2025 SK chemicals Sustainability Report

WE CARE FOR THE FUTURE.

HEALTHCARE
EARTHCARE

SK chemicals

ABOUT THIS REPORT

Approach

Since 2010, SK chemicals Co., Ltd. has published an annual sustainability report to communicate with stakeholders about the company's performance and activities in creating economic and social value. Through the 2025 Sustainability Report, SK chemicals aims to transparently disclose its ESG management strategies, goals, and progress as it works toward building a sustainable future.

Expressions used in this report, including sustainable products, materials, and portfolios; green materials; and bio-based materials, refer to products made with recycled materials and biomass-based products. Products made with recycled materials include SKYPET CR and certain ECOTRIA products. These products fall under the Transition to Circular Economy category of the Korean Green Taxonomy Guidelines (K-Taxonomy) as "production of products using recycled materials and circular resources." ECOTRION, a biomass-based product, meets the criteria for "manufacturing to utilize core technologies for greenhouse gas reduction" in the Greenhouse Gas Reduction category of the K-Taxonomy and corresponds to bio-polyols among the core technologies for GHG reduction related to the K-Taxonomy listed in Appendix 8. In addition, the company has obtained and maintains International Sustainability and Carbon Certification (ISCC) PLUS, which verifies the use of recycled raw materials. The environmental attributes of each product may vary depending on the raw materials used, certification scope, and assessment criteria applicable to each product.

Reporting Scope

This report covers ECO Lab (the headquarter and R&D Center), Ulsan Plant, and Cheongju Plant (S HOUSE) operated by SK chemicals. Certain qualitative information and social quantitative data also cover major domestic subsidiaries, including SK bioscience and SK multi utility. Environmental quantitative data covers all business activities included in the consolidated financial statements, including all subsidiaries. Where the reporting scope differs, detailed explanations are provided in the main text or footnotes.

Reporting Period

The primary reporting period is from January 1, 2025, to December 31, 2025, with certain qualitative information reflecting activities from the first half of 2026. To identify changes and trends, this report presents data for the most recent three years, from 2023 to 2025. For any changes from the previous report, the relevant items and reasons are provided accordingly. This report is published on an annual cycle and was issued in June 2026.

Reporting Principles

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021. As a member of the UN Global Compact (UNGC), SK chemicals reports on its activities to implement the 10 principles in the areas of human rights, labor, environment, and anti-corruption, as well as its efforts to contribute to the Sustainable Development Goals (SDGs). In selecting material issues appropriate to the characteristics of the industry, the report also considers the industry standards of the Sustainability Accounting Standards Board (SASB) and reflects the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Financial information complies with the Korean International Financial Reporting Standards (K-IFRS).

Assurance

To provide stakeholders with a more transparent account of its sustainability practices, this report has undergone third-party assurance from BSI Group Korea. The assurance was conducted in accordance with AA1000AS, Moderate Level, Type 2. The scope of assurance includes the content of this report and the GRI Table disclosed on the SK chemicals website. The detailed assurance statement is available on pages 177–178 of this report.

Additional Information

- SK chemicals website
- Sustainability Report
- GRI Table

Contact

This report can be downloaded from the SK chemicals website (https://www.skchemicals.com/). For inquiries, please contact us using the information below.

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OVERVIEW

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CEO Message

Guided by its mission, **"Enhancing human health and protecting the environment,"** SK chemicals is committed to creating a sustainable future for shareholders, customers, suppliers, and employees alike.

Dear stakeholders,
I would like to express my sincere gratitude for your unwavering support of SK chemicals.

In 2025, the business environment became even more uncertain amid intensifying global trade tensions and geopolitical risks, while the impact of slowing global demand added further pressure to already challenging market conditions. In the first half of 2026, volatility has remained severe, with new issues emerging before existing geopolitical tensions and concerns over energy and supply chains, including the conflict in the Middle East, could be fully resolved. Even amid these unpredictable conditions, SK chemicals maintained stable revenue and profitability, supported by a high value-added portfolio centered on the Copolyester business and expansion of the Pharma business, recording revenue of KRW 1.4404 trillion and operating profit of KRW 95.7 billion on a standalone financial statement basis.

2025 was also a year in which we translated sustainability into business competitiveness and put that transition into action.

Against this backdrop, SK chemicals achieved greenhouse gas reductions by advancing the development of products with reduced environmental impact that meet global customer demand and by implementing initiatives to fulfill its 2040 Net Zero target and commitments, including renewable energy procurement, procuring low-carbon steam, and improving process efficiency. We are also continuing to strengthen a more responsible and sustainable supply chain through human rights management that encompasses employees, suppliers, and local communities, as well as supply chain ESG assessments and support. To deliver customer value through ESG, we are providing circular economy solutions and securing data traceability. Furthermore, we have worked to provide stakeholders with transparent and reliable information by establishing a carbon management system on a consolidated financial statement basis in response to Korea's sustainability disclosure requirements and by assessing the financial impacts of climate-related risks.
SK chemicals' sustainability management has also been recognized externally. Our efforts have led to top-tier results in major Korean and global ESG assessments, including maintaining an MSCI ESG Rating of AA for 3 consecutive years and a KCGS rating of A+ for 4 consecutive years, receiving Leadership A ratings in both the CDP Climate Change and Water Security assessments for 2 consecutive years, and earning an EcoVadis Silver Medal.

Backed by differentiated technologies, SK chemicals is driving innovation to create sustainable materials for future generations.

In pursuit of carbon neutrality and solutions to plastic waste, SK chemicals is minimizing resource waste across the product life cycle and advancing a circular economy system based on recyclable product design. As part of these efforts, we established the Recycle Innovation Center (RIC) as a facility to explore the potential for a wide range of used resources to be transformed into new value. We have also invested in the Feedstock Innovation Center (FIC) to strengthen the value chain of our recycling business, establishing an integrated system that spans feedstock sorting and pretreatment through to the production of recycled materials. This reflects SK chemicals' commitment to expanding the future value of resources in ways that benefit both people and the planet, and it is also a core strategy for making the virtuous cycle between sustainability and growth even more robust.

In addition, the Pharma business aims to contribute to healthier lives by establishing and executing medium- to long-term strategies to enhance value, including expanding sales and distribution through stronger external partnerships.

Building on its core technological strengths, SK chemicals will continue to work closely with diverse stakeholders and advance toward becoming a Sustainable Material & Solution Global Leader, leading the way toward a sustainable future.

We ask for your continued interest and support as SK chemicals continues its journey for the health of people and the planet.

Thank you.

June 2026
Ahn Jae-hyun, CEO of SK chemicals

Company Profile

About the Company

Since its founding as Sunkyung Synthetic Textiles in 1969, SK chemicals has pursued its mission of "Enhancing human health and protecting the environment," driving innovation and growth in Korea's materials with reduced environmental impact and life science sectors. The Green Chemicals business unit began developing copolyester in 2001 and has continued to create customer value. Through continuous technological innovation, it is expanding its chemical recycling business and contributing to the transition to a circular economy. In 2021, SK chemicals spun off its power and steam supply business to establish SK multi utility, strengthening its expertise in the energy business. In the Life Science business unit, SK chemicals has continued to expand its portfolio of natural product-based medicines since 2002. In 2018, the company spun off its vaccine business as its subsidiary SK bioscience, allowing each company to focus on its respective capabilities.

As of December 31, 2025

Company Name	SK chemicals Co., Ltd.
Business Description	Development, production, and sales of materials with reduced environmental impact and pharmaceuticals
Headquarters	310 Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do (Sampyeong-dong), Republic of Korea
Website	www.skchemicals.com
Revenue (Consolidated Basis)	KRW 2.3652 trillion

Mission

Enhancing human health and protecting the environment

HEALTHCARE
Total healthcare solutions

+

EARTHCARE
Materials with reduced environmental impact

Our Milestone

	1969-2000	2001-2020	2021-2024	2025
Green Chemicals	1969 Founded Sunkyung Synthetic Textiles Co., Ltd. 1978 Developed PET resin 1989 Completed the PTA/DMT plant 1990 Established the Petrochemical Research Center 1994 Developed a polyester adhesive 1998 Changed the company name to SK chemicals	2001 Developed 'SKYGREEN' 2009 Developed 'ECOZEN' 2014 Acquired SK petrochemical 2020 Entered the bio-polyol (PO3G) market	2021 **Established SK multi utility** 2021 Commercialized 'ECOTRIA CR' 2022 Acquired an equity stake in Shuye 2022 Commercialized bio-polyol (PO3G) 2023 Established Shuye-SK Chemicals (Shantou) Co., Ltd. 2024 Launched 'ECOTRIA CLARO 300'	• Pursued an investment in Recycle Innovation Center (RIC) • Signed an exclusive partnership agreement with Durmont • Signed an MOU with the Ministry of the Interior and Safety and the Seoul Metropolitan Government to promote the circular use of waste banners • SK multi utility began LNG/LPG cogeneration • Pursued the establishment of Feedstock Innovation Center (FIC)
Life Science	1987 Established Sunbo Pharmaceutical 1987 Acquired Samshin Pharmaceutical 1989 Established the Life Science Research Center 1990 Changed the company name to Sunkyung Pharmaceutical 1994 Developed 'Trast', an anti-inflammatory analgesic patch	2002 Launched 'Joins', Korea's first natural product-based medicine 2005 Merged with SK pharmaceutical 2006 Merged with Dongshin Pharmaceutical 2011 Launched 'Mvix-S', a film-type erectile dysfunction treatment 2012 Completed Andong L HOUSE 2015 Spun off SK plasma 2015 Launched 'SKYCellflu', a cell culture-based influenza vaccine 2018 **Established SK bioscience**	2021 SK bioscience was listed on the KOSPI market. 2022 SK bioscience obtained domestic product approval from the MFDS for 'SKYCovione (GBP510)', a COVID-19 vaccine. 2024 Launched 'Suvexx, Korea's first combination migraine treatment 2024 SK bioscience acquired a 60% stake in Germany's IDT Biologika.	• Introduced and expanded a gout treatment portfolio in partnership with Viatris • Launched 'Ginexin MemoCare Capsules' • Signed an MOU with AriBio, a technology transfer partner for an Alzheimer's disease treatment • Signed an MOU with Nextgen Biosciences for the joint development of new drugs • Obtained ISO 22301 (Business Continuity Management System) certification

Company Profile

Status of Subsidiaries and Affiliates

Centered around its headquarters, ECO Lab, in Pangyo, Seongnam-si, Gyeonggi-do, SK chemicals operates the Green Chemicals Ulsan Plant, Pharma Cheongju Plant (S HOUSE), and SK bioscience Andong Plant (L HOUSE). The company is also expanding its global network through overseas sales subsidiaries in the United States, Germany, Shanghai, China, and Malaysia; offices in Japan and Guangzhou, China; and production subsidiaries in Yantai and Shantou, China. SK chemicals has a total of 14 consolidated subsidiaries, comprising 3 domestic subsidiaries, SK bioscience, SK multi utility, and SK chemicals-Daejung, and 11 overseas subsidiaries in the United States, Germany, China, and other countries.

Domestic Sites and Global Network

- HQ
- Production Sites (Korea)
- Production Sites (Overseas)
- Sales Offices

Status of Subsidiaries and Affiliates As of December 31, 2025

Consolidated Subsidiaries

Equity Interest

SK chemicals Yantai Co., Ltd.
Established on June 15, 2020
Yantai, Shandong, China
Resin manufacturing
100%

Shuye-SK chemicals (Shantou) Co., Ltd.
Established on March 6, 2023
Shantou, Guangdong, China
Plastic manufacturing
100%

SK multi utility Co., Ltd.
Established on December 1, 2021
Ulsan, Republic of Korea
Electricity, gas, steam and air conditioning supply
100%

SK Chemicals GmbH
Established on June 20, 2008
Eschborn, Germany
Wholesale
100%

SK Chemicals America
Established on July 19, 2002
Irvine, California, USA
Wholesale
100%

SK chemicals-Daejung Co., Ltd.
Established on April 1, 2020
Seongnam, Republic of Korea
Organic solvent manufacturing
50%

SK chemicals Shanghai Co., Ltd.
Established on November 2, 2018
Shanghai, China
Management consulting
100%

SK Chemicals Malaysia
Established on August 25, 2020
Kuala Lumpur, Malaysia
Management consulting
100%

SK bioscience Co., Ltd.
Established on July 1, 2018
Incheon, Republic of Korea
Pharmaceutical manufacturing
66%

Consolidated Subsidiaries of SK bioscience

- **SK bioscience USA, Inc.**
- **SK bioscience Germany GmbH**
  - IDT Biologika GmbH
  - IDT Biologika Corporation[1)]
  - Technik-Energie-Wasser Servicegesellschaft mbH

1) IDT Biologika Corporation is a subsidiary of IDT Biologika GmbH, which was acquired by SK bioscience.

Affiliates

Equity Interest

JSI Co., Ltd.
Resin manufacturing
40%

HDC Polyol Co., Ltd.
Manufacturing
20%

Joint Venture

Equity Interest

ENTIS Co., Ltd.
Manufacturing
50%

Our Business

Business Overview

SK chemicals consists of the Green Chemicals business unit, which produces functional and high value-added chemical materials, and the Pharma business unit, which manufactures and sells natural product-based and synthetic pharmaceuticals. The company is also diversifying its business portfolio through its key subsidiaries, SK bioscience, which produces vaccines, and SK multi utility, which engages in the energy business.

Chemicals

SK chemicals Green Chemicals Business Unit

The Green Chemicals business unit of SK chemicals produces high value-added chemical materials, including highly transparent and heat-resistant copolyesters, thermoplastic elastomers with excellent heat resistance and mechanical strength, and functional polyester resins used as raw materials for adhesives and coatings across various industries. Based on product-specific environmental attributes, such as the use of recycled feedstock, compatibility with PET recycling streams, and the partial use of biomass-derived raw materials, the business unit supports customers in advancing circularity and achieving their raw material substitution goals.

Pharmaceuticals

SK chemicals Pharma Business Unit

The Pharma business unit of SK chemicals primarily manufactures and sells synthetic pharmaceuticals. It has developed a competitive edge in areas such as natural product-based pharmaceuticals, patch products, and sustained-release formulations, supported by its differentiated technologies and expertise. Backed by a strong marketing network proven in domestic and global markets, as well as rigorous quality control based on EU GMP standards, the business unit ensures the reliability of its pharmaceutical products. It is also driving R&D innovation through open innovation to support sustainable growth, contributing to improving patients' quality of life and advancing human health.

Vaccines

SK bioscience

Key Subsidiary

SK bioscience is accelerating its efforts to deliver results with the goal of advancing human health from prevention to treatment. The company has built its own vaccine portfolio and continues to pursue global projects. During the COVID-19 pandemic, it successfully responded through a dual-track strategy of global vaccine C(D)MO[1] services and in-house vaccine development, enabling it to build strong capabilities and networks in the vaccine sector. Building on this foundation, SK bioscience is pursuing growth toward becoming a global top 10 vaccine company.

Energy Generation

SK multi utility

Key Subsidiary

SK multi utility was established in 2021 through a physical spin-off of SK chemicals' Utility business unit. As an integrated energy business entity, deemed district electric business entity, and distributed energy business entity, the company sells steam and electricity to customers within its supply area.

In the second half of 2025, SK multi utility completed an LNG/LPG-based cogeneration plant and began stable commercial operations. As a high-efficiency facility that simultaneously produces electricity and steam, the plant contributes to a stable energy supply for companies in the Mipo National Industrial Complex. Its dual-fuel system also enables the company to respond flexibly to fluctuations in fuel prices.

1) Contract Development and Manufacturing Organization: outsourced development and manufacturing of pharmaceuticals

Sustainable Strategy & Portfolio

Green Chemicals

Strategy

The Green Chemicals business unit of SK chemicals has secured solid business stability and profitability through its high value-added specialty polyester and functional materials businesses, built on an integrated structure from raw materials to finished products, despite slowing demand and increasing market volatility across the global petrochemical industry. As the world faces growing pressure to address the landfilling, incineration, and leakage of waste plastics, the business unit aims to reduce its negative environmental impact and contribute to resource conservation through its recycling business enabled by depolymerization technology. Building on the technologies and capabilities it has internalized since 1969, the Green Chemicals business unit will continue to capture growth opportunities as it helps lead the transition to a circular economy.

Core Strategy

Copolyester

Used in a wide range of everyday applications for end consumers, supported by physical properties superior to those of conventional polyester materials

Functional Materials

Provide functional value across various industries, including electrical and electronics, films and fibers, automotive, adhesives, and coatings

Monomer

Establish an integrated business structure from raw materials to finished products by producing DMT and CHDM, which are used as key raw materials in SK chemicals' main copolyester and functional materials products

Enhance capital efficiency by leveraging accumulated R&D and production technologies

Growth Strategy

Recycled·Recyclable

Contribute to the expansion of the circular economy by producing materials made with recycled feedstock and recyclable materials using chemical recycling technology

Bio-based

Contribute to reducing the use of petroleum-based raw materials by developing and expanding biomass-based materials derived from plant-based industrial starch

Deliver sustainable growth built on proven core value

Sustainable Strategy & Portfolio

Green Chemicals

Portfolio - Green Materials and Recycling

The Green Chemicals business unit provides polyester product lines that support circularity to a wide range of brand owners, offering recycled material solutions enabled by chemical recycling technologies, including depolymerization, as well as recyclable material solutions designed for compatibility with PET recycling streams. The business unit continues to strengthen its competitiveness by transitioning its portfolio toward high value-added products, developing plastics made with bio-based raw materials, advancing recycling technologies, and expanding production lines.

Copolyester

SKYGREEN
SKYGREEN is a high-performance PETG material manufactured without the use of BPA. With excellent transparency, chemical resistance, processability, and moldability, it is widely used across consumer and industrial applications, including cosmetics and food containers, electronic components, building materials, and decorative films.

ECOZEN
ECOZEN is a copolyester material that contains a certain portion of biomass-derived content.[1] Compared with conventional products, it offers improved heat resistance and other outstanding properties, including manufacturing process without the use of BPA. ECOZEN meets food contact material requirements in major markets, including Korea, the United States, and Europe, and is used in a wide range of applications such as electronic products, food containers, kitchen appliances, and baby products.

Recycled · Recyclable

ECOTRIA
ECOTRIA is SK chemicals' portfolio of copolyester resins made with recycled feedstock. It consists of the R Series, which incorporates a portion of mechanically recycled feedstock; the CR Series, which uses chemically recycled feedstock and contains up to 70% recycled content; and the CLARO Series, which is designed for compatibility with PET recycling streams while maintaining the transparency and chemical resistance of copolyester.

SKYPET CR
SKYPET CR is a PET resin produced through chemical recycling, in which waste plastics are depolymerized back into raw materials and then repolymerized. It delivers physical properties comparable to those of petroleum-based PET and has undergone a material-level review for relevant U.S. FDA food-contact requirements. The product is used in a wide range of applications, including food containers and industrial materials.

1) Biomass content of up to 15%, measured based on radiocarbon analysis in accordance with ASTM D6866

Sustainable Strategy & Portfolio

Green Chemicals

Portfolio – Functional Materials and Bio-based Materials

The Green Chemicals business unit provides functional value to a wide range of customers through functional material products with excellent durability, heat resistance, and chemical resistance.

Functional

SKYBON

SKYBON
SKYBON is a high-molecular-weight polyester resin with flexibility and excellent adhesion, used as an adhesive and coating resin in a wide range of applications, including steel sheets for home appliances and food can coatings.

Can coatings

Coffee capsules

SKYPEL

SKYPEL
SKYPEL is SK chemicals' polyester-based thermoplastic elastomer brand. Combining the elasticity of rubber with the processability of engineering plastics, SKYPEL is used in automotive, electrical and electronics, films, and fibers applications that require high-performance properties capable of withstanding extreme environments.

Chair backrest mesh

Industrial tubes

SKYTRA

SKYTRA
SKYTRA is SK chemicals' compounding brand, offering solutions tailored to diverse customer needs using high-performance resins produced by SK chemicals. With outstanding chemical resistance, mechanical properties, and UL-certified grades, SKYTRA has continued to expand into a wide range of applications, including automotive, electrical and electronics, and consumer goods.

Hair dryers

Toner cartridges

SKYPURA

SKYPURA
SKYPURA is a PCT polymer material and a type of super engineering plastic made with CHDM. With excellent thermal stability, reflectance, and light resistance, it is used in LED reflectors for TVs and lighting. As a material with high heat resistance, durability, insulation performance, and excellent electrical properties, SKYPURA is also expanding into electrical and electronic components such as SMT connectors, as well as automotive films and heat-resistant fibers.

TVs and lighting

Oven trays

Sustainable Strategy & Portfolio

Green Chemicals

Portfolio – Functional Materials and Bio-based Materials

Drawing on its proprietary production know-how accumulated over several decades, the Green Chemicals business unit uses internally produced DMT to manufacture CHDM, a key raw material for its high-performance copolyester. This internalized raw material supply structure, supported by large-scale in-house consumption, has become a key driver of process stability and strong quality competitiveness, even amid changes in the external business environment. In addition, the business unit has developed ECOTRION, a bio-polyol product with 100% biomass content, and has been expanding its supply through collaboration across diverse industries since 2022. It continues to develop products aimed at replacing a portion of petroleum-based raw materials with bio-based alternatives.

Monomer

SKYDMT

SKYDMT
SKYDMT is used as a raw material in a wide range of applications, including films, fibers, engineering plastics, and adhesives, with properties such as low reaction temperature, high purity, and high heat resistance. Since its first production in 1989, SK chemicals has built on more than 30 years of experience to operate world-class quality control systems, earning recognition for product quality from customers in Korea and abroad. SKYDMT is also used as a raw material for CHDM in SK chemicals' copolyester production.

Films

SKYCHDM

SKYCHDM
SKYCHDM is an alcohol monomer used as a raw material for polyester polymer resins, polyurethane resins, and coating resins. SKYCHDM can replace, or be blended with, conventional aromatic or aliphatic raw materials. Depending on the blending ratio, it can improve the transparency and processability of polyester resins. More recently, SKYCHDM has expanded its applications to wind turbine blades, driven by its excellent moisture resistance and UV resistance.

Wind Turbine Blades

Paint

Bio-based Materials

ECOTRION

ECOTRION
ECOTRION is a PO3G (polyoxytrimethylene ether glycol) material that can replace petroleum-based polyols, a key raw material for polyurethane, with bio-based raw materials derived from industrial starch. It can contribute to reducing the use of petroleum-based polyols and lowering greenhouse gas emissions, while delivering excellent elastic recovery and abrasion resistance. ECOTRION has obtained certifications[1] for 100% bio-based raw material content from relevant organizations in the United States and Europe. Used as a raw material in the production of urethane elastomers, spandex, and synthetic leather, ECOTRION has attracted strong interest from companies in the global textile and sporting goods markets. To further strengthen its bio-based material development capabilities, SK chemicals is also collaborating with raw material suppliers through market trend sharing and joint R&D as part of its efforts to expand the PO3G market.

Automotive interior materials

Spandex

Trekking shoes

3D printers

1) BioPreferred Program (certification body: USDA, United States Department of Agriculture) and OK BIOBASED (certification body: TÜV Austria cert GmbH). These certifications apply only to the PO3G raw material itself and are based on carbon content testing in accordance with ASTM D6866.

Sustainable Strategy & Portfolio

Life Science - Pharma

Strategy

The Pharma business unit of Life Science unit primarily manufactures and sells natural product-based and synthetic pharmaceuticals, providing patients with a broad range of treatment solutions through its strong technological and marketing capabilities. Underpinned by five key mid- to long-term strategies — strengthening marketing alliances, enhancing the value of natural product-based pharmaceuticals, expanding global C(D)MO services, accelerating open innovation, and expanding in-house R&D — the business unit has reinforced its growth drivers while pursuing both portfolio diversification and business expansion. As a result, the Pharma business unit achieved record-high revenue of KRW 488.1 billion in 2025.

Core Strategy

Enhance the value of natural product-based pharmaceuticals

Improve dosing convenience and strengthen market position with diversified strengths and dosage forms of natural product-based pharmaceuticals

Main products
- Ginexin-F 120mg, 10 tablets
- Joins F 300mg

Strengthen marketing alliance competitiveness

Expand sales channels and diversify patient treatment options through strategic partnerships

Key partners
- Viatris Korea
- Jeil Health Science

Expand global C(D)MO services

Draw on C(D)MO business experience with AstraZeneca and ISO 22301 certification to strengthen supply stability and risk management capabilities, while actively pursuing expansion into additional approved markets and identifying new CMO opportunities

Secure a competitive portfolio with a compound annual growth rate (CAGR) of 12.9% over the past five years

Growth Strategy

Accelerate open innovation

Accelerate commercialization by expanding the pipeline through license-in agreements and joint development, while advancing the portfolio through collaborative research to identify novel drug candidates in oncology and other therapeutic areas

Example
- Signed an MOU with NEXTGEN Bioscience

Expand in-house R&D

Establish a foundation for profitability by expanding new internally developed pipelines, with plans to broaden the product portfolio into internal medicine, musculoskeletal, and neurological areas

Strengthen mid- to long-term fundamentals by building R&D-driven growth drivers

Sustainable Strategy & Portfolio

Life Science - Pharma

Portfolio

The Pharma business unit has a diverse pipeline supported by its strong marketing capabilities and R&D achievements. It has particular strengths in the musculoskeletal and cardiovascular therapeutic areas and generates stable revenue through pharmaceuticals used to treat a wide range of diseases, including anti-inflammatory analgesics for rheumatoid arthritis, treatments for neurological conditions such as dementia and headaches, and treatments for cardiovascular conditions such as hypertension and hyperlipidemia. In particular, the anti-inflammatory analgesics and pain treatments licensed in from Viatris in 2025 are creating synergies with the business unit's existing core natural product-based pharmaceuticals, helping strengthen its competitiveness. The Pharma business unit of SK chemicals will continue to diversify its product portfolio, improve accessibility, and steadily expand its market share.

Pharma

Korea's first approved natural product-based new drug

Joins

Joins is an arthritis treatment made with herbal ingredients and approved as the first natural product-based new drug in Korea. In clinical trials, Joins demonstrated anti-inflammatory and analgesic effects comparable to those of conventional anti-inflammatory analgesics, along with fewer side effects and protective effects on cartilage tissue, earning recognition as a treatment that addresses the underlying causes of arthritis. Since its launch in 2002, Joins has recorded cumulative revenue in Korea of KRW 684.3 billion as of 2025 and reached KRW 700 billion in February 2026. In 2023, SK chemicals launched JOINS F Tab. 300 mg, a high-dose formulation, after receiving product approval. The new product is expected to improve dosing convenience, expand the product lineup, and further strengthen the brand's position in the osteoarthritis market.

No. 1 market share in the blood circulation improvement market

Ginexin

Ginexin, SK chemicals' flagship blood circulation improvement brand, surpassed cumulative sales of KRW 594.9 billion in Korea as of 2025 and has led the Korean market since 2002. In recent years, the brand has continued to expand beyond general blood circulation improvement by demonstrating benefits in cerebral blood flow and cognitive function. In 2025, SK chemicals further expanded consumer choice by launching small-pack Ginexin-F products designed to improve dosing convenience, as well as Ginexin Memo Care Capsule, a memory-support product containing ginseng extract.

Korea's leading transdermal patch for knee osteoarthritis

Trast

Trast is a transdermal patch for knee osteoarthritis that has grown steadily as one of Korea's leading brands since its launch in 1996. Designed to be applied directly to the affected joint, the patch helps minimize the side effects associated with conventional oral medications and provides long-lasting therapeutic effects for up to 48 hours with a single application.

Since Trast first received product approval in China in 2006, SK chemicals has continued to export the product and plans to further expand its presence in global markets.

Transdermal dementia treatment available in 25 countries worldwide

Rivastigmine

Rivastigmine is a patch-type dementia treatment that SK chemicals developed in 2010 as the first of its kind in Korea, using the company's proprietary transdermal drug delivery system technology. In 2013, it obtained marketing authorization as the first generic product of its kind in Europe, demonstrating the company's strong formulation technology.

Following its launch in 12 European countries from 2013 to 2016, Rivastigmine was launched in 5 additional countries, including Australia and Mexico, from 2017 to 2018, and in 7 countries, including the United States and Canada, from 2019 to 2023. By 2025, the product had entered a total of 25 countries.

SK chemicals will continue to expand its presence in overseas markets by leveraging its differentiated formulation technologies.

Sustainable Strategy & Portfolio

Life Science - SK bioscience

Strategy & Portfolio

SK bioscience was established on July 1, 2018, through a physical spin-off of SK chemicals' vaccine business unit, drawing on capabilities accumulated within SK chemicals. With the goal of advancing human health across every stage from prevention to treatment, SK bioscience is accelerating performance, building its own vaccine portfolio, and continuing to pursue global projects. Through a dual-track strategy of global vaccine C(D)MO services and in-house vaccine development, the company successfully responded to the COVID-19 pandemic and built advanced capabilities and networks in the vaccine sector. On this foundation, SK bioscience is pursuing growth toward becoming a Global Top 10 Vaccine Company.

As of December 31, 2025

Company Name	SK bioscience Co., Ltd.
Business Description	Research and development, production, and sales of vaccines and biopharmaceuticals
Headquarters	38 Yeongudanji-ro, Yeonsu-gu, Incheon, Republic of Korea
Website	https://www.skbioscience.com/en/main
Revenue (Consolidated Basis)	KRW 651.4 billion

Accelerating global Phase 3 trials for a 21-valent pneumococcal vaccine

SK bioscience is accelerating the development of GBP410, its next-generation 21-valent pneumococcal vaccine candidate, through an ongoing global Phase 3 clinical trial. In 2025, the company also obtained CTA approval from the Center for Drug Evaluation (CDE) under China's National Medical Products Administration to initiate Phase 1 and Phase 3 clinical trials, laying the groundwork for securing essential local clinical data in China. GBP410 is regarded as the first late-stage pediatric vaccine candidate to cover more than 20 serotypes, with the potential to provide broader protection than existing vaccines. This achievement marks an important milestone in strengthening the company's ability to respond to the significant global public health need for pneumococcal disease prevention, while further enhancing SK bioscience's competitiveness in the global vaccine market.

Driving growth through successful post-acquisition integration of IDT Biologika

With its acquisition of Germany-based vaccine company IDT Biologika in October 2024, SK bioscience secured a production base in Europe as well as a global CDMO customer network. Following the acquisition, IDT recorded annual consolidated revenue of KRW 465.7 billion in 2025, up approximately 17% year on year, contributing to SK bioscience's top-line growth. IDT is focusing on acquiring new customers and expanding order intake, particularly in Europe and North America, while strengthening its global CDMO competitiveness by improving production efficiency and advancing quality management. Through these efforts, IDT will continue to build growth momentum.

Launch of full-scale operations at the Songdo Global R&PD Center

With its relocation to the Songdo Global R&PD Center in January 2026, SK bioscience has established a one-stop development system that integrates R&D, process development, and quality analysis, enabling the company to enhance the entire vaccine development process from design and scale-up to technology transfer. Building on this foundation, the company will strengthen its research capabilities in next-generation platforms, including mRNA, recombinant protein, and viral vectors. Through its pilot lab, SK bioscience will also bring pre-production validation and process optimization in-house, strengthening reliable and rapid vaccine production capabilities. With the Songdo Global R&PD Center now in operation, SK bioscience will accelerate its growth while contributing to the advancement of global public health systems.

ESG HIGHLIGHTS

017 Sustainability Strategy

019 External Recognition and Achievements

021 DBL(Double Bottom Line)

022 Materiality Assessment

Sustainability Strategy

SK chemicals is shaping a future for the sustainable lives of its stakeholders, guided by its mission as a **Healthcare & Earthcare Solution Provider.**

Mission

Healthcare & Earthcare Solution Provider

What we provide

We provide Earthcare solutions that reduce environmental impact and enable circular recycling through differentiated technologies and customer-focused application development, as well as healthcare solutions that contribute to sustainable healthcare systems and human health by improving access to treatment and reducing the burden of treatment.

Why we provide

Through Healthcare & Earthcare, we aspire to help people lead more sustainable everyday lives and move toward a healthier future.

How we provide

SK chemicals' Healthcare & Earthcare solutions are developed by upholding the following 8 commitments to support the sustainability of the environment, society, and all stakeholders.

SK chemicals' Sustainable Action Strategy

Sustainability Strategy

ESG Initiatives and KPI Results

	2025 KPI (Key Performance Indicator) Targets	2025 Results	KPI	
			2026 Goals or Mid- to Long-term Goals	Execution Department/Responsible Leader
1 Leading climate action	• Establish a company-wide Scope 1&2 GHG inventory on a consolidated basis	• Established a company-wide Scope 1&2 GHG inventory on a consolidated basis and disclosed emissions data (894 $ktCO_2eq$)	• Establish and disclose a company-wide Scope 1&2, 3 GHG inventory measurement inventory on a consolidated basis	• ESG Management Team/ESG Management Team Leader[2]
	• Reduce GHG emissions (2025 emissions target: 240 $ktCO_2eq$) • Reduce energy costs at Ulsan Plant by KRW 2.07 billion	• Reduced company-wide[1] GHG emissions to 214 $ktCO_2eq$, 11% below the target • Achieved the target by reducing energy costs at Ulsan Plant by KRW 2.07 billion	• Achieve the company-wide[1] GHG emissions target (222 $ktCO_2eq$) • Achieve Net Zero Scope 1 and 2 emissions by 2040	• Company-wide/CEO[2] • Ulsan Plant/Ulsan Plant Manager
	• Identify and implement new GHG emissions reduction initiatives	• Reduced emissions by 13 $ktCO_2eq$ through initiatives including the introduction of low-carbon steam for CHP facilities and DMT condensate recovery	• Further advance the Net Zero roadmap • Achieve RE100 by 2032	• ESG Management Team/ESG Management Team Leader
2 Contributing to a circular economy	• Maintain the share of clean technology, including recycling and bio-based materials, at more than 50% of the Chemical Research Institute's R&D spending - Develop products designed for easier recycling and develop a production base for circular recycling	• Achieved a 50% share of clean technology in R&D spending - PET chemical recycling, w-PET feedstock validation, etc.	• Maintain the share of clean technology at 50% or more of the Chemical Research Institute's R&D spending through 2028	• Chemical Research Institute/Director of Chemical Research Institute
	• Maintain Gold grade in Zero Waste to Landfill (ZWTL) certification	• Maintained Gold grade in waste recycling certification (Recycling rate: 97%)	• Obtain Silver grade in waste recycling certification	• SHE Team/Head of SHE Department[2]
3 Reducing environmental impact	• Reduce the use of solvent naphtha, a hazardous chemical, by 43% compared to 2021	• Reduced hazardous chemical use by 23% compared to 2021	• Phase out the use of solvent naphtha by 2029	• Functional Materials Business Department/ Head of Functional Materials Business Department[2]
	• Keep water withdrawal at or below 2.04 million tons (Scope: SK chemicals Ulsan Plant)	• Withdrew 1.99 million tons of water	• Keep water withdrawal at Ulsan Plant at or below 2 million tons in 2026	• Ulsan Plant/Ulsan Plant Manager[2]
	• Manage emission concentrations at approximately 40% of legal limits (Water quality: COD, BOD, SS, Air: NOx, SOx, dust)	• Maintained water and air pollutant emission concentrations at approximately 40% of legal limits	• Maintain water and air pollutant emission concentrations at approximately 40% of legal limits in 2026	• SHE Team/Head of SHE Department[2]
4 Valuing people	• Conduct human rights impact assessments across all companies included in the consolidated financial statements and relevant stakeholders, including all overseas entities, local communities, and suppliers	• Completed human rights impact assessments across all companies included in the consolidated financial statements and relevant stakeholders • Implemented short-term improvement tasks identified through the assessments	• Verify the effectiveness of short-term improvement tasks through employee surveys • Implement mid- to long-term improvement tasks	• ESG Management Team/ESG Management Team Leader
	• Advance the safety management systems of overseas subsidiaries • Company-wide lost time injury rate (LTIR): 0.07 (Scope: SK chemicals (standalone) and resident contractors)	• Advanced the safety management systems of the Yantai and Shantou subsidiaries • Company-wide LTIR: 0.11	• Advance SHE management and strengthen on-site execution capabilities - Establish SHE operations at overseas subsidiaries by 2026 • Achieve a company-wide LTIR of 0.05 by 2028 (Scope: SK chemicals (standalone), resident contractors, and construction contractors)	• SHE Team/Head of SHE Department[2]
5 Acting together with our supply chain	• Refine the supply chain ESG policy and verify the results of supply chain ESG assessments	• Revised the supply chain ESG management policy • Obtained Supplier Code of Conduct signatures for 100% of contracts executed through the procurement system	• Strengthen ESG training for suppliers • Add ESG-related clauses to contracts executed through the procurement system	• Finance Department/Head of Finance Department
6 Giving back more than we receive	• Expand social contribution activities connected with local communities • Expand employee participation in social contribution activities	• Opened the Humanities Happiness Center Jigwanseoga for Suwon citizens • Recorded 2.5 hours of social contribution participation per employee	• Return 3% of the average pre-tax profit for the preceding 3 years to social contribution projects • Achieve 4 hours of social contribution participation per employee by 2028	• ESG Management Team/ESG Management Team Leader
7 Making sound decisions	• Achieve 100% Board meeting attendance	• Achieved a Board meeting attendance rate of 98%	• Strengthen Board management and oversight through evaluations and training	• Board Secretariat/Board Secretariat Director
8 Proactively preventing risk	• Maintain ISO 37001 (Anti-Bribery Management System) certification • Maintain ISO 27001 (Information Security Management System) certification	• Maintained ISO 37001 and ISO 27001 certifications	• Obtain ISO 37301 (Compliance Management System) certification in 2026 • Maintain ISO 27001 certification in 2026	• Legal Department/Head of Legal Department[2] • Corporate Culture X DT Department/Head of Corporate Culture X DT Department[2]

1) SK chemicals (standalone) and SK chemicals Yantai.
2) Responsible leaders are evaluated based on their achievement of KPI targets and assigned S, A, B, or C ratings, with the results linked to compensation.

External Recognition and Achievements

2025-2026 Performance Highlights

Guided by its sustainability philosophy of "creating materials for life that help make everyday life more sustainable for all," SK chemicals delivered a range of achievements throughout the year. SK chemicals' business achievements are closely aligned with sustainability and are translating into ESG outcomes that reduce environmental impact and create social value.

Our Business **as a part of Sustainability**

Obtained **ISO 22301** (Business Continuity Management System) certification

Established **Feedstock Innovation Center**, a joint venture to secure an internal supply of feedstock for circular recycling

Reduced Scope 1&2 GHG emissions by **11.4%**[1] compared to the base year

Joined **TNFD** and published the first biodiversity report

Joins market share of **28%**
Ginexin market share of **37%**

Established the **Recycle Innovation Center** (RIC), a depolymerization-based recycling demonstration facility

Company-wide renewable energy share of **14.0%**[2]

Conducted human rights impact assessments at **100%** of business sites covered on a consolidated basis

Joins osteoarthritis treatment reached cumulative revenue of **KRW 700 billion**

Obtained **RecyClass recyclability verification for 7 products**, including ECOTRIA and SKYPET BR

Acquired **Gold certification** for **Zero Waste to Landfill (ZWTL)** at the Ulsan Plant for **three consecutive years**

Opened Suwon Jigwanseoga, a community-based humanities and cultural space

1) Calculated based on SK chemicals on a standalone
2) Calculated for SK chemicals on a standalone basis, SK chemicals Yantai, Shuye-SK chemicals (Shantou), SK chemicals-Daejung, and 4 overseas sales subsidiaries

External Recognition and Achievements

Participation in Global Initiatives and External ESG Assessment Results

To transparently disclose its ESG management goals and performance, SK chemicals continues to expand the scope of its ESG disclosure in accordance with global disclosure frameworks, including SASB and TCFD. Since 2021, the company has also disclosed its carbon emissions data and emissions reduction targets through CDP disclosures, helping build trust in its climate action among global financial investors and stakeholders. In 2023, SK chemicals received approval for its near-term science-based greenhouse gas emissions reduction targets from the Science Based Targets initiative (SBTi). As a result of these efforts, SK chemicals was included in the DJSI Korea Index for the 5th consecutive year in 2025 and was selected as a member of the S&P Global Sustainability Yearbook for the 3rd consecutive year, achieving the 3rd-highest score in the global chemicals industry. The company also received an AA rating from MSCI and achieved the highest rating of A in both climate change and water security from CDP. In addition, SK chemicals has been recognized by a range of global ESG rating agencies for its outstanding sustainability performance, including receiving the highest rating of A+ in the ESG assessment by the Korea Institute of Corporate Governance and Sustainability (KCGS) for the 4th consecutive year.

Participation in Global Initiatives

RE100 is a global energy transition initiative under which companies commit to sourcing 100% of their electricity from renewable energy. In Korea, companies began building the foundation for this transition through the Korea RE100 (K-RE100) program, and SK chemicals joined K-RE100 in June 2022 as part of this initiative,

SK chemicals joined the Science Based Targets initiative (SBTi) in February 2023 and participates in 1.5°C Alliance Membership. In 2023, the company received approval for its science-based greenhouse gas emissions reduction targets.

SK chemicals declared its support for the Taskforce on Climate-related Financial Disclosures (TCFD) in July 2022 and published its first TCFD report in September of the same year.

In 2022, SK bioscience and the Coalition for Epidemic Preparedness Innovations (CEPI) signed a funding agreement to support R&D for the development of mRNA vaccine platform technology.

SK chemicals declared its support for the Taskforce on Nature-related Financial Disclosures (TNFD) in 2025 and published its first TNFD report in July of the same year.

In November 2021, SK bioscience and the International Vaccine Institute (IVI) established the Park Mahn-hoon Award to honor the achievements of the late Vice Chairman Park Mahn-hoon, who made significant contributions to strengthening SK bioscience's research capabilities. Each year, recipients are selected from individuals and organizations that have contributed to vaccine discovery, development, and distribution, as well as the advancement of global health.

External ESG Assessment Results

MSCI	**Maintained an AA rating** for the 3rd consecutive year
CDP	**Maintained A ratings** in climate change and water security for the 2nd consecutive year
한국ESG기준원	**Maintained an A+ rating** for the 4th consecutive year
ecovadis	**Silver rating**
Dow Jones Sustainability Indexes	**Included in the DJSI Korea Index for the 5th consecutive year, Selected as a 2025 Sustainability Yearbook Member**

DBL
(Double Bottom Line)

Creating and Expanding SK DBL Value

Through its business activities, SK Group seeks to enhance both economic value (EV) and social value (SV). It creates social value by helping address social issues and pursuing the happiness of its employees. Under the Double Bottom Line (DBL) approach, which integrates economic and social value into business management, SK measures social value across indirect economic contribution, environmental performance, and social performance, providing tangible indicators and benchmarks. SK chemicals discloses the results of these social value measurements each year alongside its economic value.

Economic Value

In 2025, SK chemicals achieved annual revenue of KRW 2,365.2 billion on a consolidated basis under Korean International Financial Reporting Standards (K-IFRS).

Social Value

Under its mission of "Enhancing human health and protecting the environment", SK chemicals creates social value by selling pharmaceuticals and products designed to reduce environmental impact.

Indirect Economic Contribution

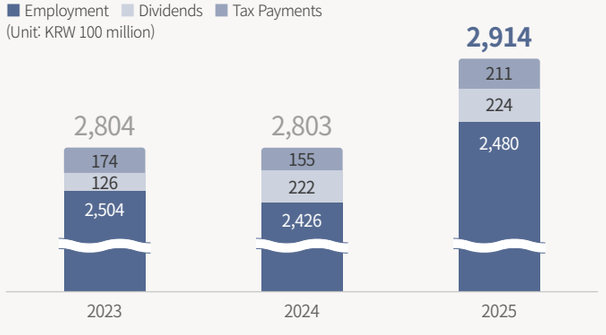
In 2025, SK chemicals' indirect economic contribution was measured at KRW 291.4 billion, up KRW 11.1 billion from the previous year, driven by an increase in employees and payroll expenses, as well as higher tax payments resulting from improved business performance.

Employment
Payroll and employee benefits expenses
YoY 2 % ↑

Dividends
Cash dividend payments and the decrease in retained earnings resulting from the cancellation of treasury shares
YoY 1 % ↑

Tax Payments
National and local tax payments
YoY 36 % ↑

Relevant UN SDGs: 8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure



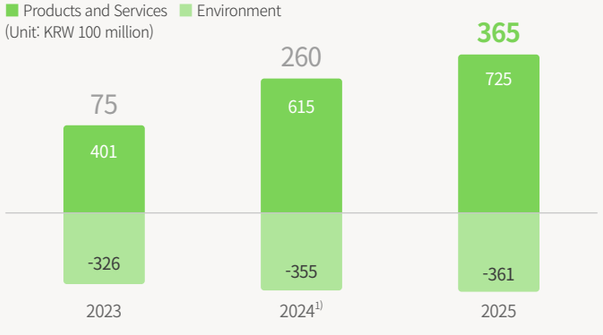
Environmental Performance

In 2025, SK chemicals' environmental performance increased by KRW 10.5 billion from the previous year, driven by reductions in greenhouse gas emissions, quality improvements in ECOZEN, and increased sales of SKYBON.

Products and Services
Positive environmental value created through products and services designed to reduce environmental impact
YoY 18 % ↑

Environmental Performance (Operations)
Negative environmental impact generated in production and operations, including water consumption and greenhouse gas emissions
YoY 2 % ↑

Relevant UN SDGs: 6 Clean Water and Sanitation; 7 Affordable and Clean Energy; 12 Responsible Consumption and Production; 13 Climate Action; 14 Life Below Water; 15 Life on Land



Social Performance

In 2025, SK chemicals' social performance increased by KRW 19.3 billion from the previous year, driven by higher monetary and in-kind donations by SK chemicals, the measurement of new vaccine-related indicators by SK bioscience, and higher vaccine export volume.

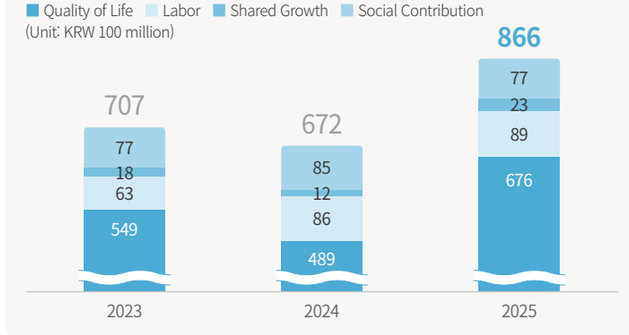
Quality of Life
Value created by contributing to improvements in quality of life through the products and services
YoY 38 % ↑

Shared Growth
Value created by contributing to shared growth with suppliers
YoY 94 % ↑

Labor
Value created by contributing to improvements in employees' working environment
YoY 4 % ↑

Social Contribution
Value created through social contribution and mutual growth activities for local communities
YoY 9 % ↓

Relevant UN SDGs: 1 No Poverty; 3 Good Health and Well-Being; 4 Quality Education; 10 Reduced Inequalities; 17 Partnerships for the Goals



1) The 2024 products and services figure under environmental performance has been corrected from the previously disclosed figure due to a reporting error.

Materiality Assessment

Double Materiality Assessment

SK chemicals has conducted a double materiality assessment every year since 2022 and publishes its sustainability report based on the results. The assessment evaluates both the impact of the company's business on the environment and society, or impact materiality, and the impact of external ESG factors on the company's financial performance, or financial materiality. To enhance the reliability of the assessment, the results are reviewed by the Board of Directors each year and integrated into the company-wide Enterprise Risk Management (ERM) system. Key impacts, risks, and opportunities identified through the assessment, along with response measures, are reflected in corporate strategy to strengthen business sustainability. The 2025 double materiality assessment was conducted based on the Materiality Assessment Implementation Guidance issued by the European Financial Reporting Advisory Group (EFRAG[1]). SK chemicals also refined its assessment process to establish a foundation for responding to the European Sustainability Reporting Standards (ESRS[2]). In particular, the company assessed its major business units separately to identify material issues specific to each business and industry. The scope of assessment was also expanded from SK chemicals on a standalone basis to a consolidated basis, including key subsidiaries.

Double Materiality Assessment Process

1. ESG Topic Identification and Short-listing

ESG Topic Long List (15 topics)

Environmental	8 topics
Social	6 topics
Governance	1 topic

- The 40 EU ESRS sub-topics were grouped by similarity to develop a long list of 15 topics.

Short-listing Unit	
SK chemicals	Green Chemicals
	Pharma
SK bioscience	
SK multi utility	

Relevance Assessment	
International Standards	MSCI, SASB
Internal Issues	Previous material topics, Board agenda items
Stakeholder Requirements	Investors and customers
Peer Benchmarking	Global industry benchmarking
Media Research	Analysis of media articles

- SK chemicals was assessed by separating its Green Chemicals and Pharma businesses, while topics were also identified separately for key subsidiaries, including SK bioscience and SK multi utility.
- Based on internal and external factors for each business unit and subsidiary, topics highly relevant to each business were identified, and material topics were derived on a consolidated basis.

ESG Topic Short List (7 topics)

Environmental	E1	Climate Change and Energy
	E3	Water
	E5	Circular Economy
Social	S1	Human Resources
		Own Workforce Health and Safety
	S4	Consumer Rights
Governance	G1	Business Conduct

- A short list of 7 material topics was derived on a consolidated basis.

2. Identification and Assessment of Topic-specific Impacts, Risks, and Opportunities

- The materiality assessment of each impact, risk, and opportunity was conducted separately for SK chemicals' Green Chemicals and Pharma businesses, as well as SK bioscience and SK multi utility.
- For each impact, risk, and opportunity, causal pathway were established and assessed by business unit.

ESG Topic Short List		
	20 impacts	66 impact pathways
	19 risks and opportunities	40 risk and opportunity pathways

Impact Materiality (Environmental and Social Impact)			Financial Materiality (Financial Risks and Opportunities)	
Severity (50%)		Likelihood (50%)	Magnitude (50%)	Likelihood (50%)
Scale	Magnitude of the impact	Comprehensively assessed based on past events, management level, changes in the external environment, and other factors	Quantitative and qualitative assessment of the magnitude of the impact of external factors on the company's financial performance	Comprehensively assessed based on past events, management level, changes in the external environment, and other factors
Scope	Scope of affected stakeholders			
Irremediability	Time and cost required to remediate negative impacts			

Reflection of Input from Relevant Departments

- Input was collected through roundtables with working-level representatives from each business unit, and the assessment results were adjusted accordingly.

3. Review and Finalization of Results

Assessment scores for impacts, risks, and opportunities by business unit × Financial weighting by business unit = Consolidated assessment scores for impacts, risks, and opportunities

- Financial weightings were applied to the assessment scores for each impact, risk, and opportunity by business unit to calculate consolidated scores.
- Impacts, risks, and opportunities were identified as material on a consolidated basis if their consolidated scores ranked in the top 25% and they were identified as material in at least 1 business unit.

Topic[1) 2)]	SK chemicals		SK bioscience	SK multi utility
	Green Chemicals	Pharma		
E1 Climate Change and Energy	Double	Impact	-	Double
E5 Circular Economy	Double	-	Impact	-
S1 Human Resources	-	-	Impact	-
S1 Own Workforce Health and Safety	Impact	-	-	-
S4 Consumer Rights	-	Double	Double	-

1) No material impacts, risks, or opportunities were identified for Water Resources (E3) or Business Conduct (G1) across all business units/subsidiaries.
2) Impact : Impact materiality, Double : Double materiality

1) EFRAG: European Financial Reporting Advisory Group
2) ESRS: European Sustainability Reporting Standards

Materiality Assessment

Details of Double Materiality Assessment Results

Double Materiality Assessment Results

SK chemicals selected a topic as a material ESG topic when an impact, risk, or opportunity related to the topic was determined to be material on a consolidated basis. As a result, Climate Change and Energy, Circular Economy, and Own Workforce Health and Safety were identified as material ESG topics. Among them, Climate Change and Energy and Circular Economy were identified as double materiality topics, while Own Workforce Health and Safety was identified as an impact material topic.

Environmental and Social Impact Assessment Results

Low | Moderate | Important | Material Topic[2]

Topic	Impacts (20)	Materiality[1]	Previous Year's Result
E1 Climate Change and Energy	GHG management in manufacturing processes	Material	Material
	GHG reduction through renewable energy	Material	Material
	GHG management across the value chain	Material	Material
E3 Water Resources	Use of local water resources	Low	
E5 Circular Economy	Waste treatment in product manufacturing	Important	
	Impacts of post-consumer waste treatment	Material	Material
	Expansion of sustainable products	Important	Material
	Waste management in the supply chain	Low	
S1 Human Resources	Human resource development	Important	Material
	Human resource diversity	Important	
	Workplace harassment	Important	
	Protection of employee personal information	Important	
	Employment instability	Important	
	Employee working conditions	Important	
S1 Own Workforce Health and Safety	Workplace accidents and occupational diseases	Material	(New in 2025)
S4 Consumer Rights	Access to product information	Low	
	Product and service quality management	Low	
	Improved product accessibility	Low	
G1 Business Conduct	Fair competition	Important	
	Fostering a culture of ethical management	Important	

Financial Risk and Opportunity Assessment Results

Low | Moderate | Important | Material Topic[2]

Topic	Risks and Opportunities (19)	Materiality[1]	Previous Year's Result
E1 Climate Change and Energy	Stricter emissions allowance regulations	Material	Material
	Transition to low-carbon processes	Important	
	Transition to a sustainable portfolio	Low	
	Response to customer carbon reduction requirements	Material	Material
	Transition to renewable energy	Material	Material
E3 Water Resources	Increase in water resource procurement costs	Important	
E5 Circular Economy	Increase in R&D expenses	Important	
	Establishment of facilities for new businesses	Material	Material
	Increase in demand for new products	Important	
	Response to recycling regulations	Material	Material
S1 Human Resources	Employee turnover and recruitment	Important	
	Securing specialized talent	Low	
	Compliance with labor standards laws	Important	
	Protection of employee personal information	Important	
S1 Own Workforce Health and Safety	Compliance with safety and health regulations	Important	
S4 Consumer Rights	Product quality management	Low	
	Provision of information to consumers	Low	
	Improved accessibility	Low	
G1 Business Conduct	Compliance with fair trade laws	Important	

SK chemicals Materiality Map

1) Materiality was assessed on a 10-point scale, and consolidated materiality was calculated by reflecting the assessment scores of individual business units or subsidiaries.
2) Material Topic: top 25% of assessment rankings; Important: top 50%; Moderate: top 75%; Low: top 100%

Materiality Assessment

Details of Double Materiality Assessment Results

Material Environmental and Social Impacts

SK chemicals analyzed business activities across the value chain related to ESG topics and assessed 20 impacts on the environment and society, consisting of 8 environmental, 10 social, and 2 governance impacts. As a result, the following 5 sub-topics were identified as material impacts on a consolidated basis.

Material Environmental and Social Impacts

Area	Topic	Sub-topic	Type	Impact Pathway	Impact Scope[1] U	Impact Scope[1] O	Impact Scope[1] D	Impact Time Horizon[2]	Impact Metric	2025 Performance	Affected External Stakeholders/Areas	Impact Management Activities
Environ-mental	E1 Climate Change and Energy	GHG emissions management in manufacturing processes	Negative/ Actual	• The manufacturing processes for chemical and pharmaceutical products involve high energy consumption and significant direct greenhouse gas emissions, causing negative impacts such as the acceleration of climate change, extreme weather events, and sea level rise.		●		Short term	Company-wide Scope 1&2 emissions on a consolidated basis	894,086 tCO_2eq	• Environmental	• Transition to low-carbon fuels Read more • Process improvements and energy efficiency optimization Read more
		GHG emissions reduction through renewable energy use	Positive/Actual	• The use of renewable energy reduces the consumption of fossil fuels used for power generation and lowers greenhouse gas emissions, creating positive impacts.		●		Short term	Renewable energy consumption and share	25,849 MWh (14.0%[4])	• Environmental	• Expansion of renewable electricity use Read more
		GHG emissions management across the value chain	Negative/ Actual	• High indirect greenhouse gas emissions are generated from electricity-intensive process operations, as well as product transportation and disposal, causing negative impacts such as the acceleration of climate change, extreme weather events, and sea level rise.	●		●	Short term	Company-wide Scope 3 emissions on a consolidated basis	2,079,930 tCO_2eq	• Environmental	• Scope 3 2050 Net Zero strategy Read more
	E5 Circular Economy	Impacts of post-consumer waste treatment	Negative and Actual/ Potential[3]	• Green Chemicals: When plastic products and packaging materials are landfilled or incinerated after use, they may be released into the environment, causing negative impacts such as soil, air, and water pollution. • Pharma/SK bioscience: When pharmaceuticals are disposed of in landfills or through drains, pharmaceutical ingredients such as antibiotics may enter soil and water resources, causing negative impacts on the environment and local communities.			●	Short term	Revenue from products designed to reduce environmental impact	KRW 73.9 billion	• Environmental • Consumers/End users	• Design of products that reduce environmental impact Read more
Social	S1 Own Workforce Health and Safety	Workplace accidents and occupational diseases	Negative/ Potential	• Green Chemicals: Due to the nature of chemical plant processes operated under high-temperature or high-pressure conditions, there is a risk of leaks, fires, and explosions. If such incidents occur, they may cause direct harm to workers, including toxic substance inhalation, burns, and mechanical impact.		●		Short term	LTIR, industrial accident rate, etc.	LTIR 0.11[5], Industrial accident rate 0[5]	• Employees	• Creating safe workplaces Read more

1) U: Upstream, including suppliers and logistics / O: Own operations / D: Downstream (customers, distributors, etc.)
2) Short term: Within 1 year; Medium term: More than 1 year and up to 5 years; Long term: More than 5 years
3) Assessed as actual for the Green Chemicals and Pharma business units and as potential for SK bioscience
4) Calculated for SK chemicals (standalone), SK chemicals Yantai, Shuye-SK chemicals (Shantou), SK chemicals-Daejung, and 4 overseas sales subsidiaries
5) Calculated for SK chemicals (standalone) and resident contractors

Materiality Assessment

Details of Double Materiality Assessment Results

Material Financial Risks and Opportunities

SK chemicals assessed the risks and opportunities associated with 19 financial impacts arising from external factors related to ESG topics, including 10 environmental, 8 social, and 1 governance impact. As a result, the following 5 sub-topics were identified as material financial risks on a consolidated basis.

Material Financial Risks and Opportunities

Area	Topic	Sub-topic	Type	Impact Pathway	Impact Scope[1]			Impact Time Horizon[2]	Business Strategy	2025 Performance	Target	Related Indicator	Risk and Opportunity Management Activities
					U	O	D						
Environ-mental	E1 Climate Change and Energy	Strengthening of emissions allowance regulations	Risk	• Additional costs may be incurred to purchase emissions allowances if greenhouse gas emissions exceed the allocated amount.		●		Medium term	Reduce Scope 1&2 emissions by implementing energy and greenhouse gas reduction initiatives	GHG emissions of 197,009 tCO_2eq from domestic sites subject to the K-ETS, down 11% year on year	Achieve net-zero Scope 1&2 emissions by 2040	Company-wide GHG emissions	• Transition to low-carbon fuels Read more • Process improvements and energy efficiency optimization Read more • Expansion of renewable electricity use Read more
		Responding to customers' carbon reduction requirements	Risk	• Revenue may decline due to contract reductions or terminations if the company fails to respond adequately to the growing carbon reduction requirements of global customers, including LCA reduction requirements.		●	●	Medium term	Expand product LCA calculations and reduce emissions for the Green Chemicals business	Products with LCA measurements accounted for 97% of revenue in the Green Chemicals business	Increase the share of products with LCA measurements and manage and reduce Scope 3 emissions over the long term	Strengthened stakeholder communication on LCA measurement results	• Climate information management Read more
		Transition to renewable energy	Risk	• Electricity procurement costs may increase due to the transition to renewable energy.		●		Short term	Minimize the impact of electricity price volatility and secure renewable energy sources through on-site solar power generation and PPA agreements	25,849 MWh (14.0%[4])	Achieve RE100 by 2032	Renewable energy adoption initiatives	• Expansion of renewable electricity adoption Read more
	E5 Circular Economy	Establishment of facilities for new businesses	Risk	• New facility investments may be required to expand the business into recycled products.		●		Short term	Establish strategies to secure liquidity and long-term investment returns	Began construction of FIC and RIC	Produce 16,000 tons of PET feedstock at FIC and complete commissioning of RIC by 2027	Progress in establishing FIC and RIC	• Circular economy Read more
		Responding to recycling regulations	Risk	• Stricter regulations on recycled plastics, including the SUPD and PPWR[3], may reduce revenue from non-recyclable product lines. At the same time, insufficient regulatory response may slow revenue growth for recyclable product lines.		●	●	Medium term	Expand marketing and production facility investments for recycled products strengthen customer support, and respond to regulations to support market expansion	Ongoing expansion of the recycled products market	Increase the share of recycled and bio-based material sales volume to 90% by 2040	Sales volume of products based on recycled and bio-based materials	

1) U: Upstream, including suppliers and logistics / O: Own operations / D: Downstream, including customers and distributors
2) Short term: Within 1 year; medium term: More than 1 year and up to 5 years; long term: More than 5 years
3) Single-Use Plastics Directive (SUPD) and Packaging and Packaging Waste Regulation (PPWR)
4) Calculated for SK chemicals (standalone), SK chemicals Yantai, Shuye-SK chemicals (Shantou), SK chemicals-Daejung, and four overseas sales subsidiaries

SPECIAL SECTION

028 Circular Economy Material Topic | ESRS E5

038 Climate Change and Energy Material Topic | ESRS E1

Why Material?

As climate-related regulations tighten amid the global expansion of carbon neutrality policies and the introduction of carbon pricing mechanisms, energy security is also emerging as a major economic, political, and diplomatic issue. At the same time, circular economy policy measures are expanding, regulations on plastics and packaging materials are becoming stricter, and consumer awareness of sustainable products is changing rapidly. As a result, companies are facing growing expectations to reduce greenhouse gas emissions, improve energy efficiency, and enhance recycling and resource efficiency. Reflecting these shifts in the global policy and market environment, 'Climate Change and Energy' and 'Circular Economy' were identified as double material topics that are critical to sustainable growth and business competitiveness.

In this report, when the term "low-carbon" is used in relation to fuels, steam, processes, facilities, or other areas, it refers to lower greenhouse gas emissions per unit of energy compared with the base year of 2021. The basis for this designation is provided on each relevant page.

Our Approach

In this Special Section, SK chemicals provides detailed reporting on its strategies and performance related to 'Climate Change and Energy' and 'Circular Economy', which were identified as double materiality topics through its ESRS-based double materiality assessment.
For 'Climate Change and Energy', this section presents the company's response to climate-related risks and opportunities across its consolidated entities in accordance with the requirements of the exposure draft of Korean Sustainability Disclosure Standard No. 2, Climate-related Disclosures, published by the Sustainability Standards Board of the Korea Accounting Institute.
For 'Circular Economy', this section reports on the company's efforts and performance in advancing a circular economy across the value chain of the Green Chemicals business unit, one of SK chemicals' core businesses.

Material Topic | ESRS E5

CIRCULAR ECONOMY

2025 Key Achievements

1. Achieved a 50% share of clean technology research, including recycled and bio-based materials, at the Chemical Research Institute
2. Maintained Gold certification for Zero Waste to Landfill (ZWTL) at the Ulsan Plant

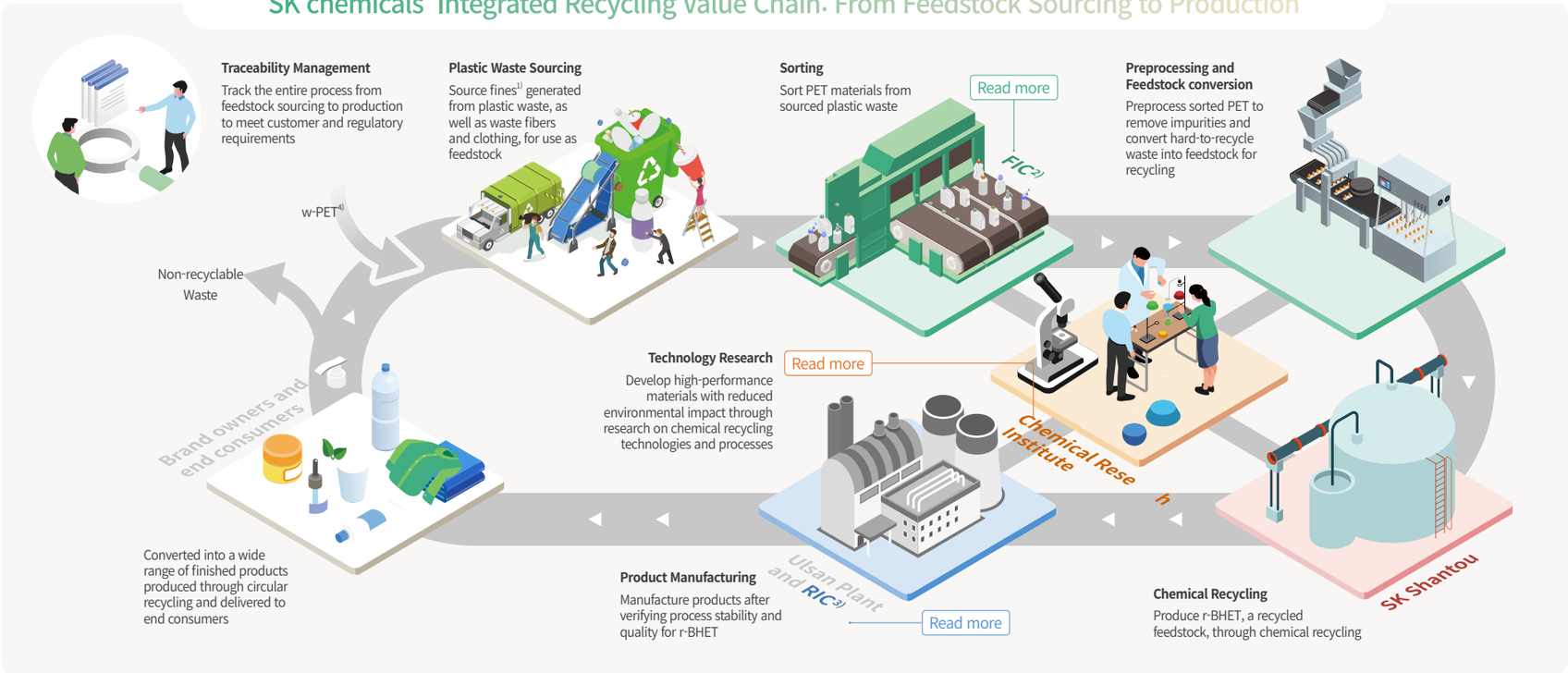
Mid- to Long-term Plans

1. Maintain the share of clean technology research spending at the Chemical Research Institute at 50% through 2028
2. Increase the share of sales volume from products based on recycled and bio-based feedstocks

Approach to Circular Economy

Competition in the global chemical industry is shifting toward technological competition centered on circular economy. With the 2021 amendment to the Basel Convention entering into force and plastic waste being brought under import and export controls, securing waste plastic, or waste feedstock, within each region has become increasingly important as a source of recycled raw materials. In addition, the European Union is implementing regulations and policy measures, including the PPWR and SUPD, to control the import and export of waste and recycled plastics, introduce separate collection systems, restrict the production and use of single-use products, and raise recycling content requirements. Korea has also recently been pursuing plastic reduction policies to support the transition to a circular economy. In response to these market changes and to stay ahead of the competition, SK chemicals' Green Chemicals business unit is pursuing strategies that include developing new products incorporating recycled materials, securing recycled feedstocks by region, and establishing a vertically integrated production system that connects monomers and polymers.

SK chemicals' Integrated Recycling Value Chain: From Feedstock Sourcing to Production



1) Fine plastic particles generated during the grinding and washing of waste PET
2) Short for Feedstock Innovation Center, a joint venture established with Kelinle, a Chinese company specializing in plastic recycling
3) Recycle Innovation Center
4) Waste PET

Circular Economy Governance

Circular Economy Approach

The Green Chemicals business unit of SK chemicals has refined its organizational structure to support the transition toward a business portfolio centered on the circular economy. Business investment decisions and business progress related to resource circulation and the circular economy are discussed at the Board level. A management council, including the CEO, reviews and manages progress against KPIs established for company-wide circular recycling goals. Working-level teams carry out R&D, sales and strategy, management support, production, and procurement activities according to their respective roles. Each division establishes and implements business-specific circular economy strategies, taking into account the company's mid- to long-term growth strategies and goals.

Circular Economy Governance Structure

Linking Circular Economy Performance to Compensation

To effectively manage and improve performance in its circular economy and circular recycling businesses, SK chemicals incorporates related initiatives into the KPIs of the CEO and responsible executives. The KPIs of the CEO and executives responsible for production, research, and marketing include assessment indicators for initiatives to expand the recycling business, and the KPI assessment results are linked to the compensation system and reflected in the calculation of compensation for the CEO and executives. In addition, each unit across the company establishes KPIs aligned with executive KPIs and implements the corresponding key action items. These KPIs are evaluated at year-end based on the level of target achievement and assigned S, A, B, or C ratings. The evaluation results are linked to the compensation system of each unit and reflected in the calculation of employee compensation.

Target	Performance Indicator	Share of Performance-linked Compensation
CEO	Recycling business infrastructure development; circular economy strategy establishment and implementation	15%
Head of Green Materials Business Division	Sales volume of products designed to reduce environmental impact	30%
Head of Recycle Business Division	Sales volume of recycled products recycling business infrastructure development	35%
Head of Production Infrastructure Division	Recycling business infrastructure development	15%
Director of Chemical Research Institute	Development and sales volume of bio-based products	20%

Circular Economy Policy

SK chemicals Environmental Management Policy

Through its Environmental Management Policy, SK chemicals discloses its key circular economy priorities and management structure. These priorities include increasing the share of revenue from products designed to reduce environmental impact and raising the waste recycling rate to advance circularity. SK chemicals also applies its 'Green Purchasing Principles' across the company, which are based on providing customers with high-quality products that reduce environmental impact, and works to reduce negative environmental impacts across its procurement contracts and supply chain management processes.

Expanding Production Infrastructure

S4 Climate Risk and Opportunity Response Strategy

Validation and Commercialization of Recycling Technologies Through the Recycle Innovation Center

SK chemicals has made strategic investments to expand its recycling production infrastructure. In 2021, the company made an equity investment in Shuye, a PET circular recycling company in China, and signed a feedstock sourcing agreement. In 2023, SK chemicals invested KRW 130 billion to acquire a depolymerization process that chemically breaks down waste plastics to produce r-BHET, a feedstock produced through circular recycling, as well as CR-PET[1] production facilities that use r-BHET to produce recycled PET. SK chemicals later established SK Shantou in Shantou, China, securing additional commercial-scale facilities for the production and commercialization of recycled feedstocks and products. Through these efforts, the company continues to strengthen its capacity to supply recycled materials to the global market.

To further advance its circular economy system, SK chemicals completed the Recycle Innovation Center (RIC) at its Ulsan Plant in February 2026 and began commissioning in March. RIC is a pilot facility for depolymerization-based recycling. By converting processed w-PET materials at the molecular level and recovering recycled feedstock, the facility verifies the technical and operational feasibility of the process and helps complete the value chain for the circular economy business. SK chemicals is gradually verifying process stability and quality consistency for w-PET materials that have been difficult to recycle through conventional mechanical recycling, such as composite automotive parts and highly contaminated waste textiles, where maintaining physical properties and ensuring consistent quality have been challenging. The company has also established a foundation for operating depolymerization and polymerization processes using the existing polymerization infrastructure at the Ulsan Plant, improving the efficiency of technology demonstration through process integration. Going forward, SK chemicals plans to use RIC to conduct joint product development and sample evaluations with customers.

Through these investments in production infrastructure for recycled products and the development of its circular economy system, SK chemicals will establish a virtuous cycle business model that delivers both environmental value and financial growth.

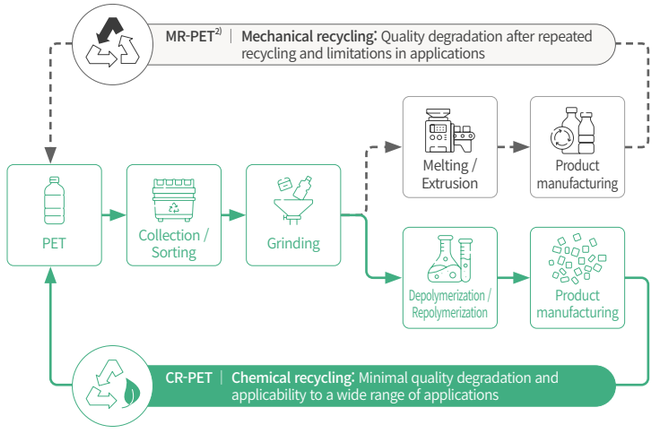
SK chemicals' Ulsan Plant, the site of RIC operations

1) Chemically Recycled PET: PET regenerated through a chemical recycling process
2) Mechanically Recycled PET: PET regenerated through a mechanical recycling process

Focus on Sustainability

SK chemicals' Glycolysis-based Chemical Recycling Solution

SK chemicals' glycolysis-based chemical recycling technology breaks down w-PET at the molecular level by reacting it with glycol and converting it into the BHET monomer, enabling feedstock to be recycled repeatedly. This technology can help address the limitations of conventional mechanical recycling, which is sensitive to contamination and may lead to quality degradation after repeated recycling. As a depolymerization technology that generally operates at lower temperatures than pyrolysis, it may also require relatively less energy under comparable conditions.



Expanding Production Infrastructure

S4 Climate Risk and Opportunity Response Strategy

Expanding the Circular Recycling Value Chain Through the Feedstock Innovation Center

Waste plastic feedstock is highly exposed to price volatility and supply instability, depending on supply and demand conditions, market trends, and oil price fluctuations. If oil prices rise and push up the cost of petroleum-derived plastic feedstock, or if demand for waste plastics increases due to stronger global regulations mandating the use of recycled materials, price increases and supply instability are expected to intensify further. Establishing an internal waste plastic feedstock sourcing system therefore plays an important role in securing feedstock supply stability. Against this market backdrop, and recognizing the potential of chemical recycling for PET, SK chemicals considers the stable supply of feedstock produced by collecting, sorting, and processing w-PET to be a key factor in its recycling business.

