WE ANSWER WITH INNOVATION

SK Innovation Integrated Report 2024

SK innovation

Table of Contents

Overview

CEO Message 3
Company Overview 4
Value Chain 5
Value Creation Process 6
Introduction of Key Business Executives 8
Introduction of the Board of Directors 9

Business Strategy

History and Growth of SK Innovation 11
Background of the SUPEX 2030 Initiative 12
SUPEX 2030 Framework 13
Mission & Vision 14

Status of Each Affiliate 16

Role of SK Innovation and Its To-be

To-be of SK Innovation 34
SK Innovation as an Enabler : The Core Driving Force of SUPEX 2030 35
Corporate Culture of Positive Growth and Collaboration at SK Innovation Collaborative Corporate Culture 36

Sustainable Management

Board of Directors

Board Composition and Activities 38
Board Evaluation and KPIs 41

Sustainability Strategy & Performance

Integrated ESG Management System 44
Materiality Assessment 46
Stakeholder Roundtables 50

Environmental

Environmental Impact Reduction 52
Green Portfolio 60
Climate Change Response 66
Biodiversity and Ecosystems 71
SK Innovation E&S Report: Environmental 75

Social

Safety and Health 78
Supply Chain 86
Human Rights Management 97
Growth and Happiness of Employees 103
Customer Satisfaction 108
Social Contribution 111
SK Innovation E&S Report: Social 119

Governance

Ethical Management 121
Anti-Corruption and Fair Competition 124
Information Security 129
Risk Management 132
SK Innovation E&S Report: Governance 134

SV (Social Value)

Social Value Measurement System and Performance 135
Cases of Social Value Creation 136
Performance Linked to the UN SDGs 137

Appendix

Stakeholder Engagement 139

Financial Data

Consolidated Financial Performance 140
Separate Financial Performance 147
Management Diagnosis and Analysis 151
Audit Report 156

ESG Data

Environmental 158
Social 167
Governance & Financial 176
SK Innovation E&S ESG Performance 180

Index

GRI 185
SASB 190
ESRS 192
TCFD 195
UNGC CoP 202

Assurance

Independent Assurance Opinion Statement 203
Greenhouse Gas Emissions Assurance Statement 205

About this report

Since first publishing its Sustainability Report in 2005, SK Innovation has transparently disclosed its sustainability management efforts and key achievements to stakeholders every year. In 2025, the report will transition to an integrated format. Going forward, stakeholder feedback will continue to be actively incorporated into management activities.

Reporting cycle	Annual
Publication date	June 2025
Issued by	ESG Implementation Office, SK Innovation
Contact	esg_impact@sk.com

Report Preparation Criteria

This Integrated Report has been prepared in accordance with the <IR> Framework established by the International Integrated Reporting Council (IIRC) to integrate financial and non-financial performance reporting. This report has also been prepared in accordance with the GRI Standards, the global sustainability reporting guidelines, and reporting topics have been structured using GRI 11: Oil and Gas and the SASB Oil & Gas Sector: Refining & Marketing standard as a framework to reflect key issues relevant to the characteristics of the industry. In addition, this report complies with the disclosure recommendations of the TCFD and ESRS, and incorporates indicators from key global sustainability initiatives such as the Ten Principles of the UN Global Compact (UNGC) and the UN Sustainable Development Goals (UN SDGs).

Reporting Scope

The scope of financial data in this report is consistent with the consolidated basis under K-IFRS. For non-financial data, it includes SK Innovation's[1] Seoul headquarters, domestic production plants, the Institute of Environmental Science & Technology, major overseas subsidiaries and sub-subsidiaries, covering 99% of the revenue of SK Innovation headquarters and its wholly-owned subsidiaries (excluding SK Mobile Energy and SK Battery Systems). Additionally, any data with differing reporting scopes or changes from previously reported data are specifically indicated.

1) SK Innovation and nine affiliates (SK Energy, SK Geo Centric, SK On, SK Enmove, SK Innovation E&S, SK Incheon Petrochem, SK IE Technology, SK Earthon, and SK On Trading International).

Third Party Assurance

This report is published following the review and approval of SK Innovation's Board of Directors. Additionally, the reliability of the data has been enhanced through verification by an independent external assurance provider, BSI, in accordance with the four principles of AA1000AS (2020, v3): Inclusivity, Materiality, Impact, and Responsiveness.

Reporting Period

The reporting period for this report is the 2024 fiscal year (January 1, 2024, to December 31, 2024). However, to ensure the timeliness and relevance of the information, data up to June 2025 is included. For some performance metrics, data from the past three years are also provided to help identify trends over time.

CEO Message

Dear Valued Stakeholders of SK Innovation,

Despite an unfavorable business environment marked by geopolitical uncertainties and financial market instability, SK Innovation remains fully committed to driving sustainable growth and fulfilling its corporate responsibilities to society and the environment.

Last year, through a merger with SK E&S, SK Innovation established a balanced energy portfolio and is now preparing for a new leap forward to build a sustainable future centered on low-carbon energy solutions. SK Innovation aims to maximize synergies across its diverse energy portfolio and provide tailored energy solutions in response to growing customer demand for low-carbon energy.

In addition, based on its roadmap to achieve Net Zero before 2050, SK Innovation is actively advancing specific carbon reduction measures such as fuel switching, energy efficiency improvements, and the expansion of renewable energy. At the same time, SK Innovation continuously refines its roadmap by closely monitoring the direction of carbon neutrality, technological advancements, and market trends.

Throughout this process, SK Innovation will continue to engage with customers and investors, while also supporting its suppliers in strengthening their ESG management practices to pursue shared growth. Furthermore, SK Innovation is committed to fostering a sustainable workplace by creating an environment where employees can develop their capabilities and proactively drive change.

This year's Integrated Report seeks to enhance stakeholders' accessibility and understanding by linking business strategies with both financial and non-financial performance and presenting comprehensive and systematic information.

SK Innovation promises to remain steadfast in its pursuit of sustainable growth in collaboration with all stakeholders, and kindly asks for your continued support and interest.

Sincerely,

Jang Yong-ho
President & CEO, SK Innovation



Company Overview

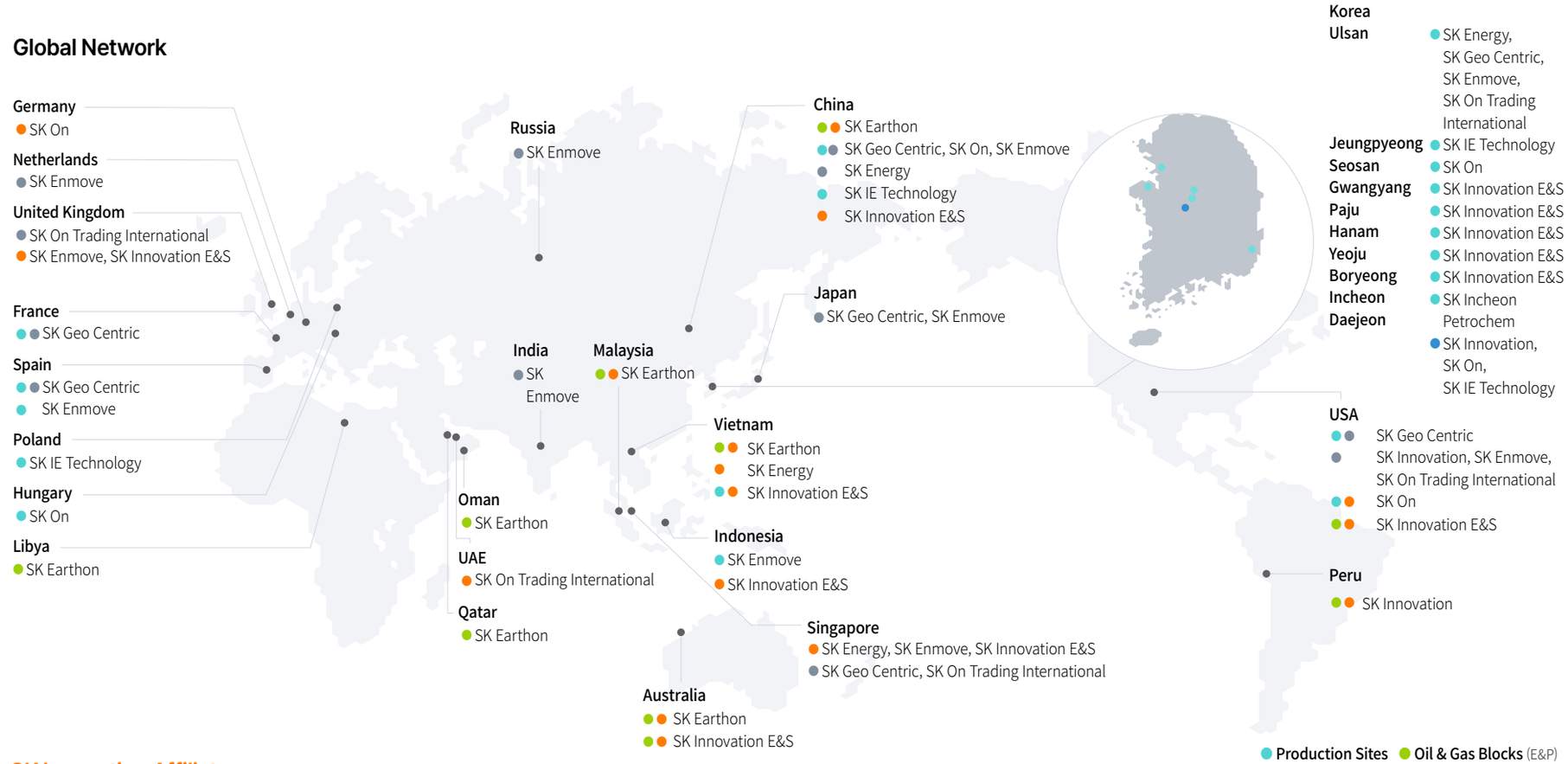
Business Profile

On November 1, 2024, SK Innovation completed a merger with SK E&S, emerging as the largest private integrated energy company in the Asia-Pacific region.

SK Innovation aims to grow into a Global Total Energy & Solution Company that creates a better world by continuously exploring future growth areas and pursuing sustainable growth.

Name	SK Innovation Co., Inc.
Address	Seorin-dong SK Building, 26, Jongno, Jongno-gu, Seoul
Foundation date	October 13, 1962
Employees	23,758 persons
Assets	KRW 110,530.1 billion
Sales	KRW 74,717.0 billion
Operating income	KRW 315.5 billion

Global Network



SK Innovation Affiliates

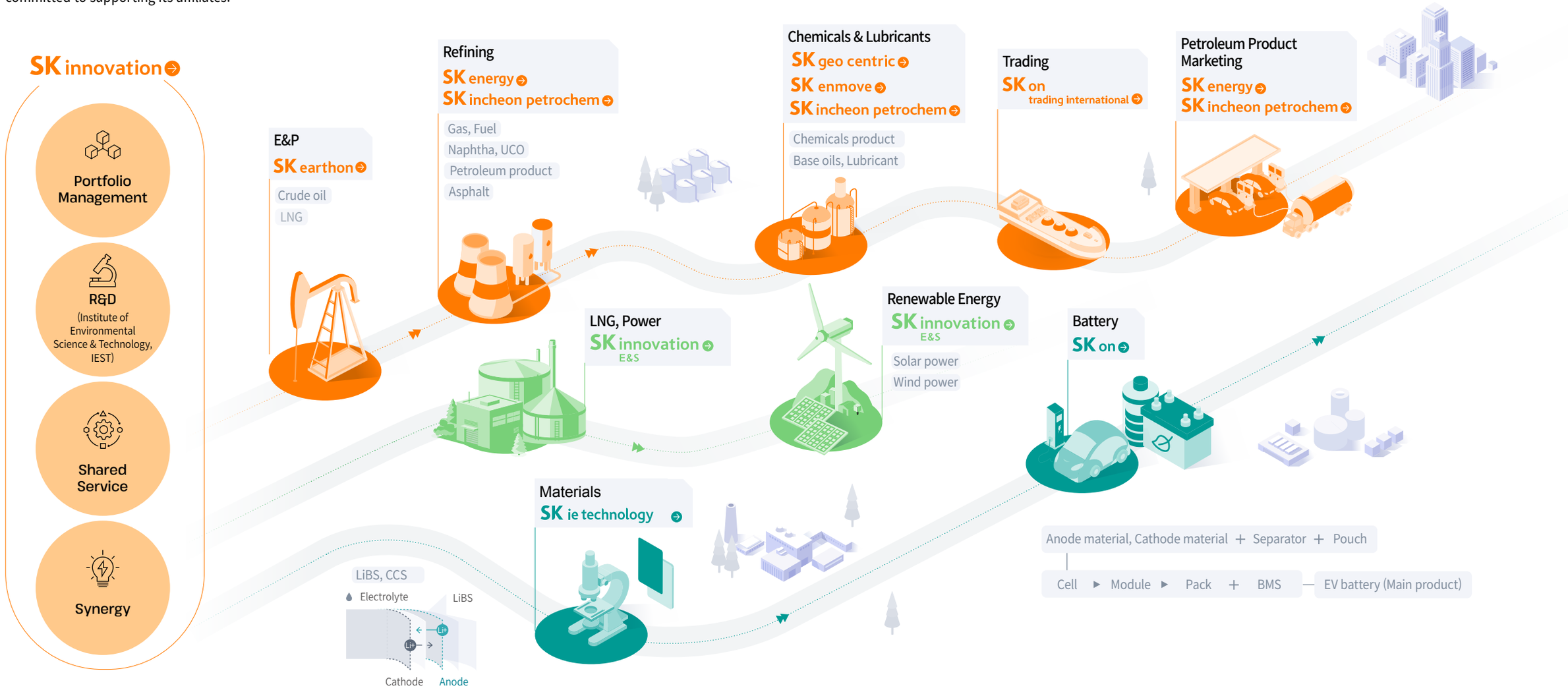
SK Innovation is shaping a sustainable future together with its nine affiliates.

SK innovation

- SK Energy (SKE)
- SK Geo Centric (SKGC)
- SK On (SKO)
- SK Enmove (SKEN)
- SK Innovation E&S (SKI E&S)
- SK Incheon Petrochem (SKIPC)
- SK IE Technology (SKIET)
- SK Earthon (SKEO)
- SK On Trading International (SKTI)

Value Chain

SK Innovation, starting with Korea's first oil refinery, has become a driving force behind the world's progress — expanding from its Energy & Chemicals Business and global resource development to future growth engines such as its Battery & Materials Business. Following its merger with SK Innovation E&S, SK Innovation has established a balanced energy portfolio that spans both current and future energy sectors, including petrochemicals, LNG, power, and batteries. As an enabler, SK Innovation is committed to supporting its affiliates.



Value Creation Process

SK Innovation recognizes that various forms of capital are interconnected, based on an integrated financial and non-financial perspective, and evaluates the impact of its business model on each type of capital from a balanced standpoint. In addition, to enhance stakeholder understanding, SK Innovation analyzes the significance of six forms of capital, including ESG factors, and identifies corresponding macro-environmental drivers to establish responsive strategies.

	Environmental Factor	Significance and Response Strategy
Financial Capital Refers to financial elements that the company can utilize for product manufacturing or service delivery. This includes funds raised through various financing methods.	· Growing demand from financial markets and external stakeholders for disclosure of green economic activities and financial performance, based on EU and K-Taxonomy classifications, necessitates the development of appropriate response measures. · Policy instability in both domestic and international contexts hinders companies in setting and advancing long-term business strategies.	SK Innovation drives its business operations through a comprehensive energy portfolio based on diverse business domains and mid- to long-term strategies. Accordingly, in response to growing stakeholder expectations for transparent disclosure—not only of current financial performance but also of future outcomes generated through investment and business activities—SK Innovation has strengthened its disclosure framework to present performance from an integrated perspective. SK Innovation is also making active efforts to transition its company-wide portfolio to green energy and to generate measurable outcomes aligned with this transition.
Manufactured Capital Refers to physical assets and the organization's production capacity that enable the company to produce and deliver products or services, including elements that play a key role in enhancing operational efficiency and productivity.	· Large-scale investments in manufacturing facilities often involve a time lag between capital input and expected returns. · In particular, the petroleum business is a nationally significant sector, subject to substantial influence from international affairs and government policies. · Environmental standards and regulations governing the operation of physical manufacturing facilities are becoming increasingly stringent.	To support SK Innovation's business operations, large-scale infrastructure is essential including not only oil exploration, production, and refining facilities for petrochemical manufacturing, but also battery production complexes and energy generation facilities. Accordingly, SK Innovation is striving to enhance its competitiveness within the industry by securing and efficiently operating physical assets, while continuously investing in green assets to explore ways to mitigate environmental impact.
Intellectual Capital Includes legal assets such as patents, copyrights, and licenses, as well as organizational assets such as employee experience and knowledge, systems, and protocols. It plays a critical role in strengthening the company's innovation and competitiveness.	· Active R&D efforts are required to drive structural transformation across the industry. · In technology-intensive sectors such as batteries, the leakage of skilled talent and core technologies across companies and countries has become a growing concern, necessitating a thorough review of internal security systems.	SK Innovation continues to invest in low-carbon R&D and environmental businesses, while promoting ecosystem development to support industrial restructuring, the transition to a low-carbon economy, and climate change adaptation and mitigation. SK Innovation is steadily expanding its R&D efforts in the low-carbon sector and striving to continuously increase the R&D investment-to-revenue ratio. SK Innovation is also strengthening its security systems to enhance the management of intangible assets amid intensifying industry competition.
Human Capital Refers to human capabilities, skills, experience, and efforts toward innovation. It also encompasses the ability to understand and implement corporate strategy, as well as employee ethics, leadership, management, and collaboration.	· Interest in work environment has increased among employees following the widespread adoption of remote work systems. · Rapid changes in industrial structure—such as the rise of AI/DT—may lead to talent concentration in high-growth sectors. · Some global companies have withdrawn diversity policies due to cost burdens associated with investments in human rights and diversity, or due to shifts in national-level policy directions.	The growth and happiness of employees has long been a core objective of SK Innovation. In line with the transition to a low-carbon economy, SK Innovation operates training platforms to enhance employee capabilities and maintains a stable internal growth process for talent development. It also provides welfare programs that support work-life balance and improve job satisfaction, while fostering efficient decision-making processes through a cohesive organizational culture.
Social and Relationship Capital Refers to resources built through relationships with a broad range of stakeholders such as local communities and suppliers, including intangible assets such as shared norms, values, trust, and communication, as well as corporate brand and reputation.	· Based on discussions around implementing the EU Corporate Sustainability Due Diligence Directive (CSDDD), there is a growing trend toward strengthening human rights protections for stakeholders across the value chain, beyond the company's own sites. · Issues of value creation and distribution are becoming key factors in maintaining stakeholder relationships and ensuring corporate sustainability. · Disclosure requirements are increasing for communication and engagement systems with local communities, risk assessments, and participation activities impacted by corporate operations.	SK Innovation diversifies its communication channels to ensure effective engagement with stakeholders, providing access not only for employees but for all stakeholders across the value chain. SK Innovation also regularly identifies ESG risks within the supply chain and promotes due diligence and shared growth initiatives to enhance ESG management practices and raise awareness of human rights. SK Innovation also strives to build sustainable, long-term relationships by continuously engaging in mutual growth initiatives with local communities, while enhancing operational efficiency and corporate value.
Natural Capital Refers to all environmental resources and processes utilized by the company to deliver products and services, including air, water, land, biodiversity, and ecosystem health.	· Unpredictable natural disasters driven by climate change are increasing costs due to physical risks. · The politicization and weaponization of resources serve as constraints, causing delays and disruptions in production and manufacturing activities. · Resource depletion in production regions and water withdrawal in water-stressed areas may lead to conflicts with local communities, requiring deeper social dialog on resource allocation.	Given the high dependence of SK Innovation's products on natural resources, it is seeking to reduce environmental impact through its business activities and drive industrial transformation toward a green portfolio. SK Innovation is also expanding the adoption of standardized management systems to prevent potential negative environmental impacts from production facilities, enhance resource recycling, and reduce emissions of hazardous substances.

Value Creation Process

Input

❶ Financial Capital

Assets*	(Consolidated Basis) KRW 110.5 trillion
Equity*	(Consolidated Basis) KRW 39.6 trillion
CapEx Based on K-Taxonomy*	KRW 8.4 trillion

❷ Manufactured Capital

Property, Plant and Equipment (PPE)*	(Consolidated Basis) KRW 56.7 trillion
Refining Operating Capacity	(Ulsan/Incheon Complex) 1,215 KB/D

❸ Intellectual Capital

R&D Expenditures	KRW 480.2 billion
Low-Carbon R&D Investment	KRW 354.7 billion
Intangible Assets*	(Consolidated Basis) KRW 2.9 trillion

❹ Human Capital

Total Number of Employees	(Domestic/Overseas) 23,758
Occupational H&S Training Hours	(Domestic) 114 thousand hours

❺ Social and Relationship Capital

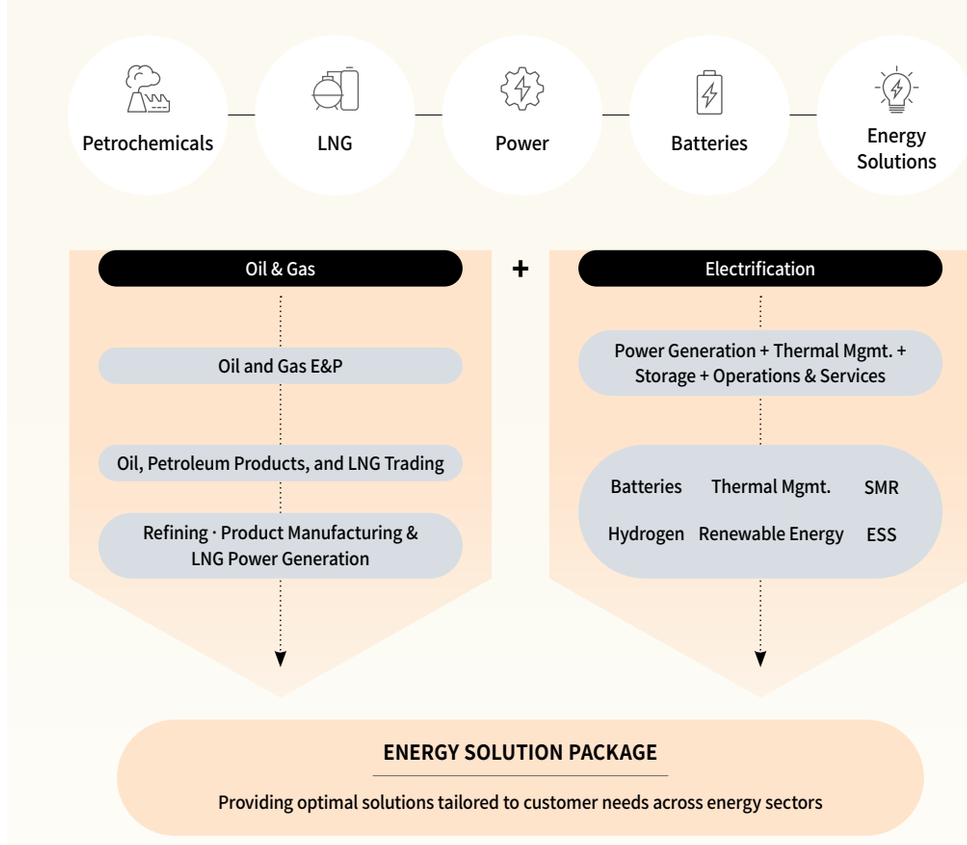
Social Contribution Expenditure	KRW 27.2 billion
Hours of Volunteer Activities	(Domestic) 61,550 hours
Operation of Shared Growth Fund	KRW 53.0 billion

❻ Natural Capital

Energy Consumption	(Domestic) 193,203 TJ
Water Consumption	(Domestic) 69.18 million tons

* The figures include data from SK Innovation E&S.

Business Model



Output

❶ Financial Capital

Revenue*	(Consolidated Basis) KRW 74.7 trillion
EBITDA*	(Consolidated Basis) KRW 2.8 trillion
Revenue Based on K-Taxonomy*	KRW 6.4 trillion

❷ Manufactured Capital

Complex Utilization	(Ulsan/Incheon Complex) 904.13 KB/D

❸ Intellectual Capital

Number of Green Tech-Related Patents	2,469 cases
Intellectual Property Applications	2,527 cases

❹ Human Capital

Average Tenure	(Domestic) 12.6 years
Lost Time Injury Rate (LTIR)	(Domestic) 0.066

❺ Social and Relationship Capital

Major Community-Based Social Contribution Initiatives	(Domestic/Overseas) 32 business sites
Social Value (SV) Creation through Social Contribution Activities	KRW 47.2 billion
Number of Suppliers Supported by the Shared Growth Fund	57 suppliers

❻ Natural Capital

Total Direct/Indirect GHG Emissions (Scope 1 + Scope 2)	(Domestic) 11.69 million tons
Water Recycle Ratio	(Domestic) 35%

Executive Leadership of Key Subsidiaries

SK Innovation is realizing sustainable growth with its nine subsidiaries. The management of each subsidiary is driving innovation and change in ESG management based on their expertise and leadership.

Choo Hyeong-wook CEO (also SK Innovation E&S CEO)

SK innovation
SK innovation E&S



- Term: 2025.5~
- Current: Member, Committee on Hydrogen Economy
- Former: President & CEO, SK E&S
- Former: Head, Investment Center 1, SK Inc.
- MBA, Sungkyunkwan University

Kim Jong-hwa CEO

SK energy



- Term: 2024.11~
- Former: Head, SK Energy Ulsan Complex
- Former: Head, Safety, Health, and Environment (SHE) Division, SK Innovation
- Former: Head, Engineering Division, SK Energy
- B.S. in Chemical Engineering, Hanyang University

Choi Ahn-seop CEO

SK geo centric



- Term: 2024.11~
- Former: Head, Materials Division, SK Geo Centric
- Former: Head, Strategy division, SK Geo Centric
- Former: Head, Optimization & DT Office, SK Geo Centric
- M.S. in Chemical Engineering, Yonsei University

Yu Jeong-joon Vice Chairman

SK on



- Term: 2024.6~
- Current: Vice Chairman & CEO, SK Americas Inc.
- Current: Vice Chairman & Head of Americas, SK Inc.
- Former: Vice Chairman & CEO, SK E&S
- Ph.D. in Graduate School of Energy and Environment, Seoul National University of Science and Technology

Lee Seok-hee CEO

SK on



- Term: 2023.12~
- Former: President and CEO, SK Hynix
- Former: COO, SK Hynix
- Former: Associate Professor, Electrical and Electronic Engineering, KAIST
- Ph.D. in Materials Science and Engineering, Stanford University

Kim Wone-kee CEO

SK enmove



- Term: 2024.1~
- Former: Senior Vice President and Head, Finished Lubricants & New Green Business Development, SK Enmove
- Former: President & CEO, EMC
- Former: Head, Global Base Oil Marketing Office, SK Lubricants
- B.S. in Chemical Engineering, Hanyang University

Roh Sang-goo CEO

SK incheon petrochem



- Term: 2023.12~
- Former: Head, Strategic Operations Division & Chief, Business Development Office, SK Energy
- Former: Head, Production Support and Operation Optimization Office, SK Innovation
- Former: Head, Operation Optimization Office, SK Energy
- B.S. in Chemical Engineering, Hanyang University

Lee Sang-min CEO

SK ie technology



- Term: 2024.11~
- Former: Head, Green Growth Division, SK Enmove
- Former: Head, Green Growth Business Office, SK Enmove
- Former: Head, SK Enmove Americas Inc. (Houston)
- M.S. in Mechanical Engineering, KAIST

Myeong Seong CEO

SK earthon



- Term: 2021.10~
- Former: Representative, E&P Business, SK Innovation
- Former: General Manager, Happiness Design Office, SK Innovation
- Former: Head, Bogota Branch, SK Innovation
- B.A. in Commerce and Trade, Pusan National University

Chang Ho-joon CEO

SK on trading international



- Term: 2023.12 ~
- Former: Senior Vice President, S&P Business Division, SK Energy
- Former: Vice President, Strategy Support Team, SK SUPEX council
- MBA, Columbia University

Board of Directors

Independent Director Executive Director Non-Executive Director
*As of June 2025

	Park Jin-hei (Male)	Kim Joo-youn (Female)	Lee Bok-hee (Female)	Baik Bok-hyeon (Male)	Lee Ji-eun (Female)	Gong Sung-do (Male)	Choo Hyeong-wook (Male)	Kang Dong-soo (Male)
	 BOD Chairperson							
Term	2025.3 ~ 2028.3	2023.3 ~ 2026.3	2023.3 ~ 2026.3	2024.3 ~ 2027.3	2024.3 ~ 2027.3	2025.3 ~ 2028.3	2024.11 ~ 2027.3	2025.3 ~ 2028.3
Committee Activities ●Chairperson	Audit and Corporate Compliance Committee HR Evaluation and Remuneration Committee	HR Evaluation and Remuneration Committee● Strategy·ESG Committee	HR Evaluation and Remuneration Committee Strategy·ESG Committee●	Audit and Corporate Compliance Committee● Strategy·ESG Committee	Audit and Corporate Compliance Committee Strategy·ESG Committee	Audit and Corporate Compliance Committee Strategy·ESG Committee	Strategy·ESG Committee	Strategy·ESG Committee
Education	M.A. in Economics, London School of Economics and Political Science	M.S. in Biology, Yonsei University	M.S. in Chemistry, KAIST	Ph.D. in Business Administration, University of California at Berkeley	Ph.D. in Business Administration, Hongik University	LL.M. (Master of Laws), Georgetown University	MBA, Sungkyunkwan University	MBA, University of British Columbia
Career	Current: Chairman, Board of Directors, Samsung Fire Insurance Former: President, Citibank Korea Former: Head, Corporate Finance Group & Senior President, Citibank Korea Former: Head, Corporate Finance Division & Vice President, Hanmi Bank Former: Operation Manager, Samsung Securities	Former: Vice Chairman, P&G Korea/Japan & Global Chief Marketing Officer, P&G Grooming Former: President, P&G Gillette Asia Former: CEO, P&G Korea Former: Marketing Director, P&G Asia-Pacific & India	Current: CEO, Pfeifer Vacuum Korea Former: CEO, DuPont Korea Former: Global Director, Dow Chemical Display Division Former: Director, R&D Center and Development Engineering, Dow Chemical Korea	Current: Professor, Seoul National University Former: Associate Dean, the MBA Program, Seoul National University Current: Member, Korea Sustainability Standards Board (KSSB) Former: President, Korea Accounting Information Association Former: Assistant Professor, Florida State University	Former: CEO, Microsoft Korea Inc. Former: Enterprise Commercial Lead, Microsoft Korea Inc. Former: Digital Group Lead, Accenture Former: Communications & HighTech Operating Group Lead, Accenture Korea	Current: Representative Director, Tullis Russel Coaters Korea Former: Representative Director, Orion Engineered Carbon Former: President, GE Energy Korea Former: President, Wind Energy Business Division, Hyosung Former: Head, BP Korea	Current: CEO, SK Innovation Current: President, SK Innovation E&S Current: Member, Committee on Hydrogen Economy Former: President & CEO, SK E&S Former: Head, Investment Center 1, SK Inc. Former: Chairman, the 7th Independent Power Producer Association	Current: Head, Portfolio Management Division, SK Inc. Former: Head, Strategy & Finance Division, SK Innovation Former: Head, Solution and Platform Division, SK Energy Platform & Marketing CIC Former: Head, Social Value Promotion Division, SK SUPEX Council Former: Head, Business Strategy Planning Department, SK Energy

Business Strategy



History and Growth of SK Innovation 11
Background of the SUPEX 2030 Initiative 12
SUPEX 2030 Framework 13
Mission & Vision 14

Status of Each Affiliate 16

Role of SK Innovation and Its To-be
To-be of SK Innovation 34
SK Innovation as an Enabler : The Core Driving Force of SUPEX 2030 35
SK Innovation's Positive Growth and Collaborative Corporate Culture 36

History and Growth of SK Innovation

SK Innovation began its journey in 1962 with the establishment of Korea Oil Corporation. Since then, it has pioneered various fields, including Korea's first overseas oil field development, the vertical integration of Energy and Chemicals business, the nation's first direct private LNG import, and entry into the electric vehicle battery business. These endeavors have consistently demonstrated SK Innovation's proactive response to the world's energy needs. To continue leading the energy industry, SK Innovation has once again pursued structural innovation. Through its merger with SK E&S in November 2024, SK Innovation is set to become a global energy company that covers the entire energy value chain, from oil to LNG · power, renewable energy, and energy solutions. This ongoing innovation and growth are not just about business expansion; they represent SK Innovation's unique heritage of fulfilling social responsibilities, including contributing to national energy security, industrial development, and responding to environmental changes.

SK Innovation's Journey

Establishment of Korea Oil Corporation



Korea's first modern gas station operation:
The "Cheonggiwa Gas Station" was the first to introduce the current method of fueling by "parking the car," moving away from the old method of fueling with oil cans



1962 - 1970s
Driving Economic Development Based on the Petroleum Industry



Sunkyong Group acquires Korea Oil Corporation

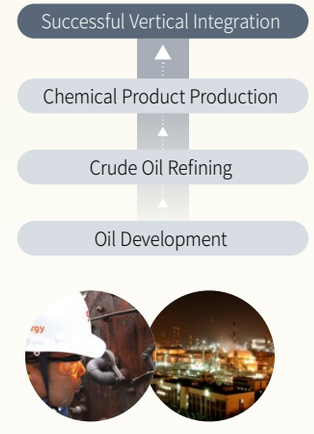
1980s
Securing Stable Petroleum Resources through Korea's First Overseas Oil Field Development

Korea's first overseas oil field development



Energy & Chemical Vertical Integration
In 1991, the establishment of polyethylene (PE) and paraxylene (PX) plants at the Ulsan Complex completed the vertical integration, connecting "oil development - crude oil refining - chemical product production."

1990s
Leading the Asia-Pacific Energy & Chemical Industry through Vertical Integration of Energy & Chemicals



Launch of SK Innovation affiliate system



2000s - 2010s
Completion of Korea's First Private Direct LNG Import Value Chain

Completion of LNG Value Chain



Upstream Expansion of LNG sourcing based on proprietary gas fields like Woodford in the US and Barossa gas field in Australia

Midstream LNG Trading Infrastructure through the operation of Boryeong LNG terminal and establishment of PRISM

Downstream Korea's first direct LNG import, Korea's largest private power generator (Gwangyang/Paju/Wirye/Yeoju, etc.).

2020s
Expansion of Low-Carbon Energy Businesses including EV Batteries and Renewable Energy



Electric Vehicle Battery Business
The battery business, strategized since the 1980s, began in earnest in the 2020s with the establishment of SK IE Technology (2019) and SK On (2021).

Integrated Energy Value Chain Establishment
Construction of an energy value chain ranging from Conventional Energy to New Energy through structural innovations, including the merger with SK Innovation E&S

SK Innovation's Consideration for Sustainable Innovation Measures in the Future Energy Market

- **Sustainability** Sustainable eco-friendly energy
- **Economy** Reasonable energy prices
- **Energy Security** Stable energy supply
- **Energy Quality** High-quality energy provision

Background of the SUPEX 2030 Initiative

SUPEX 2030 is SK Innovation's mid-to-long-term vision and strategic roadmap, established in preparation for a new leap toward future growth, responding to the rapidly changing global energy market and increasing demands for eco-friendliness and sustainability. SK Innovation aims to diversify its portfolio beyond its refining and chemical-centric business structure to include LNG, power, and new energy, while simultaneously strengthening both global competitiveness and its foundation for sustainable growth. Through SUPEX 2030, SK Innovation seeks to become a Total Energy & Solution Company with qualitative competitiveness and social responsibility, going beyond mere quantitative expansion, and aiming to set new standards for the future energy industry.

Background of the SUPEX 2030 Initiative

The recent energy industry faces complex challenges, including a paradigm shift toward decarbonization and eco-friendliness, alongside changes in global supply chains, economic uncertainties, and the emergence of new technologies. In response, SK Innovation keenly recognizes the need for fundamental innovation to overcome realistic limitations—such as declining profitability in existing core businesses, intensified competition, and the burden of new business investments—and to achieve sustainable future growth.

The market and society demand a transition to companies that not only achieve performance and scale expansion but also actively practice environmental and social responsibility. To meet this demand, SK Innovation, leveraging its merger with SK E&S in 2024, has expanded its business portfolio to include LNG, power, and renewable energy. This has laid a strategic foundation to maximize synergy and innovation capabilities across the entire value chain.

SUPEX 2030 is a mid-to-long-term vision that proactively responds to these changes and challenges, presenting SK Innovation's new direction and execution strategy moving forward. Through SUPEX 2030, SK Innovation aims to maximize efficiency by focusing on select areas across all business segments. Its goal is to leap forward as a SUPEX Company with qualitative growth and substantial value.

Furthermore, SK Innovation seeks to flexibly adapt to changes in the future energy market and set new standards for the global energy industry as an innovative company that fulfills its environmental and social responsibilities. Moving forward, SK Innovation will continue to drive company-wide innovation and structural improvements, simultaneously realizing sustainable growth and securing future competitiveness in the global market.

SUPEX 2030 Strategy Development Process

Employee Engagement

Gathered internal opinions through Can Meetings and workshops for SK Innovation affiliates

> The new mission and vision must encompass SK Innovation's 60-year history as a core axis of the national energy industry, along with its experience and know-how in transforming customers' quality of life through sustainable energy solutions.



SK Innovation Affiliate Executive Interviews

Identified organizational directions through in-person interviews with executives from SK Innovation's affiliates

> I determined it's important to focus on the essence of the business from a customer-centric perspective. This will further enhance employee engagement and effectively build empathy with external stakeholders.

Analysis of Past Achievements and Failures

- Analyzed major strategic achievements and failures, and their lessons learned

Analysis of Current Position and Role

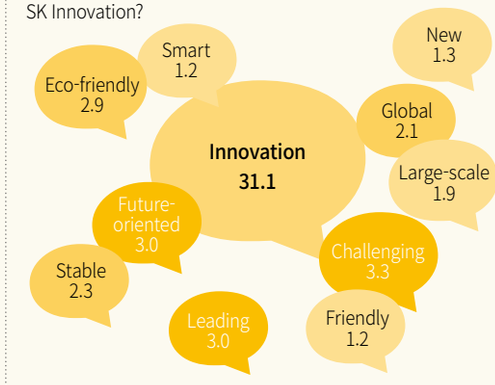
- Objectively defined each affiliate's resources and capabilities and compared them with global peers
- Analyzed the role of each affiliate within the SK Innovation

Analysis of Future Strategy and Business Environment

- Analyzed future opportunities and risk factors
- Selected strategies and key tasks for achieving the To-be state for each affiliate

Customer Perception Survey

What images come to mind when thinking of SK Innovation?



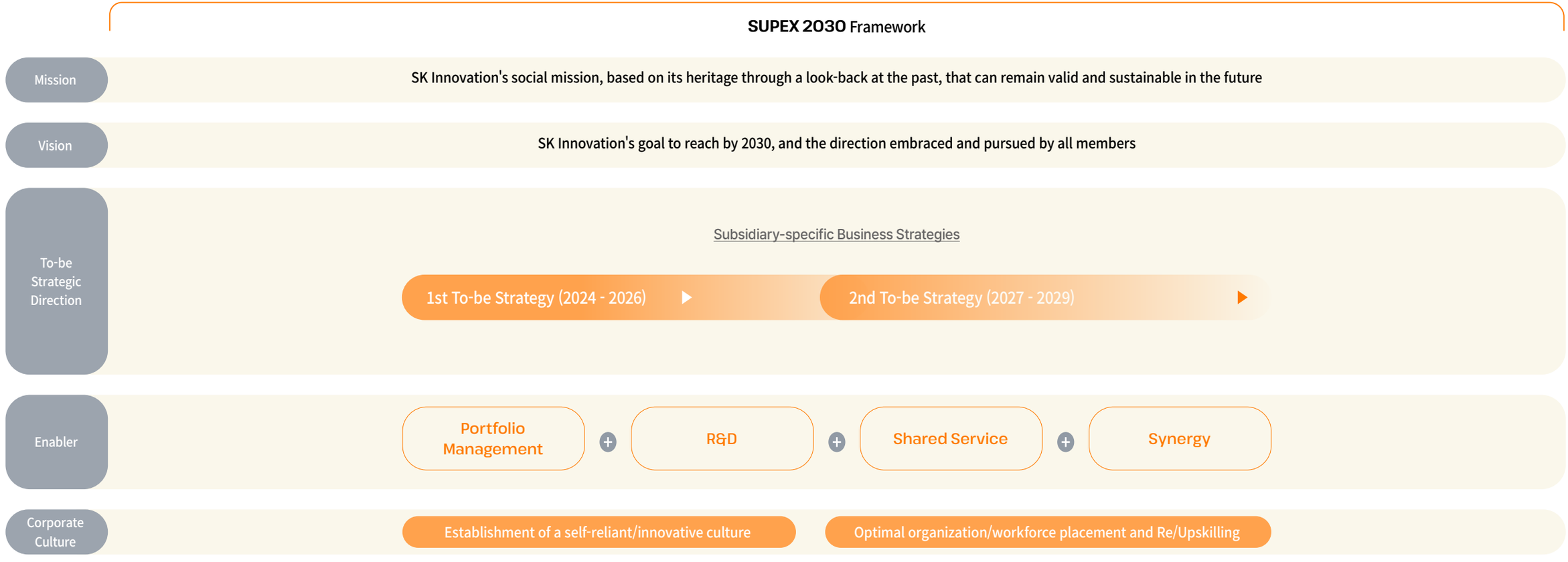
External Expert Interviews

How do external experts view SK Innovation?

> For SK Innovation to continue bold challenges and strategic choices based on a frontier spirit, it's crucial to strengthen trust with the market and, building on that, make efforts to maintain authentic communication with stakeholders.

SUPEX 2030 Framework

The SUPEX 2030 Framework is SK Innovation's comprehensive management blueprint, offering a clear overview of its mid-to-long-term goals and execution strategies. At its apex are the Mission and Vision, followed by two strategic transformation phases: 1st To-be and 2nd To-be, designed to realize these overarching objectives. For each phase, specific goals and execution strategies are set for individual affiliates. These strategies are concretely implemented through "Enablers," core execution support systems that empower each affiliate. Ultimately, the SUPEX 2030 Framework visually presents SK Innovation's roadmap to becoming a SUPEX Company, achieved by restoring the survival conditions of all businesses, securing future growth engines, and maximizing internal capabilities and collaboration.



Mission & Vision

Mission

When the World Asks about Energy,
We Answer with Innovation



When the World Asks about Energy — Questions from a Changing Era

In SK Innovation's Mission, the phrase "When the world asks about energy" goes beyond simply a demand for energy supply. It rather symbolizes the complex and diverse questions that the times and customers are facing. Amidst societal and market shifts, including climate change, energy security, economic viability, and portfolio transitions, customers and the era are constantly raising new questions. This also comprehensively includes potential and future-oriented needs that may not yet be clearly expressed. SK Innovation aims to accurately grasp the essence of these questions, understanding not only what customers explicitly see but also their underlying needs and expectations.

With Innovation — Problem Solving Through Innovation

The word "Innovation" in the Mission encapsulates SK Innovation's core capabilities and philosophy. Innovation isn't limited to mere technological development or new product launches. It means pursuing fundamental and essential changes such as introducing new production methods, pioneering new markets, innovating supply chains, and redefining industrial structures. SK Innovation has continuously pushed beyond existing limits and proactively created new value demanded by the market and customers through innovation, and it will continue this direction moving forward.

Answering — Value Realized Through Action

The character "답 (答 = 竹 + 合)," meaning "answer," embodies SK Innovation's active will and collective capability to combine (合) diverse perspectives and competencies (竹) to provide integrated and practical solutions to energy challenges. This is not merely a response to a question; it's a process where SK Innovation's businesses, organizations, and technologies are organically connected to derive optimal solutions as one team. It's an action-oriented promise to bring about real change in the market and society. SK Innovation aims to overcome future uncertainties and complexities through collaboration, collective intelligence, and execution, thereby setting new standards in the energy industry.

Mission & Vision

SK Innovation's Vision encapsulates its ultimate direction, which is to continuously grow amidst the changing energy landscape and to become a company that presents new solutions for the industry. To bring this Vision to life, SUPEX 2030 sets out a two-phase strategic roadmap.

Vision

Self-Empowered, We Each Seek Our Own Answers And United, We Seek Innovative Solutions

1st To-be (2024-2026)

"For Each Energy Question We Face
We Empower Ourselves to Find Answers"

Survival and Internal Strengthening through Self-Empowerment (自强)

The 1st To-be aims for each business and organization to establish an independent and sustainable structure that remains resilient to changes in the external environment. This means each entity will cultivate its "self-empowerment" (自强力) to secure its own survival conditions and solidify its profit/loss, financial, and business structures. This phase is a process where all businesses gain fundamental competitiveness and develop the capability to independently answer market and customer questions for their respective operations.

2nd To-be (2027-2029)

"We Unite to Find Innovative Answers
for an Increasingly Complex World"

Innovation and Growth through Collective Power (結集)

The 2nd To-be is a process of creating larger, more innovative solutions through collective intelligence and collaboration, built upon the self-empowerment each business has established. In this phase, synergy and collaboration among businesses are maximized to effectively respond to the rapidly changing energy market and new growth opportunities. SK Innovation aims to realize sustainable growth and global leadership through the power of "collective effort" (結集), where all members unite to innovatively answer the complex questions of the world.

Thus, SK Innovation's Vision is concretely executed through the two-phase strategy of the 1st To-be and 2nd To-be.
The big picture of SUPEX 2030 starts with securing individual self-empowerment and ultimately aims to create new solutions in the energy sector through collective intelligence and collaborative innovation.

Status of Each Affiliate

SK energy

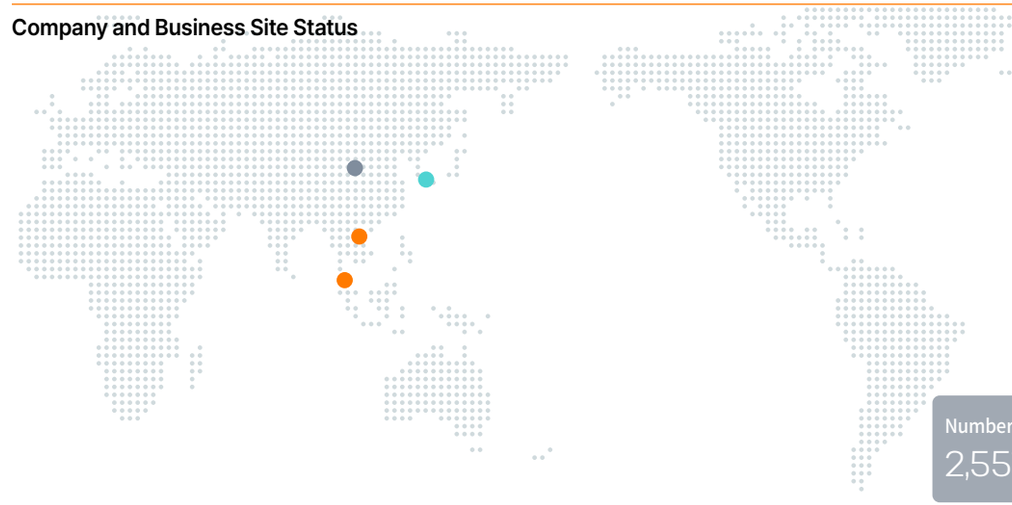
SK Energy, which began as Korea's first oil refinery in 1962, is the nation's leading refiner. It sells various petroleum products domestically and internationally produced from Ulsan Complex, which has a refining capacity of 840,000 barrels of crude oil per day. Amid increasing volatility in the global economy and oil prices, SK Energy is enhancing its survivability by improving the speed and flexibility of its process operations and driving 'Operation Improvement' to continuously innovate its profit structure. Through these efforts, it aims to build a long-term growth foundation and evolve into a more advanced energy company.

Key Business Areas (Products, Services)

Petroleum Product Manufacturing
SK Energy imports raw materials like crude oil needed for petroleum product production. It refines these materials at the Ulsan Complex to produce fuels such as gasoline, diesel, kerosene, and jet fuel, as well as gas, asphalt, and naphtha, which is a raw material for chemical products.

Petroleum Product Sales
The distribution structure of the petroleum business is broadly divided into wholesale and retail. Wholesale supplies are provided to direct buyers, gas stations and intermediate sellers, airlines, military, and government agencies. Retail sales of household and commercial fuels are made to general consumers through gas stations or charging stations.

Company and Business Site Status



Production Sites
Korea

Sales Corporations
China

Overseas Corporations and Branches
Vietnam, Singapore

Number of Employees	Total Assets	Sales
2,551	KRW 17,331.6 billion	KRW 43,419.4 billion

Opportunity and Risk Analysis

Opportunities
- Decreased net increase in global refining capacity due to the closure of aging refining facilities and reduced new expansions
- Ability to produce market-competitive products based on stable process operation capabilities and facilities capable of processing various crude oils
- Entry into new markets through establishing a production system for low-carbon products like Sustainable Aviation Fuel (SAF) and medium-temperature asphalt

Risks
- Additional carbon costs due to strengthened Nationally Determined Contribution (NDC) and carbon emission regulations
- Increased volatility in oil prices and refining margins due to unstable international political landscape
- Mid-to-long-term demand slowdown due to changes in the energy paradigm

Key Sustainability Topics and Response Strategies

Topic 1. Greenhouse Gas Emission Reduction	SK Energy invests in improving process efficiency and actively works to capture and utilize carbon emissions generated during operations, aiming to mitigate the additional cost burdens resulting from increasingly stringent carbon regulations.
Topic 2. Waste Management	As domestic and international waste-related regulations and societal demands increase, SK Energy is enhancing its cooperation with waste treatment partners. It has also received external recognition for its excellence in waste management through Zero Waste to Landfill (ZWTL) certification.
Topic 3. Worksite Occupational Safety and Health Management	Through field-based Safety, Health, Environment (SHE) inspections, SK Energy proactively identifies and addresses safety hazards and serious accident risks, and also operates SHE capability enhancement programs across the entire value chain.
Topic 4. Anti-Corruption and Fair Trade	SK Energy operates an Anti-Corruption Compliance Program based on a PDCA (Plan-Do-Check-Act) management system, aiming to establish an anti-bribery compliance management system by 2025.

Status of Each Affiliate SK energy

Market Status and Position Analysis

Category	Market Status	Position/Achievements
Petroleum Product Manufacturing	The global and domestic petroleum product manufacturing market is being reshaped by energy transition and demand shifts, with refiners pushing for low-carbon fuels and high-value-added product production. In Korea, five refiners, including SK Energy, operate refining facilities with a total capacity of 3.2 million barrels per day, responding to market changes by producing low-carbon products and enhancing export competitiveness.	• Began as Korea's first refinery in 1962 • Produces a variety of high-quality petroleum products that meet domestic and international standards, leveraging an 840,000 barrels per day crude oil refining capacity • Responding with a mass production system for low-carbon products, such as Sustainable Aviation Fuel (SAF), at a level of 100,000 tons per year
Petroleum Product Sales	In 2024, domestic demand for major petroleum products increased by 2.8% year-on-year to 1.27 million barrels per day. Petroleum products are stably supplied to consumers through a total of 10,664 gas stations nationwide. In addition, a sustainable growth strategy is being pursued through the expansion of low-carbon fuel sales.	• SK Energy holds a 29.1% share in the domestic light oil market (based on sales volume of gasoline, diesel, kerosene, jet fuel, etc.) • SK Gas Station ranks first in domestic gas station market share (26.1% as of end of 2024, with total 2,782 stations in operation) • Ranked No. 1 for 19 consecutive years in the gas station sector of the Korea Industrial Brand Power • Secured a Sustainable Aviation Fuel supply contract with a global airline

Strengthen core refinery competitiveness

Expand differentiated marketing competitiveness

SUPEX 2030 Image



Strategy 1

(Short-Term) Enhance Efficiency/Productivity through Operational Improvement

- Improve supply chain competitiveness through operational optimization and strengthened strategic partnerships
- Secure production competitiveness by producing high-value, low-carbon products and upgrading process facilities
- Maximize profitability and reduce costs through process improvements

Strategy 2

(Mid-to-Long-Term) Enhance Competitiveness through Structural Innovation

- Secure competitive crude oil processing capabilities by optimizing facilities based on over 60 years of crude oil processing experience and know-how
- Strengthen Ulsan Complex's competitiveness by pursuing smart plants utilizing AI/DT
- Enhance marketing competitiveness through expanding low-carbon product sales and market reach, in response to domestic and international policy changes

Status of Each Affiliate

SK geo centric

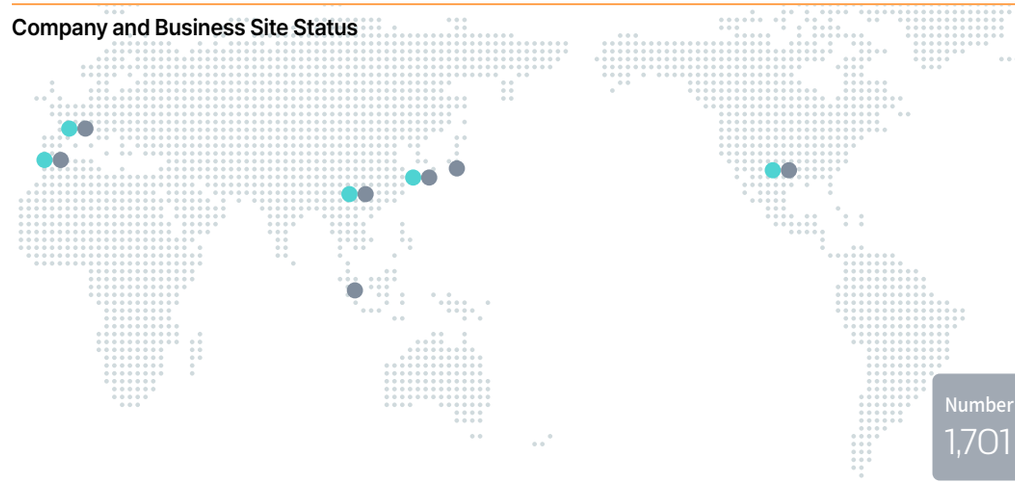
Since activating Korea's first Naphtha Cracking Center (NCC) in 1972, SK Geo Centric has been producing high-quality basic chemical materials primarily from naphtha, supplying them to various industrial sectors. The olefin, aromatic, solvent, and polymer products manufactured by SK Geo Centric are essential basic raw materials and components used in industries like automotive, electronics, construction, apparel, and medical, contributing to the enhancement of human quality of life.

Key Business Areas (Products, Services)

Commodity Petrochemicals
SK Geo Centric produces olefin products, which are raw materials for synthetic resins and synthetic rubbers, including ethylene, propylene, and butadiene. It also manufactures aromatic products, which are raw materials for synthetic resins and synthetic fibers, such as benzene, toluene, xylene, and paraxylene.

High-Performance Chemical Materials
Polymer products like LLDPE, HDPE, PP, POE, and POP, produced from olefin products, are widely used as materials in various applications, from household goods to construction and automotive. SK Geo Centric is also expanding its business area to include the production of high-purity isopropyl alcohol for semiconductor cleaning.

Company and Business Site Status



Production Sites
Korea, China, France, Spain, USA

Sales Corporations
Korea, China, Japan, Singapore, France, Spain, USA

Number of Employees	Total Assets	Sales
1,701	KRW 8,327.0 billion	KRW 13,193.5 billion

Opportunity and Risk Analysis

Opportunities
- Expected enhancement of competitiveness based on synergy in raw materials, utilities, and optimal operations within the Ulsan Complex
- Anticipated rationalization through consolidation among companies holding small-scale facilities and low-value assets
- Proactive response to greenhouse gas emission regulations and contribution to the circular economy through energy efficiency improvements and the introduction of renewable naphtha

Risks
- Worsening global oversupply due to large-scale plant expansions in the Middle East and North America, and increased entry of refiners into the petrochemical industry
- Intensified export competition due to slowing global economic growth and increased self-sufficiency in China
- Anticipated cost increases due to reduced domestic greenhouse gas emission allowances and the introduction of overseas carbon taxes

Key Sustainability Topics and Response Strategies

Topic 1. Greenhouse Gas Emission Reduction	Greenhouse gas emission regulations are expected to continuously strengthen, necessitating long-term carbon reduction plans and performance management. SK Geo Centric is reducing greenhouse gases through optimal process operation, energy efficiency improvements, and the introduction of recycled naphtha, based on its Net Zero roadmap to achieve annual targets
Topic 2. Occupational Safety and Health Management	SK Geo Centric has established and operates a Safety, Health, Environment (SHE) management system. Under the CSO's responsibility, SK Geo Centric promotes business site safety measures such as facility inspections and improvements, and conducts risk prevention activities. It also strives to enhance capabilities and execution through training programs.
Topic 3. Supply Chain Management	Under the integrated supply chain management system of SK Innovation affiliates, SK Geo Centric manages its partners and supports shared growth. It is also advancing supply chain management by utilizing data-driven AI/DT across the entire value chain to enhance productivity and improve customer responsiveness.
Topic 4. Strengthening Global Industrial Competitiveness	With the deteriorating market conditions and structural changes in the petrochemical industry, securing fundamental competitiveness has become essential. SK Geo Centric plans to secure survival competitiveness through cost reduction and portfolio rebalancing, and aims to expand its portfolio with high-value-added products used in promising industries.

Status of Each Affiliate SK geo centric

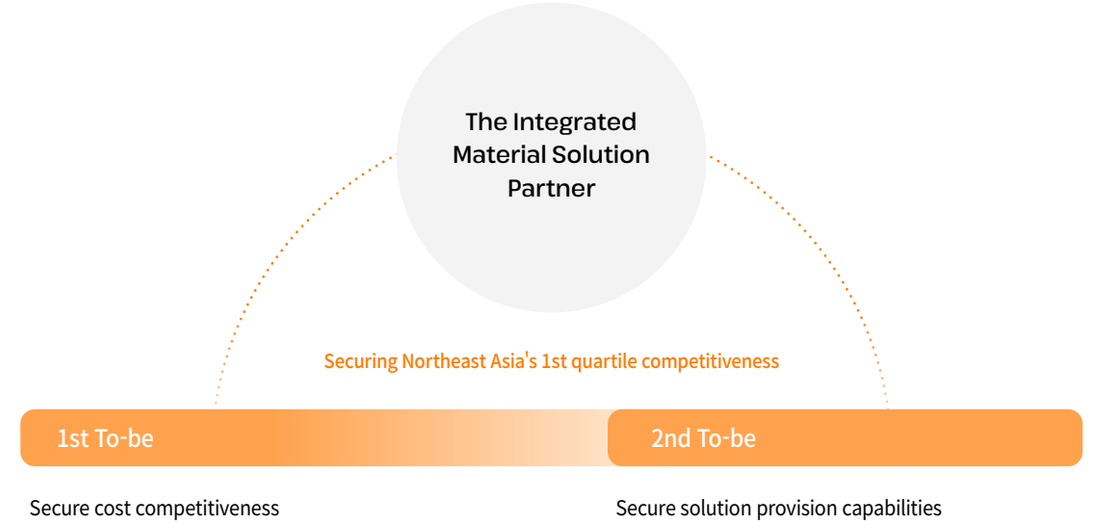
Market Status and Position Analysis

Category	Market Status	Position/Achievements
Commodity Petrochemicals, High-Performance Chemical Materials	• SK Geo Centric's petrochemical products are utilized as basic raw materials and components across various industries, including automotive, electronics, construction, and apparel, and are provided as customized products and solutions to numerous domestic and international clients. • Currently, the petrochemical industry faces intensified export competition for general-purpose products and an overall market downturn due to global oversupply, slowing economic growth, geopolitical factors, and policies affecting the macro economy.	• Continuously striving to strengthen financial stability through operational efficiency improvements and structural enhancements amidst the petrochemical market's structural changes. • Actively providing differentiated solutions to customers through expanded sales of high-performance packaging materials and lightweight materials for automobiles. • Expanding into the semiconductor chemical business area (high-purity IPA), and strengthening collaboration with R&D to secure future differentiated competitiveness.

Secure cost competitiveness within the petrochemical industry

Expand solution provision capabilities

SUPEX 2030 Image



Strategy 1

Strengthen Fundamental Competitiveness and Sustainability

- Enhance cost competitiveness through efficiency and structural improvements by driving operational efficiency improvements across all value chain areas, including raw materials, utilities, processes, and operations
- Strengthen financial stability through portfolio rebalancing, including the divestment of non-essential assets

Strategy 2

Provide Differentiated Value through Technological Innovation

- Develop materials for promising industries such as semiconductors, batteries, and energy solutions, by utilizing and maximizing the value of oil fractions and by-products from the Ulsan Complex
- Seek opportunities for new market entry based on raw material competitiveness and accumulated technology and solutions across diverse business areas

Status of Each Affiliate

SK on

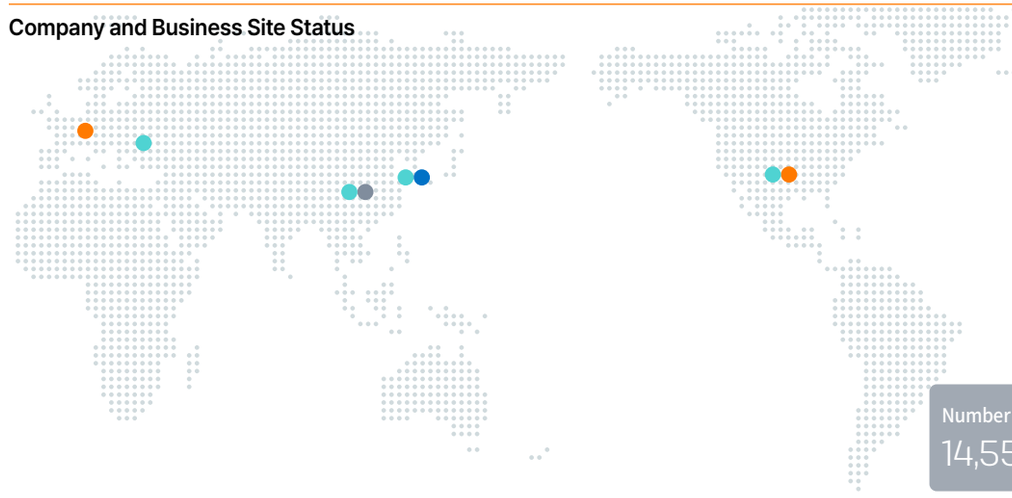
SK On develops advanced battery solutions for electric vehicles and energy storage systems, aiming to produce high-performance batteries that combine safety and cost efficiency. Following its spin-off in October 2021, SK On has established production facilities in key regions—including Korea, the United States, Europe, and China.
In November 2024, SK On restructured its business portfolio and integrated SK Trading International, a petroleum and petroleum products trading specialist, as part of its in-house company structure. This integration strengthens SK On's capability to secure raw battery materials and drives its advancement into a leading global enterprise in both battery manufacturing and trading.

Key Business Areas (Products, Services)

EV Battery
Leveraging its expertise in NCM[1] and pouch technologies, SK On has secured a customer base of leading global OEMs. SK On is recognized for possessing top-tier capabilities in energy density, fast charging, and safety. A mass production system is in place to promptly respond to OEM demand across all major regions.
1) Nickel, Cobalt, Manganese

ESS
The ESS market is experiencing rapid growth in line with the expansion of global energy demand. Building on its battery manufacturing expertise, SK On is well positioned to flexibly expand into the ESS business. In addition, by utilizing SK Innovation's internal value chain—such as SK Innovation E&S's ESS installation and operation business—SK On expects to maximize business synergies.

Company and Business Site Status



- **Production Sites**: Korea, China, USA, Hungary
- **R&D Center**: Korea
- **Sales Corporations**: China
- **Overseas Corporations and Branches**: USA, Germany

Number of Employees	Total Assets	Sales
14,557	KRW48,374.1billion	KRW14,034.7billion

Opportunity and Risk Analysis

Opportunities
- Increase in global demand for EV batteries due to stricter environmental regulations
- Continuous growth of the ESS market driven by the expansion of renewable energy and energy storage demand
- Expansion of the recycled battery materials market due to strengthened regulations on the use of recycled resources

Risks
- Stagnation in battery market growth due to uncertainties in the global EV market
- Changes in OEM requirements for cost and safety, and shifts in overall battery preferences in response to market trends
- Tightening legal and regulatory requirements for batteries (e.g., EU battery regulations)

Key Sustainability Topics and Response Strategies

Topic 1. Greenhouse Gas Emission Reduction	SK On actively responds to greenhouse gas emission regulations and is developing measures such as energy saving through process efficiency improvements and the adoption of renewable electricity to reduce costs associated with purchasing emission allowances or procuring renewable energy.
Topic 2. Supply Chain ESG Risk Management	Insufficient sustainability risk management within the supply chain can lead to negative impacts such as human rights violations and environmental damage, potentially escalating to legal liabilities. Accordingly, SK On is pursuing activities to identify, eliminate, or mitigate these risks through supply chain due diligence.
Topic 3. Waste Management	To reduce risks associated with the use of finite natural resources, SK On complies with requirements for using recycled raw materials, and has also established a used battery reuse and recycling system through the practical operation of a virtuous circular economy closed-loop system for batteries.
Topic 4. Enhancing Product Quality and Safety	EV fire accidents not only pose a significant threat to consumer safety but can also negatively impact customer and market trust. In response, SK On rigorously complies with relevant laws and regulations, and is strengthening efforts such as advancing its quality management system and developing safety technologies.

Status of Each Affiliate SK on

Market Status and Position Analysis

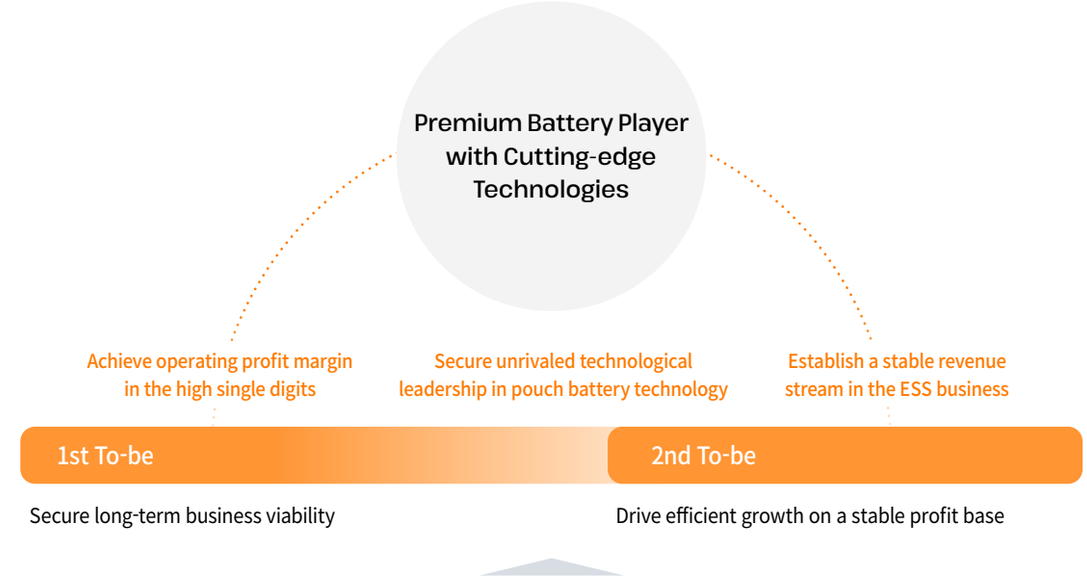
Category	Market Status	Position/Achievements
EV Battery (Medium- to Large-Sized Cells)	The global electric vehicle (EV) battery market is growing rapidly with the accelerating adoption of EVs. Global demand is projected to increase from approximately 0.9 TWh in 2024 to 2.9 TWh by 2030, more than tripling over the period. This growth is driven by rising EV sales, the strengthening of eco-friendly policies across countries, and advancements in battery technology. Medium- to large-sized batteries are extending beyond EV applications to a wide range of sectors, including energy storage systems (ESS), and have become a key driver of market growth. In response, major industry players are focusing on expanding production capacity and enhancing cost competitiveness to secure market share.	• Global EV battery market share: 5th in 2024 (39 GWh supplied; 3rd excluding China) • Long-term partnerships with Hyundai Motor, Kia, Volkswagen, and Ford • Technological excellence and innovation showcased annually since establishment • [Major awards] - 2022 CES Innovation Awards; - 2023 CES Innovation Awards, Edison Awards, Fortune "Change the World" No. 1; - 2024 InterBattery Awards, Edison Awards, Reuters Automotive D.R.I.V.E – Emissions Reduction
ESS	The global ESS market is projected to sustain long-term growth, driven by the shift toward renewable energy and the growing demand for stable power supply. Demand for ESS batteries is projected to more than triple, rising from approximately 169 GWh in 2024 to 516 GWh by 2030.This growth is fueled by the rapid expansion of solar and wind power generation, increased demand for grid stabilization solutions, and the strengthening of government-led eco-friendly policies. Major industry players are focusing on advancing technology and strengthening production capabilities to enhance efficiency and cost competitiveness of ESS batteries. The market continues to show strong potential for further growth.	• Early commercialization through order concentrated in the Korean and U.S. markets

Prioritize the strategic portfolio

Build a stable profit structure

Proactively prepare for future changes

SUPEX 2030 Image



Strategy 1

Strengthen Pouch Battery Competitiveness

- Improve cost efficiency and safety through four core R&D initiatives
  - Cell-to-Pack battery, Dry Coating, Semi-solid state technology, Thermal Propagation (TP) prevention solutions
- Reinforce and realign resources and capabilities to improve execution of R&D initiatives.

Strategy 2

Expand ESS Business

- Accelerate early commercialization in North America, leveraging existing EV battery production lines for ESS.
- Differentiate and commercialize ESS products through leading technologies such as fire suppression solutions.

Strategy 3

Enhance Cost Competitiveness

- Improve cost structure by minimizing functional waste through company-wide operational efficiency initiatives.
- Mitigate the impact of market changes on profitability by identifying and executing improvement projects, such as advancing supply chain management, to strengthen fundamental manufacturing competitiveness.

Status of Each Affiliate

SK enmove

SK Enmove began its lubricants business in 1963 and successfully mass-produced Group III base oil, a high-quality lubricants raw material in 1995. SK Enmove is accelerating the expansion of EV lubricants product sales, the development of next-generation HVAC[1] fluids, and the expansion of the immersion cooling market and business, striving for a better future as it progresses towards becoming an Energy Saving Company.

1) Heating, Ventilation, and Air Conditioning

Key Business Areas (Products, Services)

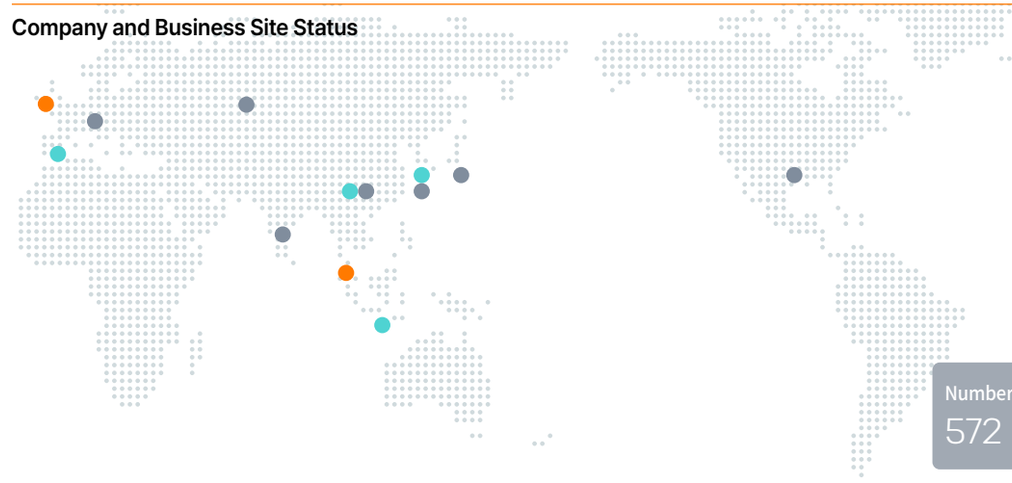
Lubricants
Lubricants reduce friction and wear when mechanical parts come into contact or move, and they perform roles such as cooling, cleaning, and mechanical protection. SK Enmove's lubricant products are widely used in various industrial and thermal management fields, including automobiles.

Base Oil
Base oil is a core raw material, constituting over 80% of lubricants. SK Enmove's base oil is a high-grade base oil belonging to Group III according to the American Petroleum Institute's (API) lubricant base oil classification standards, recognized for its excellence in fuel efficiency improvement and engine protection performance.

Thermal Management Fluids
Immersion cooling fluids maximize cooling efficiency by directly immersing heat-generating components in data centers, Energy Storage Systems (ESS), and electric vehicle batteries, thereby reducing power consumption and preventing thermal propagation. Additionally, SK Enmove's next-generation refrigerants comply with PFAS[2] regulations and aim to improve the heating and cooling performance of electric vehicles.

2) Environmental regulations restricting or prohibiting the use of per- and polyfluoroalkyl substances

Company and Business Site Status



Production Sites
Korea, Indonesia, Spain, China

Sales Corporations
Korea, USA, Netherlands, Japan, China, India, Russia

Overseas Corporations and Branches
UK, Singapore

Number of Employees	Total Assets	Sales
572	KRW3,788.4billion	KRW5,097.7billion

Opportunity and Risk Analysis

Opportunities
- Sustained growth in demand for Group III base oil is projected due to increasing customer demand for low-carbon/high-efficiency products and strengthening environmental regulations
- Expansion of the EV lubricant and thermal management (immersion cooling fluids, next-generation HVAC fluids, etc.) markets.

Risks
- Increased uncertainty in lubricant demand due to the decrease in internal combustion engines.
- Strengthening of Nationally Determined Contributions (NDC) and global greenhouse gas regulations and reporting obligations.

Key Sustainability Topics and Response Strategies

Topic 1. Greenhouse Gas Emission Reduction	SK Enmove is improving production processes and energy efficiency and seeking additional measures to reduce energy consumption, such as conducting energy audits by external experts, to actively respond to greenhouse gas emission regulations.
Topic 2. Expansion of Investment in Green Portfolio Businesses	To address market changes due to climate change and secure sustainable growth competitiveness, SK Enmove is actively investing in the development and commercialization of high-efficiency, low-carbon products and thermal management solutions. It also aims to expand its green portfolio based on its unique technology and network.
Topic 3. Supply Chain Management	Co-prosperity with partners and strengthening ESG capabilities within the supply chain are crucial factors for securing long-term competitiveness and maintaining stakeholder trust. Accordingly, SK Enmove is advancing its supply chain management based on SK Innovation affiliate's integrated supply chain management system and continuously strengthening system improvements and disclosures.
Topic 4. Occupational Safety and Health Management	SK Enmove proactively identifies and addresses serious accident risks through systematic safety and health system operations based on international standards and field-focused regular Safety, Health, Environment (SHE) inspections. It also manages risks preemptively by promoting training for employees and partners and enhancing safety management activities.

Status of Each Affiliate SK enmove

Market Status and Position Analysis

Category	Market Status	Position/Achievements
Lubricants	Due to strengthening environmental regulations and demand for improved fuel efficiency, the demand for high-quality lubricants is increasing. In regions where electrification is progressing rapidly, such as Northeast Asia, Europe, and North America, the demand for EV lubricants is expected to grow significantly. Conversely, in regions like Southeast Asia, South Asia, and the Middle East, where the proportion of internal combustion engines remains high, lubricant demand is projected to remain steady.	• Selected as No.1 Lubricant Brand for 27 consecutive years, ZIC (Korea Industrial Brand Power)
Base Oil	As demand for high-efficiency, high-quality lubricants grows, so does the demand for high-quality base oil, a key raw material for lubricants.	• Global Group III/III+ base oil market share No. 1 (based on production capacity)
Thermal Management Fluids	[Immersion Cooling Fluid] The immersion cooling fluid market is expected to grow due to increased data center construction driven by the expansion of AI technology, as well as the proliferation of electric vehicles. [Next-Generation Refrigerant] With the EU's PFAS regulation expected to be announced in 2028, and the Electrification trend emphasizing the importance of heating/cooling performance in EVs, demand for next-generation refrigerants, which SK Enmove is developing to comply with regulations and requirements, is anticipated to grow.	• Commercialization of leading ESS immersion cooling fluid (collaboration with Hanwha Aerospace) • Proof of Concept (PoC) project for data center immersion cooling conducted with SK affiliates and other companies • Product development and product certification completed to improve heating/cooling performance compared to existing refrigerants (e.g., American Society of Heating, Refrigerating and Air-Conditioning Engineers), strengthening market position.

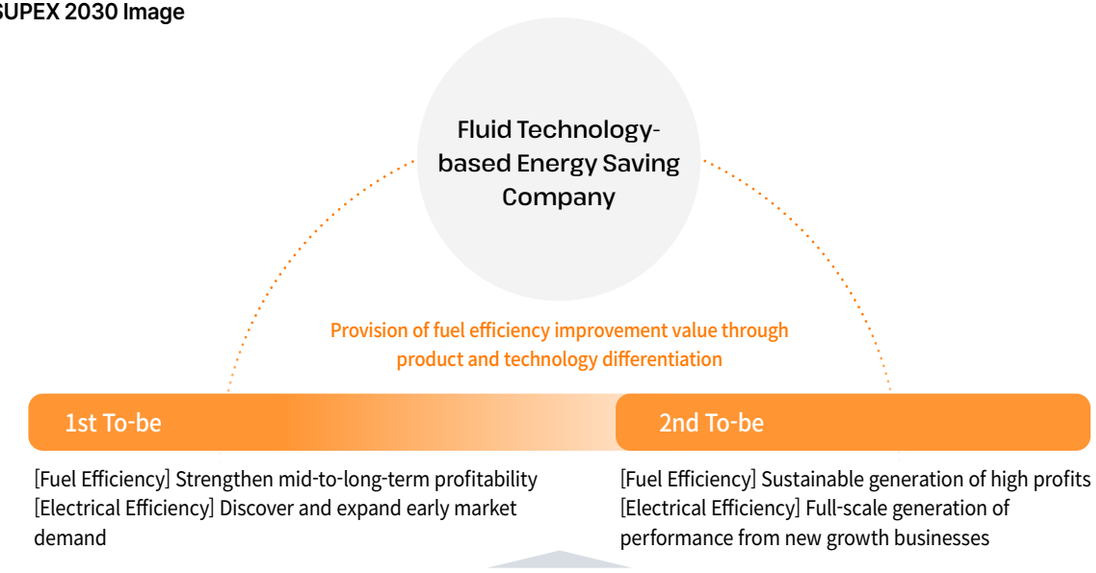
1) Proof of Concept: Practical success verification conducted before introducing new technology to the market

Balanced portfolio offering Fuel & Electrical Efficiency Value

Stable operating income generation

Building a foundation for sustainable survival & growth even in the era of electrification

SUPEX 2030 Image



Strategy 1

[Fuel Efficiency]
Strengthen Mid-to-Long-Term Profitability

- Maintain the No. 1 global position in high-quality base oil by diversifying the global customer base to expand customer reach and strengthening the strategic product portfolio.
- Grow into a major player in core markets by optimizing product, production, and logistics, targeting regions where electrification is slower, such as Southeast Asia, South Asia, and the Middle East, based on the competitiveness of the ZIC brand and lubricant products.

Strategy 2

[Electrical Efficiency]
Generate Performance in Electrification/Thermal Management

- Secure a leading position in the data center/ESS/EV battery immersion cooling market through immersion cooling fluid technology
- Secure demand in the immersion cooling market based on the development of thermal management technologies (e.g., improved safety against thermal hazards) and immersion cooling fluid certification/guarantees
- Acquire next-generation refrigerant technology that complies with PFAS regulations while simultaneously meeting heating/cooling performance requirements, and pursue its commercialization
- Expand supply regions and customer portfolios based on proprietary electric vehicle lubricant technology capabilities

Status of Each Affiliate

SK innovation E&S

Since its establishment as a city gas holding company in 1999, SK Innovation E&S has grown to become Korea's No.1 private LNG business operator by completing the nation's first LNG value chain. In the future, SK Innovation E&S will expand its global LNG value chain and integrate it with power value chain business models based on diverse low-carbon power sources such as renewable energy and hydrogen. SK Innovation E&S will strive to become 'Sustainable Energy Solution Optimizer', offering sustainable alternatives for future energy challenges.

Key Business Areas (Products, Services)

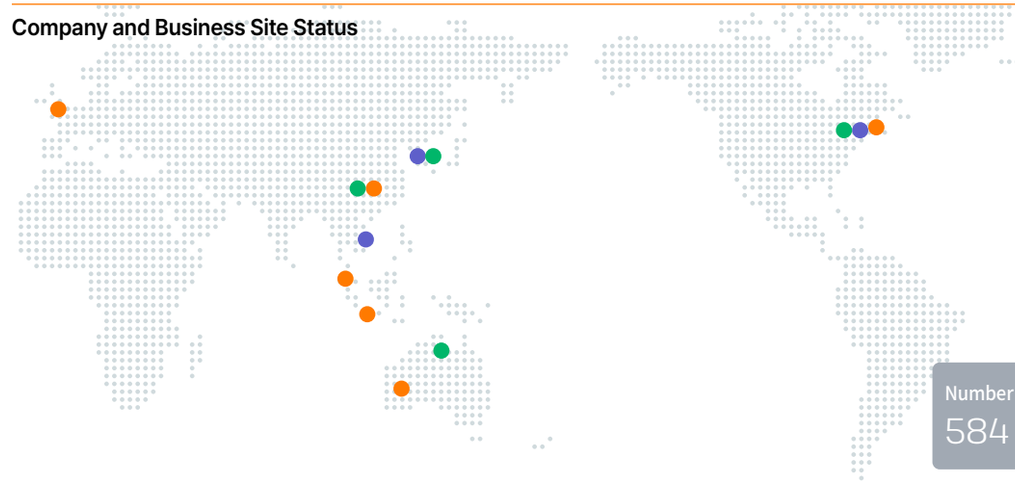
LNG Value Chain

SK Innovation E&S was the first private company in Korea to establish an integrated LNG value chain. It operates an integrated value chain covering LNG production, transportation, storage, supply, and power generation through a global network that includes Korea, the United States, Australia, Indonesia, and China. Accordingly, SK Innovation E&S has developed an optimized operational system for this value chain.

New Energy

- **Renewable Energy:** SK Innovation E&S produces renewable energy primarily through solar and wind power generation. Based on this, it is pursuing Power Purchase Agreement (PPA) businesses to support companies in fulfilling their RE100 commitments.
- **Hydrogen:** SK Innovation E&S operates a domestic liquefied hydrogen plant and is progressively building an integrated value chain for clean hydrogen production, distribution, and consumption, including the establishment of a hydrogen mobility ecosystem.
- **Energy Solutions:** SK Innovation E&S offers various energy solutions, including Energy Storage Systems (ESS), mobility (EV charging), and distributed power generation (district heating/cooling).

Company and Business Site Status



- **New Energy (Wind, Solar, Hydrogen, Energy Solutions)**
  Korea, Vietnam, USA
- **Overseas Corporations and Subsidiaries**
  USA, Australia, Singapore, Indonesia, China, UK
- **Power, LNG, City Gas**
  Korea, USA, China, Australia

Number of Employees	Total Assets	Sales
584	KRW19,750.2billion	KRW11,821.3billion

Opportunity and Risk Analysis

Opportunities
- Capture new market entry opportunities in the global LNG market, driven by the integrated operational competitiveness of the LNG value chain and increasing demand from emerging growth markets, such as the efforts Vietnam and Europe to replace Russian natural gas.
- Expand diverse new energy business opportunities due to accelerating electrification and increased demand for energy solutions to address power supply instability.

Risks
- Intensified competition in the domestic power generation market due to the additional entry of baseload power plants, such as nuclear power and an increase in directly imported LNG power generators
- Increased volatility in the global LNG market due to geopolitical issues
- Increased uncertainty regarding the pace of the global eco-friendly energy transition

Key Sustainability Topics and Response Strategies

Topic 1. Climate Change Response	Responding to carbon neutrality is a core task that determines the stability and growth of an energy company. It is a key strategy not merely for crisis response, but also for securing new growth engines. SK Innovation E&S continuously strives to increase the proportion of low-carbon LNG and new energy sources, such as renewable energy and hydrogen in its supply.
Topic 2. Environmental Pollutant Management	To foster shared growth with local communities around its business sites, SK Innovation E&S applies high-level environmental pollutant management standards that exceed legal requirements. Furthermore, it has established an environmental working council to build an execution system that extends from business divisions to individual sites.
Topic 3. Waste Management	Various types of waste are generated during power plant construction and maintenance. Waste reduction activities are essential because inadequate waste management can lead to environmental pollution and legal risks. Accordingly, SK Innovation E&S is pursuing relevant activities at each business site, with key improvement directions including expanding Zero Waste to Landfill (ZWTL) certification and improving waste recycling rates.
Topic 4. Ethical Management Practices	Given the importance of public interest and stability in the energy industry, ethical management is essential for building trust with stakeholders. SK Innovation E&S provides systematic principles through the establishment of the Code of Ethics and Practice Guidelines. Additionally, it has formulated roadmaps and detailed implementation plans to advance its ethical management system and disseminate an anti-corruption culture, actively pursuing these initiatives.

Status of Each Affiliate SK innovation E&S

Market Status and Position Analysis

Category	Market Status	Position/Achievements
LNG Value Chain	LNG, compared to existing fossil fuels, offers significant greenhouse gas reduction effects and can alleviate the intermittency of renewable energy. It is expected to see sustained mid- to long-term demand growth as a power source that satisfies environmental friendliness, economic viability, and stability.	• No.1 private LNG business operator in Korea (approx. 6 million tons/year) • Largest private power generation company in Korea (generation capacity: 5 GW)
Renewable Energy	Renewable energy, which produces no greenhouse gas emissions and is abundant, is effective in responding to the climate crisis and energy security risks. According to the 11th Basic Plan for Electricity Supply and Demand, for Long-term Electricity Supply and Demand, the proportion of domestic renewable energy generation facilities is expected to expand to 18.8% by 2030.	• Korea's largest private renewable energy developer by cumulative capacity (operating and developing renewable energy pipelines of approx. 5 GW) • Korea's first and largest private offshore wind power commercial operation (May 2025) • No.1 in domestic renewable energy PPA market share (cumulative supply contract 1,568 GWh)
Hydrogen	Hydrogen is gaining attention as a core energy source capable of replacing fossil fuels and compensating for the intermittency of renewable energy. In 2020, Korea became the first country in the world to enact the Hydrogen Economy Act and laid the foundation for large-scale hydrogen production and supply.	• The world's largest liquefied hydrogen plant in commercial operation (Production capacity of 30,000 tons per year)
Energy Solutions	The rapid transition in the energy paradigm and the growing demand for AI-driven data centers are causing a surge in electricity consumption. Consequently, expanding solutions has become essential to address transmission and distribution infrastructure shortages and to satisfy diverse consumer demands.	• Grid operation capabilities based on domestic district electricity businesses (Busan JeongKwan Energy) • Entry into and investment in domestic and international energy solution businesses (i-Parking, US Grid ESS, etc.)

Enhance competitiveness in LNG value chain expansion

Promote an integrated business model based on the new energy power value chain

SUPEX 2030 Image

Sustainable Energy Solution Optimizer that presents sustainable alternatives for future energy challenges

To leap forward as a leading global private LNG company with a 10-million-ton scale through global expansion
To pursue an integrated power value chain business model by leveraging synergies with SK Innovation

1st To-be

Secure profit stability/financial soundness, and prepare for growth by developing various growth options

2nd To-be

Consider business environment scenarios and fully launch global expansion and growth businesses

Strategy 1

Enhance LNG Value Chain Profitability

- Increase the proportion of low-cost LNG through direct overseas production (e.g., timely commencement of commercial production at Australia's Barossa gas field, expansion of production from North American gas fields)
- Timely development of new demand from domestic industries and LNG power generation (e.g., Yongin Semiconductor Cluster)

Strategy 2

Global Expansion

- Develop LNG demand in emerging Southeast Asian growth markets and establish customized power supply solutions
- Expand LNG sales in European market and secure long-term demand centers
- Expand North American LNG business and identify opportunities for infrastructure businesses

Strategy 3

Secure New Energy Business Options

- Continuously expand the renewable energy pipeline and strengthen market leadership in the RE100 business
- Generate stable profits through the early expansion of the liquefied hydrogen business
- Secure capabilities to utilize domestic and international energy solution businesses as test beds

Strategy 4

Concretize SK Innovation Synergy Creation

- Expand direct LNG imports
- Pursue distributed generation solution businesses (e.g., battery ESS) and identify integrated power value chain business opportunities

Status of Each Affiliate

SK incheon petrochem

SK Incheon Petrochem was established in 1969 as South Korea's third oil refinery (Kyung In Energy) and has grown into a key hub for metropolitan energy supply at the gateway to Korea, Incheon. SK Incheon Petrochem produces petroleum products such as LPG, gasoline, jet fuel, diesel, and marine fuel through crude oil refining, as well as naphtha, a raw material for chemical products. Utilizing naphtha as a feedstock, it also produces high-value-added chemical products like aromatics. In addition, SK Incheon Petrochem prioritizes Safety, Health, Environment (SHE) approach as its highest value, pursuing zero accidents and practicing sustainable management. It also aims to secure sustainability and business competitiveness through new business initiatives such as pyrolysis oil from waste plastics/tires and bio-fuels.

