



2023 SK Ecoplant Sustainability Report



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CEO 메시지

CEO Message

SK Ecoplant is a global leader in climate solutions, driving the Environmental, Energy and Solution business lines to build a sustainable future.

“Dear valued stakeholders of SK Ecoplant, thank you for joining us on our journey towards growing as a global Climate Solution Leader.”

Climate change is the most pressing challenge in humanity's pursuit of sustainable development. In response to the increasing demand for corporate responsibility in this area, SK Ecoplant remains steadfast in our commitment to growing as a global leader in climate solutions—a true "Climate Solution Leader." Our strategy centers on harnessing deep expertise, leveraging groundbreaking technologies and fostering synergies across our Environmental, Energy, and Solution business lines.

Having entered the environmental sector three years ago, we have quickly established ourselves as the largest environmental platform operator in Korea. By integrating cutting-edge AI and DT technologies, our waste management capabilities have been significantly enhanced, optimizing both waste-to-resource and waste-to-energy processes to their highest efficiency.

Through our global subsidiary, SK Tes, we are making substantial strides in recycling, with a particular focus on ITAD and e-waste management. To gear up for the AI era, we built a dedicated ITAD facility for hyperscalers in Virginia last year. As the electric vehicle market continues its expansion, a surge in demand for end-of-life battery (EOLB) recycling is anticipated. To stay ahead of this trend, we are steadily building our expertise, having already recycled over 6,000 tons of EOLBs. At the same time, our digital waste management platform, "WAYBLE Circular", offers waste recycling and waste-to-energy solutions, enabling customers to establish circular resource systems. In its first year since launch, the platform has processed over 40,000 tons of waste.

In the energy business, SK Ecoplant has established itself as a global leader in distributed energy solutions while also advancing our efforts to build a green hydrogen value chain. Our entry into the U.S. market, featuring the world's most efficient Solid Oxide Fuel Cell (SOFC), represents a significant diversification of our target markets beyond Korea. By offering various renewable energy solutions, including solar PV and wind power, we support clients in achieving their RE100 goals. Furthermore, our ongoing R&D efforts in developing a green hydrogen ecosystem powered by Solid Oxide Electrolyzer Cells (SOEC) reached a milestone with the successful completion of the Changwon RE100 Demonstration Project in 2023. This achievement marked our capability to transform an industrial complex into one powered entirely by renewable energy, making us the first in Korea to do so.

Combining our environmental and energy solutions with our Engineering, Procurement, and Construction (EPC) expertise, we bring added value to spaces such as zero-energy buildings and data centers, centered on energy independence and circular economy systems. In high-tech facilities and infrastructure projects, we take CAPEX management into account from the design and planning stages, ensuring optimal resource allocation. Throughout the construction and operational phases, eco-friendly practices are adopted, with energy and waste solutions implemented to reduce carbon emissions and minimize environmental impact. This comprehensive approach not only turns our vision into reality but also ensures sustainable growth while contributing to a greener future for generations to come.



Vice Chairman,
SK Ecoplant

Dong-hyun Jang



CEO,
SK Ecoplant

Hyung-keun Kim

SK Ecoplant is unwavering in our commitment to upholding ESG principles that align with global standards, ensuring the sustainability of our business and operations. In support of the global climate goal of "limiting warming to 1.5 degrees Celsius above pre-industrial levels," we have earned SBTi certification, which validates that our carbon reduction targets are scientifically achievable. Continuous reviews and refinements of our action plans are conducted to maintain progress. In 2023, our commitment to fostering mutually beneficial growth with our business partners was recognized with the highest rating in the Shared Growth Index for the seventh consecutive year. This index measures the collaboration between large enterprises and SMEs to promote shared growth. SK Ecoplant also became the first conglomerate to receive an "AAA" rating in the Compliance Program (CP), highlighting our leading compliance management practices in Korea.

At SK Ecoplant, we strive to create both economic and social value, guided by SK Group's Double Bottom Line (DBL) management principle. We are committed to achieving qualitative growth that meets your expectations and reciprocates your trust. This commitment will be realized through ongoing operational improvements, which will continue to strengthen our business foundations. Innovation will remain at the heart of our efforts as we fulfill our social responsibility by building sustainable cities where people and nature can thrive together, thereby contributing to a sustainable future. We ask for your continued support and encouragement as we embark on this journey.

Thank you.



사업소개

Business Areas

Climate Solution Leader

At SK Ecoplant, we are steadfast in our commitment to becoming a Climate Solution Leader. We are dedicated to addressing global environmental challenges, including climate change, and to building a sustainable future for both humanity and the environment. To realize this vision, we are leveraging synergies across our Environmental, Energy, and Solution business lines, contributing to the advancement of a circular economy and the reduction of carbon emissions. Our Environmental Business spans the entire value chain, from waste recycling and management to waste platform services, positioning us as a leading provider of comprehensive environmental solutions. Specifically, with our global subsidiary SK Tes, we are sharpening our competitive edge in recycling, particularly in the realm of e-waste. Our domestic subsidiaries Renewus and Renewone are at the forefront of waste management, excelling in waste treatment and waste-to-resource initiatives. In the Energy Business, SK Ecoplant is a robust leader in the domestic market. Through our partnership with Bloom Energy, we have deployed the world's most efficient Solid Oxide Fuel Cell (SOFC). Our ongoing efforts to establish an SOFC value chain in Korea, develop renewable energy solutions, and advance research and development on the Solid Oxide Electrolyzer Cell (SOEC) system are all directed towards accelerating the clean hydrogen ecosystem. In addition, we are integrating our expertise in the Environmental and Energy businesses with our longstanding capabilities in EPC to propel our Solution Business forward. A recent milestone in this area was our achievement of energy independence and successful implementation of a circular economy through carbon capture and resource circulation in a carbon-neutral industrial complex project. This accomplishment illustrates how SK Ecoplant's Environmental, Energy, and Solution businesses can generate powerful synergies. We are also adding new value in residential, office, and commercial spaces, with a focus on developing zero-energy buildings.

Environmental Business

Recycling

SK Ecoplant has expanded its recycling solutions centered on its subsidiary SK Tes to enter the recycling market, a high-value-added business area. SK Tes is a global E-Waste specialist with expertise in business areas such as electrical and electronic waste, waste battery recycling, and ITAD (IT Asset Disposition). With a robust presence in 23 countries and 46 processing facilities worldwide, SK tes boasts the most extensive global footprint in the industry, and hold numerous permits (Basel Permits) related to the import, export and cross-border transportation of waste. Leveraging these strengths, we have built a diverse portfolio of global clients, and was [selected as the winner of the "Sustainable Innovation" category at the 2023 SEAL Sustainable Business Awards](#) in recognition of our innovative technology achievements.

Recycling Main Business Areas

SK Ecoplant's recycling business focuses on two key areas; the "recycling" business, which extracts, sells and reuses major parts and metals from electrical and electronic waste components and batteries, and the "ITAD" service, which ensures the complete destruction of corporate and personal data within IT devices, facilitating secure and responsible recycling.

Electrical-electronic waste recycling	Raw materials and rare metals such as plastic, cobalt, and aluminum from discarded home appliances and IT devices are extracted to be recycled as raw materials for new products. In particular, SK Tes is capturing the market by keeping pace with the growing demand for smartphones, tablets, PCs, and smart wearable devices, and has established a goal to reuse 1 billion kg of IT assets by 2030.
ITAD	With the advancement of AI technology and the growing demand for data centers, the secure disposal of information stored on used hardware and electronic devices is crucial. SK tes ensures the complete destruction of data on discarded IT assets such as laptops, smartphones, and data center equipment, safeguarding personal and corporate information. Assets that undergo the ITAD process are repaired, inspected, and sold as refurbished products or as parts or materials. Highlights • Completed and launched operation of an ITAD processing facility measuring nearly 3,700 m² in Las Vegas, Nevada, USAF  • Completed ITAD facility dedicated to data centers measuring nearly 12,000 m² in Virginia, USA 
Waste battery recycling	After first recovering the exterior materials of waste batteries, such as iron and aluminum, we further recover the internal valuable metals, such as lithium, cobalt, and nickel, through crushing, grinding, and hydrometallurgical processes. Building on our experience in recycling small waste batteries used in laptops, smartphones, and tablets, we continue to secure strategic locations for major electric vehicle and battery industries in North America, Europe, and Asia, considering the growing demand for electric vehicles. Highlights • Exceeded 6,000 tons in volume of waste batteries recycled from laptops, smartphones, tablets, etc  • Completed a waste battery recycling pre-processing plant in Jiangsu Province, China, a key location for the global electric vehicle battery industry  • Signed a business agreement with GALP, Portugal's largest integrated energy company, to establish sustainable battery solutions' 

Waste Management

SK Ecoplant is Korea's largest integrated environmental platform company and continues to assemble the entire environmental enterprise value chain centered on its environmental subsidiaries, renewus¹⁾ and renewone. We maintain a leading stance in the domestic market in the water treatment O&M field and actively upgrade our operating system through innovative solutions, such as AI-DT-based incinerator operation, while solidifying our reputation as a key player in business areas subject to stricter regulations than other waste treatment businesses, such as medical waste. Based on this, SK Ecoplant stands at the forefront as a leading waste management company by ranking 1st place in domestic market share in general incineration, 1st place in domestic water treatment O&M, 2nd place in medical waste incineration, and 3rd place in waste landfill in 2023, all within three years after launch of its environmental business.

1) Formerly EMC

Waste Management Main Business Areas

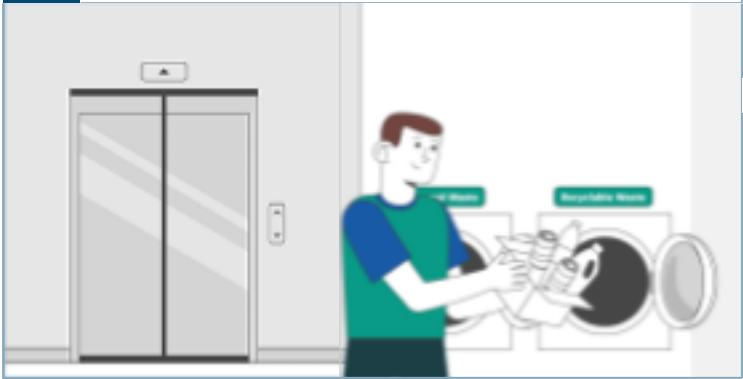
SK Ecoplant has increased the share of its waste-to-energy business that utilizes waste heat generated from incinerators. Additionally, we are expanding our business area to include private wastewater treatment facility business, based on our know-how accumulated from operating and managing public sewage and wastewater treatment facilities.

Incineration	Waste heat generated from the incinerator is converted into steam, hot water, and electrical energy and supplied to local industries and nearby residential areas. In addition, we continue to increase the energy recovery rate of existing incinerators and reduce air pollutants and carbon emissions generated during the incineration process through "WAYBLE re:energy" , an AI-based eco-friendly incinerator operation optimization solution. In particular, our incineration subsidiary subject to the emission trading system works to effectively reduce carbon emissions by improving operational efficiency through AI incinerators. Key Achievements • Signed a contract to supply AI solutions for optimizing incinerator operations with Cenviro, Malaysia's largest state-run integrated environmental company  • Signed a business agreement to apply AI solutions to an incinerator with a daily capacity of 180 tons in Bac Ninh, Northern Vietnam 
Water treatment	We operate the largest number of water treatment plants in the country, focusing on public sewage and wastewater treatment facilities. Furthermore, we are expanding our business areas to include private wastewater treatment and water purification facilities, thereby providing "comprehensive water treatment solutions". In particular, we ensure stable and efficient facility operation through "WAYBLE re:water" , an AI-based water treatment facility operation optimization solution, while minimizing environmental impact through effluent quality risk management. Currently, it is in operation for some subsidiary water treatment facilities, with plans to expand the solution application facilities at home and abroad in the future. Key Achievements • Iksan public sewage treatment facility "increased operational efficiency" and "minimized environmental impact" through AI-DT solutions 
Landfill	We are processing waste stably through professional and efficient landfill operation and management. Furthermore, we are actively developing an international GHG reduction business that will capture, incinerate, and generate power from landfill gas emitted at overseas landfill sites, using the resulting carbon credits for domestic sales and GHG emission-offsetting. Key Achievements • Proceeding to pursue an international GHG reduction business utilizing landfill gas from overseas landfill sites by signing a business agreement with Sudokwon Landfill Site Management Corp. on "Cooperation in international GHG reduction business for joint response to climate change"  • Made plans to reuse biogas generated during processing organic waste, such as food waste, as fuel by signing a business agreement with Hongbo Energy Co., Ltd. for "demonstrating and commercializing biogas upgrading technology" 

Waste Platform

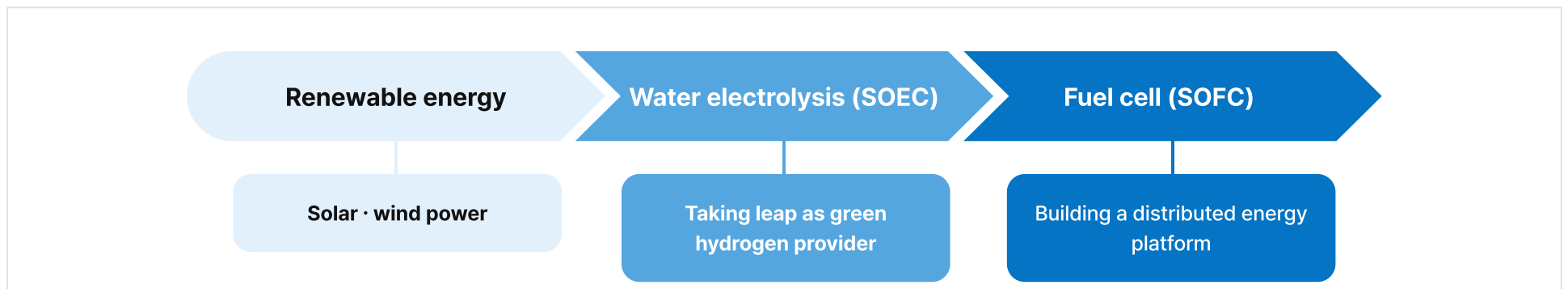
SK Ecoplant has increased corporate operational efficiency through AI·DT-based waste management. Besides this, we endeavor to solve various environmental problems in our society based on technological innovation, support ESG management of companies, and establish a resource circulation system.

Waste Platform Main Business Areas

WAYBLE	WAYBLE is a digital solution for reducing carbon emissions and building a circular economy, featuring WAYBLE circular (life-cycle management of waste and circular resources), decarbon (measurement, analysis, reduction, and offsetting of carbon emissions), and re:energy-re:water-re:source (efficiency improvement of waste treatment, water treatment, and recycling operations). In particular, "WAYBLE circular" is a service that digitally tracks and manages the entire process of waste from discharge, sorting, and transportation to final disposal. It provides an automatic waste transfer sheet generation function and a linkage function with the Ministry of Environment's reporting system (Allbaro System) to automate existing manual work for improved work productivity. In addition, we have minimized unnecessary discharge and pick up and increased the recycling rate of waste by deriving the discharge amount, pattern, and resource conversion ratio for each waste item. In addition, with its use to validate major performance, such as the ratios for converting waste to resources or energy, it facilitates global business operations such as addressing Life Cycle Assessment (LCA) requirements and obtaining Zero Waste to Landfill (ZWTL) certification. Key Achievements • CES 2023 "Smart City" category innovation award winner • Exceeded 42,860 tons in cumulative waste treatment volume within its first year of launch
PICKLE	PICKLE Technology Overview 1 Disposal of recyclable waste Users input recyclable waste into the input slot located on each floor.  2 Automatic collection system (AWCS) storage Waste is transported through pipes and compressed and stored in a dedicated underground space.  3 AI robot series An AI robot connected to a conveyor sorts waste according to material, properties, and degree of contamination.  4 Commerce platform connection Connect with waste transportation, processing, and recycling companies to turn them into resources  "PICKLE", an apartment recycling waste management solution, is a service that improves processing convenience by connecting the entire process of recycling waste from discharge, collection, pick up to recycling through AI·DT technology. By tackling issues such as aesthetics and hygiene matters stemming from the existing "discharge - collection" process, limitations in waste classification, and low recycling rates arising from the "pick up - transport" we have enhanced the role of apartments as a resource circulation hub. In the future, we plan to enable the solution's application to various buildings, besides apartment complexes, by enhancing its functionality. Key Achievements • Won the CES 2024 Innovation Award in the "Sustainability, Eco-Friendly Design and Smart Energy" category

Energy Business

SK Ecoplant continues to grow into a key player in the global fuel cell market by building a distributed energy platform based on solid oxide fuel cell (SOFC), which have the world's best high-efficiency power generation technology. Most of the hydrogen currently used in SOFC power generation is "gray hydrogen" produced based on fossil fuels, causing a limitation of carbon emissions generated in the production process. To overcome this problem and create an eco-friendly hydrogen ecosystem, SK Ecoplant seeks to produce "green hydrogen" with no carbon emissions by electrolyzing water using electricity generated from renewable energy, such as solar power and wind power. In particular, solid oxide electroly cell (SOEC), which is used in the electrolysis process, has the advantage of high hydrogen production efficiency. SK Ecoplant has set its sights on the commercialization prospects of SOEC early on and successfully completed the SOEC technology demonstration project. Ultimately, SK Ecoplant plans to complete the green hydrogen value chain and lead the way in decarbonizing the energy industry by connecting renewable energy sources, water electrolysis systems, and fuel cell solutions.



Fuel Cells

SK Ecoplant maintains a strategic partnership with Bloom Energy, which boasts the world's most efficient SOFC manufacturing prowess, and actively makes efforts to localize SOFC and distribute it domestically. In addition, we have diligently increased the proportion of domestically produced SOFC core components by cooperating with small and medium-sized domestic companies, centered on "Bloom SK Fuel Cell", a joint venture formed by SK Ecoplant and Bloom Energy. SK Ecoplant continues to lead the "urban distributed power generation" market through SOFC, a power generation source that supplements the problems with a centralized energy system and supplies power stably even in constricted sites near power demand sites. Fuel cells have garnered attention as a preeminent urban distributed power source because of their lower air pollutant emissions than conventional fossil fuels and their capability to generate highly efficient and stable power. In particular, with its capability to generate power regardless of external environments such as weather, it is primarily supplied to facilities that require non-stop power supply, such as hospitals and data centers.

Case

Distributed power solution

In March 2023, SK Ecoplant successfully completed [the supply and installation project of solid oxide fuel cell with a total capacity of 2.7MW to U.S.-based Stamford Hospital together with Bloom Energy](#) [?]. In addition, in September of the same year, [we secured a contract to supply and install fuel cells for the power supply system of a data center being established by GDS, China's largest data center development and operation company, in Singapore](#) [?]. SK Ecoplant will take charge of EPC of the entire fuel cell package, including supplying fuel cells to the GDS data center, with plans to solidify its market stance as a distributed energy provider based on our experience in embedding fuel cell solutions to "essential power supply facilities" such as hospitals and data centers.

Renewable Energy

Solar Solutions

SK Ecoplant is committed to providing renewable energy supply solutions that produce hydrogen based on clean energy. This is used to operate a distributed power generation system using fuel cells. In 2022, we made a strategic investment in Topsun, a domestic solar energy integrated solution company, to secure the optimal renewable energy value chain. We plan to expand our participation in domestic and overseas solar energy projects with Topsun, which has technological prowess across all solar energy fields, including solar energy business development, design and construction, and solar module manufacturing.

Case

[Investment agreement signed for large-scale solar power generation project](#)

The "Team Korea" consortium, comprising policy funds, public enterprises, and private companies including SK Ecoplant, has entered into an investment agreement for a 455MW ultra-large solar power plant project in Concho County, Texas, USA. Upon completion, the power plant will be operational for 35 years, producing and selling approximately 864 GWh of electricity annually. The electricity produced will be sold to global companies, thereby contributing to the achievement of RE100. SK Ecoplant has secured exclusive rights to the solar EPC for this project, with Topsun responsible for supplying the solar modules. SK Ecoplant's objective is to reinforce its position in the global energy market by becoming a principal player in the industry.

Offshore Wind Solutions

Offshore wind is attracting attention as a core solution for securing renewable energy because it is relatively free from geographic constraints than other renewable energy alternatives and is easy to construct on a large scale. To dominate the offshore wind market, SK Ecoplant acquired SK oceanplant, which boasts world-class offshore wind substructure manufacturing prowess, in 2022. Based on the synergy between the SK Ecoplant's existing prowess in developing and constructing offshore wind farm and the SK oceanpalnt's offshore wind substructure manufacturing prowess, SK Ecoplant will directly supply key materials required for offshore wind power generation domestically, and seeks to make full-scale inroads into the global offshore wind market including South Korea, Taiwan, Japan, Vietnam, Australia and the United States

Case

[Contract signed to supply offshore wind power jacket components](#)

SK oceanplant signed a contract with Japan-based NSE to manufacture and supply jacket components¹⁾ for a 220MW wind farm to be installed in the Kitakyushu (Hibikinada) region in 2023. As the first domestic company to supply offshore wind power jacket components to Japan, it is expected to gain a foothold in the Japanese offshore wind power market, which plans to install approximately 45GW of offshore wind power by 2040. Meanwhile, since August 2021, SK oceanplant has received orders from NSE of 56 sets of pin piles for a 112MW offshore wind farm to be installed in the Ishigari region of Hokkaido, Japan, solidifying its reputation by accumulating export performance in the Japanese market.

1) It is a fixed offshore wind substructure that is installed in relatively deep water (30~60m) and serves to affix the generator.

Green Hydrogen Provider

SK Ecoplant actively endeavors to complete a green hydrogen value chain without carbon emissions and to decarbonize the energy industry by connecting renewable energy solutions, such as solar and wind power, with hydrogen solutions, such as SOFC and SOEC. Based on these technologies, we plan to actively respond to growing demand for green hydrogen by seizing global green hydrogen business development opportunities.

Solution Business

SK Ecoplant strives to create new spatial values that are essential to society by combining its accumulated EPC prowess with its environmental and energy solutions.

Zero Energy Building

In South Korea, the scope of mandatory Zero Energy Building (ZEB) certification keeps expanding to implement nationwide carbon neutrality and GHG reduction in the building sector, resulting in greater demand for technology for ZEB certification. SK Ecoplant is integrating our clean energy solutions, such as solar power and fuel cells, and utilizing our eco-friendly design, construction, and operational capabilities to provide new spaces and services that enable self-sufficient energy production within residential, office, and commercial buildings.

Case

[“West Busan SK V1 Knowledge Industry Center” acquired preliminary certification as a Zero Energy Building](#)

"West Busan SK V1 Knowledge Industry Center", currently under construction by SK Ecoplant, has acquired preliminary certification as a Zero Energy Building (ZEB) by implementing fuel cells and solar power generation facilities. This marks the first case in South Korea to acquire ZEB certification for incorporating mid- to large-sized solid oxide fuel cell (SOFC) to a general building. The mid- to large-sized SOFC introduced in this case is a high-efficiency, low-carbon distributed generation energy source that produces electricity by reacting hydrogen extracted from natural gas with oxygen. In particular, it is sought after as the optimal solution to acquire ZEB certification for large buildings because of its high-power generation with a relatively small installation area compared to power generation facilities such as solar power and BIPV (Building-Integrated Photovoltaic System). SK Ecoplant plans to gain a leading position the domestic market in large general building ZEB certification on the heels of this certification instance.

Data Center

With the advent of accelerated digitalization worldwide due to the emergence of generative AI, the construction of large-scale data centers is in full swing. Data centers require a significant amount of power to operate as they need to maintain servers 24/7. Accordingly, companies are setting their sights to building "green data centers" that enhance power efficiency and reduce carbon emissions. In particular, SK Ecoplant plans to focus on the green data center business that utilizes fuel cells, a distributed power source that generates electricity stably with lower carbon emissions. As a result, we plan to dedicate efforts towards building data centers based on eco-friendly solutions, such as modular data centers and eco-friendly urban data centers.

Case

Successfully Completed “Bupyeong Data Center Project Financing (PF)”

SK Ecoplant began construction on the first phase of the "Bupyeong Data Center Joint Development" project to create Korea's largest 120MW commercial data center, and successfully completed project financing (PF). The newly built Bupyeong Data Center is scheduled to be completed and initiate service in 2024, as the first data center in Korea to be equipped with a 330kW solid oxide fuel cell (SOFC) for use as an auxiliary power source.