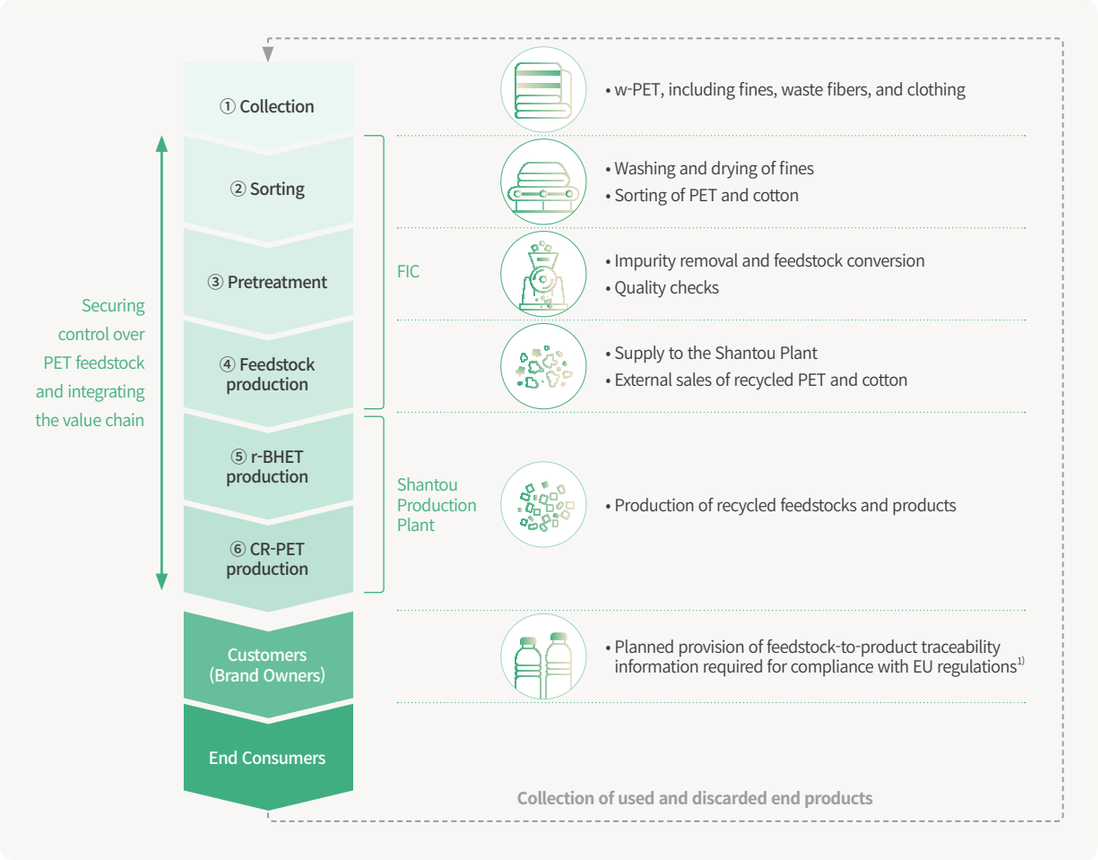
SK chemicals is building a vertically integrated recycling structure by securing an internal supply of feedstock needed for recycling. The company has established a joint venture with Kelinle, a plastics recycling specialist based in Shaanxi Province, China, and is constructing the Feedstock Innovation Center (FIC), a waste plastic processing facility, in Weinan, China. FIC is under construction with the goal of beginning operations in the second half of 2026. Once completed, FIC will enable SK chemicals to secure a value chain that extends beyond the production of chemically recycled materials to include waste plastic feedstock sourcing.

Kelinle, SK chemicals' joint venture partner, has 10 years of experience in the local plastics recycling business. Leveraging Kelinle's sourcing network, FIC will procure feedstock and use SK chemicals' technology to sort and pretreat it before producing recycled feedstock to be supplied to SK Shantou. FIC is being built to process lower-grade waste plastics that have traditionally been difficult to recycle and were often incinerated or disposed of, including post-consumer waste textiles and clothing, as well as fines generated during PET bottle grinding, rather than relying on clear PET bottles, which offer high quality but are expensive. The feedstock produced at FIC will be used for r-BHET production at SK Shantou, and the resulting r-BHET will be used as feedstock for recycled products such as CR-PET. Producing CR-PET with r-BHET is expected to reduce feedstock costs by approximately 20% compared with using recycled PET feedstock. FIC aims to produce 16,000 tons of feedstock for r-BHET production in 2027 and plans to expand this to 32,000 tons in 2028, allowing it to stably supply most of the feedstock required by SK Shantou. SK chemicals also plans to expand into cotton recycling by using cotton recovered during the production of recycled PET feedstock, securing a recycled polyester-cotton portfolio and strengthening its position in the textile recycling industry.

Building on this vertically integrated circular recycling structure, SK chemicals plans to identify and recover value from a broader range of waste plastic feedstocks, while also providing customers with end-to-end traceability information from feedstock to finished product.

1) Including the Packaging and Packaging Waste Regulation (PPWR), the Single-Use Plastics Directive (SUPD), and the Digital Product Passport (DPP).

Circular Recycling Value Chain



Research and Development

S4 Climate Risk and Opportunity Response Strategy

Clean Technology Research and Achievements

Investment in Clean Technology Development

As greenhouse gas emissions from plastic production and disposal continue to increase, the importance of building a circular economy and developing recycled materials has become greater than ever. In response, SK chemicals aims to build a business model that contributes to reducing plastic waste by developing recycled material technologies. To this end, the company is expanding investment in clean technologies, defined as circular plastic recycling technologies and bio-based material technologies. SK chemicals defines materials produced through circular recycling as materials produced by chemically breaking down and recycling w-PET, while bio-based materials refer to materials made using plant-derived industrial starch as feedstock. The SK chemicals Chemical Research Institute is expanding clean technology R&D in areas ranging from basic research on circular recycling to process technology development and recycled product development. The company is also strengthening research on w-PET feedstock processing and recycling, with a focus on using chemical recycling technologies to recover hard-to-recycle materials such as colored PET, films, and textiles as recycled feedstock, as mechanical recycling has limited applicability for these materials.

In the bio-based materials field, SK chemicals is expanding the development of automotive interior materials and fashion products made with plant-derived feedstocks that can replace conventional petroleum-based materials, using ECOTRION, a material made with 100% biomass-based feedstock derived from industrial starch. In 2024, the company developed bio-based footwear materials for shoe soles and uppers, which global brands have begun to adopt. SK chemicals is also actively conducting joint research with textile companies to provide bio-based elastic yarn solutions for the textile market. In addition, the company developed ECOZEN PRO, improving the trade-off in conventional products between transparency and strength, and resulting in a material suitable for high-performance consumer goods such as reusable cups, airtight containers, and blenders.

To accelerate the development of these clean technologies, SK chemicals increased clean technology research spending to 50% of total research spending in 2023 and set a target to maintain this level or higher through 2028. Through continued R&D on high value-added materials based on recycled and bio-based feedstocks, the company aims to provide a wider range of solutions to the global materials market.

Research and Development Achievements – External Activities

To share its experience and vision for advancing circularity and plastic recycling, SK chemicals participated in the Fall Conference of the Polymer Society of Korea, held at BEXCO in Busan in September 2025, and hosted a special session on recycled and bio-based materials titled “New Paradigm of Plastics: Recyclable, Recycled, and Renewable.” In addition, Kim Han-seok, Director of the Chemical Research Institute, was selected to receive the Bronze Tower Order of Industrial Service Merit at the 17th Chemical Industry Day in recognition of his leading role in the chemical industry, including the development of w-PET recycling technologies and bio-based resins.

SK chemicals’ Chemical Research Institute Director Kim Han-seok participating in the Fall Conference of the Polymer Society of Korea and receiving the Bronze Tower Order of Industrial Service Merit

2025 Key R&D Activities and Achievements

Research on PET Chemical Recycling Processes	• Conducted design and research for a commercial process capable of chemically recycling hard-to-recycle PET waste with varying material characteristics and contaminants • Applied the commercial process designed through this research to the completed depolymerization pilot facility in Ulsan and optimized the process

Research and Development

S4 Climate Risk and Opportunity Response Strategy

Designing Products to Reduce Environmental Impact

Designing Products to Replace Petroleum-derived Feedstocks

SK chemicals is focusing on developing products using bio-based and waste plastic feedstocks. The company's products based on bio-based feedstocks include ECOZEN and ECOTRION, which contain bio-based feedstocks derived from plants. ECOZEN is a copolyester product[1] blended with approximately 1.5–15% raw materials derived from industrial starch, while ECOTRION, a PO3G (polyoxytrimethylene ether glycol) product, is a material that replaces 100% of conventional petroleum-derived raw materials with raw materials derived from industrial starch. Through the launch and expansion of these products, SK chemicals aims to contribute to reducing the use of petroleum-derived feedstocks.

SK chemicals is also strengthening circularity through ECOTRIA, a material made with post-consumer recycled (PCR) content. ECOTRIA R and ECOTRIA CR contain post-consumer recycled (PCR) PET feedstock and are produced using mechanical and chemical recycling technologies, respectively. ECOTRIA CR uses recycled feedstock certified under International Sustainability and Carbon Certification (ISCC) PLUS.

Under its supply chain ESG management policy, SK chemicals has also established Green Procurement Standards. By assessing environmental attributes such as recyclability during the procurement stage for raw and auxiliary materials, the company strengthens procurement contracts and supply chain management, while expanding the use of renewable raw materials across the entire supply process.

Green Procurement Standards

1. Eco-labeled products certified under the *Environmental Technology and Industry Support Act*
2. Excellent recycled products certified under the *Act on the Promotion of Saving and Recycling of Resources*
3. Low-carbon products certified under the *Act on Promotion of Purchase of Green Products*
4. Products certified as 100% Bio-based (plant-based) or BioPreferred by the U.S. Department of Agriculture (USDA)
5. ISCC PLUS-certified products (circular and bio-based)
6. Global Recycled Standard (GRS)-certified product
7. Products certified by the European Commission's Directorate-General for Health and Food Safety (DG SANTE) as recycled materials suitable for food contact
8. Renewable raw materials, in addition to the above, that can contribute to reducing environmental impact and building a circular economy

Designing Products for Recyclability

Global plastics regulations are tightening rapidly, with a focus on Extended Producer Responsibility (EPR) schemes. As regulations such as the EU Ecodesign for Sustainable Products Regulation (ESPR) and the Packaging and Packaging Waste Regulation (PPWR) continue to expand, Korea is also strengthening requirements for the use of recycled-content plastics through amendments to the *Act on the Promotion of Saving and Recycling of Resources*. At the same time, the scope of items subject to EPR is being expanded, and mandatory recycling rates are being raised. In response, consumer goods companies are shifting toward designs that facilitate recycling and reuse from the product design stage, including the use of mono-materials, colorless designs, and improved label removability. SK chemicals is using stronger regulations on plastic recycling, including packaging regulations, as an opportunity to expand its product portfolio. SK chemicals develops products designed for recyclability by considering the entire life cycle, from product design to end-of-life disposal. In addition to developing products made with recycled feedstocks, the company is expanding its portfolio of products that facilitate post-consumer PET recycling. In particular, SKYPET CR, which applies chemical recycling technology, and other products based on recovered and sorted PET can be converted back into feedstock through depolymerization. SK chemicals has strengthened its market position by successfully collaborating with major companies on product development and application. In addition, ECOTRIA CLARO, a high-performance copolyester material, offers both excellent transparency and recyclability, and the company has expanded the lineup to include a chemically recycled version, ECOTRIA CLARO CR. Through these efforts, 11 of SK chemicals' PET and recyclable product lines have received recyclability validation from the Association of Plastic Recyclers (APR) in the U.S., and 10 products have received validation from the European PET Bottle Platform (EPBP). More recently, in 2026, 7 products, including More recently, in 2026, 7 products, including the company's copolyester product ECOTRIA CLARO and PET-based SKYPET BR, received recyclability validation through technical assessments conducted by RecyClass, a European plastics recycling initiative. received recyclability validation through a technical assessment by RecyClass, a European plastics recycling initiative. This means that the products are compatible with Europe's PET recycling processes, do not adversely affect the quality of recycled PET, and can be used within existing recycling systems when appropriate design conditions[2] are met.

ECOTRIA CLARO 300

1) Measured in accordance with ASTM D6866
2) This assessment is based on the results of a technical assessment of the material itself. When applied to actual packaging, components such as labels, additives, and printing must also meet the RecyClass design guidelines to achieve the same level of recyclability.

Market Expansion Efforts

S4 Climate Risk and Opportunity Response Strategy

Expanding Customer Touchpoints for the Circular Recycling Business

Based on its circular recycling portfolio, SK chemicals is actively developing customers and markets. The company is working to provide new material and technology solutions to customers that have experienced technical limitations with existing mechanically recycled materials. By strengthening its collaboration network with customers and brand owners, SK chemicals is developing and commercializing products tailored to customer needs. Based on this green portfolio, which includes circular recycled materials and bio-based materials, the company plans to increase the share of revenue from products designed to reduce environmental impact to 90% by 2040. To achieve this, SK chemicals will focus on proactive marketing, new product development, and the expansion of production infrastructure, while ensuring a stable product supply across a wide range of industries in Korea and abroad.

Asia

At 'CHINAPLAS 2025', Asia's largest plastics and rubber trade fair, SK chemicals showcased specialty solutions under the slogan 'On-hand Solution for a Sustainable Future.' The company presented not only its portfolio of high-performance materials, including ECOZEN, a high-heat-resistant copolyester made with partially biomass-derived feedstock; SKYGREEN, a high-performance PETG; and ECOTRION, a 100% plant-derived biopolyol, but also commercialized products using recycled PET material SKYPET CR and ECOTRIA CR, a copolyester produced using circular recycling technology. SK chemicals also participated in 'China Beauty Expo 2025', where it introduced commercialized cosmetic packaging applications that combine sustainability, aesthetics, and functionality. ECOTRIA CLARO, a copolyester, can be sorted and disposed of as PET after use and meets the high quality standards required for premium cosmetic containers with its high transparency and durability. As a result, it gained attention as a leading example of a 'Recycled and Recyclable' circular packaging solution.

CHINAPLAS 2025 Booth

Europe

At 'K 2025', the world's largest trade fair for the plastics and rubber industry, held in Düsseldorf, Germany, in October 2025, SK chemicals presented circular recycled and bio-based product lineups optimized for key industries, including automotive, cosmetics, food and beverage, and fashion. The SK chemicals pavilion welcomed approximately 7,000 visitors during the show. At the Bioplastics Business Breakfast forum hosted by 'Bioplastics Magazine', a European plastics trade publication, SK chemicals gave a presentation on 'Driving Circular Process – Chemical Recycle PET Technology for a Sustainable Tomorrow.' At the European Coatings Show (ECS) in Nuremberg, Germany, SK chemicals promoted products including ECOTRION, a 100% plant-based polyol, as part of its efforts to actively expand into the coatings and paints industry.

K 2025 Booth

Latin America

To actively target the Latin American market, including Mexico, SK chemicals participated in 'Plastimagen México 2025', the largest plastics exhibition in the region, held in Mexico City in March 2025. The company introduced products including ECOZEN, a high-heat-resistant copolyester made with biomass-derived feedstock; SKYGREEN, which is valued for its transparency and chemical resistance and used in cosmetics containers, food packaging, home appliances, and other applications; and ECOTRION, a bio-based material used in spandex, synthetic leather, and urethane elastomers.

SK chemicals also introduced products with enhanced circularity, including ECOTRIA CR, a circular recycled copolyester produced using chemical recycling technology, and ECOTRIA CLARO, which is recyclable as PET plastic after use.

Focus on Sustainability

Application of Circular Recycled Plastics in Amorepacific Cosmetic Packaging

Through continued collaboration with Amorepacific and proactive technical support, SK chemicals commercialized a recycled packaging solution by applying its chemically recycled material SKYPET CR to major cosmetic packaging. The company replaced container bodies previously made with virgin PET with SKYPET CR BL and developed and applied a range of circular recycled packaging solutions tailored to each product's formula and characteristics. As a result, SKYPET CR is now used in the package bodies of approximately 20 Amorepacific products, which are being supplied to the market and reaching consumers across a wide range of product categories.

Major Amorepacific products using SK chemicals' circular recycled SKYPET-CR. From left: Sulwhasoo Gentle Cleansing Oil, Sulwhasoo Gentle Cleansing Foam, Mise-en-scène Salon 10 Silky Protein, and Mise-en-scène Royal Jelly Protein Shampoo

Market Expansion Efforts

S4 Climate Risk and Opportunity Response Strategy

Providing Closed-loop Solutions

In response to increasingly stringent packaging regulations, SK chemicals is moving beyond the development of products designed for recyclability and building closed-loop solutions that help create circular economy-based businesses with a wide range of stakeholders. Through these closed-loop solutions, the company is establishing circular systems in which waste generated during product manufacturing and post-consumer waste are converted back into raw materials and used to make new products. Based on a deep understanding of industry-specific business characteristics and the needs of brand owners, SK chemicals is expanding collaboration not only with a wide range of brand owners, but also with local governments, private-sector organizations, social ventures, and other stakeholders across the circular economy ecosystem.

Focus on Sustainability

Case 1 Presenting a Chemical Recycling Solution for Automotive Parts

SK chemicals signed an exclusive partnership agreement with Durmont, a global automotive carpet manufacturer. Based in Austria, Durmont has the capacity to supply automotive carpets for approximately 7 million vehicles annually and plans to produce automotive mats using ECOPLETE[1], a material developed using SK chemicals' chemical recycling technology. Automotive mats made with ECOPLETE use a material that can be recycled repeatedly through a depolymerization process. By gradually replacing petroleum-based materials such as nylon, which have traditionally been used in automotive carpets, these mats are expected to contribute to building a circular recycling system in the automotive materials and accessories industry.

SK chemicals also participated in the 2025 Automotive Parts Industry ESG and Carbon Neutrality Fair, held in cooperation with Hyundai Motor Company, Kia, and government agencies, where it introduced a resource circulation model in which end-of-life vehicle parts are collected, recycled, and reused in automotive parts. Notably, the company demonstrated the potential for circular recycling in automotive parts by showing how airbag components recovered from end-of-life vehicles can be converted into feedstock using chemical recycling technology and then recycled into headliners. SK chemicals also presented a range of sustainable material solutions for the automotive industry, including applications of SKYPET CR, its circular recycled material, in headliners and seats; floor mats made with FLEXIA, a soft polyester material; and synthetic leather made with ECOTRION, a bio-based polyol (PO3G) derived from plant-based feedstocks. Through collaboration with automakers and parts suppliers, SK chemicals plans to gradually expand circular recycling applications in the automotive industry.

Case 2 Signing MOUs with the Seoul Metropolitan Government, the Ministry of the Interior and Safety, and 5 Local Governments

SK chemicals signed memoranda of understanding (MOUs) with the Seoul Metropolitan Government, the Ministry of the Interior and Safety, and five local governments to promote the resource recovery of discarded banners. Under the two MOUs, the participating local governments agreed to establish centralized collection systems for discarded banners and supply the banners collected within their jurisdictions to SK chemicals. SK chemicals is building a system designed to close the loop for banners by converting discarded banners collected and supplied by the participating local governments into reusable resources through recycling technologies. These include mechanical recycling (compounding) using advanced technology to create higher-value materials, as well as chemical recycling, which breaks waste plastics down at the molecular level into feedstock while maintaining quality equivalent to conventional petroleum-based materials and enabling repeated recycling. Following the signing ceremonies, the central and local governments, together with SK chemicals, plan to establish collection and recycling systems by 2026 to increase the resource recovery rate for discarded banners. They also plan to expand the scope to include discarded banners generated during the 2026 local elections, thereby laying the groundwork for full-scale closed-loop recycling of discarded banners. Through this collaboration framework, SK chemicals contributed to the Seoul Metropolitan Government's receipt of the highest award in the public-sector category at the '2025 Competition for Building a Resource Circulation Culture for Discarded Banners', hosted by the Ministry of Climate, Energy and Environment and the Ministry of the Interior and Safety. SK chemicals also received an excellence award in the public-private collaboration category together with Cheongju City, Kakao, and Sejin Plus, and supported Sejong City's recognition with the highest award for an outstanding corporate collaboration case from the Ministry of the Interior and Safety.

1) A sub-brand of SKYPET CR used for automotive mats

Circular Economy Metrics and Targets

Circular Economy Metrics

SK chemicals systematically tracks a range of quantitative indicators to effectively manage circularity and advance the circular economy.

Revenue Based on the Korean Green Taxonomy Guidelines (K-Taxonomy)

Although SK chemicals is not legally subject to taxonomy disclosure requirements, the company voluntarily conducted a taxonomy classification to provide more transparent and objective information on its sustainable economic activities. Based on the K-Taxonomy, Korea's sustainability taxonomy, SK chemicals classified its economic activities on a standalone financial statement basis.

1. Products Using Recycled Materials (Waste Recycling)

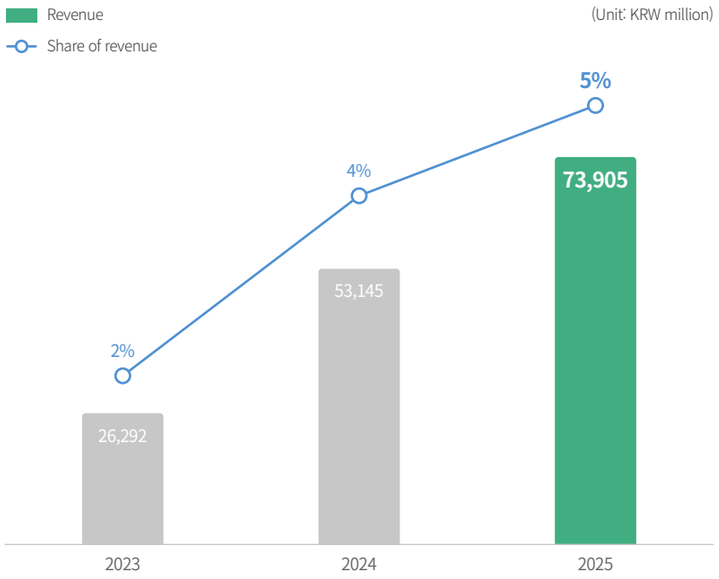
According to the K-Taxonomy amended in December 2025, SKYPET CR and certain ECOTRIA products, which are SK chemicals' products made with recycled feedstocks, fall under Section 1, Green Sector: 4. Transition to a Circular Economy, A. Production, (2) "Production of Products Using Recycled Materials and Circular Resources." The production of these products contributes to achieving the transition to a circular economy objective among the six environmental objectives set out in the K-Taxonomy, and meets all criteria for activity, recognition, exclusion, and protection.

2. Bio-polyol Products

According to the K-Taxonomy amended in December 2025, ECOTRION, a bio-polyol product developed by SK chemicals, falls under 1. Greenhouse Gas Reduction, A. Industry, (1) "Manufacture to Utilize Core Technologies for Greenhouse Gas Reduction," specifically Appendix 8, Bio-polyols. The production of this product contributes to achieving the greenhouse gas reduction objective among the six environmental objectives set out in the K-Taxonomy, and meets all criteria for activity, recognition, exclusion, and protection.

SK chemicals remains committed to monitoring revisions to sustainability taxonomies in Korea and abroad and strengthening its internal management system to meet relevant requirements. The company will also continue to expand economic activities that make a substantive contribution to achieving environmental objectives and transparently disclose its performance.

Revenue from K-Taxonomy-aligned Products Over the Past 3 Years



Circular Economy Metrics and Targets

Circular Economy Metrics

Clean Tech R&D Expenditure

Category	Unit	2023	2024	2025
Clean tech R&D expenses	KRW 100 million	129	145	144
R&D related to products made with recycled materials and waste recycling	KRW 100 million	69	94	113
R&D related to biomass-based products	KRW 100 million	53	42	25
Development of products designed for recyclability[1]	KRW 100 million	6	10	6
Share of clean tech R&D expenses[2]	%	46	54	50

1) Products designed to be compatible with the PET recycling stream
2) Clean tech product R&D expenses / Chemical Research Institute R&D expenses

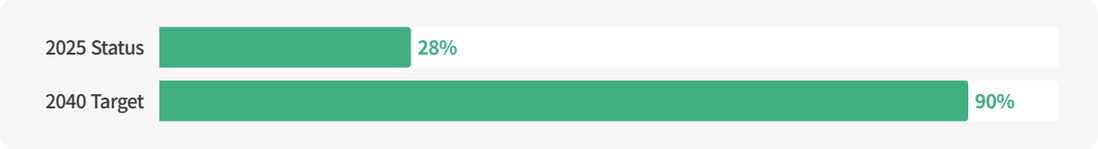
Raw and Auxiliary Material Use (SK chemicals standalone)

Category	Unit	2023	2024	2025
Total raw material use	ton	298,591	356,582	356,209
Use of renewable waste- and biomass-based raw materials	ton	5,651	14,137	15,375
Waste-based raw materials	ton	2,016	6,130	6,364
Biomass-based raw materials	ton	3,635	8,007	9,011
Share of renewable waste- and biomass-based raw material use	%	1.9	4.0	4.3

Circular Economy Targets

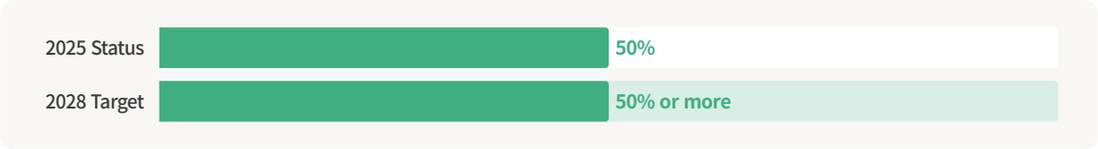
SK chemicals is expanding its green product portfolio, including materials produced through circular recycling and bio-based materials, and is working to actively contribute to the chemical industry's transition to a circular economy.

Increasing the Sales Share of Products Made with Recycled and Biomass-based Materials[1]



SK chemicals has set an ambitious target to increase the share of products made with recycled materials and biomass-based products with a bio-based content of 5% or higher to 90% by 2040, among sales of its copolyester product line, CR-PET, and biomass-based products. The company is gradually increasing sales volume toward this target. In 2025, the sales share reached 28%.

Increasing the Share of Clean Tech-related R&D Investment



SK chemicals plans to further strengthen research on recycled materials and bio-based materials by maintaining the share of clean tech-related R&D investment, covering recycling and bio-based material R&D, at 50% of the Chemical Research Institute's total investment through 2028. Clean tech R&D investment increased from 11% in 2011 to 50% in 2025.

1) The green material sales share refers to the share of products made with recycled materials and bio-based materials among sales of the copolyester product line, CR-PET, and bio-based materials.

Material Topic | ESRS E1

CLIMATE CHANGE AND ENERGY

2025 Key Achievements

1. Purchased renewable energy certificates for the Shantou Plant in China
2. Reduced Scope 1&2 GHG emissions by 62,615 tCO_2eq in 2025 compared with the base year of 2021
3. Completed the development and verification of Scope 3 inventories for domestic and overseas subsidiaries

Mid- to Long-term Plans

1. Achieve 100% Renewable Energy by 2032 and reduce Scope 1&2 GHG emissions by more than 50% by 2032 compared with the base year of 2021
2. Achieve Net Zero Scope 1&2 emissions by 2040
3. Achieve Net Zero Scope 3 emissions by 2050

Approach to Climate Change Strategy

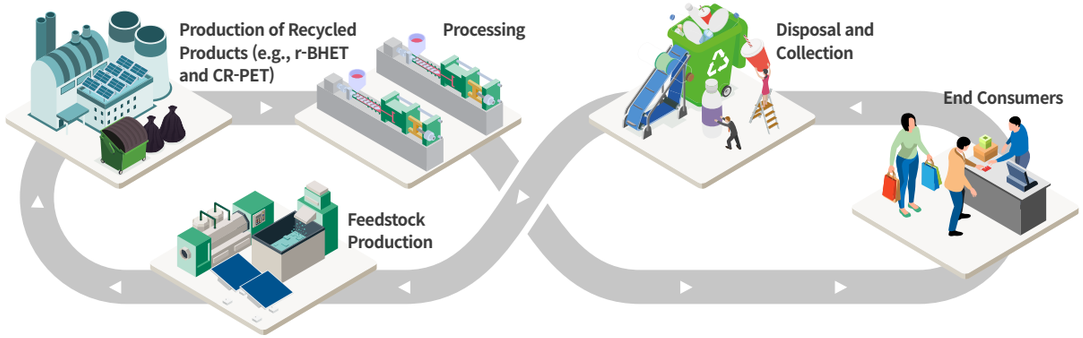
Responding to climate change is no longer simply a matter of corporate social and environmental responsibility. It has become a critical issue directly linked to business sustainability. Physical risks from abnormal weather and other climate-related events, as well as transition risks arising from tighter regulations and changing market expectations, are having a direct impact on corporate financial performance. At the same time, diverse stakeholders are calling on companies to take a responsible position on climate change and follow through with concrete action. In response, SK chemicals is taking a proactive approach to climate action by establishing systematic climate governance and setting science-based reduction targets, which were approved by the SBTi in December 2023 and are now being implemented in phases. SK chemicals aims to achieve net zero across its own operations by 2040 and carbon neutrality across its entire value chain by 2050 by conducting product LCAs, developing sustainable products to reduce environmental impact, and engaging the full value chain, including subsidiaries, in climate action.

Own Operation

Set SBTi-aligned net-zero reduction targets
- Reduce emissions by 50.4% by the near-term target year of 2032 compared with the base year of 2021
- Achieve net-zero Scope 1 and 2 emissions by 2040

Implement reduction measures, including low-carbon fuels and renewable energy
- Transition to hydrogen and other low-carbon fuels at the Ulsan Plant
- Introduce renewable energy at the Ulsan, Cheongju, and Shantou plants

Strengthen climate risk management
- Make decisions that consider climate-related risks and opportunities
- Implement an internal carbon pricing system



With Value Chain

Strengthen climate action capabilities across the value chain
- Strengthen supply chain ESG management
- Engage subsidiaries in climate action

Conduct LCAs
- Calculate product LCAs and implement reduction efforts to reduce environmental impact

Develop sustainable products
- Reduce environmental impact at the product disposal stage by expanding research, investment, and sales of bio-based products that replace fossil-based feedstocks and products made with recycled materials

Transparent Climate Disclosure Aligned with Global Standards

Net Zero

Sustainable Material & Solution Leader

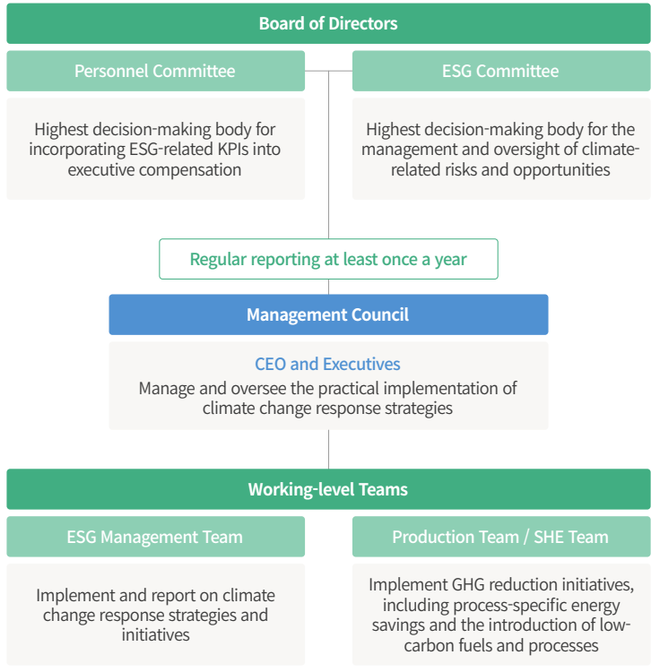
Climate Change and Energy

Climate Change Governance and Policy

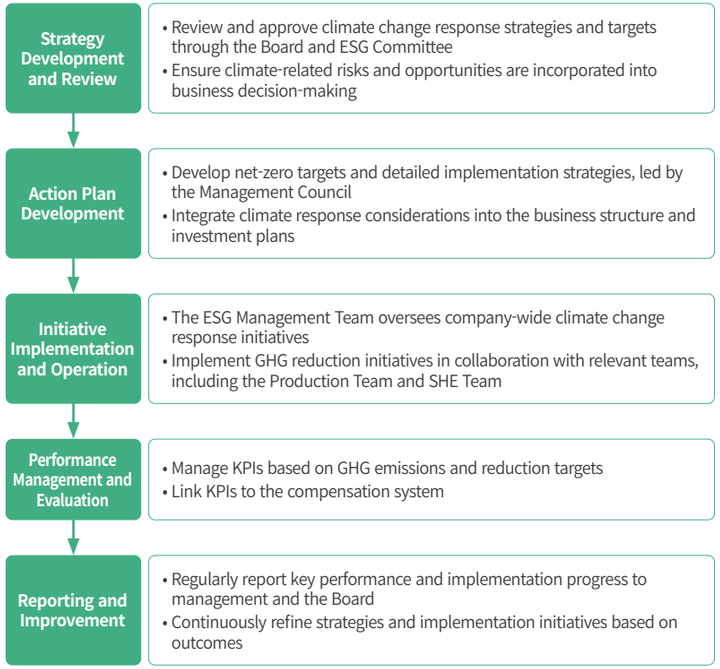
Climate Change Response Governance Structure

The Board of Directors oversees the company's overall climate change management strategy and sets their direction. To enhance the efficiency and expertise of its operations, the Board has established committees under its authority to address climate change issues. The Management Council is responsible for the practical implementation of climate change response strategies and consists of 8 members, including the CEO, the Head of the Management Support Division, the Ulsan Plant Manager, the Cheongju Plant Manager, the Yantai Plant Manager, the Shantou Plant Manager, the Head of Finance, and the Head of SHE. In addition, the ESG Management Team is responsible for implementing climate response strategies and managing investment, climate-related, and other non-financial risks, including climate risks, that may arise in the course of executing investment and business strategy initiatives.

Climate Change Response Governance Structure



Climate Change Response Process



Climate Change Response Policy

SK chemicals discloses its climate change response priorities and management system through its Environmental Management Policy. The company's climate change response priorities are reducing GHG emissions and expanding the use of renewable energy. To manage these priorities systematically, SK chemicals designates responsible teams, sets targets for environmental indicators, and monitors implementation.

Policy Overview

SK chemicals Environmental Management Policy

1. Purpose of the company's climate action framework and the roles and responsibilities for implementing it
2. Commitment to reducing GHG emissions and ending financial support for activities that run counter to climate action
3. Targets for reducing GHG emissions and expanding the use of renewable energy
4. Management systems for raw materials, products, and waste, and policy on compliance with climate change-related laws and regulations
5. Measures to raise awareness among internal and external stakeholders, including employees and suppliers
6. Green procurement policy for raw and auxiliary material sourcing

Climate Change Governance and Policy

Board of Directors

Roles and Responsibilities

- **ESG Committee** | The ESG Committee reviews major ESG matters across the company's management, including climate action, and reviews and approves climate-related targets and strategies. Through the annual year-end ESG performance report, the Committee oversees the setting of climate-related targets and monitors progress made during the year. It also receives regular reports on the identification and assessment of climate-related risks and opportunities and their impact on the business model, and incorporates these matters into decision-making on business strategy and financial planning. The ESG Committee's oversight responsibilities for climate-related risks and opportunities are set out in the Corporate Governance Charter and the ESG Committee Regulations.
- **Personnel Committee** | The Personnel Committee reviews the appropriateness of performance evaluations and compensation for inside directors, including the CEO, and key executives, taking into account sustainability management, ESG strategies, and progress against targets. The evaluation, compensation review, and approval process related to compensation is governed by the Personnel Committee Regulations.

2025 Board Agenda Items Related to Climate Action

Committee	Date	Agenda Item	Description	Status
ESG Committee	April 1	Analysis of ESG evaluation results and identification of improvement initiatives	ESG evaluation results for climate change issues	Reported
		2024 materiality assessment results report	Climate change selected as a material issue	Reported
	December 4	2025 ESG performance and 2026 plans	Report on climate action performance and plans	Reported
Personnel Committee	June 19	Review of the CEO's KPI review for the first half of 2025	Review of climate action performance within the CEO's KPIs	Deliberated
	October 21	Review of the 2025 CEO evaluation		Deliberated
	December 9	Review of the 2026 CEO KPIs		Deliberated

Management Council

Roles and Responsibilities

- **CEO** | The CEO reviews the implementation of environmental management strategies, including climate-related strategies, and oversees the company's climate-related business activities. The CEO also sets climate-related targets and periodically reviews whether the company's business structure, policies, and procedures are effective in achieving those targets, including through monitoring of climate-related risks and opportunities. In addition, the CEO establishes working-level teams for climate action; selects, develops, and manages qualified personnel; and assigns appropriate responsibilities and authority to the employees and managers responsible for implementing related initiatives.
- **Management Council** | The Management Council reviews and approves company-wide climate strategies and GHG reduction initiatives, leads efforts to identify and pursue investment opportunities that reduce environmental impact, and promotes collaboration among relevant departments.

Linking Climate Performance to Compensation

To effectively manage and improve climate performance, SK chemicals has set "Net Zero" as a core KPI for the CEO and executives overseeing production. Company-wide GHG emissions are included as an evaluation metric in the KPIs of the CEO and executives, and KPI evaluation results are linked to the compensation system and used to determine CEO and executive compensation. In addition, SK chemicals includes GHG emissions as an evaluation metric in the KPIs of the Ulsan Plant Manager, who is responsible for one of the company's key operational sites. Production managers at the Ulsan Plant also set KPIs that include detailed energy-saving initiatives to reduce GHG emissions. These KPIs are evaluated at year-end based on the level of target achievement and assigned grades of S, A, B, or C. The evaluation results are linked to the compensation system and used to determine compensation for executives and employees. ESG KPI initiatives for the Management Council are also cascaded down to team-level KPIs for individual organizational units, including GHG emissions and environmental efficiency indicators, and are linked to performance-based compensation.

Company	Target	Core Performance Evaluation Initiative	Climate-linked Compensation Weighting
SK chemicals	CEO	Achievement of Net Zero targets	Max 10%
	Head of Production Infrastructure Division	Achievement of Net Zero and water use targets	10%
	Head of Engineering Department	Procurement of low-carbon steam	10%
	Head of Application Development Department	Product LCA updates	5%
Subsidiary	CEO of SK multi utility	Management of GHG emissions targets	10%
	Chairman of Shuye-SK chemicals (Shantou)	Adoption of renewable energy	10%
	Head of Production, Shuye-SK chemicals (Shantou)	Achievement of GHG reduction targets	5%

Working-level Teams

Roles and Responsibilities

The working-level teams operate under the leadership of the ESG Management Team and collaborate with relevant departments responsible for specific initiatives, including the Production Team and SHE Team.

- **ESG Management Team** | The ESG Management Team establishes company-wide Net Zero targets and strategies for climate action, leads detailed initiatives, and supports and monitors implementation by relevant departments. The team is also responsible for measuring GHG emissions from each operational site, responding to relevant regulations, and addressing global initiatives and frameworks such as CDP, TCFD, and SBTi. The ESG Management Team is responsible for managing company-wide financial and non-financial risks, including climate-related risks associated with the implementation of investment and business strategies. The team discusses and reviews key climate-related issues with relevant departments and reports to the Management Council and ESG Committee at least once a year.

Decision-making Process Considering Climate-related Risks and Opportunities

Framework for New Investment Proposals

SK chemicals thoroughly reviews ESG factors in the investment decision-making process to proactively address environmental and social issues related to climate change. Since 2023, the company has applied investment review regulations requiring the review of ESG Review Reports in consideration of potential risks arising from climate change. Through this process, SK chemicals works to minimize potential environmental and social impacts during the review of investment proposals. After investments are approved, the company monitors the implementation of environmental and social risk mitigation measures, thereby supporting its sustainable management practices. For major investment proposals reviewed in 2025, SK chemicals assessed whether the applicable criteria were met and continues to monitor whether the environmental impact mitigation measures set out in the ESG Evaluation Reports are being implemented as planned. SK chemicals pursues sustainable development by applying a systematic ESG-centered approach to investment review and decision-making for climate action.

Investment Decision-making Process

When proposing and reviewing major investment proposals, SK chemicals conducts a comprehensive review of their financial and non-financial feasibility through the Investment Review Committee. For investments of KRW 2.0 billion or more, the ESG Committee separately reviews ESG-related risks, followed by final approval by the Board. Even after investment proposals receive final approval, the ESG Committee conducts follow-up monitoring of risk mitigation measures to minimize negative environmental and social impacts.

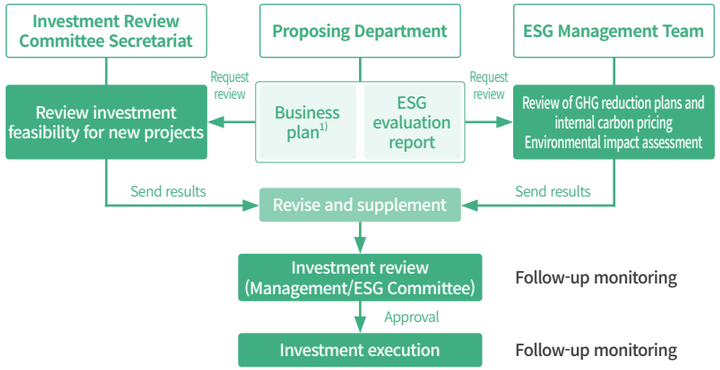
ESG Review Report

When making investment decisions, SK chemicals reviews potential climate-related risks that may arise from investment projects based on the ESG Review Report. At the investment proposal stage, the ESG Management Team prepares the ESG Review Report by assessing whether the proposal meets the activity, recognition, exclusion, and protection criteria of the Korean Green Taxonomy Guidelines (K-Taxonomy), and by reviewing whether the project falls under excluded investment categories. Based on the ESG Review Report, the Investment Review Committee comprehensively reviews the financial feasibility of the investment and the environmental, social, and governance risks from a non-financial perspective, and determines whether to approve the investment proposal.

Internal Carbon Pricing

SK chemicals manages potential carbon cost risks proactively by incorporating the cost of carbon emissions into its business planning and investment decision-making processes, and has embedded this practice into its decision-making framework for new investments by management. At the investment proposal stage, the business unit calculates investment returns by applying projected Scope 1&2 emissions and annual carbon prices, and incorporates the results of this economic analysis into the business plan. Based on this analysis, the Investment Review Committee and ESG Committee comprehensively review the feasibility of the investment proposal.

Investment Decision-making Process



1) Proposed considering internal carbon pricing.

2025 Investment Proposals and Review Results

Company	Proposal	Review Date	ESG Review Report	Review Result
SK chemicals	Investment in CP-3 Claro production facilities	March 31, 2025	• K-Taxonomy-aligned - Transition to a circular economy: production of products using recycled materials and circular resources	Approved
	Investment in replacement of heat medium boiler at the Ulsan Plant	September 17, 2025	• K-Taxonomy-aligned - Industry: Establishment and operation of facilities to reduce greenhouse gases	Approved
Shuye-SK chemicals (Shantou)	Report and discussion on SK Shantou FIC business plan	November 20, 2025	• K-Taxonomy-aligned - Circular economy: waste collection, recovery, sorting, and separation	Approved

Details of the Internal Carbon Pricing System

Category	Implementation Plan
Application type	• Applied as a shadow price and incorporated as an investment cost in strategic decision-making, including capacity expansion investments and equity investments
Scope of application	• Applies to projected Scope 1 and 2 emissions; Scope 3 information is provided only when necessary
Carbon price applied	• NGFS GCAM 1.5°C scenario

Category		2026	2030	2040
Carbon price	USD	69.7	104.0	183.0

Climate Materiality Assessment

Climate Risk and Opportunity Management Process

Identification of Climate Risks and Opportunities

SK chemicals developed a pool of climate-related risks and opportunities by reviewing the requirements of global initiatives and conducting peer benchmarking. Based on the TCFD framework, the company established a management system that classifies climate-related risks into physical risks and transition risks arising from the transition to a low-carbon society, including policy, technology, market, and legal risks. Opportunities are categorized into 5 areas, including resource efficiency, energy source, products and services, and market. This pool was developed by considering the characteristics of major business units and subsidiaries, including Green Chemicals, Life Science, and SK multi utility. As part of its process for identifying risks and opportunities across the entire value chain, SK chemicals identifies areas with higher risk exposure and manages them as priorities. As a result of this process, SK chemicals selected a total of 12 priority climate-related risks and opportunities in 2025, comprising 7 transition risks, 4 physical risks, and 1 opportunity.

Category			Risks and Opportunities	Business Unit[1]	Scope of Impact			Time Horizon[2]			Impact of Risks and Opportunities on Business
					Upstream	Own Operation	Downstream	Short	Medium	Long	
Transition risks	Policy	T1	Strengthened carbon pricing systems, including carbon taxes and emissions trading schemes	All	●	●	●	●	●	●	Increased burden of purchasing carbon credits due to strengthened carbon taxes and emissions trading schemes, and the need to manage carbon information for imported and exported raw materials and products
	Policy	T2	Strengthened plastics-related regulations	GC		●	●		●	●	Increased costs for regulatory and certification compliance due to strengthened plastics-related regulations
	Policy	T3	Stricter requirements for renewable energy use	GC		●		●	●	●	Increased costs associated with the transition to renewable energy due to stricter requirements for renewable energy use and reporting
	Technology	T4	Increased requirements for the transition to low-carbon processes and facilities	All	●	●	●	●	●	●	Increased investment in facilities and equipment to improve energy efficiency and increased costs for low-carbon fuel procurement
	Market	T5	Decline in demand for fossil fuel-based products	All		●	●		●	●	Decrease in revenue due to weakening market competitiveness of existing fossil fuel-based products
	Market	T6	Changes in energy procurement structure	All	●	●	●		●	●	Potential cost volatility and increased cost burden due to changes in the energy procurement structure.
	Legal	T7	Exposure to climate-related litigation risks, including greenwashing	GC, MU		●	●		●	●	Increased legal costs and potential damages in the event of an unfavorable judgment
Physical risks	Acute	P1	Flooding	GC		●		●	●	●	Flooding may damage facilities at operational sites, cause equipment failures and performance issues, and damage raw materials, supplies, and products, resulting in increased recovery costs and production losses due to operational disruptions
	Acute	P2	Wildfire	GC, LS		●		●	●	●	Wildfire smoke may adversely affect facilities and employee health, while fires at operational sites may damage facilities, equipment, raw materials, and supplies, resulting in asset losses, increased recovery costs, and production losses from operational disruptions
	Acute	P3	Typhoons and strong winds	All		●		●	●	●	Typhoons and strong winds may damage or flood infrastructure at operational sites, including building exteriors, roofs, windows, doors, and production facilities. They may also cause power outages, communication failures, logistics and shipment disruptions, plant shutdowns, and employee safety incidents, resulting in increased recovery costs and production losses from operational disruptions
	Acute	P4	Heat waves	All		●		●	●	●	Heat waves may increase electricity use for cooling, cause equipment overheating and reduced efficiency, and raise the risk of heat-related illness among employees due to deteriorating working conditions, resulting in production losses from reduced productivity, including adjustments to working hours
Opportunities	Products and services	O1	Increased demand for sustainable products	GC, MU		●	●		●	●	Greater opportunities to expand the lower-impact product portfolio, including recycled and bio-based material products and products with lower carbon intensity, and to strengthen market competitiveness

1) GC: SK chemicals' Green Chemicals business unit / LS: Life Science business unit, including SK chemicals' Pharma business unit and SK bioscience / MU: SK multi utility
2) Short term: by 2026; medium term: by 2030; long term: by 2050

Climate Materiality Assessment

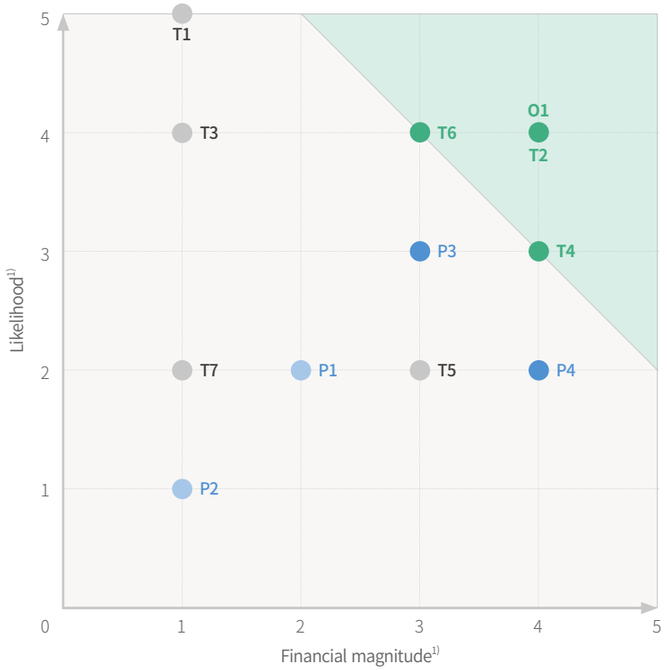
Climate Risk and Opportunity Management Process

Assessment of Climate Risks and Opportunities

SK chemicals assessed the magnitude and likelihood of transition risks and opportunities by considering factors such as business strategy, market trends, and competitiveness. For physical risks, the company used Jupiter Intelligence, a physical risk assessment tool, to analyze the likelihood and potential magnitude of damage by operational site location. Based on this analysis, SK chemicals established response strategies for key risks and opportunities aligned with its business model, growth strategy, and stakeholder expectations as it transitions toward a product portfolio designed to reduce environmental impact.

In addition, for the key risks and opportunities identified through its climate materiality assessment, SK chemicals analyzes financial impacts for the current period as well as expected short-, medium-, and long-term financial impacts, and discloses its response status and detailed strategies. The company will continue to manage climate performance systematically based on key performance indicators (KPIs), minimizing risks that may arise during the low-carbon transition and proactively identifying new business opportunities.

Key Climate Risks and Opportunities		Rationale
T2	Stricter plastics-related regulations	As global plastics regulations, including the EU Packaging and Packaging Waste Regulation (PPWR), continue to tighten, requirements for the use of recycled materials and the transition to products designed to reduce environmental impact are expanding. As a result, the Green Chemicals business unit is expected to face declining demand for existing petrochemical-based plastic products due to requirements such as the mandatory use of recycled plastics. This is assessed as a key risk factor that could increase costs and reduce revenue.
T4	Increased requirements for transition to low-carbon processes and facilities	Existing fossil fuel-based facilities and technologies may become less competitive as the low-carbon transition accelerates, potentially leading to impairment losses as facility utilization declines and the recoverable amount of related assets decreases. In addition, growing demand for low-carbon electricity and heat within industrial complexes, together with the expansion of national energy transition policies, is increasing the need to shift to low-carbon facilities, including hydrogen co-firing. As a result, the economic viability of existing high-carbon facilities may decline, and related assets may be subject to impairment. This is assessed as a key risk factor that could affect the company's financial position and profit or loss over the medium to long term.
T6	Changes in energy procurement structure	Electricity is a core input for the company's business operations, and higher electricity rates may directly affect profitability by increasing production costs. While electricity rates face upward pressure over the medium to long term, the likelihood of a sharp cost increase in the short term is considered limited, given recent moves to ease the burden of industrial electricity rates. However, failure to meet investor and global customer expectations for the transition to renewable energy could lead to less favorable financing terms, higher financing costs, reduced transactions, and loss of contracts. SK chemicals aims to achieve RE100 by 2032. Failure to meet this target could lead to negative assessments from investors, customers, and supply chain stakeholders, making this a key transition risk that could affect the company's financial position and profit or loss over the medium to long term.
O1	Increased demand for sustainable products	The business unit most affected by revenue growth from products and services designed to reduce environmental impact is Green Chemicals, which has medium- to long-term growth potential centered on recyclable plastics and bio-based plastic product lines. Expanding revenue from environmentally preferred products is therefore assessed as a key climate-related opportunity that could contribute to strengthening the company's financial position and market competitiveness over the medium to long term.
P3	Typhoons and strong winds	SK chemicals assessed the potential impact and likelihood of each hazard using Jupiter Intelligence, a physical risk assessment tool. The analysis found that, under the SSP1-2.6, SSP2-4.5, and SSP5-8.5 scenarios for 2026 and 2030, the risk of physical asset damage and operational disruption losses from typhoons and strong winds was the highest among the 4 hazard types assessed for financial impact. This risk was therefore identified as a key physical risk.
P4	Heat waves	SK chemicals assessed the potential impact and likelihood of each hazard using Jupiter Intelligence, a physical risk assessment tool. The analysis found that, as the global average temperature rises, costs associated with responding to temperature impacts, such as higher cooling expenses, and the impact of reduced labor productivity due to heat waves are expected to continue increasing. The magnitude of the related financial impact was assessed as the highest among the 4 hazard types under the SSP1-2.6, SSP2-4.5, and SSP5-8.5 scenarios for 2050, and heat waves were therefore identified as a key physical risk.



1) Transition risks were identified as material risks and opportunities when the combined score for likelihood and financial magnitude was 7 or higher. For physical risks, the 2 risks with the highest likelihood and financial magnitude were identified as material risks.

Financial Impact Analysis of Key Climate Risks and Opportunities

The financial impact analysis of climate-related risks and opportunities was conducted using currently available data and methodologies, to the extent reasonably estimable. However, inherent uncertainties remain due to factors such as the long-term impacts of climate change, changes in the policy and regulatory environment, global energy market trends, the pace of low-carbon technology development, changes in consumer behavior, and other rapid shifts in market conditions. SK chemicals plans to continue reducing these uncertainties by improving data reliability and consistency and further refining its analytical methodologies.

Quantitative information not disclosed

	Category	Key Financial Impact Pathway	Business Unit	Current-period Financial Impact		Estimated Annual Average Financial Impact[1] (Unit: KRW 100 million)	Description
				Account	Amount		
T2	Stricter plastics-related regulations	Decrease in revenue from fossil fuel-based plastic products due to stricter plastics-related regulations	SK chemicals	Cost of sales	-	-	SK chemicals identified the potential decline in demand for fossil feedstock-based products due to tighter plastics-related regulations, including the EU PPWR[2], as a factor that could reduce the company's revenue going forward. However, the decline in revenue from fossil feedstock-based products may result from a combination of factors, including weaker economic conditions and intensified competition, and therefore cannot be estimated with precision.
		Regulatory compliance costs	SK chemicals	Selling, general and administrative expenses	KRW 200 million	-	To respond to global customer requirements and tighter plastics regulations, and to ensure the sustainability of recycled and bio-based products, SK chemicals obtains and maintains relevant certifications, including EU FCM[3] and ISCC. Accordingly, the company identified the current-period financial impact based on certification costs actually incurred. Quantitative information on expected financial impacts has been omitted, considering potential changes in the scope of certification in the future.
T4	Increased requirements for transition to low-carbon processes and facilities	Shortened useful lives of related assets due to weakening market competitiveness of existing high-carbon products	SK multi utility	Cost of sales	KRW 7 billion	KRW 0 (fully depreciated due to shortened useful lives)	SK multi utility recognized a shortened useful life for existing coal-fired power generation facilities in consideration of the potential decline in their competitiveness and utilization rate due to increased requirements for the transition to low-carbon processes and facilities. As depreciation of these facilities was completed during the current period, no related future financial impact was calculated.
		Investment costs for facilities and equipment to reduce carbon emissions and improve energy efficiency	SK chemicals	Cost of sales	KRW 600 million	Short term: 7 Medium term: 8	SK chemicals identified current-period financial impacts from the replacement of DMT boiler burners for hydrogen co-firing as a process fuel, process improvements for the use of CHDM off-gas, the transition to electric vacuum pumps at the Yantai subsidiary, and energy-saving investments. The company also reflected planned boiler facility investments for the future introduction of hydrogen in copolyester production under its Net Zero Roadmap. Investment costs that are in progress or planned were capitalized and recognized as depreciation expense over their useful lives to identify potential future financial impacts. However, for long-term investment plans, SK chemicals disclosed quantitative amounts focused on the current period and the short and medium term that can be confirmed based on the current business plan, considering uncertainties around the potential for additional investment and the timing and scale of such investment.
			SK multi utility	Cost of sales	KRW 30 billion	-	SK multi utility made large-scale facility investments for the transition to combined heat and power (CHP), resulting in approximately KRW 30 billion in depreciation expense during the current period. However, because these investments also include elements of general facility investment, there are limitations in separately identifying the portion of the total investment directly related to climate action. Accordingly, related quantitative information has not been disclosed.
		Costs for procuring low-carbon fuels	SK chemicals	Cost of sales	KRW 5 billion	Short term: 60 Medium term: 70	SK chemicals plans to shift from high-carbon-emitting fuels such as LNG and LPG to relatively lower-carbon fuels such as hydrogen, and identified the resulting increase in cost of sales from fuel purchases. The current-period financial impact was reflected based on actual purchases of low-carbon fuels. Short- and medium-term financial impacts were estimated by reflecting the low-carbon fuel transition plan and expected consumption under the Net Zero Roadmap. However, quantitative information on long-term amounts has been omitted due to uncertainties related to external factors, including the timing of hydrogen infrastructure development, fuel availability, and price differences by type of hydrogen.
		Decrease in fossil fuel purchase costs through the procurement of low-carbon fuels	SK chemicals	Cost of sales	KRW 4.2 billion	Short term: 36 Medium term: 36	As SK chemicals transitions from fossil fuels to hydrogen fuel and process by-product gases, the company identified a cost-of-sales reduction effect from lower purchases of existing fossil fuels such as LNG and LPG, corresponding to the amount of energy replaced. SK chemicals also reviewed the potential for this financial effect to expand as the cost of procuring existing fossil fuels is expected to rise due to the global energy transition and changes in market conditions. However, quantitative information on long-term amounts has been omitted in light of uncertainties in long-term fossil fuel price forecasts.

1) Short term: by 2026; medium term: by 2030; long term: by 2050
2) PPWR: Packaging and Packaging Waste Regulation
3) FCM: Food Contact Materials

Financial Impact Analysis of Key Climate Risks and Opportunities

Quantitative information not disclosed

	Category	Key Financial Impact Pathway	Business Unit	Current-period Financial Impact		Estimated Annual Average Financial Impact[1] (Unit: KRW 100 million)	Description
				Account	Amount		
T6	Changes in energy procurement structure	Increase in electricity procurement costs due to higher electricity rates	SK chemicals	Cost of sales	-	-	SK chemicals has identified the potential for electricity procurement costs to increase as electricity rates rise. However, because electricity rates are affected by various external factors, including policy direction, changes in the industrial electricity rate structure, and energy market conditions, making precise forecasts difficult, SK chemicals has not disclosed related quantitative information.
		Reduction in electricity procurement costs through renewable energy procurement and process transition	SK chemicals	Cost of sales	KRW 4 million	-	SK chemicals is reducing its procurement of general industrial electricity by sourcing renewable electricity through V.PPAs and on-site solar power generation, and by lowering electricity use through changes in process raw materials. Based on these efforts, the company identified cost savings for the current period. However, future financial impacts have not been disclosed due to limitations in accurately forecasting future electricity rate volatility.
		Renewable energy procurement costs	SK chemicals	Selling, general and administrative expenses	KRW 700 million	Short term: 9 Medium term: 32 Long term: Approx. 100	SK chemicals continues to pursue renewable energy procurement through on-site solar power generation at the Cheongju Plant, a solar V.PPA for the Ulsan Plant, an on-site solar PPA in Shantou, China, and GEC purchases. To achieve its RE100 target by 2032, the company plans to gradually expand additional PPA contracts and REC purchases. Current-period financial impacts were calculated based on actual renewable energy procurement costs, while short-, medium-, and long-term financial impacts were calculated by reflecting the renewable energy transition plan and expected procurement volume under the Net Zero Roadmap.
P3	Typhoons and strong winds	Physical recovery costs and operational disruption losses caused by typhoons and strong winds	SK chemicals	Operating expenses	-	Short term: 8 Medium term: 8 Long term: 8	Using Jupiter Intelligence, a physical risk analysis tool, SK chemicals modeled physical damage from typhoons and strong winds based on the locations of operational sites across its consolidated entities. The company calculated short-, medium-, and long-term financial impacts under the SSP5-8.5 scenario by reflecting potential increases in asset recovery costs from higher wind speeds and losses from operational disruptions. These amounts are estimates based on key assumptions used in the climate scenario analysis and modeling.
P4	Heat waves	Increased operating costs and losses from reduced productivity caused by heat waves	SK chemicals	Operating expenses	-	Short term: 5 Medium term: 11 Long term: 48	Using Jupiter Intelligence, a physical risk analysis tool, SK chemicals modeled physical damage from heat waves based on the locations of operational sites across its consolidated entities. The company calculated short-, medium-, and long-term financial impacts under the SSP5-8.5 scenario by reflecting potential increases in operating costs, including cooling costs driven by rising temperatures, as well as potential productivity losses. These amounts are estimates based on key assumptions used in the climate scenario analysis and modeling. The analysis found that the Ulsan Plant and Cheongju S HOUSE have relatively high heat wave exposure among the company's operational sites, and that the magnitude of losses could increase over the long term.
O1	Increased demand for sustainable products	Increase in revenue from sustainable products	SK chemicals	Revenue	-	-	As demand for recycled and bio-based materials is expected to continue increasing amid the expansion of Net-Zero targets among global companies and tighter plastics regulations, SK chemicals is working to expand production and establish mass production systems for related products, and has identified the potential for related revenue growth. However, quantitative information has not been disclosed due to external uncertainties, including regulatory changes, customer demand, and raw material price volatility.
		Capital investments to build a sustainable product portfolio	SK chemicals and Shuye-SK chemicals (Shantou)	Cost of sales	KRW 8 billion	Short term: 80 Long term: 80	SK chemicals is pursuing investments in property, plant and equipment to build a sustainable product portfolio based on recycled and bio-based materials. In Ulsan, the company is investing in facilities for chemical recycling and the use of recycled feedstocks, while in China it has established Shuye-SK chemicals (Shantou) and is pursuing investments in property, plant and equipment. In relation to these investments, SK chemicals calculated current-period and short- and medium-term financial impacts by reflecting depreciation expense over the useful lives of the assets after acquisition, based on investment amounts included in its medium-term business plan.
		R&D expenses for the development of sustainable products	SK chemicals	Selling, general and administrative expenses	-	-	SK chemicals continues to invest in R&D to improve quality, develop manufacturing technologies, optimize production, and expand recycling. However, quantitative information has not been disclosed because calculating the financial impact of R&D expenses requires various assumptions regarding the business environment, technology development direction, and market changes.

1) Short term: by 2026; medium term: by 2030; long term: by 2050

Risk and Opportunity Response Strategy

To proactively address the global climate crisis, SK chemicals thoroughly analyzes climate risks and opportunities and manages them strategically. The key risks and opportunities identified through this process have been designated as priority management areas based on their strategic importance and business impact, while other risks are continuously monitored and addressed according to internal priorities. Climate actions are classified and managed as direct or indirect actions, and as mitigation or adaptation actions. Direct actions refer to activities that involve changes to the company's internal processes, facilities, and assets, while indirect actions contribute to reducing or managing climate impacts through external mechanisms or supply chain collaboration. Mitigation actions address transition risks by reducing GHG emissions, while adaptation actions reduce business impacts from climate change, including physical risks. Through this management system, SK chemicals aims to create new value through climate action and provide innovative solutions that contribute to carbon neutrality and greater climate resilience.

Risk and Opportunity Response Strategy

Key risks and opportunities

Strategy No.	Strategy	Description	Climate Action	Action Type: Direct	Action Type: Indirect	Action Type: Mitigation	Action Type: Adaptation	Mapping to Related Risks and Opportunities	Related Page	Read more
S1	Transition to low-carbon fuels	SK chemicals is shifting from a fossil fuel-based energy system to one based on low-carbon fuels to reduce the carbon intensity of energy used at its operational sites. The company is improving energy efficiency and reducing GHG emissions by replacing boiler burners for the use of hydrogen fuel and transitioning to LNG combined heat and power facilities.	• Transition of production process fuels • Use of CHDM off-gas • Transition to LNG combined heat and power • Expansion of low-emission vehicles[1] for business use • Procurement of low-carbon steam	●		●		T1 Strengthened carbon pricing systems, including carbon taxes and emissions trading schemes T4 Increased requirements for transition to low-carbon processes and facilities T6 Changes in energy procurement structure	47	Click
S2	Process improvements and energy efficiency optimization	SK chemicals has improved process efficiency by changing the feedstock used in the DMT process from PX to QTA and is improving energy efficiency through major facility investments.	• Transition to alternative process feedstocks • Energy efficiency improvements and operational optimization	●		●		T1 Strengthened carbon pricing systems, including carbon taxes and emissions trading schemes T4 Increased requirements for transition to low-carbon processes and facilities T6 Changes in energy procurement structure	48	Click
S3	Expansion of renewable electricity procurement	SK chemicals is increasing its use of renewable energy to reduce indirect GHG emissions from electricity consumption, or Scope 2 emissions. The company is expanding renewable electricity procurement through REC purchases, on-site PPAs, and virtual power purchase agreements (V.PPAs) with renewable energy generators, while also pursuing solar power generation at its operational sites through the installation of solar power facilities.	• Expansion of renewable electricity procurement • Installation of on-site solar power generation facilities	●		●		T1 Strengthened carbon pricing systems, including carbon taxes and emissions trading schemes T3 Stricter requirements for renewable energy use and reporting T6 Changes in energy procurement structure	49	Click
S4	Strengthening the sustainable portfolio	SK chemicals is investing in circular recycling to strengthen its sustainable portfolio. To expand its waste plastic recycling business, the company established Shuye-SK chemicals (Shantou) in China to secure recycled feedstocks and strengthen the circular resource supply chain. Building on this foundation, SK chemicals is transitioning its business structure toward materials that reduce environmental impact.	• Establishment of a circular recycling business and resource circulation systems • Expansion of materials production using recycled feedstocks • Expansion of research on bio-based material products	●		●		T2 Stricter plastics-related regulations T5 Decline in demand for fossil fuel-based products O1 Increased demand for sustainable products	30~35	Click
S5	Promotion of Carbon Reduction Projects	Through its cookstove distribution project in Myanmar, SK chemicals has helped improve energy efficiency and reduce GHG emissions in developing countries. The company has also registered a carbon reduction methodology covering the product life cycle with the Carbon Reduction Certification Center of the Korea Chamber of Commerce and Industry and monitors reduction performance, enabling the carbon reduction contributions of its products to be recognized based on a credible certification standard.	• Implementation of the Myanmar cookstove project • Pursuit of voluntary carbon reduction certification		●	●		T1 Strengthened carbon pricing systems, including carbon taxes and emissions trading schemes	49	Click
S6	Climate data management	SK chemicals transparently discloses climate-related targets and actions to strengthen stakeholder trust and systematically manage environmental impacts. The company has established an ESG Data Hub to manage GHG and environmental data in an integrated manner, and quantifies and manages product-level environmental impacts through LCA calculations.	• Development and implementation of the ESG Data Hub • Establishment and application of the LCA system	●		●		T5 Decline in demand for fossil fuel-based products T7 Exposure to climate-related litigation risks, including greenwashing O1 Increased demand for sustainable products	50	Click
S7	Strengthening preparedness for extreme weather	SK chemicals is strengthening its preparedness systems for natural disasters caused by climate change, including floods, typhoons, wildfires, and droughts, by securing necessary facilities and supplies at operational sites.	• Investments to strengthen the climate resilience of facilities at operational sites • Application of building designs that reduce environmental impact	●			●	P1 Flooding P2 Wildfire P3 Typhoons and strong winds P4 Heat waves	51	Click
S8	Establishment and operation of extreme weather response systems	SK chemicals has established and documented response systems for each type of physical risk to enable immediate action and minimize damage when risk events occur.	• Documentation of response manuals by physical risk type	●			●	P1 Flooding P2 Wildfire P3 Typhoons and strong winds P4 Heat waves	51	Click

1) Electric, hybrid, and hydrogen vehicles.

Key Transition Risk and Opportunity Response Strategies

S1. Transition to Low-carbon fuels T1 T4 T6

SK chemicals is transitioning the fuel system used at its operational sites from fossil fuels to low-carbon fuels to reduce the carbon intensity of its energy use. To this end, the company is pursuing the adoption of hydrogen fuel by replacing boiler burners and is improving energy efficiency and reducing GHG emissions through a phased transition to low-carbon fuels, including the installation of LNG combined heat and power facilities.

Fuel Transition in Production Processes at the Ulsan Plant

The Ulsan Plant is actively reducing GHG emissions by transitioning the fuels used in its production processes. In 2023, the plant began hydrogen co-firing in DMT process boilers, and in 2025, hydrogen co-firing in process boilers replaced approximately 1.63 million Nm^3 of LNG and approximately 2.61 million kg of propane. The externally verified 2025 reduction performance, calculated by applying the CDM methodology AMS-III.AH to the effects of hydrogen co-firing, was 9,419 tCO_2eq. Over the long term, SK chemicals plans to gradually reduce GHG emissions by expanding the transition to low-carbon process fuels, including hydrogen.

Utilization of CHDM Off-Gas

In 2022, SK chemicals confirmed that the off-gas generated as a by-product of the CHDM reaction process and released into the atmosphere contained a large amount of hydrogen, and launched a project to capture and use this off-gas as an energy source. The company upgraded its facilities to capture hydrogen from the off-gas and combust it together with fuel. Since 2022, SK chemicals has progressively recovered off-gas from process boilers and used it as fuel. In 2025, this replaced approximately 380,000 Nm^3 of LNG and approximately 120,000 kg of propane, reducing annual GHG emissions by 877 tCO_2eq.

CHP Production of Electricity and Steam

SK multi utility, a subsidiary of SK chemicals, has transitioned its existing coal and heavy fuel oil boilers to LNG-based combined heat and power facilities, reflecting the Korean government's carbon neutrality policy and customer demand for proactive climate action. Following completion in the second half of 2025, the LNG CHP plant completed commissioning and stabilization, which began at the end of 2025, and entered full-scale operation in the first half of 2026. The transition is expected to reduce environmental impact by lowering air pollutants such as SOx and NOx, as well as GHG emissions.

Low-Emission Business Vehicles

SK chemicals has participated in the low-emission vehicle purchase target program since 2022, under which at least 13% of newly purchased or leased vehicles are converted to low-emission vehicles[1] as defined under the *Act on Promotion of Development and Distribution of Environment-Friendly Motor Vehicles.* By expanding its use of low-emission vehicles, the company aims to reduce Scope 1 GHG emissions from mobile combustion. SK chemicals also supports the use of EV chargers installed at its operational sites not only by business vehicles, but also by employees and customers. The company plans to continue increasing the share of low-emission vehicles in its business vehicle fleet and further advance the transition to low-carbon energy.

1) Hybrid, electric, and hydrogen vehicles.

Procurement of Low-Carbon Steam

SK chemicals newly procured low-carbon steam produced by SK multi utility's CHP facilities, which reduced the steam emission factor to approximately 80% of the 2024 level, thereby reducing GHG emissions and improving energy efficiency. This low-carbon steam procurement is used as a reduction measure to lower the carbon intensity of the steam segment through a shift in fuel use.

In addition, the company is reviewing the use of waste heat in collaboration with a nearby waste incineration company, which is expected to further expand the use of low-carbon steam.

Key Transition Risk and Opportunity Response Strategies

S2. Process Improvements and Energy Efficiency Optimization T1 T4 T6

SK chemicals is reducing GHG emissions by improving the structure of its production processes and enhancing energy efficiency. The company improved process efficiency by switching the feedstock used in the DMT process from PX to QTA, and continues to improve energy use efficiency through investments in key process facilities.

DMT Process Improvements

SK chemicals has reduced annual GHG emissions by 27,380 tCO_2eq compared with the 2021 base year by fully replacing the PX oxidation process, which generated significant GHG emissions in the DMT reaction process, with QTA. The company completed process improvements to reach 70% QTA use in 2021 and completed process stabilization after the full transition to QTA in October 2022. The process has been in continuous operation since then.

Energy Efficiency Improvements and Operational Optimization

SK chemicals carries out energy reduction initiatives to improve the energy efficiency of its production and logistics systems using a three-stage process: auditing, analysis and discussion, and initiative implementation. In the audit stage, the company monitors monthly trends in utility consumption and costs. In the analysis and discussion stage, it analyzes energy consumption patterns and works to minimize related costs. To this end, SK chemicals identifies energy-saving opportunities within the plant and explores measures to reduce energy costs. The company also optimizes energy use by monitoring and analyzing energy consumption within the plant and improving areas of inefficient operation. In the initiative implementation stage, each production department undertakes energy reduction projects, and the progress and impact of improvement initiatives are monitored each year and reported to management, including the Plant Manager. To support systematic implementation and strengthen execution, SK chemicals has also incorporated improvement initiatives into management KPIs and uses a system that links them to performance evaluation and compensation.

DMT Condensate Recovery

SK chemicals has improved steam use efficiency by recovering and reusing condensate generated from the DMT process. Condensate generated during steam use is returned to SK multi utility, the steam supplier, which reuses the residual heat contained in the condensate as a heat source, thereby reducing fuel consumption. As a result, SK chemicals reduced its actual steam consumption and lowered GHG emissions from steam use by approximately 2,431 tCO_2eq in 2025.

Focus on Sustainability

Energy-Saving Case Study – Ulsan Plant

Audit
- Analyze monthly trends in energy consumption and costs by utility type

Analysis and Discussion
- Analyze current issues and identify energy reduction projects

Initiative Implementation
- Implement and monitor energy reduction projects by production department
- Link initiatives to management KPIs, including the Plant Manager's KPIs

As one example of its energy-saving initiatives, SK chemicals' Ulsan Plant achieved energy cost savings of approximately KRW 2.07 billion in 2025 through 12 initiatives. The Ulsan Plant continues to identify reduction initiatives each year to optimize energy use and reduce costs. The plant plans to further improve the energy efficiency of its production and logistics systems and contribute to reducing energy consumption and GHG emissions through process optimization.

Key Energy-Saving Initiatives at the Ulsan Plant in 2025

Energy Audit

Analysis of utility(water, electricity, steam, and fuel) consumption and identification of efficiency improvement measures

Implementation of Energy-Saving Initiatives

Optimization of cooling tower operations

Electricity **1,328** MWh

Optimization of production process operations

Steam	17,833	ton
Water	33,000	ton
LNG	685,690	Nm³
Electricity	8,466	MWh

KRW **2.07** billion in savings

Key Transition Risk and Opportunity Response Strategies

S3. Expansion of Renewable Electricity Procurement T1 T3 T6

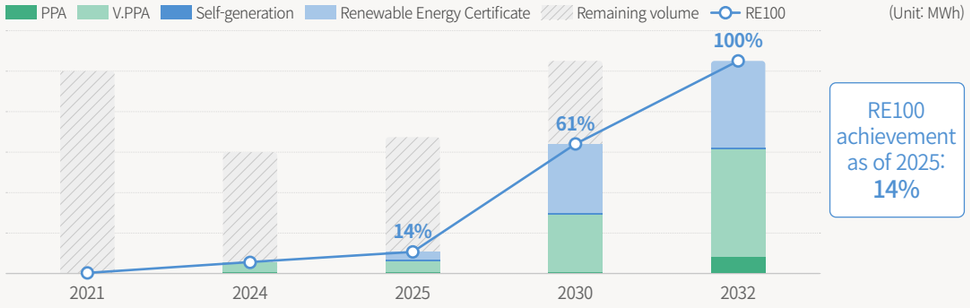
SK chemicals is increasing its use of renewable energy to reduce indirect GHG emissions from electricity consumption, or Scope 2 emissions. The company is expanding renewable electricity procurement through renewable energy certificate (REC) purchases, on-site PPAs, and virtual power purchase agreements (V.PPAs), while also pursuing on-site renewable energy generation through the installation of solar power facilities at its operational sites.

Solar Power Generation

SK chemicals is expanding on-site solar power generation to reduce GHG emissions and energy costs. Since 2023, the Cheongju Plant has installed approximately 1.1 MW of on-site solar power generation capacity in its parking areas and on building rooftops. As of 2025, it generated 1,331 MWh of electricity annually, reducing GHG emissions by 612 tCO_2eq. At the Pangyo ECO Lab headquarters, solar panels installed on the building exterior have generated renewable electricity for on-site use since the building was completed.