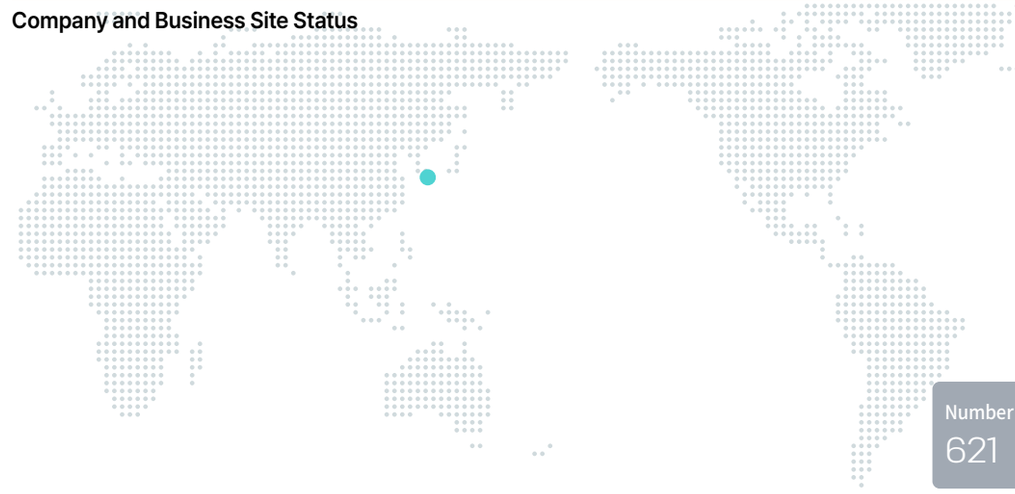
Key Business Areas (Products, Services)

Petroleum Products
Through the crude oil refining process, it produces gasoline, jet fuel, diesel/kerosene, naphtha, and marine fuel, supplying energy to the Seoul metropolitan area and the West Coast region.

Petrochemical Products
SK Incheon Petrochem exports high-value-added petrochemical products such as Para-Xylene by reforming naphtha

Recycle Products
In response to customer needs, SK Incheon Petrochem plans to supply recycled naphtha by introducing and refining/desulfurizing pyrolysis oil from waste tires/plastics. It also intends to supply bio-fuel products, including bio-marine fuel and Sustainable Aviation Fuel (SAF).

Company and Business Site Status



Production Site
Korea

Number of Employees	Total Assets	Sales
621	KRW5,589.0billion	KRW10,728.4billion

Opportunity and Risk Analysis

Opportunities
- Expected creation and growth of a carbon-neutral policy and bio-fuel market ecosystem
- Easy entry into the metropolitan domestic/export markets utilizing existing assets
- Geographical advantage of proximity to a large international airport and the West Sea/China market
- Projected sustained growth in the jet fuel and marine fuel (bunkering) markets
- Cost competitiveness of paraxylene facilities

Risks
- Energy paradigm shift from fossil fuels to electrification
- Strengthening carbon-neutral policies and eco-friendly regulations at international and governmental levels
- Worsening supply surplus due to new petrochemical facility expansions and increased self-sufficiency in China

Key Sustainability Topics and Response Strategies

Topic 1. Enhancing Product Quality and Safety
As a major supplier responsible for over 60% of SK Innovation affiliate's petroleum product supply in the Seoul metropolitan area, SK Incheon Petrochem continuously strives to maintain product quality and ensure stable shipments.

Topic 2. Worksite Occupational Safety and Health Management
As a petrochemical company located in a metropolitan area, SK Incheon Petrochem consistently pursues safety innovation with "SHE First Management" as its top priority for preventing industrial accidents and disasters within its business sites.

Topic 3. Strengthening Global Industrial Competitiveness
Amidst an uncertain business environment and changes in the energy paradigm, SK Incheon Petrochem is strengthening its fundamental competitiveness and establishing a foundation for sustainable growth through portfolio expansion, including pyrolysis oil/bio-fuels.

Status of Each Affiliate SK incheon petrochem

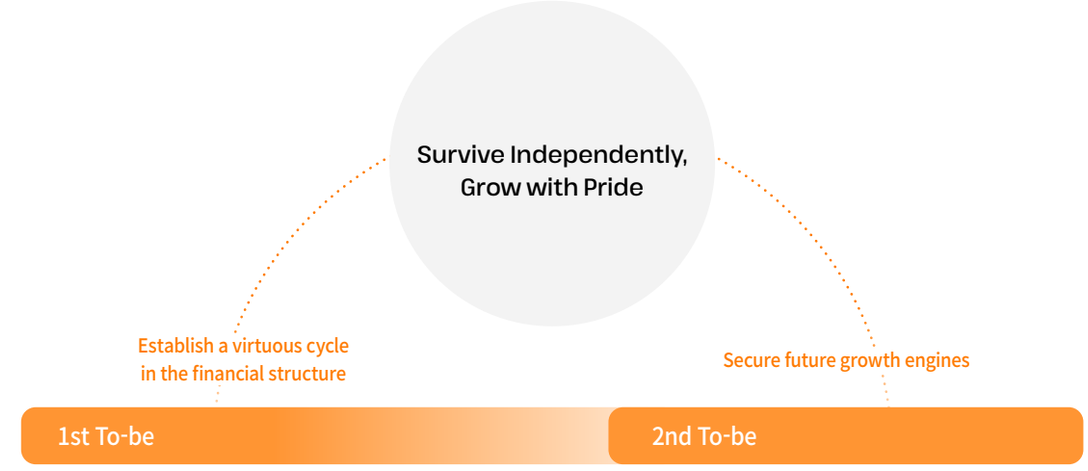
Market Status and Position Analysis

Category	Market Status	Position/Achievements
Petroleum Products	While gasoline and diesel demand may decrease with the penetration of the electric vehicle (EV) market, the timing is expected to be delayed due to sluggish EV demand and policy uncertainties. Commercial demand for aircraft and ships which are difficult to electrify, is projected to be maintained and expand.	• Positioned as a major supplier of petroleum products in the Seoul metropolitan area - Approximately 30% domestic market share for light oil - 50% market share in the West Sea marine fuel (bunkering) market • Planning to secure a dominant market position through expanded jet fuel and marine fuel marketing
Petrochemical Products	While PX (paraxylene) oversupply persists due to new PX facility expansions and rising self-sufficiency in China, mid-to-long-term supply and demand are expected to improve due to long-term demand growth and reduced PX facility operations in the region.	• SK Incheon Petrochem's paraxylene (PX) facilities possess cost competitiveness in terms of heat recovery efficiency • Possesses operational competitiveness compared to naphtha-based petrochemical companies through integrated operation with the refinery
Recycle Products	The EU has imposed taxes on non-recyclable plastics since 2021, and California and New Jersey are considering mandating considering mandating 15% recycled content in packaging by 2030. Furthermore, demand for eco-certified naphtha is expected to gradually increase due to the global recycled plastics mandate. The bio-fuel market is projected to continuously expand based on decarbonization policies, including strengthened IMO decarbonization regulations by 2027 including strengthened IMO decarbonization regulations by 2027 and a domestic plan to mandate 1% Sustainable Aviation Fuel (SAF) blending.	• Signed a contract for waste tire pyrolysis oil introduction and is promoting naphtha production and sales based on ISCC (International Sustainability & Carbon Certification) (equity investment in LDC, a waste tire pyrolysis oil production startup). • Actively pursuing waste plastic pyrolysis oil introduction through collaboration with local governments and private entities. • Leveraging geographic advantages near a large international airport and the West Coast, actively pursuing market entry and sales expansion through SAF Co-Processing and participation in Bio-marine fuel demonstration projects.

Metropolitan Area/West Coast Market Leader

Key Player in Pyrolysis Oil Industry

SUPEX 2030 Image



Strategy 1

Marketing-based Structural Innovation (Secure Cost Competitiveness / Enhance product value-added)

- Secure the survival equation (Value > Pricing > Cost) through feed flexibility, process operation optimization, and conversion of low-profit products to high-value-added ones
- Transform the business structure through marketing expansion and market penetration

Strategy 2

Enhance Operational Efficiency/Profitability and Expand Pyrolysis Oil/Bio-fuel Businesses

- Improve profitability through investment in petrochemical industry efficiency enhancements
- Expand market share in the metropolitan area and West Coast jet fuel/marine fuel markets
- Expand investment linked to the creation of a pyrolysis oil/bio-fuel ecosystem

Status of Each Affiliate

SK ie technology

SK IE Technology primarily focuses on the manufacturing and sale of Lithium-ion Battery Separators (LiBS), with its main customer base being lithium-ion battery manufacturers. Having successfully developed LiBS in 2004, the third company in the world to do so, and completing the world's first sequential biaxial stretching technology. In 2007, SK IE Technology has established itself as a Global Top-tier LiBS Player based on its unparalleled technological prowess. In particular, SK IE Technology aims to contribute to a sustainable future and the transition to a low-carbon society by producing high-performance and high-quality LiBS, a core material for electric vehicle batteries.

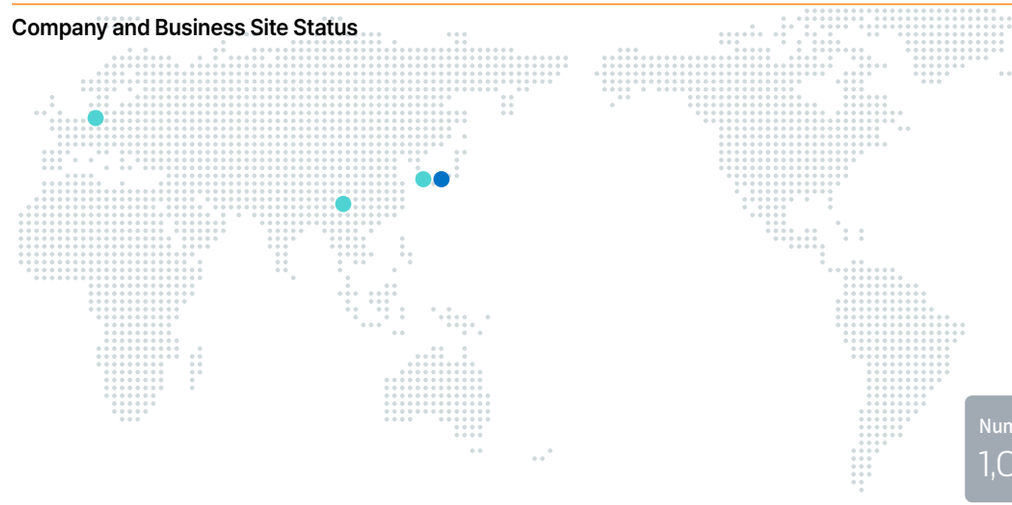
Key Business Areas (Products, Services)

Lithium-ion Battery Separators

SK IE Technology introduced the world's first sequential biaxial stretching technology for battery separators in 2007. In 2013, it developed the world's first 5μm (micrometer) ultra-thin separator, consistently producing superior products based on its differentiated technological competitiveness.

- **High Performance & High Stability:** Maximizes charge/discharge efficiency by improving ion conductivity & minimizes fire risk by preventing internal short circuits in batteries
- **Eco-friendly Technology:** Responds to environmental regulations with PFAS-Free products
- **Diverse Product Lineup:** A diversified product portfolio including high-performance ceramic coatings, adhesive separator products, and cost-reducing products
- **Global Production Network:** Ensures stable supply through established production bases in Korea, China, and Poland

Company and Business Site Status



Production Sites
Korea, China, Poland

R&D
Korea

Number of Employees	Total Assets	Sales
1,058	KRW4,150.1billion	KRW217.9billion

Opportunity and Risk Analysis

Opportunities
- Projected annual average growth rate of 16% for the EV market from 2025 to 2030, leading to an anticipated increase in separator demand
- Preference for non-Chinese suppliers due to US sanctions against China and the global protectionist trend
- Increased demand for wet separators in the ESS market for data centers due to higher fire safety requirements, anticipating new market expansion opportunities

Risks
- Aggressive market entry/expansion by Chinese competitors
- Continued stagnation in global EV demand, excluding China, due to prolonged EV "chasm."
- Uncertainty in USA eco-friendly policies/tariff policies

Key Sustainability Topics and Response Strategies

Topic 1. Greenhouse Gas Emission Reduction
In response to regulatory uncertainty, increased financial burden from rising carbon prices, and growing demands for carbon footprint reduction, SK IE Technology has set goals to achieve RE100 by 2030 and Net Zero by 2035, and is working towards their accomplishment. Furthermore, it is promoting climate change risk analysis and response, and expanding Product Life Cycle Assessment (LCA).

Topic 2. Waste Management
As resource inflow and outflow have emerged as crucial factors in waste management, SK IE Technology is pursuing an ambitious target to achieve zero waste to landfill (ZWTL) by 2030. To this end, SK IE Technology is increasing the reuse rate of raw and subsidiary materials and establishing systems to reduce waste generation itself, thereby strengthening resource circulation and minimizing environmental impact.

Topic 3. Worksite Occupational Safety and Health Management
Prioritizing safety as its utmost value, SK IE Technology focuses on preventing chemical exposure incidents throughout its manufacturing operations. It is building a systematic safety and health management system led by the Board of Directors and the Chief Safety Officer (CSO). Additionally, it is strengthening proactive risk management activities through regular business site risk assessments, training for employees and suppliers, and strengthened safety management initiatives across its supply chain.

Status of Each Affiliate SK ie technology

Market Status and Position Analysis

Category	Market Status	Position/Achievements
Lithium-ion Battery Separator	Demand for high-performance lithium-ion battery separators is expanding with the growth of the Electric Vehicle (EV) and ESS markets. However, global competition is intensifying due to the entry of Chinese companies leveraging lower product prices and enhanced technological capabilities. Meanwhile, concerns over the use of Chinese products are increasing due to US sanctions against China and changes in the Inflation Reduction Act (IRA). SK IE Technology plans to capitalize on this as an opportunity to increase its market share and expand its global customer base and high-quality separator product lineup.	• Secured a stable non-Chinese supplier position by operating global production bases in Korea, China, and Poland • Developed and mass-produced Korea's first and the world's third lithium-ion battery separator based on proprietary technology • Developed high-performance next-generation separators and cost-reducing technologies through continuous R&D investment • Attracted large-scale investments of approximately KRW 2.5 trillion through an initial public offering • Strengthening development and supply discussions with global customers to respond to the growth of the EV and ESS markets

Differentiated competitiveness through enhanced global supply chain stability

Entry into the wet ESS market based on high safety

Strengthen cost competitiveness through maximized production efficiency

SUPEX 2030 Image



Strategy 1

Strengthen R&D Competitiveness

- Develop products optimized for customer requirements regardless of form factor constraints
- Develop PFAS-free adhesive separators
- Develop low-cost separators

Strategy 2

Cost Reduction (Operating Expenses, Raw Material Costs, Fixed Manufacturing Overhead, etc.)

- Maximize production efficiency and reduce OpEx through facility optimization
- Reduce manufacturing costs through operational efficiency improvement activities

Strategy 3

Facilities/Investment for Enhanced Competitiveness

- Invest in facilities optimized for products demanded by customers
- Improve productivity through the modification of existing facilities

Strategy 4

Expand Use of Automation, AI/DT

- Streamline production workforce through automation
- Automate packaging/inspection
- Optimize recipes and enhance energy efficiency using AI/DT

Status of Each Affiliate

SK earthon

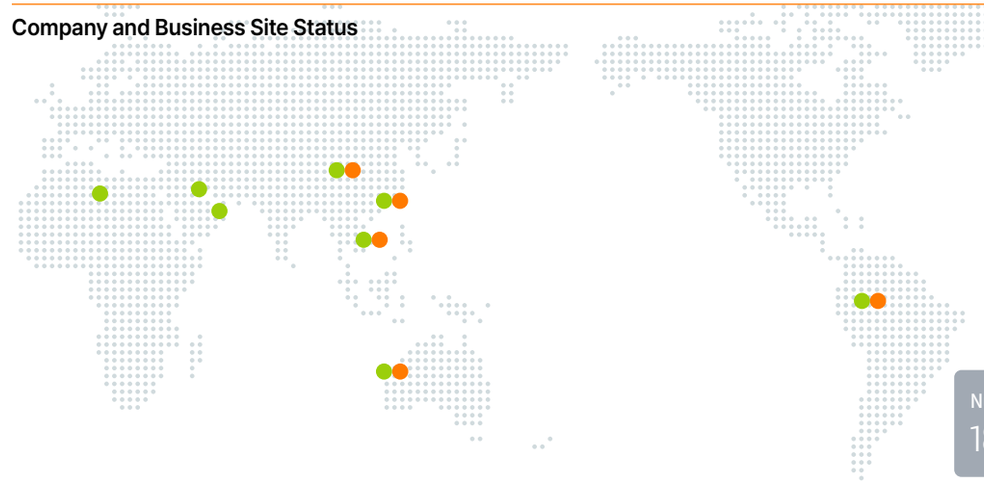
SK Earthon began its E&P business in 1983 with participation in the Karimun Block in Indonesia, and has since been dedicated to oil exploration and production globally. Recently, it has strengthened its position in the global market by consistently generating exploration successes and robust financial results, primarily in Southeast Asia. Moving forward, SK Earthon will continue to maximize the value of resources based on its differentiated Exploration and Production (E&P) technological capabilities and business operation know-how, leading the future of the energy industry.

Key Business Areas (Products, Services)

Oil/Gas
The E&P business is focused on maximizing resource value by exploring for oil and natural gas based on core technological capabilities and developing them with optimal concepts. Through successful exploration, the existence and economic viability of oil and natural gas reserves are confirmed. Upon entering the production phase after block development, the business can generate stable cash flows over a long period.

CCS
Carbon Capture and Storage (CCS) can contribute to reducing carbon emissions and realizing a sustainable energy future by capturing carbon dioxide from the atmosphere and safely isolating it in underground storage sites. Based on its geological analysis capabilities, a core technology of the E&P business, SK Earthon is preparing for the full-scale commercialization of the CCS market by identifying storage sites.

Company and Business Site Status



Oil & Gas Blocks
China, Vietnam, Malaysia, Libya, Oman, Qatar, Australia, Peru (SK Innovation)

Overseas Corporations and Branches
China, Vietnam, Malaysia, Australia, Peru (SK Innovation)

Number of Employees	Total Assets	Sales
186	KRW 1,468.1 billion	KRW 523.4 billion

Opportunity and Risk Analysis

Opportunities
- Increased energy demand in major emerging economies in Southeast Asia
- Potential to secure opportunities for participation in new promising blocks based on accumulated reputation as a regional E&P operator
- Potential to create new opportunities through the advancement and active adoption/application of exploration technologies
- Increased demand for natural gas as a bridge fuel due to energy transition

Risks
- Potential for decreased global crude oil demand due to energy transition
- Potential for oversupply due to increased production by OPEC and others
- Potential for increased costs related to international carbon emission regulations

Key Sustainability Topics and Response Strategies

Topic 1. Green Portfolio Business Investment
Based on existing core E&P technologies, SK Earthon is preparing for the full-scale launch of the CCS business through participation in domestic and international demonstration projects and pilot projects. It continuously monitors the timing of commercialization based on major government policies and infrastructure development, aiming to contribute to carbon emission reduction and the expansion of the future low-carbon energy market.

Topic 2. Greenhouse Gas Emission Reduction
To reduce significant greenhouse gas emissions occurring across the energy value chain, SK Earthon measures Scope 1 emissions from its operated production blocks and is exploring various methods to reduce them, such as improving process efficiency and minimizing flaring. Furthermore, it is establishing a data-driven system for managing emission reduction performance.

Topic 3. Worksite Occupational Safety and Health Management
Given the high-risk nature of offshore block operations, SK Earthon is re-examining safety designs from the development stage and strengthening its safety accident risk management level. It is also enhancing on-site response capabilities through the introduction of real-time monitoring systems and enhanced worker safety training, while internalizing a safety culture by applying global-level SHE standards.

Topic 4. Social Contribution and Rights Protection
As the E&P business significantly impacts nations and societies, SK Earthon is promoting infrastructure investment and direct/indirect community engagement in the regions where it operates, to foster collaboration with local communities. It conducts social contribution activities in various fields such as education, healthcare, and environmental protection to improve the quality of life for residents and achieve sustainable shared growth.

Status of Each Affiliate SK earthon

Market Status and Position Analysis

Category	Market Status	Position/Achievements
Oil/Gas	SK Earthon has selected Southeast Asia as a strategic region to concentrate its business capabilities, leveraging extensive accumulated know-how and achievements from long-term participation in E&P projects. Southeast Asia is a region where stable energy supply is essential due to economic growth and population increase, leading to continuously expanding energy demand. It is also highly regarded for its high success potential in exploration/development, based on shallow waters and abundant reserves. SK Earthon maintains favorable relationships with national oil companies and key partners, based on its proven business operational capabilities and exploration technologies.	• Consistent performance generation in the E&P industry based on continuous exploration successes (from 2023 to early 2025) and years of proprietary technology and operational capabilities • Secured trust from major national oil companies in the region through excellent achievements and operated block experience in Southeast Asia • Through this, SK Earthon has externally demonstrated its global business position and capabilities • Plans to secure promising business opportunities and strengthen strategic execution based on robust cooperation with national oil companies in the future
CCS	Interest in CCS technology and business is increasing as part of the focus on carbon neutrality and the energy transition trend. Systems and markets are being established primarily in developed countries like the USA and Australia, and the necessity of CCS is growing in Korea and Southeast Asia. SK Earthon has secured competitiveness in the CCS sector based on its geological analysis and reservoir exploration technologies accumulated from its E&P business, and is preempting its market position through various domestic and international projects.	• Established business foundation, including reservoir discovery and selection criteria, through the execution of domestic CCS government-funded national projects • Jointly pursuing global cross-border CCS projects in places like Malaysia • Secured carbon storage exploration rights in G-15-AP, the first block designated for capturing and storing carbon generated from Australian industrial sites. • Continuously reviewing and monitoring feasibility and building readiness through ongoing participation in reservoir development projects as a reservoir operator

Differentiated technological capabilities and exploration achievements

Competitive business model

Top-tier player in Southeast Asia

SUPEX 2030 Image



Strategy 1

[Expansion of Scale]
Establish Growth Foundation Centered on Southeast Asian Exploration

- Secure high-probability exploration activities and promising business opportunities by focusing on SK Earthon's well-known areas such as Vietnam and Malaysia
- Secure business potential at relatively competitive costs through global-level exploration technical capabilities, including seismic imaging and interpretation, and basin modeling

Strategy 2

[Multi-clustering]
Create Synergy and Maximize Value Through Cluster Building

- Maximize asset value by building country/region portfolio-based clusters and creating synergy through expansion into nearby areas within Southeast Asia
- Maximize value creation through Bolt-on strategy[1] expansion focused on similar business activities based on Vietnam's Cuu Long Basin
- Expand portfolio based on exploration projects in Malaysian operated blocks
- Pursue securing new exploration rights, including strategic equity acquisition centered on promising Indonesian blocks and participation in bids through partnerships
- Continuously review expansion possibilities into regions where existing business experience and know-how can be leveraged

1) Bolt-on strategy: a strategy of acquiring and merging small-to-medium-sized companies or assets that can create synergy with existing businesses

Status of Each Affiliate

SK on trading international

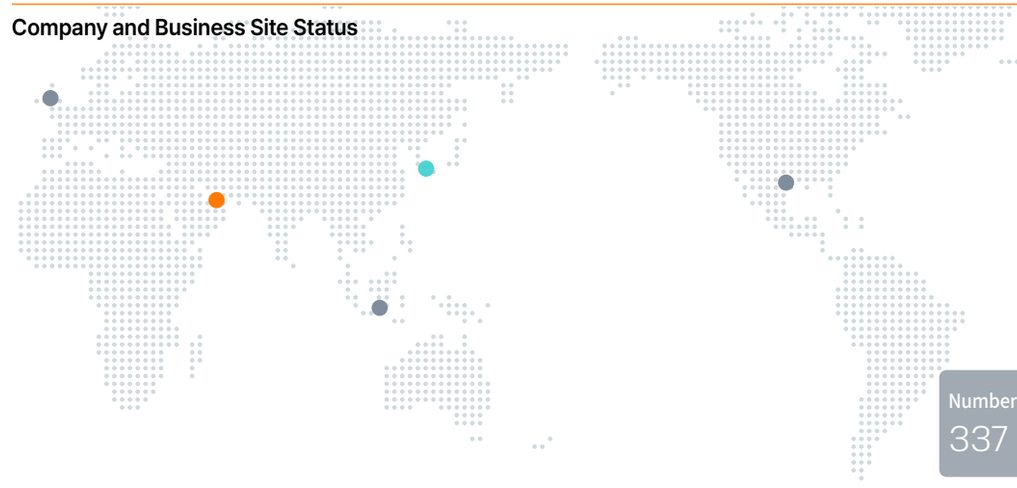
SK On Trading International pioneered crude oil and petroleum product trading in Korea, leading the trade of major energy sources for the national economy and playing a core role as a global trader for SK Innovation affiliates' Energy & Chemicals Business. Moreover, through the merger with SK Enterm, SK On Trading International established a tank terminal business unit, providing stable support for the storage, blending, and shipment of crude oil and petroleum products for SK Innovation affiliates.

Key Business Areas (Products, Services)

Crude Oil and Petroleum Product Trading
SK On Trading International engages in the import/export and intermediary trading of crude oil and petroleum products, and also possesses differentiated trading competitiveness based on its extensive global network and market intelligence.

Tank Terminal Business
SK On Trading International operates the storage, handling, and shipment of crude oil and petroleum products for SK Innovation affiliates using tank terminals, with an operational management system that prioritizes quality maintenance and business site safety.

Company and Business Site Status



Production Site
Korea

Sales Corporations
Singapore, USA, UK

Overseas Corporations and Branches
UAE

Number of Employees	Total Assets	Sales
337	KRW7,076.1billion	KRW53,787.1billion

Opportunity and Risk Analysis

Opportunities
- Securing future growth engines through synergy from the merger with SK On and SK Enterm
- Stable business operational capabilities based on long-accumulated trading experience and a global network
- Expansion of trading opportunities due to global supply chain restructuring

Risks
- Ongoing external uncertainties such as geopolitical risks and fluctuations in exchange rates and interest rates
- Restructuring of the Asia-Pacific market due to expanded entry of Middle Eastern National Oil Companies (NOCs) into trading

Key Sustainability Topics and Response Strategies

Topic 1. Strengthening Global Industrial Competitiveness
In a rapidly changing energy market, maintaining and strengthening domestic and international trading competitiveness forms the foundation for long-term growth and the creation of new business opportunities. SK On Trading International continuously enhances its top-tier trading competitiveness in Korea, leveraging its long-accumulated trading experience and global network.

Topic 2. Advancing the Integrated Risk Management System
To proactively respond to an environment where complex risks, such as global market volatility, are expanding, SK On Trading International has established and operates an advanced trading risk management system. SK On Trading International proactively monitors various risk factors and applies systematic management plans to strengthen stable business performance and crisis response capabilities.

Topic 3. Enhancing Product Quality and Safety
Product quality and business site safety are fundamental elements that determine customer trust and corporate sustainability, essential for accident prevention and enhancing brand value. SK On Trading International prevents internal and external risks within its business sites through a safety and health management system based on the SHE management system.

Topic 4. Green Portfolio Business Expansion
In alignment with global net-zero policies and the growth of the eco-friendly market, SK On Trading International is actively expanding its eco-friendly trading portfolio to include bio-fuels, Sustainable Aviation Fuel (SAF), and battery raw materials. Through these efforts, SK On Trading International aims to secure future competitiveness, strengthen ESG leadership, and pursue sustainable energy transition.

Status of Each Affiliate SK on trading international

Market Status and Position Analysis

Category	Market Status	Position/Achievements
Crude Oil and Petroleum Products Trading	The global energy market is experiencing heightened volatility due to a complex interplay of factors, including shifts in demand structures driven by changing energy policies in various countries and supply chain instability exacerbated by intensifying geopolitical risks. In this environment, the crude oil and petroleum product trading market is becoming increasingly unpredictable, making rapid and flexible response capabilities more critical than ever for market participants.	• Positioned as a leading trading company in the Asia-Pacific region, securing strong competitiveness in the crude oil and petroleum product market. • Maintains supply chain stability and responds swiftly to diverse customer demands based on accumulated trading expertise and global partnerships.
Tank Terminal Business	With uncertainties in the global supply chain and the emergence of quality and safety issues, the efficient operation of storage and logistics infrastructure has become a core element of trading competitiveness. The tank terminal business enables stable storage and logistics of crude oil and petroleum products, while enhancing quality control and safety to secure customer trust. Furthermore, it provides a foundation for swift response to market changes through storage capacity optimization and logistics efficiency, functioning as a strategic asset that supports the stability of the trading network.	• Achieves stable profits based on Korea's highest level of storage capacity and operational experience • Diversifies its business portfolio by handling a wide range of products, including crude oil and petroleum products, and expanding service areas • Leverages these strengths to effectively meet customer demands in the market environment and contribute to enhancing the stability of the global supply chain

Accumulated expertise in crude oil and petroleum product trading

Korea's top-tier tank terminal infrastructure

Delivering differentiated value and competitiveness

SUPEX 2030 Image



Strategy 1

Strengthen Crude Oil and Petroleum Product Trading Profitability

- Optimize the import of key raw materials such as crude oil and naphtha to reduce procurement costs and improve the cost competitiveness of SK Innovation affiliates
- Actively identify and expand highly profitable petroleum product sales channels worldwide to secure market responsiveness and differentiated competitiveness for the business portfolio

Strategy 2

Expand Tank Terminal Business Competitiveness

- Enhance storage and handling capabilities for a diverse range of products to broaden the scope of customized service provision and actively respond to changing market demands
- Continuously expand synergy creation initiatives, such as logistics optimization and joint project promotion, based on close collaboration with SK Innovation affiliates
- Efficiently utilize infrastructure assets, including pursuing the lease of crude oil receiving facilities

Strategy 3

Diversify Trading Products Portfolios

- Actively expand the eco-friendly product portfolio, including bio-fuels and Sustainable Aviation Fuel, to respond to global ESG trends and the growth of the eco-friendly market, and build new business foundations for future growth
- Enter the battery raw materials trading sector, contributing to the stabilization of SK On's supply chain and simultaneously pursuing business portfolio diversification

To-be of SK Innovation

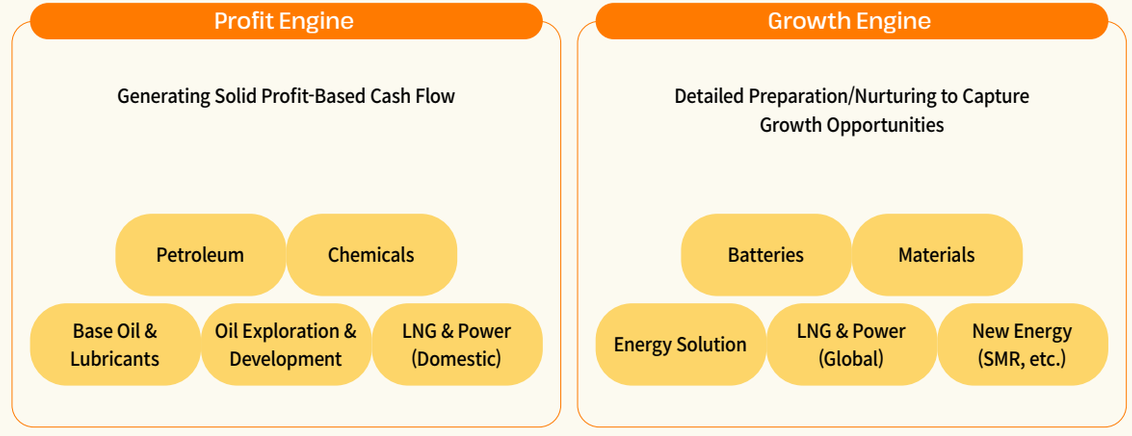
SK Innovation's To-be direction is to transform into a qualitatively strong company by securing stable profits and fostering future growth engines. To achieve this, our existing petroleum and chemical businesses will serve as the Profit Engine, maximizing profitability relative to invested capital through cost reduction and asset optimization. Meanwhile, the Growth Engine, responsible for future growth, will focus on preparing core technologies and capabilities around innovative business models such as energy solutions, SMRs, and global LNG market expansion. During the 1st To-be (2024~2026) phase, the focus will be on strengthening internal capabilities to ensure all businesses meet the minimum survival condition (Value > Price > Cost) and simultaneously improve profitability and financial structure. In the subsequent 2nd To-be (2027~2029) phase, the Profit Engine will expand its revenue generation base for existing customers/partners through inter-business collaboration and collective intelligence. Concurrently, it will fully launch energy transition-linked businesses like HVAC[1)] and immersion cooling. The Growth Engine will present innovative solutions to the demands of a more complex energy market through selective expansion, considering the maturation of the energy solution and SMR markets and the level of our capabilities/technologies. By organically executing these phased strategies, SK Innovation aims to secure both stability and growth, ultimately striving to become a SUPEX Company.

1) HVAC(Heating, Ventilation, and Air Conditioning)

SK Innovation's Portfolio To-be Direction

SK Innovation's To-be direction aims for a leap towards becoming a qualitatively strong and sustainable SUPEX Company, rather than just expanding in scale. To achieve this, SK Innovation operates its portfolio on two main pillars, leveraging its accumulated capabilities from existing core businesses: the 'Profit Engine' for stable revenue generation and the 'Growth Engine' for securing future growth drivers.

The Profit Engine is responsible for focusing on the fundamental competitiveness and stable revenue generation of existing businesses, including energy and chemicals, domestic LNG, and power, all based on SK Innovation's long-accumulated capabilities. It maximizes operational efficiency through production streamlining, cost reduction, expansion of high-value-added products, and the adoption of smart plants. It also strengthens customer-centric services to align with changing market environments. Furthermore, by optimizing its asset portfolio, it enhances profitability relative to invested capital and secures stable cash flow and financial soundness, thereby establishing a foundation for investment in future growth drivers. Profit Engine is accountable for the overall profitability and internal strength of SK Innovation, serving as a solid cornerstone for sustainable management.



The Growth Engine focuses on actively discovering new business opportunities in areas with high future growth potential, such as global LNG and power, new energy, batteries, and energy solutions. It proactively introduces innovative technologies and business models, including expanding the LNG value chain in global markets, entering renewable energy and Small Modular Reactor (SMR) businesses, and developing AI and digital-based energy solutions. Additionally, it responds flexibly to market changes through collaboration with global OEMs, open innovation, and strategic partnerships, promoting the commercialization and accelerated growth of new businesses. Growth Engine will provide the impetus for SK Innovation's continued future growth and will be a core axis leading the paradigm shift in the energy industry.

SK Innovation as an Enabler: The Core Driving Force of SUPEX 2030

SK Innovation's SUPEX 2030 strategy doesn't just present integrated directions and goals for each business; it centers on 'Enablers' (core execution support systems). These Enablers underpin the actual transformation and innovation across the entire SK Innovation affiliates, allowing SK Innovation, as an intermediate holding company, to meet the demands of stakeholders including shareholders, creditors, and local communities. These four Enablers provide a concrete execution foundation to simultaneously achieve stability, growth, innovation, and efficiency across all SK Innovation affiliates. They perform a practical Parenting role (support, coordination, and nurturing), helping each business maximize its core competitiveness and generate future performance.

1. Portfolio Management for Selection and Focus

As a business holding company, SK Innovation continuously diagnoses and evaluates its portfolio to build a management system capable of responding swiftly to market changes and focusing core capabilities. It regularly analyzes the growth potential, profitability, and strategic importance of each business. Resources and capabilities are then concentrated on areas with high future growth potential, while businesses with relatively lower competitiveness actively seek ways to improve their business models or enhance competitiveness. This optimizes the overall business structure and effectively allocates limited resources, simultaneously securing organizational performance and sustainable growth.

3. Competitive Shared Service

SK Innovation pursues both enhanced core business competitiveness and increased organizational productivity across the entire company through an efficient management support system. Specialized Shared Service organizations handle common support areas such as HR, accounting, legal, Safety, Health, Environment (SHE), IT, procurement, and public relations, which allows each business unit to concentrate more on its core operations and enhance its fundamental competitiveness. Furthermore, continuous process innovation and quality improvement enhance service satisfaction and enable flexible responses to a rapidly changing business environment. This ensures the entire organization operates dynamically, laying the foundation for new growth and innovation.



2. R&D Innovation

The core of future competitiveness lies in innovative technology. SK Innovation proactively invests in developing original technologies that can drive groundbreaking leaps in new businesses and pursues differentiated R&D strategies for each business unit. In particular, it is expanding its expertise in key areas that will lead the future energy market, such as Electrification, renewable energy, and eco-friendly materials. By strengthening collaboration with external research institutions and industries, in addition to internal R&D, SK Innovation is solidifying its position as a technology-leading company.

4. Synergy Creation

SK Innovation actively operates various collaborative systems and policies to maximize synergy among affiliates and businesses. With the merger with SK E&S, SK Innovation is accelerating the convergence across the entire LNG value chain, in addition to SK Innovation's existing businesses in Energy & Chemicals, and Battery & Materials.. It combines the strengths and expertise of each business to create new synergies. For example, specific collaborative activities like integrated projects through the Synergy Drive Division, joint R&D, and sharing of resources and infrastructure among businesses identify new business opportunities and respond to complex market demands as a "One Team." This increases the speed of innovation across SK Innovation and fosters integrated competitiveness that transcends business boundaries.

SK Innovation's Positive Growth and Collaborative Corporate Culture

To successfully execute the SUPEX 2030 strategy, SK Innovation considers fundamental changes in "people and organization" to be its most crucial foundation. It is believed that building a corporate culture where every employee can grow independently, practice innovation and collaboration, and perform at their best through deep engagement is key to sustainable competitiveness. This culture serves as the bedrock for realizing SK Innovation SUPEX 2030's core vision: "Self-Empowered, We Each Seek Our Own Answers. And United, We Seek Innovative Solutions." It also powers SK Innovation's growth as a sustainable global energy leader, proactively embracing change and challenges.

1. A Culture of Self-Driven Growth and Innovation

SK Innovation pursues a culture where every organization and employee can cultivate their own capabilities and actively respond to change. Each business unit promotes independent and sustainable development by strengthening its core competitiveness and embracing self-initiated innovation. SK Innovation also encourages new endeavors and changes, rather than settling for the status quo. It fosters a “One Team” culture by leveraging collective intelligence and solving problems together through inter-departmental collaboration and open communication.

Case Friday Lunch, 'Learn.知' Program for Voluntary Learning and Growth

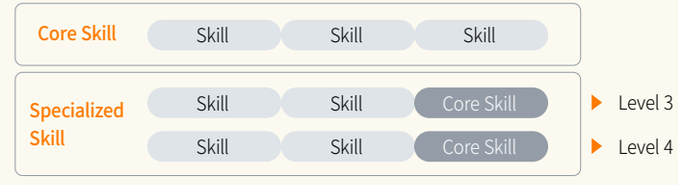
SK Innovation operates 'Learn.知,' an in-house educational program designed to support employee's voluntary growth. 'Learn.知' takes place every Friday during lunchtime, and a unique feature is that employees themselves become instructors, teaching their colleagues. The main topics covered include practical skills like generative AI, Excel and PowerPoint usage, and report writing, effectively supporting employees' work competency improvement. Furthermore, it's operated outside of regular working hours, with voluntary participation, allowing employees to engage in self-directed learning without pressure.
'Learn.知' plays a vital role in fostering a voluntary learning culture among employees, thereby creating a 'Learning Culture' where both individuals and the organization can grow together. SK Innovation plans to continue expanding various learning opportunities that empower employees to grow independently.

2. Talent Development and Capability Building (Reskilling & Upskilling)

SK Innovation prioritizes optimizing the resources and capabilities (R&C) of its entire affiliate system. SK Innovation supports tailored talent deployment within each organization and flexible movement into growth areas. It also operates systematic reskilling and upskilling programs to ensure individual employees acquire necessary competencies. Serving as a talent development hub, SK Innovation helps foster both individual career growth and its overall competitiveness. In addition, it provides diverse learning opportunities and focuses on future-oriented capability enhancement to prepare for a changing industrial environment, including the proliferation of AI and increased job mobility, which ensures individual employees gain unwavering value and competitiveness in the global market.

Case Advancing the 'Skill System' for Future Competencies

To proactively respond to the rapidly changing industrial landscape, SK Innovation established a new 'Skill System' in 2024. This system comprises company-wide Core Skills and organization/job-specific specialized Skills. It enables employees to review their growth progress and create personal capability development plans. Employees manage their career history and acquired Skills through the internal Career Management Platform (O! My reSume) and systematically develop necessary Skills by completing customized training and Badge courses based on their annual growth plans. Through these capability-building efforts, SK Innovation continues to secure its future competitiveness.



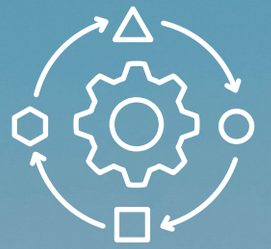
3. A Work Culture Emphasizing Engagement and Expertise

SK Innovation supports a work culture where employees are self-directed and highly engaged. SK Innovation fosters an environment that allows employees to effectively use their time and capabilities to grow into experts, and it fairly evaluates and motivates them based on skill and performance. Through various learning and collaboration infrastructures that promote engagement, connection, and positive action, SK Innovation is building a healthy corporate culture where individuals and the organization grow together. This enables employees to experience an environment where they can maximize their capabilities beyond simply performing tasks, contributing to the long-term success with SK Innovation.

Case Cultivating Employee and Individual Growth through the Normalization of 'Can Meeting'

SK Innovation actively encourages the widespread and regular use of "Can Meetings," where employees can freely share opinions regardless of position or rank, and collaboratively resolve shared tasks and management issues. Through team-level Can Meetings and inter-departmental Can Meetings related to work, SK Innovation effectively leverages collective intelligence and provides opportunities for employees to encounter diverse perspectives from colleagues. Can Meetings contribute to fostering a culture where employees themselves become agents of change, actively expressing opinions and collaboratively solving various on-site problems. Through this, SK Innovation is creating a positive virtuous cycle where both employees and SK Innovation grow together.

Sustainable Management



Board of Directors
Board Composition and Activities 38
Board Evaluation and KPIs 41

Board Composition and Activities

Board Independence, Expertise, and Diversity

Framework of Board Independence, Expertise, and Diversity

SK Innovation is committed to establishing a balanced management decision-making structure by ensuring the practical independence, expertise, and diversity of its Board of Directors based on its Board Independence and Diversity Guidelines.

Independence
- Separation of the roles of Board Chairperson and CEO

Expertise
- Possession of specialized capabilities in management, finance, ESG, and related industry

Diversity
- Prohibition of discrimination based on gender, race, nationality, academic background, religion, etc.
- At least 50% of female representation among independent directors

Board Skills Matrix

*Chairperson

Director	Management/ Leadership	Finance and Accounting	Global	ESG	Energy	Marketing	Legal
Park Jin-hei*	●	●	●				
Kim Joo-youn	●		●	●		●	
Lee Bok-hee	●		●	●	●		
Baik Bok-hyeon		●	●	●			
Lee Ji-eun	●		●			●	
Gong Sung-do	●		●	●	●		●
Choo Hyeong-wook	●				●		
Kang Dong-soo		●		●	●		

Percentage of Women Among SK Innovation's Independent Directors 50%

SK Innovation Percentage of SK Innovation's Independent Directors 75%

Corporate Governance Charter
Independence of Director Guidelines
Board Diversity Guidelines
Training Status for Independent Directors and Audit and Corporate Compliance Committee Members

Appointment of Independent Directors

Policy for the Appointment of Independent Directors

SK Innovation secures a pool of director candidates with the expertise necessary for managerial decision-making. Candidates are recommended through the HR Evaluation and Remuneration Committee under the Board of Directors, ensuring objectivity in the verification process. The past records of independent director candidates are thoroughly reviewed for any history of embezzlement, breach of trust, or unfair trade practices, as well as any potential conflicts of interest with the entire SK Innovation affiliate group. Candidates deemed inappropriate are excluded from the pool.

Procedure for Recommending Candidates for Independent Directors

Request for Recommendation of Independent Director Candidates
- Search for independent director candidates
  - From the perspective of diversity (gender, background, etc.) and expertise
  - Request for candidate recommendations: SK Innovation board members, CEOs of major subsidiaries, SUPEX Council, etc.
- Timeline: Until September

Preparation of Independent Director Candidate Pool Longlist
- Review of legal disqualifications
- Review of pool according to independent director appointment direction
- Timeline: September to October

First Review of the Candidate Pool
- Selection of priority candidates
  - Women, business community, global, Green Biz/Tech, ESG, risk management, etc.
- Selection of top-ranked candidate in each field
- Timeline: Early November

Second Review of the Candidate Pool
- Reference check
  - SK Innovation board members, CEOs of major subsidiaries, SUPEX Council, etc.
- Confirmation of candidate's own intent
- Timeline: November

Third Review of the Candidate Pool
- Reporting of reference check results
- Discussion of interview implementation plan for candidates
- Timeline: Late November

Interview with Candidates
- Chairperson of the Board of Directors, Chairperson of the HR Evaluation and Remuneration Committee
- Timeline: November to December

Final Decision
- HR Evaluation and Remuneration Committee Resolution
- Timeline: January

Board Resolution
- Finalization of submitted agenda items for the Regular General Meeting of Shareholders
- Timeline: February

Support for Enhancing of Board Expertise

SK Innovation provides regular training to enhance the expertise of independent directors, aimed at deepening their industry knowledge. In 2024, SK Innovation offered a total of twelve comprehensive training opportunities, including seminars, forums, and site visits to business operations. The training status for independent directors and Audit and Corporate Compliance Committee members is disclosed through the audit report and business report. To improve directors' accessibility to information regarding its management status as well as the Board and committee agenda materials, SK Innovation developed and distributed the Board Total Solution System. This allows directors to easily and conveniently access information via mobile devices. Furthermore, if an independent director requires external expert advice during board activities, the board chairperson can, without a separate board resolution, decide to engage the expert's assistance at SK Innovation's expense. This provision is explicitly stated in Article 10 of the BOD Regulations.

Board Composition and Activities

Board Activities

Framework and Status of Board Activities

To facilitate in-depth discussions on key management issues, SK Innovation held a total of 13 board meetings and 29 committee meetings in 2024. Furthermore, to ensure directors have enough time for prior review of agenda items, meeting notices are provided five days before board meetings and two days before committee meetings, along with agenda materials delivered through the Board Total Solution System.

Details of Board Activities

Detailed Board Activities in 2024

Category	Meetings	Attendance Rate	Agenda Items
Board of Directors	13 meetings	100%	110 items
Audit and Corporate Compliance Committee	11 meetings	100%	50 items
HR Evaluation and Remuneration Committee	8 meetings	94%	25 items
Strategy·ESG Committee	10 meetings	95%	33 items

Complete List of Board and Committee Agenda Items

Board of Directors' Integrated Financial and Non-Financial Risk Management

SK Innovation's Board of Directors operates a unified Strategy·ESG Committee, formed by integrating its former ESG Committee and Future Strategic Planning Committee. This structure ensures that ESG risks are reviewed concurrently with all strategic decision-making. Also, an ESG Checklist is utilized for all resolutions to confirm their ESG impact and opinions from ESG-related departments are incorporated. Additionally, all directors provide opinions during the materiality assessment process, and the Board of Directors proactively manages its sustainability-related risks and opportunities by reviewing the results of these assessments in advance.

ESG Checklist in Board Agenda Items

MSCI ESG Rating
AA (2024)

KCGS Governance Rating (2021~2024)
A+ marking 4 consecutive years

Independent Director Council

SK Innovation's Board of Directors operates an Independent Director Council, composed solely of independent directors, which allows independent directors to independently discuss key board agenda items and management matters, thereby strengthening their oversight function over management. In 2024, the Independent Director Council held a total of 6 meetings, and its activities are transparently disclosed through the annual report.

Detailed Independent Director Council Activities in 2024

Session	Date	Agenda Items
1	2024.2.14	Discussion on the role of the Audit and Corporate Compliance Committee and committee reorganization plans
2	2024.6.5	Independent Director Council Workshop : Director of the Board of Directors management system, role of independent directors, etc.
3	2024.8.19	Review of merger appropriateness
4	2024.9.30	Independent Director Council Workshop Review of post-merger Board of Directors composition and operational direction
5	2024.11.27	Review related to new independent director candidates
6	2024.12.18	Discussion on 2024 CEO sustainable influence evaluation

Communication with Stakeholders and Enhancement of Shareholder Value

SK Innovation provides notice of its regular general meeting of shareholders at least two to three weeks in advance through various communication channels, including its website. At the same time, SK Innovation ensures shareholders' voting rights by informing them about their voting rights through electronic voting or the granting of electronic proxies. The results of voting at the regular general meeting of shareholders are transparently disclosed on its website.

Additionally, SK Innovation has established and diligently implemented a mid-term dividend policy aimed at maximizing shareholder value, which is comprehensively reviewed to optimize resource allocation for growth and cash flow management. In 2023, the shareholder return rate was 310%, an achievement that exceeded the targeted annual dividend payout ratio of 30% for the 2021-2023 period. Furthermore, SK Innovation announced its Corporate Value Enhancement Plan for 2024, outlining a cash dividend of KRW 2,000 per share for 2024-2025 and a shareholder return rate target of over 35% after 2027. During the upcoming consideration of SK On's IPO, SK Innovation will formulate measures, such as implementing a linked shareholder return policy, to contribute to enhancing long-term corporate value.

Moreover, SK Innovation's board, under the leadership of the chairperson, who is responsible for stakeholder communication, engages actively with investors and stakeholders. Discussions encompass its financial performance, ESG initiatives, governance innovations within the board and the company-wide organization, and the overall status of management.

Board Composition and Activities

Structure of the Board of Directors Committees

Structure of the Board and Committees in 2025



The Role of the HR Evaluation and Remuneration Committee

SK Innovation's HR Evaluation and Remuneration Committee is responsible for recommending independent director candidates based on the principle of eligibility, and for evaluating the appropriateness of the Board of Directors' and CEO's activities and remuneration. The Committee is composed of three independent directors and one non-executive director.

HR Evaluation and Remuneration Committee Activities

Detailed Roles of the HR Evaluation and Remuneration Committee

- Manage and recommend independent director candidates
- Evaluate and approve the CEO's performance and remuneration
- Propose the appointment and dismissal of the CEO
- Evaluate the Board and independent directors
- Grant and cancel stock options

2025 HR Evaluation and Remuneration Committee Composition Status[1)]

Independent Director Ratio within the HR Evaluation and Remuneration Committee **100%**

1) As of June 2025, and subject to change with the scheduled appointment of one additional member in July

The Role of the Audit and Corporate Compliance Committee

SK Innovation's Audit and Corporate Compliance Committee functions as the control tower for compliance and risk, undertaking roles such as financial audits, operational audits, and pre-reviews of internal transactions. To ensure independence and professionalism in its operations, the Committee has the Internal Audit Office directly under its purview. In 2025, the Audit and Corporate Compliance Committee expanded its membership to four independent directors by appointing Gong Sung-do, a new independent director, to enhance the committee's industry expertise.

Audit and Corporate Compliance Committee Activities

Detailed Roles of the Audit and Corporate Compliance Committee

- Request for extraordinary general meetings of shareholders and board meetings
- Appoint, change, or dismiss external auditors
- Consent to the appointment and dismissal of the head of the internal audit department
- Review and approve the audit plan of the Internal Audit Office
- Prior review and approval of non-audit service contracts by external auditors
- Review and approve the audit reports
- Regular and ad-hoc management and supervision of SK Innovation's compliance system and risks

2025 Audit and Corporate Compliance Committee Composition Status[2)]

Number of Finance·Accounting Experts within the Audit and Corporate Compliance Committee **2**

Independent Director Ratio within the Audit and Corporate Compliance Committee **100%**

2) As of June 2025

The Role of the Strategy·ESG Committee

The Strategy·ESG Committee plays a role in integrating the review of financial and non-financial risks by proactively assessing ESG risks and opportunities for all of SK Innovation's strategic decisions. To foster synergy and gather diverse perspectives from the directors' varied expertise, the committee is composed of a total of seven directors (five independent directors and two executive/non-executive directors).

Strategy·ESG Committee Activities

Detailed Roles of the Strategy·ESG Committee

- Support board decision-making by prior review of risks related to safety and health, human rights, supply chain ESG,etc.
- Review key strategic decision-making matters from an ESG perspective, including company investment resources, mid- to long-term strategies, and short-term plans
- Determine ESG strategic direction
- Review and approve ESG material topics
- Establish the ESG strategy implementation plans and monitor their progress

2025 Strategy·ESG Committee Composition Status[3)]

Independent Director Ratio within the Strategy·ESG Committee **71%**

3) As of June 2025

Board Evaluation and KPIs

Board Evaluation

Framework of Board Evaluation

SK Innovation conducts evaluations of its Board of Directors, committees, and individual directors to strengthen board accountability based on its governance narrative and to identify areas for improvement in the board-centric management system. The evaluation comprehensively considers quantitative results from self-evaluations, corporate value evaluations, and external institution evaluations. To enhance fairness and objectivity, for individual director evaluations, the board secretariat provides each director with quantitative data, including board attendance rates, number of agenda items proposed for discussion, participation rates in director training, and frequency of stakeholder communication. The consolidated evaluation results are then communicated to individual directors, led by the chairperson of the board.

SK Innovation Framework of Board Evaluation

	Self-Evaluation (50%)		Corporate Value Evaluation (25%)	External Institution Evaluation (25%)
Board Evaluation	· 34 questions covering overall composition, roles, responsibilities, and operation · Participation of all directors and standing attending executives		· Target share price achievement	· Reflection of KCGS Governance Evaluation results
	Board Composition	Board Size, Independence, Expertise		· KCGS Governance Rating A+ (2021-2024)
	Board Role	Strategy oversight, risk oversight, performing role as a supervisory board		
	Board Responsibility	Implementation of ESG management, supervision of management performance		
	Board Operation	Frequency of board meetings, completeness of information, education, operation of the independent director council		
	Committee Composition	Composition and member assignment of board committees, and their roles		
Committee Evaluation	· Evaluation for all committees under the Board of Directors · Each committee's evaluation consists of 13-24 common and specialized questions			
Individual Director Evaluation	· Peer evaluation (qualitative, descriptive assessment) on individual directors' strength and opportunity factors · Provision of individual feedback			

Board Evaluation Results in 2024

SK Innovation's 2024 Board of Directors evaluation results, which combine self-evaluations of Board of Directors activities, corporate value evaluations, and external institution evaluations, scored 70 out of 100 points. SK Innovation reports the evaluation results for the Board of Directors and its committees to the board and each respective committee. The 2024 evaluation results were reported through a board meeting in January 2025.

Detailed Board Evaluation Results in 2024

	Assessment Results					Score
Self-Evaluation	Evaluation Areas	Board Composition	Board Operation	Board Performance	Committees	45 / 50
	Score (5-point scale)	4.50	4.44	4.40	4.43	
Corporate Value Evaluation	· Failure to achieve target share price					0 / 25
External Institution Evaluation	· 2024 KCGS Governance Rating A+					25 / 25

Improvement Activities through Director Feedback

SK Innovation actively gathers feedback from its directors and reports improvement plans and activities to the Board of Directors and each committee. This process aims to strengthen board-centric management and advance its operational framework.

2024 Improvement Activities Based on Director Feedback

Key Director Feedback	Improvement Activities
Need to strengthen the pre-deliberation activities of committees	Expanded agenda items for deliberation by integrating and strengthening the functions of the Strategy·ESG Committee
Need to establish measures to address business disruptions in the event of CEO absence	Appointed one additional executive director
Need to secure ESG expertise within the Board of Directors	Implemented an ESG expert session in August 2024

Board Evaluation and KPIs

CEO KPI

Reflection of ESG Performance

Establishing ESG Tasks, Evaluating and Determining Remuneration within CEO KPIs

SK Innovation's Board of Directors resolves all decisions related to the entire process of CEO KPI management, from establishment to evaluation and remuneration. The Strategy·ESG Committee under the Board of Directors conducts a preliminary review of the CEO KPI tasks and, based on these review results, the board then approves the final KPIs. The committee also performs mid-year interim checks and year-end provisional evaluations to track progress. After performance is finalized, the board conducts the ultimate evaluation. Subsequently, the HR Evaluation and Remuneration Committee reviews the CEO KPI evaluation results, including those from the Strategy·ESG Committee, and the Board of Directors makes the final decision on the CEO's remuneration level.

CEO KPI Establishment and Remuneration Determination Process

Setting CEO KPI	· Reviewed by the Strategy·ESG Committee · Resolved by the Board
▼	
Mid-Year KPI Review	· Reviewed by the Strategy·ESG Committee
▼	
Provisional KPI Evaluation	· Reviewed by the Strategy·ESG Committee
▼	
Final KPI Evaluation	· Reviewed by the Strategy·ESG Committee · Resolved by the Board
▼	
Determination of CEO Remuneration Level (Based on KPI Evaluation Results)	· Reviewed by the Strategy·ESG Committee and the HR Evaluation and Remuneration Committee · Resolved by the Board

CEO KPI Composition for 2024

In 2024, the SK Innovation's Board of Directors established key ESG tasks within the CEO KPIs. The SK Innovation HR Evaluation and Remuneration Committee and the Board of Directors evaluated the CEO's ESG performance and integrated the evaluation results into the 2024 CEO remuneration system.

CEO Remuneration System[1)]

Category		Description
Employment Income	Salary	Annual salary received as remuneration for work
	Bonus	Payments made at specific times or based on certain conditions, in addition to regularly paid salaries
	Stock Option	Profit generated when stock options granted to the CEO are exercised
	Others	Additional earnings beyond regular remuneration
Retirement Benefit		Payment paid upon retirement
Payment paid upon retirement		Income generated regardless of work (e.g., welfare support)

1) The CEO remuneration system is linked to the CEO evaluation, which is determined based on the CEO KPI evaluation and sustainability impact evaluation. The sustainability impact evaluation items consist of Entrepreneurship, Biz. Risk Response, Stakeholder Trust Building, and CEO Successor Development. These are graded on a 3-level scale: Excellent > Good > Need Development.

CEO KPI Composition for 2025

Since the establishment of the GROWTH ESG management framework in 2022, SK Innovation's CEO and all affiliates have set the 16 GROWTH tasks as ESG KPIs and worked towards achieving these goals. As a result, most tasks were successfully completed, leading to tangible outcomes.

For 2025, SKI's CEO KPIs will be restructured to focus on recent, critical ESG tasks for concentrated management. The existing GROWTH-centric ESG KPIs will be integrated into the KPIs of the responsible/executing organizations to ensure internalization. By selecting core internal and external ESG tasks, such as Net Zero implementation and Social Value (SV) measurement, as CEO KPIs, SK Innovation aims to support the CEO in actively managing non-financial factors crucial for corporate growth and to ensure the CEO carry out the duties with a strong sense of responsibility toward ESG management.

2024 CEO KPI Details and ESG Task Goals and Performances

Category	Tasks	Detailed Goals by Task	Achievements
ESG	Net Zero Implementation	Reduce emissions by over 2.38 million tCO_2eq compared to baseline emissions	Not Achieved
	Greenwashing Risk Assessment	Secure positive feedback from internal and external stakeholders regarding Net Zero	Partially Achieved
	Proactive Preparation for Global Disclosures	Proactively disclose voluntarily within the year before mandatory disclosure begins	Partially Achieved
	Ethical Management	Achieve 100 points in SV measurement system and obtain Leader grade from MSCI rating	Partially Achieved
	Happiness	Achieve appropriate happiness survey scores for each affiliate	Partially Achieved
Financial, Strategy		Undisclosed	Undisclosed

CEO KPI for 2025

Category	Task List
Financial, Strategy	Undisclosed
ESG	Net Zero Implementation
	Social Value (SV) Measurement
	Happiness

Sustainability Strategy & Performance



Integrated ESG Management System 44
Materiality Assessment 46
Stakeholder Roundtables 50

Environmental
Environmental Impact Reduction 52
Green Portfolio 60
Climate Change Response 66
Biodiversity and Ecosystems 71
SK Innovation E&S Report: Environmental 75

Social
Safety and Health 78
Supply Chain 86
Human Rights Management 97
Growth and Happiness of Employees 103
Customer Satisfaction 108
Social Contribution 111
SK Innovation E&S Report: Socia 119

Governance
Ethical Management 121
Anti-Corruption and Fair Competition 124
Information Security 129
Risk Management 132
SK Innovation E&S Report: Governance 134

SV (Social Value)
Social Value Measurement System and Performance 135
Cases of Social Value Creation 136
Performance Linked to the UN SDGs 137

Integrated ESG Management System

Background of the GROWTH Framework

SK Innovation has achieved significant progress in the ESG domain through the establishment of its Net Zero roadmap and governance innovation. To secure sustainable growth drivers and consistently deliver meaningful ESG performance, an integrated ESG management strategy framework was required. In addition, to ensure consistent communication with key stakeholders—including investors and ESG rating agencies—there was a need to establish SK Innovation's proprietary ESG implementation framework. As a result, SK Innovation introduced the GROWTH framework in 2022.

GROWTH Framework



Overview of the GROWTH Framework

The GROWTH strategy, consisting of six focus areas and sixteen key tasks, serves as SK Innovation's ESG roadmap for delivering systematic mid- to long-term ESG achievements. To promote responsible and transparent performance management, dedicated teams have been assigned to each key task, with those teams directly involved in setting mid-term goals and management indicators, thereby fostering a greater sense of ownership and accountability. In addition, by integrating key tasks into each team's KPIs, short-term execution capability has also been enhanced. The implementation of ESG initiatives centered on the GROWTH strategy has not only produced tangible results, but also significantly contributed to clear and consistent communication with external stakeholders through active ESG management.

2024 Achievements

Area	Key Task	2024 Performance
G	Expanding the Green Portfolio	· Ratio of green assets[1] compared to energy and chemical assets: 262%
	Expanding Environmental Product / Service Social Value (SV)	· Achieved KRW 629.3 billion in SV creation through environmental products and services
R	Reduction of Scope 1&2 Emissions	· (Energy & Chemicals) 960 thousand tons reduced compared to 2019 · (Battery & Materials) 610 thousand tons reduced compared to BAU
	Reduction of Scope 3 Emissions	· Scope 3 emissions measured and disclosed externally
	Low-Carbon R&D Investment	· R&D investment: KRW 354.7 billion
O	Business Sites Waste Recycling	· (Domestic) Newly acquired ZWTL Gold certification at 1 site; (Overseas) Certifications completed at 3 sites
	Pursuing Zero Safety Accidents	· LTIR (Lost Time Incident Rate) 0.066
	Promotion of Employees' Health	· Initiated design and development of Healthcare System · Identified mental health screening candidates and provided individual counselling
W	Zero Anti-Corruption Risk	· Zero cases of corruption & 99.2% training completion rate
	Strengthening Information Security Risk Management	· Maintained over 90% on information security management indicators · 99.6% completion rate for information security training
T	Strengthening Supplier ESG Risk Management	· 95.4% ESG risk due diligence coverage for suppliers · 26.5% of suppliers achieved high scores in in-depth ESG assessments
	Expansion of Social Contribution Programs by Global Site	· CSR programs executed at 3 or more sites across 12 global business locations
	Strengthening Green Ecosystem Partnerships	· Supported 15 green startups (cumulative total: 78 companies)
H	Maximizing Employee Happiness	· SK Innovation Happiness Score: 72.2 points
	Human Rights Protection	· Human rights survey score: 91.8 points
	Strengthening Diversity & Inclusion	· Employment rate of persons with disabilities: 3.43%, female leadership candidate pool: 14%, female leaders: 9.6%

1) Green Asset Classification Criteria: At the time the GROWTH framework was established in 2022, tangible/intangible assets and investment assets on the balance sheet were internally classified as green or carbon assets. Application of K-Taxonomy standards is planned for the future.

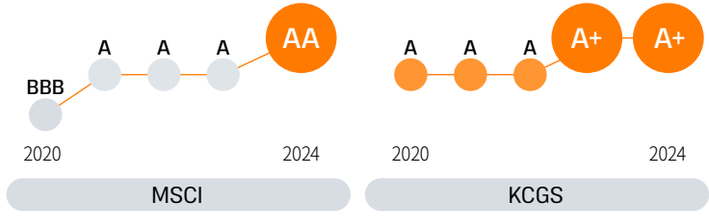
Integrated ESG Management System

Key Achievements of the GROWTH Framework

The GROWTH framework has received positive recognition and earned the trust of key stakeholders, including investors, ESG rating agencies, and employees.

Securing Positive Feedback through Systematic and Consistent Communication

Major investors, such as CA100+ and ACGA, have highly valued the credibility and authenticity of SK Innovation's proprietary implementation framework. Additionally, SK Innovation has achieved higher ESG ratings from credible domestic and global rating agencies, including MSCI and KCGS, demonstrating the strong external recognition of its ESG initiatives.



Enhanced Efficiency in Business Execution

Most employees directly involved in implementing the key initiatives of the GROWTH framework provided positive feedback, noting that the establishment of mid- to long-term business objectives and systematic performance management enabled more consistent, efficient, and effective execution and supervision of their work.

> Because the key tasks under the GROWTH framework were closely aligned with existing work, the enhancement of ESG management maturity was perceived not as a disconnect from day-to-day operations, but as a natural extension of existing responsibilities—making implementation more seamless.
>
> - SK Innovation Employees -

Necessity and Direction for Establishing a New Integrated ESG Framework

Necessity

The GROWTH framework has delivered strong performance and received positive recognition from both internal and external stakeholders. However, as the framework was based on five-year mid- to long-term goals, it faced limitations in promptly responding to the rapidly evolving internal and external environment. This has led to a shared understanding within the organization of the need for a new framework that allows for more agile and flexible adjustments and enhancements. Furthermore, there is also broad consensus on the importance of establishing a robust performance management governance system that can be consistently and sustainably implemented, regardless of internal operational changes such as organizational restructuring or shifts in governance. Based on diverse internal feedback regarding the ESG management framework, SK Innovation is currently establishing a new integrated ESG framework that will succeed the GROWTH framework, which is set to conclude in 2025.

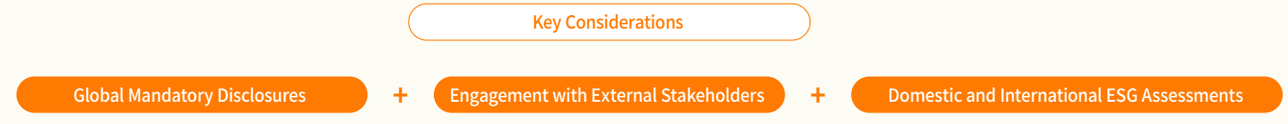
Direction for Establishing the New Integrated ESG Framework

Amid rising geopolitical tensions, increasing business uncertainty, delays in the energy transition, and the easing of environmental regulations, some skepticism regarding corporate ESG management has emerged. However, it is evident that many companies continue to view ESG as a critical long-term business strategy, adjusting their implementation speed to align with their specific business environments.

The new integrated ESG framework, scheduled for full implementation in 2026, will selectively incorporate essential elements required to proactively respond to stakeholder demands—particularly those of investors and ESG rating agencies—and to ensure timely readiness for global mandatory disclosure requirements, such as the CSRD and ISSB/KSSB regulations, which carry legal enforceability across major jurisdictions.

In addition, SK Innovation plans to further strengthen its board-centered ESG performance governance, reinforcing the framework's execution and monitoring capabilities. SK Innovation will also continue to advance ESG data management capabilities by enhancing the consistency and transparency of ESG data through the existing ESG data platform.

Through these comprehensive efforts, SK Innovation aims to preemptively mitigate potential ESG risks and support the sustainable growth of its diverse business operations, ultimately laying the foundation for SK Innovation's long-term sustainability.



Materiality Assessment

SK Innovation conducts a materiality assessment each year to identify core sustainability issues and incorporate them into its ESG strategy and decision-making processes. In 2024, a double materiality assessment was conducted based on the implementation guidance defined by the European Financial Reporting Advisory Group (EFRAG). The double materiality assessment analyzes sustainability issues from the perspectives of impact, risk, and opportunity to derive priority topics, and consists of evaluating both impact materiality and financial materiality. The impact materiality assessment was carried out by analyzing the actual and potential impacts of corporate activities on the environment and society across the value chain. The financial materiality assessment was conducted by analyzing the level of impact on value creation, cash flow, and access to capital in terms of risks and opportunities arising from sustainability issues.

Materiality Assessment Process

STEP 1 — Issue Pool Identification

Evidence-Based Issue Pool Identification

- List of Sustainability Topics under ESRS 1 AR16
- GRI Oil & Gas Sector
- SASB (Reflecting SK Innovation's Value Chain)
- External ESG evaluation indicators (MSCI, KCGS)
- Integrated issue pool developed with consideration of existing key topics

STEP 2 — IRO[1] Analysis

- Definition of value chain boundaries based on SK Innovation's diverse business activities
- Identification of impact-related information for each issue arising from SK Innovation's business activities
- Identification of risks and opportunities based on external factors affecting SK Innovation's financial performance related to each issue

1) Impact, Risk, and Opportunity

STEP 3 — Quantification & Prioritization

Engagement-Based Survey Evaluation

- Targeted at SK Innovation's internal and external stakeholders
- Impact Materiality: 609 respondents, Financial Materiality: 635 respondents (response rate: 31.3%)
- Assessment of severity/magnitude and likelihood based on selected material topics within the issue pool and characteristics defined using IRO information

STEP 4 — Reporting

- Stakeholder Roundtable conducted based on evaluation results
- Materiality assessment results reported to the Board of Directors and finalized

Quantification Method for Materiality Assessment

1 Analysis of Identified IRO Information Characteristics → **2 Survey-Based Evaluation** → **3 Derivation of Results**

IRO Types

Positive		Negative
Actual		Potential
Short-Term	Mid-Term	Long-Term
Own Operations		Value Chain

Selection of Material Topics

	Impact Materiality	Financial Materiality
Severity/ Magnitude of Impact	Scale, Scope (Irremediability)	Opportunity / Risk Level
Likelihood of Occurrence	Probability and Frequency of Occurrence	

Group-Specific Results × Weighting

Impact Materiality | Financial Materiality

Final Score

Materiality Assessment

SK Innovation quantified both impact materiality and financial materiality scores for each topic through its materiality assessment process. By combining the two scores, SK Innovation identified the top 10 topics as material topics. Among them, the top three were designated as key material topics, while the remaining seven were categorized as reporting topics. SK Innovation's key material topics were defined as: Expansion of Investment in Green Portfolio Businesses, Greenhouse Gas Emission Reduction, and Strengthening Global Industrial Competitiveness.

Materiality Assessment Results

	Material Topic	Impact Area across the Value Chain		
		UP	MID	DOWN
1	**(Key) Expansion of Investment in Green Portfolio Businesses**	v	v	v
2	**(Key) Greenhouse Gas Emission Reduction**	v	v	
3	**(Key) Strengthening Global Industrial Competitiveness**	v	v	v
4	Protection of Shareholder Rights *(NEW)*		v	v
5	Worksite Occupational Safety and Health Management	v	v	
6	Supply Chain ESG Risk Management	v	v	
7	Supporting Employee Growth and Enhancing Happiness		v	
8	Enhancing Board Transparency and Soundness *(NEW)*		v	
9	Anti-Corruption and Fair Competition *(NEW)*	v	v	
10	Chemical and Hazardous Substance Management *(NEW)*	v	v	v

Impact Materiality

Impact Materiality Score	Severity of Impact	Likelihood of Occurrence
	Very High	Very High
	Very High	High
	Very High	High
	High	Very High
	High	High
	High	High
	High	High
	High	High
	High	Moderate
	High	Moderate

Financial Materiality

Financial Materiality Score	Magnitude of Impact	Likelihood of Occurrence
	Very High	Very High
	Very High	Very High
	Very High	Very High
	High	Very High
	Very High	High
	High	Very High
	High	High
	High	High
	High	Moderate
	High	High

Other Material Topics – Issue Pool

E

- Environmental Management Practices
- Waste Management
- Air and Water Pollutant Management
- Water Withdrawal and Management
- Biodiversity Protection

S

- Occupational Health and Safety Management for Suppliers
- Shared Growth and Co-Prosperity with Suppliers
- Sustainable Raw Material Sourcing
- Fair Recruitment and Performance-Based Compensation
- Strengthening Human Rights, Diversity, and Inclusion
- Enhancing Product Quality and Safety
- Community Engagement and Rights Protection

G

- Ethical Management for Employees
- Information Security
- Establishing Board-Centered ESG Governance
- Participation in Public Policy and Lobbying
- Transparent Tax Management
- Advancing the Integrated Risk Management System

Materiality Assessment (Key Material Topics)

Material Topic	Impact Analysis	Risk and Opportunity Identification	Key Goals and Strategies	Location
1 (Key) **Expansion of Investment in Green Portfolio Businesses**	· In response to demands for transitioning to a low-carbon economy—such as reducing greenhouse gas emissions and increasing the use of renewable energy—SK Innovation contributes to carbon reduction by investing in green technologies and transforming its portfolio. · Through green technologies such as secondary battery production and carbon capture, SK Innovation positively contributes to reducing carbon emissions. · To secure future competitiveness through a low-carbon industrial transition, SK Innovation applies an internal carbon price as part of its investment review process.	(Opportunity) Rising demand for eco-friendly energy and low-carbon products presents opportunities to increase the value of SK Innovation's green portfolio and drive revenue growth. (Opportunity) The proportion of green assets relative to energy and chemicals assets continues to grow, and the asset value and revenue of the green portfolio are expected to increase. (Risk) Introduction of a domestic pre-certification system for electric vehicle batteries and enhanced safety inspections may increase regulatory pressure. (Risk) The inflow of low-cost electric vehicle batteries and volatility in the EV battery market increase uncertainty in demand forecasting.	· Continued investment in low-carbon portfolios aligned with K-Taxonomy in anticipation of the low-carbon transition and growing demand for clean energy · Expanding the share of battery, materials, LNG, and power within the energy and chemicals portfolio, and promoting green portfolio-driven business activities · Establishing internal management systems for green finance and expanding green finance sourcing for low-carbon energy businesses	Green Portfolio
2 (Key) **Greenhouse Gas Emission Reduction**	· SK Innovation has set net-zero targets for each business sector and is working toward these goals by implementing direct and indirect carbon reduction measures across divisions. However, significant greenhouse gas emissions and energy consumption continue across the value chain of the overall business portfolio. · The Energy & Chemicals businesses within the SK Innovation are energy-intensive and are classified as high GHG-emitting industries. · GHG emissions and energy consumption resulting from industrial activities are subject to reduction monitoring.	(Opportunity) Advancing carbon reduction initiatives is expected to secure future competitiveness and business opportunities. (Opportunity) In the event of expanded regulations on eco-friendly product use, SK Innovation may secure competitive advantages in premium markets such as sustainable aviation fuel and renewable naphtha. (Risk) The imposition of carbon taxes on products could undermine product competitiveness, and emissions trading schemes may cause price volatility that negatively affects profitability. (Risk) With the implementation of Korea's 4th Emissions Trading Scheme (ETS), exceeding allocated emissions could lead to increased regulatory compliance costs.	· To reduce GHG emissions, SK Innovation is securing carbon reduction solutions and promoting the transition to renewable energy. · Efforts to directly reduce GHG emissions during product manufacturing include improving equipment operation efficiency, such as heat exchange and replacement of power sources. · An internal carbon price is applied and reflected in the investment review process to evaluate economic viability from an integrated perspective.	Climate Change Response
3 (Key) **Strengthening Global Industrial Competitiveness**	· In November 2024, SK Innovation merged with SK E&S to become the largest private "Total Energy & Solution Company" in Asia, completing the full energy value chain as a comprehensive energy provider. · Following the merger, SK Innovation has worked to secure stable cash flow and financial soundness, and has engaged in ongoing communication with relevant stakeholders.	(Opportunity) Establishing a responsive system based on mid- to long-term strategies, such as restructuring the portfolio to improve operational efficiency and enhance internal competitiveness. (Risk) A diversified sales network is required to prepare for economic downturns or declining demand from major oil-consuming countries. Geopolitical influences, such as changing regulations and strengthened tariff policies in key battery markets, may also have direct or indirect impacts. (Risk) Expanding global environmental regulations could reduce demand for petroleum products, potentially impacting revenue.	· Enhancing global industrial competitiveness by building the largest energy value chain · Pursuing business competitiveness through optimized portfolios by business area and improved operational efficiency · To respond to the IRA[1], SK Innovation is expanding its battery manufacturing base in the U.S. and establishing cooperative relationships with local automakers.	Business Strategy

1) Inflation Reduction Act

Materiality Assessment (Reporting Topic)

Material Topic	Impact Analysis	Risk and Opportunity Identification	Key Goals and Strategies	Location
4 Protection of Shareholder Rights	· SK Innovation has announced a plan to enhance corporate value and intends to increase dividend levels over the mid- to long term through its shareholder return policy. · This dividend policy represents a commitment to enhancing shareholder value and is expected to have a positive impact on shareholders and investors. · SK Innovation has implemented initiatives such as the cancellation of repurchased treasury shares to strengthen shareholder value.	(Opportunity) Amid growing national-level discussions on addressing the "Korea Discount" and improving investor protection, SK Innovation's shareholder return plan is expected to build corporate trust and reinforce reinvestment stability. (Risk) If limited to a one-time dividend, there is a risk of declining investor confidence; a stable, long-term dividend policy is therefore essential.	· SK Innovation has declared a corporate value enhancement plan in connection with the merger and business restructuring, and has established shareholder return policies to increase shareholder value accordingly.	Board of Directors
5 Worksite Occupational Safety and Health Management	· Due to the potential occurrence of fatal or serious safety incidents within SK Innovation affiliates, there is a growing need for mid- to long-term safety management at business sites. · Although various safety measures have been implemented and proactive communication is in place to prevent risks, there remains a risk of serious industrial accidents within the affiliates' operations.	(Risk) In the event of legal penalties imposed on senior executives under applicable safety regulations, there may be exposure to litigation and cost-related risks. (Risk) Frequent safety incidents caused by inadequate safety measures can negatively affect SK Innovation's reputation and, in the long term, may reduce investment attractiveness.	· SK Innovation and its affiliates have established a system to prevent serious accidents and appointed a Chief Safety Officer (CSO) at each affiliate to assign clear responsibility. · A proactive and preventive safety and health management system is being established, and AI/DT-based safety data analytics are being applied to improve safety management levels across business sites.	Safety and Health
6 Supply Chain ESG Risk Management	· SK Innovation identifies ESG risk factors and exposure levels in its supply chain by region, and implements specific corrective actions for suppliers operating in high-risk areas. · Following regular evaluations of Tier 1 suppliers, SK Innovation categorizes a group of focused management suppliers based on ESG risk and strategic importance, and conducts in-depth assessments and on-site due diligence accordingly.	(Risk) Under EU regulations requiring human rights and environmental due diligence for suppliers, violations may result in fines of up to 5% of global annual revenue. (Risk) ESG risks occurring within the supply chain may disrupt raw material procurement and product manufacturing, leading to operational losses.	· To manage ESG risks in the supply chain, SK Innovation requires suppliers to sign a code of conduct compliance pledge at the time of contract. · SK Innovation regularly reviews the risk level of global supply chains by region and conducts periodic supply chain assessments of its suppliers to evaluate risk levels and provide support based on results.	Supply Chain
7 Supporting Employee Growth and Enhancing Happiness	· SK Innovation supports employees in managing their careers and developing their capabilities through the mySUNI learning platform. · A communication platform is also in place to enhance dialogue between employees and leadership on key issues.	(Opportunity) A healthy organizational culture is expected to increase employee engagement and collaboration. (Risk) A lack of internal growth opportunities may reduce external talent inflow and increase the risk of internal talent attrition.	· In line with its Just Transition Plan, SK Innovation supports voluntary career development and job transitions, and has expanded and strengthened related training programs to facilitate employee reskilling. · An annual survey is conducted to assess employee happiness and identify key influencing factors, and the Harmonia Counseling & Coaching Center is operated to support employee mental health.	Growth and Happiness of Employees
8 Enhancing Board Transparency and Soundness	· Stakeholders have access to detailed information regarding the board's expertise and diversity, as well as the specific activities of the board and its subcommittees.	(Opportunity) Disclosing governance-related information externally enhances communication and contributes to greater transparency and soundness of the board, while also serving as a valuable information source for investors making governance-related decisions.	· SK Innovation transparently discloses board-related information through various external channels such as its annual report, integrated report, and corporate governance report. · SK Innovation also publishes details such as its Articles of Incorporation, board committee policies, and records of committee activities via its website.	Board of Directors
9 Anti-Corruption and Fair Competition	· SK Innovation operates a compliance system for anti-corruption practices and seeks to establish a strong culture of integrity based on this program. · SK Innovation communicates with stakeholders by disclosing quantitative outcomes of its anti-corruption and fair competition efforts.	(Opportunity) Operating and enhancing the compliance system helps foster a culture of voluntary compliance and strengthens trust among internal and external stakeholders. (Risk) Corrupt or anti-competitive conduct by large corporations can lead to significant reputational damage and potential financial sanctions under domestic and international laws.	· SK Innovation shares quantitative performance indicators to communicate its progress on anti-corruption and fair competition initiatives. · SK Innovation discloses standards and procedures that govern corporate activities and employee conduct to ensure regulatory compliance.	Anti-Corruption and Fair Competition
10 Chemical and Hazardous Substance Management	· Chemical substance regulations are being tightened both domestically and internationally, requiring the development of substitute or new materials. · Chemical leaks may have fatal impacts on employees and nearby communities, so the use, disposal, and management of such substances require significant care.	(Risk) Inadequate chemical management leading to leaks can cause serious harm to the environment and local residents, and may incur substantial restoration costs. (Risk) External regulations such as the Chemical Substances Control Act and PFAS restrictions in Europe may necessitate additional resources for identifying and developing substitute materials.	· SK Innovation has established a chemical management system to autonomously manage hazardous substance information. · A comprehensive management system is in place for all stages—introduction, use, and disposal—with real-time leak detection to prevent chemical accidents.	Environmental Impact Reduction

Stakeholder Roundtable

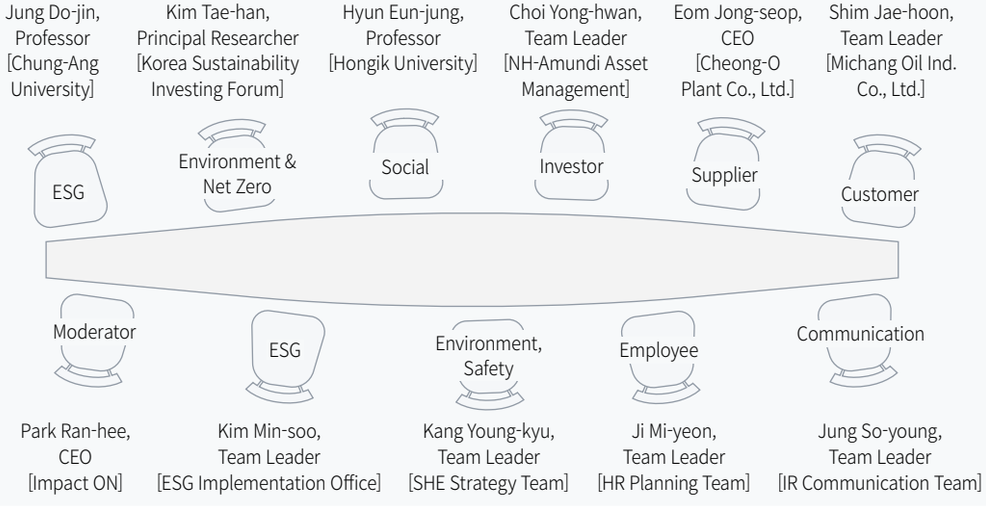
Since 2024, SK Innovation has held annual stakeholder roundtables to incorporate stakeholder feedback into materiality assessments, thereby integrating material topics into business strategies and reinforcing both financial and non-financial growth directions. In particular, following the merger with SK E&S in the second half of last year, SK Innovation has built a diversified energy portfolio ranging from Energy & Chemicals to Battery & Materials, making it increasingly important to listen to the diverse voices of stakeholders across the business environment.

Accordingly, on February 28, 2025, a stakeholder roundtable was held with three ESG trend experts to assess the current domestic and global ESG landscape and discuss strategic directions for SK Innovation's response. Input was gathered from three external stakeholders with direct ties to SK Innovation's business, offering insights into key ESG concerns raised by experts and perspectives on SK Innovation's management practices. In addition, four internal stakeholders shared with external participants the strategies currently employed to address internal and external ESG issues, as well as the priority ESG topics under focused management within SK Innovation.



SK Innovation Stakeholder Roundtable – February 28, 2025

Stakeholder Roundtable Attendees



Interview ESG Trends and Strategic Direction of SK Innovation's ESG Management

Kim Tae-han, Principal Researcher (Environment)



SK Innovation is currently recognized as a leading ESG company in Korea. Based on this position, it is believed that SK Innovation should serve as a guidepost for other Korean companies amid the evolving and complex global ESG landscape. However, it must be emphasized that financial performance should never be overlooked in the course of ESG management, and it is essential to pursue both objectives in a balanced manner.

Jung Do-jin, Professor (ESG)



In the United States, efforts to scale back ESG management are expected to persist for the foreseeable future. Given the current global landscape, a decline in interest and support for ESG appears inevitable. With the United States and Europe pursuing divergent ESG strategies, Korean companies must recognize that hastily aligning with either direction could incur significant costs. Accordingly, companies need to carefully consider how to address potential gaps in ESG activities and determine alternative strategic approaches.

Hyun Eun-jung, Professor (Social)



Given the current global ESG climate, a "wait-and-see" strategy may be necessary. Within SK Innovation's ESG strategy, the most emphasized area is the environment. However, the social dimension appears to receive relatively less attention. In this context, there is a perceived need to strengthen activities related to social responsibility to advance a more balanced ESG approach.

Choi Yong-hwan, Team Leader (Investor)



SK Innovation continues to actively implement domestic ESG policies despite shifts in the global landscape. In response to the U.S. carbon border tax and energy stabilization initiatives, concerns over a contraction in the renewable energy market remain limited. As EU policies are still in draft form, they warrant close monitoring, while domestically, ESG is being reinforced through the Stewardship Code and amendments to the Commercial Act. Maintaining a balanced strategic approach will remain critical going forward.

Stakeholder Roundtable

Key Material Topics Reporting Topics

External Stakeholders



Kim Tae-han, Principal Researcher (Environment)
Government policy plays a critical role in enabling eco-friendly businesses to overcome the chasm and achieve sustainable growth. In addition to securing investment and technological capabilities, it is essential to engage proactively with policy initiatives to help shape a supportive external environment for green business growth.



Shim Jae-hoon, Team Leader (Customer)
As a mid-sized enterprise, Michang Oil Ind. Co., Ltd. faces limitations in the human and financial resources required to implement ESG management. While clients have requested carbon reduction data during the sales process, it has been challenging to provide adequate responses with current internal capacity. Fortunately, SK Innovation's affiliates maintain well-prepared data, which has been instrumental in helping us meet client expectations.



Choi Yong-hwan, Team Leader (Investor)
As an investor, I would like to see greater emphasis placed on minority shareholder rights and financial soundness. SK Innovation's proactive engagement with investors on eco-friendly initiatives and policies is commendable, but concerns regarding financial soundness require more active and transparent management.



Jung Do-jin, Professor (ESG)
SK Innovation is actively driving a qualitative transformation in occupational safety and health through risk-based preventive strategies, the internalization of safety awareness across organizational culture, and data-driven proactive risk management—an approach recognized as a demonstration of its social responsibility as a leading ESG company. It is recommended that the scope of safety and health management sites continue to be expanded.



Eom Jong-seop, CEO (Supplier)
Cheong-O Plant Co., Ltd. has received various forms of support from SK Innovation, including financial loan assistance and ESG management programs for small and medium-sized enterprises. SK Innovation's strong commitment to ESG management has influenced our organization as well, motivating us to continuously improve our own ESG practices. As a result, we achieved a high ESG rating in SK Innovation's supply chain ESG assessment.