Hi-Tech EPC

SK Ecoplant has secured abundant construction performance and accumulated technology and prowess in the field by undertaking semiconductor facility construction projects such as the M14, M15, and M16 projects. Based on this, we are carrying out major projects including the semiconductor cluster. In addition, alongside our subsidiary SK ecoengineering, we will devote efforts to building infrastructure for a sustainable future, including production facilities for electric vehicle batteries and lithium-ion battery separators (LiBS), a core material for batteries, as well as hydrogen and eco-friendly plants and distributed power generation systems.

ESG 추진전략

Our Approach to Sustainability

ESG Strategy

ESG Management System

SK Ecoplant is dedicated to ESG management in order to enhance the well-being of all stakeholders. Our vision is to create a "Happy Community Pursuing a Sustainable Future." We integrate ESG management into our innovative environmental, energy, and solution business to solve environmental and social challenges at both domestic and global levels. This generates both Economic Value (EV) and Social Value (SV). Our goal is to eliminate risk in five key areas through our "Driving to Zero" slogan, while also integrating 10 management principles that embody ESG values into our business and operations.

ESG Vision

**Happy Community Pursuing
a Sustainable Future**

ESG Slogan

"Driving to ZERO"

Core Areas



Compliance

ZERO
Compliance
Breach



Human Rights

ZERO
Human Rights
Violation

Safety And
Health

ZERO
Worksite Accidents
ZERO
Human Health Risk



Environment

ZERO
Environmental
Incidents
Circular Economy
Net Zero



Quality

ZERO
Defects

ESG Business Principles

In July 2022, SK Ecoplant announced its ESG Business Principles and Code of Conduct to integrate ESG management internally. SK Ecoplant is strengthening its ESG management foundation through annual compliance pledges from all members. As a global environmental-energy-solution company SK Ecoplant is committed to continually internalizing and pursuing ESG management to enhance our sustainability, ensuring it becomes deeply ingrained in SK Ecoplant's business operations.

[ESG Business Principles and Code of Conduct](#) 

ESG Management Organization



SK Ecoplant's ESG Center operates under the direct authority of the CEO. It is responsible for managing tasks related to ESG such as safety and health, quality, environment, compliance, and social contribution. The center collaborates with various company-wide organizations to fulfill its responsibilities. Additionally, it regularly reports its business plans and performance to the Board of Directors (BOD) or the ESG Committee under the BOD. The Board of Directors and ESG Committee review the corporate ESG management plan and status, make decisions to improve the level of ESG management, and strengthen responsible management at the board level.

Creating Social Values

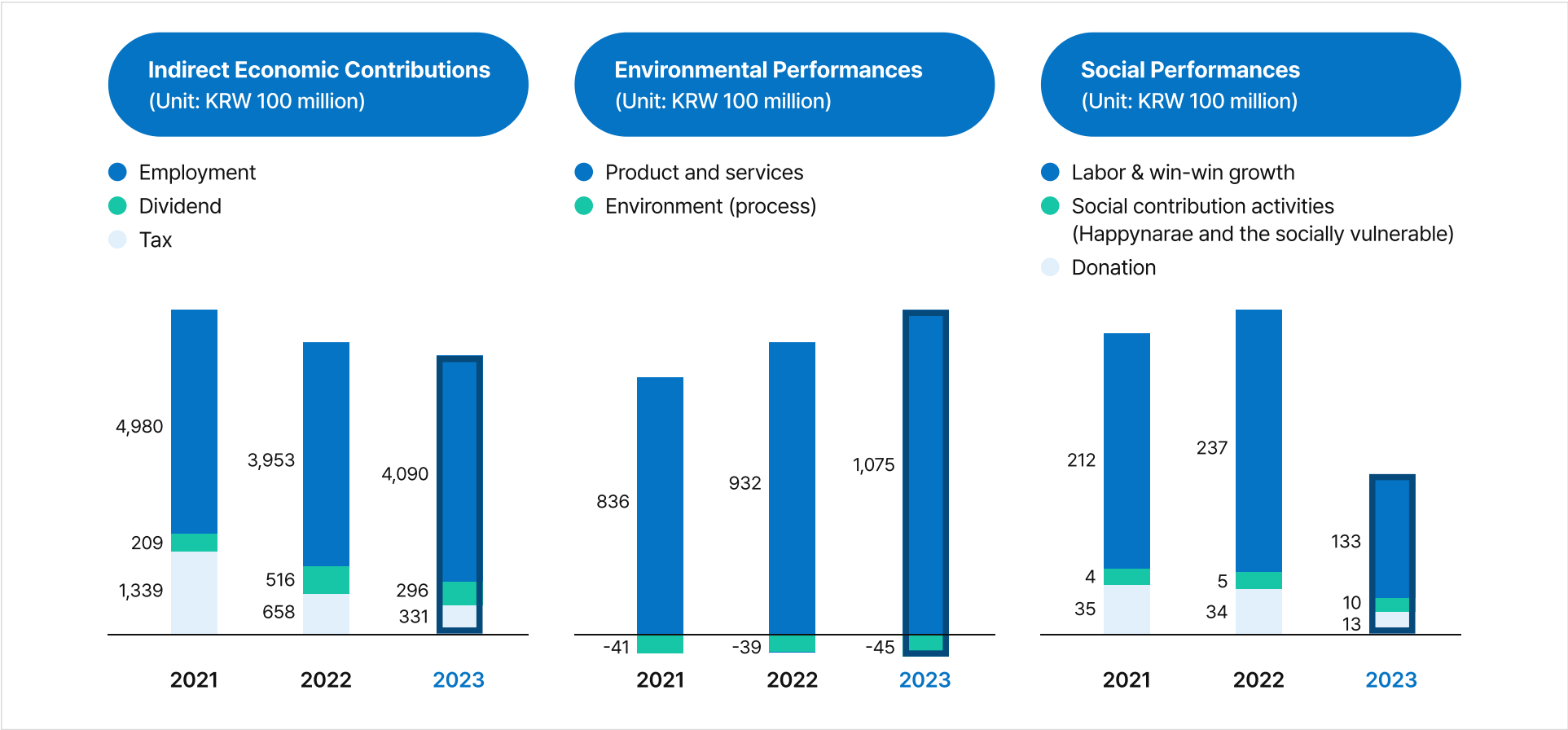
Social Value Creation Performances

SK Ecoplant is dedicated to advancing ESG management based on SK Group's "Double Bottom Line (DBL) Management" principle, which seeks to create both economic and social value. Within this framework, social value is defined as the total value created by SK Ecoplant through addressing and solving social problems. SK Ecoplant measures its social output in comparable currency units and transparently discloses the results in line with the DBL management principle, which is stated as "If it cannot be measured, it cannot be managed." Using quantified social value, SK Ecoplant aims to innovate business models that maximize positive impacts and mitigate negative ones.

The social value is broadly classified into three categories: "indirect economic contributions", "environmental performance", and "social performance". This includes factors such as employment, dividends, taxes, performances from products and services, win-win growth, and social contributions. Specifically, SK Ecoplant focuses on creating environmental and social values in its business model by measuring and managing the social value resulting from its environmental-energy-solution business. Examples of this include greenhouse gas emission reduction through renewable energy and energy saving building projects, as well as waste emission reduction through the supply of "Keco-Bar", a GFRP reinforcing bar that replaces steel bars.

In 2023, SK Ecoplant created a total of KRW 590.3 billion in social value, including environmental performance of KRW 103 billion and social performance of KRW 15.6 billion.

Status of Social Value Creation Performances



Category		Unit	2021	2022	2023
Indirect economic contributions	Employment	KRW 100 million	4,980	3,953	4,090
	Dividend		209	516	296
	Tax		1,339	658 ¹⁾	331
Environmental performances	Products and services	KRW 100 million	836	932	1,075
	Environment (process)		-41	-39	-45
Social performances	Labor and win-win growth	KRW 100 million	212	237	133
	Social contribution activities (Happynarae and the socially vulnerable)		4	5	10
	Donation		35	34	13
Totals		KRW 100 million	7,574	6,296 ¹⁾	5,903

1) The 2022 figures have changed due to a revision in the standard for measuring social value related to tax payments, resulting in changes in performance compared to the previous year. (Not applied in 2021)

Subsidiaries’ ESG Management

Subsidiaries’ ESG Management System

SK Ecoplant is committed to advancing ESG management at subsidiaries by establishing the ESG Council in 2022. The council is divided into ㉠ major subsidiaries and ㉡ small environmental subsidiaries according to its size, revenue proportion and business characteristics. The council inspects the ESG management level and recommends improvements. As of December 2023, a total of 9 companies¹⁾, including SK Ecoplant, have joined the ESG Council, undertaking various initiatives to internalize ESG management.

1) Among the member companies of the ESG Council, some environmental subsidiaries were reorganized and integrated into "Renewone", resulting in a change in the number of member companies compared to 2022.

Organizational Chart of the ESG Council



Management Measures of Subsidiaries by Type

Category	Major subsidiaries	Small environmental subsidiaries
Standard	More than 500 employees, annual revenue of over KRW 80 billion	Other subsidiaries besides "Major subsidiaries"
Management measures	Consulting for improving the ESG management level focusing on response to domestic and overseas relevant requirements, Risk management based on quarterly ESG data	Risk management based on quarterly ESG data

ESG Council Activities and Performances

In February 2023, SK Ecoplant held an ESG executive management committee meeting attended by CEOs of our company and member subsidiaries of the ESG council, and the subcommittees in five areas (compliance, human rights, quality & environmental, safety & health, ESG) under the ESG Council held a meeting to report on annual collaborative initiative plans to improve the ESG level of subsidiaries. To regularly check the ESG management performance of subsidiaries and the risk management profile, the ESG Council monitored the performance of each subsidiary on key ESG indicators and the performance of collaborative activities of each subcommittee and reported the status up to C-Level. In 2023, we achieved a 99% task execution rate of the goal, aligned with 40 improvement tasks by establishing a compliance control standard process for subsidiaries, conducting human rights management workshops, and establishing a physical accident reporting system.

Given the size and business characteristics of each subsidiary, major subsidiaries such as SK oceanplant, SK Tes, and Renewus (formerly Environment Management Corporation) manage all key ESG indicators. Meanwhile, small environmental subsidiaries manage performance based on selected essential indicators. Based on the performance of support activities to improve ESG management of subsidiaries over the past two years, we will continue to advance our ESG management system by expanding management indicators from 2024 ahead of ever-tightening domestic and international ESG regulations. Therefore, we will actively support achieving zero ESG risk by regularly monitoring and supporting the ESG management activities of major subsidiaries and by monitoring the greenhouse gas emissions of small environmental subsidiaries, which are subject to the emission trading system and target management system, on a quarterly basis.

Joining the Global ESG Initiatives

Initiative Participation Policy

As an eco-friendly and energy solution leader (Climate Solution Leader), SK Ecoplant is committed to contributing to sustainable development globally. With these efforts, we actively participate in domestic and global initiatives and partnerships to achieve carbon emissions reduction goals and bring about a circular economy. Accordingly, SK Ecoplant and its subsidiaries always participate in global initiatives closely related to the environment, energy, and solution business, and cooperate with companies boasting innovative technologies that align with our business model. Through such measures, we will leap forward as a company that truly contributes to enhancing climate change response capabilities across industries and solving global environmental and social problems while achieving our goals.

Initiative Participation Performances and Goals

SK Ecoplant has been disclosing its climate change response strategies and performance through CDP (Carbon Disclosure Project) since 2014. We have been recognized for our ability to respond to climate change by obtaining a leadership grade (A-) for the past four years in a row (in 2018, 2021, 2022, and 2023). Additionally, to transparently disclose the profile status of our climate change response by catering to the needs of stakeholders, we have participated in the Korean TCFD Alliance after joining the TCFD Supporters in 2021, and published a separate [TCFD Report](#) for the first time in the domestic industry in 2023. Moreover, SK Tes, a major subsidiary of SK Ecoplant, participated in the CDP in 2023 and was recognized for having a climate change response system by obtaining a Grade B for the first time, which was two levels higher than its previous performance. Besides SK Tes, we plan to actively support the expansion of participation in climate change response initiatives among major subsidiaries.

At the same time, SK Ecoplant continues to intensify internal and external cooperation to ensure the effectiveness of climate change response activities. In 2022, we formed the company-wide Net Zero Transition Council to establish a company-wide carbon emissions reduction plan and monitor its implementation. In February 2023, as the first in the industry, we obtained SBTi approval for a reduction goal tailored to the 1.5°C scenario. Based on this goal, the status and performance of various reduction activities are monitored and managed. As part of our reduction efforts, we are participating in K-EV100 with the goal of transitioning to 100% electric and hydrogen vehicles by 2030. In accordance with the Ministry of Environment's guidelines, we have set targets of 30.6% by 2025 and 71% by 2028, and we are continuously working to expand the adoption of these vehicles.

Furthermore, as a leader in eco-friendly and energy solutions, SK Ecoplant strives to advance its leadership in the industry by participating in various initiatives related to its business. In January 2023, we attended the Ministry of Environment's briefing session as a leading domestic environmental company, and highlighted the need for government support in future industries such as environment and energy. In April, we assumed the chairmanship of the Korea Wind Energy Industry Association and the Korea Environmental Industry Association. Moving forward, we will continue to establish close cooperation systems with various stakeholders to lead the direction of the overall environment and energy industries and consistently seek ways to strengthen our leadership within the industry.



Communication with Stakeholders

SK Ecoplant classifies major stakeholders into shareholders, investors, employees, customers, Biz. Partners, and the local community according to SKMS (SK Management System), the management system of SK Group, and strives to maximize the happiness of all stakeholders. In addition, we have established a system to identify and incorporate the diverse needs of stakeholders pertaining to our business and operations by operating the right stakeholder-specific communication channels and setting the scope of communication to overall ESG management, including climate change response, safety and health, and ethical management. In particular, starting from 2023, we have produced a sustainability report in the form of an independent webpage to broaden stakeholders' accessibility to information about SK Ecoplant's various ESG management activities and its goals and performance.

Communication Channel Operation Status and Plan by Stakeholder

Stakeholder	Communication channel		Goal and strategy	
			Short-term	Long-term
Shareholder and investor	Meeting with analysts and investors	- Effectively expose SK Ecoplant's Financial Story - Establish awareness as a leading ESG company and secure future ESG investment needs	- Conduct company-related communication geared to analysts - Conduct domestic and international IR geared to potential investors	- Support the publication of analyst reports - Stage IR events by core business
	General meeting of shareholders	Strengthen shareholder rights and interests by improving company-shareholder communication methods and content	Provide information on the company's management status through the shareholders' meeting	Improve to a shareholder-friendly event

Stakeholder	Communication channel		Goal and strategy	
			Short-term	Long-term
Employee	Intranet	• Increase understanding by timely conveying major company-wide trends and business information	• Regularly publish content to enhance business understanding and activate communication	• Develop content diffusion strategies based on analysis of channel usage experience and improve channels
	CEO Lounge on the intranet	• Increase employees' understanding of management activities and enhance trust level through communication with the CEO	• Promptly communicate CEO Message • Share CEO management activities and management philosophy	• Expand communication channels between CEO and employees
	Culture Survey (Happiness Survey)	• Identify the needs of employees to improve corporate culture	• Improve systems and organizations based on employees' VoC	• Establish and implement innovation plans for work styles and culture
	Management Development Council	• Promote company development through mutual understanding and cooperation between the management and employees	• Actively convey and reflect employees' opinions on systems and corporate culture through regular operation of consensus meetings	• Reinforce council representation through employee-centered council operation and continuously expanding participation and communication
Customer	SKEP Website	• Communicate ESG management strategies and values and performance of environmental-energy business portfolio	• Provide corporate information with optimized contents as an official channel for delivering visions, goals, business directions etc.	• Strengthen communication for continuous growth of corporate and brand value and enhancement of reputation as a global environmental company
	News Room	• Provide differentiated business-related information to external stakeholders, such as the medias, investors, and industry insiders with specialized ESG management and environment-energy platform	• Produce and provide specialized information and knowledge content related to ESG management and environment-energy • Provide additional information and content for corporate PR and press releases	• Expand value as a global environmental company by prioritizing the role of a specialized content platform for ESG management and environment-energy
Biz. Partner	Eco Partners	• Promote intimacy and mutual understanding through regular general meetings, visits to Biz. Partners' factories, green meetings, discussions and Shared Growth Day	• Improve regular event methods and expand targets	• Prioritize role as a communication channel for the council • Develop customized programs for Biz. Partners' needs
	Eco ESG Bridge (quarterly letter)	• Create consensus on ESG activities by sharing ESG concepts, trends, and best practices with Biz. Partners	• Promote newsletters for Biz. Partners • Provide information on win-win growth programs	• Improve the quantity and quality of contents
Local community	Social contribution	• Increase positive influence for future generations and local communities	• Launch various social contribution activities for local communities, such as environmental cleanups and improving residential environment	• Establish a mid- to long-term roadmap for social contribution and operational process and manage performance

Materiality Assessment Process and Results

SK Ecoplant conducts a materiality assessment every year to identify material issues related to sustainability management and include them in establishing ESG strategies and decision-making processes. In 2024, a double materiality assessment was conducted based on the materiality assessment implementation guidance defined by the European Financial Reporting Advisory Group (EFRAG). Among these, a materiality assessment involves a process of deriving priority topics by analyzing the impact, risks and opportunities aspects of a company's sustainability management issues, and consists of evaluating both impact materiality and financial materiality. The impact materiality assessment undergoes a process of analyzing the actual and potential impact of corporate activities on the people and environment throughout the value chain, while the financial materiality assessment corresponds to analyzing the impact of risks and opportunities stemming from sustainability management issues on the company's value creation, cash flow, and access to capital.

Step 1. Understanding the Context of Sustainability

SK Ecoplant considered business activities and stakeholders throughout the value chain in the process of identifying potential impact factors and context that may originate from corporate activities. To this end, we have redefined the value chain including the upstream and downstream for each business area of environment, energy, and solutions, and analyzed media exposure issues, disclosure topics of similar companies, and global sustainability management disclosure standards to understand material sustainability management issues and context in the industry. We also underwent the process of identifying stakeholders affected by each business activity.



Step 2. Identify Actual and Potential Impact Factors

After identifying the impact materiality factors and affected stakeholders resulting from business activities, we compiled a list of a total of 25 sustainability management topics, and then identified and analyzed the actual and potential impact of each topic in terms of impacts, risks and opportunities.

Analysis of Sustainability Management Impact Factors

Object of analysis	Details
Global disclosure standards and ESG external evaluation	Considered short-, mid-, and long-term potential impact factors according to the industrial context outlined in global disclosure standards and ESG evaluation requirements - GRI (Global Reporting Initiative) Standards - SASB (Sustainability Accounting Standards Board) Standards - Industry-specific indicators of MSCI ESG Ratings - KCGS (Korea Institute of Corporate Governance and Sustainability) Codes of Best Practices
Media press release	Reviewed the positive and negative impact of each issue covered in media press releases, actual impact level, and understanding of related stakeholders - Period: 2023.01.01. - 2023.12.31. - Media: 150 media companies, including major daily newspapers - Analysis of a total of 447 news articles
Sustainability management reporting issues of peer companies	Benchmarked how peer companies prioritize and report on each issue, as well as their current management of actual and potential impacts - Target: 10 domestic and foreign environment, energy, and construction companies - Reference materials: Sustainability Report, Integrated Report, Annual Report
SK Ecoplant internal management issues	Considered strategic connectivity by reviewing issues that were, or currently are being, materially managed by SK Ecoplant - Review issue list and material topics from last year's materiality assessment - Review internal management and organizational KPIs - Collect opinions on risk levels for each sustainability management issue from strategy, planning, and ESG organizations

Step 3. Impact·Financial Materiality Assessment

Among the 25 sustainability management topics derived, both impact and financial materiality assessments were conducted to identify the most critical issues and risk and opportunity factors to SK Ecoplant.

Impact Materiality Assessment

To assess the impact materiality, we considered the severity of impact and its likelihood of occurrence for each sustainability management topic. The severity of impact was determined by examining the measurable scale, scope, and remediability when the negative impacts related to each topic occur. In addition, to derive the likelihood of occurrence, we considered the frequency of exposure for the topic in the sustainability management reporting issues of peer companies. Ultimately, the materiality of each topic was prioritized by comprehensively considering both the severity of impact and its likelihood of occurrence.

Financial Materiality Assessment

To assess financial materiality, we identified risks and opportunities stemming from each sustainability management topic and analyzed the level of potential financial impact accordingly. To this end, we then analyzed the current risk management level and the expected financial impact level at a future point in time. Firstly, to identify the factors that are currently being managed as material financial performance, we analyzed performance indicators related to sustainability management topics applied to KPIs for each organization company-wide, and reviewed pertinent matters among the agenda and resolutions of the Board of Directors. In addition, we reviewed the priorities for managing sustainability management risks and opportunities by collecting opinions from related departments for each topic. Meanwhile, to delve into future short-, medium-, and long-term financial impacts, we considered the information disclosure requirements of SASB, the investor perspective reporting framework, and the evaluation indicators of ESG rating agencies linked to domestic and foreign investment indices, such as MSCI and Korea Institute of Corporate Governance and Sustainability.

Step 4. Materiality Assessment Results

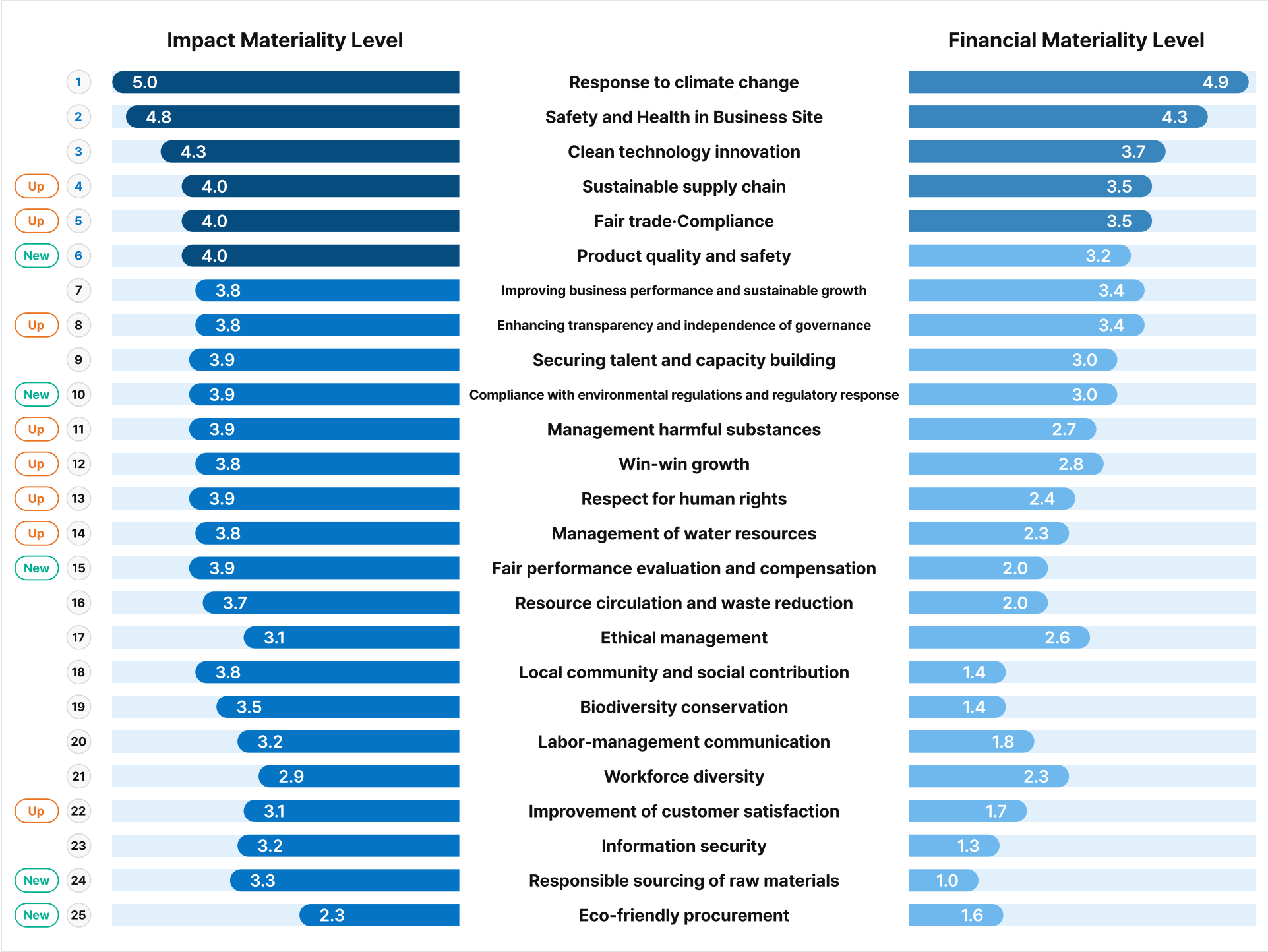
As a result of analyzing the impact and financial materiality aspects, a total of six topics were identified as having high materiality in environmental, social, or financial aspects. In particular, the three material topics of 1) Response to Climate Change, 2) Safety and Health in Business Site, and 3) Clean Technology Innovation, were identified to be highly rated in both impact and financial materiality, while 4) Sustainable Supply Chain and 5) Fair Trade and Compliance were identified to exceed the critical threshold in terms of impact and financial materiality, with 6) Product Quality and Safety exceeding the critical threshold in terms of impact materiality.