PPA and REC Purchase Agreements

To achieve its RE100[1] target by 2032, SK chemicals has established a mid- to long-term renewable energy implementation strategy that includes power purchase agreements (PPAs) and renewable energy certificate (REC) purchases. Under this strategy, the Ulsan Plant began procuring renewable electricity in July 2024 through a 10 MW solar V.PPA. In 2025, this arrangement procured 13,754 MWh of electricity and reduced GHG emissions by 6,319 tCO_2eq. It is expected to continue procuring approximately 13,000 MWh of electricity annually and reducing GHG emissions by approximately 6,000 tCO_2eq each year. In addition, Shuye-SK chemicals (Shantou) signed a 2 MW on-site PPA using rooftop space. As of 2025, it procured 2,256 MWh of renewable electricity annually, reducing GHG emissions by 997 tCO_2eq. It also achieved an additional reduction of 3,756 tons of GHG emissions through the purchase of 8,500 GECs. SK chemicals plans to achieve its RE100 target by continuing to expand renewable electricity procurement through V.PPAs and direct PPAs, while using certificate purchases such as RECs for the remaining volume.



1) Based on the GHG Protocol operational control approach: SK chemicals (standalone), SK chemicals Yantai, Shuye-SK chemicals (Shantou), SK chemicals-Daejung, and 4 overseas sales subsidiaries.

S5. Promotion of Carbon Reduction Projects T1

As part of its climate action efforts, SK chemicals is systematically developing and implementing reduction projects connected to global and domestic carbon markets. Through international cooperation-based carbon reduction mechanisms and voluntary reduction projects, the company aims to deliver tangible carbon reduction outcomes.

International Carbon Reduction Projects

SK chemicals is implementing a project to distribute high-efficiency cookstoves[2] to residents in north-central Myanmar. Compared with traditional cooking methods, the project reduces fuel use and lowers exposure to harmful smoke generated during cooking, thereby contributing to GHG emissions reductions, improved indoor air quality, and better cooking conditions. SK chemicals plans to effectively manage the emissions reductions achieved through the cookstove distribution project in alignment with its climate strategy.

Voluntary Product-Based Carbon Reduction Projects

SK chemicals is pursuing reduction projects linked to the voluntary carbon market based on GHG reductions achieved across the product life cycle. Under the KCCI Carbon Standard (KCS) of the Korea Chamber of Commerce and Industry, the company has registered reduction methodologies and ensures the credibility of its reduction outcomes through continuous monitoring and verification. Through these efforts, SK chemicals systematically manages product-based carbon reduction activities.

2) Cookstoves are cooking devices made from materials such as metal, cement, or clay. By improving thermal efficiency, they can reduce cooking time and the amount of firewood used, thereby helping reduce GHG emissions.

Key Transition Risk and Opportunity Response Strategies

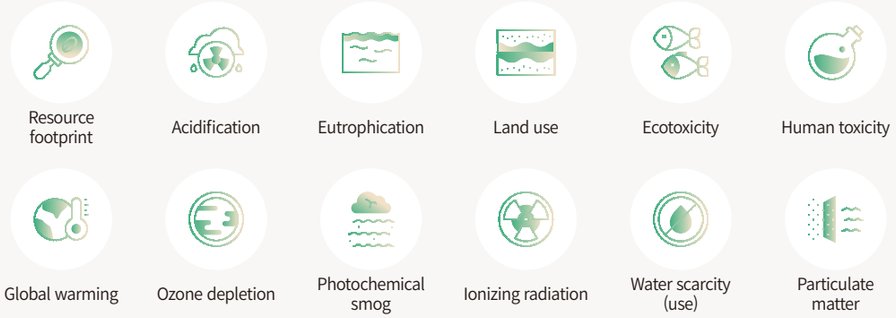
S6. Climate Data Management T5 T7 O1

SK chemicals strengthens stakeholder trust and manages environmental impacts by transparently disclosing climate-related targets and actions. To support this, the company has established an ESG Data Hub to manage GHG emissions and environmental data in an integrated manner, and uses life cycle assessments (LCAs) to closely understand and manage the environmental impacts of its products.

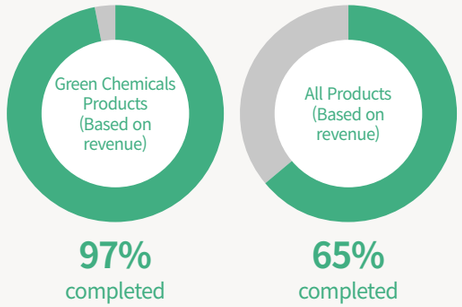
LCA Framework Development and Assessment

As customers and investors increasingly demand stronger climate action, managing environmental impacts across the product life cycle has become an important source of competitiveness. Through life cycle assessments[1] (LCAs), SK chemicals comprehensively analyzes product-level environmental impacts, including global warming potential and ozone depletion potential, based on the LCA scope and system boundaries set for each product. The analyses apply the CML methodology, covering 12 impact categories, and the EF 3.1 methodology, covering 16 impact categories. SK chemicals has completed LCAs for all copolyester products excluding SKYPET, all engineering plastics product lines including SKYPURA, and all feedstock products including SKYDMT and SKYCHDM. In 2025, the company expanded the scope to include functional materials such as SKYBON and SKYPEL, as well as recycled products such as r-BHET and CR-PET, and completed LCAs for the corresponding products. This coverage represents 97% of revenue from the Green Chemicals business unit and 65% of company-wide revenue. SK chemicals has also established a company-wide LCA framework and is strengthening its execution capabilities through a dedicated organization and KPI linkage. The company continues to update its LCAs by incorporating the latest process data. In addition, SK chemicals identifies high-emission processes and develops reduction measures based on carbon footprint[2] analyses, while further enhancing its LCAs through supply chain collaboration and expanding the range of products managed through LCA.

SK chemicals' 12 Impact Categories (Based on the CML methodology)



2025 Cumulative LCA Performance



Development and Implementation of the ESG Data Hub

In response to strengthened GHG emissions reporting requirements, SK chemicals has developed and implemented the ESG Data Hub, its internal ESG data management system. Through this system, SK chemicals manages ESG data in an integrated manner, including Scope 3 GHG emissions as well as Scope 1&2 emissions, thereby improving data accuracy and management efficiency. The company is also proactively preparing for potential increases in human capital costs and GHG management costs as disclosure requirements continue to expand.

1) An assessment of environmental impacts across the entire product life cycle, from raw material extraction, production, transportation, and use to disposal.
2) Carbon emissions generated over the product life cycle, from raw material extraction to product shipment.

Key Transition Risk and Opportunity Response Strategies

S7. Strengthening Extreme Weather Preparedness P1 P2 P3 P4

SK chemicals proactively identifies physical risks at its operational sites arising from climate change and assesses the potential impacts of natural disasters and extreme weather on facilities and operations in advance. Based on these assessments, the company is strengthening its preparedness for climate risks through facility improvements, regular safety inspections, and preventive maintenance.

Climate Risk Preparedness

SK chemicals continues to invest in strengthening climate resilience at its operational sites to prepare for natural disasters caused by climate change, including floods, typhoons, wildfires, and heat waves. The company also conducts climate risk vulnerability assessments for major operational sites and uses the results to establish proactive preparedness systems. Recognizing that climate change may intensify natural disasters and increase vulnerabilities in aging facilities and equipment, SK chemicals conducts regular safety inspections of buildings and structures, and systematically carries out structural reinforcement and repair work based on inspection results. For key infrastructure, including high-voltage facilities and boilers, the company seeks to prevent incidents before they occur through preventive replacements and performance upgrades, while managing these assets to support stable operations even under extreme weather conditions. In addition, SK chemicals incorporates building designs that reduce environmental impact, replaces cooling systems with high-efficiency equipment as part of its heat wave preparedness, and is building a foundation for stable energy management amid climate-related fluctuations in energy supply and demand by introducing energy storage systems (ESS). On the operational side, the company operates a proactive weather-based monitoring system based on weather data to strengthen response capabilities before extreme weather events occur. It has also introduced weather alert and warning notifications, particularly for vulnerable operational sites, allowing precautionary measures to be taken before risks materialize. Furthermore, SK chemicals has established inspection standards for each operational site, conducts regular seasonal and risk-specific pre-inspections, and proactively improves equipment abnormalities and vulnerabilities. To protect the health and safety of employees, the company also provides supplies to prevent heat-related illness and sets and applies protective standards in advance for different working environments, thereby minimizing the risk of occupational accidents. Through these proactive management activities across facilities, operations, and personnel, SK chemicals helps minimize climate-related physical risk impacts and ensure business continuity and operational stability.

S8. Establishing and Operating Extreme Weather Response Systems P1 P2 P3 P4

SK chemicals has established and operates emergency response procedures and monitoring systems to support swift and systematic action in the event of extreme weather events or natural disasters. To minimize the risk of incidents and business interruptions at operational sites, the company has strengthened its emergency response structure, reporting lines, and recovery procedures, with a focus on employee safety and business continuity.

Natural Disaster Response System

SK chemicals has established and operates a company-wide emergency management system to ensure swift and systematic action in the event of natural disasters or incidents at operational sites, while continuing to strengthen its response capabilities by enhancing its emergency response framework. The company has introduced monitoring dashboards and visualization solutions that enable real-time visibility into site conditions and the integrated management of key risk factors, thereby improving the speed and accuracy of decision-making. It has also established and is operating an electronic standard operating procedure (e-SOP) system that standardizes responsibilities and response procedures to support immediate action in emergency situations. In addition, SK chemicals classifies physical risks based on the severity of potential damage and operates differentiated response teams, roles and responsibilities (R&R), and response processes for each level. These processes include recovery and return-to-normal procedures, and are designed to maintain business continuity even after a risk event occurs. The company also maintains a company-wide emergency contact network to ensure rapid information sharing and response in the event of a crisis. For heat wave risks, SK chemicals applies a 4-level classification system based on Korea Meteorological Administration criteria and the likelihood of heat-related illness, and has established employee protection measures, including work-rest standards for each level. For typhoons and strong winds, the company applies a 3-level classification system based on the extent of potential damage, enabling more precise responses by differentiating response teams, site inspection standards, and management levels for high-risk areas.

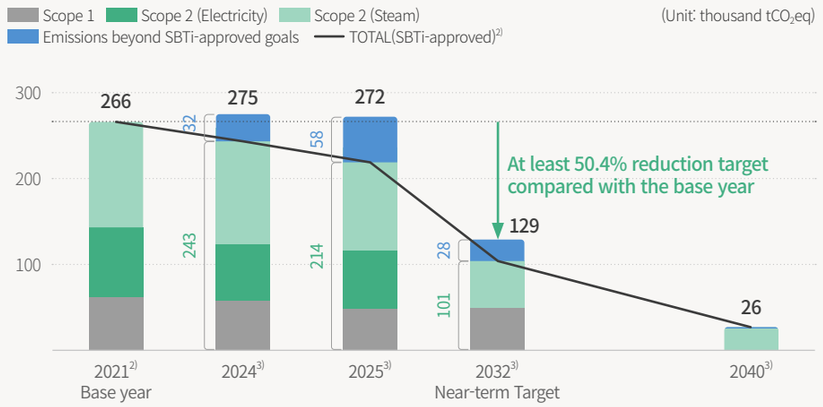
Net Zero Implementation Strategy

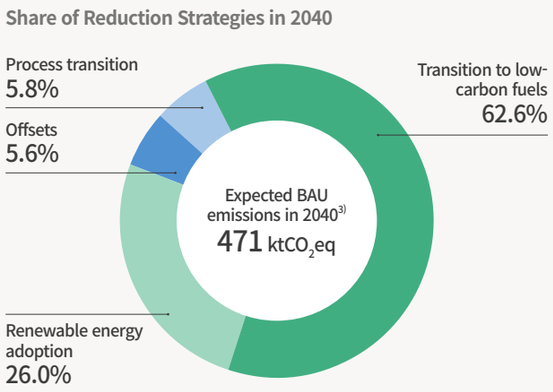
2040 Net Zero Strategy for Scope 1&2 Emissions

SK chemicals recognizes the responsible reduction of greenhouse gas emissions as a critical priority. To contribute to global carbon neutrality, the company established a 2040 Net Zero target for its Scope 1 and 2 emissions and joined the Science Based Targets Initiative (SBTi) in 2023. The reduction pathway for achieving net-zero emissions by 2040 was developed in accordance with science-based greenhouse gas target-setting guidelines, and SK chemicals received SBTi approval for its near-term target in 2023 using the absolute contraction approach. In parallel, the company takes into account the costs and expected impacts of each reduction measure, and continues to optimize its reduction portfolio based on economic feasibility analysis. SK chemicals is also moving beyond target-setting to deliver actual reductions by identifying and implementing a range of initiatives, including the transition to low-carbon processes and the adoption of renewable energy.

Scope 1&2 Net Zero Roadmap

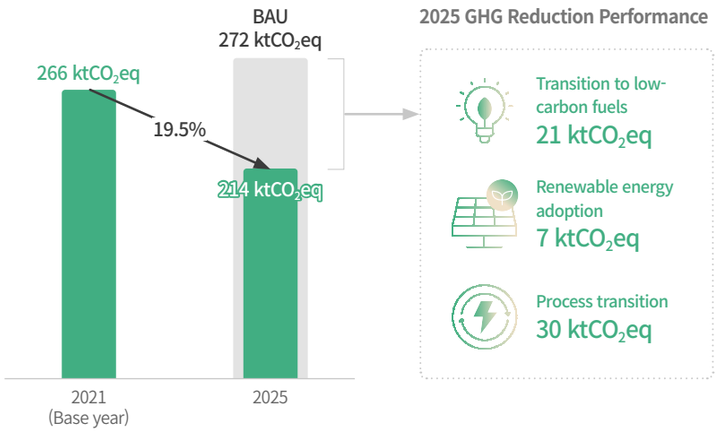
SK chemicals has established and is implementing a 2040 Net Zero reduction pathway aligned with the SBTi 1.5°C target. However, the scope of emissions calculation and management has expanded due to changes such as the establishment of Shuye-SK chemicals (Shantou) to support portfolio expansion, resulting in a slight increase in absolute emissions. Although this increase reflects structural changes associated with business growth, SK chemicals will continue its carbon reduction efforts toward its 2040 Net Zero target and will continue to strengthen its management approach in line with changes in the business environment. To this end, the company aims to achieve Net Zero Scope 1 and 2 emissions by 2040 through 4 key initiatives: transition to low-carbon fuels, renewable energy adoption, process transition, and offsets.[1]





2025 GHG Reduction Performance Based on SBTi Criteria

In 2025, SK chemicals reduced greenhouse gas emissions by approximately 58 $ktCO_2eq$ compared with BAU through the implementation of reduction initiatives, including the transition to low-carbon fuels, renewable energy adoption, and process transition. This performance represents progress along a reduction pathway aligned with the SBTi 1.5°C target, with emissions reduced by 19.5% in 2025 compared with 2021, exceeding the average annual reduction rate of 4.2%. This performance is based on the organizational boundary approved by SBTi.[2]



1) This target was established based on assumptions including the development of hydrogen infrastructure in the regions where the company's operational sites are located, the development of low-carbon technologies such as 100% hydrogen firing, and the expansion of the renewable energy generation market. The actual GHG reduction pathway may change depending on technology development and market conditions.
2) Based on the GHG Protocol operational control approach: SK chemicals (standalone) and SK chemicals Yantai.
3) Based on the GHG Protocol operational control approach: SK chemicals (standalone), SK chemicals Yantai, Shuye-SK chemicals (Shantou), SK chemicals-Daejung, and 4 overseas sales subsidiaries.

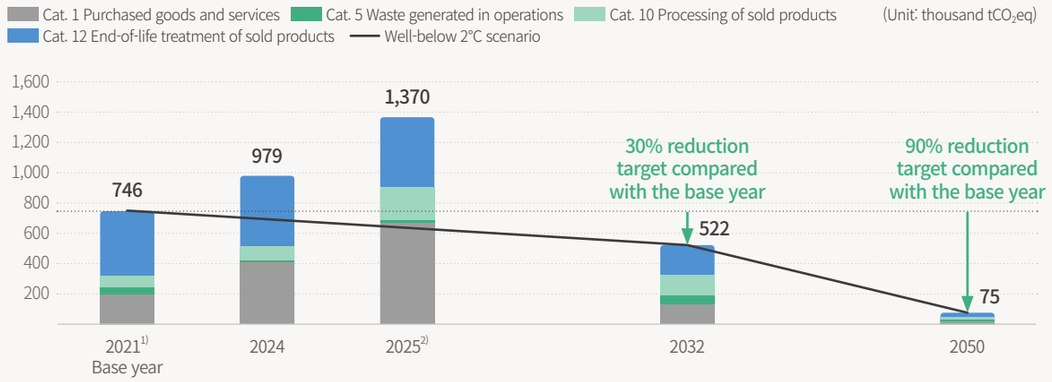
Net Zero Implementation Strategy

2050 Net Zero Strategy for Scope 3 Emissions

Recognizing the importance of Scope 3 reductions alongside Scope 1&2, SK chemicals has been developing a Scope 3 inventory since 2021 to calculate greenhouse gas emissions and develop reduction plans. The company identified key categories covering 746 ktCO_2eq, equivalent to 69% of total Scope 3 emissions in the 2021 base year. As with Scope 1&2, SK chemicals applied the absolute contraction approach under the guidelines of the Science Based Targets initiative (SBTi) and committed to reducing emissions by at least 30% from the base year by 2032, receiving approval for its near-term reduction target. Furthermore, SK chemicals has declared a 2050 Net Zero target across its entire value chain. To achieve this target, the company aims to fulfill its responsibility to future generations and the environment by building a circular economy system, reducing waste, and working with suppliers on greenhouse gas emissions reduction.

Scope 3 Net Zero Roadmap

SK chemicals continues to account for and manage Scope 3 emissions to achieve its 2032 near-term target and 2050 Net Zero target. In 2025, however, reported emissions increased significantly due to methodological improvements, including a higher share of primary data collected in the emissions measurement process and updates to emission factors, as well as an expanded Scope 3 boundary that now includes emissions from subsidiaries added through business expansion and overseas sales subsidiaries. Despite this increase, SK chemicals will continue to identify and implement key strategies to reduce emissions by more than 90% from the base year by 2050, equivalent to 671 ktCO_2eq. These efforts include investments in the recycling business, product research, and process development to support the implementation of a circular economy system.



2050 Net Zero Reduction Strategies (Scope 3)

Category 1 (Purchased goods and services), 12 (End-of-life treatment of sold products) Strategy: Circular economy system	SK chemicals is building a more sustainable economic system through a circular economy model. Under the conventional linear economy model, new raw materials must continually be identified and extracted for product manufacturing. In a circular economy model, however, resources needed for production are reused repeatedly, helping minimize negative environmental impacts and waste generation. To diversify waste-derived feedstocks and establish a closed-loop recycling system, SK chemicals has made investments since 2025 in initiatives including the development of the Recycle Innovation Center and the establishment of the Feedstock Innovation Center.
Category 5 (Waste generated in operations) Strategy: Reduction of operational waste	For operational waste generated in manufacturing and production processes, SK chemicals aims to reduce absolute emissions and increase recycling volumes through continuous management improvements, while complying with government policies and targets. In 2025, the Ulsan Plant implemented operational waste reduction initiatives, including reducing process sludge, and increased its recycling rate to 97%, earning Gold certification under the 'Zero Waste to Landfill (ZWTL)' program. The company will continue to manage operational waste and expand the scope of management to include production sites operated by subsidiaries, thereby reducing related greenhouse gas emissions.
Category 10 (Processing of sold products) Strategy: Supporting Partners' Net Zero Implementation	Post-shipment downstream processes for products manufactured by SK chemicals, such as injection molding and extrusion, require energy and therefore generate GHG emissions. These processing activities require energy and generate greenhouse gas emissions. Accordingly, the company aims to reduce downstream greenhouse gas emissions by providing relevant information and strengthening collaboration to support key partner processors in their climate action efforts.

1) Based on the GHG Protocol operational control approach: SK chemicals (standalone) and SK chemicals Yantai.
2) Based on the GHG Protocol operational control approach: SK chemicals (standalone), SK chemicals Yantai, Shuye-SK chemicals (Shantou), SK chemicals-Daejung, and 4 overseas sales subsidiaries.

Climate Change Scenario Analysis

Transition Risk Scenario Analysis and Resilience Assessment

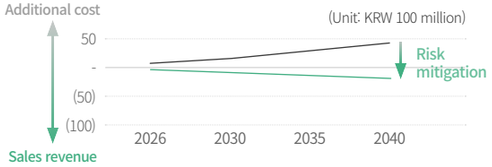
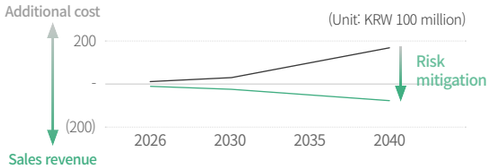
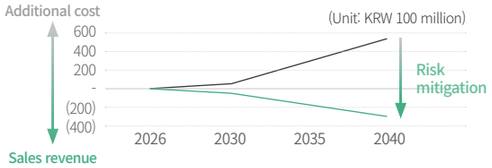
In accordance with KSSB Standard No. 2, SK chemicals conducted a transition risk scenario analysis to identify the potential financial impacts of climate-related risks and support proactive risk management. The analysis of transition risks was limited to domestic carbon emissions and assessed the potential additional cost burden from purchasing emissions allowances that may arise in the future as the emissions trading scheme is strengthened, including through higher costs for paid allocation. To assess the impact of transition risks, SK chemicals compared the costs that could arise from climate action based on carbon prices under 3 scenarios from the International Energy Agency (IEA): the Current Policies Scenario (CPS), the Stated Policies Scenario (STEPS), and the Net Zero Emissions by 2050 Scenario (NZE Scenario).

Transition Risk Scenario Analysis Overview[1)]

Scenario	Projected Temperature Increase	Assumptions	2040 Carbon Price
CPS (Current Policies Scenario)	Approx. 2.9°C	• A scenario that reflects only laws, systems, and policies currently in place. It assumes no further strengthening or extension of policies and takes a conservative view of the pace at which new energy technologies are adopted.	Approx. KRW 20 thousand
STEPS (Stated Policies Scenario)	Approx. 2.5°C	• A scenario that considers existing announced policy measures and targets, as well as officially announced policies that have not yet been adopted, future plans, and official strategy documents setting out policy direction. • Unlike the CPS, it assumes that policies with defined implementation periods or target years will be extended or maintained at the same level after expiry, and that new technologies will be adopted sooner.	Approx. KRW 90 thousand
NZE 2050 (Net Zero Emission by 2050 Scenario)	Approx. 1.5–1.65°C	• An ambitious scenario in which the COP28 targets agreed in 2023—to double energy efficiency improvements and triple renewable energy capacity by 2030—are achieved, and the Paris Agreement goal of keeping global temperature rise well below 2°C within this century is met. • It assumes that renewable energy capacity will quadruple from current levels by 2034, that nuclear and other low-emissions sources of power generation will account for one-third of total energy consumption, and that methane emissions will be reduced by more than 80% by 2035.	Approx. KRW 290 thousand

1) Uses scenarios and carbon prices from the IEA World Energy Outlook 2025. The CPS and STEPS use Korea carbon prices, while the NZE Scenario uses carbon prices for advanced economies with net zero pledges.

Transition Risk Scenario Analysis Results

Carbon Cost Analysis Through 2040[2)]	Amount in 2040	
	BAU	Cost to purchase Emissions allowance Approx. KRW 3.3 billion
	Net Zero implementation	Revenue from emissions allowance sales Approx. KRW 1.7 billion
	BAU	Cost to purchase Emissions allowance Approx. KRW 15.6 billion
	Net Zero implementation	Revenue from emissions allowance sales Approx. KRW 8.1 billion
	BAU	Cost to purchase Emissions allowance Approx. KRW 51.6 billion
	Net Zero implementation	Revenue from emissions allowance sales Approx. KRW 26.9 billion

2) Based on emissions allowance liabilities.

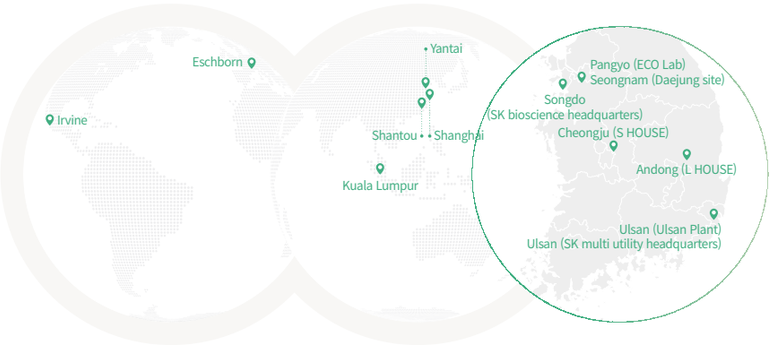
Climate Change Scenario Analysis

Physical Risk Scenario Analysis Overview

In line with KSSB Standard No. 2, SK chemicals conducted a scenario-based analysis to identify the potential financial impacts of physical risks arising from climate change and support proactive risk management. The analysis used Jupiter Intelligence, a global climate risk analytics tool, to quantitatively assess site-level physical risk exposure and financial impacts for major climate hazards, including flooding, typhoons and strong winds, heat waves, droughts, and wildfires. To comprehensively assess the impacts of physical risks under different climate pathways, SK chemicals applied the Shared Socioeconomic Pathways (SSP) scenarios presented in the IPCC Sixth Assessment Report (AR6). The analysis covered major offices, operational sites, and warehouses owned or operated by SK chemicals in Korea and abroad, as well as sites operated by key subsidiaries, including SK multi utility and SK bioscience. This analysis provides a basis for developing site-specific response strategies and further advancing the company's climate risk management system.

Physical Risk Analysis Scope

SK chemicals included Shuye-SK chemicals (Shantou), acquired in 2023, as well as key subsidiary sites including the SK multi utility Ulsan Plant and the SK bioscience Andong Plant, in the scope of its physical risk analysis. The company also expanded the analysis to include sites and warehouses in the United States and Europe. Through this integrated analysis covering key subsidiaries, SK chemicals gained a comprehensive view of climate risks and identified risk factors across its business areas. The company plans to develop site-specific response strategies that reflect the characteristics of each location and continue to enhance its climate risk management system.



Physical Risk Analysis Scenarios

For the physical climate risk analysis, SK chemicals applied the SSP scenarios presented in the IPCC Sixth Assessment Report (AR6). To assess a broad range of potential impacts under different climate pathways, the company used both a high-emissions scenario (SSP5-8.5) and a low-emissions scenario (SSP1-2.6). The analysis results will be used to identify site-level risk exposure more specifically and inform the development of medium- to long-term climate risk strategies and management systems.

Scenario	Assumptions and Description
SSP1-2.6	• A sustainable low-carbon transition pathway based on advances in renewable energy technologies and international cooperation • Average temperature projected to rise by approximately 1.8°C and sea level by 30–60 cm by 2100
SSP2-4.5	• An intermediate transition pathway in which current development trends continue and climate policies are gradually expanded • Average temperature projected to rise by approximately 2.7°C and sea level by 40–70 cm by 2100
SSP5-8.5	• A high-emissions pathway centered on fossil fuel dependence and economic growth • Greenhouse gas emissions increase significantly from current levels, reaching approximately twice current levels around 2050 • Average temperature projected to rise by approximately 4.4°C and sea level by 60–110 cm by 2100

Hazards Analyzed and Results

The Jupiter Intelligence tool analyzes risk scores, which indicate the level of physical risk exposure, and financial impacts, calculated using site-level financial data, for a total of 9 climate hazards. SK chemicals used these analysis results to identify the level of risk exposure by geographic location. For 4 risk factors—flooding, typhoons and strong winds, wildfires, and heat waves—the company also analyzed site-level financial impacts.

Risk Score

For a total of 9 physical risk factors—flooding, typhoons and strong winds, heat waves, droughts, wildfires, precipitation, extreme cold, land subsidence, and hail—SK chemicals quantified exposure on a score of 0 to 100 to assess the level of physical risk by site location. Jupiter Intelligence provides the following 3 types of risk scores by location and hazard:

- Hazard Score: The absolute level of climate risk as of the base year, 2020
- Change Score: The degree of change in risk from the base year to the future year, 2050
- Overall Score: A composite risk score combining the Hazard Score and Change Score

Financial Impact

The financial impact of physical risks is calculated by considering site-level physical exposure and asset value, among other factors. For 4 risk factors—flooding, typhoons, wildfires, and heat waves—the analysis estimates potential financial impacts at each site by classifying them into direct losses[1] and indirect losses[2].

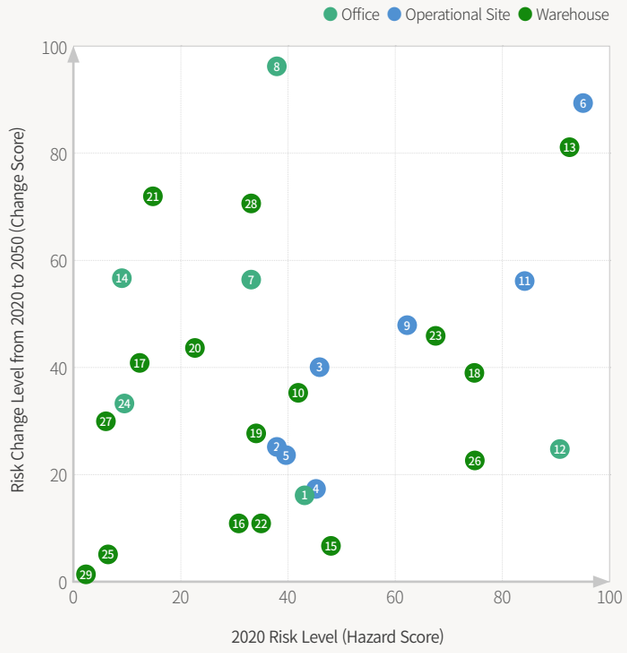
1) Direct losses refer to losses caused by physical damage to assets such as buildings and equipment. For typhoons, flooding, and wildfires, recovery costs from asset damage are included. Heat waves are assessed as not causing direct asset damage.
2) Indirect losses refer to losses caused by business interruption and higher operating costs. Business interruption losses are assumed for all hazards, while heat waves additionally reflect higher operating costs, such as increased cooling expenses.

Climate Change Scenario Analysis

Physical Risk Scenario Analysis Results

Using the physical risk analysis tool Jupiter Intelligence, SK chemicals expanded the scope of its physical climate risk analysis to cover all 29 sites and warehouses across its consolidated entities and conducted a comprehensive review of physical risk exposure. Based on the IPCC SSP5-8.5 scenario, the company quantified exposure to 9 climate risk factors—flooding, typhoons and strong winds, heat waves, droughts, wildfires, precipitation, extreme cold, land subsidence, and hail—from 2020 to 2050 on a scale of 0 to 100. Physical risk exposure levels across all sites were analyzed based on the 2020 risk level (Hazard Score) and the degree of change in risk over the 2020–2050 period (Change Score).

29 Item Score for All Sites (Change x Hazard)



SK chemicals	
1 Pangyo headquarters	
2 Ulsan Plant	
3 Cheongju S HOUSE	
SK chemicals-Daejung	
4 Seongnam site	
SK multi utility	
5 Ulsan headquarters	
Shuye-SK chemicals (Shantou)	
6 China (Shantou) site	
SK Chemicals Malaysia	
7 Malaysia office	
SK bioscience	
8 Songdo headquarters[1]	
9 Andong L HOUSE	
10 Hwaseong warehouse	
SK chemicals Yantai	
11 China (Yantai) site	
SK chemicals Shanghai	
12 China (Shanghai) office	
13 China (Shanghai) warehouse	

SK Chemicals America
14 U.S. (Irvine) office
15 U.S. (Illinois) warehouse
16 U.S. (Georgia) warehouse
17 U.S. (Massachusetts) warehouse
18 U.S. (Texas) warehouse
19 U.S. (California) warehouse
20 U.S. (Colorado) warehouse
21 Mexico (Tijuana) warehouse
22 U.S. (Georgia) warehouse
23 U.S. (Texas) warehouse
SK Chemicals GmbH
24 Germany (Eschborn) office
25 Belgium (Mol) warehouse
26 Netherlands (Rotterdam) warehouse
27 Germany (Landsberg) warehouse
28 Spain (Barcelona) warehouse
29 Ireland (Carrickmacross) warehouse

1) The physical risk analysis for the SK bioscience headquarters was conducted based on Songdo, taking into account the planned relocation of the headquarters to Songdo in 2026.

SK chemicals identified the headquarters offices and production sites of SK chemicals, SK multi utility, and SK bioscience as major sites, and analyzed risk exposure by hazard type based on the Overall Score, which combines the Hazard Score and Change Score. The analysis found relatively high hazard exposure at the China sites in Shantou and Yantai. In particular, the Shantou Plant showed the highest level of risk due to its geographical characteristics as a low-lying site located downstream of a river, with high exposure to flooding, typhoons and strong winds, and land subsidence. In Korea, the Songdo headquarters was found to have relatively high exposure to typhoons and strong winds and flooding, while the Andong site showed relatively high exposure to precipitation and extreme cold.

Physical Risk Overall Score by Major Site[1]

- Major sites: headquarters offices and consolidated production sites of SK chemicals, SK multi utility (MU), and SK bioscience (BS)

ID	Site Name	Overall	Flooding	Typhoons/ Strong Winds	Heat Waves	Droughts	Wildfires	Precipitation	Extreme Cold	Land Subsidence
1	Pangyo headquarters	24	0	27	33	40	1	49	75	12
2	Ulsan Plant	27	0	65	27	38	0	43	54	72
3	Cheongju S HOUSE	40	0	35	35	45	0	84	72	27
4	SK chemicals-Daejung	24	0	27	33	40	1	49	75	12
5	MU Ulsan headquarters	27	0	65	27	38	0	43	54	72
6	Shuye-SK chemicals (Shantou)	98	90	95	63	37	0	53	15	76
8	BS Songdo headquarters	74	64	77	28	36	0	59	65	37
9	BS Andong L HOUSE	56	21	35	30	32	35	70	72	44
11	SK chemicals Yantai	79	39	50	36	78	11	72	63	94

1) Overall Scores for hail are not provided by the tool due to the localized nature of hail events and methodological limitations.

Climate Change Scenario Analysis

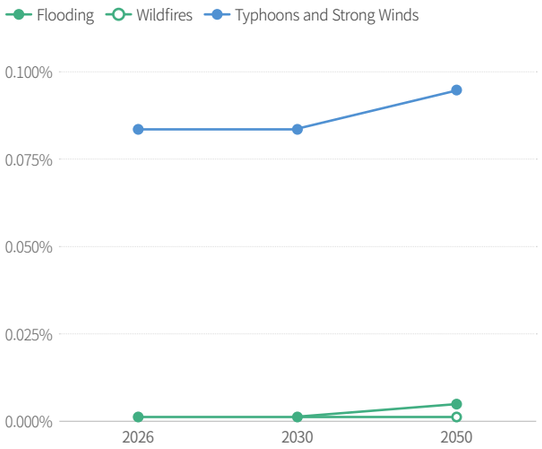
Financial Impact Scenario Analysis Results for Physical Risks

Using Jupiter Intelligence, a physical risk analysis tool, SK chemicals assessed the financial impacts of 4 hazard types—flooding, typhoons and strong winds, wildfires, and heat waves—on its major sites for 2026 (short term), 2030 (medium term), and 2050 (long term). Based on a combined analysis of direct and indirect loss shares by hazard type across major sites, typhoons and strong winds accounted for the largest share of direct losses. For indirect losses, losses from typhoons and strong winds and from heat waves are projected to account for similar shares in 2026, while the share attributable to heat waves is expected to increase from 2030 onward.

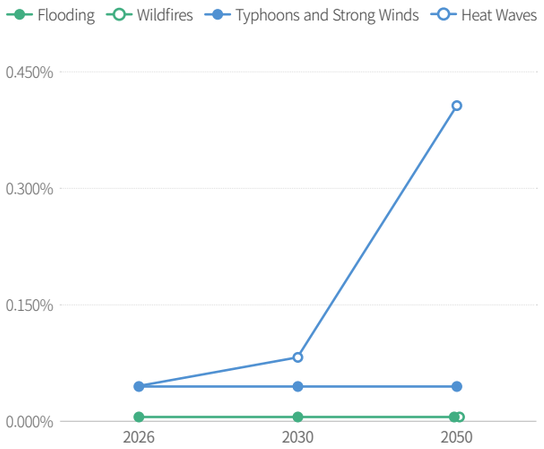
SK chemicals estimated annual average losses for 4 hazard types—flooding, typhoons and strong winds, wildfires, and heat waves—by major site. By aggregating these estimates, the company analyzed potential losses by site under a low-emissions scenario (SSP1-2.6) and a high-emissions scenario (SSP5-8.5). The analysis found that, in 2050, the Ulsan Plant is projected to have relatively higher losses, while the Pangyo headquarters is projected to have the lowest risk exposure. Overall, projected annual average losses are expected to increase gradually under both scenarios. Accordingly, SK chemicals plans to use the results of its site-level physical risk analysis to further strengthen its response strategies.

Share of Direct and Indirect Losses by Hazard Type Across Major Sites (Annual Average by Hazard Type Under the SSP5-8.5 Scenario)

Share of Direct Losses[1)]



Share of Indirect Losses[2)]

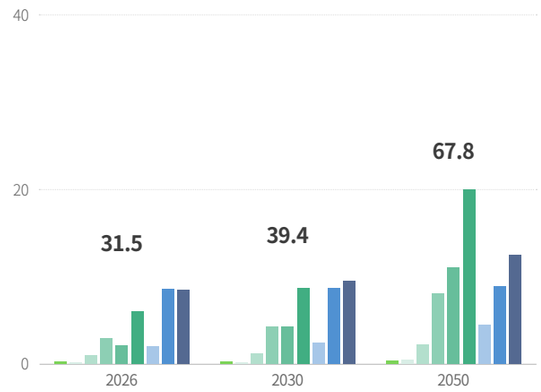


1) Direct losses refer to recovery costs resulting from damage to assets such as buildings and equipment. The share was calculated based on the total value of buildings, equipment, and inventories in FY2025.
2) Indirect losses refer to losses from business interruptions and higher operating costs. The share was calculated based on business interruption losses in FY2025.

Annual Average Losses by Major Site (SSP1-2.6 and SSP5-8.5)

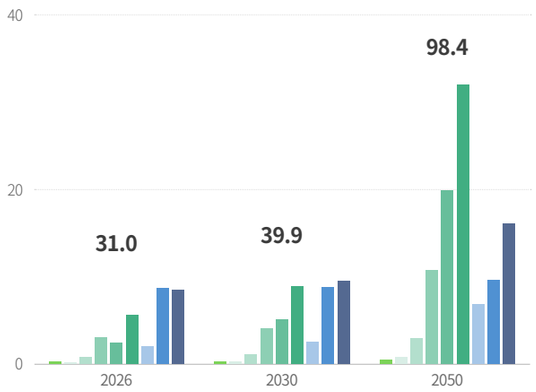
Annual Average Losses by Major Site Under the SSP1-2.6 Scenario

(Unit: KRW 100 million)



Annual Average Losses by Major Site Under the SSP5-8.5 Scenario

(Unit: KRW 100 million)



Pangyo Headquarters, SK chemicals-Daejung, SK chemicals Yantai, Shuye-SK chemicals (Shantou), Co., Ltd., Cheongju S HOUSE, Ulsan Plant, SK bioscience Andong L HOUSE, SK bioscience Songdo Headquarters, SK multi utility Ulsan Headquarters

Climate Risk and Opportunity Management

Climate Risk and Opportunity Management Process

SK chemicals periodically identifies and assesses climate risks and opportunities to address climate change in a systematic manner. Through this process, the company determines material climate risks and opportunities, analyzes their financial impacts, and assesses their effects on the company's financial position, financial performance, and cash flows. Based on the results of this analysis, SK chemicals develops management plans for climate risks and opportunities. The dedicated risk management team conducts periodic monitoring to assess the effectiveness of established response strategies. Where necessary, the company supplements existing strategies or develops new ones, while reviewing the emergence of new risks and changes in the magnitude of their impacts. Based on these review results, the ESG Management Team reports the results of climate risk and opportunity assessments and the status of management activities to the ESG Committee annually.

Integration with the Company-wide Risk Management Process

SK chemicals has established a company-wide integrated risk management system at the Board level to manage financial and non-financial risks together, and manages climate risks as part of the company-wide risk management process. The Risk Management Committee manages risks across areas including finance, ethics and compliance, SHE, human rights, and climate change. The Chief Risk Officer (CRO), who oversees the Risk Management Committee, reports the status of measures to address material climate-related risks to the CEO and the Board. In 2025, the company reported ESG performance, including climate-related performance, to the ESG Committee. The company also reports company-wide risk management performance to the Board, ensuring that material climate-related risks can be reviewed and managed at the Board level when they arise.

Company-wide Risk Management Process

Climate Risk and Opportunity Management Process

	Physical Risks	Transition Risks / Opportunities
Identification of Climate Risks / Opportunities	• Select physical risk analysis tools and scenarios • Select assets for analysis • Develop a physical risk pool based on whether financial losses are identified through scenario analysis	• Consider requirements of global initiatives, including TCFD and CDP, when developing the pool • Consider industry characteristics, including peer analysis results and relevant SASB topics • Refine the pool by taking into account internal and external factors, including business conditions, laws and regulations in Korea and abroad, and environmental regulations
Climate Risk / Opportunity Materiality Assessment	• Estimate financial losses using analysis tools • Identify material physical risks based on the assessed level of financial impact	• Assess the magnitude[1] and likelihood[2] of transition risks and opportunities from the perspective of internal stakeholders • Calculate risk factors and identify material transition risks and opportunities that exceed the threshold
Financial Impact Analysis of Climate Risks / Opportunities	• Assess the financial impacts of material risks and opportunities identified through the materiality assessment • Estimate the impacts of climate risks and opportunities on the company's financial position, financial performance, and cash flows in the current reporting period • Estimate the expected impacts of climate risks and opportunities on the company's financial position, financial performance, and cash flows over the short, medium, and long term	
Response Strategy Development, Implementation, and Monitoring	• Set targets and develop management plans by considering the actual and potential impacts of material topics • The dedicated risk management team monitors the progress of company-wide key risk initiatives • Identify new risks through monitoring and develop and implement actionable strategies	
Reporting of Results	• The dedicated risk management team reports the status of risk management activities to the CRO and CEO on an ongoing basis. • The Risk Management Committee reports the management status of key risks and opportunities to the Board. • Through Board reporting, the company assesses whether its risk management activities are aligned with its sustainability management system and uses the findings to inform company-wide strategy and policy direction.	

1) Assessed by taking into account impacts on consolidated assets and revenue
2) Assessed by considering the likelihood of future occurrence based on recent occurrence history and regulatory and market trends

Climate Change Metrics

Key Metrics for Measurement and Management

SK chemicals systematically accounts for and manages greenhouse gas (GHG) emissions, and works to reduce emissions through ongoing reduction activities. The company also manages waste generation and recycling volumes related to GHG emissions in an integrated manner, thereby strengthening resource circulation and minimizing environmental impacts. To achieve RE100, SK chemicals uses a range of renewable electricity procurement options in combination, including V.PPAs, on-site solar power generation, on-site PPAs, and GEC purchases. Through these efforts, the company is gradually expanding the transition to renewable electricity at each operational site.

Scope 1&2 GHG Emissions

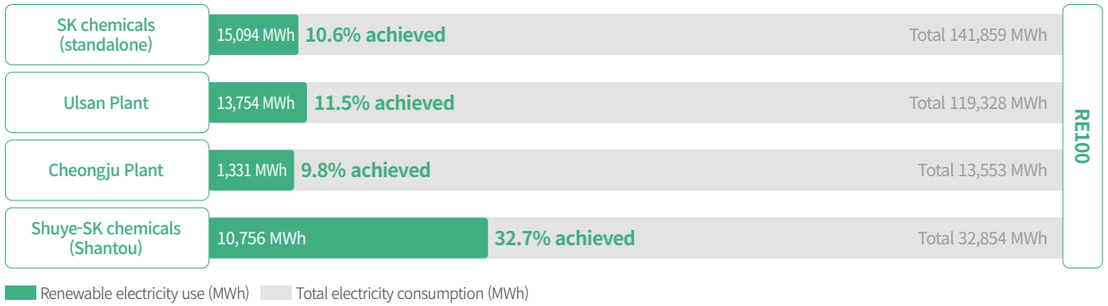
Category	Unit	2023	2024	2025
Scope 1&2 consolidated[1]	tCO_2eq	236,946	274,720	272,300
Scope 1	tCO_2eq	48,986	76,951	92,249
Scope 2 (electricity)	tCO_2eq	65,378	75,543	77,393
Scope 2 (steam)	tCO_2eq	122,582	122,227	102,658
Scope 1 & 2 (SBTi aligned)	tCO_2eq	236,336	243,159	214,380
Scope 1	tCO_2eq	48,903	53,645	48,319
Scope 2 (electricity)	tCO_2eq	65,047	67,478	63,579
Scope 2 (steam)	tCO_2eq	122,387	122,037	102,483
Scope 1 & 2 (K-ETS)	tCO_2eq	220,845	222,386	197,009
Scope 1	tCO_2eq	46,239	47,749	44,629
Scope 2 (electricity)	tCO_2eq	61,475	62,518	58,237
Scope 2 (steam)	tCO_2eq	113,131	112,119	94,143

Waste Generation and Recycling Volume (SK chemicals Standalone)

Category	Unit	2023	2024	2025
Total waste generated (general + designated)	ton	14,148	14,382	14,631
Recycled and reused	ton	9,935	11,016	10,499
Landfilled	ton	491	587	932
Incinerated with energy recovery	ton	1,848	1,811	2,613
Incinerated without energy recovery	ton	1,874	968	587
Treated by other methods	ton	-	-	-
Total recycling volume	ton	9,935	11,016	10,499
Total recycling rate	%	70.2	76.6	71.8

1) SK chemicals (standalone), SK chemicals Yantai, Shuye-SK chemicals (Shantou), SK chemicals-Daejung, and 4 overseas sales subsidiaries.

Renewable Energy Transition Performance by Major Site in 2025



OUR ESG

061 For Sustainable Planet

084 For Sustainable Society

123 For Sustainable Governance

For Sustainable Planet

Context

SK chemicals has established an integrated environmental management strategy as part of its commitment to achieving corporate sustainability while minimizing impacts on the planet's ecosystems and the environment. To identify effective measures for addressing climate change in the future, SK chemicals emphasizes 'Environmental Sustainability' as a key management strategy, including by expanding its 'Green Chemicals' business and developing roadmaps for all products.

* Related Reporting Scope

- SK chemicals – Headquarters (ECO Lab), Ulsan Plant, Cheongju Plant (S HOUSE)
- SK multi utility – Ulsan Plant
- SK chemicals Yantai – Yantai Plant
- SK bioscience – Andong Plant (L HOUSE)
- Shuye-SK chemicals (Shantou) – Shantou Plant

Approach

SK chemicals' environmental management strategy focuses on maximizing resource efficiency and systematically managing the environmental impacts of its business activities to support sustainable growth.

SK chemicals continues to improve company-wide environmental performance by reducing energy and water consumption, managing greenhouse gas emissions and pollutant releases, and recycling waste. To support these efforts, the company is strengthening its environmental management governance through the SHE teams at each operational site, the ESG Management Team, and the ESG Committee under the Board of Directors. SK chemicals also implements environmental management practices based on ISO 14001, the international standard for environmental management systems.

- Environmental Management Strategy and System
- Water Resource Management
- Waste Management
- Pollutant Management
- Biodiversity and Ecosystem Protection

01 ENVIRONMENTAL MANAGEMENT STRATEGY & SYSTEM

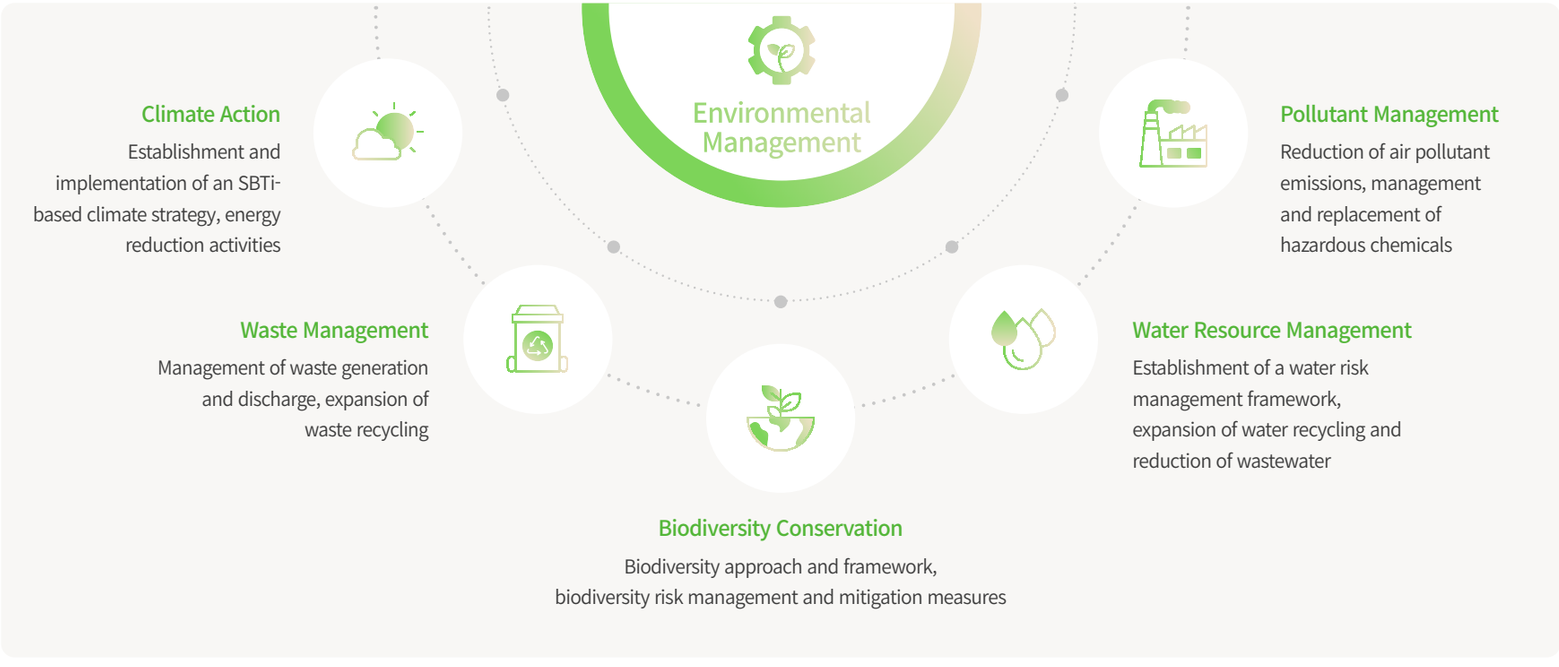
Environmental Management Strategy and Governance

Environmental Management Strategy

SK chemicals pursues continuous innovation to provide stakeholders with products and services that minimize environmental impact. By improving operational efficiency across all areas, including production processes, the company works to reduce energy and water consumption as well as greenhouse gas emissions, while continuing to improve its environmental performance. SK chemicals also seeks to minimize the generation of air and water pollutants and steadily increase its waste recycling rate through a range of initiatives, including the continued identification of waste recycling partners and the development of recycling technologies. In addition, the company sets environmental management indicators and targets, and has established and operates a chemical management system covering raw materials, products, and processes. Through these efforts, SK chemicals contributes to environmental sustainability and fulfills its corporate social responsibility.

SK chemicals Environmental Management Policy

Environmental Management Strategy



Environmental Management Strategy and System

Environmental Management Strategy and Governance

Environmental Management Governance

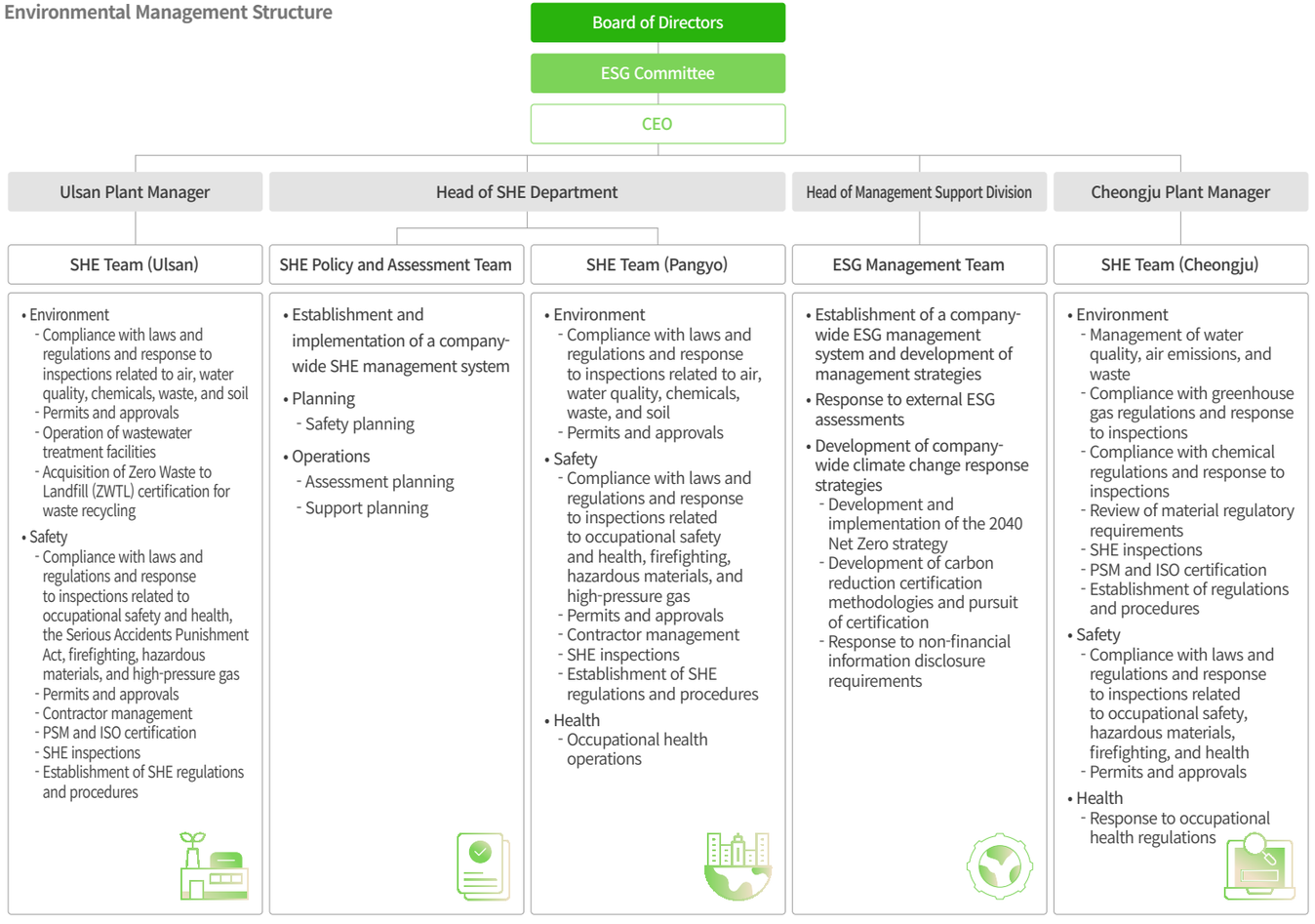
SK chemicals operates the ESG Committee, a committee under the Board of Directors, as the highest decision-making body for environmental management. The company has also established dedicated environmental management teams at each operational site as part of its environmental management structure. Based on environmental data from each operational site, the ESG Management Team develops environmental strategies and targets, reports them to the responsible executive and the CEO, and manages their implementation. In accordance with relevant regulations, the ESG Committee under the Board of Directors reviews detailed action plans, implementation strategies, and performance related to environmental management on an annual basis. Members of the ESG Committee also receive regular training from internal and external experts to strengthen their expertise in environmental issues.

In addition, SK chemicals establishes environmental targets for each operational site based on its company-wide environmental management policy and works to achieve them. The company will continue to advance its company-wide management system, develop environmental management strategies for each business, and strengthen its capabilities to execute them effectively.

2025 ESG Committee Agenda Items on Environmental Management

Date	Agenda Item	Status
April 1, 2025	• Analysis of 2024 ESG assessment results and identification of improvement initiatives • Report on the 2024 materiality assessment results	Reported
June 25, 2025	• Publication of the 2024 Sustainability Report • Publication of the 2025 TNFD Report	Reported
December 4, 2025	• 2025 ESG performance and 2026 plans	Reported

Environmental Management Structure



Environmental Management Strategy and System

Environmental Management System and Investments

Establishment of an Environmental Management System (ISO 14001)

SK chemicals discloses information on raw and auxiliary materials, air and water pollutants, energy, greenhouse gases, safety and health, and other areas to the government and relevant agencies through the Environmental Information Disclosure System. Through this disclosure, the company demonstrates its voluntary commitment to environmental management and maintains ongoing communication with stakeholders on environmental matters. Since 2020, SK chemicals has also operated its own SHE IT System to systematically collect and manage environmental and safety data from all operational sites.

The Ulsan Plant obtained ISO 14001 certification, the environmental management system standard of the International Organization for Standardization (ISO), in 2005. In 2022, the Cheongju Plant and SK bioscience's Andong Plant also obtained ISO 14001 certification. In 2024, SK multi utility and SK chemicals' overseas plants obtained ISO 14001 certification, bringing certification coverage to 100% of SK chemicals' plants in Korea and abroad. To maintain certification, the company conducts regular internal and external surveillance audits each year and undergoes renewal audits every 3 years.

ISO 14001 Certification Status

2025 SK chemicals
ISO 14001-certified plants[1)]

100%

Category	Site
SK chemicals	Ulsan Plant
	Cheongju Plant
SK bioscience	Andong Plant
SK multi utility	Ulsan Plant
Shuye-SK chemicals (Shantou)	Shantou Plant
SK chemicals Yantai	Yantai Plant

1) Based on the total number of plants.

Environmental Investments

SK chemicals has established K-Taxonomy-based environmental investment principles under which ESG factors are reviewed with the aim of minimizing environmental impacts and creating environmental benefits. The company applies these principles to its investment decision-making. Based on this approach, SK chemicals has invested in lower-impact process operations, equipment to improve energy efficiency, solar power generation facilities for the adoption of renewable energy, and pollution prevention facilities to manage water and air quality and reduce pollutants at each plant.

Sanctions Related to Environmental Compliance

SK chemicals is committed to complying with environmental regulations. In 2025, the company maintained sound environmental management, with no significant monetary or non-monetary sanctions for violations related to environmental management. SK chemicals will continue its efforts to comply with environmental regulations, while building a more robust internal audit system and training programs to maintain and further strengthen the trust of all stakeholders.

Environmental Impact Assessments at All Plants

SK chemicals conducts regular environmental impact assessments at each plant. Across the full production process within each plant, from the receipt of raw materials to product manufacturing and shipment, the company identifies the types of impacts arising from energy use, waste generation, water and air pollutants, dust, and other factors by detailed process, and measures their scale. The details and results of these environmental impact assessments are uploaded to and systematically managed through the company's SHE IT system. For processes assessed as having significant negative impacts, SK chemicals requires corrective actions and manages implementation by the responsible departments within the designated period. The company also verifies that environmental impact assessments at each plant are properly conducted through regular external audits for ISO 14001 certification. All 6 of SK chemicals' plants in Korea and abroad conduct environmental impact assessments, resulting in a 100% implementation rate in 2025.

02 WATER RESOURCE MANAGEMENT

Water Risk Management Framework and Monitoring

Water Resource Management Framework and Performance Integration

To strengthen water resource management, SK chemicals operates a real-time monitoring system for water-related indicators, including water use, wastewater generation, and pollutant concentrations. This enables management to oversee key water-related indicators and provides a framework for regular reporting to the ESG Committee. Since 2019, the company has included the water recycling rate and water pollutant concentrations as performance indicators in the KPIs of relevant executives and team leaders, encouraging more active water conservation efforts. In 2025, SK chemicals set a target to reduce water use at the Ulsan Plant by 3% compared with the business plan and applied it to the KPIs of executives and team leaders. For KPI-linked initiatives, the company conducts regular performance evaluations and provides incentives, thereby integrating water management performance into its evaluation and compensation system. SK chemicals also regularly reviews whether its internal water policies are aligned with external regulations and has established a process for final evaluation at the Board or management level. The company strictly complies with water-related laws and regulations, and no violations have occurred to date.

2025 SK chemicals
Violations of water-related laws and regulations

0 cases

Operation of the Water Resource Management Task Force

To improve overall resource management and efficiency, including water, SK chemicals operates the Energy and Resource Efficiency Task Force as a working-level body responsible for resource management. The task force consists of production technology and utility operations personnel from the Management Support Division, the Ulsan Plant, SK multi utility's Ulsan Plant, and other plants. It coordinates practical management strategies for resource use across water, electricity, steam, and fuel, while continuously managing and monitoring key water performance indicators such as water use, recycling levels, and reduction results. Through this task force, SK chemicals regularly identifies action items to improve resource efficiency and quantifies and tracks their impact on a quarterly basis.

Stakeholder Engagement and Support for Initiatives

SK chemicals supports the goals and implementation process of the UN SDGs, and accurately measures and discloses key water management indicators, including water withdrawal, water recycling rate, and water pollutant concentrations, through the measurement and disclosure of social value and participation in Korean and global initiatives. By participating in CDP Water, SK chemicals also manages water risks in a systematic manner and communicates its water risk management status with greater transparency and clarity to support investors' decision-making.

Water Risk Management and Monitoring

SK chemicals manages water risks across all plants to support stable and well-controlled manufacturing operations. Each plant's operations management department collects and monitors monthly water withdrawal data. The Ulsan Plant receives raw water from the Nakdong River through K-water and manages overall water withdrawals for the nearby petrochemical complex, including partner companies. The Cheongju Plant is located in the Seocheongju General Industrial Complex and receives a reliable supply of water through the Cheongju Waterworks Office, which draws water from Daecheong Lake. As a chemical company, SK chemicals recognizes that it may face water risks over the medium to long term. In addition to working to secure stable water supplies for each plant, the company regularly conducts comprehensive water risk assessments covering changes in future water availability, potential declines in water quality, and possible tightening of regional regulations. Through these efforts, SK chemicals seeks to ensure long-term water security.

Water Resource Management

Water Risk Management Framework and Monitoring

Assessment of Exposure to Water Risks

Water Stress Analysis

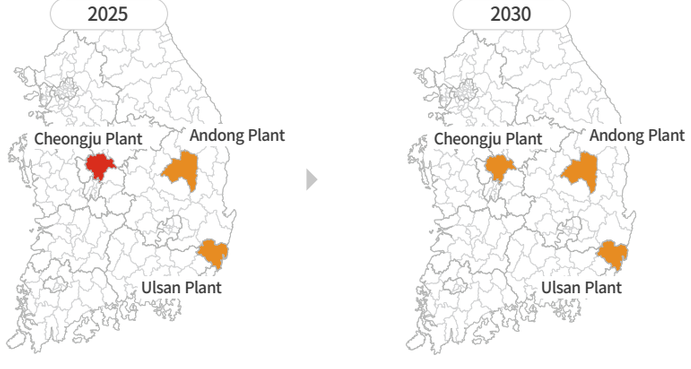
SK chemicals uses the 'Aqueduct Water Risk Atlas' developed by the World Resources Institute (WRI)[1] to assess its exposure to potential water risks at its major plants in Korea and analyze water stress levels by location. Based on Aqueduct 4.0, the company analyzed physical water stress at each plant, taking into account latitude, longitude, and regional characteristics.

In Cheongju, the water stress index remained at the 'High' level in 2025, unchanged from the previous year, but is projected to ease slightly to 'Medium-High' in 2030. Ulsan and Andong are expected to remain at the 'Medium-High' level in both 2025 and 2030.

Water Quality and Regulatory Risk Analysis

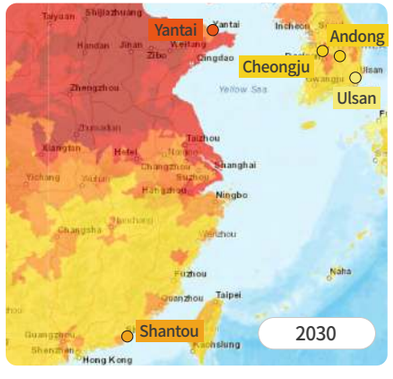
SK chemicals uses the Water Risk Filter (WRF) developed by the World Wildlife Fund (WWF)[2] to analyze risks related to water quality and regulatory changes in 2030 for the regions where its plants in Korea and abroad are located. The company discloses the analysis results based on the 2030 optimistic scenario, which applies moderate-emissions pathways under RCP 2.6 and RCP 4.5. Water quality risks are analyzed based on projected changes from 2020 to 2030 in annual emissions of nitrogen (N), phosphorus (P), and biochemical oxygen demand (BOD) in the regions where the plants are located. Regulatory risks reflect the results of an analysis of potential regulatory changes from the 2020 baseline to 2030, covering policy-based environment, institutions and governance, management instruments, infrastructure, and finance-related factors. The water quality risk analysis found that, among the 6 plants assessed, the Yantai and Shantou Plants are projected to face "Medium-High" water quality risk in 2030, while the remaining 4 plants are projected to face "Medium" risk. Risks associated with regulatory changes in 2030 were assessed as "Low" across all 6 plants.

Water Stress Map



Low	Low-Medium	Medium-High	High	Extremely High
(<10%)	(10-20%)	(20-40%)	(40-80%)	(>80%)

Water Quality Map



Regulatory Map

Very Low risk — Extreme risk

1) World Resources Institute (WRI): A platform that visualizes and quantitatively analyzes water risks on a map-based interface by comprehensively considering factors such as instability in water supply due to climate change, rising water demand, drought frequency, and water pollution.
2) World Wildlife Fund (WWF)

Water Resource Management

Water Risk Management Framework and Monitoring

Assessment of Exposure to Water Risks

Water Resource Risk Assessment Results

SK chemicals conducted a water risk analysis for all plants currently in operation and assessed the potential business impact by taking into account each plant's share of water consumption and revenue.

The analysis found that the Ulsan Plant is the most material site from a business perspective, as it accounts for a high share of water consumption at 94.7% and 64% of revenue. The Cheongju and Yantai Plants, both located in areas rated "High" or above for water stress in 2025, were identified as sites that require ongoing monitoring.

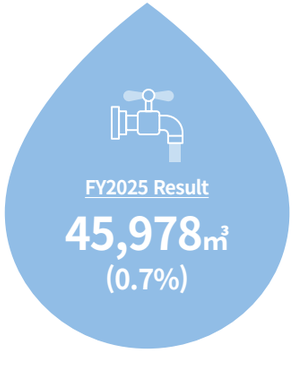
For the Yantai Plant, water stress is projected to be "Extremely High" and water quality risk "High" in 2030. Although the plant's shares of water withdrawal and revenue are not high, it was identified as a site that requires continued water resource management. For the remaining plants, SK chemicals also plans to minimize water risks in line with its internal management standards, as they are projected to face water stress of "Medium-High" or above and water quality risk of "Medium" or above in 2030.

As of 2025, the Cheongju and Yantai Plants were identified as being located in water-stressed areas. Their combined water consumption was 45,978 m^3, representing 0.7% of total water consumption, and they accounted for 25% of product revenue.

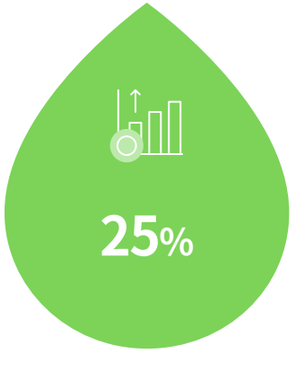
Site		Location Information			Water Stress		Water Quality	Regulatory Risk	Assessment Results				
		Location	Latitude	Longitude	Current (2025)	Optimistic Scenario (2030)			Water Withdrawal (m^3)	Water Discharge (m^3)	Water Consumption (m^3)	Share of Water Consumption	Revenue Share[1]
SK chemicals	Cheongju Plant	Cheongju-si, Chungcheongbuk-do, Korea	36.6	127.4	High (40-80%)	Medium-High (20-40%)	Medium	Low	57,117	24,700	32,417	0.5%	22%
SK chemicals	Ulsan Plant	Ulsan, Korea	35.5	129.4	Medium-High (20-40%)	Medium-High (20-40%)	Medium	Medium-High	1,988,408	364,867	1,623,541	23.3%	54%
SK multi utility	Ulsan Plant	Ulsan, Korea	35.5	129.4	Medium-High (20-40%)	Medium-High (20-40%)	Medium	Medium-High	5,808,730	831,784	4,976,946	71.4%	10%
SK bioscience	Andong Plant	Andong-si, Gyeongsangbuk-do, Korea	36.6	128.5	Medium-High (20-40%)	Medium-High (20-40%)	Medium	Low	186,397	91,862	94,535	1.4%	8%
SK chemicals Yantai	Yantai Plant	Yantai, Shandong Province, China	37.6	121.3	Extremely High (>80%)	Extremely High (>80%)	Medium-High	Medium-High	53,724	40,163	13,561	0.2%	3%
Shuye-SK chemicals (Shantou)	Shantou Plant	Shantou, Guangdong Province, China	23.5	116.8	Low-Medium (10-20%)	Medium-High (20-40%)	Medium-High	Medium-High	255,217	29,469	225,748	3.2%	3%

1) Excludes indirect subsidiaries. Revenue for the Ulsan Plant includes SK chemicals-Daejung and overseas sales subsidiaries.

Water Consumption in Water-Stressed Areas (Share)



Share of Revenue from Plants in Water-Stressed Areas



Water Resource Management

Water Resource Management and Risk Mitigation Activities

SK chemicals develops risk mitigation strategies and operates a management framework to secure water resources, use water efficiently, and minimize environmental impacts, taking into account water use at each plant and the level of water risk in the regions where its plants are located.

Water Security and Water Reduction Activities

Water is a limited resource, making it important to reduce water use while also lowering dependence on freshwater through recycling. SK chemicals conducts water efficiency assessments to analyze water use patterns, sets optimal water use levels for each process, and continuously improves areas where waste can be reduced. The company has also established a system to track water recycling volumes across all plants and monitors water withdrawals 24 hours a day using flow meters.

The Ulsan Plant uses the largest volume of water among SK chemicals' major plants in Korea. Accordingly, the plant is pursuing a range of measures to improve water efficiency and expand water reuse through process improvements. As part of these efforts, after the start of operations at SK multi utility's CHP plant, cooling tower blowdown wastewater has been treated through dedicated UF and RO facilities and reused as cooling tower make-up water at a volume of 1,700 tons per day. Brine water generated during the production of demineralized water is also treated and recycled through the same facilities, enabling the reuse of 1,550 tons of water per day. In addition, the plant continues to increase its water recycling rate by recovering and reusing process cooling water. Each production process is equipped with a circulation system consisting of cooling water impellers and pumps, allowing cooling water to be reused repeatedly. Only certain water streams that come into direct contact with products and are difficult to reuse are discharged after wastewater treatment. SK chemicals also continuously monitors cooling water use by process and water volume, identifies processes where cooling water can be recycled, and manages these opportunities systematically.

The Cheongju and Yantai Plants were assessed as having relatively high water stress in 2025, but their actual water use remains very low, accounting for less than 1% of total water withdrawals across SK chemicals, including subsidiaries. Even so, the Cheongju Plant prepares for potential water shortages by using on-site collection tanks to maintain a constant water reserve equivalent to 4 to 5 times its daily water use, helping mitigate exposure to High water stress. The plant also establishes an annual water use plan and tracks actual water use against the plan each year, taking into account the water intensity of its products. To mitigate Extremely High water stress, the Yantai Plant has analyzed the areas of its processes with the highest water use and is identifying and implementing recycling processes to reduce water use by 20%. In this way, SK chemicals continues to monitor water risks near each plant, including those with relatively low water use, and establishes and implements water management systems covering water efficiency improvements, reviews of reuse potential, and water quality management activities.

Water Risk Mitigation Activities by Plant

Plant	Risk Mitigation Activities
Ulsan Plant	• As the plant with the highest share of water use, the Ulsan Plant is pursuing process improvements and expanded water recycling. • Key initiatives - Change in the operating method for process agitator cooling water to reduce water use through a circulation system - Reduction of water use through optimized cooling tower operations - Recycling of RO membrane concentrate as fire protection water
Cheongju Plant	• The Cheongju Plant accounted for only 0.5% of water use in 2025, but is located in an area rated High for water stress. • To prepare for potential water shortages, the plant uses collection tanks to maintain a constant water reserve equivalent to 4 to 5 times its daily water use. • The plant establishes an annual water use plan and tracks actual water use against the plan, taking into account product water intensity.
Yantai Plant	• The Yantai Plant accounted for only 0.2% of water use, but is located in an area rated Extremely High for water stress in 2025. • The plant is analyzing the areas with the highest water use in its product processes and improving water recycling.

Water Resource Management

Water Resource Management and Risk Mitigation Activities

Wastewater Reduction and Water Pollutant Management

SK chemicals works with local governments and public institutions to reduce wastewater generation and manage water pollutants effectively. Depending on the conditions at each site, wastewater is either treated by external facilities or treated in-house before discharge. Wastewater from the headquarters in Seongnam is treated by the Pangyo Water Restoration Center, while the Ulsan Plant treats wastewater at its own wastewater treatment facility before discharging it into the sea. The Cheongju Plant transfers wastewater to the public wastewater treatment facility at the Cheongju General Industrial Complex for treatment and discharge. Total discharge volumes at all discharge points are monitored in real time using flow meters. The Ulsan Plant operates its own wastewater treatment facility, treating key water pollutants that may affect groundwater and the marine environment, including TOC, BOD, and SS. Because treated wastewater is discharged directly into the East Sea, SK chemicals recognizes the importance of managing environmental risks in the surrounding area. In the treatment process, the company applies internal water quality standards, policies, and targets that are stricter than statutory discharge limits. In 2024, SK chemicals managed the discharge concentrations of major pollutants to below 50% of statutory limits, and below 80% for TOC. In 2025, it further improved performance by successfully maintaining pollutant concentrations below 40% of statutory limits, and below 65% for TOC. The Ulsan wastewater treatment facility is also equipped with the Ministry of Environment's water quality telemonitoring system (TMS), which monitors effluent quality in real time. Regular water quality testing is also conducted to ensure thorough oversight of operations. In 2022, following the change in the water quality management indicator from COD to TOC, SK chemicals installed additional activated carbon filtration equipment to further strengthen water quality management. The Cheongju Plant treats wastewater through the activated sludge process before transferring it to the public wastewater treatment facility at the Cheongju General Industrial Complex for final treatment. The plant measures and monitors pollutants in wastewater every month, and systematically manages water pollutant discharge volumes by setting annual and mid- to long-term targets through 2030.

Through these site-specific efforts to improve effluent quality, SK chemicals continuously monitors its operations to help prevent wastewater from contaminating groundwater and marine environments in the regions where its plants are located.

Water Pollutant Management Measures by Plant

Ulsan Plant Wastewater Treatment Facility

- Measures effluent pollutant concentrations in real time using the Ministry of Environment's water quality TMS equipment
- Maintains water pollution control facilities with activated carbon filtration systems

Cheongju Plant Wastewater Treatment Facility

- Conducts primary in-house treatment using the activated sludge process before transferring wastewater for final treatment
- Manages progress toward targets through regular monitoring

In-House Water Sourcing and Treatment

The Ulsan Plant accounts for a large share of SK chemicals' water use and is critical to business operations. To manage risks from natural disasters such as droughts and floods, and to ensure reliable product manufacturing and site operations, the plant receives raw water from the Nakdong River directly through K-water and treats it in-house before use. Unlike municipal tap water, this approach does not require the operation of chlorine removal facilities, improving both efficiency and cost-effectiveness.

