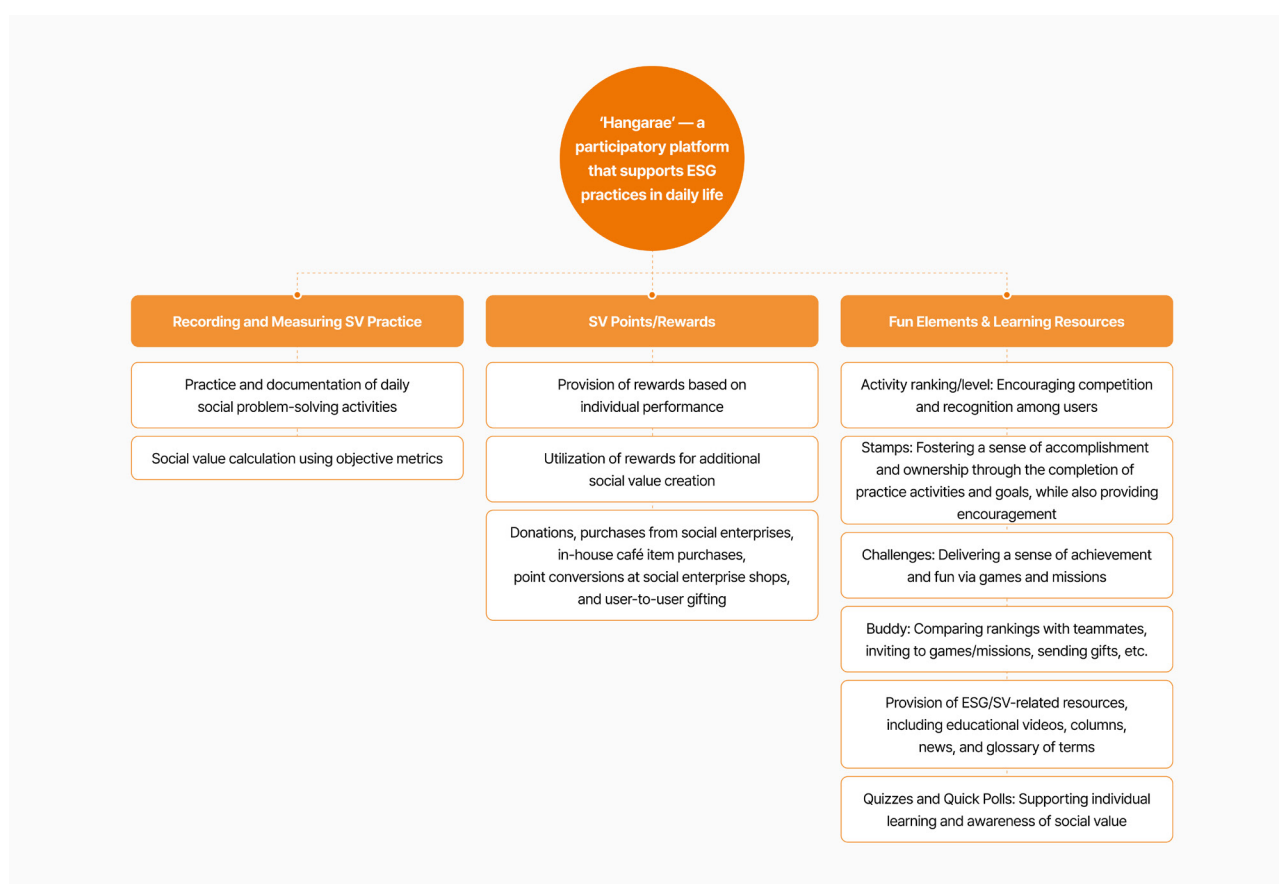
- 'Hangarae' means 'bringing happiness to tomorrow' and embodies the spirit of coming together
- It is a mobile application that guides users to easily participate in everyday activities that help address social issues, and supports continued engagement through various motivational elements and enjoyable features—encouraging consistent participation in creating social value

[Hangarae Website](#) →

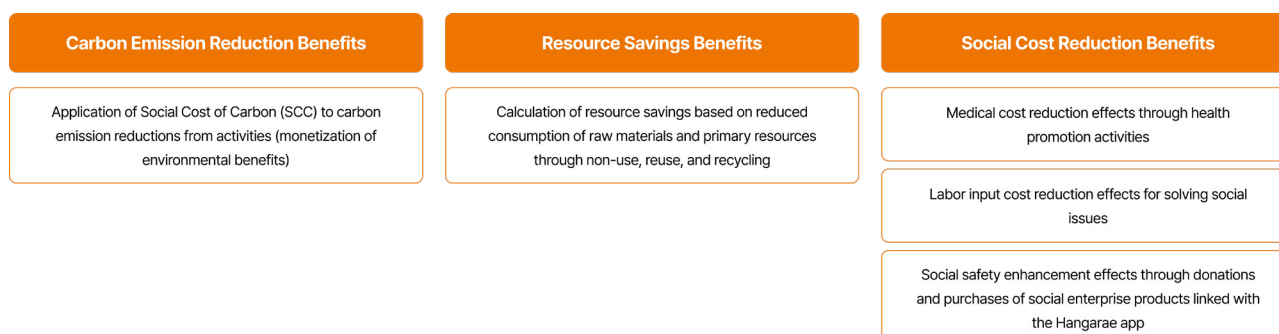
Hangarae SV Measurement

- In the ESG management landscape, measuring and managing social value is gaining importance—not only as a proactive response to stakeholders but also as a way to demonstrate organizational innovation and differentiation
- Through the 'Hangarae' app, SK Inc. quantifies the social value generated from employees' ESG activities. This measurement focuses on three primary benefit areas: reduction in carbon emissions, resource savings, and decreased social costs
- This SV measurement framework enables the quantification of the positive impact generated by ESG practices and supports the ongoing pursuit of sustainable social value creation

Key Features of the Hangarae App



Hangarae SV Measurement System



Social Value Generated through Hangarae Usage

Target	108 institutions using Hangarae (including 66 elementary, middle, and high schools, and educational institutions)
Period	January 1, 2024 – December 31, 2024 (12 months) * Performance for each institution is tracked from their respective start dates in 2024
Practice Activities and Achievements	Everyday activities such as health walking, plogging, stair climbing, zero food waste, low-carbon meals, and certified health exercises → Social value generated (KRW thousand): 3,058,569 Carbon emission reduction effect: 2,386,850 kgCO₂eq

Generated Social Value

(Unit: KRW thousand)

Practice Activity	Number of Practices (10,000 steps/ session)	Carbon Emission Reduction Effect (kgCO ₂ eq)	Amount of Social Value Created (A + B + C)	Carbon Emission Reduction Benefit (A)	Resource Saving Benefit (B)	Social Cost Reduction Benefit (C)
Healthy Walking	1,313,274	1,287,008	858,881	136,580	-	722,300
Plogging	23,924	301	119,908	31	-	119,877
Stair Use	3,105,003	32,913	21,145	3,415	1,428	16,301
Health Bicycle	37,624	21,145	24,399	2,250	17,680	4,470
Public Transport/Carpool Use	211,961	661,003	480,750	70,277	410,473	-
Eco-Friendly Vehicle Use	452	1,356	144	144	-	-
Mug Cup/Tumbler Use	652,158	18,260	103,431	1,956	101,475	-
Reusable Shopping Bag Use	85,586	4,065	4,707	428	4,279	-
Reusable/Refillable Container Use	33,988	8,674	921	921	-	-
Separate Disposal and Sorting of Resources (PET Bottles, Aluminum Cans, Batteries, etc.)	237,031	60,056	21,676	6,392	15,284	-
Recycling/Donating Used Phones	1,611	21,383	42,488	2,274	40,214	-
Zero Food Waste	588,817	89,794	212,680	9,539	203,142	-
Low-Carbon Meals	79,275	79,275	8,427	8,427	-	-
Turning Off Power (Earth Hour, Lights Off, Power Strips, etc.)	444,577	41,337	13,215	4,383	8,832	-
Saving Electricity for Home Appliances / Cooling Efficiency	25,415	15,667	5,582	1,666	3,916	-
Reducing Digital Carbon Footprint (PC, Emails, etc.)	191,145	30,547	9,876	3,248	6,628	-
Water Conservation (Using Rinse Cups, etc.)	145,680	483	1,575	52	1,523	-
Paper Saving (Double-Sided Printing, Handkerchiefs, E-Receipts, etc.)	124,920	2,423	7,610	253	7,357	-
Reuse and Share (e.g., Internal Carrot Market)	21,357	11,000	1,170	1,170	-	-
Blood Donation Certification	2,817	-	283,080	-	-	283,080
Social Contribution Activities	26,161	161	738,226	17	-	738,208
Health Exercise Verification	23,381	-	7,014	-	-	7,014
Reward Donations	48,986	-	36,555	-	-	36,555
Ethical Consumption (Buy Social)	9,471	-	55,408	-	-	55,408
Total	6,121,340 (Excluding Healthy Walking)	2,386,850	3,058,869	253,422	822,232	1,983,215

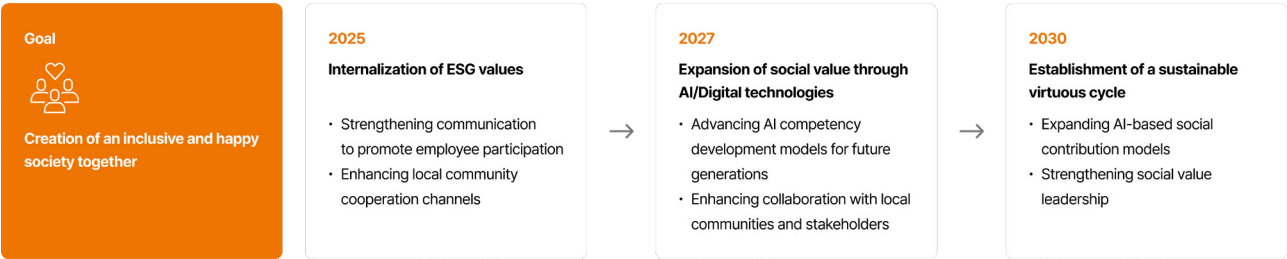
Community Risk Assessment

- SK Inc. conducts annual assessments to identify and evaluate potential adverse impacts on local communities. These assessments draw on the monitoring of local social issues through participation in community councils, stakeholder needs analyses and surveys, interviews, and community roundtables, and are further aligned with initiatives in environmental management, safety and health management, and human rights management
- Identified risks are assessed based on the likelihood of their occurrence, their potential impact on business operations, and the level of risk control. Those deemed to pose higher risks are prioritized for remediation and close management
- In 2024, risks such as fire, hazardous material leakage, and explosions were identified as having potential impact on local communities, but the overall risk level was assessed to be low. Despite this low risk, SK Inc. has continued risk mitigation efforts—such as safety inspections, training and management considering severity and potential consequences—which have resulted in no related incidents
- Risk levels associated with community-related issues are continuously monitored and managed in conjunction with the company's overall business operations

2024 Community-Related Risk Assessment and Response Summary

Category	Risks/Requirements	Control Measures	Risk Level Assessment	Result
Fire	Strengthening fire safety management standards	Establishment of emergency response guidelines	Low	0 fire incidents in 2024
	Malfunction in the fire prevention system of the company cafeteria; cooking gas explosion	Maintenance of the fire prevention system, regular safety inspections, and fire extinguisher training	Moderately high	
	Fire caused by discoloration, overheating, and corrosion of electrical equipment terminals	Regular thermal imaging scans and sharing of safety alerts with workers	Very low	
Hazardous Material Leak	Potential release of hazardous risk factors from new data center resources	Application of risk assessment processes down to the level of individual construction tasks	Low	0 leak incidents in 2024
Explosion	Explosion during pressure gauge replacement on dry valve	Worksite tidiness and organization and regular safety inspections	Very low	0 explosion incidents in 2024
	Explosion of emergency generator starter battery electrolyte	Installation of battery covers and sharing of safety precautions with workers	Very low	
Number of identified risk cases/Number of addressed cases				12 cases/12 cases

Social Contribution Goals



Social Value Creation Goals



* Social contribution programs are measured based on outcomes, such as the number of program participants who gain employment. In cases where it is difficult to measure outcomes, such as volunteer activities or donations, input costs are used as the measurement basis

Social Contribution KPI

Key Metric	2025 Target	2027 Target	2030 Target
Amount of Social Value Created*	Target of achieving KRW 3 billion in social value creation	Target of achieving KRW 3.2 billion in social value creation	Target of achieving KRW 3.5 billion in social value creation

* Social contribution programs are measured based on outcomes, such as the number of program participants who gain employment. In cases where it is difficult to measure outcomes, such as volunteer activities or donations, input costs are used as the measurement basis
* 2024 Performance: KRW 2.89 billion

Governance

Governance

Ethics and Compliance

Risk Management

Governance

SK Inc. has established and operates a robust governance structure across all phases of its business operations to build trust with diverse stakeholders—including investors, customers, and local communities—serving as a foundation for transparent decision-making and responsible management.

Board Operations

Board Operation Policy

Corporate Governance Charter

- To enhance management transparency and provide information related to governance—including shareholder rights and the responsibilities of the Board of Directors and audit bodies—SK Inc. established and publicly disclosed its Corporate Governance Charter (2018)
- To strengthen the role of the Board and expand communication with shareholders and stakeholders across all aspects of ESG management, SK Inc. specified the Corporate Governance Charter in its Articles of Incorporation through a resolution at the General Meeting of Shareholders (2021)

※ Changes in bylaw were made through a special resolution at the General Meeting of Shareholders (Articles 433 and 434 of the Korean Commercial Act)

[Corporate Governance Charter →](#)

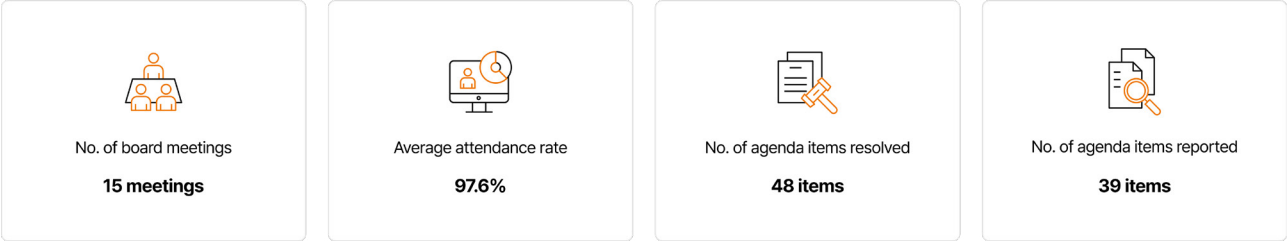
Director Appointment

- Executive and independent directors are appointed through a resolution at the General Meeting of Shareholders, in accordance with the Korean Commercial Act and the Articles of Incorporation
- For independent directors, the Nomination and Compensation Committee selects a pool of candidates and, through a rigorous screening process, recommends individuals with the necessary qualifications—taking into account expertise, independence, and compliance with relevant laws—to the General Meeting of Shareholders. Once confirmed, the recommended candidates are appointed as directors following a Board resolution to convene the General Meeting
- SK Inc. aims to maintain a Board composition in which independent directors constitute a majority (more than 50%)
- The bylaw of SK Inc. do not contain any separate provisions that limit the liability of directors

Board Operation Status

Convening and Holding Board Meetings

- Regular Board meetings are held once a month, and special meetings are convened as needed. Resolutions are passed with the attendance of a majority of all directors and the approval of a majority of those present
- Details on Board activities—including the attendance rates at board meetings and the voting records of individual directors on agenda items—are disclosed on the company website and in the business report



Efficient Board Operations

- To ensure directors’ participation in Board meetings, all directors may take part in resolutions through telecommunication means that allow simultaneous voice transmission and reception, even without being physically present
- For key agenda items, prior review is conducted by relevant committees before the Board meeting. Any questions or requests raised by directors during the committee process are reviewed by the relevant internal units, and additional explanations are provided before the Board meeting
- The Board and committee regulations explicitly state the right to seek advice from external advisory bodies
- All directors are required to maintain a minimum attendance rate of 80%, and all independent directors (a total of five) hold no more than four concurrent external positions

Board Risk Training

- To enhance the expertise and risk management capabilities of independent directors, SK Inc. conducts regular training sessions—held at least once annually—covering topics such as changes in the industrial landscape, key risks, and regulatory trends (a total of three sessions were conducted in 2024)

Training Date	Independent Directors in Attendance	Key Training Topics
June 4, 2024	Yeom, Jae Ho	Direction for portfolio rebalancing and plan for operation improvement
November 7, 2024	Yeom, Jae Ho; Kim, Seon Hee; Pak Hyun Ju Helen; Yoon, Chi Won	Direction and roadmap for Board 2.0
November 21, 2024	Kim, Byoung Ho; Yeom, Jae Ho; Kim, Seon Hee; Pak Hyun Ju Helen; Yoon, Chi Won	Semiconductor industry trends

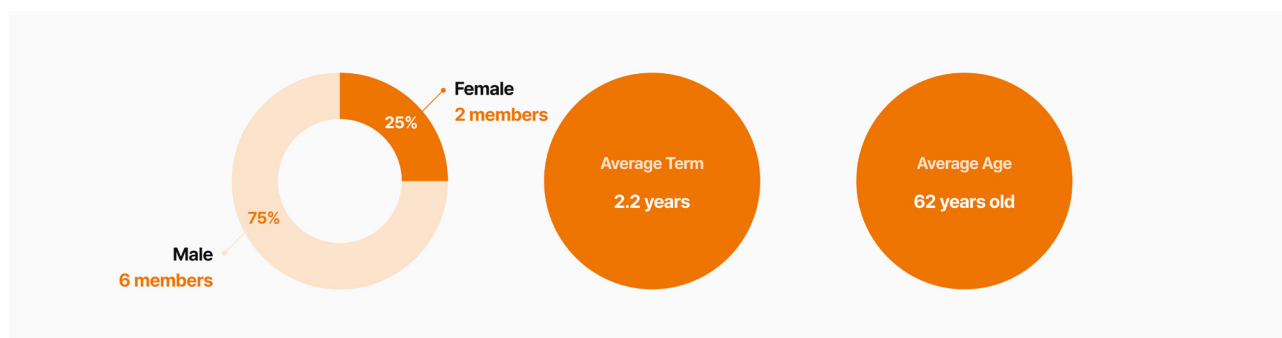
Board Composition

Board Composition Status

(As of March 26, 2025)

Name (Gender)	Responsibilities	Expertise and Major Career Background	Tenure	Years in Office*
Lee, Kwan Young (Male)	Independent Director Chairperson of the Strategy and ESG Committee	[Field] Industry Expertise, Sustainability Management [Career Highlights] · Ph.D. in Synthetic Chemistry, The University of Tokyo (Japan) · Vice President for Research, Korea University · [Current] Researcher, Korea Institute of Science and Technology (KIST)	Mar. 2025 – Mar. 2028	Mar. 26, 2025 New Appointment
Yoon, Chi Won (Male)	Independent Director Chairperson of the Audit Committee	[Field] Business Management, M&A, Globality, Industry Expertise, Risk Management (Reference criteria: Leadership, Core Industries, Finance/Risk, M&A, International Relations) [Career Highlights] · Master's Degree, Massachusetts Institute of Technology (USA) · Chairman, EQONEX · Independent Director, Hyundai Motor Company · [Current] Independent Director, SK Inc.	Mar. 2024 – Mar. 2027	1 year
Jeong, Jong Ho (Male)	Independent Director	[Field] International Relations, Law, Public Policy [Career Highlights] · Ph.D. in Anthropology, Yale University (USA) · Dean, Graduate School of International Studies, Seoul National University · [Current] Vice Chairperson, Seoul National University Foundation	Mar. 2025 – Mar. 2028	Mar. 26, 2025 New Appointment
Pak Hyun Ju Helen (Female)	Independent Director Chairperson of the Nomination and Compensation Committee	[Field] Risk Management, M&A Globality, Law [Career Highlights] · JD, Columbia Law School (USA) · Foreign Attorney, JIPYONG LLC · [Current] Senior Foreign Attorney, SHIN & KIM LLC	Mar. 2023 – Mar. 2026	2 years
Kim, Seon Hee (Female)	Independent Director Chairperson of the Board of Directors	[Field] Business Management, Finance, M&A, Industry Expertise, Risk Management [Career Highlights] · Master's Degree in Business Administration, University of Minnesota (USA) · Director, UBS Investment Bank (Switzerland) · [Current] Vice Chairperson and CEO, Maeil Dairies Co., Ltd.	Mar. 2024 – Mar. 2027	4 years
Chey, Tae-won (Male)	Executive Director Chairperson and CEO	[Field] Business and Economics, International Relations, Social Value, Sustainability Management [Career Highlights] · Completed Ph.D. coursework in Economics, University of Chicago (USA) · [Current] Chairperson, SK Innovation · [Current] Chairperson, SK hynix · [Current] Chairperson and CEO, SK Inc.	Mar. 2022 – Mar. 2028	9 years
Jang, Yong-ho (Male)	Executive Director President and CEO	[Field] Business Management, M&A, Portfolio Management, Risk Management, Industry Expertise [Career Highlights] · Bachelor's Degree in Economics, Seoul National University · CEO and President, SK Siltron · [Current] President and CEO, SK Inc.	Mar. 2024 – Mar. 2027	1 year
Kang, Dong Soo (Male)	Executive Director	[Field] Finance and Accounting, M&A, Sustainability Management [Career Highlights] · Master's Degree in Business Administration, University of British Columbia (Canada) · Head of Strategy and Finance Division, SK Innovation · [Current] Head of Portfolio Management Division, SK Inc	Mar. 2025 – Mar. 2028	Mar. 26, 2025 New Appointment

* Years in office include reappointments



Board Expertise, Independence, and Diversity

Board Expertise

- Director candidates are nominated and appointed based on their qualifications and competencies to ensure that the collective skill set of the Board contributes to the company's long-term growth and development
- The Board is composed of members with extensive expertise or practical experience in leadership; core industries (semiconductors, AI/digital, energy, bio, etc.); finance, accounting, and risk management; law and public policy; mergers and acquisitions and capital markets; international relations; and environmental, social, and governance (ESG) matters
- SK Inc. enhances the Board's expertise by providing access to seminars and training programs led by external experts

Board Skills Matrix (BSM)

Category	Name	Leadership	Core Industries	Finance/Accounting and Risk	Law/Public Policy	M&A/Capital Markets	International Relations	ESG
Independent Director	Yoon, Chi Won	●	●	●		●	●	●
	Lee, Kwan Young	●	●	●				●
	Pak Hyun Ju Helen	●		●	●	●		●
	Kim, Seon Hee	●	●	●		●		●
	Jeong, Jong Ho	●		●	●		●	●
Executive Director	Chey, Tae-won	●	●	●		●	●	●
	Jang, Yong-ho	●	●	●		●		●
	Kang, Dong Soo	●	●	●		●		●

