

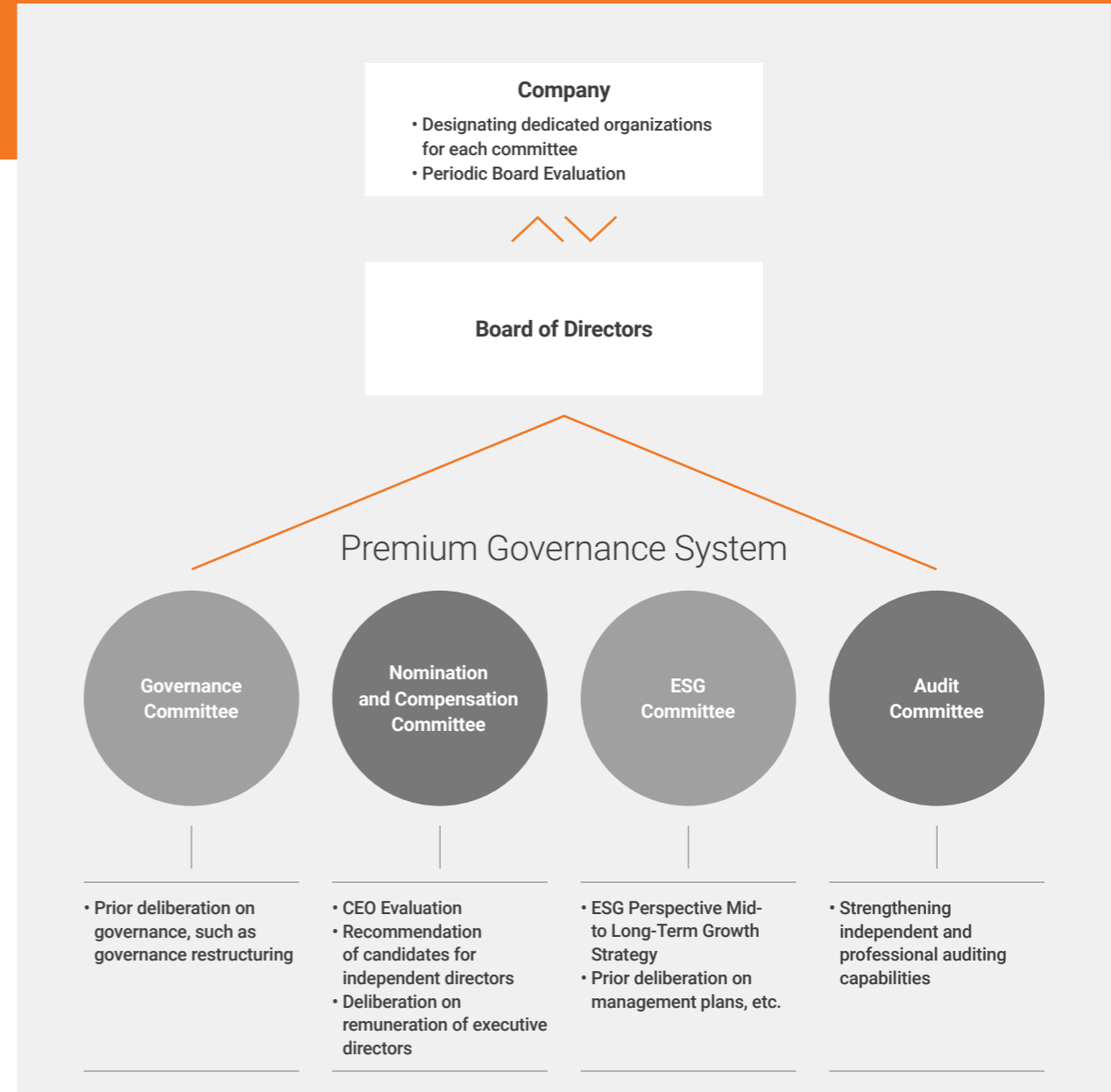
Governance Story

Management Driven by the Board of Directors

Since 2021, SK Inc. has been creating a governance story with the aim of strengthening the management of its board of directors beyond global standards.