03 WASTE MANAGEMENT

Waste Management and Reduction Activities

Advancing Waste Management

As consumers and investors increasingly expect companies to use resources more efficiently and fulfill their environmental responsibilities, SK chemicals has adopted a transformative approach that views waste not simply as something to be disposed of, but as a potential resource. Based on this approach, the company has established a strategy to enhance waste management and increase recycling rates. Each year, SK chemicals sets reduction targets, builds systematic management systems, conducts waste audits and monitoring, and introduces innovative recycling solutions to reduce waste treatment costs and use raw materials more efficiently. The company is also strengthening its ability to respond to environmental regulations by obtaining global waste-related certifications.

Waste Management Policy

To maximize the value of waste generated from its operations, SK chemicals separates recyclable waste and continuously identifies new recycling partners to improve its actual recycling rate. As a key initiative to reduce waste, the Ulsan Plant replaced aging boilers that had used coal and waste wood as fuel with an LNG boiler system. As a result, coal ash has no longer been generated since September 2025, and incineration ash has no longer been generated since December 2025.

Waste Management System

SK chemicals monitors waste generation and treatment volumes by waste type through the Ministry of Environment's 'Allbaro System'. The company classifies waste generated at its plants into general waste, designated waste, and recyclable waste according to its source and characteristics. It manages the entire waste process in an integrated manner, from management at source and separate storage to transportation and final treatment. To minimize environmental impact, SK chemicals focuses on reducing landfilling and incineration while increasing the share of waste recycled. To this end, the Production Team and SHE Team work closely together to identify new improvement initiatives on an ongoing basis.

Waste Audit Process

SK chemicals defines all non-product materials that are no longer needed as waste, and manages them under strict waste controls even when they can be sold for value. The company manages waste separately as general waste and designated waste, and reviews the expected volume and characteristics of waste in advance when expanding or adding new processes, taking this information into account in decision-making. To accurately assess whether waste generated from new processes can be recycled, SK chemicals conducts a two-stage internal waste audit. First, the R&D center conducts sample analysis for an initial assessment. Then, before process waste is formally discharged, a recycling partner conducts secondary verification to confirm whether the waste can be recycled. The relevant process is implemented only after this confirmation is completed.

Waste Recycling Rate

To maximize recycling of waste generated from its plant operations, SK chemicals continues to discuss recycling options with waste treatment providers and carry out activities to promote recycling. The company also builds partnerships with treatment providers to develop recycling methods tailored to the characteristics of each waste type. The Ulsan Plant has continued to develop customized strategies to improve recycling by waste type. Since 2021, the plant has significantly reduced the amount of waste sent to landfill by identifying an additional partner that can use waste generated from the waste-wood boiler as flooring material. The plant also reduced waste from DMT (dimethyl terephthalate) mixtures by more than 50% through process optimization. In addition, SK chemicals improved its recycling rate by identifying a partner capable of recycling 100% of MFB (methyl p-formylbenzoate), a by-product of DMT production that had previously been disposed of as waste. Through the continued identification of new recycling partners and process waste reduction initiatives, the company has steadily improved its waste recycling outcomes. Since first receiving Silver certification under the Zero Waste to Landfill (ZWTL) program in 2022, SK chemicals has continued to receive Gold certification.

Zero Waste to Landfill (ZWTL) Certification

Waste Recycling Rate at the Ulsan Plant

04 CONTAMINANT MANAGEMENT

Air Pollutant Management System

Strategy to Minimize Air Pollutant Emissions

To minimize environmental impacts, the SK chemicals Ulsan Plant manages air pollutants by setting internal emission standards that are stricter than statutory limits, going beyond compliance with government regulations. In 2025, the plant strengthened its management targets for major air pollutants, including nitrogen oxides, sulfur oxides, and particulate matter, from below 50% of statutory emission limits to below 40%, and achieved all of these targets. In 2026, the plant aims to maintain the same target of below 40%.
In addition, SK chemicals has established mid- to long-term company-wide emissions targets for sulfur oxides (SOx) and nitrogen oxides (NOx) through 2030, further accelerating efforts to reduce air pollutant emissions.

Company-wide Mid- to Long-term Targets for Air Pollutant Emissions[1)]

Category	Base year 2024 Result	2025 Result	2025 Reduction Progress	2030 Emissions Target	2030 Reduction Target from Base Year
Sulfur oxides (SOx)	88.8 tons	65.0 tons	34%	18 tons	80% reduction
Nitrogen oxides (NOx)	195.1 tons	159.6 tons	51%	126 tons	35% reduction

1) Scope: All plants in Korea and abroad, including SK chemicals, SK multi utility, SK bioscience, SK chemicals Yantai, and Shuye-SK chemicals (Shantou).

Air Pollutant Management System at Plants

The SK chemicals Ulsan Plant systematically manages both the concentration and total volume of air pollutant emissions, including nitrogen oxides, sulfur oxides, and particulate matter. In 2023, the plant transmitted and managed data from the telemonitoring system (TMS) for nitrogen oxide emissions from process heat medium heating facilities without any issues. Since January 2024, these facilities have been operating reliably, with nitrogen oxide emissions maintained at or below 30% of statutory limits.

Air Pollutant Emission Reduction Activities

Installation of Air Pollutant Reduction Facilities

In 2023, the SK chemicals Ulsan Plant installed desulfurization facilities to eliminate hydrogen sulfide emissions from biogas generated in the anaerobic tank of its wastewater treatment facility. As of 2025, the plant maintains hydrogen sulfide concentrations below 0.2 ppm. SK chemicals has also discontinued the use of coal and EGB boilers, replaced them with clean-fuel boilers, and pursued the full replacement of burners in process heat medium boilers with low-NOx burners. Through continued facility improvements and stronger management, the company reduced emissions of pollutants, including dust, SOx, NOx, and VOCs, by approximately 94% compared with 2016, exceeding its reduction plan.
SK chemicals also signed a voluntary agreement with the Nakdong River Basin Environmental Office to reduce particulate matter emissions from 2023 to 2024, and achieved its target of reducing particulate matter emissions by 40% by 2025 compared with the 2016 baseline. As a result, the company was selected as an outstanding site in the Nakdong River Basin Environmental Office's implementation performance evaluation and received an encouragement award in 2025, gaining external recognition for its air pollutant reduction efforts.

Award from the Nakdong River Basin Environmental Office for Excellence in Particulate Matter Reduction

Management of Fugitive Emissions

SK chemicals conducts regular inspections of facilities where hazardous air pollutants (HAPs) may leak or be released as fugitive emissions. When leak inspections identify facilities exceeding the applicable concentration threshold, the company replaces or repairs the relevant equipment and conducts follow-up measurements to ensure that leak concentrations are corrected to 0 ppm.

Contaminant Management

Management of Other Environmental Pollution

Noise-Induced Hearing Loss Prevention Procedures

In accordance with its health hazard management procedures, SK chemicals conducts regular noise measurements by process and manages working environments to prevent prolonged exposure of 4 hours or more to noise levels at or above the statutory control threshold of 90 dB. The company also shares measurement results with employees, provides hearing protection in high-noise areas, gives guidance on proper use, and conducts annual training on the prevention of noise-induced hearing loss. In addition, SK chemicals provides health consultations for employees working in processes where noise-induced hearing loss may be a concern. SK chemicals also manages potential noise impacts not only within its plants, but also on nearby communities. Each year, the company engages external specialists to measure noise and vibration at plant boundaries, and in 2025, measurement results remained below statutory limits.

Noise and Odor Compliance and Management Performance

To mitigate environmental impacts from noise and odor, SK chemicals conducts regular measurements in accordance with applicable laws and regulations, and systematically reviews the results to verify compliance with statutory limits. Process noise is measured and managed during both daytime and nighttime hours and across different time periods. Recent measurement results confirmed that all monitored items remained within applicable legal standards, supporting continued management of potential noise impacts on nearby communities and the working environment.
For odor, SK chemicals measures complex odor and regulated odor-causing substances, focusing on process emission outlets and key points along plant boundaries. Measurement results have remained below detection limits for most items, and even where certain substances were detected, they were managed within statutory limits. These results indicate that odor impacts from plant operations are being managed at an appropriate level.

Proactive Noise and Odor Management

SK chemicals uses noise and odor measurement results not only to confirm regulatory compliance, but also to support proactive management. By analyzing repeated measurement results, the company identifies process-specific characteristics and potential impact factors, and takes preventive measures where necessary, such as improving facilities or optimizing operating conditions. SK chemicals also continues to maintain green areas and waterfront spaces within its plant sites, strengthening their role as environmental buffers that help limit the spread of noise and odor beyond site boundaries. Through these preventive management activities, the company improves the quality of the working environment while minimizing potential environmental impacts on nearby communities.

Odor Management System

SK chemicals operates an odor patrol program in the Yongjam industrial complex, where the Ulsan Plant is located, and along the nearby Gosa Stream. A voluntary environmental patrol team made up of employees from companies in the industrial complex conducts patrols in the area, takes mitigation measures when odor is detected, and reports the results through Naver Band. In 2025, a total of 7 patrols were conducted, with no abnormalities identified. Through these activities, SK chemicals works to prevent potential negative environmental impacts on the local community.

Noise and Odor Measurement and Record Management System

When measuring noise, vibration, and odor, SK chemicals prepares and manages measurement records in accordance with applicable laws and internal procedures. These records systematically document key information, including the date and time of measurement, location, weather conditions, measurement equipment, and personnel responsible for measurement, helping ensure the accuracy and consistency of measurement data. The company also manages variability in measurement values by conducting repeated daytime and nighttime measurements and continuous measurements at the same locations. Measurement results are compared and analyzed against statutory standards through an internal review process.
This record-based management system provides a quantitative basis for verifying the level of noise and odor management, and is also used as supporting documentation for external audits and verification.

Contaminant Management

Advancing the Hazardous Chemical Management System

Chemical Management Governance

SK chemicals is building systematic systems and processes to continuously strengthen its chemical management capabilities. Centered on the Risk Management Committee under the Board of Directors, the company is enhancing chemical management, while the SHE teams at each plant continue to advance a company-wide chemical management system that goes beyond regulatory requirements, including internal controls for product stewardship and human health impacts.

R&D Chemical Safety Evaluation and Review System

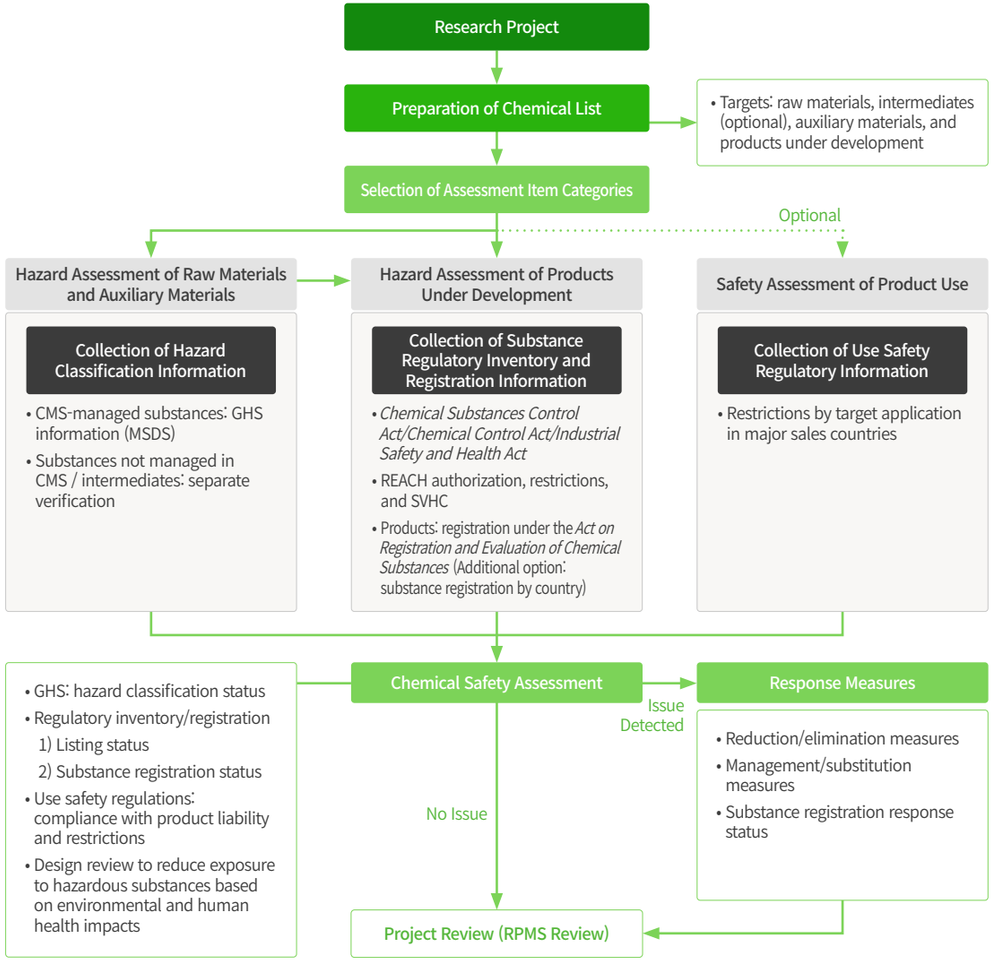
SK chemicals has improved its internal management process to identify the hazards of raw materials and auxiliary materials during product design and development, and to ensure that hazards are reviewed as a required step from the R&D stage. During product development, the company reviews GHS[1] information and substance regulatory inventory and registration information for raw and auxiliary materials. For products under development, SK chemicals collects substance regulatory inventory and registration information, combines this information with the raw material review results, assesses the chemical safety of all substances used, and incorporates the findings into the review of R&D projects. Hazard assessments are conducted for new substances or for materials and products that may be subject to hazard classification among the raw materials handled, including monomers, polymerization aids, additives, and solvents, as well as products such as solvent-based resin products. To address end-user safety, SK chemicals also reviews whether resin products meet the human health safety requirements for their intended applications, such as food-contact and medical uses, through compliance testing and risk assessments.

Establishing an Integrated Chemical Management System (CMS)

The Ulsan Plant and the Chemical Research Center, which handle chemicals, introduced a Chemical Management System (CMS) in 2022 to manage the entire chemical handling process—from purchase and use to disposal—in a systematic manner. Through this system, all chemicals handled at the plant are managed in a database that centralizes information on applicable laws, permitting procedures, and compliance status. Purchases are automatically blocked when compliance cannot be verified. SK chemicals also continuously monitors and manages chemical use by item, handling volume, and applicable regulatory requirements.

1) Globally Harmonized System of Classification and Labelling of Chemicals

Product R&D Chemical Safety Evaluation and Review System



Contaminant Management

Advancing the Hazardous Chemical Management System

Strengthening Chemical Regulatory Compliance Management and Disclosure

SK chemicals transparently discloses the status and results of its hazardous chemical management activities to help a wide range of stakeholders make informed and safe choices about chemical products. The company regularly monitors substances of concern based on the EU REACH Substances of Very High Concern (SVHC) list and ChemSec's SIN List, and discloses whether these substances are used and in what quantities on its website. SK chemicals also complies with chemical-related laws in Korea, reports the quantities of chemicals used to relevant government agencies, and discloses chemical release data through the Chemical Substance Information System. Through this comprehensive chemical management system, SK chemicals recorded zero chemical-related environmental and safety incidents and zero chemical regulatory violations in 2025. To support the safe handling of its products, the company provides material safety data sheets (MSDS) with its products in accordance with the GHS regulations and standards of the countries where the products are sold. SK chemicals also provides customers with product compliance information they require, including information on food-contact material regulations in the United States, Europe, China, and other markets; substance registration regulations such as the *Act on Registration and Evaluation of Chemical Substances* in Korea and EU REACH; and regulations related to hazardous chemicals. For its copolyester products in particular, the company shares this regulatory compliance information with customers through RAPID (Regulatory Affairs Product Stewardship Information). The RAPID Sheet includes key regulatory information, such as chemical inventory listing status by country, whether the product contains EU REACH SVHCs, and compliance with food-contact material regulations in relevant countries. SK chemicals also manages product compliance by continuously monitoring regulatory developments and keeping regulatory information up to date, while supporting customers in meeting their own regulatory requirements.

Transparent Chemical Disclosure Activities

Hazardous chemicals subject to disclosure		
	International standards	SVHC, Sin List
	Korean standards	Substances hazardous to human health and other endpoints, restricted substances, prohibited substances, accident preparedness substances, and authorized substances

Scope of Information Disclosed in RAPID Documents[1)]

Chemical substance registration regulations in major countries	Food-contact material regulations in major countries	Other chemical regulations in major countries, including hazardous chemical regulations

1) The scope of information disclosure may vary by product.

Chemical Regulatory Violations Over the Past 3 Years

Chemical exposure incidents
0 cases

Incidents involving worker exposure above chemical exposure limits
0 cases

Chemical regulatory violations
0 cases

Chemical Management Capability-Building Program

SK chemicals provides all employees with training on company policies and practical requirements related to chemical safety, regulations, handling, and overall chemical management. To help employees effectively prepare for and respond to chemical spill incidents, the company continues to strengthen its training system by systematically integrating safety principles into MSDS management, chemical management, and chemical product development.

2025 Korean Chemical Regulations Training

Target	Employees of SK chemicals' Green Chemicals business unit
Date	August 2025 (conducted annually)
Training Topics	Overview of Korean chemical regulations, including the *Act on Registration and Evaluation of Chemical Substances*, the *Chemicals Control Act*, and the *Occupational Safety and Health Act*, and practical guidance for regulatory compliance

2025 MSDS Preparation Training

Target	Working-level personnel at SK chemicals
Date	August 2025 (conducted annually)
Training Topics	Overview of MSDS preparation and practical guidance on preparing MSDS documents

2025 Hazardous Chemical Handler Training

Target	Training Topics	Total Training Hours	Total Participants
Employees at the Green Chemicals business unit's research institute	• Hazards of chemicals and chemical safety management • Chemical accident evacuation and response methods, and required actions in the event of an accident • Methods for handling hazardous chemicals	16 hours	82
Employees at the Cheongju Plant		16 hours	73
Employees at the Ulsan Plant		16 hours	160

Contaminant Management

Substitution of Hazardous Chemicals

Substitution of Hazardous Chemicals

SK chemicals has established and is implementing a long-term plan to reduce and phase out the use of hazardous chemicals to protect the health and safety of stakeholders and minimize impacts on the global environment and ecosystems. As part of these efforts, the company continuously reduced the use of PX by optimizing DMT feedstocks, and successfully completed full substitution in May 2022.

SK chemicals also manages hazardous chemicals using internationally recognized lists of substances that may pose risks to human health and the environment, including EU REACH Substances of Very High Concern (SVHC) and ChemSec's SIN List (Substitute It Now List). The company controls high-risk substances to ensure that they are not present at or above 0.1 wt%. SK chemicals checks whether substances listed as SVHC or on the SIN List are used, discloses their usage volumes on its website, and continues working to substitute these chemicals.

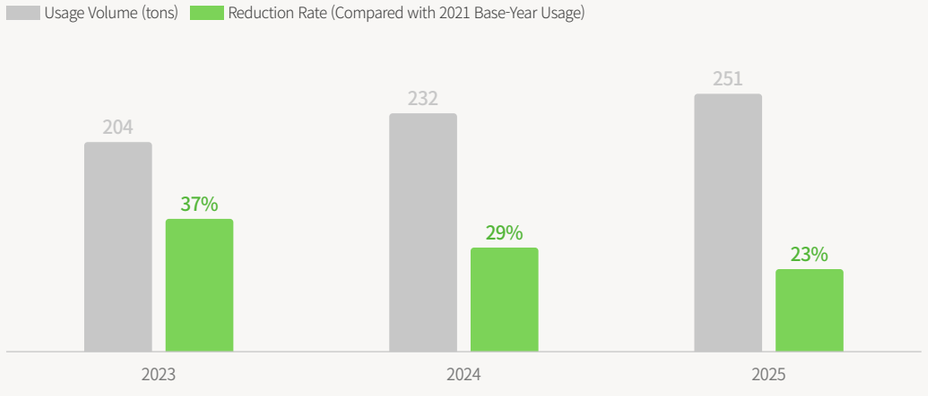
Hazardous Chemical Phase-Out Progress

Among the substances used in SK chemicals' SKYBON products, Solvent Naphtha Kocosol 100 ("solvent naphtha") is included on the SIN List. SK chemicals has established and is implementing a mid- to long-term plan to replace it with a safer alternative with no identified hazard concerns.

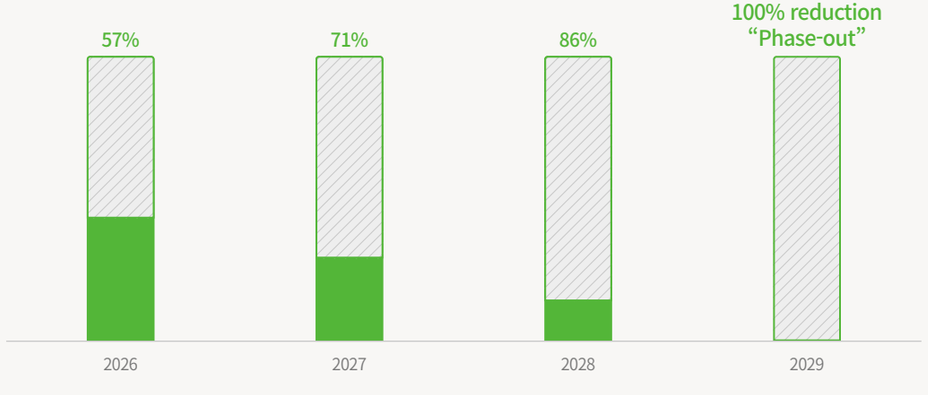
In 2022, SK chemicals established a solvent naphtha substitution plan and developed products using an alternative that is safer for human health and the environment, while maintaining product quality and performance. The company also set the reduction volume compared with the 2021 base year as a performance indicator and has included it in executive KPIs each year for ongoing monitoring.

To phase out and fully replace solvent naphtha, SK chemicals continues to communicate with customers and conduct technical verification. As a result, in 2025, the company reduced solvent naphtha use by 23% compared with 2021 usage. SK chemicals will continue to pursue the phased substitution of solvent naphtha while taking market conditions into account and maintaining business continuity, with the goal of completing the phase-out by 2029.

Solvent Naphtha Reduction Results



Solvent Naphtha Phase-Out Plan (Usage Rate Compared with 2021 Base-Year Usage)



05 CONSERVATION OF BIODIVERSITY

Biodiversity Approach and Framework

Biodiversity Approach and Policy

Recognizing the importance of biodiversity conservation for sustainable growth and environmental protection, SK chemicals has established a Board-approved biodiversity policy that includes provisions on preventing deforestation. Under this policy, the company seeks to avoid activities near biodiversity conservation areas when selecting business locations, including production plants, and conducts thorough environmental impact assessments at its sites. SK chemicals also monitors ecosystem changes to identify risk factors that may undermine ecosystem conservation and implements measures to address them. Progress on these activities is reported to the ESG Committee and disclosed through the Sustainability Report. In addition, to help prevent deforestation, SK chemicals carefully reviews business expansion plans and continues to monitor and improve forest protection practices across its supply chain. The company also plans to gradually transition the paper and pulp used in its products and packaging materials to FSC-certified products.

In line with the AR3T Framework[1] of the Science Based Targets Network (SBTN),[2] SK chemicals has established an implementation strategy to avoid and reduce activities that may negatively affect nature, restore and regenerate damaged or degraded ecosystems, and contribute to the transformation toward more environmentally sustainable systems. The company will continue pursuing biodiversity conservation activities with the goal of achieving nature-positive outcomes for natural capital and ending deforestation in areas near its sites.

Natural Capital Governance

The ESG Committee of SK chemicals serves as the highest decision-making body overseeing nature-related dependencies, impacts, risks, and opportunities (DIRO). Once a year, the Committee receives reports on progress toward nature-related targets, including greenhouse gas and pollutant emissions, and monitors and manages implementation. In accordance with the Investment Review Regulations, the Committee also conducts prior review and approval of ESG factors, including biodiversity, for new investments above a certain scale.

Biodiversity Risk Management Framework

Company-wide Risk Management Process

SK chemicals integrates biodiversity risks into its company-wide risk management process. Through risk identification and analysis, followed by risk assessment, the company identifies material biodiversity risks that may arise across its business activities, implements strategies to address and mitigate these risks, and regularly reports monitoring results on related activities to the ESG Committee.

Stakeholder Engagement for Biodiversity Conservation

SK chemicals carries out a range of biodiversity conservation activities in collaboration with internal and external stakeholders. To raise employee awareness of biodiversity, the company operates relevant training programs and promotes broader awareness through environmental conservation activities. It is also expanding volunteer activities focused on biodiversity, including river cleanup activities near its sites. Furthermore, SK chemicals actively communicates with local communities and stakeholders to build a stronger social foundation for biodiversity protection. The company also identifies social enterprises interested in collaborating on biodiversity conservation and explores opportunities to involve them in projects that reduce environmental impacts.

Biodiversity Policy Overview

Biodiversity Policy

- Purpose of the biodiversity policy and target to achieve 2030 Nature Positive
- Scope of application covering all sites, the supply chain, and other stakeholders
- Alignment with global agreements, including the UN SDGs and the Kunming-Montreal Global Biodiversity Framework
- Compliance with regulations governing pollutant releases and approach to conducting biodiversity impact assessments
- Targets to prevent ecosystem destruction related to biodiversity
- Board-level oversight structure for implementing the biodiversity policy
- Establishment and implementation of biodiversity risk mitigation strategies and roles of working-level functions
- Stakeholder grievance mechanism to minimize biodiversity-related harm
- Specific action plans to enhance biodiversity

1) A framework for corporate action proposed by SBTN that encourages companies to avoid and reduce pressures on nature loss, regenerate and restore nature so it can recover, and contribute to the transformation toward systems that can coexist with healthy ecosystems.
2) Science Based Targets Network (SBTN): A global initiative that supports companies in setting science-based targets to conserve and restore natural capital.

Conservation of Biodiversity

Biodiversity Risk Assessment

Biodiversity Risk Assessment Process

As the importance of the natural environment and biodiversity continues to grow, SK chemicals conducted an assessment of its dependencies and impacts on natural capital based on the LEAP approach proposed by the TNFD. The analysis used specialized nature-related assessment tools recommended by the TNFD, including ENCORE[1] and WWF BRF,[2] and covered 7 major sites, including SK chemicals' Pangyo headquarters, as well as key upstream suppliers selected by taking into account major suppliers disclosed in the business report and their share of purchase amounts. Based on this comprehensive assessment, SK chemicals aims to identify material biodiversity-related risks and opportunities and establish and implement strategies to address them.

Internal Assessment Using the LEAP Approach

Locate – Identify interfaces with nature
Evaluate – Evaluate dependencies and impacts
Assess – Assess risks and opportunities
Prepare – Prepare responses and disclosures

Tools used: ENCORE / QGIS[3] | WWF BRF

Biodiversity Management Process

Locate / Evaluate

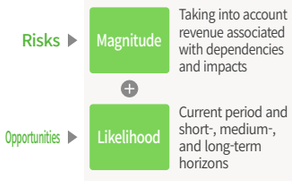
Define assessment scope and analyze dependencies and impacts

- Define the assessment scope
  - Operational sites, including Pangyo and Ulsan
  - Key upstream suppliers
- Screen dependencies and impacts
- Analyze impact levels and priority areas
- Identify environmentally vulnerable areas by confirming interfaces with protected areas and protected species

Assess

Identify and assess risks and opportunities

- Develop a risk and opportunity pool
- Analyze the impact of risks and opportunities
  - Assess magnitude and likelihood
- Identify material risks and opportunities



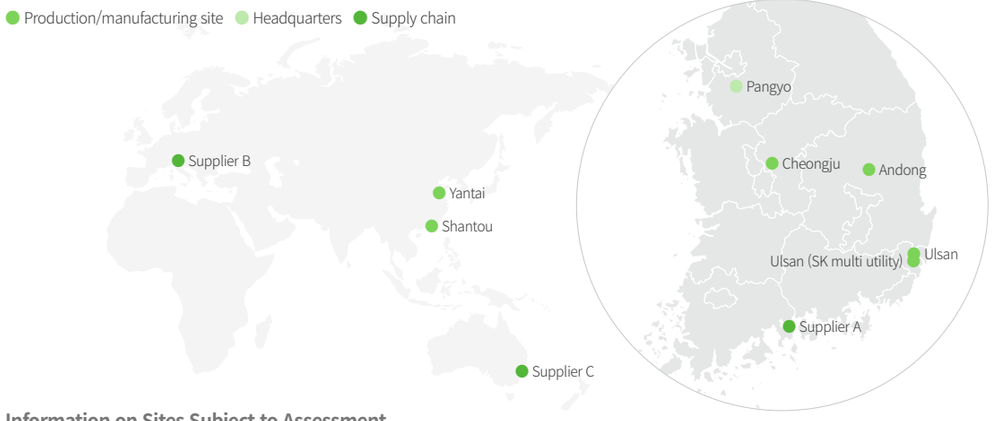
Prepare

Develop and implement response strategies for risks and opportunities

- Develop response strategies considering overall strategy and resource allocation
- Establish and implement AR3T[4]-based initiatives
- Monitor and report implementation progress

1) A tool jointly developed by the UN Environment Programme Finance Initiative (UNEP FI), the Natural Capital Finance Alliance (NCFA), and others to analyze dependencies and impacts on natural capital. It assesses the extent to which industrial activities depend on and affect natural capital using a 5-level scale.
2) A biodiversity risk assessment tool developed by the World Wildlife Fund (WWF) that provides location-based assessments of biodiversity-related physical and reputational risks in the areas where a company's sites are located.
3) Quantum GIS: A free and open-source, cross-platform desktop geographic information system (GIS) application for viewing, editing, and analyzing data.
4) Avoid, Reduce, Restore & Regenerate, Transform

Sites Subject to Biodiversity Risk Assessment



Information on Sites Subject to Assessment

Category	Company	Site Location	Industry Sector	Site Area (㎡)
Own Operation	SK chemicals (standalone)	Pangyo	Headquarters	6,231
		Ulsan	Plastics	389,933
		Cheongju	Pharmaceuticals & Biotechnology	64,674
	Shuye-SK chemicals (Shantou)	Shantou	Plastics	42,164
	SK chemicals Yantai	Yantai	Plastics	38,390
	SK multi utility	Ulsan	Power generation	37,966
	SK bioscience	Andong	Pharmaceuticals & Biotechnology	62,626
Upstream[5]	Supplier A	Korea	Chemicals	-
	Supplier B	Italy	Pharmaceuticals & Biotechnology	-
	Supplier C	Australia	Pharmaceuticals & Biotechnology	-

5) Quantitative information on the site area of suppliers' production facilities has not been disclosed.

Conservation of Biodiversity

Biodiversity Risk Assessment

Natural Capital Dependency and Impact Analysis

ENCORE-Based Analysis

SK chemicals defined its business segments[1] and those of its major suppliers with reference to the International Standard Industrial Classification (ISIC), and classified each business segment in accordance with ENCORE criteria.[2] Based on this classification, the company analyzed 25 dependencies of each business segment on ecosystem services and 12 impacts of each segment on ecosystems. As a result, 16 dependencies and 8 impacts were identified in at least 1 business segment and site, as shown in the table below.

Very Low | Low | Medium | High | Very High

Category		Consolidated Business Segments and Sites			Supply Chain Business Segments and Sites	
		Plastic Manufacturing (Ulsan, Shantou, Yantai)	Pharmaceuticals & Biotechnology (Cheongju, Andong)	Combined Heat and Power Ulsan (Ulsan, SK multi utility)	Chemical Manufacturing (Including Supplier A)	Pharmaceuticals & Biotechnology (Including Suppliers B and C)
Dependency	Solid waste remediation	L	L	M	L	L
	Soil and sediment retention	M	M	M	M	M
	Water purification	M	VH	M	M	VH
	Dilution by atmosphere and ecosystems	L	L	N/A	L	L
	Air filtration	VL	VL	VL	VL	VL
	Flood mitigation services	M	M	M	M	M
	Genetic material	N/A	H	N/A	N/A	H
	Global climate regulation	VL	VL	M	VL	VL
	Water supply	M	H	H	M	H
	Noise attenuation	VL	N/A	VL	VL	N/A
	Mediation of sensory impacts	VL	N/A	N/A	VL	N/A
	Local climate regulation	L	L	L	L	L
	Storm mitigation	M	M	L	M	M
	Water flow regulation	M	H	H	M	H
	Rainfall pattern regulation	M	N/A	N/A	VL	N/A
	Education, scientific and research services	N/A	VH	N/A	N/A	VH
Impact	Disturbances (e.g., noise, light)	VH	M	VH	VH	M
	Area of freshwater use	N/A	N/A	M	N/A	N/A
	Emissions of GHG	M	M	VH	M	M
	Emissions of non-GHG air pollutants	M	M	VH	M	M
	Emissions of toxic soil and water pollutants	VH	M	VH	VH	M
	Generation and release of solid waste	M	M	H	M	M
	Area of land use	L	L	M	L	L
	Volume of water use	H	M	M	M	M

1) SK chemicals' business segments are classified into the Green Chemicals business, which manufactures plastics; the Life Science business, which manufactures vaccines and pharmaceuticals, including SK chemicals' Pharma business and SK bioscience; and the combined heat and power business, which supplies steam and electricity through SK multi utility.
2) ENCORE's industry classification follows the International Standard Industrial Classification (ISIC).

Natural Capital Dependency and Impact Analysis Results

Plastic Manufacturing No high dependencies on ecosystem services were identified in the plastic manufacturing business. However, due to the nature of the industry, which requires the operation of large-scale production plants, noise and light pollution generated during product manufacturing, as well as pollutant releases to soil and water, were analyzed as high ecosystem impact drivers.

Pharmaceuticals The pharmaceutical business was identified as having the highest dependency on water purification services for treating wastewater generated during pharmaceutical production, as well as on education, scientific and research services provided by natural capital for new drug development. Genetic material used in new drug development was also analyzed as an area of relatively high dependency. By contrast, no high ecosystem impact drivers were identified.

Combined Heat and Power The combined heat and power business was identified as having high dependencies on water supply and water flow regulation services to ensure stable steam and electricity production. In terms of ecosystem impacts, high GHG emissions and releases of air, soil, and water pollutants associated with large-scale energy use were analyzed as the most significant impact drivers.

Supply Chain For chemical manufacturing, a major upstream sector for the plastic manufacturing business, no high dependencies on ecosystem services were identified. However, noise and light pollution, as well as pollutant releases to soil and water, were analyzed as high ecosystem pressure factors. For the pharmaceuticals and biotechnology business, the company's own operations and supply chain business segments showed the same results in terms of both dependencies on ecosystem services and ecosystem impact drivers.

Conservation of Biodiversity

Biodiversity Risk Assessment

Natural Capital Dependency and Impact Analysis

Biodiversity Risk Analysis Based on WWF BRF

To conduct a spatial analysis of site-level risks across the value chain, SK chemicals analyzed physical, regulatory deficiency, and reputational risks by site location for its major operational sites, including SK chemicals and its subsidiaries, and for suppliers by business segment, taking into account site location, business segment, and business importance. The analysis used the WWF Biodiversity Risk Filter (WWF BRF). No Very High risks were identified at key supply chain sites, while Very High risks related to physical risk and reputational risk were identified at the operational sites of SK chemicals and its subsidiaries.

WWF BRF Analysis Results

Very Low(1.0~1.7) Low(1.8~2.6) Medium(2.7~3.4) High(3.5~4.1) Very High(4.2~5.0)

Category		Operational Sites							Supply Chain Sites		
		Pangyo	Ulsan	Cheongju	Shantou	Yantai	Ulsan (MU)[1]	Andong	Supplier A	Supplier B	Supplier C
Physical Risk	Provisioning Services - Availability of natural capital, including water resources	2.6	3.3	3.6	3.0	4.3	3.6	3.3	3.6	2.7	3.0
	Enabling - Ecosystem conditions, including water and air quality	4.0	3.8	4.2	3.6	3.9	3.7	4.3	3.5	3.5	3.4
	Mitigating - Mitigation of natural disasters, diseases, and other risks	3.5	3.9	3.4	3.9	3.0	3.9	3.9	3.9	3.5	3.0
Regulatory Deficiency Risk	Application - Biodiversity policy and regulatory response	4.0	4.0	4.0	2.0	2.0	4.0	4.0	4.0	3.0	3.0
	Scoping - Scope of natural capital definitions	2.0	2.0	2.0	3.0	3.0	2.0	2.0	2.0	3.0	3.0
	State's Duty to Protect and Conserve Biodiversity - Legal duty to conserve biodiversity	2.0	2.0	2.0	3.0	3.0	2.0	2.0	2.0	3.0	3.0
	Institutions and Governance - Dedicated management authorities and stakeholder participation	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	2.0
	Management Instruments – Biodiversity monitoring	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	1.0
	Subnational Biodiversity Law – Requirement to meet national standards	3.0	3.0	3.0	2.0	2.0	3.0	3.0	3.0	2.0	3.0
	Offenses and Penalties – Pollution crimes related to the environment and ecosystems	2.0	2.0	2.0	1.0	1.0	2.0	2.0	2.0	1.0	2.0
Reputational Risk	Pressures on Biodiversity – Land, freshwater, and sea use change	2.7	3.3	3.5	3.7	3.7	4.0	3.2	3.3	3.3	3.3
	Environmental Factors – Status of protected species and protected/conserved areas	2.0	3.4	1.9	2.9	1.9	4.4	2.0	2.9	2.5	3.4
	Socioeconomic Factors - Protection of Indigenous peoples and local communities	1.9	2.5	2.5	3.3	3.3	2.5	2.5	2.3	2.1	2.1

1) SK multi utility

Identification of Interfaces with Nature

SK chemicals analyzed its interfaces with nature using QGIS, a geographic information system (GIS) analysis program, taking into account the locations of its major operational sites and the sites of key upstream suppliers. Based on location data, the company established a 5 km buffer around the headquarters and 20 km buffers around production sites and supplier sites. It then comprehensively reviewed overlaps with ecological features, including biomes, protected areas such as Key Biodiversity Areas (KBAs)[2] and WDPA-listed protected areas,[3] and threatened species[4] on the IUCN Red List.

Analysis Results for Nearby Biomes and Protected Areas by Site

Category	Site	Biome	Nearby Protected Areas (No.)		Nearby Threatened Species (No.)		
			KBA[2]	WDPA[3]	CR (Critically Endangered)	EN (Endangered)	VU (Vulnerable)
Operational Sites	Pangyo	Temperate Broadleaf and Mixed Forests			-	9	16
	Ulsan[5]		-	IV: 10 (including Taehwa River) VI: 2 (including Hoeya Dam)	10	30	49
	Cheongju		-	IV: 7 (including Munui-myeon) VI: 3 (including Daecheong Lake)	-	9	15
	Shantou	Tropical and Subtropical Moist Broad-leaf Forests	-	-	27	78	73
	Yantai	Temperate Broadleaf and Mixed Forests	-	-	8	27	46
	Andong		-	IV: 9 (including Mansongjeong Forest) V: 1 (Seonmongdae) VI: 4 (including Yongmun)	-	9	15
Supply Chain Sites	Supplier A	Temperate Broadleaf and Mixed Forests	1 (Suncheon Bay)	Ia: 1 (Gamak Bay) II: 1 (Hallyeohaesang) IV: 19 (including Gadeokdo) VI: 10 (including Bongseong)	13	36	53
	Supplier B		-	IV: 1 (Parco naturale regionale della Lessinia)	5	8	22
	Supplier C		2 (Including Hunter Estuary)	II: 4 (Including Hexham Swamp) IV: 3 (Including Seaham Swamp) V: 1 (Blue Gum Hills)	4	37	49

2) Key Biodiversity Areas (KBAs): Sites of global importance for maintaining biodiversity in terrestrial, freshwater, and marine ecosystems.
3) A global database of protected areas managed by the UNEP World Conservation Monitoring Centre (UNEP-WCMC).
4) Threatened species on the IUCN Red List: CR (Critically Endangered), EN (Endangered), and VU (Vulnerable) species.
5) SK chemicals and SK multi utility.

Conservation of Biodiversity

Biodiversity Risk Assessment

Identification of Material Nature-related Risks and Opportunities

Based on the TNFD Recommendations and the results of the WWF BRF analysis, SK chemicals developed a longlist of nature-related risks and opportunities by taking into account the results of its ENCORE-based natural capital dependency and impact analysis, as well as its interfaces with threatened species and protected areas. The risk factors consist of 4 physical risks[1] and 8 transition risks,[2] while the opportunity factors are classified into 3 business performance opportunities and 2 sustainability performance opportunities. Each risk and opportunity was quantitatively assessed on a scale of 1 to 5 for magnitude and likelihood. Magnitude was scored by considering the ENCORE and WWF BRF analysis results, revenue weights by industry, and whether the relevant sites interface with major protected areas or threatened species. Likelihood was scored based on input from relevant departments and external experts on the expected timing of each risk or opportunity. SK chemicals then identified material risks and opportunities by combining the magnitude and likelihood scores.

Material Risk Material Opportunity

Category			NO.	Risk / Opportunity	Business Impact	Magnitude	Likelihood
Risk	Physical Risk	Acute	P1	Natural disasters	Increased recovery costs due to asset damage and operational disruptions caused by natural disasters such as typhoons and extreme heat	3.7	2.6
		Chronic	P2	Increased supply chain uncertainty	Increased procurement costs due to greater supply chain volatility for natural raw and auxiliary materials resulting from the deterioration of ecosystem services	3.8	4.6
			P3	Unstable water supply	Production process disruptions and higher operating costs caused by unstable water supply	3.7	2.4
			P4	Increase in pests and diseases	Adverse impacts on employee safety and health due to an increase in pests and diseases resulting from the deterioration of ecosystem services caused by ecosystem degradation	4.8	1.4
	Transition Risk	Policy	T1	Tightening of pollutant release regulations	Additional pollutant treatment costs and new facility investment costs resulting from tighter environmental pollutant release regulations	4.5	3.6
			T2	Tightening of ecosystem-related regulations	Restrictions on site operations due to tighter ecosystem-related regulations requiring sites to meet ecosystem impact standards below specified thresholds	3.7	1.8
		Market	T3	Financing constraints	Financing constraints resulting from environmental impacts on sites located near protected areas acting as a barrier in financing decisions	3.1	2.0
		Technology	T4	Pressure to transition processes	Investment costs for transitioning to low-carbon processes and installing pollutant reduction facilities to reduce the ecological footprint	4.6	5.0
			T5	Pressure to transition the product portfolio	Increased R&D costs for new product development due to pressure to transition to products with lower dependencies and impacts on natural capital	3.2	4.5
		Reputational	T6	Decline in reputation	Decline in revenue due to damage to corporate reputation caused by environmental pollution from products produced and sold	5.0	1.8
			T7	Increased stakeholder concerns	Increased negative stakeholder perceptions due to insufficient credibility of biodiversity conservation targets and activities	3.7	2.4
		Liability	T8	Expanded biodiversity monitoring obligations	Expanded obligations to monitor biodiversity impacts from business activities due to tighter biodiversity regulations	3.4	1.9
Opportunity	Business Performance	Market	O1	Increased access to new markets	Increased access to new markets and revenue growth driven by pressure to protect natural capital through the development of sustainable products	5.0	3.8
		Capital Flow and Financing	O2	Diversification of financing sources	Diversification of financing sources through green funds and other channels by operating businesses with lower dependencies and impacts on natural capital	3.1	2.2
		Resource Efficiency	O3	Improved resource efficiency	Improved resource-based production intensity through optimized use of raw and auxiliary materials enabled by process optimization	3.7	2.0
	Sustainability Performance	Sustainable Use of Natural Resources	O4	Expanded supply of sustainable materials	Reduced ecosystem impacts in the upstream supply chain by expanding the supply of sustainable materials that replace natural resources	3.7	4.8
		Ecosystem Protection, Restoration and Regeneration	O5	Ecosystem protection and restoration	Protection and restoration of ecosystems through natural capital conservation activities	3.4	2.8

1) Physical risks: Acute or chronic risks to a company arising from the degradation of nature and the resulting loss of ecosystem services caused by changes in biotic and abiotic conditions.
2) Transition risks: Policy, market, technology, reputational, and liability risks that may arise for a company from misalignment with actions to protect and restore nature or reduce negative impacts on nature, including changes in regulations and policies, legal precedents, technological development, investor sentiment, and consumer preferences.

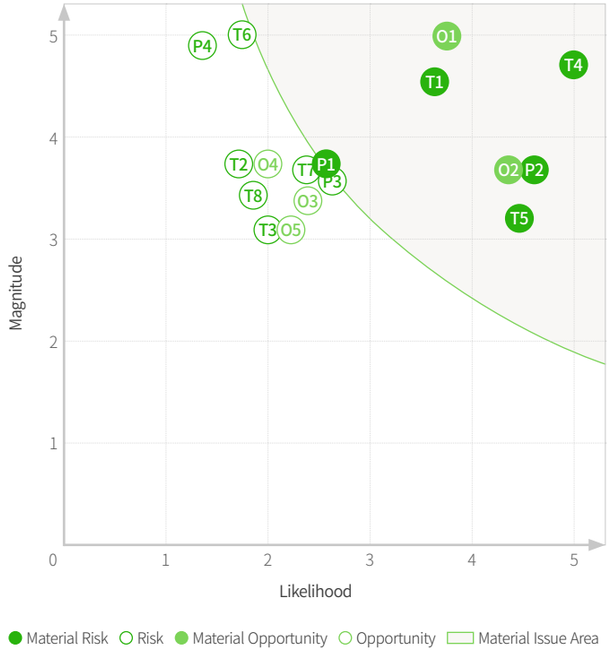
Conservation of Biodiversity

Biodiversity Risk Assessment

Managing Biodiversity Risks and Opportunities

Based on its quantitative assessment of material biodiversity-related risks and opportunities, SK chemicals identified 5 material risks and 3 material opportunities, taking into account their expected time horizons. The company established response strategies to mitigate potential negative impacts and expand positive impacts if these material risks and opportunities materialize. For the risk of increased uncertainty in the natural raw and auxiliary material supply chain, SK chemicals also analyzed the potential financial impact.

Materiality Matrix



Category		Major Risk / Opportunity	Time Horizon[1] Short	Medium	Long	Response Strategy and Status
Risk	T4	Pressure to transition processes		●	●	• Implement GHG emissions reduction initiatives to achieve 2040 Net Zero • Continuously identify and implement waste recycling initiatives
	P2	Increased supply chain uncertainty		●	●	• Monitor major raw and auxiliary materials and diversify the business to disperse and mitigate potential risks in raw material sourcing • Address fundamental risks in raw and auxiliary material procurement over the long term by diversifying manufacturing processes and developing alternative raw and auxiliary materials • Expand resource circulation systems to transition from virgin fossil-based raw materials to recycled waste plastics Financial Impact Case Study Category: Impact Pathway — Description: Increased purchase costs for raw and auxiliary materials due to a decline in the production of plant-derived industrial starch caused by ecosystem changes under the IPCC AR6 SSP5-8.5 scenario Category: Current Financial Impact — Description: None Category: Estimated Financial Impact (FY2030) — Description: Estimated average annual increase of approximately KRW 300–990 million
	T1	Tightening of pollutant emissions regulations	●	●	●	• Install water and air pollutant abatement facilities to comply with strengthened emission and discharge standards • Expand process research to improve production efficiency and reduce pollutant releases
	T5	Pressure to transition the product portfolio	●	●	●	• Build various collaboration models with local governments, waste treatment providers, and other partners to secure a stable supply of raw materials for the recycling business and reduce procurement costs
	P1	Natural disasters		●	●	• Establish and document a proactive response system, including necessary facilities and supplies at sites, to enable an immediate response and minimize damage in the event of a risk situation
Opportunity	O1	Increased access to new markets		●	●	• Maintain the share of R&D investment in recycled and bio-based materials at approximately 50% of total R&D investment through 2028 to secure sustainable product lines within the portfolio • Conduct LCAs for all products in the Green Chemicals business
	O3	Expanded supply of sustainable materials			●	• Conserve ecosystems by establishing closed-loop solutions that convert post-industrial and post-consumer waste into raw materials for new products, thereby replacing natural resources
	O4	Ecosystem protection and restoration		●	●	• Implement ecosystem conservation and restoration initiatives near operational sites

1) Short term: Within 1 year; medium term: More than 1 year and up to 5 years; long term: More than 5 years.

Conservation of Biodiversity

Targets and Metrics for Biodiversity Conservation

AR3T-Based Targets and Metrics

In accordance with the AR3T Framework of the Science Based Targets Network (SBTN),[1] SK chemicals has established a strategic direction for risks identified through ENCORE, WWF BRF, and other tools, including disturbances, greenhouse gas emissions, water purification, and water pollutant releases. The company aims to avoid and reduce activities that may negatively affect nature, restore and regenerate damaged or degraded ecosystems, and contribute to the transformation toward more environmentally sustainable systems. Through these efforts, SK chemicals will work toward achieving nature-positive outcomes for natural capital.

Key Risks

- Disturbances
- GHG emissions
- Water purification and water pollutant discharges

Current Actions and Plans

Avoid

T1 T4 — Ulsan | Shantou | Yantai

- Prevent ecosystem damage by incorporating biodiversity-related impact reviews from the investment review stage
  - Establish natural capital management measures and conduct impact monitoring when a site is located in a biodiversity conservation area
- Prevent damage from releases to ecosystems by recovering and reusing process by-products generated during production
  - Recycle by-product gases and methanol generated from production processes such as CHDM and DMT

Reduce

T1 T4 P1 — Ulsan | Cheongju | Ulsan (SK multi utility) | Shantou | Yantai

- Reduce greenhouse gas emissions through measures such as the low-carbon transition of production processes
  - Procure renewable energy, transition to lower-carbon fuels, and reduce energy use through optimized process operations
- Reduce the volume of waste treated from production processes
  - Maintain ZWTL certification at the Ulsan Plant with a waste recycling rate of 97% and expand external sales by developing applications for process by-products

Restore & Regenerate

O4 — Pangyo | Ulsan | Shantou

- Carry out conservation and restoration activities for protected ecosystems near sites
  - Remove invasive plants from the Unjungcheon Stream ecosystem near the Pangyo headquarters and support water purification through EM mud ball[2] activities
  - Conduct cleanup activities at Yeocheoncheon Stream near the Ulsan Plant and Laohe Beach near the Shantou Plant

Transform

T1 P2 O3 — Ulsan | Cheongju | Shantou | Andong

- Replace fossil-based materials with sustainable materials
  - Invest in the Feedstock Innovation Center to procure recycled feedstock
  - Operate the Shantou depolymerization plant, which produces recycled feedstock, and expand research on product applications
- Support sustainable forestry through the purchase of FSC-certified pulp
  - Prioritize the purchase of FSC-certified pulp for bio-product packaging materials to minimize ecosystem impacts

Metrics and Targets

GHG emissions (Link)
(Target to reduce emissions by 137 thousand tCO_2eq by 2032 compared with the 2021 base year)

Air pollutant emissions (Link)
(Target to reduce SOx by 80% and NOx by 35% by 2030 compared with the 2024 base year)

Waste recycling certification (Link)
(Obtained ZWTL Gold certification in 2025)

Use of Recycled Feedstock Derived from Waste (Link)
(Used approximately 6,364 tons in 2025 on a standalone SK chemicals basis, an increase of 234 tons from 2024)

1) Science Based Targets Network (SBTN): A global initiative that helps companies and cities assess their impacts on nature, including ecosystems and biodiversity, within planetary boundaries and set science-based targets to address them.
2) Mud balls made with loess containing Effective Microorganisms (EM).

Conservation of Biodiversity

Biodiversity Conservation and Protection Activities

Environmental Volunteer Activities

Community Stream Water Quality Improvement and Native Plant Conservation Pangyo

Since 2024, SK chemicals has carried out environmental volunteer activities at its Pangyo headquarters in collaboration with the local community to protect ecosystems and improve water quality near its site. As part of these activities, the company has used EM mud balls made with loess and Effective Microorganisms (EM) to help purify water and protect the ecosystem across a 1.8 ha area of Unjungcheon Stream. These efforts contribute to biodiversity conservation and restoration by improving water quality and protecting habitats for native species.

In 2025, 309 employees participated in 4 rounds of activities, producing and releasing 11,000 EM mud balls. Following these activities, the water quality of Unjungcheon Stream improved from Grade 3 before the initiative began (BOD 4.19 mg/L) to Grade 2 (BOD 2.79 mg/L). By the end of 2025, BOD had further improved to 2.11 mg/L, demonstrating the effectiveness of the water purification activities. After surveying the plant species inhabiting Unjungcheon Stream, SK chemicals also removed invasive plants equivalent to approximately 250 50-liter bags, including Japanese hop, bur cucumber, common ragweed, and prickly lettuce. This helped secure soil space and sunlight for native plants such as dandelions, Korean mint, bindweed, violets, and daylilies, thereby protecting the local ecological environment. SK chemicals plans to continue these conservation activities in 2026 to protect biodiversity in Unjung stream.

Making Mud Balls for Water Purification Activities

Removing Invasive Plants

River Revitalization Campaign Ulsan

SK chemicals carries out regular stream cleanup activities throughout the year in cooperation with local governments. In 2025, 141 employees from the SK chemicals Ulsan Plant participated in the 2025 River Revitalization Campaign organized by Ulsan Nam-gu Office, where they conducted water quality improvement and ecosystem protection activities across a 1.7 ha area of Yeocheon stream near the Ulsan Plant. The initiative aims to create a clean and healthy ecological stream and waterfront space by removing floating debris, invasive plants, and litter, as well as conducting vegetation management activities such as thinning.

Cleanup Activities Around Yeocheoncheon Stream

Removing Invasive Species

Beach Cleanup Activities Shantou

Employees of Shuye-SK chemicals (Shantou) continue to conduct cleanup activities at Laohe Beach near the Shantou Plant to protect the marine ecosystem and improve the local environment. These activities contribute to the conservation of nearby marine ecosystems by collecting floating debris and waste that washes onto the coast and helping keep the beach area clean.

For Sustainable Society

Context

Companies must foster employee well-being by establishing talent development frameworks that support continuous capability building and by providing diverse programs to promote work-life balance. Furthermore, businesses must strengthen their quality management systems to deliver safe and reliable products to customers, continuously verifying product safety and efficacy through rigorous quality certifications. Companies should also enhance healthcare accessibility in fulfillment of their social responsibilities, ensuring that essential medicines are readily and timely available to a wider population without barriers. Moreover, companies must establish robust Occupational Safety and Health Management Systems (OSHMS) and reinforce accident prevention measures to foster a safe working environment. Additionally, it is essential to establish a robust ESG due diligence framework and implement continuous improvement initiatives to meet tightening supply chain ESG mandates. This report details SK chemicals' efforts to fulfill these social responsibilities.

* Reporting Scope
  - SK chemicals, SK bioscience, SK multi utility

Approach

SK chemicals maintains a competency- and performance-driven talent development framework to foster strategic human resource development. We have established comprehensive policies to embed a culture of human rights, and we regularly conduct human rights impact assessments. Prioritizing a safe working environment as a core corporate value, we established a dedicated company-wide Safety, Health, and Environment (SHE) organization, continuing to enhance our OSHMS in alignment with ISO 45001 standards. We have instituted a supply chain ESG policy as well in response to the growing supply chain sustainability requirements, actively supporting suppliers in strengthening their ESG capabilities and conducting on-site audits as needed.

- Human Rights Management
- Implementation of a Safe Workplace
- Employee's Happiness
- Quality Management & Customer Satisfaction
- Increase in Access to Medicine
- Supply Chain Management
- Realization of Social Values

01 HUMAN RIGHTS MANAGEMENT

Human Rights Policies and Frameworks

Reinforcing Human Rights Principles

SK chemicals is publicly committed to the Ten Principles of the UN Global Compact (UNGC) across its four core pillars—human rights, labor, environment, and anti-corruption—transparently disclosing human rights-related matters annually in accordance with the UNGP Reporting Framework. By enacting our Human Rights Declaration and Implementation Guidelines in 2022 while establishing the Human Rights Management Committee, we proactively prevent violations against stakeholders and systematically manage our employees' rights and responsibilities with regard to human rights. Furthermore, we fulfill our responsibility of respecting human rights by integrating explicit protective measures for vulnerable groups—including children and individuals with disabilities—into our core policies. Notably, we revised our Human Rights Implementation Guidelines in 2024 to strengthen standards prohibiting child and forced labor, ensuring a living wage, and maintaining fair hiring practices while introducing a dedicated appendix that outlines protocols for preventing and responding to workplace and sexual harassment.

Advancing the Human Rights Due Diligence Process

SK chemicals continually strengthens its human rights due diligence processes to evaluate risks across its entire value chain and maximize risk management efficacy. To this end, we established internal guidelines defining a structured six-step human rights due diligence framework, while enhancing the expertise of the relevant personnel and related departments through specialized training programs. Our findings are also reported directly to the ESG Committee and the Human Rights Management Committee prior to disclosure to the public; thus fostering transparent communication with both internal and external stakeholders. We published our inaugural Human Rights Report in 2024, detailing the outcomes of human rights impact assessments conducted over the past two years, identifying key focus areas, and outlining subsequent management and remediation activities.

Human Rights Due Diligence Process

Establishing the Impact Assessment Plan	• Develop evaluation metrics tailored to SK chemicals' operational context, grounded in international norms and due diligence standards
Defining Vulnerable Groups	• Identify stakeholders who are highly vulnerable to human rights impacts and reflect their needs in our evaluation metrics and scope
Conducting Human Rights Impact Assessments	• Perform general assessments (checklists, surveys, SAQ[1]) and in-depth evaluations (FGI[2], on-site audits)
Identifying Key Human Rights Issues	• Prioritize potential risks based on severity and likelihood of occurrence to identify key human rights issues
Mitigating Key Human Rights Issues	• Derive short-, mid-, and long-term improvement tasks to mitigate and prevent specific issues, and establish and implement action plans
Monitoring and Communication	• Monitor the effectiveness of improvement initiatives and grievance procedures • Communicate with stakeholders through report publication

1) SAQ: Self-Assessment Questionnaire
2) FGI: Focus Group Interview

Strengthening Human Rights Governance

SK chemicals established the Human Rights Management Committee under the ESG Committee in December 2022, strengthening the decision-making framework to protect and promote the human rights of its employees and stakeholders. Chaired by the CEO, the Committee consists of the Head of the Management Support Division, Head of Corporate Culture x DT Office, and Head of the Legal Group. The Committee supports the ESG Committee's ultimate oversight by pre-screening human rights agendas and monitoring or mitigating human rights risks. We also operate the Human Rights Management Working Group to deliver practical improvement tasks and achieve operational changes.

Human Rights Governance Structure

Human Rights Management

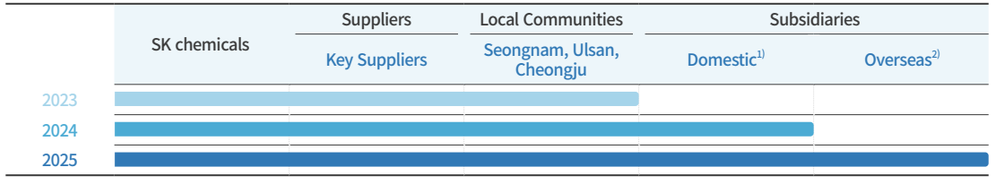
Human Rights Risk Management

Conducting Human Rights Impact Assessments

SK chemicals has conducted annual Human Rights Impact Assessments since 2023, ensuring the independence, credibility, and expertise of the process through consultations with independent external assessors. For human rights issues identified through these assessments, we collaborate with the relevant departments to derive and implement targeted remediation tasks while continuously monitoring their progress and effectiveness. In 2025, we expanded the scope of our assessments beyond domestic worksites and suppliers to include six overseas subsidiaries for the first time. Consequently, the cumulative assessment scope of SK chemicals now extends beyond its own operations to include 12 on-site contractors of its domestic and international subsidiaries, as well as external stakeholders in local communities (Seongnam, Ulsan, and Cheongju); thus effectively achieving 100% coverage across all domestic and overseas subsidiary operations.

Looking ahead to 2026, we will fully execute the mid-term improvement tasks identified in the previous year's assessments, evaluate their performance, and further refine our assessment methodology and questionnaire design. In 2027, we plan to conduct comprehensive human rights due diligence across the entire enterprise, including overseas subsidiaries, by leveraging this enhanced framework. We will then extend these assessments to suppliers and local communities by 2028, systematically broadening our management scope.

Scope of Three-Year Human Rights Due Diligence



1) SK bioscience, SK multi utility, SK chemicals-Daejung
2) SK chemicals Yantai Co., Ltd., Shuye-SK chemicals (Shantou) Co., Ltd., SK chemicals Shanghai Co., Ltd., SK chemicals America, SK chemicals GmbH, SK chemicals Malaysia

Three-Year Human Rights Due Diligence Roadmap

- 2026
  - Complete effectiveness evaluations for short-term action items
  - Implement over 50% of mid-term action items
  - Advance and refine the assessment framework
- 2027
  - Implement over 90% of mid-term action items
  - Conduct Human Rights Impact Assessments for employees and subsidiaries
- 2028
  - Conduct Human Rights Impact Assessments for suppliers and local communities (Target: 100% completion)

Advancing Human Rights Impact Assessment Criteria

SK chemicals continuously updates its Human Rights Impact Assessment metrics for the proactive identification and systematic management of a wide range of potential human rights risks. Our detailed evaluation indicators incorporate domestic frameworks such as the K-ESG Guidelines, alongside international regulations including ILO Core Conventions, Universal Declaration of Human Rights, EU Corporate Sustainability Due Diligence Directive (CSDDD), and German Supply Chain Due Diligence Act (LkSG). Since 2024, we have diagnosed risks using refined metrics categorized into 16 focus areas across 3 core pillars. Notably, we established dedicated assessment items tailored to vulnerable groups such as women, individuals with disabilities, and contract workers. Furthermore, we developed customized evaluation indicators for distinct stakeholder groups including employees, suppliers, local communities, and consumers, enabling a more granular, targeted review of specific human rights issues. SK chemicals remains committed to advancing its Human Rights Impact Assessment framework continuously for the effective identification, mitigation, and management of diverse human rights risks across all stakeholder groups.

Human Rights Impact Assessment Criteria

Pillar	Focus Area	Key Evaluation Indicators
Working Conditions	Job Security	• Dismissal restrictions, fixed-term hiring practices, mandatory social insurance benefits
	Working Hours	• Overtime, night, and holiday work; flexible working arrangements; rest periods
	Fair Compensation	• Minimum wage compliance, living wage standards, equitable compensation
	Freedom of Association & Collective Bargaining	• Right to organize, collective bargaining rights, labor-management councils
	Work-Life Balance	• Maternity leave, parental leave, general leave systems, childcare support
	Health & Safety	• OSHMS, risk assessments, workplace safety measures, support for affected employees
Equal Treatment & Opportunity	Women	• Promotion opportunities, equal pay for equal value of work, anti-discrimination
	The disabled	• Employment of individuals with disabilities, workplace accessibility, anti-discrimination
	Fixed-Term Employees	• Promotion opportunities for fixed-term Employees, equal pay for equal value of work, anti-discrimination
	Diversity	• Anti-discrimination based on age, sexual orientation and gender identity, nationality, religion/politics, and regional/educational background
	Education & Training	• Mandatory legal compliance training, job-specific professional development
	Workplace & Sexual Harassment	• Prevention protocols for workplace and sexual harassment, grievance and remedy mechanisms
Other Labor Rights	Child Labor	• Prohibition of child labor under age 15, employment restrictions for minors under 18
	Forced Labor	• Prohibition of forced or compulsory labor, guarantee of freedom to resign
	Adequate Housing	• Housing support (corporate welfare, targeted support for foreign workers and individuals with disabilities)
	Privacy	• Regulation of workplace surveillance, protection of personal data and privacy

Human Rights Management

Human Rights Risk Management

2025 Human Rights Impact Assessment Results

In collaboration with an independent external assessor, SK chemicals conducted its 2025 Human Rights Impact Assessment across its entire operational sites, including not only its Pangyo headquarters (ECO Lab), Green Chemicals business' Ulsan plant, Pharma business' Cheongju plant, and regional offices but also 6 overseas subsidiaries, 12 on-site contractors, and its local communities. Utilizing a structured diagnostic approach that combines general assessments (checklists, surveys, and SAQs) with in-depth evaluations (FGIs and on-site audits), we evaluated the severity and likelihood of risks across 16 specific focus areas categorized under three core pillars, classifying risk levels into High, Mid, and Low tiers. From this analysis, five specific focus areas identified as Mid-level risk or higher at two or more worksites were designated as key potential human rights issues from an enterprise-wide perspective. SK chemicals is actively implementing tailored countermeasures for each issue to mitigate and prevent these identified risks, such as enhancing employee awareness of internal policies and updating internal guidelines, while strictly monitoring their implementation progress and outcomes.

Defining Vulnerable Groups and Implementing Mitigation Measures

During its Human Rights Impact Assessments, SK chemicals defines specific groups among its internal workforce, contractor personnel, and external stakeholders who may be disproportionately vulnerable to human rights issues, systematically identifying and addressing their potential risk exposure. We classify our vulnerable groups as pregnant and parenting employees, working parents with childcare responsibilities, younger employees (aged 29 and under), senior workers (aged 60 and over), on-site/factory floor workers, interns and fixed-term staff, low-wage laborers, and minority demographics (including individuals with disabilities, migrant workers, and individuals with chronic illnesses). In the selection of participants for FGIs, individuals from these demographics were prioritized to ensure that their insights and concerns were proactively captured. In the 2025 assessment, the specific groups identified as being particularly susceptible to our primary potential risks were pregnant, postpartum, and childcare-providing employees, on-site/factory floor workers, and interns and fixed-term staff. Consequently, SK chemicals carefully reviews feedback from these stakeholders to ensure that their unique perspectives and potential impacts on these groups are fully integrated into its mitigation strategies for each issue. SK chemicals remains dedicated to continuously identifying vulnerable stakeholder groups and prioritizing targeted improvements to protect and uphold their human rights.

Reporting and Disclosing Human Rights Impacts

SK chemicals reports the results and key insights of its Human Rights Impact Assessments to the ESG Committee and the Human Rights Management Committee, embedding the necessary improvements into its core management practices through collaboration with relevant departments. Furthermore, we transparently communicate our human rights management workflows, assessment results, and key risk factors annually through our Sustainability Report, Human Rights Report, and official corporate website.

Human Rights Training

SK chemicals conducts regular human rights training to embed a culture of respect systematically across the organization and strengthen internal capabilities. This curriculum consistently includes critical topics such as prevention of workplace and sexual harassment, achieving a 100% completion rate among all employees in 2025. We are also expanding our educational programs to supplier personnel to foster and enhance human rights awareness throughout our entire supply chain.

Key Issues and Mitigation Measures from the 2025 Human Rights Impact Assessment

Pillar	Focus Area	Risk Level by Key Stakeholder Group				Affected Vulnerable Groups	Mitigation Strategies & Actions	
		SK chemicals	Subsidiaries	Suppliers	Local Communities			
Working Conditions	Working Hours	Mid	High	Mid	-	On-site workers, interns, and fixed-term staff	• Broadened internal communications regarding regulated working hours and mandatory rest periods	• Standardized and integrated working hour tracking systems across overseas subsidiaries
	Work-Life Balance	High	High	-	-	Working parents, on-site workers	• Provided tailored onboarding and integration support for employees returning from parental leave • Actively promoted and increased the uptake of paternity leave among male employees	• Strengthened awareness and ensured strict compliance regarding statutory lactation breaks during working hours
	Health & Safety	High	High	Mid	-	Pregnant and parenting employees, on-site workers	• Enhanced operational oversight on workload and working-hour limits for pregnant employees	• Reinforced and expanded institutional protection programs for frontline and customer-facing personnel
Equal Treatment & Opportunity	Workplace & Sexual Harassment	High	Mid	High	-	-	• Formulated and distributed site-specific prevention policies and compliance manuals across all operations • Implemented supplemental specialized training sessions beyond statutory compliance requirements	• Strengthened risk monitoring frameworks and follow-up consultation counseling
Other Labor Rights	Privacy	-	Mid	Mid	-	-	• Standardized and upgraded protocols for consent to personal data collection and use	• Reinforced information security and data privacy safeguards for contractor personnel

Human Rights Management

Human Rights Risk Management

Effectiveness Evaluation of Human Rights Remediation Tasks

To mitigate the primary risks identified in the 2025 Human Rights Impact Assessment, SK chemicals established 65 site- and issue-specific remediation tasks and executed them in close coordination with its business units. For the 23 tasks fully implemented during the year, we conducted comprehensive effectiveness evaluations to verify whether tangible risk mitigation was achieved. Our effectiveness metrics consist of three pillars—Incident Tracking, Checklist Audits, and Employee Perception Surveys—with customized indicators applied to evaluate each specific initiative.

Human Rights Assessment Effectiveness Evaluation Process

Step 1. Verify Task Completion through Implementation Reviews		Proceed to Step 2 only for fully executed initiatives Continuously monitor and manage the progress of ongoing or incomplete action items
Step 2. Measure Initiative Effectiveness	Incident Tracking	Compare the number of related incidents before and after implementation (e.g., reported human rights grievances, statutory compliance violations)
	Checklist Assessment	Compare the operational status of human rights policies and systems before and after implementation
	Employee Perception Surveys	Survey the workforce regarding their firsthand experience of the initiatives and perceived advancements in human rights management. Analyze shifts in positive/negative response rates and capture qualitative feedback
Step 3. Analyze the Results and Determine the Effectiveness		Synthesize performance data across all metrics against pre-implementation baselines to verify efficacy If risk mitigation is insufficient, formulate and execute supplementary corrective actions

Focus on Sustainability

Effectiveness Evaluation & Action Case Study

Cultivating a Workplace Culture Supportive of Paternity Leave

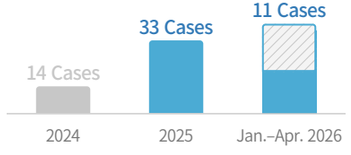
In response to a key finding from its 2025 assessment highlighting the need to strengthen support for paternity leave, SK chemicals prioritized expanding internal communications regarding its paternity leave and parental protection programs. This targeted approach successfully addressed the relative lack of awareness regarding paternity leave compared to maternity leave, significantly enhancing overall workforce recognition and fostering a supportive cultural perception.

Remediation Action

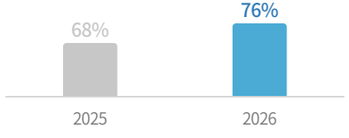
- Expanding Communications on Parental Protection Programs
  - Distributed a comprehensive manual containing explicit, operational guidance on all corporate parental protections including paternity/maternity leave, reduced working hours during pregnancy and early childcare phases, and available financial subsidies

Effectiveness Evaluation

Expected Increase in Paternity Leave Utilization Rates Year-Over-Year



Positive Employee Perception Regarding Paternity Leave Accessibility Increased by 8%p



Human Rights Management

Human Rights Grievance Mechanisms & Remediation

Grievance Handling Framework

SK chemicals operates rigorous internal and external channels for human rights grievances, reporting, and consulting, overseen primarily by its Corporate Culture Office and Compliance Team 1. Through these channels, we ensure that all stakeholders can freely express their views on human rights or request counseling for their grievances.

Reporting & Grievance Channels

- Compliance Team 1
  - e-mail: skchemicals.ethics@sk.com
  - Phone: 02-2008-2486
  - Mail: Ethics Management Officer, Compliance Team 1, SK chemicals, 310 Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea

- SK Group
  - SK Ethical Management System: https://ethics.sk.co.kr/

Human Rights Grievance Categories

- Violations of Workplace Dignity: Including hostile or abusive language, physical intimidation or assault, sexual harassment, social isolation and ostracism, unjustifiable exclusion from work assignments, coercive personal errands, child labor and forced labor
- Compromising Core Social Values: Such as broader human rights infringements and marginalization or systemic disregard of vulnerable demographics

Annual Human Rights Grievance Performance Data

Category		Unit	2023	2024	2025
Grievances Received	Customers	Cases	0	0	0
	Employees	Cases	3	1	0
	Business Partners	Cases	0	0	0
	Others	Cases	0	0	0
	Total	Cases	3	1	0
Grievances Resolved		Cases	3	1	0
Resolution Rate		%	100	100	-
Disciplinary Outcomes	Verbal/Written Warnings	Cases	3	0	0
	Severe Disciplinary Actions	Cases	0	1	0
Cases of Sexual Harassment & Discrimination		Cases	2	0	0

Grievance Handling Process

1. Intake & Logging
Website, telephone, postal mail, e-mail, in-person interviews

↓

2. Triage
Assign investigative authority based on the seniority of parties and severity of allegations

↓

3. Investigation
Compliance Team 1 or HR department conducts an investigation based on the type of grievance

↓

4. Executive Review & Reporting
Review findings, report/approve disciplinary action, and order further fact-finding if insufficient

↓

5. Remediation & Follow-up
Provide feedback (upon request) and enforce discipline where applicable

Whistleblower Protection Measures

SK chemicals processes all reports through an impartial, transparent framework, maintaining strict confidentiality regarding the identity of whistleblowers. Particularly for human rights concerns, we maintain immediate workplace response protocols including the swift physical and operational separation of the victim from the alleged perpetrator. Furthermore, we enforce stringent protective measures to ensure that whistleblowers are protected from adverse employment actions or discrimination in their working conditions. Any retaliatory behavior against them is met with severe disciplinary action under our zero-tolerance policy.

Whistleblower Protection Protocols

1. Whistleblowers are protected against any adverse employment actions or discrimination for filing a good-faith report.
2. Any whistleblower who experiences any form of retaliation may immediately request protection and remediation from the responsible department, which will then take all the necessary measures to minimize any negative impact.
3. The identity of the whistleblower and the contents of the report are treated as strictly confidential and will never be disclosed without his/her explicit consent.
4. The same protections are fully extended to any individual who cooperates with the investigation by providing statements, testimonies, or supporting data during the fact-finding process.
5. If an individual self-reports any unethical or noncompliant act in which he/she was personally involved, disciplinary actions against him/her may be mitigated or waived.

Human Rights Management

Labor Environment

Fair Evaluation and Compensation

2024 Human Rights Management Report

SK chemicals is dedicated to fostering mutual growth alongside its workforce through equitable and transparent performance evaluations. We conduct comprehensive performance reviews annually for all full-time employees, with 97% of our workforce formally evaluated under this system in 2025. Employees establish Management by Objectives (MBO)-based KPIs aligned with overarching business and organizational targets at the beginning of each year, tracking and sharing their progress through two formal milestone check-ins in April and July. Employees consistently realign their performance pathways through structured dialogue with leaders, while our ongoing 1-on-1 feedback framework supports long-term career management and professional development. We also conduct annual 360-degree assessments for managers and senior leadership to identify individual strengths and areas for growth, leveraging these insights to drive targeted leadership development initiatives.