Board Independence

- SK Inc. ensures board independence by separating the roles of the Chairperson of the Board and the CEO (with the Chairperson position held by an independent director)
- Independent directors are appointed from individuals with no special ties to management, and may not serve as directors or unlimited liability partners of other companies in the same line of business without board approval
- Directors with a special interest in a resolution of the board are restricted from exercising their voting rights on that matter

[Board Independence Guidelines →](#)

Board Diversity

- SK Inc. recognizes mutual growth with various stakeholders as a core management philosophy and strategy, and pursues diversity in board composition—including race, gender, age, nationality, education, and religion—to establish a well-balanced foundation for decision-making

[Board Diversity Guidelines →](#)

Committees under the Board of Directors

Overview of Committee Operations

- As of 2025, three committees operate under the Board of Directors, each primarily composed of independent directors to ensure independent operation
- To enhance efficiency and systematic operation, the Governance Committee and the ESG Committee were merged into the newly established Strategy and ESG Committee (December 2024)
- The Strategy and ESG Committee reviews key matters related to the company's strategy, environment, social value, and governance, as well as financial and non-financial risks associated with the business
- By including one of the CEOs as a member, the Strategy and ESG Committee expands discussions on management strategy and strengthens its overall function

Committee	Purpose	Role & Function	Independent Director	Executive Director
Strategy and ESG Committee	· Review and management of key matters related to the company's strategic direction and ESG issues	① Review mid- to long-term business strategies ② Review matters related to investment, planning, accounting, and financial management ③ Manage financial and non-financial risks ④ Plan and manage the execution and performance of key ESG-related activities ⑤ Review internal transactions not subject to Article 26 of the Monopoly Regulation and Fair Trade Act ⑥ Establish, revise, and repeal internal regulations and policies	Lee, Kwan Young* Yoon, Chi Won Pak Hyun Ju Helen Kim, Seon Hee Jeong, Jong Ho	Jang, Yong-ho
Personnel and Nomination Committee	· Deliberation on the nomination of independent director candidates, evaluation and retention of the CEO, and assessment of the appropriateness of executive directors' compensation	① Review the appropriateness of individual compensation for executive directors ② Evaluate the CEO, review retention or recommend a successor candidate ③ Deliberate and resolve on the nomination of independent director candidates ④ Address other matters necessary for nominating independent director candidates and those delegated by the Board of Directors	Pak Hyun Ju Helen* Jeong, Jong Ho	Chey, Tae-won
Audit Committee	· Audit of accounting and business operations, and supervision of risk and internal control management	① Review matters related to accounting and external auditors ② Review internal audit plans and provide feedback on audit outcomes ③ Conduct prior review of internal transactions ④ Oversee ethics and anti-corruption management ⑤ Address other matters stipulated by laws, the Articles of Incorporation, or the Board regulations	Yoon, Chi Won* Pak Hyun Ju Helen Kim, Seon Hee	

* Chairperson

Director Remuneration

Board Compensation

- In accordance with legal requirements, director remuneration is paid within the limits approved by the General Meeting of Shareholders, with the amount and calculation method disclosed in the business report
- The Nomination and Compensation Committee reviews individual remuneration for executive directors, and the final decision—including for independent directors—is made by the Board of Directors
- Compensation for senior management is determined based on an effective performance evaluation that incorporates key indicators such as revenue, operating profit, debt ratio, cash dividend payout ratio, total shareholder return, credit rating, growth rate, and the Sustainability Rate
- ESG factors are incorporated into the KPIs of all executives, including the CEO, with the 2024 KPIs covering initiatives such as improving the employee happiness index, achieving top-tier global ESG ratings, and expanding discussions of key ESG-related agenda items within the Board and the Strategy & ESG Committee
- KPI scores influence the Target Incentive component of performance-based pay, which is calculated based on the overall KPI achievement rate and incorporates ESG-related factors
- The Board of Directors resolves the performance evaluation of senior management, and their compensation is provided within the director remuneration limit approved by the General Meeting of Shareholders, based on an effective assessment of management performance.
- A three-year performance linkage period is applied, and long-term incentives are granted to management by directly linking compensation to corporate sustainability
- Stock grants are awarded using treasury shares

Board Performance Evaluation

- To enhance the transparency and effectiveness of Board operations, an annual Board evaluation is conducted with participation from independent directors, key internal executives, and external stakeholders. The evaluation also covers each of the Board's committees
- In 2024, a written assessment was carried out involving key executives and external stakeholders who attended Board meetings, and detailed areas for improvement were identified and incorporated into Board operations based on the analysis of the results
- The 2024 Board evaluation score was 4.5 out of 5, showing a slight decline compared to the previous year
- The Board evaluation covers five areas: (1) the roles, functions, and responsibilities of the Board; (2) Board composition and director qualifications; (3) Board operations; (4) committee structure; and (5) committee operations. The assessment consists of both quantitative scoring and descriptive evaluation

Ethics and Compliance

SK Inc. promotes transparent and responsible management by operating a structured ethical management system and a fair trade compliance program, continuously reinforcing trust with all stakeholders.

Ethical Management Governance

Operational Structure of Ethical Management

- The Audit Committee under the Board of Directors oversees risk management, internal controls, ethical management, and anti-corruption issues (14 meetings held in 2024)
- Internal audit departments are established under the Audit Committee (Risk Management & Corporate Audit for the Investment Division, Ethics Management Group for the Business Division) to carry out ethical management and risk management activities, with authority and independence ensured for each responsible organization
- The Audit Committee holds the authority to appoint and dismiss the head of the internal Audit Department (the executive in charge of ethical management), and the organization responsible for Ethical Management Group is composed of experienced professionals

Ethical Management Policy

- **Scope of Application:** Applies to all permanent, contract, dispatched, and part-time employees of SK Inc. and its subsidiaries under managerial control
- **Key Contents**
 - SK Inc. has established a Code of Ethics to clarify ethical standards of conduct for employees and has disclosed detailed practice guidelines to support its implementation
 - A zero-tolerance principle is applied to violations of the ethical standards, with disciplinary procedures enforced accordingly. All employees are required to sign an annual ethical management pledge
 - The Code of Ethics is reviewed annually to assess the need for revision, and any updates are communicated company-wide to enhance awareness and effectiveness
 - A 'Supplier Code of Ethics Pledge' has been established to outline ethical requirements for suppliers, and submission of this document is mandatory for all contracts

[Code of Ethics →](#)
[Code of Ethics Practice Guidelines →](#)

Key Areas of Ethical Management Practice

Area	Details
Anti-Bribery/Anti-Corruption	· Prohibition of receiving entertainment, hospitality, facilities, or personal benefits from stakeholders · Prohibition of offering or accepting money or valuables · Compliance with gift and gratuity guidelines (prohibition of monetary transactions between employees)
Human Rights Protection	· Mutual respect among employees (prohibition of workplace bullying) · Prohibition of human rights violations, sexual harassment, and discrimination · Prohibition of unfair treatment toward suppliers
Information Protection	· Prohibition of internal information and technology leakage · Protection of personal information of customers, business partners, and employees
Prevention of Conflicts of Interest	· Prioritization of company interests in situations involving conflicts of interest · Prohibition of secondary employment/concurrent positions or transactions with relatives' companies without prior approval · Prohibition of money laundering and insider trading · Prohibition of private use of company assets · Prohibition of false or delayed reporting
Fair Competition	· Fair transactions with suppliers and competitors (in compliance with the Fair Trade Act, the Improper Solicitation and Graft Act, the Subcontracting Act, etc.) · Prohibition of illegal political contributions
Environment, Health, and Safety	· Efforts to ensure the safety and health of employees and suppliers · Efforts to preserve the environment and comply with relevant regulations
Protection of Whistleblower Rights	· Prohibition of discrimination or disadvantage resulting from whistleblowing · Implementation of protection measures for whistleblowers and witnesses · Mitigation of disciplinary action for voluntary reporting

Internalization of Ethical Management

- SK Inc. conducts an annual ethical management pledge for all employees, which includes the company's anti-corruption principle
- Annual ethical management training is provided to all employees—including permanent, contract, and part-time staff—to enhance awareness of ethical practices and prevent corruption
- Ethical management letters are regularly distributed to share recent case examples, guidance on the use of reporting channels, and principles for protecting whistleblowers
- Specialized training is provided for newly appointed leaders to strengthen ethical leadership, along with separate compliance capability-building programs for field-based leadership roles (PM, business operation, sales personnel, etc.)

Ethical Management Training

- Training programs are developed annually based on real cases of unethical conduct
- In 2024, SK Inc. achieved a 97% completion rate for the ethical management training across the entire organization
- Supplier companies participating in SK Inc. projects recorded a 72% training completion rate

Ethical Violation Cases (Don't)	· SK Inc. collects potential cases of ethical violations that may arise during business operations and shares them as ethical guidelines to support employees in carrying out their duties
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Category	Key Details
Unethical	Basic etiquette, gifts/entertainment/hospitality, conflicts of interest, company assets and information protection, and workplace discrimination and harassment
Security	PC security, information and document management, project-related security, etc.
Subcontracting	Determination and adjustment of subcontracting payments, payment of subcontracting fees, failure to issue written contracts, inspection and result notification, unfair business interference, restrictions on subcontracting, etc.
Tax Affairs and Fair Trade	Issue-related transactions, unfair internal transactions, unfair collusive practices (anti-trust and anti-competitive behaviors), and unfair trade practices (e.g., bribery disguised as charitable donations), etc.
Reporting and Management	Pursuit of unsound business projects, false, delayed, or partial reporting, and negligence in business management

2024 Ethical Management Training Topics

Category	Key Topics (Case Examples)
Conflict of Interest (Violation of Dual Employment Policy)	· Employment at a startup that poses a conflict of interest with the company · Neglect of duties due to dual employment
Information Security	· Leakage of confidential documents to external parties · Disclosure of company information in public places · Stock trading using undisclosed internal information
Whistleblowing/Consultation	· Guidelines and precautions for reporting ethical management issues · Support for addressing concerns related to whistleblowing
Discrimination and Harassment	· Prohibited acts of workplace harassment · Reporting procedures for discrimination and harassment

2024 Ethical Management Training Participation Status

Category	Training Target Group	Target Participants	Completed Participants	Completion Rate (%)	Remarks
SK Inc.	All employees	4,264 participants	4,132 participants	96.9	Excludes dispatched workers
	Permanent employees	4,107 participants	3,991 participants	97.2	
	Temporary employees	157 participants	141 participants	89.8	Includes contract, part-time, and daily workers
Suppliers	Employees of project participant companies	7,371 participants	5,293 participants	71.8	Training completed by 580 supplier companies

* Includes all permanent, contract-based, and part-time employees of SK Inc.'s investment and business units (employees on leave or dispatched overseas, for whom training participation was not feasible, were excluded from the target participants)

Ethical Management Training for Suppliers

- All suppliers contracting with SK Inc. are required to submit a mandatory 'Supplier Code of Ethics Pledge,' which covers safety and health, environment, and ethical conduct, at the time of contract execution
- Online ethical management training is provided to supplier personnel participating in SK Inc. projects at the start of their involvement. The training includes an overview of SK Inc.'s ethical management system, major violation cases, and reporting channels

Ethical Management Practice Activities

- Through ethical management workshops, employees are trained to independently assess and resolve ethical dilemmas, and engage in team-based discussions to identify appropriate solutions
- Ethical management surveys targeting employees are conducted to assess the level of compliance in each area of the code of ethics, the effectiveness of related systems, and the degree to which ethical culture is embedded in the organization
- Ethical management surveys are conducted at the SK Group level, ensuring anonymity and objectivity, and the results are used to identify areas for improvement in ethical management for the following year

Enhancing the Expertise of the Dedicated Ethical Management Group

- SK Inc. enhances its ethical management practices and safeguards the company and its employees from various ethical risks by strengthening the professional competencies of members in the dedicated ethical management group
- All members of the dedicated group are required to complete at least one training course annually related to their assigned audit area
- In 2024, trainings were conducted on topics aligned with audit areas such as labor management, accounting, and criminal law, and all members completed external training on internal auditing for anti-corruption systems

Anti-Corruption and Anti-Bribery

Anti-Corruption and Anti-Bribery Standards

- SK Inc. has established an 'Anti-Corruption Principle' to prevent bribery and corrupt practices and operates detailed guidelines to support its implementation
- Anti-corruption training is provided alongside ethical management training to raise awareness among all employees (including permanent, contract-based, and part-time employees)
- In the event of a violation, a preliminary and full investigation is conducted according to the reporting and investigation procedure, followed by disciplinary actions and corrective measures
- Violation cases and corresponding actions are compiled and managed annually to continuously enhance the effectiveness of the anti-corruption system

[Anti-Corruption Principle →](#)

Anti-Corruption Management System

- In 2021, SK Inc. established the 'Anti-Corruption Management System Operating Regulation'
- The company obtained and has since maintained ISO 37001 certification for its anti-corruption management system through individual assessments conducted across all business sites
- In accordance with ISO 37001 certification requirements, anti-corruption risk assessments have been completed for a total of four business sites

Anti-Corruption Guidelines

Prohibition of Bribery and Corruption	Prohibition of Giving or Receiving Gifts	Prohibition of Political Donations	Prohibition of Misuse of Charitable Donations and Sponsorships
Prohibition of bribery and receipt of valuables in transactions between employees and stakeholders	Prohibition of receiving gifts from stakeholders during holidays (prohibition of providing home addresses/advance notice that gifts cannot be accepted)	Prohibition of all political and illegal donations to politicians, political parties, and affiliated organizations to prevent improper influence and conflicts of interest (in compliance with Article 31 of the Political Funds Act of the Republic of Korea, prohibiting political fund donations)	Compliance with strict internal controls to prevent charitable donations and sponsorships from being misused as bribes or for improper purposes
Establishment of an anti-corruption management system in compliance with global standards	Immediate return of gifts upon receipt		Execution of donations only after prior approval from the CFO and reporting to the CEO, regardless of the amount
Strict handling of violations and disclosure of results to employees	In case returning is not possible, transfer to the responsible department or donate to social welfare organizations		Prior approval from the board of directors required for charitable donations and sponsorships of KRW 1 billion or more
Guarantee of authority and independence for the anti-corruption compliance department	Refraining from exchanging gifts between employees of related companies		

Anti-Corruption and Anti-Bribery Training

2024 Anti-Corruption and Anti-Bribery Training Overview

Category	Key Topics (Case Examples)
Personal Use of Company Expenses	· Personal use of corporate credit cards (e.g., family meals) · Personal use and off-premises removal of company assets
False Reporting and Improper Sales Practices	· Underreporting, concealment, delay, or partial reporting · Manipulation of performance results to meet sales targets
Insider Transactions/Anti-Corruption	· Guidelines on insider transactions · Introduction to the Anti-Corruption Principle and anti-corruption management system

2024 Anti-Corruption and Anti-Bribery Training Participation Status

Training Target Group	Target Participants*	Completed Participants	Completion Rate (%)	Remarks
All employees	4,264 participants	4,132 participants	96.9	Excludes dispatched workers
Permanent employees	4,107 participants	3,991 participants	97.2	
Temporary employees	157 participants	141 participants	89.8	Includes contract, part-time, and daily workers

* Includes all permanent, contract-based, and part-time employees of SK Inc.'s investment and business units (employees on leave or dispatched overseas, for whom training participation was not feasible, were excluded from the target participants)

Compliance with Fair Competition

Compliance Management

[Fair Trade Policy →](#)

Compliance Management System

- A four-step compliance process—'CP Planning → Operation → Evaluation → Improvement/Reporting'—is implemented in a continuous cycle (third-party verification of the compliance system is also conducted)
- Major risks are analyzed and assessed to design a globally aligned compliance program, while efforts are made to foster and promote a culture of compliance across the organization
- A semiannual compliance awareness survey is conducted among employees to identify areas for improvement, which are then reflected in the following year's compliance program (CP) plan. Operational performance and plans are reported to the Board of Directors and management on a semiannual basis

Compliance Program Operation Process



Risk Identification and Management

- Risks are identified through the analysis of newly enacted or revised laws and regulations, reviews of past violation cases, and the results of employee compliance awareness surveys
- Among the identified risks, those requiring improvement are selected for focused management based on the likelihood of occurrence, impact on business operations, and the level of existing controls
- In 2024, the company designated the strengthened enforcement against the misappropriation of supplier technologies and a focused inspection of the cost-linked supply pricing system as key risks
- To mitigate these risks, compliance training was provided to employees (5,991 participants annually), and improvements were made to subcontracting and procurement processes, which were also reflected in the system
- In the follow-up assessment conducted in 2024, the risk levels of technology misappropriation, collusion, and unfair support were partially reduced; however, considering their potential impact on business operations, they were designated for continued monitoring and management

Fair Trade Compliance Program (CP)

Program Overview

- SK Inc. has implemented a Fair Trade Compliance Program (CP) to embed legal requirements and procedures into operations and to foster a culture of voluntary compliance
- The Fair Trade Compliance Manual is updated semiannually to reflect the latest amendments to relevant laws and corresponding response guidelines
- It aims to ensure that employees are well-informed about fair trade regulations and to proactively prevent the risk of violations related to fair trade and subcontracting during business operations

Key Contents of the Fair Trade Compliance Manual

- Statement of the CEO's commitment to compliance, the definition and purpose of the CP, the CP implementation framework, and the eight core elements of the CP
- Explanations of relevant fair trade laws (the Fair Trade Act, the Subcontracting Act, and Act on the Promotion Of Mutually Beneficial Cooperation)
- Explanations of other relevant laws applicable to the company (the Act on the Protection of Temporary Agency Workers, Intellectual property rights, and the Personal Information Protection Act)
- Internal regulations (related company rules, step-by-step business process guidelines, whistleblowing system, and an overview of responsible departments)

Operational Status of the Eight Core Elements of the Fair Trade Compliance Program

Core Element	Operational Status
Establishment and implementation of CP standards and procedures	· Initial enactment of the Fair Trade Compliance Program Operational Regulations (March 2009) · Initial establishment of the Fair Trade Compliance Program Operational Guidelines (March 2009) · Initial establishment of the Fair Trade Compliance Reward Guidelines (January 2013)
Top management's commitment to and support for compliance	· Internal and external declaration of the CEO's commitment to compliance (March 2009) · Display of the CEO's commitment to compliance on the company website (ongoing) · Issuance of the CEO's fair trade compliance message and employee pledge (annually)
Appointment of a Chief Compliance Officer responsible for CP operations	· Appointment of the Chief Compliance Officer through board resolution
Development and distribution of the CP Manual	· Publication of the CP Manual (2009) · Revision of the CP Manual (2010–2023, every two years) · Revision of the CP Manual (from 2024, semiannual updates)
Ongoing and systematic compliance training	· Implementation of role-based training for executives, managers and supervisors, and general staff (ongoing) · Implementation of customized training for new hires, experienced recruits, and PM/PL/sales personnel (ongoing) · Implementation of targeted training for field and high-risk departments (ongoing) · Operation of various programs including in-person/online training, CP letters, and elevator campaigns (ongoing)
Establishment of an internal monitoring system	· Operation of the Compliance Council led by the Chief Compliance Officer (ongoing) · Operation of a prior business consultation system through RM meetings, board meetings, and contract review meetings (ongoing) · Operation of the compliance monitoring system (ongoing) · Operation of a reporting and consultation center for unfair trade practices, legal violations, unethical conduct, and abuse of power (ongoing)
Disciplinary measures for violations of fair trade regulations by employees	· Implementation of various inspections and audits, including on-site and system-based reviews (ongoing) · Evaluation of the effectiveness of CP operations (semiannually) · Development and operation of various legal violation monitoring systems (ongoing)
Effectiveness evaluation and improvement measures	· Implementation of satisfaction surveys for all compliance training programs · Compliance awareness assessment for all employees (annually) · Planning for the following year based on the results

2024 Fair Trade Compliance Program Implementation Performance

(Unit: person)

Training Program	Course Details	Target Participants	Number of Trainees
Compliance Training for New and Experienced Hires	· Introduction to the company's compliance organization and program	New and experienced hires	99
Compliance Training for Team Leaders	· Fair Trade Act and Subcontracting Act training · Serious accident/Safety and health training · Ethical management compliance training	Team leaders	156
Compliance Training for Targeted Job Functions	· Fair Trade Act and Subcontracting Act · Outsourced procurement process · Act on the Protection of Temporary Agency Workers · In-house RM process · Ethical management compliance	PMs, business operations, and sales personnel	1,056
Personal Information Compliance Training	· Cloud and personal information-related laws and regulations · Technical compliance considerations for personal information	Self-registered participants	1,059
Global Compliance Training	· FCPA (U.S. Foreign Corrupt Practices Act) · GDPR (EU General Data Protection Regulation)	Self-registered participants	435
Subcontracting Compliance Training for Developers	· Subcontracting Act	Developers	36
Compliance Training for Executives	· Importance of compliance · Fair Trade Act · Improper Solicitation and Graft Act	Executives of the three CICs	60
Technology Protection Compliance Training	· Prevention of technology misappropriation under the Subcontracting Act · Patent rights	Company-wide frontline personnel	3,090
Total			5,991

Audit and Monitoring

Audit Activities

- The internal audit department conducts various types of audits annually, including regular audits, follow-up audits, investigations into whistleblower reports, and self-inspections
- All audit plans and results are reported to the Board of Directors for review and approval
- For matters requiring improvement based on audit results, implementation plans are established, and follow-up checks are conducted after a set period, with the outcomes reported to the Board of Directors
- In addition to audit reports, the results of whistleblower investigations, the status of ethical management training, the outcomes of self-inspections, and the findings of ethical management surveys are reported to and reviewed by the Board of Directors
- Overall monitoring of ethical management activities is led by the Audit Committee

Regular Audit	· Regular audits are conducted annually, with the medium-term audit plan updated to reflect organizational changes and previous audit results · Based on the medium-term audit plan, all business areas and subsidiaries are audited at least once every three years · Follow-up audits are conducted to confirm whether improvements have been made
Follow-up Audit	· Follow-up audits confirm whether corrective actions have been implemented based on audit results
Self-Inspection	· Self-inspections are carried out annually for six key functions—including human resources, finance, and procurement—based on internally established criteria · Self-inspections by respective departments are complemented by additional inspections from the ethical management department

Audit Planning

- A medium-term audit plan is established to ensure that all areas are audited at least once within a three-year period
- Audit targets and schedules are set by categorizing them into staff functions, business units, and subsidiaries, with specific audit areas finalized in alignment with the annual business plan