Hyun Eun-jung, Professor (Social)
The growth and happiness of employees represent essential internal social capital for SK Innovation's evolution into a sustainable enterprise. By advancing an integrated human capital strategy that considers interpersonal dynamics, leadership, and alignment with performance, SK Innovation can internalize ESG values in a way that elevates both individual development and organizational value.

Expansion of Investment in Green Portfolio Businesses

Greenhouse Gas Emission Reduction

Protection of Shareholder Rights

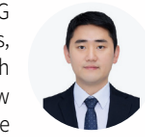
Worksite Occupational Safety and Health Management

Supply Chain ESG Risk Management

Supporting Employee Growth and Enhancing Happiness

Internal Stakeholders

Kim Min-soo, Team Leader (ESG Implementation 1 Office)
Given that the materiality assessment identified "Expansion of Investment in Green Portfolio Businesses" and "Greenhouse Gas Emissions Reduction" as key material topics, the ESG organization aims to focus on setting and tracking net-zero and emissions reduction targets, while ensuring transparent disclosure of related performance. Close collaboration with each business unit is also essential to systematically manage potential ESG risks associated with new business development. The ESG Implementation Office will continue to actively support the achievement of tangible net-zero outcomes, gather ongoing stakeholder feedback to identify areas for improvement, and advance ESG management systems to meet global standards.



Jung So-young, Team Leader (IR Communication Team)
While continuing to execute strategies aimed at enhancing financial soundness and business profitability, SK Innovation is committed to proactively engaging with the market and collecting investor feedback at key inflection points to refine the foundation for sustainable growth. Every effort will be made to deliver meaningful outcomes in the near term, aligned with SK Innovation's evolving internal and external business environment.



Kang Young-kyu, Team Leader (SHE Strategy Team)
SK Innovation continues to enhance its systems, capabilities, and safety culture by building on its proprietary SHE (Safety, Health, and Environment) management framework. Through the proactive adoption of advanced technologies such as AI/DT, SK Innovation aims to build Smart Plants that ensure a safe working environment for both employees and suppliers.



Kim Min-soo, Team Leader (ESG Implementation 1 Office)
ESG risk management across the supply chain is playing an increasingly critical role in corporate sustainability. SK Innovation will work closely with its suppliers to identify potential risks—such as those related to the environment, human rights, and ethics—in advance and strengthen on-site inspections and improvement efforts. In addition, SK Innovation will establish clear ESG standards within the supply chain and expand training and support to build a responsible supply network in collaboration with its suppliers. Through these efforts, SKI will further enhance its competitiveness and credibility.



Ji Mi-yeon, Team Leader (HR Planning Team)
A corporate culture that systematically supports employee growth and promotes sustained happiness through purpose and engagement at work forms a key foundation of SK Innovation's approach to sustainable management. This cultural foundation extends beyond short-term performance and is directly linked to SK Innovation's long-term competitiveness. It transcends conventional human resource management by embedding social responsibility within the organization and aligning closely with the direction of ESG management.



Environmental Impact Reduction

SK Innovation not only complies with environmental regulations but also enforces its own environmental management regulations across all affiliates and worksites to systematically implement sustainable environmental management. For key environmental issues such as water resources and discharge water quality, air pollutants, hazardous chemicals, and waste, SK Innovation has established stringent internal control standards and applies criteria stricter than legal requirements to minimize environmental impact. In addition, SK Innovation actively addresses various climate change challenges—including the expansion of renewable energy use, reduction of resource consumption, and management of water and waste—while aiming to increase long-term recycling rates by evaluating reintroduction and reuse potential for all waste and developing recycling technologies tailored to each worksite. SK Innovation will continue to strengthen its efforts to reduce environmental impact and realize resource circulation.

Governance

Board of Directors
- Final approval of environmental management goals and decision-making on related agenda items
- Oversight of environmental management

Corporate Sustainability Department
- Establish company-wide environmental targets
- Establish and revise environmental regulations

Business Site Sustainability Department
- Set environmental targets for each worksite
- Implement worksite-specific environmental management plans
- Conduct environmental impact assessments at the worksite level
- Verify corrective and preventive actions for nonconformities
- Establish internal management standards and check compliance

Department Responsible for Environmental Impact Assessment
- Perform environmental impact assessments of work activities and facilities
- Prepare Environmental Impact Registers

Policy

Safety, Health, and Environment (SHE) Policy

Establish principles to minimize environmental impacts such as greenhouse gases and pollutants, and set strategic goals for carbon reduction and resource circulation

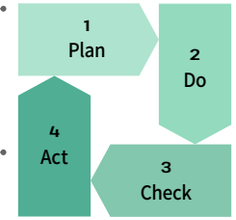
Environmental Management Policy

Establish management principles for individual environmental factors to ensure environmental management and regulatory compliance

Convene meetings in coordination with the responsible department when issues arise that require discussion at the management level

Strategy, Risks and Opportunities

Environmental Management System



- Develop strategies based on environmental policy
- Establish response strategies for each environmental factor
- Implement improvement activities by impact factor based on environmental impact assessments and audit results

- Identify and assess impacts through environmental impact assessments
- Conduct environmental training for employees
- Check and monitor emission sources
- Verify compliance with regulations
- Conduct regular environmental audits

Risks and Opportunities

Risks
- Environmental pollution and community conflict caused by the discharge of pollutants in water, air, odor, waste, and soil
- Potential harm to worksite personnel and nearby residents due to chemical leaks
- Suspension of operations, criminal penalties, and reputational damage due to violations of environmental regulations

Opportunities
- Reduction in the generation and discharge of pollutants through the adoption of new technologies such as AI/DT and green technology
- Prevent chemical accidents through life-cycle management of chemical substance (introduction-use-disposal) and implementing real-time leak detection system
- Eliminate legal risks in advance by complying with environmental regulations and laws

Metrics and Targets

Zero Waste to Landfill (ZWTL) Certification

Implementation Plan

2023	Obtain certification for all worksites within the Ulsan Complex
2024	Obtain certification for all domestic worksites and expand certification to major overseas sites
2025	Maintain certification for all domestic worksites

Goal

Maintain certification across all domestic worksites through 2025



Emission Targets for Air and Water Pollutants

Air Pollutants	Unit	Management Target
NOx	ppm	Emissions ≤ 60% of the legal emission limit
SOx	ppm	Emissions ≤ 55% of the legal emission limit
Dust	mg/Sm^3	Emissions ≤ 65% of the legal emission limit
Water Pollutants	**Unit**	**Management Target**
TOC	mg/L	Emissions ≤ 60% of the legal emission limit
BOD	mg/L	Emissions ≤ 60% of the legal emission limit
SS	mg/L	Emissions ≤ 60% of the legal emission limit

Environmental Impact Reduction

Environmental Impact Assessment (EIA)

SK Innovation conducts EIAs for its worksites and products. Each site's designated assessment team identifies environmental factors by substance—arising from production activities, products, by-products, and services—based on internal procedures, and evaluates direct and indirect impacts across the entire value chain. Product EIAs are conducted using a life cycle approach, evaluating impacts from raw material extraction through to end-of-life disposal. In addition to internal procedures, EIAs are conducted when new or expanded processes fall under regulatory requirements stipulated by the Environmental Impact Assessment Act. At SK Incheon Petrochem, post-EIAs are conducted annually to assess potential negative effects of key factors—such as water, air, and soil pollution—on the living environment of nearby stakeholders. In 2024, no environmental risks were identified.

Types of Environmental Impact Assessment

Periodic EIA of Business Sites	· Conducted voluntarily according to site-specific environmental assessment procedures
Statutory EIA	· Conduct assessment when new or expanded processes or regulatory changes to emission and control facilities trigger evaluation requirements
Product EIA[1)]	· Quantify resource input and environmental emissions across all stages from raw material extraction to product disposal · Ongoing periodic updates for all products and intermediates related to domestic petroleum and chemical production processes · Assessment completed for products manufactured at overseas sites

1) SKO performs LCA of Li-ion batteries for xEVs following ISO 14040/14044 and provides the results to OEM customers.

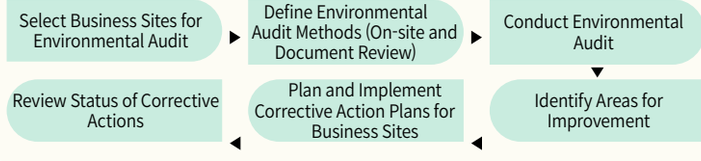
Environmental Audits

Environmental Audit System

Category	Target Business Sites	Frequency[2)]	Key Audit Items
Domestic	Ulsan Complex (SKE, SKGC, SKEN), SKE Logistics Center, SKO Seosan, IEST, SKIPC Incheon, SKIET Jeungpyeong	· (Regular) Annually · (Ad hoc) In case of issues	· Compliance with recently enacted or revised environmental regulations · Results of corrective action plan implementation
Overseas	SKGC, SKO, SKEN, SKIET Overseas Sites, SKEO Branches	· Every 2–3 years	· Environmental and chemical substance management system and implementation performance - Self-regulated emission standards and monitoring by pollution source - Response procedures for exceeding emission limits - Management standards for chemical substance import and export

2) Frequency determined based on SKI's internal SHE risk rating and identified issues

Environmental Audit Process



Status of Environmental Audit Actions

SK Innovation has fully completed 100% of the recommended improvements identified through the 2023 environmental audit. Additionally, SK Innovation is in the process of developing corrective actions for issues identified in the 2024 environmental audit.

2024 Environmental Audit Results

Target	Key Inspection Items	Key Inspection Findings
All Major Domestic Worksites	Air, water, and chemical substance sectors	· Early identification of legal noncompliance and inadequate management cases, followed by proactive corrective actions · Verification of the adequacy of self-inspection results
	Assessment of compliance with waste-related regulations	· Inspection of compliance with legal requirements for waste management · Review of R&R and process appropriateness
(Domestic) Ulsan Complex	Inspection of air, water, and chemical substance sectors	· Interviews to assess understanding of the chemical accident prevention plan across organizational levels and hierarchies
(Overseas) Five Sites[3)]	Gap analysis between global SHE core management standards and site-specific procedures	· Development of procedural improvement plans and inspection of implementation status
(Overseas) One SKGC Site	· Project SHE management plan implementation performance · Implementation of SHE management plan for SKGC and contractors · On-site safety management inspection	· Identification of safety management improvements needed during project SHE management

3) Includes 1 SKGC site, 1 SKEN site, 2 SKIET sites, and 1 SKEO site

Compliance with Environmental Laws and Regulations

In response to the increasingly stringent environmental laws and regulations both domestically and internationally, SK Innovation has established and implemented management standards that exceed legal requirements. Regulatory developments and policy trends related to water quality, air, chemical substances, waste, and soil are regularly monitored, and the findings are shared with worksites to enable timely inspections and responses. In particular, annual investment plans are established to proactively identify and effectively respond to items requiring capital expenditure. To reduce environmental compliance risks, active communication and close collaboration are promoted among SHE departments across sites. Regulatory and policy inquiries from worksites are addressed through various channels, including the in-house SHE compliance system and compliance platform. In 2024, a total of 1,072 regulatory consultations and advisory sessions were conducted across all affiliates.

2024 Status of Legal Consultations and Inquiries in the SHE Sector (Unit: Cases)

Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
1,072	145	169	153	155	155	139	26	130

Management Measures for Environmental Impact Factors

Category	Management Measures
Water Pollution	· Apply internal effluent standards stricter than legal requirements · Install additional leak detection systems beyond legally mandated monitoring discharge points · Install initial rainwater treatment facilities to manage heavy rainfall events
Air Pollution	· Apply internal emission standards stricter than legal requirements · Enhance the efficiency of air pollution control facilities during seasonal management periods through voluntary agreements
Hazardous Chemicals	· Manage quantities of hazardous chemicals and operation and management of handling facilities
Waste	· Establish management standards for each stage of waste collection, storage, discharge, and treatment at worksites · Maintain records including waste quantities and dates by stage · Manage external waste treatment through registration/selection of qualified suppliers and post-management according to defined standards
Soil Pollution	· Periodically measure soil contamination at worksites and trace potential pollution sources · Conduct soil contamination inspection and remediation activities

Environmental Impact Reduction

Compliance with Environmental Laws and Regulations

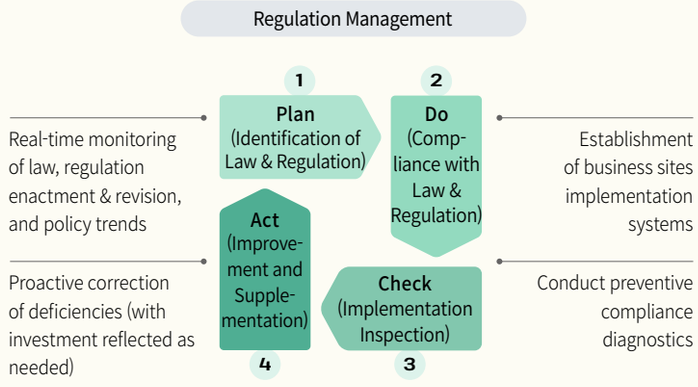
Violations of Environmental Laws, Regulations, and Policies

SK Innovation manages its environmental compliance system with the goal of achieving zero violations of laws, regulations, and policies, discloses any incidents transparently to the public, and strives to prevent recurrence. In the event of a violation, operational systems are promptly reviewed and improved, followed by corrective actions including training for relevant contractors and employees.

Management of Emission Sources for Legal Compliance

SK Innovation has established and operates management plans for emission and control facilities in each area, including air, water, waste, soil contamination, and hazardous chemicals. If internal or legal thresholds are exceeded, SK Innovation follows worksite-specific procedures for reporting, mitigation, and preventive action. Violations of environmental laws are reflected in KPI evaluations as deductions, based on internal evaluation criteria.

Environmental Compliance Response System



Status of Environmental Management System Certification (ISO 14001)

SK Innovation establishes response strategies by impact factor and implements improvement activities based on the PDCA (Plan-Do-Check-Act) environmental management system. Several worksites have obtained international environmental management certification (ISO 14001), and as of 2024, 15 out of 16 wholly owned production sites are certified, representing a certification rate of 94%. SK Innovation aims to continuously renew and maintain ISO 14001 certification through 2030 and to sustain a certification rate of over 90%.

ISO 14001 Certification Status

Affiliate	Target Business Sites	Country	Validity Period
SKE	Ulsan Complex	Korea	November 8, 2026
SKGC	Ulsan Complex	Korea	June 12, 2026
	SKPE	Spain	November 9, 2026
	SKFP	France	May 9, 2026
SKO	Seosan	Korea	December 23, 2025
	SKBA	United States	December 23, 2025
	SKOH	Hungary	December 23, 2025
	SKBM	Hungary	December 23, 2025
	SKOJ	China	December 23, 2025
SKEN	Ulsan Complex	Korea	June 17, 2027
	SKENC	China	September 20, 2027
SKIPC	Incheon Complex	Korea	November 8, 2026
SKIET	Jeungpyeong	Korea	September 21, 2025
	SKBMP	Poland	January 1, 2026
	SKBMC	China	June 28, 2027

Environmental Training

SK Innovation provides environmental training to raise employee awareness of environmental impacts arising from business activities and to encourage participation in climate change response efforts. To internalize environmental management across the organization, various customized training programs are offered, and in compliance with the Chemical Substances Control Act, mandatory legal training is provided biennially for chemical handlers and annually for related personnel. As a result, SK Innovation employees completed a total of 17,024 hours of environmental training in 2024.

Details of Environmental Training Conducted in 2024

Category	Number of Participants	Hours Completed	Training Content
Green Insight Forum	983 persons	1,032 hours	· Understanding the Integration of Green Business with AI/DT · The Future of Green Technology and Global Investment Outlook
Battery Plus Forum	1,947 persons	616 hours	· Key Battery Technologies that Determine Corporate Value · Analysis and Securing Strategies for Critical Mineral Supply Chains
Circular Economy Guide	3,594 persons	1,061 hours	· Corporate Survival Strategies in the Age of the Circular Economy
Understanding Key Green Industries	1,385 persons	429 hours	· Energy Transition through the Lens of Hydrogen · Energy Security and the Strategic Mineral Battle in the Battery Industry
Chemical Substances Control Act Training	1,462 persons	13,886 hours	· Hazards and Safety Management of Chemical Substances

Environmental Impact Reduction

Water Resource Management Activities

Water Withdrawal and Wastewater

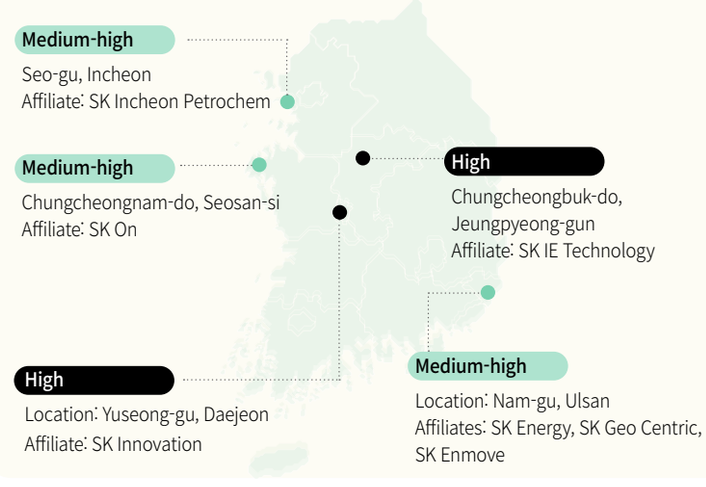
Each SK Innovation worksite secures water required for production activities from primary sources such as the Daecheong Dam, Daeam Dam, and Asan Bay, while continuously identifying various reuse strategies to reduce total water consumption. When analysis confirms that discharged water is suitable for reuse, it is treated and reused as process water or partially utilized for fire safety and landscaping, thereby reducing both water consumption and wastewater discharge. Water withdrawal and consumption are tracked separately at each site to enable systematic management and minimize the potential impact of domestic water resource risks. At the Ulsan Complex, where water consumption is high, a water production and monitoring system has been implemented to ensure stable supply based on annual planning, while SK On's Seosan plant has introduced a system that fully recycles cooling tower water, significantly improving water use efficiency. SK Innovation is also expanding its water risk analysis to include overseas sites and plans to strengthen systematic management and responsive measures for identified risks.

Response to Water Stress

SK Innovation utilizes the Aqueduct Water Risk Atlas published by the World Resources Institute (WRI) to identify and manage potential water stress at major domestic worksites. Water stress refers to the ratio of water demand to available supply, and the risk levels at the Daejeon and Jeungpyeong sites have been assessed as "High." However, the Daejeon Yuseong site operates as a pilot plant for research purposes, where water demand is very low, resulting in minimal actual impact. Meanwhile, SK IE Technology's Jeungpyeong site sources industrial water from the Chungju Dam regional water system, minimizing potential negative impacts from direct local water withdrawal. SK Innovation will continue to manage water-related risks across its sites.

Water Stress Analysis Results for Domestic Business Sites

Analysis Tool: Aqueduct Water Risk Atlas by the World Resources Institute (WRI)
Analysis Criteria: Based on the 'Baseline Water Stress' value among physical risk items, business sites evaluated as 'High' or above are defined as 'High Water Risk Sites.'
Analysis Target: Business sites in five domestic regions



Water Pollutant Discharge Management

SK Innovation manages water pollutants systematically by installing wastewater discharge facilities at each site. Wastewater is processed through physicochemical treatment and, where necessary at each facility, through biological and advanced treatment processes. It is purified to meet or exceed regulatory standards and subsequently discharged. Each site has adopted IT-based smart environmental management systems to enhance control efficiency and maintains discharge levels of key water pollutants—such as TOC, BOD, and SS—at less than 60% of legal limits. In addition, highly concentrated waste caustic soda generated from desulfurization processes in refining and petrochemical operations is now treated on-site using a proprietary treatment process, instead of incineration or off-site disposal. The Ulsan Complex operates a WAO (Wet Air Oxidation) process, while SK Incheon Petrochem utilizes an NAO (Neutralization Air Oxidation) process to ensure effective wastewater treatment.

Wastewater Treatment Facilities and Water Pollutant Management Status

Category	Facility	Treatment Method	Discharge	Water Source
SKI	Prevention Facility	Physico-chemical	Daejeon Sewage Treatment Plant	Gapcheon River, 0 km
SKE SKEN	#1/2 WMC[1], No2. FCC[2] WWTP[3]	Physico-chemical, Biological, Advanced Treatment	Public Water Body (East Sea), Yongyeon Sewage Treatment Plant	East Sea, 0 km
SKGC	Synthetic Resin #1, 2 WWTP[3]	Physico-chemical, Biological	Yongam Wastewater Treatment Plant	Cheongnyangcheon Stream, 0 km
SKO	None	Transferred to Public Treatment Plant	Daejuk General Industrial Complex Sewage Treatment Plant	Yellow Sea, 500 m
SKIPC	WWTP	Physico-chemical, Biological, Advanced Treatment	Gajwa Sewage Treatment Plant	Yellow Sea, 3 km
SKIET	Prevention Facility	Physico-chemical, Biological	Jeungpyeong-gun General Industrial Complex Sewage Treatment Plant	Bogangcheon Stream, 1 km

1) Water Management Center 2) Fluid Catalytic Cracking Process 3) Wastewater Treatment Plant

AI-Based Wastewater Treatment Technology

SK Innovation is enhancing wastewater treatment efficiency by integrating AI technology into existing processes. At the Ulsan Complex, an AI-based wastewater treatment system has been implemented to enable real-time prediction of wastewater characteristics and optimize treatment accordingly. At SK Incheon Petrochem, a big data set of pollutant-degrading microbial images has been developed, and deep learning technology is applied to precisely analyze the condition of influent and effluent water for use in wastewater management.

Water Consumption and Recycle Ratio

SK Innovation aims to maintain its water consumption at the same level as the previous year while prioritizing increased recycling volume and rate through the implementation of various reuse strategies.

Category	Unit	2022	2023	2024
Water Consumption Target	Tons	63,539,000	67,774,000	69,128,000
Water Consumption	Tons	67,774,317	69,127,634	69,184,581
Water Recycle Rate	%	33	34	35

Environmental Impact Reduction

Air Pollutant Emissions Reduction

Implementation of Air Pollutant Reduction Agreements

Since 2019, SK Innovation's Ulsan Complex has signed a voluntary agreement with Ulsan City to participate in the Seasonal Fine Dust Management Program aimed at improving local air quality and protecting public health. In 2024, the site renewed this commitment by entering the 6th Seasonal Management Agreement alongside Ulsan City, the Environmental Office, and 31 companies. As a major emitter of fine dust, the Ulsan Complex is subject to the Senior Public Official Assignment System[1], and has invested KRW 384.7 billion over six years (2019–2024) in environmental improvements such as process upgrades, clean fuel conversion, and pollution control facility enhancements—resulting in a reduction of nitrogen oxides by 58%, sulfur oxides by 57%, and dust by 58% compared to 2019 levels. SK Incheon Petrochem has also signed voluntary agreements with the Ministry of Environment since 2018, and since 2023, has partnered with the Metropolitan Air Quality Management Office to manage nitrogen oxide emission concentrations to approximately 37% of target limits.

1) Senior Public Official Assignment System: A program by regional (or local) environmental offices that assigns a senior public official to oversee high-emitting sites as part of fine dust reduction and seasonal management efforts.

Operation of Total Air Pollutant Load Management System

In response to the expansion of the Total Air Pollutant Load Management System, SK Innovation ensures strict compliance with allocated emission limits at regulated sites—including SK Incheon Petrochem, Institute of Environmental Science & Technology, SK On's Seosan Plant, and the Ulsan Complex—located in the Capital, Central, Southern, and Southeastern regions. These sites are implementing various mitigation measures in line with the policy and are working to achieve stricter-than-required emission targets by the end of the first planning period in 2024. The Ulsan Complex and SK Incheon Petrochem have installed and are operating various pollution control facilities—including Low NOx Burners and Selective Catalytic Reduction (SCR) systems—to reduce emissions of air pollutants and volatile organic compounds (VOCs), while continuously pursuing facility upgrades and investments.

Installation of Air Pollutant Emission Reduction Facilities

With the implementation of mandatory heat value standards for flare stacks beginning in 2024, the Ulsan Complex and SK Incheon Petrochem have established continuous monitoring systems to measure the volume, composition, and heat value of flare gas emissions in an integrated manner. In addition, the Ulsan Complex has installed an eco-friendly gas engine linked to an idle boiler at the power plant, partially replacing electricity purchased from KEPCO and improving the efficiency of existing boilers. As of 2024, this initiative has resulted in an annual reduction of approximately 17,000 tons of carbon dioxide emissions. Additionally, to reduce air pollutants emitted from HAPs[2] storage tanks in the NAC[3] region, a new VRU[4] is under construction and is scheduled for completion by mid-2025. SK Incheon Petrochem has also invested approximately KRW 7.6 billion to install VRUs on-site and complete related facility upgrades, continuing its efforts to reduce air pollutant emissions.

2) Hazardous Air Pollutants 3) New Aromatic Center 4) Vapor Recovery Unit

Ulsan Complex Air Pollutant Management Activities

1. Modifications of boilers to switch to cleaner fuel
2. Installation of NOx Scrubbers (Nitrogen Oxide Reduction Equipment)
3. Installation of Ultra Low NOx Burners
4. Introduction of pre-treatment facilities
5. Installation of urea injection devices for high-NOx-generating process units
6. Reconstruction of Leak Detection and Repair (LDAR) systems for HAPs management
7. Annual inspection of fugitive emissions (including SKIPC)
8. Expansion of Tele-Monitoring System (TMS) installations for stack emissions (including SKIPC)
9. Installation of vent gas collection systems

Odor Reduction Efforts

SK Innovation installs Regenerative Thermal Oxidizers (RTO)[5] at odor-generating facilities such as wastewater treatment plants to capture and treat odors, while also installing odor monitoring systems around site perimeters to minimize disruption to nearby residents. In particular, the Ulsan Complex has enhanced odor reduction by increasing the processing capacity of the RTO system located at #1 WMC (Water Management Center).

5) Regenerative Thermal Oxidation: A high-efficiency process that incinerates VOCs and organic odor gases at high temperatures, capturing the generated heat using heat storage media for reuse as thermal energy.

Environmental Impact Reduction

Hazardous Chemical Management

SK Innovation has established systematic management systems and procedures to fulfill its social and legal responsibilities regarding chemical substance management. Training is provided to ensure that personnel handling chemicals are fully aware of the hazards and risks associated with the substances they manage. SK Innovation has also installed early leak detection systems and established response protocols to ensure the safety of both employees and the surrounding community in the event of a chemical leak or spill.

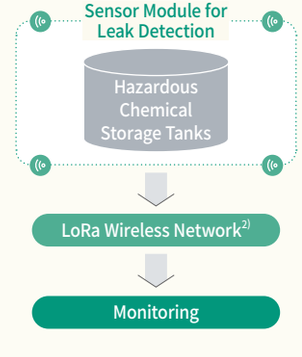
Chemical Management System

1	**Integrated Chemical Management System (Hi-CHEMS)**	· Conducted risk assessments before introducing new chemicals and when modifying existing chemicals · Periodic updates of assessment data
2	**Chemical Procurement Management System**	· Integrated management with SK Innovation's procurement system and Hi-CHEMS · Provides mandatory performance reports and statistical survey data as required by the Chemical Substances Control Act
3	**Material Safety Data Sheet Management System (e-MSDS)**	· Registers hazardous information and safe usage guidelines of chemicals to provide to customers · Used for government submission and approval of Material Safety Data Sheets (MSDS) for SK Innovation's products and intermediates
4	**Integrated Environmental Management System (Eco-space)**	· Supported easy access to hazard and risk information of handled substances through the e-MSDS system · Annual internal safety training and hazardous chemical training provided through Hazardous Chemical Safety Training Center

Chemical Management Activities

Activity	2024 Performance and Detailed Activities
Chemical Hazard Risk Assessment	A total of 3,814 assessments completed
Leak Detectors Installation	41 detectors installed across SKI-affiliated sites
Leak Detection Inspection	100% of identified leak points remediated
Workers Safety Training	Conducted annually
Chemical Inventory Updates	Scope expanded to 4,514 regulated substances and 82 database updates completed

Wireless Leak Detection Facilities for Hazardous Chemicals



· Enhanced Measurement Reliability through Edge Computing[1)]
· Increased Lifespan and Durability

· Utilized Commercial LoRa Network for Wireless Communication

· Enhanced Measurement Reliability Using Machine Learning to minimize Errors

1) Edge Computing: A technology that processes, analyzes, and stores data near its source, enabling near real-time analysis and response
2) LoRa (Long Range) Wireless Network: A low-power, long-range wireless communication network capable of connecting numerous devices within the enterprise via a low-speed intranet—covering a radius of approximately 13 km

Efforts to Replace PFAS Substances

SK Innovation continuously monitors global regulatory trends related to PFAS[3)] restrictions. With PFAS regulations gaining momentum—particularly within the European Union—SK Innovation is proactively working on the internal development and evaluation of alternative substances.

3) Perfluoroalkyl and Polyfluoroalkyl Substances: Perfluorinated Compounds

PFAS Response Efforts Across SK Innovation Affiliates

· SK Innovation plans to expand collaboration with relevant government and industry bodies—including the Ministry of Trade, Industry and Energy, the Ministry of Environment, Korea Petrochemical Industry Association, and Korea Battery Industry Association—to support regulatory substitution and enhance response strategies

· SK Enmove is developing next-generation HVAC[4)] fluids for automotive climate control systems that do not contain PFAS

· Key affiliates including SK Geo Centric, SK On, and SK IE Technology are also reviewing potential alternatives to existing chemical substances

4) Heating, Ventilation, and Air Conditioning: Technology integrating heating, ventilation, and air conditioning

Environmental Impact Reduction

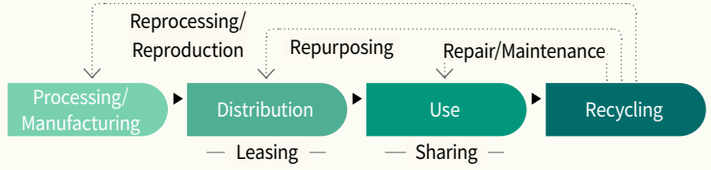
Waste and Circular Economy

Waste Management and Contractor Selection Criteria

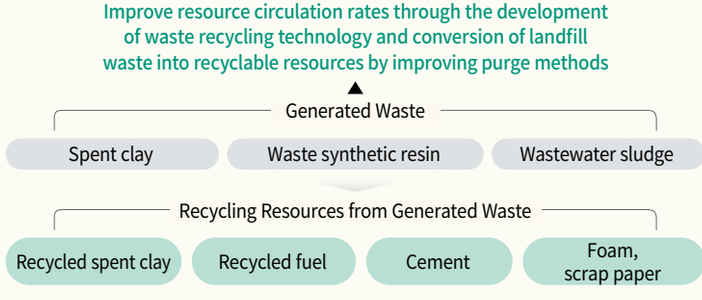
SK Innovation minimizes waste generated during production activities and ensures that all waste is legally and efficiently managed by establishing and operating systematic management standards across all stages—generation, storage, transport, discharge, and treatment. In particular, the Ulsan Complex uses a proprietary waste management system to enable comprehensive tracking and control of all generated waste.

To improve its resource circulation rate, SK Innovation not only selects waste treatment contractors based on economic factors such as unit cost and processing capacity, but also prioritizes recycling rates as a key criterion. This approach encourages contractors to enhance their recycling performance and supports SK Innovation's long-term goal of increasing the overall recycling rate. SK Innovation will continue its efforts for resource recycling in collaboration with all internal and external stakeholders.

SK Innovation's Waste Management System



Management Methods for Different Types of Waste



Zero Waste to Landfill (ZWTL) Certification by Site

SK Innovation has obtained ZWTL certifications for its sites, receiving external recognition for its waste recycling performance. All sites within the Ulsan Complex, as well as SK On and SK IE Technology, currently hold ZWTL certifications. In 2024, SK Incheon Petrochem obtained a new certification, thereby achieving SK Innovation's goal of obtaining certification for all domestic worksites. For overseas sites, SK On's China plant newly obtained the ZWTL Platinum certification, and SK IE Technology's Poland plant also acquired a new certification. Our waste recycling achievements have received international recognition.

2024 ZWTL Certification Status by Site

Category	Business Site	Certification Level[1)]
SKE	Ulsan Complex	Verified
SKGC	Ulsan Complex	Verified
SKO	Seosan	Platinum
	SKOJ	Platinum (New)
SKEN	Ulsan Complex	Gold
SKIPC	Incheon Complex	Gold (New)
SKIET	Jeungpyeong	Gold
	SKBMC	Verified
	SKBMP	Verified (New)

1) Certification levels classified by recycling rate: Platinum (100%), Gold (95–99%), Silver (90–94%), Verified (80–89%)

Designated Waste Disposal

Category	Unit	2020 (Baseline)	2023	2024	2025
Goal	Tons	-	60,000	55,000	50,000
Performance	Tons	70,703	45,724	46,427	-

Waste Resource Circulation System – Performance Case

Recovery and Recycling of Packaging Material (ABS Core) by SK IE Technology

SK IE Technology wraps separator film in rolls using ABS Core packaging, delivers it to domestic and international customers, and voluntarily recovers the used packaging for inspection and recycling. Although export packaging is not subject to the Extended Producer Responsibility (EPR) scheme, SK IE Technology contributes to resource circulation by voluntarily recovering used materials through the use of local containers and re-importation into Korea.

Successful Full Recycling of Waste Catalysts by SK Incheon Petrochem

SK Incheon Petrochem successfully achieved 100% recycling of approximately 400 tons of spent catalysts annually. Although spent catalysts are difficult to recycle due to their diverse compositions and properties, SK Incheon Petrochem secured a complete recovery process through continued research and efforts, enabling full recycling. Based on this achievement, SK Incheon Petrochem plans to continuously maintain a waste recycling rate of over 90% at the site.

Successful Recycling of Landfilled Waste at the Ulsan Complex

The Ulsan Complex improved its treatment method to convert previously incinerated waste synthetic resin into fuel, achieving the conversion of 477 tons of waste per year into thermal energy. Since 2022, the Ulsan Complex has developed and applied recycling technology for spent clay generated during aviation fuel Production. In 2024, this technology was also actively utilized, resulting in a reduction of 189 tons of hazardous substance emissions. The site is also recycling spent adsorbents through nitrogen purge (N_2 purge)[2)] technology. In 2024, approximately 200 tons were recycled, and tests are underway to apply the N_2 purge technology to a wider range of spent adsorbents. Other waste reduction efforts include reintegrating process waste such as test samples and non-conforming intermediate products to minimize overall waste generation. In addition, the Ulsan Complex continues to research various recycling technologies to further reduce waste generation.

2) Nitrogen Purge (N_2 Purge): A method of removing residual substances such as hydrocarbons or explosive/flammable gases from enclosed spaces or equipment by using nitrogen (N_2).

Environmental Impact Reduction

Soil Contamination Management

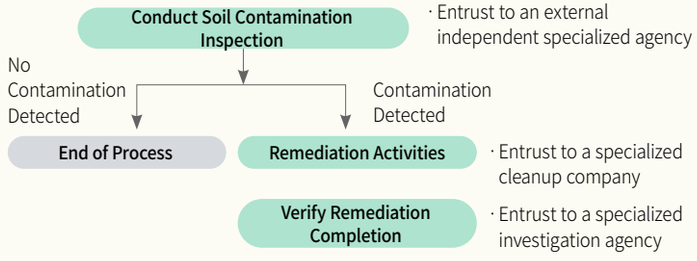
Soil Contamination Inspection

The environmental management departments of SK Innovation's business sites identify facilities subject to soil contamination inspection in accordance with the Soil Environment Conservation Act. In accordance with the intervals prescribed by law, we assess soil contamination and perform remediation as necessary. SK Innovation prepares an annual survey plan for all legally mandated inspection targets and commissions independent third-party environmental specialists to conduct the inspections. If no contamination is detected during the inspection, the results are documented and retained. In the event contamination is found, SK Innovation engages certified remediation contractors to carry out cleanup activities and obtains verification of remediation completion from the inspection agency. As of 2024, no soil contamination was detected at any of the surveyed business sites.

Inspection Types, Targets, and Frequencies

Category	Inspection Interval	Target
Contamination Inspection	· Initial inspection conducted within six months, followed by inspections every five years; every two years after 15 years of operation	All facilities
Leakage Inspection	· For facilities in operation for over 10 years, initial assessment conducted at the 10-year mark and every eight years thereafter	Facilities with less than 500,000 liters

Soil Contamination Inspection and Treatment Process



Oil Spill Accident Prevention Activities

Strengthening Oil Spill Accident Response Activities

SK Innovation implements a variety of activities to prevent soil contamination caused by oil spills. Spill response equipment is installed at major locations, emergency steel plates are set up on stormwater drains, and on-site training on proper containment procedures is provided. To further strengthen prevention efforts, site-specific emergency response scenarios have been developed, and practical emergency drills are regularly conducted. The Ulsan Complex undertook the "Stormwater Final Discharge Outlet Improvement Project" to prevent potential accidents by installing shut-off valves and oil detectors at all final discharge points. This improvement project, launched in 2022 with a total investment of KRW 6 billion, was completed in 2024. SK Innovation will continue to conduct patrols and promptly dispatch response vehicles as needed to ensure the prevention of oil spills and other environmental accidents. No major spill incidents were reported in 2024.

Marine Pollution Incident Prevention Activities

Emergency Response Drills for Marine Pollution

SK Innovation has established detailed emergency response scenarios to ensure rapid action in the event of marine pollution incidents such as oil spills. To maintain readiness, SK Innovation conducts monthly in-house emergency response drills and regularly inspects spill response equipment to ensure proper functionality. Additionally, joint response drills are conducted semi-annually with the Marine Anti-Pollution Association, composed of both private and public sector participants. SK Innovation is committed to preventing marine pollution through ongoing emergency preparedness training.

Marine Facility Monitoring Systems

To proactively respond to potential marine pollution incidents, SK Innovation not only conducts emergency response drills but also operates a systematic management system for its marine facilities. SK Innovation has established standard operating procedures for self-inspections and carried out regular facility checks based on these protocols. To ensure responsible implementation of inspection procedures, SK Innovation appoints dedicated personnel for each marine facility and strengthens on-site monitoring and supervision, including day and night facility management.

Green Portfolio

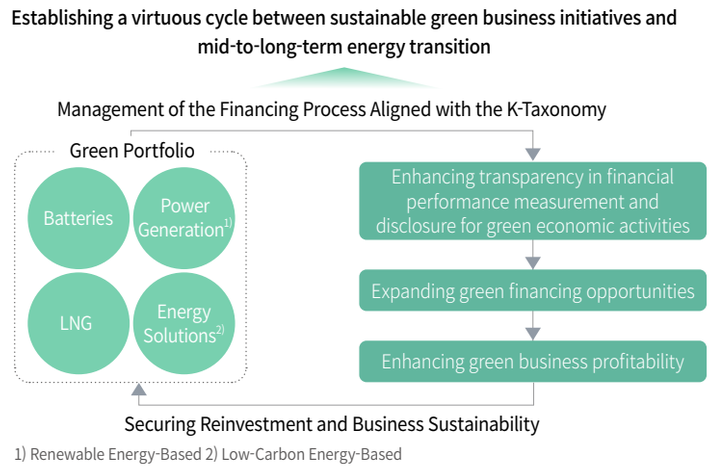
SK Innovation is committed to creating sustainable value and identifying future energy drivers. Amid market conditions that may delay short-term performance across green businesses, efforts are underway to expand investments in bridge energy sources while selectively identifying green business opportunities with long-term profitability and latent value. The future energy sector is expected to evolve in new directions driven by rising electricity demand from AI and electrification, as well as growing customer demand for low-carbon energy. SK Innovation seeks to deliver tailored energy solutions that meet diverse energy demands by leveraging synergies between existing operations and areas such as LNG and renewable energy, while actively engaging stakeholders through the green taxonomy framework to communicate progress and performance.

Governance



Strategy, Risks and Opportunities

Green Portfolio Strategic Direction



1) Renewable Energy-Based 2) Low-Carbon Energy-Based

Risks and Opportunities

Risks

- Financial risks such as delayed investments stemming from declining demand for electric vehicles
- Slower technological advancement in renewable energy due to geopolitical tensions and raw material price volatility

Opportunities

- Growth in revenue and asset value related to the green portfolio driven by increasing demand for low-carbon energy and products
- Improved capital stability expected from strengthened policy support for green finance and rising private-sector interest in eco-friendly investments

Metrics and Targets

Roadmap for Green Portfolio Management Based on K-Taxonomy

2024	Businesses / Operational Activities Classification Based on K-Taxonomy
2025	Establishment of Internal Management System to Expand Green Finance Procurement Identification of Green Financing Case Studies (Models)
2026–2027	EU Taxonomy Disclosure (Applicable to Entities Subject to EU CSRD) Expansion of Green Financing for Low-Carbon Energy Businesses

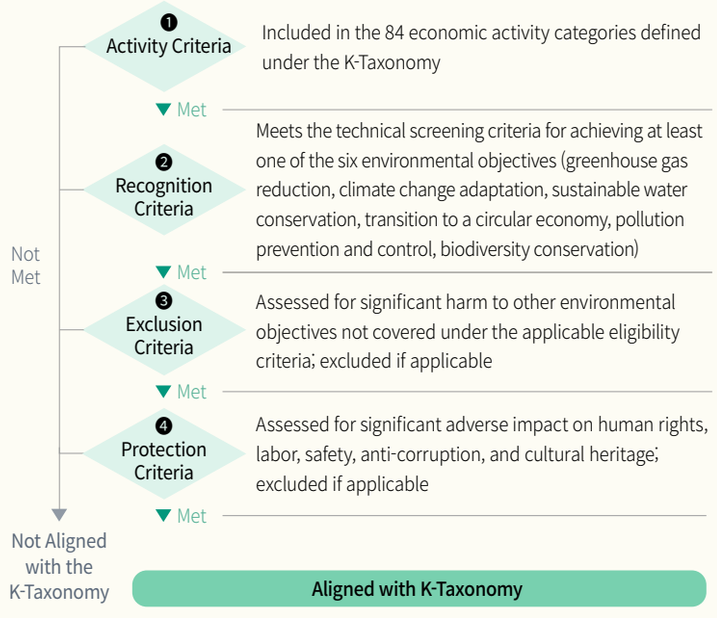
Green Portfolio

Classification of Economic Activities and Financial Performance Based on the K-Taxonomy

Overview of the K-Taxonomy

Based on the revised K-Taxonomy guidelines issued in December 2024, SK Innovation classified the 2024 business activities of its affiliates and calculated the corresponding financial performance in accordance with the taxonomy criteria. The K-Taxonomy is a set of guidelines developed by the Ministry of Environment of Korea to present clear principles and standards for green economic activities, and to facilitate the flow of green capital into green projects and technologies. To be aligned with K-Taxonomy, all four criteria must be met: ① Activity Criteria, ② Recognition Criteria, ③ Exclusion Criteria, and ④ Protection Criteria.

K-Taxonomy Alignment Assessment Process



2024 Green Economic Activity Assessment Based on the K-Taxonomy

SK Innovation calculated its financial performance using the disclosure KPIs (Revenue, CapEx, OpEx) defined under the EU Taxonomy Delegated Act (EU 2021/2178), resulting in confirmation that 8.5% of revenue, 88% of CapEx, and 52% of OpEx from SK Innovation affiliates are aligned with the K-Taxonomy.

FY2023 K-Taxonomy Classification Results

2024 Performance of Green Economic Activities under the K-Taxonomy

(Unit: KRW million, %)

Category			Revenue[1]		CapEx[2]		OpEx[3]	
			Amount	Ratio	Amount	Ratio	Amount	Ratio
K-Taxonomy-Aligned Economic Activities			6,376,334	8.53	8,433,484	87.63	460,766	52.18
Common	A. Industry	(1) Manufacture of innovative items	6,229,372	8.34	7,982,296	82.94	96,426	10.92
		(2) Manufacture of materials, parts and equipment of innovative items	57,204	0.08	238,065	2.47	8,954	1.01
	B. R&D	(1) Research, development and demonstration	-	-	100,786	1.05	354,715	40.17
1. Greenhouse Gas Reduction	A. Industry	(1) Manufacture to utilize core technologies for greenhouse gas reduction	7,627	0.01	-	-	-	-
		(6) Establishment and operation of facilities to reduce greenhouse gases	-	-	974	0.01	22	<0.01
	B. Power Generation/Energy	(1) Production of renewable energy: Solar photovoltaics, concentrated solar power(CSP), wind power, hydropower, ocean energy, geothermal energy, and hydrothermal energy	-	-	1,423	0.01	-	-
		(7) Production of energy based on waste heat/cold energy/decompression (waste pressure)	-	-	8,836	0.09	-	-
		(18) Establishment, renovation and operation of infrastructure to supply waste heat and cold energy	5,999	0.01	-	-	-	-
	C. Transport	(2) Introduction of pollution-free vehicles/rolling stocks/construction machinery/agricultural machinery/vessels/aircraft/bicycles	-	-	2,472	0.03	-	-
		(3) Establishment and operation of pollution free transport infrastructure	-	-	1,568	0.02	3	<0.01
	D. City/Building	(3) Construction and operation of GHG reduction facilities and infrastructure for buildings	-	-	-	-	14	<0.01
2. Climate Change Adaptation	A. Climate Change Adaptation	(2) Establishment and operation of facility and system for disaster prevention and climate forecast	-	-	136	<0.01	-	-
3. Sustainable Water Preservation	A. Water	(3) Sewage/wastewater treatment and livestock foul waste purification	-	-	-	-	72	0.01
		(8) Non-point pollution reduction (Low Impact Development (LID), etc.)	-	-	866	0.01	-	-
4. Transition to Circular Economy	A. Production	(2) Production of products using recycled raw materials and circular resources	76,131	0.10	-	-	-	-
5. Pollution Prevention and Control	A. Prevention and Treatment of Air Pollution	(1) Prevention and treatment of air pollution	-	-	96,062	1.00	548	0.06
		(2) Prevention and reduction of malodor	-	-	-	-	10	<0.01
Non-Aligned Economic Activities under the K-Taxonomy			68,340,636	91.47	1,190,604	12.37	422,259	47.82
Total			74,716,970	100	9,624,088	100	883,026	100

1) Turnover: Percentage of revenue generated from green economic activities defined under the K-Taxonomy, relative to total revenue (%)
2) Capital Expenditure: Percentage of capital expenditures related to green economic activities defined by the K-Taxonomy, relative to total CapEx (%), based on annual acquisition of tangible assets, intangible assets, right-of-use assets, and investment property
3) Operating Expenditure: Percentage of operating expenditures associated with green economic activities under the K-Taxonomy, relative to total OpEx (%), based on spending on R&D, maintenance costs, and short-term lease expenses

Green Portfolio

Key Green Economic Activities (Based on K-Taxonomy)

SK Innovation engages in business and R&D activities aligned with the K-Taxonomy, including greenhouse gas reduction and the transition to a circular economy.

Greenhouse Gas Reduction

Manufacturing of Lithium-Ion Batteries and Related Materials

SKO SKIET

Common-A-(1) Manufacture of innovative items
Common-A-(2) Manufacture of materials, parts and equipment of innovative items

SK On is expanding its production capabilities for batteries used in electric vehicles and ESS, leveraging high-energy density and high-output technologies. As of the end of 2024, approximately 111 GWh of production capacity has been secured. SK IE Technology has independently developed production technology for lithium-ion battery separators, a critical material for electric vehicle batteries. SK IE Technology has established production facilities in China and Europe, creating a global manufacturing and supply network. The manufacturing of secondary batteries and related materials contributes to the reduction of greenhouse gas emissions by supporting the adoption of electric vehicles as an alternative to fossil fuels.

Development and Production of SAF[1)]

SKE

Common-A-(1) Manufacture of innovative items

In September 2024, SK Energy completed the construction of a commercial production facility for SAF using a co-processing method. In addition to existing petroleum production lines, new pipelines were installed to introduce bio-based feedstocks such as used cooking oil and animal fats, enabling the production of SAF and bio-naphtha. By using bio-based feedstocks, SAF helps establish a carbon circulation system without generating additional GHG emissions from crude oil and petroleum production. SK Energy is expanding its sales channels through supply agreements not only in Korea but also with customers across Asia and Europe, as global demand for SAF is expected to rise in line with the European Union's 2025 SAF blending mandate and the United States' plans to expand refining infrastructure for SAF.

1) Sustainable Aviation Fuel

Lithium-Ion Batteries | **Lithium-Ion Separators**

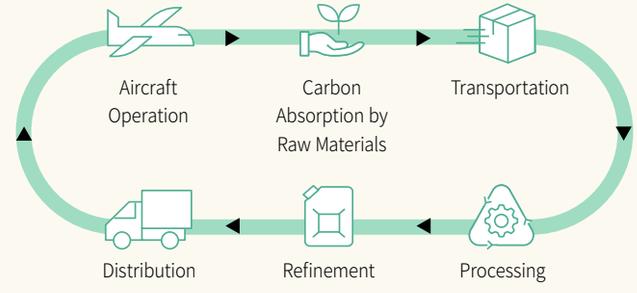


High-Nickel Pouch Cells



LiBS Micro-Porous Structure

Sustainable Aviation Fuel (SAF) Carbon Circulation Process



Production of Fluorinated Compound-Free Blowing Agents

SKGC

1-A-(1) Manufacture to utilize core technologies for greenhouse gas reduction

SK Geo Centric manufactures and supplies hydrocarbon-based blowing agents as alternatives to fluorinated compound (F-gas) feedstocks. This product line has a global warming potential (GWP) over 95% lower than HCFC-141B, a conventional blowing agent used in insulation materials, and thereby contributes to GHG emissions reduction.

Introduction and Replacement of Waste Heat Recovery Systems

SKE

1-B-(7) Production of energy based on waste heat/cold energy/decompression (waste pressure)

SK Energy has made facility improvement investments to recover waste heat from processes and reuse it as a power source. This contributes to reducing fuel and energy consumption by utilizing air preheaters, heat sources for heaters, or generating process steam.

Energy Generation and Sales through Waste Heat Recovery

SKIPC

1-B-(18) Establishment, renovation and operation of infrastructure to supply waste heat and cold energy

SK Incheon Petrochem recovers waste heat generated from its processes and supplies it as a heating and cooling source for nearby residential communities. This initiative enables annual energy savings of approximately 19,000 Gcal and contributes to a reduction of around 3,300 tons of GHG emissions in 2024.

Green Portfolio

Key Green Economic Activities (Based on K-Taxonomy)

Transition to Circular Economy

Production of Petrochemical Products Using Recycled Naphtha as Feedstock

SKGC

4-A-(2) Production of products using recycled raw materials and circular resources

SK Geo Centric utilizes ISCC PLUS[1] certified recycled naphtha as feedstock to produce a wide range of petrochemical products, including r-ethylene, r-propylene, r-butadiene, and r-benzene. These products are used across various applications, including plastics.

1) ISCC (International Sustainability & Carbon Certification): A certification scheme that verifies compliance with the EU Renewable Energy Directives (RED) for biofuel exports to the EU; ISCC PLUS applies to exports outside the EU market.

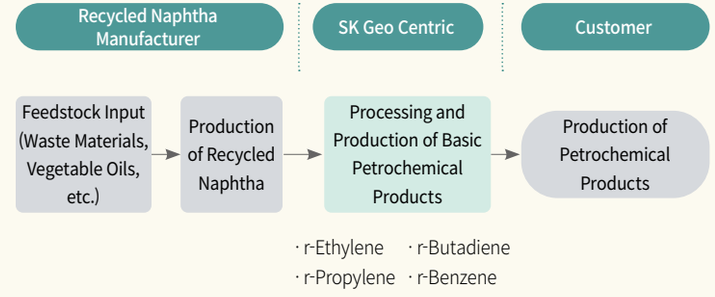
Investment in Naphtha Production Facilities Using Waste Tire Pyrolysis Oil

SKIPC

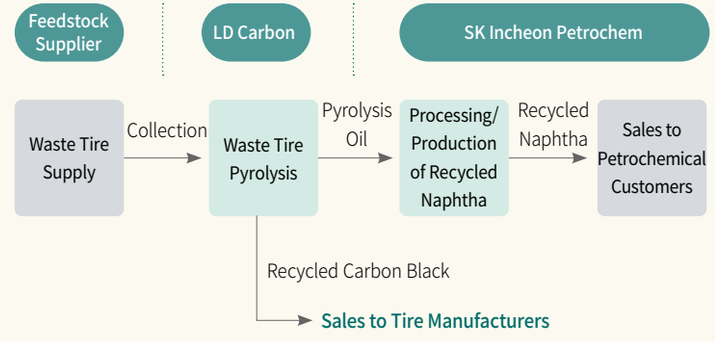
4-A-(2) Production of products using recycled materials and circular resources

SK Incheon Petrochem is preparing to operate a recycled naphtha production facility using pyrolysis oil extracted from waste tires. The pyrolysis oil, supplied by equity-invested partner LD Carbon, is certified under the EU's ISCC scheme. By producing and selling approximately 20,000 tons of recycled naphtha annually, the project is expected to contribute to resource circularity.

Production Process for Petrochemical Products Using Recycled Naphtha Feedstock



Naphtha Production Process Using Waste Tire Pyrolysis Oil



Pollution Prevention and Control

Replacement of Gas Turbine Generators and Improvement of Storage Tank Emission Outlets

SKGC

5-A-(1) Air pollution prevention and treatment

SK Geo Centric is contributing to air pollution reduction by replacing a 44MW-capacity gas turbine generator within its New Ethylene Plant (NEP) process. The gas turbine generator is designed to reduce nitrogen oxide (NOx) concentrations in exhaust gases to below 10 ppm, with plans to manage NOx emissions at the final outlet—thermal cracking furnace—at 60 ppm, which is 45% below the permitted limit under the Act on the Integrated Control of Pollutant-Discharging Facilities. In addition, improvements are being made to storage tank emission outlets to reduce volatile organic compounds (VOCs). Facilities for capturing VOCs from storage tanks, along with post-treatment systems, are being installed and operated with the goal of reducing VOC emissions by more than 95%.

Replacement of NOx Reduction Devices and Air Pollution Monitoring Equipment

SKI E&S

5-A-(1) Air pollution prevention and treatment

The Selective Catalytic Reduction (SCR) and Tele-monitoring System (TMS) operated by SK Innovation E&S contribute to air pollution prevention within power plants. When using SCR systems, nitrogen oxides are reduced through denitrification catalysts before being emitted, helping lower pollution compared to direct NOx emissions. SK Innovation E&S, along with other business entities operating production sites, is monitoring emission levels accurately by replacing outdated TMS equipment and conducting regular inspections. The associated investments and costs have been included in the performance results for K-Taxonomy-aligned economic activities.

Green Portfolio

Common-B-(1) Research, development and demonstration

Major Green R&D Investments (Based on K-Taxonomy)

SK Innovation is leveraging its 40 years of accumulated expertise in process engineering, catalysis, synthesis, analysis, and metallurgy—developed through its energy and chemical businesses—alongside new capabilities to address environmental challenges through technology. Following KRW 368.8 billion[1] in R&D investments aligned with green economic activities in 2023, SK Innovation made an additional investment of KRW 354.7 billion[2] in 2024. In particular, following its 2024 merger with SK Innovation E&S, SK Innovation plans to expand research initiatives in hydrogen energy and energy solutions. SK Innovation will continue to explore new business opportunities based on technology and expand its portfolio.

Key Green R&D Outcomes in 2024

Research Project	Achievements
Sustainable Aviation Fuel (SAF) Production	· Completed commercial operation guide for co-processing SAF (with ~5% used cooking oil blend); commercial production in progress (from Oct. 2024)
Post-Treatment Process Technology for Pyrolysis Oil of Waste Plastic	· Completed demo verification of post-treatment (separation/purification) technology for recycling mixed waste plastics and films—typically incinerated—into plastic feedstock (demonstrated continuous operation for over 330 days using main catalyst) · Achieved on-spec quality for key products such as naphtha and kerosene by reducing residual impurities in pyrolysis oil - Less than 2 ppm nitrogen, less than 1 ppm chlorine
Next-Generation Battery Materials Research	· Evaluation of high-safety lithium metal battery anode materials · Stability evaluation of polymer-oxide composite solid-state batteries · Assessment of hazardous substance reduction technologies for sulfide-based all-solid-state batteries
Development of CO_2 Separation Membranes	· Joint development of CO_2 capture membrane materials with Yonsei University - Patent filed for the developed material (Apr. 2024) and published in Journal of Membrane Science (Oct. 2024) - Validated performance via bench-scale continuous process: CO_2 Permeability >1,800 GPU, CO_2/N_2 Selectivity >40
Customized Lithium Battery Separator (LiBS) Technology	· Development of custom separator technologies by battery form factor and chemistry for each customer

1) Due to the revision of key green R&D investment accounting standards to align with the K-Taxonomy starting in 2024, the 2023 low-carbon R&D investment amount has been revised from KRW 308.4 billion to KRW 368.8 billion.
2) R&D expenditures allocated to Research, development and demonstration Activities aligned with the K-Taxonomy

Key Green R&D Projects in 2025

Field	Major Research Tasks
Environment	· Develop and secure CO_2 capture, storage, and utilization technology · Develop water treatment processes and water recycling technology
Refining & Chemicals	· Research on expanding biofeedstock diversity and addressing processing constraints · Develop low-carbon petroleum product technologies using blends of renewable and recycled feedstocks[3] · Develop functional asphalt products incorporating recycled polymers[4]
Plastics & Solutions	· Develop recyclable packaging materials and solutions
Next-Generation Batteries	· Develop polymer-oxide composite solid-state batteries · Develop sulfide-based solid-state batteries · Develop high-safety lithium metal batteries
CO_2 Separation Membranes	· Commercialize CO_2 separation membrane materials through 1 kg/batch production and validate performance of composite membranes
Information Electronic Materials	· Develop new LiBS technologies and expand the product portfolio based on global customer demand · Enhance battery performance and safety through functional LiBS technology development · Advance next-generation LiBS product technologies · Develop composite electrolyte separators for semi-solid-state batteries · Develop CO_2 capture membrane manufacturing technology

3) Incorporate up to 5% bio-based feedstocks and up to 0.5% pyrolysis oil
4) Replace over 25% of conventional polymer feedstocks with recycled polymers

Green Portfolio

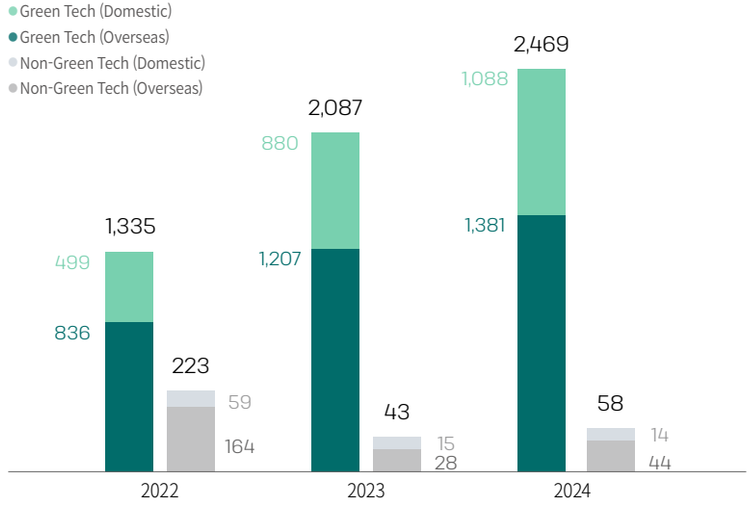
Intellectual Property Rights

Intellectual Property Management

SK Innovation is strengthening its intellectual property (IP) rights to protect research and development achievements in core technologies such as environment solutions, information electronics, and electric vehicle batteries, alongside its traditional energy and chemical businesses. In alignment with its mid- to long-term strategy, SK Innovation is actively working to secure intellectual property rights for core technologies in waste plastic recycling, next-generation refrigerants, and battery and materials industries. The number of patent applications increased by 18.6%, from 2,130 in 2023 to 2,527 in 2024, with Green Tech-related IP filings continuing on an upward trend. A streamlined workflow has been established to accelerate the process from a report of the invention to filing, along with a structured examining response process to ensure optimal rights are secured after filing.

Green Portfolio of Intellectual Property

(Unit: Cases)



Intellectual Property Training

SK Innovation provides intellectual property training to employees to ensure the acquisition of high-quality IP rights for R&D outcomes in both existing and core business areas, and is working to expedite IP acquisition through the enhancement of application and examining response procedures. IP training is tailored to each business area and delivered to relevant employees to ensure the acquisition of IP rights aligned with the characteristics of each sector.

Research and Intellectual Property Portfolio



Compensation System for Employee's Invention

In compliance with the Invention Promotion Act, SK Innovation operates and continuously enhances its compensation system for employee's invention to encourage innovation and to protect R&D outcomes actively. To further promote outstanding invention proposals and the practical use of employee inventions, SK Innovation also implements execution and disposal compensation schemes.

Technology Sharing with SMEs

SK Innovation actively participates in the technology-sharing program led by the Ministry of Trade, Industry and Energy to support the growth of small and medium-sized enterprises (SMEs and mid-sized companies). This initiative involves the free transfer of unused but high-potential intellectual property from large corporations to SMEs, along with support for commercialization. SK Innovation selects technologies that SMEs can practically utilize—based on a comprehensive evaluation of IP applicability and commercialization potential—and transfers them free of charge to promote the public value of technology. Through this initiative, SK Innovation fosters a culture of shared growth and cooperation between large corporations and SMEs.

SK Innovation continues to expand its technology-sharing efforts to help strengthen the competitiveness of SMEs. These efforts contribute to both economic and social value creation and serve as a model case of corporate social responsibility. In September 2025, SK Innovation plans to co-host a technology-sharing event with the Ministry of Trade, Industry and Energy, the Korea Institute for Advancement of Technology (KIAT), and SME partners. The event is expected to further strengthen collaboration with SMEs and maximize the impact of the technology-sharing initiative.

Climate Change Response

SK Innovation has comprehensively reviewed various scientific scenarios presented by the IPCC and established a roadmap to achieve Net Zero before 2050 in pursuit of its company-wide greenhouse gas reduction targets. Based on this roadmap, it is actively promoting a transition to low-carbon business models and innovation, while also reviewing various initiatives such as operating a technical council between the headquarters and the Institute of Environmental Science & Technology to develop, apply, and scale up carbon reduction technologies. Each SK Innovation affiliate is establishing an independent Net Zero implementation pathway tailored to its business characteristics, while also pursuing portfolio transitions aligned with strategic integration with SK Innovation E&S to enhance reduction efficiency and generate synergies. These efforts aim to generate not only environmental value but also economic value, further reinforcing SK Innovation's commitment to sustainable innovation.

Governance

Board, Strategy·ESG Committee
- Net zero roadmap performance and mid-to-long-term strategic directions review
- Mandatory review of ESG-related risks, opportunities, and corresponding countermeasures for all agenda items submitted to the Board of Directors, enabling early identification and mitigation of potential negative impacts

ESG Implementation Office

Supporting Organizations
- Establishment of climate change response strategy and scope 1~3 emissions reduction plan
- Analysis of climate-related risks and opportunities, identification of key risks, and formulation of response strategies
- Major issues are submitted as board agenda items and reflected in decision-making processes

ESG Meeting

SK Innovation Affiliate Integrated ESG Promotion Council
- Decision-making to drive key ESG strategy outcomes and strengthen synergies across affiliates
- Review of progress on key ESG initiatives by domain and enhancement of risk response capabilities for each agenda item

Strategy, Risks and Opportunities

To strengthen its structured response to climate change, SK Innovation established a Climate Change Response Framework in 2022 and has continued to enhance it. Reflecting the characteristics, urgency, and materiality of each business, 18 key risks and opportunities have been identified and are actively managed, serving as the foundation for ongoing strategic development.

Risks and Opportunities Assessment Method

Likelihood of Occurrence
- Historical Occurrence and Frequency
- Forecasts Based on External Climate Scenarios
- Expert Analysis

+

Impact Level

Financial	Strategic
Investment Plan and Projected Debt Scale	External Analysis, Assessment of External Environment Favorability, and FGI with Relevant Departments

Risks and Opportunities

Risks
- Decline in product competitiveness and market share due to imposition of carbon tax on products
- Increased compliance costs due to exceeding allocated emissions under Phase 4 of the Emissions Trading Scheme (ETS)
- Classified as a high-carbon industry, leading to intensified monitoring by major investors and stakeholders
- Loss of long-term carbon reduction cost savings due to rising electricity prices

Opportunities
- Opportunity to gain competitive advantage in the premium product market through sustainable aviation fuel and recycled naphtha products in response to stricter regulations on low-carbon certification and recycled material products
- Transitioning from a petroleum- and chemical-centered business model to an integrated energy solutions provider through merger with SK Innovation E&S, creating new growth opportunities
- Securing the trust of global investors and customers and establishing leadership in sustainable energy transition through expanded RE100 targets

Metrics and Targets

[SK Innovation Affiliates' Achievement of Net Zero by 2050 – α]

SK Innovation is committed to achieving its Net Zero targets through the identification of actionable reduction measures, regular reviews, and ongoing improvements.

Net Zero Target Setting → Identification and Execution of Net Zero and Carbon Reduction Opportunities → Regular Review of Emissions Management and Risk Factors → Strategy & Target Refinement and Adoption of New Technologies

Climate Action Initiatives (GHG Reduction) to Achieve Targets

Securing Carbon Reduction Measures and Advancing Renewable Energy Transition
- Development and expansion of carbon reduction technologies through technical council between headquarters and the Institute of Environmental Science & Technology
- Facility investments and on-site power generation expansion to address barriers to PPA (Power Purchase Agreement) adoption

Building a Sustainable Energy Ecosystem
- Exploring the introduction and utilization of carbon-free energy sources such as small modular reactors (SMRs) and hydrogen
- Identifying opportunities to develop next-generation energy solutions to lead the future energy market

Climate Change Response

Climate Change Response Management System

SK Innovation is strengthening ESG collaboration across SK Group and driving practical emissions reduction initiatives by business area, based on a structured management system that includes operation of an integrated ESG Council (ESG Meeting) and management of business-specific reduction targets. Through these efforts, it is leading the creation of company-wide outcomes in response to climate change.

Roles and Responsibilities of Management and the Board of Directors

SK Innovation's management regularly reviews key ESG strategies and performance through the integrated ESG council (ESG Meeting) and makes strategic decisions to enhance synergies among its affiliates. The Board of Directors, through the Strategy·ESG Committee, reviews the progress and achievements of the Net Zero roadmap and the mid- to long-term strategic direction, and deliberates and resolves key agenda items requiring board-level decisions. To reinforce credible execution, carbon emissions reduction targets are incorporated into the CEO's KPIs and linked to the compensation system.

Board Resolution on Climate Change Response

Date: June 12, 2024
Agenda Item: SKI Net Zero Roadmap Review (Report)

SK Innovation's Climate Change Response Governance Structure

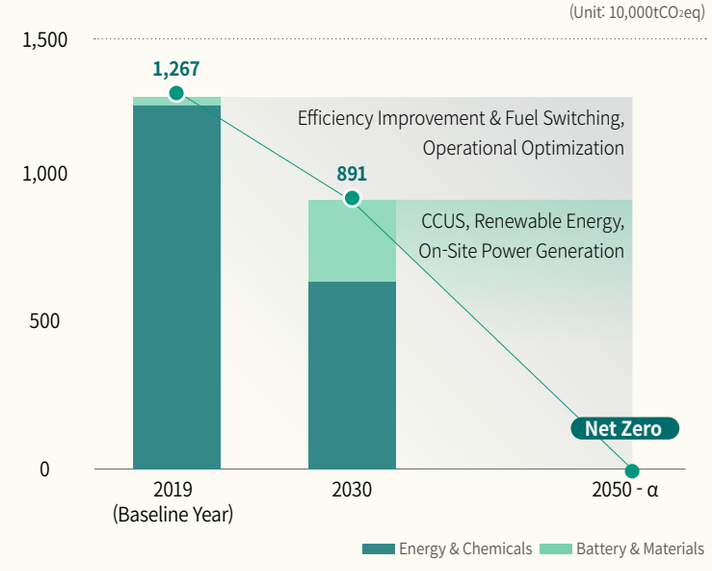
The ESG Implementation Office within SK Innovation, as an intermediate holding company, is responsible for formulating ESG strategies and supporting the management of implementation activities. It also conducts a preemptive review of potential risks in the implementation process and establishes response strategies to minimize negative impacts.

The ESG and Net Zero teams of each SK Innovation affiliate identify and implement practical reduction measures to mitigate the impacts of climate change within their respective business operations, thereby delivering tangible results. To further enhance accountability, KPIs linked to carbon emissions are established and integrated into the compensation system.

SK Innovation's Net Zero Strategy

SK Innovation has established a Net Zero roadmap aligned with its mid- to long-term business strategy. With a goal to achieve Net Zero greenhouse gas emissions before 2050, various reduction measures are being applied and evaluated, including energy efficiency improvements, fuel and feedstock switching, expansion of renewable energy, and CCUS (carbon capture, utilization, and storage). Scope 1 & 2 emissions are managed through defined targets and implementation plans, while Scope 3 emissions will be calculated and disclosed annually to enhance transparency and ensure systematic management. Moving forward, SK Innovation will continue to integrate business strategy with ESG management to deliver both environmental and economic value in a balanced manner.

Emission Reduction Targets for Scope 1 & 2 – SK Innovation Affiliates[1)]



1) Includes only Energy & Chemicals and Battery & Materials, excluding LNG & Power. SK Innovation E&S is presented on a separate page.

Strengthening Systematic Strategy and Execution for Net Zero

SK Innovation is pursuing a systematic and proactive strategy based on a company-wide integrated roadmap to achieve Net Zero (carbon neutrality) before 2050. Rather than remaining at the level of declaration, it is reinforcing concrete reduction efforts and internal innovation across all business areas and continuously enhancing processes to drive tangible change and outcomes. Scientific and actionable carbon reduction measures such as low-carbon fuel switching and energy efficiency improvements are being actively adopted, while efforts are also underway to expand circular business models—through energy-saving production processes, use of low-carbon feedstocks, and scaling of renewable energy—to drive continuous transition and innovation within the business portfolio.

Carbon Reduction Management System that Delivers Both Environmental and Economic Value

SK Innovation has established a carbon reduction management system that enables the realization of both environmental and economic value, and is achieving operational improvement based on strategic execution capabilities. It is promoting the transition and expansion of its business portfolio in connection with enhancing corporate value through a balanced transition, while adopting an Internal Carbon Pricing (ICP) system to factor greenhouse gas emissions into investment decisions. To enhance execution, carbon reduction performance and target achievement are linked to executive evaluations, while SK Innovation quantitatively measures and discloses emissions by site and product via its proprietary ESG data platform and secures data reliability through third-party verification.

Adaptive Strategies for Environmental Change and Responsible Execution

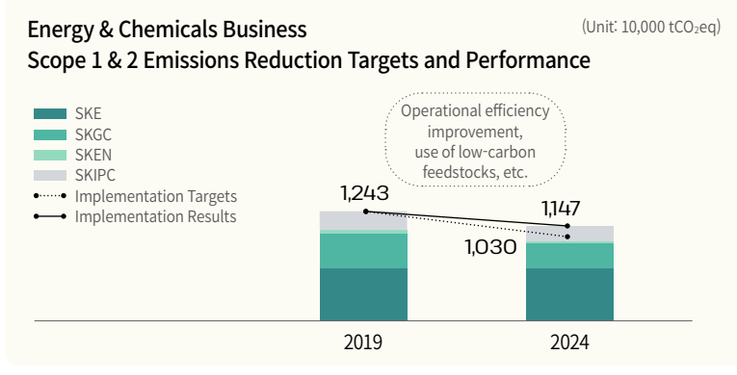
SK Innovation continuously reviews its reduction targets and execution strategies in response to changes in external conditions such as global policies, government regulations, technologies, and market dynamics, and swiftly adjusts them as necessary. While responding flexibly to change, it also builds trust through responsible actions by transparently disclosing outcomes and challenges across all stages of implementation.

Climate Change Response

Net Zero Emissions Performance and Plans for the Energy and Chemicals Business

SK Innovation's Energy & Chemicals business is transforming its business model toward low-carbon solutions in alignment with the company-wide strategy and introducing carbon reduction technologies to gradually reduce greenhouse gas emissions compared to 2019 levels. To achieve carbon neutrality, the strategy is being continuously refined based on multiple scenarios, with flexible responses planned to accommodate changes in the external environment. In production processes, low-carbon feedstocks are being adopted and process efficiency is being improved to structurally reduce greenhouse gas emissions. In the mid- to long-term, zero-carbon fuel switching and diversification of the energy portfolio are being pursued, with systematic management of energy consumption and emissions.

At major sites, low-carbon energy facilities are being introduced and in-house power generation systems are being upgraded to enhance energy efficiency and establish a stable energy supply base. SK Innovation plans to continue contributing to the achievement of carbon neutrality through technological innovation and facility upgrades. Although various direct reduction initiatives such as operational optimization, use of low-carbon feedstocks, and deployment of new facilities are underway, delays in the adoption of certain technologies mean that further efforts are required to meet reduction targets. Accordingly, a company-wide collaboration system will be established, and continuous improvement activities will be carried out to implement specific reduction initiatives.

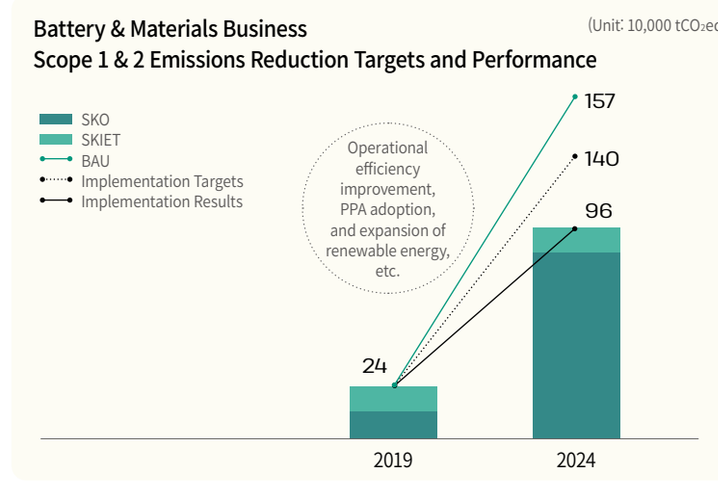


Net Zero Emissions Performance and Plans for the Battery & Materials Business

The Battery and Materials business has set greenhouse gas reduction targets relative to the Business As Usual (BAU) scenario and is making continuous efforts to achieve Net Zero while actively responding to changes in the business environment. In particular, strategies are being flexibly adjusted in response to external factors such as the rapid growth of the electric vehicle battery market, while implementation capabilities are being reinforced based on reduction roadmaps tailored to the characteristics of each business.

In addition, SK Innovation is diversifying its RE100 implementation methods to expand the use of renewable energy. The Battery and Materials business is also progressively introducing renewable energy across global sites and strengthening implementation in alignment with each site's specific targets.

Going forward, SK Innovation plans to build optimized renewable energy transition portfolios for each site by closely analyzing regional market conditions and procurement environments. Through these efforts, SK Innovation will establish a sustainable energy foundation and continue advancing its commitment to achieving Net Zero.

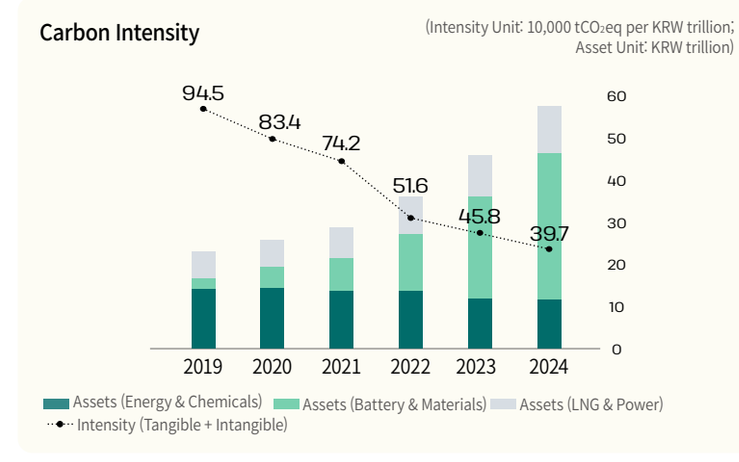


Net Zero Implementation Measures (Carbon Reduction Strategies)

SK Innovation is focusing on transitioning its business portfolio and securing new growth engines in alignment with its mid- to long-term business strategy. Practical reduction measures such as energy efficiency improvements, fuel and feedstock switching, expansion of renewable energy, and CCUS are being actively adopted and evaluated, while company-wide innovation initiatives are continuously driving progress toward Net Zero. In particular, SK Innovation uses the carbon intensity indicator to demonstrate the outcomes of portfolio transition and increased investment in green businesses such as batteries and materials. As the asset base of the Battery and Materials business continues to grow, the overall carbon intensity has steadily improved, evidencing the structural transformation of SK Innovation's business. Since 2024, SK Innovation has been measuring the financial performance of its green economic activities based on the K-Taxonomy, and plans to expand business operations and R&D initiatives that align with the environmental objectives of Section 1 Green Area in the K-Taxonomy.

Green Portfolio

Going forward, SK Innovation will continue to implement specific and actionable Net Zero strategies grounded in integrity and sustainability, creating both environmental and economic value.



Climate Change Response

Climate Change Response Activities

Transition to Low-Carbon Fuels

SK Innovation conducts in-depth analyses not only of the projected carbon emissions by feedstock type, but also of emission changes resulting from shifts in production volume and operating methods, pursuing both economic value and carbon reduction. In the short term, low-emission feedstocks are being introduced into production processes to structurally reduce greenhouse gas emissions from the early stages of manufacturing. Over the mid- to long-term, SK Innovation is promoting the transition to carbon-free fuels such as ammonia and plans to build a sustainable energy product portfolio.

Higher Process Efficiency and Energy Efficiency

To directly reduce greenhouse gas emissions during product manufacturing, SK Innovation is continuously improving operational efficiency across its facilities, including heat exchangers, process separation units, power source conversions, and rotating equipment. To systematically assess the achievement of energy-saving targets, energy consumption at each site is quantified, and third-party verification is conducted to ensure data reliability. At the Ulsan Complex in particular, energy consumption—used as the basis for calculating greenhouse gas emissions—is precisely measured using OASIS (Operation Advanced analysis Information System), which is built on standardized reference data, thereby enhancing the efficiency of energy management. Over the medium term, various reduction initiatives will be pursued, including reduced fuel consumption through the adoption of advanced catalysts and expanded use of low-carbon external steam.

Introduction of Gas Engine Cogeneration at SK Energy

SK Energy has installed a gas engine cogeneration system on the power boiler at its Ulsan Complex site. Independently designed in 2019, the system recovers exhaust heat from the gas engine generator and supplies it as fuel to the power boiler, utilizing 50 tons of high-temperature exhaust gas per hour to reduce the use of liquefied natural gas (LNG), the conventional fuel source. Following technical review and trial operation of the cogeneration system, SK Energy recently completed performance verification, expecting to reduce CO_2 emissions by approximately 40,000 to 50,000 tons annually and lower boiler operating costs by KRW 19.1 billion per year. In addition, SK Energy plans to generate 75.6 GWh of electricity annually using the gas engine generator. Moving forward, SK Energy aims to install additional distributed power generators near electricity-intensive processes to ensure both stable power supply and cost savings.

Replacement of In-House Power Generation Facilities at SK Geo Centric

SK Geo Centric's NEP (New Ethylene Plant) operates a self-generation facility that utilizes byproduct gas primarily composed of methane. The facility contributes to reduced fuel consumption and improved thermal efficiency by recovering waste heat exceeding 500°C from exhaust gases instead of using natural gas. SK Geo Centric is currently in the process of replacing the existing self-generation system with a new one.The new facility will have approximately 1.8 times the capacity of the current system (from 24 MW to 44 MW), which is expected to improve process efficiency through self-generation of electricity and steam, while significantly reducing nitrogen oxide emissions. This is expected to result in an annual reduction of approximately 10,000 to 20,000 tons of greenhouse gas emissions.

Introduction of Renewable Energy

SK Innovation is expanding the use of renewable energy by establishing various RE100 implementation measures. In the Energy and Chemicals business, renewable electricity is adopted following a comprehensive review of RE100 implementation methods, associated costs, investment feasibility, and economic viability. The Battery and Materials business is continuously increasing the share of renewable energy used at overseas sites to achieve its short- and mid-term targets.

Notably, SK On has begun the phased introduction of renewable energy at global sites, starting with its Hungarian facility, while SK IE Technology has been working toward achieving 100% renewable energy usage by 2030 following its participation in the RE100 initiative in 2021. SK Innovation will continue to closely examine regional renewable energy market conditions and procurement environments to build optimized renewable energy transition portfolios for each site.



Installation of Rooftop Solar Power Systems at SK IE Technology Business Sites

Climate Change Response

SK Innovation's Climate Change Mitigation Efforts

Internal Carbon Pricing

SK Innovation calculates an Internal Carbon Price (ICP) to support global climate action and the transition to a low-carbon society, incorporating it into its investment review procedures. This system serves as a practical measure that embodies SK Innovation's ESG management philosophy of managing carbon emissions and securing future competitiveness.

When evaluating potential investments, SK Innovation assigns a "value" to projects that are expected to reduce carbon emissions and a "cost" to projects that are expected to increase emissions. This approach enables a comprehensive evaluation of the economic feasibility of each investment.

Internal Carbon Pricing Framework

SK Innovation has established a dual-tier internal carbon price—distinguished by short- and mid-to-long-term timeframes—by comprehensively considering future carbon price scenarios aligned with the Paris Agreement, current ICP practices among domestic and global companies, and regional variations in emission allowance prices.

In addition, the internal carbon price is periodically updated by incorporating a range of external expert forecasts, the latest carbon pricing methodologies, and analytical techniques.

The established internal carbon price is applied to all strategic investment proposals submitted to the SK Innovation Investment Committee, as well as to key operational investment items expected to impact Scope 1 & 2 emissions.

Incorporation of ICP into Investment Review

Selection of investment proposals	· Selection of SK Innovation investment proposals and investment budget planning
Review of Economic Feasibility Reflecting Carbon Impact	· Evaluation of carbon impact and economic feasibility by proposal (Reflecting ICP and changes in carbon emissions) · Adjustment of emissions and economic impact issues between affiliates
Investment Project Proposal	· Investment proposals submitted after incorporating ICP into economic analysis such as Net Present Value (NPV) and Internal Rate of Return (IRR)
Investment Committee Review	· Review and deliberation by expert group (strategy, finance, legal, ESG, etc.) · Investment review based on the common profitability standards of SK Innovation affiliates
Board Submission and Resolution	· Board review and resolution on key risks, opportunities, and response plans for the investment project
Regular Monitoring and Post-Evaluation	· Verification of major issues such as changes in carbon emissions after investment · Review of annual carbon reduction target achievement

Just Transition

SK Innovation supports the goals of the Paris Agreement and recognizes the need to actively fulfill its social and environmental responsibilities, while ensuring fairness throughout both the process and outcomes of the transition to a low-carbon economy. In line with the Paris Agreement's principles of "Just Transition," SK Innovation is actively participating in climate action on the premise of creating quality employment. SK Innovation has identified four key stakeholder groups that are directly impacted by its business model transformation. Going forward, SK Innovation will continue transparent communication with internal and external stakeholders on its progress toward the SUPEX 2030 strategic goals and integrated Net Zero roadmap, while expanding tailored support programs for ESG ecosystem based on stakeholder feedback.

Status of Just Transition Support by Key Stakeholder Group

Employees

Career Development and Role Transition Support for Employees

SK Innovation operates a competency-based talent mobility program that enables employees to design and develop their own careers. Each department provides advance guidance on job-specific training courses (mySUNI Badge), and employees who complete the relevant programs are offered job transfer opportunities via O! JobS. Through this system, career transition pathways are established across diverse business areas, including from energy and chemicals to batteries, materials, and newly established units.
In addition, mySUNI Green College offers opportunities to acquire specialized knowledge essential for the transition to a low-carbon economy, including Net Zero, hydrogen, circular economy, and energy solutions.

Growth and Happiness of Employees

Suppliers

Customized Training, Consulting & Carbon Reduction Equipment Support Program

Based on the results of supply chain ESG risk assessments, customized consulting is provided to certain suppliers, including support for building greenhouse gas inventories and diagnosing and reducing energy usage. In addition, carbon reduction equipment is offered based on the consulting outcomes to improve energy efficiency and reduce emissions across the supply chain.

Supply Chain

Community

Strengthening Green Ecosystem Partnerships

Through a partnership with the Korea Institute of Startup & Entrepreneurship Development, SK Innovation operates the "EGG" program to identify and nurture promising startups in the low-carbon and environmental sectors.

Green Ecosystem Partnership Case

Customer

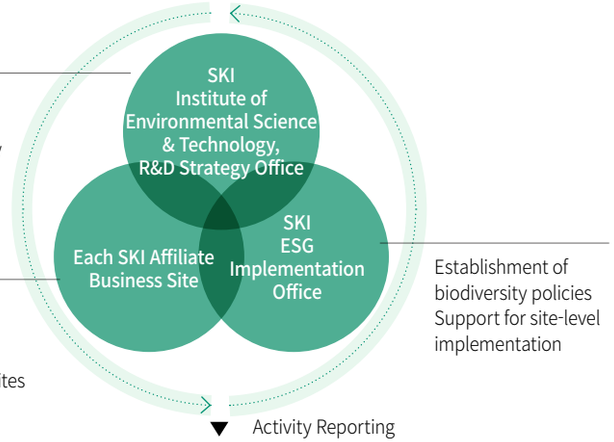
Energy Super Station Project

SK Innovation is collaborating with the Ministry of Trade, Industry and Energy, the Seoul Metropolitan Government, and the National Fire Agency to support the development of low-carbon business sites by installing solar power systems, fuel cell generators, and EV chargers at gas stations.

Biodiversity and Ecosystems

Biodiversity loss is a critical risk that threatens both nature and humanity, and maintaining a symbiotic relationship with ecosystems is essential for sustainable business operations. SK Innovation aims to achieve net positive impact on nature through biodiversity and ecosystem conservation activities. To this end, SK Innovation seeks to take a structured approach to biodiversity-related issues and identify response measures, based on the global biodiversity conservation targets discussed at the 16th meeting of the Conference of the Parties to the United Nations Convention on Biological Diversity (COP16), as well as the expectations and demands of stakeholders.

Governance, Risks and Opportunities



Quantitative and qualitative biodiversity assessment (Biodiversity Footprint Assessment, Statistical Analysis, Media Research, etc.)

Implementation of conservation activities for endangered species habitats near business sites

Establishment of biodiversity policies
Support for site-level implementation

Activity Reporting

ESG Meeting

Monitoring and management of biodiversity conservation activities implementation

Risks and Opportunities

Risks
- Costs incurred for habitat restoration in the event of biodiversity loss near business sites
- Supply instability of feedstock (natural capital) due to ecosystem degradation

Opportunities
- Building stable relationships with local communities near business sites
- Growing preference for and demand for products from companies with low biodiversity risk

Strategy

Assessment
Systematic Identification and Assessment of Nature-related Dependencies and Environmental Impacts

Activities
Development of Response Strategies and Implementation of Conservation Activities to Mitigate Identified Risks

L Locate
Natural Environment Analysis

E Evaluate
Measurement of Dependencies and Impacts on Natural Capital

A Assess
Assessment of Risks and Opportunities

P Prepare
Development, Implementation, and Disclosure of DIRO[1]-Based Response Strategies Grounded in AR3T[2] Analysis

- **Avoid/Reduce**
  Risk Avoidance and Mitigation
- **Restore/Regenerate**
  Promotion of Ecosystem Protection and Restoration Activities
- **Transform**
  Adoption of Low-Dependency and Low-Impact Technologies and Supply Chains

Cooperation
Continuous Expansion of the Scope and Effectiveness of Ecosystem Protection Efforts through Close Collaboration with Diverse Stakeholders

1) Dependency, Impact, Risk, Opportunity: A framework for assessing biodiversity elements including dependencies, impacts, risks, and opportunities
2) Avoid–Reduce–Restore/Regenerate–Transform: A strategy to minimize environmental impacts, restore ecosystems, and achieve sustainable transformation

Metrics and Targets

Application of the TNFD[3] LEAP[4] Approach

2023	2024	2025
Application of the LEAP Approach at One Pilot Site	Application of the LEAP Approach and Direct Conservation Activities at Key Domestic Sites	Expansion of LEAP Application Sites and Conservation Activities

Achievement Strategy

- **Utilization of Global Standards and Guidelines**
  Assessment based on the TNFD LEAP approach, incorporation of ESRS E4 Biodiversity and Ecosystems standard, and development of assessment methodologies (e.g., Biodiversity Footprint Assessment)
- **Collaboration with Stakeholders**
  Implementation of joint projects through partnerships with external expert organizations and local communities near business sites

3) Taskforce on Nature-related Financial Disclosures: A collaborative initiative for nature-related financial disclosure
4) LEAP Approach: Locate nature interactions, Evaluate dependencies and impacts, Assess risks and opportunities, and Prepare mitigation measures and disclosures

Biodiversity and Ecosystems

Biodiversity Protection Activities

Assessment Methods and Results for Biodiversity Impacts

Recognizing the significance of natural capital loss as a potential business risk, SK Innovation conducted a pilot assessment in 2023 on nature-related risks and opportunities—including biodiversity—by applying the TNFD-based LEAP approach at SK Incheon Petrochem. In 2024, the assessment was further refined to include both qualitative and quantitative analyses covering the business operations and surrounding areas of the Ulsan Complex, as well as its value chain.