Furthermore, SK chemicals goes beyond compliance with statutory minimum wage laws to safeguard the economic well-being of its workforce by guaranteeing compensation that exceeds regional living wage benchmarks as a commitment explicitly stated in its Human Rights Management Declaration and Implementation Guidelines. We analyze living wage indices across all operating locations to maintain equitable base pay structures, determine salary increase rates that account for macroeconomic conditions and inflation, and communicate them to all employees in advance. Our compensation system strictly adheres to the principle of "equal pay for equal work" to prevent any gender-based disparities, and we transparently publish the outcomes of our gender pay monitoring annually. Additionally, we provide overtime allowances for any hours worked beyond the fixed overtime block. SK chemicals will continuously refine its compensation policies and corporate regulations to reward the contributions of employees equitably and support their financial stability.

Employee Compensation Status[1)]

Category	Unit	2025
Average Compensation per Employee	KRW Million	90
Gender Pay Ratio (Women to Men)	%	76
Percentage of employees used in the analysis of living wages	%	100
Living Wage Coverage Rate (Full-time & Contingent Employees)	%	96
Living Wage Coverage Rate (Full-time Employees Only)	%	100

1) Based on SK chemicals (Standalone)

Prohibition of Child Labor, Forced Labor, and Human Trafficking

Guideline for Human Rights Management Execution

SK chemicals strictly verifies the age of all applicants during the recruitment process. We ensure that young workers under the age of 18—including students, interns, and apprentices—are prohibited from performing hazardous or harmful work under any circumstances, including night shifts or overtime, and monitor our operations to ensure that employment does not limit their educational opportunities. Furthermore, to prevent forced labor and human trafficking, we strictly comply with all applicable labor laws and ensure that no work is performed involuntarily or under coercion. We explicitly prohibit withholding identification cards, passports, or work permits as a condition of employment; neither do we solicit financial deposits from workers. Our internal security protocols guarantee that security personnel cannot restrict the freedom of movement or personal consent of our workforce through excessive force. In the event that an instance of child labor, forced labor, or human trafficking is identified, we refrain from abruptly terminating employment contracts—which could trigger severe financial hardship or secondary victimization—and fulfill our remediation duties instead by providing the necessary protection and support for the victim's recovery. Reflecting these compliance controls, there were zero confirmed incidents of child labor, forced labor, or human trafficking at SK chemicals in 2025. These core prohibitions are formally stated in Paragraphs 1 and 4, Article 4 (General Principles) of our Guideline for Human Rights Management Execution.

Number of Child Labor, Forced Labor, and Human Trafficking Incidents in 2025

0

Collective Bargaining and Labor-Management Councils

SK chemicals fully guarantees the three foundational labor rights—right to organize, right to collective bargaining, and right to collective action—in accordance with the Constitution of the Republic of Korea and relevant labor laws, with three active labor unions currently operating across its worksites. We ensure that no employee faces unfair treatment or discrimination due to union activities, robustly safeguarding the right to form and join labor unions or other independent employee associations freely. Furthermore, SK chemicals operates formal collective bargaining and quarterly Labor-Management Councils to maintain cooperative labor-management relations built on mutual trust. Through these channels, management and workforce representatives regularly discuss and enhance the working environment across a broad spectrum of topics including working conditions, treatment, and safety. Non-unionized employees also participate in the Labor-Management Council to ensure comprehensive representation, allowing us to integrate their perspectives fully. The decisions and outcomes of these council sessions are announced across each worksite to keep all personnel informed. As a result of these efforts, our 2025 Human Rights Impact Assessment identified zero worksites with high risk in relation to freedom of association or collective bargaining rights.

Percentage of Employees Covered by Collective Bargaining Agreements

100%

Percentage of Employees Represented by Officially Elected Employee Representatives

100%

Human Rights Management

Diversity & Inclusion

Strategic Approach to Diversity and Inclusion

SK chemicals pursues an organizational culture wherein all employees are respected and empowered to grow in a workplace free from discrimination based on gender, religion, social status, nationality, or disability. By publishing our inaugural Human Rights Report in 2024, we announced our Diversity and Inclusion Policy and transparently disclosed key progress such as working environments for female employees and initiatives for hiring individuals with disabilities. The dedicated ethics management department conducts an annual review of our internal monitoring systems during recruitment and promotion cycles. This monitoring ensures that any and all risks of discrimination based on race, gender, religion, or other attributes within HR processes are strictly eliminated, reinforcing a merit-based system driven solely by core competencies and professional expertise.

Moreover, SK chemicals is committed to ensuring that employees with physical or mental disabilities are not subject to discrimination and are seamlessly integrated into the organization. We continuously develop suitable job roles tailored to these individuals in addition to fulfilling statutory disability employment quotas, enabling them to maximize their potential in a safe, healthy, and supportive working environment. As a result, our employees with disabilities work across various functions including facility maintenance and environmental care, numbering 59 in all as of 2025. Moving forward, SK chemicals will continue to cultivate an inclusive workplace culture that respects and embraces diversity.

Gender Pay Equality

Recognizing the importance of gender equality, SK chemicals provides equal pay to male and female employees based on the principle of equal pay for equal work to eliminate gender-based compensation disparities. Within the same professional tier, compensation is determined by organizational and individual performance; thus ensuring zero gender-based pay disparity.

Gender Pay Equality Performance Metrics

Prevention and Management of Workplace and Sexual Harassment

To promote human rights awareness and prevent workplace and sexual harassment, SK chemicals conducts prevention training for all employees. We conduct mandatory annual online courses for all personnel, alongside training sessions for new and experienced hires. In 2025, 100% of our workforce completed this training.

The HR and ethics management departments immediately launch a joint investigation if a report regarding sexual or workplace harassment is filed through our ethics reporting channels. Prioritizing the safety and rights of the victim, we implement appropriate accommodations and take decisive action. Upon a definitive finding of misconduct, we enforce strict disciplinary measures against the confirmed violator including termination, demotion, suspension, salary reduction, or mandatory reassignment while ensuring robust victim protection through immediate physical and operational separation. We have designated additional female grievance counselors to enhance the accessibility of our reporting channels and refined our grievance handling protocols to prevent secondary victimization, thereby ensuring more robust victim protection. If an allegation of workplace harassment is sustained, we implement tailored accommodations at the victim's request, such as alternative work locations, job transfers, paid administrative leave, or professional psychological counseling. Following the formal closure of a case, we conduct systematic semiannual monitoring for a duration of two years to verify that the individual found at fault does not engage in any repeating patterns of misconduct and that the victim is not subjected to retaliatory treatment. These corporate frameworks regarding prevention, incident response, and victim protection are formally institutionalized and communicated to all personnel via SK chemicals' Guidelines for the Prevention of Workplace and Sexual Harassment.

Employees Completing Workplace and Sexual Harassment Prevention Training in 2025

100%

Measures for Addressing Workplace and Sexual Harassment

Immediate Measures	Continuous Monitoring
• Joint investigation by the HR and ethics management departments • Appropriate measures prioritizing victim safety and rights (including alternative work locations, job transfers, paid leave, and counseling upon request) • Strict separation of the perpetrator upon confirmation of misconduct	• Semiannual monitoring for two years following case closure - Recurrence of harassment by the perpetrator - Adverse treatment against the victim

02 EMPLOYEE'S HAPPINESS

Human Resource Development

Talent Recruitment

SK chemicals secures specialized talent by emphasizing job-readiness and role alignment to respond effectively to a rapidly evolving business environment. We standardize our screening processes and criteria based on detailed job descriptions for each position, ensuring an objective evaluation of the qualifications and competencies required by each department. Furthermore, we leverage internship programs and corporate-sponsored scholarship programs to ensure a fair selection process and thoroughly evaluate the suitability of the candidates for their respective roles. Employees are recognized for their performance and capabilities upon hiring through a fair, transparent evaluation and compensation system, supported by an environment that fosters growth into Empathetic Professionals.

Our Talent Model

"Empathetic Professional is the ideal employee model pursued by SK chemicals and is the core value of its corporate culture.
Becoming an Empathetic Professional means striving for continuous daily growth both professionally and personally. It refers to SK chemicals' employees who evolve, innovate, and collaborate every day, bringing genuine dedication to their work and achieving steady improvement."

Seven Behavioral Indicators of an Empathetic Professional

Talent Development Roadmap

To nurture Empathetic Professionals, SK chemicals is advancing its talent development framework to align with evolving business environments and employee career stages. We are focused on cultivating an environment rooted in self-directed growth and growth through work in response to the AI era. Through 2022, we operated a competency-, performance-, and role-based training framework. We have enhanced self-directed learning models since 2023 to empower employees to design their development and career paths independently. In 2025, we introduced a development system tailored to specific functional units to strengthen team-level core competencies and expertise. We plan to implement an AI-powered, job-aligned learning system starting 2026 to update our competency system and connect learning with career advancement organically. Through these initiatives, we will continue to reinforce the work methodologies and expertise required to thrive in the AI era.

Talent Development Roadmap

Phase 1.0 Through 2022
- <Competency & Performance-Driven Talent Development Framework>
  - 2020-: Restructuring of functional job architecture / Introduction of mySUNI learning platform
  - 2021-: Achievement of mySUNI's target of 100 annual learning hours per employee
  - 2022-: Deployment of competency-centric professional development support
- Substantive support for self-directed employee learning

Phase 2.0 2023-2025
- <Business Strategy-Aligned Competency Development Framework>
  - Assessment of required competency benchmarks at present and in the future
  - Program design to secure critical capabilities
  - Upgrading HR systems to center on core competencies and specialized skills
- Clarifying developmental trajectories and outlining pathways for workforce capability enhancement

Phase 3.0 2026-
- <AI-Powered, Specialized Unit Capability Development Framework>
  - Defining Job Mastery benchmarks for each functional unit
  - Providing tailored development programs to acquire essential skills
  - Assigning hands-on work opportunities to facilitate growth into a recognized job expert
- Supporting employee career mapping and design

Employee's Happiness

Human Resource Development

Workforce Capability Enhancement

To drive the successful execution of corporate-wide objectives and key results (OKRs) and strategic business objectives, SK chemicals delivers comprehensive capability enhancement programs designed to accelerate global expansion, technological innovation, and strategic partnerships while fostering employee growth. The company promotes a culture of self-directed learning to remain agile amid rapid market shifts, focusing its talent development strategy on leadership cultivation, functional expertise, high-potential talent development, onboarding support, and AI literacy.

Expansion of General Competency Training SK chemicals deployed an AI-powered Skill Platform in 2023 to deliver personalized learning experiences and establish a strong foundation for self-directed growth. Tailored to individual career interests and skill levels, the platform supports continuous professional development by recommending over 3,200 internal and external training modules across 15 core competency areas. SK chemicals upgraded the platform's educational content in 2025 to align with the evolving AI landscape, specifically expanding the curriculum to equip employees in non-technical roles with foundational AI and digital transformation (DT) competencies. Through these initiatives, the company continues to scale training programs that strengthen core workplace skills, such as data-driven communication and analysis essential for thriving in an AI-centric environment. Additionally, the company offers tailored language training stipends for executives, expatriate candidates, employees in relevant roles, and general staff to enhance global communication across the organization.

Onboarding Support To ensure that new hires integrate seamlessly into the organization, SK chemicals conducts regular hybrid onboarding programs that cover corporate strategy, core values, internal policies, and organizational culture.

Leadership Development Leadership training is tailored to executives, team leaders, and project leaders (PLs) responsible for driving OKRs and managing organizational talent. These programs are conducted as group-based workshops, utilizing interactive formats such as discussions on organizational design and workforce management to achieve company-wide goals.

High-Potential Talent Development SK chemicals provides all employees with diverse opportunities to advance the skills and knowledge required for their professional growth. Employees selected as top talent through a fair evaluation process are offered opportunities to strengthen their job competencies through degree programs at domestic and international universities or specialized educational institutions. To ensure that they can focus entirely on their education, financial support is provided throughout the period of study. Next-generation leadership candidates also participate in executive development programs designed to build resilience against market disruption and cultivate future-ready leadership proactively.

Internal Job Posting System The Job Posting System is an internal talent mobility program structured as an open internal recruitment process, enabling employees to apply voluntarily for new roles across the company. This initiative drives self-directed career advancement and professional growth while fostering agile, dynamic talent allocation across the enterprise.

ESG Training Programs SK chemicals offers various educational programs to embed ESG principles into its corporate culture. We provided ESG training programs in 2025 through the SK Group's online learning platform mySUNI, focusing on major environmental issues such as climate change, water resources, greenwashing, and circular economy technologies to enhance employee understanding of market-related environmental issues. A total of 178 employees participated in this training.
We also keep ESG concepts engaging and accessible through a dedicated newsletter that highlights the SK Group's Social Value (SV), our corporate ESG targets, and the direct relevance of sustainability to daily operations. Additionally, a job-specific ESG training session was conducted for marketers in September 2025 to support the integration of ESG into their daily responsibilities. This session covered clients' ESG objectives, the concepts of greenhouse gas (GHG) and Life Cycle Assessment (LCA), and the supply chain ESG.

2025 ESG Newsletter

2025 Training Participation by Category[1)]

Program Category	Total Attendees	Key Focus Areas
Environmental Sustainability	828	Climate change, GHG emissions, energy management, water resources, circular economy, and hazardous substances & waste management
Fair Competition & Business Ethics	2,398	Anti-corruption, anti-competitive practices, and business-specific ethical compliance
Human Rights & Harassment Prevention	2,772	Workplace harassment & sexual harassment prevention, diversity, equity, and inclusion (DEI), anti-discrimination, disability awareness, prohibition of child labor and forced labor
Occupational Health & Safety	2,656	Serious Accidents Punishment Act (SAPA) compliance, safety protocols, and Process Safety Management (PSM)
Quality Assurance (QA)	782	GMP certification training for the Life Science business unit
Pharmacovigilance (PV)	1,378	Routine PV training and compliance testing for the Life Science business unit

1) Reporting Scope: SK chemicals, SK bioscience, and SK multi utility (representing 88% of the total workforce, including subsidiaries)

Employee's Happiness

Human Resource Development

Strengthening Digital Training

Digital Collaboration & AI Tools Training To empower employees to leverage digital capabilities for driving efficiency and performance in the AI era, SK chemicals provides digital competency and AI training for all employees including contract workers through the SK Group's online learning platform mySUNI. The company offers instructional video resources covering the use of enterprise collaboration tools like M365 (including Microsoft Teams), practical AI applications, and real-world business use cases. Through initiatives like the AI Mini Camp—which covers AI-driven Excel automation, strategic report writing, market trend analysis, and short form video creation, as well as job-aligned AI training focused on advanced recruitment capabilities and structured reporting—the company actively supports employees in embedding AI into their daily workflows.

Role-Specific AI Training In 2025, SK chemicals focused on delivering foundational AI literacy training tailored to executives, team leaders, and general staff. We conducted AI Literacy training for executives to support AI-driven decision making. For team leaders, programs included foundational AI training to build core technical literacy alongside specialized A.Biz sessions focused on operational workflows. We also delivered AI training for general staff utilizing A.Biz and Microsoft Copilot to drive operational innovation. Post-training surveys indicated positive feedback regarding the learning experiences across all levels, with participants expressing high satisfaction particularly with the hands-on, practical curriculum.

A.Biz Training Program

Digital Transformation Training & Outcomes

To adapt to the digital transformation environment, SK chemicals operates educational programs aimed at strengthening data-driven decision making and practical AI capabilities. The curriculum is designed around practical application tailored to specific functions and roles. We help employees identify and execute projects that optimize actual business processes by blending AI and data analytics training with business domain expertise. In particular, the Ulsan Plant has prioritized training programs and projects aligned with production processes and factory automation. To ensure that learning translates into actual performance improvement, the company actively supports the identification and execution of projects focused on solving front-line challenges. Based on data training and domain expertise, the Ulsan Plant has implemented various projects designed to improve productivity and promote process automation. Five of these completed projects were successfully integrated into actual operations in 2025, driving measurable improvements in operational efficiency. These digital transformation initiatives are being expanded company-wide, and SK chemicals continues to reinforce its oversight and support to ensure that digital capabilities gained through training directly translate into organizational productivity and operational competitiveness.

Ulsan Plant AI/DT Training Performance

Training Provider	Program Title	Key Topics	Total Attendees
In-house	Production Infrastructure Division Data Analysis Study (8 sessions)	Introduction to data analytics and foundational Python applications	4
mySUNI	AI & Digital Tech	Online training courses covering AI, digital technologies, and data science	77
SK energy	Eco-Friendly Smart Plant Case Studies	Smart Plant deployment strategies, production and asset management optimization, and AI/DT use cases within the Safety, Health, and Environment (SHE) domains	1

Focus on Sustainability

Evaluating the Effectiveness of Digital Transformation Training

- Automation and Intelligent Optimization of Unit Processes Based on Quality Prediction Models

Overview	• Development of quality prediction models leveraging AI and data analytics techniques based on ideas generated from the digital training program, and application to actual production processes
Objective	• To establish an automated operation system based on standardized operating procedures and quality prediction results, thereby achieving automation and intelligent optimization of unit processes while enhancing productivity
Key Initiatives	• Crystallizing ideas derived from the training program into actionable models applicable to actual processes • Integrating quality prediction models into factory automation solutions • Applying models to unit process operations to improve process stability and product quality simultaneously
Key Outcomes	• Improved process stability (48% reduction in process variable volatility compared to the baseline) • Decreased defect rate (1.3% → 0.8%)
Future Plans	• Phased expansion to similar production processes

Employee's Happiness

Human Resource Development

Human Resource Development Process

① HR Strategy → ② Recruitment → ③ Competency Development → ④ Performance Evaluation → ⑤ Communication

Strategic Workforce Planning

SK chemicals establishes job- and function-specific workforce plans aligned with enterprise OKRs and business strategies, defining the required competencies and experience for each role to support strategic recruitment and placement. We have developed a workforce classification model customized to our business structure and operational characteristics, systematically applying tailored strategies for talent acquisition, management, and compensation. Furthermore, short-, mid-, and long-term plans are established for each workforce segment to support business growth and maintain an efficient talent structure.

Recruitment Strategy & Sourcing Channels

SK chemicals focuses on strengthening its data-driven recruitment capabilities to select candidates who align with the corporate culture and ideal candidate profile while demonstrating both job expertise and growth potential. To this end, we are developing evaluation processes that utilize data from AI-based competency assessments to measure candidate potential accurately. In addition, interview panels include both team leaders and junior team members to evaluate job expertise from diverse perspectives. We leverage various talent acquisition channels beyond our official recruitment website—such as chemical industry societies, laboratory networks, internal employee referrals, and direct sourcing—to secure talent in a timely manner. These structured recruitment procedures ensure fairness in hiring and prevent potential discrimination throughout the entire talent acquisition process.

Turnover Risk Management

SK chemicals identifies areas for improvement by gathering employee feedback through regular company-wide and division-level meetings as well as anonymous communication channels, and work to incorporate these insights into our HR policies. To monitor the turnover risk of high performers proactively and support their ongoing growth, we establish Individual Development Plans (IDPs) and pair these individuals with executive mentors for targeted guidance.

Data-Driven Competency & Skill Development

SK chemicals piloted a Skill Platform in 2023 to identify the core competencies and current skill levels of its workforce, subsequently benchmarking this data against industry peers to analyze capability gaps. Based on these insights, we recommend personalized learning paths and plan to expand our competency and skill development frameworks continuously, focusing on competencies identified as requiring improvement based on external benchmarking. We also define the required skills and target levels for each job function, diagnosing individual proficiency levels to build a comprehensive Talent Map. This map serves as the foundation for job-specific competency training tailored to each organization, creating a structured talent cultivation framework. We also piloted department-level growth workshops to design development frameworks collaboratively for specific teams.

Talent Map-Based Job Competency Training by Function

Category	Training Modules
Finance	Financial Accounting, Capital Market Specialist Program
AI/DT	LLM Product Planning, Cybersecurity & Domain Expert Program
Legal	Business Contract Review Practice Program
Marketing	B2B Marketing & Key Account Management Program
HR	Organizational Culture Specialist Program

Performance Evaluation

SK chemicals utilizes an absolute evaluation system to ensure fair evaluations of our employees' capabilities and achievements. Absolute evaluation serves as an equitable standard that recognizes individual competencies and performance based on objective criteria. To support this system, we maintain the structured performance management process that we have established. Our employees set individual goals, document their progress through two regular check-ins per year, and receive ongoing feedback. Based on this accumulated data, final evaluations are conducted at the department level; a formal appeals process is in place for any evaluation disputes. This data-driven process and the structured discussions surrounding outcomes help ensure fairness in performance management, preventing potential discrimination in the promotion process.

Identifying Competency Gaps

SK chemicals conducts performance evaluations and competency evaluations as separate processes. Performance evaluations determine incentive bonuses based on business results, whereas competency evaluation results are reflected in annual salary adjustments. Competency evaluations measure both company-wide core values and function-specific skills. The resulting evaluation data allows our members to benchmark their capability levels against the overall organization and peers within the same job function. To bridge the identified competency gaps, we leverage evaluation data to establish and execute job training plans for the following year.

Strengthening Employee Communication

SK chemicals leverages diverse internal IT collaboration systems to facilitate information sharing between organizations and enhance cross-departmental communication. We also host division-level meetings led by department heads to ensure smooth internal communication. These department-specific meetings gather employee feedback to explore improvement plans regarding workplace happiness, business performance, organizational culture, and HR policies.

Employee's Happiness

Creating a Great Place to Work

Work-Life Balance Programs

Category	Program	Details
Flexible Work Arrangements	Staggered Hours	A system that lets employees adjust their daily start and end times while maintaining the standard 8-hour workday
	Hybrid Work	A program designed to maximize operational efficiency by empowering employees to choose the most productive work environment
	Selective Working Hours	A flexible-hours system that lets employees adjust their weekly or daily working hours, provided they do not exceed 40 hours per week
Family-Friendly Initiatives	Parental Leave	A statutory leave program available to employees with children up to age 8 (or 2nd grade) * Eligible for up to 18 months in all, which can be split into a maximum of three separate blocks - Paid parental leave for the primary caregiver: 1 year - Paid parental leave for the non-primary caregiver: 1 year
	Spousal / Paternity Leave	A policy providing 20 days' paid leave to welcome a new child
	Reduced Working Hours during Childcare Period	A program that reduces working hours for employees with children up to age 12 (or 6th grade) * Standard duration is 1 year, with extensions available based on unused parental leave
	Family Support Benefits	Comprehensive support including tuition assistance, educational milestone subsidies, housing loans, and subsidized resort access
	Lactation & Maternity Rooms	Dedicated, private lactation rooms equipped with specialized storage refrigerators and amenities
	Family Invitation Events	Events designed to strengthen family bonds and enhance their understanding of our business and core values
Employee Benefits & Wellbeing	Financial Support	Provision of transportation subsidies, wellness points, housing and lease loans, residential subsidies for regional employees, and corporate retirement pensions
	Health & Wellness	Comprehensive medical checkups, medical expense support, organic food subsidies, on-site health and dental clinics, and our employee psychological counseling program Todak Todak
	Leisure & Fitness	Subsidized resort access, on-site fitness centers, and financial support for employee-led clubs
	General Care	Long-service awards, dedicated relaxation spaces, and maternity protection facilities

Work-Life Balance and Employee Well-being

SK chemicals provides a comprehensive framework of initiatives designed to empower our people to work efficiently and autonomously while maintaining a healthy work-life balance. We remain deeply committed to fostering a culture where employees can truly thrive and engage deeply in their work.

Expanding Workplace Flexibility

SK chemicals utilizes the Flex work management system to empower our employees to manage their own schedules. This platform enables accurate, systematic time-tracking while providing a flexible environment where individuals can maximize their potential. Through this system, we actively promote a monthly flexible working hour model that naturally balances peak periods with quieter intervals. Under this framework, employees have the autonomy to adjust their monthly hours to align with their personal schedules. We have also implemented a staggered commuting system, allowing team members to adjust their daily arrival and departure times while fulfilling the standard 8-hour daily requirement. Furthermore, we offer hybrid work options to let employees choose the optimal environment for them for maximum efficiency. Any unavoidable overtime is systematically recorded, with overtime allowances paid for any hours exceeding the fixed baseline.

Family-Friendly Initiatives

SK chemicals offers a robust suite of family-friendly programs to enhance the well-being of employees and support them in balancing their professional and personal lives.

Parental Leave To help address the broader demographic challenges of low birthrates, ease the burden of childcare, and promote work-life balance, SK chemicals actively encourages the use of parental leave for both mothers and fathers. We actively promote the program to ensure that male employees can also utilize parental leave freely, and this led to an increase in male participants from 14[1] in 2024 to 33 in 2025.

Paternity Leave SK chemicals guarantees 20 days' fully paid paternity leave, which can be split into a maximum of three separate blocks for maximum flexibility.

1) Restatement of prior-year disclosures

Reduced Hours for Working Parents SK chemicals offers a reduced-hours program for pregnant employees and parents with young children. This benefit provides a baseline of one year of adjusted scheduling, with options to extend based on any unused parental leave.

Family Support Benefits SK chemicals operates on-site corporate daycare centers to ease the logistics of childcare. To provide financial peace of mind, we offer tuition assistance, school enrollment subsidies, and housing loans. We also provide four nights of company-sponsored resort accommodations annually to encourage quality family time.

Healthcare and Medical Benefits SK chemicals looks after the health of our workforce and their families by covering medical expenses for employees and their spouses, children, and parents. This is complemented by regular health screenings and professional medical consultations.

Family Inclusion Events SK chemicals, SK plasma, and SK bioscience jointly hosted a Family Invitation Event in 2025. This initiative deepened families' connection to our corporate values through interactive programs and community volunteer activities.

Family Inclusion Events

Employee's Happiness

Creating a Great Place to Work

Comprehensive Benefits Program

Financial Wellness SK chemicals provides commuting allowances and flexible welfare points alongside housing loans and corporate housing subsidies for regional employees. Additionally, we operate a Defined Benefit (DB) pension plan to secure vested pension benefits for retirees. A total of 1,314 employees (SK chemicals, standalone) are enrolled as of 2025, with total assets under management reaching KRW 148.5 billion.

Health and Wellness To support everyday health management, SK chemicals offers comprehensive health checkups and extend medical coverage to spouses. Our on-site infrastructure features wellness centers, corporate dental clinics, and organic food options designed to promote physical well-being. Furthermore, we are partnering with external Employee Assistance Program(EAP) specialists to operate a psychological counseling program to effectively address pandemic-induced, personal, and workplace stress since 2021. This is further enhanced by Todak Todak, our internal counseling service available both in-person and virtually to provide continuous emotional and psychological support.

Leisure and Recreation SK chemicals champions active lifestyles outside of work by sponsoring recreational club activities, managing on-site fitness facilities, and offering vacation accommodation subsidies.

Outplacement and Career Transition Services SK chemicals offers structured transition support to help retiring employees navigate their next steps. Non-executive employees receive job placement services and career counseling, while executives are provided with 1:1 career consulting and change-management seminars.

Maternity Facilities SK chemicals supports nursing mothers by providing private, dedicated lactation rooms equipped with specialized breast milk storage units and wellness amenities.

Promoting Time Off and Recovery

SK chemicals cultivates a culture of rest to promote work-life harmony by offering a range of collective and flexible paid time off (PTO) options, ensuring our people return to work fully recharged. In addition to guaranteeing statutory paid annual leave under both the Labor Standards Act (paid annual leave) and the Equal Employment Opportunity Act, we provide dedicated summer leave, bereavement/congratulatory leave, and long-service leave established through proactive labor-management dialog. Our specialized long-service leave program rewards milestones of tenure. Employees receive a dedicated travel/rest allowance alongside their time off, encouraging true rest and personal development before a seamless return to the workplace.

Employee Engagement and Communication

Internal Communication Channels To foster an open, collaborative organizational culture, SK chemicals hosts targeted communication initiatives across our business units. Key highlights include G+ and L+ town halls—where the CEO shares strategic business updates with the entire workforce—and Team Leader Tea-times for candid, two-way dialog between CEO and team leaders. Divisional and departmental heads regularly host Town Hall Meetings to align on current operational issues, and these are complemented by regular workshops to drive cross-functional collaboration. To ensure high visibility and maximize participation, we run continuous internal campaigns utilizing promotional newsletters and digital media across all offices.

03 IMPLEMENTATION OF A SAFE WORKPLACE

General Disclosures | ESRS S1

OSH Policies and Frameworks

SHE Governance

Rooted in our people-centric management philosophy, SK chemicals places safety, health, and environment (SHE) at the heart of all corporate activities. We maintain a robust governance structure built upon three pillars—core values, operational principles, and dedicated SHE policies—to integrate this commitment seamlessly into our core operations. We updated our corporate OSH Policy in 2024 to align with evolving global regulatory compliance standards, receiving formal approval from the Board of Directors in February 2024. The revised policy is continuously communicated across our worksites through digital signage and shared regularly with our contractors through joint councils, elevating OSH awareness among all stakeholders.

SK bioscience has also established a comprehensive SHE Governance Policy dedicated to protecting human life, conserving the environment, and safeguarding corporate assets and services. This policy extends beyond SK bioscience employees to include contractors, outsourcing partners, domestic and international production and sales subsidiaries, direct and indirect subsidiaries, and joint ventures. Furthermore, all SK bioscience stakeholders—alongside local communities and localized business ecosystems—fall within the scope of our SHE initiatives. Driven by these foundational guidelines, SK bioscience continuously strives to maintain accident-free workplaces and earn public trust by ensuring regulatory compliance, mitigating risk factors, and fostering a self-driven safety culture.

SK chemicals' SHE Governance

SK chemicals' OSH Policy

Guided by our human-centric management principles, we recognize SHE governance as a fundamental operational component. We actively work to achieve our SHE Targets under the ultimate guidance of our SHE Mission to ensure corporate sustainability and cultivate a safe, clean environment.

SHE Mission

We recognize humanity and environment as our core values, pursuing stakeholder happiness through SHE-first decision making

SHE Target

Zero Accidents
- Exceed statutory SHE compliance requirements
- Drive substantive, employee-led safety initiatives
- Maintain complete transparency in incident reporting

Employee Health Promotion
- Strengthen disease prevention and wellness initiatives
- Ensure operational safety when handling hazardous substances
- Continuously improve workplace environments

Environmental Conservation
- Comply with environmental laws, conventions, and regulations
- Reduce pollutant emissions
- Optimize resource and energy efficiency

Domestic Top-Tier Leader
- Establish a domestic top-tier SHE management framework
- Foster mutual growth through supplier partnership initiatives
- Balance formal governance with substantive execution

SK bioscience's SHE Management Framework

SHE Vision

To become a global leader in SHE within the pharmaceutical and biotech industry

SHE Governance

Safety	Protecting workers' lives and securing facility infrastructure through proactive accident prevention
Health	Preventing toxicity and illnesses caused by hazardous materials while enhancing overall wellness
Environment	Preventing air, water, waste, and soil pollution while minimizing environmental footprints

General Disclosures | ESRS S1

Implementation of a Safe Workplace

OSH Policies and Frameworks

SHE Management System

SK chemicals prioritizes environment, safety, and health as its core values above all else. Building upon the existing ISO 45001 certifications at the Ulsan and Cheongju (S HOUSE) plants as well as SK bioscience's Andong (L HOUSE) facility, SK multi utility and Shuye-SK chemicals (Shantou) newly secured ISO 45001 certifications in 2024. Consequently, we have acquired ISO 45001 certification across all domestic and international production subsidiaries (representing 97% of our total consolidated workforce). These international certifications validate our OSHMS' alignment with global standards and indicate that our systematic, continuous management efforts are verified by independent external authorities. Meanwhile, we are continuously strengthening the OSHMS and on-site operational capabilities of our subsidiary SK multi utility to protect our workforce from potential workplace hazards.

Guided by its core management principle of improving global health, SK bioscience has also established a dedicated SHE management system. This system applies to all worker duties and operational scopes as well as every type of resource, product, and service activity, serving as the foundation of our business operations to ensure the long-term well-being of all stakeholders.

We conduct standardized SHE metric diagnostics across affiliates under SK discovery, utilizing these assessment results to establish our corporate SHE target levels.

Share of Employees Covered by OSHMS (ISO 45001)[1)]

97%

SHE Management Targets

SK chemicals and SK bioscience have established mid- to long-term SHE roadmaps to minimize the impact of their business activities on their workforce, stakeholders, local communities, and environment. Under these roadmaps, we proactively prevent workplace incidents, maintain regulatory compliance, and comprehensively manage our environmental, health, and safety footprints. In accordance with the Board regulations, annual OSH plans are formally submitted to and reviewed by the Board of Directors at the beginning of each year.

SK chemicals' Mid- to Long-Term SHE Roadmap[2)]

We conduct standardized SHE metric diagnostics across affiliates under SK discovery, utilizing the assessment results to establish our corporate SHE target levels.

2026

Targets
To achieve SHE Target Level "A" across all domestic worksites and enhance the SHE operational capabilities of international subsidiaries.

2027

Targets
To maintain a stable "A" level across all domestic worksites and help international subsidiaries reach an SHE Target Level of "A"

2028

Targets
- To upgrade the SHE target tier by +1 across all domestic and international worksites
- To achieve a Lost Time Injury Rate (LTIR) of 0.05. (Scope: SK chemicals (separate basis), on-site contractors, and construction partners)

SK bioscience's Mid- to Long-Term SHE Roadmap[2)]

2025	2026	2027	2028	2029
Targets Zero Severe Accidents LTIR 0.081	Targets Zero Severe Accidents LTIR 0.073	Targets Zero Severe Accidents LTIR 0.066	Targets Zero Severe Accidents LTIR 0.059	Targets Zero Severe Accidents LTIR 0.053
Action Plan To leverage the SKBS SHE Culture framework and reinforce critical operational areas	Action Plan To internalize SHE capabilities and implement proactive management upgrades	Action Plan To establish employee-led participatory systems (to secure long-term sustainability)	Action Plan To implement a company-wide integrated ISO framework	Action Plan To complete an SK bioscience-specific, field-centric SHE model

1) Scope: All domestic and international manufacturing facilities (SK chemicals, SK multi utility, SK bioscience, and Shuye-SK chemicals (Shantou) Co., Ltd.)
2) Lost Time Injury Rate (LTIR) = (Number of lost time injuries resulting in 1 or more days away from work × 200,000) / Total work hours

General Disclosures | ESRS S1

Implementation of a Safe Workplace

OSH Policies and Frameworks

SHE Management Philosophy

SK chemicals prioritizes environmental and safety management as core strategic pillars, executing key initiatives to enhance its operational excellence and compliance capabilities. Through these efforts, we ensure continuous alignment between our business activities and environmental stewardship. Furthermore, we establish and systematically monitor clear environmental performance metrics and targets.

SK chemicals' SHE Governance Philosophy

01 Safety-First Decision Making
Prioritize safety over production volumes, safety and quality over cost and schedules

02 Full Transparency
Maintain full transparency across all internal and external channels; share all incident data, including minor near-misses, company-wide

03 Balance of Governance and Execution
Value both structural frameworks and substantive execution; establish proper frameworks first and continuously improve content to balance governance with performance

04 Substantive On-Site Inspections
Conduct meaningful field walkthroughs; ensure that site leaders actively inspect workplaces to gather frontline feedback and resolve practical issues

05 Attaining SHE Target Level A
Commit all necessary resources to ensure that both technical infrastructure and management systems operate under a fully optimized framework

06 Mutual Growth with Suppliers
Foster shared growth within our business ecosystem; establish and execute dedicated programs to upgrade the SHE capabilities of our contractors

OSH Policy

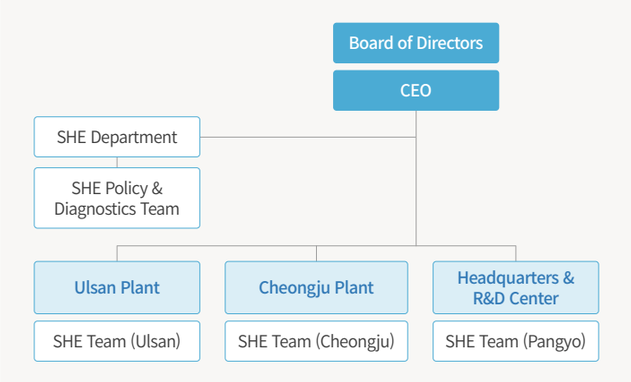
SHE Governance

To drive systematic SHE management effectively, we have established an integrated governance structure centered on the corporate SHE Department. Serving as our central control tower, the SHE Department establishes standardized guidelines, defines policies, and provides comprehensive oversight for site-specific safety management and accident prevention programs.

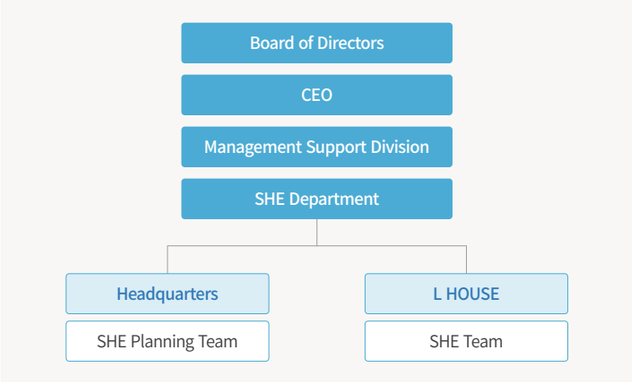
Our Ulsan Plant directly dispatches and embeds safety specialists from its SHE Team into production units. Furthermore, we established a dedicated SHE Team at our Pangyo headquarters and R&D center in 2025 to strengthen safety execution customized for corporate offices and laboratory environments. We also launched the SHE Policy & Diagnostics Team, reinforcing its headcount to bolster our central control tower capabilities and advance our overall oversight framework. We are raising the bar for SHE excellence globally by deploying domestic SHE experts to overseas sites and expanding local SHE recruitment.

We have integrated Lost Time Injury Rate (LTIR) metrics into the Key Performance Indicators (KPIs) of our CEO and executive SHE officers to ensure strict accountability. These KPI evaluation results are directly linked to our compensation system and reflected in the remuneration of the CEO and executives. The Board of Directors approved the annual corporate OSH Plan in January 2025. Aligned with this plan, we established our corporate objective to build a top-tier domestic SHE governance framework, focusing on key initiatives such as upgrading our SHE framework, strengthening field-centric execution, enhancing emergency response capabilities, and tightening contractor management.

SK chemicals' SHE Governance



SK bioscience's SHE Governance



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Implementation of a Safe Workplace

OSH Policies and Frameworks

Joint OSH Committees

SK chemicals operates Joint OSH Committees to gather employee feedback actively and derive actionable workplace improvements. These committees—composed of equal representation from management and labor—operate across our major sites (Ulsan Plant, Cheongju Plant, and Headquarters), convening a total of 20 times in 2025. Additionally, all worksites hold quarterly SHE committee meetings. Since 2023, active trade union participation at our Ulsan and Cheongju plants has driven employee-led, voluntary OSH initiatives. Our headquarters began holding separate OSH meetings for Green Chemicals office staff, Pharma office staff, and R&D center personnel in 2025. This allowed us to gather detailed feedback tailored to the unique characteristics of each business unit and workspace and drive meaningful improvements. Through these regular committee sessions, we review concrete implementation plans for facility upgrades, core safety rules, and safety training to ensure robust field execution.

SK bioscience has established joint labor-management OSH Committees at its headquarters and the Andong L HOUSE facility to protect workers' health and prevent workplace hazards. Meeting quarterly, these committees directly gather worker feedback on foundational OSH management systems and major policy updates to ensure that they are reflected in key corporate decisions. Composed of equal numbers of employer and employee representatives, the committees seek practical improvements and follow-up measures for the substantial protection of workers' safety. The progress and outcomes of initiatives raised during meetings are also shared and further reviewed in subsequent sessions.

Share of Domestic Employees Represented by Formal Joint Labor-Management OSH Committees

100%

Share of Worksites Audited for Employee OSH Risks

100%

SK chemicals' Joint OSH Committee Operations in 2025

Worksite	Attendees	Key Agenda Items
Ulsan Plant	Total: 10 - Labor: 5 - Management: 5	- Distribution of 2024 accident-free milestone rewards - Implementation of process safety management (PSM) capability training - Initiatives to foster a strong safety culture immediately upon site entry - Revision of core SHE safety rules
Cheongju Plant	Total: 14 - Labor: 7 - Management: 7	- Advancement of SHE document management systems and plans for an SHE Steering Committee - Execution of joint labor-management SHE awareness campaigns - Technical SHE review for energy storage system (ESS) operations
R&D Center	Total: 14 - Labor: 7 - Management: 7	- Execution of 2025 laboratory environment and chemical hazard risk assessments - Review of 2026 lab coat updates (design, functionality, and materials)
Headquarters (Green Chemicals)	Total: 12 - Labor: 6 - Management: 6	- Discussions on headquarters' OSH training curriculum - Review of ergonomic risk factor assessment results for hazardous duties
Headquarters (Pharma)		- Announcement of the conduct of 2025 workplace environment risk assessment and safety culture diagnostics.
SK multi utility	Total: 8 - Labor: 4 - Management: 4	- Expanding channels for gathering SHE-related feedback from field workers - Workplace environment improvements (upgrading locker rooms and break areas)

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Implementation of a Safe Workplace

Safety Initiatives and Incident Prevention

SHE Incident Prevention Management

For the proactive management of risks across all SHE domains, we select and execute annual SHE Upgrade priorities. Since 2021, we have advanced our SHE frameworks and established a solid foundation for operational safety through the implementation of our SHE 1.0 initiative. In 2025, we established a three-year SHE 2.0 blueprint designed to secure top-tier OSH frameworks, strengthen operational execution, improve equipment reliability, and deploy an AI-driven SHE operating system. We aim to eliminate workplace incidents, drive long-term sustainability, and achieve operational excellence through SHE 2.0, elevating our organization to the next level. We also utilize the advanced Integrated SHE Control Centers established at the ECO Lab, Ulsan Plant, and Cheongju Plant to monitor and mitigate incidents, emergencies, and natural disasters proactively. To ensure real-time responsiveness, we upgraded our communication networks and integrated intelligent CCTV monitoring systems. We provide mandatory safety training and specialized capability advancement programs for both our employees and contractor workforces. To build robust resilience against potential emergencies, we conduct regular inspections and live mock drills based on our emergency response manuals and Process Safety Management (PSM) protocols. Through these initiatives, we consistently mitigate potential workplace hazards while continuously strengthening our OSH information management systems. We conducted 12 rounds of joint internal and external safety diagnostics and intensive inspections in 2025 to improve our safety management performance continuously, effectively uncovering latent risks and strengthening our preemptive mitigation capabilities.

Advancing SK chemicals' SHE Management Framework

SHE 1.0	
SHE	• Regulatory compliance management • Strengthening SHE capabilities • Restructuring internal SHE systems • Risk management for construction and engineering projects • Ensuring equipment and facility integrity • Establishing emergency response frameworks • Field-centric SHE management • Strengthening operational safety for construction and engineering sites • Improving hazardous substance management • Enhancing occupational health programs • Eliminating regulatory blind spots • Advancing risk assessment frameworks • Strengthening emergency response capabilities • Tightening contractor management • Deploying Smart Safety technologies • Standardizing SHE frameworks for new worksites

SHE 2.0	
SHE	• Upgrading alignment with the safety standards of the SK Group and SK discovery • Managing SHE compliance • Strengthening field-centric SHE execution • Identifying and mitigating regulatory blind spots • Reinforcing emergency response capabilities • Enhancing safety culture and management performance
Facility Safety	• Ensuring equipment and facility integrity • Managing aging buildings and structures • Protecting critical processes and core infrastructure • Preventing cascading disasters
SHE AI	• Deploying the SHE AI Manager system • Implementing vision AI monitoring • Establishing unmanned patrol systems • Building an integrated disaster prevention system

SHE Training Programs

We delegate clear responsibilities and authorities to all members with regard to SHE management. By embedding specific SHE sub-tasks as mandatory items within our company-wide KPIs, we seek to increase employee engagement in health and safety initiatives across the organization. We actively operate diverse training programs to keep pace with the rapidly shifting SHE regulatory environments and corporate management paradigms. Our Ulsan Plant produces quarterly operational standard videos and hosts participatory SHE quizzes to drive employee-led regular OSH training. Additionally, we run 1-on-1 SHE coaching sessions and PSM capability advancement programs to enhance safety competence and prevent workplace incidents. We also facilitate the sharing of innovative safety best practices across departments and implement tailored safety solutions for specific field challenges. Furthermore, we operate comprehensive introductory courses for new hires to foster thorough understanding of our SHE governance. For corporate office staff who are less exposed to on-site safety hazards, we provide practical safety content connected to daily life including infectious disease prevention guidelines and natural disaster response protocols; thus raising safety awareness across the entire workforce.

SK bioscience provides regular, structured SHE training for all employees. This curriculum includes specialized courses on risk assessments, advanced safety best practices, and lockout/tagout (LOTO) procedures to enhance safety capabilities against high-risk duties. We also deliver customized OSH training for contractors and external stakeholders to promote a widespread safety culture. SK bioscience will continuously strengthen its educational portfolio to ensure that all employees and partners deeply recognize the importance of OSH and integrate it into their daily operations.

SK chemicals' Detailed SHE Training Portfolio

Category	Description
Regular Training	• Mandatory regular training sessions for all employees (Conducted immediately upon onboarding for new hires, quarterly for all current personnel)
Continuous Training	• First-aid training (CPR) for emergency responsiveness • Specialized OSH training tailored for researchers handling laboratory chemicals • Regular safety training and risk assessment courses for operational supervisors, conducted by external SHE experts
Visitor & Contractor Training	• Production and distribution of mandatory SHE orientation videos to ensure that all visitors are informed of site regulations prior to entry • Pre-operational safety briefings for all contractor personnel to enhance industrial safety awareness

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Implementation of a Safe Workplace

Safety Initiatives and Incident Prevention

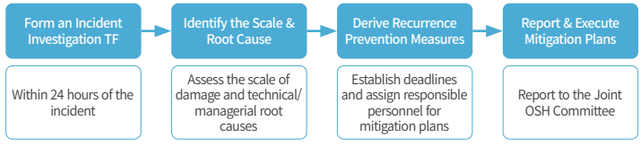
Emergency Response Frameworks

Our Ulsan Plant maintains an integrated emergency response drill framework connected directly to our advanced Integrated SHE Control Center. Centered on this 24/7 control hub, we monitor all drill processes in real time and establish custom response plans utilizing emergency task forces mapped to specific incident scenarios. We introduced Set-Play drills at the Ulsan Plant in 2024, identifying new risk scenarios customized for specific shifts, plants, and manufacturing processes to test practical emergency steps. We conducted a total of 51 emergency drills in 2025, expanding the scope beyond traditional chemical leaks, fires, and explosions to include process disruptions, power outages, natural disasters, and casualties; thus significantly enhancing the emergency response capabilities of our workforce.

SK chemicals' Accident Prevention Performance

Initiative	Description
Corporate Safety & Environmental Diagnostics	Implementing company-wide SHE management frameworks and conducting semiannual compliance audits to verify statutory alignment
Safety Inspections	Routine walkthroughs across construction sites and hazardous manufacturing operations
Safety Audits	Regular internal audits to evaluate compliance with ISO standards and PSM frameworks
SHE Performance Evaluations	Conducting fair and objective OSH performance evaluations across all worksites based on standardized corporate KPI guidelines
SHE 1-on-1	SHE communication initiatives to strengthen employee safety capabilities and awareness
Safety Green Card System	Utilizing a green, yellow, and red card grading system based on safety performance levels to manage routine maintenance and contractor construction sites
Core Safety Rules	Enforcing 10 critical safety rules designed to eliminate workplace accidents

Incident Investigation and Mitigation Process



Risk Assessments

SK chemicals and SK bioscience operate a systematic risk assessment system that preemptively discovers and improves potential risk factors in the workplace to create a safe working environment for employees. To optimize these assessments, we established risk assessment protocols that clearly define risk ratings, evaluation schedules, target scopes, and final approval authorities while standardizing and unifying evaluation templates through our dedicated SHE IT System.

At each worksite, employees and operational teams participate in Job Safety Analyses (JSAs) to identify directly the step-by-step process hazards and derive and implement mitigation and control measures jointly with site-specific characteristics in mind. Our Ulsan Plant conducts comprehensive risk diagnostics on its entire production process, with our R&D center executing specialized risk assessment processes focused on high-risk laboratory experiments to tighten safety controls. Our Cheongju Plant conducts targeted risk assessments focusing on laboratory permit systems and non-PSM-regulated manufacturing processes. As a result, the share of worksites audited for employee health and safety risks across all SK chemicals operations reached 100% in 2025.

Furthermore, we introduced an AI-driven JSA system at our Ulsan and Cheongju plants in 2024, raising the baseline for safety management performance across different sites. We automated the JSA process by training generative AI models on historical accident data and field logs, improving assessment accuracy and efficiency while effectively identifying and deploying adequate step-by-step hazard prevention measures. Validated by the practical success of this AI JSA, we completed its application across our R&D center and corporate headquarters in 2025; we are currently reviewing plans to expand deployment to overseas subsidiaries including our Shantou plant by 2026.

Focus on Sustainability

Employee-Led OSH Identification and Mitigation Case Studies

Worksite	Department	Mitigation Case	Details
Ulsan Plant	Mechanical Engineering Team	Protection of hazardous process piping	Identified collision risks from heavy machinery operating near critical pipelines and installed robust protective guard structures
	Management Support Team	Installation of emergency alert systems	Installed emergency alarms on cold storage doors to mitigate risks of door malfunctions due to low temperature
Cheongju Plant	Production Team 1	Installation of warning alarms and convex mirrors	Proposed installation of convex mirrors and warning alarms to prevent collisions and material spills caused by blind spots during hand pallet truck operations

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Implementation of a Safe Workplace

Safety Initiatives and Incident Prevention

AI-Powered Risk Assessment Framework

In 2024, SK chemicals launched South Korea's first AI-driven risk and safety assessment system at its Ulsan plant. Built on a GPT-4 large language model (LLM), the system processes and analyzes safety logs, operational insights, and case studies compiled at the facility. The platform has improved the accuracy and efficiency of our workplace risk assessments by proactively detecting and addressing potential hazards before tasks begin. In particular, the system has enabled a transition from subjective risk detection—which previously depended on individual evaluator capabilities—to an objective, data-driven framework, thereby establishing a standardized risk assessment system. This AI system identifies hidden risk patterns that elude conventional methods, enabling systematic risk management across our complex chemical manufacturing processes.

We signed a Memorandum of Understanding (MOU) with the Research Institute of Industrial Science & Technology (RIST) in 2025 to develop smart safety technologies and promote the exchange of safety management technologies. Through this partnership, SK chemicals shares its operational expertise in generative AI-based safety management while reviewing the integration of RIST's specialized SHE (Safety, Health, and Environment) technologies to advance SK chemicals' safety infrastructure. We also deployed this generative AI safety management system successfully at SK gas and SK bioscience through a software supply and partnership agreement with UDMTEK, and we are currently working to implement the system at RIST. Moving forward, we plan to expand this AI framework across other SK Group affiliates and diverse industrial sectors.

By continually systematizing diverse safety and process data generated across our facilities and scaling our AI capabilities, we will drive system-wide advancements and optimize floor-level operational efficiency.

MOU with RIST for Smart Safety Technology Collaboration

SK discovery's SHE Audit Performance and Progress

Affiliates under SK discovery, including SK chemicals, operate under a unified set of SHE performance indicators. We have conducted annual SHE audits since 2022 to reduce SHE risks and continuously enhance SHE management performance across all sites. In 2025, the Ulsan plant garnered a Grade A rating for the fourth consecutive year, with the Cheongju plant earning a Grade A for the second consecutive year. We are aiming for a Grade A or higher across all operational sites by 2026.

SK discovery's SHE Audit Results

	2024	2025
Ulsan Plant	**Grade A (Good)** - Execution-focused, preventive SHE operations for accident prevention - Improved on-site execution of safety measures through workplace risk assessment reviews	**Safety/Health: Grade A, Environment: Grade A (Good)** - Outstanding field execution and safety awareness for accident prevention - Excellence in SHE permitting and regulatory facility management capability
Cheongju Plant	**Grade A (Good)** - Revised procedures and reinforced field execution based on 2023's areas for improvement - Year-over-year improvements across all areas	**Safety/Health: Grade A, Environment: Grade A** - Improvements in field safety management and enhanced safety awareness - Proactive activities to mitigate SHE regulatory noncompliance risks
HQ / R&D Center	**Grade B+ (Average)** - Implemented work permit procedures for all operations within the ECO Lab - Focused on risk assessments for unit tasks and experimental planning	**Safety/Health: Grade B, Environment: Grade B+** - Raised employee awareness and reinforced a culture of execution - Advanced environmental management systems and strengthened regulatory compliance

Strengthening Global SHE Systems

SK chemicals has made the reinforcement of SHE management frameworks at our overseas facilities a core organizational objective, initiating full-scale implementation since 2024. In addition to dispatching domestic SHE specialists to provide hands-on on-site support, we recruited local SHE talent to promote and align SHE standards across our global footprint. This approach enabled us to design and execute SHE Upgrade initiatives matching the unique conditions of each regional entity.

Key Global SHE Initiatives 2025

Entity	Core Initiatives	
SK chemicals Yantai Co., Ltd./Shuye-SK chemicals (Shantou) Co., Ltd.	• Formed and staffed dedicated local SHE organizations at each entity • Deployed SHE IT Systems (Shantou) • Reinforced safety management systems during routine maintenance cycles (Shantou) • Identified and eliminated SHE blind spots (Shantou)	• Tightened contractor management standards and conducted performance reviews (Yantai) • Implemented Level 3 Safety Production Standardization (Yantai) • Launched programs to enhance safety culture and awareness (Yantai)

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Implementation of a Safe Workplace

Safety Initiatives and Incident Prevention

Supply Chain Safety Initiatives

SK chemicals extends its safety initiatives across the entire value chain to foster a sustainable safety culture, encompassing both its internal workforce and contractors. Under our Contractor SHE Management Procedure, we provide safety guidelines and essential knowledge for contractors permanently stationed at our facilities. We manage robust OSH programs at our Ulsan plant including risk assessment training and joint safety audits, partnering with 15 on-site vendors and major external contractors.

Contractor Prequalification & Periodic Audits Guided by our Contractor SHE Management Procedure, SK chemicals conducts semiannual performance evaluations for all contracted partners across our sites, grading them against 7 core OSH metrics. We audited 21 on-site contractors in 2025. Based on the evaluation outcomes and in accordance with our SHE Rewards and Disciplinary Procedures, we apply targeted measures to these partners including requiring corrective action plans, conducting executive interviews, mandating comprehensive safety audits by independent expert institutions, or revoking on-site work qualifications. Contractors that fail to meet our internal safety thresholds face strict accountability measures, including financial penalties or revocation of on-site work qualifications. Conversely, top-performing partners with exemplary safety records receive priority compliance support such as safety equipment funding and specialized advisory audits.
SK bioscience mirrors this governance, evaluating contractors against the same 7-item framework. Partners are also required to submit comprehensive safety management plans that include risk assessments and mitigation protocols before initiating work, allowing us to eliminate latent risks proactively. We restrict operations for any contractor receiving an unsatisfactory evaluation to incentivize voluntary OSH investments. We have fully mandated contractor qualification reviews since 2023, directly integrating these periodic safety scores into our contract renewal process.

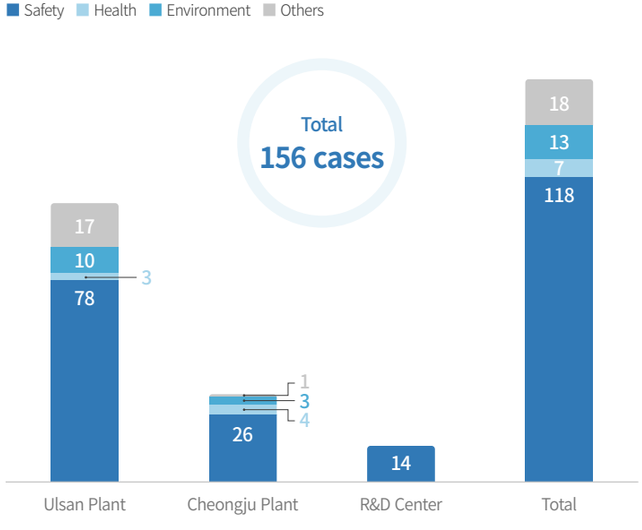
Contractor Safety Budget Compliance Reviews For contractor projects worth KRW 20 million or more, SK chemicals audits the appropriate allocation and utilization of safety management funds. We maintain a rigorous oversight framework that combines team-level rotations, field inspections, and joint safety walkthroughs.

Hazard Identification & Mitigation at Contractor Workspaces SK chemicals discusses critical safety agendas through joint inspection committees and dedicated feedback channels to gather contractor input. This collaborative approach helps identify and resolve potential hazards within specific operational environments. In 2025, we focused on high-impact workplace improvements such as optimizing work methods for janitorial staff, mitigating vehicle collision risks around facilities, and installing rest areas equipped with cooling supplies to prevent heat-related illnesses; thus effectively reducing worker fatigue and boosting overall floor safety.

Peer Safety Observation Program SK chemicals operates the Peer Safety Observation Program, a behavioral safety observation program designed to heighten safety mindfulness among employees. Driven by voluntary participation, this initiative fosters an interdependent safety culture. Employees observe their colleagues' routines, providing positive reinforcement for safe behaviors and engaging in constructive feedback when unsafe practices are spotted to encourage self-directed improvements. A total of 538 peer safety observations were implemented in 2025, and we plan to scale this program further to enhance company-wide safety consciousness.

Safety Hotline SK chemicals operates a digital Safety Hotline to capture safety feedback from both internal employees and contractors seamlessly. Accessible via personal smartphones without time or location constraints, this system lets users report safety concerns. The pipeline helps us systematically uncover and address latent hazards across our operations, drastically improving the efficacy of our enterprise OSH framework.

SK chemicals' 2025 Safety Hotline Reports by Site



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Implementation of a Safe Workplace

Workplace Health and Wellbeing

Employee Wellness Initiatives

Health Promotion Programs SK chemicals drives proactive health initiatives including anti-smoking campaigns, daily 10,000-step walking challenges, and structured weight loss programs. Designed to enhance physical fitness and prevent lifestyle-related diseases, these programs effectively foster employee wellness while optimizing workplace productivity. Moving forward, we will continue to develop tailored health programs that align with the specific operational needs of each site, maximizing employee engagement and cultivating a healthy organizational culture.

Employee Health Screenings SK chemicals provides regular medical screenings to all employees regardless of employment status—including contract workers—to cultivate a healthy workplace. We conduct specialized medical evaluations for R&D personnel working with hazardous chemicals to mitigate safety risks and prevent occupational illnesses. If high risks for cardiovascular or cerebrovascular diseases are detected through risk metrics, we mandate evaluations by occupational medicine specialists to assess task suitability. Based on these findings, we provide structured follow-up care including health counseling and wellness programs to prevent severe conditions proactively. We conduct routine environmental noise assessments across our production lines at our Ulsan plant and monitor employees showing early symptoms of noise exposure. Guided by our hazardous health factors protocol, we audit our working environments to ensure that noise levels do not exceed the statutory threshold of 90 dB over extended periods, mandate hearing protection in high-noise zones, and deliver annual noise-induced hearing loss prevention training alongside clinical consultations. We also operate on-site health clinics at each workplace to provide immediate care for injuries, offer stress management support, and facilitate job reassignments when necessary to ensure a healthy working environment for our employees.

Health Disorder and Injury Prevention Training SK chemicals' Ulsan plant delivers quarterly hands-on training sessions during regular OSH education cycles to prevent physical strain among floor staff. This training outlines the proper use of respiratory protective equipment and introduces stretching routines, safety guidelines, and preventive techniques for musculoskeletal disorders and cerebro-cardiovascular diseases, including repetitive strain injuries (RSI). We operate the personalized 1:1 psychological counseling program Todak Todak—designed to manage stress and achieve healthy work-life balance—to support the mental health and emotional resilience of our employees and their families. At our Pangyo ECO Lab headquarters, we host the Employee Recharge Program that includes interactive activities like on-site concerts and games to boost morale and emotional well-being. Addressing the physical strain of prolonged desk work, we utilize specialized diagnostic equipment to assess the physical condition and offer tailored health programs with professional coaches. These sessions introduce easily actionable self-care techniques, mitigating musculoskeletal strain and creating a healthier, more ergonomic workplace.

Contractor Welfare Facility Upgrades SK chemicals completed facility upgrades at our Ulsan plant to improve the quality of life for on-site contractor personnel. By renovating aging infrastructure including offices, break areas, restrooms, and shower facilities used by contractor employees, we reduced workplace fatigue and upgraded their daily working environment. Our headquarters also provides dedicated rest areas for female employees, ensuring a healthier, more comfortable working environment for our contractor partners.

Chemical Safety Management

SK chemicals mandates corporate policy training on chemical safety, regulatory compliance, handling, and general chemical management for all employees. Our ECO Lab at the Pangyo Headquarters is a complex facility comprising both an R&D laboratory building and an office building. The R&D labs handle approximately 5,000 types of chemical reagents and high-pressure gases, presenting constant risks of chemical spills or fire hazards. For the proactive mitigation of these hazards, we raise awareness among researchers regarding safe handling protocols and conduct chemical spill response and fire drills so that they can master immediate response and safe evacuation procedures during emergencies. We concurrently provide chemical exposure control training to protect researchers, covering comprehensive topics such as personal protective equipment (PPE), emergency response protocols, and prevention of chronic exposure.
We installed ventilation systems such as fume hoods and conduct regular performance audits to minimize potential chemical leaks across our R&D facilities. We also conduct routine workplace environment assessments and specialized health screenings for our researchers. If any abnormalities are detected during audits, we implement immediate follow-up measures such as job reassignments for continuous health monitoring of our employees handling chemical substances.

04 QUALITY MANAGEMENT & CUSTOMER SATISFACTION

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Green Chemicals Business Unit Quality Management

Quality Management Framework

SK chemicals' Green Chemicals Business Unit established a dedicated Quality Assurance (QA) team in October 2018, integrating factory-wide quality assurance and toll manufacturing management to strengthen its quality management capabilities and build optimized procedures and systems. The QA team systematically streamlines and operates quality control processes at our Ulsan plant. Since becoming the first in the industry to acquire ISO 9001 quality management system certification in 1994, we have continuously maintained this qualification to maintain our high standards. We also utilize product traceability and automated shipping systems, utilizing this data for process and quality control to minimize customer complaints. Our Ulsan plant actively drives quality enhancements through these rigorous initiatives, striving to maintain zero product claims and complaints.

Customer Satisfaction Management System

SK chemicals hosts regular quality evaluation sessions with our customers to identify quality management goals and areas for improvement, continuously integrating this feedback to optimize our production systems. Driven by Digital Transformation (DT), we streamline our manufacturing and service delivery processes to achieve operational excellence in quality management. We also conduct periodic customer satisfaction surveys to analyze satisfaction levels across different consumer segments. We improve and develop our products and services by leveraging the insights gained from these initiatives, creating new value for our stakeholders.

SK chemicals' Quality Certification Status

SK chemicals' ISO 9001, GMP-Certified Sites as of 2025

100%

Category	Green Chemicals business unit	Life Science business unit
Certification	ISO 9001 Certification	GMP Certification
Certified Sites	• SK chemicals Ulsan Plant • SK chemicals Pangyo HQ & R&D Center • Shuye-SK chemicals (Shantou) Co., Ltd. • SK chemicals Yantai Co., Ltd. • SK multi utility • SK chemicals-Daejung	• SK chemicals Cheongju Plant (S HOUSE) • SK bioscience Andong Plant (L HOUSE)
Certification Rate[1]	100%	

1) Based on the total number of employees under the consolidated financial statements framework

Life Science Business Unit Quality Management

Quality Management Framework

Our Cheongju plant (S HOUSE), which handles pharmaceutical production for SK chemicals, has operated in strict compliance with Good Manufacturing Practice (GMP) standards for pharmaceutical manufacturing and quality management since 2015. The plant adopts a risk-based approach to establish a life cycle quality management system tailored to our products. This framework thoroughly monitors every stage of pharmaceutical manufacturing through internal and external audits, deviation management, periodic product reviews, specification management, and customer complaint and noncompliance mitigation. We also adopted the Safety Information Reporting System (SIRS) in June 2021 to collect comprehensive safety data regarding all applicable regulations and products, sharing this critical information with regulatory authorities and partner companies.

At the same time, SK bioscience's Andong plant (L HOUSE)—which was completed in September 2014—received domestic GMP compliance approval from the Ministry of Food and Drug Safety (MFDS). The facility acquired EU-GMP certification—the European Medicines Agency (EMA)'s standard for excellent medicine manufacturing and quality control—in 2021, establishing a strong foundation for our expansion to European markets.

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Quality Management & Customer Satisfaction

GMP-Based Quality Training

To drive continuous quality improvement and product consistency, SK chemicals operates a structured Good Manufacturing Practice (GMP) and role-specific training. This program is mandatory for all employees whose work may affect product quality, external personnel performing GMP-related activities, and contractor personnel. Every year, each individual completes over 16 hours of training, which is conducted systematically according to pre-planned schedules to sharpen GMP-based quality capabilities. Qualified external instructors and internal quality specialists lead these sessions, covering core modules such as foundational GMP concepts, pharmaceutical quality management systems, and mandatory role-specific quality training. We embed a deep understanding of GMP requirements across our entire internal and external workforce through these initiatives, aligning our operations under shared quality standards to protect product integrity.

Advanced Customer Support and Feedback Management

The Pharma business unit systematically integrates customer complaints into tangible product improvements to achieve high customer satisfaction. We operate a customer service center to log real-time user feedback and product anomalies, utilizing a standardized complaint-handling process to deliver prompt, effective resolutions. All customer consultations and complaints are logged into a central database for thorough tracking. Detailed analytical reports are delivered monthly to marketing, production, R&D, and quality assurance managers as well as executive leadership, directly driving product improvements such as formulation upgrades and packaging enhancements. Furthermore, we initiate a strict QC verification protocol to prevent recurrence when inquiries or complaints involve critical quality defects, alongside immediate product recalls and replacements. We prioritize customer safety above all else when a quality defect is confirmed, executing rapid recall protocols. This entire workflow is updated annually based on our Customer Support Standard Operating Procedures (SOP), enhancing both customer satisfaction and quality management performance through regular capability building for center personnel.

Business Continuity Management System Certification

In October 2025, the Pharma business unit acquired ISO 22301 certification for its Business Continuity Management System (BCMS). ISO 22301 is the international standard that certifies an organization's capability to protect core operations from unexpected disruptions such as natural disasters, accidents, or supply chain disruptions, and ensure rapid operational recovery. Grounded in its ISO 22301-certified BCMS, SK chemicals operates a structured business continuity framework. This system identifies supply disruption risks across our entire value chain from raw material sourcing to production and distribution, and deploys standardized mitigation strategies including dual-source production, securing of alternative suppliers, and inventory management policies. Additionally, we conduct periodic risk assessments and scenario-based simulation drills to secure stable product supply and rapid operational recovery during potential crises.

Customer Support System

Supply Chain Quality Governance and Audit Framework

In alignment with GMP guidelines from leading global regulatory authorities including MFDS, EMA, and FDA, SK chemicals mandates rigorous vendor management and qualification reviews. We maintain systematic supply chain quality evaluation and audit framework grounded in internal contractor evaluation regulations. This evaluation infrastructure complies with contractor management requirements specified under MFDS GMP standards, PIC/S, EU GMP Chapters 7 & 9, and FDA 21 CFR 210/211.

We conduct direct quality audits and evaluations for all contractors tied to direct supply contracts including API, CMO, excipient and material suppliers, as well as contract laboratories, generally conducting periodic audits on a three-year cycle. Our auditing methodology combines desktop reviews and on-site inspections tailored to contractor characteristics and risk levels. When necessary, we utilize or supplement our process with audit reports from accredited third-party inspection bodies such as Eurofins and Intertek.

We prioritize on-site evaluations for API and CMO partners to manage quality risks tightly while utilizing desktop reviews and on-site audits as necessary for Tier 2 and Tier 3 lower-tier supply chains. We ensure that contractors strictly adhere to GMP requirements through these oversight mechanisms, mitigating quality risks across our broader network.

To strengthen supplier capabilities, we continuously communicate quality standards that meet pharmaceutical regulatory requirements through this evaluation-centric governance structure. Utilizing contractor quality questionnaires and checklists, we verify major quality requirements including GMP adherence and data integrity, share findings from on-site and desktop reviews, and mandate Corrective and Preventive Actions (CAPA) for the identified nonconformities, driving quality standard enhancements across our partner ecosystem.

In 2025, SK chemicals conducted annual quality audits and evaluations for API/CMO partners, excipient and Tier-1 and Tier-2 material suppliers, and contract laboratories, driving systematic quality management and continuous improvement across the entire supply chain.

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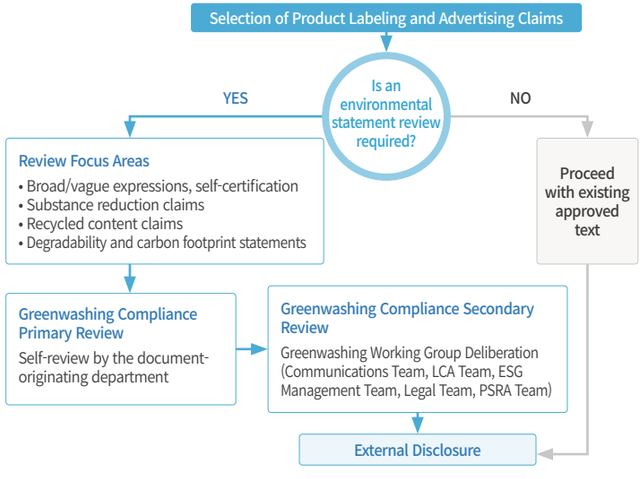
Quality Management & Customer Satisfaction

Responsible Marketing

Green Chemicals Business

Anti-Greenwashing Monitoring Framework Given the growing importance of ESG management, companies face increasing demands for external communication regarding environmental stewardship. Concurrently, the risk of greenwashing, i.e., exaggerating or vaguely claiming environment-friendliness relative to actual performance and impact, is rising globally. This resulted in tighter domestic and international regulatory enforcement to prevent such practices. To mitigate greenwashing risks in external communications and ensure responsible engagement with external stakeholders, SK chemicals established a dedicated Greenwashing Risk Monitoring Working Group in August 2025. Through this framework, we audit product labeling and advertising language in documents provided to customers and external stakeholders to prevent exaggerated or inappropriate environmental claims. The originating department conducts a primary self-review, which is followed by a formal review by the Greenwashing Working Group; thus ensuring that only finalized, verified documents are disclosed externally.

Greenwashing Monitoring Process



Pharma Business

Pharmacovigilance (PV) Initiatives The Pharma business unit operates a comprehensive pharmacovigilance (PV) framework for the continuous collection and evaluation of safety data across the entire life cycle of medical products, from pre-marketing through post-marketing stages. This critical activity is designed to analyze pharmaceutical risks and safety profiles, with protecting patient safety as our highest priority. Adverse events reported through diverse channels including medical professionals, patients, literature, and regulatory authorities are systematically reviewed. Individual case safety evaluations and cumulative trend analyses are conducted, factoring in severity and causality. If new safety signals are identified during this process, we initiate internal review protocols to execute regulatory label updates, implement patient precautions, or enforce additional safety monitoring and mitigation measures.

Furthermore, we establish and operate dedicated Risk Management Plans (RMP) when product profiles require targeted risk management. These RMPs categorize and systematically manage known risks, potential hazards, and missing information, incorporating appropriate mitigation strategies and enhanced pharmacovigilance activities. RMPs are continuously reviewed and updated based on real-world utilization data accumulated post-launch, forming the foundation for periodic safety update reports (PSUR/PBRER) and five-year product license renewals. We maintain a long-term balance between pharmaceutical benefits and risks through these robust PV initiatives, cultivating a safe, trusted medication environment for patients and healthcare providers.

Marketing Activity Monitoring SK chemicals' Pharma business unit enforces the Voluntary Fair Trade Compliance Code and Guidelines for Pharma Marketing, outlining legal and ethical standards for all employees. We conduct annual training and disseminate these guidelines to ensure strict compliance. Specifically, we conduct annual specialized fair trade training tailored to sales roles for sales professionals and product managers within the Pharma Business Marketing Division, covering the Fair Trade Act, Fair Competition Code, and Pharmaceutical Affairs Act. We guide marketing personnel on mandatory pharmaceutical laws through these role-specific education tracks, ensuring accurate, responsible disclosure and distribution of product information. All marketing activities also undergo mandatory pre- and post-audits by our dedicated compliance organization, proactively preventing violations of marketing laws. Approximately 53,000 Sales Force Effectiveness (SFE) marketing activities were audited in 2025 through this framework, resulting in zero violations of applicable laws.

05 INCREASE IN ACCESS TO MEDICINE

General Disclosures | ESRS S4

Creating Social Value Through Pharmaceutical R&D and Investment

Pharma Strategy for Expanding Access to Medicines

The rapid aging of the global population—combined with the rising prevalence of chronic diseases—has hiked up healthcare expenditures, emerging as a major societal challenge. We consistently invest in R&D to deliver a broader range of therapeutic options, aiming to lower socioeconomic costs and improve public health and overall quality of life. Furthermore, we secure long-term growth drivers for our R&D pipeline by leveraging our specialized formulation technologies including Orally Disintegrating Films (ODF) and transdermal patches. We also plan to accelerate open innovation by expanding collaborative research partnerships and identifying high-priority pipeline assets.

Portfolio Diversification and Development of Differentiated Combination Drugs

We are strengthening our lineup of differentiated fixed-dose combinations (FDCs) and incrementally modified drugs (IMDs) to improve patient convenience and ease financial burdens. Launched in 2024 as a new FDC introduced to the domestic market, the migraine medicine Suvexx combines sumatriptan and an anti-inflammatory analgesic to replace single-agent therapies. Toszet A Tablets, a triple-combination therapy launched the same year, combines one antihypertensive active ingredient and two lipid-lowering active ingredients into a single tablet; thus drastically improving medication adherence for chronic disease patients while reducing the financial burden on patients. We also introduced Tocinib Tablets—a treatment for rheumatoid and psoriatic arthritis—in 2025 after establishing bioequivalence to the reference drug through rigorous testing, thereby providing patients and healthcare providers with a safe, reasonable therapeutic alternative.

Expanding Access to Treatments for Rare and Refractory Diseases and Formulation Innovations

Under domestic regulations, rare diseases are defined as conditions affecting fewer than 20,000 prevalent patients per individual disease, often causing significant economic distress to patient families and society due to high treatment costs. To expand pharmaceutical access for patients suffering from intractable diseases with limited treatment alternatives, we actively drive global in-licensing of novel therapeutics and formulation innovations. Notably, Ongentys Capsules, a treatment for Parkinson's disease, features an improved once-a-day dosing regimen that significantly enhances adherence for patients who previously faced the burden of frequent dosing. Furthermore, for the first time in South Korea, we developed Teglutik Oral Suspension—a liquid formulation for ALS (Amyotrophic Lateral Sclerosis) treatment—to address the dysphagia (swallowing difficulties) experienced by majority of patients, dramatically improving medical accessibility. Beyond these efforts, we continue to advance patient-centric, tailored formulation capabilities. For example, we introduced the high-dose product Ginexin F 240mg alongside a compact packaging lineup designed to enhance patient compliance, and expanded our natural product portfolio through Joins F 300mg, which was introduced in the first half of 2026.