The Governance story refers to a series of strategies and processes aimed at innovating the governance, which corresponds to the "G" in ESG (Environmental, Social, and Governance) management, to a global best-in-class level. SK Inc.'s Board of Directors aims to establish a premium governance framework that supports a independent board-centric management and decision-making system. This framework not only oversees and monitors the management team but also actively participates in activities such as recommending CEO candidates and being involved in the evaluation and compensation processes from the appointment stage. By doing so, the company seeks to proactively incorporate market demands and engage in active communication with various stakeholders.

Purpose	Action Planning
<ul style="list-style-type: none"> • Supervising/checking executives • Strengthening ownership and participation in management activities • Reflecting domestic and international shareholder and investor interest • Proving governance transparency to the market and support stakeholders • Strengthen SK Group's governance story and play a leading role 	<ul style="list-style-type: none"> • Finding candidates for independent directors with expertise, etc. • Strengthening communication with markets and stakeholders • Comprehensively revising the Charter of Governance • Strengthening the capabilities of independent directors through educational programs, etc.



Governance Performance

Strengthening Expertise of the 4 Major Committees

SK Inc. has established 4 committees under its Board of Directors to enhance expertise and promote board-centric management. The ESG Committee is responsible for reviewing and discussing mid- to long-term growth strategies and management plans from an ESG perspective. The Nomination and Compensation Committee handles the evaluation of the CEO, recommendation of independent director candidates, and deliberation of internal director compensation. The Audit Committee ensures independent and professional audits of SK Inc. and its subsidiaries, while the Governance Committee oversees governance-related matters such as restructuring the governance framework. Each committee plays a vital role in delivering results. To strengthen the functions of these committees, dedicated organizations have been assigned to each committee, and regular board evaluations and training are conducted.



	ESG Committee	Nomination and Compensation Committee	Audit Committee	Governance Committee
Key Features	<ul style="list-style-type: none"> • Mid- to long-term strategy review • Annual management plan review • Individual investment preview • Review and analysis of ESG-related critical issues 	<ul style="list-style-type: none"> • Establishment of individual remuneration for executive directors • CEO Evaluation and Candidate Review • Recommendation of candidates for independent directors 	<ul style="list-style-type: none"> • Supervision of corporate risk management and internal control • Ethical management/supervision of anti-corruption • Review/approval of audit plans and provide feedback on work results 	<ul style="list-style-type: none"> • Deliberation on governance regulations, such as enactment and revision of internal regulations • Functions of an independent consultative body consisting only of Independent directors • Discussion and improvement of governance issues through regular quarterly meetings • Systematization of Board competencies through continuous search for measures based on Board Skills Matrix
Key Achievements/Agenda	<ul style="list-style-type: none"> • SK Management Plan and KPI Report/Approval • Stock Grant Using Own Shares • Participation in capital increase of overseas affiliates • Report Risk Management Plan • Portfolio ESG Integrated Management Reporting 	<ul style="list-style-type: none"> • Review of executive director remuneration • Review of candidates for independent directors and audit committee • Recommendation of candidates for independent directors and audit committee members • Reviewing the CEO Candidate Pool 	<ul style="list-style-type: none"> • Current status and plan of internal audit department • Status of SK Inc. reports • Plannigto Launch Management Diagnosis of Subsidiary Companies • Key Audit Results for the First Half of the Year • 2022 self-purification system evaluation result • Internal accounting management • Review of the independence of non-audit work of external auditors 	<ul style="list-style-type: none"> • Partial amendment to the articles of incorporation • Revision of the board of directors' regulations

Analysis of the Board of Directors' Deliberations

Number of Case Analyzed (by area)