Category	Audit Area	Audit Plan		
		2025 year	2026 year	2027 year
Staff	Procurement	○		○
	Finance	○		○
	HR	○	○	
	Planning		○	
	Others (CEO/CCO's direct reports organization)		○	
Business	Delivery 1 (Manufacturing, Hi-Tech)	○		○
	Delivery 2 (ICT, AI/DATA)	○	○	
	Delivery 3 (General Industry, ERP)	○		○
	Cloud	○	○	
	Global	○	○	○
Subsidiaries	Subsidiaries*	○		○

* Includes domestic and overseas subsidiaries as well as overseas entities

Audit Details

- In 2024, compliance inspections were reinforced with a focus on adherence to fundamentals and principles, while risk management was enhanced by inspecting commonly vulnerable areas such as procurement and expenses, as well as oversight blind spots including overseas operations

Year	Audit Target	Audit Findings
2024	Staff	· Review of procurement (delegated purchasing by business units, non-competitive contracts) and expenses (transportation costs, project operation costs, and other major accounts) · Mandatory estimation of investment profitability based on scenario analysis and improvement of investment processes
	Business	· Organization of management systems, including strategic investment, procurement, and IT
	Subsidiaries/ Overseas Entities	· Compliance inspections (procurement, expense assets, conflict of interest) for domestic and overseas subsidiaries (10 companies) · Operational status review of domestic plants of subsidiaries · Inspection of management infrastructure at overseas entities
2023	Staff	· Review of investment and performance management, and inspection of procurement and expense execution · Improvement of procedural non-compliance in areas such as SHE and procurement · Reorganization of internal controls through process improvements in procurement, investment, and asset management
	Business	· Evaluation of project performance, including compliance with construction-related regulations and contract terms, safety management, and waste management
	Subsidiaries/ Overseas Entities	· Management diagnostics for domestic subsidiaries · Review of project performance and procurement records for subsidiaries and overseas entities
2022	Staff	· Strengthening of supplier management · Operational efficiency improvement through enhancement of procurement processes
	Business	· Inspection of project payment management status · Review of data center facility operations and building management
	Subsidiaries/ Overseas Entities	· Management diagnostics for domestic and overseas subsidiaries (4 companies)

Ethical Management Reporting

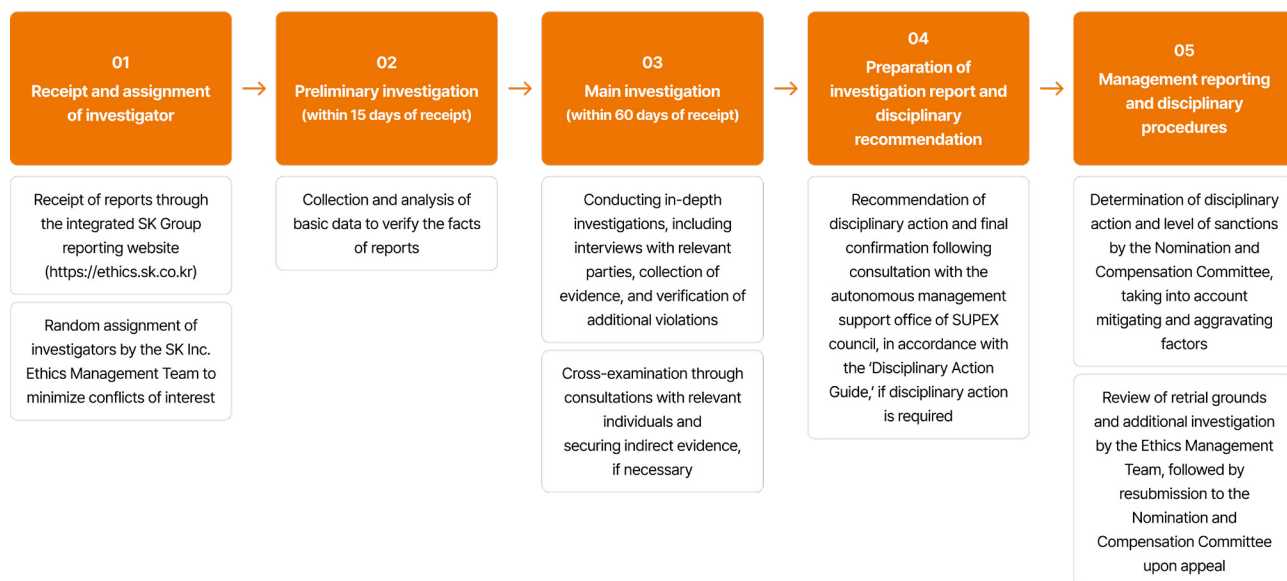
Whistleblowing Operation Principles

- All reports are managed under the SK Group's integrated management system, which operates independently from SK Inc. and is free from external interference
- Whistleblowers may report anonymously, and both their identity and report details are strictly kept confidential
- A zero-tolerance policy is enforced against any disadvantage or retaliation resulting from a report, and whistleblowers may request protective measures to prevent potential harm
- The progress of the investigation and the results of any corrective measures are disclosed and shared transparently with the whistleblower
- All employees receive annual training on ethical management and anti-corruption, which includes guidance on how to use the reporting channels and procedures

Reporting Channels

- The reporting channels are open to all stakeholders, including not only employees but also suppliers and customers who become aware of unethical conduct. All submitted reports are subject to investigation in accordance with the principle of 100% case review
- A variety of reporting channels are available, with the primary channel being the SK Group's centrally managed online whistleblowing system
 - Online reporting: <https://ethics.sk.co.kr>
 - Email reporting: ethics@sk.com, sk.ethics@sk.com

Report Investigation Process



Scope of Reporting

- **Unfair Practices and Abuse of Power Toward Suppliers:** Acceptance of money or entertainment, personal demands, equity investments, unjust instructions, verbal or physical abuse, etc.
- **Conflict of Interest in Job Duties:** Side jobs, excessive personal errands during work hours, personal loans between employees, investments using insider information, transactions with related parties, etc.
- **Undermining of Social Value:** Non-compliance with environmental/safety/health/quality regulations, infringement of human rights, neglect of socially disadvantaged groups, leakage of customer information, and provision of false information to customers
- **Lack of Respect Among Employees:** Verbal abuse, physical violence, sexual harassment, bullying, exclusion from work, instructions for personal errands, etc.
- **Inappropriate Business Practices:** False reporting, manipulation of performance, irregular business practices, improper use of expenses or company assets, information leakage, etc.

Whistleblower Protection Policy

- The whistleblower protection policy is published on the reporting website (<https://ethics.sk.co.kr>) to ensure easy access for whistleblowers
- The policy explicitly guarantees whistleblower anonymity and prohibits any disadvantage or retaliation resulting from a report

Whistleblower Protection Principles

SK Inc. recognizes the protection of whistleblower rights as a core element of ethical management and operates a protection system to ensure the confidentiality of whistleblower identities and prevent any form of disadvantage. The same level of protection is equally applied to witnesses who participate in the reporting process.

Category	Details
1. Basis for Protection Principles	· Prohibition of Disadvantage or Discrimination: Any disadvantage or discrimination resulting from the act of reporting or the submission of related statements and materials shall be strictly prohibited · Extended Protection for Witnesses: Equal protection shall be provided to witnesses who cooperate in the reporting process (effective from September 2024) · Confidentiality of Identity and Report Content: The whistleblower's identity and the content of the report shall not be disclosed without consent, and any unauthorized disclosure of identity may be subject to disciplinary action
2. Protection Measures During the Investigation Process	· Identified Reports: Prior to the investigation, an interview is conducted with the whistleblower to establish protection measures and minimize the risk of identity exposure · Anonymous Reports: Certain parts of the report may be withheld, and message exchanges with the whistleblower are conducted anonymously · Request to Suspend Investigation: If the whistleblower fears exposure of identity, the investigation may be suspended at their request · Prohibition of Whistleblower Identification Attempts: Any attempt to identify the whistleblower is strictly prohibited and subject to disciplinary action if detected
3. Post-Investigation Protection Measures	· Corrective Action in Case of Disadvantage: In the event of any disadvantage, the whistleblower may request protective measures. Appropriate actions shall be taken to remedy the situation, impose disciplinary actions on the responsible parties, and implement measures to prevent recurrence
4. Operation of Leniency Policy	· Even if an individual is involved in a violation of the Code of Ethics, disciplinary measures may be partially reduced if the misconduct is voluntarily reported. Leniency may also be granted to individuals involved in misconduct who self-report their participation ahead of others

▼ Publication of the Non-Retaliation Policy on SK Inc.'s reporting website

Non-Retaliation Policy

Informant protection program is operating to ensure that anyone can file a report without fear of any disadvantage.

01 The Informant(s) will not be subject to unfavorable change in status or discrimination due to making a legitimate report.

02 If you suffer unfavorable disposition due to your report, you may request ethical management team for rectification and protection and the ethical management team will take all measures in its power to minimize your disadvantage.

03 The informant identity and reporting details will be kept completely confidential to prevent disclosure against his/her will.

04 Individuals who cooperated with the investigation by making statements or providing evidence to help with fact-checking steps will be entitled to equal protection.

05 If an individual volunteers to report his/her engagement in unethical or unlawful conduct, applicable disciplinary action may be waived accordingly.

• Please report damages, if any, suffered or witnessed by you in the issue such as disadvantage or retaliation.

Speak up

Ethical Management Reports and Violation Status

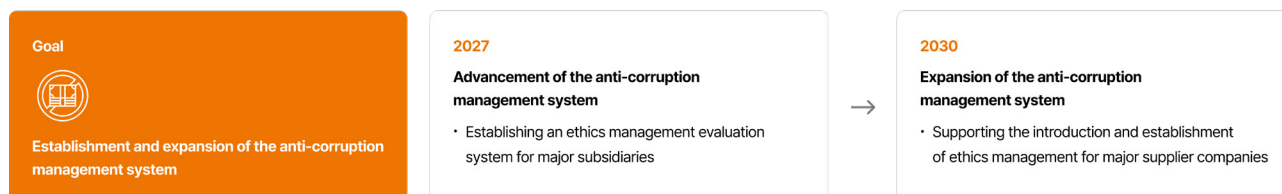
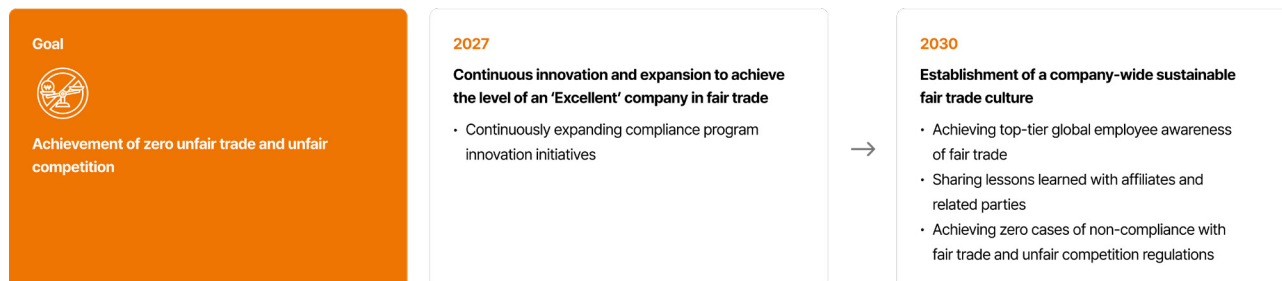
(Unit: person)

Category	2024 year
Number of Reports Received	42
Number of Reports Addressed	42
Investigation and Audit	42
Referred to Relevant Departments	0
Others	0
Number of Ethical Management Violations	18
Corruption and Bribery	5
Customer Data Mismanagement	0
Discrimination and Harassment	4
Conflict of Interest	1
Money Laundering and Insider Trading	0
Others (Process Violations)	8

Ethics Management Goals

· Recognizing ethics and compliance as core management priorities from a long-term perspective, SK Inc. sets goals to enhance ethics and compliance standards and performance, and monitors progress toward achieving these goals

Goal	Metric	2024 Status	2026 Target	Mid- to Long-term Goal
Continuous improvement of ethics management standards	SK Group Ethics Management Evaluation System rating	Average 2 Grade	Average 1 Grade	Leader Grade

Anti-Corruption Goals**Compliance Goals**

Risk Management

SK Inc. operates a proactive risk management system in which top management actively engages in company-wide risk management to identify a broad range of risks across all business activities and to detect in advance those that could have a significant impact.

Risk Management Governance

Risk Management Principle

- In 2023, SK Inc. established an integrated risk management system based on ISO 31000 and set risk management objectives to minimize company-wide impact from potential risks
- Based on the defined risk appetite, the company formulates risk management strategies aligned with its strategic direction, identifies and manages both short- and long-term risks, and maintains a preventive framework
- To prevent and mitigate risks, SK Inc. mandates company-wide risk management training for all employees to embed a strong risk management culture
- Risk management-related KPIs are assigned to the CRO and heads of risk management departments, and are reflected in performance evaluations to link compensation with outcomes

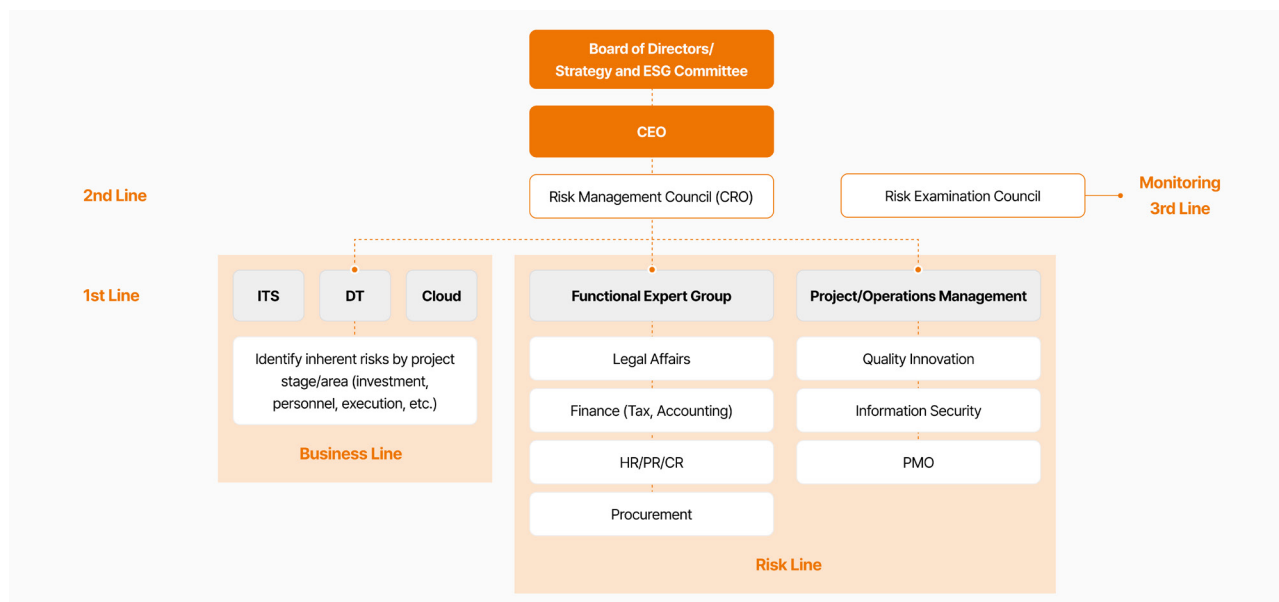
Risk Management System

Company-wide Risk Management Approach

- To minimize the company-wide impact of risks, SK Inc. operates a risk management process consisting of 'Setting risk management objectives – Identifying and Analyzing risks – Preventing and Mitigating risks – Evaluating and Improving'
- Within the company-wide risk management system, SK Inc. applies a structured management process to continuously identify, assess, and improve material issues and emerging risks, while regularly reviewing strategies and response measures based on risk levels
- Based on the company's risk appetite, SK Inc. proactively manages risks across four key areas (environmental, social, governance, and business)
- The risk management process is continuously reinforced through annual reviews, utilizing the internal audit system

Dedicated Organization

- Company-wide risks are discussed within the Risk Management Council, which serves as a system where risk management is carried out collaboratively—from business unit employees to the CRO and the Board of Directors
- The Risk Management Council is composed of personnel from company-wide RM functions, including business, finance, and legal divisions, as well as the CRO (CCO and executives from departments responsible for identified risks). The Council determines the company's risk appetite, the acceptable level of risk, based on ISO 31000
- The Risk Review Council functions as an independent body that regularly audits the implementation of company-wide risk management policies and processes based on organizational performance goals and risk ratings, and reports its findings to the Audit Committee for review and resolution by the Board of Directors



Risk Analysis

Risk Identification

- For each risk management area, the risks subject to evaluation are predefined, and all relevant risks are systematically assessed
- Risk reassessments are conducted periodically in the event of changes such as the launch or modification of businesses, products, or services; changes in organizational structure or strategy; or significant external changes including financial or economic conditions, market conditions, and debt or customer relationships, as well as in cases of revisions to legal or regulatory obligations, or mergers and acquisitions

Risk Management Areas

Area	Subcategories
Environmental Risk	Macroeconomic environment, market environment, legal/international regulations, climate change response, and natural disasters
Social Risk	Quality management, information security, safety/health, human rights
Governance Risk	Fair trade, compliance management, anti-corruption
Financial/Investment Risk	Market economy, liquidity fluctuations, price volatility, credit changes, financial losses
Business Risk	Strategy development, customer management, competitors, investors, and technological changes

Business Risk Identification

Category	Details
Delivery Risk	Scope increase, schedule delay, cost overrun, liquidated damages
Credit Risk	Management deterioration of customers, suppliers, or consortium partners, default on obligations, and occurrence of non-performing receivables
Contract Risk	Toxic clauses in MOUs, agreements, or contracts, disputes arising from non-performance, contract termination or nullification, claims for damages
Investment Risk	Investment (equity) losses, business withdrawal costs
Overseas Risk	Country risk (political, economic, cultural, regulatory, etc.)
Fair Trade Risk	Unfair trade practices (collusion, etc.), improper internal transactions, and non-compliance with obligations or prohibitions under the Subcontracting Act
Tax Risk	Fabricated or routed transactions, errors in tax invoice issuance and accounting misstatements
Legal Violation Risk	Non-compliance with applicable laws and regulations
Reputation Risk	Decline in brand value (company or group level)

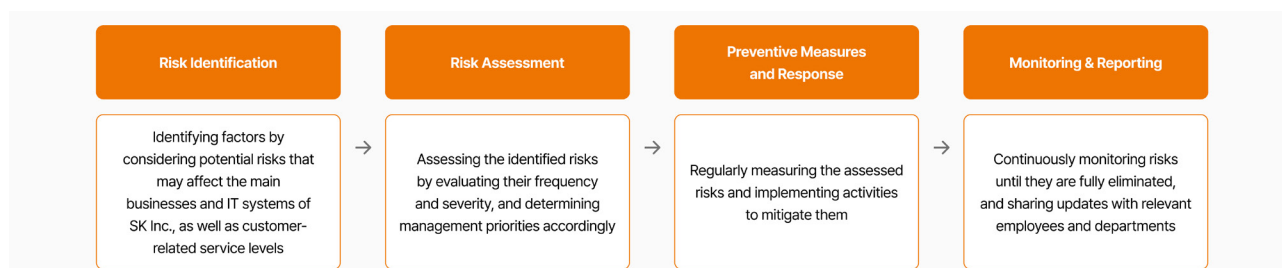
Risk Management and Assessment

Management of Key Non-Financial and Financial Risks

- Based on ISO 31000, SK Inc. determines its risk appetite—the level of risk it is willing to accept—by comprehensively assessing the likelihood of risk occurrence, severity of consequences, potential operational impact, and the criticality of affected business activities
- Risk management strategies aligned with the company's strategic direction are established based on the defined risk appetite, and both short-term and long-term risks are identified and managed through a structured preventive system
- Various risks that may arise during business operations—including financial risks (market, credit, liquidity, capital risks), investment risks, and project risks in the course of IT service delivery—are categorized and managed in a systematic manner

Risk Assessment Process

- Any risk assessment result scoring 15 points or higher is immediately reported to the relevant management and customers, followed by the implementation of appropriate measures
- Risk mitigation measures prioritize high-risk items and are implemented according to the assessed level of risk, applying strategies such as retention, reduction, transfer, or avoidance
- Business risks are reviewed and analyzed at each project phase through the company's management information system, PROMIS
- Business risks are assessed on a monthly basis, while enterprise-wide integrated risks are evaluated and reported at least once a year



Risk Assessment Framework

- Each risk assessment target is evaluated based on its vulnerability, anticipated risk level, and management requirements
- The likelihood of risk occurrence and the potential impact of its consequences are classified into levels, and risk scores (magnitude of risk) are calculated in accordance with defined criteria

Risk Score = (Likelihood + 2) × Consequence

- Likelihood: The probability of the risk materializing is rated on a scale from 1 (rarely occurs) to 5 (expected to occur continuously)
- Consequence: The impact the risk would have on the organization is rated on a scale from 1 (minimal impact) to 5 (potentially catastrophic impact)

Risk Classification by Level

Risk Level	Risk Severity	Risk Score	Management Requirement	Action
Level 1	Low	3~6	N/A	Accept current status (monitor if necessary)
Level 2	Medium -Low	7~14		Action plan and improvements needed (e.g., within 60 days)
Level 3	Medium	15~20	Management required	Prompt action plan and improvements needed (e.g., within 30 days)
Level 4	Medium- High	21~34		
Level 5	High	35		Immediate action plan and improvements needed

Likelihood

Level	Assessment Score	Description (Degree of Likelihood, Probability)
L5	5	Expected to occur continuously now and in the future (≥76%)
L4	4	High likelihood of occurrence now and in the future (51~75%)
L3	3	Moderate likelihood of occurrence now and in the future (26~50%)
L2	2	Low likelihood of occurrence now and in the future (10~25%)
L1	1	Rare likelihood of occurrence now and in the future (≤10%)

Consequence

Level	Assessment Score	Financial Impact (Loss Amount)	Description	Example
C5	5	Over KRW 30 billion	Likely to cause a critical impact on business operations and processes	Violation leading to mass customer defection or collective complaints
C4	4	Over KRW 10 billion	Likely to cause a significant impact on business operations and processes	Imprisonment and fines under applicable criminal provisions
C3	3	Over KRW 5 billion	Potential to impact business operations and processes	Administrative sanctions at or above the warning level
C2	2	Over KRW 100 million	Minor delays from normal levels in business operations and processes	Disciplinary actions with potential to escalate to warnings or administrative sanctions
C1	1	Less than KRW 100 million	Minimal impact on business operations and processes	Violation subject to internal advisory notice

