
SK ecoplant

Environmental Management Policy

2022. 05.

SK ecoplant

Contents

1. Purpose
2. Environmental Management Philosophy
3. Scope of Policy
4. Governance
5. Targets and Plans
6. Environmental Management Guidelines
7. Environmental Management Strategy

1. Purpose

SK ecoplant's environmental management policy seeks to realize a sustainable future where people, society, and the environment can co-exist. As a leading environmental company, SK ecoplant strives to set and achieve targets for the restoration of humanity's environment.

2. Environmental Management Philosophy

Aware that environmental sustainability is an essential value for harmony between people, the planet, and society, we will pursue environmental conservation and continuous improvements in this respect.

3. Scope of Policy

All employees of members, affiliates, suppliers, etc., that carry out SK ecoplant's business activities must conduct their work in accordance with this environmental management policy. Further, we also encourage our clients and business partners to actively implement this policy.

4. Governance

Key matters concerning SK ecoplant's environmental management are reviewed and resolved by the ESG Committee within the Board of Directors. The promotion of environmental management is conducted under the responsibility of the CEO, with the role of management representative carried out by the head of the quality and environment group. Moreover, the environmental support department is responsible for environmental management tasks across the company and all worksites. (Internal review required)

5. Targets and Plans

- 1) Considering material environmental aspects, mandatory compliance with relevant laws and regulations, and organizational risks and opportunities, each organization must establish environmental targets to reduce their impacts on the environment. Additionally, all employees must complete related training and improve their environmental awareness to better understand the impact of their work on the environment.
- 2) Environmental targets must be consistent with the rules for environmental management, and must be updated wherever necessary.
- 3) Environmental targets should be as measurable, observable, and communicable as possible.
- 4) Development items, required resources, responsible personnel, completion date, etc., must be determined when planning how to achieve the environmental targets.

- 5) A results assessment methodology must be defined, including metrics to monitor progress on achieving environmental targets.
- 6) Organizations must ensure that their environmental targets and plans for implementation are integrated within their management processes.
- 7) Organizations must do their utmost to achieve their established targets.

6. Environmental Management Guidelines

As a leading company in terms of ESG, SK ecoplant resolves environmental issues by defining and implementing rules for environmental management, establishing clear targets, and contributing to eco-friendly management activities and sustainable growth across the business.

1) Production Operations and Business Facilities

- SK ecoplant defines environmental management as a core task across all production activities and business facilities, and protects the Earth by reducing GHG emissions and minimizing pollutants.

2) Products and Services

- As a leader in the green business sector, centered on eco-friendly and new energy businesses, SK ecoplant solves environmental issues based on our engineering capabilities.

3) Distribution and Logistics

- SK ecoplant systematically manages the operation of environmental facilities, the implementation of relevant tasks by partner companies, etc., to prevent environmental pollutants that may occur during the provision of our products and services.

4) Management of Waste

- SK ecoplant minimizes the generation of waste from corporate activities. For the efficient processing of such waste, we establish and implement management standards for its storage, transport, and disposal, as well as conducting internal and external verification on a regular basis.

5) Supply Chain Management

- For suppliers, service providers, contractors, and other key business partners, SK ecoplant defines compliance requirements on ESG responsibility and establishes eco-friendly supply chain policies in accordance with the Supplier ESG Code of Conduct.

6) Due Diligence, Mergers, and Acquisitions

- When undertaking a merger or acquisition, SK ecoplant conducts due diligence to identify potential risks that may arise as a result of non-compliance with environmental laws, regulations, or environmental management system standards. The results of such due diligence are reflected in company assessments.

7. Environmental Management Strategy

Based on the '2040 Net-Zero' environmental management target, SK ecoplant is strengthening company-wide efforts to protect the livelihoods of today and make tomorrow a better place to live. Further, to realize our environmental management vision of building an eco-friendly ecosystem platform, we are creatively connecting technology, finance, and customers to achieve a circular economy and actively implement new energy technologies and eco-solutions.

1) Realizing a circular economy

- Leveraging an anchor (EMC) to promote a bolt-on strategy (acquisition of related companies)
- Developing innovative and distinctive eco-friendly technologies and providing testbeds
- Contributing to the development of the domestic environmental market and expanding to Asian countries

2) New energy technology

- Completing a green hydrogen value chain encompassing production, storage, transport, and use
- Securing core technologies through strategic partnerships
- Expanding market share in domestic and overseas markets

3) Eco solutions

- Creating new values in terms of space
- Providing solutions based on technology
- Eco-friendly infrastructure business

8. Biodiversity Policy

SK ecoplant considers it important to protect biodiversity for sustainable development and is aware of the potential impacts of business on biodiversity and the environment. Accordingly, we are pursuing measures to minimize the side effects of our business on biodiversity.

1) Biodiversity risks shall be prevented, minimized, and mitigated across the entirety of our business; biodiversity circumstances and values will be reviewed and assessed when undertaking new projects (including facility expansion, etc.), and the impacts on biodiversity will be monitored. Moreover, we will endeavor to apply this policy to our worksites, as well as our tier 2 and tier 3 suppliers.

2) All worksites for which land management, biodiversity protection, and relevant international agreements (World Heritage areas, IUCN Category I-IV protected areas) are applicable shall comply with the appropriate local, regional, and national laws and regulations.

3) The protection of rare and unique species at risk of extinction shall be a priority consideration, and we will review support for local, national, and global biodiversity protection initiatives. In addition, we will provide employees and stakeholders with a range of environmental training to facilitate enhanced knowledge and understanding of biodiversity protection issues.

4) For worksites that host important habitats, we will strive to prevent loss of biodiversity (NNL, No Net Loss) and work towards achieving a positive impact (NPI, Net Positive Impact). To this end, we will comply with this Biodiversity Policy and regularly measure and assess the level of pollution affecting the animals, plants, air, odor, groundwater, ocean, and land in the vicinity of our worksites, as well as conducting monitoring activities to improve the local environment.