

Supply Chain Sustainability Management Policy

SK Inc. aims to earn trust and support through the creation of economic and social value, and to contribute to the sustainable happiness of our society and stakeholders through the creation of economic and social value, based on the SKMS, which is to pursue the happiness of our stakeholders, including our employees, customers, business partners, shareholders, and society, by achieving continuous stability and growth.

SK Inc. promotes substantial and long-term shared growth based on trust with its suppliers through a supplier ESG management process that reflects international guidelines (RBA, etc.) and the SK Group's ESG Guide for Suppliers to manage sustainability in the supply chain.

Supply Chain Sustainability Management System

SK Inc. operates a monthly Mutual Growth Council meetings, led by the Chief Procurement Officer (CPO) and involving the procurement organization and major RM departments, to deliberate on key issues for a sustainable supply chain.

We obtain pledges of compliance with the Supplier ESG Code of Conduct at the time of signing all transaction contracts, and disclose the results of the implementation of the Supplier Code of Conduct through the Sustainability Report. Our procurement personnel and internal stakeholders (supplier representatives) are trained on the Supplier Code of Conduct and their roles in the supply chain ESG program. In addition, all employees are committed to building a responsible supply chain by submitting a pledge of the fair trade compliance.

Supplier ESG Management Process

SK Inc. has set supplier ESG level improvement and support activities as key KPIs for the procurement organization and has an ESG management process to identify and implement supplier ESG risks.

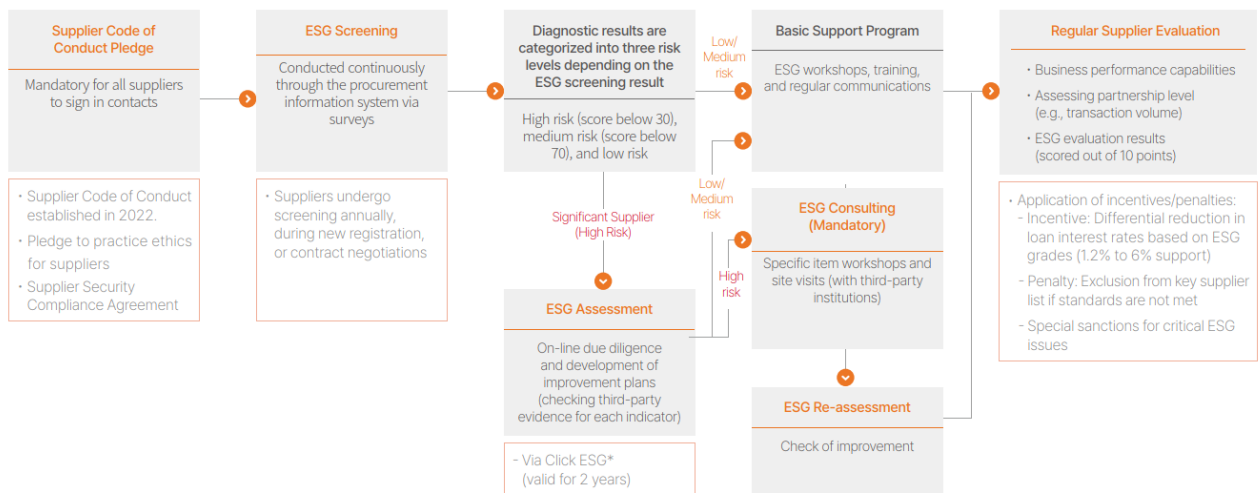


To identify and support the implementation of supplier ESG risks, we have established and implemented a process of 'assessment/evaluation → feedback → in-depth assessment/improvement planning → post-management', and in the process of in-depth assessment (due diligence), we involve representatives from the procurement organization and external experts to ensure objectivity and fairness.

The results of the ESG assessment are reflected in the 'regular supplier evaluation' for selecting key suppliers every year, and penalties are applied if the relevant standards are not met.

[Supplier ESG management process].

Supplier ESG Management Process



Supply chain sustainability due diligence process

Our ESG diagnostic metrics for suppliers, totaling 66 in the environmental, social, and governance areas, are weighted according to the characteristics of each type of supplier.

Suppliers that are categorized as key suppliers through regular supplier evaluation but are rated as high-risk are classified as priority management targets and provided with consulting for improvement through in-depth assessment and due diligence. ESG due diligence is a process in which procurement practitioners and external experts work together to verify evidence for each indicator and develop an improvement plan centered on the indicators that are not up to par or are insufficient. We support suppliers to implement the improvement plan within a certain period of time through offline on-site visits or online 1:1 consulting, and check the performance of improvement activities through re-assessment.



Coverage

- ① This policy applies to employees of SK Inc. headquarters, all domestic and overseas business sites, and subsidiaries.
- ② This policy applies to all types of organizations that design, sell, manufacture, or provide materials and services used to produce SK Inc.'s services/products. They should also require all sub-supply chains that provide materials and services to them to comply with this policy.
- ③ SK Inc. encourages all stakeholders involved in business relationships with the company, including our suppliers and business partners, to adopt this policy and promotes the necessity of supply chain sustainability management.