Embedding a Risk Management Culture

- To proactively prevent the occurrence of risks and strengthen company-wide response capabilities, SK Inc. operates a multifaceted prevention system encompassing education, diagnostics, monitoring, response measures, and the integration of risk management into its corporate culture
- By enhancing risk awareness among all employees and establishing a proactive response system across the organization, the company builds a foundation for sustainable management

Risk Management Training

- Risk management training is implemented as a mandatory program for all employees to embed a culture of risk management
- Specialized training is provided for leadership-level employees, and tiered training is conducted based on job function and position level
- Since 2021, SK Inc. has provided annual risk management training for independent directors, covering topics such as industry and environmental risks and regulatory trends, to strengthen their risk management capabilities

2024 Risk Management Training Performance

Course Title	Target Participants	Remarks
Sexual Harassment Prevention Training	All employees	Mandatory
Disability Awareness Training	All employees	
Ethical Management/Anti-Corruption Training	All employees	
SKMS/C&C Winning Culture	All employees	
Personal Information Protection + Information Security Training	All employees	
Occupational Safety and Health Training	All employees	
Basic Compliance Training	New and experienced hires	
Compliance Training for Team Leaders	Team leaders	
Compliance Training for Executives	Executives	
Compliance Training for Targeted Job Functions (PM/PI/Sales)	PMS, business operations, and sales personnel	Optional
Technology Protection Training	All employees	
Total Number of Training Participants (including duplicate counts)		25,713 participants

Risk Report

Key Risk Identification and Mitigation Activities in 2024

Category	Area	Key Risk Description	Risk Level	Mitigation Measures	Monitoring and Implementation Verification
E	Climate Change Response	- Intensified volatility in the prices of emissions allowances and carbon credits - Increased financial burden for RE100 implementation	Level 3	- Pursuit of additional carbon credit acquisition through CDM projects and other means to achieve the 4th commitment period (2026–2030) target - Ongoing review of optimal mixed procurement strategies through monitoring of renewable energy prices (solar, wind, hydro) and government policies	ISO 14001
	Information Security	- Remediation of security vulnerabilities in the Web Keeper system - Potential violation of personal data leakage prevention measures due to the absence of a database access control solution in integrated account management	Level 1	- Version upgrade to Web Keeper 12.0 - Implementation of a database access control solution	ISO 27001
S	Safety and Health	- Increased risk of accidents in logistics automation construction projects (specialized construction sector) - Need for enhanced safety management of fire protection systems in data centers	Level 2	- Recruitment of safety management experts for the relevant process and implementation of monthly communication meetings - Implementation of fire protection system improvements at the Pangyo and Daedeok Data Centers - Strengthening of emergency response guide operation at data centers	ISO 45001
	Human Rights Management	- Ensuring fairness and objectivity of the Human Rights Management Committee - Enhanced monitoring of outsourced security operations sites	Level 1	- Review of external member participation in the Human Rights Management Committee - Request for human rights training for outsourced security personnel	HRMS Human Rights Impact Assessment
	Business Management	- Need for enhanced recording and management of incident recovery history - Need for verification of action implementation following PIR (Postmortem Incident Review)	Level 1	- Enhanced utilization of KM information by the PMO for operational risk management - Reinforcement of the management system for reporting quality, business, and operational risks	ISO 9001 ISO 20000
G	Compliance	- Prohibition of unfair collusive practices - Prohibition of providing undue benefits to related parties	Level 1	- Strengthening of compliance training - Strengthening of monitoring activities by the RM department (focused monitoring of collusion indicators during the PROMIS bidding review stage)	Fair Trade Compliance Program (CP)
	Anti-Corruption	- Collusion with suppliers to create false M/Ms and product registrations for profit sharing, involving the exchange of money or entertainment - Solicitation of employment or business deals involving acquaintances or relatives of suppliers with existing business relationships	Level 3	- Review by the procurement department on staffing adequacy, including part-time personnel - Regular communication of reporting channels to suppliers and expression of commitment to anti-corruption - Periodic surveys on unfair practices targeting suppliers	ISO 37001

Emerging Risk

Emerging Risk	Strengthening of Global Disputes and Trade Barriers	Brand Reputation Damage Caused by Misinformation and Disinformation	Intellectual Property Infringement Due to Expansion of AI
Category	Geopolitical Issue	Societal Issue	Technological Issue
Risk Definition and Description	· Heightened geopolitical tensions due to the U.S.-China competition for technological hegemony, prolonged Russia-Ukraine war, and conflicts in the Middle East · Unprecedented external risks in overseas business operations, global supply chain stability, and technology exports · Long-term and strategic risks to global value chain companies like SK Group arising from U.S.-led export restrictions on advanced industries (such as semiconductors and batteries), protectionist policies prioritizing domestic citizens in certain countries, and supply chain reshoring policies → Unlike traditional geopolitical risks experienced in the past, these changes are accompanied by structural shifts that are difficult to manage using conventional approaches, and are therefore recognized and managed as emerging risks	· Increased risk of dissemination of misinformation and disinformation due to the advancement of AI-based content generation technologies and the proliferation of social media · Emerging risk of irreversible reputational damage caused by deepfakes and the development of automated text and image generation tools that make it difficult for consumers to discern authenticity → This phenomenon is difficult to address in the short term and may lead to a decline in corporate credibility, which in turn could negatively affect consumer behavior and investor decision-making over the long term. It is considered an external emerging risk driven by technological advancement and societal change, setting it apart from traditional defamation or reputation-related risks	· Technological characteristics of generative AI involving large-scale data-driven model training and content generation · Increased risk of intellectual property infringement, including copyright and trademark violations, due to the use of external data and AI-generated outputs · Potential unauthorized use of internal corporate information for AI model training → At the global level, clear standards for intellectual property ownership of AI-generated content have yet to be established. As a result, companies utilizing such technologies must consider both legal and ethical risks, leading to the recognition of this issue as a new form of emerging risk
Risk Impact	· SK Inc. actively operates in global markets through a network of approximately 570 subsidiaries and branches worldwide, including production and sales activities in high-risk regions such as China and the Middle East · These dynamics have an impact on the performance of major SK Group subsidiaries and may have long-term implications for SK Inc.'s earnings (including equity-method gains and dividends) · Mid- to long-term financial and strategic impacts: - Increased procurement costs due to disruptions in raw material and energy supply - Decline in profitability - Weakened market access for core businesses such as semiconductors and batteries due to tighter export restrictions on advanced technology products, and the need for mid- to long-term strategic adjustments driven by rising costs for supply chain diversification and restructuring - Potential invisible damage to brand value and corporate credibility from business withdrawal or downsizing in local markets	· As the holding company of the SK Group that owns the SK brand, SK Inc. operates within a structure where reputational damage to its subsidiaries or affiliates can have a ripple effect across the entire group · The spread of misinformation and disinformation about a specific affiliate is expected to lead to a decline in SK Inc.'s brand value and a loss of trust among consumers and investors · Mid- to long-term financial and strategic impacts: - Potential occurrence of stock price decline, litigation, and regulatory risks resulting from a general decline in trust in the SK Group brand - Potential mid- to long-term financial risks, including a decrease in brand royalty income and dividend revenue from subsidiaries for SK Inc. - Increasing need to restructure corporate strategy and crisis communication systems	· As the holding company of a technology-driven group operating businesses in semiconductors, AI, and data centers, SK Inc. handles a wide range of both external and proprietary internal data in the course of its operations · With the growing use of generative AI, SK Inc. faces a potential risk of infringing on others' intellectual property rights when utilizing external data for AI training and related purposes · There is a risk that SK Inc.'s data or outputs may be used without authorization by external parties, potentially resulting in the infringement of its intellectual property rights · Mid- to long-term financial and strategic impacts: - Litigation costs and compensation payments in the event of intellectual property disputes - Decline in corporate credibility and brand value - Growing need to restructure internal control systems related to information security and IP - Overall decrease in profitability due to weakened technological competitiveness of subsidiaries
Risk Response Activities	· Strengthened monitoring of geopolitical risks and scenario-based analysis - Country-level forecasting of political and diplomatic risks and analysis of impacts on key industries · Implementation of supply chain diversification and risk avoidance strategies in high-risk regions - Regional selection and structural assessment for new overseas projects with consideration of geopolitical risks · Establishment of a management framework and inclusion of geopolitical risk as a defined item within SK Group's integrated risk management system · Management of geopolitical risks as part of the company-wide risk management framework	· Establishment of a real-time detection and response system for misinformation and disinformation - Operation of a continuous monitoring system for external channels, including media and social media · Implementation of a fact-based, proactive, and transparent communication strategy - Regular IR and NDR sessions targeting investors - Prompt response through official consumer-facing channels such as the company website, social media, and YouTube · Management of monitoring frequency based on the company-wide risk register in accordance with the company-wide risk management system	· Analysis of global trends and regulations related to intellectual property rights concerning AI and data utilization - Operation of training programs focused on relevant laws and case studies for working-level and technical staff · Periodic review of internal data usage and assessment of potential intellectual property infringement - Refinement of the process for managing data sources used in AI model training and reviewing the scope of their use · Specification of AI usage standards within internal codes of ethics and information security principle - Introduction of internal policies on AI and data utilization and application of a company-wide monitoring system · Classification and continuous monitoring of emerging risks through the identification process within the company-wide risk management system

Appendix

ESG Data

Policy & Principle

Global Initiatives

Awards, Certifications,
and Association Activities

GRI/SASB/TCFD Index

Assurance

About this Report

ESG Data

Financial Data

Summary of Consolidated Financial Performance

Category	Unit	2022	2023	2024
Revenue	KRW million	132,079,354	131,237,878	124,690,439
Operating Profit	KRW million	8,161,266	5,056,378	2,355,290
Net Profit	KRW million	3,966,176	(406,387)	528,810

Creation and Distribution of Economic Value

Category	Item	Unit	2024
Direct Economic Value Generated (A)	Revenue	KRW million	124,690,439
	Operating Costs	KRW million	113,998,912
	Employee Wages and Benefits	KRW million	2,863,397
Economic Value Distributed (B)	Payments to Capital Providers	KRW million	192,819
	Payments to Government	KRW million	803,344
	Community Investments	KRW million	7,388
Economic Value Retained (A-B)		KRW million	6,824,579

Non-Financial Data (SK Inc. Basis)

Environmental

1. Data was compiled based on the Greenhouse Gas Emissions and Energy Consumption Statement, covering 18 business sites
(Investment Division): Seorin Office/SKMS Research Center, Yeongju Headquarters/Dongtan Research Center/Sangju Plant/Seoul Office/Sejong CRD Headquarters (Data pertains to the Materials CIC within the SK Specialty Co., Ltd. Business site)
(Business Division): Gwangju POS/Busan POS/Seongnam POS/Pangyo Data Center/Daedeok Data Center/Jeongja Office/Pangyo Office/Jongno Integrated Office/Yeouido Hub Office/Sunae Office/Ackerton Partners
2. A dash ('-') is used to indicate items not applicable or where data was not collected or managed
3. SK Inc. is not subject to management requirements for air pollutants, water pollutants, hazardous waste, or volatile organic compounds (VOCs)
4. All quantitative data, except for a few metrics, has been rounded to the first decimal place. This rounding rule has also been applied to the past three years (2021–2023)

Energy Management

Category	Item	Unit	2021	2022	2023	2024
Total Energy Consumption (Non-renewable + Renewable)	Total	MWh	199,723.33	267,660.27	284,165.76	304,183.97
		TJ	1,853.73	2,491.62	2,653.17	2,861.97
	Intensity (per KRW 1 billion in revenue)	TJ/KRW billion	0.67	0.74	0.64	0.77
	Intensity (per employee)	TJ/person	0.42	0.54	0.58	0.65
Non-renewable Energy Consumption	Total (Domestic)	MWh	193,806.75	244,887.54	234,145.11	232,058.97
		TJ	1,796.93	2,273.00	2,172.97	2,169.57
	Diesel	TJ	1.44	2.33	2.36	2.42
	Gasoline	TJ	10.98	10.21	10.99	8.60
	Propane	TJ	1.23	0.97	1.02	0.81
	Electricity	MWh	183,203.97	233,104.21	221,674.36	222,358.90
		TJ	1,758.76	2,237.80	2,128.07	2,134.65
	City Gas	TJ	10.31	10.38	9.31	9.64
	Steam	TJ	14.21	18.53	21.23	13.45
	Total (Overseas)	MWh	-	-	0.00	0.00
		TJ	-	-	0.00	0.00
	Diesel	TJ	-	-	0.00	0.00
	Gasoline	TJ	-	-	0.00	0.00
	Propane	TJ	-	-	0.00	0.00
	Electricity	MWh	-	-	0.00	0.00
		TJ	-	-	0.00	0.00
	City Gas	TJ	-	-	0.00	0.00
	Steam	TJ	-	-	0.00	0.00
	Total Non-renewable Energy Consumption (Domestic + Overseas)	MWh	193,806.75	244,887.54	234,145.11	232,058.97
		TJ	1,796.93	2,273.00	2,172.97	2,169.57
	Intensity (per KRW 1 billion in revenue)	TJ/KRW billion	0.65	0.67	0.53	0.59
	Intensity (per employee)	TJ/person	0.40	0.49	0.47	0.49
Renewable Energy Generation/Consumption	Total Solar Power Generation (Domestic)	MWh	216.58	872.73	820.65	825.00
		TJ	2.08	8.38	7.88	7.92
	Total Consumption (Domestic)	MWh	5,916.58	22,772.73	50,020.65	72,125.00
		TJ	56.80	218.62	480.20	692.40
	Solar Power Consumption	MWh	216.58	872.73	820.65	825.00
		TJ	2.08	8.38	7.88	7.92
	Green Premium Purchase	MWh	5,700.00	21,900.00	49,200.00	71,300.00
		TJ	54.72	210.24	472.32	684.48
	Total Consumption (overseas)	MWh	-	-	0.00	0.00
		TJ	-	-	0.00	0.00
	Solar Power Generation	MWh	-	-	0.00	0.00
		TJ	-	-	0.00	0.00
	Green Premium Purchase	MWh	-	-	0.00	0.00
		TJ	-	-	0.00	0.00
	Total Renewable Energy Consumption (Domestic + Overseas)	MWh	5,916.58	22,772.73	50,020.65	72,125.00
		TJ	56.80	218.62	480.20	692.40
	Renewable Energy Consumption Ratio	%	3.16	9.70	18.10	24.19
	Intensity (per KRW 1 billion in revenue)	MWh/KRW billion	2.15	6.76	12.09	19.46
	Intensity (per employee)	MWh/person	1.33	4.95	10.87	16.38

※ The total amounts of greenhouse gas emissions and energy consumption follow the guidelines for reporting and verification under the Emissions Trading Scheme (ETS), and may differ from the sum of detailed data

※※ Non-renewable electricity consumption is calculated excluding the Green Premium purchase amount

※※※ Energy consumption target for 2024: 2,535 TJ

Greenhouse Gas Emissions

Category	Item	Unit	2021	2022	2023	2024
Direct GHG Emissions (Scope 1)	Total	tCO₂eq	1,432.5	1,430.9	1,433.9	1,282.8
	Intensity (per KRW 1 billion revenue)	tCO ₂ eq/KRW billion	0.52	0.42	0.35	0.35
	Intensity (per employee)	tCO ₂ eq/person	0.32	0.31	0.31	0.29
Indirect GHG Emissions (Scope 2)	Total (Location-based)	tCO₂eq	84,677.1	107,782.5	125,207.2	135,381.9
	Intensity (per KRW 1 billion revenue)	tCO ₂ eq/KRW billion	30.8	32.0	30.3	36.5
	Intensity (per employee)	tCO ₂ eq/person	19.0	23.4	27.2	30.7
	Total (Market-based)	tCO₂eq	-	-	102,604	102,625.9
	Intensity (per KRW 1 billion revenue)	tCO ₂ eq/KRW billion	-	-	-	27.7
	Intensity (per employee)	tCO ₂ eq/person	-	-	-	23.3
Other Indirect GHG Emissions (Scope 3)	Total	tCO₂eq	13,391,021.0	11,529,818.0	13,860,199.7	14,210,016.3
	1. Purchased Goods & Services	tCO ₂ eq	7,480.4	7,854.0	8,307.3	22,532.6
	2. Capital Goods	tCO ₂ eq	2,588.4	1,840.0	1,701.3	351.0
	3. Fuel- and Energy-related Activities Not Included in Scope 1 or 2	tCO ₂ eq	84.4	8,402.0	9,876.5	21,016.4
	4. Upstream Transportation & Distribution	tCO ₂ eq	12.1	7.0	13.2	22.5
	5. Waste Generated in Operations	tCO ₂ eq	29.8	1.0	7.9	2.6
	6. Business Travel	tCO ₂ eq	896.0	2,129.0	3,012.9	2,596.3
	7. Employee Commuting	tCO ₂ eq	3,324.3	1,900.0	941.7	743.4
	8. Upstream Leased Assets	tCO ₂ eq	0.0	-	-	-
	9. Downstream Transportation & Distribution	tCO ₂ eq	-	-	-	-
	10. Processing of Sold Products	tCO ₂ eq	-	-	-	-
	11. Use of Sold Products	tCO ₂ eq	56,441.9	61,926.0	65,499.8	111,790.7
	12. End-of-life Treatment of Sold Products	tCO ₂ eq	264.8	291.0	307.3	277.2
	13. Downstream Leased Assets	tCO ₂ eq	-	-	-	-
	14. Franchises	tCO ₂ eq	-	-	-	-
	15. Investments	tCO ₂ eq	13,319,899.0	11,445,468.0	13,770,531.7	14,050,683.6
	Other Upstream	tCO ₂ eq	-	-	-	-
	Other Downstream	tCO ₂ eq	-	-	-	-

* Market-based emissions reflect the use (purchased amount) of renewable energy

** Scope 1+2 emissions target for 2024: 156,718.6 tCO₂eq

Water Management

Category	Item	Unit	2021	2022	2023	2024
Municipal Water Withdrawal	Total	Ton	45,107.0	52,666.0	102,794.0	116,389.5
Groundwater Withdrawal	Total	Ton	-	-	-	3,801.1
Water Withdrawal by Major Business Sites*	Pangyo Data Center	Ton	-	41,400.0	62,637.0	58,572.0
	Pangyo Office	Ton	-	11,266.0	11,295.0	10,664.0
	Sunae Office	Ton	-	-	-	23,012.0
	Seorin Office	Ton	-	-	15,338.0	16,558.8
	SKMS Research Center	Ton	-	-	8,165.0	9,537.0
	SK Specialty Co., Ltd. Sejong CRD Headquarters	Ton	-	-	-	255.8
	SK Specialty Co., Ltd. Seoul Office	Ton	-	-	-	1,591.0
Water Consumption	Total	Ton	50,135.0	55,452.0	104,564.0	121,871.5
	Intensity (per KRW 1 billion revenue)	Ton/KRW billion	-	16.5	24.4	32.9
	Intensity (per employee)	Ton/person	-	12.0	22.0	27.7
	Consumption Target (for the reporting year)	Ton/KRW billion	16.4	14.8	10.9	12.2
	Total Consumption by Major Business Sites	Ton	-	-	-	121,871.5
	Pangyo Data Center	Ton	-	-	-	60,253.0
	Pangyo Office	Ton	-	-	-	10,664.0
	Sunae Office	Ton	-	-	-	23,012.0
	Seorin Office	Ton	-	-	-	16,558.8
	SKMS Research Center	Ton	-	-	-	9,537.0
Water Discharge	SK Specialty Co., Ltd. Sejong CRD Headquarters	Ton	-	-	-	255.8
	SK Specialty Co., Ltd. Seoul Office	Ton	-	-	-	1,591.0
	Total	Ton	-	-	102,794.0	120,190.5
Water Recycled	Total	Ton	5,028.0	2,786.0	1,770.0	1,681.0
	Rate	%	10.0	5.0	1.7	1.4
Water-Stressed Areas	Water Withdrawal in Water-Stressed Areas	Ton	-	-	0.0	0.0
	Water Discharge in Water-Stressed Areas	Ton	-	-	0.0	0.0
	Water Consumption in Water-Stressed Areas	Ton	-	-	0.0	0.0

* Seorin Office withdrew 12,757.7 tons of municipal water and 3,801.1 tons of groundwater during the reporting period, while other sites used only municipal water (with no withdrawal of freshwater, industrial water, or other sources)

* From 2024, Sunae Office is included in the disclosure scope of major business sites

** Data from certain sites under the Materials CIC (Yeongju Headquarters, Dongtan Research Center, and Sangju Plant) were excluded from aggregation

Waste Management

Category	Item	Unit	2021	2022	2023	2024
Waste Generated	Total	Ton	107.0	84.1	493.8	140.4
	General Waste Generated	Ton	96.9	77.1	113.3	139.4
	Hazardous Waste Generated	Ton	10.2	7.0	380.4	1.0
	Intensity (per KRW 1 billion revenue)	Ton/KRW billion	-	0.02	0.12	0.04
Waste Recycled/ Reused	Total	Ton	99.0	36.4	462.1	125.5
	General Waste Recycled	Ton	-	29.4	106.0	124.5
	Hazardous Waste Recycled	Ton	-	7.0	356.1	1.0
	Recycling rate	%	-	93.2	93.6	89.4
General Waste Disposed	Total	Ton	60.1	47.7	7.3	14.9
	Waste Landfilled	Ton	8.3	5.7	0	0
	Waste Incinerated with Energy Recovery	Ton	51.9	42.0	0	11.6
	Waste Incinerated without Energy Recovery	Ton	0	0	0	0
	Waste Otherwise Disposed	Ton	0	0	0	0
	Waste with Unknown Disposal Method	Ton	0	0	7.3	3.3
Hazardous Waste Disposed	Total	Ton	-	7.0	24.3	0.005
	Waste Landfilled	Ton	-	0	0	0
	Waste Incinerated with Energy Recovery	Ton	-	0	16.9	0
	Waste Incinerated without Energy Recovery	Ton	-	0	0	0
	Waste Otherwise Disposed	Ton	-	0	0	0
	Waste with Unknown Disposal Method	Ton	-	7.0	7.4	0.005

* Data from the Materials CIC business sites were excluded from aggregation due to lack of data collection

Environmental Investment Performance

Category	Item	Unit	2021	2022	2023	2024
Returns on Environmental Management Investments	Total Cost (Capital Investments + Operating Expenses)	KRW million	2,929.1	3,592.4	1,798.4	304.9
	Capital Investments	KRW million	2,911.0	3,476.0	1,768.0	40.0
	Operating Expenses	KRW million	18.1	116.4	30.4	264.9
	Returns and Cost Reductions from Environmental Investments	KRW million	2,918.7	1,430.5	2,250.5	3,568.6
	Ratio of Applicable Business Sites	%	90.0	89.0	87.4	87.9
Eco-friendly Vehicles	Percentage of Eco-friendly Vehicles Owned	%	-	-	29.4	22.3
Environmental Compliance	Number of Legal/Regulatory Violations	Cases	0	0	0	0
	Amount of Fines and Penalties	KRW	0	0	0	0
	Environmental Liabilities	KRW	0	0	0	0