SK Ecoplant briefs the Board of Directors on the materiality assessment results every year¹⁾ and uses them in management decision-making. In addition, we disclose the management approach, goals and performance for the six topics of impact materiality and the five topics of financial materiality that exceeded the critical threshold, and disclose detailed information on each topic throughout this report.

1) The ESG Committee was briefed on the materiality assessment results on November 29, 2023.

* Agenda name: Main contents of ESG information disclosure in 2023 (Net Zero progress status, materiality assessment results)

Materiality Assessment Results by Topic¹⁾



1) The critical threshold for impact materiality was set at 4.0 or higher and for financial materiality at 3.5 or higher.

Impact Materiality Topic Analysis Results^{1), 2)}

No.	Topic	Impact Materiality				GRI Linkage
		Area of impact occurrence in value chain	Major stakeholders	Impact category		
				Positive	Negative	
①	Response to Climate Change	Products-services, operating business sites, supply chain	Shareholders-investors, customers, Biz. Partner, local communities			GRI 302 GRI 305
②	Safety and Health in Business Site	Operating business sites, supply chain	Employees, Biz. partner			GRI 403
③	Clean Technology Innovation	Products-services, supply chain	Shareholders, customers, Biz. Partner			-
④	Sustainable Supply Chain	Supply chain	Biz. Partner			GRI 308 GRI 414
⑤	Fair Trade-Compliance	Operating business sites, supply chain	Employees, Biz. Partner, customers			GRI 205 GRI 206
⑥	Product Quality and Safety	Products-services, supply chain	Customers			GRI 416

1) ①, ②, ③, ④, ⑤: Topics of impact materiality, topics of financial materiality / ⑥: Topics of impact materiality

2) : High, : Medium, : Low

Financial Materiality Topic Analysis Results^{1), 2)}

No.	Topic	Financial Materiality						GRI Linkage
		Financial impact area	Impact period			Impact category		
			Short-term	Mid-term	Long-term	Risk	Opportunity	
①	Response to Climate Change	- Cost - Revenue - Risk						GRI 302 GRI 305
②	Safety and Health in Business Site	- Cost - Risk						GRI 403
③	Clean Technology Innovation	- Cost - Revenue - Risk						-
④	Sustainable Supply Chain	- Cost - Risk						GRI 308 GRI 414
⑤	Fair Trade-Compliance	Risk						GRI 205 GRI 206

1) ①, ②, ③, ④, ⑤: Topics of impact materiality, topics of financial materiality

2) : High, : Medium, : Low

Response Status and Goals by Materiality Topic

Impact Material Topic

SK Ecoplant has identified the topics of impact materiality by considering the impact on the people and environment throughout the value chain of business activities. As a result, the materiality of the impact of six topics, including "Response to Climate Change", "Safety and Health in Business Site", "Clean Technology Innovation", "Sustainable Supply Chain", "Fair Trade and Compliance", and "Product Quality and Safety", were assessed to exceed the critical threshold. In managing these topics of materiality, SK Ecoplant identifies actual and potential impacts, establishes and implements policies, strategies, and goals to manage them.

Impact Material Topic ①- Response to Climate Change

Business Context and Material Impact	As consensus on the urgency of response to climate change is forming worldwide, various stakeholders, including governments, civic groups, and financial institutions, are pressing companies to reduce greenhouse gases and take proactive climate action. SK Ecoplant recognizes response to climate change as a core business strategy and an agenda that must be accomplished together with the international community. In addition to transitioning its business portfolio, SK Ecoplant is making efforts to monitor the status of emissions throughout the entire life cycle of the environment, energy, and solution businesses operated by the company and its main subsidiaries, and to establish and implement effective response strategies. Through its environmental business, it takes the lead in responding to climate change by providing energy solutions across the green hydrogen value chain, from renewable energy generation to water electrolysis system and fuel cells, while building a resource circulation system including waste recycling, waste-to-resource, and waste-to-energy. ▶ Areas of influence within the value chain: Products-services, operating business sites, supply chain ▶ Major stakeholders: Shareholders-investors, customers, Biz. Partner, local communities				
Strategy and Performance	SK Ecoplant has set response to climate change through environment, energy, and solution businesses as its core business strategy and makes efforts to reduce carbon throughout the value chain. <table><tr><th>Main Strategy</th><th>2023 Key Performance</th></tr><tr><td> - Operating the "Net Zero Transition Council" to pursue companywide carbon reduction - Establishing own RE100 goal for 2040 - Including implementation of GHG reduction goals, etc. in the KPIs of the CEO and business unit sub-organizations </td><td> - Passed SBTi GHG reduction target validation for first time in the domestic industry - Strengthened the disclosure of climate-related financial information by publishing a separate TCFD report </td></tr></table> ▶ Go to specific report contents: GHG Emission Reduction Roadmap and Strategy	Main Strategy	2023 Key Performance	- Operating the "Net Zero Transition Council" to pursue companywide carbon reduction - Establishing own RE100 goal for 2040 - Including implementation of GHG reduction goals, etc. in the KPIs of the CEO and business unit sub-organizations	- Passed SBTi GHG reduction target validation for first time in the domestic industry - Strengthened the disclosure of climate-related financial information by publishing a separate TCFD report
Main Strategy	2023 Key Performance				
- Operating the "Net Zero Transition Council" to pursue companywide carbon reduction - Establishing own RE100 goal for 2040 - Including implementation of GHG reduction goals, etc. in the KPIs of the CEO and business unit sub-organizations	- Passed SBTi GHG reduction target validation for first time in the domestic industry - Strengthened the disclosure of climate-related financial information by publishing a separate TCFD report				

Impact Material Topic ② - Safety and Health in Business Site

Business Context and Material Impact	Special management of safety and health risks is required depending on the characteristics of SK Ecoplant’s environment, energy, and solution businesses and its subsidiaries. In South Korea, as legal requirements, including the Severe Accident Punishment Act, are strengthened, companies' safety and health management responsibilities are becoming clearer, and the level of related awareness among stakeholders is also increasing. Protecting the health and safety of workers is a major responsibility of corporates, and safety and health incidents will reduce customer trust and lead to a long-term decline in brand value. ▶ Area of impact occurrence in value chain: Operating business sites, supply chain ▶ Major stakeholders: Employees, Biz. Partner					
Strategy and Performance	SK Ecoplant has established a goal of "Zero serious accidents" and continues to identify risk factors and take prompt action through the safety and health risk management process. <table><tr><th>Main Strategy</th><th>2023 Key Performance</th></tr><tr><td> - Establishing a "Zero serious accidents" goal - Including execution of the zero serious accident-driven goal in the KPIs of the management including the Chief Safety Officer (CSO) - Implementing Biz. partner’s safety capacity evaluation and support activities </td><td> - Acquired Safety and Health Management System (ISO45001 and KOSHA-MS) certification for all business sites - Safety and health management platform "Ansim" won Innovation Award in the Digital Health sector at CES 2024 - Completed 100% of required improvements as a result of Safety and Health Law compliance inspection </td></tr></table> ▶ Go to specific report contents: Serious Accident Management Goals and Prevention Activities 		Main Strategy	2023 Key Performance	- Establishing a "Zero serious accidents" goal - Including execution of the zero serious accident-driven goal in the KPIs of the management including the Chief Safety Officer (CSO) - Implementing Biz. partner’s safety capacity evaluation and support activities	- Acquired Safety and Health Management System (ISO45001 and KOSHA-MS) certification for all business sites - Safety and health management platform "Ansim" won Innovation Award in the Digital Health sector at CES 2024 - Completed 100% of required improvements as a result of Safety and Health Law compliance inspection
Main Strategy	2023 Key Performance					
- Establishing a "Zero serious accidents" goal - Including execution of the zero serious accident-driven goal in the KPIs of the management including the Chief Safety Officer (CSO) - Implementing Biz. partner’s safety capacity evaluation and support activities	- Acquired Safety and Health Management System (ISO45001 and KOSHA-MS) certification for all business sites - Safety and health management platform "Ansim" won Innovation Award in the Digital Health sector at CES 2024 - Completed 100% of required improvements as a result of Safety and Health Law compliance inspection					

Impact Material Topic ③ - Clean Technology Innovation

Business Context and Material Impact	The importance of clean technology has increasingly gained traction to reduce GHGs and build a circular economy worldwide. SK Ecoplant seeks to contribute by supporting development and rollout of innovative clean technologies in each business area of environment, energy, and solutions. SK Ecoplant's efforts to accelerate the energy transition based on clean technology and to dramatically increase the waste recycling and waste-to-resource rate not only increase the competitiveness of existing businesses, but also lead to opportunities to enter new markets. Ultimately, these changes contribute to providing high-value solutions to the market and innovative products and services to our customers. ▶ Area of impact occurrence in value chain: Products-services, supply chain ▶ Major stakeholders: Shareholders, investors, customers, Biz. Partner				
Strategy and Performance	SK Ecoplant continues to promote technology development and investment in the environment, energy, and solution business sectors to capture the future market for eco-friendly businesses. To this end, it aims to maximize economic and social value by strengthening the technology development cooperation system and pursuing technological independence and localization. <table border="1" data-bbox="441 718 1921 1175"> <thead> <tr> <th>Main Strategy</th><th>2023 Key Performance</th></tr> </thead> <tbody> <tr> <td> - Setting an investment expansion goal for environment, energy, and solution businesses - Attaining core technologies for improving business site operating efficiency and recycling through AI and DT-based solutions - Attaining core technologies for green hydrogen value chain based on fuel cell (SOFC), renewable energy, and water electrolysis (SOEC) - Reducing carbon emissions in the life cycle of buildings </td><td> - Cumulative investment scale for environment, energy, and solution businesses in 2023 achieved KRW 4.1 trillion - Waste and resource circulation management platform (WAYBLE circular) operation and additional service launch - Offshore wind power floating body model "K-floater" acquired basic design certification from Maritime Vessel Register of Norway (DNV) - Applied Bloom Energy fuel cell pilot in buildings and acquired Zero Energy Building (ZEB) preliminary certification </td></tr> </tbody> </table> ▶ Go to specific report contents: Sales and Investments related to Clean Technology 	Main Strategy	2023 Key Performance	- Setting an investment expansion goal for environment, energy, and solution businesses - Attaining core technologies for improving business site operating efficiency and recycling through AI and DT-based solutions - Attaining core technologies for green hydrogen value chain based on fuel cell (SOFC), renewable energy, and water electrolysis (SOEC) - Reducing carbon emissions in the life cycle of buildings	- Cumulative investment scale for environment, energy, and solution businesses in 2023 achieved KRW 4.1 trillion - Waste and resource circulation management platform (WAYBLE circular) operation and additional service launch - Offshore wind power floating body model "K-floater" acquired basic design certification from Maritime Vessel Register of Norway (DNV) - Applied Bloom Energy fuel cell pilot in buildings and acquired Zero Energy Building (ZEB) preliminary certification
Main Strategy	2023 Key Performance				
- Setting an investment expansion goal for environment, energy, and solution businesses - Attaining core technologies for improving business site operating efficiency and recycling through AI and DT-based solutions - Attaining core technologies for green hydrogen value chain based on fuel cell (SOFC), renewable energy, and water electrolysis (SOEC) - Reducing carbon emissions in the life cycle of buildings	- Cumulative investment scale for environment, energy, and solution businesses in 2023 achieved KRW 4.1 trillion - Waste and resource circulation management platform (WAYBLE circular) operation and additional service launch - Offshore wind power floating body model "K-floater" acquired basic design certification from Maritime Vessel Register of Norway (DNV) - Applied Bloom Energy fuel cell pilot in buildings and acquired Zero Energy Building (ZEB) preliminary certification				

Impact Material Topic ④ - Sustainable Supply Chain

Business Context and Material Impact	As supply chain due diligence has recently been legislated in many countries, including the EU, establishing and implementing a supply chain ESG management system has become an essential task for companies. Companies must determine whether business activities throughout the supply chain prevent environmental and social risks, identify potential risk factors, establish processes to mitigate them, and disclose these processes transparently. The various businesses of SK Ecoplant and its major subsidiaries are linked to an extensive supply chain across multiple regions, and as sustainable supply chain management becomes regulated, it is essential for business operations to meet global requirements throughout the supply chain. ▶ Area of impact occurrence in value chain: Supply chain ▶ Major stakeholders: Biz. Partner				
Strategy and Performance	SK Ecoplant defines sustainability management issues that Biz. Partners must comply with, such as environmental management, human rights, safety and health, and ethical management, through its Biz. Partner's code of conduct, and conducts ESG evaluations focusing on key and new Biz. Partners every year to mitigate supply chain ESG risks. We also provide an ESG Value-Up program to Biz. Partners to help them voluntarily improve their ESG management level and mitigate risks. <table border="1" data-bbox="441 2000 1921 2335"> <thead> <tr> <th>Main Strategy</th><th>2023 Performance</th></tr> </thead> <tbody> <tr> <td> - Establishing goals to expand Biz. Partner ESG evaluation targets - Incentive payment and improvement status management according to evaluation grade - Providing incentives to Biz. Partners manufacturing and selling eco-friendly products </td><td> - Conducted partner ESG evaluations for 200 companies (62% of key partners) in 2023 100% implemented improvement measures for 30 Biz. Partners subject to intensive management - Purchase amount of eco-friendly products in 2023: KRW 211.4 billion </td></tr> </tbody> </table> ▶ Go to the specific report contents: Supply Chain ESG Evaluation 	Main Strategy	2023 Performance	- Establishing goals to expand Biz. Partner ESG evaluation targets - Incentive payment and improvement status management according to evaluation grade - Providing incentives to Biz. Partners manufacturing and selling eco-friendly products	- Conducted partner ESG evaluations for 200 companies (62% of key partners) in 2023 100% implemented improvement measures for 30 Biz. Partners subject to intensive management - Purchase amount of eco-friendly products in 2023: KRW 211.4 billion
Main Strategy	2023 Performance				
- Establishing goals to expand Biz. Partner ESG evaluation targets - Incentive payment and improvement status management according to evaluation grade - Providing incentives to Biz. Partners manufacturing and selling eco-friendly products	- Conducted partner ESG evaluations for 200 companies (62% of key partners) in 2023 100% implemented improvement measures for 30 Biz. Partners subject to intensive management - Purchase amount of eco-friendly products in 2023: KRW 211.4 billion				

Impact Material Topic ⑤ - Fair Trade and Compliance

Business Context and Material Impact	Fair trade and compliance are important principles that maintain a sound business environment by ensuring level playing field in all transactions based on transparency and trust. The Fair Trade Commission emphasizes the importance of establishing and operating a company's internal control system through Compliance Program (CP). A company's fair trade practice plays a key role in establishing fair competition order in the market and preventing customer damage due to unfair trade conditions. Also, establishing fair subcontracting order protects the interests of Biz. Partners and enhances the competitiveness of the supply chain. ▶ Area of impact occurrence in value chain: operating business sites, supply chain ▶ Major stakeholders: employees, Biz. Partner, customers				
Strategy and Performance	For systematic CP operation, SK Ecoplant has established regulations and rules for operating CP as company regulations and undertakes self-initiated compliance activities based on these. <table border="1" data-bbox="441 641 1919 1050"> <thead> <tr> <th data-bbox="441 641 1180 697">Main Strategy</th><th data-bbox="1180 641 1919 697">2023 Key Performance</th></tr> </thead> <tbody> <tr> <td data-bbox="441 697 1180 1050"> - Operating Compliance Program - Undertaking fair trade risk assessment and risk control activities - Undertaking fair trade risk assessment and risk control activities </td><td data-bbox="1180 697 1919 1050"> - Acquired the highest rating (AAA) in the CP evaluation hosted by the Fair Trade Commission - Mitigated risk levels as a result of risk assessment and improvement measures (Subcontracting Act Stage 4 → Stage 3, Act on Fair Labeling and Advertising Stage 4 → Stage 3) - Expanded fair trade training to employees of SK Ecoplant and all subsidiaries </td></tr> </tbody> </table> ▶ Go to specific report contents: Compliance Management System 	Main Strategy	2023 Key Performance	- Operating Compliance Program - Undertaking fair trade risk assessment and risk control activities - Undertaking fair trade risk assessment and risk control activities	- Acquired the highest rating (AAA) in the CP evaluation hosted by the Fair Trade Commission - Mitigated risk levels as a result of risk assessment and improvement measures (Subcontracting Act Stage 4 → Stage 3, Act on Fair Labeling and Advertising Stage 4 → Stage 3) - Expanded fair trade training to employees of SK Ecoplant and all subsidiaries
Main Strategy	2023 Key Performance				
- Operating Compliance Program - Undertaking fair trade risk assessment and risk control activities - Undertaking fair trade risk assessment and risk control activities	- Acquired the highest rating (AAA) in the CP evaluation hosted by the Fair Trade Commission - Mitigated risk levels as a result of risk assessment and improvement measures (Subcontracting Act Stage 4 → Stage 3, Act on Fair Labeling and Advertising Stage 4 → Stage 3) - Expanded fair trade training to employees of SK Ecoplant and all subsidiaries				

Impact Material Topic ⑥ - Product Quality and Safety

Business Context and Material Impact	Customer standards for product quality and safety continue to rise. For sustainable business, companies must proactively manage quality risks to secure the competitiveness of products and services and to build customer satisfaction and trust from the perspective of customer-centered value creation. Excellent product quality and safety increase brand value and improve customer loyalty, while product-related accidents and grievances impedes corporate competitiveness by causing legal disputes. ▶ Area of impact occurrence in value chain: Products-services, supply chain ▶ Major stakeholders: Customers				
Strategy and Performance	SK Ecoplant establishes goals for each quality management field and manages performance to continuously advance its quality management system. <table border="1" data-bbox="441 1709 1919 2047"> <thead> <tr> <th data-bbox="441 1709 1180 1765">Main Strategy</th><th data-bbox="1180 1709 1919 1765">2023 Key Performance</th></tr> </thead> <tbody> <tr> <td data-bbox="441 1765 1180 2047"> - Establishing the goal of "zero large-scale physical accidents" - Embracing regular, special, and joint quality inspection and recurrence prevention processes - Incentives granted when bidding on Biz. Partners with excellent quality control </td><td data-bbox="1180 1765 1919 2047"> - Established "Customer Protection Charter" in the first half of 2023 - Established 39 types of self-inspection packages to prevent recurrence - No legal violations related to product and service safety </td></tr> </tbody> </table> ▶ Go to specific report contents: Quality Management System and Performances 	Main Strategy	2023 Key Performance	- Establishing the goal of "zero large-scale physical accidents" - Embracing regular, special, and joint quality inspection and recurrence prevention processes - Incentives granted when bidding on Biz. Partners with excellent quality control	- Established "Customer Protection Charter" in the first half of 2023 - Established 39 types of self-inspection packages to prevent recurrence - No legal violations related to product and service safety
Main Strategy	2023 Key Performance				
- Establishing the goal of "zero large-scale physical accidents" - Embracing regular, special, and joint quality inspection and recurrence prevention processes - Incentives granted when bidding on Biz. Partners with excellent quality control	- Established "Customer Protection Charter" in the first half of 2023 - Established 39 types of self-inspection packages to prevent recurrence - No legal violations related to product and service safety				

Financial Material Topic

SK Ecoplant has identified material topics with financial materiality impact such as corporate value creation, cash flow, and access to capital, in terms of risks and opportunities. As a result, five topics – "Response to Climate Change", "Safety and Health in Business Site", "Clean Technology Innovation", "Sustainable Supply Chain", and "Fair Trade and Compliance" – were identified to exceed the critical threshold in terms of financial materiality. SK Ecoplant's response status and performance on the relevant topics of financial materiality are reported as follows according to the key elements – governance, strategy, risk management, Metrics and targets – of the Korean Sustainability Standards Board (KSSB) exposure draft. In the future, we plan to reflect them in SK Ecoplant's management strategy by calculating the quantitative financial impact and establishing a response strategy.