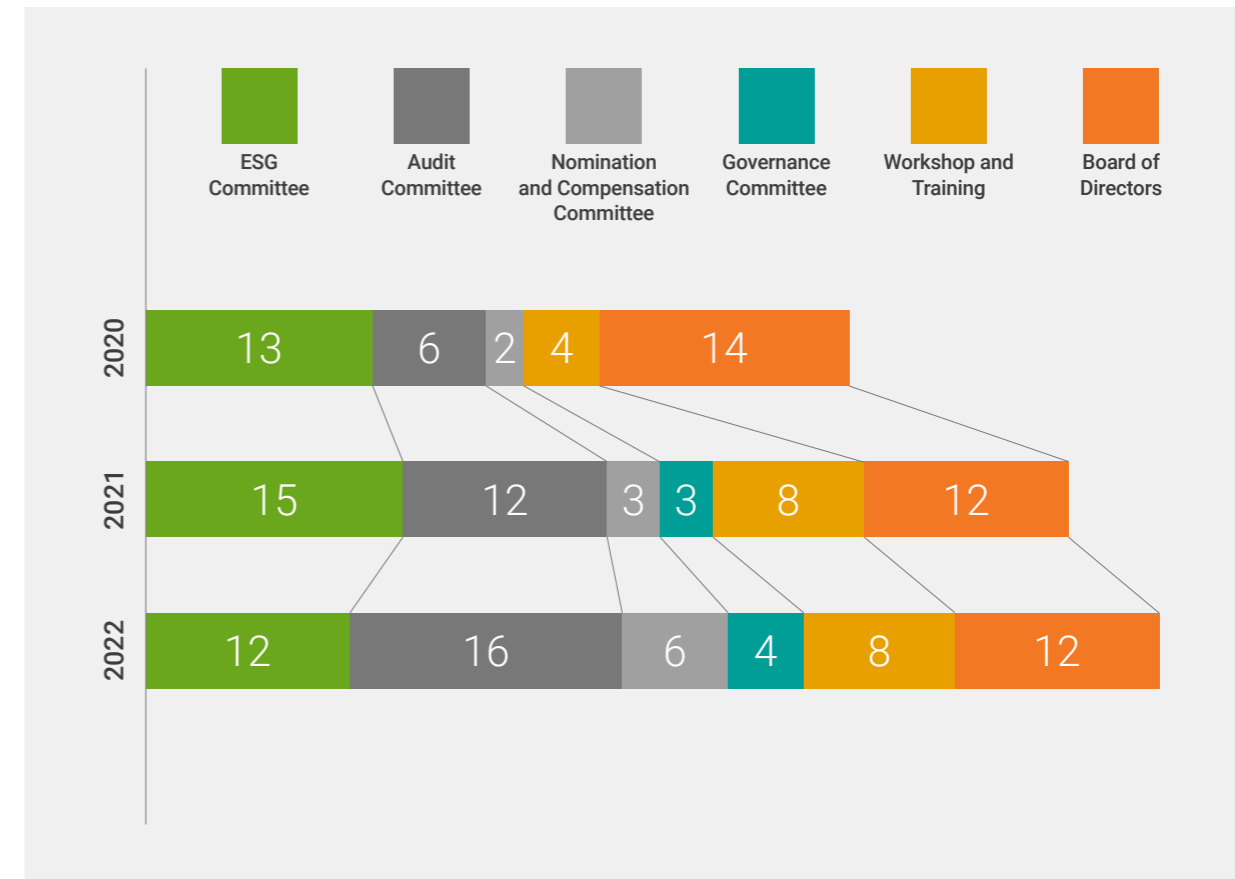
- Reviewing company's key investment agenda: An average of 1.3 cases per board of directors
- Highest percentage of legally mandated governance, ESG related management activities/investment cases



*Total number of agenda items, including the number of agenda items of the board of directors and subcommittees

Number of Meetings (Board of Directors/Committees) (times)

- Continuously increased discussions on the board of directors and its subcommittees since establishment of the responsible management driven by the Board of Directors
- Continuously increased annual input time per independent director