Social

1. Data from both the Investment and Business Divisions were aggregated for reporting, with data from Ackerton Partners—merged in October 2024—partially included for selected metrics
2. A dash ('-') is used to indicate items not applicable or where data was not collected or managed
3. All quantitative data, except for a few metrics, has been rounded to the first decimal place. This rounding rule has also been applied to the past three years (2021–2023)

Employee Status

Category	Item	Unit	2021	2022	2023	2024
Number of Employees	Total	Persons	4,457	4,605	4,601	4,404
By Gender	Male Employees	Persons	3,447	3,546	3,543	3,376
	Female Employees	Persons	1,010	1,059	1,058	1,028
By Employment Type	Total Permanent Employees	Persons	4,252	4,406	4,409	4,261
	Permanent Employee (Male)	Persons	3,297	3,403	3,407	3,266*
	Permanent Employee (Female)	Persons	955	1,003	1,002	995
	Part-time Employee (Male)	Persons	-	-	-	1
	Part-time Employee (Female)	Persons	-	-	-	0
	Total Temporary Employees	Persons	205	199	192	143
	Contract Employee (Male)	Persons	150	143	136	110
	Contract Employee (Female)	Persons	55	56	56	33
	Daily Worker (Male)	Persons	-	-	-	0
	Daily Worker (Female)	Persons	-	-	-	0
	Part-time Employee (Male)	Persons	-	-	-	0
	Part-time Employee (Female)	Persons	-	-	-	0
By Age Group	Under 30	Persons	416	346	294	301
	30-50	Persons	3,306	3,379	3,153	3,086
	Over 50	Persons	735	880	1,154	1,017
Other Employment Status (Excluding Employees)	Total Non-Employees (Outsourced)	Persons	41	53	99	94
	Non-Employee (Male)	Persons	25	32	68	66
	Non-Employee (Female)	Persons	16	21	31	28

* Including 1 Part-time Employee (Male)

Employee Diversity

Category	Item	Unit	2021	2022	2023	2024
By Ethnicity/ Nationality	Total Number of Foreign Employees	Persons	-	23	21	22
	United States	Persons	-	9	9	8
	China	Persons	-	6	5	6
	Canada	Persons	-	3	3	4
	Australia	Persons	-	1	0	0
	Other	Persons	-	4	4	4
	Total Number of Foreign Managers	Persons	-	20	14	17
	United States	Persons	-	8	6	7
	China	Persons	-	5	5	5
	Canada	Persons	-	3	1	3
	Australia	Persons	-	1	0	0
	Other	Persons	-	3	2	2
Socially Disadvantaged	Proportion of Employees from Socially Disadvantaged Groups	%	6.2	5.4	5.1	5.1
	Number of Employees from Socially Disadvantaged Groups	Persons	277	249	234	225
	Number of Employees with Disabilities*	Persons	165	167	153	149
	Proportion of Employees with Disabilities	%	3.7	3.6	3.3	3.4
	Number of National Veterans Employed	Persons	79	82	81	76
Overseas Assignment	Number of Employees on Overseas Assignment	Persons	381	424	186	307
	Proportion of Employees on Overseas Assignment	%	8.6	9.2	4.0	7.0

* The number of employees with disabilities is calculated based on Article 22, Paragraph 3 of the Act on the Employment Promotion and Vocational Rehabilitation of Persons with Disabilities

Gender Distribution by Job Function

Category	Item	Unit	2021	2022	2023	2024
Male	Number of Male Executives	Persons	100	104	119	116
	Total Number of Employees in Revenue-Generating Functions	Persons	2,861	2,880	2,893	2,855
	Top Management Position	Persons	156	169	268	309
	Junior Management Position	Persons	2,233	2,259	2,180	2,112
	Non-Management Position	Persons	472	452	445	434
	Number of Employees in Other Job Functions	Persons	486	547	532	405
	Top Management Position	Persons	73	101	110	102
	Junior Management Position	Persons	329	359	346	236
	Non-Management Position	Persons	84	87	76	67
	Number of Employees in STEM Functions	Persons	277	2,880	2,776	2,775
Female	Number of Female Executives	Persons	8	10	13	8
	Total Number of Employees in Revenue-Generating Functions	Persons	739	725	729	749
	Top Management Position	Persons	18	21	32	35
	Junior Management Position	Persons	414	430	439	434
	Non-Management Position	Persons	307	274	258	280
	Number of Employees in Other Job Functions	Persons	263	297	315	271
	Top Management Position	Persons	13	14	15	22
	Junior Management Position	Persons	106	138	135	102
	Non-Management Position	Persons	144	145	165	147
	Number of Employees in STEM Functions	Persons	111	725	695	716
Women (Proportion)*	Proportion of Female Executives	%	8.0	8.8	9.9	6.5
	Proportion of Employees in Revenue-Generating Functions	%	25.8	20.1	20.1	20.8
	Top Management Position	%	11.5	11.1	10.7	10.2
	Junior Management Position	%	18.5	16.0	16.8	17.1
	Non-Management Position	%	65.0	37.7	36.7	39.2
	Proportion of Employees in Other Job Functions	%	54.1	35.2	37.2	40.1
	Top Management Position	%	17.8	12.2	12.0	17.7
	Junior Management Position	%	32.2	27.8	28.1	30.2
	Non-Management Position	%	171.4	62.5	68.5	68.7
	Proportion of Employees in STEM Functions	%	28.6	20.1	20.0	20.5

* Proportion of female employees within the same job level

New Hires and Turnover

Category	Item	Unit	2021	2022	2023	2024
Total Number of New Hires	Total	Persons	427	556	260	245
By Gender	Male	Persons	302	396	184	162
	Female	Persons	125	160	76	83
By Hire Type	Number of Entry-Level Hires	Persons	105	71	67	117
	Number of Experienced Hires	Persons	322	485	193	128
By Age Group	Under 30	Persons	147	159	85	102
	30-50	Persons	244	376	166	106
	Over 50	Persons	36	21	9	37
By Management Level	Executives	Persons	13	6	0	10
	Top Management Position	Persons	5	5	1	22
	Junior Management Position	Persons	187	275	113	56
	Non-Management Position	Persons	222	270	146	157
Internal Hires	Number of Employees Transferred via Internal Hires	Persons	461	495	425	388
	Total Number of Open Positions	Persons	886	530	520	445
	Hiring Ratio of Internal Candidates (via Internal Hires)	%	52.0	93.0	82.0	87.2
Hiring Cost	Total	KRW million	481	1,325	1,828	1,101
Total Number of Employee Turnovers	Ratio	%	4.8	4.8	6.0	9.1
	Total	Persons	204	219	274	410
By Gender	Male	Persons	167	159	187	311
	Female	Persons	37	60	87	99
By Age Group	Under 30	Persons	36	45	41	30
	30-50	Persons	135	132	164	186
	Over 50	Persons	33	42	69	194
By Management Level	Executive	Persons	-	1	15	21
	Top Management Position	Persons	14	12	11	36
	Junior Management Position	Persons	120	120	158	254
	Non-Management Position*	Persons	70	86	90	99
By Type	Dismissal	Persons	3	0	2	1
	Mandatory Retirement	Persons	15	23	23	47
	Others	Persons	0	0	18	66
	Voluntary Turnover**	Persons	186	196	231	296
	Voluntary Turnover Rate	%	4.2	4.3	5.0	6.7

* Secretarial positions are included in the number of non-managers in the number of hires and turnovers by job level

** Voluntary turnover: Refers to cases in which an employee voluntarily leaves the company for personal reasons, excluding mandatory retirement, dismissal, or other employer-initiated reasons

Gender Pay Indicators

Category	Item	Unit	2021	2022	2023	2024
Executives	Base Salary	%	84.0	89.6	64.0	81.9
	Base Salary and Performance Pay	%	73.0	88.3	67.6	130.6
Top Management Position	Base Salary	%	92.0	72.8	99.2	99.1
	Base Salary and Performance Pay	%	87.0	70.5	100.8	102.0
Junior Management Position	Base Salary	%	85.0	87.0	94.3	93.9
	Base Salary and Performance Pay	%	85.0	85.1	95.6	94.7
Non-Management Position	Base Salary	%	94.0	90.7	89.9	90.7
	Base Salary and Performance Pay	%	94.0	90.7	89.3	90.4

Training & Development Inputs

Category	Item	Unit	2021	2022	2023	2024
Total Company-wide Training Hours		Hours	-	-	-	145,084.8
Average Training Hours per Employee		Hours	140	108	87	33.7
By Gender	Male	Hours	140	108	89	34.0
	Female	Hours	138	108	83	33.0
By Age Group	Under 30	Hours	219	128	83	31.6
	30-50	Hours	138	108	86	33.4
	Over 50	Hours	115	100	91	35.4
By Management Level	Executive	Hours	37	14	42	24.2
	Top Management Position	Hours	97	65	84	30.9
	Junior Management Position	Hours	139	113	90	34.5
	Non-Management Position	Hours	181	116	87	34.1
Total Company-wide Training Expenses		KRW	-	-	-	14,780,110,960.0
Average Training Expenses per Employee		KRW/Persons	1,020,099	1,367,503	1,099,073	3,356,065.2
By Gender	Male	KRW/Persons	977,909	1,298,728	1,062,533	4,470,693.0
	Female	KRW/Persons	1,165,601	1,598,728	1,221,437	14,854,382.9
By Age Group	Under 30	KRW/Persons	857,338	1,393,840	1,025,582	53,165,866.8
	30-50	KRW/Persons	1,065,891	1,488,314	1,247,142	4,868,284.2
	Over 50	KRW/Persons	886,846	889,550	713,239	14,974,783.1
By Management Level	Executive	KRW/Persons	6,001,298	7,891,626	7,617,783	129,650,096.1
	Top Management Position	KRW/Persons	886,846	3,342,822	1,402,478	33,139,262.2
	Junior Management Position	KRW/Persons	1,065,891	1,034,192	793,855	5,169,678.5
	Non-Management Position	KRW/Persons	857,338	1,099,993	1,013,747	16,757,495.4

* Following the merger last year, Ackerton Partners has been included as a training target starting in 2025

Status of Performance Evaluation

Category	Item	Unit	2021	2022	2023	2024
Performance Evaluation*	Number of Employees Subject to Performance Evaluation	Persons	-	4,591	4,539	4,318
	Number of Employees Who Received Performance Evaluation	Persons	-	4,206	4,318	4,068
	Percentage of Employees Who Received Performance Evaluation	%	-	91.6	95.1	94.2

* Performance evaluations are conducted using methods such as MBO (Management by Objectives), team-based performance management, and 360-degree feedback

Parental Leave Usage Status

Category	Item	Unit	2021	2022	2023	2024
Parental Leave Users*	Male	Persons	-	28	34	29
	Female	Persons	-	51	63	50
Parental Leave Usage Rate**	Male	%	-	7.1	8.4	10.1
	Female	%	-	85.1	90.7	86.7
Employees with at Least 12 Months of Service After Returning from Parental Leave***	Male	Persons	-	22	33	30
	Female	Persons	-	44	52	40

* Number of employees who have used parental leave for at least one day during the reporting period

** Calculated by dividing the number of employees who took parental leave within one year after childbirth by the number of employees with children under one year of age as of the child's birth date

*** Employees who have completed 12 months of continuous service during the reporting period after returning from parental leave

* Starting this year, data is compiled based on business report standards, resulting in differences in values compared to the previous year's figures

Labor Union/Collective Bargaining Status

Category	Unit	2021	2022	2023	2024
Management Council Coverage Rate	%	100	100	100	100

Occupational Safety and Health

Category	Item	Unit	2021	2022	2023	2024
Employee Lost Time Injury Frequency Rate (LTIFR)	Total Number of Accidents*	Cases	0	0	0	0
	Number of Accidents (Male)	Cases	0	0	0	0
	Number of Accidents (Female)	Cases	0	0	0	0
	Lost Time Injury Frequency Rate (LTIFR)	Cases/million hours	0.0	0.0	0.0	0.0
Supplier Lost Time Injury Frequency Rate (LTIFR)	Total Number of Accidents	Cases	1	1	0	0
	Number of Accidents (Male)	Cases	0	1	0	0
	Number of Accidents (Female)	Cases	1	0	0	0
	Lost Time Injury Frequency Rate (LTIFR)	Cases/million hours	0.0	0.0	0.0	0.0
Employee Occupational Illness Frequency Rate (OIFR)	Number of Occupational Diseases	Cases	0	0	0	0
	Disease Disaster Rate	Cases/200,000 hours	0.0	0.0	0.0	0.0
Supplier Occupational Illness Frequency Rate (OIFR)	Number of Occupational Illness Cases	Cases	0	0	0	0
	Occupational Illness Frequency Rate (OIFR)	Cases/200,000 hours	0.0	0.0	0.0	0.0
Number of Employee Work-Related Fatalities	Total	Persons	0	0	0	0
Number of Supplier Work-Related Fatalities	Total	Persons	0	0	0	0

* Among accidents reported to the Korea Workers' Compensation & Welfare Service under the Industrial Safety and Health Act, only those resulting in lost time injuries are included

Customer Satisfaction

Category	Item	Unit	2021	2022	2023	2024
Customer Satisfaction Measurement	Customer Satisfaction Survey Score	Points	67.6	70.7	72.1	70.4

Social Contribution Activities

Category	Item	Unit	2021	2022	2023	2024
Employee Volunteer Activities	Participation Hours	Hours	2,371	1,637	2,131	1,743
	Monetary Value	KRW million	234	238	389	101.9
Social Contribution Amount	Total Amount	KRW million	11,833	337	4,262	2,844
Member Fundraising Amount	Total Amount	KRW thousand	95,678	96,705	269,218	207,442

* The social contribution amount includes cash donations, in-kind donations, management expenses, and social value (SV) creation values

** From 2024 onwards, the total fundraising amount is disclosed as a combined value, with past data retrospectively recalculated

Mutual Growth

Category	Item	Unit	2021	2022	2023	2024
Mutual Growth Support	Patent Technology Transfer (Free of Charge)	Cases	29	34	34	34
	Joint R&D	Cases	17	31	32	33
	Joint Market Entry Cases	Cases	10	8	5	5
	Technology Data Escrow Cases	Cases	55	56	56	55
	Patent Application Support Cases	Cases	5	7	3	6

Supply Chain Management

Category	Item	Unit	2021	2022	2023	2024
Supply Chain	Total Number of Suppliers	Companies	1,399	1,747	2,036	1,872
	Number of Tier 1 Suppliers	Companies	1,399	1,747	2,036	1,872
	Number of Non-tier 1 Suppliers	Companies	0	0	0	0
	Number of Key Suppliers	Companies	336	328	278	251
	Percentage of Key Suppliers	%	24.0	18.8	13.7	13.4
ESG Risk Assessment	Total Number of Suppliers Assessed for ESG	Companies	491	791	1,262	1,092
	Number of Newly Assessed Suppliers	Companies	-	-	-	130
	Percentage of Newly Assessed Suppliers	%	-	-	-	11.9
	Number of High-Risk Suppliers	Companies	92	257	375	245
	Percentage of High-Risk Suppliers	%	18.7	32.5	29.7	22.4
	Number of Significant Suppliers*	Companies	-	38	86	110
	Percentage of Significant Suppliers	%	-	4.8	6.8	10.1
	Number of Suppliers with Actual/Potential Negative Impact	Companies	-	38	39	31
	Number of Suppliers with Corrective Action/Plans Established	Companies	-	38	39	31
	Percentage of Suppliers with Corrective Action/Plans Established	%	-	100	100	100
	Number of Suppliers with Completed Corrective Actions	Companies	-	37	37	31
	Percentage of Suppliers with Completed Corrective Action	%	-	97.4	94.9	100
	Total Number of Suppliers Participating in Capacity-Building Programs	Companies	-	-	-	251
	Number of Significant Suppliers Participating in Capacity-Building Programs	Companies	-	-	-	110
	Percentage of Significant Suppliers Participating in Capacity-Building Programs	%	-	-	-	100
	Number of Incentive Programs Applied	Companies	-	-	6	36
	Number of Penalty Programs Applied	Companies	-	0	2	14
Partner Purchase Performance	Total Purchase Amount	KRW 100 million	11,472	14,510	13,452	14,315
	Total Purchase Amount from Tier 1 Suppliers	KRW 100 million	-	14,510	13,452	14,315
	Percentage of Purchases from Tier 1 Suppliers	%	-	100	100	100
	Percentage of Purchases from Key Suppliers	%	-	43.0	63.0	47.2
	Percentage of Purchases from Significant Suppliers	%	-	5.1	25.0	15.4
Purchase Performance by Category	Total Domestic and Overseas HW/SW Purchases	KRW 100 million	2,331	2,028	5,682	7,695
	Domestic	KRW 100 million	2,182	1,861	5,543	7,562
	Overseas	KRW 100 million	149	167	139	133
	Total Domestic and Overseas Service Purchases	KRW 100 million	6,490	7,107	5,286	6,620
	Domestic	KRW 100 million	6,391	7,033	5,188	6,438
	Overseas	KRW 100 million	99	74	98	182

* To achieve 100% assessment coverage of key suppliers by 2025, the scope of significant suppliers was expanded to include not only high-risk suppliers but also those classified as medium- and low-risk

Information Security

Category	Item	Unit	2021	2022	2023	2024
Personal Information and Data Breaches	Total Number of Data Breaches and Incidents (including internal leaks, hacking, etc.)	Cases	0	0	0	0
	Number of Personally Identifiable Information (PII) Breaches	Cases	0	0	0	0
	Percentage of Breaches Involving PII	%	0.0	0.0	0.0	0.0
	Number of Users Whose Personal Information Was Compromised Due to Data Breaches	Persons	0	0	0	0
Customer and User Data	Number of Customers Whose Information Was Used for Secondary Purposes	Persons	0	0	0	0
	Number of Data Requests from Government and Law Enforcement Agencies	Cases	0	0	0	0
	Number of Customer Data Requests	Persons	-	0	0	0
	Data Disclosure Rate	%	-	0.0	0.0	0.0
Monetary Losses Incurred Due to Legal Proceedings Related to Personal Information Protection	Monetary Losses from Lawsuits Related to User Privacy During the Reporting Period	KRW thousand	0	0	0	0
Violations of Customer Personal Information Protection and Customer Data Loss	Number of Violations and Data Loss	Cases	0	0	0	0

Service Interruption Status

Category	Item	Unit	2021	2022	2023	2024
Service Downtime of 30 Minutes or Less	Cloud-based Services	Cases (minutes)	7(132)	3(60)	0(0)	0(0)
	All Services	Cases (minutes)	43(805)	33(676)	22(392)	15(256)
Service Downtime of More Than 30 Minutes	Cloud-based Services	Cases (minutes)	25(3,902)	9(857)	3(195)	0(0)
	All Services	Cases (minutes)	109(14,264)	87(13,044)	90(16,248)	36(5,263)
Regular Inspections and Planned Maintenance	Cloud-based Services	Cases (minutes)	4(504)	1(21)	0(0)	0(0)
	All Services	Cases (minutes)	35(3,455)	16(942)	9(2,771)	10(1,851)
Interruptions Due to Failures	Cloud-based Services	Cases (minutes)	28(3,530)	11(896)	3(195)	0(0)
	All Services	Cases (minutes)	117(11,614)	104(12,778)	112(16,640)	51(5,519)

Governance

1. Data is reported by aggregating data from both the Investment Division and Business Division
2. A dash ('-') is used to indicate items not applicable or where data was not collected or managed
3. All quantitative data, except for a few metrics, has been rounded to the first decimal place. This rounding rule has also been applied to the past three years (2021–2023)

Ethical Management Training

Category	Item	Unit	2024
Employees	Training Participants	Persons	4,264
	Permanent Employees	Persons	4,107
	Temporary Employees*	Persons	157
	Training Completers	Persons	4,132
	Permanent Employees	Persons	3,991
	Temporary Employees*	Persons	141
	Training Completion Rate	%	96.9
	Permanent Employee Completion Rate	%	97.2
	Temporary Employee Completion Rate	%	89.8
Suppliers	Number of Participating Suppliers in Training	Companies	580
	Training Participants	Persons	7,371
	Training Completers	Persons	5,293
	Training Completion Rate	%	71.8

* Temporary employees include contract-based, daily, and part-time workers

Status of Ethical Management Reports and Violations

(Unit: Case)

Category	Item	2021	2022	2023	2024
Status of Ethical Management Reports and Violations	Total Number of Reports Received	-	21	25	42
	Total Number of Reports Processed	-	21	25	42
Status of Ethical Management Report Handling	Investigation and Audit	-	18	23	42
	Transferred to Relevant Departments	-	3	1	0
	Others	-	0	1	0
Status of Ethical Management Violations	Total Number of Violations	6	15	10	18
	Corruption and Bribery	1	2	4	5
	Negligence in Customer Data Management	0	0	1	0
	Discrimination and Harassment	2	9	2	4
	Conflict of Interest	1	0	0	1
	Money Laundering and Insider Transactions	0	0	0	0
	Others (Process Violations)	2	4	3	8
	Total Number of Disciplinary Actions	6	15	10	18
Outcomes of Ethical Management Violation Disciplinary Actions	Dismissal	0	2	1	4
	Pay Reduction	1	3	1	5
	Reprimand	2	1	2	3
	Warning	3	5	3	5
	Others	0	4	3	1
	Number of Disciplinary Actions for Discrimination and Harassment	-	-	-	4
	Dismissal	-	-	-	1
	Pay Reduction	-	-	-	3
	Reprimand	-	-	-	0
	Warning	-	-	-	0
	Others	-	-	-	0

* Additional disadvantages such as compensation restrictions may be imposed depending on the disciplinary action

** The scope of report and violation case aggregation for the Business Division (AX) includes subsidiaries and overseas entities

Anti-Bribery and Anti-Corruption Training

Category	Item	Unit	2024
Employees	Training Participants	Persons	4,264
	Permanent Employees	Persons	4,107
	Temporary Employees*	Persons	157
	Training Completers	Persons	4,132
	Permanent Employees	Persons	3,991
	Temporary Employees	Persons	141
	Training Completion Rate	%	96.9
	Permanent Employee Completion Rate	%	97.2
	Temporary Employee Completion Rate	%	89.8

* Temporary employees include contract-based, daily, and part-time workers

Status of Court Judgments and Fines Related to Bribery and Corruption

Category	Unit	2024
Number of Convictions	Cases	0
Total Amount of Fines Imposed	KRW	0