L E A P

Locate – Natural Environment Analysis

Methodology

Protected species and conservation areas within and around the Ulsan Complex are systematically identified using tools such as CBD-CHM[1] KOREA, Environmental Impact Assessments[2], IBAT[3], and the WWF Risk Filter[4].

Environmental Impact Assessment
(Natural Environment Survey)

CBD-CHM KOREA

IBAT

WWF

▶ Application

Ulsan Complex

Identification of Protected Species and Conservation Areas within and around the Ulsan Complex

Resolution Outcome

Protected Species

Identification of 12 Endangered Species (Including 9 Bird Species*) in Nam-gu, Ulsan Metropolitan City, and Nationally Protected Species Such as the Eagle Owl Near the Ulsan Complex

* Yellow-billed Egret, Osprey, Eurasian Sparrowhawk, Eurasian Hobby, Black Kite, Eagle Owl, Northern Goshawk, Upland Buzzard, Kentish Plover

Protected Areas

Identification of Special Wildlife Protection Zones and Migratory Bird Habitats in Nam-gu, Ulsan Metropolitan City

Evaluate – Measurement of Dependencies and Impacts on Natural Capital

Methodology

Qualitative and quantitative evaluations of the Ulsan Complex and its value chain's impacts and dependencies on ecosystems are conducted using the Biodiversity Footprint Assessment, ENCORE[5], and additional sector guidance from TNFD for the Oil and Gas and Chemicals industries.

Impact and Dependency Assessment

Qualitative Assessment (ENCORE, TNFD Additional Sector Guidance)

- Water Resource Use
- Discharge of Water/Air Pollutants (Impact on Habitats & Species)

Quantitative Assessment (Biodiversity Footprint Assessment)

- Greenhouse Gas Emissions From Production Activities
- Habitat Impacts Due to Use of Land-Intensive Biofuels and Feedstock
- Air Pollutant Emissions From Heavy Fuel Oil Combustion in Marine Transportation

What Is a Biodiversity Footprint Assessment?

A technique based on Life Cycle Assessment (LCA) that quantifies the ecological impact of business activities by expressing biodiversity loss in terms of species loss.

Impact Drivers
- Greenhouse Gas Emissions
- Land Use
- Water Use
- Pollutant Emissions
- ...

→

Ecosystem Impacts
- Climate Change
- Habitat Loss
- Water Scarcity
- Ecotoxicity
- ...

→ **Biodiversity Footprint**

Resolution Outcome

Biodiversity Impact Assessment Results by Value Chain Stage for Business Units Within the Ulsan Complex



1) Clearing-House Mechanism: A platform established under the Convention on Biological Diversity that provides comprehensive national biodiversity information and statistics
2) Environmental Impact Assessment: A process conducted under the Environmental Impact Assessment Act to comprehensively predict and evaluate environmental impacts, including natural environment surveys in the area of ecological and environmental conservation
3) Integrated Biodiversity Assessment Tool: A tool that provides integrated assessments of biodiversity
4) World-Wide Fund for Nature Risk Filter: An environmental and social risk assessment tool developed by the WWF for corporate use
5) Exploring Natural Capital Opportunities, Risks and Exposure: A tool developed under the Taskforce on Nature-related Financial Disclosures (TNFD) to assess dependencies and impacts on natural capital

Biodiversity and Ecosystems

To effectively mitigate various risks identified across Ulsan Complex operations and overall business activities—and to transform these into new opportunities—SK Innovation has defined Avoid/Reduce and Transform strategies utilizing advanced technologies and R&D capabilities. In addition, Restore/Regenerate strategies are being pursued with a focus on species protection and habitat restoration, aimed at strengthening collaboration with local communities and fulfilling social responsibilities. Through this integrated strategic approach, SK Innovation not only promotes sustainable development and ecosystem recovery but also contributes to enhancing corporate competitiveness and creating social value.

Assess – Assessment of Risks and Opportunities

Methodology

Key risks and opportunities are identified based on data derived from the Locate and Evaluate phases. This process serves as a critical foundation for establishing effective response and improvement strategies.

Risk

Physical Risks	Chronic	R1	Gradually Emerging Risks
	Acute	R2	Acutely Emerging Risks
Transition Risks	Policy	R3	Risks Arising From Policy Implementation
	Market	R4	Risks Arising From Market Changes
	Technology	R5	Risks Arising From Product and Service Substitution
	Reputation	R6	Risks to Corporate Reputation
	Liability	R7	Risks Arising From Legal Liability

Opportunity

Resource Efficiency	O1	Efficiency Improvement and Cost Reduction
Products / Services	O2	Creation of Products and Services
Market	O3	Entry Into New Markets
Reputation	O4	Enhancement of Corporate Image

Resolution Outcome

Identified Risks and Opportunities

A total of seven risks and six opportunities were selected based on key dependency and impact drivers.

Resolution Outcome

R1	Increased Capital Expenditures to Adapt to Reduced Water Supply
R2	Damage, Insurance Costs, and Operational Disruptions in the Event of Pollutant Exposure
R3 R7	Fines Imposed for Exceeding Permissible Limits of Water and Air Pollutants
	Restrictions on Marine Operations by the IMO[1] for Exceeding Sulfur Content Standards
	Mandatory Increase in Biodiesel Blending Ratios and SAF[2] Adoption Requirements
R4/R5	Competition for Bio- and Waste-Derived Feedstocks and Costs of Technology Transition
R6	Decline in Corporate Valuation in the Absence of Strategy or in the Event of Exposure Incidents
O1	Reduction in Treatment Costs
	Operational Stability Through Resource Security
	Improved Efficiency Through Process Optimization
O2	New Product Development and Entry Into Emerging Markets
O3	Enhanced Supply Chain Resilience
O4	Creation of Social Value and Enhancement of Corporate Image

1) International Maritime Organization
2) Sustainable Aviation Fuel

Prepare – Development, Implementation, and Disclosure of Response Strategies

L E A P

Methodology

In the Prepare phase, concrete actions and direct conservation measures are designed and translated into implementation plans to address the identified risks and opportunities, following the AR3T framework. This approach enables the development of practical response strategies for ecosystem conservation and effectively enhances risk prevention and opportunity utilization.

Outcome **Response Strategies and Activities**

Avoid, Reduce	Avoidance and Minimization Strategies	· Advancement of Water Treatment Technologies · Water Reuse · Establishment and Implementation of Net-Zero Targets
Restore, Regenerate	Restoration and Regeneration Strategies	· Creation of Habitats for Endangered Species Near the Ulsan Complex · Establishment of Monitoring Systems for Endangered Species
Transform	Transformation Strategies	· Improvement of Feedstock Efficiency and Diversification of Feedstock Sources · Introduction of Co-processing[3] Technology for the Production of Low-Carbon Products Such as SAF · Investment in UCO[4] Suppliers with Low Land Dependency and Utilization of Bio-Naphtha · Blending of Low-Sulfur Heavy Fuel Oil and Development of Alternative Marine Fuels

3) Co-processing: A technology that simultaneously processes petroleum-based materials with bio-based and waste-derived feedstocks
4) Used Cooking Oil

Biodiversity and Ecosystems

Biodiversity Protection Activities

Watch the Conservation Activities Documentary

Since 2024, SK Innovation has adopted the LEAP approach to conduct environmental impact assessments in areas surrounding the Ulsan Complex site. Through this assessment, it was confirmed that certain wildlife species, including birds of prey and nationally protected species, inhabit the vicinity of the site. Among them, birds of prey serve as umbrella species that help maintain ecological balance. Umbrella species occupy wide home ranges and are positioned at the top of the food chain, meaning that conservation efforts targeting these species broadly benefit the survival of other species, thereby supporting the preservation of the ecosystem as a whole. SK Innovation has designated three nationally protected birds of prey—the Eagle Owl, the Common Kestrel, and the Eurasian Sparrowhawk—as priority conservation targets to help enhance the health of the local ecosystem. Collaborating with local stakeholders, SK Innovation is creating habitats for these birds of prey and monitoring the stability and restoration effectiveness of the newly established habitats.

1 Environmental Impact Assessment at the Business Site

Environmental impact assessment conducted in areas surrounding the Ulsan Complex by adopting the LEAP approach

2 Biodiversity Identification

A survey of bird habitats near the Ulsan Complex site (Ulju-gun) was conducted in collaboration with the Korea Institute of Environmental Ecology, identifying 106 species and 9,819 individuals, including 15 nationally protected species such as the Eurasian Sparrowhawk, Eagle Owl, and Common Kestrel.

3 Selection of Habitat Creation Site for Birds of Prey

In collaboration with the Korea Institute of Environmental Ecology, a study on habitat and breeding characteristics of birds of prey was conducted through analysis of nine nests, followed by the identification and evaluation of potential sites for new habitat creation

Eagle Owl | Common Kestrel | Eurasian Sparrowhawk

4 Stakeholder Collaboration



In collaboration with key stakeholders, a decision was made to create habitats on Ulsan City-owned public land, which includes valleys, wetlands near reservoirs, grasslands with active rodent populations, and cut slopes—areas suitable for foraging by birds of prey.

Ulsan City Hall Green Park Division + Ulsan Wildlife Rescue and Management Center + SK Innovation + Thanks Carbon[1] + Korea Institute of Environmental Ecology

5 Habitat Creation and Ecosystem Restoration

In collaboration with Ulsan City Hall,

1. Ecological ponds were created and deciduous shrubs were planted to establish habitats for prey species at the lower end of the food chain that support birds of prey.
2. Perches and artificial nest boxes were installed to provide safe breeding environments.
3. Regular food supply was implemented to directly contribute to the increase in population numbers.

Samgwang-ri, Onyang-eup, Ulju-gun

Approximately 1,000m^2 of Habitat Created





6 Release of Rehabilitated Eagle Owls

Two rehabilitated Eagle Owls were equipped with GPS trackers and released into designated habitats

7 Effectiveness Monitoring of Activities

Monitoring of bird of prey movement paths and assessment of habitat stability to evaluate the effectiveness of habitat restoration

1) A startup selected for the 4th phase of "EGG," SK Innovation's environmental startup promotion program, specializing in the development and execution of biodiversity projects

SK Innovation E&S Report: Environmental Report in Report

SK Innovation E&S contributes to national energy supply stability and the transition to a decarbonized society through its LNG value chain, renewable energy, hydrogen, and energy solution businesses. In the long term, it aims to achieve net-zero emissions by 2040 through the application of carbon reduction technologies in LNG power generation and fuel conversion to hydrogen. SK Innovation E&S implements systematic environmental management in accordance with domestic and international environmental regulations, ISO 14001 (Environmental Management System), and Integrated Environmental Management Plans, while actively supporting its subsidiaries and business sites in strengthening their environmental management capabilities through the establishment of environmental systems, acquisition of certifications, and provision of training.

Climate Action Strategy

Responding to climate change and transitioning to clean energy are critical missions that determine the viability of companies in the energy industry. SK Innovation E&S addresses climate-related risks by establishing a company-wide risk management system as well as formulating and executing business strategies that increase the share of new energy sources such as renewables and hydrogen. Each business unit—covering power, LNG value chain, hydrogen, renewable energy, and city gas—continuously monitors climate-related issues, formulates response measures through the Net Zero Promotion Council, and reports regularly to executive management.

Linkage with SK Innovation's Material Topics

Greenhouse Gas Emission Reduction

2040 Net Zero Roadmap

Taking into account the Paris Agreement's goal of limiting the global average temperature rise to 1.5°C, the IPCC Special Report on Global Warming of 1.5°C, and Korea's 2050 carbon neutrality scenario, SK Innovation E&S has established a Net Zero target and implementation plan to be achieved by 2040—surpassing the national NDC—as a responsible energy company.

Achieving Net Zero for SK Innovation E&S, which supplies energy based on LNG power generation, requires the application of direct carbon reduction technologies such as CCUS, alongside advancements in the production and management of new clean energy sources including hydrogen, renewables, and energy solutions. SK Innovation E&S has designated the development and acquisition of such clean technologies as a core strategic priority and is managing these initiatives accordingly. Furthermore, by internalizing CCUS technologies to enhance economic feasibility and expanding renewable energy projects in developing countries, SK Innovation E&S aims to establish itself as a global energy company at the forefront of the transition to a low-carbon economy.

2021 — Establishing and Announcing the Net Zero Target

- Estimating annual emissions and developing reduction strategies, setting the Net Zero target for 2040
- Forming and operating the Net Zero Promotion Council

2022~2034 — Applying and Securing Clean Technologies to Achieve Net Zero

- **Securing carbon capture technology**
  - Prioritizing application of carbon capture technology for high-concentration carbon emission processes (Barossa Gas Project in Australia)
  - Acquiring carbon capture technology applicable to low-concentration emission processes through partnerships and support for technology ventures
- **Securing Carbon Storage Capacity**
  - Supporting international CO_2 transport agreements
  - Securing storage at East Timor Bayu-Undan offshore gas field
- **Enhancing energy solution technologies and capabilities through operating Busan JeongKwan Energy**

2022~2034 — Expanding New Energy and Energy Solutions

- **Expanding Renewable Energy Business**
  - Developing domestic and international solar power and offshore wind projects
  - Increasing direct renewable energy supply through PPAs
- **Building the Hydrogen Industry Ecosystem**
  - Developing liquefied hydrogen supply and stimulating demand
  - Exploring blue hydrogen production using LNG
- **Advancing a Global Power Value Chain Integration Model Based on Distributed Power and New Energy**
  - Integrating LNG value chain capabilities with renewable energy, hydrogen, and energy solutions to meet diverse customer energy needs
- **Diversifying Global Business**
  - Expanding new energy businesses in emerging markets such as Vietnam
  - Pursuing grid solutions, solar power and EV charging businesses in the USA

2035~2040 — Applying CCS and Pure Hydrogen Combustion to LNG Power Generation

- **Implementing CCS technology at LNG power plants**
- **Converting combined heat and power (CHP) plants to full hydrogen-fueled power plants**

Direct Carbon Emission Reduction → **Offsetting Residual Emissions after Maximizing Direct Reductions**

Achieving Net Zero by 2040 and Establishing Ourselves as a Sustainable Energy Solution Optimizer

SK Innovation E&S Report: Environmental

Low-Carbon and Eco-Friendly Energy Supply and R&D

SK Innovation E&S is committed to expanding the supply of sustainable energy as a responsible energy company. In addition to ensuring the stable supply of energy through the LNG value chain, the company is continuously increasing the share of renewable energy, hydrogen, and energy solutions, thereby contributing to the transition to a decarbonized society. The company is also actively engaged in low-carbon R&D to reduces carbon emissions from the LNG value chain. To this end, the Net Zero Technology team forms strategic partnerships with companies possessing CCUS technology to enhance its technical capabilities, while also collaborating with government research institutes and technology ventures to develop clean technologies. Furthermore, to provide a sustainable solution to future energy challenges, SK Innovation E&S aims to deliver customized Power Solution Packages by leveraging synergies across its business capabilities to meet both customer needs and regional conditions.

Linkage with SK Innovation's Material Topics

- Expansion of Investment in Green Portfolio Businesses
- Greenhouse Gas Emission Reduction

① Low-Carbon LNG

SK Innovation E&S, as the largest private LNG importer in Korea with approximately 6 million tons imported annually, contributes to stable energy supply across the entire value chain—from development to power generation. Plans are underway to apply commercially available CCS (Carbon Capture & Storage) technologies to LNG production to create low-carbon LNG, while also exploring the long-term deployment of carbon capture technologies in LNG power generation. The Barossa gas field in Australia, which is scheduled to begin commercial production in 2025, is expected to capture CO_2 using CCS technology and store it in the depleted Bayu-Undan gas field in Timor-Leste.

③ Hydrogen Energy

Hydrogen is a key energy source for achieving carbon neutrality, and SK Innovation E&S is building a hydrogen business foundation that spans the entire value chain—from production to supply and distribution. Following the completion of the Incheon hydrogen liquefaction plant in May 2024 and the start of commercial operation in September, SK Innovation E&S is currently producing approximately 31,000 tons of liquefied hydrogen annually. The hydrogen produced is supplied for industrial use and as fuel for hydrogen buses, with supply agreements covering a total of 6,180 hydrogen buses as of March 2025. While gradually securing hydrogen infrastructure and distribution networks, SK Innovation E&S is also actively pursuing entry into the global hydrogen market, with a particular focus on Asia through partnerships and investments with leading technology companies.

② Renewable Energy

By expanding solar and wind-based renewable energy, SK Innovation E&S operates a PPA (Power Purchase Agreement) business that supports RE100 implementation by domestic and global companies. As of May 2025, SK Innovation E&S holds a renewable energy pipeline of approximately 5 GW, including 1.5 GW in commercial operation. Commercial operation of Jeonnam Offshore Wind Power Project Site 1 began in May 2025, with expected annual power generation of approximately 290,000 MWh and an anticipated CO_2 emissions reduction of 140,000 tons compared to conventional electricity use. SK Innovation E&S aims to secure a total of 3.8 GW of commercially operational assets by 2030.

④ Energy Solutions

Energy solutions include grid solutions for power network efficiency, small-scale power solutions based on distributed energy resources, and mobility solutions focused on EV charging. The grid solution segment achieves up to a 7% reduction in peak power usage through an integrated Energy Management System (EMS) and optimizes Energy Storage System (ESS) operations. In the mobility solution segment, SK Innovation E&S plans to install an additional 5,000 EV chargers by 2025, resulting in a total infrastructure of 10,000 chargers.

Commercial Operation of Jeonnam Offshore Wind Power Project to Begin (May 2025)



Key Areas of Energy Solutions

Grid Solutions
Support for the Expansion of Renewable Energy and Electric Vehicle Adoption

Distributed Energy Resource (DER) Solutions
Improvement of Energy Efficiency and Support for Renewable Energy Use

Mobility Solutions
Utilization of EV Charging and Discharging Infrastructure and Energy Management

SK Innovation E&S Report: Environmental

SK Innovation E&S Environmental Management

SK Innovation E&S carries out various support initiatives to strengthen the environmental management capabilities of its business sites. In particular, the company provides SHE (Safety, Health, and Environment) diagnostic consulting to its subsidiaries to support the establishment and improvement of environmental management systems, helping each site operate its environmental management system reliably.

For example, SK Innovation E&S identified environmental risks and provided solutions for operating power plants and facilities such as Paju Energy Service and Yeoju Energy Service. For sites in the early stages of commercial operation, timely diagnostic consulting was conducted to establish environmental management and SHE indicator management systems. Since 2017, SK Innovation E&S has operated an Environmental Working Group composed of the head office and eight subsidiary sites[1]. Through this group, SK Innovation E&S promotes collaborative activities to enhance environmental performance such as ensuring legal compliance, sharing environmental issues across sites, and identifying of company-wide improvement initiatives.

1) Narae Energy Service (Hanam, Wirye), Paju Energy Service, Yeoju Energy Service, Busan JeongKwan Energy, Busan City Gas (Myeongji District Energy), Jeonbuk Energy Service (Steam Plant), IGE (Incheon Hydrogen Liquefaction Plant)

Linkage with SK Innovation's Material Topics

Environmental Management Practices

SHE (Environmental) Diagnostic Consulting

SK Innovation E&S regularly conducts inspections and monitoring to strengthen the environmental management systems across all business sites, continuously striving to minimize the environmental impacts of its operations. In particular, SHE diagnostic consulting is performed for one or two subsidiaries each year to evaluate their environmental management capabilities and identify improvement areas. This process is carried out in close cooperation with subsidiaries to define the scope and targets, with actionable solutions provided through detailed outcome reports—serving as a platform for proactive and collaborative problem-solving, rather than as a one-way top-down directive.

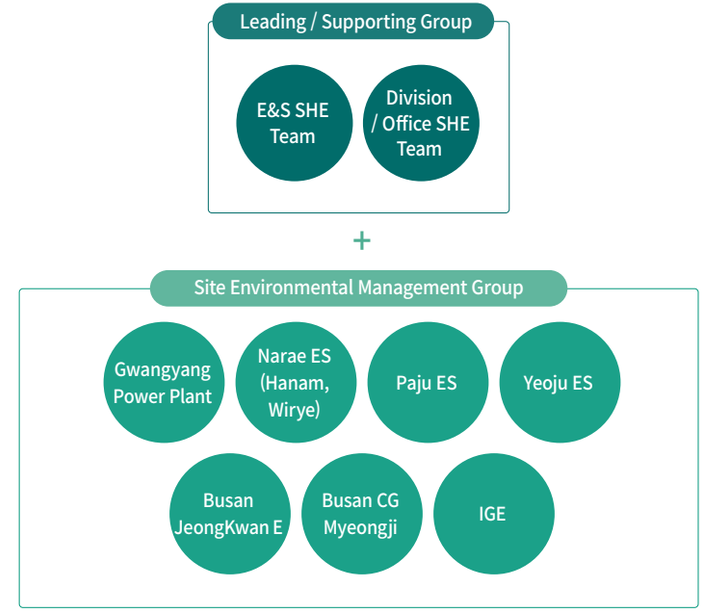
SHE (Environmental) Focus Inspections

SK Innovation E&S has introduced SHE Focus Inspections to enhance subsidiaries' execution of environmental management and to prevent major incidents. Using tailored SHE checklists for each subsidiary, SK Innovation E&S inspects 15 sites across 7 subsidiaries, ensuring that any identified improvement items are promptly addressed. Furthermore, systematic support for legal compliance is provided through various means, including regulatory management via the SHE IT system and biannual compliance inspections.

Environmental Working Group

SK Innovation E&S has established an Environmental Working Group that connects the corporate environmental management team, business divisions, and sites, serving as a communication channel and platform for integrated collaboration across the organization. The group enables swift response to environmental risks and facilitates the company-wide sharing of lessons learned and best practices to elevate the environmental management standards across all sites.

Composition of the Environmental Working Group



Plant Sites with Emission Facilities

Safety and Health

SK Innovation continuously strengthens its systems, capabilities, and culture to foster shared growth and development with society by minimizing safety incidents and regulatory violations, based on its proprietary SHE (Safety, Health, and Environment) management framework. Leveraging the executional capacity of established systems and the expertise of its organization and personnel, SK Innovation aims to enhance technical capabilities and cultivate a safety and health management culture among employees under the leadership of management. To this end, technical expertise for managing major accident risks will be secured, and SHE execution grounded in principles and procedures will be reinforced to establish a sustainable workplace.

Governance

CSO[1)]

- Establishment of annual safety and health management plan and reporting to the Board of Directors
- Monitoring compliance with the Serious Accidents Punishment Act through the Safety and Health Management Committee

Dedicated Safety and Health Group

- Establishment and implementation of a safety and health management system to prevent serous accidents

SHE Management Department

- Development and execution of SHE strategy and enhancement of site-level SHE performance

1) Maintain independent SHE management between SK Innovation and affiliates based on appointment of CSOs for each affiliate
– SK Innovation and affiliates establish and operate safety and health management systems under the leadership of their respective CSOs (or the CEO in the case of SKIPC)

Policy

Safety, Health, and Environment (SHE) Policy

To ensure consistent and unified SHE management across SK Innovation affiliates, common SHE policy has been established, and site-level SHE procedures are operated to reflect business and site-specific characteristics.

Strategy, Risks and Opportunities

Strategy

1 Accident Prevention

- Enhanced on-site inspections to improve execution of standards and procedures
- Strengthening employee SHE competency to establish a safety-oriented culture

2 Compliance Risk Management

- Assessment and improvement of regulatory compliance at sites
- Monitoring policy and regulatory trends and taking proactive measures

3 Advancement of the Management System

- Improvement of SHE management level using AI/DT technologies
- Establishment and operation of preventive health management systems

Risks and Opportunities

Risks

- Production interruption and property loss due to fire or explosion incidents
- Human injury involving employees or contractors (or suppliers) during hazardous chemical handling or high-risk tasks
- Operational suspension, criminal penalties, and reputational damage resulting from SHE regulatory violations

Opportunities

- Accident prevention through proactive and preventive safety and health systems
- Elimination of compliance risks by establishing standards that exceed legal and global standard
- Enhancing safety management through AI/DT-based analysis of safety and health data

Metrics and Targets

LTIR[2)]

Implementation Plan

2024	2025	2026
0.125	0.096	0.068

- **Identification and Elimination of Risk Factors**
  Preemptive elimination of risk factors through enhanced risk assessment and improved on-site implementation
- **Enhancement of SHE Competency**
  Ongoing training to strengthen SHE awareness and competency of employees and contractors

Goal
Achieve an LTIR of 0.068 by 2026



2) Lost Time Incident Rate: Represents the rate of incidents resulting in one or more days of lost work per 200,000 hours worked (equivalent to 100 workers per year), calculated based on domestic employees and partner company workers.

Safety and Health

SHE Management System

SK Innovation operates a unique SHE (Safety, Health, and Environment) management system, ensuring the its' effectiveness based on programs and policies aimed at SHE capabilities' improvement and a SHE culture establishment.

SK Innovation SHE Management System

SHE Policy

SK Innovation pursues mutual growth and development by earning trust from society through accident-free operations and eco-friendly management, grounded in the philosophy of "sustained happiness for members and stakeholders." To achieve this, safety, health, and environmental (SHE) management is defined as a top priority, with standards established and implemented that exceed legal requirements and global benchmarks. Performance outcomes are disclosed transparently to serve as a role model for both domestic and global peers in the industry.

Safety and Health
- By continuously improving and proactively preventing risks related to people and facilities, SK Innovation takes the lead in building a safe and healthy society.
- By fostering a mature safety culture and advancing safety technologies, SK Innovation plays a leading role in elevating the overall level of occupational health and safety in society.

Environment
- The global environment is preserved by reducing greenhouse gas emissions and minimizing pollutants.
- Through the development of eco-friendly technologies and sustainable business operations, new environmental value is continuously created, driving innovation in future energy.

SHE Management System



SHE Capability and Culture

SHE Competency Enhancement

Organization and Personnel
- Training on Legal and Regulatory Compliance
- Ensuring SHE Personnel Expertise

Technology
- Conducting and Managing Process and Job Risk Assessment
- Installation, Operation, and Diagnosis of Safety, Firefighting, and Environmental Facilities

Fostering a SHE-Oriented Culture

Leadership
- Securing and Communicating Mgmt. Commitment
- Establishing SHE Goal Management and Performance Evaluation (KPI)

Discipline and Policies
- Establishing and Implementing Safety Golden Rules (SGRs) by Business Site
- Internal and External Diagnosis of System and Regulatory Implementability

Motivation
- Employee Incident/ Violation Follow-up Actions and Reward System
- Contractor Penalty and Incentive Program

Safety and Health Management System Certification

SK Innovation has implemented occupational health and safety management systems at wholly owned production sites, with 14 out of 16 sites either certified under ISO 45001 or operating under the Process Safety Management (PSM) system. For refinery and petrochemical sites subject to legal requirements, an enhanced PSM system focused on the prevention of major accidents is in place. Sites not subject to PSM requirements pursue safety management by obtaining ISO 45001 certification, a general industry standard, or by implementing their own proprietary management systems.

Safety and Health Management System Certification Status

Category	Country	Production Site	Certification	Validity Period
SKE	Korea	Ulsan Complex	PSM	2027
SKGC	Korea	Ulsan Complex	PSM	2027
			ISO 45001	May 21, 2028
	Spain	SKPE	ISO 45001	November 9, 2026
	France	SKFP	ISO 45001	May 9, 2026
SKO	Korea	Seosan	ISO 45001	December 23, 2025
	USA	SKBA	ISO 45001	December 23, 2025
	China	SKOJ	ISO 45001	December 23, 2025
	Hungary	SKOH	ISO 45001	December 23, 2025
		SKBM	ISO 45001	December 23, 2025
SKEN	Korea	Ulsan Complex	PSM	2026
	China	SKENC	ISO 45001	September 20, 2027
SKIPC	Korea	Incheon Complex	PSM	2026
			ISO 45001	December 12, 2026
SKIET	Korea	Jeungpyeong[1)]	PSM	2028
	Poland	SKBMP	ISO 45001	January 1, 2026

1) Acquired by contract manufacturing partner

Safety and Health

Workplace Safety Management

Emergency Response Management System

SK Innovation has established an emergency response policy and operates a management system to protect people, the environment, and assets from internal emergencies—such as fires, explosions, spills, and chemical accidents—as well as natural disasters including typhoons, heavy rainfall, and earthquakes. Each site has an emergency response team in place to ensure swift communication and action during crises, ensuring early response at the process level under a structured chain of command from on-site commanders to overall site managers. All SK Innovation sites conduct joint emergency response drills annually in accordance with site-specific training plans.

2024 Emergency Response Training Status

Fire/Explosion Incident Response Training	Hazardous Substance Spill Response Training	Rescue Training	Total
194 sessions	93 sessions	62 sessions	**349 sessions**

Emergency Response Grades Definition

SK Innovation classifies emergency response grades into four tiers based on the scope and potential escalation of SHE incidents, and progressively expands the emergency response organization according to each grade.

- **Grade 4** — Incidents that can be handled through emergency response at the plant level
- **Grade 3** — Incidents with potential for human, material, or environmental damage to spread across the site
- **Grade 2** — Incidents requiring company-wide emergency response led by the affiliate CEO
- **Grade 1** — Incidents requiring emergency response across all affiliates, led by the SKI CEO

Business Site SHE Audit

SK Innovation conducts SHE audits to ensure compliance with SHE regulations, implementation of the SHE management system, and elimination of SHE risk factors. SHE audits are categorized into regular audits, conducted in accordance with the annual audit plan, and special audits, carried out at the direction of the CEO, CSO, or site general managers. The department responsible for auditing each site establishes the annual audit plan at the beginning of the year and reports it to management. They prepare an audit checklist according to the audit target, type, and scope, in advance. After the audit, identified issues must be addressed through corrective action plans developed and implemented by the audited department, while the audit lead department verifies and inspects the results of these actions.

Detailed SHE Audit for Business Sites

Category	Audit Method	Audit Scope (Frequency)
Regular	Conducted in Accordance with the Annual Audit Plan (Reported to Executive Management at the Beginning of the Year)	Domestic: Every 1 Year Overseas: Every 2–3 Years
	External Audits	PSM Sites: Every 2 Years
	External Audit by ISO Certification Bodies	ISO Sites: Every 1 Year
Special	Conducted as Needed under the Direction of the CEO, CSO, or Site General Manager	Domestic and Overseas: Ad Hoc

2024 SHE Audit Status

For domestic sites, SK Innovation's SHE Office conducts internal audits annually. In 2024, the audit scope was expanded beyond existing production facilities to include sites with management gaps, enabling self-assessments of regulatory compliance at each site to mitigate legal risks. In addition, although it is not a production facility, a compliance review of the Environmental Science and Technology Institute—where latent hazards may exist—was conducted to assess SHE implementation and drive improvements. In 2025, SK Innovation plans to assess and enhance the level of standard and procedure implementation to embed a stronger SHE practice culture at its sites.

For overseas sites, audits on SHE systems, implementation, and regulatory compliance are conducted on two or three year cycle. In 2024, core SHE management standards for overseas operations were established based on essential SHE requirements and incorporated into the procedures of six sites. Construction safety assessments were also conducted at project sites to prevent major industrial accidents. In 2025, SK Innovation will support procedural revisions at sites where core SHE standards have not yet been applied, while implementation levels at existing sites will be evaluated and improved.

Summary of 2024 Audits and Assessments

Category	Key Focus Areas of Audits and Assessments
Domestic	· Focused inspections on emergency response, maintenance management, and work safety at vulnerable facilities such as annexes, office buildings, and cafeterias · Assessment of safety management procedures and implementation at retail sites such as gas stations and LPG filling stations · Support for measuring SHE performance and establishing improvement plans for each affiliate
Overseas	· Gap analysis between SKI's core SHE management standards and site-level procedures, with support for integration into site procedures · Review of SHE management plans and implementation status in response to previous audit findings

Safety and Health

Risk Assessment at the Sites

SK Innovation conducts mandatory risk assessments for all on-site works, processes, equipment, project execution, and chemical handling at its sites. SK Innovation identifies hazards and risks, evaluates the likelihood and severity of harm to human life, the environment, assets, and reputation, and implements mitigation measures to build a safer workplace.

In particular, Job Safety Analysis (JSA) is applied to all on-site works by analyzing step-by-step risks and establishing corresponding safety measures. Since 2021, the Ulsan Complex has systematically managed risk assessment results and pre-startup safety inspections using OCEAN-H[1] to ensure no steps are overlooked.

1) Optimized & Connected Enterprise Asset Network-Hub: A system that predicts and manages equipment failures in advance based on maintenance and failure history and current operating conditions.

Timing of Risk Assessments

	Job Risk Assessment	Process Risk Assessment
Initial	All tasks performed for the first time	New or modified processes
Periodic	Once per year	Every four years after the initial assessment
Ad-hoc	When occurs · When assessment content is revised · When an occupational accident occurs	When occurs · When a process accident occurs · Upon request by the operations department

Operation of the Occupational Safety and Health Committee

SK Innovation operates an Occupational Safety and Health Committee to deliberate and make decisions on matters related to industrial safety, working environment, and occupational health. The Occupational Safety and Health Committee is composed of equal numbers of labor and management representatives, including up to 10 representatives each from each side, and holds regular quarterly meetings.

Key Deliberation and Decision Items of the Occupational Safety and Health Committee

1. Matters related to the establishment of industrial accident prevention plans
2. Matters related to the preparation and revision of safety and health management regulations
3. Matters related to the safety and health training of employees
4. Matters related to the inspection and improvement of the work environment, including work environment monitoring
5. Matters related to health management, such as employee health check-ups
6. Matters related to the investigation of causes of serious accidents and the establishment of recurrence prevention measures
7. Matters related to the recording and maintenance of statistics on industrial accidents
8. Matters related to verifying the suitability of safety devices and personal protective equipment (PPE) purchases related to safety and health

Safety, Health, and Environment Communication

SK Innovation displays workplace safety and health information in locations easily accessible to employees and supplier staff about hazards and risks present in the workplace. Before starting work, identified hazards and risks are shared with workers through pre-job safety briefings (TBM)[2] based on risk assessments to promote awareness and caution. These field-oriented safety and health activities have proven effective in substantially reducing human-related incidents. Sites continue to expand TBM coverage and implement site-specific programs—such as behavior-based safety observation—to enhance the execution of JSA outcomes.

2) Tool Box Meeting: A conversation-based activity held near the worksite led by supervisors before commencing operations.

Safety Behavior Observation Program

SK Innovation operates a range of safety behavior observation programs across its sites to address unsafe conditions through open dialogue and improvement initiatives. This program is designed to establish a safety culture within the workplace, and it is tailored to the characteristics of each site, considering the target, frequency, and implementation methods. For example, the Ulsan Complex has implemented Job Safety Observation (JSO)[3] during operations, while SK Incheon Petrochem utilizes Line Walk activities to encourage voluntary site inspections by leadership. SK IE Technology also operates various site-specific programs such as Behavior-Based Safety (BBS).

3) Job Safety Observation: An activity aimed at preventing accidents through safety monitoring during work operations.

Safety and Health

Health and Safety Training

In accordance with the Occupational Safety and Health Act, SK Innovation regularly provides safety and health training to safety personnel and employees.

Safety and Health Training Hours by Target Group

Category	Training Target	Total Training Hours
Regular Training	Supervisors	At least 16 hours per year
	Non-Office Workers	At least 6 hours per quarter
	Office Workers	At least 3 hours per quarter
Pre-Employment Training	Production Workers	At least 8 hours per year
	Daily Workers	At least 1 hours per year
Work Modification Training	Production Workers	At least 2 hours per year
	Daily Workers	At least 1 hours per year
Specialized Training	Production Workers	At least 16 hours per year
	Daily Workers	At least 2 hours per year

Each site offers a range of training programs beyond mandatory courses to enhance employees' competencies in safety, health, and environment (SHE). At the corporate level, SK Innovation is developing and distributing training content with the aim of extending its benefits to partner companies, which may have relatively limited resources. Furthermore, the wider dissemination of high-quality training content is expected to help standardize and raise the overall quality of workplace training programs.

Contractor Safety and Health Activities

Contractor Occupational Safety and Health Council

In accordance with the Occupational Safety and Health Act, SK Innovation convenes a monthly Occupational Safety and Health Council with contractors, led by the general manager of each site. Through this council, SK Innovation consults with contractors on matters such as work start times, communication protocols, evacuation procedures in the event of an accident, and risk assessment implementation. All meeting outcomes are documented and archived. In addition to fulfilling legal obligations, SK Innovation collaborates with contractors to improve safety and health by promoting the right to stop work, hosting safety culture workshops, and operating task forces to eliminate blind spots.

Supplier Feedback Collection

SK Innovation gathers contractor feedback on safety and health matters through regularly held meetings such as the Occupational Safety and Health Committee and the Contractor SHE Council. In addition, various communication channels are operated on an ongoing basis to reflect the specific characteristics of each site. These channels allow both resident and non-resident contractors to submit feedback without distinction, and all submitted opinions are addressed with corresponding actions and outcomes shared transparently. SK Innovation also reviews the status of contractor feedback collection through the biannual Safety and Health Management Committee meetings.

Channels for Collecting Contractor Feedback

Category	Channels
SKI	(Head Office) Operation of the Online e-General Affairs System and Helpdesk Hotline
	(Institute of Environmental Science and Technology) Operation of the SHE Talktalk Program
SKE, SKGC, SKEN	Operation of Open Chat Rooms
SKO	Operation of Suggestion Boxes and Open Chat Rooms
SKIPC	Use of QR Code Surveys: Safety Survival, Off-Duty Talk Sa-i-da
SKIET	Collecting Feedback via QR Codes

Ulsan Complex SHE Activities

The Ulsan Complex operates a monthly Safety Committee to uphold and advance its core values of "Safety, Technology, and Trust." The Safety Committee raises the safety culture of the site to meet global level, addresses various SHE issues, and aims to eradicate serious accidents to fulfill its social responsibilities. At the same time, it is committed to creating a workplace environment where employees can work in good health and with a sense of well-being. Additionally, it operates subcommittees under the Safety Committee to promote detailed activities for eradicating and improving serious accidents.

Detailed Safety and Health Management Activities at Ulsan Complex

Category	Activity Area	Key Activities
SHE	SHE Ensuring Compliance	· Identification and Resolution of Proactive Compliance Tasks Related to SHE Regulations
		· Development of a SHE Compliance Management Diagnostic Tool, aligned with Industrial Safety, Fire Protection, Hazardous Materials, Chemical Substance Control Act, etc.
Serious Accidents	Eradicating Serious Accidents	· Operation of Task Force for the Elimination of Serious Accidents
		· Establishment and Implementation of a Response System for the Serious Accidents Punishment Act
		· Execution of Improvement Tasks and Monitoring of Implementation
		· Dissemination of Domestic and International Accident Cases and Lessons Learned
		· Establishment of a Risk Factor Management System through Smart Plant
Safety Culture Innovation	Safety Culture Innovation	· Strengthening Campaigns and Reward Systems to Enhance Safety Awareness
		· Reinforcement of Safety Management System Improvements
Safety Performance	Strengthening the Role of Leaders	· Monthly Reporting and Discussion on Plant/Office Safety Performance and Management Status
		· Focused Management through Application of the Safety Life Cycle for Work Operations

Safety and Health

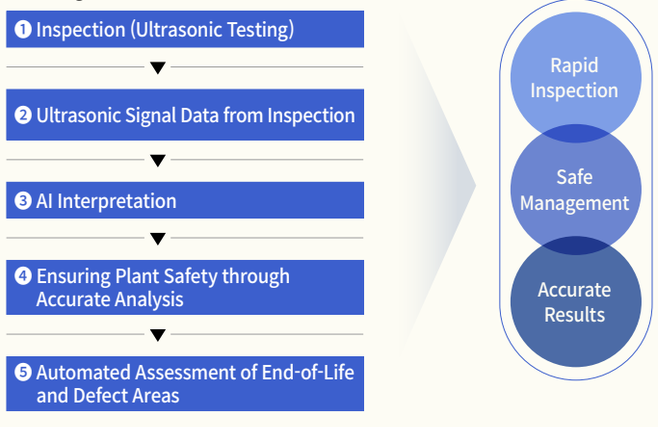
Case Study AI/DT Technology Adoption Cases within SK Innovation Affiliates

① Development of the AI IRIS[1] Automatic Evaluation Solution

Heat exchangers, which regulate temperature during the production of refining and chemical products, have traditionally relied on expert experience and skills for maintenance. However, with approximately 7,000 heat exchangers in operation at the Ulsan Complex alone, challenges have arisen in securing task accuracy, managing work time, and ensuring availability of skilled personnel. To address this, SK Innovation jointly developed and applied AI IRIS technology in collaboration with an external company. The AI-based defect detection method, which utilizes accumulated data, demonstrated 98% accuracy and significantly reduced inspection time and costs. This technology was selected for the New Excellent Technology (NET)[2] certification by the Ministry of Trade, Industry and Energy in 2025. The solution will be further advanced to expand its application scope and the range of equipment covered.

1) Internal Rotary Inspection System: A method in which a probe is inserted into a tube to measure wall thickness and visually detect internal defects.
2) New Excellent Technology: A government certification program that officially recognizes outstanding technologies developed for the first time in Korea or significantly improved under the Industrial Technology Innovation Promotion Act.

AI Evaluation Solution for Non-Destructive Testing Results of Heat Exchangers



② SHE Solution Model Utilizing Generative AI

The SHE field involves managing a vast volume of regulations and technical documents, requiring high levels of accuracy and speed in review and investigation by responsible personnel. To address this need, SK Innovation has developed and deployed a generative AI model called the "SHE Regulatory/Technical Review AI" to efficiently search and organize relevant information. The solution has been initially applied to fire safety regulations, and model stabilization is underway to further enhance service quality. Plans are in place to expand the applicable regulatory scope and training data to continuously advance the technology.

Moreover, the frequent enactment and revision of SHE-related regulations and policies, along with the rapid spread of incident information through various media, have increased the need for timely information gathering and response. In response, SK Innovation has developed a model that monitors SHE-related issues and curates useful information in the form of an "SHE Newsletter," utilizing advanced AI/DT technologies such as data crawling[3], RPA[4], and generative AI. Through this model, high-quality information is provided daily to employees, with ongoing efforts to enhance the reliability and accuracy of the data during operation.

3) Data Crawling: Code-based web data extraction technology
4) Robotic Process Automation: Technology for automating repetitive tasks

③ Development of the Integrated SWP-JSA-TBM Platform

SK Innovation operates procedures to proactively identify and eliminate risk factors across all work activities. Hazards and mitigation measures identified through Job Safety Analysis (JSA) are reflected in the Work Permit. The Work Permit is used on site to confirm risk factors and safety measures, with the results communicated to workers through Tool Box Meetings (TBM). The Ulsan Complex established a Smart Work Permit (SWP) platform that replaced manually managed procedures with digital access via PC and smartphone, and in 2024, integrated JSA and TBM functionalities into the system. This integration has significantly improved usability by reducing issuance time, preventing permit errors, improving preparation/management convenience, and enhancing communication between employees and field workers. Ongoing platform enhancements and integration with other safety systems are planned to more effectively manage and reduce accident risks at worksites.

Expected Benefits of the Smart Work Permit Platform

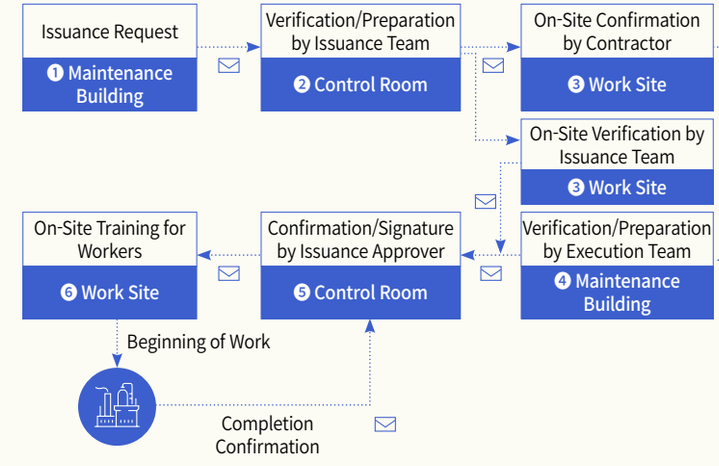
Enhanced SHE Management

- Automatic Input of Required PPE Based on Hazard and Risk Level
- Prevention of Missing Mandatory Attachments Related to Work (e.g., JSA Results)
- Error Prevention in Work Permit Preparation through Systemization
- Risk Management through Analysis of Permit Types and Volume
- Strengthened On-Site Safety Management through Real-Time Monitoring of Work Status

Operational Efficiency Improvement

- Reduction of Unnecessary Time Required for Work Permit Issuance
- Elimination of Redundant Permit Reviews for PSM Audit Responses
- Reduction of Unnecessary Document Printing Tasks
- Improved Record Management (Easy Search and Access)

Smart Work Permit



Safety and Health

Workplace Health Management

Occupational Health Management

In accordance with the Occupational Safety and Health Act, SK Innovation conducts business site environment monitoring every six months. For business sites involving hazardous substances, SK Innovation aims for zero cases exceeding legal exposure limits and shares the monitoring results with both employees and partner company staff. If any exceedances of exposure limits are detected, immediate control measures such as facility upgrades are implemented. In 2024, no cases of hazardous substances exceeding legal thresholds were identified in the work environment monitoring results. Additionally, to assess potential health impacts from hazardous exposure, special health checkups are conducted twice a year for field workers.

Occupational Illness Management

SK Innovation manages occupational illnesses, including cases where employees are exposed to harmful factors such as chemicals during their work, leading to diseases, musculoskeletal disorders, or physical injuries. To this end, SK Innovation utilizes the results of special medical examinations at each site to identify occupational illness cases at an early stage and ensure timely treatment or appropriate follow-up care. Since 2021, SK Innovation has been monitoring trends in accumulated site-level data based on cerebrovascular and cardiovascular diagnoses included in special medical checkups, with the aim of advancing long-term workplace improvement initiatives. In addition, SK Innovation reports the number of persons under observation (C1) with abnormal findings (D1) and to the board each year to reinforce executive accountability and drive the establishment and execution of effective improvement plans.

Details of Occupational Illness Management Activities at SK Innovation Affiliate Sites

Category	Details
Noise Exposure Prevention	**Ulsan Complex, SK Incheon Petrochem** · Hearing protection provided through customized earplugs for each employee during noise-generating processes to prevent hearing loss · Hearing protection test and training on proper use of earplugs **SK IE Technology** · Prevention of prolonged noise exposure by automating noise-generating process sections to limit worker exposure
Radiation Exposure Control	· Execution of work in accordance with the permit process during non-destructive testing (NDT) · For general radiation work, confined space radiation work, and tasks involving devices that convert electricity into radiation, shielding must be verified prior to permit issuance · Routine check of radiation shielding implementation during operations

Healthcare System

SK Innovation is establishing a “Healthcare System” to support proactive and preventive safety and health management. The Healthcare System strengthens integration across health-related tasks and manages employee health from a multi-dimensional perspective. In 2024, a detailed operational plan—including available resources and budget—was established, and platform development was initiated. Prior to implementation at the Ulsan Complex in the first half of 2025, pilot testing is currently underway. Identified issues from the pilot operation are being addressed, with plans to expand the system to other domestic sites in 2026.

Key Features of the Healthcare System

Enhanced Management of Hazardous Factors	· Implementation of a system to verify preliminary procedures for work environment monitoring · Strengthened Management of Changes (MOC) through integration with the Material Safety Data Management System (e-MSDS) · Expanded management of ergonomic and mental health risk factors
Enhanced Management of Person with Abnormal Findings	· Improved operational efficiency and change management through integration with HR information (eHR) and digitalization of procedures · Matrix analysis between hazardous factors and medical examination results
One-stop Service	· Centralized health service channel for guidance, application, and result inquiry · Continuous information management during and after employment · Advanced reporting of monitoring results

Safety and Health

Employee Physical Health Management

Operation of Health Clinics and Occupational Health Centers

SK Innovation operates health clinics at each site, taking into account the size of each location, for the health management of employees. Health clinics and occupational health centers are available to all employees, including contract workers. Each site's health clinic offers a variety of health promotion activities and campaigns, including stress management and smoking cessation programs. For example, the Ulsan Complex operates an in-house Occupational Health Center staffed with an occupational physician. During the annual Health Day event hosted by the Occupational Health Center, a licensed physician conducts one-on-one consultations and health checkups with employees and recommends health promotion activities such as exercise prescriptions based on the results.

Physical Health Management Programs

SK Innovation promotes employee health and well-being through a variety of health management programs, thereby enhancing overall organizational productivity and contributing to sustainable business operations. Each site implements tailored health management programs that reflect its specific characteristics and needs.

Details of 2024 Employee Health Management Programs

Category	Details
Ulsan Complex	· Seonam Smoking Cessation Program (63 Participants) · Operation of Nam-gu Public Health Center's Health Promotion Experience Booth (572 Sessions Conducted)
Institute of Environmental Science and Technology	· Stretching and Exercise Therapy Training for Pain Relief and Injury Prevention (37 Participants, 98% Satisfaction Rate) · Body Fat Reduction Challenge (41 Participants, Average Body Fat Reduction of 4.2%)
SKIPC	· Health Management Program for High-Risk Group of Cerebrovascular and Cardiovascular Disease (80 Participants)
SKIET	· Smoking Cessation Program (36 Participants, 22% Success Rate) · Promotion of Expanded No-Smoking Zones · Stair-Walking Campaign

Employee Mental Health Management

Harmonia Counseling and Coaching Center

SK Innovation affiliates support employees in maintaining not only physical health but also mental well-being to lead a balanced and healthy work life. The SK Innovation Harmonia Counseling and Coaching Center provides professional psychological counseling and personalized development coaching tailored to individual needs. The center offers support programs aligned with employees' life stages and also provides targeted assistance for trauma and crisis-related situations.

Key Hamonia Programs



Expansion of Customized Emotional Support for Global Sites

In response to the growing need to strengthen mental health support for expatriates, SK Innovation affiliates provide tailored assistance for assignees and their families. The main programs include Understanding Children Programs and programs to enhance family cohesion and emotional stability.

Supply Chain

To align with the global trend of mandatory ESG disclosures, SK Innovation has integrated risk identification outcomes into its procurement process to strengthen risk mitigation across the entire value chain and to promote shared growth with suppliers through the establishment of a sustainable supply chain management system. Based on its supply chain ESG management policy, SK Innovation operates a transparent and consistent procurement process to ensure fairness, while also implementing focused management processes for high-risk suppliers to continuously enhance efforts to proactively identify and prevent potential risks in the supply chain. Furthermore, SK Innovation supports improvement activities and shared growth programs for suppliers, fostering shared growth and the development of a sustainable supply chain.

As SK Innovation is implementing supply chain ESG management across its affiliates based on a Shared Service, all descriptions apply equally to its affiliates, including SK Energy, SK Geo Centric, SK On, SK Enmove, SK Incheon Petrochem, SK IE Technology, and SK Earthon.

Governance

CEO
- Performance review and improvement planning for supply chain ESG management
- Support for activities of responsible departments

Responsible Executive
- Incorporation of supply chain ESG management KPIs
- Review of supply chain ESG progress and shared growth Issues
- Participation in supplier communication activities (e.g., Shared Growth–ESG CEO Seminar)

Procurement Office
- Establishment of supplier ESG risk management policy and oversight of ESG consulting, assessment, and due diligence processes
- Operation of shared growth programs
- Annual reporting to executives and senior management on supply chain ESG progress and shared growth issues

Supply Chain ESG Policy

Supply Chain ESG Management Policy
Principles to strengthen shared growth and build a sustainable supply chain ecosystem

General Principles of Purchasing
Ensuring transparency and fairness in the purchasing process

Supplier Code of Conduct
Guidelines designed to help suppliers pursue business activities considering environment, safety, and human rights

Procurement Code of Ethics
Ethical principles to create a respectful and competition environment between employees and suppliers

Strategy, Risks and Opportunities

Realizing a Sustainable Supply Chain

1 Supplier ESG Assessment
- Establishment of supply chain ESG management standards
- Assessment and improvement of supply chain ESG risks
- Operation of benefit & penalty based on assessment results

2 Supplier Shared Growth Support
- Operation of shared growth programs
- Support for customized ESG consulting
- Strengthening communication channels with suppliers and sharing global market trends

3 Responsible Mineral Management
- Establishment of responsible mineral supply chain management policies
- Responsible mineral supply chain due diligence

Risks and Opportunities

Risks
- The EU Council-approved CSDDD[1] mandates human rights and environmental due diligence for suppliers, with potential for substantial fines in case of non-compliance.
- Growing interest from external stakeholders regarding raw material sourcing may lead to additional costs due to the replacement of non-compliant suppliers and search stable new sources.

Opportunities
- To minimize ESG risks in the supply chain, SK Innovation operates a mandatory process for establishing and signing a Supplier Code of Conduct, and implements an intensive ESG risk management process for high-risk suppliers.
- A range of shared growth programs and training seminars on fair trade are provided to secure a stable supply chain and minimize fair trade-related issues.

1) Corporate Sustainability Due Diligence Directive

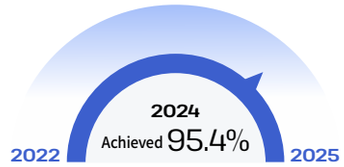
Metrics and Targets

ESG Due Diligence on Suppliers

Implementation Plan

2024	Achieve 85% completion ratio in ESG due diligence for suppliers
2025	Achieve 100% completion ratio in ESG due diligence for suppliers

Goal
Targeting 100% ESG due diligence coverage of suppliers by 2025



High-Performing Supplier Ratio in In-Depth ESG Assessment

Implementation Plan

2024	Achieve 26% of high-performing suppliers
2025	Achieve 29% of high-performing suppliers

Goal
Targeting 29% of high-performing ESG suppliers by 2025



Supply Chain

Establishment of Supply Chain ESG Management Policy

Supply Chain Management Strategy

SK Innovation's supply chain management policy is guided by the goal of "stable procurement through the establishment of a sustainable supply chain," and all policies and practices are applied across all SK Innovation affiliates. To proactively address potential ESG risks within the supply chain, SK Innovation has integrated supplier assessment and due diligence processes across all affiliates, and implements corrective actions for identified ESG risks to minimize adverse impacts. The supply chain management policy and processes are being progressively upgraded to enhance execution capabilities and to align with measurable performance outcomes.

Supply Chain ESG Governance

SK Innovation's Procurement Office is responsible for ESG management of the supply chain and suppliers. The Procurement Office establishes supplier ESG risk management policies and oversees ESG consulting, assessment, and due diligence processes to enable risk management tailored to the characteristics of each supplier. Through these efforts, the supplier ESG management framework is continuously improved. SK Innovation also maintains close relationships with suppliers by hosting the Shared Growth–ESG CEO Seminar to enhance communication.

In addition, ESG management indicators for suppliers are incorporated into organizational KPIs to assess supply chain ESG performance and implement improvement measures as needed, thereby strengthening the overall management system. In 2023, the focus was on expanding supplier ESG management by increasing the number of entities under management and providing more ESG consulting to cultivate high-performing suppliers. In 2024, the emphasis shifted to minimizing ESG risks through performance-focused initiatives, such as reforming the assessment system and developing new high-performing suppliers.

The Procurement Office also delivers an annual report to executive leadership outlining ESG activities and outcomes related to supplier management. These reports cover the progress of supply chain ESG management and shared growth initiatives, thereby increasing executive engagement in supply chain oversight.

Supply Chain Management System

SK Innovation controls its purchasing system to ensure that contracts are only made with suppliers who have signed the Supplier Code of Conduct, the General Terms and Conditions, and the Ethical Practice Pledge in advance, thereby preventing ESG risks from the supplier selection stage. In 2023, SK Innovation revised its supply chain assessment system and expanded the scope of in-depth assessments and due diligence conducted by third-party experts. Additionally, SK Innovation embedded its supply chain ESG management policy into corporate procedures by incorporating benefits for ESG excellent suppliers and penalties for high-risk suppliers into its purchasing contract procedures. In 2024, SK Innovation introduced an "Intensive Management Process for High-Risk Suppliers" to provide close support for ESG risk mitigation. Previously, when a supplier was designated high-risk based on in-depth ESG assessment results, the supplier was responsible for independently establishing improvement plans, and SK Innovation reviewed its implementation during the following year's assessment. Since 2024, SK Innovation has supported suppliers from the planning stage of improvement plans Under the new procedure, key weaknesses identified in the prior year's assessment are used to set improvement tasks and goals via standard consulting; SK Innovation also helps prioritize these actions.

Before the next ESG in-depth assessment is conducted, follow-up consulting is provided to review implementation status and deliver expert support where needed. Notably, SK Innovation also supported the adoption of carbon reduction equipment by suppliers who, through energy diagnostics, were determined to realize tangible energy-saving or carbon-reduction benefits.

Incentives continue to be offered to ESG excellent suppliers , and in 2025, the program will be diversified to reflect changes in suppliers' ESG maturity and the cumulative period of existing incentive program operations.

These benefit and penalty measures, based on ESG assessment results, are reflected in the purchasing contract procedures, further strengthening the foundation for a sustainable supply chain built on shared growth.

Goals and Performance

SK Innovation has designated "supplier ESG due diligence ratio" and "high-performing supplier ratio in in-depth ESG assessments" as KPI indicators for the responsible organization, thereby linking supply chain management goals to measurable outcomes.

To achieve the 2024 performance targets—an 85% due diligence ratio and a 26% high score ratio in in-depth ESG assessments—SK Innovation enhanced assessment efficiency by minimizing unnecessary resource burden on suppliers to ensure continued participation. Efforts included revising submission requirements based on a review of documents that could be simplified and adjusting applicable indicators for each industry sector. These improvements contributed to the achievement of 2024 goals.

Out of 151 focused management suppliers, due diligence was conducted on 144, achieving a 95.4% due diligence ratio—10 percentage points above the target. In addition, 40 suppliers achieved the "Leader" rating in the in-depth ESG assessment, resulting in a high-performing supplier ratio of 26.5%, exceeding the 26% target. In 2025, SK Innovation will continue to enhance its supply chain ESG risk management system and improve its management process to achieve its mid- to long-term targets of 100% due diligence coverage and a 29% ratio of high-performing suppliers.

Benefit & Penalty for Suppliers

Benefit	**ESG Risk In-depth (ESG) Assessment "Leader" Grade**	100% exemption from Contract performance guarantee and warranty for the following year
Penalty	**Two consecutive years of "Laggard" grade in ESG risk in-depth (ESG) assessments**	Restricted from participating in bids for three months
	"Laggard" grade in ESG risk in-depth (ESG) assessment & non-compliance with improvement plan submission requests three times	Warning
	Two cumulative instances of scoring below 70 points in the SHE category of regular assessments	1-year transaction suspension
	Three cumulative instances of scoring below 70 points in the SHE category of regular assessments	Permanent exclusion

Supply Chain

Supply Chain Management Policy

Supplier Code of Conduct

Through its Supplier Code of Conduct, SK Innovation requires suppliers to respect employee human rights, ensure a safe working environment, fulfill environmental responsibilities, and operate their businesses ethically. The Code is established based on international guidelines and allows SK Innovation or its designated external auditors to visit supplier sites to assess compliance and request necessary improvements. Agreement to this Code is mandatory when registering as a new supplier, and the system prohibits contract execution without such consent. To expand its application globally, an English version of the Code has been made available, and SK Innovation has obtained signed compliance agreements from select overseas suppliers. The Code is publicly disclosed through SK Innovation's BiOK Supplier purchasing system, enhancing transparency. In 2024, SK Innovation achieved a 100% compliance agreement ratio among domestic suppliers, and in 2025, SK Innovation plans to strengthen supplier ESG management and respond to customer requirements by adding provisions on soil and water resource management, animal protection, and diversity.

Supplier Code of Conduct

General Principles of Purchasing and Purchasing Contract Procedures

To minimize risks that may arise during the procurement process and to establish a rational and transparent purchasing system, SK Innovation has implemented General Principles of Purchasing and Purchasing Contract Procedures. ESG excellent suppliers in the ESG in-depth assessment are granted a 100% exemption from Contract performance guarantee and warranty, while high-risk suppliers are required to submit improvement plans. If a supplier fails to submit the required plan after three or more requests, a "warning" is issued. In addition, suppliers receiving grades 5–7 for two consecutive years are restricted from bidding for three months. These assessment and management criteria are disclosed transparently to suppliers via the purchasing system and official communications and are reflected in the Purchasing Contract Procedures.

To further enhance fairness and transparency in procurement, SK Innovation also adheres to the Bid Evaluation Guide, which outlines the principles of competitive bidding. In cases where purchases are made outside the competitive bidding process, supporting documentation that can be objectively validated is required to foster a sound business ecosystem and ensure fair competition.

General Principles of Purchasing

Procurement Code of Ethics

SK Innovation has established a Procurement Code of Ethics to ensure that employees and suppliers engage in mutually respectful, equal, and fair business practices that foster shared growth. This Code is founded on the principles of providing equal opportunities to suppliers, conducting business ethically and transparently, and promoting mutual benefit and shared development—thus driving the creation of a fair and transparent transaction environment. SK Innovation complies with domestic regulations including the Monopoly Regulation and Fair Trade Act, the Act on the Promotion of Mutually Beneficial Cooperation Between Large Enterprises and SMEs, and the Fair Transactions in Subcontracting Act, while supporting internationally recognized standards such as the Universal Declaration of Human Rights, OECD Guidelines for Multinational Enterprises, the 10 Principles of the UN Global Compact, and the UN Guiding Principles on Business and Human Rights.

To strengthen ethical business practices among suppliers, SK Innovation has introduced an Ethical Practice Pledge, and the system is configured to prevent contract execution unless the supplier agrees to the commitment. The Code is publicly disclosed through the supplier purchasing system, ensuring transparency and easy access for all stakeholders.

Procurement Code of Ethics

Supplier Code of Conduct Items

Labor & Human Rights	Voluntary labor, Prohibition of hiring children and management of youth workers, Prohibition of discrimination, Working hours, Wages and benefits, Humane treatment, Guarantee of freedom of association
Safety & Health	Industrial safety, Provision against Emergency, Prevention of industrial accidents and illnesses, Management of harmful factors in the work environment, Equipment safety, Management of cafeteria and dormitory, Safety & health training
Environment	Compliance with environmental laws, Prevention of environmental pollution and reduced consumption of resources and energy, Greenhouse gas management and information disclosure, Chemicals management, Waste disposal, Air pollution management
Ethics	Compliance with transparent management and prohibition of unjust enrichment, Information disclosure, Protection of intellectual property rights, Compliance with fair, transparent transactions, Protection of identity and prohibition of retaliation, Protection of personal information
Responsible Sourcing of Conflict Minerals	Responsible minerals policy, 3TG[1] supply chain due diligence, disclosure of 3TG mineral origin, smelters, and refineries information
Management System	Expression of voluntary compliance, clarification of management responsibility, recognition and monitoring of relevant laws, regulations, and customer requirements, management by objectives and performance assessment and compensation, operation of employee training programs

1) Tin, Tungsten, Tantalum, Gold

Supply Chain

Supply Chain Sustainability Management Process

Supply Chain Management Process

New Suppliers[1]

New Registration in the Supplier Purchasing System
▼
Pre-Assessment
▼
Code of Conduct Signing
▼
Purchase Contract Signing

Tier 1 Suppliers

Regular Assessment
- Self-Assessment Based on a Checklist
- The Beginning of the Year Notification, Conducted Once a Year Before Order Placement
- Order Placement Not Possible If Regular (ESG) Assessment Is Not Conducted

Ongoing Assessment
- Labor Management Self-Assessment
- Early Warning System from Credit Rating Agency
- Ongoing Assessment (Quality, Construction Capability, Safety, etc.)

Tier 1 Suppliers – Focused Management Suppliers

In-Depth ESG Assessment and Due Diligence
- Annual Assessment and Due Diligence Conducted by Third-Party Specialized Agencies
- Compilation and Finalization of Assessment Results
  - Grades 1, 2: Leader
  - Grades 3, 4: Average
  - Grades 5 to 7: Laggard
- Notification of Assessment Results to Suppliers
- Support Based on Assessment Grades
  - Leader: Certification and Awards, Provision of Benefits
  - Average: Support with Customized Consulting for Weak Areas
  - Laggard: Consulting Support in Formulating and Implementing Improvement Plans
- Follow-up: Monitoring and Feedback on Improvement Implementation Status

1) Newly registering suppliers must complete all the above steps before entering into a purchase contract with SK Innovation.

SK Innovation operates a structured ESG risk management process that covers all suppliers. All suppliers are required to complete a preliminary ESG assessment upon initial registration in the supplier purchasing system. An annual ESG regular assessment is conducted for Tier 1 suppliers with purchase records from the previous year. Suppliers scoring below the threshold in the preliminary or regular assessment are subject to in-depth ESG assessments and due diligence to prevent and minimize supply chain ESG risks. In addition, the system is configured to prohibit first-time contract execution with newly registered suppliers unless they have signed the Supplier Code of Conduct, thereby linking ESG compliance directly to the procurement contract. SK Innovation classifies suppliers with both high strategic importance and high ESG risk, as well as those with low strategic importance but high ESG risk, as “focused management supplier,” and conducts in-depth ESG assessments and due diligence accordingly. These assessments and due diligence are carried out by third-party specialized agencies to ensure objectivity and expertise. Prior to assessments, SK Innovation provides ESG consulting programs to raise awareness and guide improvement areas, offering practical support to elevate ESG maturity. Following the assessment or due diligence , suppliers are granted Benefits or Penalties based on the results to encourage improvement in ESG risk management. Suppliers rated as “Leader” receive recognition as ESG excellent suppliers, along with awards, exemption from Contract performance guarantee and warranty, access to Interest Support Programs, Incentives for ESG Management personnel per Supplier, and booth opportunities at job fairs. Conversely, high-risk suppliers receiving a “Laggard” rating are supported through standard consulting to help them develop improvement plans. In 2024, SK Innovation introduced a High-Risk Supplier Focused Management Process. For high-risk suppliers identified in the previous year, follow-up consulting was conducted prior to the next ESG in-depth assessment to support implementation of improvement plans, and suppliers were reassessed through another round of assessments and due diligence to verify risk mitigation.

Supplier Indicators

Supplier Status by Tier Classification

Category	Unit	2022	2023	2024
Tier 1[1]	Companies	1,732	1,864	2,001
Tier 2[2]	Companies	240	288	185

1) Tier 1: Suppliers with contracts in 2023
2) Tier 2: Intermediate contractors of tier 1 suppliers with transactions exceeding a specific purchase amount in 2023

Total Cost of Order

Category	Unit	2022	2023	2024
Total Purchase Amount from Suppliers[3]	KRW billion	43,640	53,984	49,753
Purchase Amount from Local Suppliers	KRW billion	24,708	34,730	20,363
Ratio of Purchases from Local Suppliers	%	57	64	41

3) Based on total order amount (raw materials + construction services + equipment)

Total Cost of Orders by Items

Category		Unit	2023	2024
Raw and Subsidiary Materials	Purchase Amount	KRW billion	23,876	35,396
	Ratio	%	44	71
Construction Services	Purchase Amount	KRW billion	18,046	11,861
	Ratio	%	33	24
Equipment	Purchase Amount	KRW billion	12,063	2,497
	Ratio	%	22	5

Detailed data by affiliate is available on the ESG Data page.

ESG Data

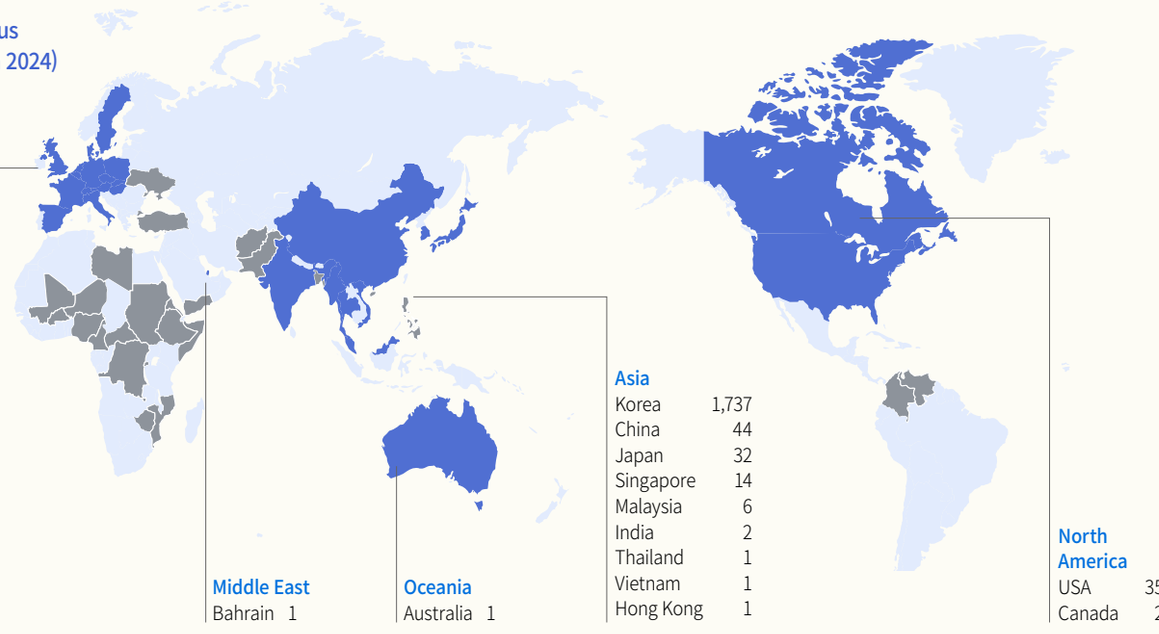
Supply Chain

Identification and Assessment of Supply Chain ESG Risks

Regional Screening of Potential ESG Risks

To ensure systematic supply chain ESG risk management, SK Innovation identifies key ESG issues and risk levels by region and maps the geographic distribution of its suppliers to screen for potential ESG risks. SK Innovation identifies key regional ESG risks based on human rights and labor, safety and health, and conflict minerals criteria. Currently, no purchases are conducted in regions exposed to ESG risks. SK Innovation will continuously monitor the geographic distribution of ESG risks and will require corrective action from suppliers exposed to these risks.

Regional Supply Chain Status (Suppliers with contracts in 2024)



Europe

Germany	6
UK	5
Italy	4
France	4
Belgium	3
Hungary	3
Netherlands	2
Switzerland	2
Denmark	1
Sweden	1
Slovakia	1
Austria	1
Poland	1

Middle East

Bahrain	1

Oceania

Australia	1

Asia

Korea	1,737
China	44
Japan	32
Singapore	14
Malaysia	6
India	2
Thailand	1
Vietnam	1
Hong Kong	1

North America

USA	35
Canada	2

■ Regions Including 2024 Supplier Orders[1]
■ ESG High Risk Areas[2]

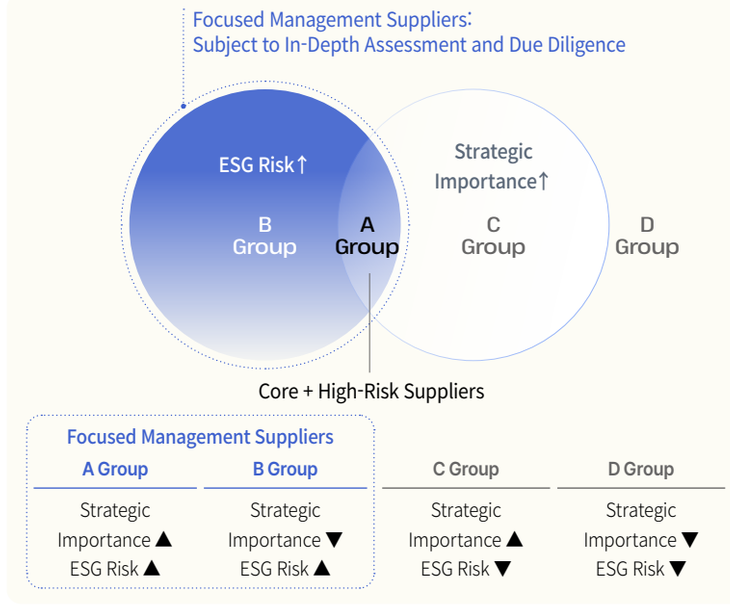
Total	Asia	Europe	North America	Middle East	Oceania
1,911 companies[3]	1,838 companies	34 companies	37 companies	1 company	1 company

1) There are no suppliers in Africa or South America.
2) ESG risk areas refer to conflict-affected and high-risk regions identified based on the international standards, which include exposure to risks related to armed conflict, safety, human rights and labor (forced labor, child labor, sexual violence, etc.), and conflict minerals.
3) The status of the supply chain by region is managed separately from the status of suppliers by tier classification.

Supply Chain Classification System

SK Innovation manages its supplier classification system to reduce the number of high-risk suppliers while continuously fostering new high-performing suppliers. Tier 1 suppliers are categorized into four groups based on strategic importance and ESG risk. Among them, suppliers with both high strategic importance and high ESG risk (Group A – Core Suppliers), and those with low strategic importance but high ESG risk (Group B – High-Risk Suppliers) are designated as Focused Management Suppliers. By expanding the scope of management to include both core and high-risk suppliers, SK Innovation minimizes potential ESG risks of high-risk suppliers and operates a system that enables proactive ESG risk mitigation across its supply chain.

Tier 1 Supplier Classification System (All Tier 1 Suppliers: Subject to Preliminary/Regular Assessment)



Focused Management Suppliers			
A Group	B Group	C Group	D Group
Strategic Importance ▲ ESG Risk ▲	Strategic Importance ▼ ESG Risk ▲	Strategic Importance ▲ ESG Risk ▼	Strategic Importance ▼ ESG Risk ▼

Supply Chain

Supply Chain ESG Assessment

Based on global institutional standards, domestic laws, regulations, and guidelines, SK Innovation applies SK Group's Supplier ESG Assessment Indicators, which consist of 22 mid-level categories and 66 detailed indicators focused on key management priorities. The indicators are regularly updated to ensure both differentiation in assessment and practical acceptance by suppliers.

The assessment indicators are designed to evaluate ESG risks that may arise at supplier sites, including human rights, health and safety, greenhouse gas emissions, and hazardous substance management, as well as ethical management. They also incorporate the requirements outlined in the Supplier Code of Conduct, Procurement Code of Ethics, and Ethical Practice Pledge .

Supplier ESG Risk Assessment Indicators

Environment	**Environmental management**	Environmental management system
	Eco-friendly opportunities	Eco-friendly products
	Climate change response	Greenhouse gas emissions, energy consumption
	Pollution prevention and waste	Waste management, hazardous substance management, air pollutants
	Natural capital	Biodiversity, raw materials, water resource protection
Social	**Human capital**	Information protection, human rights, health and safety, employment, working conditions
	Product/Customer	Conflict minerals
	Suppliers	Fair competition
	Local community	Social contribution
Governance	**Corporate governance**	Information disclosure, management systems, due diligence
	Corporate behavior	Ethical management

Preliminary and Regular Assessments

SK Innovation operates preliminary assessments for newly registered suppliers and regular assessments for Tier 1 suppliers. New suppliers undergo a preliminary assessment in the form of a self-assessment checklist at the time of initial registration in the purchasing system. This checklist is based on the core indicators from the Supplier Code of Conduct and the in-depth ESG assessment. Tier 1 suppliers with purchase records in the previous year are subject to an annual regular assessment before new orders are placed, enabling structured ESG risk assessment and management. In 2024, certain assessment criteria were revised based on the previous year's results to enhance differentiation and assessment effectiveness. Suppliers scoring below the threshold were classified as high-risk, where necessary, for focused management. As of 2024, two suppliers scored below the threshold and have been included in the 2025 in-depth assessment and due diligence target list to minimize ESG risks among high-risk suppliers.

In-Depth Assessment and Due Diligence

SK Innovation conducts annual in-depth ESG assessments and due diligence for suppliers focused management suppliers using third-party specialized agencies to ensure objectivity and expertise. Prior to the assessment, customized ESG consulting programs are provided to suppliers based on each supplier's ESG maturity level to enhance awareness and support improvement of weaknesses identified in the previous year's results. In 2024, in-depth assessments were conducted for 151 focused management suppliers, including core and high-risk suppliers, and due diligence was performed for 144 of them, increasing the due diligence ratio from 79% to 95.4%. A total of 40 suppliers achieved a "Leader" rating, representing approximately 26.5% of all evaluated suppliers—an improvement of around 1.5 percentage points compared to 2023. Each year, SK Innovation holds a certification and award ceremony to recognize top ESG suppliers. Based on the 2024 assessment results, the 2025 ceremony is scheduled to take place in the first half of the year. There were 31 high-risk suppliers, all of whom completed and submitted improvement plans. In 2025, implementation of these plans will be reviewed and supported ahead of the next in-depth ESG assessment.

Supply Chain ESG Assessment Status[1)]

Category		Unit	2022	2023	2024
Preliminary Assessment	Number of Newly Registered Suppliers	Companies	461	439	432
	Ratio of Suppliers Assessed	%	100	100	100
Regular Assessment	Number of Suppliers subject to Assessment	Companies	1,732	1,864	2,001
In-Depth Assessment	Number of Suppliers subject to Assessment	Companies	200	150	151
	Leader	Companies (%)	44(22)	37(25)	40(26)
	Average	Companies (%)	123(62)	83(55)	80(53)
	Laggard	Companies (%)	33(17)	30(20)	31(21)
Due Diligence	Number of Suppliers subject to Due Diligence	Companies (%)	100(50)	118(79)	144(95)
Number of Suppliers Establishing Improvement Plans		Companies	33	30	31

1) Supply chain ESG assessment data by SK Innovation affiliates is available on the ESG Data page.

Supply Chain

2024 Supplier Improvement Task Implementation Rate

1. Average Task Implementation Ratio per Supplier



2. 2024 Implementation Ratio by Category

(Unit: %)

Category	Key Improvement Tasks	Rate
Environment		79
Environmental Management	Setting environmental targets	81
Eco-friendly products	Development of eco-friendly products/services	100
Greenhouse gas emissions	Measurement of greenhouse gas emissions	88
Raw materials	Measurement of recycled raw material usage	100
Waste management	Measurement of waste generation	75
Hazardous substance management	Measurement of hazardous chemical emissions	100
Air pollutants	Possession of facilities for reducing air pollutant emissions	0
Water resources	Measurement of water consumption	67
Social		82
Human rights	Preparation and management of employment contracts	100
Labor	Implementation of employee capacity-building training	83
Health and safety	Establishment of health and safety management policies	91
Information protection	Establishment of information protection policies	0
Social contribution	Social contribution program planning and operation	0
Governance		43
Management systems	Establishment of ESG-dedicated department and operation of reporting structure	45
Ethical management	Establishment of ethical management policies	50
Information disclosure	Disclosure of ESG management information	0
Average implementation ratio of improvement tasks		70

Prevention and Elimination of Supply Chain ESG Risks

Support for Improving Supply Chain Performance

SK Innovation supports ESG consulting prior to in-depth assessments and due diligence as part of its efforts to minimize supply chain ESG risks. In 2024, new suppliers subject to assessment received offline and online training on ESG management trends, the concept of assessment indicators, and required documentation. For returning suppliers from the previous year, SK Innovation provided supplier-specific ESG training and consulting. Based on the analysis of the previous year's assessment results, SK Innovation fully funded targeted ESG consulting focused on vulnerable ESG areas to enhance supplier engagement and improve ESG performance.

In recognition of strong ESG performance, SK Innovation holds an annual award ceremony to express appreciation to suppliers selected as top ESG suppliers. In April 2024, a total of 37 suppliers were selected as 2024 top ESG suppliers and were awarded certification plaques and ESG consulting vouchers. Additionally, 21 small and medium-sized suppliers were granted a KRW 1.2 million incentive for their ESG achievements.

Support Program for Introducing Carbon Reduction Facilities

SK Innovation provides customized support programs to help suppliers embed ESG management and strengthen their capabilities. One representative initiative is the Carbon Reduction Equipment Support Program, which was formalized in 2024 as a practical ESG capacity-building project for suppliers. Suppliers identified through energy-saving consulting as likely to reduce greenhouse gas emissions or energy consumption through equipment installation were selected for support. SK Innovation provided funding for the installation of carbon reduction equipment, based on an objective business feasibility assessment and environmental impact analysis conducted by an external expert institution. As a result, support agreements worth a total of KRW 200 million were signed with four selected suppliers, who are expected to reduce greenhouse gas emissions and energy use by upgrading to high-efficiency equipment such as air compressors and lighting systems.

ESG Training for Purchasers and Suppliers

To prevent supply chain ESG risks in advance and foster sustainable shared growth with its suppliers, SK Innovation provides ESG training for purchasers and suppliers. Purchasers completed training in governance areas such as information security, fair trade and anti-corruption compliance, and ethical management to ensure fair and transparent purchasing processes. Beginning in 2024, the responsible department launched a procurement seminar for purchasers, held on a regular bi-monthly basis. The seminar covers topics such as supplier ESG management, subcontract transactions and the subcontract price adjustment system, and ethical management workshops, helping purchasers build practical and actionable ESG management capabilities.

For suppliers, SK Innovation and the SK Group offered both online and offline ESG training sessions through the Shared Growth Seminar to enhance their understanding of ESG. These efforts aim to raise supplier awareness of ESG and support their capacity building for long-term sustainability.

Achievements of the 2024 ESG Training Programs for Purchasers and Suppliers

Authority	Target	Training Program	Participants	Hours
SKI	Purchasers	mySUNI	198 persons	1,328 hours
SKI	Purchasers	Procurement Seminar	47 persons	353 hours
SKI	Suppliers	Shared Growth – ESG CEO Seminar	74 persons	259 hours
SK	Suppliers	Shared Growth CEO Seminar	39 persons	103 hours

Supply Chain

Introduction of the High-Risk Supplier Focused Management Process

To eliminate ESG risks identified in the 2024 supply chain management process, SK Innovation introduced a High-Risk Supplier Focused Management Process. For suppliers classified as high-risk through the in-depth assessments, SK Innovation supports the development of improvement plans through standard consulting and conducts follow-up consulting before the next year's assessment to monitor implementation and provide improvement support—thereby minimizing ESG risks. As of the 2024 assessment, a total of 31 suppliers were classified as high-risk. All completed and submitted their improvement plans through standard consulting, and SK Innovation plans to assess their implementation through follow-up consulting in 2025. Suppliers found to have committed serious ESG violations or failed to respond to improvement plans requests based on ESG assessment results are subject to separate sanctions. SK Innovation's Sanction Review Committee determines the necessity and level of sanctions based on the level of ESG risk. Sanction details are managed transparently through the system, and suppliers are given the opportunity to appeal to ensure procedural legality. Based on the 2024 supplier assessments, a total of 18 suppliers were subject to sanctions, and SK Innovation is working collaboratively with them to address the identified risk factors.

Status of Supplier Sanctions[1)]

Category	Unit	2022	2023	2024[2)]
Number of Sanctioned Suppliers	Companies	56	40	18
Warning	Companies	44	21	14
Temporary Suspension of Transactions	Companies	11	16	3
Permanent Suspension of Transactions	Companies	1	3	1

1) Data on supplier sanction status by SK Innovation affiliate is available on the ESG Data page.
2) Data calculation method revised from the previous year.

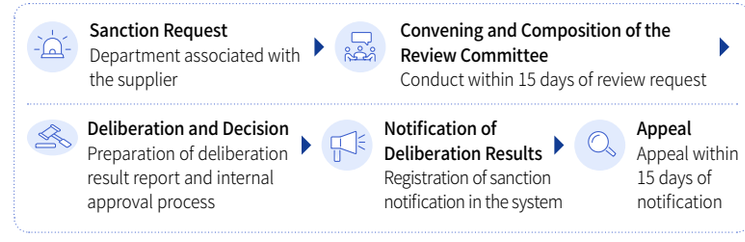
Fair Competition

SK Innovation has established and operates clear principles and transparent processes to ensure fair competition with its suppliers. All orders and contracts are processed through the purchasing system, and the Bid Evaluation Guide defines the selection method and procedures to ensure consistency and transparency in purchasing. In particular, SK Innovation adopts the Fair Trade Commission's standard subcontract agreement form when dealing with subcontractors and signs a Fair and Transparent Trade Agreement with all suppliers to uphold the principles of fair trade.

Since 2023, SK Innovation has introduced a supply price adjustment system Checklist within the purchasing system to identify applicable cases and established procedures for drafting both standard adjustment and non-adjustment contracts. In 2024, the subcontract and supply price adjustment system process was fully integrated into the procurement purchasing system, enhancing its practical application. Additional training sessions were also conducted for procurement personnel and suppliers to strengthen implementation of fair competition principles.

Since 2020, SK Innovation has operated a technical data cooperation system to support commercialization of suppliers' new technologies and protect intellectual property. All consultations related to technical data are conducted transparently under the oversight of the Global Compliance department. In addition, for critical matters such as supplier deregistration or subcontract transactions , SK Innovation operates an Internal Shared Growth Review Committee. A two-step deliberation process led by the CFO ensures systematic governance of fair competition procedures.

Sanction Process for Supplier Unethical Conduct



Reporting and Addressing Supply Chain Grievances

SK Innovation addresses the grievances of its suppliers through SK Group's integrated online reporting channel, improving the supply chain sustainability process based on these reports. Complaints from suppliers regarding unfair practices or unreasonable business conduct are received through various channels such as email, phone, fax, and mail, most of which are available 24 hours a day. For overseas suppliers, the ethics management consultation and reporting site is available in multiple languages. Grievances raised by suppliers through the Ethical Management Reporting Channel are verified and followed by prompt and proactive actions, along with post-management measures. Throughout this process, the identities of whistleblowers and cooperating personnel, as well as the report content, are strictly protected under the whistleblower protection system. The Internal Audit Office signs a confidentiality agreement annually and regularly reports the status and outcomes of whistleblowing cases to the Audit and Corporate Compliance Committee. In cases where a report results in increased revenue or reduced losses for SK Innovation, a reward is provided in accordance with internal compensation guidelines.

Status of Receiving and Addressing Supply Chain Grievances

Category		Unit	2022	2023	2024
Receipt Status	Reports	Cases	10	21	32
	Consultations	Cases	5	0	5
	Complaints/Others	Cases	1	4	9
	Total	Cases	16	25	46
Action Status	Investigation (Audit)	Cases	2	16	8
	Transfer to Dept./Others	Cases	14	9	38
	Total	Cases	16	25	46

Supply Chain

Shared Growth

Shared Growth Council

To create an environment where suppliers can proactively present their opinions, SK Innovation has formed the Shared Growth Council to discuss cooperative growth strategies. SK Innovation directly serves as the secretariat to support the efficient operation of the communication council. SK Innovation conducts working group meetings and 'Shared Growth DAY' events and carries out annual supplier interviews to understand suppliers' grievances.

Shared Growth ESG Programs

SK Innovation continuously enhances a variety of shared growth programs—such as ESG consulting support, recruitment assistance, and interest support schemes—to grow together with its entire supply chain while expanding the scope of beneficiaries. In 2024, SK Innovation provided customized ESG consulting based on assessment ratings before and after in-depth assessments and due diligence, completing a total of 123 consulting sessions. Together with the SK Group, SK Innovation established dedicated recruitment zones for SK suppliers at job fairs such as the "KB Goodjob Job Fair and the "IBK Job Fair," offering suppliers opportunities to recruit top talent. These efforts help suppliers alleviate workforce shortages and strengthen their competitiveness. In addition, SK Innovation operates a Shared Growth Fund to effectively support supplier ESG management, with total support of approximately KRW 53.0 billion across SK Innovation affiliates. Through these programs, SK Innovation provides meaningful support to help ESG-practicing suppliers achieve sustainable growth. In particular, SK Geo Centric systematically promotes shared growth initiatives through its dedicated team, and was once again recognized in 2024 as the highest grade in the Shared Growth Index Evaluation announced by the Shared Growth Committee. SK Innovation will continue its efforts to build a sustainable supply chain and foster shared growth through a variety of programs in collaboration with its suppliers.