Financial Material Topic ① - Response to Climate Change

[▶ Go to report contents](#)

Governance	It is composed of the Board of Directors in charge of climate change-related decision-making, the management that manages risks and opportunities, the ESG Council in charge of promoting ESG management of subsidiaries, and the Net Zero Module (formerly Net Zero Transition Council) under the ESG Regulatory Response Council and ESG working organization in which relevant departments company-wide participate. The Net Zero Module discusses practical measures for reducing GHGs centered on business and operations and briefs the C-Level on major agenda items.
Strategy	It derives short-, medium-, and long-term risks and opportunities by considering global carbon policies and regulations, stakeholder requirements, R&C, and business models. The scale of the financial impact of risk and opportunity factors is calculated through scenario analysis, and the specific response strategies for each identified risk and opportunity are reported in the TCFD report. Risk Increased operating costs due to stricter regulations on the Korean emission trading system and rising carbon credit prices, and the need to meet energy self-sufficiency standards due to mandatory Zero Energy Building certification system Opportunity Greater demand for green hydrogen and ammonia at the national level, greater demand for recycling of waste electric vehicle (EV) batteries, and increased size of the national offshore wind power market
Risk Management	SK Ecoplant reviews and manages climate change-related risks during the investment due diligence and deliberation stages with the CFO, who oversees the Investment Review Committee, and the ESG Center, which is tasked with responding to climate change. Concurrently, due to the nature of the business which exposes work sites to the external environment, in preparing for and minimizing risks from abnormal weather patterns due to climate change, it provides damage prevention measures and an accident reporting system company-wide when abnormal weather patterns are predicted. Also, Scope 3 reduction targets were set in terms of supply chain climate risk management, and the supply chain's climate change response capabilities are managed and supervised.
Metrics and Targets	• Establish short-, mid-, and long-term reduction goals and obtain SBTi validation • Transition 100% of power usage at business sites to renewable energy by 2040 • Include annual GHG reduction goals in the CEO KPIs

Financial Material Topic ② - Workplace Safety and Health

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Governance	The Chief Safety Officer (CSO) is in charge of safety and health management and makes independent decisions in areas such as establishing a safety and health management system, operating organizations and personnel. Each Safety and Health Division strives to improve safety and health indicators and updates the Board of Directors on operational performance and plans annually, while the Board of Directors monitors safety issues through the "Safety Advisory Group" under the ESG Committee.
Strategy	SK Ecoplant continuously improves its safety and health risk management process to identify potential risk factors and establish countermeasures in business sites to prevent serious accidents. In addition, it undertakes support and audit activities for the safety and health management system to be systematically operated on site, and in particular, it strives to achieve zero accidents at all business sites by operating an on-site support system based on the risk level of each site. Concurrently, to improve the safety behavior of all workers and improve work efficiency, it has developed the safety and health management system (serious for safety, "Ansim") as a mobile app and web version and is currently operating it at all business sites. In addition, safety capacity evaluations are conducted from Biz Partner's new registration phase to the bidding, performance, and renewal phases to jointly improve safety and health management level of our Biz. Partners. Risk Strengthened safety and health regulations such as the Serious Accidents Punishment Act
Risk Management	SK Ecoplant conducts "Inspection of Safety and Health Law Implementation" once every six months under the CSO management system. Based on the improvement needs identified through this, it prepares a compliance inspection checklist and guidelines to support field employees to comply with the relevant laws and regulations. For violations of laws and regulations, it identifies the root cause and improves work procedures and systems to prevent similar violations from recurring. In addition, risk assessments are conducted with worker participation at least once a month for all projects to identify hazardous and dangerous factors at the business site, and measures are taken to minimize safety risks by mitigating negative impacts or eliminating the relevant risk factors for items assessed as highly hazardous.
Metrics and Targets	• Establish zero serious accidents goal • Establish short-, mid-, and long-term goals for key indicators, such as the lost time incident rate (LTIR), fatality rate, number of serious accidents, and number of deaths • Include safety and health evaluation items in the management KPIs including the CSO

Financial Material Topic ③ - Clean Technology Innovation

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Governance	In 2023, the Eco Lab Center¹⁾, an eco-friendly R&D platform directly under the CEO, conducted R&D to grow SK Ecoplant into a leader in eco-friendly and energy solutions. Also, as the command center for eco-friendly R&D, the Eco Lab Center connects technology development tasks being undertaken by each business unit with external stakeholders and internal related organizations. 1) In 2024, it was integrated into the Environmental Business Unit to strengthen environmental business prowess, with the functions of the eco-friendly R&D Center being performed by the organizations in charge of environmental solutions, battery solutions, and platform businesses.
Strategy	SK Ecoplant has set securing and developing clean technologies as its core growth strategy. This seeks to secure future growth capabilities during the business portfolio transition process and improve the operational efficiency of existing assets. To this end, it continues to invest in companies with innovative technologies in the environment, energy, and solutions areas, and in the short term, it has pursued the development of low-carbon, zero-discharge recycling technologies, AI-based automatic incinerator operation, etc., with the aim of commercializing each technology starting in 2026. Going forward, SK Ecoplant plans to maximize both economic and social value by focusing on building environmental infrastructure that incorporates digital solutions and attaining and localizing clean energy production technologies. Opportunity Greater demand for technologies to respond to global climate and waste regulations
Risk Management	To enhance our ESG portfolio by attaining clean technologies and solutions in the environment, energy, and solutions areas, it has made investments in global leading recycling and waste treatment companies, and renewable energy development equity investments. When making new investments, the Investment Review Committee is activated to comprehensively review strategic suitability, economic feasibility, and ESG risks.
Metrics and Targets	• Achieve KRW 4.1 trillion in cumulative investment in environment, energy, and solution businesses by 2023 • Achieve KRW 5.9 trillion in cumulative investment in environment, energy, and solution businesses by 2026

Financial Material Topic ④ - Sustainable Supply Chain

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Governance	SK Ecoplant regularly reports the results of its supply chain ESG evaluation, risk level, and follow-up monitoring to the Board of Directors, allowing it to review and manage supply chain sustainability management issues at the leadership level.
Strategy	To manage supply chain ESG risks, it conducts ESG evaluations on key and new Biz. Partners, and after the evaluation, it supports the process of establishing and implementing improvement tasks through the ESG Value-Up program. In addition, it has established an "Eco-friendly Procurement Policy" to formalize work standards for expanding the purchase of eco-friendly products and aggregating performance, and continues to actively manage and expand eco-friendly procurement. Risk Driving demand for ESG risk management in the supply chain, as well as demand for companies to use low-carbon and eco-friendly products
Risk Management	SK Ecoplant has established a "Biz. Partner's code of conduct" based on global guidelines, and has presented specific criteria to establish a sustainable management implementation system throughout the supply chain. It also operates a compliance agreement system when registering new partners. Also, it supports voluntary level improvement by managing the ESG management level centered on key and new Biz. partners through the "Support Program for Biz. Partners' ESG Improvement" and providing incentives based on the evaluation grade. Concurrently, to expand the purchase of eco-friendly products, it compiles the monthly purchase performance of "eco-friendly products" defined based on related laws such as energy, environmental technology, resources, and recycling using its own integrated procurement system.
Metrics and Targets	• Conduct ESG evaluation for 200 Biz. Partners in 2023 (62% of key Biz. Partners) • Set goal to expand ESG evaluation to 220 Biz. Partners in 2024 (68% of key Biz. Partners) • Achieve 18.3% eco-friendly purchase ratio in 2023

Financial Material Topic ⑤ - Fair Trade and Compliance

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Governance	The Chief Compliance Officer appointed through the Board of Directors' resolution oversees the operation of the Compliance Program (CP). The Chief Compliance Officer directly reports fair trade activities and operational status to the Board of Directors or the CEO and continuously improves the CP operation level by incorporating feedback. In addition, the CP-related department managers have been incorporated into the Compliance Office directly under the CEO to establish an organic CP operation system. Meanwhile, the Compliance Office assists the Chief Compliance Officer and undertakes tasks by conducting fair trade training, issuing CP operation newsletters, and evaluating CP operation effectiveness.
Strategy	SK Ecoplant has established the "CP Guidebook" as a working guideline for practicing compliance management, and has selected and included laws and regulations highly relevant to the company. It also periodically publishes revised versions that include changes in the policy environment, revisions to laws and regulations, and the latest violation cases. Also, compliance training by case and job type is conducted based on the relevance of work for all employees including the CEO, executives, temporary workers and part-time workers, and it is expanding the scope to subsidiaries. It conducts compliance activities targeting major tasks with a high risk of violation of laws and regulations such as "Preliminary Review for Subcontracting Act Compliance" and "Prevention of Violations of Labeling and Advertising" every year, forming an integrated response to minimize fair trade and compliance risks. Risk Strengthened laws and regulations related to fair trade, serious accidents, sustainable management, etc.
Risk Management	To identify and mitigate the risks of violations of fair trade-related laws and regulations, a fair trade risk assessment is conducted once a quarter. Areas with a chance of violation of the law are identified and risk control activities are conducted, such as employee training, work manual issuance, and operation of an internal reporting system. Also, to strengthen the compliance capabilities of all employees, it has operated a "Compliance KPI Deduction System" that deducts an organization's KPI score for compliance violations since 2021. Concurrently, an "Internal Inspection Process" is operated to monitor the status of SK Ecoplant and its subsidiaries to prevent legal violations during the contract execution process.
Metrics and Targets	• Obtain AAA grade in CP evaluation hosted by the Fair Trade Commission in 2023 • Validation through post-certification audit of ISO37301 in 2024



기후변화 대응

Response to Climate Change

Climate Change Policy

SK Ecoplant's climate change response policy is aligned with our environment, energy, and solution business strategy. Under the challenge-spirited vision of "Lowering the Earth's temperature", we overhauled our business model to focus on environmental business aimed at a circular economy and energy business to reduce carbon emissions. We also use a climate change checklist in the investment decision-making process to assess major climate-related change risks and opportunities and incorporate them in the investment review committee review process.

Climate change response is managed and supervised through the Board of Directors, the highest decision-making body, and the implementation of annual greenhouse gas (GHG) reduction targets is included in the CEO's KPI since 2022, to strengthen management's accountability and leadership for GHG reduction. At the same time, each business unit and team establishes KPIs linked to the company-wide GHG reduction targets, which are incorporated and managed within the compensation system. We are also operating the Net Zero Module (formerly Net Zero Transition Council)¹⁾ under the SK Ecoplant ESG Regulatory Response Council with participation from all business units and management support organizations, in order to establish a corporate-level systematic Net Zero achievement strategy and to derive specific implementation strategies for each supporting business unit.

1) In January 2024, SK Ecoplant established the ESG Regulatory Response Council to expand corporate-level ESG discussions and strengthen regulatory response capabilities, and reorganized the former Net Zero Transition Council into Net Zero Module under the council.

Case

Operation of Company-Wide Council for Climate Change Response

SK Ecoplant launched the "Net Zero Transition Council" in 2022 to establish and implement a company-wide climate change response strategy. In 2024, we established a new ESG Regulatory Response Council and reorganized the existing Net Zero Transition Council into Net Zero Module under the new council. All business units and the Corporate Supporting Center participate in the council, and the council convenes on a monthly basis to discuss on setting GHG reduction targets, developing detailed implementation strategies, and introducing climate risk review process in the investment review stage to achieve Net Zero.

Participating unit	Major role
Business units	- Developing climate change response business model and pursuing transition of existing businesses - Monthly GHG data management of project sites and emission source analysis
Management and procurement	- Inclusion of climate change response costs in financial plans - Promotion of low-carbon product purchase (e.g. low-carbon ready-mixed concrete)
Research lab	Review of and investment in climate change response realizing technologies by business units

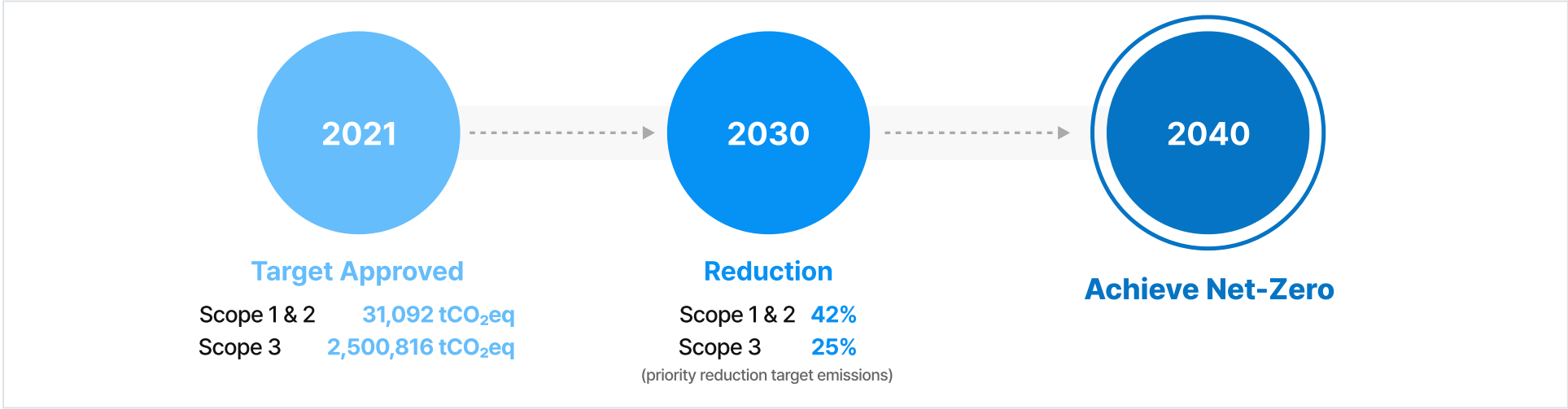
2023 Main Agenda of Net Zero Transition Council

- GHG reduction target setting and business unit-specific implementation plan
- Adoption plan for internal carbon price
- Domestic policy trends related to low-emission construction machinery and our corporate implementation plan
- Measures to introduce a climate risk review process in the investment review stage
- Analysis of financial impact of climate change-related risks and opportunities.
- Review business unit-specific compliance with K-taxonomy and calculate K-taxonomy compliance-related sales

GHG Emission Reduction Roadmap and Strategy

SK Ecoplant has established the "2040 Net Zero" goal to achieve company-wide Net Zero. To achieve this, we aim to reduce Scope 1 & 2 emissions by 42% by 2030 compared to the base year of 2021, based on the 1.5°C scenario. Additionally, for Scope 3 emissions, we plan to reduce the priority reduction target emissions (1,675,547tCO₂eq) by 25% compare to the base year, under the well-below 2°C scenario. SK Ecoplant submitted the emission reduction targets by 2030 to Science-based Target Initiatives (SBTi), and it has proven the credibility of its Net Zero goal by getting SBTi's validation for the GHG reduction targets in February 2023 for the first time in the same industry in Korea. Besides this, we developed an ESG Framework for procuring sustainability-linked capital finance with BNP Paribas and secured the adequacy of GHG reduction targets from third-party organizations.

GHG Reduction Roadmap



GHG Emission Reduction Target Validated by SBTi¹⁾

Category	Scenario	Time range	Base year	Target year
Scope 1 & 2	1.5°C	Near-term	2021	2030
Scope 3	Well-below 2°C	Near-term	2021	2030

1) SK Ecoplant's reduction target can also be viewed on the [SBTi website](#).

SK Ecoplant is making multifaceted efforts to reduce Scope 1, 2, and 3 emissions by considering business performance and corporate operations, as well as the overall value chain. To achieve the Scope 1 & 2 emissions reduction target, we continue to discover and apply various measures such as optimizing the process efficiency of currently operating and new business sites, low-carbonization of existing industrial facilities such as construction machinery, conversion to electric vehicles through K-EV100¹⁾, and self-generation of renewable energy. In line with the GHG reduction target, the number of business sites applying reduction measures has gradually increased, and the use of renewable energy has improved by establishing our internal RE100 target for 2040 to convert the anticipated increase in overall power consumption to low-carbon power. In addition, to reduce Scope 3 emissions across the supply chain, we continuously discover ways to apply CCUS (Carbon Capture, Utilization and Storage technology) to our incineration subsidiaries, and improve the energy self-sufficiency rate of residential buildings. We are also committed to cooperating with various startups to develop low-carbon construction materials such as KEco-bar and KEco-binder. Furthermore, as part of the [ESG Framework](#) for procuring sustainability-linked finances, we have established a plan to improve the annual average primary energy consumption of residential buildings²⁾, one of the main business models, and various methods to achieve this have been devised and applied. The results of our goal implementation will be transparently disclosed.

1) We plan to transition to 100% eco-friendly vehicles by 2030.
2) The plan to improve primary energy consumption of residential buildings by 2030 is given as follows.

Annual Average Primary Energy Consumption Performances and Targets for Residential Buildings (SK Ecoplant)

Category	Unit	2021 (Baseline)	2022	2023	Target		
					2024	2025	2030
Energy consumption	kWh/m ² -yr	116.19	106.16 (Target: Less than 115)	107.54 (Target Less than 110)	Less than 105	Less than 99	Less than 72

Scope 1 & 2 Emissions Reduction Targets

In 2023, despite company-wide reduction efforts, Scope 1, 2, and 3 emissions increased compared to the base year. The primary reason for the increase in Scope 1 & 2 emissions is that many construction sites have entered high GHG emission construction phases. Among SK Ecoplant's major businesses, construction and civil engineering projects have large annual fluctuations in GHG emissions because the process progress varies by each project. Accordingly, to reduce Scope 1 & 2 emissions from construction sites, we plan to make efforts to install low-emission construction machinery and expand renewable energy use.

Scope 1 & 2 Emissions and Reduction Targets

Category	Unit	2021 (Baseline)	2022	2023	2030
Total Scope 1 & 2 emissions	tCO ₂ eq	31,092 ¹⁾	26,175	32,182	-
Total Scope 1 & 2 target emissions	tCO ₂ eq	-	30,253	28,200	18,033
Scope 1 & 2 target reduction rate	%	0	2.7	9.3	42.0

1) The GHG emission of the base year (2021) was calculated excluding SK ecoengineering emissions, due to the recommendation to "change the organizational boundary to reflect the 2022 split-off of SK ecoengineering in the emissions of 2021" during the SBTi verification process.

Scope 3 Emissions Reduction Targets

The main cause of the increase in Scope 3 emissions in 2023 was the increased use of ready-mixed concrete at construction sites. Since the purchase of raw materials, such as ready-mixed concrete and cement, accounts for a significant portion of Scope 3 emissions, we are making efforts to reduce Scope 3 emissions by accelerating the purchase of low-carbon ready-mixed concrete. Reductions in other emission sources have also been pursued, such as increasing energy efficiency during the use phase of buildings.

Scope 3 Emissions and Reduction Targets

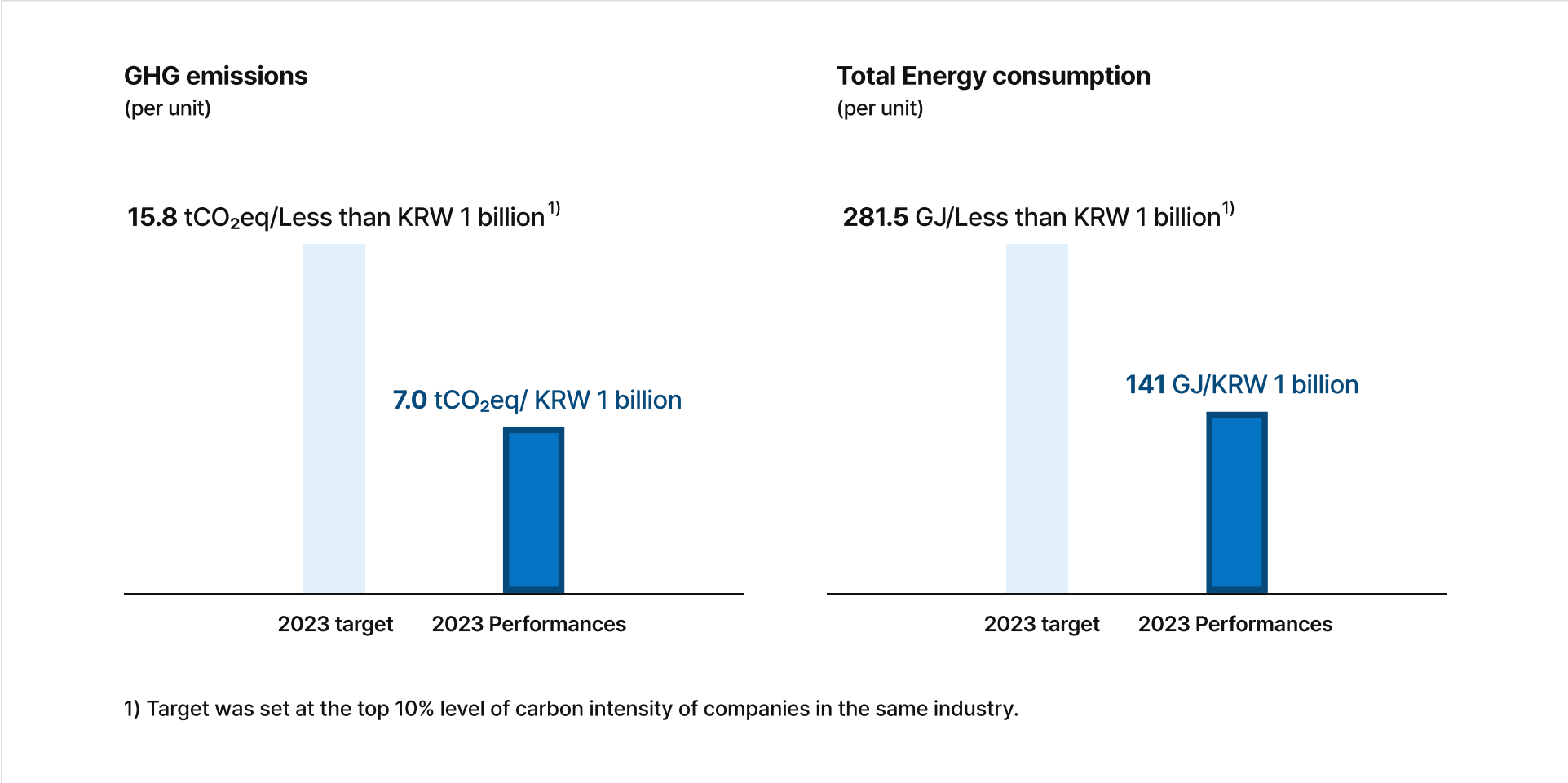
Category	Unit	2021 (Baseline)	2022	2023	2030
Total Scope 3 emissions ¹⁾	tCO ₂ eq	2,500,816	2,390,586	2,541,420	-
Total Scope 3 target emissions	tCO ₂ eq	-	Achieve 2,081,676tCO ₂ eq by 2030		
Scope 3 target reduction rate	%	0	Reduce by 25% compared to the base year by 2030 (based on priority reduction target emissions of 1,675,547tCO ₂ eq)		

1) Calculated based on domestic emissions only.

GHG Emission Reduction Activities and Performances

SK Ecoplant is making efforts to transition to renewable energy and reduce emissions within its business sites to achieve GHG reduction targets established based on the 1.5°C and well-below 2°C climate change scenarios. As a result, the previously established GHG emissions and energy consumption intensity targets were successfully achieved in 2023.

GHG Emission and Energy Consumption Reduction Performances (carbon intensity, per unit of revenue)

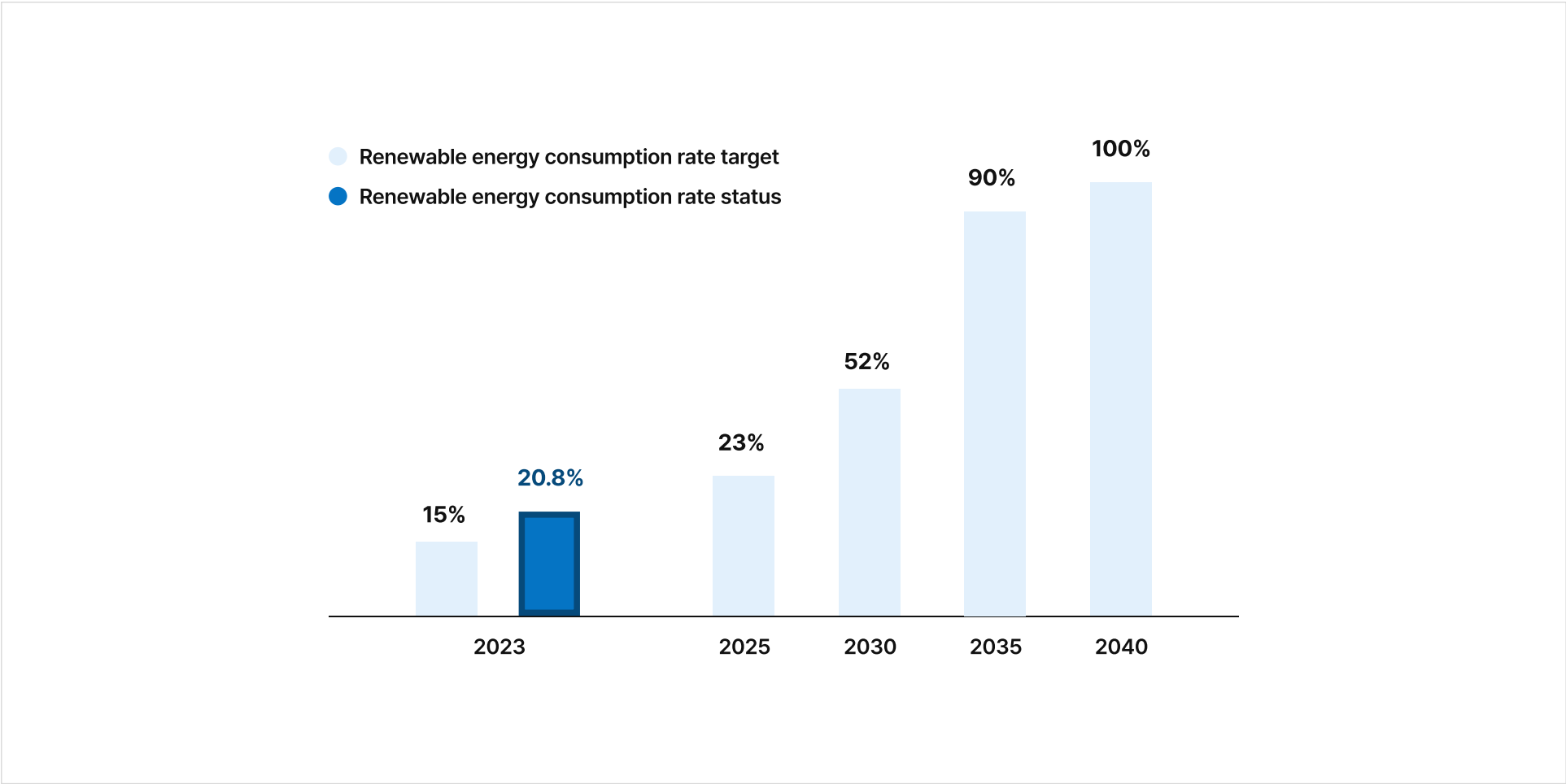


Renewable Energy Transition Activities

SK Ecoplant strives to transition 100% of the electricity used in each business unit into renewable energy to achieve the RE100 target by 2040. To this end, we have undertaken activities such as directly producing and using renewable energy by installing solar panels on the roof of business sites, and transitioning company business vehicles into electric vehicles by participating in the K-EV100 initiative¹⁾. We are also utilizing the green premium tariff to purchase part of renewable energy power. In 2023, GHG emissions were reduced by 88tCO₂eq with onsite solar panel installation and operation, and 46tCO₂eq through transitioning to electric vehicles, totaling 134tCO₂eq. Meanwhile, we achieved a renewable energy consumption rate of 20.8%, exceeding the initial 2023 target of 15%. In 2024, SK Ecoplant plans to continuously expand its renewable energy consumption rate through energy efficiency measures and the purchase of renewable energy.