* Reflects the cancellation of an administrative fine imposed by the Fair Trade Commission, following the Supreme Court's final ruling in June 2025

Policy Expenditures

Category	Item	Unit	2021	2022	2023	2024
Amount of Policy Expenditures	Lobbying Expenses	KRW thousand	0	0	0	0
	Political Contributions	KRW thousand	0	0	0	0
	Membership Fees to Related Organizations	KRW thousand	215,937	228,020	209,813	214,443

* SK Inc. complies with Article 31 of the Political Funds Act, which prohibits political donations and the provision of lobbying funds by corporations

** SK Inc. has not joined or engaged in any related associations or climate-related lobbying activities that are contrary to the Paris Agreement

Key Policy-Related Expenditures

Category	Item	Unit	2024
Key Policy-Related Expenditures	Korea Enterprises Federation	KRW thousand	43,680
	Korea IT Service Industry Association (ITSA)	KRW thousand	27,000
	Korea Software Industry Association (KOSA)	KRW thousand	20,000
	Korea Association of Cloud Industry	KRW thousand	10,000
	Corporate Renewable Energy Foundation (CREF)	KRW thousand	10,000
	The Climate Change Organisation	KRW thousand	8,010
	Korea Fair Competition Federation	KRW thousand	5,000
	Korea Industrial Technology Association	KRW thousand	4,320
	Seoul Bar Association	KRW thousand	3,682

R&D

Category	Item	Unit	2021	2022	2023	2024
Research and Development Expenditures	Total Amount	KRW million	70,113	72,445	54,825	44,714
	Selling and Administrative Expenses	KRW million	35,507	34,041	32,691	27,878
	Development Costs	KRW million	34,606	38,404	22,134	16,836
R&D Expenditure as a Percentage of Revenue		%	3.8	3.3	2.3	1.7

Consolidated ESG Data

- The reporting scope of consolidated data includes six listed subsidiaries (including sub-subsidiaries)*
 * SK Innovation, SK Telecom (separate), SK Networks, SK Square (separate), SKC, and SK Biopharmaceuticals (separate)
 * Certain environmental data for SK Biopharmaceuticals is compiled on a consolidated basis
- SK Square was listed at the end of 2021, and its data has been compiled and disclosed since 2022
- The data is based on information disclosed in the 2025 sustainability reports of each respective subsidiary. Revisions to certain data in those reports have resulted in changes compared to the figures presented in the previous year's report
- A dash ('-') is used to indicate items not applicable or where data was not collected or managed
- All quantitative data, except for a few metrics, has been rounded to the first decimal place. This rounding rule has also been applied to the past three years (2021–2023)

Environmental

Emissions (Consolidated Basis)

Category	Item	Unit	2021	2022	2023	2024
Direct GHG Emissions (Scope 1)	Total	tCO ₂ eq	9,569,213.9	9,615,651.3	9,740,637.5	9,891,457.0
	Intensity (per KRW 1 billion revenue)	tCO ₂ eq	115.3	85.6	88.4	91.5
	Intensity (per employee)	tCO ₂ eq	390.8	370.6	375.0	383.8
Indirect GHG Emissions (Scope 2)	Total(Location-based)	tCO ₂ eq	3,866,318.0	3,673,202.5	3,838,668.5	3,806,177.7
	Intensity (per KRW 1 billion revenue)	tCO ₂ eq	46.6	32.7	34.8	36.1
	Intensity (per employee)	tCO ₂ eq	156.2	140.2	149.3	151.2
Air Pollutants	VOC Emissions (Volatile Organic Compounds)*	Ton	961.1	1,350.8	787.7	863.0

Emissions (Individual Subsidiaries)

Category	Item	Unit	2024						
			SK Inc.	SK Innovation	SK Telecom	SK Networks	SK Square	SKC	SK Biopharmaceuticals
Direct GHG Emissions (Scope 1)	Total	tCO ₂ eq	1,282.8	9,434,689.4	5,923.0	8,726.3	173.4	440,248.0	414.0
	Intensity (per KRW 1 billion revenue)	tCO ₂ eq	0.35	126.27	0.33	1.14	0.98	255.70	0.76
	Intensity (per employee)	tCO ₂ eq	0.29	942.43	1.08	2.35	1.97	311.13	1.56
Indirect GHG Emissions (Scope 2)	Total(Location-based)	tCO ₂ eq	135,381.9	2,258,456.5	1,160,614.0	29,222.5	437.8	220,868.0	1,197.0
	Intensity (per KRW 1 billion revenue)	tCO ₂ eq	36.52	30.23	64.69	3.82	2.47	128.29	2.19
	Intensity (per employee)	tCO ₂ eq	30.74	225.60	211.29	7.89	4.97	156.09	4.52
Air Pollutants	VOC Emissions (Volatile Organic Compounds)*	Ton	-	464.5	-	-	-	5.4	393.0

* SK Inc., SK Telecom, SK Networks, and SK Square do not emit VOCs (Volatile Organic Compounds)

Energy Management (Consolidated Basis)

Category	Item	Unit	2021	2022	2023	2024
Non-renewable Energy	Non-renewable Energy Consumption*	MWh	52,659,173.5	58,689,847.5	60,041,105.9	59,723,118.0
Renewable Energy	Renewable Energy Consumption	MWh	247,192.3	693,651.9	922,757.6	359,201.0

Energy Management (Individual Subsidiaries)

Category	Item	Unit	2024						
			SK Inc.	SK Innovation	SK Telecom	SK Networks	SK Square	SKC	SK Biopharmaceuticals
Nonrenewable Energy	Nonrenewable Energy Consumption	MWh	235,059.0	53,548,608.8	2,331,710.0	224,789.4	3,352.8	3,376,950.8	5,647.2
Renewable Energy	Renewable Energy Consumption	MWh	72,125.0	44,622.9	237,412.0	2,696.4	1,394.7	0.0	950.0

* Energy consumption is converted and standardized using a conversion factor (0.2777778 MWh/GJ) before being aggregated

Water Management (Consolidated Basis)

Category	Item	Unit	2021	2022	2023	2024
Water Withdrawal	Total	Ton	54,038,567.3	53,282,108.9	50,262,461.7	50,642,453.6
	Municipal Water	Ton	52,383,145.3	51,984,469.3	48,458,266.5	49,282,605.8
	Groundwater	Ton	1,216,313.0	569,543.0	51,461.0	51,406.1
	Fresh surface water (lake, river, etc.)	Ton	439,110.0	706,490.0	1,752,734.2	1,308,441.7
Water Discharge*	Total	Ton	0.0	0.0	23,139,842.8	23,601,355.7
Water Consumption**	Total	Ton	74,840,530.2	79,935,964.3	74,799,412.5	80,589,149.3
Water Recycled	Total	Ton	20,801,963.0	24,174,890.2	24,536,950.9	27,490,364.5
	Rate	%	27.8	31.2	32.8	35.2

Water Management (Individual Subsidiaries)

Category	Item	Unit	2024						
			SK Inc.	SK Innovation	SK Telecom	SK Networks	SK Square	SKC	SK Biopharmaceuticals
Water Management (Individual Subsidiaries)	Total	Ton	120,190.5	42,186,130.5	710,778.0	1,889,817.2	5,838.1	5,724,811.3	4,888.0
	Municipal Water	Ton	116,389.5	42,169,720.8	669,496.0	591,462.2	5,838.1	5,724,811.3	4,888.0
	Groundwater	Ton	3,801.1	0.0	41,282.0	6,323.0	0.0	0.0	0.0
	Fresh surface water (lake, river, etc.)	Ton	0.0	16,409.7	0.0	1,292,032.0	0.0	0.0	0.0
Water Discharge*	Total	Ton	120,190.5	19,554,519.8	683,731.0	1,889,817.2	5,838.1	1,346,619.2	640.0
Water Consumption**	Total	Ton	121,871.5	69,184,581.2	710,778.0	1,964,266.5	5,838.1	8,596,926.0	4,888.0
Water Recycled	Total	Ton	1,681.0	24,542,117.1	2.0	74,449.4	0.0	2,872,115.0	0.0
	Rate	%	1.4	35.5	0.0	3.8	0.0	33.4	0.0

* The revised discharge calculation method (including treated wastewater volume) has been applied since 2023

** Total water consumption = Total water withdrawal + Total water recycled/reused

Waste Management (Consolidated Basis)

Category	Item	Unit	2021	2022	2023	2024
General Waste	Total Waste Recycled/Reused	Ton	126,789.3	167,423.3	93,224.1	63,043.0
	Total Waste Disposed	Ton	92,356.1	142,279.8	12,968.2	7,746.9
	Waste Landfilled	Ton	8.3	1,129.0	8,412.9	5,115.6
	Waste Incinerated with Energy Recovery	Ton	19,481.7	22,145.7	767.0	401.7
	Waste Incinerated without Energy Recovery	Ton	98,761.2	89,373.4	1,955.4	1,237.4
	Waste Otherwise Disposed	Ton	0.0	0.0	0.0	0.0
	Waste with Unknown Disposal Method	Ton	52.6	1,174.0	1,832.9	992.3
Hazardous Waste	Total Waste Recycled/Reused	Ton	44,213.0	6,801.0	39,610.8	40,595.2
	Total Waste Disposed	Ton	69,880.7	58,591.9	10,270.0	10,234.7
	Waste landfilled	Ton	0.0	867.0	1,485.5	1,517.9
	Waste Incinerated with Energy Recovery	Ton	42.0	162.9	464.9	46.2
	Waste Incinerated without Energy Recovery	Ton	0.0	325.0	7,975.2	8,486.5
	Waste Otherwise Disposed	Ton	0.0	0.3	337.0	158.8
	Waste with Unknown Disposal Method	Ton	69,838.7	50,442.7	7.4	25.3

Waste Management (Individual Subsidiaries)

Category	Item	Unit	2024						
			SK Inc.	SK Innovation	SK Telecom	SK Networks	SK Square	SKC	SK Biopharmaceuticals
General Waste	Total Waste Recycled/Reused	Ton	124.5	44,189.0	2,499.0	5,908.1	7.8	10,314.6	-
	Total Waste Disposed	Ton	14.9	5,752.0	758.0	858.0	7.9	356.2	-
	Waste Landfilled	Ton	0.0	4,525.9	235.7	1.2	1.0	351.8	-
	Waste Incinerated with Energy Recovery	Ton	11.6	0.0	390.1	0.0	0.0	0.0	-
	Waste Incinerated without Energy Recovery	Ton	0.0	1,226.1	0.0	0.0	6.9	4.4	-
	Waste Otherwise Disposed	Ton	0.0	0.0	0.0	0.0	0.0	0.0	-
	Waste with Unknown Disposal Method	Ton	3.3	0.0	132.2	856.8	0.0	0.0	-
Hazardous Waste	Total Waste Recycled/Reused	Ton	1.0	36,515.1	685.0	5.1	0.2	3,385.7	3.0
	Total Waste Disposed	Ton	0.0	9,912.3	25.6	0.0	0.0	273.8	23.0
	Waste Landfilled	Ton	0.0	1,489.2	0.0	0.0	0.0	28.6	0.0
	Waste Incinerated with Energy Recovery	Ton	0.0	0.0	0.3	0.0	0.0	23.0	23.0
	Waste Incinerated without Energy Recovery	Ton	0.0	8,264.3	0.0	0.0	0.0	222.2	0.0
	Waste Otherwise Disposed	Ton	0.0	158.8	0.0	0.0	0.0	0.0	0.0
	Waste with Unknown Disposal Method	Ton	0.0	0.0	25.3	0.0	0.0	0.0	0.0

ISO 14001 Certification Status (Consolidated Basis)

Category	Business Site	Expiry Date
SK Inc.	SK-u Tower and Data Centers (Seongnam, Daejeon)	May 16, 2027
	SKE (Ulsan)	November 8, 2026
	SKGC (Ulsan)	June 12, 2026
	SKGC (Spain)	November 9, 2026
	SKGC (France)	May 9, 2026
	SKO (Seosan)	December 23, 2025
	SKO (United States)	December 23, 2025
	SKO (SKOH, Hungary)	December 23, 2025
SK Innovation	SKO (SKBM, Hungary)	December 23, 2025
	SKO (China)	December 23, 2025
	SKEN (Ulsan)	June 17, 2027
	SKEN (China)	September 20, 2027
	SKIPC(Incheon)	November 8, 2026
	SKIET (Jeungpyeong)	September 21, 2025
	SKIET (Poland)	January 1, 2026
	SKIET (China)	June 28, 2027
SK Telecom	Headquarters and all business sites	October 24, 2026
SK Networks	SK Networks Headquarters (Seoul)	November 14, 2025
	SK Magic Headquarters (Seoul) and Hwaseong Campus	November 16, 2027
SKC	SKPIC (Ulsan)	November 9, 2026
	SKNX (Jeongeup)	May 20, 2027
SK Biopharmaceuticals	SK Biopharmaceuticals Headquarters (Seongnam)	May 22, 2028

Social

Employee Status (Consolidated Basis)

Category	Item	Unit	2021	2022	2023	2024
Number of Employees	Total	Persons	24,541	26,046	25,977	25,382
By Gender	Male	Persons	19,405	20,222	19,973	19,340
	Female	Persons	5,136	5,824	6,004	6,042
By Age Group	Under 30	Persons	2,938	3,543	3,450	3,321
	30-50	Persons	15,600	16,049	15,690	15,398
	Over 50	Persons	6,003	6,454	6,837	6,663
By Employment Type	Permanent Employee	Persons	23,028	24,345	23,971	23,249
	Contract Employee	Persons	1,513	1,701	1,758	1,891
Socially Disadvantaged	Number of Employees with Disabilities*	Persons	734	738	857	837
	Number of National Veterans Employed	Persons	589	607	482	459

Employee Status (Individual Subsidiaries)

Category	Item	Unit	2024						
			SK Inc.	SK Innovation	SK Telecom	SK Networks	SK Square	SKC	SK Biopharmaceuticals
Number of Employees	Total	Persons	4,404	10,011	5,493	3,706	88	1,415	265
By Gender	Male	Persons	3,376	8,133	4,226	2,291	71	1,109	134
	Female	Persons	1,028	1,878	1,267	1,415	17	306	131
By Age Group	Under 30	Persons	301	1,833	436	533	4	196	18
	30-50	Persons	3,086	5,565	3,142	2,401	76	903	225
	Over 50	Persons	1,017	2,613	1,915	772	8	316	22
By Employment Type	Permanent Employee	Persons	4,261	9,248	5,153	3,020	85	1,242	240
	Contract Employee	Persons	143	521	340	686	3	173	25
Socially Disadvantaged	Number of Employees with Disabilities*	Persons	149	350	189	109	0	30	10
	Number of National Veterans Employed	Persons	76	165	170	30	0	18	0

* The number of employees with disabilities is determined according to the classification standards set by each subsidiary

※ The workforce composition data may differ from the figures in the annual business report, depending on whether internal and external directors are included by each company

New Hires and Turnover (Consolidated Basis)

Category	Item	Unit	2021	2022	2023	2024
Total Number of New Hires	Total	Persons	2,560	4,021	2,978	2,304
By Gender	Male	Persons	1,626	2,665	1,808	1,479
	Female	Persons	934	1,356	1,170	825
By Age Group	Under 30	Persons	1,126	1,688	1,507	1,355
	30-50	Persons	1,244	2,186	1,315	737
	Over 50	Persons	190	147	156	212
Internal Hires	Total	Persons	1,998	1,907	1,094	1,340
	Rate	%	45.0	38.0	43.0	56.0
Total Number of Employee Turnovers	Total	Persons	1,557	1,416	1,994	2,520
	Rate*	%	6.3	5.4	7.6	9.9
By Gender	Male	Persons	1,119	984	1,248	1,816
	Female	Persons	441	432	746	704
By Age Group	Under 30	Persons	400	390	567	595
	30-50	Persons	811	704	866	977
	Over 50	Persons	346	322	561	948
Voluntary Turnover	Total**	Persons	1,207	1,098	1,491	1,675
	Rate	%	4.9	4.2	5.7	6.6

New Hires and Turnover (Individual Subsidiaries)

Category	Item	Unit	2024						
			SK Inc.	SK Innovation	SK Telecom	SK Networks	SK Square	SKC	SK Biopharmaceuticals
Total Number of New Hires	Total	Persons	245	739	379	813	5	105	18
By Gender	Male	Persons	162	641	169	415	2	82	8
	Female	Persons	83	98	210	398	3	23	10
By Age Group	Under 30	Persons	102	495	223	498	2	26	9
	30-50	Persons	106	173	124	259	2	65	8
	Over 50	Persons	37	71	32	56	1	14	1
Total Number of Employee Turnovers	Total	Persons	410	662	337	940	8	138	25
	Rate*	%	9.3	6.8	6.1	25.4	9.1	9.8	9.4
By Gender	Male	Persons	311	542	312	516	4	118	13
	Female	Persons	99	120	25	424	4	20	12
By Age Group	Under 30	Persons	30	140	3	384	2	31	5
	30-50	Persons	186	234	40	425	6	69	17
	Over 50	Persons	194	288	294	131	0	38	3
Voluntary Turnover	Total**	Persons	296	298	42	886	6	123	24
	Rate	%	6.7	3.1	1.0	23.9	6.8	8.7	9.1

* Turnover rate = [(Total number of employees who left / Total number of employees in the reporting year) x 100]; the calculation method has been revised to ensure consistency across all subsidiaries

** Voluntary turnover: Refers to cases in which an employee voluntarily leaves the company for personal reasons, excluding mandatory retirement, dismissal, or other employer-initiated reasons

* The reporting periods for SK Innovation's voluntary and overall turnover rates differ

** Annual hiring costs (separate basis): 481 (2021) / 1,325 (2022) / 1,828 (2023) / 1,101 (2024) [Unit: KRW million]

Position and Gender Status in Occupational Group (2024)

Category	Item	Unit	Rate
Current Status of Female Employees by Position/ Occupational Group	Share of Women in Total Workforce	%	23.8
	Share of Women in All Management Positions	%	17.8
	Share of Women in Junior Management Positions	%	18.6
	Share of Women in Top Management Positions	%	11.7
	Share of Women in Management Positions in Revenue-generating Functions	%	10.9
	Share of Women in STEMrelated Positions	%	22.4

※ The proportion of female employees by job level and job function is calculated based on the sum and average of data aggregated from each subsidiary

※※ SK Square was excluded from the calculation due to unavailability of data

Gender Pay Indicators (2024)

Category	Item	Unit	Rate
Executive level	Base Salary Only	%	78.2
	Base Salary + Other Cash Incentives	%	74.3
Management level	Base Salary Only	%	96.1
	Base Salary + Other Cash Incentives	%	95.5
Non-management position	Base Salary Only	%	68.0
	Base Salary + Other Cash Incentives	%	68.2

※ Ratio of female-to-male base salary (and total compensation) at equivalent job levels: Average female salary / Average male salary

※※ SK Square and SKC were excluded from the calculation due to unavailability of data

Status of Employees with Foreign Nationalities (2024)

Nationality	Total Number of Foreign Employees	Total Number of Foreign Managers
US	43	10
China	26	7
Canada	15	5
Australia	2	1
Others	34	3

Labor Union/Collective Bargaining Status (Consolidated Basis)

Category	Item	Unit	2024							
			Total	SK Inc.	SK Innovation	SK Telecom	SK Networks	SK Square	SKC	SK Biopharmaceuticals
Labor Union/Collective Bargaining Status (Consolidated Basis)	Rate	%	96.6	100	100	100	81.0	100	88.4	100

※ For SK Networks and SKC, the coverage rate is based on labor union membership, while for other member companies without labor unions, it is based on the proportion of employees covered by the Management Council. The overall collective agreement coverage rate is calculated using employee-weighted averages

※※ Due to the differing operational structures of labor unions and the Management Council, variations may arise in employee coverage between the metrics

Training & Development Inputs (Consolidated Basis)

Category	Item		Unit	2024
Training & Development Hours	Total Company-wide Training Hours		Hours	1,110,698
	Average Training Hours per Employee		Hours	53.7
	By Gender	Male	Hours	55.2
		Female	Hours	48.9
	By Age Group	Under 30	Hours	59.3
		30-50	Hours	51.5
		Over 50	Hours	56.2
Training & Development Amounts	Total Company-wide Training Expenses		KRW	70,321,310,680
	Average Training Expenses per Employee		KRW/person	3,397,441.6
	By Gender	Male	KRW/person	3,471,738.4
		Female	KRW/person	3,103,700.6
	By Age Group	Under 30	KRW/person	3,561,235.5
		30-50	KRW/person	3,322,885.2
		Over 50	KRW/person	3,434,950.0

Human Capital Return on Investment (HCROI)

Category	Item	Unit	2021	2022	2023	2024
Human Capital Return on Investment Metrics	Total Revenue	KRW million	95,627,973	132,079,354	128,798,468	124,690,439
	Total Operating Expenses	KRW million	85,113,650	116,435,597	116,609,571	113,998,912
	Total Employee-related Expenses*	KRW million	2,140,799	2,718,296	2,858,959	3,164,161
	HC ROI		5.91	6.75	5.26	4.38

* Employee-related costs include salaries, retirement benefits, welfare expenses, and expenses for training and research activities

** Due to changes in business operations of consolidated entities, the most recent business report information has been retroactively applied

Occupational Safety and Health (Consolidated Basis)

Category	Item	Unit	2021	2022	2023	2024
Employees	Number of Work-Related Fatalities	Persons	0	0	0	0
	Number of Lost Time Injuries (LTI)	Cases	15	26	19	7
	Lost Time Injury Frequency Rate (LTIFR)	Cases/million hours	0.29	0.48	0.35	0.13
Suppliers	Number of Work-Related Fatalities	Persons	0	3	0	1
	Number of Lost Time Injuries (LTI)	Cases	35	38	40	16
	Lost Time Injury Frequency Rate (LTIFR)	Cases/million hours	1.44	1.38	1.40	0.70

Safety and Health Status (Individual Subsidiaries)

Category	Item	Unit	2024						
			SK Inc.	SK Innovation	SK Telecom	SK Networks	SK Square	SKC	SK Biopharmaceuticals
Employees	Number of Work-Related Fatalities	Persons	0	0	0	0	0	0	0
	Number of Lost Time Injuries (LTI)	Cases	0	2	0	0	0	5	0
	Lost Time Injury Frequency Rate (LTIFR)	Cases/million hours	0.00	0.10	0.00	0.00	0.00	1.73	0.00
Suppliers	Number of Work-Related Fatalities	Persons	0	1	0	0	0	0	0
	Number of Lost Time Injuries (LTI)	Cases	0	11	2	3	0	0	0
	Lost Time Injury Frequency Rate (LTIFR)	Cases/million hours	0.00	0.58	3.75	1.31	0.00	0.00	0.00

* SK Inc., SK Square, and SK Biopharmaceuticals were excluded from the calculation of the total supplier LTIFR due to unavailability of supplier working hour data

** Lost Time Injury Frequency Rate (LTIFR) = (Number of lost time injuries / Total working hours) x 1,000,000 (hours)

Online Sales Status (Consolidated Basis)

Category	Unit	2021	2022	2023	2024
Proportion of Online Sales*	%	5.7	4.7	5.2	5.4

* Percentage of combined online sales from SK Inc., SK Telecom, and major online service subsidiaries (Eleven Street, SK Planet, and One Store) relative to the consolidated revenue of SK Inc.