ESG Support Process for Members of the Shared Growth Council

ESG Support Activities
- ESG training and management support
- Signing of the Code of Ethics and ESG Management Pledge

▼

Strengthening ESG Capabilities and Expanding Support
- Training Support: Expansion of online and offline training
- Management Support: Support for ESG management indicators, consulting, and assessments

▼

Enhancing Supplier ESG Management
- Support for compliance with various ESG-related regulations
- Provision of incentives to outstanding ESG suppliers

Details of the 2024 Shared Growth ESG Program

Category	Support	Detail	Support Scale
Consulting Support	· ESG consulting programs based on assessment results to improve weaknesses	ESG Consulting Support	123 cases
Management Support	· Support supplier recruitment through online recruitment centers	Recruitment Support	53 suppliers
Financial Support[1]	· Emergency operating funds to resolve temporary management difficulties of suppliers · Shared Growth Fund and loan interest support program for top ESG suppliers	Direct Fund support	KRW 720 million (180 cases)
		Direct Loans	KRW 8.079 billion (18 suppliers)
		SKGC Shared Growth Fund	KRW 40.383 billion (40 suppliers)
		SKI Shared Growth Fund	KRW 12.631 billion (17 suppliers)
Facility Introduction Support	· Funding support for introducing facilities that can reduce greenhouse gas emissions and energy use	Facility Introduction Fund Support	KRW 195 million (4 suppliers)
Educational Support	· SK Shared Growth CEO Seminar, educational programs for supplier companies CEOs and employees featuring expert lectures	SKI Shared Growth CEO Seminar	74 persons
		SKGC Shared Growth CEO Seminar	16 persons
		mySUNI online platform courses	35 suppliers
Technical Support	· Joint technology development, patent applications, sharing technology infrastructure, technical education programs · Facility purchase funding for productivity improvement and investment in new venture companies with excellent technology	Technology Development Support	KRW 460 million (625 cases)
		Joint Development Support	KRW 28.58 billion (32 cases)
		Productivity Improvement Support	KRW 240 million (6 suppliers)
		Start-up and Venture Company Support	KRW 2.6 billion (15 suppliers)
Win-Win Payment System	· Tax credit benefits, interest and incentives for trading companies, exemption from subcontract payment guarantees		
Shared Growth Communication Program	· Conducted interviews with new and existing suppliers (16 suppliers participated) · Held training sessions on new battery regulations (approx. 100 participants from 38 suppliers) · Daily information sharing on battery market trends		

1) Until 2023, the disclosure of the Shared Growth Fund was based on the simple sum of loan principals. Starting in 2024, it is disclosed based on prorated calculation of loan principal.

Supply Chain

Operation and Support of the Win-Win Cooperation Fund

SK Innovation contributes to the Win-Win Cooperation Fund in collaboration with the Korea Foundation for Cooperation of Large & Small Business, Rural Affairs, not only to identify best practices in public–private partnerships but also to enhance the effectiveness of ESG capability-building among suppliers by promoting cooperative projects in areas such as technology, workforce, and market access between large enterprises, SMEs, and the agricultural and fisheries sectors. A total of KRW 123.0 billion has been contributed to the fund by 2024, and SK Innovation has promoted technical cooperation projects as well as technology, management, and safety management support programs to enhance the ESG capabilities of its suppliers. In particular, in 2024, SK Innovation invested approximately KRW 600 million in safety and health initiatives, including an incentive program to prevent on-site accidents at supplier workplaces, XR-based safety training for supplier employees at the Ulsan Complex, and automation equipment for increased productivity. Based on these efforts, SK Innovation will continue to build a sustainable supply chain that minimizes the environmental impact of its suppliers' products and services while contributing positively to society.

Operation of the Win-Win Cooperation Fund Council

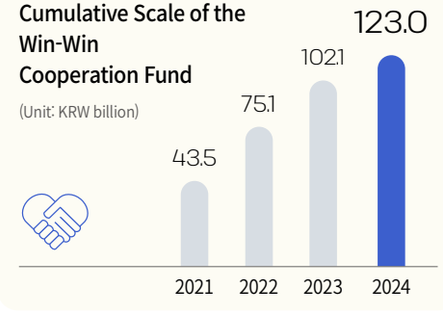
To enhance transparency and credibility in its supplier development and support programs, SK Innovation has established the Win-Win Cooperation Fund Council composed of internal experts to review the appropriateness of proposed initiatives prior to foundation approval. The council conducts a comprehensive assessment of whether the initiative generates both suppliers' economic and social value, and whether it leads to long-term ESG outcomes rather than one-time support. Even after approval, SK Innovation provides continuous monitoring to ensure the successful completion of the initiatives and actively promotes the outcomes to support the suppliers' growth.

Supplier Support Process under the Win-Win Cooperation Fund



Cumulative Scale of the Win-Win Cooperation Fund

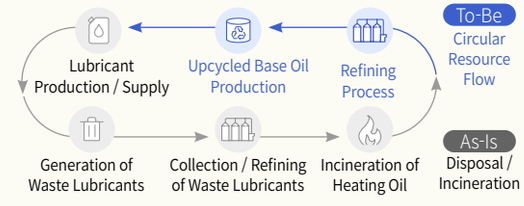
(Unit: KRW billion)



Example of Support through the Shared Growth Cooperation Fund: Lubricants Upcycling Project

SK Enmove is implementing the Lubricants Upcycling Project in collaboration with SMEs specializing in the collection and refining of waste lubricants, utilizing the Shared Growth Cooperation Fund. The project involves collecting waste lubricants that were previously incinerated for use as start-up or heating fuel in power plants, and reprocessing them into base lubricants through primary and secondary refining—thereby enabling recycling instead of incineration. Through this process, SK Enmove is establishing a circular ecosystem for lubricants to extend their lifecycle, while supporting SMEs in the collection and refining sector by providing equipment and assisting with circular economy certifications—ultimately creating social value through shared growth.

[Lubricant Resource Circulation Ecosystem]



Responsible Procurement

Purchase of Green Products and Environmentally Improved Products

SK Innovation is leading the promotion of green purchasing to reduce the input of energy resources and the generation of greenhouse gases and environmental pollutants. Since formally defining the concept and eligible items for green purchasing in 2022, the range of applicable items has been gradually expanded. In addition to certified green products, certain eco-friendly products that contribute to reducing energy consumption and greenhouse gas emissions are prioritized in the outsourcing purchasing system and are managed by adding newly qualified products each year.

Ongoing efforts also include the purchase of alternative raw and subsidiary materials that can reduce hazardous substances during product manufacturing, as well as the recycling of waste. Such activities include the purchase of recycled containers or polymer bags made from mechanically recycled polymers, which improve environmental performance. SK Innovation plans to continuously expand both the scope and scale of its environmentally responsible procurement activities every year.

Purchase of Green Products and Environmentally Improved Products

Category	Unit	2022	2023	2024
Purchases of Certified Green Products[1]	KRW 100 million	66.4	73.1	78.8
Purchases of Environmentally Improved Products[2]	KRW 100 million	108.1	168.0	185.3
Other Indirect Procurement[3]	KRW 100 million	24.9	24.4	36.0
Total	KRW 100 million	199.5	265.4	300.1

1) Includes purchases of green products disclosed by the Korea Environmental Industry & Technology Institute under the Ministry of Environment
2) Includes purchases of energy-efficient/saving mark products, materials that reduce hazardous substances, etc., excluding green products
3) Includes other indirect purchases such as recycled materials

Supply Chain

Responsible Minerals Management System and Policy

Recognizing the importance of risk management in the procurement of key raw materials, SK Innovation affiliates regularly assess suppliers' ethical sourcing practices based on its raw material procurement policy. To minimize risks such as human rights violations and environmental degradation that may arise during the procurement process, SK Innovation has established the SK Responsible Sourcing Guidelines, based on the OECD Due Diligence Guidance for Responsible Supply Chains. In accordance with these internal guidelines, suppliers involved in raw material procurement are required to sign a commitment to comply with the policy, thereby committing not to purchase conflict or high-risk minerals, with periodic monitoring conducted to ensure implementation.

Responsible Minerals Committee

To ensure accurate and timely responses to responsible minerals issues, SK Innovation affiliates have organized and operate a working-level committee composed of relevant departments. Significant issues are reported to executive management to enable company-wide oversight and response.

Responsible Minerals Committee System

Supply Chain Due Diligence
- Oversee supply chain due diligence of suppliers
- Establish procurement policies and operational procedures
- Build supply chain information management systems
- Collect supply chain information
- Support suppliers' supply chain due diligence

Compliance
- Review purchase contracts
- Review Supplier Code of Conduct (Responsible Sourcing)
- Support for legal issue responses and regulatory interpretation

Collaboration with Business Partners
- Support the enhancement of suppliers' ESG management capabilities
- Manage and respond to customer requirements

External Communication
- Monitor policy trends
- Handle media responses related to supply chain due diligence
- Manage grievance mechanism

Supply Chain Risk Management for Responsible Minerals

SK Innovation affiliates conduct regular assessments to ensure supply chain traceability and identify potential risks. To manage risks within the supply chain, SK Innovation utilizes the Responsible Minerals Initiative (RMI) reporting template and internal survey forms to examine the supply chains of cobalt, lithium, nickel, and natural graphite, and assess potential risks. Additionally, SK Innovation affiliates encourage non-certified smelters within the supply chain to obtain certification through the Responsible Minerals Assurance Process (RMAP).

Responsible Minerals Due Diligence

Starting in 2024, SK Innovation and its affiliates are conducting third-party due diligence on responsible minerals to address the EU Battery Regulation (EUBR) and to assess supply chain risks. By the first half of 2025, responsible minerals and ESG risk due diligence will be completed for 25 Tier-4 suppliers of cathode, anode, and electrolyte materials, to strengthen the assessment of environmental and social impacts throughout battery manufacturing and waste treatment processes. Further, SK Innovation is planning to expand third-party due diligence to additional suppliers handling other minerals such as mica, manganese, aluminum, and copper. In 2025, to reinforce conflict minerals management among suppliers, SK Innovation plans to provide training on conflict minerals to raw materials suppliers and collect CMRT[1] and EMRT[2] templates as part of ESG assessments and due diligence. Additionally, new consulting services will be introduced to establish a robust management system for responsible mineral sourcing.

1) CMRT (Conflict Minerals Reporting Template): A document for tracing and reporting the origin of conflict minerals
2) EMRT (Extended Minerals Reporting Template): A document for tracing and reporting the origin of extended minerals

Status of Responsible Minerals Due Diligence (2024–2025)

Completion	In Progress	Planned
8 companies	5 companies	12 companies

Responsible Minerals Management Process

Establish Management System	· Establish a support system for supply chain due diligence · Set goals for responsible minerals management
Collect and Assess Supply Chain Information	· Build a supply chain management system · Collect supply chain information · Diagnose risks within the supply chain
Identify and Mitigate Risks	· Develop risk response and mitigation plans
Supply Chain Due Diligence	· Conduct independent third-party supply chain due diligence
Transparent Communication	· Disclose responsible minerals supply chain due diligence policy · Publish reports on responsible minerals supply chain due diligence

Participation in Global Initiatives

SK Innovation affiliates have participated in global initiatives aimed at addressing social and environmental issues. To establish a raw material management system aligned with international standards, SK Innovation has joined the Global Battery Alliance (GBA) and Responsible Minerals Initiative (RMI), contributing to the development of a sustainable battery value chain and the improvement of sourcing practices. SK Innovation will continue to build long-term collaborative relationships with the international community.

Global Battery Alliance

Responsible Minerals Initiative

Human Rights Management

SK Innovation affiliates have established a rigorous human rights management system to respect and protect the rights of all stakeholders. Global principles and guidelines such as the UNGC, ILO, and UNGP are strictly observed, with ongoing human rights due diligence conducted across domestic and international operations. A range of online and offline communication channels is in place, supported by a company-wide management framework to enhance diversity and inclusion. Efforts are underway to foster a work environment free from discrimination on the grounds of gender, race, nationality, religion, disability, age, social status, political opinion, pregnancy, or childbirth.

Governance

CEO
- Review human rights risk issues through the Board of Directors
- Make decisions on key human rights-related matters

Responsible Executive
- Review results of the human rights impact assessment
- Report human rights risk issues to the CEO and the Board of Directors

HR
- Establish human rights management policy and lead human rights impact assessments
- Identify and analyze human rights risks
- Report high-risk issues

Policy

Human Rights Policy

Declaration of principles to prevent human rights violations in all business activities

Strategy, Risks and Opportunities

Human Rights Management Framework

Establishing a Workplace Culture Rooted in Human Rights Protection, Diversity, and Inclusion

Expansion of top-level human rights management in Korea and human rights due diligence at global workplaces

Establishing a Human Rights Protection System
- Mid-to-long-term human rights management governance goals
- Establishing a human rights management risk process

Human Rights Protection Initiatives
- Human rights due diligence at global workplaces
- Monitoring human rights risks

Creating a leading corporate culture through diversity and inclusion management

Spreading a Culture of Diversity and Inclusion
- Diversity and inclusion awareness training and campaigns
- Promotion and retention of women leaders

Management of Diversity and Inclusion Levels
- Review of new job development for expanding employment of the employees with disabilities
- Achieving over 3.5% employment ratio for the employees with disabilities

Risks and Opportunities

Risks
- Non-compliance with human rights due diligence regulations such as the EU CSDDD may result in fines or litigation costs
- Human rights violations could undermine brand trust externally and negatively affect workforce productivity internally

Opportunities
- Human rights-driven management enhances brand image by building customer trust and loyalty
- Developed response plans for due diligence regulations and conducted human rights assessments across the supply chain
- Fostered inclusion of socially marginalized groups by operating standardized workplaces for persons with disabilities

Metrics and Targets

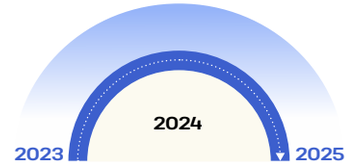
Strengthening the Human Rights Management Framework

Implementation Plan

2023	Publish the human rights management report
2024	Enhance the human rights survey (e.g., improving effectiveness)
2025	Establish a human rights due diligence plan for overseas operations in response to global disclosure regulations such as the CSRD

Goal

Expand the scope of human rights due diligence to more sites by 2025



Enhance the Human Rights Survey

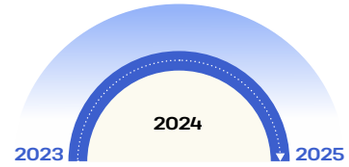
Strengthening Diversity and Inclusion (D&I)

Implementation Plan

2023	Provide D&I awareness education for employees at overseas sites
2024	Improve the work environment for employees with disabilities
2025	Achieve a 3.5% employment ratio for the employees with disabilities

Goal

Promote D&I initiatives at domestic and overseas sites by 2025



Completed Improvements to the Work Environment for Employees with Disabilities

Human Rights Management

Human Rights Risk Management

Human Rights Due Diligence

SK Innovation affiliates define human rights due diligence as a mandatory procedure to prevent potential human rights impacts that may arise during business operations. Referring to international frameworks such as the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct, SK Innovation affiliates regularly carry out human rights due diligence processes and disclose the results to stakeholders, ensuring responsible business conduct.

With increasing emphasis on corporate social responsibility in protecting human rights across the supply chain, SK Innovation affiliates are expanding human rights management not only to domestic suppliers but also across global operations. They conduct human rights due diligence targeting major suppliers and encourage all suppliers to conduct their own human rights due diligence. Since 2022, SK Innovation affiliates have developed customized human rights due diligence items tailored to the legal and cultural context of each country and region, and have conducted human rights assessments targeting locally hired employees at global sites.

SK Innovation Affiliates Human Rights Due Diligence Process

❶ Human Rights Impact Assessment	Definition of human rights impact assessment targets and stakeholders, investigation of human rights risks and impacts
❷ Identification of Human Rights Risks	Stakeholder participation for assurance of major human rights risks and impacts
❸ Establishment of Improvement Goals	Establish mitigation plans for workplaces with potential human rights risks
❹ Grievance Handling	Conducting human rights risk mitigation activities based on improvement goals
❺ Monitoring	Monitoring activity performance and continuous monitoring through stakeholder communication channels
❻ External Disclosure	Disclosure of human rights management status through ESG disclosure reports

Human Rights Impact Assessment (HRIA)

SK Innovation affiliates conduct company-wide human rights impact assessments as part of the human rights due diligence process. An internal self-assessment checklist is developed based on global guidelines and internal indicators such as working environment, labor conditions, and workforce management, followed by an annual online survey of all employees.

Overview of the 2024 Human Rights Impact Assessment

Categories	· **Regular:** Once a year · **On-demand:** When major risk factors arise
Supervising Authority	SK Innovation Corporate Culture Division and Third-Party Assurance Agencies
Target	All domestic employees of SK Innovation affiliates (including potentially vulnerable groups[1]) 1) Women, people with disabilities, new employees (entry-level and experienced), pregnant employees, parents of infants and young children, non-regular employees, and customer-facing employees
Self-Diagnosis	**[2024 Major Supplementary Items]** · Total of 29 questions (24 mandatory human rights compliance items & 5 SKI-specific items) · Addition of four items · Inclusion of revised items related to diversity · Collection of diverse opinions through open-ended questions
On-site Inspection	· Conduct on-site inspections and one-on-one interviews with employees related to major risk factors · Conduct on-site inspections at major supplier workplaces and sampling surveys for suppliers

Categories and Sample Questions of HRIA Items

Establishment of a Human Rights Management System	Basic Human Rights of Employees	Non-discrimination in Employment and Work	Prohibition of Child Labor
· Introduction of Human Rights Policies and Programs · Operation of Remedial and Support Programs	· Experience of Verbal Abuse, Physical Assault, or Personal Attacks · Provision of Human Rights Training	· Discrimination during Employment or Work Execution	· Employment of Young Workers · Assignment of Hazardous Tasks to Young Workers
Prohibition of Forced Labor	**Employee Communication**	**Ensuring Occupational Safety**	
· Compliance with Working Hour Regulations · Existence of Measures to Address Cases of Forced Labor	· Availability of Communication Channels for Improving Working Conditions · Accessibility of Communication Channels	· Availability of Safety Equipment and Facilities in the Workplace · Operation of Programs to Protect Employee Health	

Human Rights Management

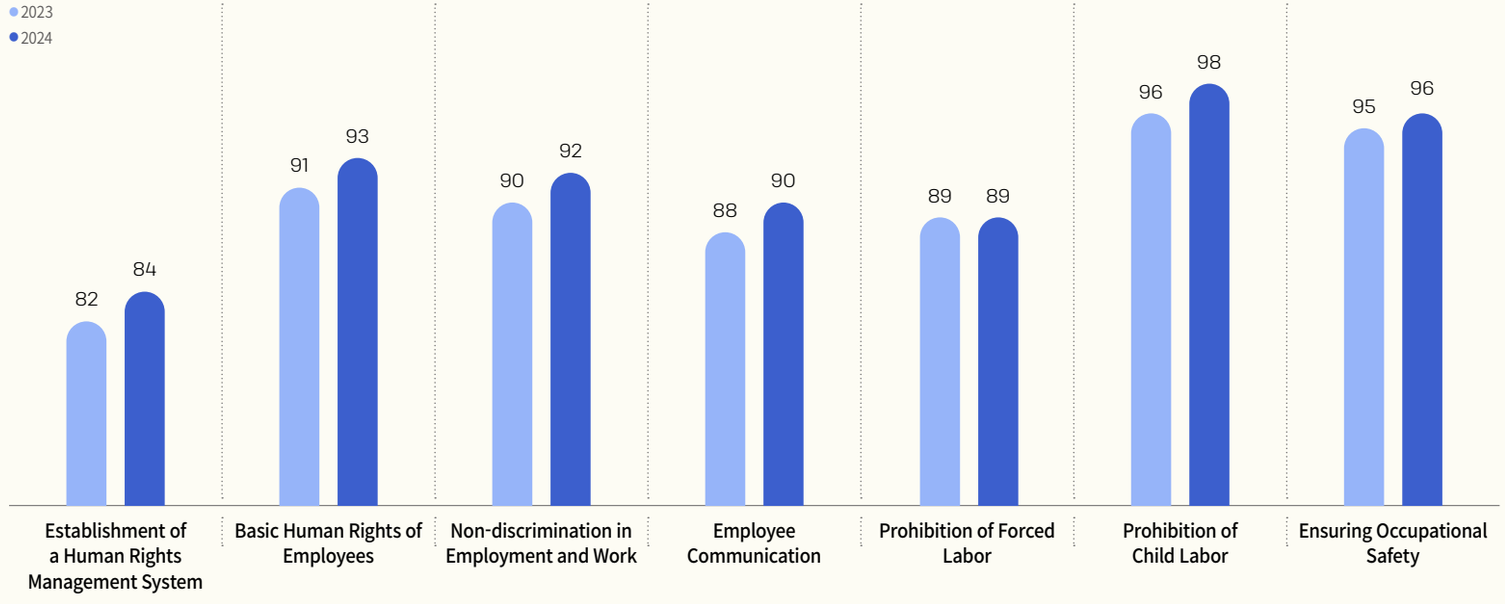
Human Rights Impact Assessment Results for Domestic Employees

SK Innovation conducts annual human rights impact assessments for all domestic employees across its affiliates to assess its human rights management performance. Based on the results of the previous year's assessment, SK Innovation identifies areas requiring improvement and implements targeted action plans to enhance performance. The effectiveness of these improvement efforts is reviewed through the following year's assessment results, which are then incorporated into the next round of planning.

The 2024 assessment showed improvements over the previous year, including increased awareness of SK Innovation's human rights management system and an overall rise in employees' basic human rights standards. Questions related to fundamental labor laws—such as the prohibition of child labor and assurance of industrial safety—received a very high ratio of positive responses.

Human Rights Impact Assessment Results (Positive Response Ratio)

(Unit: %)



❶ Goal Setting

According to the 2023 Human Rights Impact Assessment, SK Innovation employees generally perceived its human rights management in a positive light. Nonetheless, recognizing the need to improve areas with relatively lower scores compared to others, SK Innovation set focused management goals for areas with a positive response ratio below 90%. The selected focus areas for intensive management were the establishment of a human rights management system, non-discrimination in employment and work, employee communication, and the prohibition of forced labor.

❷ Improvement Activities

SK Innovation implements improvement initiatives not only to raise scores in targeted areas but also to continuously enhance its overall level of human rights management. Regular human rights training is conducted throughout the year, along with customized training programs. Ongoing monitoring and a dedicated response process are in place to prevent workplace sexual harassment and bullying. SK Innovation also shares updates on human rights management with employees and communicates, as necessary.

❸ Effectiveness Evaluation

According to the 2024 Human Rights Impact Assessment conducted after a year of improvement efforts, the positive response ratio increased in three of the four focus areas—establishment of a human rights management system, non-discrimination in employment and work, and employee communication—while the score for the prohibition of forced labor remained unchanged. In response, SK Innovation plans to incorporate employee feedback to enhance organizational culture and raise individual awareness.

Human Rights Management

Human Rights Risk Assessment Process

Step1. Assessment

1 Identification of Vulnerable Stakeholders to Human Rights Risks

Through its Human Rights Management Policy, SK Innovation defines stakeholders who are vulnerable to human rights risks and includes them in the scope of human rights impact assessments. These assessments are used to identify the stakeholder groups most vulnerable to human rights risks.

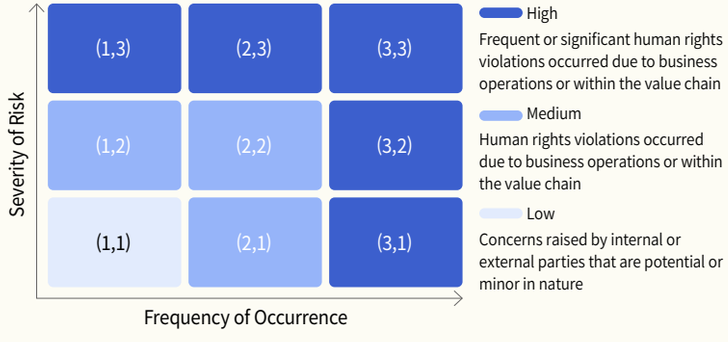
Q. Which group within SK Innovation do you believe is most vulnerable to human rights risks?

2 Human Rights Risk Classification Criteria

Risk Level Assessed Based on Frequency of Occurrence × Severity of Risk

Category	1	2	3
Frequency of Occurrence	Minimal occurrence (Less than 2 times a year)	Above average occurrence (Less than 6 times per year)	Frequent occurrence (Less than 10 times per year)
Severity of Risk	Minimal	Considerable	Significant

Risk Level



Step2. Results

Results of Stakeholder Identification for Human Rights Risk Vulnerability

Stakeholder	Reason
New Employees	May be unfamiliar with the organization's culture or procedures, making it difficult to raise concerns or request improvements even when experiencing unfair treatment
Non-Regular Employees	Emotional insecurity caused by employment instability may discourage individuals from reporting unfair treatment, especially when seeking conversion to permanent employment
Customer-Facing Employees	High potential for human rights violations during interactions with external customers, particularly in emotionally demanding roles
Parents of Infants and Young Children	Require adequate institutional support to maintain a balance between work and family responsibilities

Human Rights Risk Identification Results

Category	Human Rights Risks	Risk Description
Low Risk	Lack of respect for basic human rights	Reduced employee motivation due to unfair practices, discriminatory treatment, or a dysfunctional organizational culture
Low Risk	Non-compliance with working conditions, including working hour management	Excessive workload and inadequate rest between shifts leading to overtime issues
Low Risk	Workplace safety management and occurrence of serious accidents	Violation of the right to safety due to inadequate safety measures resulting in fatalities or injuries in the workplace
Potential	Workplace sexual harassment, bullying	Triggers sexual humiliation or feelings of degradation, undermining psychological safety
Potential	Infringement of community and indigenous rights	Violation of the rights of local communities and indigenous peoples due to emissions, resource use, and noise from business operations
Potential	Failure to ensure minimum living standards	Lack of minimum living support may lead to decreased employee motivation and issues related to exploitation or forced labor
Potential	Child labor, forced labor	Risk of child labor and forced labor in the procurement of raw materials from the supply chain

Step3. Improvement Activities

Category	Affected Stakeholders	Mitigation / Improvement Measures
Respect for Basic Human Rights	Employees	· Foster mutual respect in language and conduct among employees based on the human rights management policy · Prohibit discriminatory practices in performance reviews, promotions, and evaluations in line with the principle of non-discrimination
Compliance with Working Conditions	Employees, Suppliers	· Comply with statutory working hours · Ensure rest periods for shift workers during off-duty hours
Safety Management and Prevention of Serious Accidents	Employees, Suppliers	· Report and address workplace and on-site hazards through the Occupational Safety and Health Council · Conduct preemptive training and duty confirmation to prevent workplace accidents
Prevention of Workplace Sexual Harassment and Bullying	Employees	· Establish and implement policies on sexual harassment and workplace bullying · Provide accessible reporting channels and enforce principles for victim protection in case of incidents
Protection of Community Rights	Local Communities	· Conduct impact assessments prior to facility operation and publicly disclose the results · Hold public hearings and build consortiums to establish and implement joint goals with community stakeholders for impact management
Ensuring Minimum Living Standards	Employees, Local Communities, Suppliers	· Review wage payment status against minimum wage standards by region or entity · Implement corrective measures in cases of non-compliance with wage standards
Prohibition of Child Labor and Forced Labor	Suppliers	· Require suppliers to sign a commitment to the Supplier Code of Conduct upon registration · Demand remediation for child or forced labor issues within the supply chain; Terminate contracts in cases of non-compliance

Human Rights Management

Operation of Human Rights Reporting Channels

Monitoring and Stakeholder Communication

SK Innovation affiliates continuously monitor the status of human rights management through a range of online and offline communication channels. Potential human rights risks are regularly reviewed through communication with various stakeholders—including employees, suppliers, and customers—and the results of human rights impact assessments are disclosed via the SK Innovation website and reports.

Employee Human Rights Reporting Process

Report Submission ▸ Receipt ▸ Initial Interview ▸ Investigation Committee ▸ Disciplinary Action ▸ Formalization

- Initial Interview: · Duration may vary depending on the nature and severity of the case
- Investigation Committee: · Proceed without delay · Take disciplinary action if necessary
- Formalization: · Proceed without delay · Refer to the investigation committee upon completion

Status of Stakeholder Human Rights Reporting Channels

Stakeholder	Main Communication Channels
Employees	Ethical Management Reporting website, Intranet, Harmonia Counseling and Coaching Center
Customers	Ethical Management Reporting website, Customer Happiness Center (Call Center), SK Innovation affiliates' websites, etc.
Local Communities	Ethical Management Reporting website, various local group meetings, and local resident self-governing committees near workplaces
Suppliers	Ethical Management Reporting website, regular supplier meetings, and supplier CEO meetings

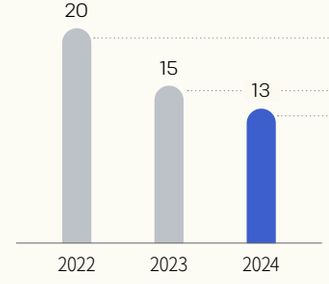
Whistleblower Protection Measures

- No disadvantage or discrimination in employment status shall occur as a result of making a legitimate report.
- If any disadvantage is experienced due to a report, the whistleblower may request corrective action and protection from the responsible department for ethics management, which shall take all necessary measures to minimize any harm.
- The identity of the whistleblower and the content of the report shall be kept strictly confidential and shall not be disclosed without the individual's consent.
- Individuals who cooperate with investigations—by providing statements or documents—shall receive the same protection as whistleblowers.
- If a person voluntarily reports their own involvement in unethical or illegal acts, disciplinary measures may be mitigated.

Human Rights Reporting Channel Receipt Status

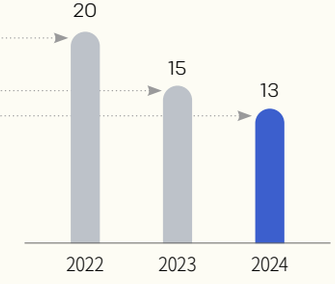
Human Rights Violation Reports Received (Number of Cases Reported)

(Unit: Cases)



Number of Verification and Investigation Cases for Reports and Receipt

(Unit: Cases)



Prevention of Workplace Sexual Harassment and Bullying

SK Innovation strictly prohibits all forms of sexual harassment, including actions or language that cause sexual humiliation or disgust by abusing one's position or authority. If sexual harassment is confirmed within the organization, strict disciplinary action is taken in accordance with the One-Strike-Out policy. In addition, any unfair behavior by executives or employees in a position of power that causes excessive physical or psychological distress or deliberately worsens the work environment is considered workplace bullying and is strictly prohibited. These rules on sexual harassment and workplace bullying apply to all employees and suppliers within SK Innovation affiliates.

Workplace Sexual Harassment and Bullying Handling Process

- **Reporting and Complaints**
  - · Harmonia Counseling & Coaching Center
  - · Third-party reporting
- ▼
- **Initial Interview**
  - · Initial interview conducted by Harmonia
- ▼
- **Formalization**
  - · Verification of formalization after initial interview
- ▼
- **Investigation Committee**
  - · Composition of the Investigation Committee
  - · Interviews with the complainant and the accused
  - · Notification to the HR of the respective affiliate upon confirmation
- ▼
- **Disciplinary Action**
  - · Conducted by the Personnel and Disciplinary Committee within the affiliate

Human Rights Management

Human Rights Training for Employees

SK Innovation affiliates conduct mandatory annual training for all employees on the prevention of sexual harassment and workplace bullying. Tailored training programs are provided based on role and rank—including for organizational leaders, on-site supervisors, new employees, and trainees—and regular internal communications are distributed to encourage active participation in these prevention efforts.



Workplace Sexual Harassment and Bullying Prevention Training Letter

Regulations on the Prevention of Child Labor in the Workplace

SK Innovation's Human Rights Management Policy explicitly prohibits the employment of children and adolescents under the age of 15, and this policy applies to SK Innovation and all its affiliates. SK Innovation and all affiliates require the entry of date of birth into the recruitment system and verify supporting documents during the hiring process. If any instance of child or underage labor is found, it is immediately reported to the relevant department, which then takes protective measures in accordance with the laws of the country where the workplace is located.

Diversity and Inclusion Initiatives

Development of Key Female Talent

SK Innovation is fostering an environment where talented female employees can grow into leadership roles. The affiliates of SK Innovation are working to prevent unfair practices that female talent may encounter and are committed to cultivating a gender-inclusive corporate culture. In 2024, SK Innovation affiliates conducted an in-depth analysis of their organizational environment and administered a survey to identify obstacles hindering the advancement of female leaders. SK Innovation and its business entities are strengthening systematic development and support for female talent by expanding the representation of women in key talent development programs. SK Innovation affiliates have been making sustained efforts to enhance gender diversity within the organization, with 1,878 women employed as of 2024.

Selection of Female Key Talent Employees and Operation of Leader Candidate Program

Target	Course Period	Course Content
Leader Candidates	March 2024 to November 2024	Leadership, Finance & Strategy, Management Skills

Number of Employees Completed	Course Outcomes
9 Persons	Pre-development of capabilities to be demonstrated as future executives and experts in SKI affiliates

Operation of Standardized Workplaces for People with Disabilities and Improvement of Work Environment

Since 2019, SK Innovation has established and operated four subsidiary-type Standardized Workplaces for People with Disabilities, through which it has directly employed individuals with disabilities. SK Innovation strives to exceed mere compliance with the legally mandated employment quota for persons with disabilities, aiming instead to fulfill its broader social responsibility toward marginalized groups and contribute to a more inclusive society. Specifically, SK Innovation is developing new roles that enable employees with disabilities to utilize their capabilities, while also enhancing competitiveness in compensation and welfare to prevent any potential sources of discrimination.

Employment Ratio of Employees with Disabilities (Unit: %)

Category	2023		2024		2025
	Goal	Achievements	Goal	Achievements	Goal
Employment Ratio of Employees with Disabilities	3.5	3.45	3.5	3.43	3.5

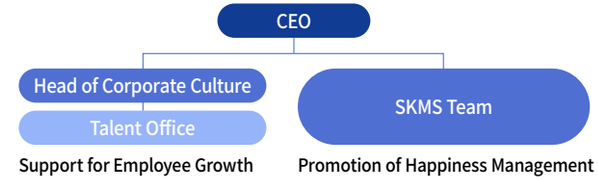
Details of Employment and Work Environment Improvement Initiatives for Persons with Disabilities

Development of New Job Roles	· Review of new job roles to expand employment opportunities and enhance workforce diversity (e.g., administrative support, healthcare, nail art, vehicle management, performing arts member, etc.)
Enhanced Compensation and Benefits	· Strengthening compensation competitiveness: Linked to the 2024 salary increase and introduction of a new year-end bonus equivalent to 50% of the monthly base salary. · Expanding benefits: Introduction of condolence gifts for the bereavement of an employee or the employee's spouse's family

Growth and Happiness of Employees

SK Innovation seeks to cultivate a self-directed learning environment that empowers employees to grow autonomously, thereby securing fundamental competitiveness for future growth and evolving into a change-leading organization. Stability and growth are achieved by defining employee happiness as a core value essential to sustained performance, and efforts are made to embed this value throughout the organization. Work practices are continuously innovated, and employee happiness is measured and managed on a regular basis. The aim is to ensure that employees, the organization, and society at large grow together and create greater value. SK Innovation's "Happiness Management" is defined by fostering employee happiness and extending that value to stakeholders. In recognition of its efforts to create a work environment that guarantees creativity and autonomy, as well as to ease the burdens of life events such as pregnancy, childbirth, and childcare, SK Innovation was selected as an Outstanding Enterprise for Work-Life Balance at the 1st Korea Work-Life Balance Awards.

Governance



Support for Employee Growth
- Establishing employee growth strategies
- Securing new talent
- Developing talent
- Strengthening leadership capabilities

Promotion of Happiness Management
- Establishing strategies for happiness management
- Assessing employee happiness levels
- Defining the direction of corporate culture
- Managing employee satisfaction and engagement

Risks and Opportunities

Risks
- Declining satisfaction with organizational culture can lead to talent attrition and increased recruitment costs
- Reduced work motivation undermines internal collaboration, resulting in lower engagement and productivity
- External exposure of employee dissatisfaction can negatively impact brand image and corporate reputation

Opportunities
- A healthy organizational culture enhances engagement and collaboration, leading to higher productivity and efficiency
- Employees with high organizational satisfaction are more likely to propose creative and innovative ideas, driving the development of new products and services and strengthening market competitiveness

Strategy, Risks and Opportunities

System for Supporting Employee Growth and Pursuing Happiness

Maximizing Employee Growth and happiness

Talent Development
- Pursuing SUPEX through VWBE
- Creating a culture of self-directed growth and competency development
- Fair opportunities and transparent evaluations

Pursuit of Employee Happiness
- Fair opportunities and transparent evaluations
- Monitoring employee happiness levels
- Identifying and eliminating factors that undermine happiness

Employee Growth Support Programs

SK Innovation supports employees in their self-directed growth and competency development by facilitating growth through work, growth through roles, growth through learning, and by fostering an environment where these capabilities can be fully demonstrated.

WORK+LIFE GROWTH

Growth through Work (Experience)
- Support for self-directed career planning and execution
- Expertise through task forces and cross-functional projects

Growth through Roles
- Participation in proactive and systematic development programs for leadership growth
- Support for leadership development and organizational development programs

Growth through Learning
- Support for strengthening future required capabilities and common competencies
- Support for developing mid- to long-term business execution competencies and enhancing job expertise (training programs, etc.)

Supporting an Environment that Fosters Employee Growth and the Pursuit of happiness

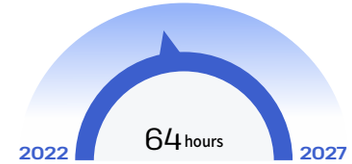
- Providing Individual Psychological Assessments and Counseling
- Offering Career Development and Coaching for Employees
- Supporting Team Communication and Organizational Vitalization Workshops

Metrics and Targets

Self-directed Learning Hours for Employee Development

Achievement Strategy
- **Fostering a Culture of Self-Directed Learning**
  Employees independently design learning plans based on personal development goals and the nature of their assigned roles
- **Providing Training Linked to Core Competencies**
  Customized online learning programs aligned with each employee's role

Goal
Achieve 115 hours per person by 2027

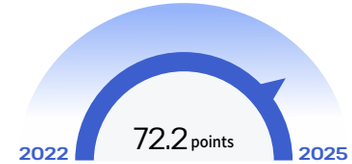


Achieved 2024 Target

Employee happiness Score

Achievement Strategy
- **Three Dimensions of Happiness**
  ① Happiness at Work
  ② Happiness in Life
  ③ Optimism for Future Happiness
  Comprehensive management of three dimensions of happiness
- **Linked with Organizational Culture Improvement**
  Analyzing and managing the impact of corporate culture characteristics on happiness

Goal
Achieve a score of 75 by 2025



Target for 2024 Not Achieved

Growth and happiness of Employees

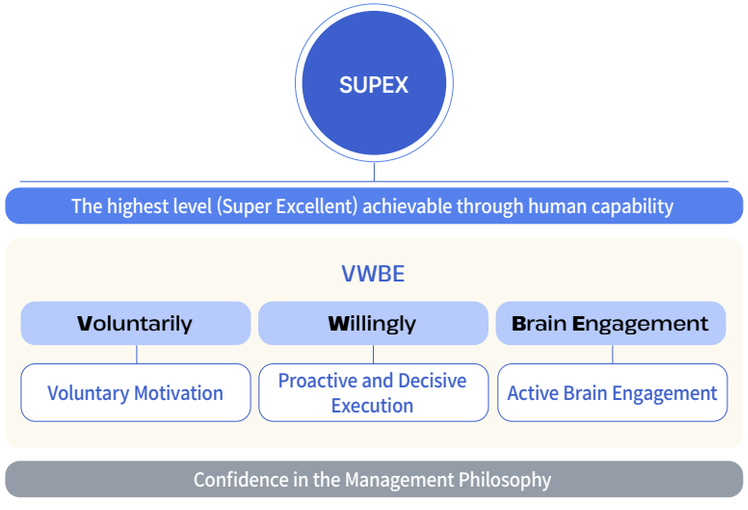
Employee Growth

Talent Development Direction

SK Innovation pursues Happiness Management in collaboration with its employees, grounded in a human-centered management philosophy based on the SK Management System (SKMS). To this end, a growth support framework is established in alignment with business changes, accompanied by competency development goals at both the organizational and individual levels. Employees are encouraged to dedicate 200 hours annually (10% of working hours) to learning, and personalized training programs are developed and operated accordingly. Going forward, efforts will continue to enhance employee engagement and satisfaction while driving long-term outcomes such as improved Human Capital Return on Investment (HCROI).

SKMS Management Philosophy →

SK Innovation Talent Profile



Talent Development Framework

Organization-led

Company-Wide Core Competencies

SK Innovation Core Competencies:
SKMS Implementation / Problem-Solving / Communication / Digital Agility

Strengthening Future Competitiveness

SK Innovation proactively identifies and develops key talent to secure next-generation future leaders, while building and managing a strategic talent pool.
Tailored programs are provided to enhance future competencies, including in-depth assessments of leadership and growth potential, core competency development initiatives, and specialized global training programs.

Enhancing Global Business Capabilities

SK Innovation is establishing an employee development framework to strengthen global technology and R&D competencies. Job-specific training programs are also being expanded for employees at global sites, supporting the development of job expertise among overseas personnel in new green business areas such as batteries and materials.

Enhancing Digital Competencies

SK Innovation provides all employees with learning content to strengthen their digital capabilities. Training programs cover core knowledge in digital transformation (DT) and digital literacy, supporting the development of digital expertise. Various DT-related events are also held to foster a culture of digital transformation across the organization.

Individual-led

Individual Self-Design Program

Self-Designed Learning Plans Based on Personal Growth Goals and Job Characteristics

Growth through Self-Directed Career Planning

SK Innovation employees establish individualized development plans to proactively design their own careers. Regular coaching sessions and one-on-one meetings with organizational leaders provide ongoing support for setting growth objectives, along with motivation and feedback to enhance engagement. Employees also actively pursue career development by leveraging the internal mobility system to transition into new roles.

Growth through Learn Plus and mySUNI

SK Innovation employees leverage digital platforms to pursue self-directed growth.

- **Learn Plus (Internal Learning Management Platform)**: Offers core competency courses, language programs, and facilitates peer-to-peer learning within the organization
- **mySUNI (SK Group Learning Platform)**: Provides online and offline content in areas such as AI, semiconductors, and management, allowing employees to explore topics of personal interest

Growth through Learn.知 (Learn-G)

SK Innovation employees independently organize and participate in practical training sessions through 'Learn.知 (Learn-G)'. A key feature of Learn.知 is that internal employees serve as instructors, delivering hands-on courses on topics such as data analysis and report writing.

Growth and happiness of Employees

Employee Growth Support Programs

New Employee Training

SK Innovation actively supports onboarding programs—including mandatory foundational training, mentoring, and group counseling—to help new and experienced employees adapt quickly to the organization.

Leadership Development Programs

SK Innovation operates a range of training and support programs at the affiliate level to strengthen leadership capabilities and drive effective organizational change. Development opportunities include workshops for all executives and team leaders, onboarding programs for newly appointed managers, customized AI/DT training for leadership roles, and regular leadership seminars. In addition, individual and group coaching, as well as personalized Learning Accounts, are provided to actively support competency enhancement across leadership tiers.

Internalizing Knowledge through Experts

SK Innovation appoints in-house experts in key areas that contribute to organizational performance, facilitating the transfer of individual capabilities into organizational strengths and promoting voluntary learning and knowledge-sharing activities among employees. In-house experts are selected based on criteria such as patents and certifications held, CEO awards received, doctoral degrees in relevant fields, and published research, and they regularly deliver in-house lectures both online and offline based on their knowledge and experience.

Mid- to Long-Term Development Programs

SK Innovation operates mid- to long-term development programs to strengthen future business execution capabilities and support employees with strong aspirations for growth. In addition to formal training assignments, various formats are offered to enable employees to balance work and study, providing growth opportunities for high-potential talent with a strong commitment to learning and development. Programs include MBAs and job-related degree courses at leading domestic and global universities and specialized research institutions, fostering global talent capable of contributing to SK Innovation's long-term business growth through global experience and knowledge exchange.

Measuring Program Effectiveness and Conducting Satisfaction Surveys

SK Innovation offers talent development programs tailored to employee characteristics and monitors program effectiveness using indicators such as certification acquisition and internal qualification completion. Post-program satisfaction surveys are conducted to inform the refinement of content and the development of future training courses. The average satisfaction score was 4.63, showing a slight increase compared to the 2023 result of 4.55.

Participation Outcomes and Effectiveness Evaluation of Employee Growth Support Programs

Effectiveness Indicators	Unit	2022	2023	2024
Acquisition of Statutory Certifications	Cases	653	759	672
Acquisition of Internal Certifications[1)]	Cases	1,044	1,649	11,231

1) Internal Certification: Refers to badges/certificates earned through mySUNI

Employee Satisfaction Survey on Growth Support Programs

4.55point in 2023 > 4.63point in 2024

Employee Recruitment and Evaluation

Employee Recruitment

Transparent Hiring Practices

SK Innovation operates its recruitment process based on a systematic framework and transparent principles. For large-scale hiring, document screening and written tests are independently conducted with the support of external professional agencies. Blind screening and mandatory interviewer training are implemented to prevent discrimination based on educational background, gender, or other personal characteristics. To promote inclusive hiring, additional points are granted to individuals with disabilities and veterans, and a standardized workplaces for people with disabilities is operated to support job creation.

Industry-Academia Scholarship Program

SK Innovation operates an industry-academia scholarship program to secure outstanding R&D talent at an early stage. Through this program, recruitment benefits and financial support are provided to high-potential researchers, enabling them to focus on their studies and fostering mutual growth between SK Innovation and top talent.

Employee Evaluation

Fair Performance Assessment

SK Innovation operates a performance management system that enables goal setting based on each employee's career stage, role, and expected contribution level to ensure fair evaluations. Through timely and continuous feedback from leaders and colleagues, the process and outcomes of goal achievement are monitored. Employees' competencies, qualities, and achievements are systematically managed. Evaluation results undergo rigorous correction and auditing processes before being communicated to employees, who can utilize grievance mechanisms to challenge assessment outcomes. Also, the SK Innovation affiliates operate a differentiated compensation system, utilizing performance evaluation results for employee development, compensation, and role appointments.

Growth and happiness of Employees

Employee Happiness

Employee Welfare Benefits

Creating a Flexible Work Environment

SK Innovation fosters a flexible work environment that enables employees to maintain a stable work-life balance while achieving peak performance. An annual survey on working hours is conducted among employees, and in 2024, the positive response rate reached 89%.[1)] In addition, SK Innovation operates the "O! Leave" program, which is linked to long-service rewards every 10 years, allowing up to one month of leave to support long-term work-life balance.

1) Result from the work-hour-related question in the human rights management survey conducted among employees (excluding SK On)

Support for Flexible Work Environments

Flexible Work System	· Employees can autonomously adjust their start and end times
Smart Work System	· A self-managed system that allows employees to record and manage their own working hours
PC-Off Program	· Automatically shuts down computers after a set time to prevent unnecessary overtime
Remote Work Policy	· Saves an average of 1.7 hours of commuting time per day · Allows flexible use of time for family communication or personal development
Remote Work Infrastructure	· Infrastructure established for video conferencing and task-sharing systems

Employee Benefits and Welfare Support

SK Innovation operates a vacation notification system that allows employees to take leave freely, and encourages the use of extended vacations (Big Break) and bridge holidays to promote sufficient rest. Additional benefits include housing support such as home purchase and lease loans, in-house childcare facilities, and subsidies for hobbies and leisure activities, helping employees maintain a healthy work-life balance.

Maternity Protection Programs

SK Innovation provides pre-maternity leave ranging from a minimum of one month to a maximum of three months for employees who are in the early stages of pregnancy or approaching childbirth, creating an environment where female talent can balance work and family life. Pre-maternity leave can be used together with maternity leave in the later stages of pregnancy, with maternity leave available for up to 90 days. In addition, when maternity leave is requested, one year of parental leave is automatically granted to help alleviate childcare burdens without added concern for employees. Further support for work-life balance includes dedicated facilities such as lactation rooms and women's lounges to ensure a safe and accommodating environment for maternity care.

Retiree Support Programs and Retirement Pension

SK Innovation operates retiree support programs and a "Happiness Pension system" to promote a stable and fulfilling post-retirement life for employees. Prior to retirement, employees receive counseling tailored to their areas of interest, along with access to various programs such as entrepreneurship training, job placement assistance, and financial consulting. The Happiness Pension System matches the employee's contribution with SK Innovation's support on a 1:1 basis and deposits it into a defined contribution retirement pension account. Additionally, part of the management performance bonus paid at the beginning of each year is deposited. Through this, employees are supported in managing their retirement funds more effectively, enabling them to prepare for a financially secure and fulfilling post-retirement life.

Mental Health Support

SK Innovation operates the "Harmonia Counseling and Coaching Center" at its headquarters, IEST, and the Ulsan Complex to support employee happiness and growth. Each site is staffed with one to three professional counselors, and services are delivered in collaboration with external specialists to provide psychological counseling on issues such as work-related stress and interpersonal relationships, as well as customized coaching on onboarding for new hires and career development. Additional support is provided across the employee life cycle, including MZ generation-focused lectures, school break programs to strengthen family bonds and understanding of children, and targeted care for high-risk employees through trauma and crisis response programs.

Utilization Status of the Harmonia Counseling and Coaching Center

Category	Implementation of Organizational Vitalization and Small Group Programs	Happy Workplace Culture Campaign	Training on the Prevention of Sexual Harassment and Workplace Bullying
Target	817 persons	All employees	All employees
Frequency	58 times	5 times	1 times

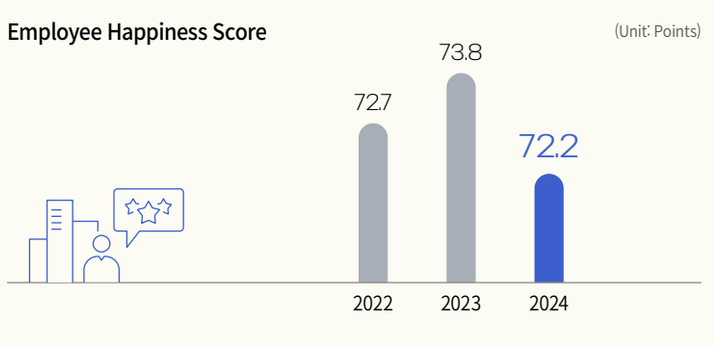
Growth and happiness of Employees

Employee happiness Score

Culture Survey

SK Innovation conducts the Culture Survey, a group-wide diagnostic tool for corporate culture used across the SK Group, to assess the organizational culture and employee happiness[1] across all SK Innovation affiliates. Although the target happiness score was not achieved in 2024 due to a deteriorated financial structure caused by an unfavorable business environment, efforts are being made to strengthen authentic communication and build a more open culture. In particular, Can Meetings[2] are being held to enhance cohesion within the organization.

1) As of 2024, the separate Happiness Survey has been integrated into the Culture Survey.
2) Can Meeting: A unique SK initiative where employees freely and informally discuss management issues.



The Journey to Happiness through Growth

SK Innovation places "employee happiness" as its highest management priority and is committed to realizing it over the long term. Opportunities for personal growth are provided, and a culture is fostered where work and learning are organically connected, enabling employees to experience both development and fulfillment. Through this, employees are supported in expanding their capabilities and continuously building their own sense of happiness.

Employee Communication

Operating Employee Communication Platform

SK Innovation utilizes both online and offline channels to promote open and honest communication with employees. An internal online bulletin board called tongtong is operated to encourage free dialogue among employees. In 2024, 187 internal communication representatives, known as iCONs[3], were appointed to strengthen two-way communication between SK Innovation and its employees. Face-to-face meetings between management and employees are also held regularly to discuss employee interests and foster a positive organizational culture together.

3) iCON: innovation Communication ON

Online Communication Channels

Engagement Channel	Methods and Frequency	Topics of Communication
tongtong	Online, Real-Time	· Employees can propose ideas related to company policies and operations, and share outcomes and issues regarding major corporate activities. · Inquiries related to work execution are automatically routed to the relevant personnel to ensure prompt feedback through a dedicated system.
iCON	Offline, As-Needed	· Employee feedback is collected and delivered to leaders as ideas for driving change. · Ongoing communication with leaders enhances understanding of key management issues.
Direct Communication between Management and Employees	Offline, Regular	· Opportunities for direct communication with the CEO are provided on topics such as key management issues, SKMS implementation, and happiness through growth. · Briefing sessions are held to share detailed information with employees regarding major changes in HR policies and systems.

Activating Labor-Management Communication

Labor-Management Council

The SK Innovation Labor-Management Council operates once every quarter at each affiliate where the council is established, discussing matters that promote mutual growth between employees and SK Innovation, such as employee welfare, grievance resolution, and safety management. In addition, labor and management across SK Innovation affiliates actively communicate through various non-regular channels, including management briefings, business plan sharing sessions, and meetings with union employees.

Key Principles of the Labor Union Collective Agreement

SK Innovation affiliates respect both management and labor rights in accordance with the principles of the Constitution and labor relations laws. SK Innovation regularly cooperates with labor unions to protect union employees' rights, establish healthy labor-management relations, and improve the social and economic status of all union employees.
Union employees are defined as employees who have joined the union. SK Innovation acknowledges that employees are free to join or leave the union according to their own will. The collective agreement, renewed biennially, applies to all union employees.
Matters improved through labor-management consultation and operational changes are shared via the internal system notice board, ensuring that employees are informed within the minimum notification period.

Details of Collective Agreement Conclusion

Date	내용
March 7, 2024	Conclusion of the 2024 Wage Agreement
February 24, 2025	Conclusion of the 2025 Wage Agreement

Customer Satisfaction

SK Innovation affiliates place customer well-being at the core of their business activities. Based on the internalization of quality management, efforts are made to enhance product safety and differentiate product and service quality to improve customer satisfaction. A system has been established to receive and promptly address customer feedback—such as complaints and improvement requests—through various online and offline channels. SK Innovation is committed to growing alongside its customers in pursuit of answers to the question of customer happiness.

Governance

Executive Management
- Responsibility for quality and product safety management
- Review and approval of quality-related agenda items
- Performance review through quality management review meetings

Quality Management Departments by Affiliate
- Oversight of stage-by-stage quality management
- Quality management and acquisition of quality management system certifications
- Quality inspection during product development and manufacturing processes
- OEM quality control

Business Departments by Affiliate
- Oversight of customer happiness management
- Execution of customer satisfaction activities for end users and distribution suppliers
- Conducting customer satisfaction surveys and operating the customer happiness center

Strategy, Risks and Opportunities

Customer Satisfaction Framework

Customer Satisfaction and Realization of Customer Value

Customer Happiness Management

Customer Satisfaction Management	Systematization of the Customer Complaint Reception Process	Realization of Customer Value Based on Service

Quality Management

Quality Management System Certification	Advancement of Product Quality Management Process	Enhancement of Product Safety

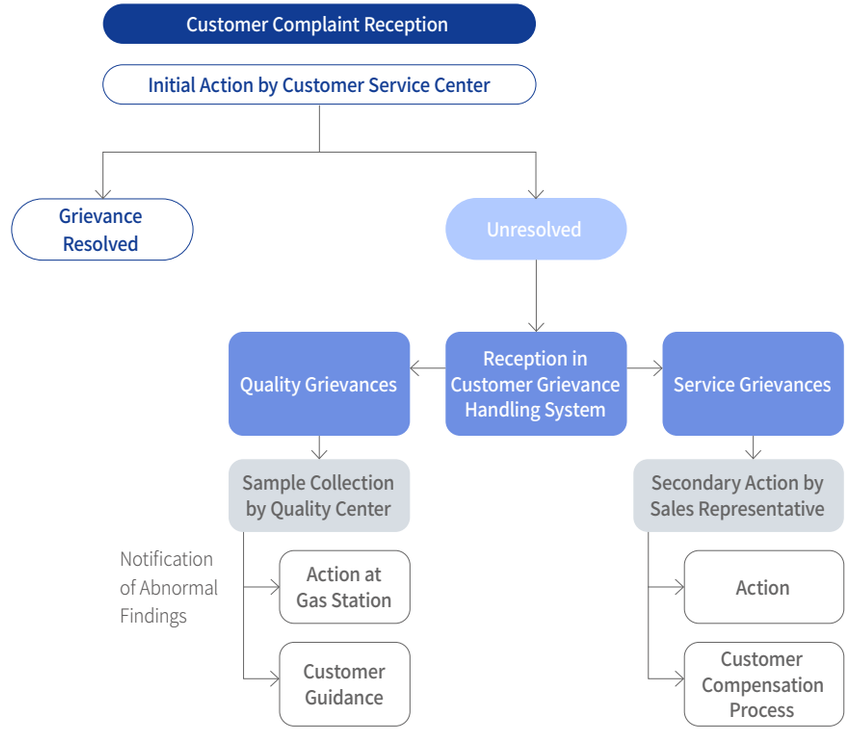
Risks and Opportunities

Risks
- In the event of product safety issues such as accidents or recalls, there is a high likelihood of incurring legal response costs due to liability or litigation, which could negatively affect customer trust over the mid to long term.
- The increasing occurrence of electric vehicle fires attributed to the instability of secondary batteries has heightened the need to enhance safety in product manufacturing.

Opportunities
- By offering customer-friendly services, SK Energy has consistently ranked first in categories of both K-BPI (Korea Brand Power Index) and KCSI (Korea Customer Satisfaction Index), thereby enhancing brand credibility.
- By operating the Customer Happiness Center, complaints are addressed promptly, contributing to the stable retention of customers.
- Safety is verified through hazard assessments conducted across the entire product life cycle.

Metrics and Targets

Customer Complaint Handling Process in Operation (SK Energy)



Customer Satisfaction

Customer Satisfaction

Customer Happiness Center

The Customer Happiness Center of SK Innovation affiliates receives customer inquiries and complaints via phone and email. Inquiries and complaints are, in principle, addressed on the same day, with a Customer Care System (CCS) in place to link each case to the appropriate handler, ensuring practical and responsive feedback. All customer inquiries and complaints are categorized monthly by type and shared with the Marketing Team to ensure that customer feedback is reflected across overall business operations.

Customer Satisfaction Management

SK Innovation affiliates enhance brand recognition and customer satisfaction by providing customer-friendly services. As a result of these efforts, SK Energy ranked first in the gas station category of the 2024 K-BPI (Korea Brand Power Index) for the 18th consecutive year and the KCSI (Korea Customer Satisfaction Index) for the 14th consecutive year. Each year, detailed survey results are analyzed to strengthen satisfaction drivers and improve areas of dissatisfaction through targeted initiatives.

VOC Reception and Processing Performance by Type

Category		Unit	2022	2023	2024
VOC by Type Number of Reports Received	Inquiries/ Suggestions	Cases	56,779	63,737	54,357
	Complaints	Cases	1,405	1,489	1,778
Total Number of Receptions		Cases	58,184	65,226	56,135
Processing Rate		%	100	100	100

Quality Management System

SK Innovation affiliates operate a quality management system to ensure efficient product quality control, and mandate the inclusion of product quality and safety management performance in executive and employee evaluations, thereby clarifying oversight and accountability. Annually, reports on the quality management business plans are submitted to the management and the board of directors to ensure high-quality products and services. Additionally, the supervising organizations within each SK Innovation affiliate establish quantitative quality objectives for processes starting from product manufacturing and procurement to customer management, continuously monitoring achievement levels.

Quality Management System Certification

SK Innovation affiliates obtain quality management certifications for domestic and international sites and products, and maintain stable quality control through regular renewal of these certifications. Through these efforts, SK Innovation affiliates will continue to respond to the evolving needs of customers while striving to maintain and enhance product competitiveness.

ISO 9001 (Quality Management System)

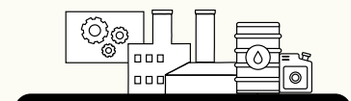
Category	Scope of Certification	Country	Production Site	Validity Period
SKE	Petroleum Products	Korea	Ulsan Complex	November 30, 2026
SKGC	Petrochemical Products	Korea	Ulsan Complex	November 30, 2026
		USA	SKPA	October 10, 2027
		Spain	SKPE	November 4, 2027
		France	SKFP	May 9, 2026
		China	Ningbo	March 23, 2028
SKO	Batteries	Korea	Seosan	May 21, 2027
		USA	SKBA	April 28, 2028
		Hungary	SKBM	February 26, 2028
			SKOH	May 15, 2027
		China	SKOJ	June 29, 2026
SKEN	Lubricants	Korea	Ulsan Complex	June 3, 2026
		China	SKENC	January 25, 2027
	Base Oil	Korea	Ulsan Complex	December 1, 2025
		Spain	ILBOC	September 4, 2026
		Indonesia	Patra-SK	February 12, 2028
SKIPC	Petrochemical Products	Korea	Incheon Complex	November 30, 2026
SKIET	LiBS, CCS	Korea	Jeungpyeong	November 23, 2026

IATF 16949 (Automotive Quality Management System)

Category	Scope of Certification	Country	Production Site	Validity Period
SKO	Batteries	Korea	Seosan	May 21, 2027
		USA	SKBA	April 28, 2028
		Hungary	SKBM	February 26, 2028
			SKOH	May 15, 2027
		China	SKOJ	June 29, 2026
			BEST	November 28, 2026
SKEN	Lubricants	Korea	Ulsan Complex	June 2, 2026
		China	SKENC	January 21, 2027
	Base Oil	Korea	Ulsan Complex	December 1, 2025
		Spain	ILBOC	September 18, 2027
SKIET	LiBS, CCS	China	SKBMC	March 1, 2026
		Poland	SKBMP	March 27, 2026

Customer Satisfaction

Case Study Product Quality Management Cases by Affiliate



Energy & Chemicals Business

Petroleum Quality Management — SKE

SK Energy applies standards that are stricter than legal requirements in the production of petroleum products. To protect fueling customers from counterfeit petroleum products, SK Energy conducts rigorous quality inspections from post-production shipment through logistics center storage to final delivery at gas stations, ensuring quality is maintained at every stage. SK Energy also actively participates in initiatives led by the Petroleum Management Service to stabilize the petroleum distribution market, including digitized supply reporting and quality certification programs.

Global-Standard Lubricant Quality Management — SKEN

Since first obtaining a quality management system certification in 1993, SK Enmove has maintained ISO 9001 (Quality Management System) and IATF 16949 (Automotive Quality Management System) certifications for the development and production of lubricants and base oils. In addition, SK Enmove's flagship lubricant brand, ZIC, complies with both European engine oil standards (ACEA) and American engine oil standards (API). SK Enmove holds quality management review meetings to minimize potential risks related to products and services, while continuously making improvements to enhance customer satisfaction.

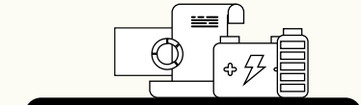
Ensuring Product Safety through the Operation of a Cross-Verification System — SKGC

SK Geo Centric has implemented a cross-verification system that strictly restricts and efficiently manages hazardous substances prohibited by country, depending on the applications of supplied products—ranging from industrial products such as chemicals and electronics to highly regulated items like food and pharmaceuticals. Specifically, SK Geo Centric conducts a full review of raw materials used in product manufacturing to ensure regulatory compliance and verifies the presence of hazardous substances in its products according to an annual testing schedule. Based on this management system, SK Geo Centric supplies products that comply with product stewardship regulations to customers both domestically and internationally.

Enhancing Responsiveness to Environmental Regulations Using AI Technology — SKGC

SK Geo Centric has introduced a customized AI technology called "PS Bot" to support product and chemical safety verification processes. PS Bot is trained on major product stewardship regulations and product data across regions, enabling it to swiftly identify global regulatory trends related to specific chemicals or its products and propose accurate response strategies. The introduction of PS Bot has improved the efficiency of product stewardship tasks and is expected to serve as a gatekeeper that helps prevent human error.

Case Study Product Quality Management Cases by Affiliate



Battery & Materials Business

Operation of Battery Safety Evaluation Center — SKO

SK On operates a Battery Safety Evaluation Center to meet the diverse quality requirements of customers and to strengthen its core capabilities in battery safety-related quality assessments. The center provides a one-stop solution that enables in-depth analysis—from non-destructive testing to teardown for structural inspection—to examine battery conditions and ignition causes, and also supports in-house R&D. Furthermore, the center is designed with explosion-proof structures to minimize the risk of additional damage to the local community in the event of accidents during testing and evaluation.

Expansion of Accreditation as an Internationally Certified Calibration Laboratory — SKO

SK On's Quality Division was re-accredited by KOLAS (Korea Laboratory Accreditation Scheme) under the Korean Agency for Technology and Standards, reaffirming its status as an internationally recognized calibration laboratory with enhanced capabilities. SK On's battery cell quality evaluation equipment—such as charge/discharge systems and temperature and humidity chambers—received high marks for its measurement accuracy in four key parameters: voltage, current, temperature, and humidity. This expanded accreditation reflects SK On's continued efforts to enhance its calibration and measurement capabilities, and by operating its own certified calibration lab, SK On expects to improve efficiency in cost and time compared to relying on external agencies.

Product Quality Management Process — SKIET

SK IE Technology has established and operates a product quality management process that spans the entire value chain—from customer management and product development to raw material procurement, production, and delivery. Customer satisfaction surveys are conducted to drive improvement initiatives, and a Preliminary Product Quality Plan is developed to ensure quality validation at each development stage. Incoming raw materials are inspected, and corrective and preventive actions are implemented for any nonconforming materials. A systematic quality management process has been established across all stages, including inspections and testing of semi-finished and finished products, along with statistical analysis to monitor process and product quality.

Product Hazard(Safety) Management — SKIET

The Quality Management Department at SK IE Technology conducts hazard(safety) assessments for all products throughout the entire lifecycle—from development and manufacturing to delivery. To enhance product reliability, SK IE Technology transparently discloses information on all chemical substances contained in its products to stakeholders and, beyond safety verification, has established Quality Golden Rules (QGR) to strengthen employees' awareness of quality.

Social Contribution

SK Innovation is leading the creation of social value not only through its core business activity of generating economic value, but also through strategic social contribution initiatives. To this end, social contribution efforts are planned and executed based on three strategic pillars: Shared Growth with Local Communities, Sustainable Environment, and Creative Solutions for Social Problems. In 2024, SK Innovation focused on enhancing the effectiveness of its programs by improving the quality of existing initiatives while also launching new social contribution activities. Through open communication with local communities, SK Innovation seeks to create sustainable happiness and share its value with stakeholders.

Governance

CEO
- Presenting the vision and direction of social contribution
- Head of the SK Innovation volunteer group: Leading a culture of volunteerism

Communication Division PR Office
- Reporting business implementation plans and progress to management
- Establishing management KPIs linked to social contribution
- Overseeing projects funded by the 1% Happiness Sharing Fund

CSR Team
- Developing and executing company-wide social contribution strategies
- Operating the volunteer group and developing related programs
- Managing the social contribution budget

Policy

Local Community Policy

Based on the slogan “Innovation for Stakeholders' Happiness,” SK Innovation provides fundamental solutions to social issues faced by local communities. Through open communication with stakeholders—such as local governments and residents—SK Innovation builds trust-based relationships and works in mutual cooperation to pursue a sustainable future.

Strategy, Risks and Opportunities

A Beloved Company Creating Sustainable Happiness for Stakeholders

Innovation for Stakeholders' Happiness: "Happy Innovation"

Community Innovation	Green Innovation	Social Innovation
Engage in activities that provide substantial help to communities near our business sites	Create a sustainable environment by addressing climate change and preserving biodiversity	Provide creative solutions to social problems
Shared Growth with Local Communities · Supporting vulnerable groups such as children and the elderly · Supporting communities near our business sites · Addressing pain points for people with disabilities · Building social safety nets	**Sustainable Environment** · Addressing climate change · Preserving biodiversity · Local environmental preservation activities · Recycling resources such as waste plastics	**Creative Solutions for Social Problems** · Creating an ecosystem for social enterprises · Business-linked partnerships · Addressing social issues such as educational disparities and local population decline

Risks and Opportunities

Risks
- Legal risks may arise from violations of laws related to human rights and the use of public facilities
- Conflicts of interest or poor operational oversight may lead to negative public perception, damaging corporate reputation and restricting permits or operations
- Potential risk of information leakage during the formation of social contribution partnerships

Opportunities
- Impact on local communities by business sites is identifiable and manageable, and no negative impact has been observed
- Timely engagement in regional issues and close communication with local governments and residents can help create a favorable business environment
- Contributing to a stable and favorable business environment through building a sustainable future

Metrics and Targets

Establishing a Foundation for Social Contribution at Overseas Sites[1]

Implementation Plan

2023	5 Sites
2024	11 Sites
2025	Gradual Expansion to All Business Sites[2]

Goal
Establishing a foundation for social contribution at key business sites



1) Implementation of three or more CSR programs per site
2) As the programs become established at key sites, self-designed initiatives are carried out at each location, reflecting national and community-specific characteristics

EnviRun for the Earth

Implementation Plan

2023	14 Countries (20 Sites)
2024	16 Countries (28 Sites)
2025	Gradual Expansion to All Business Sites by 2025

Goal
Gradual expansion to all business sites by 2025

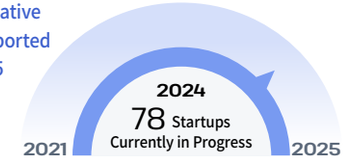


Green Startups Development

Implementation Plan

2023	65 Companies
2024	80 Companies
2025	100 Companies

Goal
Achieve a cumulative total of 100 supported startups by 2025



Social Contribution

Community and Stakeholder Communication

SK Innovation engages in open communication with local communities across all business sites nationwide to identify and address social and environmental issues in collaboration with local stakeholders. To this end, SK Innovation builds networks with local governments, opinion leaders, and expert organizations, while creating platforms for dialog to discuss key issues. In addition, to ensure the authenticity of its social contribution efforts, SK Innovation shares the outcomes of its programs through various platforms.

Ulsan Forum

The Ulsan Forum is a communication platform jointly hosted by SK Innovation and the Ulsan Chamber of Commerce and Industry to discuss various social challenges facing the local community. In 2024, under the theme "Pivoting Ulsan: Shaping the City through Technology and Culture," SK Innovation explored solutions to regional issues using AI. More than 1,300 participants—including representatives from government, institutions, businesses, academia, media, citizens, university students in Ulsan, and SK employees—joined the Ulsan Forum either online or in person. The forum served as a venue for sharing diverse perspectives on strengthening Ulsan's industrial competitiveness through AI technologies, as well as addressing the broader national issue of regional depopulation. Through the Ulsan Forum, SK Innovation continues to explore points of engagement and strengthen collaboration with the local community surrounding the Ulsan Complex. Going forward, SK Innovation will continue to engage with stakeholders in the regions where its business sites are located, working together to resolve local social challenges and lead the creation of social value.

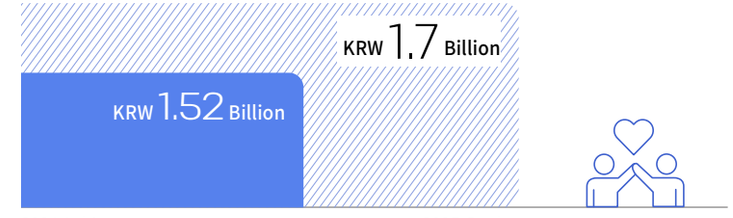
Key Stakeholders in Social Contribution Systems

Core Strategy	Expert Advisory	Stakeholder Engagement
Community Innovation Shared Growth with Local Communities	· Community Chest of Korea: Project review and evaluation · Able Welfare Foundation: Project judging committee · Great Music Festival: Preliminary and final competition judges, Social Enterprise Tool Music	· Ulsan Forum: Government, organizations, companies, academia, media, citizens, SK employees, etc. · Institutional Working Meetings: Support for the elderly living alone (10 locations) · Local Residents' Autonomy Association: Ulsan, Incheon · Project Cooperation: Support Center for Senior Citizens Living Alone, Heart to Heart Foundation, Korea Childhood Leukemia Foundation, Able Welfare Foundation, ChildFund Korea, Save the Children, Make-A-Wish Foundation, Korea National Sport University Industry-Academia Cooperation Foundation, etc.
Green Innovation Sustainable Environment	· UWW (United Way Worldwide) · Business and Biodiversity Platform (BNBP) · Ecodyne Co., Ltd.	· BNBP Advisory Committee · Social Enterprises: MangLub Vietnam, Morethan, RightRoute, Usisan, Grape Lab, etc. · Joint Cooperation: Korea Volunteer Center, Korea National Park Service, Korea Environment Corporation, Future Han River Headquarters, Citizens' Garden Society, etc.
Social Innovation Creative Solutions for Social Problems	· DNV (Social Enterprise LCA Evaluation and Certification) · Social Enterprise Promotion Agency	· Korea Institute of Startup & Entrepreneurship Development (under the Ministry of SMEs and Startups) · Korea Central Council of Social Enterprise · Ulsan Social Economy Market Support Center · Ulsan Social and Economic Support Coop · Project Cooperation: Ulsan Chamber of Commerce and Industry, Ulsan Port Authority · Korea Social Enterprise Promotion Agency, etc.

SK Innovation Affiliate Volunteer Group

In 2024, the SK Innovation Affiliate Volunteer Group marked its 20th anniversary, with employees from business sites across the country voluntarily participating in structured and consistent volunteer activities. The 80 volunteer teams nationwide have not only continued flagship programs—such as companionship support for elderly individuals living alone and social independence training for children with developmental disabilities—but have also expanded into new areas, including wish-granting projects for children with critical illnesses, pro bono initiatives, ecosystem restoration through the removal of invasive plants, and disability awareness campaigns with families. As a result, 8,373 employees in total participated in volunteer activities throughout the year, contributing a cumulative 61,548 hours. The social value generated is estimated to be approximately KRW 1.52 billion when converted to monetary value.

Social Value Created through Volunteer Activities (Cumulative)



Social Contribution

Community Innovation: Shared Growth with Local Communities

SK Innovation is committed to addressing challenges faced by local communities and fostering shared growth by focusing on improving the quality of life for future generations and vulnerable groups in need of social care. In addition, SK Innovation continues to implement programs aimed at strengthening the social safety net. Through diverse employee-participatory social contribution initiatives, SK Innovation fulfills its role as a responsible corporate citizen and continues to grow together with the communities it serves.

1% Happiness Sharing Fund

The 1% Happiness Sharing Fund is established through a matching grant mechanism, in which SK Innovation matches the total amount equivalent to 1% of all participating employees' base salaries, equal to the amount they donate. The fund is used to support cooperative efforts with supplier companies, as well as to implement a wide range of social contribution initiatives both in the communities where business sites are located and on a national scale. Over the last eight years, employee donations have amounted to a cumulative total of KRW 22.6 billion as of 2024, and with SK Innovation's matching contributions, the fund has reached approximately KRW 43.7 billion. SK Innovation will continue to take the lead in addressing pressing social issues in local communities through resources funded directly by employee participation.

Case Study **1% Happiness Sharing Fund Steering Committee**

To ensure transparent and efficient management of the fund, the Steering Committee is chaired by the Head of PR at SK Innovation and is composed of 10 employee representatives recommended by each business site. As the donors themselves, employees directly participate in decision-making processes such as the selection, modification, and cancellation of sponsorship projects, enabling transparent and effective budget execution.

Roles of the Happiness Sharing Fund Steering Committee

- Deliberation and resolution on the selection, modification, and cancellation of sponsorship projects
- Approval of project budgets, fund allocation, and settlement
- Approval of the establishment and revision of operational procedures for the Happiness Sharing Fund
- Consent to the appointment and dismissal of Steering Committee members

Strengthening Support for Future Generations and Vulnerable Groups

SK Innovation is expanding the reach of its support by enhancing the quality of existing programs and launching new initiatives to help future generations and vulnerable groups lead better lives. Recognizing the ongoing need to address the social isolation of marginalized children, youth, and elderly individuals living alone, SK Innovation employees actively participate in volunteer activities to contribute to meaningful solutions. Going forward, SK Innovation will continue to focus on initiatives that enhance the happiness of neighbors and stakeholders in our communities.

Support Programs for Vulnerable Groups

Programs	Activity Content and Performances
Great Music Festival (GMF)	· Korea's largest music festival for individuals with developmental disabilities, supporting their social independence and artistic talent, featuring both domestic and international performers · In 2024, the 8th GMF hosted 422 performers from 47 organizations nationwide **· From 2017 to 2024, a total of 238 organizations and over 2,500 performers have participated cumulatively**
Sharing Happiness, Carrying on Love	· A program aimed at alleviating social isolation among elderly individuals living alone through companionship-based volunteer visits and cultural experience events **· In 2024, 3,547 employees participated, supporting 6,467 senior citizens**
Happy Dream	· Experiential learning program designed to support the social independence of children with developmental disabilities · Includes "Handball Physical Education Class" in collaboration with the SK Sugar Gliders and Korea National Sport University, along with cultural and nature-based field trips such as movie outings **· In 2024, 1,412 employees participated, supporting 3,177 children**
Support for Children with Incurable Diseases and Pediatric Cancer	· Financial support program for medical expenses targeting children from underprivileged families diagnosed with incurable diseases or pediatric cancer **· In 2024, 108 children received support**
Support for the Production and Repair of Prosthetics	· Support program for the production of prosthetic limbs for individuals with limb amputations · On-site repair services provided for amputees living in remote mountainous and island regions **· In 2024, support was provided to 37 individuals with limb amputations (11 individuals from underserved groups and those with special talents, and 26 residents of remote mountainous and island areas)**
Make-A-Wish Project: Wish Maker	· A wish-granting program designed to foster a positive mindset for children with intractable diseases, helping them focus on their treatment **· In 2024, the program supported 19 children and engaged 127 employee volunteers**

Future Generations and Community-Based Social Safety Net Initiatives

Programs	Activity Content and Performances
Support Program for Children Preparing for Independence	· A support initiative for children transitioning from care facilities, providing assistance with education, job preparation, housing expenses, and medical costs **· In 2024, 91 children preparing for independence received support**
Support Program for Children Caring for Family Members	· A program supporting children and adolescents who must care for family members despite being in need of care themselves, providing assistance with education, caregiving expenses, psychological therapy, and cultural experience activities **· In 2024, 27 children received support**
Support for Opening Libraries in Local Children's Centers	· A "Happy Dream Library" project to help bridge the education gap by creating library spaces and providing books for children in rural and fishing communities who are in educational blind spots due to geographical constraints **· In 2024, a total of 15 libraries were established nationwide**
Local Business Site Social Safety Net Activities (Ulsan, Incheon)	**Deployment of comprehensive support programs for vulnerable groups and future generations in Ulsan and Incheon** 1. Ulsan · Meal and lunchbox support for at-risk elderly individuals: 150 beneficiaries · Support for low-income persons with disabilities: 178 households · Educational and psychological support for abused children and adolescents: 597 beneficiaries · Talent development support for underprivileged youth: 25 beneficiaries · Self-reliance support for youth aging out of care, including education and emergency assistance: 30 beneficiaries 2. Incheon · Independent living experience support for adults with severe developmental disabilities: 70 beneficiaries · Support for child centers and welfare facilities: 28 institutions · Financial assistance for medical treatment, procedures, and surgeries for low-income elderly individuals: 40 beneficiaries · Housing environment improvement for low-income households in vulnerable living conditions: 32 households · Support for families in crisis: security window screens for 30 households / cultural experiences for 8 welfare facilities / home appliance support for 10 youths preparing for independence

Social Contribution

Green Innovation: Sustainable Environment

SK Innovation, which operates a diverse range of energy-based businesses, is committed to addressing the climate crisis and biodiversity loss while contributing to the creation of a sustainable environment. From social contribution programs that respond to climate change, to initiatives promoting resource circulation such as plastic waste recycling, and efforts to conserve biodiversity, environmentally responsible activities are being continuously carried out with a focus on local communities.

EnviRun for the Earth: Environmental Clean-Up Plogging

Since 2021, SK Innovation has been conducting ongoing plogging activities at its local business sites, driven by the belief that small everyday actions can lead to significant environmental impact. Branded as the "EnviRun (Environment + Running) for the Earth Campaign," this initiative has expanded to global sites, amplifying its environmental value. In 2024 alone, 5,952 employees from domestic sites participated in plogging activities, collecting plastic waste and other debris. Internationally, employees from 32 business sites across 17 countries took part in the initiative, contributing to environmental cleanup efforts in their local communities.

Mangrove Forest Restoration

Since 2018, SK Innovation has been carrying out mangrove forest restoration projects in the Mekong Delta region. Mangroves serve as a vital link between marine and terrestrial ecosystems and deliver significant environmental value by offering both carbon reduction and biodiversity conservation benefits when restored. A total of 225 hectares of forest have been successfully restored in Southeast Asia, including Vietnam, where SK Earthon's Oil Block development projects are underway. In 2024, restoration projects covering 11 hectares are in progress on Vanua Levu Island in Fiji and in Sarawak, Malaysia. An additional 11-hectare restoration project is planned for 2025 in Tra Vinh Province, Vietnam. Environmental education is being provided in parallel for local residents and students. Moreover, by encouraging their direct participation in planting activities, the initiative supports local livelihoods as well as contributes to the regional economy.



Mangrove Forest Restoration

Response to the Spread of Invasive Plant Species

Invasive plant species disrupt native habitats and spread rapidly, often causing various negative effects such as triggering allergic reactions. Timely intervention during their early growth stages is essential. In response, SK Innovation launched the "Guardians of Biodiversity" volunteer initiative in 2024, focusing on its local business sites to curb the spread of invasive species. Over the course of the year, approximately 1,120 employees participated in removal activities primarily at Hangang Park in Seoul and rivers in the Daejeon area. The cumulative area cleared reached 4.2 hectares. Additional efforts were also made to restore the ecosystem, including the production of eco-friendly compost from the removed plants and sowing native seeds. Moving forward, the Guardians of Biodiversity program will continue to contribute to biodiversity preservation and the establishment of stable habitats for native vegetation, which serve as important carbon sinks.



Guardians of Biodiversity

EnviRun for the Earth Participation Results (Domestic and Global)

Countries of Implementation	Participating Sites
18 Countries	38 Sites
Number of Participants	**Total Hours of Activity**
7,987 persons	15,607 hours

Mangrove Forest Restoration Achievements (2024–First Half of 2025)

Participating	Areas	Number of Trees Planted	Cumulative Achievements
Republic of Fiji	9ha	90,000 Trees	4 Countries 236 ha, 914,320 Trees (As of the First Half of 2025)
Malaysia	2ha	2,200 Trees	

Guardians of Biodiversity Activity Outcomes

Employee Participation in 2024	Scale of Invasive Plant Removal
1,120persons	Cumulative Total: 4.2ha

Social Contribution

Social Innovation: Creative Solutions for Social Problems

SK Innovation strives to address various social issues through innovative and creative approaches by leveraging its available resources. To identify a wide range of social challenges, continuous dialogue is maintained with local governments, communities, and NGOs, working collaboratively to explore viable solutions. In parallel, efforts are made to foster an ecosystem where stakeholders—including social enterprises and social ventures—can sustainably generate both economic and social value.

Employee Pro Bono Activities

From 2024 onward, SK Innovation has strengthened pro bono activities by employees aimed at sharing professional expertise with social enterprises to promote shared growth with stakeholders. These pro bono efforts include project-based consulting that offers intensive and continuous advisory support, usability testing that provides customer-centric feedback before product or service launches, and training-oriented consulting sessions for multiple social enterprises. In particular, the advisory activities span 23 specialized fields, including HR, labor relations, marketing, fire safety, and occupational safety.

For example, employees from the Ulsan Complex and the Institute of Environmental Science and Technology provided industrial fire safety consulting to social enterprises, along with guidance on raw materials, components, and packaging materials. Employees with relevant expertise voluntarily offered services such as safety education for social enterprise workers, identification and mitigation of hazards in production facilities, and briefings on the Occupational Safety and Health Act and the Safety Control of Dangerous Substances Act. As a result, 1,554 employees participated in pro bono activities in 2024, supporting 103 social enterprises throughout the year.

Social Value Creation Linked to SK Innovation's Business Operations

NeTruck House	Silent Taxi	Gas Station with First-Aid Center
Challenging working conditions for truck drivers, including irregular and long working hours and a lack of rest facilities	Issues related to low employment rates and limited income opportunities for the hearing-impaired community	Lack of infrastructure to provide first aid during the critical golden time before EMS arrival in emergencies
SK Energy established 23 NeTruck House rest areas across major ports and logistics hubs nationwide to reduce drowsy driving risks and enhance driver welfare	Partnership with the social enterprise Coactus to support hearing-impaired individuals in obtaining taxi licenses and securing employment with taxi operators Collaborated with the Silent Mobility transportation platform and SK Energy's LPG stations, offering corporate taxi operators a monthly KRW 50,000 incentive per new hire	Developed and assigned certified first responders to SK Energy gas stations, equipping them with first aid kits and AEDs to enhance emergency responsiveness
Generated KRW 15.3 billion in social value by improving working conditions, reducing parking costs, preventing traffic accidents, and enhancing drivers' quality of life	Indirectly contributed to the employment of 79 hearing-impaired individuals and provided a cumulative KRW 76 million in incentives to hearing-impaired taxi drivers	As of the end of 2024, a total of 293 community first aid stations, including directly managed gas stations, were established nationwide and 608 first responders were trained

Support for Life Cycle Environmental Impact Assessment for Social Enterprises: LCA

To enhance the ESG-driven business competitiveness of social enterprises and expand investment opportunities, SK Innovation provides support for conducting Life Cycle Assessment (LCA). In 2024, SK Innovation quantified the environmental impact across the full product life cycle—from production to sales—for the social enterprise RightRoute, which it nurtures and supports, and explored strategies to mitigate negative impacts to strengthen product competitiveness. In 2025, SK Innovation plans to expand support for environmental impact assessments using its proprietary LCA expertise, targeting eco-friendly social enterprises. Target enterprises will be selected in both the first and second halves of the year to broaden the scope of LCA support.

SV Community Activities

SK Innovation operates the Social Venture (SV) Community to identify the education and support needs of social SV businesses. SK Innovation engages in non-regular communication and information sharing via social media, while also hosting offline gatherings to identify the needs of enterprises and incorporate them into its development and support plans. In addition, SV community meetings facilitate knowledge exchange and product-level collaboration among participating social enterprises and social ventures, fostering synergies across organizations.

Social Contribution

Strengthening Green Ecosystem Partnerships

SK Innovation's "EGG" ("SK Innovation Green Venture Scale-Up Program") forms part of the 2024 Startup Leap Package Large Enterprise Collaboration Program, operated by the Korea Institute of Startup & Entrepreneurship Development (KISED) under the Ministry of SMEs and Startups. Since 2021, the initiative has selected around 20 environmental technology startups annually, leading efforts to build a sustainable growth ecosystem. The fourth cohort of EGG, operated in 2024, selected a total of 15 startups across carbon reduction and environmental technologies, resource circulation and supply chains, and AI and platform sectors. The program identified collaborative models in low-carbon and environmental areas, while providing tailored mentoring, technical consulting, and other growth support programs. In particular, partnerships with both KISED and SK Innovation affiliates have led to tangible collaborative outcomes in the discovery and development of startups. Building on the most well-received components of the fourth EGG cohort, the fifth cohort was launched in 2025 with enhanced collaboration strategies. The program continues to support enterprises in carbon and environmental pollution reduction and ESG ecosystem expansion.



Details of the 2024 EGG 4th Cohort Operations

Selection of 15 Startups for the 4th EGG Cohort

A total of 15 startups were selected through document screening and presentation evaluations, based on criteria such as business feasibility, innovation potential, and collaboration compatibility with SK Innovation affiliates.

An inaugural ceremony was held to mark the launch of the environmental startup support program for green ecosystem development, enhancing overall program understanding and promoting inter-company networking.



EGG 4th Cohort Kick-Off Ceremony

Hosting of Meet-up Day Between SK Innovation and Selected Startups

Diagnostic Interviews

Baseline information such as company status, acceleration strategies, and open innovation ideas was collected to define customized objectives for each startup, tailored to their unique characteristics and collaboration potential with SK Innovation.

Meet-up Day

An opportunity was created for startups and SK Innovation affiliates' working-level teams to actively explore mutual technology status, collaboration needs, and strategic alignment.



EGG 4th Cohort Meet-up Day

Open Innovation and Professional Capacity-Building Acceleration

Open Innovation Integration

Business progress and collaboration status with SK Innovation affiliates were reviewed for each startup, and the acceleration program was refined through tailored mentoring and resource linkage based on individual company needs and development stages.

1:1 Mentoring

Customized mentoring was provided based on company-specific needs, including investment attraction and open innovation strategies, enabling startups to discuss business growth and partnership models with large enterprises.

Online/Offline Training

Training sessions were conducted to introduce strategies essential for business growth and to enhance organizational capabilities.