Expanding the CDMO Business Built on Global Pharmaceutical Partnerships

In 2023, SK chemicals established a foundation for partnership to address intractable diseases by signing a contract manufacturing and supply agreement with AstraZeneca for the diabetes medicine Sidaphvia[1]. Under this supply agreement, we assume responsibility for the production and supply of Sidaphvia, with AstraZeneca driving commercialization as the Marketing Authorization Holder (MAH) for Forxiga-based combination products. This strategic partnership served as an opportunity for our pharmaceutical technology and manufacturing capabilities to gain international recognition. Furthermore, our successful acquisition of international standards for Business Continuity Management Systems (ISO 22301) in 2025 established a resilient framework for safely supplying pharmaceuticals to a broader range of global markets. Building on this infrastructure, we initiated a phased global rollout across 10 target countries starting with South Korea in 2023, followed by Singapore in 2024 and Australia in 2025. This expansion drives social value through innovative medicines across 12 countries, fulfilling our corporate social responsibility by delivering optimized therapeutic alternatives to patients worldwide.

1) A Forxiga-based fixed-dose combination of dapagliflozin and sitagliptin, indicated for the treatment of type 2 diabetes mellitus in adults aged 18 and older

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Increase in Access to Medicine

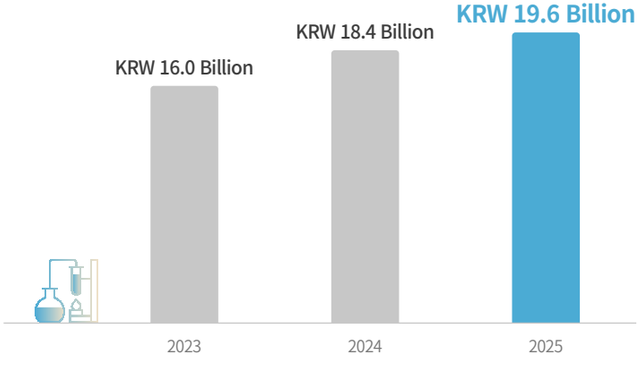
Creating Social Value Through Pharmaceutical R&D and Investment

R&D Strategy

SK chemicals' R&D Center for the Pharma business unit is pursuing a strategy to secure future value by continuously investing in internal research resources and expanding its pipeline through collaboration with external organizations. Due to the complexity and high cost of drug development, cross-institutional open innovation is critical in the pharmaceutical industry. Therefore, we actively invest in open innovation models for the effective integration of external knowledge and technologies with our internal assets.

This collaborative approach reduces R&D costs and shortens development timelines, increasing the likelihood of successfully commercializing high-value products. Furthermore, we leverage AI technology to discover novel candidates and execute efficient compound screening for efficacy and toxicity; thus reducing drug discovery timelines. Moving forward, SK chemicals will continue to strengthen the R&D capabilities of its Pharma business unit, establishing robust response strategies for future drug development.

R&D Investment in the Pharma business unit



R&D Achievements

To expand its novel pipeline, SK chemicals' Pharma business unit invested in emerging biotech startups and initiated collaborative research in 2021. These initiatives have led to the discovery of meaningful candidates during early-stage research, resulting in multiple patent applications and registrations. Based on the currently identified candidates, we are conducting non-clinical trials while continuously discovering additional candidates in collaboration with external partners utilizing artificial intelligence technologies. At the same time, we actively strengthen our portfolio by developing highly competitive products. We signed a CDMO agreement with global pharmaceutical company AstraZeneca to manufacture and launch a new diabetes combination drug—which is currently in production and distribution within South Korea—with regulatory reviews underway in various overseas jurisdictions for global market expansion. Additionally, we obtained regulatory approval for an arthritis treatment with an improved dosage regimen as of late 2023. We also published papers in SCIE-indexed academic journals based on domestic clinical research for a Parkinson's disease treatment. We launched Ginexin Memocare Capsules formulated with ginkgo biloba extract and red ginseng extract in 2025, directly addressing public demand for cognitive health solutions given the aging population. Furthermore, we signed an MOU with Aribio to accelerate development and explore global commercialization opportunities for AR1001, an oral Alzheimer's disease treatment. AR1001 utilizes the Mirodenafil originally developed by SK chemicals and in-licensed by Aribio for development as a dementia therapeutic. It is currently undergoing Phase 3 clinical trials across 13 countries to validate its safety and efficacy. Through these R&D and collaborative initiatives, we continue to drive innovative drug development and expand our global market presence. SK chemicals was re-certified as an Innovative Pharmaceutical Company in 2024 in recognition of its consistent R&D achievements. Managed by the Ministry of Health and Welfare under the *Special Act on Fostering and Supporting the Pharmaceutical Industry*, this designation certifies companies with outstanding drug R&D tracks. The initial certification is subject to a re-evaluation process every three Initial certification audits are conducted every two years, and certification renewal audits are conducted every three years. We have successfully maintained this designation for 12 consecutive years since 2012 by generating high-impact R&D outcomes, securing our re-certification through June 2027 following an extension review in June 2024.

Strengthening Open Innovation Capabilities

SK chemicals' Pharma business unit continuously explores open innovation opportunities aligned with the company's corporate strategy, investing and partnering in joint research projects to secure novel pipelines.

The novel drug development team at our Pharma Research Institute leverages AI technology to drive drug discovery research, executing joint development projects with leading domestic and international big data research groups and AI-powered drug discovery specialists.

Open Innovation Milestone and Objectives

The Pharma R&D Center's New Drug Development Team continuously executes research to optimize meaningful candidates discovered through open innovation, focusing on oncology and intractable fibrotic disease pipelines. We have maintained collaborative research with AI-driven drug discovery company Standigm since 2019. Following the discovery of a meaningful candidate for rare fibrotic diseases, efficacy evaluations in animal models are currently underway. An oncology drug development project initiated in 2022 through a joint research agreement with AI-powered drug discovery specialist Oncobix is also undergoing testing to optimize candidate compounds based on promising efficacy results in animal models. In 2025, we formalized an operational agreement for novel pipeline discovery and joint R&D cooperation with NEXTGEN Bioscience, an innovative biotechnology company possessing proprietary drug development platforms. This partnership will scale our joint discovery efforts and intensify collaborative R&D focused on therapeutic areas with high unmet medical needs. Moving forward, we plan to expand our partner ecosystem to accelerate pipeline milestones and—upon reaching key validation stages—allocate further capital resources strategically.

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Increase in Access to Medicine

Pharmaceutical Accessibility

SK bioscience's Strategy to Expand Vaccine Accessibility

SK bioscience participates in diverse international projects and research to address global vaccine supply imbalances, aiming to cultivate a global bio-ecosystem, promote global public health, and eliminate healthcare disparities.

We address high-burden public health diseases through our proprietary vaccine portfolio including SKYVAX, expanding global supply channels with focus on Low- and Middle-Income Countries (LMICs).

We also drive the SKYShield strategy to address global vaccine supply vulnerabilities, supporting vaccine self-reliance in health-vulnerable regions such as Thailand through our Glocalization model, which transfers R&D and manufacturing technologies to local partners.

Supporting Bio-Industry Shared Growth

To advance global public health, SK bioscience champions value-chain shared growth by supporting the development of various bio-industry stakeholders.

We contributed KRW 150 billion to the Yuanta K-Bio Vaccine Fund to support clinical-stage bio ventures, alongside direct capital investments in multiple domestic biotech entities to foster ecosystem shared growth.

We also donated a total of KRW 3 billion over 3 years starting 2022 to the International Vaccine Institute (IVI) and committed a total of KRW 5.0 billion in 2022 to establish a joint healthcare research infrastructure with the Korea University Medical Center for infectious disease response, funding foundational research under the objective of global public health enhancement.

Beyond these initiatives, we operate the Park MahnHoon Scholarship program to cultivate talent, delivering financial aid and educational opportunities to outstanding students in the bio and vaccine fields.

Every year, this program selects approximately 10 students from the Department of Biological Sciences at Seoul National University and Bosung High School who will receive KRW 5 million each. It also selects 8 students from Gyeongkuk National University every year—providing KRW 2 million per student—aside from supporting on-site laboratory training, educational curricula, internships, and joint projects within the university's Department of Vaccine and Biomedical Engineering.

Furthermore, we consistently participate in formal training tracks managed by the WHO Global Training Hub for Biomanufacturing (GTH-B) since South Korea's designation in 2022, delivering professional education to global talents.

Moving forward, we remain dedicated to investing in bio-startups, executing joint R&D in bio-technologies, cultivating specialized talent, and driving global initiatives and regional community support to generate social value continuously.

Strengthening Strategic Partnerships

SK bioscience maintains close collaborations with leading global healthcare partners including the Gates Foundation, GAVI[1], CEPI[2], and International Vaccine Institute (IVI). Leveraging these partnerships, we solidify our position as a leading global enterprise driving innovative vaccine development and public health enhancements.

Our collaboration with the Gates Foundation in particular extends across diverse biopharmaceutical fields beyond vaccines. We share R&D and antibody development capabilities to scale infectious disease response and support vaccine accessibility in LMICs.

Our partnership with GAVI focuses on enhancing vaccine accessibility in low-income nations and optimizing global supply chain efficiency, whereas our cooperation with CEPI targets rapid platform development for accelerated response during pandemic outbreaks. These global partnerships serve as a critical foundation for SK bioscience to build a sustainable public health environment. We will continue to collaborate with diverse stakeholders to ensure that safe, effective vaccines and medicines are accessible to the global population.

1) Global Alliance for Vaccines and Immunization
2) Coalition for Epidemic Preparedness Innovations

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Increase in Access to Medicine

Pharmaceutical Accessibility

Market Expansion and Compliance Support

SK bioscience builds a comprehensive value chain spanning basic research on vaccine, manufacturing, regulatory approval, and commercialization, contributing to global health enhancements. Leveraging collaborations with global organizations, we developed our proprietary vaccine portfolio SKYVAX to address infectious diseases that impose severe public health burdens including influenza, varicella, typhoid fever, and herpes zoster. SKYVAX products protect highly vulnerable populations against the following diseases: influenza, which infects up to 1 billion people annually worldwide; varicella, which infects 140 million; and typhoid fever, which records 11 ~ 21 million cases annually. Notably, our typhoid conjugate vaccine SKYTyphoid—developed jointly with the International Vaccine Institute (IVI) through funding from the Gates Foundation— serves as a representative case study of successful global public health collaboration and commercialization. In 2025, we continued to supply our internally developed influenza vaccine SKYCellflu to nations within Southeast Asia, Middle East, and Latin America. We are also expanding supply channels for our varicella vaccine SKY Varicella in Latin America and Southeast Asia and driving market expansion for our herpes zoster vaccine SKYZoster to additional Asian regions.

In Korea, SK chemicals began supplying Beyfortus®, an antibody injection for the prevention of respiratory syncytial virus (RSV), in 2025 in partnership with the Korean subsidiary of global healthcare company Sanofi. Beyfortus® is administered to protect newborns and infants below 12 months as well as high-risk pediatric populations against respiratory tract infections including RSV-induced bronchitis and pneumonia.

Furthermore, to resolve global vaccine supply imbalances, SK bioscience deploys its Glocalization business model globally. Moving beyond simple facility construction or product manufacturing, Glocalization is an innovative model that drives local vaccine self-reliance, ensuring the timely supply of required vaccines tailored to regional demands. SK bioscience is advancing vaccine development and local manufacturing based on a Public-Private Partnership (PPP) with the Thai government. This initiative aims to establish vaccine self-reliance in Thailand and reinforce health security across the ASEAN region, driven by close cooperation with state-owned pharmaceutical enterprises and relevant government organizations under Thailand's government.

In addition, SK bioscience participates in the Regionalized Vaccine Manufacturing Collaborative (RVMC) to support capacity building in developing countries. RVMC is a global collaborative body launched at the World Economic Forum (WEF) Annual Meeting in May 2022 to address vaccine supply inequities between high-income and low- and middle-income countries during the COVID-19 pandemic. In collaboration with global public health organizations such as WHO and Gavi, RVMC is working to establish regional vaccine manufacturing hubs and create a data-driven, sustainable global supply chain and collaborative ecosystem.

Grounded in these frameworks, we extend our corporate oversight beyond standard Pharmacovigilance (PV) Audits for developing nation partners, dispatching auditing teams and PV specialists to visit partner sites in LMICs. These specialists provide practical advisory support to help local partners understand advanced pharmacovigilance systems; thus building capacity for enhanced safety monitoring. Furthermore, we have delivered comprehensive PV training on our product lines to international partners since 2024, enabling LMIC stakeholders to master advanced PV workflows and localized insights for seamless operational integration.

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Increase in Access to Medicine

Strengthening Social Responsibility in Healthcare

Digital Cognitive Training Project for Dementia Prevention

To address the rising social challenge of dementia, SK chemicals partnered with the social venture SoundMind and the Happiness Foundation in 2022 to deploy and operate the AI-powered cognitive and language training program SoundMind at senior day care centers nationwide. SoundMind is an AI-driven cognitive improvement program that leverages proprietary voice recognition and artificial intelligence to mitigate and delay the onset of dementia symptoms in seniors and individuals with mild cognitive impairment (MCI). Over a 4-year period, the program was deployed across 192 daycare centers centered on manufacturing sites and major metropolitan hubs, engaging 7,025 senior participants. Among these, 2,680 seniors underwent structured cognitive performance measurements, demonstrating a 4.9-point increase in post-assessment scores compared to pre-assessment benchmarks using proprietary cognitive measurement tools. This translates into a 3.1-point improvement when calibrated against the K-MMSE[1] framework, validating a cognitive delay effect of approximately 5.2 years and an approximately 15% improvement in cognitive performance. Additionally, SK chemicals operated the Healthy Brain Class community program in 2025 to raise awareness and support dementia prevention among senior demographics. Rebuilt from our long-standing Visiting Dementia Prevention Class that has been active since 2022, the 2025 program was upgraded to an integrated framework combining digital cognitive training and offline preventive education tracks. We developed customized educational content matching senior and caregiver requirements, leveraging AI-based cognitive training to maximize program efficacy and participant engagement. The program was executed 10 times across 5 regional areas including Seoul, Gyeonggi, Daejeon, Busan, and Gwangju, engaging a total of approximately 400 seniors and caregivers. The program for seniors provided practical preventive information applicable to daily life, featuring activities such as screenings of educational animations and storytelling content focused on dementia prevention and role-playing on how to respond when lost. For caregivers, the curriculum focused on understanding dementia symptoms by stage and coping strategies, and addressing caregiving challenges through real-world case studies. Moving forward, SK chemicals will scale these digital-driven cognitive training, prevention education, and disease awareness campaigns to address dementia challenges proactively within the aging society.

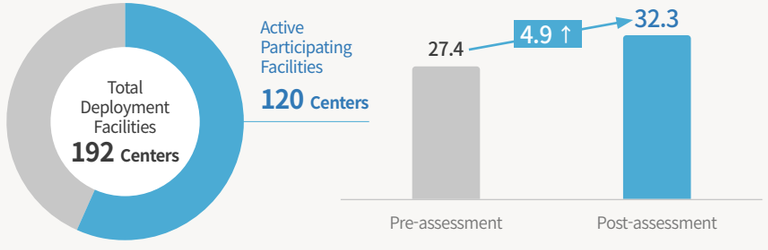
Digital Cognitive Training Project Outcomes for Dementia Prevention

Cognitive Decline Delay and Dementia Prevention Efficacy

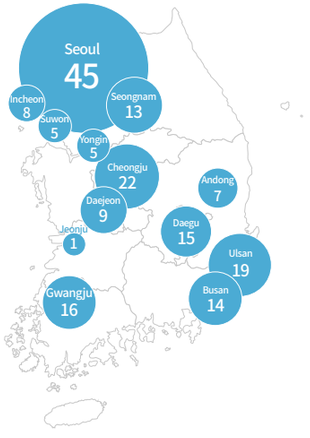
- Pre-vs-Post assessment verification demonstrated a 4.9-point score increase, validating a 5.2-year delay effect against natural cognitive aging metrics

* MMSE baseline conversion: 3.1-point increase, offsetting a 0.6-point annual natural decline

(Unit: Points)



SoundMind Program Deployment Status



Philanthropic Giving Linked to Pharmaceutical Operations

SK chemicals operates a charitable program that donates points accumulated through medical professionals' activities on our proprietary medical information platform Smart-Key to the Korea Pediatric Leukemia Foundation. A total of KRW 47 million has been donated through this initiative since 2021, funding surgeries and medical treatments for pediatric leukemia patients. Moving forward, we will continue to leverage our specialized organizational capabilities—such as our medical information platform—to strengthen targeted community investments and consistently fulfill our social responsibility across the healthcare sector.

Digital Cognitive Training Project in Action

SK chemicals' National Dementia Prevention Campaign: Keep Your Brain Healthy

1) Mini-Mental State Examination: A standardized screening tool utilized clinically to evaluate cognitive function and screen for dementia in elderly individuals.

06 SUPPLY CHAIN ESG MANAGEMENT

Supply Chain ESG Management Policy and Framework

Formulating the Supply Chain ESG Management Policy

Policy of Supply Chain ESG Management

SK chemicals is committed to pursuing sustainable business practices alongside its suppliers to address social and environmental challenges. To this end, we established our Policy of Supply Chain ESG Management in 2024 and disclosed it on our official website. Through this policy, we encourage our suppliers to adhere to international human rights principles including the Universal Declaration of Human Rights and the International Labour Organization (ILO) Fundamental Conventions,[1] thereby embedding human rights management throughout our entire supply chain. Furthermore, we have established clear, internal definitions and criteria for sustainable procurement, setting and disclosing formal targets to expand the sourcing of compliant raw materials and components continuously. We also disclose our supply chain ESG management framework, which features our screening criteria for identifying critical Supplier Code of Conduct, supplier support initiatives, and grievance mechanisms. In tandem with these efforts, we established a Supplier Code of Conduct that details guidelines covering labor and human rights, environmental protection, business ethics, and OSHMS. We require all active suppliers to sign and submit a compliance pledge during annual onboarding and contract renewals through our procurement portal, reinforcing alignment with our corporate standards.

Supply Chain ESG Targets

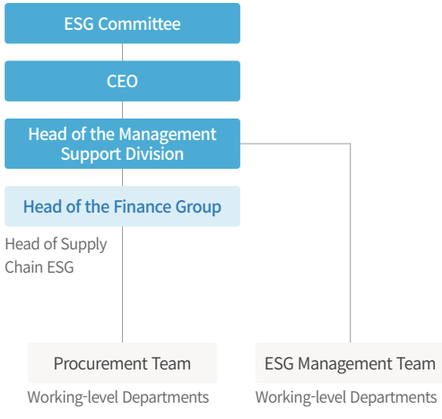
- Supplier Code of Conduct Sign-off Rate: Maintain 100% annually
- Deliver annual environmental training to 100% of suppliers participating in ESG desktop assessments
- Achieve a 30% on-site audit rate by 2030 for suppliers participating in ESG desktop assessments

1) Refers to the Freedom of Association and Protection of the Right to Organise Convention (No. 87), Right to Organise and Collective Bargaining Convention (No. 98), Forced Labour Convention (No. 29) and its 2014 Protocol, Abolition of Forced Labour Convention (No. 105), Minimum Age Convention (No. 138), Worst Forms of Child Labour Convention (No. 182), Equal Remuneration Convention (No. 100), and Discrimination (Employment and Occupation) Convention (No. 111).

Supply Chain ESG Management Framework

SK chemicals recognizes that robust supply chain ESG management is paramount to maintaining and expanding its competitive advantage. Consequently, we update our mid- to long-term supplier ESG risk management roadmaps annually to enhance operational resilience. We also empower our business partners to build their own capabilities by assisting them in establishing internal ESG policies and conducting rigorous self-assessments. For proactive alignment with evolving global regulations such as the EU Corporate Sustainability Due Diligence Directive (CSDDD), we plan to expand both the scope of suppliers subject to ESG evaluations and the assessment areas. We clearly define the roles and responsibilities of the relevant departments to ensure systematic execution. The ESG Management Team and Procurement Team collaboratively formulate supply chain ESG policies and processes. The Procurement Team oversees the overall purchasing workflow, supplier evaluations, ESG support initiatives, and mutual growth programs. The key focus areas of supply chain ESG are reported to the ESG Committee under the Board of Directors, which oversees and monitors supply chain ESG management. To incentivize proactive risk management, we incorporate key supply chain ESG performance metrics of critical suppliers into the Key Performance Indicators (KPIs). These metrics include evaluation completion rates and year-over-year improvements in mitigating risks among the high-risk suppliers identified through our diagnostics. Additionally, we leverage the SK Group's regular training programs for all relevant departments for the continuous enhancement of our organizational expertise in sustainable supply chain management.

Supply Chain ESG Governance Structure

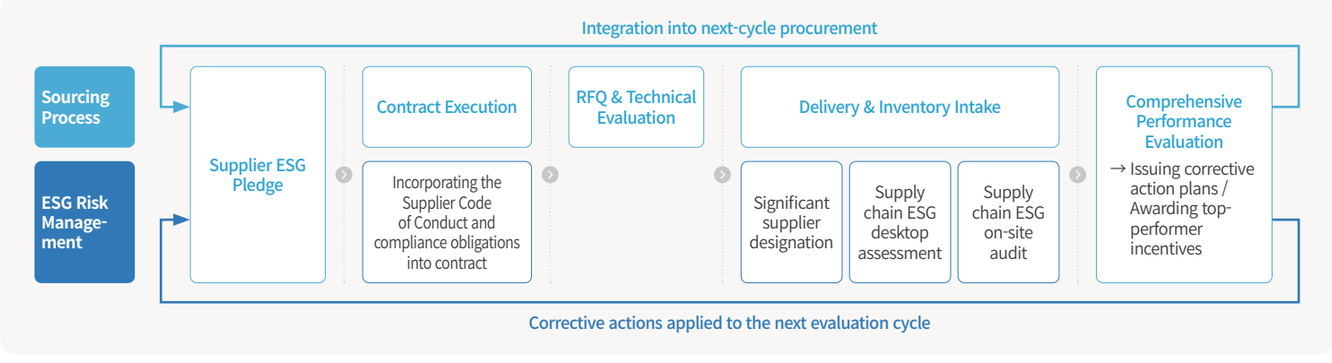


Supply Chain ESG Management

Supply Chain ESG Management Policy and Framework

Sustainable Procurement Process

Sourcing & Contract Process



SK chemicals evaluates the ESG management performance of its supply chain during the raw material sourcing stage to drive sustainable procurement contracts. We require all suppliers to meet our baseline ESG standards spanning labor and human rights, environmental protection, business ethics, OSH, and management systems in alignment with our Supply Chain ESG Management Policy. Compliance is embedded into our core procurement operations; all suppliers routing through our procurement portal must formally accept the Supplier Code of Conduct to sign new agreements or renew existing contracts. We achieved 100% compliance in 2025, with every active portal supplier signing the Code of Conduct. To formalize this commitment further, we have included explicit compliance clauses regarding the Supplier Code of Conduct into our standard procurement agreement templates starting 2026. Under these updated terms, suppliers are required to participate in our supply chain ESG audits and provide relevant supporting documentation upon request. Failure to comply or identification of significant legal risks that breach our Code of Conduct may result in an immediate review of the contract or the temporary suspension of transactions. We are systematically scaling the adoption of these standardized, ESG-inclusive contracts across our supplier base to enforce greater accountability and mitigate supply chain risks proactively. For effective resource allocation, we conduct pre-screening based on business relevance and inherent ESG risks to identify key suppliers subject to intensive management. These selected partners undergo routine ESG evaluations. For these high-priority suppliers, we continuously monitor compliance and emerging ESG risks through regular assessments during the delivery and warehousing stages. Partners flagged as high-risk are issued formal corrective action plans, whereas top-performing suppliers are eligible for performance incentives. These evaluation outcomes directly influence our vendor selection and contract renewals for the subsequent fiscal year. We execute temporary suspensions or contract terminations where necessary for unresolved, high-risk legal noncompliance or failure to meet fundamental ESG requirements. In 2025, five suppliers were issued temporary or permanent suspension of business transactions due to noncompliance. Additionally, we provide targeted training on sustainable sourcing for our procurement personnel to ensure that these principles are institutionalized internally. We conducted a training program titled ESG and Global Supply Chain Due Diligence Regulations for our procurement personnel in 2025, achieving a 100% completion rate among the target participants.

Procurement Overview & Risk Analysis

SK chemicals segments and identifies key suppliers by mapping total procurement spending against inherent ESG risks. We designated 67 high-priority suppliers for intensive management for 2025, focusing on accounts characterized by high spending volume, operational criticality, or elevated risk exposure tied to their ESG performance, geography, raw materials, or product profiles.

Supplier Landscape

Category	Unit	2025
Total number of suppliers	Companies	931
Purchase amount from suppliers	KRW 100 million	6,388
Significant suppliers	Companies	67
Purchase amount from significant suppliers	KRW 100 million	4,378
Purchase rate from significant suppliers	%	69

Key Supplier Selection Criteria

Supply Chain ESG Management

Supply Chain ESG Risk Management Process

Our supply chain ESG risk management framework follows a rigorous, three-stage process: desktop assessments, on-site audits, and corrective action planning backed by continuous supplier support. For the effective identification, prevention, and mitigation of adverse ESG impacts within our value chain, the methodologies for our desktop and on-site indicators are aligned with global sustainability standards as well as domestic legal requirements.

Supply Chain ESG Auditing

To build a competitive and resilient supply chain, SK chemicals has conducted structured ESG evaluations for high-risk, high-volume suppliers since 2021. A total of 66 targeted suppliers completed our desktop assessments (online Self-Assessment Questionnaire, SAQ) in 2025, submitting verified supporting documentation for desktop assessment. The evaluation criteria cover 23 core categories and 66 detailed metrics, integrating global standards including RBA[1] and EcoVadis with local regulatory guidelines. This framework comprises 60 general performance metrics and 6 controversy-related indicators used to flag compliance breaches. To maintain complete transparency, objectivity, reliability, and fairness, all desktop assessment results are validated by an independent, third-party ESG rating agency. Where documentation is insufficient or high risks are flagged, we escalate the evaluation to an on-site audit as necessary. We conducted deep-dive on-site audits in 2025 for 12 suppliers identified as having high potential for improvement during the desktop phase. While we onboarded 164 new suppliers in 2025, none participated in the ESG desktop assessment process as our supply chain ESG assessments are strictly focused on established partners with at least two years' rolling transaction history.

Supply Chain ESG Evaluation Performance

Category		Unit	2025
Desktop Assessment	Targeted significant suppliers	Companies	67
	Assessed suppliers	Companies	66
	Significant suppliers assessed	Companies	66
	Assessment rate of significant suppliers	%	99
	Suppliers flagged as high-risk	Companies	13
On-Site Audit	Audited suppliers	Companies	12
	Significant suppliers assessed	Companies	12
	Assessment rate of significant suppliers	%	100
	High-risk suppliers audited	Companies	7
	Share of high-risk suppliers audited	%	58
Corrective Actions	Suppliers executing corrective actions	Companies	13
	Corrective action participation rate among high-risk suppliers	%	100

1) Responsible Business Alliance

2025 Supply Chain ESG Assessment Criteria

Pillars	Categories	Detailed Metrics
Environment	Environmental Management Systems	Policy governance, performance monitoring, certifications, and compliance history
	Sustainable Products	Eco-friendly product and service R&D/management
	Energy	Energy consumption tracking and renewable energy adoption
	Carbon & GHG Emissions	Carbon footprint tracking and reduction initiatives
	Waste	Waste reduction and recycling programs
	Hazardous Materials	Lifecycle safety, monitoring, and discharge tracking
	Air Emissions	Mitigation technology implementation and emissions monitoring
	Natural Resources	Biodiversity conservation
	Sustainable Materials	Material efficiency systems and consumption tracking
	Water Management	Water conservation, wastewater control and management facilities
Social	Information Security	Cybersecurity policies, monitoring, and breach logs
	Human Rights	Human rights policies, fair contracts, and non-discrimination compliance
	Safety and health	Policy governance, dedicated OSH teams, safety training, and incident rates
	Labor Standards	Compliance with labor standards and regulations, turnover monitoring, and minimum wage adherence
	Working Conditions	Grievance mechanisms, professional development, and employee benefits
	Fair Competition	Anti-trust policies and compliance logs
	Corporate Social Responsibility	CSR roadmap and community engagement programs
	Conflict Minerals	Responsible mineral sourcing compliance
Governance	Transparency & Disclosure	Financial, operational, and ESG performance disclosure
	Risk & Governance Frameworks	Risk identification, dedicated ESG oversight, and reporting lines
	Audit & Oversight	Independent audit bodies and internal audit controls
	Business Ethics	Ethical codes, whistleblower channels, and anti-corruption compliance

Number of suppliers conducting desktop assessment
66%

Audited Suppliers Classified as High-priority
100%

CAP Participation Rate Among High-risk Suppliers
100%

Supply Chain ESG Management

Supply Chain ESG Risk Management Process

Supply Chain ESG Training and Improvement Support

SK chemicals provides targeted ESG training for suppliers subject to third-party evaluations, focusing on the core objectives of the assessments and the specific performance indicators used. By sharing industry best practices and practical response guidelines for each metric, we help our partners strengthen their internal ESG management and better prepare for third-party assessments.

SK chemicals also manages supply chain ESG performance by delivering customized evaluation reports that include specific improvement roadmaps based on third-party on-site audit findings. For high-risk suppliers, we provide detailed performance reports that highlight specific metrics requiring attention, effectively encouraging them to implement corrective actions in underperforming areas.

We offer customized Corrective Action Plan (CAP) development through 1:1 consulting and on-site coaching to facilitate effective risk mitigation.

We conducted on-site coaching for 12 moderate- and high-risk suppliers in 2025, providing foundational ESG training and strategic compliance guidance. This direct coaching offers practical support for suppliers to advance their ESG management frameworks, driving meaningful improvement by providing information on free-to-use platforms and tailored ESG policy templates that match each partner's operational scale and maturity.

We request high-risk suppliers to establish and to submit formal CAPs leveraging these resources, and verify the implementation of these plans during third-party verification processes. We delivered evaluation reports containing the required improvement metrics to all high-risk and selected moderate-risk suppliers in 2025, actively monitoring them to ensure that all corrective actions were executed. Failure to meet baseline ESG requirements within the mutually agreed timeline may result in contractual restrictions or similar measures.

SK chemicals also grants evaluation certificates and performance plaques to participating suppliers in recognition of excellence in ESG management. Moving forward, we plan to formalize incentive frameworks such as preferential scoring during the supplier selection process to encourage continuous capability development across our value chain.

Supplier ESG Support Programs

Program	Description	2025 Participants
ESG Assessment Training	• Education on ESG assessment objectives and metrics, providing response guidelines through metric-specific best practices	44 Companies
1:1 On-Site Coaching	• Deliver CAP implementation consulting for high-risk suppliers - Environmental performance optimization - Energy and GHG emissions management solutions - Waste management compliance support - Safety audits and safety equipment support - Support for establishing and updating OSH management regulations - Employment regulation updates and alignment - Consulting on sourcing process formalization - Guidance on establishing corporate codes of conduct and compliance policies	12 Companies

Supply Chain ESG Management

Building a Foundation for Shared Growth

Shared Growth Programs

SK chemicals is committed to fostering shared prosperity with our stakeholders and building a fair, resilient, and safe supply chain. We are establishing institutional frameworks designed to upgrade supply chain ESG performance to achieve this, operating a wide range of training initiatives and financial support mechanisms.

SK Shared Growth Fund To support the financial stability of our partners, SK chemicals has funded and operated the SK Shared Growth Fund since 2013. Through this fund, suppliers can access operational and facility capital at interest rates up to 6% lower than market averages. We allocated approximately KRW 1.6 billion to six suppliers in 2025, consistently investing in long-term shared growth.

Supplier Landscape

Category	Unit	2023	2024	2025
Total Loan Volume Disbursed to Suppliers	KRW 100 million	22.3	19.3	16.3
Number of Suppliers Receiving Loans	Companies	8	7	6

Subcontractor Payment Acceleration SK chemicals implements early payment schedules for subcontracting fees to minimize cash flow volatility for our suppliers. Payments are settled in cash within 10 days of tax invoice issuance to support smooth operational liquidity.

Advance and Interim Payments SK chemicals operates an advance and interim payment system to stabilize supplier working capital further. We provide cash settlements to equipment suppliers and construction contractors requesting advance or interim payments, enabling uninterrupted material sourcing and project execution. This framework builds a mutually supportive ecosystem with our suppliers while ensuring operational stability. In 2025, we disbursed KRW 4.4 billion in advance payments ahead of major traditional holidays to ease the financial pressure on our partners.

Fostering a Shared-Growth Business Environment SK chemicals spearheads efforts in building collaborative relationships with small and medium-sized enterprises (SMEs) to drive industrial competitiveness and sustainable growth. Notably, we supply steam to neighboring SMEs near our Ulsan plant at rates lower than their own manufacturing costs. This helps alleviate their facility maintenance and resource expenses, addressing fixed-cost challenges for vetted partners while generating mutual benefits and reducing fixed costs through the sale of surplus steam.

Supplier Leadership Development SK chemicals supports tailored educational programs for supplier CEOs, managers, and employees to generate social value and secure sustainable supply chain growth. Our quarterly Supplier CEO Seminars deliver actionable business insights tailored for executives, covering diverse topics such as digital transformation, organizational management, and leadership. Additionally, we conducted executive coaching for supplier managers through three rounds of group and one-on-one coaching sessions to strengthen leadership competencies.

Supplier Grievance Channels

SK chemicals maintains permanent and on-demand grievance channels to foster continuous communication with suppliers, share strategic insights on ESG implementation, and develop mutually beneficial solutions.

Communication Channel	Grievances Logged	Resolution Rate via Standard Process
Win-Win Cooperation Council (Monthly)	4 cases	100%
Supplier CEO Roundtable (Quarterly)		
Supplier Human Rights Impact Assessment		

Shared Growth Cooperation Meetings SK chemicals hosts monthly meetings with suppliers to discuss key operational agendas and maintain sustainable partnerships. These meetings serve as a collaborative platform to share feedback on supply chain management frameworks and explore practical support options to enhance supplier ESG stability.

Quarterly Supplier Representative Meetings SK chemicals hosts quarterly meetings with supplier representatives to engage in strategic dialog for a sustainable supply chain, communicate long-term supply chain ESG blueprints, and align performance expectations. These sessions also allow us to address compliance challenges and co-develop practical mitigation strategies.

Supplier Human Rights Impact Assessments In 2025, we conducted human rights impact assessments and direct interviews across 12 targeted suppliers to capture employee feedback firsthand. Through this process, we identified four distinct actionable areas including improvements to employee rest areas and enhanced data privacy controls and worked alongside the relevant internal business units to execute immediate improvements.

07 REALIZATION OF SOCIAL VALUES

CSR Strategic Direction and Community Engagement

Community Engagement and Development

Guided by our corporate mission "Enhancing human health and protecting the environment," SK chemicals executes core CSR initiatives centered on four pillars: Green, Health, Hope, and Social Impact. We design and deliver community-driven projects closely aligned with the UN Sustainable Development Goals (SDGs) to support global sustainable development goals. We set a formal target to allocate 3% of our rolling three-year average pretax net income to CSR programs in 2022. We collaborate with community institutions to identify on-the-ground social needs for maximum local impact, structuring programs that support underprivileged children and youth in developing into healthy, self-reliant members of society.

SK chemicals' Volunteer Corps

Established in 2004, SK chemicals' Volunteer Corps drives active employee participation in community service. A total of 686 employees participated in volunteer activities in 2025, contributing more than 3,800 cumulative hours. Our CEO leads the volunteer corps formed across our headquarters, Ulsan, and Cheongju sites. The CSR Office sets the overarching direction of corporate volunteering, develops company-wide programs, and coordinates external partnerships. In 2025, we rolled out diverse social initiatives to address local challenges including VALUE Day, Happiness Alliance Happy Box project, and specialized disability awareness programs.

CSR Mission

Creating a sustainable society through environmental stewardship, health promotion, hope, and shared growth

Pillars	Green	Health	Hope	shared growth
	Fostering healthy, safe, and green communities through proactive environmental management	Building community health networks through disease prevention and targeted social programs	Supporting underprivileged groups to grow into resilient and healthy members of society	Leading shared growth through win-win partnerships between large enterprises and SMEs
Core Initiatives	• Upcycling KIT production • River water purification volunteering	• Jigwanseoga (Community library project) • Dementia prevention and care initiatives • Blood donation drives	• Hope Maker (Youth mentorship) • VALUE Day • Family volunteer programs • Support for the Ginkgo Youth Scholarship Foundation	• Supplier employee welfare support

Realization of Social Values

Major CSR Programs

Mid- to Long-Term Community Engagement Targets

	Program	Target Beneficiaries & Scope	2025 (Actual)	2026 (Target)	2027 (Target)	2028 (Target)
Green	Upcycled product manufacturing for resource circularity	Social welfare facilities and youth centers near operating sites	546 participants	550 participants	550 participants	550 participants
Health	Digital cognitive training for dementia prevention	Day and night care centers near operating sites and major metropolitan areas	33,683 hours	35,367 hours	37,135 hours	38,992 hours
Hope	Hope Maker	Sponsorship, financial assistance, and mentoring support for low-income children and youth near operational sites, including Seongnam, Ulsan, and Cheongju	57% employee participation	60% employee participation	60% employee participation	60% employee participation

Green Program

Upcycled Products for Resource Circularity SK chemicals launched an upcycling and product donation campaign in collaboration with SK plasma and fellow SK Group affiliates. Partnering with four social enterprises and social ventures, we design upcycling kits featuring eco-friendly loofahs, cup brushes, and EM dish soap made from natural materials and donate them to social welfare facilities and youth centers alongside cervical pillows woven from recycled socks, embroidered crossbody bags utilizing scrap leather, and cuckoo clocks crafted from wood offcuts. We organized 4 volunteer events involving over 570 employees and their families in 2025, fostering a shared commitment to resource circularity and environmental protection while supporting underserved groups. We incentivize employee participation by awarding cash-equivalent points that can be donated to neighbors in need or exchanged for gift certificates. Moving forward, we plan to expand the impact of these upcycling volunteer programs—now in their sixth cycle—and continue diverse collaborative initiatives across SK Group affiliates.

Health Programs

Digital Cognitive Training Project for Dementia Prevention

Dementia Prevention and Management To address the growing social challenge of dementia in an aging society, SK chemicals operates a program that provides AI-powered digital cognitive improvement solutions to local communities. We partnered with the Happiness Foundation beginning 2025 to develop internal educational content for dementia prevention, hosting 10 educational sessions for individuals with mild cognitive impairment and their caregivers, as well as the general public. In 2026, we plan to expand participation in digital cognitive training through continuous monitoring and increase the frequency of prevention and care educational sessions to 20.

Jigwanseoga, a Center for Humanities and Welfare To support the emotional well-being and quality of life of local residents in Suwon, SK chemicals partnered with local governments for the establishment of Jigwanseoga, a community humanities center using underutilized public spaces. Jigwanseoga is designed as a welcoming community hub where residents can step away from daily routines, engage in reflection, and cultivate personal wisdom. The Suwon branch hosted its official opening in 2025 alongside 26 diverse humanities programs including special lectures, youth seminars, and dedicated reader circles, drawing over 6,100 local participants both online and onsite. By expanding these humanistic values, we improve the well-being and quality of life of community members while creating sustainable local jobs through partnerships with social enterprises and neighborhood bookstores.

Jigwanseoga, a center for humanities and welfare

Realization of Social Values

Major CSR Programs

Hope Program

Hope Maker SK chemicals has operated Hope Maker—our flagship CSR initiative dedicated to community development—since 2012. Partnering with 7 local welfare centers nationwide, the program provides continuous financial and emotional support to 105 underprivileged children and youth.

Hope Maker delivers practical resources including monthly stipends, traditional holiday gifts, Children's Day presents, high school graduation support, and year-end events, helping participants develop into well-rounded members of society. In 2018, we introduced Hope Maker School, an academic and career mentorship program driven by university student volunteers. We collaborate annually with community welfare institutions to design youth-centric initiatives. Notably, our partnership with Hansol Welfare Center yielded strong results, improving participants' understanding of career paths post-graduation by 28.6%. We maintain an enduring commitment to creating positive local impact through Hope Maker.

We hosted the 2025 Hope Maker Year-End Gala at our ECO Lab at Pangyo headquarters in 2025, joining forces with affiliates such as SK discovery, SK gas, SK plasma, and SK bioscience to welcome over 150 guests. The event allowed participating students to give back to the community by donating gifts that they had handmade to the elderly living alone. It also featured ballet and dance performances, as well as orchestra performance by disabled and non-disabled musicians, serving as a meaningful occasion to share values of growth and giving.

Hope Maker Year-End Gala

Happiness Alliance To address child food insecurity through sustainable models, SK chemicals participates in the Happiness Alliance, a collaborative corporate social responsibility network uniting businesses, local governments, and citizens. We have consistently funded nutritional support for underprivileged children and year-end care packages in the Cheongju area since joining as an affiliate in 2020. In 2025, we raised public awareness regarding child food security and supported a participatory donation campaign to manufacture and distribute Happiness Boxes, each of which contains 26 distinct essential items funded by 33 companies and institutions. Employees across our corporate affiliates volunteered to pack these boxes. Moving forward, we will continue our support to mitigate child food insecurity.

VALUE Day Launched in 2025, VALUE Day is SK chemicals' employee-driven CSR initiative designed to support vulnerable demographics and promote community well-being in alignment with our corporate mission. We organized two primary projects—an environmental renovation volunteering initiative at a facility for individuals with developmental disabilities and the production of emergency disaster relief kits—in 2025. Led by our CEO Ahn Jae-hyun, employee volunteers built protective fencing, repaired greenhouses, and upgraded facility safety. The team also assembled 450 emergency relief kits containing 21 essential hygiene, medical, and household products, which were delivered to the NGO Gfoundation.

Happiness Alliance Campaign

VALUE Day Initiative

Disability Awareness Improvement Volunteering

Since 2019, SK chemicals has organized family-inclusive volunteer initiatives focused on driving social inclusion and addressing social issues such as disability awareness.

Spring Outings for Social Inclusion SK chemicals facilitates disability awareness and community engagement programs in collaboration with SK plasma. In April 2025, approximately 50 participants including employees, their families, and welfare center users gathered at the Seongnam Yuldong Eco-Learning Center to mark Arbor Day. Attendees participated in interactive workshops including planting miniature calamondin trees, building smart farm models, preparing brunch, viewing artwork by disabled creators, and picnicking, fostering mutual understanding between disabled and non-disabled peers. We also hosted dedicated disability awareness training for employees and families to build a more inclusive corporate culture.

Traditional Holiday Volunteering SK chemicals hosted Our Chuseok Celebration—a festive event bringing together over 50 individuals with developmental disabilities and employees' families—during the 2025 Chuseok holiday. Participants enjoyed various cultural booths including songpyeon (half-moon rice cakes with sweet fillings) making, rice cake pounding, traditional games, Braille keychain crafting, charity bazaar, and pop art workshops. The event also featured experiential blindness simulations to promote disability awareness. This family volunteer framework has completed 12 cycles with over 400 cumulative participants since its inception in 2019, and we plan to scale these initiatives for vulnerable groups moving forward.

Planting Spring, Connecting Hearts

Our Chuseok Celebration

For Sustainable Governance

Context

Sound and transparent governance directly impacts both financial metrics and non-financial performance. Consequently, enterprises must reinforce the oversight and responsibilities of the ESG Committee while establishing an enterprise-wide integrated risk management framework to drive long-term sustainability. Organizations are also expected to demonstrate corporate social responsibility, enhance internal business ethics, and embed strong ethical awareness among employees. Accordingly, the need for a structured, board-level approach to ethical management continues to grow. This report details the diverse governance initiatives implemented to secure robust and accountable governance structures.

Approach

SK chemicals continuously strengthens the role of the Board of Directors (BOD), prioritizing independence, professional expertise, and diversity. To institutionalize high ethical standards across our entire organization, we conduct regular training on business ethics, compliance, and fair trade while operating a robust Fair Trade Compliance Program and reporting compliance audit findings directly to the BOD. Furthermore, we established an enterprise-wide integrated risk management framework to mitigate emerging operational threats proactively through predictive risk management. Under this system, every business unit establishes annual risk management plans. The status of these initiatives is reported quarterly to the BOD, allowing us to develop response strategies and upgrade our risk management capabilities systematically.

- Ethical Management
- Responsible Governance
- Risk Management
- Information Protection

01 ETHICAL MANAGEMENT

Ethical Management Principles & Governance

Ethical Management Principles

At SK chemicals, we are dedicated to practicing strict ethics and compliance corporate-wide, ensuring that we remain a trusted company to all stakeholders. To this end, we establish robust compliance frameworks as well as an organizational culture anchored in the SK Management System (SKMS), the foundational philosophy of the SK Group, and our Ethical Standards and Code of Ethics Practice Guidelines. We provide precise actionable standards for ethical behavior and value judgments through our Compliance Guidelines to enhance compliance awareness and guide proper decision making. These guidelines incorporate core ethical principles that serve as the foundation for sound business operations, including regulatory adherence for anti-bribery and anti-money laundering, compliance with anti-corruption laws, and prohibition of conflicts of interest.

Ethical Standards / Code of Ethics Practice Guidelines

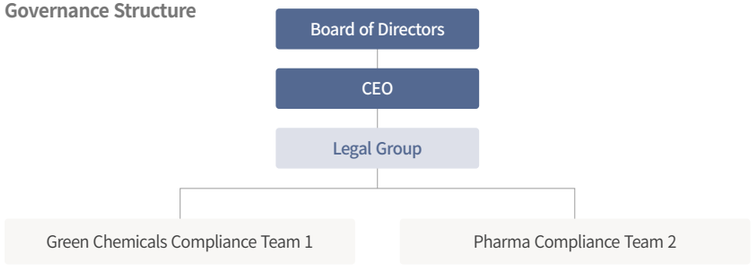
Ethics Management Principles

	Code of Conduct	Compliance Guidelines
Objective	Defines employees' responsibilities and accountability toward stakeholders	Provides precise standards for ethical decision making and workplace conduct
Core Elements	• Building customer trust and driving mutual growth • Enhancing stakeholder value • Maximizing shareholder value • Fostering fair competition and shared success with business partners • Contributing to economic development and social welfare • Eradicating corruption and preventing conflicts of interest • Advancing public health and environmental stewardship	• Standards of conduct for our people • Commitments to our customers • Responsibilities to employees • Responsibilities to shareholders • Fair relations with business partners • Corporate citizenship and social responsibility • Regulatory compliance protocols • Application of the Code of Conduct/ Compliance Guidelines

Ethics Management System

SK chemicals maintains a board-led oversight structure to ensure top-down accountability for our ethics and compliance programs, operating a specialized, dedicated ethics and compliance organization for our Green Chemicals and Pharma business unit. The BOD serves as the ultimate governing body reviewing and approving the Code of Conduct and Compliance Guidelines as the foundational principles guiding ethical conduct and decision making, while endorsing annual action plans and receiving regular progress updates. The CEO actively drives our ethical culture and its execution across the enterprise. The dedicated compliance team oversees ethical initiatives within the Green Chemicals and Pharma business units, monitoring the implementation status and reporting directly to the CEO. Additionally, SK chemicals designates business-specific compliance officers to disseminate legal and regulatory updates, enhancing compliance awareness among its people while robustly executing activities across three core phases: Prevention, Detection, and Response.

Governance Structure



Ethical Management

Our Principles & Governance

ISO 37001 Certification: Anti-Bribery Management System

SK chemicals acquired the ISO 37001 Anti-Bribery Management System certification in the first half of 2023. By maintaining this framework, we have strengthened our corporate governance and established a global-level anti-corruption culture. This achievement underscores our steadfast commitment to integrity, enhancing corporate credibility and serving as a cornerstone for global stakeholder trust.

We have codified internal anti-bribery regulations that fully incorporate the rigorous requirements of ISO 37001, establishing clear departmental responsibilities and authorities. These regulations specify clear operating criteria to eradicate corruption and bribery, mandating strict compliance with internal protocols and applicable laws when offering or receiving gifts, hospitality, donations, or any similar business courtesies. In 2025, we successfully cleared our third-party surveillance audit by satisfying all assessment criteria; thus seamlessly maintaining our certified status once again. We remain committed to refining our compliance frameworks continuously to align with global benchmarks, validating system effectiveness through periodic external audits to ensure long-term operational impact.

ISO 37001 Certification

Core Components of the Anti-Bribery Framework

Anti-Bribery Management Regulations

1. Establishing anti-bribery policies and measurable targets
2. Defining organizational roles, accountability, and operating criteria
3. Implementing bribery risk identification, assessment, and mitigation procedures
4. Developing comprehensive compliance communications and training channels
5. Conducting regular monitoring, internal audits, and iterative improvements

Ethics & Compliance in Action

Cultivating an Ethical Culture

SK chemicals proactively engages in multifaceted initiatives to cultivate an organizational culture rooted in compliance. We conduct an all-employee Ethical Compliance Survey every year to gauge awareness, identify potential vulnerabilities, and report the findings directly to executive leadership and relevant board committees. To enhance compliance practices, we deliver mandatory annual training for all employees and host leader-led deep-dive compliance workshops, both of which were conducted once in 2025.

We also mandate all domestic employees and expatriates to sign an annual Ethical Compliance Pledge to disseminate our Code of Conduct. This pledge is distributed in both Korean and Chinese, and we actively drive initiatives to share and scale our compliance programs across all subsidiaries.

Additionally, we issued an Ethical Policy Letter to 1,523 domestic business partners in 2025 to promote a culture of compliance. We continue to collect signed ethical pledges from these partners while delivering tailored ESG training programs—including ethics modules—to major suppliers to strengthen their overall sustainability capabilities.

Fostering an Ethical Culture

- Conducting compliance surveys and reporting insights to leadership and board committees
- Delivering company-wide compliance training, leader-led workshops, and supplier ESG programs
- Implementing ethical pledges for employees and expatriates while scaling to subsidiaries
- Sharing ethical policy guidelines and collecting compliance pledges from partners

The Compliance Process

Prevention	Detection	Response
Policy and guideline updates, employee training, and regulatory tracking	Internal audits, whistleblowing management, and investigations	Root-cause analysis, preventive strategy development, and disciplinary measures

Ethical Management

Ethics & Compliance in Action

Ethics & Compliance Training

To cultivate a strong sense of accountability and raise ethical standards, SK chemicals provides comprehensive compliance training annually. Our educational initiatives comprise digital training modules mandatory for all full-time and contract employees, alongside interactive, leader-led compliance workshops for deep-dive discussions.

In 2025, our company-wide online compliance training utilized case-based scenarios covering workplace negligence, outside employment bans, asset protection, anti-bribery protocols, and whistleblowing procedures. These interactive workshops were facilitated by executives, addressing the core topic of Attendance and Outside Employment alongside one additional self-selected topic—either Respect in the Workplace or Improper Business Processing—chosen based on our compliance survey vulnerabilities. As a result, each business unit debated two distinct themes. Consequently, we achieved a 100% departmental participation rate in 2025.

2025 Ethics & Compliance Training Performance

Program	Core Focus	Target Audience	Frequency	Participants
Online Ethics Training	Workplace negligence, outside employment bans, asset protection, anti-bribery protocols, and reporting methods	All employees	Annual (1x)	1,552[1]
New Hire Onboarding	Basic Ethics Guidelines	New employees	As needed (1x)	11[2]

1) Based on all SK chemicals' operating sites, including overseas subsidiaries
2) Based on SK chemicals (standalone)

Whistleblowing System

To strengthen ethical management practices, SK chemicals operates diverse communication channels for capturing concerns regarding legal or ethical breaches. Reports are received securely via the SK Integrated Ethics Management System (website), email, phone, or traditional mail and are initially funneled to Compliance Team 1. Depending on the nature and scope of the report, investigations are systematically routed: Green Chemicals matters are handled by Compliance Team 1; Pharma matters, by Compliance Team 2; and human resource concerns, by the HR department. Notably, offenses involving sexual harassment, personal enrichment, recurring workplace bullying, antitrust violations, fraudulent reporting, data leak, or whistleblower retaliation are classified as major misconduct, triggering severe disciplinary actions up to suspension or termination by the Disciplinary Committee. We provide structured tracking and status updates to the reporter for reports submitted online, and all case resolutions are regularly reported to executive leadership and Audit Committee of the Board.

Reporting Scope & Whistleblower Protection

All stakeholders including suppliers, customers, and third parties can submit identified or anonymous reports regarding labor, human rights, environmental impacts, anti-corruption, data security, or supply chain sustainability. Whistleblowers can monitor the investigation progress and final outcomes via our online reporting portal. SK chemicals guarantees strict confidentiality and identity protection for all reporters, strictly prohibiting retaliation, discrimination, exposure, or any adverse employment actions. Whistleblowers experiencing any negative repercussions can immediately request protective or corrective measures from the compliance organization. Any employee found to be engaging in retaliatory behavior is subject to our zero-tolerance policy, resulting in severe disciplinary action of suspension or termination.

Reportable Categories & Scope

Supplier Misconduct & Abuse of Authority	Kickbacks, improper entertainment, personal demands, unauthorized equity investments, coercive directives, and verbal or physical abuse
Conflicts of Interest	Outside employment, excessive personal tasks during working hours, peer-to-peer lending, insider trading, and related-party transactions
Compromising Social Value	Noncompliance with SHE and quality regulations, disregard for vulnerable groups, customer data leaks, and provision of false information to customers
Workplace Harassment & Misconduct	Verbal or physical abuse, sexual harassment, social isolation, exclusion from work-related activities, demanding personal errands
Improper Business Processing	Falsification of corporate reports, noncompliant sales practices, personal use of corporate expenses and assets, and data leaks

Ethical Management

Ethics & Compliance in Action

Risk Audits & Diagnosis

To advance operational integrity, SK chemicals' dedicated units (Compliance Teams 1 and 2) conduct internal audits including regular compliance audits, follow-up implementation reviews, self-regulatory monitoring, and whistleblower investigations. We categorize and evaluate organization-specific and functional risks annually to conduct regular audits and tracking, running internal monitoring networks across high-risk operations. For incoming reports, we protect whistleblower anonymity as a top priority and conclude investigations within standard operational timelines. At the same time, we ensure absolute transparency and fairness to strengthen employee trust in our oversight mechanisms.

Internal Audit[1] Framework

Guidelines | Reporting Channel | SK Ethics

Online Reporting | Reporting Channel | SK Ethics

Regular Audits	Follow-up Audits
Biannual regular risk assessments by organizational unit and function	Biannual tracking of audit recommendation compliance
Self-Regulatory Monitoring	**Whistleblower Investigations**
Annual self-assessments based on enterprise risk parameters	Rigorous fact-finding for all actionable reports received

Reporting & Investigation Flow

Intake & Logging	Report Classification	Investigation	Review & Reporting	Remediation & Follow-up
Website, phone, email, mail, or in-person interviews	Assign investigative authority based on the seniority of parties and severity of allegations	Engage the relevant departments as required	Review findings, route disciplinary proposals for executive approval, or execute supplemental inquiries	Provide outcome feedback upon request and refer cases for disciplinary action when warranted

1) Internal audits cover all operating sites
2) Refers to internal audits and continuous self-assessment initiatives

System Performance & Continuous Improvement

SK chemicals rigorously evaluates the self-regulatory monitoring system to swiftly align with evolving regulatory changes and societal expectations. Adhering to internal guidelines, these assessments scrutinize six core pillars: expense management, procurement and business partners, human resources, sales and receivables, capital investments, and specialized risk items. These protocols covered 100% of our 5 key operating sites (Corporate Headquarters, Ulsan Plant, Cheongju Plant, SK bioscience Andong Plant, and SK multi utility Facilities) in 2025. The review identified 3 areas for improvement within the Green Chemicals business unit and 1 within the Pharma business unit, leading to 4 specific corrective action plans that were delivered to the respective units for implementation.

Proportion of operating sites covered by ethical compliance audits and risk assessments[2]

100%

Ethics Risk Identification & Mitigation

SK chemicals conducts robust investigations on all incoming whistleblower reports alongside regular and follow-up compliance checks, handling investigation and assessment through fair, standardized protocols.

Our internal audit schedule runs on a 3-year cycle across all domestic and international subsidiaries under a master medium-term roadmap, utilizing an integrated enterprise risk pool to define audit parameters.

All audit structures and outcomes are reported directly to the Audit Committee. We conducted 2 regular audits in 2025, issuing strategic recommendations that are currently being implemented by the respective departments. Out of nine whistleblower submissions received via our channels in 2025, three cases met our threshold for formal investigation. One case was validated as a procedural and guideline violation, resulting in immediate corporate disciplinary actions.

Violation Type	Confirmed Cases in 2025
Corruption and bribery	0
Discrimination or harassment	0
Customer privacy and data leak	0
Conflicts of interest	0
Money laundering or insider trading	0
Other	1

Ethical Management

Fair Commerce

Fair Commerce

In 2006, SK chemicals implemented its Compliance Program (CP) to ensure rigorous adherence to antitrust laws and promote fair competition across all operations.

Under the direction of our Chief Compliance Officer, compliance practitioners in each business unit systematically monitor operations using structured checklists. To mitigate potential legal exposures proactively, we maintain a robust internal oversight framework that includes mandatory pre-reviews and consultations with our internal legal experts.

Our Pharma Business is held to exceptionally high ethical and fair trade standards due to its direct impact on public health. Operating in a highly regulated sector that requires deep specialized expertise, we established a dedicated Pharma Compliance unit in 2016 to manage risks systematically. In 2025, we reorganized and integrated this unit into the Corporate Legal Group operating directly under the Chief Compliance Officer to streamline oversight and enhance data-driven decision making.

Furthermore, the dedicated Pharma Compliance team has established the Compliance Program (CP) Guidelines to mirror the current landscape of the pharmaceutical industry. We ensure that compliance aligns with industry realities by maintaining separate operational protocols that incorporate real-world case studies and continuously updating them to reflect regulatory shifts. Furthermore, to expand ethical standards across our broader ecosystem, we conduct compliance audits for third-party distributors and mandate interactive compliance training for event management agencies.

Supplier Compliance Audits

SK chemicals conducts comprehensive ESG assessments for critical suppliers to mitigate legal and ethical risks within the supply chain, evaluating the establishment and implementation of fair-trade policies, whistleblowing mechanisms, and regulatory violations. For suppliers flagged as high-risk, we contract independent third-party auditors to conduct rigorous on-site inspections covering fair trade practices and anti-corruption controls.

Institutionalizing Fair Commerce

SK chemicals enacted and communicated the Fair Commerce Code of Conduct to embed ethical practices into our corporate culture, setting clear legal benchmarks for all employees. We also issued the Fair Commerce Compliance Manual, which integrates domestic antitrust regulations with international anti-corruption laws, including the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act.

We mandate annual ethics and fair-trade compliance training to reinforce these principles. Complementing this are the targeted compliance tracks we designed, tailored to the specific risk profiles and operations of individual business functions. Notably, we conduct specialized annual training for Pharma marketing and sales personnel to address the unique fair trade and compliance risks inherent in pharmaceutical sales and marketing activities. Unlike company-wide general training, this job-specific curriculum features scenario-based marketing case studies rooted in the Fair Trade Act, Pharmaceutical Affairs Act, and Fair Competition Code. It delivers concrete guidelines on high-risk activities likely to occur during actual operations, such as rebates, promotional activities, and academic/scientific support. To reinforce members' commitment to fair trade, the Pharma business unit issues an annual fair-trade compliance declaration by the CEO alongside fair trade training for new hires and regular compliance training specifically tailored for marketing-related departments. Furthermore, we reviewed approximately 53,000 activities in 2025 through our dedicated Pharma Compliance division, proactively preventing pharma marketing-related issues.

2025 Fair Commerce Training Metrics

Program	Core Content	Target Audience	Sessions	Participants
Annual Pharma Marketing Compliance Training[1]	Pharmaceutical fair trade regulations and industry trends	Pharma Business sales and marketing personnel	2	333
Compliance Onboarding	Pharmaceutical marketing laws and compliance frameworks	New hires and lateral recruits in the Pharma Business	1	18
ESG & Greenwashing Compliance	Regulatory frameworks and risks regarding environmental claims and advertising	Relevant functions including Business, Legal, PR, and ESG teams	1	66

1) Role-specific compliance training

02 RESPONSIBLE GOVERNANCE

In keeping with the amendment to Article 542-8 of the Commercial Act, the designation of Independent Director has been adopted throughout this report effective July 23, 2026.

Board Composition and Expertise

Board Composition

SK chemicals' Board of Directors (BOD) meets regularly to integrate shareholder and stakeholder perspectives into corporate strategy, reviewing critical social, environmental, and economic agendas. As of March 2026, the Board comprises two Inside Directors, four Independent Directors, and one Non-Executive Director. The roles of Board Chair and CEO are separated to ensure objective oversight and effective checks and balances, with Independent Directors maintaining a strict majority. To prevent conflicts of interest, concurrent board memberships are legally limited to one additional position and employment at competing firms is strictly prohibited. We also maintain strict recusal protocols to exclude directors from voting on agendas where potential conflicts of interest exist. Reappointment nominations are rigorously vetted based on performance evaluations conducted at the end of each term.

SK chemicals prioritizes proven expertise and professional track records when evaluating board candidates. Individual qualifications, professional backgrounds, and independence criteria are fully disclosed to the public. Our independent directors—recognized experts in fields such as industry and economics—provide specialized review and insights in their respective areas of expertise to facilitate rational and informed decision making. To enhance the expertise and efficiency of the Board, we establish and operate five specialized subcommittees under the Board: Audit Committee, Independent Director Recommendation Committee, ESG Committee, Personnel Committee, and Internal Transaction Committee.

Board Composition and Expertise Matrix[1)]

Category	Name	Gender	Age	Expertise	Term	Key Experience & Rationale for Appointment	Committee Assignments
Inside Director	Ahn Jae-hyun (CEO)	Male	60	Industry, Corporate Management	Mar. 2026-Mar. 2029	Served as CEO of SK discovery, CEO of SK D&D, Head of Corporate Support & Chair of New Growth Energy Committee at SK gas, and CEO of SK ecoplant; led diverse investments and M&A initiatives; successfully drove SK ecoplant's strategic transition to eco-friendly and green energy business structures	ESG Committee
	Park Hyun-seon (Business Head)	Male	55	Industry, Corporate Management	Mar. 2026-Mar. 2029	Holds a degree in pharmacy with extensive experience across marketing, R&D, and corporate strategy; former Head of Pharma Planning Team, building expertise in the pharma and biotech sectors; currently serves as Head of Pharma business unit, playing a pivotal role in optimizing core segments while driving long-term strategy and portfolio optimization	-
Independent Director	Park Tae-jin (Chair of the Board)	Male	64	Global Capital Market	Mar. 2025-Mar. 2028	Served as Korea President and Asia-Pacific Vice Chairman of JP Morgan; brings over 20 years of expertise in corporate finance and capital markets	Personnel Committee (Chair), Audit Committee, Internal Transaction Committee
	Lee Jung-seok	Male	60	Legal	Mar. 2026-Mar. 2029	Served as judge at Seoul District Court and Seoul High Court for approximately 24 years; currently a Managing Partner at a law firm, handling litigation and advisory services across diverse fields; expected to leverage extensive legal experience, knowledge, and competence to enhance the expertise, independence, and diversity of the Board and Audit Committee	Independent Director Recommendation Committee (Chair), Audit Committee, ESG Committee, Internal Transaction Committee
	Oh Seong-hoon	Male	57	Finance, Accounting	Mar. 2026-Mar. 2029	Certified Public Accountant with over 20 years' experience in corporate auditing, financial advisory, and consulting; managed complex M&A transactions, corporate restructurings, and financial due diligence at Deloitte Anjin and Deloitte Consulting; corporate finance expert	Audit Committee (Chair), Internal Transaction Committee (Chair), Personnel Committee
	Choi Sunmee	Female	57	ESG	Mar. 2024-Mar. 2027	Professor at Yonsei University School of Business; brings deep insights and extensive experience gained through diverse global and domestic activities; positioned to enhance Board diversity and expected to improve the transparency and independence of the Audit Committee	ESG Committee (Chair), Audit Committee, Independent Director Recommendation Committee
Non-Executive Director	Son Hyun-ho	Male	56	Corporate Finance, Project Development, and Strategy	Mar. 2025-Mar. 2028	Served as Head of the Finance Division at SK Inc. and led the Strategy Support Team at the SK SUPEX Pursuit Council; a finance and corporate strategy expert with extensive practical experience	Independent Director Recommendation Committee, Personnel Committee

1) As of March 2026

Responsible Governance

Board Independence

Corporate Governance Charter

SK chemicals continuously updates its Corporate Governance Charter, which was originally adopted in 2021. In 2022, we fully revised the main text of our Corporate Governance Charter to reflect the amended Corporate Governance Model Guidelines issued by the Korea Institute of Corporate Governance and Sustainability (KCGS) while updating its preamble to incorporate the revised SKMS management philosophy. Key updates include detailing the Board's roles and responsibilities, defining the functions of Board subcommittees, strengthening director nomination procedures for general shareholder meetings, expanding communication with shareholders and stakeholders, and institutionalizing our commitment to employee happiness, Board-centric management, and transparent governance. In April 2026, we completed a second revision to integrate recent amendments to the Commercial Act.

Enhancing Independence and Diversity

Independent Director Independence Guidelines

With evaluation agencies and institutional investors, including KCGS and the National Pension Service (NPS), demanding higher governance standards, board independence and diversity have become critical criteria. In response, SK chemicals established formalized guidelines to guarantee these standards. Our Independent Director Independence Guidelines codify strict statutory mandates alongside heightened recommendation criteria, with our Board Diversity Guidelines instituting broad diversity requirements and comprehensive expertise standards. These frameworks are available on our corporate website for continuous stakeholder review. When nominating directors, we evaluate each candidate's professional background and expertise to ensure balanced decision making and management oversight. Final nominees are recommended to the general meeting of shareholders only after verifying that they meet no disqualification grounds under the Commercial Act and its Enforcement Decree. Additionally, our Board currently includes one female director as part of our efforts to strengthen board diversity and expertise. We recognize that board independence and diversity are fundamental catalysts for sustainable growth and innovation. Moving forward, we will continue to recruit talents with diverse backgrounds and deep expertise to build a governance structure aligned with global standards.

Current Status of Board Independence Criteria Fulfillment

Independence Criteria	Park Tae-jin	Lee Jung-seok	Oh Seong-hoon	Kim Sunmee Choi
Not employed by the company as an executive management member, including the CEO, within the past 5 years	●	●	●	●
The independent director and immediate family members have not received more than $60,000 from the company, parent, or subsidiaries within the past 3 years	●	●	●	●
The independent director and immediate family members must not have served as executive officer of the company, its parent, or subsidiaries within the past 3 years	●	●	●	●
Does not serve as adviser, consultant, or senior executive to the company, maintains no material alliances	●	●	●	●
Maintains no material alliances with major customers or suppliers of the company	●	●	●	●
Does not engage in personal commercial transactions or service contracts with the company or its executive management	●	●	●	●
Does not engage in material transactions or alliances with NGOs receiving significant donations from the company	●	●	●	●
Has not served as partner or employee of the company's external auditor within the past 3 years	●	●	●	●
Satisfies all other independence criteria defined by the Board and remains free from potential conflicts of interest	●	●	●	●

Performance Evaluation & Compensation

Board Performance and Compensation Framework

Director compensation including the CEO falls within the aggregate remuneration cap approved annually by shareholders. Inside Director compensation is determined based on the value of job execution. Performance-based compensation is calculated by comprehensively evaluating quantitative metrics including revenue, operating profit, and income before income taxes, alongside qualitative metrics such as leadership, expertise, and overall corporate contribution. Independent Director compensation is structured via standardized protocols and is distributed equally. The approved aggregate compensation cap in 2025 was KRW 5 billion with KRW 2.949 billion allocated across 8 registered directors, yielding an average per-capita compensation of KRW 369 million.

Director (including CEO) Compensation Standards

Category		Performance Metrics
Inside Director	Financial Performance	Revenue, operating profit, pretax net income, net income, etc.
	Non-Financial Performance	Strategic goal achievement (including ESG milestones), leadership, etc.
Audit Committee Member		Oversight Responsibilities, professional expertise, company's business environment and risk profile

Breakdown of 2025 Board Compensation (including CEO)

Category	Number of Directors	Total Compensation (KRW million)	Average Per-Capita Compensation (KRW million)
Registered Directors[1]	3	2,521	840
Independent Directors[2]	-	-	-
Audit Committee Members[3]	5	428	86
Audit & Oversight	-	-	-

1) Excludes independent directors and Audit Committee members
2) Excludes Audit Committee members
3) Includes 1 retired director

Breakdown of 2025 Board Compensation (including CEO)

Category	Unit	Amount
CEO Compensation[1] (A)	KRW Million	1,254
Employee Average Compensation (B)	KRW Million	90
Employee Median Compensation (C)	KRW Million	86
CEO-to-Employee Average Pay Ratio (A/B)	x	13.9
CEO-to-Employee Median Pay Ratio (A/C)	x	14.6

1) Reflects the average of pay of Co-CEOs Kim Cheol and Ahn Jae-hyun

Responsible Governance

Efficient Board Operations

Board Operations

In 2025, SK chemicals' Board of Directors convened for 14 regular sessions, reviewing, and voting on key agendas based on global market developments. Pursuant to the relevant laws and our Articles of Incorporation, the Board resolves matters stipulated by Board regulations, matters delegated by the general meeting of shareholders, and major issues concerning foundational corporate policies and the execution of business. Furthermore, it performs the role of reviewing and delivering final approvals for ESG strategies and key performance. The average board attendance rate for 2025 was 98.0%

Board Subcommittees

To enhance the efficiency and expertise of Board operations, SK chemicals establishes and operates five subcommittees under the Board: Audit Committee, Independent Director Recommendation Committee, ESG Committee, Personnel Committee, and Internal Transaction Committee. The Board identifies risks and opportunities across business sectors and reviews response strategies for both financial and non-financial risks and opportunities through our risk management framework. Specifically, the ESG Committee sets targets for ESG-related activities and reviews detailed execution plans, considering environmental management and corporate social responsibility policies.

Operational Status of Board Subcommittees[1)]

Category	Chair	Core Responsibilities	Key Agendas Reviewed
Audit Committee	Oh Seong-hoon	• Audits financial execution, calling for operational reports	• Pre-review of internal transactions • Audit report finalization • Operation and evaluation of Internal Control over Financial Reporting (ICFR) • Internal audit/ethics reports
Independent Director Recommendation Committee	Lee Jung-seok	• Nominates independent director candidates for general shareholder meetings and handles related matters; reviews other matters delegated by the Board	• Independent director nomination approvals
ESG Committee	Choi Sunmee	• Identifies material ESG issues and provides advisory and review services for sustainable growth strategies and ESG direction	• Conducts pre-deliberations on major ESG matters • Oversees ESG materiality assessment • Reviews ESG performance and action plans
Personnel Committee	Park Tae-jin	• Evaluates CEO performance and retention; reviews the appropriateness of inside director compensation; determines evaluations and remuneration for key executives	• CEO KPI reviews • CEO/Executive compensation review • CEO retention and executive assessment reporting
Internal Transaction Committee	Oh Seong-hoon	• Review of large-scale related-party transactions above a certain threshold to strengthen internal controls and improve oversight over unfair intercompany support	• Prior review of transactions with affiliates and related parties

1) As of March 2026

Board Evaluation

SK chemicals conducts an annual Board self-evaluation by independent directors to continuously improve governance effectiveness. The diagnostic framework evaluates performance across six core categories: Board composition, roles, responsibilities, operations, committee structure, and committee roles/management. The 2025 evaluation (conducted in January 2026) yielded a score of 4.9 out of 5.0. The evaluation results are reported and discussed as formal Board agenda items and are utilized to drive structured governance advancements moving forward.

2025 Board Evaluation Results

Category	Evaluation Score (Out of 5.0)
Board Composition	4.8
Board Roles	4.9
Board Fiduciary Duties	4.7
Board Operations	4.8
Committee Structure	4.9
Committee Execution / Management	5.0
Aggregate Performance Score	4.9

Board Education

SK chemicals operates support organizations and training programs to ensure that independent directors can fulfill their professional duties effectively within the Board and its subcommittees. Meeting materials are also provided well ahead of Board and committee sessions to allow sufficient review of the agendas, and separate briefings are hosted whenever necessary.

2025 Independent Director Education Matrix

Date	Core Training Content	Attendees
May 28, 2025	• SK chemicals' strategic roadmap and capital expenditure plans	Moon Seong-hwan, Cho Hong-hee, Park Tae-jin, Choi Sunmee
Nov. 12, 2025	• SK Director's Summit 2025 - Sharing group-wide strategic priorities - Strengthening compliance under board-centric autonomous and accountable management - Structural changes in the business environment and role of the board	Moon Seong-hwan, Cho Hong-hee, Park Tae-jin, Choi Sunmee
Dec. 10, 2025	• SK chemicals' Strategic Session - Review of 2026 operating plans and core milestones - Discussions on corporate and business unit strategies	Moon Seong-hwan, Cho Hong-hee, Park Tae-jin, Choi Sunmee

Independent Director Appointment Process

Candidate Pool Generation → Candidate Vetting → Final Selection & Recommendation by Committee → Shareholder Vote Approval at General Meeting

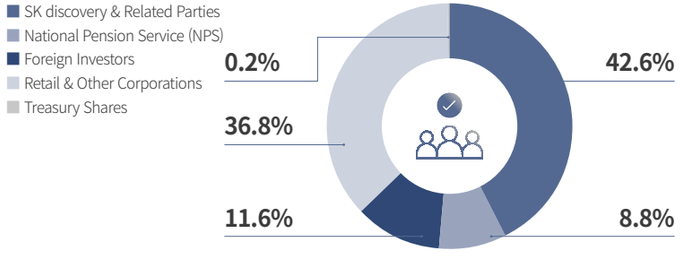
Responsible Governance

Shareholder-Friendly Management

Expanding Shareholder Returns

Since its corporate spin-off in 2017, SK chemicals has actively pursued shareholder returns in line with profit growth. We announced a 3-year mid-term dividend policy in October 2021 to secure visibility, and we continue to evaluate enhancements to establish a highly competitive, shareholder-centric framework. We amended our Articles of Incorporation in March 2022 to introduce interim dividends, completing our inaugural interim payout in July followed by the cancellation of treasury shares representing 2% of outstanding common stock in September. Furthermore, during the February 2023 board session, we authorized a total dividend payout exceeding our stated policy target (allocating 30% of separate net income, excluding non-recurring gains and losses). We further upgraded our dividend methodology in 2024 by enabling the Board to determine record dates independently to maximize payout predictability, optimizing the dividend workflow so that investors can assess dividend sizes prior to capital deployment from the August interim distribution onward.