1) This campaign is organized by the Ministry of Environment to declare and implement 100% transition of all corporate-owned and leased vehicles to eco-friendly vehicles by 2030.

Performances and Targets for Using Renewable Energy (SK Ecoplant)



Renewable Energy Consumption Performance (SK Ecoplant)

Category	Unit	2021	2022	2023
Renewable energy consumption	TJ	27.8	41.0	118
Renewable energy consumption rate ¹⁾	%	5.2	9.8	20.8

1) [Renewable Energy purchases (Green price purchases / PPA) + Self-generated renewable energy] / [Renewable Energy purchases (PPA) + Self-generated renewable energy + Indirect energy consumption] × 100

Case

Transition of Business Vehicles to Eco-Friendly Vehicles

SK Ecoplant plans to convert business vehicles used at the headquarters and business sites to 100% eco-friendly vehicles by 2030. As of 2023, roughly 11% of vehicles have been converted to eco-friendly vehicles, resulting in a GHG reduction of approximately 46tCO₂eq.

Eco-Friendly Vehicle Transition Achievements and Targets (SK Ecoplant)

Category	Unit	2021	2022	2023	Target			
					2025	2030	2035	2040
Total no. of vehicles	vehicles	304	300	280	250	250	250	250
Accumulated transitioned vehicles	vehicles	6	16	31	77	250	250	250
Accumulated transition rate	%	2.0	5.3	11.1	30.8	100	100	100
GHG reduction amount	tCO ₂ eq	-	31.0	46.0	-	-	-	-

Case

On-Site Solar Panel Installation

SK Ecoplant has expanded solar panel installations at business sites to reduce the purchase of green premium electricity by directly producing renewable energy. As of 2023, solar panels have been installed at more than four sites, resulting in a GHG reduction of roughly 88tCO₂eq in 2023. SK Ecoplant is committed to expanding the number of solar panel-installed sites and accelerating self-generated renewable energy capacity.

On-Site Solar Panel Installation Performances (SK Ecoplant)

Category	Unit	2022	2023
GHG reduction	tCO ₂ eq	17.0	88.0

GHG Emission Reduction Activities on Business Sites

SK Ecoplant aims to reduce energy consumption and reduce GHG emissions by improving business operation efficiency. In particular, recognizing that diesel-powered construction machinery is a main source of GHG emissions, we plan to replace existing industrial equipment based on the development and commercialization timeline of low-emission construction machinery that uses hydrogen and electricity as fuel. We also plan to reduce carbon emissions from business activities by adopting pre-construction, an advanced construction management technology that mitigates potential risks during the construction process. Meanwhile, we are exploring GHG reduction measures across the value chain, including direct carbon capture, and pursuing technological collaborations to implement these measures.

In-house Activities to Reduce GHG emissions

From 2022, SK Ecoplant has been implementing the "ESG Practice Program" to internalize ESG values among employees. The program includes monthly campaigns such as "Zero Day" to practice waste zero, "Earth Hour" to save electric energy, "CE100 (Circular Economy 100%)" to practice resource circulation, and the "10ForAll", a 10-hour volunteer program dedicated to the planet. Besides this, we have signed a business agreement with the Korea Battery Recycling Association and are running a campaign to exchange used batteries collected by our employees for new ones. Through this, various metal materials are recycled, such as nickel, lithium, and cobalt contained in waste batteries, to ultimately reduce carbon emissions generated during the mining and refining process of raw materials required to manufacture new batteries. In 2023, a total carbon reduction of 33.8tCO₂eq was achieved with the active participation of employees, with an average carbon reduction per person of 7kgCO₂eq. Points for practicing social value were accumulated in proportion to employee participation in these activities. Based on a vote by employees on how to use the points, we decided to donate one bus and one compact car to "Sundukwon", a children's welfare facility located in Jongno-gu.

GHG Emissions

Scope 1 & 2 Emissions (SK Ecoplant)

Category	Unit	2021	2022	2023
Total Scope 1 & 2 emissions	tCO ₂ eq	31,092 ¹⁾	26,175	32,182
Scope 1 & 2 emission per unit	tCO ₂ eq/KRW 1 billion	5.8 ²⁾	4.2	7.0
Scope 1 emissions	tCO ₂ eq	7,293	6,100	5,206
Scope 2 emissions	tCO ₂ eq	23,799	20,075	26,976

1) The GHG emission of the base year (2021) was calculated excluding SK ecoengineering emissions, due to the recommendation to "change the organizational boundary to reflect the 2022 split-off of SK ecoengineering in the emissions of 2021" during the SBTi verification process.

2) In accordance with Note 1), the recalculation was based on the separate revenue of SK Ecoplant, to account for the split-off of SK ecoengineering.

Scope 3 Emissions (SK Ecoplant)

Category	Unit	2021	2022	2023
Scope 3 total emissions ¹⁾	tCO ₂ eq	2,500,816	2,390,586	2,541,420
Scope 3 emissions: Upstream	tCO ₂ eq	733,371	587,513	1,054,654
1. Purchase of raw materials and services	tCO ₂ eq	694,200	547,553	1,024,984
2. Investment and purchase of capital goods	tCO ₂ eq	71.0	73.0	18.0
3. Fuels and energy not included in category 1, 2	tCO ₂ eq	443	1,951	2,503
4. Transportation of raw materials	tCO ₂ eq	33,912	29,587	13,291
5. Wastes generated from business sites	tCO ₂ eq	701	3,354	8,840
6. Employee business trip	tCO ₂ eq	1,577	1,639	2,217
7. Employee commutes	tCO ₂ eq	2,467	3,356	2,801
Scope 3 emissions: Downstream	tCO ₂ eq	1,767,445	1,803,074	1,486,766
11. Use of sales product	tCO ₂ eq	1,141,988	1,105,166	538,996
12. Disposal of sales products	tCO ₂ eq	3,414	5,332	4,221
15. Investment	tCO ₂ eq	622,043	692,576	943,550

1) Calculated based on domestic emissions only.

2) The Scope 1 & 2 emissions of SK ecoengineering, SK oceanplant (including Samkang S&C), SK Tes, Renewus, and nine major environmental subsidiaries have been included.

Scope 1 & 2 Emissions (Subsidiaries)

Subsidiary Name	Category	Unit	2022	2023
SK ecoengineering	Total GHG emissions (Scope 1 & 2)	tCO ₂ eq	3,668	6,316
	Scope 1 emissions		397	692
	Scope 2 emissions		3,272	5,623
SK oceanplant	Total GHG emissions (Scope 1 & 2)		45,971	54,433
	Scope 1 emissions		11,846	15,407
	Scope 2 emissions		34,125	39,026
SK Tes	Total GHG emissions (Scope 1 & 2)		6,114	6,377
	Scope 1 emissions		1,295	1,498
	Scope 2 emissions		4,819	4,879
Renewus	Total GHG emissions (Scope 1 & 2)		437,331	446,024
	Scope 1 emissions		427,933	436,565
	Scope 2 emissions		9,398	9,459

Energy Consumption

Energy Consumption (Consolidated)

Category		Unit	2021	2022	2023					
					Total	SKEP	SKEE	SKOP	SK Tes	Renewus
Total energy consumption ¹⁾		TJ	2,649	2,502	2,867	648	130	954	69.5	1,065
Total energy consumption per unit		GJ/KRW 1 billion	426	331	321	141	49.1	1,031	147	2,480
Non-Renewable Energy	Total non-renewable energy Consumption	TJ	2,647	2,500	2,859	644	130	954	65.1	1,065
	Direct energy	TJ	391	368	406	80.4	12.8	138	22.5	152
	Gasoline	TJ	43.8	52.6	55.6	8.2	3.0	1.4	8.7	34.4
	Kerosene	TJ	34.5	31.4	42.1	32.6	4.2	0	0	5.3
	Diesel	TJ	195	198	190	24.3	5.4	58.6	10.5	91.3
	LPG	TJ	65.2	52.4	92.3	0.4	0.2	75.9	0.4	15.3
	LNG	TJ	51.0	33.2	23.8	14.9	0	0	2.9	6.0
	Others	TJ	2.0	0.5	2.3	0	0	2.3	0	0
	Indirect energy	TJ	2,256	2,132	2,452	564	117	816	42.6	913
	Electricity	TJ	2,240	2,115	2,439	564	117	816	42.6	899
	Steam	TJ	16.1	16.3	13.3	0	0	0	0	13.3
	Others	TJ	0	0.7	0	0	0	0	0	0
Renewable Energy	Total renewable energy consumption	TJ	29.7	43.8	124	118	0	0	5.6	0
	Renewable Energy purchases (Green price purchases)	TJ	26.7	40.6	114	114	0	0	0	0
	Renewable Energy purchases (PPA)	TJ	0.8	1.2	1.2	0	0	0	1.2	0
	Self-generated renewable energy (solar power)	TJ	2.2	2.0	8.4	4.0	0	0	4.4	0
	Renewable energy consumption rate ²⁾	%	1.3	2.1	5.0	20.8	0	0	11.9	0

1) The amount of renewable energy purchased through the green price purchases was excluded from the total energy consumption, as it was double-counted in the indirect energy.

2) [Renewable Energy purchases (Green price purchases / PPA) + Self-generated renewable energy] / [Renewable Energy purchases (PPA) + Self-generated renewable energy + Indirect energy consumption] × 100

Energy Consumption (SK Ecoplant)

Category		Unit	2021	2022	2023
Total energy consumption ¹⁾		TJ	659	514	648
Total energy consumption per unit		GJ/KRW 1 billion	92.0	83.1	141
Non-Renewable Energy	Total Non-Renewable energy Consumption	TJ	658	514	644
	Direct energy	TJ	121	94.5	80.4
	Gasoline	TJ	10.1	9.9	8.2
	Kerosene	TJ	27.9	26.5	32.6
	Diesel	TJ	41.0	36.3	24.3
	LPG	TJ	0.1	0.4	0.4
	LNG	TJ	41.8	21.4	14.9
	Others	TJ	0	0	0
	Indirect energy	TJ	537	419	564
	Electricity	TJ	537	419	564
	Steam	TJ	0	0	0
	Others	TJ	0	0	0
Renewable Energy	Total renewable energy consumption	TJ	27.8	41.0	118
	Renewable Energy purchases (Green price purchases)	TJ	26.7	40.6	114
	Self-generated renewable energy (solar power)	TJ	1.1	0.4	4
	Renewable energy consumption rate ²⁾	%	5.2	9.8	20.8

1) The amount of renewable energy purchased through the green price purchases was excluded from the total energy consumption, as it was double-counted in the indirect energy.

2) $\frac{[\text{Renewable Energy purchases (Green price purchases / PPA)} + \text{Self-generated renewable energy}]}{[\text{Renewable Energy purchases (PPA)} + \text{Self-generated renewable energy} + \text{Indirect energy consumption}]} \times 100$

TCFD Information Disclosure

In 2021, SK Ecoplant adopted the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), a climate change-related information disclosure framework. Furthermore, we registered as a TCFD Supporter in 2022 and are now participating in the Korean TCFD Alliance. To achieve external recognition of our GHG reduction plan, we have also asked for target verification by SBTi and was the first Korean construction company to be verified in February 2023. Our response to climate change and GHG reduction implementation process is disclosed via TCFD.

SK Ecoplant TCFD Report 



Clean Technology Strategy and Performances

Performances and Goals by Business Sector

SK Ecoplant has set securing and developing clean technology as its core growth strategy. This aims to secure future growth capabilities throughout the business portfolio transition and improve the operational efficiency of existing assets. To this end, we continue to invest in companies with innovative technologies in the environment, energy, and solutions fields, while producing tangible results. In the short term, our goal is to develop low-carbon, zero-discharge recycling technologies and AI-based automatic incinerator operation, with plans to initiate their commercialization from 2026. Looking ahead, as an eco-friendly and energy solutions leader, SK Ecoplant plans to maximize both economic and social values by focusing on building environmental infrastructure that incorporates digital solutions, securing clean energy production technology, and localizing.

Environmental Business

Recycling

To advance into high value-added business fields, SK Ecoplant constantly builds a battery circular economy value chain by securing and accelerating core technologies for waste battery recycling. By operating our own test bed center with world-class research institutes and companies, we have secured a technological edge and grown into a hub for building a waste battery recycling ecosystem.

Category	Detail
2023 Performances	- Developing CO₂ mineral carbonation technology using industrial byproducts - Developing waste plastic chemical recycling and semiconductor waste sulfuric acid recycling technology
Short-term Goals (2024~2025)	Securing waste plastic pyrolysis production technology
Mid- to Long-term Goals (2026~)	Developing Carbon Capture, Utilization (CCU) technology for high-carbon emissions business and biogas business

Waste Management

SK Ecoplant seeks to operate an eco-friendly business by pursuing technology development, demonstration, validation, and commercialization through industry-academia-research cooperation in the prime fields of eco-friendly combustion, waste recycling, and carbon dioxide reduction. In the water treatment field, we have formulated a roadmap for developing and advancing future water treatment technologies, such as reuse and zero-discharge in order to establish a sustainable water circulation system. We are also continuously investing in the [core technologies for the production and operation of ultrapure water](#) , which are currently being localized. By promoting the development and validation of ultrapure water component technologies, we plan to contribute to the nation's technological independence and competitiveness.

By rolling out AI and DT technologies to incineration facilities and sewage and wastewater treatment facilities, SK Ecoplant has reduced and managed pollutants and carbon emissions while improving operation efficiency. "WAYBLE re:energy" launched by SK Ecoplant is an AI-driven incineration facility solution that analyzes and predicts waste incineration conditions to derive optimal operation methods, operating automatically to increase energy recovery rate and contribute to reducing air pollutants and carbon emissions. "WAYBLE re:water" for sewage and wastewater treatment facilities predicts discharged water quality and operates automatically through AI-based water treatment facility operation optimization, leading to stable water quality management and energy savings.

Category	Incineration and Landfill	Water Management
2023 Performances	- Developing high-efficiency waste incineration technology - Launch of "WAYBLE re:energy", an AI-based incinerator operation solution	- Establishing a water resource circulation system through water reuse and Zero Liquid Discharge (ZLD) - Launch of "WAYBLE re:water", an AI-based water treatment plant operation solution
Short-term Goals (2024~2025)	- AI-based incinerator automatic operation - Demonstrating and commercializing high-efficiency waste incineration technology	- Demonstrating and commercializing water reuse and Zero Liquid Discharge (ZLD) technology - Automatic control of blowing volume and chemical input volume for AI-based water treatment facilities - Demonstrating and commercializing ultrapure water production and operation technology - Establishing a semiconductor process wastewater reuse system solution - Demonstrating and commercializing advanced biogas upgrading system technology
Mid- to Long-term Goals (2026~)	- Developing future incinerator waste-to-energy technology - Automatic operation of AI-based incineration facilities (cranes + incinerators)	- Achieving technological independence by completing the portfolio of core technologies for ultrapure water production - Developing AI-based automatic operation advancement and integrated control model for water treatment facilities - Improving the efficiency and expanding the application of wastewater recycling systems in semiconductor process

Waste Platform

SK Ecoplant's "WAYBLE circular" and WAYBLE "decarbon", which apply innovative AI-DT-based solutions, are green platforms that lead the efficiency of the environmental industry. WAYBLE circular is a digital platform that manages the entire resource circulation process from waste discharge to reuse, supporting optimized management throughout the entire life cycle of waste and circular resources based on real-time data. WAYBLE decarbon diagnoses and manages a company's carbon emissions data based on a digital platform and provides effective reduction and offset services. With the WAYBLE dicarbon service, the company's carbon emissions and management status can be assessed, such as Scope 1, 2, and 3 emissions and product carbon footprints. The service also facilitates the establishment, implementation, and verification of carbon emissions reduction roadmap. Similarly, WAYBLE decarbon also supports customers in systematically achieving Net Zero by expanding functions such as proposing and managing optimal RE100 implementation plans and accelerating ESG data management. SK Ecoplant plans to continue to lead the circular economy and the initiatives to achieve Net Zero for customers by utilizing various digital technologies.

Category	WAYBLE circular	WAYBLE decarbon
2023 Performances	- Operating WAYBLE circular, a waste and resource circulation management platform - Additional launch of WAYBLE circular service (EPR support service for producer responsible recycling system)	Launch of WAYBLE decarbon, a carbon accounting and management platform
Short-term Goals (2024~2025)	- Groundbreaking customer expansion of WAYBLE circular - Applying WAYBLE circular to over 850 business sites nationwide - Developing a waste logistics backhaul transport algorithm and service loading	- Groundbreaking customer expansion of WAYBLE decarbon - Integrating offering services such as consultation, certification, and reduction solutions - Developing advanced services, including carbon emission reduction simulation and solution management and integration.
Mid- to Long-term Goals (2026~)	- Advancing management and optimization services for the entire life cycle of recycled resources - Eliminating logistics inefficiencies through waste vehicle optimal distribution algorithm based on backhaul transport - Resolving information asymmetry and connecting suppliers and consumers through a waste and circular resource trading platform	- Establishing a marketplace to provide carbon reduction solutions and offsets - Providing integrated carbon management services through linkage with effective carbon reduction and offset services

Energy Business

Fuel Cell

SK Ecoplant focuses on securing core fuel cell technology with the goal of building a distributed energy platform to reduce carbon emissions. In fact, we have succeeded in demonstrating a direct hydrogen injection fuel cell in cooperation with our strategic partner Bloom Energy, and are currently making investments in improving the efficiency of fuel cells and localizing them. In addition, we strive to achieve Net Zero by capturing carbon emissions from natural gas-based fuel cells and supplying them to carbon consumers such as smart farms.

Category	Detail
2023 Performances	- Developed and tested low-temperature heating kit - Applied cooling and heating technology to Chilgok Eco Park - Completed basic design of steam production model
Short-term Goals (2024~2025)	- Completing cooling and heating technology demonstration for Chilgok Eco Park - Developing and testing high-temperature heating kits - Developing and demonstrating H₂ SOFC system - Applying outdoor switchgear to 10MW fuel cell power plant

Hydrogen Energy

SK Ecoplant is emerging as a leading player in the green hydrogen value chain, from production to distribution and utilization of green hydrogen, with the most efficient Solid Oxide Electrolyzer Cell (SOEC) in existence. We continue to conduct research on optimizing the thermal efficiency of the BoP (Balance of Plant) System for the SOEC, as well as joint research and development on SOEC Scale-up technology alongside Bloom Energy to optimize and modularize green hydrogen production facilities.

Category	Detail
2023 Performances	Applied 57.6MW SOEC Pre-Feed project
Short-term Goals (2024~2025)	Completing Jeju SOEC demonstration design and approval of regulatory sandbox
Mid- to Long-term Goals (2026~)	- Commencing Jeju SOEC demonstration (~1st quarter of 2026) - Demonstrating SOEC Scale-up and establishing a manufacturing plant (~4th quarter of 2026)

Renewable Energy

SK Ecoplant seeks to emerge as a comprehensive energy solution provider based on securing domestic and overseas renewable energy assets and clean technologies. We have seized leadership in the industry by developing technologies and capabilities related to renewable energy, such as securing professional competencies across the entire offshore wind power value chain, promoting demonstration projects, and internalizing solar power development and module production technologies. Besides this, SK Ecoplant pursues integrated management of eco-friendly distributed energy resources based on data technology. Going forward, we plan to construct an AI- and cloud-based platform for optimized resource management and control, while maintaining a stable renewable energy supply value chain to create synergies with existing power generation sources. Accordingly, we have made an investment in "ENCORED", an AI big data company in the energy field.

Category	Detail
2023 Performances	Acquired basic design certification from the Norwegian Veritas (DNV) for offshore wind power floating body model "K-Floater"
Short-term Goals (2024~2025)	Selecting commercial turbine and conduct construction document of a floating body
Mid- to Long-term Goals (2026~)	- Launching demonstration after manufacturing, transporting and installing a floating body - Floating body Scale-up for demonstration model operation and large-capacity turbine application

Case

K-Floater, an Independent Technology for Offshore Wind Power Project, Acquires AIP (Approval in Principle)

SK Ecoplant successfully developed "K-Floater" with purely Korean technology in cooperation with POSCO and acquired AIP from the Norwegian Veritas (DNV). A floating body is the key material of floating offshore wind power, but the design license fee alone was hundreds of millions of KRW up to the present. Therefore, SK Ecoplant's development of K-Floater is expected to ease overseas dependence by directly mass-producing key materials in Korea with quality comparable to European products.

Solution Business

Eco-Friendly Building

SK Ecoplant works to expand eco-friendly buildings with low carbon emissions during building lifecycle. To this end, we incorporate not only optimized energy solutions to the buildings, but also environmental solutions that contribute to resource circulation. By applying passive and active technologies for energy efficiency and renewable energy to buildings and designing sustainable cities on a macro level, we aim to expand our scope of business fields as a distributed energy and circular economy solution provider at the municipality level. Meanwhile, to maximize construction efficiency, BIM (Building Information Modeling) and Pre-construction, an advanced construction management technique, are applied from the construction planning stage, as we lead three-party collaboration between the clients, construction company, and suppliers. In addition, SK Ecoplant contributes to achieving the vision of a circular economy by implementing technology that applies the 3R (Reuse, Recycle, Reduce) concept for water treatment, air, energy, and materials.

Category	Detail
2023 Performances	Applied Bloom Energy fuel cells in buildings on pilot basis and acquired Zero Energy Building (ZEB) preliminary certification
Short-term Goals (2024~2025)	- Review of PHC pile low carbon concrete certification - Applying energy-reduction eco-friendly building certification system to semiconductor plant annex buildings (LEED Silver-level certification) - Improving ZEB system and establishing operational system for rollout of Bloom Energy fuel cells in apartment complexes - Embracing optimized energy solution based on BIPV-SOFC according to energy consumption aspects of buildings
Mid- to Long-term Goals (2026~)	- Expanding application of eco-friendly building certification with improved ratings - Expanding application of low-carbon concrete structures

Eco-Friendly Building Materials

SK Ecoplant uses industrial and household waste as raw materials for core construction materials, achieving the conversion of waste into resources. In particular, SK Ecoplant has succeeded in developing KEco-bar, an eco-friendly alternative to rebar, by adding waste PET materials to glass fiber reinforced plastic (GFRP). KEco-bar has more than twice the tensile strength compared to regular rebar without scrap iron or limestone, with less than half the amount of carbon emitted in the production process. It has made strong inroads as a new material to replace existing rebar for its anti-corrosive and lightweight features that ensure excellent stability and usability during construction.

Category	KEco-bar	Waste sulfuric acid recycling
2023 Performances	- Instituted national design standards (KDS, KCS) in the bridge field - Acquired K mark and Q mark certifications	Discovered semiconductor byproduct recycling technology and companies
Short term Goals (2024~2025)	- Instituting national design standards (KDS, KCS) in architecture and common areas - Setting the foundation for sales expansion through green product certification and excellent procurement product certification	Validating semiconductor byproduct recycling technology on a pilot basis for commercialization
Mid- to Long-term Goals (2026~)	- Acquiring-trading carbon emission credit-certification - Acquiring Korean Industrial Standard (KS) certification	Expanding semiconductor byproduct recycling technology, and diversifying recycling products

Sales Status and Investment Plan by Business Unit

SK Ecoplant has stood at the forefront of the global battery market by making additional investments in Ascend Elements, a U.S.-based company boasting innovative waste battery recycling technology, and securing stable supply and demand in the environmental business field. Besides this, we have completed the acquisition of Renew Energy Chungbuk Co., Ltd. (formerly Clenko), which specializes in waste incineration and energy (steam) production, solidifying our position as the No. 1 domestic incineration business. SK Ecoplant accelerated its dominant stance in the energy business fields by making additional investments in U.S.-based Bloom Energy. Simultaneously, we participated as an early investor in a large-scale green hydrogen project being undertaken in Canada, setting the foundation for local market dominance. Lastly, in the solutions field, our "green data center" business leveraging fuel cell technology is undergoing active expansion in lockstep with environmental changes, such as Net Zero initiatives and activating distributed energy. SK Ecoplant plans to secure value chains in the environment, energy, and solutions fields by concentrating resources on core technologies for each field.