* Online sales = AX CloudZ sales + SK Telecom's online service sales + sales from SK Square subsidiaries (Eleven Street, SK Planet, and One Store)

Customer Satisfaction Status (Consolidated Basis)

Category	Item	Unit	2021	2022	2023	2024
SK Inc.	CSI	Points	67.6	70.7	72.1	70.4
SK Innovation	KCSI	Rank	1st (11 consecutive years)	1st (12 consecutive years)	1st (13 consecutive years)	1st (14 consecutive years)
SK Telecom	NCSI	Points	79	79	79	80
SK Networks	GEI NCSI	Points	· Speedmate (self): 91.7/100 · Walkerhill (NCSI): 4.3/5	· Speedmate (self): 91.7/100 · Walkerhill (NCSI): 4.3/5	· Speedmate (self): 91.7/100 · Walkerhill (NCSI): 4.3/5	· Speedmate (self): 93/100 · Walkerhill (NCSI): 80/100

* SK Square, SKC, and SK Biopharmaceuticals are excluded as they do not conduct separate customer satisfaction surveys due to the nature of their business

** Customer satisfaction evaluation methodology: CSI (Customer Satisfaction Index), KCSI (Korean Customer Satisfaction Index), NCSI (National Customer Satisfaction Index), GEI (Guest Experience Index)

Policy & Principle

Environmental Management Principle and Policy	Download →
Biodiversity Policy	Download →
No Deforestation Policy	Download →
Human Rights Management Principle and Policy	Download →
Safety and Health Management Principle and Policy	Download →
Fair Trade Policy	Download →
Supply Chain Sustainability Management Policy	Download →
Supplier Code of Conduct	Download →
Information Security Principle	Download →
Community Engagement Policy	Download →
Board Independence Guidelines	Download →
Board Diversity Guidelines	Download →
Code of Ethics	Download →
Anti-Corruption Principle	Download →
Code of Ethics Practice Guidelines	Download →

Global Initiatives

Global Initiatives

SK Inc. fully recognizes the importance of achieving global Net Zero and eliminating carbon footprints and is actively reviewing and promoting eco-friendly and carbon reduction initiatives across the organization. In 2020, SK became the first company in Korea to join RE100 and begin SASB disclosures, followed by its Net Zero 2040 declaration and TCFD disclosure in 2021. In 2022, SK joined the Korea TCFD Alliance and undertook various efforts to address environmental challenges. Going forward, SK will continue to identify and participate in global initiatives that align with its core values, mission, technology, and innovation to fulfill its responsibility toward sustainability.

List of Global Initiatives

Category	Details
UN Global Compact (UNGC)	The UN Global Compact (UNGC) is the world's largest voluntary corporate citizenship initiative, outlining 10 principles in the areas of human rights, labor, environment, and anticorruption. SK Inc. is a signatory to the initiative and is actively working to fulfill its corporate social responsibility by adhering to the UNGC's 10 principles. Going forward, SK Inc. will continue to participate in the implementation of these principles and transparently disclose its progress, thereby fulfilling its role as a responsible corporate citizen in building a sustainable society.
RE100 Initiative	RE100 is a global initiative through which companies voluntarily commit to sourcing 100% of their electricity from renewable energy. In December 2020, SK Inc. became the first company in Korea to join RE100, demonstrating its commitment to global climate action. The company has also established a RE100 2040 target to guide its transition.
Zero Energy Certification	Reflecting the UN's call for national-level Net Zero implementation and the Financial Society's growing demands for stronger corporate climate action, SK Group announced Korea's first group-level Net Zero commitment (at the 2021 Extended Management Meeting). Through this declaration, the Group aims to solidify its leadership in ESG management.

UNGC Response Activities

Category	Principle	Key Activities	Contents
Human Rights	01. Businesses should support and respect the protection of internationally proclaimed human rights; and 02. make sure that they are not complicit in human rights abuses.	· Acquisition of human rights management system certification · Establishment and declaration of human rights management system · Compliance with labor principles and relevant laws · Enhancement of human rights violation response and procedures through establishment of the Human Rights Management Committee and the Human Rights Violation Remedy Committee	65-74
Labour	03. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; 04. the elimination of all forms of forced and compulsory labour; 05. the effective abolition of child labour; and 06. the elimination of discrimination in respect of employment and occupation.	· Compliance with the Labor Standards Act · Operation of the management council · Operation of a fair performance management system · Implementation of individual career path planning and performance reviews for employees	75-86
Environment	07. Businesses should support a precautionary approach to environmental challenges; 08. undertake initiatives to promote greater environmental responsibility; and 09. encourage the development and diffusion of environmentally friendly technologies.	· Implementation of the RE100 initiative and the Net Zero 2040 commitment · Resource circulation response and expansion of eco-friendly business · Expansion of eco-friendly investment and technology development · Strengthening of green business portfolio	26-48 53-63
Anti-Corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	· Establishment of ethical management and anticorruption policy · Establishment of a dedicated ethical management unit and a reporting and counseling system · Operation of an ethical management selfmonitoring system · Implementation of ethical management and anti-corruption training	135-146

Participation in Initiative Activities

Category	Participation Fee	Key Activities
UNGC	\$15,000	Annual membership fee for participating companies
RE100	\$6,000	General membership annual fee (membership maintenance)
CDP	\$2,950	Assessment and response fee for carbon reduction information disclosure

Industry-Specific Metrics

SK Inc. identifies, manages, and discloses industry-specific metrics across the areas of environment, social, and governance, reflecting changes and expectations of key external stakeholders.

Industry-Specific Metrics

Category	Key indicators	Details	Contents
Eco-friendly Opportunities	Clean Technology	· Possession of a clean technology development strategy · Established targets for expanding investment in clean technologies · Number of patents related to clean technologies · Clean technology activities (Biz.) Performance of clean technology activities (Biz.) - by clean technology type: R&D level, non-core business level, core business level, and Pure Play level · Discussion of environmental factors that must be managed within data centers for the establishment and implementation of environmental strategies (e.g., energy, water) → Includes discussions on measures for expanding existing data center management items, constructing new data centers, and outsourcing (when using third-party data centers) · R&D activities in sectors applicable to clean technologies · Clean technology R&D expenditure (R&D expenditure ÷ revenue and its trend) · Revenue from clean technology activities (Biz.)	36-37 45-48 49-52 55-60 118 158
Product Responsibility	Product and Service Safety	· (1) Performance issues, (2) number of service outages, and (3) service downtime affecting all customers · Detailed explanation of factors leading to operational risk occurrences (e.g., technical issues, hacking, natural disasters, programming errors, etc.)	113-119 166
Human Capital Development	Labor Practices	· Provision of employee stock ownership options · Implementation of variable performance-based compensation	85
	Workforce Composition	· Percentage of (1) foreign nationals and (2) overseas-based employees	160, 176
	Employee Capability Development	· Employee participation rate (%)	84
Product Responsibility	Personal Information Protection & Corporate Data Security	· Number of customer personal data entries used for indirect purposes · Total monetary losses incurred as a result of legal proceedings related to the protection of customers' personal data · (1) Number of law enforcement requests for customer data, (2) number of customers whose data was requested, and (3) disclosure rate · List of countries where core products or services are subject to direct government control (e.g., monitoring, blocking, content filtering, censorship) · (1) Number of data breaches, (2) proportion involving personally identifiable information (PII), and (3) number of affected customers	166
Corporate Behavior	Anti-Corruption Management	· Total monetary losses incurred as a result of legal proceedings related to anti-competitive conduct	169 FY2024 Business Report p.1410

Awards, Certifications, and Association Activities

Awards and Certifications

Awards and Recognitions

Year of Award	Award Title	Awarding Organization
2024	Presidential Citation for Contribution to the Advancement of the Information Culture	Ministry of Science and ICT
	Morgan Stanley Capital International Index (MSCI) AAA Rating	Morgan Stanley Capital International
	Included in Dow Jones Sustainability Indices (DJSI) World for 13 Consecutive Years	S&P Dow Jones Indices
	Integrated Environmental, Social, and Governance (ESG) A Rating	Korea Institute of Corporate Governance and Sustainability (KCGS, formerly Korea Corporate Governance Service)
	Recipient of the Korean Readers' Choice Awards (KRCA) for 6 Consecutive Years	Korean Standards Association (KSA)
2023	Morgan Stanley Capital International Index (MSCI) AAA Rating	Morgan Stanley Capital International
	Included in Dow Jones Sustainability Indices (DJSI) World for 12 Consecutive Years	S&P Dow Jones Indices
	Integrated Environmental, Social, and Governance (ESG) A+ Rating	Korea Institute of Corporate Governance and Sustainability (KCGS)
	Recipient of the Korean Readers' Choice Awards (KRCA) for 5 Consecutive Years	Korean Standards Association (KSA)
	Received Platinum/Gold Awards at the LACP 2023 Spotlight Awards and selected as a Top 100 Report	LACP (League of American Communications Professionals)
	Achieved CDP Leadership Level A-	CDP Korea Committee
2022	Included in the Dow Jones Sustainability Indices (DJSI) World for 11 Consecutive Years and Recognized as Industry Leader [Ranked No.1 in the Industrial Conglomerates Sector]	S&P Dow Jones Indices
	Morgan Stanley Capital International Index (MSCI) AAA Rating	Morgan Stanley Capital International
	Integrated Environmental, Social, and Governance (ESG) A+ Rating	Korea Institute of Corporate Governance and Sustainability (KCGS)
	Recipient of the Korean Readers' Choice Awards (KRCA) for 4 Consecutive Years	Korean Standards Association (KSA)
	Received the CDP Carbon Management Sector Honors (CDP Leadership Level A-)	CDP Korea Committee





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GDC



HRMS

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Member Organizations

Seoul Bar Association	Korea IT Service Industry Association (ITSA)	MEC Forum
Korean Bar Association	Seoul Economist Club	MyData Korea Hub
Korea In-House Counsel Association	Korea Association of Cloud Industry	Federation of Middle Market Enterprises of Korea (FOMEK)
American Bar Association (ABA)	Korea Enterprises Federation	Korea Mech. Const. Contractors Association
Korean Patent Attorneys Association	Korean Institute of Certified Public Accountants	Korea Data Center Council (KDCC)
Korea Information and Communication Contractors Association	Korean Nursing Association	Seongnam Chamber of Commerce and Industry
Engineering Guarantee Insurance	Korea Electrical Engineers Association	Software Quality Council (a sub-council of the Korea Software Industry Association (KOSA))
Fire Guarantee	Korea Fire Facility Association	Korea Defense Software Association (KODESA)
Korea Fire Safety Institute	Korea Fair Competition Federation	Korea Software Industry Association (KOSA)
Korea Engineering & Consulting Association	Korea Industrial Technology Association (KOITA)	Federation of Korean Information Industries (FKII)
Korea Electrical Contractors Association	Consortium of Cloud Computing Research	Information & Communication Financial Cooperative
Korea Association for ICT Promotion (KAIT)	Korea Defense Industry Association	Corporate Renewable Energy Foundation (CREF)

GRI/SASB/TCFD Index

GRI

GRI Content Index

Statement of Use	This report has been prepared and reported in accordance with the GRI Standards by SK Inc. (Reporting period: January 1, 2024 – December 31, 2024)
GRI Standards	GRI 1: Foundation 2021
Application of GRI Sector Standards	No applicable sector standards currently available

GRI 2: General Disclosures

Category	GRI Number	Disclosure Title	Contents	
Organization and Reporting Practices	2-1	Organizational details	SK Inc. is structured into two divisions: the Investment Division, which drives continuous innovation of the business portfolio and fosters future growth engines, and the Business Division, which provides integrated IT services based on digital technologies.	
			[Basic Organizational Information]	
			Category	Details
			Organization Name	SK Inc.
			Ownership and Legal Form	SK Inc. is a corporation incorporated under the Commercial Act and duly registered in accordance with applicable laws.
			Headquarters Location	26 Jong-ro, Jongno-gu, Seoul, Republic of Korea
			Countries of Operation	Republic of Korea
			Business Site Locations	(Investment Division): Seorin Office / SKMS Research Center, Yeongju / Dongtan / Seoul / Sejong / Sangju Materials CIC Business Site (Business Division): Gwangju POS / Busan POS / Seongnam POS Business Site / Pangyo DC Center / Daedeok DC Center / Jeongja Office / Pangyo Office / Jongno Integrated Office / Yeouido Hub Office / Sunae Office / Ackerton Partners
	2-2	Entities included in the organization's sustainability reporting	200	
	2-3	Reporting period, frequency and contact point	200	
	2-4	Restatements of information	Any differences from the previous year's report are indicated separately in the footnotes.	
	2-5	External assurance	195-199	
	Activities and Workers	2-6	Activities, value chain and other business relationships	8
2-7		Employees	159, 174	
2-8		Workers who are not employees	159, 174	
Governance	2-9	Governance structure and composition	129-131	
	2-10	Nomination and selection of the highest governance body	129, 133	
	2-11	Chair of the highest governance body	131	
	2-12	Role of the highest governance body in overseeing the management of impacts	129, 133	
	2-13	Delegation of responsibility for managing impacts	53, 65, 75, 87, 95, 106-107, 113, 129-130, 133, 135, 147	
	2-14	Role of the highest governance body in sustainability reporting	129, 133	
	2-15	Conflicts of interest	129, 132	
	2-16	Communication of critical concerns	129, 133	
	2-17	Collective knowledge of the highest governance body	130-132	
	2-18	Evaluation of the performance of the highest governance body	134	
	2-19	Remuneration policies	134	
	2-20	Process to determine remuneration	134	
Strategy, Policies, and Practices	2-21	Annual total compensation ratio	134 , FY2024 Business Report p. 1348-1350	
	2-22	Statement on sustainable development strategy	4-5	
	2-23	Policy commitments	179	
	2-24	Embedding policy commitments	53-64, 65-74, 87-94, 95-105, 106-112, 120-128, 135-146	
	2-25	Processes to remediate negative impacts	72, 88, 92, 104	
	2-26	Mechanisms for seeking advice and raising concerns	139, 142, 148-150	
	2-27	Compliance with laws and regulations	FY2024 Business Report p.1408	
	2-28	Membership associations	180, 187	

Category	GRI Number	Disclosure Title	Contents
Stakeholder Engagement	2-29	Approach to stakeholder engagement	13-14
	2-30	Collective bargaining agreements	164, 176

GRI 3: Material Topics

Category	GRI Number	Disclosure Title	Contents										
Disclosures on Material Topics	3-1	Processes to determine material topics	15-16										
	3-2	List of material topics	Priority	Material Topic		Relevant GRI Disclosures							
			1	Climate change response (mitigation/adaptation)	201-2	302-1	302-3	305-1	305-2	305-3	305-4		
			2	Talent development and human resource management	401-1	401-2	401-3	404-1	404-2	405-1	405-2		
			3	Service quality and reliability	Non-GRI								
			4	Ethical management and anti-corruption	205-1	205-2	205-3	206-1					
			5	Respect for and protection of human rights	405-1	405-2	406-1						
			6	Safety and health management	403-1	403-2	403-3	403-4	403-5	403-6	403-7		
					403-8	403-9	403-10						
	7	Enhancement of shareholder valu	Non-GRI										
3-3	Management of material topics	18-20, 22-24											

GRI 200

Category	GRI Number	Disclosure Title	Contents
Economic Performance	201-1	Direct economic value generated and distributed	154
	201-2	Financial implications and other risks and opportunities due to climate change	28-41
	201-3	Defined benefit plan obligations and other retirement plans	78-79
Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	All employees are paid above the legal minimum wage in accordance with Korean labor laws.
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	120-123, 164
	203-2	Significant indirect economic impacts	6-7, 120-127
Procurement Practices	204-1	Proportion of spending on local suppliers	165
Anticorruption	205-1	Operations assessed for risks related to corruption	138
	205-2	Communication and training about anticorruption policies and procedures	136-138, 167-168
	205-3	Confirmed incidents of corruption and actions taken	168
Anticompetitive Behavior	206-1	Legal actions for anti-competitive behavior, antitrust, and monopoly practices	169 , FY2024 Business Report, p.1410-1412

GRI 300

Category	GRI Number	Disclosure Title	Contents
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	302-3	Energy intensity	155, 170
Water and Effluents	303-3	Water withdrawal	157, 171
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Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	61-63
	304-2	Significant impacts of activities, products, and services on biodiversity	61-63
Emissions	305-1	Direct (Scope 1) GHG emissions	156, 170
	305-2	Energy indirect (Scope 2) GHG emissions	156, 170
	305-3	Other indirect (Scope 3) GHG emissions	156, 170
	305-4	GHG emissions intensity	156, 170
Waste	306-3	Waste generated	158, 172
	306-4	Waste diverted from disposal	158, 172
	306-5	Waste directed to disposal	158, 172
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	96-101
	308-2	Negative environmental impacts in the supply chain and actions taken	101-102

GRI 400

Category	GRI Number	Disclosure Title	Contents
Employment	401-1	New employee hires and employee turnover	162, 175
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-term employees	80-81, 93
	401-3	Parental leave	81, 164
Occupational Health and Safety	403-1	Occupational health and safety management system	87
	403-2	Hazard identification, risk assessment, and incident investigation	89
	403-3	Occupational health services	88
	403-4	Worker participation, consultation, and communication on occupational health and safety	87, 88, 92
	403-5	Worker training on occupational health and safety	88, 90
	403-6	Promotion of worker health	93
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	87-92
	403-8	Workers covered by an occupational health and safety management system	87
	403-9	Work-related injuries	164, 177
	403-10	Work-related ill health	164, 177
Training and Education	404-1	Average hours of training per year per employee	163, 177
	404-2	Programs for upgrading employee skills and transition assistance programs	82-84
	404-3	Percentage of employees receiving regular performance and career development reviews	163
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	159-161, 174, 176
	405-2	Ratio of basic salary and remuneration of women to men	163, 176
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	168
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	96-101
	414-2	Negative social impacts in the supply chain and actions taken	101-102
Public Policy	415-1	Political contributions	169
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	166

SASB

TC-SI. Software & IT Services

Topic	SASB Code	Disclosure Title	Contents
Environmental Footprint of Hardware Infrastructure	TC-SI-130a.1	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable energy	155, 170 The company uses general commercial electricity and therefore does not consume separate grid electricity.
	TC-SI-130a.2	(1) Total water withdrawn (2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	157, 171
	TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	45-48, 55-60
Data Privacy & Freedom of Expression	TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	106-111, 166
	TC-SI-220a.2	Number of users whose information is used for secondary purposes	166
	TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	166
	TC-SI-220a.4	(1) Number of law enforcement requests for user information (2) Number of users whose information was requested (3) Percentage resulting in disclosure	166
	TC-SI-220a.5	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	SK Inc.'s core products and services fall under the IT solutions segment, and the company has not received any requests for blocking or censorship from government or judicial authorities.
Data Security	TC-SI-230a.1	(1) Number of data breaches (2) Percentage that are personal data Breaches (3) Number of users affected	166
	TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of thirdparty cybersecurity standards	106-111
Recruiting & Managing a Global, Diverse & Skilled Workforce	TC-SI-330a.1	Percentage of employees requiring a work visa	160, 176
	TC-SI-330a.2	Employee engagement as a percentage	80
	TC-SI-330a.3	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) nonexecutive management, (c) technical employees, and (d) all other employees	161, 176
Intellectual Property Protection & Competitive Behaviour	TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	FY2024 Business Report, p.1410-1412
Managing Systemic Risks from Technology Disruptions	TC-SI-550a.1	(1) Number of performance issues (2) Number of service disruptions (3) Total customer downtime (days)	166
	TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	113-116
Activity Metrics	TC-SI-000.A	(1) Number of licenses or subscriptions (2) Percentage cloud-based	118
	TC-SI-000.B	(1) Data processing capacity (2) Percentage outsourced	118
	TC-SI-000.C	(1) Amount of data storage (2) Percentage outsourced	118

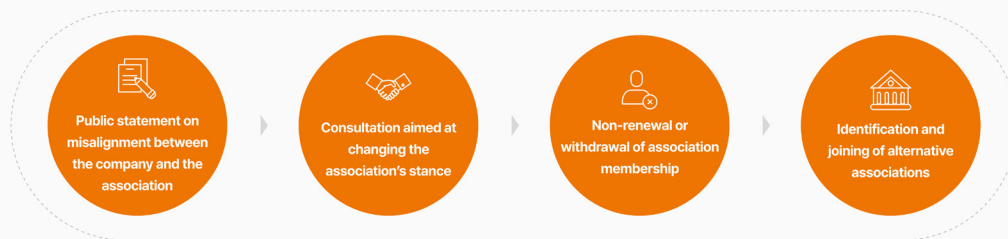
TCFD

Category	TCFD Item	Recommended Disclosure	CDP Questionnaire No.	Contents
Governance	G-a	Describe the board's oversight of climate-related risks and opportunities	4.1.2	26-27
	G-b	Describe management's role in assessing and managing climate-related risks and opportunities	4.3	26-27
Strategy	S-a	Describe climate-related risks and opportunities the organization has identified over the short, medium, and long term	3.1, 3.1.1, 3.6	29-30
	S-b	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	3.1.1, 3.6.1, 5.1.2, 5.2, 5.3.1, 5.3.2, 5.14, 5.14.1	29-41
	S-c	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	5.1, 5.1.1, 5.1.2	30, 41-42
Risk Management	R-a	Describe the organization's processes for identifying and assessing climate-related risks	2.1, 2.2.1, 2.2.2, 2.2.5, 2.2.6, 2.2.8, 2.2.9	28-30
	R-b	Describe the organization's processes for managing climate-related risks	2.1, 2.2.1, 2.2.8, 2.2.9	40, 43-44
	R-c	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	-	43-44
Metrics and Targets	M-a	Disclosure of the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	7.52, 7.54, 7.54.1, 7.54.2	45-48
	M-b	Disclosure of Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	7.6, 7.7, 7.8, 7.8.1, 12.1, 12.1.1, 12.1.3, 12.3	45-48
	M-c	Description of the targets used by the organization to manage climate-related risks and opportunities and performance against targets	7.53, 7.5 3.1, 7.53.2, 7.53.4, 7.54, 7.54.1, 7.54.2	45-48

