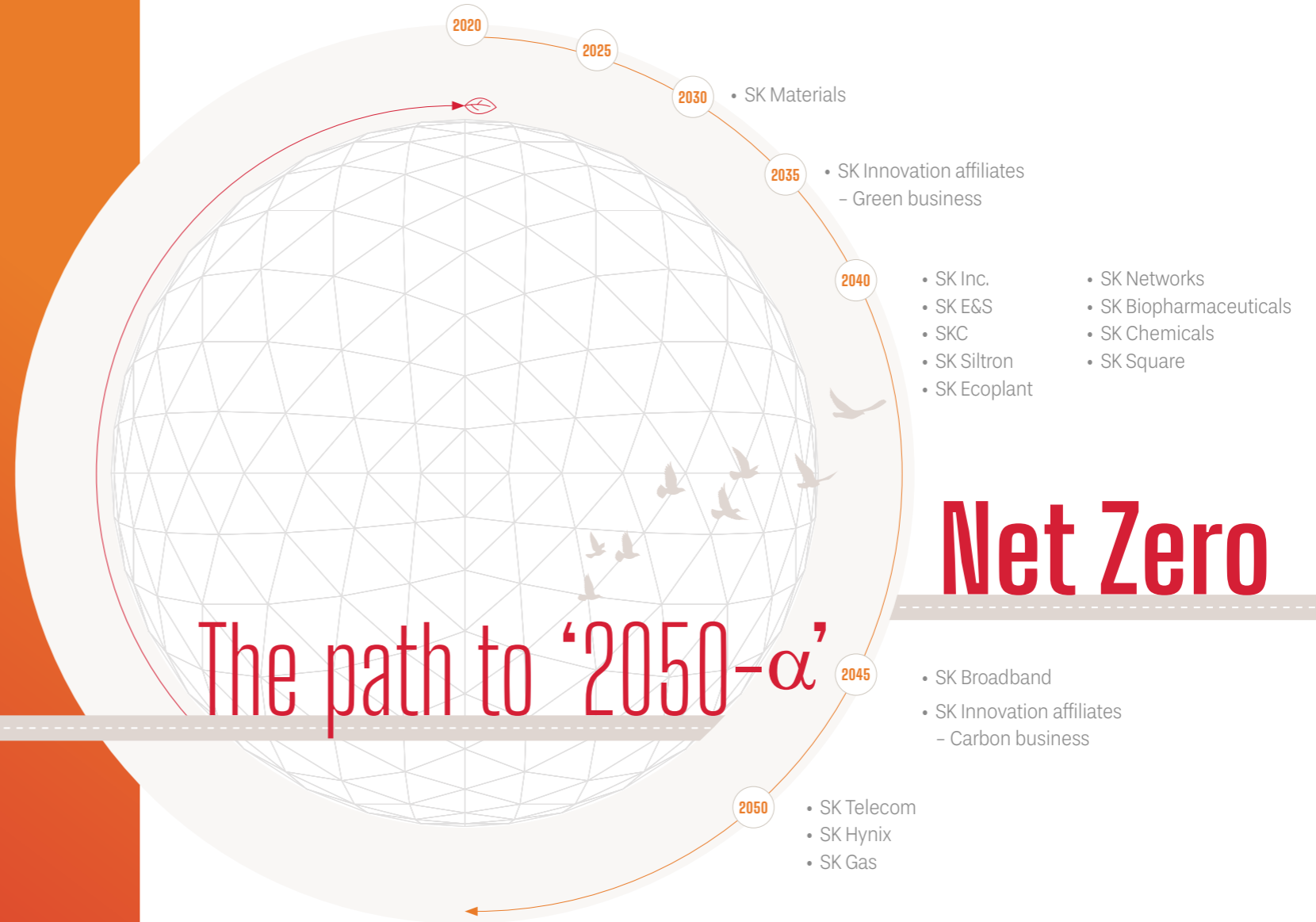


ESG STORY 1 – ENVIRONMENTAL

We forge a new path by turning Net Zero into an opportunity for sustainable growth.

Now is the time for us to converse with the planet. SK joins the worldwide movement to attain Net Zero for our one and only Earth and for our future. SK will take a step further into a low-carbon economy based on our new growth strategy for eco-friendly businesses and Net Zero attainment.



Net Zero

“2050-α” NET ZERO

In the summer of 2021, many locations across the world suffered from a series of fires occurring due to unusual weather conditions. In California, U.S.A., an unprecedented forest fire burned an area of 4,200 km², and thousands of residents were forced to take refuge from an immense forest fire that continued for nearly two weeks in Southern Europe. Over the past 20 years, icebergs in Iceland equivalent to 1.25 times the surface area of Seoul have melted. Experts warn that icebergs, accounting for 10% of the national territory of Iceland, may disappear entirely by 2200.

In the face of the immediate reality of the climate crisis, we must achieve "Net Zero" in order to stabilize the earth's temperature. Many countries are working together for the global goal of Net Zero, including South Korea, but it is not easy to find a path through a terrain that has never before been experienced.

In this period that demands courage, SK is taking up the challenge. In June 2021, 14 member companies of the SK Group declared their commitment to Net Zero, and established intermediate goals and implementation plans to ensure that our promises are fulfilled. Our ambitious goal called "2050-α" aims to attain Net Zero GHG emissions earlier than 2050, the global target for carbon Net Zero. Each company will exert global climate leadership in its respective business area. Further, we will transparently disclose the process to prove that our promises are faithfully carried out.

PROGRESS TOWARD ZERO BY 2050, OR EARLIER.