Sales Status by Business Unit

SK Ecoplant actively engages in a variety of eco-friendly businesses across the environment, energy, and solution business units, and the business sales allocation by business unit compared to total sales based on the 2023 consolidated financial statements is specified as follows.

Sales Allocation

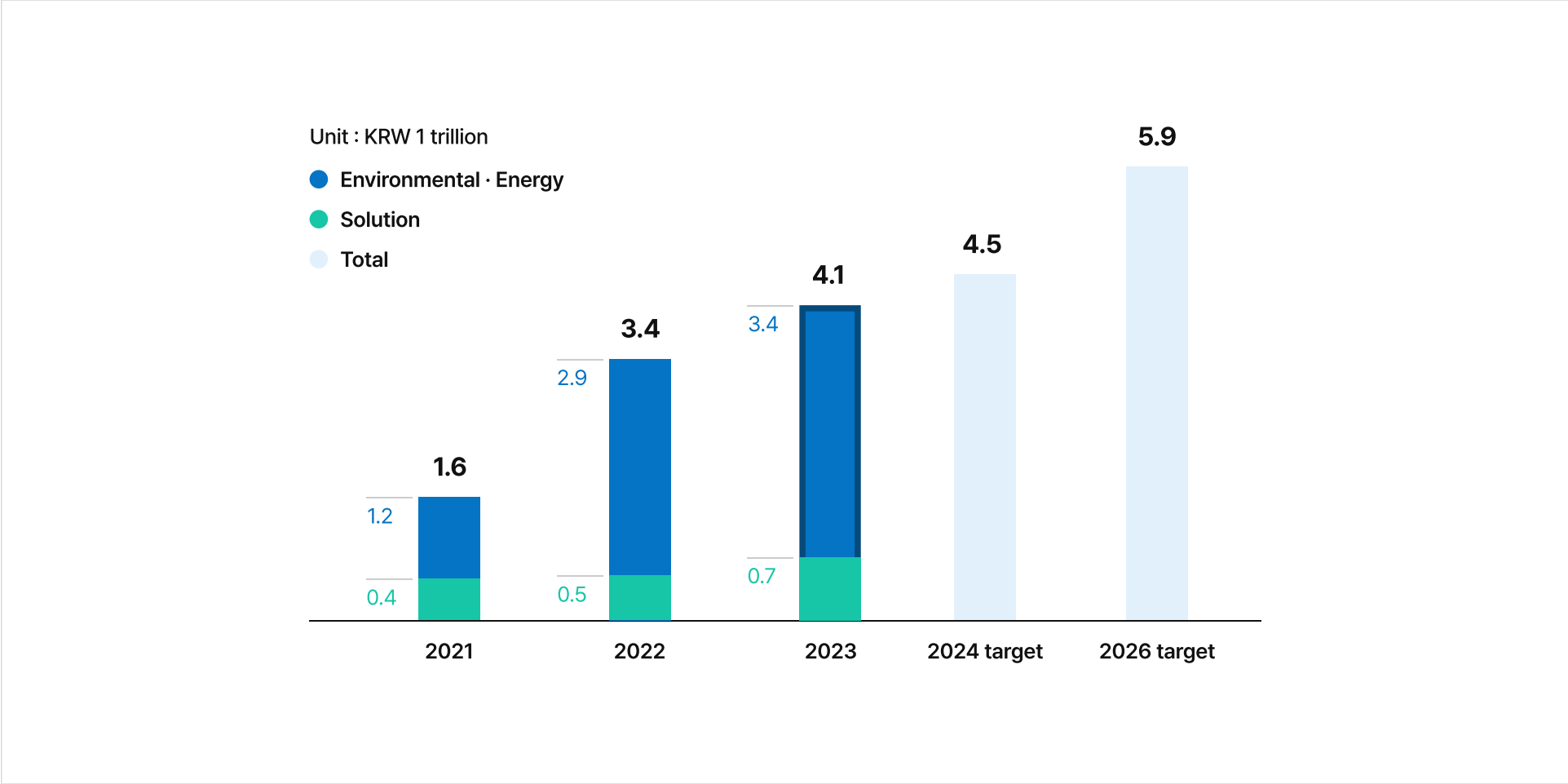
Category	Items	Percentage ¹⁾
Environmental	E-waste recycling, water treatment facility operation, waste landfill and incineration plant operation, etc.	15.2%
Energy	Fuel cells, offshore wind power, hydrogen business, energy self-sufficient industrial complex establishment business, etc.	18.8%
Solutions	Certified eco-friendly buildings (G-SEED, Zero-Energy Building), roads, tunnels, bridges, railways, knowledge industry centers, apartments, semiconductor factories, industrial plants, power plants, etc.	66.0%

1) The sales allocation by business unit also includes sales based on clean technology.

Investment in Clean Tech and Solutions-Based Businesses

SK Ecoplant is continuously increasing its investment allocation in eco-friendly businesses to solidify its position as an eco-friendly company and to dominate the future market. SK Ecoplant has invested a cumulative KRW 4.1 trillion in environment, energy, and solution businesses by 2023.

Accumulated Amount and Targets of Investments (SK Ecoplant)



Detailed Investment Plan

Category	Detail
Environmental	- Expanding the processing capacity of existing incinerator facilities - Investment in securing advanced eco-friendly technologies such as battery recycling - Promoting incineration and landfill development projects
Energy	- Expanding business to solidify leading stance in domestic fuel cell business - Penetrating the global (USA, Vietnam, etc.) solar energy business - Investment in offshore wind power, given market development, government policy, etc.
Solutions	- Expanding green data center business - Implementing eco-friendly circulation facility development project

R&D and Patents

Eco-friendly R&D Center

The Eco Lab Center¹⁾, an eco-friendly research and development platform under direct supervision of the CEO, has conducted research and development to grow SK Ecoplant into an eco-friendly and energy solutions leader. As a command center for eco-friendly research and development, the Eco Lab Center also connects business unit-specific technology development tasks being undertaken with external stakeholders and internal related organizations.

1) In 2024, the center will be integrated into the Environment BU to bolster business capabilities in the environmental business field, with the environmental solutions, battery solutions, and platform businesses poised to undertake the functions of the eco-friendly research and development center.

Eco Lab Center Operation System

Establishment of Innovative Technology Ecosystem	- Eco-friendly innovative technology and solutions partners are discovered and connected through open innovation. - To discover innovative technologies, a consultative body was formed with national environmental organizations, such as the Korea Environmental Industry Technology Institute.
Commercialization of Technology Development Solutions	- The Eco Lab Center establishes a C&D (Connect & Development) strategy linked to the business strategy, builds a C&D portfolio by analyzing trends in eco-friendly technologies, policies, and markets, and formulates and operates a technology roadmap based on tech and market analysis of elementary technologies. - A technology test bed for our assets is conducted to promote commercialization by applying the acquired technologies and solutions in the field.
Digitalization and Convergence of Technologies	Our customers' environmental and energy problems are measured, diagnosed, and managed through AI-DT solution-based data and then solved by applying innovative technologies and solutions.

Clean Technology R&D Activities

SK Ecoplant aims to become a leading eco-friendly technology company by converging rapidly changing digital technology with the clean technology of global innovative companies. As for the environmental business, we have conducted research with the goal of realizing waste battery recycling, water treatment and ultrapure water technology development, and treatment plant operations leveraging digital transformation and artificial intelligence technology. As for the energy business, we plan to forge ahead as a green hydrogen provider based on SOEC technology validation and renewable energy and bioenergy technology development. As for the solution business, concerted efforts are exerted to reduce environmental impact, develop materials using recycled materials, and develop building technologies and solutions to increase energy efficiency.

Environmental Business

Category		Detail
Recycling		- Developing battery-grade nickel and cobalt recovery technology through waste battery recycling - Developing battery-grade lithium recovery technology through waste battery recycling - Developing high-speed, high-safety discharge technology - Developing eco-friendly metal recovery technology - Developing CO₂ mineral carbonation technology using incinerated fly ash
Waste management	Incineration-landfill	- Developing incinerator control devices and device operation methods (algorithms) using artificial intelligence - Developing and validating high-efficiency waste incineration technology - Developing energy supply and recycling system through incinerator byproducts
	Water treatment	- Developing sensor calibration device and operation method (algorithm) of sensor calibration device - Development of membrane degasifier (MDG) for removing dissolved oxygen(DO) in water - Development of ultraviolet oxidation (UV-TOC) technology for removing organic matter in wate - Development of high-recovery reverse osmosis membrane system technology and acquiring Green Technology Certification (March 2024) - Development of electro-oxidation reuse technology - Development of MABR (Membrane aerated biofilm reactor) process - Development of biogas upgrading technology - Development of biohydrogen production technology
Waste platform		- Developing a system and operation method (algorithm) to detect illegal waste dumping - Developing GHG emissions forecast device based on deep learning ensemble

Energy Business

Category	Detail
Fuel cells	- Developing the BoP (Balance of Plant) System in connection with fuel cells with direct hydrogen injection (H₂ SOFC) - Reusing fuel cell waste heat (hot water and steam production model, heating and cooling technology, thermoelectric power generation technology, low-temperature supply heat kit technology) - Developing and applying fuel cell-linked uninterruptible power supply device - Developing nZEB (nearly Zero-Energy Building) fuel cell power plant eco-module offices
Hydrogen energy	- Demonstrating SOEC technology (Changwon, Jeju) - Developing SOEC scale-up with Bloom Energy - Developing thermal solutions for SOEC-linked BoP system
Renewable energy	- Developing fuel coal using digestion gas generated from food waste water treatment plants - Developing floating offshore wind power floater design technology - Pursuing to develop domestically produced 700+W dual-sided modules - Developing integrated control and power trading platform for distributed power sources (solar power, wind power)
Bio energy	- Developing biogas upgrading technology - Developing microorganism-based biohydrogen production technology

Solution Business

Category	Detail
Eco-friendly building materials	- Developing cement raw materials using recycled semiconductor byproducts - Developing carbon black alternative materials using harmful marine organisms, jellyfish - Developing a water purification treatment agent using oyster shells, a fishery byproduct - Developing soundproof walls that contribute to slimming structures to reduce wind load - Developing graphite separation and recycling technology for waste refractories and waste batteries - Developing prefabricated concrete ballast slab tracks and construction methods to expand usage scope of KEco-bar, an eco-friendly alternative to rebar
Smart construction	- Securing design quality by building an intelligent BIM design system (drawing automation and modeling status analysis) - Develop quantity calculation and Building Component Management System (BCMS) to ensure cost transparency - Automating data-based field work, and establishing a smart work platform to improve efficiency - Applying construction progress and earthwork volume measurement management using UAVs (Unmanned Aerial Vehicle)
Eco-friendly building	- Securing optimal ZEB compatible passive specification - Establishment of ZEB design standard and performance tool for Knowledge Industry Center building type - Developing a sustainable residential model geared to LCA (apartment column-type floor plan design) - Formulating a building carbon reduction roadmap

R&D Expenses and Patent Status (Consolidated)

Category	Unit	2021	2022	2023					
				Total	SKEP	SKEE	SKOP	SK Tes	Renewus
R&D expenses	KRW 1 million	27,699	33,439	44,639	28,545	0	11,974	976	3,144
No. of owned patents	cases	181	203	237	130	7	5	2	93
No. of patents related to clean technology	cases	-	-	74	50	0	0	2	22

R&D Expenses and Patent Status (SK Ecoplant)

Category	Unit	2021	2022	2023
R&D expenses	KRW 1 million	24,935 ¹⁾	29,644 ¹⁾	28,545
Ratio of R&D expenses to revenue	%	0.46 ¹⁾	0.48 ¹⁾	0.62
No. of owned patents	cases	70	96	130
No. of patents related to clean technology	cases	-	-	50

1) Due to changes in internal management standards, it has been recalculated.

Eco-friendly Construction Certification

SK Ecoplant continues to develop and apply eco-friendly building technology throughout the entire life cycle, including design, construction, and operation, on account of the increasing demand for eco-friendly buildings. Through this, green building certification, which is an eco-friendly building certification system, and building energy efficiency rating certification have been acquired and continuously maintained. In particular, the construction of zero-energy buildings that integrate environmental and energy solutions are well underway in response to the mandated national Zero-Energy Building certification. As a result, the "West Busan SK V1 Knowledge Industry Center", currently under construction, has attained preliminary Zero-Energy Building certification. Meanwhile, buildings under sole construction must undergo a Life-Cycle Assessment (LCA) to evaluate the environmental load that occurs throughout its life cycle.

Eco-friendly Construction Activities by Stage

Category	Detail
Design	• Introduction of design and technology elements that boost the energy efficiency of the building itself and enhance user comfort • Application of passive design considering the placement and direction for natural energy utilization and high-performance building facade, and active design utilizing high-efficiency heating facilities, equipment, and lightings • Operation of integrated energy design process by stage that can maximize the energy self-sufficiency of buildings utilizing new and renewable energy
Construction	• Expanded application of Fast Delivery and OSC (Off-Site Construction) method • Management of construction site operation such as operating a temporary modular field office, saving water, and managing the discharge of construction wastes • Application of ESS (Energy Storage System) made by recycling waste batteries from electric vehicles in construction sites
Operation	• Enhancement of energy efficiency and reduction of environmental load by adopting an energy and waste solution, BEMS (Building Energy Management System) and AI automatic indoor environment control system • Application of water-saving sanitary fixture, wastewater reuse system, heavy water system, and LID (Low Impact Development) technique

Eco-Friendly Certification Goal (SK Ecoplant, SK ecoengineering)

Category	Unit	2022	2023			Expected		
			Total	SKEP	SKEE	2024	2025	2026
Green building certification (G-SEED)	cases	11	5	3	2	12	9	5
Building energy efficiency rating certification		11	5	3	2	14	10	5

Case

Corporate Eco-Friendly Revenue (SK Ecoplant)

SK Ecoplant recognizes the continuous expansion of the revenue share from eco-friendly businesses as a key business strategy. Eco-friendly sales are defined as sales generated through products that have completed green building certification (G-SEED) or building energy efficiency rating certification, and we calculate and disclose eco-friendly sales based on such products that have received third-party certifications. SK Ecoplant's separate eco-friendly sales excluding subsidiaries are as follows.

Category	Unit	2023
Total sales on a separate basis	KRW 100 million	46,022
Eco-friendly sales ¹⁾	KRW 100 million	16,247
Eco-friendly sales ratio	%	35.3

1) Sales generated from the cases that have completed preliminary certifications were included in the figures.

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Environmental Management

Environmental Management System

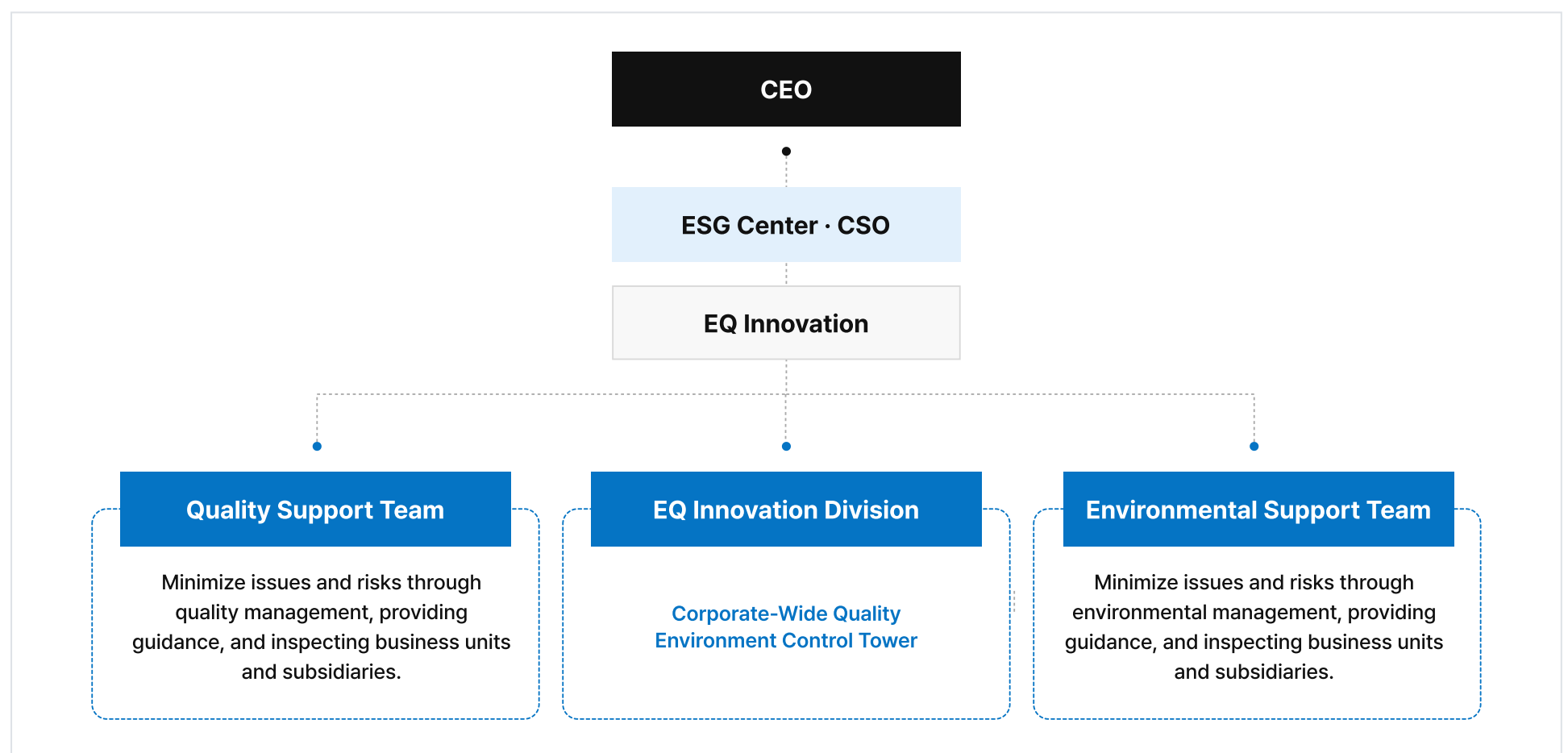
Environmental Management Policy and Certification

To create a sustainable future, SK Ecoplant has established environmental management policy, environmental policy, environmental strategy and strives to minimize environmental pollution in each business unit based on these. All employees at all business sites, including the headquarters and subsidiaries are mandated to follow our environmental management policy. Furthermore, we actively recommend our customers and Biz. Partners to comply with the policy. All of SK Ecoplant's domestic and overseas business sites have established an environmental management system that meets international standards by acquiring ISO 14001:2015 certification. The certification is maintained through annual follow-up and renewal reviews every three years. In addition, major subsidiaries¹⁾ have also bolstered their environmental management system by introducing an environmental management system and acquiring ISO 14001:2015 certification.

1) SK ecoengineering, SK oceanplant, SK Tes, Renewus

[Environmental Management Policy](#)
[Environmental Policy](#)
[Environmental Management Strategy](#)
[ISO 14001:2015](#)

Environmental Management Organization



To establish a strong environmental management governance, SK Ecoplant regularly reviews environmental management implementation plans and performance, being led by the CEO and the management, to have them incorporated in the decision-making process. The Board of Directors reviews and decides on environmental management plans and major environmental management issues every year, and has established a management-centered active environmental management system by including environmental performance improvements in the performance evaluation of executives. In 2023, the Board of Directors reviewed environmental indicators, environmental regulation violations, and results of environmental management activities through the "Annual Quality and Environmental Business Plan Report". Additionally, to internalize corporate-wide level environmental management, SK Ecoplant has included the GHG reduction goal to achieve Net Zero in the CEO's KPI from 2022, and the KPIs of each business unit include specific environmental impact improvements goals, such as GHG emissions, water intake, waste discharge, and energy consumption, and are linked to financial compensation. As an organization dedicated to SK Ecoplant's corporate-level environmental management, the EQ Innovation Division establishes improvement and preemptive measures to avoid recurrence based on the results of internal and external environmental inspections, develops a standard model to minimize environmental pollution and promotes it within the company, while also managing indicators for each detailed environmental factor. In 2023, to add specificity to the environmental performance goal of the EQ Innovation Division, the implementation results regarding the establishment of field and business site support tasks for compliance with environmental regulations, upgrading the environmental management system, and compiling business office-specific standard model manuals were included in the KPIs.

Environmental Management Goals

With its ESG strategy to lead eco-friendly management activities, SK Ecoplant has established specific environmental management goals to achieve this. In particular, we strive to achieve a high rate of waste recycling that meets the ZWTL (Zero Waste to Landfill) standard by upgrading our waste management system. In a mid- to long-term perspective, we plan to strengthen our environmental management practice capabilities to continuously maintain zero violations of environmental regulations and a waste recycling rate of 99%.

Environmental Management System and Goals

Execution Strategy		To emerge as an ESG-leading company through eco-friendly management activities		
Execution Targets		2024 Establish an environmental management system	2025 Upgrade the environmental management system	2030 ESG leadership
Key agendas	Climate	Establish a greenhouse gas management system	Implement a GHG target management system	- Develop processes and technologies to reduce GHGs - Expand the use of renewable energy
	Pollutants	- Minimize waste subject to landfill and incineration - Themed inspections by pollution source - Scattered dust, noise, waste, etc.	Implementation of waste recycling expansion	Establish a Digital-based waste management system
	General environment	- Operate a compliance management system - Participate in voluntary agreement with the Ministry of Environment - Implement suppression measures according to the fine dust seasonal management system - Implement a dedicated environment manager scheme for each region - Implement suppression measures according to the fine dust seasonal management system	- Monitor biodiversity and habitat conservation - Implement site environmental assessment system - Soil and groundwater contamination assessment, noise simulation - Establish an environmental dispute support system	Introduction of eco-friendly machinery and construction processes

Detailed Environmental Management Goals (SK Ecoplant)

Category	Unit	Target		
		2024	2025	2026
No. of violations of serious environmental regulations ¹⁾	Cases	0	0	0
Waste recycling rate	%	95	96	99

1) This is based on penalties, fines exceeding KRW 10 million or USD 10,000.

Environmental Management Activities

Environmental Risk Management

Environmental Audit

SK Ecoplant conducts environmental audits on all domestic business sites¹⁾ at least yearly to prevent potential environmental risks in the course of business activities. We always implement improvement measures for environmental management non-conformities identified based on a checklist of 54 items, and formulate a monitoring plan to prevent recurrence in the future. In 2023, a total of 323 environmental audits were conducted on nearly 80 domestic business sites divided into four regions, with improvement measures for 134 identified risks being completed. With an expanded scope of inspection targets, we have developed and standardized an environmental level assessment checklist based on the characteristics of construction sites, as well as subsidiaries.

1) Currently, no overseas business sites have undergone environmental audits, but environmental audits are planned to be performed when overseas projects take place in the future.

Risks Identified in Environmental Audit in 2023

Risk Type	No. of Identified Risks	No. of Risk Measures	Main Improvement Measures
Environmental management	18	18	Supplement environmental education and inspection report records
Air quality	48	48	Suppression measures for operations emitting scattered dust (transportation, open storage, outdoor cutting, etc.)
Waste	36	36	Supplement construction waste separation and sorting, installation of covers
Water quality	21	21	Supplement muddy water management
Noise	10	10	Install and supplement noise prevention facilities

Case

Environmental Audit Checklist

Category	Checklist ¹⁾
Air quality	- Is the declaration (change) of scattered dust-generating business being carried out appropriately? - Is the management card for emergency air quality improvement measures submitted to the local government and managed properly? - Are the declaration-permit (change) for the installation of air emission facilities (Batch Plant, etc.) and declaration of operation commencement being carried out appropriately?
Waste treatment	Is the declaration (change) of the plan for the treatment of wastes (construction, business site, and designated waste including oil, waste asbestos, waste paint, etc.) being carried out appropriately?
Noise-vibration	Is the declaration (change) of specific work being carried out appropriately?
Water quality	- Are the declaration-permit (change) for installing wastewater-discharging facilities (tunnel, Batch Plant, etc.), declaration of operation commencement, and declaration of closure being carried out appropriately? - Are the declaration (change) for installation of private sewage treatment (wastewater treatment facility & septic tank) facilities, application for completion inspection, and application for closure being carried out appropriately?

1) This is part of the environmental audit checklist.

Environmental Risk Assessment

SK Ecoplant conducts monthly environmental risk assessments in strict compliance with environmental laws and regulations. Through this, potential environmental risk factors in each environmental field are identified, with action plans being established and implemented. In addition to the purpose of regulatory compliance, we actively prepare mitigation measures to minimize any negative environmental impacts attributed to corporate business activities on air, soil, water quality, and the biodiversity of surrounding areas.