Shareholder Composition Profile



Date: As of December 31, 2025, based on common stock outstanding

Shareholder	Shares Owned
SK discovery & Related Parties	7,368,861
NPS	1,514,010
Foreign Investors	2,012,167
Retail & Other Corporations	6,373,819
Treasury Shares	29,909
Total Shares Issued	17,298,766

Dividend Per Share (KRW)

Year	Dividend Per Share (KRW)		Outstanding Dividend Shares		Dividend Yield (%)[1]	
	Common Shares	Preferred Shares	Common Shares	Preferred Shares	Common Shares	Preferred Shares
2023	650	700	17,222,926	1,967,296	1.0	2.3
2024	1,150	1,200	17,222,926	1,967,296	2.8	6.4
2025	1,150	1,200	17,268,857	2,111,063	1.7	4.3

1) Based on fiscal year-end (December 31) market prices

Executive Share Ownership

To drive long-term enterprise value and align executive accountability with shareholder interests, SK chemicals issues stock options to executive management subject to authorization at the general meeting of shareholders. These options can also be granted as performance-linked incentives tied to corporate performance metrics. Comprehensive criteria regarding stock option allocations are fully disclosed via our Articles of Incorporation. In March 2025, the general meeting of shareholders granted 140,000 stock options to CEO Ahn Jae-hyun. As of late December 2025, registered directors including the CEO hold an aggregate total of 10,616 shares.

Breakdown of Executive Stock Ownership As of December 31, 2025

Category		Shares Owned	Ownership Stake (%)
Registered Director		10,616	0.05
Inside Director	Kim Cheol (CEO)	3,000	0.02
	Ahn Jae-hyun (CEO)	7,616	0.04
Non-Executive Director	Son Hyun-ho	0	-
Independent Director	Park Tae-jin (Chair of the Board)	0	-
	Lee Jung-seok	0	-
	Oh Seong-hoon	0	-
	Choi Sunmee	0	-

Transparent Disclosure

To safeguard shareholder rights, SK chemicals hosts annual general meetings of shareholders so that operating performance can be shared and shareholder opinions on corporate direction and management can be gathered. Material resolutions authorized by the Board are immediately disclosed to ensure that shareholders and other stakeholders have immediate access to information. We are particularly committed to publishing investor-critical updates via the corporate website, the Financial Supervisory Service's electronic disclosure system (DART), and the Korea Exchange (KRX) platform to maximize market transparency.

03 RISK MANAGEMENT

Risk Management Governance

Establishing an Enterprise Risk Management Framework

SK chemicals operates an enterprise-wide risk management framework centered on its Chief Risk Officer (CRO). Each business division/corporate department continuously monitors the likelihood and potential operational impact of risks within their respective domains. Notably, Compliance Team 1 manages a dedicated compliance oversight system to monitor regulatory adherence and mitigate legal exposures enterprise-wide.

Risks monitored across individual business units span diverse corporate functions including finance, HR, legal, quality assurance, safety, health, and environment (SHE), and general business operations. Any potential risk detected by a relevant unit is immediately escalated to the responsible executive officer and the CRO, triggering immediate mitigating protocols.

The CRO provides an independent reporting line to the Board of Directors at least once a year, detailing enterprise-wide risk assessment outcomes and mitigation performance. As our supreme decision-making body for risk oversight, the Board reviews the adequacy of established risk management strategies and evaluates their alignment with our broader ESG governance framework.

Strengthening Risk Management Capabilities

SK chemicals provides comprehensive training across multiple disciplines—including ESG metrics, industry-specific regulations, and legislative trends—to equip its workforce with risk awareness and proactive management capabilities. In 2025, we conducted specialized internal training sessions focusing on sector-specific regulatory risks and greenwashing risks. We foster an organizational culture that empowers executive leadership and individual business units to manage risks proactively through these initiatives.

Key Employee Risk Training Metrics

Date	Risk Category	Program Lead	Program Title	Attendees
Feb. 2025	Regulatory Risk	PSRA Team	EU PPWR Regulations	Production, R&D, Marketing, and ESG personnel
Oct. 2025	Trade Secrets	Compliance Team	Trade Secret Protection and Compliance	Enterprise-wide attendance
Jul. 2025	Greenwashing Risk	Compliance Team	Legal Risks Regarding Greenwashing Claims	Marketing, Communications, and ESG personnel

Risk Management

Risk Management Strategy

We operate an integrated risk management workflow that evaluates both the compliance risks and the efficacy of internal controls to measure actual exposure levels. We develop and execute remediation strategies for areas requiring optimization based on these assessments, subsequently reporting outcomes directly to the Board. This framework enables the proactive identification, evaluation, and mitigation of compliance risks across all business operations. In 2025, we analyzed potential risk impacts and probabilities across key operational areas including HR, data privacy, intellectual property, tax/accounting, fair trade, health and safety, and environmental compliance, integrating financial and non-financial perspectives to derive comprehensive risk evaluation metrics.

Enterprise Key Risks & Mitigation Strategies

Risk Category	Risk Description	Mitigation Strategy
Capital Liquidity[1)]	Volatility in operating cash flows and potential loss exposures during capital procurement driven by large-scale investments	Execute financial soundness monitoring led by the Board and Audit Committee, diversify funding channels, and maintain sufficient cash equivalents
Logistics[1)]	Surges in maritime freight costs and supply chain disruptions due to macroeconomic shocks (e.g., geopolitical conflicts, blockades of the Strait of Hormuz)	Monitor geopolitical supply chain risks continuously, diversify raw material sourcing channels, secure alternative suppliers, and conduct pre-validation for agile routing shifts
Foreign Exchange[1)]	FX transaction risks affecting revenue and purchasing costs triggered by political and geopolitical volatility	Monitor macro and micro foreign exchange exposures continuously, predict currency flows to hedge market volatility, and utilize foreign currency forward contracts
Climate Change[1)]	Capital expenditure increases for greenhouse gas (GHG) reduction infrastructure and production cost escalation from transitioning to renewable energy and low-carbon fuels	Drive energy efficiency initiatives, execute carbon reduction milestones, and minimize capital volatility and electricity price volatility via renewable energy procurement contracts
Safety Accidents[1)]	Human casualties and operational downtime resulting from occupational safety, health, or environmental incidents	Prevent safety incidents through structured risk assessments and remediation protocols based on ISO 45001 standards
Human Rights	Potential litigation and corporate reputational damage stemming from workplace harassment, discrimination, or substandard labor conditions	Conduct human rights impact assessments based on global guidelines across all operating sites to identify hidden exposures early and resolve issues through formalized grievance channels
Greenwashing	Regulatory violations and erosion of consumer trust due to inaccurate or unsubstantiated environmental claims in marketing and advertising	Established a dedicated Greenwashing Risk Council in 2025 to review and rectify environmental claims across all external disclosures prior to release
Resource Circularity[1)]	Potential revenue impacts from delayed alignment with evolving global regulations regarding recycled plastic waste and circular economy mandates	Expand products tailored to customer needs and technical applications while establishing a dedicated PPWR response task force to track international circular economy laws
Compliance[1)]	Financial penalties, non-financial sanctions, and loss of stakeholder trust resulting from infractions of laws governing fair trade, environment, the Serious Accidents Punishment Act, or information protection	Leverage our enterprise compliance risk management workflow to identify and analyze exposures early, and execute targeted mitigation tracks based on control efficacy rankings

1) Risk indicators incorporated into the KPIs of executives in relevant functions and managed accordingly; rated S, A, B, or C based on performance against targets, with the evaluation results linked to the compensation system.

Focus on Sustainability

Enterprise Compliance Risk Management Workflow

1. Risk Identification & Analysis
- Track newly enacted and amended laws to compile structured Risk Profiles

2. Risk Evaluation
- Assess inherent risk levels by mapping Impact × Probability

Impact × Probability = Inherent Risk Level

3. Control Efficacy Assessment
- Evaluate the current control landscape and mitigation effectiveness through risk owners or compliance agents (as identified in Step 2)
- Aggregate risk levels and control efficacy to evaluate residual risk

Inherent Risk − Control Mitigations = Residual Risk Level

4. Remediation Mapping & Execution
- Design and execute corrective action plans for risks where the final evaluation indicates a medium-or-higher residual risk exposure

5. Monitoring, Execution Audits, & Board Reporting
- Monitor the implementation status of remediation metrics
- Report evaluation outcomes to the CEO and Corporate Compliance Committee via the oversight department
- The Compliance Officer reports the final assessment metrics to the Board of Directors annually

04 INFORMATION PROTECTION

Information Security Management Framework

Information Security Governance

SK chemicals explicitly defines the structured roles and responsibilities of its security organization within Chapter 3 of its Security Management Regulations. Accordingly, our Chief Executive Officer (CEO) designates the Head of the Management Support Division as Chief Information Security Officer (CISO) and ensures formalized budget allocations and personnel support for the information security organization. To prevent data security breaches proactively, the CISO and dedicated operational units review and upgrade our information security management framework annually.

Information Security Organizational Chart[1)]

Chief Information Security Officer (CISO)

IT Security	Data Privacy Protection	Physical Security
• Information Security Officer (Head of DT Department)	• Green Chemicals Data Privacy Officer (Head of Corporate Culture Department) • Pharma Data Privacy Officer (Head of Pharma Management Department) • Pharma Customer Data Privacy Officer (Head of Pharma Management Department)	• Corporate Physical Security Officer (Head of Corporate Culture Department) • Regional Site Physical Security Officers (Plant Managers or Head of Corporate Management Department)

1) Organizational chart as of the end of December 2025.

Information Security Framework

SK chemicals continuously updates its information security controls to protect critical customer and corporate data assets. To address cloud adoption and remote work environments, we apply a Zero Trust security strategy alongside integrated data protection solutions—including Cloud Access Security Brokers (CASB) and Secure Web Gateways (SWG)—for the proactive mitigation of data exfiltration risks and unauthorized access. Notably, we embedded our security exception management framework into our existing anomaly detection infrastructure in 2025, strengthening response workflows spanning detection, verification, exception review, and subsequent remediation to enhance the efficacy of internal controls and the integrity of our monitoring frameworks. Furthermore, under its Security Management Regulations, SK chemicals systematically enforces strict data governance standards governing the entire data lifecycle spanning collection, utilization, retention, and dissemination of confidential information while strengthening internal controls regarding third-party data protection and stakeholder consent protocols. We have successfully maintained our ISO 27001 (Information Security Management System) certification since acquiring it in 2023 through annual surveillance audits, cementing our data protection controls at a global standard level.

ISO 27001 Certification

DNV
MANAGEMENT SYSTEM CERTIFICATE
SK Chemicals Co., Ltd.
ISO/IEC 27001:2013

Information Security Policy

Information Protection

Information Security Management Framework

Information Security Activities

Prevention & Control

Data Leak Prevention (DLP) System SK chemicals operates a centralized security portal to prevent corporate data exfiltration. High-risk activities—including document decryption, external VPN access, and removable storage drive use—require formal internal review and managerial approval via this security portal, and we conduct routine audits to verify the operational effectiveness of these technical controls. We have reinforced our continuous monitoring frameworks for the prompt detection of and response to suspicious activities or potential data leaks. Furthermore, we implemented a security exception management system to enable transparent reviews and timely responses to employee data activities; thus ensuring the integrity and safety of our internal information assets.

Supplier Security Audits We conduct ESG assessments for core suppliers to mitigate the supply chain risk, evaluating security policy alignment, monitoring capabilities, and regulatory compliance. For suppliers flagged as high-risk, independent third-party institutions conduct rigorous on-site inspections of their security controls.

Operations & Response

Cyber Threat Management SK chemicals operates continuous monitoring systems to manage evolving external threats, monitoring leaked corporate information on the dark web and malicious activities. This infrastructure strengthens real-time tracking and threat-response mechanisms, allowing us to identify leaked credentials or malicious activities rapidly. We also leverage Cloud Security Posture Management (CSPM) solutions for systematically monitoring cloud infrastructure configuration errors, security gaps, and compliance anomalies.

Security Operations & Inspections SK chemicals continuously upgrades operational protocols and preventive controls to maintain a resilient operating environment. In 2025, we enhanced pre-validation security reviews for new solution deployments, conducted routine vulnerability assessments, and executed technical remediation actions. We also integrated Network Access Control (NAC) assets to replace aging hardware and strengthened access management across internal operating systems to reinforce our technical defense layer.

Security Committee Engagement As an active member of the SK Group Security Council, SK chemicals participates in deep-dive security assessments led by the SUPEX Pursuit Council to safeguard trade secrets and optimize countermeasures against malicious attacks. Through collaborative subcommittee sessions, we benchmark industry-leading practices from affiliate member companies to drive continuous improvements in our data protection capabilities.

Awareness Training & Campaigns We mandate regular information security and data privacy training to embed security consciousness across our workforce. We have upgraded collective defense readiness against email-based threats through simulated phishing exercises. This is complemented by corporate-wide security campaigns and dedicated Security Day initiatives that monitor practical adherence to clean-desk protocols, document security, and secure computing practices to institutionalize an internal culture of vigilance.

SK chemicals Everyday Security Inspection Poster

Evaluation & Optimization

Security Risk Assessments SK chemicals conducts routine diagnostic audits alongside pre- and post-implementation security gating as core pillars of its risk management workflow. Our annual routine security assessments evaluate performance across 5 critical domains: governance, cyber threat management, system security, data leak prevention, and physical security. For new corporate IT systems or software applications, ad-hoc security gating is executed as needed. When potential vulnerabilities(risks) are identified through these assessments, our information security department formulates and immediately implements comprehensive corrective action plans.

Focus on Sustainability

Phishing Simulations

SK chemicals conducts annual simulated phishing exercises for all employees to enhance cybersecurity awareness. This proactive training systematically reduces malicious code infection rates and provides targeted guidance on standardized reporting and response protocols upon encountering suspicious emails.

2025 Phishing Simulation Results

- Exercise Duration: Dec. 22, 2025 through Jan. 2, 2026
- Exercise Scope: Simulated phishing emails sent company-wide and monitored
  - Metrics tracking email opening, link clicks, and attachment execution

Information Security Audits

External Audits

- Annual independent security assessment by the SK Group Information Security Committee
  - Framework alignment audit evaluating governance, identification, protection, detection, response, and recovery based on global best practices and NIST CSF[1] Zero-Trust model
  - Remediation mapping, roadmap formulation, and implementation tracking

Internal Audits

- Annual internal daily security compliance audits
  - Adherence monitoring against corporate security policies across all personnel (including tracing unauthorized external storage drive logs)

1) National Institute of Standards and Technology Cybersecurity Framework

Information Protection

Security Incident Prevention & Response Process

To guarantee operational resilience against unexpected security breaches, SK chemicals maintains a structured Incident Response Manual. This framework classifies security incidents into distinct severity tiers based on business impact and defines precise escalation protocols. We adhere to the principle of immediate escalation prior to executing containment protocols upon detecting a security incident, maintaining structured, step-by-step post-incident workflows. We continuously refine this integrated prevention and response architecture; notably, in 2025, we recorded zero incidents involving information security violations, cybersecurity incidents, and data breaches in 2025.

Security Incident Response Framework

STEP 1 Incident Prevention	Formation of response teams, establishment of emergency communication lines, and awareness enhancement via security training
STEP 2 Threat Detection	Continuous monitoring of corporate digital assets, anomaly detection, and log analysis
STEP 3 Initial Containment	Declaration of security incident alert, isolation of affected environments, and conduct of initial scope mapping
STEP 4 Strategy Formulation	Collection and securing of forensic data, and execution of emergency countermeasures tailored to specific intrusion vectors
STEP 5 Incident Investigation	Comprehensive analysis of all anomalies, collection and preservation of operational logs, artifacts, and relevant data
STEP 6 Reporting & Documentation	Documentation of root-cause metrics, tracking of remediation execution, and filing of formalized regulatory reports
STEP 7 Post-Incident Action	Restoration of compromised environments to baseline operations, formulation of definitive preventive countermeasures

Information Security Violations
0

Cybersecurity Incidents
0

Data Breaches
0

Business Continuity Planning (BCP)

Even with rigorous preventive controls in place, SK chemicals maintains actionable Business Continuity Plans (BCP) to counter catastrophic security events or unexpected operational downtime. Our continuity framework codifies emergency operational workflows, backup configurations, and system recovery sequencing. Aligned with corporate security regulations, these plans establish strict Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO) that are validated and updated via regular simulation exercises to ensure institutional readiness.

Information Security & Data Privacy Training

To cultivate a high-integrity security culture and strengthen cybersecurity capabilities, SK chemicals delivers tailored information security and data privacy curricula to all internal employees and contract personnel. We provide role-specific data privacy modules, general onboarding security training, and specialized security courses for vendor staff. We deliver these resources via our group-wide online corporate learning platform "mySUNI" to lower access barriers and maximize participation. Since 2020, we have distributed open-access digital learning modules targeting both employees and supplier staff. In 2025, we achieved a 100% training completion rate for both internal employees and registered suppliers across all information security and data privacy modules.

2025 Security Awareness Campaigns

- Summer Vacation Protocol: Top 3 data privacy safety rules
- Phishing Protection: Mitigating voice phishing threats capitalizing on fictitious undelivered certified mail alerts and malicious URLs
- E-commerce Safety: Addressing smishing and voice phishing exploits that leverage third-party e-commerce data breaches

ESG DATA

139 Financial Disclosure

140 Non-Financial Disclosure

Financial Disclosure

Economic Value

Category			Unit	2023	2024	2025	Remarks
Product Manufacture	Green Chemical Business	Copolyester resin, DMT, etc.	1,000 ton	331	414	390	
		BON	1,000 ton	11	11	11	
	Life Science Business	Vaccine	Batch	269	215	201	
		Tablets	1,000 tablet	652,702	639,795	777,824	
		Patch	1,000 patch	39,374	38,178	40,435	
Sales by Business	Green Chemical Business	Copolyester resin, DMT, etc.	KRW 100 million	12,401	14,736	15,514	
	Life Science Business	Pharmaceuticals	KRW 100 million	2,060	3,572	4,880	
		Vaccine	KRW 100 million	1,085	2,675	6,517	
	Other	Internal transactions (consolidation adjustment)	KRW 100 million	-2,661	-3,616	-3,261	
		Total sales	KRW 100 million	12,884	17,368	23,652	
R&D and Investment	Green Chemical Business	R&D manpower	Person	119	106	130	
		R&D Investment	KRW 100 million	281	268	289	
		R&D Investment per Sales	%	2.3	1.8	1.9	
		Cost of clean technology R&D	KRW 100 million	129	145	144	
	Life Science Business (Pharma)	R&D manpower	Person	73	75	79	
		R&D Investment	KRW 100 million	160	184	196	
		R&D Investment per Sales	%	7.8	5.1	4.0	
	Life Science Business (Vaccine)	R&D manpower	Person	319	315	325	
		R&D Investment	KRW 100 million	857	764	1,280	
		R&D Investment per Sales	%	79.1	28.6	19.6	
Intellectual Property Rights	Applied	Patent-Domestic	unit	36	49	54	
		Patent-Overseas	unit	84	179	138	
		Trademark-Domestic	unit	3	2	10	
		Trademark-Overseas	unit	2	41	1	
	Registered	Patent-Domestic	unit	30	20	20	
		Patent-Overseas	unit	77	54	39	
		Trademark-Domestic	unit	21	3	4	
		Trademark-Overseas	unit	-	11	17	

Summary of Consolidated Financial Position

Category		Unit	2023	2024	2025	Remarks
Financial Position	[Current assets]	KRW million	2,204,427	2,385,758	2,541,235	
	- Quick assets	KRW million	1,827,509	1,820,272	1,915,602	
	- Inventory	KRW million	376,918	565,486	625,356	
	[Non-current assets]	KRW million	1,954,348	2,981,290	3,546,389	
	- Investments in associates and joint ventures	KRW million	10,418	9,427	10,196	
	- Tangible assets	KRW million	1,601,634	2,459,231	2,728,506	
	- Intangible assets	KRW million	54,204	162,978	227,521	
	- Other non-current assets	KRW million	14,374	17,164	8,251	
	Total assets	KRW million	4,158,775	5,367,049	6,087,624	
	[Current liabilities]	KRW million	830,211	983,246	1,136,096	
	[Non-current liabilities]	KRW million	652,789	1,227,850	1,711,427	
	Total liabilities	KRW million	1,483,001	2,211,096	2,847,522	
	[Equity attributable to owners of the parent]	KRW million	2,118,704	2,200,693	2,259,329	
	- Issued capital	KRW million	98,794	98,794	99,018	
	- Consolidated capital surplus	KRW million	1,212,422	1,240,117	1,242,285	
	- Consolidated other capital items	KRW million	-21,645	-21,645	-17,540	
	- Consolidated accumulated other comprehensive income	KRW million	-37,378	22,397	51,395	
	- Consolidated retained earnings	KRW million	866,511	861,030	884,169	
	[Non-controlling interests]	KRW million	557,070	832,273	881,110	
	Total equity	KRW million	2,675,774	3,032,966	3,140,439	
	Total liability and equity	KRW million	4,158,775	5,367,049	6,087,624	
	No. of companies included in consolidation:	-	11	14	14	
Profit and Loss	Revenue	KRW million	1,748,778	1,736,779	2,365,164	
	Operating profit (loss)	KRW million	83,302	-45,176	-207	
	Net income (loss) before income tax	KRW million	52,419	-27,441	16,673	
	Consolidated net profit(loss) for the year	KRW million	47,838	-4,365	27,297	
	Attribution of consolidated net profit(loss) for the year					
	Equity Attributable to Owners of the Parent	KRW million	39,864	8,839	44,646	
	Non-controlling interest	KRW million	7,974	-13,203	-17,348	
	Earnings per share attributable to owners of the parent					
	Earnings per share for common stock	KRW	2,072	376	2,306	
	Diluted earnings per share for common stock	KRW	2,071	375	2,305	
	Earnings per share for preferred stock	KRW	2,122	1,200	2,381	

Non-Financial Disclosure

* The scope of non-financial performance reporting primarily covers the headquarters and research centers (ECO Lab) operated by SK chemicals, as well as the Ulsan and Cheongju (S HOUSE) business sites. For some performance indicators, information from major domestic subsidiaries SK bioscience and SK multi utility is included and separately indicated. GHG and energy data are reported for 100% of the entire company, including domestic and international subsidiaries, and other environmental data are reported for 100% of all domestic and international production sites.

Environment | General

Environmental investment

Business Site	Unit	2023	2024	2025	Remarks
Company Total (including subsidiaries)	KRW 100 million	48.8	58.0	218.9	
SK chemicals (Standalone)	KRW 100 million	45.4	20.3	15.1	
SK bioscience	KRW 100 million	3.4	5.2	9.7	
SK chemicals (Yantai) Co., Ltd.	KRW 100 million	-	0.2	0.1	
Shuye-SK chemicals (Shantou) Co., Ltd.	KRW 100 million	-	32.3	194.0	

Violation of environmental regulations

Business Site	Category	Unit	2023	2024	2025	Remarks
Company Total (including subsidiaries)	Total Number of Violations	Case	0	0	1	
	Total Fines and Penalty (Over $10,000)	KRW million	0	0	0	
SK chemicals (Standalone)	Total Number of Violations	Case	0	0	0	
	Total Fines and Penalty (Over $10,000)	KRW million	0	0	0	
SK chemicals (ECO Lab)	Total Number of Violations	Case	0	0	0	
	Total Fines and Penalty (Over $10,000)	KRW million	0	0	0	
SK chemicals (Ulsan Plant)	Total Number of Violations	Case	0	0	0	
	Total Fines and Penalty (Over $10,000)	KRW million	0	0	0	
SK chemicals (Cheongju Plant)	Total Number of Violations	Case	0	0	0	
	Total Fines and Penalty (Over $10,000)	KRW million	0	0	0	
SK bioscience	Total Number of Violations	Case	0	0	1	
	Total Fines and Penalty (Over $10,000)	KRW million	0	0	0	
SK multi utility	Total Number of Violations	Case	0	0	0	
	Total Fines and Penalty (Over $10,000)	KRW million	0	0	0	
SK chemicals (Yantai) Co., Ltd.	Total Number of Violations	Case	-	0	0	
	Total Fines and Penalty (Over $10,000)	KRW million	-	0	0	
Shuye-SK chemicals (Shantou) Co., Ltd.	Total Number of Violations	Case	-	0	0	
	Total Fines and Penalty (Over $10,000)	KRW million	-	0	0	

Number of eco-friendly vehicles owned[1)]

Business Site	Category	Unit	2023	2024	2025	Remarks
Company Total (including subsidiaries)	Number of eco-friendly vehicles owned	Vehicle	17	21	25	
	Total number of vehicles	Vehicle	106	119	126	
	Ratio of eco-friendly vehicles owned	%	16	18	20	
SK chemicals (Standalone)	Number of eco-friendly vehicles owned	Vehicle	10	11	12	
	Total number of vehicles	Vehicle	47	46	53	
	Ratio of eco-friendly vehicles owned	%	21	24	23	
SK bioscience	Number of eco-friendly vehicles owned	Vehicle	3	6	9	
	Total number of vehicles	Vehicle	42	50	51	
	Ratio of eco-friendly vehicles owned	%	7	12	18	
SK multi utility	Number of eco-friendly vehicles owned	Vehicle	1	1	2	
	Total number of vehicles	Vehicle	1	2	5	
	Ratio of eco-friendly vehicles owned	%	100	50	40	
SK chemicals (Yantai)	Number of eco-friendly vehicles owned	Vehicle	2	2	0	
	Total number of vehicles	Vehicle	4	4	2	
	Ratio of eco-friendly vehicles owned	%	50	50	0	
Shuye-SK chemicals (Shantou)	Number of eco-friendly vehicles owned	Vehicle	-	0	1	
	Total number of vehicles	Vehicle	-	5	4	
	Ratio of eco-friendly vehicles owned	%	-	0	25	
SK chemicals (Shanghai)	Number of eco-friendly vehicles owned	Vehicle	0	0	0	
	Total number of vehicles	Vehicle	4	4	4	
	Ratio of eco-friendly vehicles owned	%	0	0	0	
SK chemicals America	Number of eco-friendly vehicles owned	Vehicle	0	0	0	
	Total number of vehicles	Vehicle	2	2	1	
	Ratio of eco-friendly vehicles owned	%	0	0	0	
SK chemicals GmbH	Number of eco-friendly vehicles owned	Vehicle	1	1	1	
	Total number of vehicles	Vehicle	4	4	4	
	Ratio of eco-friendly vehicles owned	%	25	25	25	
SK chemicals Malaysia	Number of eco-friendly vehicles owned	Vehicle	0	0	0	
	Total number of vehicles	Vehicle	1	1	1	
	Ratio of eco-friendly vehicles owned	%	0	0	0	
SK chemicals Japan	Number of eco-friendly vehicles owned	Vehicle	0	0	0	
	Total number of vehicles	Vehicle	1	1	1	
	Ratio of eco-friendly vehicles owned	%	0	0	0	

1) Eco-friendly vehicles include electric, hydrogen-powered, and hybrid vehicles.

Non-Financial Disclosure

Environment | Energy

Energy Consumption[1)]

Business Site	Category	Unit	2023	2024	2025	Remarks
Company[2)] total (including subsidiaries)	Total energy consumption	TJ	6,992	7,951	15,738	
	Direct energy consumption	TJ	4,581	5,379	13,402	
	LNG	TJ	676	864	9,016	
	LPG (propane)	TJ	297	315	1,285	
	Gasoline	TJ	5	7	8	
	Diesel	TJ	19	15	10	
	Hydrogen	TJ	55	200	202	
	Other	TJ	3,530	3,977	2,882	
	Indirect energy consumption	TJ	2,410	2,573	2,336	
	Electricity	TJ	2,263	2,403	2,206	
	Steam	TJ	147	170	130	
	Energy consumption intensity[3)]	TJ / KRW 100 million	0.4	0.5	0.7	
SK chemicals (Standalone)	Total energy consumption	TJ	3,975	4,258	4,263	
	Direct energy consumption	TJ	1,134	1,341	1,266	
	LNG	TJ	534	562	517	
	LPG (propane)	TJ	297	315	290	
	Gasoline	TJ	2	2	2	
	Diesel	TJ	6	2	2	
	Hydrogen	TJ	55	200	202	
	Other	TJ	239	259	253	
	Indirect energy consumption	TJ	2,842	2,918	2,997	
	Electricity	TJ	1,290	1,357	1,354	
	Steam	TJ	1,552	1,561	1,643	
	Energy consumption intensity[3)]	TJ / KRW 100 million	0.3	0.3	0.3	

Business Site	Category	Unit	2023	2024	2025	Remarks
SK bioscience	Total energy consumption	TJ	401	396	449	
	Direct energy consumption	TJ	116	104	115	
	LNG	TJ	114	101	112	
	Gasoline	TJ	2	3	3	
	Diesel	TJ	0	0	0.1	
	Other	TJ	0.2	0	0	
	Indirect energy consumption	TJ	285	291	334	
	Electricity	TJ	279	284	323	
	Steam	TJ	6	8	9	
	Other	TJ	-	-	2	
	Energy consumption intensity[3)]	TJ / KRW 100 million	0.11	0.25	0.24	
SK multi utility	Total energy consumption	TJ	4,014	4,327	11,884	
	Direct energy consumption	TJ	3,303	3,620	11,477	
	LNG	TJ	0	147	8,336	
	LPG (propane)	TJ	0	0	995	
	Gasoline	TJ	0.02	0.05	0.06	
	Diesel	TJ	12	11	6	
	Other	TJ	3,290	3,463	2,140	
	Indirect energy consumption	TJ	711	706	407	
	Electricity	TJ	677	658	387	
	Steam	TJ	34	48	19	
	Energy consumption intensity[3)]	TJ / KRW 100 million	3.0	3.4	5.4	

1) The energy consumption by type is aggregated based on direct energy sources and indirect energy sources (electricity and steam) and converted into TJ units by applying IEA and country-specific calorific values and unit conversion factors
2) Based on GHG Protocol 'Financial Control' (excluding duplicates among subsidiaries)
3) The energy consumption intensity was calculated based on the consolidated revenue for the company-wide total; separate revenues used for subsidiaries

Non-Financial Disclosure

Environment | Energy

Energy Consumption

Business Site	Category	Unit	2023	2024	2025	Remarks
SK chemicals (Yantai)	Total energy consumption	TJ	138	173	158	
	Direct energy consumption	TJ	31	55	51	
	LNG	TJ	30	54	51	
	Gasoline	TJ	0.5	0.5	0.5	
	Diesel	TJ	0.2	0.1	0.1	
	Other	TJ	-	-	-	
	Indirect energy consumption	TJ	107	118	107	
	Electricity	TJ	23	28	31	
	Steam	TJ	84	90	76	
Shuye-SK chemicals (Shantou)	Total energy consumption	TJ	-	327	608	
	Direct energy consumption	TJ	-	257	490	
	LNG	TJ	-	-	-	
	Gasoline	TJ	-	0.7	0.8	
	Diesel	TJ	-	1	1	
	Other	TJ	-	255	488	
	Indirect energy consumption	TJ	-	70	118	
	Electricity	TJ	-	70	118	
	Steam	TJ	-	-	-	

Business Site	Category	Unit	2023	2024	2025	Remarks
SK chemicals (Shanghai)	Total energy consumption	TJ	0.58	0.52	0.65	
	Direct energy consumption	TJ	0.53	0.48	0.56	
	LNG	TJ	-	-	-	
	Gasoline	TJ	0.53	0.48	0.56	
	Diesel	TJ	-	-	-	
	Other	TJ	-	-	-	
	Indirect energy consumption	TJ	0.05	0.05	0.09	
	Electricity	TJ	0.05	0.05	0.09	
	Steam	TJ	-	-	-	
SK chemicals America	Total energy consumption	TJ	0.17	0.18	0.14	
	Direct energy consumption	TJ	0.09	0.10	0.08	
	LNG	TJ	0.002	0.0003	0.0002	
	Gasoline	TJ	0.09	0.10	0.08	
	Diesel	TJ	-	-	-	
	Other	TJ	-	-	-	
	Indirect energy consumption	TJ	0.08	0.07	0.06	
	Electricity	TJ	0.08	0.07	0.06	
	Steam	TJ	-	-	-	

Non-Financial Disclosure

Environment | Energy

Energy Consumption

Business Site	Category	Unit	2023	2024	2025	Remarks
SK Chemicals GmbH	Total energy consumption	TJ	0.51	0.49	0.39	
	Direct energy consumption	TJ	0.48	0.46	0.36	
	LNG	TJ	0.07	0.07	0.07	
	Gasoline	TJ	0.09	0.08	0.20	
	Diesel	TJ	0.32	0.30	0.08	
	Other	TJ	-	-	-	
	Indirect energy consumption	TJ	0.03	0.03	0.03	
	Electricity	TJ	0.03	0.03	0.03	
	Steam	TJ	-	-	-	
SK Chemicals Malaysia	Total energy consumption	TJ	0.11	0.09	0.08	
	Direct energy consumption	TJ	0.09	0.07	0.05	
	LNG	TJ	-	-	-	
	Gasoline	TJ	0.09	0.07	0.05	
	Diesel	TJ	-	-	-	
	Other	TJ	-	-	-	
	Indirect energy consumption	TJ	0.02	0.02	0.02	
	Electricity	TJ	0.02	0.02	0.02	
	Steam	TJ	-	-	-	

Business Site	Category	Unit	2023	2024	2025	Remarks
SK chemicals Japan	Total energy consumption	TJ	0.07	0.07	0.07	
	Direct energy consumption	TJ	0.03	0.03	0.04	
	LNG	TJ	-	-	-	
	Gasoline	TJ	0.03	0.03	0.04	
	Diesel	TJ	-	-	-	
	Other	TJ	-	-	-	
	Indirect energy consumption	TJ	0.04	0.04	0.04	
	Electricity	TJ	0.04	0.04	0.04	
	Steam	TJ	-	-	-	
SK chemicals-Daejung	Total energy consumption	TJ	9	8	9	
	Direct energy consumption	TJ	-	-	-	
	LNG	TJ	-	-	-	
	Gasoline	TJ	-	-	-	
	Diesel	TJ	-	-	-	
	Other	TJ	-	-	-	
	Indirect energy consumption	TJ	9	8	9	
	Electricity	TJ	6	6	6	
	Steam	TJ	3	3	3	

Non-Financial Disclosure

Environment | Energy

Renewable Energy Consumption

Business Site	Category	Unit	2023	2024	2025	Remarks
Company Total	Total renewable energy consumption	MWh	1,361	7,980	25,849	
	Solar power	MWh	1,361	7,980	25,849	
	Ratio of renewable energy[1]	%	0.6	3.0	10.0	
SK chemicals (Standalone)	Total renewable energy consumption	MWh	1,361	6,134	15,094	
	Solar power	MWh	1,361	6,134	15,094	
	Ratio of renewable energy	%	1.0	4.3	10.6	
SK bioscience	Total renewable energy consumption	MWh	0	0	0	
	Solar power	MWh	0	0	0	
	Ratio of renewable energy	%	0	0	0	
SK multi utility	Total renewable energy consumption	MWh	0	0	0	
	Solar power	MWh	0	0	0	
	Ratio of renewable energy	%	0	0	0	
Shuye-SK chemicals (Shantou)	Total renewable energy consumption	MWh	0	1,846	10,756	
	Solar power	MWh	0	1,846	10,756	
	Ratio of renewable energy	%	0	9.5	32.7	
SK chemicals (Yantai)	Total renewable energy consumption	MWh	0	0	0	
	Solar power	MWh	0	0	0	
	Ratio of renewable energy	%	0	0	0	

External Energy Sales

Business Site	Category	Unit	2023	2024	2025	Remarks
SK multi utility	Total external energy sales	TJ	5,325	5,459	14,447	
	Electricity	TJ	1,405	1,653	10,746	
	Heat	TJ	3,920	3,806	3,702	

1) Total company renewable energy ratio refers to the ratio of total renewable energy consumption to total company-wide electricity consumption on a consolidated basis

Non-Financial Disclosure

Environment | Greenhouse Gas

GHG Emissions (Scope 1&2)[1)]

Business Site	Category	Unit	2023	2024	2025	Remarks
Company Total [2)] (including subsidiaries)	Total GHG emissions (Scope 1&2)	tCO_2eq	478,161	539,540	894,086	
	Direct GHG emissions (Scope 1)[4)]	tCO_2eq	357,285	408,715	773,698	
	Indirect GHG emissions (Scope 2)	tCO_2eq	120,877	130,825	120,387	
	GHG emissions intensity[3)]	tCO_2eq/KRW 100 million	27.3	31.1	37.8	
SK chemicals (Standalone)	Total GHG emissions (Scope 1&2)	tCO_2eq	220,845	222,386	197,009	
	Direct GHG emissions (Scope 1)[4)]	tCO_2eq	46,239	47,749	44,629	
	Indirect GHG emissions (Scope 2)	tCO_2eq	174,606	174,637	152,380	
	GHG emissions intensity[3)]	tCO_2eq/KRW 100 million	17.9	16.6	13.7	
SK bioscience	Total GHG emissions (Scope 1&2)	tCO_2eq	19,616	19,197	21,703	
	Direct GHG emissions (Scope 1)	tCO_2eq	5,863	5,344	5,888	
	Indirect GHG emissions (Scope 2)	tCO_2eq	13,753	13,853	15,815	
	GHG emissions intensity[3)]	tCO_2eq/KRW 100 million	5.2	12.3	11.7	
SK multi utility	Total GHG emissions (Scope 1&2)	tCO_2eq	334,853	357,949	694,123	
	Direct GHG emissions (Scope 1)	tCO_2eq	302,460	326,443	675,580	
	Indirect GHG emissions (Scope 2)	tCO_2eq	32,393	31,506	18,543	
	GHG emissions intensity[3)]	tCO_2eq/KRW 100 million	246.6	282.8	316.1	
SK chemicals (Yantai)	Total GHG emissions (Scope 1&2)	tCO_2eq	15,491	20,774	17,371	
	Direct GHG emissions (Scope 1)	tCO_2eq	2,663	5,896	3,690	
	Indirect GHG emissions (Scope 2)	tCO_2eq	12,828	14,877	13,681	
SK chemicals (Shantou)	Total GHG emissions (Scope 1&2)	tCO_2eq	-	30,998	57,377	
	Direct GHG emissions (Scope 1)	tCO_2eq	-	23,229	43,856	
	Indirect GHG emissions (Scope 2)	tCO_2eq	-	7,769	13,521	

Business Site	Category	Unit	2023	2024	2025	Remarks
SK chemicals (Shanghai)	Total GHG emissions (Scope 1&2)	tCO_2eq	43	39	50	
	Direct GHG emissions (Scope 1)	tCO_2eq	35	32	38	
	Indirect GHG emissions (Scope 2)	tCO_2eq	8	7	12	
SK chemicals America	Total GHG emissions (Scope 1&2)	tCO_2eq	12	12	9	
	Direct GHG emissions (Scope 1)	tCO_2eq	7	7	5	
	Indirect GHG emissions (Scope 2)	tCO_2eq	5	4	4	
SK chemicals GmbH	Total GHG emissions (Scope 1&2)	tCO_2eq	36	34	27	
	Direct GHG emissions (Scope 1)	tCO_2eq	33	31	25	
	Indirect GHG emissions (Scope 2)	tCO_2eq	3	3	3	
SK chemicals Malaysia	Total GHG emissions (Scope 1&2)	tCO_2eq	10	10	9	
	Direct GHG emissions (Scope 1)	tCO_2eq	6	5	4	
	Indirect GHG emissions (Scope 2)	tCO_2eq	4	5	5	
SK chemicals Japan	Total GHG emissions (Scope 1&2)	tCO_2eq	7	7	7	
	Direct GHG emissions (Scope 1)	tCO_2eq	2	2	3	
	Indirect GHG emissions (Scope 2)	tCO_2eq	5	5	4	
SK chemicals-Daejung	Total GHG emissions (Scope 1&2)	tCO_2eq	502	462	440	
	Direct GHG emissions (Scope 1)	tCO_2eq	-	-	-	
	Indirect GHG emissions (Scope 2)	tCO_2eq	502	462	440	

1) Some figures may differ from those disclosed in the previous year due to rounding and truncation differences.
2) GHG Protocol 'Financial Control' standard (excluding duplicate emissions between subsidiaries).
3) The greenhouse gas emission intensity is calculated using consolidated revenue for the entire company and separate revenue for each subsidiary.
4) In accordance with the Ministry of Environment's guidelines for greenhouse gas emission calculation, emissions from hydrogen are excluded.

Non-Financial Disclosure

Environment | Greenhouse Gas

GHG Emissions (Scope 3)

Category		Unit	Company Total[1] (including subsidiaries)	SK chemicals (Standalone)	SK bioscience	SK multi utility	Shuye-SK chemicals (Shantou)	SK chemicals (Yantai)	SK chemicals America	SK chemicals GmbH	SK chemicals (Shanghai)	SK chemicals Malaysia	SK chemicals Japan	SK chemicals Daejung
Total GHG emissions (Scope 3)		tCO_2eq	1,639,314	1,913,178	48,944	156,682	160,200	64,343	91,098	145,191	30,274	45	35	15,037
Upstream	Category 1. Products & services purchased	tCO_2eq	718,913	612,194	35,245	2,876	73,033	28,149	48,882	73,517	17,232	0.7	8	13,313
	Category 2. Capital goods	tCO_2eq	16,604	2,657	1,361	12,056	384	134	0.3	0.9	0.2	0.2	0	11
	Category 3. Fuel and energy-related activities not included in Scope 1 or 2	tCO_2eq	159,062	32,309	3,222	126,188	11,017	3,137	8	7	12	1	1	73
	Category 4. Upstream transportation and distribution	tCO_2eq	39,832	30,661	1,636	49	1,887	2,142	6,760	5,326	767	0.2	1	191
	Category 5. Waste generated in operations	tCO_2eq	8,491	5,394	811	438	731	1,110	1	2	1	0.8	0.3	2
	Category 6. Business travel	tCO_2eq	1,796	645	701	26	124	29	129	73	5	34	24	5
	Category 7. Employee commuting	tCO_2eq	3,601	2,105	1,097	137	114	82	13	4	14	8	0.4	26
	Category 8. Upstream leased assets	tCO_2eq	257	-	257	-	-	-	-	-	-	-	-	-
Downstream	Category 10. Processing of sold products	tCO_2eq	219,707	192,476	-	-	26,279	8,912	23,361	19,248	7,008	-	-	-
	Category 11. Use of sold products	tCO_2eq	0.01	0.01	0	-	-	-	-	-	-	-	-	-
	Category 12. Disposal of sold products	tCO_2eq	467,429	416,159	4,614	14,911	46,631	20,648	11,944	47,013	5,235	-	-	1,416
	Category 15. Investments	tCO_2eq	3,621	618,578[2]	-	-	-	-	-	-	-	-	-	-

1) Calculation of emissions is based on SK chemicals (consolidated), excluding duplicate emissions between subsidiaries.
2) According to the GHG Protocol 'Operation Control' criteria, the Scope 1 & 2 emissions of SK bioscience and SK multi utility include the proportionate share based on ownership stake.

Non-Financial Disclosure

Environment | Greenhouse Gas

GHG Emissions (Scope 3)

Business Site	Category		Unit	2023[1]	2024[2]	2025[3]	Remarks
SK chemicals (including subsidiaries)	Total GHG emissions (Scope 3)		tCO_2eq	1,007,943	1,320,559	2,079,930	
	Upstream	Category 1. Products & services purchased	tCO_2eq	246,771	412,683	680,792	
		Category 2. Capital goods	tCO_2eq	544	866	3,187	
		Category 3. Fuel and energy-related activities not included in Scope 1 or 2	tCO_2eq	41,382	49,988	46,566	
		Category 4. Upstream transportation and distribution	tCO_2eq	14,999	25,292	38,147	
		Category 5. Waste generated in operations	tCO_2eq	7,393	6,525	7,242	
		Category 6. Business travels	tCO_2eq	1,021	804	1,069	
		Category 7. Employee commuting	tCO_2eq	1,295	1,339	2,367	
	Downstream	Category 10. Processing of sold products	tCO_2eq	73,541	89,518	219,707	
		Category 11. Use of sold products	tCO_2eq	-	-	0.01	
		Category 12. Disposal of sold products	tCO_2eq	380,224	470,097	462,275	
		Category 15. Investments[4]	tCO_2eq	240,775	263,448	618,578	

Business Site	Category		Unit	2023	2024	2025	Remarks
SK bioscience[2]	Total GHG emissions (Scope 3)		tCO_2eq	-	-	48,944	
	Upstream	Category 1. Products & services purchased	tCO_2eq	-	-	35,245	
		Category 2. Capital goods	tCO_2eq	-	-	1,361	
		Category 3. Fuel and energy-related activities not included in Scope 1 or 2	tCO_2eq	-	-	3,222	
		Category 4. Upstream transportation and distribution	tCO_2eq	-	-	1,636	
		Category 5. Waste generated in operations	tCO_2eq	-	-	811	
		Category 6. Business travels	tCO_2eq	-	-	701	
		Category 7. Employee commuting	tCO_2eq	-	-	1,097	
		Category 8. Upstream leased assets	tCO_2eq	-	-	257	
	Downstream	Category 11. Use of sold products	tCO_2eq	-	-	0	
		Category 12. Disposal of sold products	tCO_2eq	-	-	4,614	
		Category 15. Investment	tCO_2eq	-	-	-	
SK multi utility	Total GHG emissions (Scope 3)		tCO_2eq	208,915	133,539	156,682	
	Upstream	Category 1. Products & services purchased	tCO_2eq	15,655	4,384	2,876	
		Category 2. Capital goods	tCO_2eq	61	10	12,056	
		Category 3. Fuel and energy-related activities not included in Scope 1 or 2	tCO_2eq	178,409	112,426	126,188	
		Category 4. Upstream transportation and distribution	tCO_2eq	57	55	49	
		Category 5. Waste generated in operations	tCO_2eq	508	635	438	
		Category 6. Business travel	tCO_2eq	110	72	26	
		Category 7. Employee commuting	tCO_2eq	126	136	137	
	Downstream	Category 9. Downstream transportation	tCO_2eq	6	-	-	
		Category 10. Processing of sold products	tCO_2eq	81	-	-	
		Category 12. Disposal of sold products	tCO_2eq	13,902	15,821	14,911	
		Category 15. Investment	tCO_2eq	-	-	-	

1) Scope includes SK chemicals (Standalone) and SK chemicals (Yantai)
2) Scope includes SK chemicals (Standalone), SK chemicals (Yantai), and Shuye-SK chemicals (Shantou)
3) Calculation of emissions is based on SK chemicals (consolidated), excluding duplicate emissions between subsidiaries
4) According to the GHG Protocol 'Operational Control' criteria, SK bioscience and SK multi utility's Scope 1 & 2 emissions include the proportionate share based on ownership stake

Non-Financial Disclosure

Environment | Greenhouse Gas

GHG emissions reduction performance

Business Site	Category	Unit	2023	2024	2025	Remarks
Company Total (including subsidiaries)	Total GHG emission reduction	tCO_2eq	34,131	48,756	62,615	
	CHDM Off gas use	tCO_2eq	794	1,040	877	
	DMT process improvement	tCO_2eq	29,695	29,420	27,380	
	DMT boiler hydrogen co-combustion	tCO_2eq	3,016	9,122	9,419	
	Adoption of renewable energy	tCO_2eq	625	3,631	11,687	
	Adoption of low-carbon steam	tCO_2eq	-	-	10,821	
	Condensate return	tCO_2eq	-	5,543	2,431	
SK chemicals (Standalone)	Total GHG emission reduction	tCO_2eq	34,131	47,943	57,817	
	CHDM Off gas use	tCO_2eq	794	1,040	877	
	DMT process improvement[1]	tCO_2eq	29,695	29,420	27,380	
	DMT boiler hydrogen co-combustion	tCO_2eq	3,016	9,122	9,419	
	Adoption of renewable energy	tCO_2eq	625	2,818	6,934	
	Adoption of low-carbon steam	tCO_2eq	-	-	10,776	
	Condensate return	tCO_2eq	-	5,543	2,431	
Shuye-SK chemicals (Shantou)	Total GHG emission reduction	tCO_2eq	-	813	4,753	
	Adoption of renewable energy	tCO_2eq	-	813	4,753	
SK chemicals-Daejung	Total GHG emission reduction	tCO_2eq	-	-	45	
	Adoption of low-carbon steam	tCO_2eq	-	-	45	

GHG emissions from the use of alternative substances for ODS

Business Site	Category	Unit	2023	2024	2025	Remarks
SK multi utility	SF_6 for electric equipment	tCO_2eq	471	628	628	
SK chemicals (Yantai)	HFCs used as refrigerants in refrigeration and air-conditioning systems	tCO_2eq	-	-	-	
Shuye-SK chemicals (Shantou)	HFCs used for filling refrigeration, air-conditioning, and fire protection equipment	tCO_2eq	-	540	216	

1) 2023 and 2024 disclosures have been corrected due to changes in the greenhouse gas reduction performance calculation criteria resulting from improvements in the DMT process

Non-Financial Disclosure

Environment | Water Resource

Water and Wastewater

Business Site	Category	Unit	2023	2024	2025	Remarks
Company Total (including subsidiaries)	Water consumption (Withdrawal-Discharge)[1]	ton	6,814,018	7,386,749	7,011,911	
	Withdrawal	ton	8,030,157	8,715,073	8,434,826	
	Water supply and industrial water	ton	8,024,349	8,709,654	8,429,414	
	Groundwater consumption	ton	5,808	5,419	5,412	
	Wastewater discharge	ton	1,216,139	1,328,324	1,422,915	
	Reused and recycled	ton	117,601,725	122,426,181	116,792,375	
	Water recycling rate	%	93.6	93.4	93.3	
	Withdrawal intensity	ton/KRW 100 million	225.5	291.6	356.6	
SK chemicals (Standalone)	Water consumption (Withdrawal-Discharge)[1]	ton	1,347,734	1,680,168	1,701,120	
	Withdrawn	ton	1,809,924	2,162,212	2,130,757	
	Water supply and industrial water	ton	1,804,857	2,157,580	2,126,664	
	Groundwater consumption	ton	5,067	4,632	4,093	
	Wastewater discharge	ton	462,190	482,044	429,637	
	Reused and recycled	ton	115,268,595	120,461,170	115,589,040	
	Water recycling rate	%	98.5	98.2	98.2	
SK chemicals HQ (ECO Lab)	Water consumption (Withdrawal-Discharge)[1]	ton	33,143	41,478	45,162	
	Withdrawn	ton	66,735	81,791	85,232	
	Water supply and industrial water	ton	61,668	77,159	81,139	
	Groundwater consumption	ton	5,067	4,632	4,093	
	Wastewater discharge	ton	33,592	40,313	40,070	
	Reused and recycled	ton	20,577	23,812	28,435	
	Water recycling rate	%	23.6	22.5	25.0	

Business Site	Category	Unit	2023	2024	2025	Remarks
SK chemicals (Ulsan Plant)	Water consumption (Withdrawal-Discharge)[1]	ton	1,294,664	1,615,340	1,623,541	
	Withdrawn	ton	1,694,240	2,025,698	1,988,408	Changes in water withdrawal criteria
	Water supply and industrial water	ton	1,694,240	2,025,698	1,988,408	
	Groundwater consumption	ton	0	0	0	
	Wastewater discharge	ton	399,576	410,358	364,867	Changes in recycled water criteria
	Reused and recycled[2) 3)]	ton	115,248,018	120,437,358	115,560,605	
	Water recycling rate	%	98.6	98.3	98.3	
SK Chemicals (Cheongju Plant)	Water consumption (Withdrawal-Discharge)[1]	ton	19,927	23,350	32,417	
	Withdrawn	ton	48,949	54,723	57,117	
	Water supply and industrial water	ton	48,949	54,723	57,117	
	Groundwater consumption	ton	0	0	0	
	Wastewater discharge	ton	29,022	31,373	24,700	
	Reused and recycled[2]	ton	0	0	0	
	Water recycling rate	%	0	0	0	
SK bioscience	Water consumption (Withdrawal-Discharge)[1]	ton	63,339	74,334	94,535	
	Withdrawn	ton	193,605	182,205	186,397	
	Water supply and industrial water	ton	192,864	181,417	185,078	
	Groundwater consumption	ton	741	787	1,319	
	Wastewater discharge	ton	130,266	107,870	91,862	
	Reused and recycled[2]	ton	39,812	40,089	49,751	
	Water recycling rate	%	17.1	18.0	21.1	
	Water withdrawal intensity[4]	ton/KRW 100 million	52.4	116.6	100.4	

1) The previous year's disclosure figures has been corrected due to the change in the water consumption calculation criteria (exclusion of recycled water).
2) The amount of reused and recycled water is calculated by summing the amount of water reused and recycled generated during power and production processes.
3) The previous year's disclosure figures has been corrected due to the changes in the calculation criteria of reused and recycled rate in SK chemicals (Ulsan Plant).
4) 2023 and 2024 water withdrawal intensity of SK bioscience has been corrected.

Non-Financial Disclosure

Environment | Water Resource

Water and Wastewater

Business Site	Category	Unit	2023	2024	2025	Remarks
SK multi utility	Water consumption (Withdrawal-Discharge)[1]	ton	5,402,945	5,424,652	4,976,946	
	Withdrawn	ton	6,026,628	6,108,570	5,808,730	
	Water supply and industrial water	ton	6,026,628	6,108,570	5,808,730	
	Groundwater consumption	ton	0	0	0	
	Water discharge	ton	623,683	683,918	831,784	
	Reused and recycled[2]	ton	2,293,318	1,924,923	1,153,584	
	Water recycling rate	%	27.6	24.0	16.6	
	Withdrawal intensity	ton/KRW 100 million	2,744	2,782	2,645	
SK chemicals (Yantai)	Water consumption (Withdrawal-Discharge)[1]	ton	0	19,330	13,561	
	Withdrawn	ton	0	65,162	53,724	
	Water supply and industrial water	ton	0	65,162	53,724	
	Groundwater consumption	ton	0	0	0	
	Water discharge	ton	0	45,832	40,163	
	Reused and recycled[2]	ton	0	0	0	
	Water recycling rate	%	0	0	0	
Shuye-SK chemicals (Shantou)	Water consumption (Withdrawal-Discharge)[1]	ton	0	188,265	225,748	
	Withdrawn	ton	0	196,925	255,217	
	Water supply and industrial water	ton	0	196,925	255,217	
	Groundwater consumption	ton	0	0	0	
	Water discharge	ton	0	8,660	29,469	
	Reused and recycled[2]	ton	0	0	0	
	Water recycling rate	%	0	0	0	

1) The reuse and recycling amount of water is calculated by summing the reused and recycled water generated during power and production processes.
(Previous) Water consumption = Withdrawal+ Recycled - Discharged
(New) Water consumption = Withdrawal – Discharged
2) The reuse and recycling amount of water is calculated by summing the reused and recycled water generated during power and production processes.

Discharge of water pollutants

Business Site	Category	Unit	2023	2024	2025	Remarks
Company Total (including subsidiaries)	BOD	ton	14.1	18.2	29.9	
	COD	ton	20.9	42.9	28.8	
	SS	ton	8.6	11.9	6.9	
	TOC	ton	18.3	22.6	17.9	
SK chemicals (Standalone)	BOD	ton	1.0	3.3	2.9	
	COD	ton	5.9	12.6	7.7	
	SS	ton	1.8	2.5	1.7	
	TOC	ton	3.8	7.5	4.5	
SK bioscience[1]	BOD	ton	12.1	10.7	26.1	
	COD	ton	7.1	6.9	17.4	
	SS	ton	5.0	3.9	4.3	
	TOC	ton	9.4	3.8	11.0	
SK multi utility	BOD	ton	1.0	1.7	0.3	
	COD	ton	7.9	16.6	-	Not measured
	SS	ton	1.7	2.4	0.2	
	TOC	ton	5.1	10.0	1.9	
SK Chemicals (Yantai)[2]	BOD	ton	-	2.4	0.4	
	COD	ton	-	6.5	3.0	
	SS	ton	-	2.5	0.4	
	TOC	ton	-	1.3	0.4	
Shuye-SK chemicals (Shantou)	BOD	ton	-	0.1	0.1	
	COD	ton	-	0.3	0.6	
	SS	ton	-	0.5	0.2	
	TOC	ton	-	0.1	0.1	

1) COD is measured and managed according to the separate inflow approval standards set by the Andong City Office.
2) The previous year's disclosure figures have been corrected due to misreporting of BOD, SS, and TOC discharge amounts for SK chemicals (Yantai) in 2024.

Non-Financial Disclosure

Environment | Water Resources

Water Pollutant Discharge Concentrations

Business Site	Category	Unit	2023	2024	2025	Remarks
SK chemicals HQ (ECO Lab)	BOD	ppm	8.5	56.7	44.5	
	COD	ppm	11.1	48.6	52.1	
	SS	ppm	4.8	8.5	6.8	
	TOC	ppm	22.7	29	16.9	
SK chemicals Ulsan Plant	BOD	ppm	1.6	2.5	1.4	
	COD	ppm	12.6	24.3	16.5	
	SS	ppm	2.8	3.4	0.8	
	TOC	ppm	8.2	14.6	8.7	
SK chemicals Cheongju Plant	BOD	ppm	6.8	2.8	4.1	
	COD	ppm	26.3	29.0	24.0	
	SS	ppm	28.6	28.6	21.2	
	TOC	ppm	13.6	14.5	17.7	
SK bioscience (Andong Plant)	BOD	ppm	99.4	104.5	384.0	
	COD	ppm	58.2	66.5	279.2	
	SS	ppm	41.4	37.5	49.5	
	TOC	ppm	-	-	-	Data not managed
SK multi utility (Ulsan Plant)	BOD	ppm	1.6	2.5	1.4	
	COD	ppm	12.6	24.3	-	Not measured
	SS	ppm	0.8	3.4	0.8	
	TOC	ppm	8.2	14.6	8.7	
SK chemicals (Yantai) Co., Ltd.[1]	BOD	ppm	-	51.8	11.1	
	COD	ppm	-	141.9	75.5	
	SS	ppm	-	55.1	9.0	
	TOC	ppm	-	27.6	9.0	
Shuye-SK chemicals (Shantou) Co., Ltd.	BOD	ppm	-	9.0	4.9	
	COD	ppm	-	36.0	21.5	
	SS	ppm	-	61.0	8.3	
	TOC	ppm	-	9.0	4.6	

1) The previous year's disclosures have been corrected due to errors in the 2024 BOD, SS, and TOC emissions amounts of SK chemicals (Yantai)

Water Resource Risk Management

Business Site	Category	Unit	2023	2024	2025	Remarks
SK chemicals (Standalone)	Number of violations related to water quality permits, standards, and regulations	Number	0	0	0	

Environment | Resource Use and Waste Discharge

Raw Material and Recycled Material Usage[1]

Business Site	Category	Unit	2023	2024	2025	Remarks
Company Total (including subsidiaries)	Total resource usage	ton	492,417	603,520	727,415	
	Non-renewable raw material usage	ton	422,513	519,807	648,237	
	Proportion of renewable raw material usage	ton	69,903	83,712	79,178	
	Renewable raw material usage ratio	%	14.2	13.9	10.9	
SK chemicals (Standalone)	Total resource usage	ton	298,591	356,582	356,209	
	Non-renewable raw material usage	ton	292,940	342,445	340,834	
	Renewable raw material usage	ton	5,651	14,137	15,375	
	Renewable raw material usage ratio	%	1.9	4.0	4.3	
SK bioscience	Total resource usage	ton	193	249	350	
	Non-renewable raw material usage	ton	193	249	348	
	Renewable raw material usage	ton	0	0	2	
	Renewable raw material usage ratio	%	0	0	0.01	
SK multi utility	Total resource usage	ton	192,507	197,390	306,791	
	Non-renewable raw material usage	ton	128,254	136,829	257,700	
	Renewable raw material usage	ton	64,253	60,561	49,091	
	Renewable raw material usage ratio	%	33.4	30.7	16.0	
SK chemicals (Yantai) Co., Ltd.	Total resource usage	ton	-	8,553	4,283	
	Non-renewable raw material usage	ton	-	8,553	4,283	
	Renewable raw material usage	ton	-	0	0	
	Renewable raw material usage ratio	%	-	0	0	
Shuye-SK chemicals (Shantou) Co., Ltd.	Total resource usage	ton	-	39,530	57,393	
	Non-renewable raw material usage	ton	-	30,516	42,683	
	Renewable raw material usage	ton	-	9,014	14,710	
	Renewable raw material usage ratio	%	-	22.8	25.6	

1) Calculated based on the major materials used in production

Non-Financial Disclosure

Environment | Resource Use and Waste Discharge

Waste generation and recycled amount

Business Site	Category	Unit	2023	2024	2025	Remarks
Company Total (including subsidiaries)	Waste generation (general+designated)	ton	34,445	37,873	32,034	
	General Waste	ton	24,485	27,388	20,676	
	Recycled and reused	ton	23,341	25,746	18,985	
	Landfill	ton	821	644	23	
	Incineration with energy recovery	ton	168	183	166	
	Incineration without energy recovery	ton	155	132	174	
	Other treatment	ton	0	0	0	
	Not categorized1)	ton	0	682	1,328	
	Designated waste generated	ton	9,959	10,485	11,358	
	Recycled and reused	ton	6,304	7,272	6,914	
	Landfill	ton	11	24	914	
	Incineration with energy recovery	ton	1,848	1,811	2,613	
	Incineration without energy recovery	ton	1,795	914	552	
	Other treatment	ton	1	1	1	
	Not categorized[1]	ton	0	463	430	
	Waste generation intensity	ton/KRW 100 million	2.0	2.2	1.4	
	Amount of waste recycled	ton	29,645	33,019	25,899	
	Waste recycling rate	%	86.1	87.2	80.8	
SK chemicals (Standalone)	Waste generation (general+designated)	ton	14,148	14,382	14,631	
	General Waste	ton	4,271	4,445	3,799	
	Recycled and reused	ton	3,636	3,750	3,602	
	Landfill	ton	480	563	18	
	Incineration with energy recovery	ton	0	0	114	
	Incineration without energy recovery	ton	155	132	472	
	Other treatment	ton	0	0	0	
	Designated waste generated	ton	9,877	9,937	10,832	
	Recycled and reused	ton	6,299	7,267	6,898	
	Landfill	ton	11	24	914	
	Incineration with energy recovery	ton	1,848	1,811	2,613	
	Incineration without energy recovery	ton	1,719	836	473	
	Other treatment	ton	0	0	0	
	Percentage recycled	%	63.8	73.1	63.3	
	Waste generated intensity	ton/KRW 100 million	1.1	1.1	1.0	
	Amount of waste recycled☒	ton	9,935	11,016	10,499	
	Waste recycling rate	%	70.2	76.6	71.8	

1) For overseas production and sales subsidiaries (Yantai, Shantou), data collection systems by waste treatment method (landfilled, recycled, incinerated, etc.) are currently under development, so waste from these business sites is aggregated under the 'unclassified' category

Business Site	Category	Unit	2023	2024	2025	Remarks
SK bioscience	Waste generation (general+designated)	ton	423	432	366	
	General Waste	ton	341	348	269	
	Recycled and reused	ton	173	165	103	
	Landfill	ton	0	0	0	
	Incineration with energy recovery	ton	168	183	166	
	Incineration without energy recovery	ton	0	0	0	
	Other treatment	ton	0	0	0	
	Designated waste generated	ton	82	85	97	
	Recycled and reused	ton	5	6	16	
	Landfill	ton	0	0	0	
	Incineration with energy recovery	ton	0	0	0	
	Incineration without energy recovery	ton	76	78	79	
	Other treatment	ton	1	1	1	
	Waste generation intensity	ton/KRW 100 million	0.1	0.3	0.1	
	Amount of waste recycled☒	ton	177	170	119	
	Waste recycling rate	%	41.8	39.4	32.6	
SK multi utility	Waste generation (general+designated)	ton	19,873	21,913	15,280	
	General Waste	ton	19,873	21,913	15,280	
	Recycled and reused	ton	19,532	21,832	15,280	
	Landfill	ton	341	81	0	
	Incineration with energy recovery	ton	0	0	0	
	Incineration without energy recovery	ton	0	0	0	
	Other treatment	ton	0	0	0	
	Designated waste generated	ton	0	0	0	
	Recycled and reused	ton	0	0	0	
	Landfill	ton	0	0	0	
	Incineration with energy recovery	ton	0	0	0	
	Incineration without energy recovery	ton	0	0	0	
	Other treatment	ton	0	0	0	
	Waste generated intensity	ton/KRW 100 million	14.6	17.3	7.0	
	Amount of waste recycled☒	ton	19,532	21,832	15,280	
	Waste recycling rate	%	98.3	100	100	

Non-Financial Disclosure

Environment | Resource Use and Waste Discharge

Waste generation and recycled amount

Business Site	Category	Unit	2023	2024	2025	Remarks
SK chemicals (Yantai) Co., Ltd.	Waste generation (general+designated)	ton	-	504	501	
	General Waste	ton	-	133	78	
	Designated waste generated	ton	-	371	423	
	Amount of waste recycled☒	ton	-	0	0	
	Waste recycling rate	%	-	0	0	
Shuye-SK chemicals (Shantou) Co., Ltd.	Waste generation (general+designated)	ton	-	642	1,256	
	General Waste	ton	-	549	1,250	
	Designated waste generated	ton	-	93	6	
	Amount of waste recycled☒	ton	-	0	0	
	Waste recycling rate	%	-	0	0	

Non-Financial Disclosure

Environment | Air Pollutant Emission

Air Pollutant Emissions

Business Site	Category	Unit	2023	2024	2025	Remarks
Company Total (Including subsidiaries)	Total dust discharge	ton	8.8	9.6	8.6	
	Total SOx discharge	ton	142.6	88.8	65.0	
	Total hazardous air pollutants (HAPs) emissions	ton	209.1	195.1	159.6	
	Total VOCs discharge	ton	4.2	7.3	5.3	
SK chemicals (Standalone)	Total dust discharge	ton	3.3	1.9	1.6	
	Total SOx discharge	ton	0.1	2.6	0.7	
	Total NOx discharge	ton	35.0	30.9	27.1	
	Total VOCs discharge	ton	4.2	6.7	4.7	
	Total hazardous air pollutants (HAPs) emissions	ton	0	0	0.4	
SK bioscience (Andong Plant)	Total dust discharge	ton	0.1	0.1	0.1	
	Total SOx discharge	ton	0	0	3.0	
	Total NOx discharge	ton	9.5	8.5	11.9	
	Total VOCs discharge	ton	0	0	0	No discharge
SK multi utility (Ulsan Plant)	Total dust discharge	ton	5.5	6.2	5.2	
	Total SOx discharge	ton	142.6	80.4	45.0	
	Total NOx discharge	ton	164.6	133.4	104.2	
	Total VOCs discharge	ton	0	0	0	
	Total lead (Pb) emissions	ton	-	0	0	
	Total mercury (Hg) emissions	ton	-	0	0	

Business Site	Category	Unit	2023	2024	2025	Remarks
SK chemicals (Yantai) Co., Ltd.	Total dust discharge	ton	-	0.3	0.2	
	Total SOx discharge	ton	-	0.1	0.1	
	Total NOx discharge	ton	-	3.0	5.0	
	Total VOCs discharge	ton	-	0.5	0.4	
Shuye-SK chemicals (Shantou) Co., Ltd.	Total dust discharge	ton	-	1.3	1.5	
	Total SOx discharge	ton	-	5.8	16.1	
	Total NOx discharge[1]	ton	-	19.4[1]	11.4	
	Total VOCs discharge	ton	-	0.1	0.1	

1) The previous year's disclosure figures for Shuye-SK Chemicals (Shantou) have been corrected due to errors in the NOx discharge in 2024.

Non-Financial Disclosure

Environment | Air Pollutant Emission

Air Pollutant Emission Concentrations

Business Site	Category	Unit	2023	2024	2025	Remarks
SK chemicals HQ (ECO Lab)	Dust	mg/Sm³	2.3	1.0	1.5	
	SOx	ppm	0	1.5	2.2	
	NOx	ppm	30.3	29.6	28.5	
	VOCs	ppm	0	0	0	
SK chemicals Ulsan Plant	Dust	mg/Sm³	3.3	2.2	1.9	
	SOx	ppm	0.2	0.4	0.2	
	NOx	ppm	29.1	25.2	18.4	
	VOCs	ppm	0.2	0.1	0.2	
SK chemicals Cheongju Plant	Dust	mg/Sm³	2.9	1.8	1.8	
	SOx	ppm	0	0	0	
	NOx	ppm	24.4	20.8	21.4	
	VOCs	ppm	43.7	53.2	67.0	
SK bioscience (Andong Plant)	Dust	mg/Sm³	0.6	0.6	0.9	
	SOx	ppm	0	0	11.3	
	NOx	ppm	35.0	40.7	45.3	
	VOCs	ppm	0	0	0	
SK multi utility (Ulsan Plant)	Dust	mg/Sm³	2.2	2.3	2.2	
	SOx	ppm	14.0	7.5	8.7	
	NOx	ppm	29.7	24.5	8.5	
	VOCs	ppm	0	0	0	
SK chemicals (Yantai) Co., Ltd.[1]	Dust	mg/Sm³	-	2.3	1.8	
	SOx	ppm	-	-	7.5	
	NOx	ppm	-	33.0	39.4	
	VOCs	ppm	-	0.9	3.7	
Shuye-SK chemicals (Shantou) Co., Ltd.	Dust	mg/Sm³	-	8.7	6.8	
	SOx	ppm	-	39.7	71.9	
	NOx	ppm	-	133.1	57.3	
	VOCs	ppm	-	11.1	11.4	

1) The previous year's disclosure figures of SK Chemicals (Yantai) have been corrected due to errors in NOx and VOCs discharge concentration.

Non-Financial Disclosure

* The social-related non-financial performance is reported for SK chemicals (Standalone) and its major subsidiaries SK bioscience and SK multi utility, covering approximately 88% of the total based on the number of employees.

Society | Local Communities

Social Values

Business Site	Category		Unit	2023	2024	2025	Remarks
Company Total	Indirect economic contribution performance	Total	KRW 100 million	2,804	2,803	2,914	
		Employment	KRW 100 million	2,504	2,426	2,480	
		Dividend	KRW 100 million	126	222	224	
		Tax payment	KRW 100 million	174	155	211	
	Environmental performance	Total	KRW 100 million	75	260	365	
		Product/services[1]	KRW 100 million	401	615	725	
		Environment (process)	KRW 100 million	-326	-355	-361	
	Social performance	Total	KRW 100 million	707	672	866	
		Quality of life	KRW 100 million	549	489	676	
		Labor	KRW 100 million	63	86	89	
		Shared Growth	KRW 100 million	18	12	23	
		Social Contribution	KRW 100 million	77	85	77	

1) Previous year disclosures have been corrected due to errors in figures

Social Contribution Investments and Support

Business Site	Category		Unit	2023	2024	2025	Remarks
Company Total	Social contribution activities expense		KRW 100 million	54.4	57.2	46.1	
SK chcemicals (Standalone)	Social contribution activities expense		KRW 100 million	19.4	17.2	34.1	
	Volunteering activity participation[1]	Number of participants	Person	1,370	1,207	1,490	
		Volunteer hours per person	Hour	2.3	2.4	2.5	
	Hope maker enrolment		%	64	58	57	
SK bioscience	Social contribution activities expense		KRW 100 million	35	40	12	
	Volunteering activity participation	Number of participants	Person	880	659	990	
		Volunteer hours per person	Hour	2.2	2.4	2.2	
SK multi utility	Social contribution activities expense		KRW 100 million	-	-	-	
	Volunteering activity participation	Number of participants	Person	42	45	31	
		Volunteer hours per person	Hour	2.1	1.6	2.5	
	Hope maker enrolment		%	69	61	52	

1) Data for 2023 and 2024 has been recalculated based on SK chemicals standalone standards and disclosure items corrected

Society | Human Rights and Labor

Human Rights Risk Assessment

Business Site	Category		Unit	2023	2024	2025	Remarks
SK chemicals (Standalone)	Internal Management Activities	Total assessment ratio in the past 3 years	%	100	100	100	
		Ratio of risk-identified suppliers from the assessed suppliers	%	37.5	43.8	31.3	
		Ratio of suppliers implemented mitigation/ improvement measures from the risk-identified suppliers	%	100	100	100	
	Contractors and Tier 1 Suppliers	Total assessment ratio in the past 3 years	%	64	100	100	
		Ratio of risk-identified suppliers from the assessed suppliers	%	2.2	1.6	1.4	
		Ratio of suppliers implemented mitigation/ improvement measures from the risk-identified suppliers	%	41	93	92	

Union Contract Application Rate[1]

Business Site	Category	Unit	2023	2024	2025	Remarks
Company Total	Collective bargaining coverage rate	%	100	100	100	
SK chemicals (Standalone)	Collective bargaining coverage rate	%	100	100	100	
SK bioscience	Collective bargaining coverage rate	%	100	100	100	
SK multi utility	Collective bargaining coverage rate	%	100	100	100	

1) The percentage of employees subject to wages and monetary and non-monetary welfare benefits in the collective agreement

Non-Financial Disclosure

Society | Health and Safety

Process-related Safety Indicators[1)]

Business Site	Category	Unit	2023	2024	2025	Remarks
Company Total	Process safety incident count (PSIC)	Case	1	3	3	
	Process Safety Total Incidents Rate (PSTIR)	%	0.06	0.16	0.15	
	Number of transportation accidents	Case	0	0	0	
SK chemicals (Standalone)	Process Safety Incidents Count (PSIC)	Case	1	3	1	
	Process Safety Total Incidents Rate (PSTIR)	%	0.06	0.17	0.05	
	Number of Logistics Incident Cases	Case	0	0	0	
SK multi utility	Process Safety Incidents Count (PSIC)	Case	0	0	2	
	Process Safety Total Incidents Rate (PSTIR)	%	0	0	1.60	
	Number of Logistics Incident Cases	Case	0	0	0	

1) Not applicable to SK bioscience under SASB; figure not disclosed

Industrial Accidents

Business Site	Category	Unit	2023	2024	2025	Remarks
Company Total	Total Industrial Accident Rate	%	0	0.11	0	
	Total Number of Industrial Accidents	Case	0	3	0	
	Total Number of Serious Accidents	Case	0	0	0	
SK chemicals (Standalone)	Industrial Accidents Rate	%	0	0.06	0	
	Total Number of Industrial Accidents	Case	0	1	0	
	Total Number of Serious Accidents	Case	0	0	0	
SK chemicals (Standalone)_Suppliers	Industrial Accidents Rate	%	0	0.32	0.64	
	Total Number of Industrial Accidents	Case	0	1	2	
	Total Number of Serious Accidents	Case	0	0	0	
SK bioscience	Industrial Accidents Rate	%	0	0.09	0	
	Total Number of Industrial Accidents	Case	0	1	0	
	Total Number of Serious Accidents	Case	0	0	0	
SK multi utility	Industrial Accidents Rate	%	0	1.05	0	
	Total Number of Industrial Accidents	Case	0	1	0	
	Total Number of Serious Accidents	Case	0	0	0	

Work-related injuries

Business Site	Category	Unit	2023	2024	2025	Remarks
Company Total[1)]	Total Number of Deaths	Person	0	0	0	
	Total Number of Incidents[2)]	Case	5	12	8	
	Lost-time Injury Rate (LTIR)	Case/200,000 working hours	0	0.07	0.06	
SK chemicals (Standalone)[1)]	Number of deaths	Person	0	0	0	
	Number of incident[2)]	Case	5	10	8	
	Lost-time Injury Rate (LTIR)	Case/200,000 working hours	0	0.06	0.11	
SK chemicals (Standalone)_Suppliers	No. of deaths	Person	0	0	0	
	Number of incidents	Case	1	3	2	
	Lost-time Injury Rate (LTIR)	Case/200,000 working hours	0	0.31	0.61	
SK bioscience[1)]	No. of deaths	Person	0	0	0	
	Number of incidents	Case	0	1	0	
	Lost-time Injury Rate (LTIR)	Case/200,000 working hours	0	0.09	0	
SK multi utility[1)]	No. of deaths	Person	0	0	0	
	Number of incidents	Case	0	1	0	
	Lost-time Injury Rate (LTIR)	Case/200,000 working hours	0	0	0	

1) Including in-house supplier
2) Previous disclosures for SK chemicals' number of incident counts in 2023 and 2024 have been corrected due to re-aggregation.