Session	Lecture Topic
1	Understanding and Application of ESG Open Innovation
2	Workshop on Measuring Social Value
3	Investment Attraction and Fundraising
4	(Special Lecture) K-Taxonomy Seminar

EGG 4th Cohort Operational Outcomes

A Cumulative Total of 78 Participating Startups
Selected and Supported Startups (2021–2024)

28cases
Meet-up Day Matching Support

15sessions
1:1 Mentoring Support

Social Contribution

Case Study Green Ecosystem Partnership Case

EGG 4th Cohort Interview with BNZ Partners

BNZ Partners, a climate-focused startup, engages in close collaboration with governments and corporations by offering advisory services for net-zero strategies and facilitating investment and financing in climate technology.

Through participation in the 4th EGG cohort, BNZ Partners applied the K-Taxonomy framework to corporate and investment cases, gaining hands-on experience in fundraising and securing successful reference cases. SK Innovation also launched a new green finance service and obtained official licensing as an external review institution from the government. In addition, as part of its collaboration with SK Innovation, BNZ Partners is developing an AI chatbot and evaluation system for K-Taxonomy alignment assessment, with a launch scheduled for July 2025.

Open Innovation Outcomes

SKI-BNZ
Publication of the K-Taxonomy Report

SKGC-BNZ
Selected for the Korean Green Bond Issuance Interest Subsidy Support Program

BNZ
Obtained Government-Certified External Review Institution License

2024

Scheduled Introduction of AI-Based K-Taxonomy Alignment Assessment System

2025

AI-Based Eligibility Assessment System

1 Data Input on Corporate Products, Services, and Environmental Management Activities → 2 AI-Based Recommendation of Green Economic Activities → 3 Web-Based Alignment Assessment Execution → 4 Automated Report Generation and Financial Product Recommendation

Future Plans and Objectives

BNZ Partners has established a short-term goal to provide comprehensive services to domestic corporations and financial institutions, including AI-based K-Taxonomy advisory, eligibility assessment and external review, fundraising support, and AI subscription services. In alignment with the government's Green Credit Management Guidelines, BNZ Partners will enhance corporate access to green finance through K-Taxonomy alignment assessments, while leveraging its knowledge and service competitiveness to pursue global expansion.

EGG 1st Cohort Interview with LD Carbon

LD Carbon (LDC)'s resource circulation technology repurposes end-of-life tires—previously incinerated—into high-quality pyrolysis oil and recovered carbon black, contributing to both waste reduction and greenhouse gas mitigation.

LD Carbon, nurtured as part of the 1st EGG cohort, pursued open innovation opportunities with SK Incheon Petrochem, collaborating on the refinement and commercialization of pyrolysis oil—ultimately securing a pathway to commercialization. In 2022, LD Carbon secured investment approval from SK Incheon Petrochem, enabling subsequent funding and talent acquisition. As a result, LD Carbon's revenue grew approximately 7.3 times by the end of 2024 compared to 2021, with recovered carbon black production reaching 7,200 tons. In April 2025, LD Carbon completed construction of its Dangjin plant and has since commenced commercial-scale production.

LDC Revenue Performance (Unit: KRW Million)

857	2021	Selected/Nurtured through the 1st EGG Cohort
2,004	2022	Collaboration with SKIPC (Investment Approved)
3,586	2023	Secured Investment from SKIPC in Q1
6,235	2024	Installation of Pyrolysis Equipment

LDC Progress Overview



Dangjin Plant Completion Ceremony

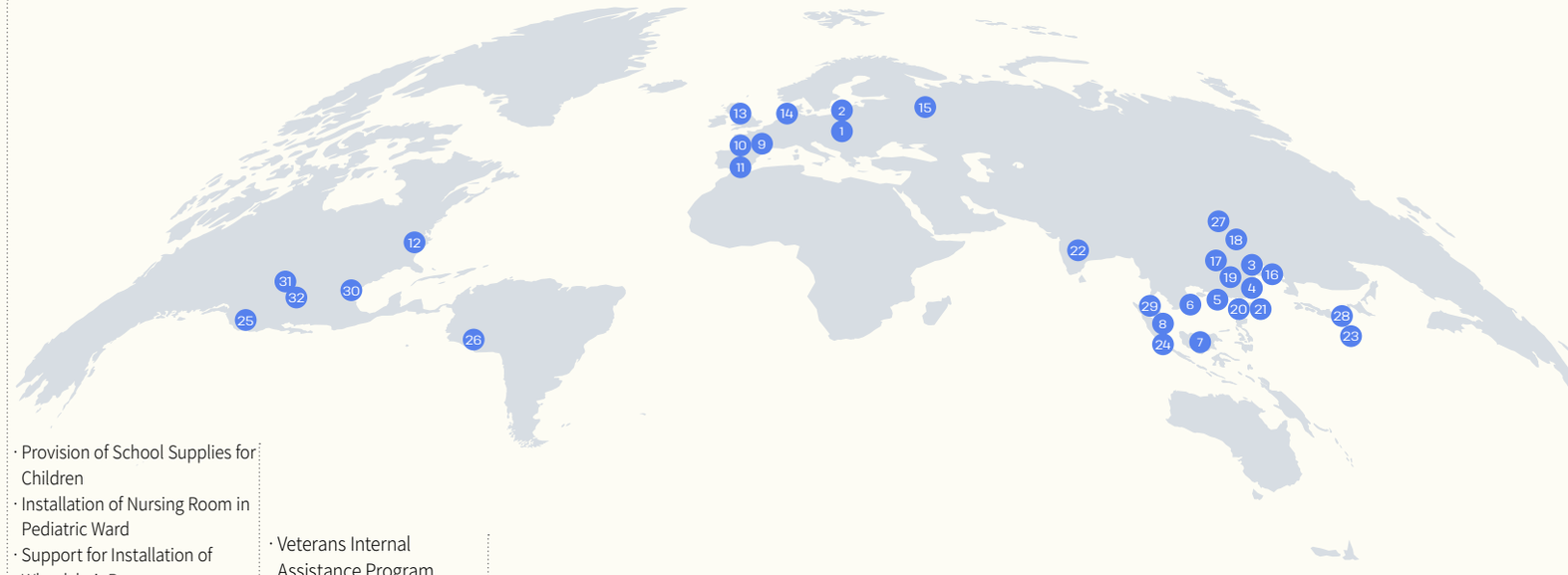
Future Plans and Objectives

LD Carbon aims to achieve resource circulation for over 25% of waste tires generated in Korea in the short term, contributing to annual carbon emissions reduction of more than 50,000 tons. LD Carbon will also strengthen collaboration with SK Incheon Petrochem and develop plans to scale up pyrolysis oil delivery and processing capacity. Furthermore, it will explore various avenues for cooperation, including carbon credit trading and financing, as well as the treatment of waste beyond tires.

Social Contribution

Expansion of Global Social Contribution Programs

As a global integrated energy company, SK Innovation carries out social contribution activities across its global sites, creating both economic and social value in line with SK Group's Double Bottom Line (DBL) philosophy. Its overseas operations also prioritize close engagement and collaboration with local stakeholders, aiming to address community challenges and build a sustainable future together. Building on the expanded social value creation initiatives led by large-scale overseas affiliates and manufacturing plants in 2023, voluntary participation was extended in 2024 to include smaller branches and joint ventures (JVs). In 2024, a total of 32 overseas sites across 17 countries implemented a wide range of social contribution programs—spanning environmental protection, blood donation, education, and support for vulnerable groups—tailored to local community needs, further raising global employees' awareness of the DBL philosophy.



1 Hungary / SKOH, SKBM
- EnviRun for the Earth
- Blood Donation
- GMF in Hungary

2 Poland / SKBMP
- EnviRun for the Earth
- Tree Planting
- Sponsorship of Children's Day Celebration Event
- Volunteer Visit to Orphanage
- Support for Facility for Individuals with Developmental Disabilities
- Support for Patronage Class Program
- Sponsorship of Michał Spizak International Festival
- Provision of Daily Necessities through the Noble Gift Campaign

3 Changzhou, China / SKBMC
- EnviRun for the Earth
- Blood Donation
- Community Support During Extreme Heat

4 Shanghai, China / SKGC
- EnviRun for the Earth
- SKGC Hope Scholarship Program
- Korean Language Dubbing Contest
- Support for Field Trips for Korean International Students
- SK Career Internship Program

5 Shenzhen, China / SKEO
- EnviRun for the Earth
- Release of Juvenile Fish into Shenzhen Bay
- Happiness Bazaar (Secondhand Market) for the elderly

6 Vietnam / SKEO
- EnviRun for the Earth
- Libraries of Dream
- Scholarship Support for Local Schools (Educational Supplies)

7 Indonesia / Patra SK
- EnviRun for the Earth
- University Scholarship
- Renovation of Public Infrastructure
- Support for Orphanage Facilities
- Cow Donation
- Blood Donation
- Technical Education Support for the Local Community
- Indonesia Engineering Association
- Restoration of Local Wastewater Streams
- Waste Management P/G
- Community Engagement and Revitalization

8 Singapore / SKEI
- EnviRun for the Earth
- Hardware e-waste Service
- E-Waste Battery Recycling
- SMU Sponsorship
- Blood Donation

9 France / SKFP
- EnviRun for the Earth
- Donation of PCs to Emmaus
- Item Donation for Neighbors in Need

10 Spain / SKPE
- EnviRun for the Earth
- Blood Donation
- RC PEE (School Success Promotion Project)
- Supporting SE for the disabled
- Internship (Local School)
- Food Bank Donation

11 Spain / ILBOC
- EnviRun for the Earth
- Provision of Adaptive Bicycles for Individuals with Disabilities
- Support for Local Musicians
- Support for Drug Addiction Rehabilitation Center
- Blood Donation
- Biodiversity Enhancement (Tree Planting)
- Sponsorship of TP Cartagena
- Support for Children's Summer Camp
- Support for Women with Cancer
- Cultural Alumbres
- Lactancia Madre a Madre
- Musica la union
- Christmas Event for Vulnerable Groups
- Provision of School Supplies for Children
- Installation of Nursing Room in Pediatric Ward
- Support for Installation of Wheelchair Ramps
- Provision of Basic Medicines and Food to Homeless Shelters

12 Georgia, USA / SKBA
- Keep Jackson Beautiful Adopt-A-Road (EnviRun)
- Endowment Scholarship for Engineer Cultivation
- Boys and Girls Club 5K & Fun Run/Walk Fundraiser
- Jackson County Police and Firefighters Donation
- Veterans Internal Assistance Program
- Jackson Chamber Golf Classic
- Food Drive Fundraising & Jackson Foodbank Donation

13 United Kingdom / SKEE
- EnviRun for the Earth

14 Netherlands / SKENE
- EnviRun for the Earth

15 Russia / SKENR
- EnviRun for the Earth

16 Changzhou, China / BEST
- EnviRun for the Earth

17 Wuhan, China / Sinopec-SK Petrochemical
- EnviRun for the Earth

18 Beijing, China / SKENC
- EnviRun for the Earth

19 Tianjin, China / SKENC
- EnviRun for the Earth

20 Ningbo, China / EPDM
- EnviRun for the Earth

21 Taiwan / SKE
- EnviRun for the Earth

22 India / SKENI
- EnviRun for the Earth

23 Japan / SKGCJ
- EnviRun for the Earth

24 Singapore / SKGCS
- EnviRun for the Earth

25 San Francisco, USA / SKIO
- EnviRun for the Earth

26 Lima, Peru / SKEO
- EnviRun for the Earth

27 Yancheng, China / SKOJ, SKOY
- EnviRun for the Earth
- SKOJ Plant Tour Program

28 Japan / SKENJ
- EnviRun for the Earth
- Recycling and Donation of Plastic Bottle Caps

29 Malaysia / SKEO
- EnviRun for the Earth
- Mangrove Restoration

30 Houston, USA / SKGCA
- EnviRun for the Earth
- Food for Homeless

31 Houston, USA / SKEA
- EnviRun for the Earth
- Food for Homeless

32 Houston, USA / SKENA
- EnviRun for the Earth
- Food Bank Donation

SK Innovation E&S Report: Social Report in Report

SK Innovation E&S is committed to creating a safe workplace for all by minimizing the impact of hazardous and harmful factors at its sites through a range of initiatives. These include on-site inspections led by the Chief Safety Officer (CSO), evaluations of the establishment and implementation of safety and health management systems at business sites, and the preemptive identification of safety and health compliance risks. In recognition of the community-oriented nature of the energy infrastructure industry, SK Innovation E&S identifies local communities as key stakeholders and actively engages in a wide range of social contribution activities to promote mutual growth. In addition, SK Innovation E&S places strong emphasis on talent acquisition to drive corporate growth and is committed to supporting a working environment where all employees can thrive and feel fulfilled.

Advanced Safety and Health Risk Management

SK Innovation E&S systematically identifies and mitigates occupational hazards and risks across its sites through regular field inspections by the Chief Safety Officer (CSO), risk assessments, and ongoing reviews of applicable health and safety regulations. This approach enables regular evaluation of the implementation status of each site's health and safety management system and ensures immediate corrective actions are taken following semiannual compliance reviews to preemptively manage regulatory risks.

Starting in 2024, SHE Focus Inspections have been conducted with an emphasis on preventing serious accidents, aiming to achieve “zero accidents and zero injuries,” targeting major facilities including power plants, city gas supply sites, solar power stations, and energy storage systems (ESS). During scheduled overhauls at power plants, on-site management has been further reinforced through collaboration with subject matter experts, and improvement activities have been carried out based on enhanced risk assessment results.

In-depth consulting diagnostics are also being conducted for subsidiaries, enabling comprehensive reviews of each site's safety and health management system and thorough assessments of compliance with applicable laws, such as the Serious Accidents Punishment Act. Since 2025, a SHE IT System has been implemented to assist suppliers in enhancing their SHE management capabilities and facilitate the selection of qualified contractors.

Taking into account the increasingly stringent standards of health and safety and the Group’s SHE policy direction, inspection and diagnostic consulting will be expanded to cover high-risk areas and newly incorporated subsidiaries. SK Innovation E&S will also promote cross-subsidiaries collaboration to elevate the overall standard of SHE management and strengthen specialized competencies.

Linkage with SK Innovation’s Material Topics

- Worksite Occupational Safety and Health Management
- Occupational Health and Safety Management for Suppliers

SHE Portal for Suppliers



SK Innovation E&S Social Report

Mutual Growth with Local Communities

I'm in Busan

"I'm in Busan" is a public-private partnership social contribution project jointly operated by SK Innovation E&S, the Busan Center for Creative Economy & Innovation, and the startup education organization, Underdogs. The program aims to address social issues in the Busan area while supporting the sustainable growth of participating companies, providing funding and business coaching to a total of 24 enterprises. At the "I'm in Busan DAY" event held in November 2024, interactive exhibits and citizen-participation activities were organized under the theme of "Marine Litter" selected through an online public vote. Notably, over 250 citizens joined a plogging event co-hosted with the carbon reduction lifestyle app Gluri and the eco-friendly footwear brand EasyMe, resulting in the collection of 120 kilograms of waste.

In addition, MMH, a participant in the business coaching program, was recognized for pioneering the eco-friendly MICE industry and pop-up store market, earning a commendation from the Minister of SMEs and Startups in 2024. Korea LFP, another participant, developed the world's first fire-extinguishing SBMS and was awarded the Innovation Award in the Energy & Power category at CES 2025. SK Innovation E&S remains committed to actively supporting the resolution of local challenges and the sustainable growth of regional enterprises, while simultaneously creating both social and business value.

I'm in Busan DAY On-site



"I'm in Busan – Jigusumsum" Citizen Participation Program



Linkage with SK Innovation's Material Topics

- Community Engagement and Rights Protection
- Supporting Employee Growth and Enhancing Happiness
- Fair Recruitment and Performance-Based Compensation

Pursuing Employee Growth and Happiness

Better Team Project

SK Innovation E&S regularly assesses organizational capabilities and effectiveness to ensure continuous team development and strengthened competitiveness amid a rapidly changing business environment. Based on the results of these in-depth assessments, SK Innovation E&S operates the "Better Team Project" to enhance team work practices and foster a collaborative culture.

The Better Team Project is a tailored organizational development program designed to review each team's objectives and working methods while promoting mutual understanding among team members to build an open and cooperative team culture. In 2024, a total of 59 teams participated in the program, with workshops held on topics such as improving peer understanding and engaging in constructive discussions about team direction and goals.

SK Innovation E&S will continue to strengthen a high-performance, collaborative work culture by supporting leadership development and enhancing organizational capabilities across all teams.

Enhancing Communication and Happiness

SK Innovation E&S regards open communication between management and employees as one of the core values of its organizational culture, fostering trust and engagement to establish a foundation for sustainable growth. Through various company-wide communication programs such as the Happiness Concert and Business Unit Comm. Day, SK Innovation E&S shares its vision and strategic direction with all employees.

Meanwhile, the "Happy Picnic" held in 2024 was an experiential event where employees' families visited the workplace to relax and connect. Organized ahead of Children's Day, the program featured a variety of intergenerational activities such as magic shows, macaron-making, and tarot card readings. The event received an average satisfaction score of 5 out of 5 from the 138 participating employees, reflecting highly positive feedback. SK Innovation E&S will continue efforts to foster a happy organizational culture by promoting employee growth and supporting work-life balance.

Ethical Management

SK Innovation has established a Code of Ethics and Ethics Guidelines that serve as the foundation for appropriate conduct and value-based decision-making by its members, and these are regularly updated in response to changes in internal and external business environments. The code of ethics applies to all members of SK Innovation affiliates, including regular, part-time, and non-regular (contract) employees, and it is recommended that suppliers in contractual relationships also adhere to this code. The Audit and Corporate Compliance Committee under the Board of Directors reviews current ethical management practices and formulates and implements detailed ethical action plans for each stakeholder group. Based on this governance framework, SK Innovation continuously promotes ethics training and practical initiatives for domestic and global employees, affiliates, and suppliers to foster a culture of ethical management.

Governance

Board of Directors
- Oversight of ethical management and audit functions
- Review of internal audit plans and results
- Possess the right to consent to the appointment and evaluation of the head of the Internal Audit Office to ensure independence

Audit and Corporate Compliance Committee
- Organization reporting directly to the Audit and Corporate Compliance Committee
- Establishment and execution of annual internal audit plans
- Reporting of internal audit and ethics management results to the Audit and Corporate Compliance Committee (22 cases reported in 2024)
- Establishment, operation, and enhancement of the ethics management system, along with practical initiatives (training, workshops, and surveys)

Internal Audit Office

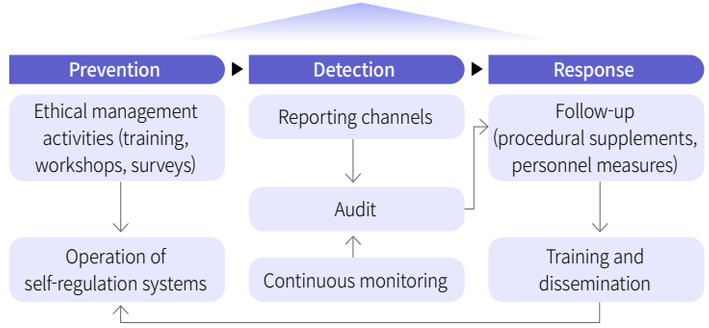
Policy

Code of Ethics
Ethical responsibilities of members towards stakeholders

Code of Ethics Guidelines
Provision of standards for ethical decision-making and behavior that members must adhere to

Strategy, Risks and Opportunities

Through continuous improvement of management systems, promoting the internalization of a Global Top-Tier level of ethical culture



Risks and Opportunities

Risks
- Detection of unethical conduct may lead to sanctions and lower ESG ratings, hindering investment attraction
- Strengthened regulations on ethical management lead to higher legal response costs and increased compliance risks

Opportunities
- Promoting a culture of ethical management enhances trust across the value chain and strengthens partnerships
- Regular audits help prevent risks and improve management efficiency, resulting in cost savings
- Transparent ethical management practices enhance ESG ratings and expand opportunities for sustainable investment

Metrics and Targets

Expansion of Ethical Management Activities and Scope of Application

Goal
Completion of 100% ethics management workshops for all overseas sites by 2026



Implemented at 6 Overseas Sites in 2024

Implementation Plan

	2023	2024	2025	2026
Overseas Business Sites	· Online training, pledge (implemented for overseas employees)	· Training completed for 26 affiliates and branches · New workshops and surveys: 23% Completion (6 Sites)	· Workshop implementation: 62% completion (17 Sites)	· Workshop implementation: 100% completion (27 Sites)
Investment Companies		· Newly completed online training for employees · Newly conducted workshops, surveys, and ethics pledges	· Ongoing implementation and advancement of ethics management activities	
Suppliers	· Initial implementation of online training	· Expanded training coverage (from 3 Companies to 88 Companies)		· Expanded training coverage

Key Outcomes

- Newly conducted workshops and surveys for overseas employees beyond expatriate staff
- Newly conducted workshops, surveys, and ethics pledges for employees of SK Innovation affiliates
- Expanded implementation of online training for suppliers

Ethical Management

Ethics Audit

Audit and Monitoring Mid-to-Long-Term Work Plan

To support the risk management activities of the Board of Directors and management, the SK Innovation Internal Audit Office conducts regular risk-based audits of all business areas, including affiliates, on a three-year cycle. SK Innovation is continuously advancing its ethics audits by establishing mid-to-long-term audit plans. Going forward, SK Innovation plans to conduct more in-depth audits on high-risk areas within its key functions and gradually expand the scope of direct inspections within its existing self-regulation system. In line with the principle of completing audits across all business areas within a three-year period, SK Innovation will systematically select audit targets by comprehensively considering risk assessment results, key function priorities, and required resources such as personnel and time for deep-dive reviews.

Audit and Monitoring Mid-to-Long-Term Work Plan

Category	2024	2025	2026
Major Function Check	Inspections of ten areas across all SK Innovation affiliates (including HR, finance, procurement and expenses, asset management, IT and security)		
Business Area Audit	Three affiliates[1] and three investment companies (incl. JV)	At least three overseas affiliates and three investment companies (incl. JV)	Two affiliates and four investment companies (incl. JV)

1) Based on 2024 sales (27%) and assets (12%) of SK Innovation affiliates

Strengthened Audit and Monitoring Execution

Under the principle of completing audits for all business areas of SK Innovation and its affiliates within three years, the Internal Audit Office conducted regular audits in 2024 for three major affiliates (including domestic and overseas operations and sub-affiliates), covering the entire scope of business operations such as key decision-making processes, risk management systems, and internal controls by business unit. In addition, SK Innovation carried out direct inspections of the company-wide self-regulation system (covering all affiliates), which had previously relied mainly on self-assessments, and completed audits of core functions and investment projects. The audit results, including improvement points and implementation plans, were reported to the Audit and Corporate Compliance Committee (more than 10 times), and follow-up monitoring was conducted to verify the execution of improvement plans for 37 previously identified risk factors.

Audit and Monitoring Process

❶ Planning Key Functional Area Inspections	· Risk assessment of major functions across all affiliates including sub affiliates (annual supplementation of target areas and items)
Business Area Audit	· Consider changes in the internal and external management environment and risk factors such as impact, probability, and audit cycle (all business areas on a three-year cycle)
❷ Audit and Corporate Compliance Committee Resolution and Audit Execution	· Conduct audit tasks according to the annual audit plan approved by the Audit and Corporate Compliance Committee
❸ Reporting to the Audit and Corporate Compliance Committee and Follow-up	· Support effective decision-making by promptly reporting audit results · Monitor the implementation status of improvement actions annually

Homepage https://ethics.sk.co.kr
E-mail skinnovation.ethics@sk.com
Mail SK Innovation Internal Audit Office, SK Seorin Building, 26 Jongno, Jongno-gu, Seoul, Korea
KakaoTalk Search for "SK Innovation Ethical Management" in anonymous chat
Phone 080-020-6262 **FAX** 080-020-6272

Ethics Consultation and Reporting

Operation of Ethics Reporting Channels

SK Innovation Internal Audit Office operates various communication channels that enable both internal and external stakeholders to seek consultation or report issues related to ethical management, and has enhanced accessibility and user convenience by providing its website in eight languages to minimize language barriers.

Whistleblower Protection System

To prevent any disadvantage to whistleblowers, SK Innovation affiliates have established a whistleblower protection system through internal regulations and introduced follow-up monitoring procedures to strengthen protection not only for whistleblowers but also for witnesses who cooperate in investigations.

Whistleblower Case Investigation	Monitoring	Follow-up Measures
· Conduct whistleblower investigations · Report findings and implement corrective actions	· Monitor whether whistleblowers or witnesses experience any disadvantage or harm	· Provide support measures such as remedying harm for whistleblowers and witnesses · Impose disciplinary measures on perpetrators or involved personnel

Ethics Reporting Reception and Processing

SK Innovation Internal Audit Office handles received reports transparently and fairly in accordance with the ethical consultation and reporting procedures, and regularly reports the status of reports and investigation results to the Audit and Corporate Compliance Committee.

2024 Ethics Report Reception and Processing Results

Category	Unit	2024
Report Reception	Cases	228
Investigation (Audit)	Cases	48
Transfer to related departments for review	Cases	35
Other, including complaints	Cases	145

Ethical Management

Dissemination and Internalization of Ethical Management

Ethical Commitment and Ethics Training

To raise ethical awareness and strengthen execution, SK Innovation affiliates conducts an annual Ethical Practice Pledge for all members. In 2024, 97% of all members participated in the pledge. All supplier companies are required to submit an Ethical Practice Pledge upon signing contracts, actively participating in its ethical management practices. SK Innovation also provides diverse training content to group members and external stakeholders, offering its code of ethics, guidelines, and reporting procedures in eight languages and educational content in ten languages for overseas members.

2024 Ethical Management Training Achievements

SK Innovation Affiliates' Employees[1)]

Category	Number of Participants Trained	Training Hours	Completion Rate
Face-to-Face and Remote Training	1,636 persons	922 hours	100%
Online Video Training	15,328 persons	6,816 hours	99%

1) All personnel at SK Innovation's domestic and overseas business sites, including executives, full-time employees, part-time employees, contract workers, dispatched workers, and overseas staff.

Suppliers Employees

Category	Target Suppliers	Training Hours	Completion Rate
Face-to-Face Training	19 companies	26 persons	100%
Online Video Training	88 companies	1,544 persons	89%

Ethical Management Practice Workshops

To enhance members' ethical decision-making and execution capabilities, SK Innovation conducts annual ethical management practice workshops led by team leaders. These workshops focus on in-depth discussions of ethical dilemmas and risk scenarios that may arise during business operations. In 2024, workshops were held across 358 teams, incorporating results from the ethical management practice survey. Discussion topics were tailored to each team's areas of vulnerability and specific ethical dilemmas. Notably, the workshops were newly introduced for members of SK Innovation's affiliates and six overseas sites, furthering efforts to promote a culture of ethical management across the entire organization.

Ethical Management Practice Survey

SK Innovation affiliates conduct ethical management practice surveys for employees and suppliers to assess awareness levels and identify vulnerable areas. Identified potential risks are continuously reflected in ethical management activities and improvement measures for these weak points. In 2024, 77% of all employees participated in the ethical management survey, and the scope was newly expanded to include SK Innovation's affiliates. The survey was also newly conducted at two overseas sites, with plans to gradually expand its coverage to all global operations.

Linking Ethical Management Compliance with Evaluation and Compensation

SK Innovation links ethical management and compliance to employee performance evaluations and compensation. Evaluation criteria include stakeholder value creation and professional ethical awareness. Violations of ethical management or compliance policies are reviewed and adjudicated by the Personnel and Disciplinary Committee in accordance with established rules and procedures.

2024 Disciplinary Reasons and Number of Disciplinary Actions by Type

Reasons	Unit	Number	Type			
			Dismissal	Suspension	Salary Reduction	Reprimand
Sexual Harassment	Cases	3	1	2	0	0
Non-Compliance with the Code of Ethics	Cases	1	0	1	0	0
Violation of Regulations/ Instructions	Cases	85	4	73	1	7
Negligence of Duty	Cases	15	0	7	2	6
Total	Cases	104	5	83	3	13

Cases of Ethical Management Dissemination among Domestic and Overseas Employees

Online Video Training

- Training for all members of SK Innovation affiliates (including subsidiaries and sub-subsidiaries), covering executives, regular employees, contract workers, part-time employees, dispatched employees, and overseas members
- Expanded online video training for suppliers in 2024 (from 3 companies and 294 participants → 88 companies and 1,544 participants), with ongoing plans for further expansion

Customized Ethical Management Training

- Increased number of face-to-face and remote training sessions for all employees, including executives and team leaders (13 sessions → 31 sessions)
- Ethical management leaders conduct job-specific training for high-risk business sites (4 sessions, 485 participants)
- Offline lectures for suppliers (3 sessions)

Workshops and Surveys

- Newly conducted ethical management workshops and surveys for subsidiaries of SK Innovation affiliates
- Newly conducted ethical management workshops and surveys for overseas employees at global business sites, with plans to gradually expand to all overseas locations

Ethical Practice Pledge

- Mandatory for all employees at domestic and overseas business sites
- Mandatory submission of the Ethical Practice Pledge by suppliers for all contracts
- 97.1% participation rate in the 2024 Ethical Practice Pledge

Anti-Corruption and Fair Competition

SK Innovation is establishing a global-level compliance system by continuously operating and enhancing its Anti-Corruption Compliance Program and Fair Competition Compliance Program (Compliance Program, CP) in response to its rapidly expanding and diversifying business portfolio. SK Innovation is also working to strengthen internal monitoring systems and foster a culture of compliance, thereby encouraging a higher level of voluntary compliance among employees in line with rising global standards.

Governance

Board of Directors
- Appointment of Compliance Officer and Chief Compliance Officer (CCO)

Compliance Officer Chief Compliance Officer (CCO)
- Overall planning and operation of the Compliance Program, including anti-corruption and fair competition
- Reports operational plans and performance to the Board of Directors

Compliance Department
- Responsible for planning and operating the Compliance Program

Policy

Compliance Management Standards
Standards and procedures to be followed in SK Innovation's business operations and employees' duties to ensure legal compliance

Anti-Corruption Compliance Policy
Policy established to ensure employees' compliance with anti-corruption laws and to prevent corruption and misconduct

Antitrust Guidebook
Provides guidance on sector-specific codes of conduct that all employees must adhere to in their respective areas of responsibility

Strategy, Risks and Opportunities

Anti-Corruption and Fair Competition System

Establishment and operation of a global-standard anti-corruption and fair competition compliance system

- Continuous improvement and implementation of internal control processes
- Embedding a culture of compliance through education and cultural activities

Risks and Opportunities

Risks
- Financial penalties and reputational damage resulting from violations of anti-corruption and fair competition-related laws
- Requires substantial financial and human resources to build, operate, and continuously enhance internal control processes

Opportunities
- Operating and enhancing the compliance system helps foster a culture of voluntary compliance and strengthens trust among internal and external stakeholders.
- Helps reduce costs and ensure operational stability by preventing legal sanctions, fines, and reputational damage through proactive compliance risk management

Metrics and Targets

Anti-Corruption and Fair Competition Performance and Goals

● Common ● Anti-Corruption ● Fair Competition

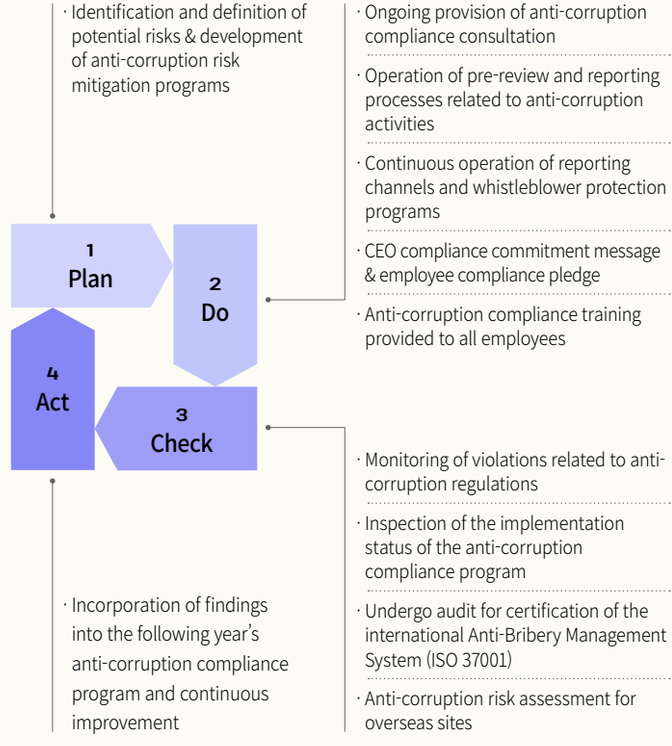
	2024 Achievements	2025 Goals
Systems	● Regular revision of internal regulations and policies related to anti-corruption and fair competition, and establishment of guidelines/manuals ● Execution of legal risk assessment, management, and improvement measures ● Support for anti-corruption compliance programs at overseas sites ● Regular review of the need to revise fair competition-related regulations and establishment of new operational manuals	● Ongoing and ad-hoc management of internal regulations and policies related to anti-corruption and fair competition ● Advancement of the legal risk assessment model ● Continued operation and reinforced management of anti-corruption programs at overseas sites ● Enhancement of CP effectiveness evaluation method based on the CP rating assessment system
Processes / Inspection and Monitoring	● Continuous operation of pre-review processes for anti-corruption and fair competition ● Inspection of anti-corruption regulatory violation cases by affiliates ● Monitoring of anti-corruption process implementation ● Evaluation and inspection of anti-corruption risks at overseas affiliates ● Risk assessments and inspections by business units to identify and monitor fair competition risk control status	● Ongoing operation of pre-review processes ● Review of introducing procedures to identify and control high-risk anti-corruption transactions ● Continued monitoring of anti-corruption process implementation and regulatory violation cases ● Strengthening of fair competition risk control processes by organization based on risk assessment results
Cultural Achievement	● Compliance pledge signed by all employees ● Achieved a 99.2% completion rate for anti-corruption compliance training ● Fair competition general training completion rates: 94.6% domestically and 91.5% overseas, with advanced training conducted seven times annually	● Compliance pledge signed by all employees ● Achievement of 100% completion rate for anti-corruption compliance training ● Ongoing promotion of anti-corruption compliance culture through various communication channels ● Expansion of advanced fair competition training tailored to the characteristics and needs of each business unit ● Establishment of disciplinary and reward criteria for CP violations and best practices

Anti-Corruption and Fair Competition

Anti-Corruption Compliance Management System

SK Innovation operates an anti-corruption compliance program based on a PDCA (Plan-Do-Check-Act) cycle to establish and implement a global-standard anti-corruption compliance management system, striving to eliminate corrupt practices by preventing internal and external corruption risks.

Anti-Corruption Compliance Program Management System



Policies Related to Anti-Corruption Compliance Management

To ensure compliance with anti-corruption laws and to prevent corruption and misconduct, SK Innovation has established a comprehensive set of anti-corruption policies and regulations. These include anti-corruption compliance rules, offering/acceptance of money, goods, etc. policies/procedures, counterparty anti-corruption risk assessment procedures, donation/contribution procedures, and processes for anti-money laundering and counter-terrorism financing. Based on these regulations, a wide range of anti-corruption processes are actively implemented.

Detailed Sub-Regulations under the Anti-Corruption Compliance Framework

Offering/Acceptance of Money, Goods, Etc. Policies/Procedures

No gifts or other benefits may be accepted or offered, regardless of job function or purpose. Any receipt or provision of such items involving stakeholders must be promptly reported to the relevant department.

Counterparty Anti-Corruption Risk Assessment Procedures

Before initiating any transaction, potential anti-corruption risks associated with the counterparty are assessed, and internal control procedures are defined to mitigate those risks.

Donation/Contribution Procedures

When making donations or sponsorships in the name of the company, the relevant department reviews their appropriateness and legitimacy, and supporting documents are retained after execution for monitoring purposes.

Anti-Money Laundering and Counter-Terrorism Financing Procedure

Any suspected or confirmed activity related to money laundering or terrorist financing must be immediately halted and reported to the relevant department.

International Certification Acquisition and Maintenance

SK Innovation affiliates have established management systems for anti-corruption compliance and are actively promoting company-wide cultural improvements. In 2023, SK Innovation simultaneously acquired international certifications for the Compliance Management System (ISO 37301) and the Anti-Bribery Management System (ISO 37001). In 2024, SK Energy also obtained both certifications, reaffirming that its anti-corruption compliance practices align with global standards. Meanwhile, SK On established a compliance department immediately after its launch and has continuously worked to improve employee compliance culture and ensure procedural adherence to the Compliance Management System, culminating in the acquisition of ISO 37301 in 2023. In addition, efforts to promote a culture of compliance extend beyond the headquarters to overseas affiliates through the operation of compliance councils. An online platform is also used to provide employees with easy access to relevant laws and internal regulations.

Status of ISO 37001 & 37301 Certifications

Affiliate	Type of Certification	Year of Certification Acquisition
SKI	· ISO 37001 · ISO 37301	2023
SKE	· ISO 37001 · ISO 37301	2024
SKO	· ISO 37301	2023

Anti-Corruption and Fair Competition

Anti-Corruption Compliance Management Activities

Anti-Corruption Compliance Training

SK Innovation affiliates provide anti-corruption compliance training to domestic employees, expatriates at overseas sites, and overseas office staff. In 2024, the program achieved a completion rate of 99.2%, surpassing the initial target of 95%. The goal for 2025 is to reach a 100% completion rate for anti-corruption compliance training.

Anti-Corruption Compliance Training Completion Performance

Category	Unit	2022	2023	2024
Number of Target Participants	Persons	9,368	12,386	15,145
Number of Participants Who Completed	Persons	8,974	11,922	15,023
Completion Rate	%	95.8	96.3	99.2

Efforts to Prevent Corruption Incidents

Through the establishment and operation of an anti-corruption compliance management system, the formulation of relevant policies, the operation of a platform for self-practice, the promotion of compliance awareness and culture, and the implementation of anti-corruption training, SK Innovation has made continuous efforts to institutionalize anti-corruption compliance. As a result, SK Innovation recorded zero violations of anti-corruption regulations in 2024.

Operation of Platform for Self-Practice

To promote voluntary anti-corruption compliance among employees, SK Innovation operates an intranet-based compliance platform that facilitates information sharing and communication. Through this platform, employees can access information on various types of compliance risks, including anti-corruption, along with applicable laws, internal policies, guidelines, and related FAQs tailored to specific tasks. The platform also supports anti-corruption compliance by enabling processes such as reporting the receipt or offer of gifts and requesting pre-review for the execution of donations and sponsorships. Additionally, it provides functions for employees to submit inquiries regarding compliance practices and report any suspected or actual violations related to compliance, including anti-corruption.

Anti-Corruption Compliance Internalization Activities

SK Innovation is promoting a wide range of internalization initiatives to establish a company-wide culture of anti-corruption. First, top management demonstrates its commitment to compliance through official messages, while all employees reaffirm this commitment by signing a compliance pledge. In addition, anti-corruption compliance letters are distributed to employees, and regular training sessions are conducted for both domestic and overseas staff. Furthermore, employee engagement events are held to raise awareness of anti-corruption in a more approachable manner, helping employees understand the importance of naturally adhering to compliance standards in their daily work.

Anti-Corruption and Fair Competition

SK Innovation Fair Competition Implementation Framework

Operation of Compliance Program

SK Innovation is committed to fostering a culture of fair competition compliance and establishing a fair market competition order through the implementation of its Compliance Program (CP). Detailed management guidelines have been established for the program's eight core elements, and to ensure effective operation, SK Innovation and its nine affiliates have each appointed a Chief Compliance Officer (CCO) for fair competition compliance. The Chief Compliance Officer oversees the planning and operation of the CP and reports the operational plans and performance to the Board of Directors on a semiannual basis.

Eight Core Elements of the Compliance Program (CP)



Reinforcing the Fair Competition Pre-Monitoring System

To systematically manage fair competition–related risks and prevent potential legal violations in advance, SK Innovation operates pre-review and deliberation procedures for all matters that may involve violations of Fair Trade Act. In particular, during key business activities such as inter-affiliate transactions and mergers and acquisitions (M&A), prior review by the fair competition compliance department is mandatory to proactively mitigate legal risks.

Regular risk assessments are also conducted across all SK Innovation affiliates to identify organizations with relatively high fair competition risks. For those identified, semiannual inspections and tailored training programs are implemented to strengthen their risk response capabilities. Additionally, SK Innovation regularly monitors agency and subcontracting transactions to ensure compliance with the Fair Transactions in Franchise Business Act and the Subcontracting Act. A proactive monitoring and review framework is also maintained for disclosures under the jurisdiction of the Korea Fair Trade Commission, with ongoing improvements in place. Through these efforts, SK Innovation continues to enhance the robustness of its fair competition compliance system.

Responding to External Regulations

SK Innovation ensures transparent and fair management of agency and subcontracting contracts through activities such as prior review by the fair competition compliance department and regular inspections of agency and subcontracting transactions.

Based on these efforts, SK Innovation actively cooperates with the Korea Fair Trade Commission's written surveys on agency and subcontracting practices, as well as the Ministry of SMEs and Startups' regular surveys on entrusted transactions.

Fair Competition Compliance Training

SK Innovation operates a structured internal training program to enhance employees' awareness of fair competition and to promote a culture of voluntary compliance.

2024 Fair Competition Training Operations Status

Date	Type	Program Title	Target	Participants
January	Job-specific training	Training on the Subcontracting Act and related new regulations	SKI Procurement Organization	54 persons
February	Audit training	Training on unfair collusive practices	SKE Marketing Division	42 persons
April	Job-specific training	Training on overview of the Korea Fair Trade Commission Disclosure system and practical compliance guidelines	Fair Trade Commission Disclosure personnel of SKI affiliates	15 persons
September	Company-wide training	SK Innovation affiliate fair competition general training – domestic	Domestic employees of SKI affiliates, including expatriates and assigned personnel	6,327 persons
October	Company-wide training	SK Innovation affiliate fair competition general training – overseas	Employees of 29 overseas affiliates and branch offices of SKI affiliates	817 persons
	Audit training	Special training on agency transaction inspection for SKE	Assessment target departments of SKE	115 Persons
	Job-specific training	Training on the subcontract payment adjustment system and technology misappropriation	All Employees of SKGC and relevant departments handling subcontracting transactions of SKI affiliates	1,081 persons
November	Audit training	Special training for IEST	Relevant departments subject to inspection at IEST	82 persons
	Job-specific training	Training on understanding regulations related to greenwashing prevention	Relevant departments (ESG, advertising, PR, etc.) of SKI affiliates	Approximately 50 persons

Fair Competition Training Content

Common		Fair competition act training for all employees of SK Innovation affiliates
Advanced	Job-Specific Training	- Training for designated employees on fair competition laws and key considerations (Fair Trade Act, Fair Transactions in Subcontracting Act, etc.)
	Audit Training	- Customized training designed according to business unit inspections and the specific characteristics of each organization and function

Anti-Corruption and Fair Competition

Risk Management Activities and Effectiveness Evaluation through Internal Inspections

SK Innovation identifies risk factors associated with unfair competition practices and unfair competition through regularly conducted internal inspections. Based on these findings, SK Innovation implements management activities to reduce negative impacts and maintain zero violations of fair competition regulations. In October and November 2024, internal inspections were conducted for the SK Energy Business Unit and the SK Innovation Institute of Environmental Science & Technology. Based on the identified risk factors, requests were made to strengthen internal management processes, and follow-up inspections were carried out to verify the implementation of corrective actions. To assess the effectiveness of these measures, the number of fair competition violations is monitored, and SK Innovation has successfully maintained zero fair competition violations from 2022 through 2024.

Details of Internal Inspections and Unfair Competition Risk Management Activities and Outcomes

Inspection Targets	Key Identified Risk Factors	Detailed Risk Management Activities
SKE Business Unit	Risk Factors Related to Violations of the Fair Agency Transactions Act	· Request to strengthen documentation management procedures for agency transactions · Supplementation of documents and enhancement/establishment of new document management processes
SKI Institute of Environmental Science & Technology	Risk Factors Related to Violations of the Fair Transactions in Subcontracting Act & the Promotion of Mutually Beneficial Cooperation between Large Enterprises and Small and Medium Enterprises Act	· Request to strengthen operational procedures to ensure compliance with the Fair Transactions in Subcontracting Act & the Promotion of Mutually Beneficial Cooperation between Large Enterprises and Small and Medium Enterprises Act · Revision of relevant internal regulations and templates for subcontracting/entrustment contracts

Risk Management Activities Effectiveness Evaluation Result **0** cases

2022–2024 Fair Competition Violation Count

Effectiveness Evaluation of the Compliance Program

SK Innovation conducts regular evaluations of the Compliance Program (CP) to support its continuous improvement and enhancement. These evaluations cover all aspects of the CP, including training and inspection activities. Following the previous year's assessment, SK Innovation has undertaken a range of CP initiatives, such as fair competition compliance training and proactive risk monitoring, to prevent unfair competition practices and acts of unfair competition. In 2024, various effectiveness evaluations were conducted under the leadership of the fair competition compliance department. Based on the results and employee feedback, improvement measures have been developed and implemented to enhance the operation of the CP.

Details of Compliance Program Effectiveness Evaluation Activities

Area	Timing	Activity	Evaluation Items	Outcome	Follow-up Improvement Activities
Overall CP	June	First-half CP effectiveness evaluation for SK Innovation affiliates	Employee awareness of evaluation items by CP operational stage (establishment – dissemination and expansion – execution)	Average effectiveness score across all SK Innovation affiliates: 76.9 points	Strengthen CP activities focused on low-scoring evaluation items
	November	Second-half CP effectiveness evaluation for SK Innovation affiliates	CP effectiveness across six fair competition evaluation areas including control environment, risk assessment, sanctions, and incentives	Average effectiveness score across All SK Innovation affiliates: 77.8 points	Derivation of measures to strengthen CP effectiveness based on evaluation results and review of enhanced evaluation criteria for 2025
Training	September	Effectiveness evaluation of fair competition general training	Assessment of practical applicability, appropriate duration, and difficulty level of fair competition training	Overall average positive response rate 82.2% (Domestic) 80.0% (Overseas)	· Reflected employee feedback in planning next year's training programs · Advanced evaluation scheduled for overseas affiliates
	November	Effectiveness evaluation of advanced fair competition training		Overall average positive response rate 82.2%	

Information Security

SK Innovation affiliates have established an information security management system to ensure business continuity and fulfill corporate compliance obligations for information protection. To operate the information security management system effectively, activity standards have been institutionalized, and relevant domestic and international information security certifications are regularly maintained and managed.

Governance

Board of Directors
- Review and manage major information security issues at the board level
- Review compliance support activities and status, including information security issues

CEO
- Appointment of qualified CISOs and CPOs for each SK Innovation affiliate
- Leading the operation of the information security management system for SK Innovation affiliates & Establishing annual plans for information security and personal information protection
- Coordinating activities in accordance with relevant laws[3] and company regulations
- Conducting regular information security inspections and risk identification and assessment, implementing information security measures, and conducting information security training and simulations
- Conducting inspection of processing of privacy data, handling privacy related complaints, providing remedies for damages, and establishing an internal control system to prevent privacy data leakage and misuse

SK Innovation Affiliates CISO[1], CPO[2]

1) CISO (Chief Information Security Officer): Senior executive responsible for information security. Performs duties under the Information and Communications Network Act, including identifying risks to information systems and security, and establishing appropriate countermeasures.
2) CPO (Chief Privacy Officer): Senior executive responsible for personal information protection. Performs duties under the Personal Information Protection Act, including handling complaints related to personal information processing.
3) Act on Promotion of Information and Communications Network Utilization and Information Protection, Personal Information Protection Act

Policy[3]

Security Management Regulations
Technical, physical & administrative safeguards are defined to ensure business continuity

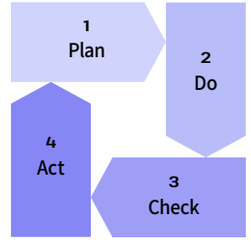
Personal Information Protection Regulations
Principles and protective measures are established to safeguard data subjects' rights during the processing of personal information

3) Revisions to the Security Management Regulations and personal information Protection Regulations were completed in May 2024

Strategy

Based on the information security management system, protection is ensured for information systems and customers' personal data.

- Information security strategy collection considering ESG management environment
- Verification of the effectiveness of security strategies through monitoring and audits



- Operation of the information security management system and security level management
- Supplementing and improving information security strategies

Status of Global Information Security Management System Certifications

Supervising Authority	Certification	Scope of Certification
Ministry of Science and ICT	ISMS	· Operation of SKI security systems
Personal Information Protection Commission	ISMS-P	· SKE Muffin membership service
ISO/ICE	ISO 27001	· Operation of SKI affiliate security systems & Global HR · SKE Muffin membership service · Battery research and production at SKO (SKBA, SKOH, SKBM, SKOJ) · SKIET (SKBMP, SKBMC) LiBS research and production
ISO/ICE	ISO 27701	· Operation of SKI affiliate security systems & Global HR

Targets, Risks and Opportunities

Compliance Rate of Information Security Management Indicators[4]

Goal
Maintain a compliance rate of over 90% annually through 2025



Information Security and Personal Information Security Training Completion Rate

Goal
Achieve 100% compliance by 2025



4) This refers to compliance with domestic certification standards (ISMS 102 control items) and international certification standards (ISO 27001 certification 114 control items, ISO 27701 certification 163 control items). Achieving the compliance rate goals means maintaining the relevant certifications.

Implementation Plan (Training Completion Rate)

2023	2024	2025
90% or higher	95% or higher	Achieve 100%

Risks and Opportunities

Risks
- In the event of a personal information breach, penalties, incident response costs, and administrative fines may arise, along with reputational damage leading to reduced stakeholder trust
- Leakage of core technical information in the increasingly competitive secondary battery industry may undermine corporate competitiveness

Opportunities
- Information security stability is ensured by acquiring information security management system certifications for key business areas and conducting regular security assessments
- Development of systems to strengthen personal information protection capabilities and enhance the effectiveness of inspections

Information Security

Information Security Compliance

Information Security Compliance Indicators

SK Innovation affiliates classify applicable information security regulations by business area and ensure compliance with each requirement. To facilitate intuitive assessment and integrated management of information security levels across affiliates, a dedicated Information Security Compliance Indicator has been developed. The indicator categorizes required protection measures into common areas and affiliate-specific areas, with annual assessments conducted based on a checklist. The indicator also quantifies employee-level compliance, such as participation in simulated phishing email training, completion of security awareness training, and adherence to data transfer procedures, to encourage active engagement in information protection practices across the organization. The quantified results from inspections and monitoring activities are disclosed company-wide.

Personal Information Protection

SK Innovation affiliates monitor trends in personal information protection compliance and strive to meet evolving regulatory requirements. In 2024, to comply with the revised Personal Information Protection Act—which imposes stricter legal responsibilities—an in-house personal information consignment management system called WeTA (We Trusted Advisor) was developed. Through WeTA, SK Innovation affiliates and their service providers can jointly manage personal information protection measures and related documentation in real time. The system is continuously enhanced to ensure full compliance with the Personal Information Protection Act while promoting mutual growth and cooperation.

Public Announcement of Information Security

In accordance with the Act on the Promotion of Information Security Industry, SK Innovation and SK IE Technology disclosed their information security investment status and the proportion of personnel dedicated to information security. In addition to the obligated entities, non-obligated affiliates also made voluntary and transparent public announcements. Furthermore, SK Innovation and SK Energy were certified under the Information Security Management System and Personal Information Management System (ISMS/ISMS-P), and were recognized as “Outstanding Companies in Information Security Investment.” Disclosure status for SK Innovation affiliates can be found on KISA, the Information Security Disclosure Integrated Portal.

SK Innovation Information Security Disclosure Status

Operational Technology Security and Protection of Industrial Technologies

SK Energy (Ulsan Complex) has been designated as a Critical Information Infrastructure under the Act on the Protection of Information and Communications Infrastructure, recognizing the need for protection against electronic intrusion. Each year, vulnerability assessments and evaluations are conducted on major operational systems, and corresponding protection measures are developed and submitted to government authorities. In addition, SK On’s electric vehicle battery technologies—including design, processing, manufacturing, and evaluation—have been recognized for their high technical and economic value and designated as National Core Technologies under the Act on the Prevention of Divulgence and Protection of Industrial Technology. To comply with relevant regulations and protect industrial technologies, SK On is reinforcing protective measures such as establishing external email control procedures and managing security violations. At the same time, SK On is promoting awareness by implementing a security reward program and providing specialized training for personnel handling National Core Technologies.

Prevention of Information Security Incidents

Cyber Hacking Monitoring

To detect and respond to signs of cyber intrusion, SK Innovation affiliates operate a 24/7 cyber threat monitoring center. In 2024, no damage was reported from malware infections or hacking attempts. To enable rapid response and minimize the spread of potential damage, relevant protocols and procedures have been established and are actively maintained. In 2024, the incident response manual was updated to clearly define roles and responsibilities in the event of an actual breach. To minimize stakeholder impact and fulfill liability in the event of a data breach, all SK Innovation affiliates are enrolled in personal information protection liability insurance and cyber insurance.

Simulated phishing email training

In accordance with internal regulations, SK Innovation conducts annual training on personal information and information security breach scenarios in collaboration with relevant organizations, including supplier companies. Additionally, to mitigate the risk of frequently occurring phishing attacks, phishing email training are conducted annually for all employees. In 2024, the frequency of phishing email training was increased from once to twice a year. To encourage active participation and enhance the effectiveness of the training, incentives are provided to top-performing participants in phishing email training.

Information Security

Fostering a Culture of Information Security

Information Security Awareness Training

To cultivate a strong culture of information security and raise employee awareness, SK Innovation affiliates conduct annual training sessions on information security and personal information protection. In addition to general company-wide training, specialized programs are tailored by business area, including dedicated sessions for overseas employees, process security, and industrial technology protection. To encourage active participation, company-wide notifications, on-site kiosk announcements, and interactive comment events are implemented, resulting in an overall average training completion rate of 99.6%.

Information Security Letter

SK Innovation affiliates distribute company-wide Information Security Letters to alert employees in the event of notable security developments, such as the discovery of new attack techniques. The letters also serve to communicate updates to internal information security policies and frequently overlooked procedures, thereby fostering a proactive culture of information protection.

2024 Information Security Awareness Training for SK Innovation Affiliates

Training Curriculum	Training Content	Training Target	Completion Rate
Company-Wide Security	Introduction to internal information security regulations and procedures, Personal Information Protection Act, and related laws, daily security guidelines	All domestic employees	99.9%
Overseas Employees	Introduction to national personal information protection laws, cyber security incident and punishment cases, daily security guidelines	Overseas employees	98.8%
Operational Technology Security	Characteristics of industrial control system security, incident case studies, operational technology security compliance	Employees handling operational technology systems	99.9%
Industrial Technology Security	Introduction to the Act on Prevention of Divulgence and Protection of Industrial Technology, Unfair Competition Prevention and Trade Secret Protection Act, trade secret security compliance	Employees handling industrial technologies	99.9%

Risk Management

SK Innovation operates an integrated risk management system that proactively identifies financial and non-financial risks, linking relevant departments, senior management, and the Board of Directors. Risks are broadly categorized into five areas: financial, industrial and operational, compliance and ethical management, SHE (Safety, Health, and Environment), and ESG. Risk response capabilities are embedded within each domain to ensure sustainable business stability. Through this risk management framework, company-wide risk response capabilities are strengthened, establishing a foundation for sustainable growth even amid increasing business uncertainties.

Governance

Board of Directors
- Discussion and management of key risks through board-level subcommittees

Top Management Meetings
- Review and discussion of key risk issues

Risk Management Committees
- Holding risk-specific committees to facilitate regular discussions and management of issues

SK Innovation Affiliates Responsible Departments
- Proactive risk identification through analysis and monitoring based on short-, mid-, and long-term trends, impact levels, and sensitivity by department
- Development of response measures for each identified risk category

Strategy, Risks and Opportunities

Risk Management System

Establishment and dissemination of risk management principles
Laying the foundation for recognizing risk management as a core element of sustainable management

Systematic management of major risk categories
Strategic risk response & establishment of an environment that enables prompt and close interdepartmental communication

Strengthening Company-Wide Risk Management System

Risks and Opportunities

Risks
- As external stakeholders show growing interest in ESG-driven responsible investment, unidentified or unaddressed non-financial risks may negatively impact investment attraction
- In the absence of an integrated, company-wide risk response system, resource inefficiencies may arise from fragmented, department-level risk management efforts

Opportunities
- Board-level oversight enables the identification and mitigation of potential risks prior to investment decisions or the launch of new businesses
- Early identification of climate change, regulatory shifts, and market uncertainties allows for reduced operational risk
- Enhancing risk management processes contributes to fundamental business competitiveness through more effective risk control

Risk Management System

Category	Risk Details	Current Response Status	Responsible Department
Financial	· Fluctuations in oil prices, exchange rates, and global interest rates, credit rating declines, increases in key resource prices and decreased accessibility, changes in tax rates by regulatory authorities	· Analysis of short- and long-term trends based on key economic indicators, and impact minimization	· Finance Division
Industrial & Operational	· Legal and policy trends, industry competitor trends, geopolitical conflicts, international situation	· Monitoring of major industry trends	· Functional Department of Each Affiliate
Compliance and Ethical Management	· Regulatory sanctions and reputational damage resulting from legal violations or unethical conduct	· Continuous operation of compliance and ethical management programs, with regular reporting to the BOD and Audit and Corporate Compliance Committee	· Global Compliance Division / Internal Audit Office
SHE	· Major accidents within workplaces and value chains, operational restrictions due to the spread of acute infectious diseases, oil or hazardous chemical spills	· Operation of dedicated working groups and reporting of identified risks to senior management and the BOD	· SHE Office of each affiliate
ESG	· Natural disasters due to climate change, occurrence of human rights violations, increased stakeholder demands on ESG performance due to industry characteristics	· Regular agenda discussions through ESG Meetings	· ESG Implementation Office

Risk Management

Risk Management Activities

Based on a company-wide risk management system, SK Innovation fosters a culture of proactive risk management and operates both structured training programs and institutional frameworks to enhance employee risk response capabilities. By offering regular internal training programs covering five key risk areas, employees gain a clear understanding of risk management importance and response strategies. The content is closely aligned with practical work scenarios and reinforced through repeated learning opportunities to ensure the acquisition of real-world competencies. Through the operation of regular councils, potential risks are identified in advance and continuously monitored in response to changing external conditions.

Status of Regular Council Operations

Category	Safety and Health	ESG
Committee	· Safety and Health Management Committee of Each Affiliate	· ESG Meeting
Frequency	· At least once per quarter	· Once every two months
Chief Officer	· CSO of SKI and each affiliate	· Head of Strategy Division
Key Participants	· Executives and team leaders of SHE departments at SKI and its affiliates	· Executives and team leaders of major departments at SKI · Executives and team leaders of ESG departments at SKI affiliates
2024 Discussion Agenda Items	· Mandatory inclusion of key requirements under the Serious Accidents Punishment Act (with additional agenda items to be included as needed by each affiliate)	· Key ESG-related topics shared and discussed across SKI affiliates (38 items)

Potential Risk Management

Category	Definition and Background	Risk Impact	Mitigation Measures
Change in Energy Mix	· As global cooperation on climate change intensifies, conventional energy sectors such as refining and petrochemicals are rapidly shifting toward low-carbon energy. Governments and major institutions around the world anticipate that this structural transition will accelerate in the coming years.	· The structural changes in the energy industry are generally expected to negatively impact existing energy companies, but they can also present new opportunities. The transition to low-carbon energy will ultimately lead to a decrease in demand for petroleum products, which will result in the deterioration of corporate profitability and financial health. Moreover, this negative impact could trigger excessive competitive pressures within the industry, leading companies unprepared for the energy transition era to face significant operational challenges. On the other hand, companies that recognize and prepare for the energy transition trend in advance can offset the difficulties from the contraction of existing businesses through expanding into new ventures. Based on this preparation, they can secure competitiveness within existing businesses, and maximize market dominance, thereby gaining a competitive advantage.	· In response to this structural transformation of the industry, SK Innovation is not only strengthening its Battery and Materials businesses but also enhancing the fundamental competitiveness of its existing Energy and Chemicals operations, focusing on innovating its overall business model.
Impact of ESG Regulations and Global Geopolitical Developments	· A range of global regulatory issues arise annually, including the Inflation Reduction Act and strengthened supply chain human rights due diligence requirements. In addition, the growing likelihood of reciprocal tariff policies driven by protectionism may limit market access for companies with global customers and suppliers.	· Tariff imposition can increase the cost burden on raw materials in manufacturing, not only weakening the price competitiveness of products but also raising import and export costs in international trade, thereby serving as a key factor in reducing profit margins. Furthermore, internal systems that fail to respond promptly to upcoming regulations may exacerbate their impact, leading to increased operating costs due to fines and penalties. This, in turn, may undermine stakeholder trust—including that of investors and customers—and pose risks to the company's long-term sustainability.	· SK Innovation proactively identifies potential regulatory risks and formulates phased implementation plans to ensure efficient and structured responses to anticipated regulations. Furthermore, by actively engaging in stakeholder communication—such as presenting an integrated climate change roadmap—SK Innovation continues to share its vision for sustainability.

SK Innovation E&S Report: Governance Report in Report

SK Innovation E&S practices transparent and accountable management based on its ethical management system and anti-bribery management system (ISO 37001), and promotes a culture of integrity through company-wide ethical monitoring, regular assessments, and corrective actions. Additionally, by operating a structured compliance management cycle, SK Innovation E&S manages legal risks and continuously strengthens the compliance system's effectiveness through periodic reviews by the Board of Directors and executive leadership. Legal risks are further addressed through a systematic cycle of risk identification, improvement, and evaluation. Key compliance risk areas are managed through layered internal controls that form a multi-line defense structure. SK Innovation E&S also continues to build a global-level compliance framework by establishing standards, delivering training, and communicating clear messages to employees.

Ethical Management Assessment and Monitoring System

SK Innovation E&S has established and operates an ethical management system to foster a transparent and rational corporate culture and to realize responsible management. Based on the SKMS (SK Management System), ethical codes and guidelines are clearly presented as standards of conduct for all employees to follow throughout their duties. To further enhance the effectiveness of ethical management, SK Innovation E&S has adopted the Anti-Bribery Management System (ISO 37001) and operates a company-wide ethical monitoring system.

In particular, ethical management assessments for both the headquarters and all domestic and overseas subsidiaries are conducted under the supervision of the Board of Directors and executive management, in accordance with a company-wide integrated audit plan executed on a three-year cycle and approved by the Audit and Corporate Compliance Committee. Assessment targets are selected through annual risk evaluations that reflect changes in the business environment and the potential for emerging risks, and are finalized through reports to the Committee and CEO. For issues identified through the assessments, corrective actions are established, and related matters are promptly reported to support efficient decision-making. Post-monitoring is conducted in parallel to ensure the implementation of corrective actions, thereby securing execution effectiveness. In cases of unethical conduct, an integrated response is taken—ranging from root cause analysis and system enhancement to internal disciplinary action and recurrence prevention training.

Looking ahead, SK Innovation E&S plans to enhance its ethical management IT infrastructure (GEMS[1)]) and expand the ethical culture across its subsidiaries and suppliers to realize global-level ethical management.

1) Global Ethics Management System

Ethical Management for Employees | Anti-Corruption and Fair Competition

Ethical Management Assessments Process

Developing Audit Plan

① Key Function Review
- Covering headquarters and all subsidiaries
- Reviewing key functional risks

② Business Area Audits
- Based on business environment changes, previous audit findings, risk probability and impact (3-year cycle)

↓

Committee Approval for Audit Execution
- Executing audits as per approved plan by the Audit and Corporate Compliance Committee

↓

Reporting Results to the Committee for Monitoring
- Supporting effective decision-making through timely reporting
- Conducting annual follow-up monitoring of corrective actions

Compliance Management Framework

SK Innovation E&S operates a three-step compliance management system consisting of legal risk identification, improvement, and effectiveness evaluation, and continuously refines this system annually through repeated application.

In the first phase, legal risk identification, SK Innovation E&S collaborates with external experts to identify key compliance areas that must be prioritized based on business characteristics, defining them as areas requiring immediate improvement. For identified risks, layered internal controls are reinforced and implemented to ensure risks are addressed without omission throughout all stages of business operations. A Fair Trade Compliance Review process has been newly established, and for new counterparties, compliance reviews—including anti-bribery and economic sanctions—have been made mandatory. Additionally, content effectiveness has been strengthened through the development of a Know Your Customer (KYC) form.

In the third phase, effectiveness evaluation, which assesses how well the system functions in actual business operations and is used as a foundation for substantially improving the level of compliance management. The evaluation is conducted once a year across six categories: control environment, risk assessment, control activities, information and communication, sanctions and incentives, and monitoring. Improvement tasks are identified and managed annually. Furthermore, SK Innovation E&S continues to enhance employee compliance capabilities through the establishment of compliance standards, training, and communication, thereby promoting a culture of integrity throughout the organization.

Social Value Measurement System and Performance

Social Value Measurement System

In line with SK Group's Double Bottom Line (DBL) management philosophy, SK Innovation measures not only Economic Value (EV) but also Social Value (SV) in monetary terms to manage performance and share results with stakeholders. SK Innovation is committed to expanding the creation of all value generated for stakeholder well-being—defined as "social value"—and will continue its efforts to address societal challenges.

SK Group's DBL Management Philosophy

DBL Management (Double Bottom Line) = Economic Value (EV) + Social Value (SV)

The SV measurement framework is broadly divided into three areas: Indirect Economic Contribution, Environmental, and Social. Each area is measured using an objective and conservative methodology verified by the SK Group's Center for Social Value Enhancement Studies (CSES) Measurement Center. Detailed indicators are updated annually based on business activities, and efforts are underway to further advance the SV measurement methodology.

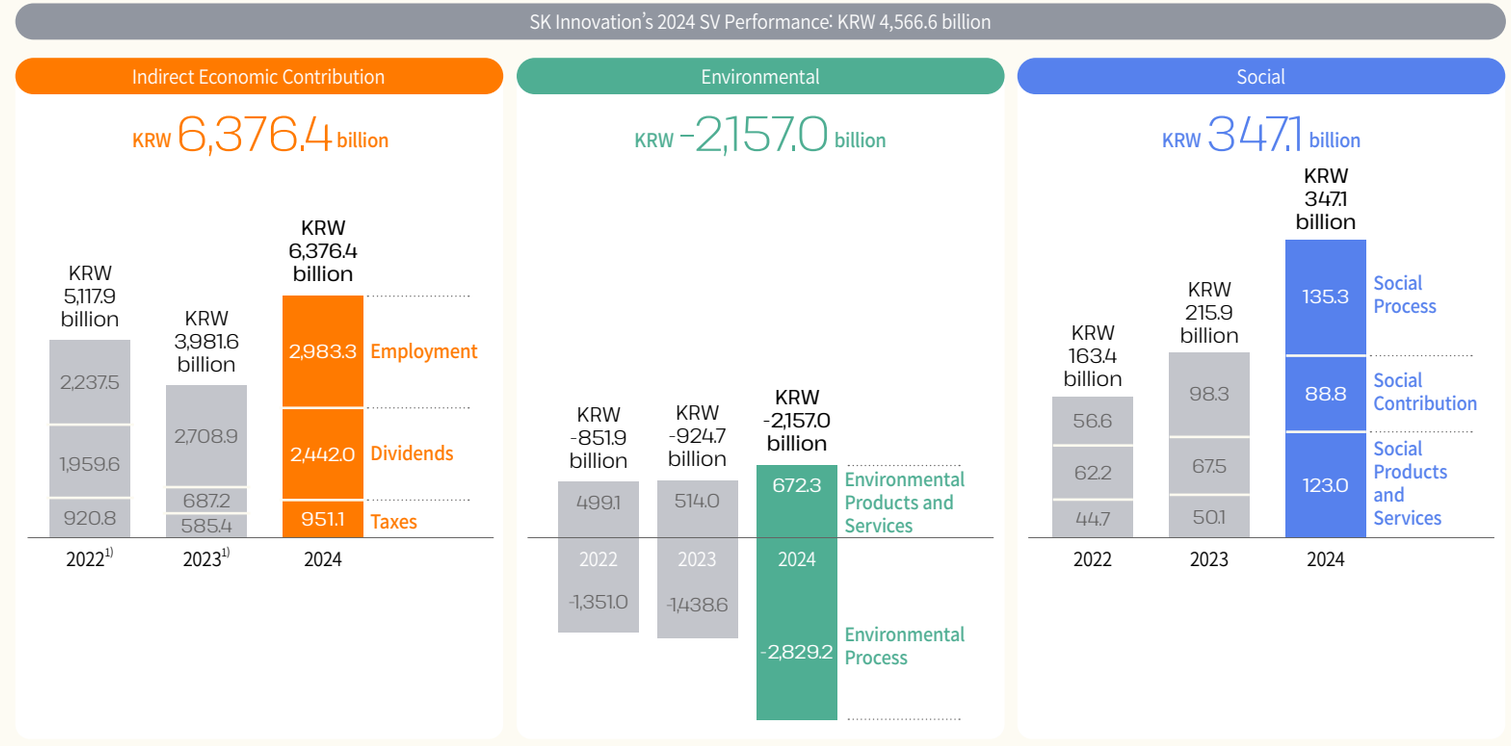
SK Innovation's Social Value Measurement Framework

Indirect Economic Contribution	Environmental	Social
Value indirectly contributed to the economy through corporate activities	SV generated through product development, production, and sales	SV delivered by improving quality of life through product sales and support for employees, suppliers, and local communities
Employment Total annual employee wages for the reporting year	**Environmental Products and Services** Environmental pollution reduction or resource conservation achieved through SKI's product and service sales	**Social Process** Improvement of working conditions and promotion of shared growth
Dividends Total dividend amount for the year (Including dividends from subsidiaries)	**Environmental Process** Negative environmental impacts arising from production processes	**Social Contribution** Donations, community programs, etc.
Taxes Corporate tax, national tax, and local tax for the year		**Social Products and Services** Sales of products that improve quality of life

2024 Social Value Creation Performance

In 2024, the total social value created by all SK Innovation affiliates amounted to KRW 4,566.6 billion. Despite an uncertain business environment, improvements were achieved in indirect economic contributions and social performance through enhanced shareholder value via dividends, increased sales of core products and services, and strengthened efforts in employee health and safety. Following the merger with SK E&S, the social value of SK Innovation E&S has been included in SK Innovation's total social value from 2024. SK Innovation E&S generated a total social value of KRW 678.1 billion, in 2024.

Trends in Social Value Performance of SK Innovation Affiliates



1) Restated due to the inclusion of subsidiary dividend amounts and changes in tax calculation methods in the indirect economic contribution results for 2022–2023

Cases of Social Value Creation

Case Study Examples of Environmental Products and Services

SK Innovation affiliates have set a mid- to long-term goal of generating over KRW 600 billion in social value (SV) from environmental products and services by 2025—approximately twice the 2021 performance—by increasing SV outcomes by more than 20% annually. In 2024, based on the provision of various environmental products and services such as Asphalt for Recycling, electric vehicle batteries, and premium base oil, approximately KRW 629.3 billion in social value was created (excluding E&S), achieving the 2025 target ahead of schedule.

1 Asphalt for Recycling

SKE

SK Energy supplies Asphalt for Recycling, a material used to process waste asphalt concrete generated from the repair and demolition of aging roads. Using Asphalt for Recycling enables resource conservation and waste reduction by promoting the reuse of waste aggregate and reducing the need for new asphalt production. Through the sale of Asphalt for Recycling, SK Energy aims to increase asphalt recycling rates and contribute to addressing societal issues.

2024 Social Value Creation Performance KRW 15.9 billion

2 Lightweight Materials for Vehicles

SKGC

SK Geo Centric has focused on developing and supplying lightweight materials for vehicles, recognizing that vehicle weight directly affects fuel consumption and pollutant emissions. A representative product, Impact HCPP (High Crystalline Polypropylene), is a lightweight material that can reduce the amount of plastic used in automotive interior and exterior parts by approximately 10% compared to conventional polypropylene (PP), thereby contributing to energy savings and reductions in greenhouse gas and air pollutant emissions.

2024 Social Value Creation Performance KRW 7.9 billion

3 High-Efficiency Vessel Chartering Service

SKTI

SK On Trading International charters high-efficiency vessels to fulfill its environmental responsibilities during crude oil transportation. High-efficiency vessels consume less fuel and emit lower levels of air pollutants and greenhouse gases compared to conventional vessels. SK On Trading International strives to ensure that the proportion of high-efficiency vessels among its chartered VLCCs (Very Large Crude-Oil Carriers) exceeds the market average.

2024 Social Value Creation Performance KRW 29.8 billion

4 GROUP III Base Oil for Lubricants

SKEN

SK Enmove, under its identity as an “Energy Saving Company”, contributes to reducing negative environmental impacts by improving fuel economy through lubricants. YUBASE, a premium base oil developed and produced by SK Enmove, falls under GROUP III—classified by the American Petroleum Institute (API) as a high-quality base oil. It is recognized for maintaining stable lubricity despite temperature fluctuations and for its high saturated hydrocarbon content, making it effective in improving fuel efficiency. Through this, SK Enmove achieves reductions in both greenhouse gas emissions and fuel consumption.

2024 Social Value Creation Performance KRW 118.0 billion

Case Study Examples of Social Products and Services

Leveraging technological capabilities and innovation, SK Innovation affiliates continue to offer a diverse range of products and services that not only protect the environment but also reduce social costs and enhance the quality of life in local communities.

Provision of Welfare Services for Freight Drivers through NeTruck House

SKE

SK Energy operates “NeTruck House,” a one-stop service facility that brings together large truck parking lots, maintenance centers, gas stations, and various driver rest areas to support long-haul freight truck drivers operating day and night. The parking and welfare services provided through NeTruck House help reduce the costs associated with securing parking spaces and lower the risk of traffic accidents caused by drowsy driving, thereby contributing to a reduction in social costs.

2024 Social Value Creation Performance KRW 15.3 billion

Spray Oil for Veterinary Use

SKEN

In poultry farming, chemical pesticides commonly used to control poultry mites have shown limited effectiveness and often induce resistance. To address social issues such as increased poultry mortality and overuse of pesticides caused by poultry mites, SK Enmove developed “T-One,” an animal-use spray oil based on its YUBASE product, which is non-resistant and effectively eliminates mites in a single treatment, thereby helping improve conditions for poultry farms.

2024 Social Value Creation Performance KRW 9.4 billion

Performance Linked to the UN SDGs

SK Innovation is striving to generate social value in areas aligned with 16 of the 17 United Nations Sustainable Development Goals (SDGs), aiming to contribute to the advancement of sustainable development for humanity.

Sustainable Development Goals		SK Innovation's Implementation Status	SV Performance (KRW billion)	Related Activities
SDG 1	No Poverty	Job creation for marginalized groups to address poverty issues	3.9	Social Contribution
SDG 2	Zero Hunger	Promotion of social safety nets by providing quality food to local communities to address hunger issues	0.01	Social Contribution
SDG 3	Good Health and Well-Being	Operation of medical support programs for children, persons with disabilities, and the elderly to foster healthy communities, along with initiatives to promote employee happiness	-62.2	Social Contribution
SDG 4	Quality Education	Implementation of education programs tailored to the needs of local and international communities, while providing continuous capacity-building opportunities for employees	35.1	Social Contribution Growth and Happiness of Employees
SDG 5	Gender Equality	Implementation of programs to foster a female-friendly corporate culture, support women's empowerment, and ensure equal opportunities	6.8	Human Rights Management
SDG 6	Clean Water and Sanitation	Ongoing efforts to reduce water consumption and wastewater discharge by identifying and applying diverse water reuse solutions at each business site	-33.2	Environmental Impact Reduction
SDG 7	**Affordable and Clean Energy**	Pursuing business model innovation to enable a fair and accelerated energy transition	**349.5**	Green Portfolio
SDG 8	**Decent Work and Economic Growth**	Reinforced efforts to create a safe and fulfilling work environment	**6,469.7**	Growth and Happiness of Employees
SDG 9	Industry, Innovation and Infrastructure	Efforts to reduce national power grid construction costs by leveraging the energy portfolio—including hydrogen, CCS, and renewable energy—and developing distributed power solutions	41.3	Green Portfolio
SDG 10	Reduced Inequalities	Prevention of discrimination based on gender, nationality, race, religion, age, sexual identity, social status, disability, or political orientation	67.1	Human Rights Management
SDG 11	Sustainable Cities and Communities	Contributing to the development of sustainable cities and communities by reducing air pollution and fine dust through fuel cell and renewable energy generation	4.2	Environmental Impact Reduction
SDG 12	**Responsible Consumption and Production**	Strengthening chemical and waste management and supporting suppliers in enhancing ESG capabilities to build a sustainable business ecosystem	**203.5**	Environmental Impact Reduction Supply Chain
SDG 13	**Climate Action**	Reduction of greenhouse gas emissions at business sites and formation of partnerships with domestic environmental startups to promote the development of low-carbon technologies	**-2,520.5**	Climate Change Response
SDG 15	Life on Land	Active participation in restoration initiatives and efforts to minimize the negative impact of SK Innovation's operations on biodiversity	0.3	Biodiversity and Ecosystems
SDG 16	Peace, Justice and Strong Institutions	Enhancement of systems that promote ethical management not only within SK Innovation but also among suppliers, along with initiatives to embed a strong ethical mindset	0.01	Supply Chain Ethical Management
SDG 17	Partnerships for the Goals	Fostering collaboration between the corporate sector and civil society through donations to academic institutions and research organizations	1.1	Social Contribution

Appendix



Stakeholder Engagement 139

Financial Data
Consolidated Financial Performance 140
Separate Financial Performance 147
Management Diagnosis and Analysis 151
Audit Report 156

ESG Data
Environmental 158
Social 167
Governance & Financial 176
SK Innovation E&S ESG Performance 180

Index
GRI 185
SASB 190
ESRS 192
TCFD 195
UNGC CoP 202

Assurance
Independent Assurance Opinion Statement 203
Greenhouse Gas Emissions Assurance Statement 205

Stakeholder Engagement

Identification of Stakeholders' Needs

SK Innovation identifies and responds to the needs of its stakeholders through various activities and engages in two-way communication with them via online and offline communication channels. The topics of interest for each stakeholder group are selected based on stakeholder surveys during the materiality assessment and communication channels. In particular, the process of selecting key issues to be considered in promoting ESG management includes gathering each group's opinion and reflecting them in strategies and tasks. Additionally, the significant interests of stakeholders are disclosed in detail in this report.

Stakeholder Communication

Stakeholder	Interests	Strategy & Response	Stakeholder Communication		
			Communication Channel	Frequency	Online/offline
Customer	· Improvement on customer service experience · Development of products and services reflecting customer needs · Producing high quality products · Environmental law compliance · Accountable business operations	· Collecting customer feedback through online/offline channels · Sharing latest news through social media, SKinno News	· Customer Happiness Center (Customer service center)	continuously	online
			· Mobile application made by SK Energy	continuously	online
			· Year-round meeting and event	continuously	offline
			· Website and Social media (SK Innovation and affiliates)	continuously	online
Employee	· Establishment of a stable financial structure · Business structure transition against the climate change · Talent acquisition and development · Opportunities to enhance job and industry expertise · Harmonious labor-management relations	· Enhancement of benefits for employees · Satisfaction surveys for employees · Labor union collective agreement · Labor-management council · "Culture Survey" for employees	· In-house broadcast, Intranet tongtong, Newsletter	continuously	online
			· iCON (in-house messenger, facilitator for change)	continuously	online/offline
			· CEO-employee communications and meetings	frequently	offline
			· Labor-management council	quarterly	offline
			· YouTube Live	frequently	online
Supplier	· Improvement of supplier ESG management · Expansion of orders due to increased global exports · Occupational health and safety management for suppliers	· Operating supplier ESG assessment and support program · Pursuing shared growth with suppliers · Establishing sustainability management process for suppliers · Facilitating shared growth council · Operating grievance mechanism for suppliers	· Regular councils with suppliers	frequently	offline
			· Supplier CEO Seminar (Ulsan, Seoul)	frequently	offline
			· Occupational safety and health council, Grievance mechanism	frequently	online
			· i-step System (technology exchange and joint development)	continuously	online
			· Ethical management survey for suppliers	quarterly, semi-annually	online
Shareholder & Investor	· Protecting the rights of shareholders · Transparent, accurate corporate information disclosure · BOD composition with expertise · Robust governance	· Electronic voting system in annual general meeting · Establishing and implementing the interim dividend policy · Industry professional training for independent directors · ESG checklist for BOD agenda	· Annual general shareholders' meeting, Earning releases	quarterly	offline
			· Non-Deal Roadshow (in Korea and abroad) and conferences	frequently	offline
			· E-mail, Call for consultation	frequently	online/offline
			· Online disclosure (DART), Sustainability report and Integrated report	quarterly	online
Local Community	· Business activities with low environmental impact · Active communication with local community · Social value creation for local community	· Environmental impact assessment on business site · Incubating social enterprises and sharing infrastructure capacity · Social value creation connected business activities	· Meetings with local organizations at each business location	frequently	offline
			· Engagement in neighborhood councils near business sites	frequently	offline
			· Engagement in safety councils hosted by district police stations	frequently	offline
			· Engagement in local welfare facility and management committees	frequently	offline

Consolidated Financial Performance

Disclaimer: Third-Party Assurance and Forward-Looking Information

The financial information presented in this report has been prepared based on audits conducted by an independent accounting firm. This report also contains forward-looking statements regarding the financial condition, operating results, business performance, and management plans and objectives of SK Innovation and its affiliates. Despite third-party assurance, actual results may differ from those described in the forward-looking statements due to political and economic uncertainties surrounding business activities.