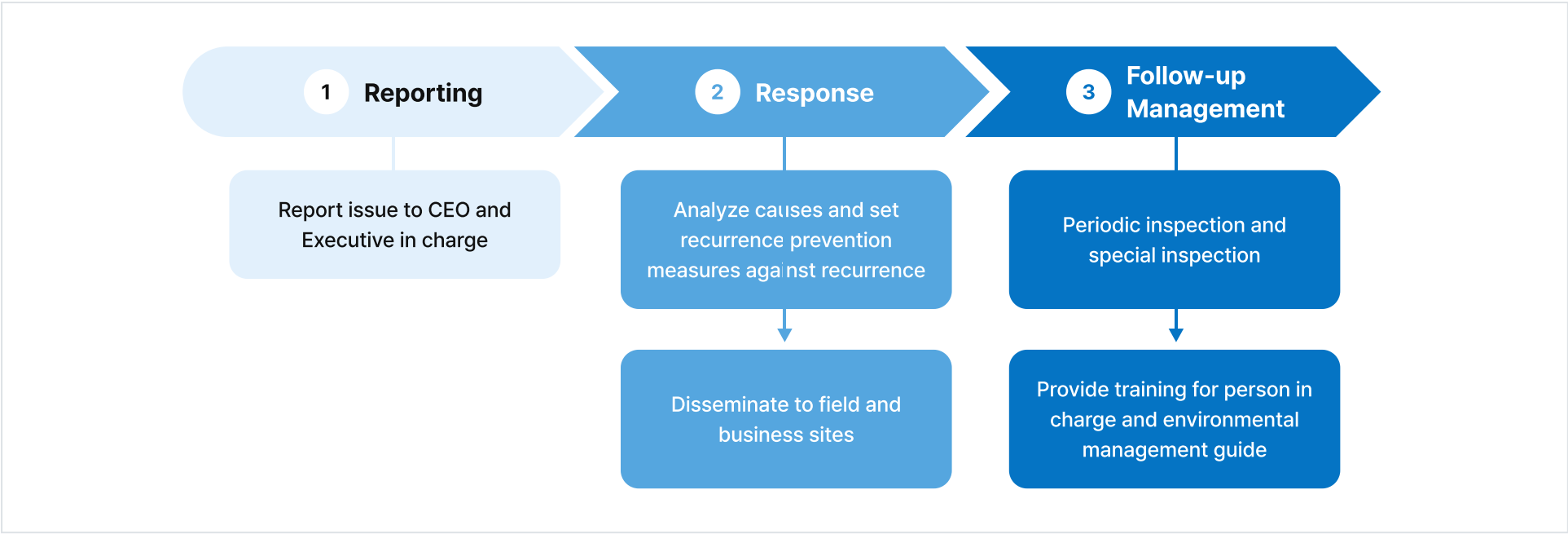
Case					
Status of risk analysis by environmental impact factors					
SK Ecoplant conducted a risk analysis by environmental impact factor in 2023 and identified unauthorized discharge and violation of environmental regulations as main risk factors. In the event of a risk occurring, its severity is classified considering the level of impact on the local community, and a response plan for each environmental impact factor is established by considering the potential financial impact of the risk on a corporate level.					
Environmental Factors	Risk Factors	Related Laws	Severity	Potential Financial Impact	Countermeasures
Greenhouse gas	Policy violation, etc.	Framework Act On Low Carbon, Green Growth	Mid	Penalty, purchase of emission rights	Rollout of GHG management system
Construction wastes	Unauthorized discharge, violation of environmental regulations	Construction Waste Recycling Promotion Act	High	Penalty, fines	Conducting waste-themed inspections according to tightened laws
Designated wastes	Unauthorized discharge, violation of environmental regulations	Wastes Control Act	High	Penalty, fines	
Water pollutant	Unauthorized discharge, violation of environmental regulations	Water Environment Conservation Act	High	Penalty, fines	Regularly inspecting wastewater discharge facilities
Air pollutant	Unauthorized discharge, violation of environmental regulations	Clean Air Conservation Act	High	Penalty, fines	Regularly inspecting air pollution (scattered dust) emissions from construction sites
Noise	Civil complaints, damage to livestock and fish farms	Noise and Vibration Control Act	Mid	Penalty, fines	Conducting noise and vibration-themed inspections, installing additional noise and vibration prevention facilities
Vibration	Civil complaints, damage to livestock and fish farms, damage to housing	Noise and Vibration Control Act	Mid	Penalty, fines	
Scattered dust	Unauthorized discharge, violation of environmental regulations	Clean Air Conservation Act	Mid	Penalty, fines	Participating in the fine dust seasonal management system, scattered dust-themed inspections, bolstering scattered dust suppression measures

Business Site Environmental Risk Response

SK Ecoplant follows the workplace environmental risk response process when non-compliance with environmental laws and regulations occurs. After reporting the issue to the CEO and responsible executives, the cause of the issue is analyzed, and preemptive measures against recurrence are established and disseminated to the relevant sites and business sites. Then, training for person in charge is provided with environmental management manuals being prepared by construction type and pollutant source and regular and interim inspections supervised by the headquarters, which ensures constant monitoring of compliance with environmental laws and regulation.

In 2023, there were cases of exceeding living noise regulation standards and violating construction waste storage standards. In compliance with living noise regulation standards, measures were taken by reinforcing soundproofing facilities, dispersing construction machinery, and adjusting work hours. To comply with construction waste storage standards, improvement measures were taken to install temporary separation and sorting locations, undertake separation and sorting activities, secure covering materials, and store construction sludge on impermeable floors.

Business Site Environment Risk Response Process



Environmental Compliance

SK Ecoplant aims to maintain "zero violations of serious environmental regulations" in 2024 through a systematic environmental management process. To ensure environmental compliance, we monitor environmental laws and regulations related to business activities and publish a compliance management report every two weeks to understand information on law revisions, legislative notices, and press releases from the Ministry of Environment, and relay relevant information to all projects. In particular, when revisions occur, we share related information with all projects, reflect them in the e-Guide, and respond by providing training for project contract workers, performing topic-specific interim inspections, and operating a consultative body between head office-based organizations.

Status of Violations of Serious Environmental Regulations (Consolidated)¹⁾

Category	Unit	2021	2022	2023					
				Total	SKEP	SKEE	SKOP	SK Tes	Renewus
No. of fines	Cases	0	0	0	0	0	0	0	1
Amount of fines	KRW 1 million	0	0	0	0	0	0	0	0
No. of penalties	Cases	0	0	0	0	0	0	0	0
Amount of penalties	KRW 1 million	0	0	0	0	0	0	0	0

1) This is based on penalties, fines exceeding KRW 10 million or USD 10,000.

Status of Violations of Serious Environmental Regulations (SK Ecoplant)¹⁾

Category	Unit	2021	2022	2023
No. of fines	Cases	0	0	0
Amount of fines	KRW 1 million	0	0	0
No. of penalties	Cases	0	0	0
Amount of penalties	KRW 1 million	0	0	0

1) This is based on penalties, fines exceeding KRW 10 million or USD 10,000.

Case

Analysis of Risk for Violating Environmental Regulations

SK Ecoplant closely reviews potential legal risks from its business activities to respond to major domestic and international environmental laws and regulations. To systematically manage each type of risk, the level of violation of environmental laws and regulations has been classified into two types related to the severity level as serious or general violation. We strictly comply with domestic and international environmental laws and regulations based on our environmental management policy, and there have been "0 cases¹⁾" of violations of environmental laws and regulations since the foundation of the company.

1) This is based on penalties, fines exceeding KRW 10 million or USD 10,000.

Type and Impact of Violation of Environmental Regulations

Category	Type	Severity of Impact	Financial impact upon violation
Serious violation	Violation of environmental regulations due to unauthorized discharge, false reporting, false declaration, etc.	High	- Fines (KRW 1 million ~ 100 million) - Business suspension & shutdown - Penalties (2 ~ 5% of average revenue for 3 years) - Penalty fee (more than KRW 10 million)
General violation	Violations such as non-compliance with emission standards, violation of environment facility installation and management standards, etc.	Mid	

Environmental Education

SK Ecoplant is committed to raising employees' awareness of the environment by providing educational content to foster expert environmental knowledge, such as carbon neutrality, hydrogen, circular economy, and energy solutions through SK Group's training platform mySUNI. In 2023, an environment and energy workshop took place for all employees to help them understand core businesses and expand consensus following changes in business unit-specific business direction. In keeping with our environment and energy business expansion, we will continue to develop and provide various environmental educational contents on climate change and environmental issues.

Environmental Education Performances (Consolidated)

Category	Unit	2021	2022	2023					
				Total	SKEP	SKEE	SKOP	SK Tes	Renewus
No. of employees to be educated	persons	8,140	8,647	8,634	3,491	1,439	878	674	2,152
No. of participating employees	persons	7,249	6,790	4,941	1,525	314	298	674	2,130
Participation rate	%	89.1	78.5	57.2	43.7	21.8	34.0	100	99.0
Education time	hours	152,636	104,267	107,202	26,054	1,170	443	5,613	73,922
Education time per person	hours	16.9	10.2	10.0	7.5	0.8	0.5	2.1	32.2
Education expenses	KRW 1 million	1,601 ¹⁾	453	265	202	8.7	0.1	16.0	38.5
Education expenses per person	KRW 10,000	17.7 ¹⁾	4.4	2.5	5.8	0.6	0	0.6	1.7

1) This value is calculated excluding SK Tes education expenses.

Environmental Education Performances (SK Ecoplant)

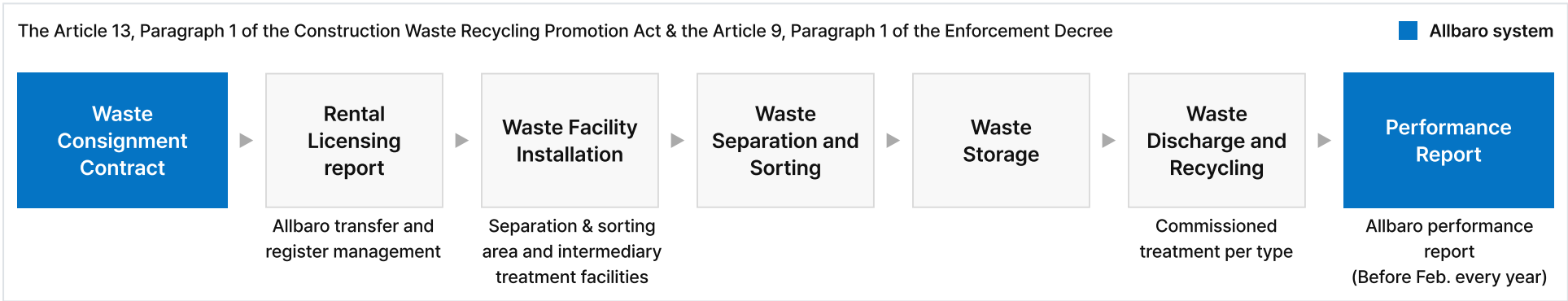
Category	Unit	2021	2022	2023
No. of employees to be educated	persons	4,396	3,555	3,491
No. of participating employees	persons	3,963	2,862	1,525
Participation rate	%	90.2	80.5	43.7
Education time	hours	68,817	12,005	26,054
Education time per person	hours	15.4	3.4	7.5
Education expenses	KRW 1 million	1,517	368	202
Education expenses per person	KRW 10,000	34.0	10.4	5.8

Management by Environmental Factor

Waste and Resource Circulation

SK Ecoplant systematically manages all processes, including waste generation, storage, and disposal, to mitigate the negative environmental impact of waste generated during construction. In improving issues caused by inadequate waste separation, selection, and storage, we mandate installing and operating waste separation and sorting areas, and implement waste reduction measures related to the construction stage, such as minimizing mixed waste, recycling construction sludge, and expanding application of construction processes to reduce waste discharge. In addition, we comprehensively manage waste discharge and treatment information collected with an in-house developed system and use it to establish waste reduction goals.

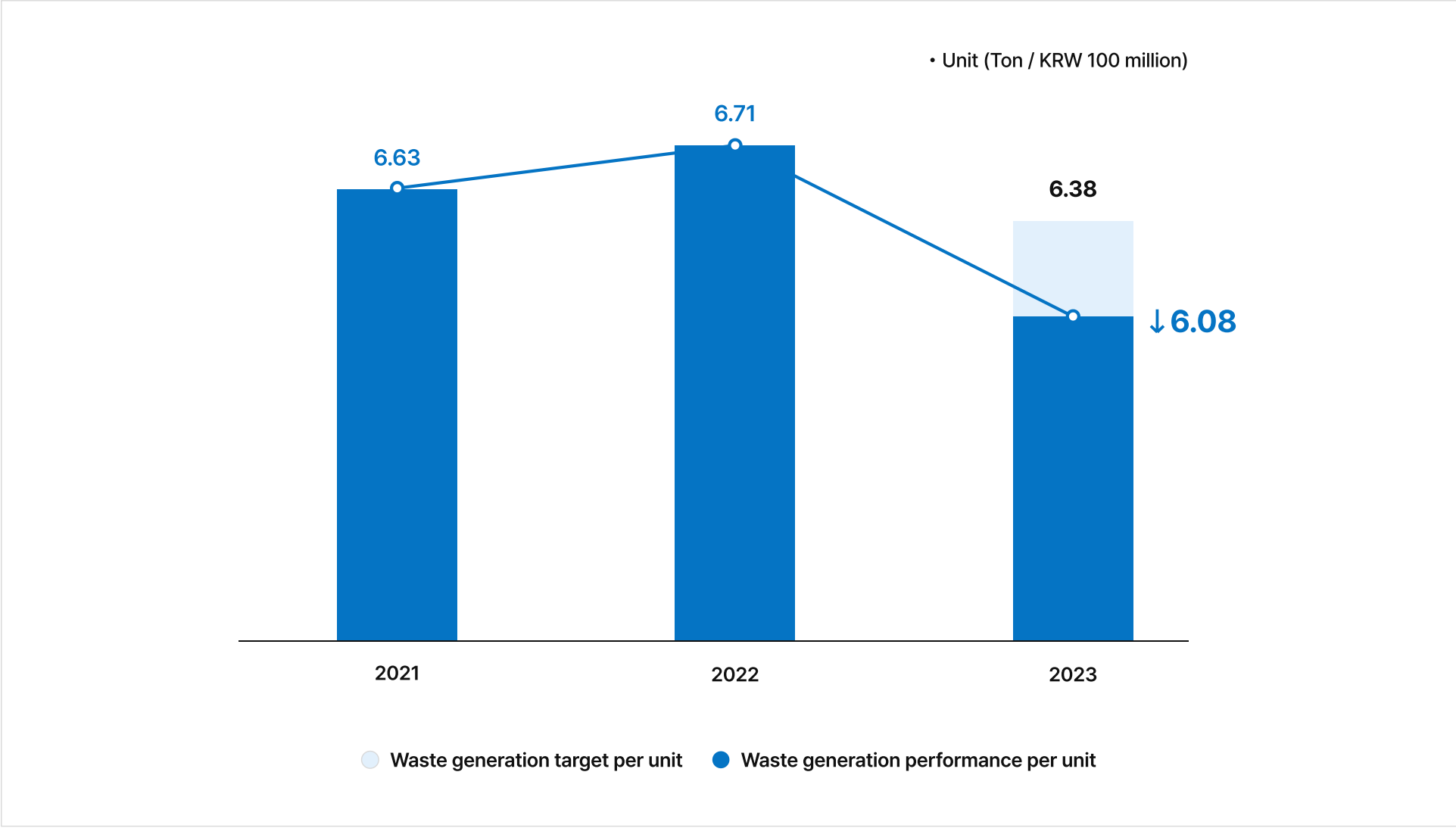
Construction Waste Treatment Process



Status of Waste Generation

SK Ecoplant makes concerted efforts to reduce the amount of waste generated, and is managing performance against goals by using waste generation per unit. In 2023, we achieved waste generation per unit of 6.08 tons/KRW 100 million, exceeding the original target of 6.38 tons/KRW 100 million, which translates into reducing nearly 10% of waste generation per unit by 2022.

Performance in reducing waste generation per unit (SK Ecoplant)



Generation and Treatment Volume by Waste Type (Consolidated)

Category	Unit	2021	2022	2023					
				Total	SKEP	SKEE	SKOP	SK Tes	Renewus
Total waste discharge	Ton	644,514	627,558	476,755	279,771	46,754	9,115	82,958	58,156
Waste recycling rate	%	97.6	96.4	95.8	97.7	95.1	96.7	93.6	89.9
Construction waste generation ¹⁾	Ton	490,542	493,645	310,491	256,466	42,477	-	-	11,548
Incinerated amount ¹⁾	Ton	113	306	712	712	0	-	-	0
Landfill amount ¹⁾	Ton	999	4,949	1,694	0	0	-	-	1,694
Recycled amount ¹⁾	Ton	489,430	488,390	308,085	255,754	42,477	-	-	9,854
General waste generation	Ton	151,190	127,619	160,434	23,222	4,245	8,743	79,970	44,254
Incinerated amount	Ton	2,929	2,050	1,993	10.4	0	0	1,983	0
Landfill amount	Ton	9,171	11,802 ²⁾	12,042	5,510	2,311	86.7	2,332	1,803
Recycled amount	Ton	139,090	113,768	146,399	17,702	1,934	8,656	75,656	42,451
Designated waste generation	Ton	2,782 ³⁾	6,294	5,830	83.0	32.4	372	2,988	2,354
Incinerated amount	Ton	323 ³⁾	1,098	1,116	83.0	0	212	821	0
Landfill amount	Ton	2,236 ³⁾	2,321	2,558	0	0	0	204	2,354
Recycled amount	Ton	222 ³⁾	2,873	2,156	0	32.4	161	1,963	0

1) SKOP and SK Tes do not aggregate and manage the generation and treatment of construction waste due to the nature of their business areas.

- 2) This value excludes SKEE general waste landfill.
- 3) This value excludes SK Tes designated waste generation and treatment.

Generation and Treatment Volume by Waste Type (SK Ecoplant)

Category	Unit	2021	2022	2023
Total waste discharge	Ton	485,472	415,532	279,771
Waste recycling rate	%	99.9	99.2	97.7
Construction waste generation	Ton	471,995	407,079	256,466
Incinerated amount	Ton	113	302	712
Landfill amount	Ton	0	0	0
Recycled amount	Ton	471,882	406,778	255,754
General waste generation	Ton	13,293	8,442	23,222
Incinerated amount	Ton	13.2	71.6	10.4
Landfill amount	Ton	82.0	2,839	5,510
Recycled amount	Ton	13,198	5,531	17,702
Designated waste generation	Ton	184	11.0	83.0
Incinerated amount	Ton	21.2	8.5	83.0
Landfill amount	Ton	82.5	0	0
Recycled amount	Ton	80.7	2.5	0

Water Resources

SK Ecoplant monitors water intake and use at all business sites, including the headquarters. Regular and ongoing environmental audits lead to ways to minimize wastewater discharge and improve the water recycling rate. During the construction process, "Smart Construction" leads to treated water from wastewater discharge facilities and water from grit chamber water being recycled for construction, landscaping, and sprinkling purposes.

Water Stress Analysis

To ensure stable water use, SK Ecoplant conducts a water stress analysis by WRI (World Resources Institute) based on the locations of major domestic construction sites. Although construction sites remain in a specific area for a limited time period, the use of water is essential to the construction process and reducing scattered dust. In particular, an increase in the water stress level can potentially lead to an increase in water usage costs in the mid- to long-term, which in turn increases the overall construction cost. As a result of water stress analysis, Daejeon and Cheongju areas were identified as "High" level, while most other domestic business sites were identified as "Medium-High" level. SK Ecoplant always prioritizes activities related to water resource use efficiency in areas where the water stress level is determined to be over "High". Going forward, we plan to launch activities that improve water use efficiency for construction sites with high water stress levels, while expanding the surveyed areas.

Water Stress Level according to the Location of Major Business Sites (SK Ecoplant)

Region where the business is located ¹⁾	Water stress level ²⁾		
	Baseline	2030	2050
Gwacheon	Medium - High (20-40%)	Medium - High (20-40%)	Medium - High (20-40%)
Gwangmyeong	Medium - High (20-40%)	Medium - High (20-40%)	Medium - High (20-40%)
Guri	Medium - High (20-40%)	Medium - High (20-40%)	Medium - High (20-40%)
Gimpo	Medium - High (20-40%)	Medium - High (20-40%)	Medium - High (20-40%)
Daegu	Medium - High (20-40%)	Medium - High (20-40%)	Medium - High (20-40%)
Daejeon	High (40-80%)	High (40-80%)	Medium - High (20-40%)
Busan	Medium - High (20-40%)	Medium - High (20-40%)	Medium - High (20-40%)
Seoul	Medium - High (20-40%)	Medium - High (20-40%)	Medium - High (20-40%)

Region where the business is located ¹⁾	Water stress level ²⁾		
	Baseline	2030	2050
Seongnam	Medium - High (20-40%)	Medium - High (20-40%)	Medium - High (20-40%)
Suwon	Medium - High (20-40%)	Medium - High (20-40%)	Medium - High (20-40%)
Anyang	Medium - High (20-40%)	Medium - High (20-40%)	Medium - High (20-40%)
Osan	Medium - High (20-40%)	Medium - High (20-40%)	Medium - High (20-40%)
Ulsan	Medium - High (20-40%)	Medium - High (20-40%)	Medium - High (20-40%)
Uiwang	Medium - High (20-40%)	Medium - High (20-40%)	Medium - High (20-40%)
Incheon	Medium - High (20-40%)	Medium - High (20-40%)	Medium - High (20-40%)
Cheongju	High (40-80%)	High (40-80%)	Medium - High (20-40%)
Hwaseong	Medium - High (20-40%)	Medium - High (20-40%)	Medium - High (20-40%)

1) In cases where there are multiple construction sites in a specific region, locations with relatively high water stress levels were taken as the standard.

2) Analysis was conducted based on the 2030 and 2050 "Business as usual" scenarios of WRI's Aqueduct Water Stress analysis tool.

Case

Efforts for Enhancing the Efficiency of Water Resources



SK Ecoplant undertakes various activities in earnest to improve the efficiency of water resource use by installing rainwater banks that reuse stored rainwater for landscaping and cleaning purposes at our business sites, and setting up a separate treatment plant that allows us to self-sufficiently reuse treated wastewater. In addition, we reduce overall water usage by using leaked groundwater as sprinkling water to reduce scattered dust, water to reduce temperature during summer heat waves, and water for site cleaning.

Status of Water Withdrawal and Consumption (Consolidated)¹⁾

Category	Unit	2021	2022	2023					
				Total	SKEP	SKEE	SKOP	SK Tes	Renewus
Total water withdrawal	Ton	864,434	501,149	649,819	363,652	-	247,801	38,366	-
Urban water and industrial water	Ton	790,005	495,726	625,147	339,073	-	247,801	38,273	-
Groundwater	Ton	55,885	3,410	7,650	7,650	-	0	0	-
Other water	Ton	18,544	2,013	17,022	16,929	-	0	93.0	-
Total water consumption ²⁾	Ton	816,797	395,102	546,047	363,652	-	144,029	38,366	-
Total water discharge	Ton	47,507	106,047	103,772	0	-	103,772	0	-
Total water recycling amount	Ton	0	0	0	0	-	0	0	-

1) SKEE and Renewus do not aggregate or manage water withdrawal and consumption due to the nature of their business areas.

2) Water consumption is the value obtained by subtracting water discharge from water withdrawal.

Status of Water Withdrawal and Consumption (SK Ecoplant)

Category	Unit	2021	2022	2023
Total water withdrawal	Ton	647,376	259,487	363,652
Urban water and industrial water		573,025	254,093	339,073
Groundwater		55,885	3,410	7,650
Other water		18,466	1,984	16,929
Total water consumption ¹⁾		647,376	259,487	363,652
Total water discharge		0	0	0
Total water recycling amount		0	0	0

1) Water consumption is the value obtained by subtracting water discharge from water withdrawal.

Harmful Substances

SK Ecoplant monitors the status of compliance with legal standards and safety and health of hazardous substances at direct operational sites¹⁾ as well as the entire business value chain. Wastewater treatment facilities are installed at sites where civil engineering underground excavations and tunnel construction take place to treat wastewater within the allowable discharge standards, and air pollution reduction facilities are installed at construction sites where Batch Plants and crushers are operated, to reduce air pollutants to the allowable discharge standards.