Occupational Illness

Business Site	Category	Unit	2023	2024	2025	Remarks
Company Total[1)]	Total number of occupational illness cases	Case	0	0	0	
	Total fatality caused by occupational illness	Person	0	0	0	
SK chemicals (Standalone) [1)]	Number of cases of occupational illnesses	Case	0	0	0	
SK bioscience[1)]	Number of cases of occupational illnesses	Case	0	0	0	
SK multi utility[1)]	Number of cases occupational illnesses	Case	0	0	0	

1) Including in-house supplier

Non-Financial Disclosure

Society | Labor

Employee Composition

Business Site	Category		Unit	2023	2024	2025	Remarks
Company Total	Human resource composition						
	Total		Person	2,608	2,591	2,780	
	Gender	Male	Person	1,842	1,825	1,911	
		Female	Person	766	766	869	
	Employment type	Full-time employee	Person	2,372	2,370	2,431	
		Contract[1]	Person	236	221	349	
	By age group	Younger than 30	Person	548	478	587	
		30-49	Person	1,758	1,803	1,865	
		50 and older	Person	302	310	328	
	Diversity	People with disabilities	Person	87	85	96	
		Veteran	Person	26	23	18	
		Foreigner	Person	14	6	11	
	Recruitment						
	Total number of new recruits		Person	313	263	302	
	Gender	Male	Person	196	169	165	
		Female	Person	117	94	137	
	By age group	Younger than 30	Person	127	130	200	
		30-49	Person	177	117	93	
		50 and older	Person	9	16	9	
	Retired (turnover)						
	Total departed employees		Person	206	263	252	
	Gender	Male	Person	139	176	151	
		Female	Person	67	87	101	
	By age group	Younger than 30	Person	60	64	63	
		30-49	Person	107	166	159	
		50 and older	Person	39	33	30	
	Turnover rate	Total turnover rate	%	7.9	10.2	9.1	
		Voluntary turnover rate[2]	%	7.1	9.0	8.5	

1) Contract workers are engaged in tasks such as office assistance in each department, HR support, administrative support, accounting, and executive secretarial work
2) Voluntary turnover rate = (Voluntary leavers / Total number of employees) × 100

Business Site	Category		Unit	2023	2024	2025	Remarks
SK chemicals (Standalone)	Human resource composition						
	Total		Person	1,418	1,466	1,547	
	Gender	Male	Person	1,087	1,118	1,166	
		Female	Person	331	348	381	
	Employment type	Full-time employee	Person	1,325	1,363	1,406	
		Contract[1]	Person	93	103	141	
	By age group	Younger than 30	Person	189	218	245	
		30-49	Person	1,017	1,021	1,065	
		50 and older	Person	212	227	237	
	Diversity	People with disabilities	Person	50	50	59	
		Veteran	Person	25	22	17	
		Foreigner	Person	1	1	1	
	Recruitment						
	Total number of new recruits		Person	143	167	158	
	Gender	Male	Person	82	107	99	
		Female	Person	61	60	59	
	By age group	Younger than 30	Person	74	98	122	
		30-49	Person	63	64	34	
		50 and older	Person	6	5	2	
	Retired (turnover)						
	Total departed employees		Person	130	143	123	
	Gender	Male	Person	91	95	79	
		Female	Person	39	48	44	
	By age group	Younger than 30	Person	35	34	43	
		30-49	Person	59	82	56	
		50 and older	Person	36	27	24	
	By type	Total turnover rate	%	9.2	9.8	8.0	
		Volunteer turnover rate[2]	%	7.7	8.0	7.0	

Non-Financial Disclosure

Society | Labor

Employee Composition

Business Site	Category		Unit	2023	2024	2025	Remarks
SK bioscience	Human resource composition						
	Total		Person	1,101	1,028	1,134	
	Gender	Male	Person	669	615	650	
		Female	Person	432	413	484	
	Employment type	Full-time employee	Person	971	929	935	
		Contract[1]	Person	130	99	199	
	By age group	Younger than 30	Person	349	249	328	
		30-49	Person	697	731	748	
		Aged 50 and over	Person	55	48	58	
	Diversity	People with disabilities	Person	36	34	36	
		Veteran	Person	1	1	1	
		Foreigner	Person	13	5	10	
	Recruitment						
	Total number of new recruits		Person	158	79	128	
	Gender	Male	Person	103	47	52	
		Female	Person	55	32	76	
	By age group	Younger than 30	Person	46	28	70	
		30-49	Person	110	45	53	
		Aged 50 and over	Person	2	6	5	
	Retired (turnover)						
	Voluntarily departed employees		Person	71	110	115	
	Gender	Male	Person	44	72	61	
		Female	Person	27	38	54	
	By age group	Younger than 30	Person	23	28	18	
		30-49	Person	46	80	97	
		Aged 50 and over	Person	2	2	0	
	By position	Executives	Person	0	0	0	
		Manager (PL, team leader, committee member)	Person	7	10	7	
		Non-manager	Person	64	100	108	
	Turnover rate	Voluntary turnover rate[2]	%	6.4	10.7	10.1	

Business Site	Category		Unit	2023	2024	2025	Remarks
SK multi utility	Human resource composition						
	Total		Person	89	97	99	
	Gender	Male	Person	86	92	95	
		Female	Person	3	5	4	
	Employment type	Full-time employee	Person	76	78	90	
		Contract[1]	Person	13	19	9	
	By age group	Younger than 30	Person	10	11	14	
		30-49	Person	44	51	52	
		Aged 50 and over	Person	35	35	33	
	Diversity	People with disabilities	Person	1	1	1	
		Veteran	Person	0	0	0	
		Foreigner	Person	0	0	0	
	Recruitment						
	Total number of new recruits		Person	12	17	16	
	Gender	Male	Person	11	15	14	
		Female	Person	1	2	2	
	By age group	Younger than 30	Person	7	4	8	
		30-49	Person	4	8	6	
		Aged 50 and over	Person	1	5	2	
	Retired (turnover)						
	Total departed employees		Person	5	10	14	
	Gender	Male	Person	4	9	11	
		Female	Person	1	1	3	
	By age group	Younger than 30	Person	2	2	2	
		30-49	Person	2	4	6	
		Aged 50 and over	Person	1	4	6	
	Turnover rate	Total turnover rate	%	5.6	10.3	14.1	
		Voluntary turnover rate[2]	%	4.5	6.2	13.1	

1) Contract workers are engaged in tasks such as office assistance in each department, HR support, administrative support, accounting, and executive secretarial work
2) Voluntary turnover rate = (Voluntary leavers / Total number of employees) × 100

Non-Financial Disclosure

Society | Labor

Female Talents

Business Site	Category		Unit	2023	2024	2025	Remarks
Company Total	Executives	Number of Female Executives	Person	9	8	10	
		Female Executives Ratio	%	12.7	11.4	13.7	
	Manager (PL, team leader, advisor)	Number of Female Manager	Person	32	37	33	
		Female Manager Ratio	%	13.6	15.4	12.5	
	Non-manager	Number of Female Junior Manager	Person	722	722	825	
		Female Junior Manager Ratio	%	31.4	31.6	33.7	
	STEM staff[1]	Number of Female Employees	Person	88	101	103	
		Female ratio	%	47.6	48.8	37.1	
	Managers in revenue generating departments[2] (Marketing department PL, team leader, advisor)	Number of Female Employees	Person	46	45	44	
		Female ratio	%	10.4	10.0	9.5	
SK chemicals (Standalone)	Executives	Number of Female Executives	Person	2	2	2	
		Female Executives Ratio	%	6.3	6.5	7.1	
	Manager (PL, team leader, advisor)	Number of Female Managers	Person	15	17	15	
		Female Manager Ratio	%	10.9	11.3	9.6	
	Non-manager	Number of Female Junior Managers[3]	Person	314	330	363	
		Female Junior Manager Ratio	%	25.2	25.5	26.6	
	STEM employee	Number of Female Employees	Person	78	89	91	
		Female ratio	%	53.8	54.9	54.2	
	Managers in revenue-generating department (Marketing department PL, team leader, advisor)	Number of Female Employees	Person	25	31	29	
		Female ratio	%	6.8	8.2	7.4	

1) Definition of STEM members: Members belonging to each research organization within SK Chemicals' Green Chemicals and Pharma business unit, members of SK bioscience's Research Headquarters and DX organization, and members of SK multi utility's Power Operations Team.
2) Definition of revenue-generating departments: SK chemicals – Recycling Business Division, Green Materials Business Division, and Marketing Divisions 1–4; SK bioscience – Domestic Marketing Office (excluding the Marketing Planning Team) and Business Development Offices 2 and 3; SK multi utility – Business Development Team and Utility Operations Team.
3) Previous year disclosure figures have been corrected due to errors in 2024 female junior managers' numbers in SK chemicals (Standalone)

Business Site	Category		Unit	2023	2024	2025	Remarks
SK bioscience[4]	Executives	Number of Female Executives	Person	7	6	8	
		Female Executives Ratio	%	18.4	16.2	19.0	
	Manager (PL, team leader, advisor)	Number of Female Manager	Person	17	20	18	
		Female Manager Ratio	%	18.5	23.5	17.6	
	Non-manager	Number of Female Junior Manager	Person	408	387	458	
		Female Junior Manager Ratio	%	42.0	42.7	46.3	
	STEM employee	Number of Female Employees	Person	10	12	10	
		Female ratio	%	31.3	32.4	27.0	
	Managers in revenue-generating department (Marketing department PL, team leader, advisor)	Number of Female Employees	Person	20	14	15	
		Female ratio	%	27.8	20.0	20.8	
SK multi utility[5]	Executives	Number of Female Executives	Person	0	0	0	
		Female Executives Ratio	%	0	0	0	
	Manager (PL, team leader, advisor)	Number of Female Manager	Person	0	0	0	
		Female Manager Ratio	%	0	0	0	
	Non-manager	Number of Female Junior Manager	Person	0	5	4	
		Female Junior Manager Ratio	%	0	5.6	4.4	
	STEM employee	Number of Female Employees	Person	0	0	2	
		Female ratio	%	0	0	2.7	
	Managers in revenue-generating department (Marketing department PL, team leader, advisor)	Number of Female Employees	Person	1	0	0	
		Female ratio	%	33.3	0	0	

4) Previous year disclosure figures have been corrected due to errors in 2023 female junior manager ratio
5) The previous year's disclosure figures has been corrected due to errors in the 2023 data for ratio of female managers in revenue-generating departments of SK multi utility

Non-Financial Disclosure

Society | Welfare Benefits

Parental Leave[1)]

Business Site	Category		Unit	2023	2024	2025	Remarks
SK chemicals (Standalone)	Number of employees used parental leave[2)]	Male	Person	9	14	33	
		Female	Person	22	23	28	
		Total	Person	31	37	61	
	Number of employees returned after parental leave[3)]	Male	Person	7	9	25	
		Female	Person	17	13	16	
		Total	Person	24	22	41	
	Employees served for more than 12 months after returning[4)]	Male	Person	7	6	8	
		Female	Person	5	16	10	
		Total	Person	12	22	18	
	Ratio of employees served for more than 12 months after returning[3)]	Male	%	100	85.7	88.9	
		Female	%	35.7	94.1	76.9	
		Total	%	57.1	91.7	81.8	
SK bioscience	Number of employees used parental leave[2)]	Male	Person	8	11	22	
		Female	Person	18	27	27	
		Total	Person	26	38	49	
	Number of employees returned after parental leave[3)]	Male	Person	7	8	19	
		Female	Person	7	24	19	
		Total	Person	14	32	38	
	Employees served for more than 12 months after returning[4)]	Male	Person	7	7	7	
		Female	Person	4	7	19	
		Total	Person	11	14	26	
	Ratio of employees served for more than 12 months after returning[5)]	Male	%	100	87.5	36.8	
		Female	%	57.1	29.2	100	
		Total	%	78.6	43.8	68.4	

1) The data for 2023 and 2024 have been corrected due to changes in SK chemicals' standards, and SK multi utility has not had any employees taking parental leave in the past three years. The number of employees eligible for parental leave is not disclosed due to non-aggregation.
2) The number of employees who used parental leave in the relevant year.
3) The number of employees who returned to work after their parental leave ended within the relevant year.
4) The number of employees who returned to work in the previous year and have actually worked for more than 12 months as of the end of the current year.
5) The ratio of those who returned in the previous year and have worked for more than 12 months.

Retirement Pension

Business Site	Category	Unit	2023	2024	2025	Remarks
Company Total	Retirement pension management amount (DB, defined benefit)[1)]	KRW 100 million	2,047	2,271	2,271	
	Number of employees with retirement pension (DB, defined benefit)	Person	2,441	2,176	2,282	
SK chemicals (Standalone)	Retirement pension management amount (DB, defined benefit)[1)]	KRW 100 million	1,375	1,520	1,485	
	Number of employees with retirement pension (DB, defined benefit)	Person	1,283	1,328	1,314	
SK bioscience[2)]	Retirement pension management amount (DB, defined benefit)[1)]	KRW 100 million	600	668	687	
	Number of employees with retirement pension (DB, defined benefit)	Person	1,072	768	881	
SK multi utility	Retirement pension management amount (DB, defined benefit)[1)]	KRW 100 million	72	83	99	
	Number of employees with retirement pension (DB, defined benefit)	Person	86	80	87	

1) Fair value of external reserve assets (notes to Standalone financial statements)
2) Previous year's disclosure figures has been corrected due to a misstatement of retirement pension operating expenses in 2023

Pay ratio by Gender[1)]

Business Site		Category	Unit	2023	2024	2025	Remarks
SK chemicals (Standalone)	Salary ratio by gender	Executives	%	75	85	102	
		Managerial positions	%	90	99	107	
		Non-Managerial positions	%	75	78	82	
		All	%	70	71	76	
SK bioscience	Salary ratio by gender	Executives	%	99	107	113	
		Managerial positions	%	103	101	91	
		Non-Managerial positions	%	102	102	83	
		All	%	88	89	75	
SK multi utility	Salary ratio by gender	Executives	%	-	-	-	
		Managerial positions	%	-	-	-	
		Non-Managerial positions	%	48	56	66	
		All	%	48	54	63	

1) Female average salary ratio compared to male average salary

Non-Financial Disclosure

Society | Education and Evaluation

Training hours

Business Site	Category	Unit	2023	2024	2025	Remarks
Company Total	Total number of employees participated	Person	2,602	2,581	2,772	
	Total training hours	Hour	144,918	127,776	132,221	
	Training hours per person	Hour	56	50	48	
SK chemicals (Standalone)	Total number of employees participated	Person	1,418	1,466	1,547	
	Total training hours[1]	Hour	74,458	61,557	68,150	
	Training hours per person	Hour	53	42	44	
SK bioscience	Total number of employees participated	Person	1,905	1,018	1,126	
	Total training hours	Hour	68,694	63,561	62,584	
	Training hours per person	Hour	70	59	55	
SK multi utility	Total number of employees participated	Person	89	97	99	
	Total training hours	Hour	1,766	2,658	1,487	
	Training hours per person	Hour	20	27	15	

1) Previous year's disclosures have been corrected due to changes in calculation standards

Training cost

Business Site	Category	Unit	2023	2024	2025	Remarks
Company Total	Total training cost	KRW million	6,660	6,178	7,259	
	Training cost per person	KRW million	2.6	2.4	2.6	
SK chemicals (Standalone)	Total training cost	KRW million	3,688	3,681	3,340	
	Training cost per person	KRW million	2.6	2.5	2.2	
SK bioscience	Total training cost	KRW million	2,920	2,440	3,874	
	Training cost per person	KRW million	2.7	2.4	3.4	
SK multi utility	Total training cost	KRW million	52	56	44	
	Training cost per person	KRW million	0.6	0.6	0.4	

Performance Evaluation Review Rate

Business Site	Category	Unit	2023	2024	2025	Remarks
Company Total	Percentage of employees evaluated based on goals agreed upon with their direct supervisor	%	91	96	93	
	Number of employees subject to review	Person	1,735	1,683	1,767	
	Number of employees received review	Person	1,584	1,608	1,648	
SK chemicals (Standalone)	Percentage of employees evaluated based on goals agreed upon with their direct supervisor	%	95	97	97	
SK bioscience	Percentage of employees evaluated based on goals agreed upon with their direct supervisor	%	87	94	88	
SK multi utility	Percentage of employees evaluated based on goals agreed upon with their direct supervisor	%	96	100	100	

Society | Suppliers

Supply Chain ESG Assessment

Business Site	Category		Unit	2023	2024	2025	Remarks
SK chemicals (Standalone)	New suppliers		Companies	150	147	164	
	Desktop assessment	Number of subjected companies	Companies	51	57	66	
		Number of significant suppliers from the subjected companies	Companies	51	57	66	
		Ratio of significant suppliers to subjected companies	%	69	77	99	
		Number of businesses identified as high-risk from document assessment	Companies	22	15	13	
	On-site Audit	Number of subjected companies	Companies	9	4	12	
		Number of significant suppliers from the subjected companies	Companies	9	4	12	
		Ratio of significant suppliers to subjected companies	%	100	100	100	
		Number of high-risk businesses from the subjected companies	Companies	9	4	7	
		Ratio of high-risk businesses from the subjected companies	%	100	100	58	
	Improvement Measures	Number of companies participated in the improvement action	Companies	22	14	13	
		Ratio of high-risk companies participated in the improvement action	%	100	93	100	

Non-Financial Disclosure

Governance | Ethical Management

Ethical Management System

Business Site	Category		Unit	2023	2024	2025	Remarks
SK chemicals (Including SK multi utility)	Official ethics management channel reports	Number of reports	Case	10	7	3	
		Number of processed	Case	10	7	3	
		Ratio of complaints resolved	%	100	100	100	
	Unfair trade practices and other violations of laws	Number of violations	Case	0	0	0	
		Number of non-monetary	Case	0	0	0	
		Number of lawsuits (Defeated)	Case	0	0	0	
	Participation rate in ethics training		%	100	100	100	
	Ratio that have signed the Code of Conduct	Employees	%	100	100	100	
		Suppliers	%	100	100	100	
		Subsidiaries	%	100	100	100	
		Joint ventures	%	100	100	100	
	Proportion of business sites that have gone through corruption risk inspections		%	100	100	100	

Governance | Board of Directors Operation

Operation and Compensation

Business Site		Category	Unit	2023	2024	2025	Remarks
Operations of the Board of Directors	Number of meetings	Regular BOD meetings	Case	14	14	14	
	Agenda	Submitted	Case	14	19	21	
		Approved	Case	14	19	21	
	Attendance rate	Inside Directors	%	96.5	100	96.4	
		Non-executive director	%	100	100	100	
		Independent Directors	%	100	100	98.2	
Board Compensation	Inside directors	Total amount paid	KRW million	2,980	2,180	2,521	
		Number of people	Person	3	3	3	
		Average remuneration per person	KRW million	993	727	840	
	Independent directors	Total amount paid	KRW million	417	455	428	
		Number of people	Person	4	4	5	
		Average remuneration per person	KRW million	104	114	86	

Governance | Shareholders and Dividends

Composition of Shareholders and Dividends

Business Site		Category	Unit	2023	2024	2025	Remarks
Shareholder Composition	Shareholder equity ratio	SK Discovery Co., Ltd.	Number of shares	7,056,899	7,056,899	7,056,899	
			%	36.4	36.4	36.4	
		Choi Chang-won and other related parties	Number of shares	382,109	382,109	533,665	
			%	2.0	2.0	2.8	
		Shareholders over 5% (the National Pension Service)	Number of shares	1,078,744	907,747	1,470,744	
			%	5.6	4.7	7.6	
		Treasury shares	Number of shares	178,990	178,990	29,909	
			%	0.9	0.9	0.2	
		Minority shareholders	Number of shares	10,672,470	10,843,467	10,284,337	
			%	55.1	56.0	53.1	
		Total	Number of shares	19,369,212	19,369,212	19,379,920	
			%	100	100	100	
Dividend Status	Ordinary share	Dividend	KRW/Share	650	1,150	1,150	
		Number of dividend-paying share	Share	17,222,926	17,222,926	17,268,857	
		Cash dividend yield	%	1	2.8	1.7	
	Preferred Stock	Dividend	KRW/Share	700	1,200	1,200	
		Number of dividend-paying share	shares	1,967,296	1,967,296	2,111,063	
		Cash dividend yield	%	2.3	6.4	4.3	

Governance | Information Security

Information Security System

Business Site	Category	Unit	2023	2024	2025	Remarks
SK chemicals (Standalone)	Information security training participation rate	%	99	99	100	
	Number of personal information breach cases	Case	5[1]	0	0	
	Total monetary loss due to information security violations	KRW 100 million	0.01[2]	0	0	
	Information security operation and investment amount	KRW 100 million	18	18	20	

1) Number of SK chemicals personal information breach cases included in SK Careers personal information breach incident
2) KRW 1,000,000 of contribution from each related subsidiary for SK Careers personal information breach; not a direct incident

Non-Financial Disclosure

Governance | Regulatory Violations

Serious Regulatory Violations[1)]

Business Site	Category			Unit	2023	2024	2025	Remarks
SK chemicals (Standalone)	Monetary sanction	Environment	Total Number of Violations	Case	0	0	0	
			Total Fines and Penalty	KRW million	0	0	0	
		Fair trade/Anti-corruption	Total Number of Violations	Case	0	0	0	
			Total Fines and Penalty	KRW million	0	0	0	
		Health and Safety	Total Number of Violations	Case	0	0	0	
			Total Fines and Penalty	KRW million	0	0	0	
		Information Security	Total Number of Violations	Case	0	0	0	
			Total Fines and Penalty	KRW million	0	0	0	
		Other	Total Number of Violations	Case	0	0	0	
			Total Fines and Penalty	KRW million	0	0	0	
	Non-monetary sanction	Number of other social non-monetary sanctions		Case	0	1[2)]	0	

1) Defined as serious regulatory violations for cases involving monetary sanctions exceeding USD 10,000 and non-monetary sanctions that impact business continuity
2) 1-month suspension of manufacturing operations for the relevant items due to non-compliance with administrative orders from Daejeon Ministry of Food and Drug Safety Office

APPENDIX

166 Stakeholder Engagement

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176 Association and Memberships

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179 GHG Assurance Statement

Stakeholder Engagement

Stakeholder Engagement and Communication Channels

Stakeholder Engagement

SK chemicals Stakeholder Engagement Policy

SK chemicals defines its key stakeholders as customers, shareholders, investors, financial institutions, employees, government and associations, suppliers, and local communities. In 2024, to build sustainable relationships with stakeholders and facilitate effective communication, we established the <Stakeholder Engagement Policy>, which clearly defines the concept of stakeholders and systematizes tailored communication channels for each stakeholder group.

We also developed a five-step grievance-handling mechanism to actively respond to stakeholders' opinions and complaints and to formalize the process.

This policy applies to all management activities at our domestic workplaces and subsidiaries and provides various communication channels so that all stakeholders, including local communities near our business sites, can raise concerns about corporate activities.

It also emphasizes the principle of transparently sharing solutions to issues raised.

Furthermore, starting in 2023, we expanded the scope of annual human rights impact assessments, listening to opinions on the potential human rights impacts of our operations on the communities in Pangyo, Ulsan, and Cheongju where our business sites are located.

As a result of the human rights impact assessments, it has been confirmed that no business sites have a substantial or potentially significant negative impact on the local communities near our workplaces.

SK chemicals is committed to contributing to socio-economic development and human happiness by faithfully implementing the SKMS (SK Management System) as the foundation of our management philosophy and engaging in open communication with stakeholders.

In particular, our highest decision-making body, the Board of Directors, supports the active implementation of this policy and will fulfill its role in overseeing management activities to ensure stakeholder participation and mutual growth.

Stakeholder Engagement Channels

Category	Communication channel		Key issues	Page
For All Stakeholders	• Stakeholder survey - annual	• SK chemicals YouTube channel - Ongoing	• Awareness transition for green materials & environmental impact-reducing consumption • Pharmaceutical & bio businesses and health information demand • About SK chemicals and recruitment information • ESG management activities	5, 6-7, 8-15, 33, 107-109
Customer	• Customer satisfaction survey (Green Chemicals business unit) - annual • Customer Service Center Operation (Pharma business unit) - Ongoing	• Operation of 'Voice of Customer' Channel on SK chemicals Website - Ongoing • Individual Visits to Customer Companies - Ongoing	• Feedback on products and services • Product quality control and safety	107-109
Shareholders and Investors	• Business Reports/Quarterly and Semi-Annual Reports • Timely Disclosure/Voluntary Disclosure • Regular/Extraordinary General Shareholders' Meetings	• Quarterly Earnings Announcements and Non-Deal Roadshows • Operation of Contact IR Bulletin Board - Ongoing	• Stock price and dividend changes issues • Changes in management environment, business performance, and strategy • Transparent corporate information disclosure	129-132
Employees	• Town Hall Meetings - Quarterly • G+ / L+ Meetings - Quarterly • Labor-management Council • In-house Broadcasting and Newsletter	• Staff Satisfaction Survey / Culture Survey – Annually • Operation of SK Ethical Management Report Channel – Ongoing • Human Rights Impact Assessment	• Changes in management environment • Implementation of recruitment and development systems • Fair performance assessment and compensation and welfare benefits • Information security	90, 92-95, 96-97, 135-137
Government and Associations	• Policy consultations with local governments - Constant		• Regulations • Business opportunities and risks	176
Supplier	• Support for suppliers to build ESG management system • SK Group Mutual Growth Academy • Individual Visits to Suppliers – Ongoing • Supplier Representatives Meeting – Quarterly	• Supplier Safety Managers Meeting – Monthly • Operation of Safety Reporting System - Ongoing • Human Rights Impact Assessment	• Fair contracts, unfair transactions • Shared growth cooperation	117, 119
Local Community	• Joint Program Development and Operation in Cooperation with Local Governments • Community Volunteer Group	• Human Rights Impact Assessment	• Local Community Engagement and Development • Cooperative Social Contribution Activities	120-122

Participation in Global Initiatives

UNGC Communication on Progress

Category	Principles	Key Activities	Report Page
Human Rights	Principle ① Businesses should support and respect the protection of internationally proclaimed human rights. Principle ② Businesses should make sure that they are not complicit in human rights abuses.	• Make Declaration on Human Rights and Human Rights Management Guidelines • Launch a Human Rights Management Committee • Conduct human rights due diligence and issue Human Rights Reports • Comply with labor principles and laws	85
Labor	Principle ③ Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. Principle ④ Businesses should uphold the elimination of all forms of forced labor. Principle ⑤ Businesses should uphold the effective abolition of child labor. Principle ⑥ Businesses should uphold the elimination of discrimination in respect of employment and occupation.	• Compliance with the Labor Standards Act • Operation of fair performance appraisal system • Operation of labor-management council	90, 91
Environment	Principle ⑦ Businesses should support preventative approaches to environmental issues. Principle ⑧ Businesses should undertake initiatives to promote greater environmental responsibility. Principle ⑨ Businesses should encourage the development and diffusion of environmentally friendly technologies.	• Establish SBTi-based GHG reduction pathway and 2040 Net Zero Roadmap • GHG reduction through optimized processes, fuel transition, and solar power generation • Expand business focused on green materials (e.g., recycled and bio materials)	32, 33, 47-53
Ethics & Anti-Corruption	Principle ⑩ Businesses should work against corruption in all its forms, including extortion and bribery.	• Establish ethical management and anti-corruption policies • Establish task force and reporting/consultation system for ethical management • Conduct training for ethical management and anti-corruption • Acquire Anti-Bribery Management Systems Certificate (ISO 37001)	124-128

Participation in Global Initiatives

UN SDGs

Category		Key issues	Communication channel
1. No poverty	1.3	Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.	• Hire labor-marginalized groups
3. Good health and well-being	3.3	By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases.	• Contribute to disease prevention with the vaccine business
	3.4	By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.	• Contribute to treating diseases with the pharmaceutical business • Provide treatment support for incurable disease patients • Develop and support programs to enhance cognitive skills for dementia patients
4. Quality education	4.4	By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.	• Support obtaining degrees and certifications related to job responsibilities • Implement personal information protection and security education • Support safety training and education for employees of the company and business partners • Support enhancing competitiveness through education for business partners
5. Gender equality	5.4	Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate.	• Implementation of work/family balance system such as childcare leave
6. Clean water and sanitation	6.3	By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	• Investing in water quality pollutant reduction facilities and strengthening pollutant management • Expanding water recycling rate
7. Affordable and clean energy	7.1	By 2030, ensure universal access to affordable, reliable and modern energy services.	• Support energy access through the Myanmar cookstoves distribution project • Enhance energy access with the LNG business transition of a subsidiary company (SK multi utility)
	7.2	By 2030, increase substantially the share or renewable energy in the global energy mix.	• Transition to renewable energy and usage expansion by site
	7.3	By 2030, double the global rate of improvement in energy efficiency.	• Enhance energy efficiency with optimized processes and adoption of new equipment
8. Decent work and economic growth	8.5	By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	• Create high-quality jobs through institutional and policy support • Support for the growth of business partners through financial assistance programs • Welfare support for employees of business partners

Category		Key issues	Communication channel
9. Industry, innovation and infrastructure	9.2	Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.	• Strengthen R&D investment to protect the earth's environment and promote people's health
10. Reduced inequalities	10.2	By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	• Alleviate inequalities with human rights protection systems
12. Responsible consumption and production	12.4	By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.	• Make efforts to reuse wastewater and waste generated from the production process
13. Climate action	13.1	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	• Establish a dedicated management organization for climate change risks • Set and implement targets for greenhouse gas reduction and development of bio-materials • Make efforts to reduce greenhouse gas emissions by using waste resources
	13.3	Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	• Implement eco-friendly environmental management by launching products with reduced environmental impacts and environment cleaning activities
14. Life below water	14.2	By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.	• Efforts to reduce forest and marine pollution risks by developing eco-friendly plastics • Volunteer activities to clean streams • Biodiversity analysis and disclosure
15. Life on land	15.4	By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development.	
17. Partnership for the goals	17.16	Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries.	• Support for diagnosing and systematizing the ESG management status of business partners • Establish comprehensive solutions based on diverse infrastructure partnership networks • Promote global partnership activities for sustainable management

Participation in Global Initiatives

TCFD

	TCFD Recommendation	Report Page	CDP Link
Governance	a. Describe the board's oversight of climate-related risks and opportunities	39, 40	CDP_C4.1.2
	b. Describe management's role in assessing and managing risks and opportunities	39, 40	CDP_C4.3
Strategy	a. Describe climate-related risks and opportunities identified by the organization over the short, medium, and long term	42, 43	CDP_C2.1, C2.2.2, C3.1, C3.1.1, C3.6, C3.6.1
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	44, 45	CDP_C5.2, C5.3.1, C5.3.2
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	54~57	CDP_C5.1, C5.1.1, C5.1.2
Risk management	a. Describe the organization's processes for identifying and assessing climate-related risks	42, 43	CDP_C2.2.1, C2.2.5
	b. Describe the organization's processes for managing climate-related risks	58	CDP_C2.2.6, C2.2.8
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	58	CDP_C2.2.9
Metrics and Targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	59	CDP_C7.52
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	52, 53, 145, 146, 147	CDP_C7.6, C7.7, C7.8, C7.8.1, C12.1, C12.1.1, C12.1.3
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	52, 53	CDP_C7.53, C7.53.1, C7.53.2, C7.53.4, C7.54, C7.54.1, C7.54.2

Participation in Global Initiatives

TNFD

	TNFD Recommendation	Report Page
Governance	a. Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.	76
	b. Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities	76
	c. Describe the organization's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organization's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	76
Strategy	a. Describe the nature-related dependencies, impacts, risks and opportunities the organization has identified over the short, medium and long term.	80, 81
	b. Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organization's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	78, 79
	c. Describe the resilience of the organization's strategy to nature-related risks and opportunities, taking into consideration different scenarios.	80, 81
Risk management	a(i). Describe the organization's processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its direct operations.	78, 79
	a(ii). Procedure for identifying and assessing the dependence, impact, risks, and opportunities related to natural capital in a company's upstream/downstream value chain	78, 79
	b. Describe the organization's processes for monitoring nature-related dependencies, impacts, risks and opportunities.	81, 82
	c. Describe how processes for identifying, assessing, prioritizing and monitoring nature-related risks are integrated into and inform the organization's overall risk management processes.	76, 77
	d. Disclose the locations of its owned assets and business activities, and, when possible, reveal the locations of upstream/downstream activities that meet major regional criteria.	77
Metrics and Targets	a. Disclose the metrics used by the organization to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	82
	b. Disclose the metrics used by the organization to assess and manage dependencies and impacts on nature.	82
	c. Describe the targets and goals used by the organization to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	82

Participation in Global Initiatives

SASB | Chemical[1)]

Category	SASB Code	Indicator		Unit	Report Page	Contents
SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS						
GHG Emissions	RT-CH-110a.1	Scope 1 emissions		Metric tons(t) CO_2e	145	44,629
		Scope 1 Percentage covered under emissions limiting regulations		%	-	100%
	RT-CH-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets		-	52	Stated on the page
Air Quality	RT-CH-120a.1	Air Pollutant Emissions	NOx emissions (excluding N_2O)	Metric tons(t)	154	27.1
			SOx emissions	Metric tons(t)	154	0.7
			Volatile organic compounds (VOCs) emissions	Metric tons(t)	154	4.7
			Hazardous Air Pollutants (HAPs) emissions	Metric tons(t)	154	0.4
Energy Management	RT-CH-130a.1	Total energy consumption		Gigajoules(GJ)	141	4,263,000
		Grid power ratio		%	-	
		Ratio of renewable energy consumption		%	144	10.6
		Total self-generated energy		Gigajoules(GJ)	144	54,338 (15,094MWh)
Water Management	RT-CH-140a.1	Total water withdrawal		Thousand cubic meters(m^3)	149	2,130,757
		Total water consumption		Thousand cubic meters(m^3)	149	2,130,757
		Rate of water withdrawal from areas with High or Very High water stress indicator		%	67	0.7
		Rate of water consumption from areas with High or Very High water stress indicator		%	67	0.7
	RT-CH-140a.2	Number of non-compliances with water quality permit, standards, and regulations		Number	151	0
	RT-CH-140a.3	Description of water management risks and strategies and activities to mitigate them		-	65-69	Stated on the page
Hazardous Waste Management	RT-CH-150a.1	Hazardous Waste Quantity[2)]	Generated	Metric tons(t)	152	10,897
			Recycling rate	%	152	63.3
Community Relations	RT-CH-210a.1	Description of Processes to Manage Risks and Opportunities Related to Community Stakeholders		-	120, 122	Stated on the page

1) The SASB index has been prepared based on SK chemicals (Standalone basis).
2) Data is based on the amount of designated waste.

Participation in Global Initiatives

SASB | Chemical[1)]

Category	SASB Code	Indicator		Unit	Report Page	Contents
SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS						
Workplace Safety	RT-CH-320a.1	Total Recordable Incident Rate (TRIR)	Full-time employee	Rate	157	
			Contract	Rate	157	
		Fatality Rate	Full-time employee	Rate	157	
			Contract	Rate	157	
	RT-CH-320a.2	Efforts to assess, monitor, and reduce regular/chronic health risks for employees and contract workers		-	103, 104	Stated on the page
User-Stage Resource Efficiency	RT-CH-410a.1	Revenue from products considering user product resource efficiency		-	-	
Environmental Safety Responsibility for Chemicals	RT-CH-410b.1	Proportion of product sales containing substances classified as GHS Category 1 and 2		Percentage(%) by revenue	-	
		Proportion of products subjected to hazard assessment among the above		%	-	
	RT-CH-410b.2	Strategies for chemical management and development of alternatives to reduce impacts on humans and the environment		-	75	Stated on the page
Genetically Modified Materials	RT-CH-410c.1	Proportion of revenue from products containing genetically modified materials		Percentage(%) by revenue	-	
Legal and Regulatory Environment Management	RT-CH-530a.1	Company position on government regulations and policy proposals addressing environmental and social factors affecting the industry		-	-	
Health and Safety and Emergency Response System	RT-CH-540a.1	Process Safety Incidents Count		Number	157	1
		Process Safety Total Incident Rate		Rate	157	0.05
		Process Safety Incident Severity Rate		Rate	-	
	RT-CH-540a.2	Number of accidents during chemical transportation		Number	157	0
ACTIVITY METRICS						
	RT-CH-000.A	Production by item	Copolyester, DMT	Metric tons(t)	139	390,000
			BON	Metric tons(t)	139	11,000
			Tablet	Tablet	139	777,824,000
			Patch	Patch	139	40,435,000

1) The SASB index has been prepared based on SK chemicals (Standalone basis).

Participation in Global Initiatives

Statement of Use	SK chemicals, the reporting organization, applies the GRI Standards to report on sustainability management for the period from January 1, 2025, to December 31, 2025.
GRI 1 Used	GRI 1： Base 2021
GRI Sector Standards	As of June 2026, at the timing of SK chemicals' publication of its reports, there are no applicable GRI Sector Standards.

GRI STANDARD

GRI standards/source	Disclosed item	Reported page and location	Remarks
General disclosures			
GRI 2: General disclosures 2021	2-1 Organization details	6, 7	
	2-2 Entities included in the organization's sustainability reporting	2	
	2-3 Reporting period, frequency and contact point	2	
	2-4 Restatements of information	148, 149, 150, 151, 154, 155, 156, 160, 161, 162	
	2-5 External assurance	2, 178	
	2-6 Activities, value chain and other business relationships	8-15	
	2-7 Employees	158-159	
	2-8 Workers who are not employees	158-159	
	2- 9 Governance structure and composition	129	
	2-10 Nomination and selection of the highest governance body	131	
	2-11 Chair of the highest governance body	129, 132	
	2-12 Role of the highest governance body	130	
	2-13 Delegation of responsibility for managing impacts	131	
	2-14 Role of the highest governance body in sustainability reporting	39, 40	
	2-15 Conflicts of interest	129	

GRI standards/source	Disclosed item	Reported page and location	Remarks
General disclosures			
GRI 2: General disclosures 2021	2-16 Communication of critical concerns	40	
	2-17 Collective knowledge of the highest governance body	129	
	2-18 Evaluation of the performance of the highest governance body	130	
	2-19 Remuneration policies	130	
	2-20 Process to determine remuneration	130	
	2-21 Annual total compensation ratio	130	
	2-22 Statement on sustainable development strategy	5	
	2-23 Policy commitments	29, 39, 62, 76, 90, 100, 124, 125, 135	
	2-24 Embedding policy commitments	33, 46-54, 65-69, 70, 76-83, 98-106, 85-91, 124-128, 135-137	
	2-25 Processes to remediate negative impacts	89, 108, 166	
	2-26 Mechanisms for seeking advice and raising concerns	126	
	2-27 Compliance with laws and regulations	164	
	2-28 Membership associations	176	
	2-29 Approach to stakeholder engagement	166	
	2-30 Collective bargaining agreements	156	

Participation in Global Initiatives

GRI STANDARD

GRI standards/source	Disclosed item	Reported page and location	Remarks
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	22	
	3-2 List of material topics	23-25	
	3-3 Management of material topics	24, 25	
Material issue 1. Climate Change and Energy			
GRI 201: Economic Performance	201-2 Financial implications and other risks and opportunities due to climate change	38~59	
GRI 302: Energy	302- 1 Energy consumption within the organization	141-145	
	302-2 Energy consumption outside the organization (Scope 3)	146-147	
	302-3 Energy intensity	143-145	
	302-4 Reduction of energy consumption	49	
	302-5 Reductions in energy consumption of products and services	Not disclosed	
GRI 305: GHG Emissions	305-1 Direct GHG emissions (Scope 1)	145	
	305-2 Indirect GHG emissions (Scope 2)	145	
	305-3 Other indirect GHG emissions (Scope 3)	146, 147	
	305-4 GHG emission density	145	
	305-5 Reduction of GHG emissions	148	
	305-6 Emission of ozone-depleting substances (ODS)	148	
	305-7 Nitrogen oxides, sulfur dioxides, and other significant air emissions	71, 154-155	

GRI standards/source	Disclosed item	Reported page and location	Remarks
Material issue 2. Circular Economy			
GRI 301: Raw materials	301-1 Materials used by weight or volume	151	
	301-2 Recycled input materials used	37, 151	
	301-3 Reclaimed products and their packaging materials	Not disclosed	
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	70	
	306-2 Management of significant waste-related impacts	70	
	306-3 Waste generated	152, 153	
	306-4 Waste diverted from disposal	152, 153	
	306-5 Waste directed to disposal	152, 153	
Material issue 3. Own Workforce Health and Safety			
GRI 403: Occupational Health and Safety	403-1 Occupational Health and Safety Management System	98-101	
	403-2 Hazard identification, risk assessment and incident investigation	103	
	403-3 Occupational health service	105, 106	
	403-4 Worker participation, consultation, and communication on occupational health and safety	105	
	403-5 Worker training on occupational health and safety	102	
	403-6 Promotion of worker health	106	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	105	
	403-8 Workers covered by an occupational health and safety management system	99	
	403-9 Work-related injuries	157	
	403-10 Work-related ill health	157	

Participation in Global Initiatives

GRI STANDARD

GRI standards/source	Disclosed item	Reported page and location	Remarks
Other GRI Index			
GR101: Biodiversity	101-1 Policies to halt and reverse biodiversity loss	76	
	101-2 Management of biodiversity impacts	77, 79, 83	
	101-3 Access and benefit-sharing	Not disclosed	
	101-4 Identification of biodiversity impact	80	
	101-5 Location of business sites with biodiversity impact	79, 83	
	101-6 Direct drivers of biodiversity loss	Not disclosed	
	101-7 Changes to the state of biodiversity	Not disclosed	
	101-8 Ecosystem services	83	
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	139	
	201-3 Defined benefit plan obligations and other retirement plans	161	
GRI 202: Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not disclosed	
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	21	
	203-2 Significant indirect economic impacts	21	
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	Not disclosed	
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	127	
	205-2 Communication and training about anti-corruption policies and procedures	125, 126, 163	
	205-3 Confirmed incidents of corruption and actions taken	127	
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	164	
GRI 207: Taxation	207-1 Approach to tax	Not disclosed	
	207-2 Tax governance, control, and risk management	Not disclosed	
	207-3 Stakeholder engagement and management of concerns related to tax	Not disclosed	
	207-4 Report	Not disclosed	
GRI 303: Water and Effluents	303-1 Water withdrawal by source	67, 149, 150	
	303-2 Management of water discharge-related impacts	151	
	303-3 Water withdrawal	67, 149, 150	
	303-4 Total amount and ratio of recycled and reused water	149, 150	
	303-5 Water consumption	67, 149, 150	

GRI standards/source	Disclosed item	Reported page and location	Remarks
Other GRI Index			
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	117	
	308-2 Negative environmental impacts in the supply chain and actions taken	117-119	
GRI 401: Employment	401-1 New employee hires and employee turnover	158, 159	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	97	
	401- 3 Return and service length after parental leave by gender	161	
GRI 404: Training and education	404-1 Average hours of training per year per employee	162	
	404-2 Programs for upgrading employee skills and transition assistance programs	93	
	404-3 Percentage of employees receiving regular performance and career development reviews	162	
GRI 405: Diversity and Equal Opportunities	405-1 Diversity of governance bodies and employees	129	
	405-2 Ratio of basic salary and remuneration of women to men	161	
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	89	
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	90	
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	90	
GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	90	
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	121, 122	
	413-2 Operations with significant actual and potential negative impacts on local communities	166	
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	117	
	414-2 Negative social impacts in the supply chain and actions taken	119	
GRI 415: Public Policy	415-1 Political contributions	Not disclosed	
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	Not disclosed	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Not disclosed	
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	163	

Association and Memberships

SK chemicals is a member of various associations related to the industries we operate in, including chemicals and pharmaceuticals (medical), as well as associations focused on the development of the Ulsan and Cheongju regions where our production facilities are located. We also participate in regular and ad hoc meetings of these organizations to identify business risks and opportunities, express opinions on industry regulations and policies, and share information with member companies to contribute to industry development. Additionally, we monitor issues arising in the local community, communicate with residents, and review support and solutions from a corporate perspective. In particular, Park Hyeon-seon, our Pharma business unit's representative, serves as a director of the Korea Pharmaceutical and Bio-Pharma Manufacturers Association, attending regular general meetings and engaging in discussions on innovative drug development and ethical management in the domestic pharmaceutical and bio-pharma industry.

Korean Nursing Association Gyeonggi-do Nurses Society	Korean Hospital Association Corporation	Korea Industrial Safety Association Seongnam Branch Corporation	Korea Industrial Safety Association Ulsan Branch
Ulsan Environmental Council	The Korea Enterprises Federation	Korea Customs Logistics Association Corporation	Korea International Trade Association Corporation
Korea Association for Radiation Application	Korea Industrial Technology Association	Korea Listed Companies Association	Korea Pharmaceutical Traders Association
Korea Medical Library Association	Korea Pharmaceutical and Bio-Pharma Manufacturers Association	Korean Association of Occupational Health Nurses	Gyeonggi Enterprises Federation
Large Enterprises General Affairs Department Heads Council	Korean Hospital Association Future Medical Industry Council	Ulsan Environmental Engineers Association Corporation	Environmental Protection Council
Korean Nursing Association Ulsan Branch	Pharmaceutical Development Experts Association	Yongyeon Yongjam Complex Factory Managers Council	Ulsan Metropolitan City Factory Managers Council
Ulsan Industrial Complex Managers Council	Ulsan Yeocheon Safety Council	Ulsan General Affairs Department Heads Council	Chungcheongbuk-do Environmental Conservation Association
Korea Fire Safety Institute	Korea Pharmaceutical Association	Korea Electric Engineers Association	Korea Chemical Industry Association

Independent Assurance Statement

To readers of 2025 SK chemicals Sustainability Report

Overview

BSI(British Standards Institution) Group Korea was engaged to conduct an independent assurance of 2025 SK chemicals Sustainability Report for the year ending December 31 2025. The assurer is independent of SK chemicals and has no financial interests in the company other than the assurance engagement. This assurance opinion is intended to provide relevant stakeholders with information on the verification of SK chemicals' reports on the environment, society, and governance. It may not be used for any purpose other than its intended use. This assurance opinion is based on the verification results for the information and claims presented by SK chemicals and was conducted under the assumption that the information and claims provided are complete and accurate.
The preparation, information and internal control of the report, as well as information and claims included in the report, are the sole responsibility of SK chemicals' management. All inquiries related to this assurance statement and the report must be directed to SK chemicals.
KMR's responsibility is to comply with the agreed engagement and express an opinion to SK chemicals' management and provide relevant information to all stakeholders of the company. The assurer does not assume any other responsibilities, including legal liabilities to third parties other than SK chemicals, when providing the assurance opinion, nor does it assume responsibility for any other uses or purposes for which it may be used, or for any related stakeholders.

Scope

The scope of our assurance agreed with SK chemicals is as below.
- The report covering January 1, 2025, to December 31, 2025, including some achievements, is part of the first half of 2026.
- Key information and claims included in the report, such as sustainability management policies, strategies, goals, and related project performance.
- The appropriateness and robustness of internal processes and systems for data collection, analysis, and review.
- Verification of compliance with the four core principles of AA1000 Accountability for the report performed according to the type of sustainability verification per AA1000 AS v3, and, where applicable, confirmation of the reliability of sustainability performance information included in the report.

The following items are not included in the scope of verification:
- Financial information presented in the report appendix.
- Index items related to other international standards, norms, and initiatives, excluding GRI, presented in the report appendix.
- Additional related information such as the website and business reports.

Assurance Level and Type

Assurance level and types are as follows.
- Type 2 verification that confirms compliance with the four principles of AA1000 AP (Accountability Principles) 2018 and verifies the quality and reliability of specific performance information disclosed in the report, in the form of a moderate level assurance according to AA1000 AS

Description and Sources of Disclosures Covered

The assurer reviewed the disclosures below based on the applied scope of assurance and assurance methodology, sampling the information and data provided by SK chemicals.

[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), 2-22 to 2-28(Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3(Material Topics Disclosures)

[Topic Standards]

101-1,2,4,5&8, 201-1~3, 203-1&2, 205-1~3, 206-1, 301-1&2, 302-1,3&4, 303-1~5, 305-1~7, 306-1~5, 308-2, 401-1~3, 403-1~10, 404-1~3, 405-1&2, 406-1, 407-1, 408-1, 409-1. 413-1&2, 414-1&2, 418-1

Methodology

Our Assurance Team adhered to the verification criteria, utilized a methodology developed to collect relevant evidence to reduce errors in the report content, and undertook the following activities.
- Confirmation of the legitimacy and sustainability context of the internal analysis process and the prioritization of validation, including a high-level review of issues that external stakeholders may raise.
- Discussions with responsible officer in charge and managers regarding stakeholder engagement.
- Verification of the appropriateness of the evidence supporting reported issues through interviews with senior managers in departments related to or responsible for managing the issues.
- Review of the systems for implementing and executing the sustainability strategy, including the generation, collection, and reporting of data across performance areas, and verification of the evidence supporting claims in the report.
- Evaluation of the reporting and management processes against the four principles of the AA1000 Accountability Principles Standard (2018): inclusiveness, materiality, responsiveness, and impact.
- Visit to SK chemicals headquarters to verify data collection processes, internal control procedures, and the effectiveness of management tools.

Limitations and Approach Used to Mitigate Limitations

We conducted limited verification within a restricted period, based on the data and materials provided by the reporting organization. As a result, no significant errors were identified during the verification process. However, there are inherent limitations and unavoidable risks. We do not provide any guarantees regarding potential future impacts that cannot be predicted or confirmed during the verification process, nor regarding related additional aspects.

Competency and Independence

BSI (British Standards Institution) is an independent professional organization with expertise in management systems, including quality, environment, health and safety, energy, anti-corruption, and compliance. Established in 1901, it has provided certification and verification services worldwide for about 120 years. The Assurer has no business relationship with the reporting organization, performs verification independently, and has no conflicts of interest. The Assurance team that conducted this assessment consists of AA1000 AS assurers with extensive experience in management systems such as environment and health and safety, as well as in the areas of sustainability, including social and corporate ethics, and possesses an excellent understanding of BSI Group's verification standard methodology.

Opinion Statement

This assurance was conducted in accordance with the AA1000 Assurance Standard v3. The assurer planned the assurance process to gather sufficient evidence to confirm SK chemicals' approach to the AA1000 Assurance Standard and its self-declaration of compliance with the GRI standards. The assurance was carried out in accordance with this plan.
As a result of the verification, the assurer did not find any issues that would suggest the information and data included in SK chemicals' report are improperly described in terms of materiality.
The assurer believes that the key sustainability performance indicators in the report, including economic, social, and environmental metrics, are managed effectively through SK chemicals' internal control procedures.

Independent Assurance Statement

Conclusions

The report is considered to be reported in accordance with the GRI Standards, and the assurance opinion on the four principles presented in AA1000 AP (2018) is as follows.

Inclusivity

SK chemicals' key stakeholders include its customers, employees, shareholders and investors, suppliers, local communities, government and associations. The company manages multiple communication channels and cycles for each stakeholder group, gathering expectations and diverse opinions through stakeholder engagement processes, and reflecting the key issues identified into sustainability-related decision-making. These processes are transparently disclosed through reports.

Materiality

SK chemicals has established a Double Materiality Assessment process to establish sustainability strategies and goals and identify reporting issues. During the issue-pool identification and shortlisting stage of the double materiality assessment, SK chemicals analyzes global ESG disclosure standards (such as GRI, CSRD, SASB), benchmarks against industry peers, and consolidates internal issues to identify 15 potential ESG issues (long list). The company then shortlists 7 issues that are highly important to the business divisions. During the double materiality assessment stage, SK chemicals evaluates impact and financial materiality, assesses impacts, risks, and opportunities for business divisions (including SK chemicals' green chemicals and pharmaceutical businesses, SK bioscience, and SK Multi Utility), and applies financial weights to these assessments. As a result, the company identifies and discloses three key issues related to environmental and social impacts and two key issues related to financial risks and opportunities in the report.

Responsiveness

SK chemicals reported on the significant environmental business impacts and substantial financial risks and opportunities related to key material issues identified through a double materiality assessment, detailing the results of the double materiality assessment, including business impact and strategy, impact period, new indicators and management compensation-linked indicators, major achievements for 2025, and impact management activities. SK chemicals reported not only on its response performance to key material issues but also on its major environmental and social activities, including supply chain and environmental assessments, employment, child labor, forced labor, local community, and customer privacy protection.

Impact

SK chemicals established a process to identify and assess the impacts of key material issues on the organization and its stakeholders. The analysis results of the impact, risks, and opportunity factors related to key major issues are used for decision-making in establishing response strategies for each issue, and the process is disclosed through reports.

Findings and Conclusions Concerning the Reliability and Quality of Specified Performance Information

Among the GRI Topic Standards, the following provision was verified as Type 2 based on information and data provided by the reporting organization. To confirm the reliability and accuracy of the relevant data and information, we verified internal control procedures related to data processing, refinement, and management through interviews with the responsible department, and we confirmed accuracy through sampling. Any intentional error or misstatement is not noted from the sustainability data and information disclosed in the Report. The reporting organization manages relevant sustainability performance information through reliable internal control procedures and can trace the source and derivation of that performance. Errors or unclear expressions discovered during the assurance process were corrected prior to the report's publication, and we verified the final published report with those corrections.

- GRI Topic Standards: 201-1&2, 203-2, 205-2, 301-1&2, 302-1,3&4, 303-1~5, 305-1~7, 306-1&3~5, 401-1&3, 403-1,5&8~10, 404-1&3, 405-2, 407-1, 408-1, 409-1, 413-1&2, 418-1

Recommendations and Opportunity for Improvement

We present the following observational comments within scope that do not affect the assurance opinion.

- The Board of Directors and the ESG Committee play a key role in determining the company's sustainability and responsible management from an ESG perspective. To strengthen SK chemicals' governance capabilities, it is necessary to continuously enhance decision-making to respond to global ESG trends, changes in ESG regulations, and industry-specific ESG risks and opportunities. Implementing ESG capacity-building programs for members of the Board and the ESG Committee, and establishing strategies to expand the participation of external experts (in environmental, human rights, and governance fields) within the ESG Committee, may be helpful.
- SK chemicals reports on its biodiversity conservation status and has set biodiversity policy goals to achieve 'Nature Positive' by 2030. Given the complexity of measuring biodiversity, establishing more accurate quantitative indicators, such as baseline setting, impact calculation, and restoration/recovery metrics, will help SK Chemicals effectively report progress toward its 2030 goals.

GRI-Reporting

SK chemicals made a self-declaration for its compliance with the GRI Standards. We, the assurer, confirmed that SK Chemicals' report was prepared in accordance with the GRI Standards and, based on the materials and information provided by SK chemicals, verified that there are no errors in the claim that SK Chemicals complies with the GRI Standards requirements, including the Universal Standards and Topic Standards. No separate sector standards were applied.

Issue Date: 08/06/2026
For and on behalf of BSI (British Standards Institution):

BSI representative

Lead Assurer: Nam Sang-woo **Lead Assurer(LCSAP)** Sustainability Framework and KPIs related to Governance and Economy	**Assurer: Jeong Seong-heon** **Assurer** Sustainability KPIs related to Environmental and Social/ People	**CEO Lim Seong-hwan** **Managing Director**

BSI Group Korea Limited: 29, Insa-dong 5-gil, Jongno-gu, Seoul, South Korea
Hold Statement Number: SRA 809638

GHG Assurance Statement

SK chemicals | Scope 1&2

GV-26-E154-01-00

검 증 서

온실가스명세서검증 | **에스케이케미칼 주식회사**

검증대상
(재)한국품질재단은 에스케이케미칼 주식회사[1] (이하 '회사'라 함)'의 2025년 온실가스 배출량 명세서에 대한 검증을 수행하였습니다.
1) 조직주소(본사기준) : 경기도 성남시 분당구 판교로 310

검증 목적
배출권거래제 운영 관련, 회사의 온실가스 배출량 명세서에 대한 신뢰성 확보를 목적으로 합니다.

검증 범위
회사의 2025년 기준 운영통제 하에 있는 전체 사업장의 모든 온실가스 배출시설을 대상으로 하였습니다.

검증 기준
[온실가스 배출권거래제의 배출량 보고 및 인증에 관한 지침[2]]와 [온실가스 배출권거래제 운영을 위한 검증지침[3]] 및 [ISO14064-3]를 기준으로 하였습니다.
2) 환경부고시 제2025-64호 3) 환경부고시 제2025-165호

보증 수준
온실가스 배출권거래제 운영을 위한 검증지침에 규정된 절차에 따라 계획 및 수행되었고, 검증의 보증 수준은 합리적 보증 수준을 만족하도록 수행 되었습니다. 또한 검증 전 과정에 대한 절차가 효과적 수행되었는지 내부심의를 통해 확인하였습니다.

검증 한계
기준 및 방법 등을 적용하는 과정에서 발생될 수 있는 고유의 한계를 내포하고 있습니다.

검증 결론
명세서에 수록되어 있는 온실가스 배출량 데이터에 대해 아래와 같은 결론을 제시합니다.
1) 온실가스 배출량은 "온실가스 배출권거래제의 배출량 보고 및 인증에 관한 지침" 및 "ISO14064-1" 산정기준에 따라 적절하게 산정되었습니다.
2) 회사의 온실가스 배출량에 대한 중요성 평가결과 50만톤 CO_2-eq 미만 업체로서, 양적 기준치로 중요도는 총 배출량의 5% 기준 미만을 만족하고 있습니다.
3) 따라서 다음의 2025년 온실가스 배출량에 대해 "적정" 의견을 제시합니다.

단위 : tCO_2eq

Scope 1	Scope 2	총계
44,629.149	152,380.329	197,006

* 온실가스 배출권거래제 배출량 보고 및 인증 지침에 따르면, 총 배출량은 사업장단위 소수점 절사값이므로 Scope 1, 2 배출량 합과 총 배출량값이 일부 상이할 수 있음.

2026년 6월 9일

Ji Young Song

CEO Ji-Young Song
Korean Foundation for Quality

www.kfq.or.kr
서울특별시 송파구 상전로 78 (삼전동, Q 타워) (05606)

QA1500-05-GV(1)

GV-26-E154-01-00

Verification Opinion Statement

GHG Report Verification | **SK CHEMICALS CO.,LTD.**

Verification Target
Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of GHG Report of SK CHEMICALS CO.,LTD.[1] (hereinafter 'Company') for 2025.
1) Organization address (based on headquarters) : 310, Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea

Verification Purpose
The purpose is to ensure the reliability of the company's GHG Report in relation to the operation of the Emissions Trading Scheme.

Verification Scope
KFQ's verification covered all facilities and emission sources under the operational control and organizational boundary of Company during 2025.

Verification Criteria
The verification process was based on [Rule for emission reporting and certification of GHG emission trading Scheme[2]], [Rules for verification of operating the GHG emission trading scheme[3]] and [ISO14064-3] for every applicable part.
2) Notification No. 2025-64 of Ministry of Environment 3) Notification No. 2025-165 of Ministry of Environment

Level of Assurance
The Verification has been planned and conducted as the 'Rules for verification of operating the GHG emission trading scheme', and the level of assurance for verification shall be satisfied as reasonable level of assurance. And it was confirmed through an internal review whether the entire process of verification was conducted effectively.

Verification Limitation
The verification shall contain the potential inherent limitation in the process of application of the verification criteria and methodology.

Verification Opinions
KFQ present the following conclusions regarding the GHG emissions data included in the GHG Report.
1) GHG emissions have been appropriately calculated according to the "Rule for emission reporting and certification of GHG emission trading Scheme" and "ISO14064-1" methodologies.
2) The materiality assessment result of GHG emissions has satisfied the criteria for an organization that emits less than 500,000 tCO_2-eq by meeting less than 5% of the total emissions.
3) Thus, KFQ concludes that GHG Emissions of Company in 2025 is correctly calculated and reported in accordance with "Rule for emission reporting and certification of GHG emission trading Scheme".

Unit : tCO_2eq

Scope 1	Scope 2	Total
44,629.149	152,380.329	197,006

* The totals in this verification statement do not match the totals in emission trading scheme because the total emissions of each facility are calculated by truncating to integer units

June 9th, 2026

Ji Young Song

CEO Ji-Young Song
Korean Foundation for Quality

www.kfq.or.kr
Q Tower, 78 Samjeon-ro, Songpa-gu, Seoul, 05606, Republic of Korea

QA1500-05-GV(1)

SK chemicals (Yantai) | Scope 1&2

Bureau Veritas Certification

Greenhouse Gases Verification Opinion

is awarded to

SK CHEMICALS (YANTAI) CO., LTD.

Bureau Veritas Certification (Beijing) Co., Ltd. was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by SK CHEMICALS (YANTAI) CO., LTD. for the period stated below. This verification opinion applies to the related information included within the scope of work described below.

Boundaries covered by the verification:
- Verification site name: SK CHEMICALS (YANTAI) CO., LTD.
- Verification site address: 10 Xi' an Road, Yantai Economic and Technological Development Area, Shandong Province, China
- Reporting period covered: 01/01/2025 to 31/12/2025

Organizational boundaries: Activities and facilities of SK CHEMICALS (YANTAI) CO., LTD. under operational control approach

Reporting boundaries: GHG emissions generated in the production of SKYBON, SKYPEL, and other products and related management activities within the organizational boundaries, as well as indirect greenhouse gases emissions from imported energy.

Emissions data verified under reporting boundaries:
- Category 1: Direct GHG emissions: 3,689.85 tCO_2e
- Category 2: Indirect GHG emissions from imported energy: 13,681.16 tCO_2e

Total quantified emissions: 17,371.01 tCO_2e

Limitations and exclusions: Excluding Category 3 ~ Category 6

GHG verification protocol used to conduct the verification:
- ISO 14064-1:2018 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
- ISO 14064-3:2019 Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

Level of assurance:
- Reasonable assurance

GHG verification methodology:
- Interview for relevant personnel;
- Review of the documentary evidence;
- Evaluation of the methodology and information systems for data collection, aggregation, analysis and review;
- Audit of sampled sites and data to verify source.

Verification conclusion:
Based on the verification process and findings, the GHG emission data in the GHG inventory report from SK CHEMICALS (YANTAI) CO., LTD. is in compliance with ISO 14064-1:2018 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738
Further clarifications regarding the verification scope of this opinion may be obtained by consulting the organization.
To check this opinion validity please call: +86 10 59583063

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Bureau Veritas Certification

Statement of independence, impartiality and competence:

Bureau Veritas Group is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 190 years' history in providing independent assurance services.

No member of the verification team has a business relationship with SK CHEMICALS (YANTAI) CO., LTD. and its directors or managers beyond that required by this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

Bureau Veritas Group has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

Lead verifier: Pin Tian
Statement No.: EMICN100872A
Version No.: No.1
Verification date: 10/04/2026
Issue date: 27/04/2026

Signed on behalf of
Bureau Veritas Certification (Beijing) Co., Ltd.

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738
Further clarifications regarding the verification scope of this opinion may be obtained by consulting the organization.
To check this opinion validity please call: +86 10 59583063

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GHG Assurance Statement

SK chemicals (Shantou) | Scope 1&2

Bureau Veritas Certification

Greenhouse Gases Verification Opinion

is awarded to

SHUYE SK CHEMICALS (SHANTOU) CO., LTD.

Bureau Veritas Certification (Beijing) Co., Ltd. was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by SHUYE SK CHEMICALS (SHANTOU) CO., LTD. for the period stated below. This verification opinion applies to the related information included within the scope of work described below.

Boundaries covered by the verification:

- Verification site name: SHUYE SK CHEMICALS (SHANTOU) CO., LTD.
- Verification site address: Jinhu Circular Economy Park, No. 3 Sijiang Road, Yanhong Town, Chenghai District, Shantou City
- Reporting period covered: 01/01/2025 to 31/12/2025

Organizational boundaries: Activities and facilities of SHUYE SK CHEMICALS (SHANTOU) CO., LTD. under operational control approach

Reporting boundaries: GHG emissions generated in Recycled Polyester New Material production and related management activities within the organizational boundaries, as well as indirect greenhouse gases emissions from imported energy.

Emissions data verified under reporting boundaries:

- Category 1: Direct GHG emissions: 43,856.052 tCO_2e
- Category 2: Indirect GHG emissions from imported energy: 13,521.205 tCO_2e

Total quantified emissions: 57,377.257 tCO_2e

Limitations and exclusions: Excluding Category 3~ Category 6

GHG verification protocol used to conduct the verification:

- ISO 14064-1:2018 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
- ISO 14064-3:2019 Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

Level of assurance:

- Reasonable assurance

GHG verification methodology:

- Interview for relevant personnel;
- Review of the documentary evidence;
- Evaluation of the methodology and information systems for data collection, aggregation, analysis and review;
- Audit of sampled sites and data to verify source.

Verification conclusion:

Based on the verification process and findings, the GHG emission data in the GHG inventory report from SHUYE SK CHEMICALS (SHANTOU) CO., LTD. is in compliance with ISO 14064-1:2018 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738
Further clarifications regarding the verification scope of this opinion may be obtained by consulting the organization.
To check this opinion validity please call: +86 10 59583983

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Bureau Veritas Certification

Statement of independence, impartiality and competence:

Bureau Veritas Group is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 190 years' history in providing independent assurance services.

No member of the verification team has a business relationship with SHUYE SK CHEMICALS (SHANTOU) CO., LTD. and its directors or managers beyond that required by this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

Bureau Veritas Group has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

Lead verifier: Yuheng Zheng
Statement No.: EMICN100882A
Version No.: No.1
Verification date: 3/04/2026
Issue date: 29/04/2026

Signed on behalf of
Bureau Veritas Certification (Beijing) Co., Ltd.

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738
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SK chemicals overseas sales subsidiaries/branches, SK chemicals-Daejung | Scope 1&2

DNV

Independent Verification Opinion

SK CHEMICALS CO., LTD.

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by SK Chemicals Co., Ltd.("Company") to perform third party verification for the Company's Greenhouse Gas Statement. The Company is responsible for the preparation of the GHG statement on the basis set out within Audit Standard, 'ISO 14064-1:2018' , 'WRI/WBCSD GHG Protocol: A Corporate Accounting and Reporting Standard ', 'IPCC Guidelines: 2006' The Company has full responsibility of the GHG statement. According to terms of contract, DNV expressly disclaims any liability or responsibility for any decisions, based upon the verification opinion.

Objective and Scope of Verification

The objective of the verification is to present an independent verification opinion on the company's GHG statement, and the scope of verification is as follows;

- Organizational Boundary: SK Chemicals' subsidiaries (SK Chemicals America, SK Chemicals GmbH, SK Chemicals Shanghai Co., Ltd., SK Chemicals Malaysia, SK Chemicals Japan Branch, SK Chemicals Daejung Co., Ltd.
- Reporting Boundary: Scope 1 (Direct emissions), Scope 2 (Indirect emissions: location based, market based)
- Reporting Period: 2025.01.01 ~ 2025.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the 'ISO 14064-3:2019', based upon a Limited Level of assurance. DNV planned and concluded our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level. As part of the verification process, we have reviewed as follows;

- Adequacy of GHG data control, collection and emission calculation and report process
- The GHG inventory is based on measurements and has inherent limitations that may arise from the process of calculating, estimating, and finalizing the reported data.

Conclusions

Based on the verification, there is no evidence that the GHG statement is not materially correct and is not a fair representation of GHG data and information.

- DNV represents "unmodified" opinion on Greenhouse Gas Emissions.

(Unit: ton CO_2 equivalent, TJ)

Year	Direct Emissions (Scope1)	Indirect Emissions (Location base) (Scope2)	Indirect Emissions (Market base) (Scope2)	Total Emissions (Location base)	Total Emissions (Market base)	Energy Consumption
Yr. 2025	74	468	478	543	552	9.912

※In order to report the GHG emissions as an integer, the rounded number might be different from the number on the calculation tool with ± 1 tCO_2e.

2026. 5. 19
Seoul, Republic of Korea

Lee, Jang Sup
Country Representative
DNV Business Assurance Korea Ltd.

This Assurance Opinion is valid as of the date of the issuance. Please note that this Assurance Opinion would be revised if any material discrepancy which may impact the Greenhouse Gas Emissions of the Company is subsequently brought to our attention.

DNV Business Assurance Korea: 18F, 1, Jong-ro, Jongno-gu, Seoul, Rep. of Korea
PRJN-1236822-01-AST-ENG
FOP_01_05_Rev.2

DNV

Annex to ' PRJN-1236822-01-AST-ENG '

SK Chemicals' subsidiaries Greenhouse Gas Emissions

(Unit: ton CO_2 equivalent, TJ)

Yr 2025	GHG Emissions (tCO_2-eq)					Energy Consumption (TJ)		
	Direct Emissions (Scope1)	Indirect Emissions (Location base) (Scope2)	Indirect Emissions (Market base) (Scope2)	Total Emissions (Location base)	Total Emissions (Market base)	Fuel	Electricity /Steam	Total
SK Chemicals America	5.427	3.561	3.561	8.987	8.987	0.078	0.064	0.143
SK Chemicals GmbH	24.609	2.751	4.108	27.359	28.716	0.356	0.033	0.389
SK Chemicals Shanghai Co., Ltd.	38.039	12.365	12.365	50.404	50.404	0.561	0.089	0.651
SK Chemicals Malaysia	3.680	4.923	4.923	8.603	8.603	0.054	0.023	0.077
SK Chemicals Japan Branch	2.565	4.256	12.668	6.821	15.233	0.038	0.036	0.074
SK Chemicals Daejung Co., Ltd.	-	440.401	440.401	440.401	440.401	-	8.578	8.578
Total	**74.320**	**468.257**	**478.026**	**542.575**	**552.344**	**1.087**	**8.823**	**9.912**

This Assurance Opinion is valid as of the date of the issuance. Please note that this Assurance Opinion would be revised if any material discrepancy which may impact the Greenhouse Gas Emissions of the Company is subsequently brought to our attention.

DNV Business Assurance Korea: 18F, 1, Jong-ro, Jongno-gu, Seoul, Rep. of Korea
PRJN-1236822-01-AST-ENG
FOP_01_05_Rev.2

GHG Assurance Statement

SK chemicals | Scope 3

GI-26-E154-01-00

Verification Opinion Statement

GHG Emissions Verification — **SK chemicals Co., Ltd.and its subsidiaries in Korea and overseas**

Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of Scope 3 Greenhouse Gas Emissions (hereinafter 'GHG emissions') of SK chemicals Co., Ltd.and its eight subsidiaries in Korea and overseas[1] (hereinafter 'Company') for 2025. 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.

1) Address (based on headquarters): 310 Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do (Sampyeong-dong)

Verification Purpose

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

Verification Scope

The verification covered eleven emission categories[2] selected by the company during 2025 for SK chemicals and its eight domestic and overseas subsidiaries[3].

2) Category 1, 2, 3, 4, 5, 6, 7, 10,11,12, 15

3) Shuye-SK Environmental Materials(Shantou) Co.,Ltd., SK Environmental Materials(Yantai) Co.,Ltd., SK Chemicals America, SK Chemicals GmbH, SK Environmental Materials(Shanghai) Co.,Ltd., SK Chemicals Malaysia, SK chemicals(Japan), SK Chemicals Daejeong Co., Ltd.

Verification Criteria

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

- Criteria
  - WBCSD/WRI, Corporate Value Chain (Scope 3) Accounting and Reporting Standard
  - ISO14064-1:2018, ISO 14064-3:2019
  - GHG Protocol Corporate Standard
  - Rule for emission reporting and certification of greenhouse gas emission trading Scheme
- Coefficient
  - Environmental Product Declaration evaluation coefficient (2021)
  - Ecoinvent database 3.9.1

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 2025 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 is "Unmodified".

Appendix. 2025 Scope 3 Emissions Calculation Results

2026-05-22

Ji Young Song

CEO Ji Young Song
Korean Foundation for Quality

IAF | National Institute of Environmental Research

www.kfq.or.kr
Q Tower, 78 Samjeon-ro, Songpa-gu, Seoul, 05606, Republic of Korea

QA1500-05-GI(3)

Appendix. 2025 Scope 3 Emissions Calculation Results

Organization

SK chemicals Co., Ltd. and its subsidiaries in Korea and overseas

Emission calculation period

The emission calculation period is from January 1st to December 31st, 2025.

Consolidated Scope 3 GHG Emissions

Unit : tCO_2eq

	Category	Total emissions
1	Purchased goods & services	680,792
2	Capital goods	3,187
3	Fuel and Energy-related activities not included in Scope 1+2	46,566
4	Upstream transportation and distribution	38,147
5	Waste generated in operations	7,242
6	Business travel	1,069
7	Employee commuting	2,367
10	Processing of sold products	219,707
11	Use of Sold Products	0.01
12	End of life treatment of sold products	462,275
15	Investments	618,578
	Total	2,079,930

1) Each category specific emission and the total emissions are rounded to the nearest whole number, which may result in a discrepancy of less than ±1 tCO_2e compared to the actual values
2) Emissions resulting from intercompany transactions among subsidiaries were excluded to avoid double counting

www.kfq.or.kr
Q Tower, 78 Samjeon-ro, Songpa-gu, Seoul, 05606, Republic of Korea

QA1500-05-GI(3)

Appendix. 2025 Scope 3 Emissions Calculation Results

Emission calculation period

The emission calculation period is from January 1st to December 31st, 2025.

Scope 3 GHG Emissions of SK chemicals Co., Ltd. and its subsidiaries in Korea and overseas

Unit : tCO_2eq

	Category	emissions								
		SK chemicals	Shuye-SK Environmental Materials (Shantou) Co.,Ltd.	SK Environmental Materials (Yantai) Co.,Ltd.	SK Chemicals America	SK Chemicals GmbH	SK Environmental Materials (Shanghai) Co.,Ltd.	SK Chemicals Malaysia	SK chemicals (Japan)	SK Chemicals Daejeong Co., Ltd.
1	Purchased goods & services	612,194	73,033	28,149	48,882	73,517	17,232	0.7	8	13,313
2	Capital goods	2,657	384	134	0.3	0.9	0.2	0.2	0	11
3	Fuel and Energy-related activities not included in Scope 1+2	32,309	11,017	3,137	8	7	12	1	1	73
4	Upstream transportation and distribution	30,661	1,887	2,142	6,760	5,326	767	0.2	1	191
5	Waste generated in operations	5,394	731	1,110	1	2	1	0.8	0.3	2
6	Business travel	645	124	29	129	73	5	34	24	5
7	Employee commuting	2,105	114	82	13	4	14	8	0.4	26
10	Processing of sold products	192,476	26,279	8,912	23,361	19,248	7,008	-	-	-
11	Use of Sold Products	0.01	-	-	-	-	-	-	-	-
12	End of life treatment of sold products	416,159	46,631	20,648	11,944	47,013	5,235	-	-	1,416
15	Investments	618,578	-	-	-	-	-	-	-	-
	Total	1,913,178	160,200	64,343	91,098	145,191	30,274	45	35	15,037

1) Each category specific emission and the total emissions are rounded to the nearest whole number, which may result in a discrepancy of less than ±1 tCO_2e compared to the actual values
2) Duplicate emissions arising from intercompany transactions among subsidiaries are included (SK chemicals Headquarters, Shantou, Yantai, the United States, Germany, and Shanghai).

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QA1500-05-GI(3)