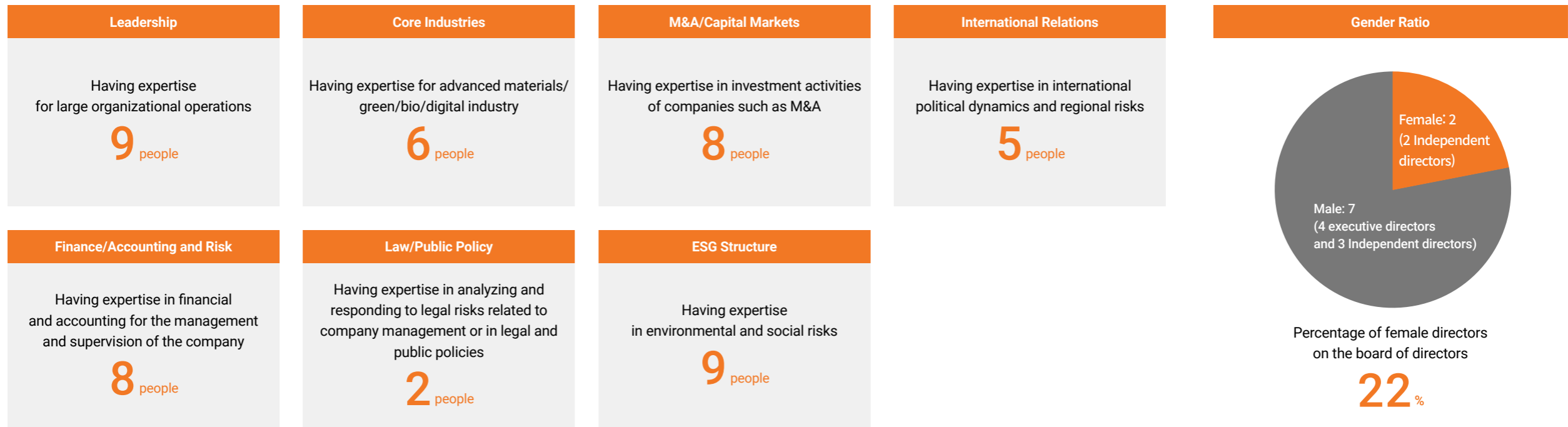
Board Skills Matrix (BSM) Management

As interest in ESG increases, there is a growing demand from shareholders, external investors, and other stakeholders for information regarding the expertise and diversity of the company’s highest decision-making body, the Board of Directors. In response to this trend, SK Inc. actively addresses the demands of shareholders, investors, and the market, and enhances governance transparency by adopting BSM to provide information related to the abilities, qualifications, and diversity of board members.

Through Board Structure Management (BSM), we aim to facilitate the understanding of shareholders and investors regarding the composition and capabilities required for the company’s board of directors. We actively manage the desirable composition of the board of directors that SK Inc pursues and reflect this in the management of the director candidate pool.

Based on BSM management, SK Inc strives to build an optimal board of directors that can realize stakeholder happiness and the Financial Story.

Results of Evaluating the Capability fo the Board of Directors through BSM



Governance Plan

To enhance its corporate governance practices, SK Inc. aims to strengthen the linkage between management activities and shareholder value through its board-centric management approach starting from 2023. In 2022, the company took concrete steps to ensure a more substantive evaluation of the CEO by the Board of Directors. The Board's judgment on matters such as the continuation of the CEO's tenure and compensation levels will now be reviewed on an annual basis, covering comprehensive aspects. SK Inc. will strive to establish premium governance that contributes to the interests of shareholders and stakeholders and enhances long-term corporate value through responsible management centered on the Board of Directors. Furthermore, as the holding company and a role model of the SK Group, SK Inc. will take the lead in driving change to establish premium governance within the group.

Chairman of the Board of Directors



Independent Director **Yeom, Jae Ho**

Independent Directors



Independent Director **Lee, Chan Keun**



Independent Director **Kim, Byoung Ho**



Independent Director **Pak, Hyun Ju**



Independent Director **Kim, Seon Hee**

Executive Directors



CEO **Chey, Tae won**



CEO **Jang, Dong Hyun**



Director **Cho, Dae Sik**



Director **Lee, Sung Hyung**