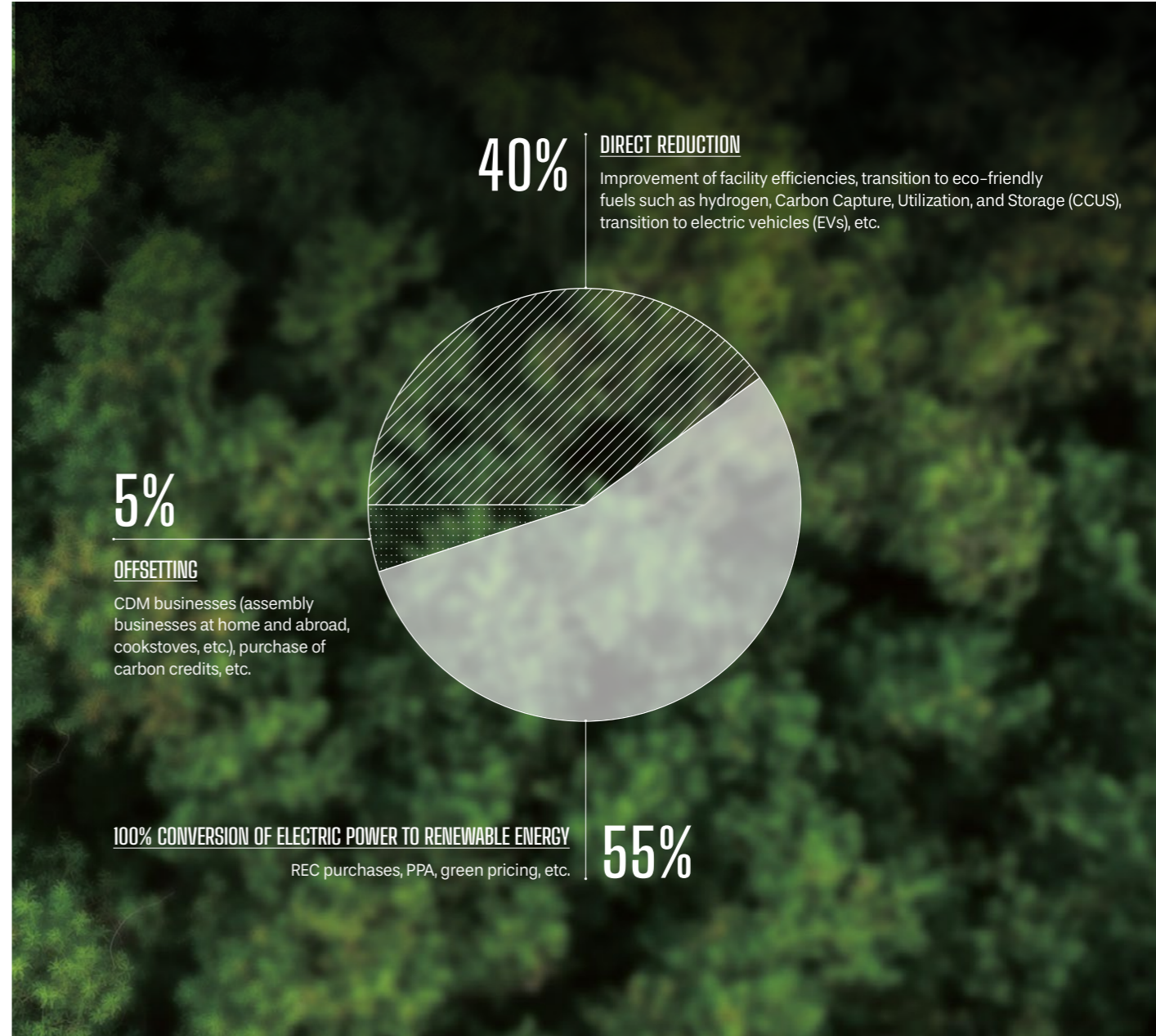


Net Zero refers to generating "zero" net emissions by equalizing the GHGs emitted and absorbed by human activities. The scope of SK's Net Zero objective includes GHGs formed in the production process (scope 1), the process of generating electricity necessary for operations (scope 2), and throughout the value chain, including the transportation, use, and disposal of products (scope 3).

To accomplish Net Zero, in addition to minimizing emissions, we need to sequester remaining GHGs through forests or remove them using CCUS technologies¹⁾. One of the most effective means to reduce carbon emissions in management activities is to reduce our reliance on fossil fuels. In 2020, SK became the first company in South Korea to join RE100²⁾ and has been promoting the transition to low-carbon and decarbonizing businesses. RE100 is a voluntary initiative of global enterprises that intends to supply 100% of electric power through renewable energy sources, such as wind power and solar power, by 2050. Six SK member companies have joined, including SK Inc., SK Telecom, SK Hynix, SKC, SK Siltron, and SK IE Technology.

SK announced an audacious goal to reduce global carbon emissions by 200 million tons by 2030, in the process of attaining Net Zero by 2050. This amount corresponds to 1% of the global GHG reduction goal, which is 2.1 billion tons.³⁾ In addition to its renewable energy efforts, SK implements direct reduction by existing businesses and zero net emissions by new businesses. The only way to prevent the climate crisis, which is proceeding at an unprecedented rate on an immense scale, is to take immediate action.

SK is firmly committed to undertaking business changes based on social values to remove all carbon emissions in the shortest time possible.



¹⁾ Carbon Capture, Utilization, and Storage (CCUS) technologies

²⁾ An abbreviation for "Renewable Energy 100%," which is a global initiative launched in 2014 by the Climate Group, a global non-profit organization, and the Carbon Disclosure Project (CDP), a global certification body for environmental management

³⁾ Source: International Energy Agency 2021 Report