Stakeholder Communication on Climate Change

- The company reviews potential duplication with similar organizations and their relevance to its business when considering membership changes, with a primary focus on whether the association's intended use aligns with its business objectives
- Reviews are conducted at the time of membership application or withdrawal, and the association's purpose and direction are determined through prior confirmation by relevant departments and coordination across teams
- For environment-related associations, the ESG environmental officer participates in the preliminary review and assesses whether the association's climate-related activities align with the company's climate policies, including the Paris Agreement
- After joining, the company regularly reviews whether the activities of key associations align with its climate policies or strategies, and shares feedback or engages in dialogue with the associations when necessary

Process



Subsidiary Case **Stakeholder Engagement for Climate Change Response (SK Telecom)**

Framework Indicator		SK T Status & Actions
Policy & Commitment	1) Make a public commitment to align all of its climate change lobbying with the goal of restricting global temperature rise to 1.5°C above pre-industrial levels	SK Telecom implements all climate change response activities, including climate-related donations, sponsorships, and lobbying activities, in line with the Nationally Determined Contribution(NDC) and the Paris Agreement. In 2021, SK Telecom established the SBTi)-based Net Zero goal and officially declared the achievement of '2050 Net Zero' at the 38th Annual General Meeting of Shareholders held in 2022. SK Telecom measures GHG emissions generated inside and outside the organization's boundaries every year, and is implementing GHG reduction activities with the goal of reducing direct and indirect emissions(Scope1+2) by 47.7% and other indirect emissions(Scope3) by 22.3% compared to the 2020 BAU by 2030, and achieving Net Zero by 2050.
	2) Apply the scope of this commitment to all of its subsidiaries and business areas, and all operational jurisdictions	SK Telecom's climate-related donation, sponsorship, and lobbying policy applies to all jurisdictions in which we have operations, including South Korea, where more than 99% of its revenue is generated, as well as overseas subsidiaries and affiliates
	3) Publicly commit to taking steps to ensure that the associations, alliances and coalitions of which it is a member conduct their climate change lobbying in line with the goal of restricting global temperature rise to 1.5°C above preindustrial levels	As a member of associations and organizations related to the telecommunications industry, SK Telecom supports all climate change response activities, including climate-related donations, sponsorships, and lobbying, to ensure that they are in line with the Nationally Determined Contribution(NDC) and the Paris Agreement.
	4) Assign responsibility at board level for oversight of its climate change lobbying approach and activities	SK Telecom established an ESG Committee in 2021 as an independent body under the board of directors, composed of four independent directors, who receive reports on key climate change issues from management and staff and make decisions. The ESG Committee receives reports on the direction and performance of key ESG-related areas, regularly deliberates on these matters, and supervises and monitors major disclosures, including the implementation status of Net Zero and climate-related donations and sponsorships, including lobbying activities.
Governance	5) Assign responsibility at senior management level for day-to-day implementation of its climate change lobbying policies and practices	SK Telecom's CEO and Head of the ESG Division, as key executives responsible for responding to climate change, manage major issues including climate-related lobbying and sponsorships. The CEO receives regular reports on the progress of the 2050 Net Zero goals, climate risk assessments, and responses, and supports the ESG Committee in discussing and making appropriate decisions on key issues. The Head of the ESG Division oversees ESG-related operations, ensuring that related businesses and organizations can respond effectively and manage integratively. In addition, when material risks and opportunities arising from climate change are identified, they are immediately reported to the CEO for prompt decision-making.
	6) Establish an annual monitoring and review process to ensure that all of its direct and indirect climate change lobbying activities across all geographies are consistent with the goal of restricting global temperature rise to 1.5°C above pre-industrial levels	SK Telecom implements all climate change response activities, including climate-related donations, sponsorships, and lobbying, in line with the Nationally Determined Contribution(NDC) and the Paris Agreement. The ESG Committee reviews key climate change issues on a monthly basis and deliberates on monitoring results, including whether all direct and indirect climate-related donations, sponsorships, and lobbying activities are in line with the goal of limiting the global temperature increase to 1.5°C above pre-industrial levels.
	7) Establish a process for engaging with stakeholders related to setting and reviewing its climate change lobbying policies, positions and activities	SK Telecom actively communicates with all stakeholders on potential risks and opportunities arising from climate change, including climate-related donations and sponsorships, lobbying policies, and related activities, and monitors domestic and international telecommunications industry trends and policies. In particular, SK Telecom has a materiality assessment process and management system to identify factors that could have a significant impact on climate-related risks and opportunities, analyze potential financial impacts, and establish a response system.
	8) Establish a clear framework for addressing misalignments between the climate change lobbying positions adopted by the associations, alliances and coalitions of which it is a member and the goal of restricting global temperature rise to 1.5°C above preindustrial levels	Through its enterprise-wide risk management and execution system, SK Telecom integrates the management of the implementation status of its Net Zero strategy, including policies and activities related to climate-related donations and sponsorships, and the impacts of climate change. Regarding climate-related donations, sponsorships, and lobbying, if the goals of the associations and organizations to which SK Telecom belongs are not in line with the Nationally Determined Contribution and the Paris Agreement, SK Telecom has a policy of making a public statement on the establishment and implementation of goals, requesting the formation of meetings and coalitions, prohibiting donations and sponsorships, or leaving associations and organizations, taking into account the company's role, status, and involvement in such associations and organizations.
	9) Publish a detailed annual review covering the company's assessment and actions related to the 1.5°C alignment of: (a) its own climate change lobbying activities; (b) the climate change lobbying activities of the associations, alliances, coalitions or thinktanks of which it is a member or to which it provides support	SK Telecom reviews its climate-related donation, sponsorship, and lobbying policies for alignment with the Nationally Determined Contribution(NDC) and the Paris Agreement, and applies the same monitoring process to SK Telecom's direct activities as well as those of associations and organizations to which we belong. As a result of our monitoring, we have not identified any misalignments between our climate-related donation and sponsorship, lobbying activities and those of the associations and organizations we are affiliated with.
	10) Recognise the existence of and report on action to address any misalignments between its climate change lobbying and/or the climate change lobbying activities of its trade associations, coalitions, alliances or funded thinktanks and the goal of limiting global temperature rise to 1.5°C above pre-industrial levels	SK Telecom has not identified any misalignments between its climate-related donation and sponsorship, lobbying activities and those of the associations or organizations it belongs to, in relation to the goals of the NDC and the Paris Agreement.
	11) Create or participate in coalitions that have the specific purpose of lobbying in support of the goal of restricting global temperature rise to 1.5°C above pre-industrial levels	The Global System for Mobile Communications Association(GSMA) declared its participation in the SBTi in 2019 to achieve the 1.5°C target set by the Paris Agreement, and SK Telecom Specific Disclosures has publicly expressed its commitment to fulfilling the Paris Agreement through joint participation. SK Telecom is actively participating in associations and initiatives that support the achievement of the Paris Agreement, including becoming the first Korean company to join RE100 in 2020 and establishing its own SBTi-based Net Zero goal in 2021.
Specific Disclosures	12) Publicly disclose, for all geographies, its membership of, support for and involvement in all associations, alliances and coalitions engaged in climate change-related lobbying	SK Telecom reviews its climate-related donation, sponsorship, and lobbying policies for alignment with the Nationally Determined Contribution and the Paris Agreement, and applies the same monitoring process to its direct activities as well as the activities of associations and organizations to which it belongs. The results of our monitoring are transparently disclosed in our Annual Report.
	13) Publicly disclose, for each of these organisations: (a) how much it pays to them on an annual basis; (b) those organisations where it sits on the board or plays an active role in committees or other activities related to climate change	SK Telecom publicly discloses the names and characteristics of the associations and organizations to which it belongs a, s well as its status and role within them, along with information on annual expenditures. None of these associations or organizations to which SK Telecom belongs serve on its board of directors, nor do they participate directly in committees or other activities related to climate change.
	14) Publicly disclose its overall assessment of the influence that its climate lobbying has had on (a) supporting ambitious public climate change policy; (b) the company's ability to deliver its own corporate transition strategy	SK Telecom considers all climate change response activities, including climate-related donations, sponsorships, and lobbying, to contribute to the achievement of the Nationally Determined Contribution(NDC) when implementing the SBTi-based Net Zero goal established in 2021 and the '2050 Net Zero' roadmap. This policy is a fundamental principle for SK Telecom's three green strategies(Green Operation, Green Energy, and Green Forest), which are aimed at reducing direct and indirect emissions(Scope1+2) by 47.7% and other indirect emissions(Scope3) by 22.3% compared to 2020 by 2030, and contribute to realizing full Net Zero by 2050 through active carbon reduction every year.
Trade Association	Issue or Topic	SK Telecom's Role and Involvement
Happy Connect Foundation	Established by the SK Group's Happiness Sharing Foundation, this public interest corporation engages in combating climate change through the recycling of used IT equipment and plastic reduction projects. It also reinvests in job creation and social welfare initiatives.	- Expanding the scope of eco-friendly projects by contributing funds to the Foundation(expanding the scope of resource circulation to include food container circulation other than multi-use cups, recycling collection, etc.) - Building a foundation for SK T's AI-linked eco-friendly platform(enhanced B2B/B2C engagement through system(app/web) advancement, and efficient separation/sorting through Vision AI) - Discovering experience events/programs for employees and stakeholders(Promoting collaboration with related organizations in the company, such as linking with labor union programs, and enhancing awareness of "Happy Habit" through collaboration with large corporate partner programs)

Assurance

We have conducted independent verification of our Greenhouse gas emissions and sustainability performance.

GHG Emission Verification Opinion

Scope 1 and Scope 2 GHG Emissions

Verification Scope

Korean Standards Association has conducted verification for GHG emissions based on GHG report provided by SK Inc. which includes Scope1 and Scope2 emissions.

Verification Standards and Guidelines

To conduct verification activities, verification team applied verification standards and guidelines. The standards and guidelines areas follows.

- Guidance for reporting and verification of GHG emissions trading scheme (No. 2024-155 provided by Ministry of Environment, Republic of Korea)
- Verification Guidelines for the Operation of the Greenhouse Gas Emission Trading System(No. 2024-169 provided by Ministry of Environment, Republic of Korea)
- 2006 IPCC Guidelines, KS I ISO 14064-1: 2018 and KS I ISO14064-3: 2019

Level of Assurance

SK Inc.'s GHG emissions satisfies the under Reasonable Assurance(less than ±5.0% of total emissions).

Verification Conclusion

As a result of verification activities, verification team has found no significant errors, omissions, and misstatements. Therefore, Korean Standards Association confirms that following emissions data are adequately quantified.

2024 GHG Emissions and Energy Consumption (Unit: tCO₂eq)

Division	Scope 1	Scope 2	Total
Location-based	1,282.84	135,381.92	136,656
Market-based	1,282.84	102,625.94	103,900
Energy Consumption(TJ)	21.47	2,832.57	2,846

※ Note: Decimal place is not considered when calculating the emission of each workplace

June 19, 2025

Dongmin Moon

Scope 3 GHG Emissions

Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of Scope 3 Greenhouse Gas Emissions (hereinafter 'GHG emissions') of SK Inc. (hereinafter 'Company') for 2024/. KFQ is responsible for providing an assurance statement on the GHG emissions based on the verification scope and criteria described below, while the responsibility for the claims made regarding the GHG emissions rests with the company.

Verification Purpose

The purpose is to provide an independent verification opinion on the company's Scope3 emissions.

Verification Scope

The verification covered ten emission categories(Category 1, 2, 3, 4, 5, 6, 7, 11, 12, 15) selected by the company during 2024.

Verification Criteria

The following criteria and coefficients used by the company were applied.

1. Criteria
 - ISO14064-1:2018, ISO14064-3:2019
 - 2006 IPCC Guidelines for National Greenhouse Gas Inventories
 - GHG Protocol Corporate Standard
 - WBCSD/WRI, Corporate Value Chain (Scope 3) Accounting and Reporting Standard
 - Rule for emission reporting and certification of greenhouse gas emission trading Scheme
2. Coefficient
 - Environmental Product Declaration evaluation coefficient (2021)
 - GHG Protocol 'Mobile Combustion GHG emission calculation tool v2.6'

Level of Assurance

The verification has been conducted in accordance with the verification principles and standards of the 'ISO14064-3:2019' under the limited verification level.

Verification Limitation

GHG emissions verification involves inherent limitations that may arise depending on the organization's data characteristics, calculations and estimates, sampling method, and limited assurance level. Additionally, this verification does not include responsibility for the accuracy of the original data provided by the company.

Conclusion

Based on the criteria and guidelines stated above, KFQ's verification opinion is as follows.

1. GHG emissions of the company for 2024 were properly calculated based on the materials provided, and no material errors or omissions that could affect the verification opinion were identified.
2. The criteria and process established by the company for calculating GHG emissions were transparently documented in the internal calculation process to prevent potential misunderstandings.
3. Accordingly, KFQ provides a verification opinion that in "Unmodified."

Appendix A. Summary of Scope 3 GHG Emission Results

- Organization: SK Inc.
- Emission calculation period: The emission calculation period is from January 1st to December 31st, 2024

Company Scope 3 Emissions Verification Results(Unit: tCO₂eq)

Category		Total emissions
1	Purchased goods & services	22,533
2	Capital goods	351
3	Fuel and Energy-related activities not included in Scope 1+2	21,016
4	Upstream transportation and distribution	23
5	Waste generated in operations	3
6	Business travel	2,596
7	Employee commuting	743
11	Use of sold products	111,791
12	End of life treatment of sold products	277
15	Investments	14,050,684
Total		14,210,016

※ Because the emissions for each category are rounded, the company's total emissions may differ from the actual values by ±1 tCO₂eq

June 19, 2025

CEO Ji-Young Song

Korean Foundation for Quality



국립환경과학원

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Third-Party Verification Statement

Korean Foundation for Quality (hereinafter 'KFQ') has been engaged to independently verify the 2025 Sustainability Report (hereinafter 'the Report')²⁾ of SK Inc.¹⁾ (hereinafter 'the Company'). KFQ is responsible for providing an independent third-party verification opinion on the report based on the verification criteria and scope specified below. The responsibility for the preparation of this report lies with the Company's management.

1) Organization Address (based on headquarters) : 26, Jong-ro, Jongno-gu, Seoul, Republic of Korea

2) Data Collection Period : ESG-related financial and non-financial performance data from January 1, 2024 to December 31, 2024 were collected, with some data including information from the first half of 2025. To provide year-over-year trend analysis of quantitative performance, data from the past four years (2021–2024) are also included.

Verification Purpose

The purpose of this verification is to ensure the reliability of the data and information stated in the Company's report.

Verification Scope

1. Verification Boundary: The report on financial and business performance was conducted on a consolidated basis, targeting SK Corporation and its consolidated listed subsidiaries (SK Innovation, SK Telecom, SK Networks, SK Square, SKC, and SK Biopharmaceuticals).
2. Verification Items (based on GRI Standards 2021)

Category	GRI Standards	
Universal Standards	· 2-1 to 2-5 (The organization and its reporting practices) · 2-6 to 2-8 (Activities and workers) · 2-9 to 2-21 (Governance)	
Topic Standards	· GRI 201 (Economic Performance) - Expenses for recollecting environmental management investments · GRI 205 (Anti-corruption) - Ethical Management and Anticorruption training · GRI 206 (Anti-Competitive Behavior) - Compliance with bribery and corruption · GRI 302 (Energy) - Energy consumption · GRI 303 (Water and Effluents) - Water withdrawal/discharge/consumption - Water efficiency management program · GRI 305 (Emissions) - GHG emission (Scope 1,2,3) and VOC - Emission reduction targets · GRI 306 (Waste) - General/Hazardous waste disposal, processed, and recycled	· 2-22 to 2-28 (Strategy, policies, and practices) · 2-29 to 2-30 (Stakeholder engagement) · 3-1 to 3-3 (Material Topics Disclosures) · GRI 401 (Employment) - Number of new hires and employee turnover/turnover rate · GRI 403 (Occupational Health and Safety) - Lost-time injury frequency rate (LTIFR) of employees - Lost-time injury frequency rate (LTIFR) of contractors - Fatalities of Employees and contractors · GRI 404 (Training and Education) - Performance in AX College (Application to the workplace) - Training hours and amounts · GRI 405 (Diversity and Equal Opportunity) - Gender pay gap (Average gender pay gap) · GRI 406 (Non-Discrimination) - Status of Human rights grievance · GRI 414 (Supplier Social Assessment) - Number of tier-1 suppliers, key tier-1 suppliers, and total supply chain-related expenditures - Status of ESG Assessments for Suppliers - Number of Highrisk/Significant Suppliers and status of completed corrective action - Operation status of ESG Capacity building programs · GRI 418 (Customer Privacy) - Information Security Management Program - Online Strategy and Customer Management Status

3. Excluded Items from Verification: The following items are not included within the scope of verification
 - Performance and reporting practices of subsidiaries, affiliates, partners, and third parties
 - Items related to other sustainability initiatives not based on the GRI Standards 2021 presented in the report
 - Other related information such as periodic disclosure reports and financial statements

Verification Criteria

This verification has been conducted based on [AA1000AS (v3)], [AA1000AP (2018)], and [Type 2 – Moderate]

Verification Method

The audit team reviewed relevant procedures, systems, and control mechanisms, along with available performance data, to verify the reliability of the report's content based on the aforementioned criteria. The documents reviewed during the verification process are as follows:

- **Non-financial Information** : Social and Environmental data provided by SK Inc., disclosed Business Reports of 6 subsidiaries, and information obtained from media and/or the internet.
- **Financial Information** : Financial statements of SK Inc. and 6 subsidiaries, data disclosed in the electronic disclosure system (dart.fss.or.kr) of the Financial Supervisory Service and data posted on the homepage.
(However, the contents of the above data are not included in the verification scope.)

The verification was conducted through document review, on-site visits, and interviews with the responsible personnel. The validity of the materiality assessment procedure in the Report, the selection of material issues considering stakeholders, the data collection, management, and report preparation procedures, as well as the accuracy of the descriptions, were evaluated through interviews with the responsible personnel. It was confirmed that any errors, inappropriate information, or unclear expressions identified in the above steps were appropriately corrected before the publication of the Report.

Verification Limitations

This verification inherently contains limitations that may arise in the process of applying the criteria and methodology.

Competency and Independence

The audit team for this verification was duly composed in accordance with KFQ's internal regulations. KFQ has no conflicts of interest that could compromise the independence and impartiality of the verification, apart from providing third-party verification services.

Verification Opinion

As a result of the verification, it is the opinion of KFQ that:

1. It has been confirmed that the Report was prepared in compliance with the four principles of AA1000AP (2018)

- Inclusivity

The company has appropriately defined stakeholder groups and communicates with them through tailored communication channels that consider the characteristics of each group. The audit team did not identify any missing key stakeholders in this process and confirmed that the company is making efforts to incorporate stakeholder feedback into its management strategy.

- Materiality

The company has identified material issues through an appropriate process and has thoroughly reviewed the relevant impacts to enhance the validity of its materiality assessment. The audit team confirmed that the identified material issues were given due emphasis in this report and that all material issues recognized during the materiality assessment process were reported without omission.

- Responsiveness

The company strives to respond promptly to stakeholders' requirements and key concerns. The audit team did not find any evidence indicating that the organization's response activities and performance regarding material issues were inappropriately reported.

- Impact

The company identifies and monitors the impact of stakeholder-related material issues across its business activities and reports the findings to the extent possible. The audit team did not find any evidence indicating that the impact of material issues was inappropriately measured or reported.

2. The report has been appropriately prepared in accordance with the applicable reporting standards, such as (GRI Standards (2021) - Accordance, SASB, TCFD, IFRS Requirements of ISSB)

3. The data and information used for verification were limited to the provided materials and were found to be appropriate, with no significant errors or omissions that could affect the verification opinion.

July 31, 2025

Seoul, Korea

Ji Young Song, CEO

Korean Foundation for Quality (KFQ)



Ji Young Song

About this Report

As a holding company, SK Inc. has published the 2025 Sustainability Report to communicate its evolving growth portfolio and the importance of ESG management with stakeholders in pursuit of sustainable investment. The report covers not only SK Inc.'s ESG strategies and performance but also includes the ESG achievements of its key listed subsidiaries. SK Inc. will remain committed to transparently sharing its business strategies and ESG management approach to drive sustainable growth, guided by its management philosophy of pursuing stakeholder happiness.

Reporting Period

This report covers the financial and non-financial performance of SK Inc.'s key ESG management activities from January 1 to December 31, 2024. Some data also includes information from the first half of 2025. For quantitative performance, data from the past four years—from January 1, 2021 to December 31, 2024—is provided to illustrate performance trends over time.

Reporting Boundary

This report covers the performance of SK Inc. and its major consolidated subsidiaries and sub-subsidiaries, based on the scope of SK Inc.'s effective control and influence. Financial performance is presented in accordance with Korean International Financial Reporting Standards (K-IFRS). Specifically, environmental and social performance under the ESG framework is reported on a consolidated basis, including major listed subsidiaries and sub-subsidiaries such as SK Innovation, SK Telecom, SK Networks, SK Square, SKC, and SK Biopharmaceuticals (which account for approximately 83.8% of consolidated revenue), whereas governance-related disclosures are based on SK Inc.'s separate basis data. Separate basis ESG performance data was compiled from 18 business sites of SK Inc., and for certain metrics, data from the Business Division (AX) was primarily used to reflect its operational characteristics. The reporting boundaries and detailed data calculation methodologies for each area, along with any changes in historical data or notable exceptions, are separately indicated in the main text and corresponding footnotes.

Reporting Standards and External Assurance

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and reflects the IFRS requirements set by the International Sustainability Standards Board (ISSB). It also aligns with the UNGC Communication on Progress (CoP) principles, follows the climate-related disclosure recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and incorporates industry-specific standards from the Sustainability Accounting Standards Board (SASB). To ensure the reliability of the reported information, the report has undergone an assurance process by a professional sustainability assurance organization. The assurance statement is provided on p.198 of this report.

Stakeholder Engagement

SK Inc. promotes ESG management grounded in stakeholder engagement, leveraging a range of online and offline channels to identify stakeholder expectations and integrate them into its overall business operations. The company publishes an annual Sustainability Report to transparently share its ESG management practices and performance with stakeholders. In 2025, SK Inc. proactively identified stakeholder needs through media research, surveys, and expert interviews, and reflected them in its management activities. Looking ahead, SK Inc. remains committed to strengthening stakeholder engagement and continuously advancing its ESG management.

2025 SK Inc. Sustainability Report

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