Consolidated Statement of Financial Position

Category	Unit	FY2024	FY2023	FY2022
Assets				
Current assets	KRW thousand	36,318,431,920	33,279,589,404	31,966,675,885
Cash and cash equivalents	KRW thousand	15,865,084,196	13,074,425,609	9,479,086,529
Short-term deposits, not classified as cash equivalents	KRW thousand	235,915,436	317,883,688	1,460,282,743
Current trade receivables	KRW thousand	7,037,964,306	5,929,408,821	6,278,785,828
Other current financial assets	KRW thousand	1,017,050	3,500,000	1,000,000
Short-term loans	KRW thousand	29,083,402	27,695,414	45,701,461
Short-term other receivables, net	KRW thousand	1,261,534,884	1,671,524,625	1,567,501,837
Short-term accrued income, net	KRW thousand	106,152,847	11,496,414	4,928,236
Current prepayments	KRW thousand	722,397,582	649,693,166	734,766,773
Current prepaid expenses	KRW thousand	186,625,308	118,069,561	102,685,899
Current tax assets	KRW thousand	64,614,529	44,173,667	16,234,283
Short-term deposits provided, net	KRW thousand	161,013,340	206,153,335	244,023,027
Current derivative financial assets	KRW thousand	191,013,066	101,844,295	173,741,332
Current inventories	KRW thousand	10,335,593,569	11,122,659,013	11,857,700,217
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	KRW thousand	35,208,077	0	0
Other current assets	KRW thousand	85,214,328	1,061,796	237,720

Category	Unit	FY2024	FY2023	FY2022
Assets				
Non-current assets	KRW thousand	74,211,665,629	47,555,923,847	35,252,248,392
Long-term deposits not classified as cash equivalents	KRW thousand	20,805,429	21,305,539	11,496,646
Long-term trade receivables, net	KRW thousand	0	1,691	2,426
Other non-current financial assets	KRW thousand	1,207,805,457	444,528,267	501,334,948
Investments accounted for using equity method	KRW thousand	8,817,916,700	6,049,342,094	4,771,715,351
Long-term loans	KRW thousand	103,870,312	171,276,683	134,737,636
Long-term other receivables	KRW thousand	14,636,823	53,223,630	57,684,316
Property, plant and equipment	KRW thousand	56,719,615,209	35,843,421,827	25,110,563,647
Right-of-use assets	KRW thousand	2,223,664,287	1,347,660,532	1,467,936,581
Goodwil and intangible assetsl	KRW thousand	2,937,543,859	2,302,120,339	2,077,677,363
Investment property	KRW thousand	204,360,230	135,202,468	134,718,265
Long-term deposits provided	KRW thousand	171,783,601	170,227,570	150,265,386
Non-current derivative financial assets	KRW thousand	316,629,435	43,601,736	98,727,006
Non-current net defined benefit asset	KRW thousand	48,046,690	21,291,129	70,879,850
Deferred tax assets	KRW thousand	1,339,057,098	891,466,268	601,597,758
Other non-current assets	KRW thousand	85,930,499	61,254,074	62,911,213
Total assets	KRW thousand	110,530,097,549	80,835,513,251	67,218,924,277

Consolidated Financial Performance

Consolidated Statement of Financial Position

Category	Unit	FY2024	FY2023	FY2022
Liabilities				
Current liabilities	KRW thousand	37,725,576,071	29,399,178,862	27,557,209,671
Current borrowings	KRW thousand	12,051,198,301	8,184,945,879	7,558,575,696
Current trade payables	KRW thousand	9,912,087,495	8,533,880,783	9,146,440,056
Short-term other payables	KRW thousand	6,132,907,572	6,307,132,892	2,753,244,829
Short-term accrued expenses	KRW thousand	2,058,722,724	1,958,330,093	2,010,504,551
Short-term advances customers	KRW thousand	178,024,530	194,438,357	192,875,315
Short-term withholdings	KRW thousand	569,939,642	514,892,841	496,061,307
Current tax liabilities	KRW thousand	329,382,319	175,689,533	428,770,418
Current portion of non-current borrowings	KRW thousand	5,544,183,715	3,059,161,139	4,491,968,303
Current lease liabilities	KRW thousand	505,739,259	376,317,063	347,317,162
Current provisions	KRW thousand	162,199,775	49,591,549	0
Short-term guarantee deposit rent	KRW thousand	15,593,868	5,643,555	4,436,454
Current derivative financial liabilities	KRW thousand	154,657,363	16,438,391	36,370,486
Current financial guarantee liabilities	KRW thousand	943,498	620,097	321,074
Liabilities included in disposal groups classified as held for sale	KRW thousand	5,418,179	0	0
Other current liabilities	KRW thousand	104,577,831	22,096,690	90,324,020
Non-current liabilities	KRW thousand	33,155,612,484	21,416,366,876	16,419,403,224
Non-current portion of non-current borrowings	KRW thousand	27,032,202,701	17,714,684,258	13,403,701,628
Non-current lease liabilities	KRW thousand	1,995,145,692	1,199,965,506	1,366,659,656
Other non-current payables	KRW thousand	981,401	1,592,936	34,067,448
Non-current net defined benefit liability	KRW thousand	30,407,708	25,721,290	19,221,682
Non-current provisions	KRW thousand	1,137,018,269	603,946,606	313,173,755
Long-term guarantee deposit rent, net	KRW thousand	16,167,443	22,105,358	23,064,299
Non-current derivative financial liabilities	KRW thousand	571,571,663	497,178,339	144,580,448
Non-current financial guarantee liabilities	KRW thousand	0	928,451	0
Deferred tax liabilities	KRW thousand	1,001,086,783	1,035,052,605	920,889,476
Other non-current liabilities	KRW thousand	1,371,030,824	315,191,527	194,044,832
Total liabilities	KRW thousand	70,881,188,555	50,815,545,738	43,976,612,895
Equity				
Equity attributable to owners of parent	KRW thousand	24,641,444,950	22,202,714,489	19,651,626,210
Issued capital	KRW thousand	786,015,880	509,519,950	468,569,950
Elements of other stockholder's equity	KRW thousand	12,530,448,997	9,562,431,363	6,875,167,789
Retained earnings	KRW thousand	8,231,276,686	11,252,835,251	11,579,657,924
Other comprehensive income/loss accumulated	KRW thousand	3,093,703,387	877,927,925	728,230,547
Non-controlling interests	KRW thousand	15,007,464,044	7,817,253,024	3,590,685,172
Total equity	KRW thousand	39,648,908,994	30,019,967,513	23,242,311,382
Equity and liabilities	KRW thousand	110,530,097,549	80,835,513,251	67,218,924,277

Consolidated Financial Performance

Consolidated Statement of Comprehensive Income

Category	Unit	FY2024	FY2023	FY2022
Revenue	KRW thousand	74,716,970,174	77,288,485,864	78,056,939,448
Cost of sales	KRW thousand	70,677,947,847	72,274,467,900	71,029,732,813
Gross profit	KRW thousand	4,039,022,327	5,014,017,964	7,027,206,635
Other operating income	KRW thousand	292,357,877	617,038,467	0
Selling general administrative expenses	KRW thousand	4,015,891,866	3,727,170,111	3,109,865,846
Bad debt expenses(Reversal Allowance Doubtful Accounts), selling and general administrative expenses	KRW thousand	195,980	-2,518,292	420,580
Miscellaneous expenses	KRW thousand	4,015,695,886	3,729,688,403	3,109,445,266
Operating income(loss)	KRW thousand	315,488,338	1,903,886,320	3,917,340,789
Finance income	KRW thousand	4,650,657,164	5,243,218,409	7,097,499,573
Finance costs	KRW thousand	6,397,890,465	6,177,987,935	8,107,091,953
Adjustments for undistributed profits of investments accounted for using equity method	KRW thousand	-430,284,503	133,027,020	2,282,670
Other gains	KRW thousand	182,822,200	152,458,480	187,155,011
Other losses	KRW thousand	700,636,357	322,417,291	236,995,813
Profit (loss) before tax	KRW thousand	-2,379,843,623	932,185,003	2,860,190,277
Tax expense (income)	KRW thousand	-7,360,667	377,290,726	965,011,150
Profit (loss)	KRW thousand	-2,372,482,956	554,894,277	1,895,179,127
Profit (loss), attributable to				
Profit (loss), attributable to owners of parent	KRW thousand	-2,259,957,140	256,250,365	1,569,022,663
Profit (loss), attributable to non-controlling interests	KRW thousand	-112,525,816	298,643,912	326,156,464

Category	Unit	FY2024	FY2023	FY2022
Other comprehensive income	KRW thousand	3,388,171,552	99,446,472	170,742,372
Other comprehensive income that will not be reclassified to profit or loss, net of tax	KRW thousand	1,156,063,708	-44,329,307	-108,575,709
Other comprehensive income, net of tax, gains (losses) on remeasurements of defined benefit plans	KRW thousand	-24,629,006	-71,125,398	7,666,941
Other comprehensive income, net of tax, gains (losses) from investments in equity instruments	KRW thousand	69,400,266	28,607,200	-53,102,471
Other comprehensive income, net of tax, exchange differences on translation of foreign operations	KRW thousand	1,111,292,448	-1,811,109	-63,140,179
Other comprehensive income that will be reclassified to profit or loss, net of tax	KRW thousand	2,232,107,844	143,775,779	279,318,081
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss, net of tax	KRW thousand	410,735,752	37,801,460	75,850,005
Gains (losses) on exchange differences on translation of foreign operations, net of tax	KRW thousand	1,803,077,072	154,117,022	97,484,508
Gains (losses) on cash flow hedges, net of tax	KRW thousand	18,295,020	-48,142,703	105,983,568
Comprehensive income	KRW thousand	1,015,688,596	654,340,749	2,065,921,499
Comprehensive income attributable to				
Comprehensive income, attributable to owners of parent	KRW thousand	12,151,857	366,181,747	1,803,434,735
Comprehensive income, attributable to non-controlling interests	KRW thousand	1,003,536,739	288,159,002	262,486,764
Earnings per share				
Basic earnings (loss) per share	KRW	-21,541	2,808	18,059
Basic earnings (loss) per share - preferred stock	KRW	-21,541	2,858	18,109
Diluted earnings (loss) per share	KRW	-21,541	2,807	18,058

Consolidated Financial Performance

Consolidated Statement of Changes in Equity

Category	Unit	Equity attributable to owners of parent							Non-controlling interests	Total of Equity
		Issued capital	Share premium	Treasury shares	Other equity interest	Retained earnings	Other comprehensive income/ loss accumulated amount	Total of equity attributable to owners of parent		
2022.01.01 (Equity at beginning of period)	KRW thousand	468,569,950	5,683,247,356	-1,559,421,421	2,018,515,052	10,198,716,000	501,228,219	17,310,855,156	2,309,841,208	19,620,696,364
Profit (loss)	KRW thousand	0	0	0	0	1,569,022,663	0	1,569,022,663	326,156,464	1,895,179,127
Other comprehensive income, net of tax, gains (losses) on remeasurements of defined benefit plans	KRW thousand	0	0	0	0	7,409,744	0	7,409,744	257,197	7,666,941
Changes in reserve of gains and losses on financial assets measured at fair value through other comprehensive income	KRW thousand	0	0	0	0	0	-48,279,660	-48,279,660	-4,822,811	-53,102,471
Transfer of amount recognised in other comprehensive income and accumulated in equity relating to disposal of investments in equity	KRW thousand	0	0	0	0	0	0	0	0	0
Share of other comprehensive income of associates and joint ventures accounted for using equity method, net of tax	KRW thousand	0	0	0	0	0	74,491,732	74,491,732	1,358,273	75,850,005
Changes in foreign exchange rates	KRW thousand	0	0	0	0	0	97,484,508	97,484,508	-63,140,179	34,344,329
Other comprehensive income, net of tax, cash flow hedges	KRW thousand	0	0	0	0	0	103,305,748	103,305,748	2,677,820	105,983,568
Comprehensive income	KRW thousand	0	0	0	0	1,576,432,407	227,002,328	1,803,434,735	262,486,764	2,065,921,499
Issue of equity	KRW thousand	0	0	0	0	0	0	0	0	0
Increase decrease through business combinations	KRW thousand	0	0	0	0	0	0	0	0	0
Cancellation of treasury shares	KRW thousand	0	0	0	0	0	0	0	0	0
Increase (decrease) through exercise of warrants, equity	KRW thousand	0	0	0	0	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	KRW thousand	0	0	91,779,044	-878,585	0	0	90,900,459	194,358	91,094,817
Property dividend	KRW thousand	0	0	137,484,759	21,388,372	-180,267,584	0	-21,394,453	0	-21,394,453
Dividends paid, ordinary shares	KRW thousand	0	0	0	0	-15,328,594	0	-15,328,594	0	-15,328,594
Dividends recognised as distributions to non-controlling interests	KRW thousand	0	0	0	0	0	0	0	-201,700,890	-201,700,890
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	KRW thousand	0	0	0	483,053,212	0	0	483,053,212	802,234,275	1,285,287,487
Changes in consolidated companies	KRW thousand	0	0	0	0	0	0	0	417,604,670	417,604,670
Increase (decrease) through other changes, equity	KRW thousand	0	0	0	0	105,695	0	105,695	24,787	130,482
Repayment of hybrid bond	KRW thousand	0	0	0	0	0	0	0	0	0
Issue of hybrid bond	KRW thousand	0	0	0	0	0	0	0	0	0
total	KRW thousand	0	0	229,263,803	503,562,999	-195,490,483	0	537,336,319	1,018,357,200	1,555,693,519

Consolidated Financial Performance

Consolidated Statement of Changes in Equity

Category	Unit	Equity attributable to owners of parent							Non-controlling interests	Total of Equity
		Issued capital	Share premium	Treasury shares	Other equity interest	Retained earnings	Other comprehensive income/ loss accumulated amount	Total of equity attributable to owners of parent		
2022.12.31 (Equity at end of period)	KRW thousand	468,569,950	5,683,247,356	-1,330,157,618	2,522,078,051	11,579,657,924	728,230,547	19,651,626,210	3,590,685,172	23,242,311,382
2023.01.01 (Equity at beginning of period)	KRW thousand	468,569,950	5,683,247,356	-1,330,157,618	2,522,078,051	11,579,657,924	728,230,547	19,651,626,210	3,590,685,172	23,242,311,382
Profit (loss)	KRW thousand	0	0	0	0	256,250,365	0	256,250,365	298,643,912	554,894,277
Other comprehensive income, net of tax, gains (losses) on remeasurements of defined benefit plans	KRW thousand	0	0	0	0	-68,246,149	0	-68,246,149	-2,879,249	-71,125,398
Changes in reserve of gains and losses on financial assets measured at fair value through other comprehensive income	KRW thousand	0	0	0	0	28,480,153	-1,233,268	27,246,885	1,360,315	28,607,200
Transfer of amount recognised in other comprehensive income and accumulated in equity relating to disposal of investments in equity	KRW thousand	0	0	0	0	0	0	0	0	0
Share of other comprehensive income of associates and joint ventures accounted for using equity method, net of tax	KRW thousand	0	0	0	0	0	40,559,563	40,559,563	-2,758,103	37,801,460
Changes in foreign exchange rates	KRW thousand	0	0	0	0	0	154,117,022	154,117,022	-1,811,109	152,305,913
Other comprehensive income, net of tax, cash flow hedges	KRW thousand	0	0	0	0	0	-43,745,939	-43,745,939	-4,396,764	-48,142,703
Comprehensive income	KRW thousand	0	0	0	0	216,484,369	149,697,378	366,181,747	288,159,002	654,340,749
Issue of equity	KRW thousand	40,950,000	1,096,133,424	0	0	0	0	1,137,083,424	0	1,137,083,424
Increase decrease through business combinations	KRW thousand	0	0	0	0	0	0	0	0	0
Cancellation of treasury shares	KRW thousand	0	0	0	0	0	0	0	0	0
Increase (decrease) through exercise of warrants, equity	KRW thousand	0	0	0	0	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	KRW thousand	0	0	793,620	39,944,925	0	0	40,738,545	4,027,198	44,765,743
Property dividend	KRW thousand	0	0	451,648,602	53,614,519	-524,154,384	0	-18,891,263	0	-18,891,263
Dividends paid, ordinary shares	KRW thousand	0	0	0	0	-19,152,658	0	-19,152,658	0	-19,152,658
Dividends recognised as distributions to non-controlling interests	KRW thousand	0	0	0	0	0	0	0	-294,502,593	-294,502,593
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	KRW thousand	0	0	0	1,045,128,484	0	0	1,045,128,484	4,228,884,245	5,274,012,729
Changes in consolidated companies	KRW thousand	0	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	KRW thousand	0	0	0	0	0	0	0	0	0
Repayment of hybrid bond	KRW thousand	0	0	0	0	0	0	0	0	0
Issue of hybrid bond	KRW thousand	0	0	0	0	0	0	0	0	0
total	KRW thousand	40,950,000	1,096,133,424	452,442,222	1,138,687,928	-543,307,042	0	2,184,906,532	3,938,408,850	6,123,315,382

Consolidated Financial Performance

Consolidated Statement of Changes in Equity

Category	Unit	Equity attributable to owners of parent							Non-controlling interests	Total of Equity
		Issued capital	Share premium	Treasury shares	Other equity interest	Retained earnings	Other comprehensive income/ loss accumulated amount	Total of equity attributable to owners of parent		
2023.12.31 (Equity at end of period)	KRW thousand	509,519,950	6,779,380,780	-877,715,396	3,660,765,979	11,252,835,251	877,927,925	22,202,714,489	7,817,253,024	30,019,967,513
2024.01.01 (Equity at beginning of period)	KRW thousand	509,519,950	6,779,380,780	-877,715,396	3,660,765,979	11,252,835,251	877,927,925	22,202,714,489	7,817,253,024	30,019,967,513
Profit (loss)	KRW thousand	0	0	0	0	-2,259,957,140	0	-2,259,957,140	-112,525,816	-2,372,482,956
Other comprehensive income, net of tax, gains (losses) on remeasurements of defined benefit plans	KRW thousand	0	0	0	0	-22,977,966	0	-22,977,966	-1,651,040	-24,629,006
Changes in reserve of gains and losses on financial assets measured at fair value through other comprehensive income	KRW thousand	0	0	0	0	0	73,096,044	73,096,044	-3,695,778	69,400,266
Transfer of amount recognised in other comprehensive income and accumulated in equity relating to disposal of investments in equity	KRW thousand	0	0	0	0	54,991,964	-54,991,964	0	0	0
Share of other comprehensive income of associates and joint ventures accounted for using equity method, net of tax	KRW thousand	0	0	0	0	0	400,125,162	400,125,162	10,610,590	410,735,752
Changes in foreign exchange rates	KRW thousand	0	0	0	0	0	1,803,077,072	1,803,077,072	1,111,292,448	2,914,369,520
Other comprehensive income, net of tax, cash flow hedges	KRW thousand	0	0	0	0	0	18,788,685	18,788,685	-493,665	18,295,020
Comprehensive income	KRW thousand	0	0	0	0	-2,227,943,142	2,240,094,999	12,151,857	1,003,536,739	1,015,688,596
Issue of equity	KRW thousand	0	0	0	0	0	0	0	0	0
Increase decrease through business combinations	KRW thousand	276,495,930	5,937,488,418	0	-3,490,261,000	0	-24,319,537	2,699,403,811	4,098,191,761	6,797,595,572
Cancellation of treasury shares	KRW thousand	0	0	793,615,423	0	-793,615,423	0	0	0	0
Increase (decrease) through exercise of warrants, equity	KRW thousand	0	0	-334,341,024	-701,265	0	0	-335,042,289	0	-335,042,289
Increase (decrease) through share-based payment transactions, equity	KRW thousand	0	0	801,524	12,063,592	0	0	12,865,116	53,095,376	65,960,492
Property dividend	KRW thousand	0	0	0	0	0	0	0	0	0
Dividends paid, ordinary shares	KRW thousand	0	0	0	0	0	0	0	0	0
Dividends recognised as distributions to non-controlling interests	KRW thousand	0	0	0	0	0	0	0	-313,663,876	-313,663,876
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	KRW thousand	0	0	0	49,351,966	0	0	49,351,966	1,993,327,260	2,042,679,226
Changes in consolidated companies	KRW thousand	0	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	KRW thousand	0	0	0	0	0	0	0	0	0
Repayment of hybrid bond	KRW thousand	0	0	0	0	0	0	0	-600,000,000	-600,000,000
Issue of hybrid bond	KRW thousand	0	0	0	0	0	0	0	955,723,760	955,723,760
total	KRW thousand	276,495,930	5,937,488,418	460,075,923	-3,429,546,707	-793,615,423	-24,319,537	2,426,578,604	6,186,674,281	8,613,252,885
2024.12.31 (Equity at end of period)	KRW thousand	786,015,880	12,716,869,198	-417,639,473	231,219,272	8,231,276,686	3,093,703,387	24,641,444,950	15,007,464,044	39,648,908,994

Consolidated Financial Performance

Consolidated Statement of Cash Flows

Category	Unit	FY2024	FY2023	FY2022
Cash flows from (used in) operating activities	KRW thousand	2,232,521,961	5,367,895,813	406,557,024
Profit (loss)	KRW thousand	-2,372,482,956	554,894,277	1,895,179,127
Adjustments to reconcile profit (loss)	KRW thousand	4,542,510,344	2,702,651,891	3,866,762,681
Adjustments for assets and liabilities of operating activities	KRW thousand	1,674,439,128	3,766,188,634	-4,270,406,714
Interest received, classified as operating activities	KRW thousand	355,750,524	378,698,265	199,313,431
Interest paid, classified as operating activities	KRW thousand	-1,467,038,006	-1,271,134,526	-670,616,802
Dividends received, classified as operating activities	KRW thousand	85,367,604	78,772,571	125,104,857
Income taxes paid (refund), classified as operating activities	KRW thousand	-586,024,677	-842,175,299	-738,779,556
Cash flows from (used in) investing activities	KRW thousand	-7,295,310,430	-11,244,232,781	-5,123,322,784
Net increase and decrease in short financial instruments	KRW thousand	111,186,653	1,168,809,340	2,525,967,690
Purchase of long-term financial instruments	KRW thousand	-10,740,581	-9,784,803	0
Proceeds from sales of long-term financial instruments	KRW thousand	5,826,141	37,702	0
Acquisition of long-term investment securities	KRW thousand	-15,458,113	-34,490,831	-199,537,204
Disposal of long-term investment securities	KRW thousand	296,530,322	54,056,443	14,212,641
Purchase of interests in investments accounted for using equity method	KRW thousand	-836,110,770	-1,163,368,086	-530,204,046
Proceeds from sales of investments accounted for using equity method	KRW thousand	395,456,925	6,587,667	5,696,767
Purchase of property, plant and equipment	KRW thousand	-10,027,893,990	-11,238,125,586	-6,776,585,583
Proceeds from sales of property, plant and equipment	KRW thousand	71,875,463	21,217,126	67,009,215
Purchase of intangible assets	KRW thousand	-182,284,948	-256,783,511	-290,980,099
Proceeds from sales of intangible assets	KRW thousand	7,364,047	38,957,934	2,579,813
Purchase of investment property	KRW thousand	-41,100	-1,226,000	-5,216
Purchase of short-term loans and receivables	KRW thousand	-77,817,754	-5,276,697	0
Decrease in short-term loans	KRW thousand	208,165,205	98,073,828	27,015,910
Increase in long-term loans	KRW thousand	-94,966,435	-128,209,016	-6,020,741
Decrease in long-term loans	KRW thousand	6,650,646	7,405	0
Increase in guarantee deposits	KRW thousand	-6,874,845	-3,147,232	-25,681,273
Decrease in guarantee deposits	KRW thousand	2,880,250	5,628,165	0

Category	Unit	FY2024	FY2023	FY2022
Cash flows from (used in) investing activities (continued)				
Acquisition of rights of ownership	KRW thousand	0	0	-8,743,997
Cash flows from losing control of subsidiaries or other businesses, classified as investing activities	KRW thousand	2,302,216,355	0	-7,446,507
Proceeds from government grants	KRW thousand	474,545,109	0	181,844,255
Proceeds from sales of non-current assets or disposal groups classified as held for sale	KRW thousand	0	0	5,058,706
Other inflows (outflows) of cash	KRW thousand	74,180,990	202,803,371	-107,503,115
Cash flows from (used in) financing activities	KRW thousand	7,327,059,752	9,490,447,075	10,507,172,706
Cash flows from (used in) increase (decrease) in current borrowings	KRW thousand	1,523,844,522	610,038,992	6,883,645,547
Increase in bonds and borrowings	KRW thousand	8,326,385,276	7,718,474,503	4,166,619,804
Repayments of borrowings, classified as financing activities	KRW thousand	-4,313,980,745	-4,864,286,907	-1,751,413,043
Payments of lease liabilities, classified as financing activities	KRW thousand	-355,818,929	-336,552,479	-279,757,464
Receipt of lease incentives	KRW thousand	0	0	1,072,895
Increase in guarantee deposits as financial activities	KRW thousand	13,632,344	2,731,889	1,313,615
Decrease in guarantee deposits as financial activities	KRW thousand	-7,063,361	-2,115,076	0
Dividends paid, classified as financing activities	KRW thousand	-313,663,876	-313,932,205	-217,200,803
Proceeds from paid-in capital increase	KRW thousand	0	1,137,083,424	0
Proceeds from changes in ownership interests in subsidiaries that do not result in loss of control	KRW thousand	2,432,617,387	5,539,004,934	1,702,892,155
Cash inflow from issuance of hybrid bond	KRW thousand	955,723,760	0	0
Cash outflow for repayment of hybrid bond	KRW thousand	-600,000,000	0	0
Acquisition of treasury shares	KRW thousand	-335,110,914	0	0
Disposition of treasury shares	KRW thousand	490,327	0	0
Other inflows (outflows) of cash	KRW thousand	3,961	0	0
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes	KRW thousand	2,264,271,283	3,614,110,107	5,790,406,946
Effect of exchange rate changes on cash and cash equivalents	KRW thousand	535,525,229	-18,771,027	264,852,422
Cash and cash equivalents at beginning of period	KRW thousand	13,074,425,609	9,479,086,529	3,423,827,161
Decrease in cash due to replacement of assets held for sale	KRW thousand	9,137,925	0	0
Cash and cash equivalents at end of period	KRW thousand	15,865,084,196	13,074,425,609	9,479,086,529

Separate Financial Performance

Statement of Financial Position

Category	Unit	FY2024	FY2023	FY2022
Assets				
Current assets	KRW thousand	3,576,290,450	1,485,524,372	1,078,115,556
Cash and cash equivalents	KRW thousand	2,602,720,519	1,265,593,112	424,788,143
Short-term deposits, not classified as cash equivalents	KRW thousand	17,000,000	12,000,000	355,030,977
Other current financial assets	KRW thousand	329,175,580	0	0
Current trade receivables	KRW thousand	185,157,235	78,057,817	99,322,108
Short-term other receivables, net	KRW thousand	112,981,125	48,949,027	40,680,411
Short-term accrued income, net	KRW thousand	22,945,840	1,105,772	372
Current prepayments	KRW thousand	71,508,010	50,420,341	52,468,640
Current prepaid expenses	KRW thousand	3,838,548	1,488,048	4,020,829
Current tax assets	KRW thousand	681,028	3,962,466	0
Short-term deposits provided, net	KRW thousand	6,066,297	6,570,120	924,507
Current derivative financial assets	KRW thousand	101,023,574	164,976	84,864,693
Current inventories	KRW thousand	116,459,531	17,212,693	16,014,876
Other current assets	KRW thousand	6,733,163	0	0

Category	Unit	FY2024	FY2023	FY2022
Non-current assets	KRW thousand	31,451,690,766	19,877,250,313	18,472,627,271
Long-term deposits not classified as cash equivalents	KRW thousand	7,043,500	7,040,000	10,000
Other non-current financial assets	KRW thousand	466,920,826	195,031,892	230,054,292
Investments in subsidiaries, joint ventures, and associates	KRW thousand	29,251,450,640	17,344,629,943	16,748,541,870
Long-term loans	KRW thousand	8,000	67,930,284	58,619,278
Long-term other receivables	KRW thousand	52,425,058	938,040,366	54,082,623
Property, plant and equipment	KRW thousand	495,766,031	371,649,672	368,925,460
Right-of-use assets	KRW thousand	232,239,744	205,646,207	234,491,329
Intangible assets and goodwill	KRW thousand	653,742,390	590,280,807	614,405,475
Investment property	KRW thousand	134,424,509	135,202,468	134,718,265
Long-term deposits provided	KRW thousand	25,948,661	21,798,674	25,983,338
Non-current derivative financial assets	KRW thousand	103,206,431	0	0
Other non-current assets	KRW thousand	28,514,976	0	0
Non-current net defined benefit asset	KRW thousand	0	0	2,795,341
Total assets	KRW thousand	35,027,981,216	21,362,774,685	19,550,742,827

Separate Financial Performance

Statement of Financial Position

Category	Unit	FY2024	FY2023	FY2022
Liabilities				
Current liabilities	KRW thousand	5,453,620,739	678,463,451	1,941,337,013
Current borrowings	KRW thousand	3,781,347,657	100,000,000	430,000,000
Current trade payables	KRW thousand	67,235,273	0	0
Short-term other payables	KRW thousand	157,083,631	84,367,921	75,343,348
Short-term accrued expenses	KRW thousand	230,212,730	125,007,081	161,773,328
Short-term advances customers	KRW thousand	7,889,574	880,346	39,667,182
Short-term withholdings	KRW thousand	24,743,352	9,169,711	8,853,976
Current tax liabilities	KRW thousand	41,114,957	0	17,104,649
Current portion of non-current borrowings	KRW thousand	957,758,717	309,966,323	1,142,881,243
Current lease liabilities	KRW thousand	48,213,211	41,677,986	43,030,314
Short-term guarantee deposit rent	KRW thousand	0	130,832	28,410
Current derivative financial liabilities	KRW thousand	4,077,924	4,380,838	9,023,741
Current financial guarantee liabilities	KRW thousand	58,302,200	2,882,413	730,822
Current provisions	KRW thousand	18,437,891	0	0
Other current liabilities	KRW thousand	57,203,622	0	12,900,000
Non-current liabilities	KRW thousand	8,278,994,336	2,464,601,653	1,639,970,783
Non-current portion of non-current borrowings	KRW thousand	6,749,889,244	1,037,446,066	449,122,988
Non-current lease liabilities	KRW thousand	196,311,791	214,637,209	242,614,172
Long-term guarantee deposit rent, net	KRW thousand	10,759,775	17,692,918	17,484,543
Non-current net defined benefit liability	KRW thousand	17,422,829	10,696,013	0
Non-current derivative financial liabilities	KRW thousand	572,399,663	428,423,805	140,462,000
Non-current financial guarantee liabilities	KRW thousand	0	11,292,843	8,111,549
Non-current provisions	KRW thousand	90,451,637	54,307,561	37,739,298
Deferred tax liabilities	KRW thousand	634,473,970	687,909,526	743,199,459
Other non-current liabilities	KRW thousand	7,285,427	2,195,712	1,236,774
Total liabilities	KRW thousand	13,732,615,075	3,143,065,104	3,581,307,796

Category	Unit	FY2024	FY2023	FY2022
Equity				
Issued capital	KRW thousand	786,015,880	509,519,950	468,569,950
Elements of other stockholder's equity	KRW thousand	9,523,312,316	6,223,818,763	4,607,913,268
Retained earnings	KRW thousand	10,983,053,674	11,483,628,946	10,923,306,553
Other comprehensive income/loss accumulated	KRW thousand	2,984,270	2,741,922	-30,354,740
Total equity	KRW thousand	21,295,366,140	18,219,709,581	15,969,435,031
Equity and liabilities	KRW thousand	35,027,981,215	21,362,774,685	19,550,742,827

Separate Financial Performance

Statement of Comprehensive Income

Category	Unit	FY2024	FY2023	FY2022
Revenue	KRW thousand	1,874,893,743	2,489,429,998	1,983,533,544
Cost of sales	KRW thousand	1,045,078,776	986,312,507	1,136,012,366
Gross profit	KRW thousand	829,814,967	1,503,117,491	847,521,178
Selling general administrative expenses	KRW thousand	336,587,767	267,645,733	236,149,293
Operating income(loss)	KRW thousand	493,227,200	1,235,471,758	611,371,885
Finance income	KRW thousand	236,631,044	151,760,820	187,584,927
Finance costs	KRW thousand	300,911,375	232,730,148	173,990,504
Gains on disposals of investments in associates	KRW thousand	18,220,610	9,073,697	0
Other gains	KRW thousand	32,755,521	6,186,268	14,676,190
Other losses	KRW thousand	135,636,336	25,161,241	37,546,439
Profit (loss) before tax	KRW thousand	344,286,664	1,144,601,154	602,096,059
Tax expense (income)	KRW thousand	66,304,657	34,117,334	148,912,826
Profit (loss)	KRW thousand	277,982,008	1,110,483,820	453,183,233
Other comprehensive income	KRW thousand	13,581,603	26,242,280	-6,024,948
Other comprehensive income that will not be reclassified to profit or loss, net of tax	KRW thousand	14,121,590	21,577,640	314,962
Other comprehensive income, net of tax, gains (losses) on remeasurements of defined benefit plans	KRW thousand	-2,143,059	-6,854,383	2,638,326
Other comprehensive income, net of tax, gains (losses) from investments in equity instruments	KRW thousand	16,264,649	28,432,023	-2,323,364
Other comprehensive income that will be reclassified to profit or loss, net of tax	KRW thousand	-539,987	4,664,640	-6,339,910
Gains (losses) on cash flow hedges, net of tax	KRW thousand	-539,987	4,664,640	-6,339,910
Comprehensive income	KRW thousand	291,563,611	1,136,726,100	447,158,285

Category	Unit	FY2024	FY2023	FY2022
Earnings per share				
Basic earnings (loss) per share	KRW	2,649	12,170	5,346
Basic earnings (loss) per share - preferred stock	KRW	2,699	12,220	5,396
Diluted earnings (loss) per share	KRW	2,649	12,169	5,345
Diluted earnings (loss) per share - preferred stock	KRW	2,699	12,220	5,346

Separate Financial Performance

Statement of Cash Flows

Category	Unit	FY2024	FY2023	FY2022
Cash flows from (used in) operating activities	KRW thousand	599,183,087	1,263,524,835	534,735,542
Profit (loss)	KRW thousand	277,982,008	1,110,483,820	453,183,233
Adjustments to reconcile profit (loss)	KRW thousand	-58,887,864	-896,461,716	67,621,231
Increase (decrease) in working capital	KRW thousand	60,284,964	88,071,966	-55,440,919
Interest received, classified as operating activities	KRW thousand	51,394,309	26,451,926	28,547,660
Interest paid, classified as operating activities	KRW thousand	-107,084,186	-116,546,658	-60,648,825
Dividends received, classified as operating activities	KRW thousand	462,464,469	1,188,592,399	279,442,718
Income taxes paid (refund), classified as operating activities	KRW thousand	-86,970,613	-137,066,902	-177,969,556
Cash flows from (used in) investing activities	KRW thousand	161,058,105	-930,008,025	-930,672,448
Net increase and decrease in short-term financial instruments	KRW thousand	5,000,000	347,557,908	356,905,547
Purchase of long-term financial instruments	KRW thousand	0	-7,030,000	0
Proceeds from sales of long-term financial instruments	KRW thousand	131,914,245	0	0
Acquisition of long-term investment securities	KRW thousand	0	-18,254,978	-71,712,992
Disposal of long-term investment securities	KRW thousand	108,861,883	14,299,478	33,764,447
Cash flows used in obtaining control of subsidiaries or other businesses, classified as investing activities	KRW thousand	-256,638,992	-1,165,043,800	-1,148,803,337
Cash flows from losing control of subsidiaries or other businesses, classified as investing activities	KRW thousand	40,439,803	0	0
Purchase of property, plant and equipment	KRW thousand	-36,084,503	-51,370,187	-73,324,482
Proceeds from sales of property, plant and equipment	KRW thousand	19,674,547	996,042	5,546,272
Purchase of intangible assets	KRW thousand	-67,953,335	-37,508,205	-27,864,883
Proceeds from sales of intangible assets	KRW thousand	1,200,000	1,000,000	9,315,000
Purchase of investment property	KRW thousand	-41,100	-1,226,000	-5,216
Increase in long-term loans	KRW thousand	-7,121,431	-12,872,588	-6,580,734
Proceeds from sales of long-term loans and receivables	KRW thousand	16,166	0	668,402

Category	Unit	FY2024	FY2023	FY2022
Cash flows from (used in) investing activities (continued)				
Increase in guarantee deposits	KRW thousand	-3,738,445	-555,695	618,739
Decrease in guarantee deposits	KRW thousand	4,162,173	0	0
Other inflows (outflows) of cash	KRW thousand	221,367,094	0	-42,031,921
Proceeds from sales of non-current assets or disposal groups classified as held for sale	KRW thousand	0	0	32,832,710
Cash flows from (used in) financing activities	KRW thousand	575,842,223	507,288,159	451,001,337
Proceeds from paid-in capital increase	KRW thousand	0	1,137,083,424	0
Cash flows from (used in) increase (decrease) in current borrowings	KRW thousand	1,370,485,130	-330,000,000	430,000,000
Proceeds from borrowings, classified as financing activities	KRW thousand	18,386,166	897,498,030	0
Repayments of borrowings, classified as financing activities	KRW thousand	-440,000,000	-1,143,650,000	0
Payments of lease liabilities, classified as financing activities	KRW thousand	-35,632,523	-33,095,698	-33,952,477
Increase in guarantee deposits as financial activities	KRW thousand	1,540,669	138,533	-3,650,817
Decrease in guarantee deposits as financial activities	KRW thousand	-4,602,865	0	0
Dividends paid, classified as financing activities	KRW thousand	0	-20,979,465	-15,328,594
Acquisition of treasury shares	KRW thousand	-334,832,424	0	0
Disposition of treasury shares	KRW thousand	490,327	293,335	73,933,225
Other inflows (outflows) of cash	KRW thousand	7,743	0	0
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes	KRW thousand	1,336,083,415	840,804,969	55,064,431
Cash and cash equivalents at beginning of period	KRW thousand	1,265,593,112	424,788,143	369,723,712
Effect of exchange rate changes on cash and cash equivalents	KRW thousand	1,043,992	0	0
Cash and cash equivalents at end of period	KRW thousand	2,602,720,519	1,265,593,112	424,788,143

Management Discussion and Analysis

1. Overview

The Management Discussion and Analysis (MD&A) section of this SK Innovation Integrated Report is based on the audited consolidated financial statements prepared in accordance with Korean International Financial Reporting Standards (K-IFRS), and focuses on the financial position as of the end of fiscal year 2024. This MD&A should be read in conjunction with the consolidated financial statements included in the SK Innovation Integrated Report or the 2024 Business Report. Where "SK Innovation" or "the Company" is mentioned, it generally refers to SK Innovation and its major consolidated subsidiaries. When referring solely to SK Innovation on a separate basis, excluding its consolidated subsidiaries, this is explicitly noted in the text. All amounts are reported in KRW.

This MD&A contains forward-looking information, which relates to future rather than past events and refers to the expected future business and financial performance of SK Innovation and its affiliates. It is described using words such as "expect," "project," "plan," and "anticipate." Factors that may positively or negatively affect the Company's future business and financial performance include, but are not limited to:

- Unexpected and rapid changes in the conditions of the Company's key business areas, such as the oil and chemical industries
- Trends in domestic and international financial markets, including fluctuations in oil prices, exchange rates, and interest rates
- The Company's strategic decisions, including business disposals and acquisitions
- Other domestic and international changes that could affect business and financial performance

Although the assumptions underlying the forward-looking information are expected to be reasonable, they contain risks and uncertainties and may prove to be inaccurate. Therefore, no assurance can be provided that the Company will experience the originally anticipated impacts or that the expected outcomes will be realized. A separate revised report on forward-looking information will not be issued.

2. General Description

On November 1, 2024, SK Innovation emerged as the largest private integrated energy company in the Asia-Pacific region through a merger with SK Innovation E&S. The Company has established a comprehensive portfolio spanning both current and future energy sources, including Energy & Chemicals, LNG, Power, and Batteries & Materials. By strengthening the value chain of its oil and chemical businesses through vertical integration, from oil exploration and development to petrochemical product manufacturing, the Company is also expanding its low-carbon portfolio with continuous investment in the battery and materials sectors.

As of 2024, SK Innovation's sales composition consists of the oil business at 67%, the chemical business at 14%, the lubricants business at 6%, the battery business at 8%, and the materials business, oil exploration and production, and other ventures at 5%.

Amidst a challenging environment with geopolitical volatility and a global economic downturn, SK Innovation recorded an operating profit of KRW 315.5 billion and consolidated EBITDA of KRW 2.77 trillion. To overcome uncertainties in the business environment and achieve sustainable growth, the company has established a mid- to long-term strategy aimed at strengthening its fundamental competitiveness and improving efficiency. SK Innovation plans to reinforce its competitiveness through a robust portfolio and establish itself as a trusted company among global stakeholders.

Summary of Financial Information

Category	Unit	2024 (18th FY)	2023 (17th FY)	2022 (16th FY)
(1) Financial Position				
Total Assets	KRW million	110,530,098	80,835,513	67,218,924
Current Assets	KRW million	36,318,432	33,279,589	31,966,676
Non-current Assets	KRW million	74,211,666	47,555,924	35,252,248
Total Liabilities	KRW million	70,881,189	50,815,546	43,976,613
Current Liabilities	KRW million	37,725,576	29,399,179	27,557,210
Non-current Liabilities	KRW million	33,155,613	21,416,367	16,419,403
Total Equity	KRW million	39,648,909	30,019,967	23,242,311
(2) Operating Performance				
Revenue	KRW million	74,716,970	77,288,486	78,056,939
Cost of Sales	KRW million	70,677,948	72,274,468	71,029,732
Other Operating Income	KRW million	292,358	617,038	0
Selling and Administrative Expenses	KRW million	4,015,892	3,727,170	3,109,866
Operating Profit (Loss)	KRW million	315,488	1,903,886	3,917,341
Other Non-operating Income	KRW million	182,822	152,458	187,155
Other Non-operating Expenses	KRW million	700,636	322,417	236,996
Profit Before Tax	KRW million	-2,379,844	932,185	2,860,190
Income Tax Expense (Loss)	KRW million	-7,361	377,291	965,011
Net Profit (Loss) for the Period	KRW million	-2,372,483	554,894	1,895,179
Number of Consolidated Companies	Companies	230	73	69

Management Discussion and Analysis

3. Operating Performance

SK Innovation's consolidated revenue in 2024 was KRW 74.717 trillion, of which 99.3% was revenue generated from contracts with customers, including sales of products and goods, resource development, and service sales. Gross profit, excluding cost of sales, amounted to KRW 4.039 trillion. Considering other operating income and operating expenses, operating profit was recorded at KRW 315.5 billion.

Summary of Consolidated Income Statement

Category	Unit	2024 (18th FY)	2023 (17th FY)	2022 (16th FY)
Revenue	KRW million	74,716,970	77,288,486	78,056,939
Cost of Sales	KRW million	70,677,948	72,274,468	71,029,733
Gross Profit	KRW million	4,039,022	5,014,018	7,027,207
Other Operating Income	KRW million	292,358	617,038	0
Selling and Administrative Expenses	KRW million	4,015,892	3,727,170	3,109,866
Operating Profit (Loss) Gross Profit + Other Operating Income – Selling and Administrative Expenses	KRW million	315,488	1,903,886	3,917,341
Other Non-operating Income	KRW million	182,822	152,458	187,155
Other Non-operating Expenses	KRW million	700,636	322,417	236,996
Finance Income	KRW million	4,650,657	5,243,218	7,097,500
Finance Costs	KRW million	6,397,890	6,177,988	8,107,092
Equity Method Gains/Losses	KRW million	-430,285	133,027	2,283
Profit (Loss) Before Income Tax Expense	KRW million	-2,379,844	932,185	2,860,190
Income Tax Expense	KRW million	-7,361	377,291	965,011
Net Profit (Loss) for the Period Profit (Loss) Before Income Tax Expense – Income Tax Expense	KRW million	-2,372,483	554,894	1,895,179

(1) Operating Performance by Business Segment

SK Innovation's performance by business segment is disclosed by categorizing it into Energy & Chemicals, Batteries & Materials, E&S, and Other Businesses. Following the merger of SK E&S into SK Innovation in November 2024, the E&S business segment reflects operating performance only for the months of November and December.

Operating Performance by Business Segment

Category	Category	Unit	2024 (18th FY)	2023 (17th FY)	2022 (16th FY)
Energy and Chemical Business	Revenue	KRW million	65,903,508	64,113,759	70,116,430
	Operating Profit (Loss)	KRW million	1,846,637	2,693,439	5,232,378
	Tangible & Intangible Assets	KRW million	12,722,058	12,883,267	12,694,187
Batteries & Materials Business	Revenue	KRW million	6,399,948	13,089,962	7,852,833
	Operating Profit (Loss)	KRW million	-1,409,527	-570,787	-1,120,690
	Tangible & Intangible Assets	KRW million	35,107,688	24,290,327	13,500,415
E&S Business	Revenue	KRW million	2,353,734	-	-
	Operating Profit (Loss)	KRW million	123,377	-	-
	Tangible & Intangible Assets	KRW million	10,876,838	-	-
Other Businesses	Revenue	KRW million	59,780	84,765	87,676
	Operating Profit (Loss)	KRW million	-244,999	-218,766	-194,347
	Tangible & Intangible Assets	KRW million	950,575	971,948	993,639

Business Diagnosis and Analysis

(a) Energy & Chemicals Business

- Petroleum Business

SK Innovation's Petroleum Business encompasses the entire activity of importing crude oil from global oil-producing nations, including those in the Middle East. This raw material is then refined at its Ulsan and Incheon Complexes to yield high-performance, environmentally-friendly fuels such as gasoline, diesel, kerosene, and aviation fuel, alongside chemical feedstock materials including gas, asphalt, and naphtha. Main products are supplied to consumers through domestic and international distributors, direct sales outlets, gas stations, and charging stations and also sold to diverse clients, including affiliates such as SK On Trading International. In 2024, despite a challenging industry environment that negatively impacted profitability—marked by international oil price volatility, slowing oil demand from China, and OPEC+ (plus) production cuts—the Petroleum Business recorded KRW 49.8396 trillion in sales and KRW 461.1 billion in operating income. SK Innovation continues its efforts to reduce production costs and strengthen its profit structure through improving process efficiency, cutting fuel costs, and optimizing external hydrogen procurement.

- Chemicals & Lubricants Business

SK Innovation's Chemicals and Lubricants businesses focus on producing various industrial products by utilizing by-products from the refining process as raw materials. First, the Chemicals Business produces basic materials like ethylene and propylene from naphtha, along with high-value-added materials such as high-performance packaging and automotive materials. Today, oversupply is intensifying due to the expansion of large-scale production facilities in China and the Middle East, and uncertainty continues to rise due to domestic and international political and geopolitical issues. To overcome these difficulties, the Company is striving to strengthen competitiveness by optimizing costs across all areas, including procurement, production, and marketing, and by improving its product portfolio. In 2024, the Chemicals Business recorded KRW 10.3519 trillion in sales.

Meanwhile, SK Innovation's Lubricants Business produces premium base oils and lubricants for automotive engines and transmissions. First, to meet stringent fuel efficiency and environmental regulations, it supplies Group III/III+ premium base oils, which are also used in insulating oils and separators for secondary batteries. SK Innovation also aims for a stronger competitiveness and customer-centric marketing by creating a circular ecosystem in the lubricants industry. For lubricants, the business produces and sells automotive, industrial, and marine lubricants, and also supplies EV-specific Fluids to global EV manufacturers. Furthermore, SK Innovation is expanding its business into the field of Thermal Management, focusing on the development and expansion of HVAC (Heating, Ventilation, and Air Conditioning) fluid and immersion cooling businesses. The HVAC fluid business is developing next-generation refrigerant for EVs and setting up production/SCM systems, while the Immersion Cooling business focuses on developing specialized fluids, collaborating with customers, and securing certifications for Data Centers, Energy Storage Systems (ESS), and Electric Vehicle Battery markets. In 2024, the Lubricants Business achieved sales of KRW 4.2354 trillion.

- Exploration and Production Business

SK Innovation's Exploration and Production (E&P) Business focuses on discovering, developing, producing, and marketing crude oil and natural gas from onshore and offshore assets through geological and geophysical (G&G) exploration. As of the end of December 2024, the Company holds working interests in 11 blocks across 8 countries and 3 LNG projects, including China Block 17/03—its first operating block that progressed from exploration to crude oil production with proprietary technology in 2023—and the Malaysia Ketapu Cluster block, additionally awarded in July 2024.

Recently, in the Cuu Long Basin located in the southeastern offshore of Vietnam, the Company made an oil discovery during exploration drilling in Block 15-2/17 and subsequently conducted a well test, achieving peak flow rates of approximately 10,000 BOPD. SK Innovation plans to establish a Southeast Asia cluster in its exploration business and expand into promising nearby areas to solidify its position. In 2024, the Exploration and Production Business recorded KRW 1.4765 trillion in sales and KRW 573.5 billion in operating income. As of the end of 2023, the proved reserves totaled 330 million barrels of oil equivalent (MMboe).

(b) Battery and Materials Business

SK Innovation's Battery Business primarily focuses on producing lithium-ion batteries for electric vehicles (EVs) and energy storage systems (ESS). Concurrently, it operates Battery as a Service (BaaS) initiatives, encompassing battery lifecycle management and recycling. Its key products, high-energy-density and high-output batteries, are supplied to global markets including the USA, Europe, and China. Meanwhile, the Materials Business has grown into a global top-tier LiBS manufacturer, and this growth follows its proprietary development of LiBS production technology in 2004, which was the first in Korea, and the world's first successful commercialization of the sequential stretching process in 2007. The company leads the battery industry through innovations like the development of 5μm thin-film products and the commercialization of double-sided simultaneous coating technology, strengthening collaborations with top global battery manufacturers.

While 2024 saw hindering factors such as a prolonged slowdown in EV demand, intensified global competition due to Chinese battery companies entering overseas markets, and raw material price volatility, SK Innovation is enhancing its fundamental competitiveness by strengthening technological capabilities, improving quality, meeting customer demands through cost competitiveness, and improving its profit structure via cost reduction and optimized production operations. As of 2024, the Battery Business and Materials Business recorded sales of KRW 6.2666 trillion and KRW 133.4 billion, respectively.

Business Diagnosis and Analysis

(c) E&S Business

The E&S Business, primarily led by SK Innovation E&S, drives business activities such as LNG production/power generation, electricity and district energy, and city gas supply, all based on a fully integrated LNG value chain. Despite facing risks like global energy market uncertainty, intensifying competition, and LNG price volatility, the company has secured cost competitiveness through stable power plant operations and long-term LNG purchase agreements. Furthermore, it consistently pursues new growth engines and continuous technological innovation, including renewable energy, hydrogen, and energy solutions. Following the merger date (November 1, 2024), the E&S Business recorded an operating income of KRW 129 billion for November and December 2024.

(2) Operating Expenses

In 2024, operating expenses, which combine cost of goods sold and selling, general, and administrative expenses, totaled KRW 74.6938 trillion, which marks an approximate 2% decrease compared to the previous period. The primary reason for this reduction is a roughly 5.6% decrease in the "use of raw materials and purchase of goods" category, which represents the largest proportion (81.2%) of sub-items within expenses. Specifically, this appears to be due to reduced purchases of battery raw materials like cathodes, anodes, and separators, alongside a decline in global crude oil prices.

Breakdown of Expenses by Nature (Table reclassifying Cost of Sales and Selling, General & Administrative Expenses by nature)

Category	Unit	2024 (18th)	2023 (17th)
Changes in Products, Merchandise, and Semi-finished Goods	KRW million	870,258	-165,545
Use of Raw Materials and Purchase of Merchandise	KRW million	60,651,945	64,234,691
Employee Benefits Expense	KRW million	2,847,349	2,779,137
Depreciation, Amortization of Right-of-Use Assets, and Amortization of Intangible Assets	KRW million	2,454,560	2,029,963
Transportation Costs	KRW million	448,513	546,211
Advertising and Promotion Expenses	KRW million	96,816	116,621
Lease and Rental Expenses	KRW million	246,664	279,086
Other Expenses	KRW million	7,077,735	6,181,474
Total Expenses by Nature	KRW million	74,693,840	76,001,638

(3) Operating Income

SK Innovation's operating income for 2024 was KRW 315.5 billion. This result stems from a gross profit of KRW 4.039 trillion and other operating income of KRW 292.4 billion, offset by selling, general, and administrative expenses totaling KRW 4.0159 trillion. The operating income decreased compared to the previous period, primarily due to a roughly 19.4% reduction in gross profit.

(4) Other Non-Operating Income and Expenses

In 2024, SK Innovation's finance income and finance costs were KRW 4.6507 trillion and KRW 6.3979 trillion, respectively. Other non-operating income totaled KRW 182.8 billion, while other non-operating expenses amounted to KRW 700.6 billion. The increase in other non-operating expenses by 117% from the previous period was primarily due to a rise in losses on disposal of property, plant, and equipment and impairment losses on intangible assets.

(5) Corporate Tax

SK Innovation recorded a current corporate tax expense of KRW -7.3 billion, resulting in a corporate tax benefit. Consequently, the effective tax rate was not calculated.

(6) Net Profit

Considering all the aforementioned items, SK Innovation's net profit for the period was recorded as KRW -2.3725 trillion.

Business Diagnosis and Analysis

4. Financial Position

SK Innovation's total assets for the current period increased by 36.7% compared to the previous period, reaching KRW 110.5301 trillion. This increase is attributed to higher overseas facility investments and the merger with SK E&S, leading to a rise in tangible and investment assets.

Meanwhile, total liabilities increased by 39.5% from the previous period, reaching KRW 70.8812 trillion, which is due to an increase in net borrowings driven by expanded investment expenditures. Total equity increased by 32.1% compared to the previous period, reaching KRW 39.6489 trillion. The rise in total equity is due to the exchange rate effect from the sharp appreciation of the Korean Won at the end of 2024 and the increase in capital resulting from the business combination with SK Innovation E&S.

Summary of Consolidated Financial Statements

	Unit	2024 (18th)	2023 (17th)	2022 (16th)
Total Assets	KRW million	110,530,098	80,835,513	67,218,924
Current Assets	KRW million	36,318,432	33,279,589	31,966,676
Non-current Assets	KRW million	74,211,666	47,555,924	35,252,248
Total Liabilities and Equity	KRW million	110,530,098	80,835,513	67,218,924
Total Liabilities	KRW million	70,881,189	50,815,546	43,976,613
Current Liabilities	KRW million	37,725,576	29,399,179	27,557,210
Non-current Liabilities	KRW million	33,155,612	21,416,367	16,419,403
Total Equity	KRW million	39,648,909	30,019,968	23,242,311
Equity attributable to Owners of the Parent Company	KRW million	24,641,445	22,202,714	19,651,626
Non-controlling Interests	KRW million	15,007,464	7,817,253	3,590,685

5. Liquidity, Funding, and Expenditures

As of the end of 2024, SK Innovation's net borrowings increased by 83.3% from the previous period, reaching KRW 28.5266 trillion. Furthermore, based on the carrying amount of bonds, borrowings, and lease liabilities from the consolidated financial statements, the proportion of these liabilities maturing within one year is 38.4%. Considering the borrowing maturity schedule and the Company's cash and cash equivalents, the risk of funding is at a controllable level.

Status of Liquidity and Borrowings

Category	Unit	2024 (18th)	2023 (17th)	2022 (16th)
(1) Liquidity Status				
Operating Activities Cash Flow	KRW million	2,232,522	5,367,896	406,557
Investing Activities Cash Flow	KRW million	-7,295,310	-11,244,233	-5,123,328
Financing Activities Cash Flow	KRW million	7,327,060	9,490,447	10,507,173
Net Increase/Decrease in Cash and Cash Equivalents	KRW million	2,264,271	3,614,110	5,790,407
Effect of Exchange Rate Changes on Cash and Cash Equivalents	KRW million	535,525	-18,771	264,852
Cash and Cash Equivalents at Beginning of Period	KRW million	13,074,426	9,479,087	3,423,827
Cash and Cash Equivalents at End of Period	KRW million	15,865,084	13,074,426	9,479,087
(2) Borrowings Status				
Short-term Borrowings	KRW million	12,051,198	8,184,946	7,558,576
Current Portion of Long-term Debt	KRW million	5,544,184	3,059,161	4,491,968
Bonds and Long-term Borrowings	KRW million	27,032,203	17,714,684	13,403,702
Total Borrowings	KRW million	44,627,585	28,958,791	25,454,246
Cash and Cash Equivalents (including Cash-like Assets and Short-term Financial Instruments)	KRW million	16,100,999	13,392,310	10,939,370
Net Borrowings	KRW million	28,526,586	15,566,481	14,514,876
Equity Ratio	%	35.87	37.14	34.58
Debt-to-Equity Ratio	%	178.77	169.27	189.21
Current Ratio Current Assets ÷ Current Liabilities	%	96.27	113.20	116.00

Audit Report

Based on a report originally issued in Korean

The Board of Directors and Shareholders of SK Innovation Co., Ltd.

Opinion

We have audited the consolidated financial statements of SK Innovation and its subsidiaries ("the Group"), expressed in Korean won, which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising of material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with Korean International Financial Reporting Standards ("K-IFRS").

We also have audited, in accordance with Korean Standards on Auditing (KSAs), the Group's Internal Control over Financial Reporting for Consolidation Purposes ("ICFR") as of December 31, 2024 based on the criteria established in Conceptual Framework for Designing and Operating Internal Control over Financial Reporting issued by the Operating Committee of Internal Control over Financial Reporting in the Republic of Korea, and our report dated March 11, 2025 expressed an unmodified opinion on the effectiveness of the Group's internal control over financial reporting for consolidation purposes.

Basis for Opinion

We conducted our audits in accordance with KSAs. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements as of and for the year ended December 31, 2024. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Appropriateness of Net Realizable Value of Inventories

As of December 31, 2024, the book value of inventories of the Group held in the petroleum business, chemical business, lubricant business, and battery business (the "petrochemical and battery business") on the consolidated statement of financial position is KRW 9,851,959 million, which accounts for approximately 8.9% of the total assets.

As described in Note 3 to the consolidated financial statements, the valuation of inventories is measured at the lower of cost and net realizable value, and the valuation of inventories requires estimation of estimated selling prices and estimated selling cost. Therefore, the valuation of inventories may have a significant impact on the Group's performance.

Considering the carrying amount of inventories held in the petrochemical and battery business is material in the consolidated financial statements, and the management's judgment on the estimate has a significant impact on the valuation of inventories due to uncertainties in crude oil or raw material price fluctuations, we identified the valuation of inventories in petrochemical and battery business as a key audit matter.

The primary procedures performed to address the key audit matter include the followings:

- Understanding of accounting policies related to the valuation of inventories.
- Testing the design and operating effectiveness of internal controls related to the valuation of inventories.
- Understanding and assessing of the appropriateness of management's estimation methods for estimated selling prices and estimated selling cost, etc.
- For selected samples, inspecting the relevant evidence related to estimated selling prices and others used in the calculation of net realizable value.
- Recalculating to confirm the accuracy of the inventory valuation amounts

Other Matters

The procedures and practices utilized in the Republic of Korea to audit such consolidated financial statements may differ from those generally accepted and applied in other countries.

The accompanying consolidated financial statements as of and for the years ended December 31, 2024 and 2023 have been translated into United States dollars solely for the convenience of the reader. We have audited the translation and, in our opinion, the consolidated financial statements expressed in Korean won have been translated into dollars on the basis set forth in note 2 to the consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with K-IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with KSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with KSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used in the preparation of the consolidated financial statements and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Chae Neung Lee.

152, Teheran-ro, Gangnam-gu, Seoul 06236
(Yeoksam-dong, Gangnam Finance Center 27th Floor) Republic of Korea
KPMG SAMJUNG Accounting Corp.
CEO Kim, Kyo Tae

This report is effective as of March 11, 2025, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

Environmental

1. Non-financial data primarily covers domestic operations in Korea (Domestic sites), with certain metrics also including global sites. The reporting scope for each dataset is indicated in the title or footnotes of the respective table.
2. For energy and greenhouse gas data, the reporting scope includes a total of 13 overseas entities and branches (global sites) of SK Innovation affiliates. Data is presented as a total value for each affiliate. The overseas entities included in the reporting scope are listed below:
   · SKGC (4 entities): Ningbo SK Performance Rubber Co., Ltd., SK Functional Polymer, SK Primacor Americas LLC, SK Primacor Europe, S.L.U.
   · SKO (5 entities): SK Battery America, Inc., SK On Hungary Kft., SK Battery Manufacturing Kft., SK On (Jiangsu) Co., Ltd., SK On (Yancheng) Co., Ltd.
   · SKEN (1 entity): SK Enmove (Tianjin) Co., Ltd.
   · SKIET (2 entities): SK hi-tech battery materials (Jiang su), SK hi-tech battery materials Poland
   · SKEO (1 entity): Block 17/03 in China
3. For the 2024 data, SK On Trading International (SKTI) data will be included in the SK On (SKO) data, and the SK Enterm (SKET) data will be included in the SK Energy (SKE) data.
4. The respective intensity data is calculated based on each affiliate's consolidated revenue.

Energy

Energy Consumption (Domestic sites)

Category		Unit	2022	2023	2024								
					Total	SKI	SKE	SKGC[4]	SKO	SKEN	SKIPC	SKIET	SKEO
Total Energy Consumption[1]		TJ	188,270	201,386	193,203	500	77,151	59,115	3,327	5,955	45,187	1,969	-
Total Non-Renewable Energy Consumption		TJ	183,173	195,211	192,775	500	77,151	59,115	3,327	5,955	45,186	1,542	-
Non-Renewable Energy by Type[2]	Fuel (Direct Energy Source)	TJ	120,564	130,189	127,828	127	49,852	40,200	454	1,945	34,770	480	-
	Electricity (Indirect Energy Source)	TJ	40,394	42,172	42,423	373	18,859	9,165	2,873	888	9,204	1,062	-
	Steam (Indirect Energy Source)	TJ	22,215	22,850	22,524	0	8,440	9,750	0	3,122	1,212	0	-
Total Renewable Energy Consumption		TJ	5,097	6,175	428	0	0	0	0	0	1	427	-
Renewable Energy by Type	Fuel (Biofuel, etc.)	TJ	0	0	0	0	0	0	0	0	0	0	-
	Electricity (PPA, Self-generation, etc.)	TJ	5,097	6,175	428	0	0	0	0	0	1	427	-
	Steam	TJ	0	0	0	0	0	0	0	0	0	0	-
Renewable Energy Consumption Rate[3]		%	2.71	3.07	0.22	0.00	0.00	0.00	0.00	0.00	0.00	21.69	-
Total Energy Consumption Intensity		TJ/KRW billion	-	-	-	0.30	1.78	4.48	0.06	1.17	4.21	9.04	-

1) Total Energy Consumption = Total Non-Renewable Energy Consumption + Total Renewable Energy Consumption
2) Disclosure based on annual energy use in the GHG statement
3) Renewable Energy Consumption Rate = (Total Renewable Energy Consumption ÷ Total Energy Consumption) × 100
4) Due to the partial omission of SKGC's energy consumption data in 2024, an appeal has been submitted to the Ministry of Environment. The disclosed data includes the omitted amount.

Energy Sales (Domestic sites)

Category		Unit	2022	2023	2024								
					Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
Non-Renewable Energy Sales	Steam	TJ	22,340	23,261	21,742	0	19,142	2,110	0	490	0	0	0

Environmental

Energy

Energy Consumption (Global sites)

Category		Unit	2023	2024					
				Total[2]	SKGC[3]	SKO	SKEN	SKIET	SKEO
Total Energy Consumption[1]		TJ	12,785	11,907	1,830	7,922	27	1,570	557
Total Non-Renewable Energy Consumption		TJ	11,220	11,065	1,830	7,490	27	1,160	557
Non-Renewable Energy by Type	Fuel (Direct Energy Source)	TJ	4,074	3,672	110	2,632	0	372	557
	Electricity (Indirect Energy Source)	TJ	4,920	5,189	740	3,868	5	576	0
	Steam (Indirect Energy Source)	TJ	2,225	2,204	980	991	22	211	0
Total Renewable Energy Consumption		TJ	1,140	842	0	432	0	410	0
Renewable Energy by Type	Fuel (Biofuel, etc.)	TJ	0	0	0	0	0	0	0
	Electricity (PPA, Self-generation, etc.)	TJ	1,140	842	0	432	0	410	0
	Steam	TJ	0	0	0	0	0	0	0

1) Total Energy Consumption = Total Non-Renewable Energy Consumption + Total Renewable Energy Consumption
2) Total Energy Consumption for the 13 overseas entities included in the disclosure scope
3) Data correction for 2023 to reflect changes in the reporting scope of SKGC's global sites.

Environmental

Greenhouse Gas (GHG)

Scope 1, 2 Emissions (Domestic sites)

Category		Unit	2022	2023	2024								
					Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
Total Direct/Indirect GHG Emissions (Scope 1 + Scope 2)		tCO_2eq	11,143,010	11,654,889	11,693,131	24,368	7,183,657	2,541,556	160,618	169,022	1,538,765	75,145	-
GHG Emissions by Type	Scope 1 (Total Direct Emissions)	tCO_2eq	9,116,619	9,379,375	9,434,690	6,540	6,225,019	1,962,124	23,115	96,366	1,097,196	24,331	-
	Scope 2 (Total Indirect Emissions)	tCO_2eq	2,026,406	2,275,526	2,258,457	17,829	958,646	579,433	137,506	72,657	441,569	50,816	-
Total Direct/Indirect GHG Emissions Intensity		tCO_2eq/KRW billion	-	-	-	15	166	193	3	33	143	345	-

Scope 1, 2 Emissions (Global sites)

Category		Unit	2023	2024					
				Total[1]	SKGC[2]	SKO	SKEN	SKIET	SKEO
Total Direct/Indirect GHG Emissions (Scope 1 + Scope 2)		tCO_2eq	1,100,371	1,029,323	169,980	675,608	3,452	117,253	63,030
GHG Emissions by Type	Scope 1 (Total Direct Emissions)	tCO_2eq	240,449	234,958	11,817	141,438	47	18,625	63,030
	Scope 2 (Total Indirect Emissions)	tCO_2eq	859,922	794,365	158,163	534,170	3,405	98,628	0

1) Total GHG Emissions (Scope 1, 2) for the 13 overseas entities included in the disclosure scope, the same as for energy consumption data.
2) Data correction for 2023 to reflect changes in the reporting scope of SKGC's global sites.

Environmental

Greenhouse Gas (GHG)

Scope 3 Emissions

Category		Unit	2022	2023	2024								
					Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO[2]
Scope 3 (Total of Other Indirect Emissions)		10k tCO_2eq	13,874.93	14,295.82	14,649.08	0.28	10,256.35	570.71	224.99	217.12	2,797.09	4.28	578.26
GHG Emissions by Type[1]	Cat 1. Purchased Goods and Services	10k tCO_2eq	2,005.00	2,331.62	2,226.24	0	1,291.16	139.85	198.10	102.39	493.87	0.86	0
	Cat 3. Fuel- and Energy-Related Activities Not Included in Scope 1 or 2	10k tCO_2eq	48.48	56.12	54.75	0	16.53	7.69	20.59	2.26	4.83	2.85	0
	Cat 4. Upstream Transportation and Distribution	10k tCO_2eq	107.97	120.45	117.01	0	78.67	3.76	2.34	1.48	30.66	0.10	0
	Cat 5. Waste Generated in Operations	10k tCO_2eq	4.17	3.26	3.36	0	1.27	0.61	0.92	0.04	0.20	0.32	0
	Cat 6. Business Travel	10k tCO_2eq	0.39	0.42	0.49	0.05	0.06	0.04	0.30	0.01	0.01	0.01	0.0050
	Cat 7. Employee Commuting	10k tCO_2eq	1.94	2.08	2.40	0.24	0.28	0.19	1.49	0.04	0.07	0.07	0.02
	Cat 9. Downstream Transportation and Distribution	10k tCO_2eq	47.00	47.80	39.02	0	16.39	9.46	1.25	7.91	4.01	0.0037	0
	Cat 11. Use of Sold Products[3]	10k tCO_2eq	10,985.39	10,962.48	11,463.62	0	8,838.21	4.44	0	0	2,042.74	0	578.23
	Cat 12. End-of-Life Treatment of Sold Products	10k tCO_2eq	674.58	771.59	742.19	0	13.78	404.67	0	102.99	220.69	0.05	0

1) GHGs are measured and managed for categories considered manageable and relevant to our business, and not managed for other categories (2, 8, 10, 13, 14, 15).
2) The GHG emissions data for blocks 88 and 56 in Peru, which are held by SK Innovation, are considered as SKEO's emissions taking into consideration business relevance and operating rights.
3) Data correction for 2022–2023 due to the removal of double-counting in equity shares of Block 56 and 88 in Peru.

Eco-Friendly Vehicles Fleet

Category	Unit	2023	2024
Total Number of Vehicles in Fleet[4]	Cars	404	450
Number of Eco-Friendly Vehicles in Fleet[5]	Cars	63	100
Ratio of Eco-Friendly Vehicles in Fleet[5]	%	16	22

4) Based on vehicles owned or leased by the entity
5) Electric vehicles, hybrid vehicles, hydrogen electric vehicles, etc.

Environmental

Water[1)]

Category			Unit	2022	2023	2024								
						Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
Water Consumption[2)]			Tons	67,774,317	69,127,634	69,184,581	169,687	42,016,627	15,891,323	485,162	1,708,996	8,202,653	706,655	3,480
	Seoul Metropolitan		Tons	7,649,120	7,256,282	8,320,565	33,544	17,599	8,030	39,939	7,922	8,202,653	7,399	3,480
	Other Regions		Tons	60,125,197	61,871,353	60,864,016	136,143	41,999,028	15,883,293	445,223	1,701,074	0	699,256	0
Water Withdrawal			Tons	43,230,556	42,009,774	42,186,130	169,687	31,541,623	7,548,606	485,162	822,379	1,059,955	555,240	3,480
	Seoul Metropolitan		Tons	1,832,989	830,441	1,177,867	33,544	17,599	8,030	39,939	7,922	1,059,955	7,399	3,480
		Municipal water[3)]	Tons	1,767,209	808,940	1,162,387	25,844	15,152	8,030	38,922	6,103	1,059,955	5,700	2,681
		Groundwater (Freshwater)	Tons	65,780	21,500	15,480	7,700	2,447	0	1,017	1,818	0	1,698	799
		Other (Rainwater, etc.)	Tons	0	0	0	0	0	0	0	0	0	0	0
	Other Regions		Tons	41,397,567	41,179,333	41,008,264	136,143	31,524,024	7,540,576	445,223	814,457	0	547,841	0
		Municipal water[3)]	Tons	41,395,355	41,178,587	41,007,334	136,143	31,523,094	7,540,576	445,223	814,457	0	547,841	0
		Groundwater (Freshwater)	Tons	2,212	746	930	0	930	0	0	0	0	0	0
		Other (Rainwater, etc.)	Tons	0	0	0	0	0	0	0	0	0	0	0
Water Recycled			Tons	22,064,796	23,246,317	24,542,117	0	11,786,337	5,763,514	0	132,265	6,708,586	151,415	0
	Seoul Metropolitan		Tons	5,350,429	6,027,224	6,708,586	0	0	0	0	0	6,708,586	0	0
	Other Regions		Tons	16,714,367	17,219,093	17,833,531	0	11,786,337	5,763,514	0	132,265	0	151,415	0
Water Recycle Ratio			%	33	34	35	0	28	36	0	8	82	21	0
Water Withdrawal Intensity			Tons/KRW billion	-	-	-	102	728	572	8	161	99	2,549	7

1) Data correction for 2022–2023 water consumption and withdrawal
2) Water Withdrawal + Water Recycled (for refineries and chemical facilities, the figures are calculated based on surplus steam and off-site water transfer volume as well)
3) Water withdrawal data from municipal sources includes industrial water.

Environmental

Wastewater Discharge[1)]

Category		Unit	2022	2023	2024								
					Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
Total Wastewater Discharge		Tons	14,762,771	18,759,422	19,554,520	41,128	15,642,132	1,877,739	31,303	160,423	1,661,845	139,950	-
Wastewater Discharge by Type	Sewage Discharge Plant	Tons	5,050,811	5,417,589	5,658,096	40,954	2,560,200	1,226,059	30,165	0	1,661,845	138,873	-
	Seawater	Tons	9,707,038	13,333,260	13,889,502	0	13,077,399	651,680	0	160,423	0	0	-
	Third Party	Tons	4,923	8,573	6,922	174	4,533	0	1,138	0	0	1,077	-

Water Pollutant Discharge[1)]

Category	Unit	2022	2023	2024								
				Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
TOC	Tons	104.85	202.30	200.95	0.06	166.29	14.06	0.19	2.02	17.16	1.17	-
BOD	Tons	32.46	62.81	133.13	0.06	123.97	4.43	0.10	0.13	4.28	0.16	-
TN	Tons	103.20	195.79	201.55	0.06	179.99	14.38	0.03	1.54	4.69	0.86	-
SS	Tons	55.46	103.34	57.37	0.04	38.34	9.86	0.22	0.28	8.39	0.24	-

1) Data correction for 2022–2023 due to the reporting of wastewater discharge within the Ulsan Complex based on the Integrated Environmental Permit System (IEPS).

Waste[2)]

Category		Unit	2022	2023	2024								
					Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
Total Waste		Tons	114,797.75	117,172.36	111,671.89	774.90	69,057.44	16,331.04	6,310.95	3,542.84	11,300.78	4,344.76	9.18
Waste by Disposal Type	Landfill	Tons	11,350.51	8,566.32	6,247.68	0	4,597.99	181.52	22.83	48.11	1,397.23	0	0
	Incineration	Tons	12,382.04	9,028.17	9,544.77	307.50	6,432.83	779.79	860.99	235.85	905.20	22.61	0
	Recycling	Tons	90,936.05	99,282.36	94,892.05	400.16	57,195.69	15,369.29	5,338.35	3,258.88	8,998.35	4,322.15	9.18
	Others	Tons	129.15	295.50	987.39	67.24	830.93	0.44	88.78	0	0	0	0
Waste Recycling Ratio		%	79.21	84.73	84.97	51.64	82.82	94.11	84.59	91.98	79.63	99.48	100
Waste Disposal Intensity		Tons/KRW billion	-	-	-	0.46	0	1.24	0	0.70	1.05	19.94	0.02

2) Data correction for 2022–2023 due to changes in waste data management standards, including the addition of new waste categories

Environmental

Waste (continued)

Category[1]		Unit	2022	2023	2024								
					Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
General Waste		Tons	49,286.17	54,737.50	49,941.02	297.84	36,887.37	6,848.38	2,229.86	1,137.36	1,236.95	1,298.11	5.15
General Waste by Disposal Type	Landfill	Tons	9,170.47	6,821.80	4,525.88	0	4,348.23	159.14	0	0	18.51	0	0
	Incineration	Tons	2,608.81	1,548.92	1,226.13	207.35	23.53	404.27	581.03	0	9.95	0	0
	Recycling	Tons	37,506.89	46,366.78	44,189.01	90.49	32,515.61	6,284.97	1,648.83	1,137.36	1,208.49	1,298.11	5.15
	Others	Tons	0	0	0	0	0	0	0	0	0	0	0
Designated Waste		Tons	50,363.92	45,724.06	46,427.39	440.23	23,536.19	5,672.09	3,634.45	1,518.91	8,896.43	2,728.88	0.21
Designated Waste by Disposal Type	Landfill	Tons	1,444.72	1,406.52	1,489.24	0	109.12	1.40	0	0	1,378.72	0	0
	Incineration	Tons	7,461.19	7,448.21	8,264.32	100.15	6,409.30	375.52	225.64	235.85	895.25	22.61	0
	Recycling	Tons	41,328.86	36,574.69	36,515.06	272.84	17,014.57	5,294.73	3,320.92	1,283.06	6,622.46	2,706.27	0.21
	Others	Tons	129.15	294.64	158.77	67.24	3.20	0.44	87.89	0	0	0	0
Construction Waste		Tons	10,998.55	10,818.44	9,015.21	0	5,556.66	1,474.84	0	816.31	1,167.40	0	0
Construction Waste by Disposal Type	Landfill	Tons	735.32	328.65	209.73	0	140.64	20.98	0	48.11	0	0	0
	Incineration	Tons	2,312.04	0	0	0	0	0	0	0	0	0	0
	Recycling	Tons	7,951.19	10,489.79	7,977.75	0	4,588.29	1,453.86	0	768.20	1,167.40	0	0
	Others	Tons	0	0	827.73	0	827.73	0	0	0	0	0	0
Municipal Waste		Tons	0	187.37	392.61	0	0	0	263.16	0	0	129.45	0
Municipal Waste by Disposal Type	Landfill	Tons	0	9.35	22.83	0	0	0	22.83	0	0	0	0
	Incineration	Tons	0	31.04	54.32	0	0	0	54.32	0	0	0	0
	Recycling	Tons	0	146.12	314.57	0	0	0	185.12	0	0	129.45	0
	Others	Tons	0	0.86	0.89	0	0	0	0.89	0	0	0	0
Other Waste		Tons	4,149.10	5,704.98	5,895.66	36.83	3,077.22	2,335.73	183.48	70.26	0	188.32	3.82
Other Waste by Disposal Type	Landfill	Tons	0	0	0	0	0	0	0	0	0	0	0
	Incineration	Tons	0	0	0	0	0	0	0	0	0	0	0
	Recycling	Tons	4,149.10	5,704.98	5,895.66	36.83	3,077.22	2,335.73	183.48	70.26	0	188.32	3.82
	Others	Tons	0	0	0	0	0	0	0	0	0	0	0

1) Designated waste corresponds to hazardous waste

Environmental

Air Pollutant Emissions[1)]

Category	Unit	2022	2023	2024								
				Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
NOx Emissions	Tons	7,194.47	5,812.04	5,481.49	4.73	3,176.84	1,760.95	3.64	57.52	466.94	10.87	0
NOx Emissions Intensity	Tons/KRW million	-	-	-	0.0028	0.07	0.13	0.0001	0.01	0.04	0.05	0
SOx Emissions	Tons	304.71	328.35	716.35	0	649.47	47.79	0.34	2.87	15.88	0	0
SOx Emissions Intensity	Tons/KRW million	-	-	-	0	0.02	0.0036	0	0.0006	0.0015	0	0
VOC Emissions	Tons	554.08	335.29	464.51	0	61.77	315.77	0	0.21	36.25	50.51	0
VOC Emissions Intensity	Tons/KRW million	-	-	-	0	0.0014	0.02	0	0	0.0034	0.23	0
Dust Emissions (TSP)	Tons	279.05	251.76	207.99	0.50	191.79	7.98	1.18	1.24	1.95	3.35	0
Dust Emissions Intensity	Tons/KRW million	-	-	-	0.0003	0.0044	0.0006	0	0.0002	0.0002	0.02	0

1) Data correction for 2022–2023 to address identified errors

Chemicals Emissions[2)]

Category	Unit	2022	2023	2024								
				Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
Chemicals Emissions	Tons	520.30	353.10	482.31	0	78.63	316.93	0.0042	0.25	36.34	50.16	0
Hazardous Chemicals Emissions	Tons	152.14	143.45	156.73	0	37.62	61.03	0.0023	0	7.93	50.14	0

2) Data correction for 2022–2023 due to revised calculation based on a supplementary review of chemicals emissions data

Environmental Compliance

Category	Unit	2022	2023	2024								
				Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
Number of Fines/Liabilities over USD 10,000	Cases	0	0	1	0	0	0	0	0	1	0	0
Total Amount of Fines/Liabilities over USD 10,000	KRW Million	0	0	60	0	0	0	0	0	60	0	0

Environmental

E&P Production

Category	Country	Block	Unit	2022	2023	2024
Total Petroleum Production			Mbbl	5,380	5,738	8,672
Production by Region	Peru	88	Mbbl	3,182	3,181	3,221
		56	Mbbl	1,014	889	803
		8[1]	Mbbl	-	-	-
	Vietnam	15-1	Mbbl	1,135	1,020	868
	Yemen[2]	LNG	Mbbl	-	-	-
	Libya	NC-174	Mbbl	49	80	105
	China[3]	17/03	Mbbl	-	569	3,675
Total Gas Production			MMcf	71,709	74,188	70,772
Production by Region	Peru	88	MMcf	49,428	52,257	50,150
		56	MMcf	19,859	19,523	18,714
		8	MMcf	-	-	-
	Vietnam	15-1	MMcf	2,422	2,408	1,908
	Yemen	LNG	MMcf	-	-	-
	Libya	NC-174	MMcf	0	0	0
	China	17/03	MMcf	-	0	0

1) Peru Block 8 ceased production due to Force Majeure declaration in 2020.
2) Yemen LNG Block ceased production due to the Force Majeure declaration in 2015.
3) China Block 17/03 starts production in 2023 after development and exploration.

E&P Sales

Category	Country	Block	Unit	2022	2023	2024
Total Petroleum Sales			Mbbl	7,099	7,623	10,882
Sales by Region	Peru	88	Mbbl	3,571	3,610	3,621
		56	Mbbl	2,325	2,531	2,651
		8[1]	Mbbl	-	-	-
	Vietnam	15-1	Mbbl	1,125	1,015	873
	Yemen[2]	LNG	Mbbl	-	-	-
	Libya	NC-174	Mbbl	78	52	103
	China[3]	17/03	Mbbl	-	414	3,635
Total Gas Sales			MMcf	80,480	85,106	84,497
Sales by Region	Peru	88	MMcf	47,318	52,329	49,252
		56	MMcf	30,842	30,435	33,587
		8	MMcf	-	-	-
	Vietnam	15-1	MMcf	2,320	2,343	1,658
	Yemen	LNG	MMcf	-	-	-
	Libya	NC-174	MMcf	-	-	0
	China	17/03	MMcf	-	0	0
Gas Sales Portion in Total E&P Sales[4]			%	67	66	60

4) Calculated by converting gas sales volumes to Mbbls

Social

Employees

Employee Composition (Domestic sites)[1)]

Category		Unit	2022	2023	2024								
					Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
Total Number of Employees		Persons	9,426	10,012	10,011	1,567	2,670	1,268	3,125	332	621	359	69
By Gender	Male	Persons	7,749	8,113	8,133	1,048	2,442	1,158	2,339	241	578	281	46
	Female	Persons	1,677	1,899	1,878	519	228	110	786	91	43	78	23
By Position													
Executives	Total	Persons	220	248	242	82	37	17	64	10	6	21	5
	Male	Persons	207	233	227	73	36	17	62	9	6	19	5
	Female	Persons	13	15	15	9	1	0	2	1	0	2	0
Staff: Managerial Position	Total	Persons	624	636	602	127	132	50	198	26	29	33	7
	Male	Persons	575	580	542	101	128	46	181	24	29	29	4
	Female	Persons	49	56	60	26	4	4	17	2	0	4	3
Staff: Non-managerial Position	Total	Persons	8,582	9,128	9,167	1,358	2,501	1,201	2,863	296	586	305	57
	Male	Persons	6,967	7,300	7,364	874	2,278	1,095	2,096	208	543	233	37
	Female	Persons	1,615	1,828	1,803	484	223	106	767	88	43	72	20
By Employment Type													
Regular	Total	Persons	8,857	9,348	9,248	1,448	2,403	1,144	3,004	275	592	320	62
	Male	Persons	7,334	7,603	7,473	950	2,182	1,039	2,247	208	555	251	41
	Female	Persons	1,523	1,745	1,775	498	221	105	757	67	37	69	21
Non-Regular	Total	Persons	349	416	521	37	230	107	57	47	23	18	2
	Male	Persons	208	277	433	25	224	102	30	24	17	11	0
	Female	Persons	141	139	88	12	6	5	27	23	6	7	2
By Age	Under 30	Persons	1,896	1,959	1,833	166	491	244	772	77	37	39	7
	30 to 50	Persons	4,833	5,322	5,565	1,118	942	504	2,232	161	266	289	53
	51 and above	Persons	2,697	2,731	2,613	283	1,237	520	121	94	318	31	9

1) Data correction for 2022–2023 due to changes in the classification criteria for headcount and the correction of aggregation errors

Social

Employees

Employee Composition (Global sites)[1)]

Category		Unit	2022	2023	2024								
					Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
Total Number of Employees in Asia		Persons	6,511	7,278	5,131	2	21	185	4,424	152	0	232	115
By Gender	Male	Persons	5,017	5,603	3,828	2	16	82	3,341	113	0	190	84
	Female	Persons	1,494	1,675	1,303	0	5	103	1,083	39	0	42	31
By Age	Under 30	Persons	2,293	2,545	1,382	0	2	31	1,242	1	0	98	8
	30 to 50	Persons	4,102	4,627	3,662	1	12	147	3,145	136	0	133	88
	51 and above	Persons	116	106	87	1	7	7	37	15	0	1	19
Executives	Male	Persons	12	15	7	0	2	1	3	0	0	0	1
	Female	Persons	1	1	1	0	0	1	0	0	0	0	0
Total Number of Employees in Americas		Persons	3,409	5,148	3,615	21	2	54	3,502	32	0	2	2
By Gender	Male	Persons	2,182	3,392	2,505	15	2	21	2,446	17	0	2	2
	Female	Persons	1,227	1,756	1,110	6	0	33	1,056	15	0	0	0
By Age	Under 30	Persons	1,150	1,417	833	1	0	10	821	1	0	0	0
	30 to 50	Persons	1,598	2,655	1,954	15	2	35	1,872	27	0	2	1
	51 and above	Persons	661	1,076	828	5	0	9	809	4	0	0	1
Executives	Male	Persons	6	10	9	1	0	0	8	0	0	0	0
	Female	Persons	0	3	2	0	0	0	2	0	0	0	0
Total Number of Employees in Europe		Persons	3,681	4,879	4,417	1	0	194	3,701	56	0	465	0
By Gender	Male	Persons	2,324	3,149	2,869	1	0	134	2,404	31	0	299	0
	Female	Persons	1,357	1,730	1,548	0	0	60	1,297	25	0	166	0
By Age	Under 30	Persons	986	1,145	1,101	0	0	12	979	8	0	102	0
	30 to 50	Persons	2,155	2,987	2,705	1	0	129	2,226	36	0	313	0
	51 and above	Persons	540	747	611	0	0	53	496	12	0	50	0
Executives	Male	Persons	5	3	4	0	0	1	2	0	0	1	0
	Female	Persons	0	0	0	0	0	0	0	0	0	0	0

1) Data correction for 2022–2023 due to headcount aggregation errors at certain overseas sites

Social

Employees

Diversity and Inclusion (Domestic sites)[1)]

Category	Unit	2022	2023	2024								
				Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
Female Employees	Persons	1,677	1,899	1,878	519	228	110	786	91	43	78	23
	%	17.79	18.97	18.76	33.12	2.28	8.68	7.85	27.41	6.92	21.73	33.33
Female Leaders	Persons	62	71	75	35	5	4	19	3	0	6	3
	%	7.35	8.03	8.89	16.75	2.96	5.97	7.25	8.33	0	11.11	25.00
Female Executives	Persons	13	15	15	9	1	0	2	1	0	2	0
	%	5.91	6.05	6.20	10.98	0.41	0	0.83	10.00	0	9.52	0
Female in Managerial Positions (Team Leaders)	Persons	49	56	60	26	4	4	17	2	0	4	3
	%	7.85	8.81	9.97	20.47	0.66	8.00	2.82	7.69	0	12.12	42.86
Minority Group	Persons	631	522	515	82	107	96	146	20	46	16	2
Employees with Disabilities	Persons	335	352	350	59	87	42	121	10	21	10	0
	%	3.50	3.45	3.45	3.66	3.26	3.20	3.85	2.99	3.47	2.82	0
National Veterans	Persons	296	170	165	23	20	54	25	10	25	6	2

1) Data correction for 2022–2023 due to headcount aggregation errors at certain overseas sites

Social

New Hires

Category		Unit	2022	2023	2024								
					Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
Number of New Hires in Korea		Persons	2,029	1,246	739	58	365	106	115	40	23	30	2
By Gender	Male	Persons	1,484	913	641	37	351	101	84	29	19	19	1
	Female	Persons	545	333	98	21	14	5	31	11	4	11	1
By Age	Under 30	Persons	913	619	495	44	261	93	37	34	13	13	0
	30 to 50	Persons	1,081	585	173	14	49	7	75	5	5	16	2
	51 and above	Persons	35	42	71	0	55	6	3	1	5	1	0
Number of New Hires in Asia		Persons	2,913	4,131	1,307	0	0	7	1,275	7	0	6	12
By Gender	Male	Persons	2,363	3,462	1,074	0	0	1	1,055	7	0	2	9
	Female	Persons	550	669	233	0	0	6	220	0	0	4	3
By Age	Under 30	Persons	1,418	2,318	703	0	0	3	691	0	0	6	3
	30 to 50	Persons	1,486	1,808	599	0	0	4	582	6	0	0	7
	51 and above	Persons	9	5	5	0	0	0	2	1	0	0	2
Number of New Hires in Americas		Persons	3,807	2,402	1,974	3	0	13	1,953	5	0	0	0
By Gender	Male	Persons	2,251	1,542	1,314	1	0	4	1,306	3	0	0	0
	Female	Persons	1,556	860	660	2	0	9	647	2	0	0	0
By Age	Under 30	Persons	1,605	839	588	1	0	4	583	0	0	0	0
	30 to 50	Persons	1,572	1,134	1,031	2	0	8	1,017	4	0	0	0
	51 and above	Persons	630	429	355	0	0	1	353	1	0	0	0
Number of New Hires in Europe		Persons	1,849	2,425	844	0	0	10	781	18	0	35	0
By Gender	Male	Persons	1,224	1,607	565	0	0	8	533	4	0	20	0
	Female	Persons	625	818	279	0	0	2	248	14	0	15	0
By Age	Under 30	Persons	669	769	284	0	0	3	268	6	0	7	0
	30 to 50	Persons	974	1,337	465	0	0	7	424	10	0	24	0
	51 and above	Persons	206	319	95	0	0	0	89	2	0	4	0

Social

Turnover

Turnover Rate (Domestic sites)

Category		Unit	2022	2023	2024								
					Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
Total Number of Retirees		Persons	349	466	662	62	171	88	271	24	25	19	2
By Gender	Male	Persons	289	371	542	47	158	87	199	16	25	8	2
	Female	Persons	60	95	120	15	13	1	72	8	0	11	0
By Employment Type	Regular	Persons	257	363	493	39	146	59	208	13	16	10	2
	Non-Regular	Persons	92	103	169	23	25	29	63	11	9	9	0
By Age	Under 30	Persons	96	98	140	17	17	3	88	10	0	5	0
	30 to 50	Persons	119	152	234	23	16	6	173	3	2	11	0
	51 and above	Persons	134	216	288	22	138	79	10	11	23	3	2
By Retirement Type	Voluntary	Persons	193	206	298	26	29	6	216	6	3	11	1
	Involuntary	Persons	156	260	364	36	142	82	55	18	22	8	1
Total Turnover Rate		%	3.79	4.77	6.78	4.18	6.49	7.03	8.85	7.45	4.07	5.62	3.13
Voluntary Turnover Rate[1]		%	2.10	2.11	3.05	1.75	1.10	0.48	7.06	1.86	0.49	3.25	1.56
Average Tenure		Years	13	12	13	12	19	18	5	15	20	8	11

1) Turnover rate based on voluntary resignations, excluding involuntary separations such as dismissals

Turnover Rate (Global sites)[2]

Category		Unit	2022	2023	2024								
					Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
Retirees by Region	Asia	Persons	1,769	3,046	3,358	0	1	19	3,194	7	0	120	17
	Americas	Persons	1,742	2,515	1,949	4	0	15	1,927	2	0	1	0
	Europe	Persons	1,178	1,321	1,313	0	0	12	1,237	9	0	55	0
Turnover Rate by Region[3]	Asia	%	27.22	41.94	65.55	0	5.26	10.38	72.25	4.61	0	51.72	14.91
	Americas	%	51.19	48.98	54.08	20.00	0	27.78	55.18	6.25	0	50.00	0
	Europe	%	32.05	27.09	29.75	0	0	6.22	33.44	16.07	0	11.85	0

2) Reflects flexible employment arrangements (non-regular position) in line with international labor market practices and the resulting turnover rate, and 2022~2023 data corrected for headcount aggregation errors at certain global sites.
3) Including both voluntary and involuntary turnover

Social

Employee Remuneration

Category		Unit	2022	2023	2024								
					Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
Average Remuneration of Entire Employees		KRW million	137	129	131	159	165	150	87	141	144	128	170
Gender Pay Gap by Position[1]	Managerial Position (Team Leader)	%	4.0	0.6	0.8	6.2	0.8	8.9	-8.4	28.2	0	-10.2	1.9
	Executives[2]	%	24.8	26.1	27.1	33.0	29.4	0	37.5	18.1	0	0	0

1) Gender Pay Gap by Position = (Average Male Compensation - Average Female Compensation) ÷ Average Male Compensation × 100
2) Data correction for 2022–2023

Annual Compensation Ratio[3]

Category	Unit	SKI		
		2022	2023	2024
Annual Compensation for CEO	KRW million	3,989	3,921	2,389
Average Compensation for Employees	KRW million	153	152	159
Compensation Ratio of CEO to Average Employees	Times	26	26	15

3) Based on SK Innovation's annual report

Parental Leave

Category		Unit	2022	2023	2024								
					Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
Number of Employees Entitled to Parental Leave[4]	Male	Persons	1,849	2,029	2,392	379	340	199	1,155	48	119	128	24
	Female	Persons	334	341	386	162	53	22	112	15	7	11	4
Number of Employees on Parental Leave	Male	Persons	27	28	72	10	9	4	40	2	2	5	0
	Female	Persons	62	61	89	28	12	7	33	2	1	6	0
Number of Employees who Returned after Parental Leave	Male	Persons	24	34	36	6	7	3	16	1	0	3	0
	Female	Persons	57	57	50	16	7	5	17	0	3	2	0
Number of Employees who Worked for 12 Months or More after Parental Leave	Male	Persons	12	14	28	6	4	7	7	2	2	0	0
	Female	Persons	16	31	42	13	8	2	15	2	0	0	2

4) Employees with children aged 8 or under

Social

Collective Bargaining

Category	Unit	2022	2023	2024								
				Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
Number of Employees Eligible for Labor Union Membership	Persons	5,413	7,937	7,791	852	2,024	1,068	3,031	264	446	87	19
Number of Employees Participating in Labor Union	Persons	3,045	2,948	2,843	133	1,315	768	75	90	446	16	0
Labor Union Membership Rate	%	32	28	32	16	65	61	2	34	72	4	0
Collective Bargaining Coverage	%	100	100	100	100	100	100	100	100	100	100	100

Training[1)]

Category	Unit	2022	2023	2024								
				Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
Total Training Hours	Hours	370,678	412,669	509,884	191,261	68,169	20,670	158,638	19,851	13,268	21,388	16,638
Average Training Hours per Employee	Hours	76	73	91	203	91	70	52	140	137	74	248
Total Training Expense	KRW 100 million	274	342	293	103	61	12	80	10	12	9	6
Average Training Expense per Employee	KRW million	6	6	5	11	8	4	3	7	12	3	9

1) Data correction for 2022~2023 due to partial omission of employees subject to training

Human Rights

Category	Unit	2022	2023[2)]	2024								
				Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
Completion Rate of Human Rights Training	%	99	99	99	97	99	99	100	99	100	100	98
Number of Employees who Completed Human Rights Training	Persons	-	10,201	10,086	1,452	2,619	1,219	3,445	329	599	338	85
Number of Employees subject to Human Rights Training	Persons	-	10,265	10,163	1,491	2,639	1,228	3,448	332	599	339	87

2) Data correction for 2023 due to the inclusion of previously omitted figures for employees that are subject to/have completed human rights training

Social

Safety

Safety and Health

Category		Unit	2022	2023	2024								
					Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
Number of Fatalities	Total	Persons	3	0	1	0	0	0	0	0	1	0	0
	Employee	Persons	0	0	0	0	0	0	0	0	0	0	0
	Contractor	Persons	3	0	1	0	0	0	0	0	1	0	0
Total Working Hours	Total	Hours	40,581,599	43,130,434	39,263,036	3,786,028	13,028,286	6,424,141	10,120,721	1,526,668	2,640,871	1,563,443	172,879
	Employee	Hours	18,707,675	20,053,665	20,082,054	2,942,326	5,434,538	2,887,627	5,942,850	722,147	1,285,612	694,075	172,879
	Contractor	Hours	21,873,924	23,076,769	19,180,982	843,702	7,593,748	3,536,513	4,177,870	804,521	1,355,260	869,368	0
Lost Time Incident (LTI)	Total	Cases	33	38	13	3	2	1	4	0	3	0	0
	Employee	Cases	10	12	2	0	0	1	1	0	0	0	0
	Contractor	Cases	23	26	11	3	2	0	3	0	3	0	0
Lost Time Incident Rate (LTIR)	Total	Cases per 200,000 working hours	0.163	0.176	0.066	0.158	0.031	0.031	0.079	0	0.227	0	0
	Employee	Cases per 200,000 working hours	0.107	0.120	0.020	0	0	0.069	0.034	0	0	0	0
	Contractor	Cases per 200,000 working hours	0.210	0.225	0.115	0.711	0.053	0	0.144	0	0.443	0	0
Total Recordable Incident (TRI)	Total	Cases	63	70	58	11	13	3	21	2	6	2	0
	Employee	Cases	18	25	14	3	4	1	6	0	0	0	0
	Contractor	Cases	45	45	44	8	9	2	15	2	6	2	0
Total Recordable Incident Rate (TRIR)	Total	Cases per 200,000 working hours	0.310	0.325	0.295	0.581	0.200	0.093	0.415	0.262	0.454	0.256	0
	Employee	Cases per 200,000 working hours	0.192	0.249	0.139	0.204	0.147	0.069	0.202	0	0	0	0
	Contractor	Cases per 200,000 working hours	0.411	0.390	0.459	1.896	0.237	0.113	0.718	0.497	0.885	0.460	0
Occupational Illness Frequency (OIF)	Employee	Cases	0	2	0	0	0	0	0	0	0	0	0
Occupational Illness Frequency Rate (OIFR)	Employee	Cases per 200,000 working hours	0	0.009	0	0	0	0	0	0	0	0	0
Industrial Accident Rate	Employee	%	0.101	0.117	0.030	0	0.037	0.076	0.033	0	0	0	0
Unplanned Capacity Loss (UCL)	Employee	%	0.250	0.267	0.171	-	0.038	0.563	-	0	0	-	-
Process Safety Incident Rate (Tier1)	Employee	Cases per million working hours	0	0	0.047	-	0.086	0	-	0	0	-	-
Occupational H&S Training Hours		Hours	128,605	188,600	113,948	16,460	23,302	9,372	43,658	1,706	14,120	5,330	0
Average Occupational H&S Training Hours per Employee		Hours	21	29	15	26	11	9	15	12	23	35	0

Social

Supplier

Supplier Indicators[1)]

Category			Unit	2022	2023	2024							
						Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
Tier 1[2)]			Suppliers	1,732	1,864	2,001	394	851	629	565	353	267	187	58
Supplier Code of Conduct Compliance Agreement Rate[3)]			%	100	100	100	100	100	100	100	100	100	100	100
Supply Chain ESG Assessment	Preliminary Assessment	Number of Newly Registered Suppliers	Suppliers	461	439	432	93	108	94	194	106	59	63	17
		Ratio of Suppliers Assessed	%	100	100	100	100	100	100	100	100	100	100	100
	Regular Assessment	Suppliers Assessed	Suppliers	1,732	1,864	2,001	394	851	629	565	353	267	187	58
	In-Depth Assessment	Suppliers Assessed	Suppliers	200	150	151	12	79	81	19	53	18	28	1
		Leader Grade	Suppliers(%)	44(22)	37(25)	40(26)	2(17)	24(30)	25(31)	8(42)	17(32)	7(39)	4(14)	1(100)
		Average Grade	Suppliers(%)	123(62)	83(55)	80(53)	7(58)	38(48)	44(54)	10(53)	27(51)	6(33)	15(54)	0(0)
		Laggard Grade	Suppliers(%)	33(17)	30(20)	31(21)	3(25)	17(22)	12(15)	1(5)	9(17)	5(28)	9(32)	0(0)
	Number of Suppliers subject to Due Diligence		Suppliers(%)	100(50)	118(79)	144(95)	12(100)	75(95)	78(96)	19(100)	50(94)	18(100)	28(100)	1(100)
	Number of Suppliers Establishing Improvement Plans		Suppliers	33	30	31	-	-	-	-	-	-	-	-
	Ratio of the Suppliers Submitting Improvement Plans[4)]		%	-	-	70	-	-	-	-	-	-	-	-
Status of Supplier Sanctions		Number of Sanctioned Suppliers	Suppliers	56	40	18	6	3	0	4	0	2	3	0
		Warning	Suppliers	44	21	14	6	1	0	2	0	2	3	0
		Temporary Suspension of Transactions	Suppliers	11	16	3	0	2	0	1	0	0	0	0
		Permanent Suspension of Transactions	Suppliers	1	3	1	0	0	0	1	0	0	0	0

1) 2024 SKGC data includes Ulsan Aromatics and Korea Nexlene Company; SKEN data includes YMAC. 2) Based on order history; duplicates excluded from total 3) Pre-Contractual Requirement for Domestic Suppliers 4) Newly disclosed indicator in 2024

Purchase Amount from Suppliers

Category	Unit	2022	2023	2024
Total Purchase Amount from Suppliers[4)]	KRW 100 million	43,640	53,984	49,753
Purchase Amount from Local Suppliers[5)]	KRW 100 million	24,708	34,730	20,363
Ratio of Purchase from Local Suppliers	%	57	64	41

4) Based on total order amount (raw materials + construction services + equipment)
5) "Local suppliers" refers to suppliers in Korea

Social Contribution

Category	Unit	2022	2023	2024
Social Contribution Expenditure	KRW 100 million	435	505	272
Cash Contributions	KRW 100 million	402	476	232
In-Kind Contributions	KRW 100 million	0.49	1.30	0.48
Monetary Value of Employees' Volunteer Hours	KRW 100 million	2.49	3.21	15.48
Business Expenses for Social Contribution Activities (Management Expenses)	KRW 100 million	30	25	24
Hours of Volunteer Activities	Hours	21,188	30,183	61,550
Number of Participants in Volunteer Activities	Persons	7,682	8,340	8,373

Governance & Financial

Ethics

Ethics Training

Category	Unit	2022	2023	2024								
				Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
Ethics Training Hours	Hours	8,343	6,718	7,738	1,059	1,967	1,115	2,433	285	425	369	85
Completion Rate of Ethics Training	%	100	99.29	99.36	100	100	97.64	99.26	99.58	100	100	100
Number of Employees who Completed Ethics Training	Persons	9,737	11,936	16,964	1,637	3,174	1,860	8,438	469	650	592	144
Number of Employees subject to Ethics Training	Persons	9,737	12,021	17,074	1,637	3,174	1,905	8,501	471	650	592	144

Ethics Reporting and Resolution

Category		Unit	2022	2023	2024								
					Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
Ethics Reception for Reports/Consultations/Complaints		Cases	173	190	228	22	51	5	123	10	7	9	1
Number of Ethics Reports		Cases	64	93	116	4	9	2	87	7	3	4	0
Reports by Stakeholders	Customer	Cases	0	1	0	0	0	0	0	0	0	0	0
	Supplier	Cases	7	21	32	1	4	0	26	0	1	0	0
	Employee	Cases	21	48	82	3	5	2	60	7	1	4	0
	Other	Cases	36	23	2	0	0	0	1	0	1	0	0
Number of Ethics Consultations		Cases	72	42	30	0	0	0	30	0	0	0	0
Consultations by Stakeholders	Customer	Cases	1	2	1	0	0	0	1	0	0	0	0
	Supplier	Cases	4	0	5	0	0	0	5	0	0	0	0
	Employee	Cases	7	20	19	0	0	0	19	0	0	0	0
	Other	Cases	60	20	5	0	0	0	5	0	0	0	0
Number of Ethics Complaints		Cases	37	55	82	18	42	3	6	3	4	5	1
Complaints by Stakeholders	Customer	Cases	27	41	23	0	23	0	0	0	0	0	0
	Supplier	Cases	1	4	9	4	2	0	1	0	1	1	0
	Employee	Cases	0	0	13	4	1	1	4	1	1	0	1
	Other	Cases	9	10	37	10	16	2	1	2	2	4	0
Number of Ethics Cases Processed		Cases	173	190	228	22	51	5	123	10	7	9	1
By Process Type	Investigation (Audit)	Cases	41	75	48	4	9	2	19	7	3	4	0
	Transfer to Related Dept.	Cases	93	81	35	0	30	0	5	0	0	0	0
	Other (Unknown, Rejected)	Cases	39	34	145	18	12	3	99	3	4	5	1
Number of Ethics Disciplinary Actions[1)]		Cases	23	49	104	2	13	0	83	0	0	6	0

1) For details on Reasons and Number of Disciplinary Actions by Type, please refer to page 124.

Governance & Financial

Anti-Corruption

Anti-Corruption Training

Category	Unit	2022	2023	2024								
				Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
Completion Rate of Anti-Corruption Training	%	95.79	96.25	99.19	100	100	97.29	99.03	99.60	100	100	100
Number of Employees who Completed Anti-Corruption Training	Persons	-	11,922	15,023	1,456	2,541	1,614	7,657	497	616	494	148
Number of Employees subject to Anti-Corruption Training	Persons	-	12,386	15,145	1,456	2,541	1,659	7,732	499	616	494	148

Anti-Corruption Compliance

Category	Unit	2022	2023	2024								
				Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO	SKEO
Number of Violations Related to Anti-Corruption[1]	Cases	0	0	0	0	0	0	0	0	0	0	0	0

1) Cases where an employee provides or expresses an intention to provide money or valuables to public officials or similar individuals

Ownership Structure

Status of Stock Ownership[2]

Category	Shareholder	Number of Shares held	Shareholding Ratio (%)	Note
Shareholders Holding a Stake of 5% or More	SK Inc.	84,449,174	55.91	Largest shareholder
	National Pension Service	8,874,590	5.88	-
Employee Stock Ownership Association		917,176	0.61	-
Minority Shareholders[3]		108,104,916	28.42	-

2) As of the end of 2024 (based on common stock)
3) A minority shareholder refers to a shareholder who owns less than 1% of the total issued shares.

Basic Information on Largest Shareholders[8]

Category	Number of Investors (Persons)	CEO (Representative Member)		Executor (Executive Member)		Largest Shareholder (Largest Investor)	
		Name	Ratio (%)	Name	Ratio (%)	Name	Ratio (%)
SK Inc.	171,027	Chey Tae-won	17.90	-	-	Chey Tae-won	17.90
		Jang Yong-ho	0.01	-	-	-	-

8) As of the end of 2024

Voting Rights[4]

Category		Number of Shares	Ratio (%)
With Voting Rights	Common Share	147,631,620	96.95
	Preferred Share	0	0
	Other[5]	0	0
Without Voting Rights	Common Share[6]	3,403,156	2.23
	Preferred Share	1,248,426	0.82
	Other[7]	0	0
Total Number of Shares Issued			100

4) As of the end of 2024
5) Shares with reinstated voting rights, etc.
6) Treasury shares owned by the Company with no voting rights pursuant to Article 369 (2) of the Commercial Act
7) (a) Shares from which the exercise of voting rights is excluded, (b) Shares whose exercise of voting rights is restricted under other laws

Governance & Financial

Tax and Corporate Tax

Taxes Paid[1)]

Category	Unit	2022	2023	2024
Earnings Before Tax	KRW million	2,860,190	932,185	-2,379,844
Nominal Tax	KRW million	965,011	377,291	-7,361
Nominal Tax Rate	%	34	41	-
Effective Tax	KRW million	738,780	842,175	586,025
Effective Tax Rate	%	26	90	-

1) SK Innovation and its affiliates regard faithful compliance with tax filing and payment obligations under applicable laws, as well as the assessment and management of tax risks arising from business activities, as core principles of corporate management. Accordingly, tax policies have been established and are systematically implemented.
Tax Strategy

Contributions to Assocations and Organization[2)]

Category	Unit	2022	2023[4)]	2024
Annual Contribution[3)]	KRW million	3,049	4,220	4,215

2) In accordance with the practice guidelines of the SK Innovation Code of Ethics, the use of company assets or budgets for political donations or sponsorships is prohibited in principle. SK Innovation also complies with relevant provisions of the Political Funds Act under domestic law.
3) Major contributions made by SK Innovation in 2024 include: Korea Petroleum Association (KRW 1,621 million), Seoul Chamber of Commerce and Industry (KRW 663 million), and Korea Battery Industry Association (KRW 330 million).
4) Data correction for 2023

Corporate Tax Payment

Category	Unit	2024			
		Revenue	Earnings before Tax	Tax Expense	Amount of Tax Paid
Korea	KRW 100 million	1,050,867	8,625	2,571	4,048
Singapore	KRW 100 million	434,543	1,742	278	292
China	KRW 100 million	35,500	-835	-201	70
UK	KRW 100 million	37,791	220	42	0
Hungary	KRW 100 million	23,472	-476	124	49
Netherlands	KRW 100 million	11,100	43	8	4
Spain	KRW 100 million	9,892	143	36	9
Japan	KRW 100 million	4,362	33	11	2
France	KRW 100 million	4,329	-192	14	0
Russia	KRW 100 million	2,014	11	32	0
Poland	KRW 100 million	1,053	-54	46	0
Other	KRW 100 million	128,053	-12,400	-66	1

Governance & Financial

Direct Economic Value Generated and Distributed[1)]

Category		Unit	2022	2023	2024
Total Economic Value Generated		KRW 100 million	853,416	833,012	798,428
Revenue		KRW 100 million	780,569	772,885	747,170
Other Income[2)]		KRW 100 million	72,847	60,127	51,258
Total Economic Value Distributed		KRW 100 million	151,887	207,256	192,414
Operating Cost	R&D, Acquisition of Tangible Assets	KRW 100 million	71,942	116,554	105,079
Employee[3)]	Total Employee Payroll	KRW 100 million	23,048	27,791	28,473
Supplier[4)]	Purchase Amount	KRW 100 million	43,640	53,984	49,753
Investor[5)]	Dividend Payout	KRW 100 million	5,433	-	2,976
Government	Corporate Tax Payment	KRW 100 million	7,388	8,422	5,860
Local Community	Investment for Social Contribution	KRW 100 million	435	505	272
Economic Value Retained[6)]		KRW 100 million	701,529	625,756	606,014

1) Following the revision of the operating cost calculation formula, 2022–2023 values were recalculated, adjusting the total economic value distributed and economic value retained.
2) Sum of other operating income, finance income, and other non-operating income in the consolidated statement of comprehensive income, as reported in the FY2023 annual report.
3) Restatement based on the FY2022–2023 annual report
4) Restatement based on total purchase amount from suppliers
5) Restatement of 2022 dividend details based on the FY2023 annual report
6) Economic Value Retained = Total Economic Value Generated - Total Economic Value Distributed

Information Security

Information Security Training

Category	Unit	2022	2023	2024								
				Total	SKI	SKE	SKGC	SKO	SKEN	SKIPC	SKIET	SKEO
Completion Rate of Information Security Training	%	99.70	98.24	99.58	100	100	98.14	99.64	99.62	100	99.49	100
Number of Employees who Completed Information Security Training	Persons	-	12,637	15,345	1,482	2,444	1,687	7,822	527	601	582	200
Number of Employees subject to Information Security Training	Persons	-	12,863	15,410	1,482	2,444	1,719	7,850	529	601	585	200

Information Security Compliance

Category	Unit	2022	2023	2024
Corporate and Customer Data Leakage	Cases	0	1[7)]	0

7) In July 2023, a corrective order was issued due to the leakage of 1,679 candidates' personal information during a recruitment competency test. SKO and SKIET were fined for inadequate oversight of their data processors and lack of proper delegation agreements.

SK Innovation E&S: Environmental

1. Non-financial data covers domestic operations of SK Innovation E&S and certain subsidiaries in Korea (Domestic sites)
2. Since 2024, the reporting scope has been expanded to include Yeoju Energy Service and IGE.
3. The intensity data is calculated based on the SK Innovation E&S's consolidated revenue.

Energy

Energy Consumption

Category		Unit	2022	2023	2024
Total Energy Consumption[1]		TJ	133,673	193,697	209,689
Total Energy Consumption Intensity		TJ/KRW 100 million	1.19	2.06	2.12
Direct Energy Consumption		TJ	132,116	192,970	208,581
Direct Energy Consumption by Type	LNG	TJ	131,325	191,774	204,197
	Gasoline	TJ	24	22	17
	Diesel	TJ	15	13	33
	Other	TJ	752	1,161	4,334
Indirect Energy Consumption		TJ	1,557	727	1,108
Indirect Energy Consumption by Type	Electricity	TJ	1,557	727	1,108
	Steam	TJ	0	0	0
Total Renewable Energy Consumption	Solar power	TJ	7.25	8.73	10.21
Renewable Energy Consumption Rate		%	0.43	0.83	0.73

1) Total Energy Consumption = Direct Energy Consumption + Indirect Energy Consumption

Greenhouse Gas (GHG)

Scope 1, 2 Emissions[2]

Category		Unit	2022	2023	2024
Total direct/indirect GHG emissions (Scope 1 + Scope 2)		tCO_2eq	6,801,310	7,706,511	10,435,842
GHG Emissions by Type	Scope 1 (Total Direct Emissions)	tCO_2eq	6,719,167	7,679,067	10,406,120
	Scope 2 (Total Indirect Emissions)	tCO_2eq	82,143	27,455	29,722
Total Direct/Indirect GHG Emissions Intensity		tCO_2eq/ KRW 100 million	60.46	141.25	172.47

2) Until 2022, total GHG emissions included both emissions reported in the GHG inventory and estimated emissions from facilities not subject to the inventory. Starting in 2023, total GHG emissions covers the emissions based on the GHG statements for business sites, including six SKI E&S office buildings and owned/operated sites, with the sites not subject to GHG statements excluded.

Water and Wastewater

Category		Unit	2022	2023	2024
Total Water Consumption[3]		Tons	9,607,416	12,525,155	18,709,716
Total Water Withdrawal		Tons	7,490,335	9,593,005	15,046,980
	Groundwater	Tons	89,007	223,382	151,321
	Municipal water	Tons	2,528,069	2,333,083	3,098,928
	Other	Tons	4,873,259	7,036,540	11,796,731
Total Water Recycled		Tons	2,117,081	2,932,150	3,662,737
Water Recycle Ratio		%	22.04	23.41	19.58
Water Withdrawal Intensity		Tons/KRW 100 million	67	102	152
Total Wastewater Discharge		Tons	858,399	892,560	1,098,540

3) Total Water Consumption = Total Water Withdrawal + Total Water Recycled

Water Pollutant Discharge

Category	Unit	2022	2023	2024
TOC	Tons	13.54	15.63	15.08
BOD	Tons	8.76	13.29	6.69
TN	Tons	12.20	12.09	15.55

SK Innovation E&S: Environmental

Waste

Category	Unit	2022	2023	2024
Total Waste	Tons	1,279	1,488	3,093
General Waste	Tons	1,239	1,452	2,961
Designated Waste	Tons	40	35	132
Waste Recycling	Tons	1,127	1,334	2,912
Waste Recycling Ratio	%	88.12	89.65	94.15
Waste Disposal Intensity	Tons/KRW 100 million	0.01	0.02	0.03

Air Pollutant Emissions

Category	Unit	2022	2023	2024
NOx Emissions	Tons	1,352	1,414	1,762
NOx Emissions Intensity	Tons/KRW million	1.20	1.51	1.78
SOx Emissions	Tons	31	37	49
SOx Emissions Intensity	Tons/KRW million	0.03	0.04	0.05
VOC Emissions	Tons	0	0	0
VOC Emissions Intensity	Tons/KRW million	0	0	0
Dust Emissions (TSP)	Tons	92	103	146
Dust Emissions Intensity	Tons/KRW million	0.08	0.11	0.15

Environmental Compliance

Category	Unit	2022	2023	2024
Total Number of Violations[1)]	Cases	1	2	2

1) Total number of the violation cases for such as air-, water-, other environmental regulations

SK Innovation E&S: Social

Employees

Employee Composition

Category		Unit	2022	2023	2024
Total Number of Employees		Persons	561	560	584
By Gender	Male	%	78.90	77.30	75.00
	Female	%	21.10	22.70	25.00
By Position	Executives	Persons	47	49	52
	Staff: Managerial Position	Persons	90	94	104
	Staff: Non-managerial Position	Persons	424	417	428
By Employment Type	Regular	Persons	539	544	563
	Non-Regular	Persons	22	16	21
By Age	Under 30	Persons	69	75	60
	30 to 49	Persons	427	429	463
	50 and above	Persons	65	56	61

Diversity and Inclusion

Category		Unit	2022	2023	2024
Female Employees		%	21.1	22.7	25.0
By Employement Type	Executives	%	4.26	4.08	7.69
	Regular	%	20.41	21.57	23.62
	Non-Regular	%	36.36	56.25	61.90
Minority Group	Employees with Disabilities	Persons	16	20	19
	Ratio of Employees with Disabilities	%	2.85	3.57	3.25
	National Veterans	Persons	13	13	12
Foreigner	USA	Persons	2	1	1
	Austrailia	Persons	1	1	0
	South America	Persons	1	1	1

New Hires

Category		Unit	2022	2023	2024
Number of New Hires in Korea		Persons	102	71	65
By Gender	Male	Persons	81	50	39
	Female	Persons	21	21	26
By Age	Under 30	Persons	20	19	13
	30 to 49	Persons	77	41	48
	50 and above	Persons	5	11	4

Turnover Rate

Category		Unit	2022	2023	2024
Total Number of Retirees		Persons	14	25	24
By Gender	Male	Persons	11	16	15
	Female	Persons	3	9	9
Voluntary Turnover Rate[1)]		%	2.50	4.46	4.11
Average Tenure		Years	5	8	6

1) Turnover rate based on voluntary resignations, excluding involuntary separations such as dismissals

SK Innovation E&S: Social

Employee Remuneration

Category	Unit	2022	2023	2024
Gender Pay Gap[1)]	%	73.8	76.5	80.0

1) Gender Pay Gap = (Average salary of female employees ÷ Average salary of male employees) × 100

Parental Leave

Category		Unit	2022	2023	2024
Number of Employees on Parental Leave	Male	Persons	4	1	2
	Female	Persons	5	9	4
Ratio of Employees who Returned after Parental Leave	Male	%	100	100	100
	Female	%	100	83	100
Ratio of Employees who Worked for 12 Months or More after Parental Leave	Male	%	100	100	100
	Female	%	100	100	100

Training

Category	Unit	2022	2023	2024
Total Training Hours	Hours	40,813	37,251	27,469
Average Training Hours per Employee	Hours	72.8	66.5	47.0
Total Training Expense	KRW million	1,049	1,413	1,545
Training Expense per Employee	KRW million	1.9	2.5	2.6

Human Rights

Category	Unit	2022	2023	2024
Number of Participants in Sexual Harassment Prevention Training	Persons	656	654	665
Number of Participants in Workplace Bullying Prevention Training	Persons	526	654	665
Number of Participants in Disability Awareness Training	Persons	656	654	665

Safety and Health

Category		Unit	2022	2023	2024
Number of Fatalities	Employee	Persons	0	0	0
Total Working Hours	Employee	Hours	3,799,176	4,838,854	5,267,995
	Contractor	Hours	5,351,277	4,627,281	5,620,030
Lost Time Incident (LTI)	Employee	Cases	3	5	1
	Contractor	Cases	5	1	3
Lost Time Incident Rate (LTIR)	Employee	Cases per 200,000 working hours	0.158	0.207	0.038
	Contractor	Cases per 200,000 working hours	0.187	0.043	0.107
Occupational Illness Frequency (OIF)	Employee	Cases	0	0	0
Occupational Illness Frequency Rate (OIFR)	Employee	Cases per 200,000 working hours	0	0	0

SK Innovation E&S: Social

Supplier

Category		Unit	2022	2023	2024
Suppliers	Total Number of Suppliers	Companies	1,312	1,560	1,427
	Number of Key Suppliers	Companies	367	300	315
Supply Chain ESG Assessment	Target Suppliers	Companies	88	65	61
	Evaluated Suppliers	Companies	26	51	58
	Suppliers Requiring Environmental Improvements	Companies	21	39	55
	Suppliers Completing Environmental Improvements	Companies	5	12	43
	Suppliers Requiring Social Improvements	Companies	10	31	37
	Suppliers Completing Social Improvements	Companies	4	20	33
Total Purchase Amount from Suppliers		KRW 100 million	4,007	4,822	3,842

Social Contribution

Category		Unit	2022	2023	2024
Social Contribution Expenditure	Cash Contributions	KRW million	4,256	4,530	5,638
	In-Kind Contributions	KRW million	5	43	103
Hours of Volunteer Activities		Hours	1,700	1,240	2,188
Number of Participants in Volunteer Activities		Persons	347	499	1,388

SK Innovation E&S: Governance

Information Security

Information Security Training

Category	Unit	2022	2023	2024
Number of Employees who Completed Privacy Training	Persons	79	92	93
Number of Employees subject to Privacy Training	Persons	79	92	93
Number of Employees who Completed Information Security Training	Persons	504	509	466
Number of Employees subject to Information Security Training	Persons	528	526	493

Information Security Compliance

Category	Unit	2022	2023	2024
Corporate and Customer Data Leakage[1)]	Cases	1	0	0

1) Related to employee account management issues, no data loss involving customers or the company occurred

Ethics

Ethics Training

Category	Unit	2022	2023	2024
Ethics Training Hours	Hours	2,521	2,657	2,798
Completion Rate of Ethics Training	%	99.9	100	99.9
Number of Employees who Completed Ethics Training	Persons	2,521	2,657	2,798
Number of Employees subject to Ethics Training	Persons	2,524	2,657	2,799

Ethics Reporting and Resolution

Category		Unit	2022	2023	2024
Number of Ethics Reports	Total	Cases	28	36	40
	Investigation (Audit)	Cases	15	14	7
	Transfer to Related Dept.	Cases	13	22	33
Number of Ethics Disciplinary Actions[2)]		Cases	2	4	4

2) Total number of the disciplinary action cases, such as resignation, suspension, salary reduction, warning

GRI

SK Innovation GRI Content Index

Statement of Use	SK Innovation has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	GRI 11: Oil and Gas Sector 2021

General Disclosures

Source	Indicator	Disclosure	Location	Note
The organization and its reporting practices	2-1	Organizational details	4	
	2-2	Entities included in the organization's sustainability reporting	2, 4	
	2-3	Reporting period, frequency and contact point	2	
	2-4	Restatements of information	Changes noted in footnotes below relevant data.	
	2-5	External assurance	203~204	
Activities and workers	2-6	Activities, value chain and other business relationships	5	
	2-7	Employees	167~168	
	2-8	Workers who are not employees	Data on workers who are employees/non-employees disclosed via MOEL's public portal.	
Governance	2-9	Governance structure and composition	9	
	2-10	Nomination and selection of the highest governance body	38	
	2-11	Chair of the highest governance body	9, 38	
	2-12	Role of the highest governance body in overseeing the management of impacts	39~40	
	2-13	Delegation of responsibility for managing impacts	39~40	
	2-14	Role of the highest governance body in sustainability reporting	40	
	2-15	Conflicts of interest	38	
	2-16	Communication of critical concerns	39~40	
	2-17	Collective knowledge of the highest governance body	38	
	2-18	Evaluation of the performance of the highest governance body	41	
	2-19	Remuneration policies	41~42	
	2-20	Process to determine remuneration	41~42	
	2-21	Annual total compensation ratio	172	
Strategy, policies and practices	2-22	Statement on sustainable development strategy	3	
	2-23	Policy commitments	121	
	2-24	Embedding policy commitments	121~123	
	2-25	Processes to remediate negative impacts	121~123	
	2-26	Mechanisms for seeking advice and raising concerns	122	
	2-27	Compliance with laws and regulations	53, Annual Report 711~712	
	2-28	Membership associations	178	
Stakeholder engagement	2-29	Approach to stakeholder engagement	50~51, 139	
	2-30	Collective bargaining agreements	107	

Material Topics

Source	Indicator	Disclosure	Location	Note
Material Topics 2021	3-1	Process to determine material topics	46~47	
	3-2	Management of material topics	48~49	

GRI

Key Material Topic 1 Expansion of Investment in Green Portfolio Businesses

Source	Indicator	Disclosure	Location	Sector Ref.	Note
Material Topics 2021	3-3	Management of material topics	48	S11.14.1	
201 Economic Performance 2016	201-1	Direct economic value generated and distributed	178	S11.14.2	
203 Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	112~115	S11.14.4	
	203-2	Significant indirect economic impacts	86~96, 115~117, 135~136	S11.14.5	
204 Procurement Practices 2016	204-1	Proportion of spending on local suppliers	89	S11.14.6	

Key Material Topic 2 Greenhouse Gas Emission Reduction

Source	Indicator	Disclosure	Location	Sector Ref.	Note
Material Topics 2021	3-3	Management of material topics	48	S11.1.1, S11.2.1, S11.3.1	
201 Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	70	S11.2.2	
302 Energy 2016	302-1	Energy consumption within the organization	158~159	S11.1.2	
	302-2	Energy consumption outside of the organization	158~159	S11.1.3	
	302-3	Energy intensity	158~159	S11.1.4	
	302-4	Reduction of energy consumption	67~68	Not included GRI 11	
305 Emissions 2016	305-1	Direct (Scope 1) GHG emissions	68, 160	S11.1.5	
	305-2	Energy indirect (Scope 2) GHG emissions	68, 160	S11.1.6	
	305-3	Other indirect (Scope 3) GHG emissions	161	S11.1.7	
	305-4	GHG emissions intensity	160	S11.1.8	
	305-5	Reduction of GHG emissions	67~68	S11.2.3	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	165	S11.3.2	
416 Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	53	S11.3.3	
Additional sector dislclosures	-	Public policy development and lobbying on climate change	70	S11.2.4	

Key Material Topic 3 Strengthening Global Industrial Competitiveness

Source	Indicator	Disclosure	Location	Sector Ref.	Note
Material Topics 2021	3-3	Management of material topics	48	Not included GRI 11	
Non-GRI	-	SUEPX 2030 Image from affiliates	17~35	Not included GRI 11	

Material Topic 4 Protection of Shareholder Rights

Source	Indicator	Disclosure	Location	Sector Ref.	Note
Material Topics 2021	3-3	Management of material topics	49	Not included GRI 11	
Non-GRI	-	Enhancing shareholder value	39	Not included GRI 11	

Material Topic 5 Worksite Occupational Safety and Health Management

Source	Indicator	Disclosure	Location	Sector Ref.	Note
Material Topics 2021	3-3	Management of material topics	49	S11.9.1	
403 Occupational Health and Safety 2018	403-1	Occupational health and safety management system	79~80	S11.9.2	
	403-2	Hazard identification, risk assessment, and incident investigation	81	S11.9.3	
	403-3	Occupational health services	84	S11.9.4	
	403-4	Worker participation, consultation, and communication on occupational health and safety	81~82	S11.9.5	
	403-5	Worker training on occupational health and safety	82	S11.9.6	
	403-6	Promotion of worker health	85	S11.9.7	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	79~82	S11.9.8	
	403-8	Workers covered by an occupational health and safety management system	79	S11.9.9	
	403-9	Work-related injuries	174	S11.9.10	
	403-10	Work-related ill health	174	S11.9.11	

GRI

Material Topic 6 Supply Chain ESG Risk Management

Source	Indicator	Disclosure	Location	Sector Ref.	Note
Material Topics 2021	3-3	Management of material topics	49	S11.12.1, S11.13.1	
308 Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	91	Not included GRI 11	
	308-2	Negative environmental impacts in the supply chain and actions taken	87~93	Not included GRI 11	
407 Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	90	S11.13.2	No such risk identified; preventive measures in place.
408 Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	90	Not included GRI 11	
409 Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	90	S11.12.2	
414 Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	91	S11.10.8, S11.12.3	
	414-2	Negative social impacts in the supply chain and actions taken	87~93	S11.10.9	

Material Topic 7 Supporting Employee Growth and Enhancing Happiness

Source	Indicator	Disclosure	Location	Sector Ref.	Note
Material Topics 2021	3-3	Management of material topics	49	S11.10.1, S11.11.1	
202 Market Presence 2016	202-2	Proportion of senior management hired from the local community	167	S11.11.2	
401 Employment 2016	401-1	New employee hires and employee turnover	170~171	S11.10.2	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	106	S11.10.3	
	401-3	Parental leave	172	S11.10.4, S11.11.3	
402 Labor Management Relations 2016	402-1	Minimum notice periods regarding operational changes	107	S11.10.5	
404 Training and Education 2016	404-1	Average hours of training per year per employee	173	S11.10.6, S11.11.4	
	404-2	Programs for upgrading employee skills and transition assistance programs	70, 104~105	S11.10.7	
405 Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	9, 168~169	S11.11.5	
	405-2	Ratio of basic salary and remuneration of women to men	172	S11.11.6	
406 Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	98~101	S11.11.7	

Material Topic 8 Enhancing Board Transparency and Soundness

Source	Indicator	Disclosure	Location	Sector Ref.	Note
Material Topics 2021	3-3	Management of material topics	49	Not included GRI 11	
Non-GRI	-	Transparent disclosures of BOD activities	39	Not included GRI 11	

Material Topic 9 Anti-Corruption and Fair Competition

Source	Indicator	Disclosure	Location	Sector Ref.	Note
Material Topics 2021	3-3	Management of material topics	49	S11.20.1, S11.19.1	
205 Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	122	S11.20.2	
	205-2	Communication and training about anti-corruption policies and procedures	122~128, 176	S11.20.3	
	205-3	Confirmed incidents of corruption and actions taken	176~177	S11.20.4	
206 Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Annual Report 713	S11.19.2	

Material Topic 10 Chemical and Hazardous Substance Management

Source	Indicator	Disclosure	Location	Sector Ref.	Note
Material Topics 2021	3-3	Management of material topics	49	S11.8.1	
306 Effluents and Waste 2016	306-3	Significant spills	59	S11.8.2	
Non-GRI	-	Chemical and harmful chemicals emissions	165	Not included GRI 11	

GRI

Topics in the applicable GRI Sector Standards determined as not material

GRI Sector Standard	Reasons and Management Status
Topic S11.4 Biodiversity	Although the topic was not identified as material due to its relatively low level of impact, SK Innovation recognizes the potential risks of natural capital loss and discloses biodiversity impact assessments and conservation efforts based on the TNFD-aligned LEAP approach. SK Innovation also reports 304 Biodiversity 2016 (S11.4) in Other GRI Index.
Topic S11.5 Waste	Although the topic was not identified as material due to its relatively low level of impact, SK Innovation has established a waste management system and categorizes waste by type. SK Innovation is working toward achieving Zero Waste to Landfill (ZWTL) certification and reports 306 Waste 2020 (S11.5) in Other GRI Index.
Topic S11.6 Water and effluents	Although the topic was not identified as material due to its relatively low level of impact, SK Innovation manages water sources through water stress analysis and operates wastewater treatment facilities at each site to keep pollutant discharge below 60% of legal limits. SK Innovation also reports 303 Water and Effluents 2018 (S11.6) in Other GRI Index.
Topic S11.7 Closure and rehabilitation	Currently, SK Innovation does not have any business sites that are related to closure and rehabilitation, so it was not selected as a material topic. For business sites, SK Innovation regularly conducts environmental impact assessments and strives to minimize the environmental and social impacts of its operations.
Topic S11.15 Local communities	As a result of the materiality assessment, it was not selected as a material topic due to the low level of relevant impacts. However, SK Innovation manages social contribution programs at global sites as one of their GROWTH strategies, and thus manages negative impacts on local communities with the participation of key stakeholders. Indicators 413-1 (S11.15.2) and 413-2 (S11.15.3) are reported from indicators not included in the material topics.
Topic S11.16 Land and resource rights	SK Innovation identifies and improves major factors that are predicted to have a negative impact on the environment when setting environmental targets for its business sites. To date, there have been no cases of environmental impacts resulting in resettlement, and the level of impact involved is low, so it has not been selected as a material topic.
Topic S11.17 Rights of indigenous peoples	SK Innovation has not experienced any incidents or cases of violations of indigenous peoples' rights due to its business activities, and is reporting indicator 411-1 (S11.17.2) in the indicators that were not selected as material topics due to the low level of impact involved.
Topic S11.18 Conflict and security	SK Innovation has required security personnel and security contractors to complete human rights training from 2022 onward. The indicator 410-1 (S11.18.2) on topics is reported, although not selected as material topics due to the low level of related impacts.
Topic S11.21 Payments to governments	SK Innovation complies with the requirements under relevant laws, including taxation and reporting of audit results. SK Innovation is reporting 207 Tax 2019 in Other GRI Index, in spite of the low level of related impacts.
Topic S11.22 Public policy	SK Innovation complies with the prohibitions on political contributions under relevant laws and regulations, including the Campaign Finance Act. Indicator 415-1 (S11.22.2) was not selected as a material topic due to the low level of related impacts, but it is reported in Other GRI Index.

GRI

Other GRI Index

Source	Indicator	Disclosure	Location	Sector Ref.	Note
201 Economic Performance 2016	201-4	Financial assistance received from government	146	S11.21.3	
207 Tax 2019	207-1	Approach to tax	178	S11.21.4	
	207-2	Tax governance, control, and risk management	178	S11.21.5	
	207-3	Stakeholder engagement and management of concerns related to tax	178	S11.21.6	
	207-4	Country-by-country reporting	178	S11.21.7	
303 Water and Effluents 2018	303-1	Interactions with water as a shared resource	55	S11.6.2	
	303-2	Management of water discharge-related impacts	55	S11.6.3	
	303-3	Water withdrawal	162	S11.6.4	
	303-4	Water discharge	162	S11.6.5	
	303-5	Water consumption	162	S11.6.6	
304 Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	72~73	S11.4.2	
	304-2	Significant impacts of activities, products and services on biodiversity	72~73	S11.4.3	
	304-3	Habitats protected or restored	74	S11.4.4	
	304-4	List species and national conservation list species with habitats in areas affected by operations	74	S11.4.5	
306 Waste 2020	306-1	Waste generation and significant waste-related impacts	58	S11.5.2	
	306-2	Management of significant waste-related impacts	58	S11.5.3	
	306-3	Waste generated	163~164	S11.5.4	
	306-4	Waste diverted from disposal	163~164	S11.5.5	
	306-5	Waste directed to disposal	163~164	S11.5.6	
410 Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	123	S11.18.2	Require security personnel and contractors to complete human rights training.
411 Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	98~100	S11.17.2	
413 Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	112	S11.15.2	
	413-2	Operations with significant actual and potential negative impacts on local communities	111	S11.15.3	No such risk identified; preventive measures in place.
415 Public Policy 2016	415-1	Political contributions	178	S11.22.2	

SASB

Sustainability Disclosure Topics and Accounting Metrics

SASB Industry: Oil & Gas – Refining & Marketing

Topic	Code	Metric	Unit	2022	2023	2024	Note
Greenhouse Gas Emissions	EM-RM-110a.1	Scope 1 emissions	tCO_2eq	9,116,619	9,379,375	9,434,690	
		Percentage covered under emissions limiting regulations	%	100	100	100	
	EM-RM-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	-	-	-	-	Climate Change Response (p67~69)
Air Quality	EM-RM-120a.1	NOx Emissions (excluding N_2O)	Tons	7,194	5,812	5,481	
		SOx Emissions	Tons	305	328	716	
		Particulate matter (PM10) Emissions	Tons	279	252	208	
		H_2S Emissions	Tons	3	2	2	
		VOCs Emissions	Tons	554	335	465	
	EM-RM-120a.2	Number of refineries in or near areas of dense population	Numbers	2	2	2	
Water Management	EM-RM-140a.1	Total water withdrawn	m^3	43,230,556	42,009,774	42,186,130	
		Total water consumed	m^3	67,774,317	69,127,634	69,184,581	Defined as water withdrawal + water recycling volume (however, surplus steam/ off-site movement should be added for refinery and chemical manufacturing sites)
		Percentage of water withdrawn in regions with High or Extremely High Baseline Water Stress	%	1.35	1.28	1.20	
		Percentage of water consumed in regions with High or Extremely High Baseline Water Stress	%	1.07	1.00	1.61	
	EM-RM-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Numbers	0	0	1	
Hazardous Materials Management	EM-RM-150a.1	Amount of hazardous waste generated	Tons	50,364	45,724	46,427	
		Percentage recycled	%	82	80	79	
	EM-RM-150a.2	Number of underground storage tanks (USTs)	Numbers	11	11	11	
		Number of UST releases requiring clean up	Numbers	0	0	0	
		Percentage in jurisdictions with UST financial assurance funds	%	-	-	-	Not applicable

SASB

SASB Industry: Oil & Gas – Refining & Marketing

Topic	Code	Metric		Unit	2022	2023	2024	Note
Workforce Health & Safety	EM-RM-320a.1	Total recordable incident rate (TRIR)	Direct employees	Rate	0.19	0.25	0.14	per 200,000 working hours
			Contract employees	Rate	0.41	0.39	0.46	
		Fatality rate	Direct employees	Rate	0	0	0	
			Contract employees	Rate	0.03	0	0.01	
		Near miss frequency rate (NMFR)	Direct employees	Rate	-	-	-	To be calculated and disclosed
			Contract employees	Rate	-	-	-	
	EM-RM-320a.2	Discussion of management systems used to integrate a culture of safety		-	-	-	-	Safety and Health (p79~84)
Product Specifications & Clean Fuel Blends	EM-RM-410a.2	Total addressable market and share of market for advanced biofuels and associated infrastructure	Estimation of market	KRW	-	-	-	No domestic market, global market size is estimated differently by agencies
			Share of market	%	-	-	-	No addressable biofuel production facilities and track record
	EM-RM-410a.3	Volumes of renewable fuels for fuel blending	Net amount produced	Barrels of oil equivalent (BOE)	-	-	-	To be calculated and disclosed
			Net amount purchased	Barrels of oil equivalent (BOE)	-	-	-	
Pricing Integrity & Transparency	EM-RM-520a.1	Total amount of monetary losses as a result of legal proceedings associated with price fixing or price manipulation		USD	0	0	0	
Management of the Legal & Regulatory Environment	EM-RM-530a.1	Discussion of corporate positions related to government regulations or policy proposals that address environmental and social factors affecting the industry			-	-	-	Risk Management (p132~133)
Critical Incident Risk Management	EM-RM-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC)	Tier 1	Rate	0.00	0.00	0.05	per 1 million working hours
			Tier 2	Rate	0.08	0.07	0.09	
	EM-RM-540a.2	Challenges to Safety Systems indicator rate	Tier 3	Rate	-	-	-	Tier 3 is the number of abnormalities that could escalate to an incident, but did not escalate to an incident, and data is hard to be calculated because it is difficult to clearly establish management standards and operating systems.
	EM-RM-540a.3	Discussion of measurement of Operating Discipline and Management System Performance through Tier 4 Indicators		-	-	-	-	Safety and Health (p84~85)

Activity Metrics

Topic	Code	Metric	Unit	2022	2023	2024	Note
Refining Throughput of Crude Oil and Other Feedstocks	EM-RM-000.A	Refining throughput of crude oil and other feedstocks	1,000 barrels per day (KBPD)	880.17	908.55	904.13	
Refining Operating Capacity	EM-RM-000.B	Refining operating capacity	1,000 barrels per day (KBPD)	1,215	1,215	1,215	

ESRS

1. General Information

ESRS 2. General Disclosures

Indicator	Disclosure Requirement	Location
BP-1	General basis for preparation of sustainability statements	2
BP-2	Disclosures in relation to specific circumstances	Changes noted in footnotes on the page.
GOV-1	The role of the administrative, management and supervisory bodies	9, 38~42
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	46~49
GOV-3	Integration of sustainability-related performance in incentive schemes	41
GOV-4	Statement on due diligence	90, 97
GOV-5	Risk management and internal controls over sustainability reporting	132~133
SBM-1	Strategy, business model and value chain	4~5, 16~33
SBM-2	Interests and views of stakeholders	139
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	16~33
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	46
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	192~194

2. Environmental Information

ESRS E1. Climate Change

Indicator	Disclosure Requirement	Location
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	42
E1-1	Transition plan for climate change mitigation	66~67
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	16~33
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	48
E1-2	Policies related to climate change mitigation and adaptation	66~67
E1-3	Actions and resources in relation to climate change policies	69~70
E1-4	Targets related to climate change mitigation and adaptation	66~67
E1-5	Energy consumption and mix	158~159
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	160~161
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	69
E1-8	Internal carbon pricing	70
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	198

ESRS E2. Pollution

Indicator	Disclosure Requirement	Location
ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	46
E2-1	Policies related to pollution	52
E2-2	Actions and resources related to pollution	55~59
E2-3	Targets related to pollution	52
E2-4	Pollution of air, water and soil	163, 165
E2-5	Substances of concern and substances of very high concern	165
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	Financial impacts to be managed based on key environmental factors.

ESRS

ESRS E3. Water and Marine Resources

Indicator	Disclosure Requirement	Location
ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	46
E3-1	Policies related to water and marine resources	52
E3-2	Actions and resources related to water and marine resources	55
E3-3	Targets related to water and marine resources	55
E3-4	Water consumption	162
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Financial impacts to be managed based on key environmental factors.

ESRS E4. Biodiversity and Ecosystems

Indicator	Disclosure Requirement	Location
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	71
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	72~74
ESRS 2 IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	72~74
E4-2	Policies related to biodiversity and ecosystems	71
E4-3	Actions and resources related to biodiversity and ecosystems	72~74
E4-4	Targets related to biodiversity and ecosystems	71
E4-5	Impact metrics related to biodiversity and ecosystems change	71
E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	Financial impacts to be managed based on key environmental factors.

ESRS E5. Resource Use and Circular Economy

Indicator	Disclosure Requirement	Location
ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	46
E5-1	Policies related to resource use and circular economy	52
E5-2	Actions and resources related to resource use and circular economy	58
E5-3	Targets related to resource use and circular economy	58
E5-4	Resource inflows	89, 92
E5-5	Resource outflows	163~164
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Financial impacts to be managed based on key environmental factors.

3. Social Information

ESRS S1. Own Workforce

Indicator	Disclosure Requirement	Location
ESRS 2 SBM-2	Interests and views of stakeholders	50~51, 139
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	49
S1-1	Policies related to own workforce	97, 103
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	107
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	107, 139
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	98~107
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	78, 97, 103
S1-6	Characteristics of the undertaking's employees	167~171
S1-7	Characteristics of non-employees in the undertaking's own workforce	167, 171
S1-8	Collective bargaining coverage and social dialogue	107, 173
S1-9	Diversity metrics	169
S1-10	Adequate wages	Wages comply with legal minimum by site location.
S1-11	Social protection	106

ESRS

ESRS S1. Own Workforce

Indicator	Disclosure Requirement	Location
S1-12	Persons with disabilities	169
S1-13	Training and skills development metrics	173
S1-14	Health and safety metrics	46, 174
S1-15	Work-life balance metrics	106
S1-16	Remuneration metrics (pay gap and total remuneration)	172
S1-17	Incidents, complaints and severe human rights impacts	100

ESRS S2. Workers in the Value Chain

Indicator	Disclosure Requirement	Location
ESRS 2 SBM-2	Interests and views of stakeholders	50~51, 139
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	49
S2-1	Policies related to value chain workers	86
S2-2	Processes for engaging with value chain workers about impacts	92~93
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	82, 93
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	92~93
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	86

ESRS S3. Affected Communities

Indicator	Disclosure Requirement	Location
ESRS 2 SBM-2	Interests and views of stakeholders	139
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	111
S3-1	Policies related to affected communities	111
S3-2	Processes for engaging with affected communities about impacts	112
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	112
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	111~115
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	111

ESRS S4. Consumers and End Users

Indicator	Disclosure Requirement	Location
ESRS 2 SBM-2	Interests and views of stakeholders	50~51, 139
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	108
S4-1	Policies related to consumers and end-users	108
S4-2	Processes for engaging with consumers and end-users about impacts	108~109
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	109, 139
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	108~109
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	108

4. Governance Information

ESRS G1. Business Conduct

Indicator	Disclosure Requirement	Location
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	139
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	46
G1-1	Business conduct policies and corporate culture	121, 124
G1-2	Management of relationships with suppliers	88~93, 127~128
G1-3	Prevention and detection of corruption and bribery	177
G1-4	Incidents of corruption or bribery	177
G1-5	Political influence and lobbying activities	178
G1-6	Payment practices	88, 94

TCFD

TCFD Recommendation	Disclosures	CDP Linkage[1)]	Location
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	C4.1	196
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	C4.3	196
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	C2, C3	197~199
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	C3	197~199
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	C5	197~199
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	C2.2	200
	b) Describe the organization's processes for managing climate-related risks.	C2.2	200
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	C2.2.2	200
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.	C7.53, C7.54, C7.55	201
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	C7.6, C7.7, C7.8	201
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	C7.53, C7.54, C7.55	201

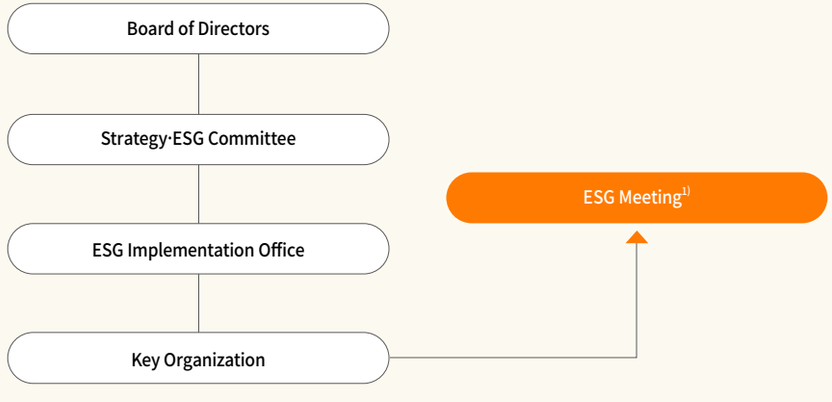
1) Based on the 2024 CDP questionnaire

TCFD Report

Governance

Role and Responsibility of Board and Management in Climate-related Risks and Opportunities

The CEO of SK Innovation leads efforts to transform SK Innovation's business portfolio with the goal of achieving net-zero. The success of this initiative is reflected in the CEO's key performance indicators (KPIs). SK Innovation's management system for assessing and managing ESG-related risks and opportunities, including climate change, is centered on the ESG Strategy Office, ESG Meeting, and the Strategy·ESG Committee under the CEO and BOD.



1) Composed of executives from SK Innovation's key organizations and ESG officers from its affiliates.

BOARD LEVEL

Strategy·ESG Committee under the BOD

- SK Innovation's BOD is composed of eight directors with independent decision-making authority, and the Strategy·ESG Committee under the BOD oversees climate change-related risks and opportunities.[2)]
- The Strategy·ESG Committee, which meets regularly once a month, plays a role in providing strategic direction by establishing mid- and long-term goals, identifying key initiatives ESG-related risks and opportunities including climate change, and conducting pre- and post-implementation reviews. It also develops specific action plans for the company's ESG issues and continuously monitors the performance of the initiatives and discusses ways to improve them. In addition, the Strategy·ESG Committee leads communication with stakeholders on key ESG issues.
- Moreover, SK Innovation's BOD creates an ESG checklist to ensure that all agenda items for discussion are reviewed for ESG-related impacts. Based on this, the committee determines the appropriateness of each agenda item.

2) The information on the role and activities of the Strategy·ESG Committee can be found on page 40.

MANAGEMENT LEVEL & FUNCTIONAL DEPARTMENT

ESG Implementation Office / ESG Meeting

- The ESG Implementation Office monitors and evaluates climate change risks and opportunities, and reports on all related issues to the ESG Meeting.
- The ESG Meeting is composed of senior executives from each business and meets once a month to discuss major ESG-related issues in line with the group-wide ESG strategy direction and monitor the level of implementation of GHG reduction targets. Besides leading stakeholder communication regarding the ESG performance of SK Innovation's affiliates, the ESG Meeting also supports the CEO's decision-making.
- The CEO reviews and makes decisions on all matters related to climate change risks and opportunities. Among the climate-related matters, key issues that have a material impact on SK Innovation's business goals are reviewed and resolved by the Strategy·ESG Committee.

TCFD Report

Strategy

Climate Change Response Framework

Methodology for Climate Change-Related Risks and Opportunities Evaluation

SK Innovation has been continuously enhancing the Climate Change Response Framework since 2022 to systematically manage climate change risks and opportunities. To identify climate change risks and opportunities that have a significant impact on business, SK Innovation has updated 18 key and material factors out of a pool of 28 factors, reflecting global initiatives, business characteristics, and the urgency and materiality of climate change factors.

Risks and Opportunities Evaluation Methodology

SK Innovation has comprehensively reviewed the requirements of global initiatives specialized in climate change, such as TCFD and CDP, and established evaluation criteria and methodologies to measure the financial and strategic impact and likelihood of occurrence of climate change risks and opportunities.

[Method] 5-point scale for each item

Likelihood	Financial Impact	Strategic Impact
· Policy enforcement progress	· Investment plans	· Market, policy, and media analytics
· Historical occurrence frequency	· Estimated scale	· External environment favorability
· External scenarios	· Emission assets	· Perceived severity (Relevant department FGI)
· Expert predictions	· Liabilities	

Top 5 Key Factors of Climate Change-Related Risks and Opportunities (2025)

Policy

1. 2050 Net Zero and increased 2030 national NDC[1] targets
2. Increase in carbon tax and carbon credit prices in host countries
3. Strengthening of the Carbon Border Tax (EU, etc.)

Reputation

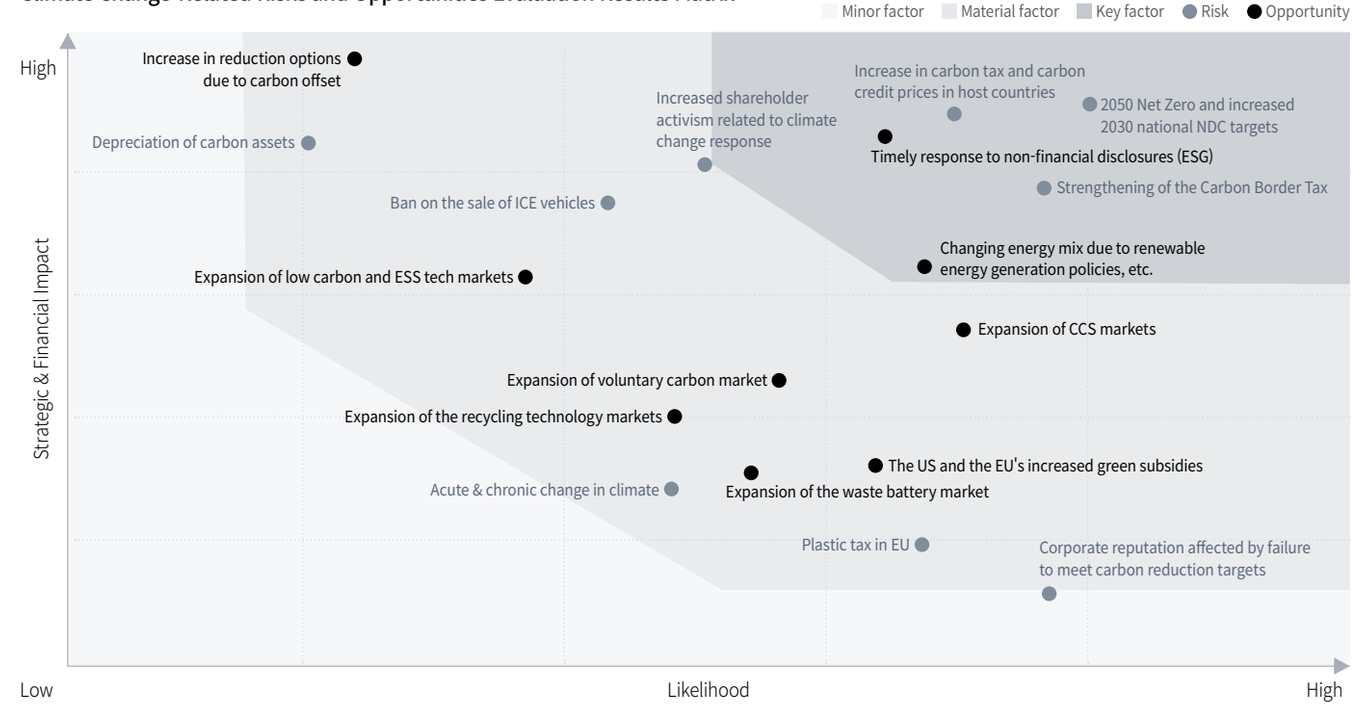
4. Changing energy mix due to renewable energy generation policies, etc.
5. Timely response to non-financial disclosures (ESG)

1) Nationally Determined Contributions

Climate Change-Related Risks and Opportunities Evaluation Results

As a result of updating SK Innovation's evaluation of the issue pool in 2025, SK Innovation's climate change-related risks and opportunities were identified as five key factors, including: (1) 2050 Net Zero and increased 2030 national NDC targets, (2) Increase in carbon tax and carbon credit prices in host countries, (3) Strengthening of the Carbon Border Tax, (4) Changing energy mix due to renewable energy generation policies, etc., and (5) Timely response to non-financial disclosures (ESG). To prepare for the identified key factors, SK Innovation has developed a plan to identify structural reduction measures that achieve long-term emission reduction and secure stable emission credits. Meanwhile, SK Innovation plans to establish an integrated non-financial information data management system for SK Innovation affiliates, including global business sites. In addition, SK Innovation has established the "Greenwashing Prevention Guideline for SK Innovation" that comprehensively complies with the regulations of the Ministry of Environment and the Korea Fair Trade Commission to pre-check and deliberate on greenwashing-related risks.

Climate Change-Related Risks and Opportunities Evaluation Results Matrix



TCFD Report

Strategy

Response to Physical Risks due to Climate Change

SK Innovation analyzed the financial risks of "physical risk factors from acute and chronic effects of environmental changes" among the factors derived from the assessment of the Climate Change Response Framework. In particular, the assessment was analyzed by business area in connection with the Net Zero Roadmap management system, and the financial impacts of eight major climate risk factors were analyzed using the Shared Socioeconomic Pathways (SSP) scenario updated in the IPCC's 6th Assessment Report. The analysis showed that asset losses due to extreme weather events are expected to be relatively high compared to other factors in both Energy & Chemicals Business and Battery & Materials Business. SK Innovation plans to conduct monitoring focused on extreme temperatures, coastal flooding, river flooding, etc., that pose long-term risks to its domestic and overseas business sites and physical assets. Additionally, SK Innovation will establish a process to identify which business sites are used as collateral with significant physical risks in the medium to long term and reflect the identified risks in business continuity management plans.

1) Shared Socioeconomic Pathways

Physical Risks Analysis

Methodology for Analyzing Asset Loss Risks

S&P Global Climanomics® hazard modeling

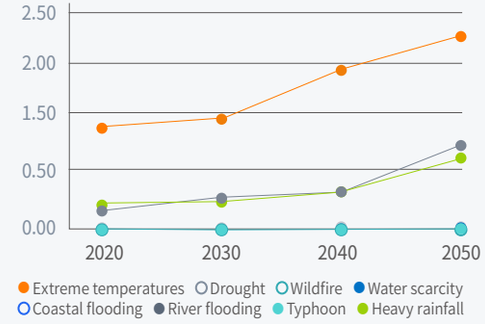
Scope	Six Affiliates of SK Innovation Total of 60 major domestic and overseas business sites and physical assets
Applied Scenario	SSP5-8.5: A carbon scenario that still relies on fossil fuel power generation and projects global temperatures to rise by 4.4°C in 2100 compared to today
Factors	Eight Major Climate Risk Factors · Acute Change (wildfire, river flooding, typhoon, heavy rainfall) · Chronic Change (extreme temperatures, drought, water scarcity, coastal flooding)
Methodology	Evaluate the impacts of the eight climate risk factors in terms of asset value losses and loss rates through 2100 in 10-year increments using global climate risk projections and socioeconomic data and econometric models for the assets under analysis

Physical Risks Analysis Results *Up to 2050

Findings under Energy and Chemicals Business (SKE, SKGC, SKEN, SKIPC)

· By 2030, asset losses due to extreme temperatures will be the largest, averaging 1.48% across domestic and international locations.
· By 2050, asset losses due to river flooding and heavy rainfall are also estimated to increase in addition to extreme temperatures.

Modeled average annual loss (Unit: %)



Modeled loss by region (Unit: %)

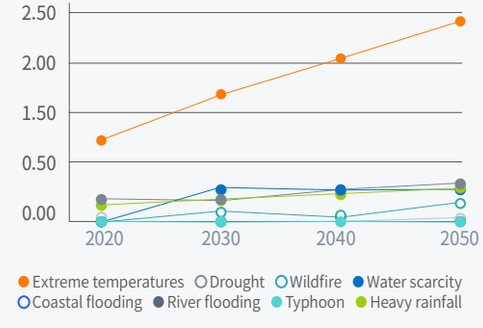
0% ~3% ~6% ~10% ~16% over 16%

Category		Extreme temperatures	Drought	Wildfire	Water scarcity	Coastal flooding	River flooding	Typhoon	Heavy rainfall
Korea	2030								
	2050								
USA	2030								
	2050								
Europe	2030								
	2050								
China	2030								
	2050								
Total	2030								
	2050								

Findings under Battery and Materials Business (SKO, SKIET)

· By 2030, asset losses due to physical risks other than extreme temperatures will be negligible, but will need to be managed by focusing on factors with greater risk by region

Modeled average annual loss (Unit: %)



Modeled loss by region (Unit: %)

0% ~3% ~6% ~10% ~16% over 16%

Category		Extreme temperatures	Drought	Wildfire	Water scarcity	Coastal flooding	River flooding	Typhoon	Heavy rainfall
Korea	2030								
	2050								
USA	2030								
	2050								
Europe	2030								
	2050								
China	2030								
	2050								
Total	2030								
	2050								

TCFD Report

Strategy

Analysis and Findings on Identified Risks and Opportunities (R&Os) Related to Climate Change according to "Climate Change Response Framework"

Category	Current Impact of Climate Change Related to R&Os	Estimated Impact of Climate Change Related to R&Os
Policy & Regulation	The key policy and regulatory risks include “2050 Net Zero and increased 2030 national NDC targets” and “Increase in carbon tax and carbon credit prices in host countries.” As global carbon neutrality targets are strengthened, the price of carbon credits in major countries is expected to rise and the percentage of paid allocation is expected to increase. SK Innovation is subject to the domestic GHG emissions trading system and participates in the Korean Emissions Trading System (K-ETS). As a participant in the emissions trading system, SK Innovation is required to purchase emission allowances or reduce its own emissions in excess of its emission allowance under the regulation, the increase in the price of emission allowances could negatively effect its profitability. Given the nature of the energy and chemical industry, which limits substantial carbon reduction, a fundamental shift in the portfolio of high-carbon emitting businesses is needed to contribute to national NDC targets. SK Innovation is also expanding the application of eco-friendly business models in line with its Carbon to Green strategy, but as it is difficult to implement it in a short period of time through the company's efforts alone, SK Innovation plans to seek institutional support and establishes various collaboration models. "Strengthening the carbon border tax" was also selected as a key risk factor. As carbon regulations are tightened by global regions such as the EU, both risks and opportunities are expected to coexist for each industry. As countries step up carbon reduction efforts, downward pressure on exports of major energy companies such as refineries and chemicals is expected. If they fail to respond in a timely manner, companies could face lower prices in the short term and a sharp slowdown in demand in the long term.	SK Innovation expects "2050 Net Zero and increased 2030 national NDC targets" to continue to be a key risk factor for SK Innovation's business in the medium to long-term future. To proactively respond, SK Innovation will continue to monitor the expected financial and strategic impacts of these regulations, as described above, and plan to minimize their impact by adhering to SK Innovation's voluntary net-zero roadmap. Meanwhile, SK Innovation sees "Expansion of voluntary carbon market" as key opportunities going forward. Participation in the voluntary carbon market is not only a means of a cost-effective means of reducing carbon emissions, but it is also expected to positively influence consumer preferences and awareness. Therefore, SK Innovation will prioritize direct reduction and indirect reduction through renewable energy conversion to reduce GHG emissions. For the residual emissions that are unavoidable in the mid- to long-term, SK Innovation considers using carbon offsets that are rigorously verified according to internationally recognized methodologies as one of its optional strategies.
Technology	The factors related to "Expansion of the recycling technology markets" were selected as the most important opportunity factors related to technology. SK Innovation is continuously expanding its production capacity to supply batteries for EVs and ESS to expand its Battery and Materials Business and investing in the development of various new technologies. Therefore, the growing market interest and demand for eco-friendly technologies will be an important opportunity factor in expanding its green business and environmental products and services.	"Expansion of the recycling technology markets" are also expected to be significant opportunity factors in the mid- to long-term. While the initial investment costs of new technologies can be a financial burden, SK Innovation will continue to seek to develop technologies in the direction of carbon reduction and turn them into opportunities to gain technological advantages in expanding new markets.
Market	"The US and the EU's increased green subsidies" and "Changing energy mix due to renewable energy generation policies, etc." were selected as significant market-related opportunity factors. Market policies, such as increased subsidies for green products in the US and Europe, can create a favorable environment for SK Innovation as it develops battery and material technologies. In addition, the expansion of indirect emission reduction measures expected due to the changing energy mix, such as renewable energy generation policies, could contribute to the optimal implementation of its Net-zero roadmap.	"Increasing energy procurement costs due to RE100, etc." is expected to be a key risk factor in the medium to long-term future. In line with the government's energy mix transformation plan to actively shift the main source of energy from fossil fuels to renewable energy sources, the demand for renewable energy from companies is expected to surge, and the procurement costs for renewable energy are also expected to increase depending on the supply and demand situation in the market. SK Innovation plans to proactively identify the expected costs of procuring renewable energy under various scenarios to select the optimal path to achieving net-zero.
Reputation	"Increased shareholder activism" and "Timely response to ESG non-financial disclosures" were selected as key reputation-related risks due to the strengthening of ESG-related regulations and policies. In response, SK Innovation is transparently communicating its sincerity and progress in achieving its GHG emission reduction targets to internal and external stakeholders through various communication methods, including the Sustainability Report. SK Innovation also plans to provide timely information on various activities related to its ESG management strategy in order to turn the expanded obligation to disclose non-financial information into an opportunity to communicate with external stakeholders.	Both "Increased shareholder activism" and "Timely response to ESG non-financial disclosures" are expected to be key risk factors in the mid- to long-term future. SK Innovation plans to communicate its climate change-related plans and performance with internal and external stakeholders in a sincere manner as described above. Besides, as the national GHG reduction targets as well as SK Innovation's voluntary net-zero goal continue to be strengthened, SK Innovation will continue to provide information on its sustainability management strategy as well as its carbon reduction activities and performance to achieve these targets.
Physical risks	SK Innovation is proactively identifying the impact that extreme weather events may have on the company based on the SSP scenarios updated through the IPCC's 6th Assessment Report. The analysis shows that extreme temperatures have the highest business impact among the eight major climate risk factors when assuming the most severe climate crisis level among various climate scenarios. However, the asset loss rate due to extreme temperatures by 2030 is 1.5% on average for SK Innovation, which is less than the "significant level" (over 16%) defined by S&P Global, and is therefore considered manageable.	Among physical climate risks, acute extreme weather events such as typhoons and floods not only directly damage SK Innovation's business sites and physical assets, but also cause supply chain instability. Chronic extreme weather events such as heat waves and cold waves can also adversely affect stable process operations. Therefore, SK Innovation plans to integrate climate change issues into its group-wide emergency response management system to proactively identify and respond to financial risks from acute physical climate events that may impact its business sites in major regions.

TCFD Report

Risk Management

Process and Approach for Identifying Climate Change-related Risks and Opportunities

Based on the Climate Change Response Framework, SK Innovation analyzes policies and regulations, management strategies and performance, industry leading practices and media to identify the impact of climate change-related risks and opportunities on SK Innovation in the short, medium and long term. The identification and assessment are carried out through the following process: Identify factors of climate change-related R&Os → Conduct R&O assessments → Report regularly to the Board of Directors and management → Reflect as mandatory tasks for responsible departments.

STEP 1

Identify factors

- SK Innovation conducts an internal assessment of a pool of climate change-related risk and opportunity factors derived from domestic and international literature reviews and identifies SK Innovation-specific R&O factors through interviews with responsible departments and expert consultations.

STEP 2

Conduct assessment

- The identified factors are categorized into transformation (policy, technology, market, reputation) and physical factors based on TCFD recommendations, and the materiality of each factor is assessed by scoring them on a five-point scale based on likelihood of occurrence and financial/strategic impact.
- The likelihood of occurrence is scored based on progress in implementing relevant policies, frequency of past occurrences, and expert expectations, while the financial impact is evaluated using a scoring system aligned with board-level decision and reporting criteria. Strategic impact is scored by identifying the favorability of the external environment surrounding SK Innovation's business through market, policy, and media analysis, while qualitatively assessing the perceived severity of each factor through FGIs with relevant departments.
- Finally, SK Innovation categorizes R&Os into key, material, and minor factors based on the results of the assessment of the likelihood of occurrence and financial and strategic impact.

STEP 3

Report to the Board of Directors and management

- SK Innovation's management system for assessing and managing ESG-related R&Os, including climate change, is centered on the ESG Strategy Office, ESG Meeting, Strategy·ESG Committee, and the CEO. The ESG Strategy Office conducts monitoring and evaluation of climate change-related R&Os and reports to the ESG Meeting, which is comprised of senior executives from each business. The ESG Meeting also meets monthly to review a list of climate change-related initiatives and reports the results of monitoring the level of implementation of GHG reduction targets to the Strategy·ESG Committee.

STEP 4

Reflect as mandatory tasks for responsible departments

- SK Innovation is implementing its ESG strategy, “GROWTH” strategy and core tasks, and regularly adjusts the direction of its core task based on the results of identifying and evaluating R&O factors related to climate change. In addition, related issues are regularly discussed at the ESG Meeting to ensure that they are reflected in business implementation.

Process for Integrating Climate-related Risks into Overall Risk Management

To systematically manage ESG risks, including climate change, all business units identify risks based on the ESG checklist. In particular, the ESG Implementation Office, which leads ESG strategy development for SK Innovation, evaluates the impact of identified risks and supports the establishment of proactive response plans, which are discussed in the Strategy·ESG Committee under the Board of Directors.

The ESG Meeting, which is composed of C-level executives and heads of each business and functional department, is responsible for regular agenda discussions and management of risks identified in the Climate Change Response Framework and meets monthly or as needed to discuss risk issues. In particular, the results of the materiality assessment and matters requiring a decision are reported to the Strategy·ESG Committee under the Board of Directors for decision.

Process for Considering Climate Change Risk in Investment Planning

SK Innovation operates an internal carbon pricing system to promote investments in new businesses and process improvements that reduce greenhouse gas emissions. Based on this, all strategic investment proposals presented to SK Innovation's Investment Committee are evaluated for increases or decreases in Scope 1 and 2 emissions, and investment priorities are adjusted based on an integrated consideration of the economic aspects of GHG emissions. SK Innovation will set and operate an internal carbon price[1)] at a reasonable level to achieve both the practical implementation of the Net Zero Roadmap as well as the discovery and implementation of new low-carbon businesses.

1) For details on the internal carbon price on page 70. **Climate Change Response**

TCFD Report

Metrics and Targets

Metrics to Assess Climate-related Risks and Opportunities

SK Innovation systematically manages quantitative indicators such as Scope 1, Scope 2, and Scope 3 GHG emissions, GHG intensity, and energy consumption to achieve net-zero, and also manages the level of change (the ratio of green assets to Energy and Chemicals Business assets) to restructure the asset portfolio by expanding green assets under the Carbon to Green strategy. SK Innovation also applies an internal carbon price when reviewing investment projects, including for comprehensive analysis and response to GHG regulations, internal strategy and management judgment, increasing low-carbon investments, stress testing of investments, and measuring the social value of carbon emission reduction activities. In addition, SK Innovation's CEO KPIs reflect the performance of establishing and implementing the Net Zero Roadmap. The results of these KPIs are an important factor in determining the CEO's compensation.

Scope 1, Scope 2, and, Scope 3 Greenhouse Gas (GHG) Emissions

SK Innovation annually discloses its GHG emissions for the last three years, which are verified by a third party to ensure objectivity and transparency. According to the GHG report for 2024 from the Ministry of the Environment, Scope 1 emissions were 9,434,690 tCO_2eq, Scope 2 emissions were 2,258,457 tCO_2eq and Scope 3 emissions were 146,490,833 tCO_2eq, as verified by an independent organization.

GHG Emissions for the Last 3 Years

Category	Unit	2022	2023	2024
Total Direct Emissions (Scope 1)	tCO_2eq	9,116,619	9,379,375	9,434,690
Total Indirect Emissions (Scope 2)	tCO_2eq	2,026,406	2,275,526	2,258,457
Total Other Indirect Emissions (Scope 3)	tCO_2eq	138,749,252	142,958,157	146,490,833

Targets to Manage Risks and Opportunities and Performance

In 2023, SK Innovation updated the Scope 1 and 2 Net Zero Roadmap. Also, SK Innovation has a plan to disclose the results of measurement of Scope 3 and implement efforts to reduce the emissions aligned with the company-wide strategy.

- Scope 1, 2

SK Innovation has been promoting its "Net Zero Operations" initiatives, which aims to achieve Net Zero in Scope 1 and 2 emissions by 2050. This target is more ambitious than both the global Paris Climate Agreement and Korea's NDC, which call for a 45% and 24.4% reduction in emissions by 2030, respectively, compared to the baseline year.

UNGC Communication on Progress

SK Innovation supports the philosophy of the UN Global Compact (UNGC) and sincerely complies with its 10 principles on human rights, labour, environment, and anti-corruption. SK Innovation actively communicates with stakeholders by declaring the CEO's support for the UNGC and responding in good faith to questions regarding activities to implement the principles through the UNGC digital platform.

The 10 Principles of the UN Global Compact

Category	Principle	Policies and Activities
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.	SK Innovation supports global norms of behavior such as the UNGC, ILO, and UNGP, and has established and adheres to the principles of the Universal Declaration of Human Rights. SK Innovation manages all value chains to ensure that no discrimination or human rights violations occur. SK Innovation provides regular human rights training and enhances the grievance handling process. SK Innovation also conducts regular human rights due diligence on employees and suppliers to understand their human rights impacts. Human Rights Management
labour	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 and compulsory labour. Principle 5. Businesses should uphold the effective abolition of child labour. Principle 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	
Environment	Principle 7. Businesses should support a precautionary approach to environmental challenges. Principle 8. Businesses should undertake initiatives to promote greater environmental responsibility. Principle 9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	SK Innovation establishes and complies with its own environmental standards that are stricter than laws and regulations, and minimizes environmental impacts from all business processes and products. SK Innovation also actively promotes efforts to realize carbon neutrality by expanding the portfolio of carbon reduction and resource recycling-related technologies, product development, and future energy innovation. Environmental Impact Reduction
Anti-corruption	Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.	SK Innovation internalizes ethical management into the corporate culture based on the ethical code and practice guidelines developed by SK Group's unique management system. In addition, SK Innovation strives to promote a fair and transparent transaction culture. Ethical Management

Independent Assurance Opinion Statement

To: The Stakeholders of SK innovation Co., Ltd.

Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the "Assurer") was requested to verify the SK Innovation Sustainability Report 2024 (hereinafter referred to as the "Report"). The Assurer is independent of SK Innovation and has no major operational financial interest other than the assurance. This assurance opinion statement is intended to provide information related to the assurance of the SK Innovation report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any purpose other than the purpose of publication. This assurance opinion statement was prepared based on the information presented by SK Innovation and the assurance was carried out under the assumption that presented the information and data were complete and accurate.

SK Innovation is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all the information and claims contained in the report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to SK Innovation only.

The Assurer is responsible for providing SK Innovation management with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and providing the information to all stakeholders of SK Innovation. The Assurer shall not bear any other responsibility, including legal responsibility, to any third party other than SK Innovation in providing the assurance opinion and shall not be liable to any other purpose, purpose or stakeholders related thereto for which the assurance opinion may be used.

Scope

The scope of engagement agreed upon with SK innovation includes the following:

- Reporting contents during the period from January 1st to December 31st 2024 included in the report, some data included the first half of 2025.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- In Accordance with the four principles of AA1000 AccountAbility in the report, based on the type of Sustainability Assurance based on AA1000AS v3 and if applicable, the reliability of the sustainability performance information contained in the report.

The following contents were not included in the scope of assurance.

- Financial information in Appendix.
- Index items related to other international standards and initiatives other than the GRI.
- Other related additional information such as the website, business annual report.

Assurance Level and Type

The assurance levels and types are as follows;

- Moderate level based on AA1000 AS and Type 2 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018 and quality and reliability of specific performance information published in the report.)

Description and sources of disclosures covered

Based on the scope and methodology of assurance applied, the assurer reviewed the following Disclosures based on the sampling of information and data provided by SK Innovation.

[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)

[Sector Standards, GRI 11 Oil & Gas]

11.1 (GHG emissions), 11.2 (Climate adaptation, resilience, and transition), 11.3 (Air emissions), 11.8 (Asset integrity and critical incident management), 11.9 (Occupational health and safety), 11.10 (Employment practices), 11.11 (Non-discrimination and equal opportunity), 11.12 (Forced labor and modern slavery), 11.13 (Freedom of association and collective bargaining), 11.14 (Economic impacts), 11.19 (Anti-competitive behavior), 11.20 (Anti-corruption)

[Topic Standards]

201-1~2, 201-4, 202-2, 203-1~2, 204-1, 205-1~3, 206-1, 207-1~4, 302-1~4, 303-1~5, 304-1~4, 305-1~5, 305-7, 306-1~5, 308-1~2, 401-1~3, 402-1, 403-1~10, 404-1~2, 405-1~2, 406-1, 407-1, 408-1, 409-1, 410-1, 411-1, 413-1~2, 414-1~2, 415-1, 416-1

Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities;

- A top-level review of issues raised by external parties that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- Discussion with managers and staff on organization's approach to stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the departments responsible.
- Review of the system for sustainability management strategy process and implementation
- Review of materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures where available
- An assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the SK Innovation SK Seorin Building/HQ to confirm the data collection processes, record management practices.

Limitations and approach used to mitigate limitations

The Assurer performed limited verification for a limited period based on the data provided by the reporting organization. It implies that no significant errors were found during the verification process, and that there are limitations related to the inevitable risks that may exist. The Assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Independent Assurance Opinion Statement

Competency and Independence

BSI (British Standards Institution) is a leading global standards and assessment body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with SK Innovation. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

Opinion Statement

The assurer was carried out by a team of sustainability report assurors in accordance with the AA1000 Assurance Standard v3. Assurer planned and performed this part of our work to obtain the necessary information and explanations assurer considered to provide sufficient evidence that SK Innovation's description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI standards were fairly stated.

On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environment performance indicators are accurate and are supported by robust internal control processes.

Conclusions

The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). The detailed reviews against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards are set out below.

Inclusivity: Stakeholder Engagement and Opinion

SK Innovation defined customers, employees, suppliers, shareholders/investors and local communities as a Key Stakeholder Groups. In order to collect opinions by each stakeholder group in the context of sustainability, operated the stakeholder engagement process. SK Innovation was conducting a review of the stakeholder engagement process at the governance in order to reflect the major issues derived through the stakeholder engagement process in sustainability strategy and goals. Key issues and Stakeholder Account social value driven by the stakeholder engagement process are reviewed by management and ESG sub-committee. SK Innovation disclosed the results related to the process in the Report.

Materiality: Identification and reporting of material sustainability topics

SK Innovation implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. In the materiality assessment, SK Innovation selected material issues considering industrial characteristics based on GRI Sector Standards (Oil & Gas) and reflected the results of the stakeholder roundtable. SK Innovation derived 3 material issues and 7 reporting issues through the process. SK Innovation disclosed GRI Sector standards and topic standards (topic standards disclosures) related to material issues in the Report.

Responsiveness: Responding to material sustainability topics and related impacts

SK Innovation operated a management process for key issues in the context of sustainability derived from the materiality assessment. SK Innovation established mid- to long-term sustainability plans and goals in according to the management methodology established to effectively reflect the expectations of key stakeholders. SK Innovation disclosed the process including policy, indicator, activity and response performance on key issues in the Report.

Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders

SK Innovation identified the scope and extent of the impact to the organization and key stakeholders in the context of the sustainability of the key issues reported. SK Innovation established sustainability strategies and objectives based on the analysis results of major impacts, including risks and opportunities for key issues at the governance level, disclosed mid- to long-term plans and strategic system in the Report.

Findings and conclusions concerning the reliability and quality of specified performance information

Among the GRI Topic Standards, the following disclourse were carried out in a assurance Type 2 based on the information and data provided by the reporting organization. In order to verify the reliability and accuracy of the data and information, internal control procedures related to data processing, processing, and management were verified through interviews with the responsible department, and accuracy was verified through sampling. Errors and intentional distortions in sustainability performance information included in the report were not found through assurance processes. The reporting organization manages the sustainability performance information through reliable internal control procedures and can track the process of deriving the source of the performance. Errors and unclear expressions found during the assurance process were corrected during the assurance process and prior to the publication of the report, and the assurer confirmed the final published report with the errors and expressions corrected.

- GRI Topic Standards: 201-1~2, 203-1~2, 204-1, 205-1~3, 206-1, 302-1~4, 303-3~5, 304-1~4, 305-1~5, 305-7, 306-3~5, 308-1~2, 401-1~3, 403-1~10, 404-1~2, 405-1~2, 406-1, 414-1~2, 416-1

Recommendations and Opportunity for improvement

The assurer will provide the following comments to the extent that they do not affect the result of assurance;

- It may be helpful to drive sustainability management systems by advancing sustainability impact identification processes, including stakeholder engagement processes and materiality assessment, taking into account the characteristics of major business segments and subsidiaries in the value chain.
- It may be helpful to advance sustainability management systems by specifying the sustainability performance management system and internal control procedures established by SK Innovation and integrating them with internal control procedures in business operations, such as the existing internal accounting control system.

GRI-reporting

SK Innovation provided us with their self declaration of compliance within GRI Standards. Based on our review, we confirm that social responsibility and sustainable development indicators with reference to the GRI Index. The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the Universal Standards, Topic Standards and Sector standards Indicators based on the data provided by SK Innovation. The sector standard GR11 Oil & Gas was applied.

Issue Date: 25/06/2025
For and on behalf of BSI (British Standards Institution):
BSI representative

Jungwoo Lee,
Lead Assurer, ACSAP

Seonghwan Lim,
Managing Director of BSI Korea

AA1000
Licensed Report
000-4/V3-N3YET

BSI Group Korea Limited: 29, Insa-dong 5-gil, Jongno-gu, Seoul, South Korea
Hold Statement Number: SRA 751276

Greenhouse Gas Emissions Assurance Statement

Relating to SK Innovation Co., Ltd.'s Greenhouse Gas (GHG) Emissions Inventory for the calendar year 2024

This Assurance Statement has been prepared for SK Innovation Co., Ltd. in accordance with our contract.

Terms of engagement

LRQA was commissioned by SK Innovation Co., Ltd. (SK Innovation) to provide independent assurance on its GHG emissions inventory for the calendar year 2024 (here after referred to as "the report") against the assurance criteria below to a limited level of assurance and materiality of 5% using ISO 14064–3:2019, 'Specification with guidance for validation and verification of greenhouse gas assertions'.

Our assurance engagement covered SK Innovation's operations and activities, including those of its subsidiaries, associates, and investees, both domestically and overseas, as listed in the annex to this document, and specifically included the following requirements:

- Evaluating conformance with Corporate Value Chain (Scope 3) Accounting and Reporting Standard[1)]
- Evaluating the accuracy and reliability of data and information for other indirect GHG emissions (Scope 3).

1) https://www.ghgprotocol.org

The main activities of SK Innovation include manufacturing of petrochemical products, lithium-ion battery separator and electric vehicle battery, and the GHG emissions have been consolidated using equity share approach.

LRQA's responsibility is only to SK Innovation. LRQA disclaims any liability or responsibility to others as explained in the end footnote. SK Innovation's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of SK Innovation.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that SK Innovation has not, in all material respects:

- Met the requirements above; and
- Disclosed accurate and reliable data and information as summarized in Table 1 below.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of 5%.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Interviewing key people of the organization responsible for managing GHG emissions data and records;
- Reviewing processes related to the control of GHG emissions data and records;
- Reviewing whether GHG emissions have been calculated with parameters from recognized sources;
- Visiting SK innovation's headquarters and reviewing additional evidence made available by SK Innovation; and
- Verifying historical GHG emissions data and records at an aggregated level for the calendar year 2024.

LRQA's standards, competence and independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *General principles and requirements for bodies validating and verifying environmental information and ISO/IEC 17021 Conformity assessment – Requirements for bodies providing audit and certification of management systems* that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

LRQA is SK Innovation's certification body for ISO standards. We also provide SK Innovation with a range of training services related to management systems. The certification assessments and training are the only work undertaken by LRQA for SK Innovation and as such does not compromise our independence or impartiality.

Byung-Gil Lim

LRQA Lead Verifier
On behalf of LRQA
2nd Floor, T Tower, 30, Sowol-ro 2-gil, Jung-gu, Seoul, Republic of Korea

LRQA reference: SEO00001020

Dated: 23 May 2025

Greenhouse Gas Emissions Assurance Statement

Table 1. Summary of SK Innovation Co., Ltd., GHG Emissions Inventory 2024

Scope of GHG emissions	tCO_2eq
Other Indirect GHG emissions (Scope 3)	
purchased goods & services – main raw material purchased	22,262,410
fuel and energy related activities – upstream emissions of fuel and electricity purchased	547,487
upstream transportation and distribution – transportation of main raw material purchased	1,170,072
waste generated in operations – treatment of waste generated from operations	33,594
business travel – all employees' business travels	4,867
employee commuting – all employees' commuting	24,031
downstream transportation and distribution – transportation of sold products	390,237
use of sold products – Scope1 emissions of fuel sold	114,636,246
end-of-life treatment of sold products – end-of-life treatment of sold products	7,421,850

LRQA Group Limited, its affiliates and subsidiaries, and their respective officers, employees or agents are, individually and collectively, referred to in this clause as 'LRQA'. LRQA assumes no responsibility and shall not be liable to any person for any loss, damage or expense caused by reliance on the information or advice in this document or howsoever provided, unless that person has signed a contract with the relevant LRQA entity for the provision of this information or advice and in that case any responsibility or liability is exclusively on the terms and conditions set out in that contract.

The English version of this Assurance Statement is the only valid version. LRQA assumes no responsibility for versions translated into other languages.

This Assurance Statement is only valid when published with the Report to which it refers. It may only be reproduced in its entirety.

Copyright © LRQA, 2025.

List of subsidiaries, associates and investees included in the organizational boundary

No	Subsidiaries, associates and investees
1	SK Innovation Co., Ltd.
2	SK Energy Co., Ltd.
3	Daehan Oil Pipeline Corporation
4	Shandong SK Hightech Oil Co., Ltd.
5	SK Asphalt (Shanghai) Co., Ltd.
6	SK Geo Centric Co., Ltd.
7	Ulsan Aromatics Co., Ltd
8	SABIC SK Nexlene Company Pte. Ltd.
9	SK Primacor Europe, S.L.U.
10	SK Functional Polymer, S.A.S
11	SK Primacor Americas LLC.
12	Ningbo SK Performance Rubber Co., Ltd.
13	ONEPOL Co., Ltd.
14	SK Enmove Co., Ltd.
15	PT. Patra SK
16	SK Energy Lubricants (Tianjin) Co., Ltd.
17	Iberian Lube Base Oils Company, S.A.
18	SK ie technology Co., Ltd.
19	SK Hi-tech Battery Materials Poland Sp. Zo.o.
20	SK Hi-tech Battery Materials (Jiang su) Co., Ltd.
21	SK Incheon Petrochem Co., Ltd.

No	Subsidiaries, associates and investees
22	SK on Co., Ltd.
23	SK On Hungary Kft.
24	Beijing BESK Technology Co., Ltd.
25	Huizhou EVE United Energy Co., Ltd.
26	SK On(Jiangsu) Co., Ltd.
27	SK Battery America, Inc.
28	SK Battery Manufacturing Kft.
29	SK earthon Co., Ltd.
30	Block 88 in Peru
31	Block 56 in Peru
32	Block 15-1 in Vietnam
33	SK Trading International Co., Ltd.
34	SK Enterm Co., Ltd.

SK innovation