1) In direct operational sites, there is no emission facility which is subject under the Clean Air Conservation Act and Water Environment Conservation Act.

Status of Water Pollutant Emissions (Subsidiaries)

Subsidiaries	Category	Unit	2021	2022	2023
SK ecoengineering ¹⁾	BOD	Ton	-	-	-
	COD		-	-	-
	SS		-	-	-
SK oceanplant	BOD		0.06	0.15	0.14
	COD		-	-	-
	SS		0.11	0.16	0.10
SK Tes ¹⁾	BOD		-	-	-
	COD		-	-	-
	SS		-	-	-
Renewus	BOD		3.5	3.8	3.7
	COD		21.6	23.3	23.6
	SS		3.7	3.5	3.5

1) SK ecoengineering and SK Tes do not aggregate or manage the status of water pollutants due to the nature of their business areas.

Status of Air Pollutant Emissions (Subsidiaries)

Subsidiaries	Category	Unit	2021	2022	2023
SK ecoengineering ¹⁾	NOx	Ton	-	-	-
	SOx		-	-	-
	Dust		-	-	-
	VOCs		-	-	-
	HAPs		-	-	-
SK oceanplant	NOx		0	0	0
	SOx		0	0	0
	Dust		1.7	2.0	1.8
	VOCs		-	-	-
	HAPs		13.4	8.0	8.7
SK Tes	NOx		-	-	2.5
	SOx		-	-	0.008
	Dust		-	0.04	0.03
	VOCs		-	-	-
	HAPs		-	-	-
Renewus	NOx		63.4	62.4	58.2
	SOx		1.2	1.9	2.2
	Dust		2.1	1.5	1.6
	VOCs		0	0	0
	HAPs		-	-	-

1) SK ecoengineering does not aggregate or manage the status of water pollutants due to the nature of its business area.

Case

Management of Air Pollutants Generated by Incineration Subsidiaries

Strategy	Compliance with environmental management standards that exceed legal regulations and applying differentiated reduction measures
Target	- Continuous reduction of total amount of air pollutants including Nitrogen Oxides (NOx) - Manage pollutants at a level below 75% of the Ministry of Environment’s air pollutant emission standards for incinerators.
Activity	- Regular inspection through emission level analysis - Establishing a plan to reduce high-risk pollutants - Applying advanced construction processes such as Selective Catalytic Reduction (SCR) to reduce the total amount of air pollutants, such as Nitrogen Oxides (NOx)

Environmentally Harmful Factor Inspection and Monitoring System

SK Ecoplant operates an inspection process and monitoring system to manage individual environmentally harmful factors, such as waste, water quality, and air pollutants. We are inspecting project licensing, operation, prevention and containment facility measures, etc., with a checklist for the entire project process developed for each environmentally harmful factor, and developing a "Standard model for focused management of on-site environmental issues" to autonomously inspect environmental issues on site. In particular, we conduct regular on-site inspections of key processes based on six major non-conformities, including discharge of turbid water, leak of cleaning wastewater, violation of waste treatment, and generation of scattered dust.

Environmentally Harmful Factor Monitoring System Classification

Category	Cycle	Management approach
Water pollutant	All-time (or based on licensing criteria)	- Self-measurement and preparation of management register by site (Business sites with wastewater discharge level above class-III, Biz. Partner in charge) - Establishment of water quality remote automatic monitoring system (TMS) (Business sites with wastewater discharge level above class-III, Biz. Partner in charge)
Air pollutant	All-time	- Management of result of implementing a voluntary agreement for reducing scattered dust (project in metropolitan area) - Monitoring of dust generation by site utilizing the IoT system (project in some downtown areas)
Noise and vibration	Before construction begins, all-time, when civil complaints occur	Predict the range of influence of noise and vibration (using a noise simulation program)
Chemicals	All-time	- Compliance with usage-storage standards for hazardous chemicals (sodium hydroxide, sulfuric acid, etc.) (project for use of hazardous chemicals) - Check for chemical leaks
Soil pollutant	Before commencement of construction, in case of probability of soil pollution	Reporting or clean-up implementation according to the relevant law when contamination is confirmed after soil sampling and component analysis

Business Site Field Management

Category	Management content
Water quality management	Businesses that operate wastewater treatment facilities keep regular operation logs and conduct self-measurements according to legal cycles, and constantly check the concentration of pollutants through TMS to comply with discharge allowance standards.
Scattered dust management	Starting with the "Ministry of Environment-Construction Company Voluntary Agreement between for the Reduction of Scattered Dust" in 2016, we are responding to the generation of high-concentration fine dust. Measures such as adjusting construction time, restricting the use of outdated construction machinery, and assigning environmental management personnel are implemented for all sites that include processes that generate scattered dust, and the reduction performance is reported to the Ministry of Environment. We are also working to improve air quality by establishing an environmental IoT platform to monitor pollutant concentrations at construction sites in real time and adding reduction facilities. [2023 Performance Highlights] - Implemented the voluntary agreement on 4th seasonal management system - Strengthened road cleaning (construction site and surrounding areas) - Installed fine dust measuring device - Restrictions on outdoor work - Low-emission measures for construction machinery - Installed and operated anemometer - Deployed environmental cleaners - Paved temporary road - scattered dust-themed inspection
Noise management	To reduce noise damage, which accounts for more than 80% of environmental issues at construction sites, we conduct noise simulations in advance, thus deriving optimal alternatives from various angles, including changes to facilities, equipment, and construction processes. [2023 Performance Highlights] Implemented management for Dangsan Station 1st SK V1 tower, Centum Astrum SK VIEW, Gwangmyeong 5R housing redevelopment project
Chemical management	Business sites that use hazardous chemicals, such as sodium hydroxide and sulfuric acid, use and store them in accordance with the criteria for handling hazardous chemicals prescribed by law, install protection facilities to prevent leaks in case of emergency (fire outbreak, etc.), and regularly check for leaks.
Soil management	We have established a plan to remove and prevent soil environmental pollutants from spreading, and check for environmental pollution by conducting a preliminary investigation into soil pollution risks at business sites, thus managing to prevent potential environmental damage to the ecosystem and local communities in the future.

Case

IT System-based Environmental Information Management

Company-wide Environmental Management System (SEIS+)	SK Ecoplant efficiently manages all aspects of environmental management and performance in business sites through SEIS+, a company-wide environmental management system. Through this system, we monitor the status of compliance with environmental laws and regulations at headquarters and domestic sites in real time, and manage environmental risks related to waste, noise-vibration, air pollutants, and water pollutants.
SK Environmental Management e-Guide	SK Ecoplant provides the SK Environmental Management e-Guide for employees to check the environmental management information needed when performing on-site environmental work. This manual consists of environmental management standard guidelines and issue response guidelines, and is frequently updated as to environmental laws and the latest data, making it highly practical for on-site environmental management.
Environmental Information Management System (EMIS)	SK Ecoplant applies an Environmental Information Management System to monitor environmental information at all business sites. Data on energy, raw materials, water usage, and waste generation are compiled monthly and used to analyze environmental impacts, such as monthly and yearly energy usage and GHG emissions. In particular, third-party verification of compiled GHG data through the EMIS is conducted to ensure the reliability of the data.

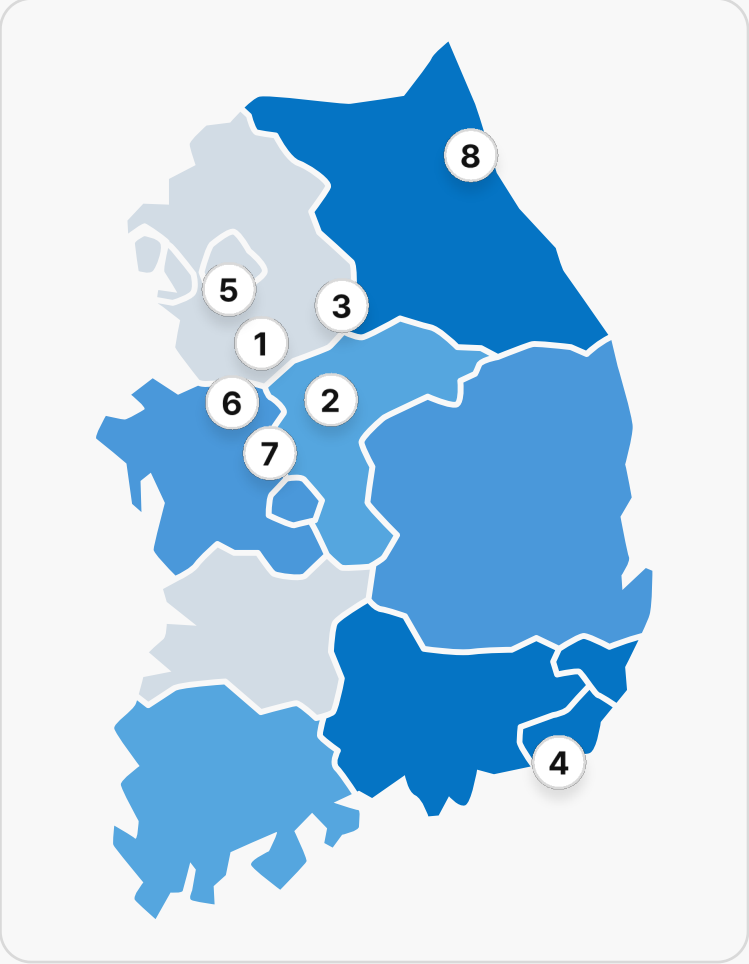
Biodiversity

SK Ecoplant has established a biodiversity policy under its environmental management policy, and advocates the need to protect biodiversity for sustainable development. The above policy contains the principles for minimizing biodiversity risks and implementing mitigation measures company-wide, with our commitment to establish an environmental impact monitoring plan and to comply with the legal requirements of each region and country where business sites are located. We identify negative impact factors through an environmental impact assessment conducted by the developer before construction. To mitigate these factors, we implement protective measures such as installing ecological escape routes and creating artificial nests, and supplying underwater oxygen.

Case

Response Measures for Protected Ecological Species

SK Ecoplant has implemented various activities to preserve biodiversity and to protect endangered species in Sejong, Yongin, Yongjeong etc., in 2023.



1

Sejong-Pocheon (Anseong-Seongnam) Expressway Construction Project (Section 2)

Suwon tree frog (Class-1 endangered species)
Selected alternative habitats and post-migration monitoring in progress

2

Icheon-Mungyeong Railway Construction Project (Section 8)

Flying squirrel (Class-2 endangered species)
Installed habitat

3

Yongin Semiconductor Cluster General Industrial Complex Development Project

Leopard cat, flying squirrel (Class -2 endangered species)
Avoid nighttime construction and use low-vibration and low-noise equipment.

Korean Salamander
Captured using a pocket trap, and then moved to a habitat with a similar environment.

4

Site Construction of General Industrial Complex of Yangcheon & Yongjeong District

Clithon retropictus (Class-2 endangered species)
Migration and creation of alternative habitats

Otter (Class-1 endangered species)
Installation of a rest area (sea floating board)

Jalpi (seawarck) (marine protected organism)
Migration and creation of alternative habitats

5

Wolgyo-Pangyo Dual Track Railway Construction Project (Section 8)

Kestrel (Natural Monument No. 323-8)
Thorough supervision of major food sources, operation of low-noise and low-vibration construction processes

6

Pyeongtaek-Osong Dual Track 2nd Section Construction Work

Eastern narrow-mouthed toad (Class-2 endangered species)
Habitat migration, consulting with experts

7

Sejong Venture Valley General Industrial Complex Construction

Leopard cat (Class-2 endangered species)
Installation of ecological passages

8

Gangneung - Jejin Single Track Railway Section 4 Construction Work

Stickleback, Cottus hangiongensis (Class-2 endangered species)
Installation of silt curtains, preservation of aquatic habitats, installation of temporary drainages and grit chambers during riverbank construction

Otter (Class-1 endangered species, Natural Monument No. 330)
Installation of river impact mitigation facilities such as temporary drainages, grit chambers and silt curtains as well as installation of ecological passages

62



안전보건

Safety and Health

Safety and Health Management System

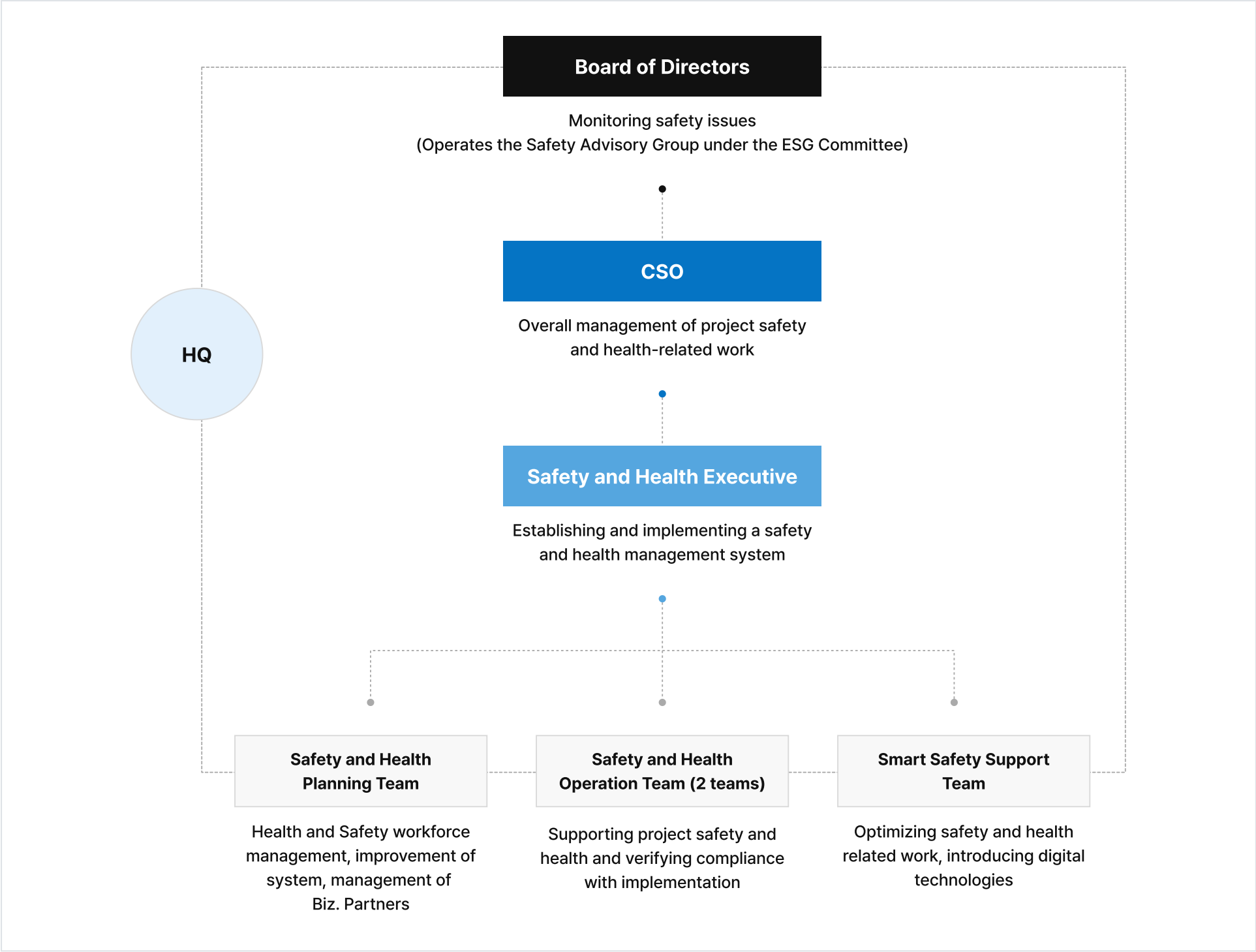
Safety and Health Management Policy and Certifications

SK Ecoplant prioritizes the safety and happiness of all employees and stakeholders and advances its safety and health management system to world-class levels. In 2023, a safety and health management policy was instituted to prevent potential accidents and specify roles and responsibilities, ensuring a safe and healthy work environment. SK Ecoplant's safety and health policy applies to all types of employees throughout the company, including full-time employees, subcontractors, and service, consignment, and special types of employees. We review the efficacy of our safety and health policy every year, revise detailed guidelines in keeping with changes in the internal and external safety-related regulatory environment, and prompt all Biz. Partners in our business relationships to comply with the safety and health policy. Meanwhile, we have acquired a safety and health management system certification for all domestic and overseas business sites and have operated an effective safety and health management system with stability by undergoing post-examinations by the certification body annually.

[Safety and Health Management Policy](#)
[Safety and Health Policy](#)
[ISO 45001:2018](#)
[KOSHA-MS](#)

Safety and Health Management Organization

Organizational Chart of Safety and Health Management



SK Ecoplant's safety and health management organization directly reports to the Chief Safety Officer (CSO) who has been delegated oversight authority. As the inside director of safety and health affairs, the CSO is tasked with independent decision-making throughout the safety and health management system, including the establishment of a safety and health management system, management of organizational and workforce operations, and budget planning and execution. The supporting operational organization regularly inspects the status of the safety and health management system and strives to improve safety and health performance indicators. Additionally, to strengthen management-centered safety and health responsible management, SK Ecoplant incorporated safety and health evaluation items in the KPIs of the management including the CSO, such as the goal of Zero serious accidents, implementation of a risk assessment, and compliance with related regulations. In addition, the Board of Directors monitors safety issues through the "Safety Advisory Group" under the ESG Committee, also reviewing and approving agendas such as safety and health performance and plans reported by the safety and health organization annually.

Case

Briefing Session for Safety and Health Performances

SK Ecoplant holds semi-annual briefing sessions for reporting safety and health performances under the CSO's authority. The CSO actively collects feedback from project site employees through these sessions and identifies and addresses areas for improvement to minimize the occurrence of industrial accidents at business sites. SK Ecoplant plans to continuously examine the implementation of the safety and health management system to enhance the efficacy of activities related to safety and health management.

Serious Accident Management Goals

SK Ecoplant duly complies with safety and health policies at all business sites and prevents risks in advance, to attain the goal of "zero-serious accidents". To this end, we have established short-, mid-, and long-term quantitative goals for the LTIR (Lost Time Incident Rate), fatality rate, number of serious accidents, and number of fatalities. As for the LTIR, we aim to achieve a rate of less than 0.414 by 2030.

Roadmap for the Goals of Serious Accident Management (SK Ecoplant)

Category	Unit	Baseline	2023 Performance	Targets			
				2024	2025	2026	2030
Lost Time Incident Rate ¹⁾	No. of incidents per 200,000 working hours	0.828 ²⁾	0.828	-	-	-	0.414
Fatality rate ³⁾	‰	0.577 ⁴⁾	0.65	0.490	0.447	0.418	0.290
No. of serious accidents	cases	0	0	0	0	0	0
No. of fatalities	cases	0	0	0	0	0	0

- 1) The scope of LTIR includes employees (including contractors) and Biz. Partners.
- 2) The baseline year is 2023.
- 3) The reduction rate for the fatality rate up until 2026 was applied according to the government's roadmap for reducing serious accidents. The 2030 fatality rate target has been set as the OECD average fatality rate.
- 4) The baseline is the weighted average of the annual fatality rate from 2020 to 2022.

Business Site Safety and Health Management

Serious Accident Prevention Activities and Performances

SK Ecoplant has bolstered project-centered autonomous safety management to prevent and manage serious accidents. An environment where a safety management system can be led by the field managers has been created, along with the establishment of a phase-specific support system taking into account the characteristics of each project and effective support based on the risk levels of the business site. In addition, for effective prevention of serious accidents, key safety protocols were established based on the analysis of over 10 years of industrial accident data at construction sites. Repeated accidents are prevented by distributing these protocols to all business sites and continuously examining the implementation status. Meanwhile, fundamental preventions of accidents are made by deploying smart safety technologies with proven efficacy at business sites to detect and address risk factors that are beyond human control.

Eliminating Risk Factors in Advance

SK Ecoplant mitigates the risk of accidents by constantly providing onsite employees with instructions that must be followed during high-risk activities. In addition, we actively deploy various smart safety technologies at our business sites, enabling all employees to work in a safe working environment. Safety sensors are installed in industrial equipment such as tower cranes and conveyor belts to prevent accidents by automatically generating a warning alarm or halting the equipment when a person approaches. Sensors are deployed when installing piles, to automatically measure the penetration depth (penetration amount) without workers having to directly approach hazardous areas.

Emergency Response Drills

SK Ecoplant operates an emergency response team and the Safety Control Center to prepare for rapid onsite response in case of an emergency. Additionally, emergency response scenarios for each site were established to clearly delineate the roles of employees and Biz. Partners. Emergency response drills for situations such as fire, explosion, and structural collapse are conducted at least semi-annually based on these scenarios, enabling the embodiment of behavioral guidelines in emergencies.

Case

Pre-Alert System

SK Ecoplant has led the industry by being the first to adopt a "Pre-Alert System". This system, operated by the Safety Control Center in the headquarters, analyzes data from mobile applications and CCTVs at all workplaces, and prevents safety accidents by identifying hazardous situations and sending out warnings of them in advance.

In the Case of a Warning Alarm Set Off

The management personnel of the Safety Control Center immediately contacts the employees in a business site, checks the details using video footage and mobile video systems, and records and manages the entire process until the measures are properly taken.

In an Emergency

The Safety Control Center functions as a command center to direct responses and supervise emergency situations at the workplace, under the CSO's authority, and works to minimize the damage by taking prompt follow-up measures.

Safety and Health Compliance

SK Ecoplant strictly complies with pertinent laws and regulations and carefully analyzes violations to minimize the risk of any recurring safety and health issues. In 2023, there were three summary orders (fines) received for safety-related legal violations that were discovered at a project site. "Safety and Health Regulatory Compliance Inspections" is conducted semi-annually to prevent any recurring legal violations. Furthermore, we have distributed and provided training on occupational safety and health act compliance manuals to onsite employees, and each business site independently confirms regulatory compliance using the legal compliance checklist compiled by head office.

Violation of Safety and Health Laws and Regulations (Consolidated)¹⁾

Category	Unit	2021	2022	2023					
				Total	SKEP	SKEE	SKOP	SK Tes	Renewus
No. of fines and penalties	cases	16	73	14	13	1	-	0	0
Total amount of fines and penalties	KRW 1 million	55.4	190	43.2	28.0	15.2	-	0	0

1) SKOP does not aggregate or manage the status of safety and health regulation violations as of the reporting date.

Violation of Safety and Health Laws and Regulations (SK Ecoplant)

Category	Unit	2021	2022	2023
No. of fines and penalties	cases	6	69	13
Total amount of fines and penalties	KRW 1 million	44.0	182	28.0

Management of Safety and Health Indicator Performances

SK Ecoplant manages quantitative performance on safety and health indicators, including major subsidiaries, to establish a safety and health management system throughout the supply chain.

Safety and Health Management Indicators (Consolidated)

Category	Unit	2021	2022	2023					
				Total	SKEP	SKEE	SKOP	SK Tes	Renewus
Employees									
Total work hours	10,000 hours	2,129	2,226	2,288	1,019	314	200	341	415
No. of Lost Time Incidences (LTI)	cases	50	60	55	8	0	3	38	6
Lost Time Incident Rate (LTIR)	No. of incidents per 200,000 working hours	0.47	0.54	0.48	0.16	0	0.30	2.23	0.29
No. of occupational illnesses	cases	0	1	1	1	0	0	0	0
Occupational Illness Frequency Rate (OIFR)	No. of incidents per 200,000 working hours	0	0.01	0.01	0.02	0	0	0	0
No. of serious accidents	cases	0	1	0	0	0	0	0	0
No. of fatalities	cases	0	1	0	0	0	0	0	0
Biz. Partner									
Total work hours	10,000 hours	6,973	8,032	6,578	3,434	2,195	674	231	44
No. of Lost Time Incidences (LTI)	cases	127	198	269	176	84	6	3	0
Lost Time Incident Rate (LTIR)	No. of incidents per 200,000 working hours	0.36	0.49	0.82	1.03	0.77	0.18	0.26	0
No. of serious accidents	cases	2	2	2	0	1	1	0	0
No. of fatalities	cases	2	2	2	0	1	1	0	0

Safety and Health Management Indicators (SK Ecoplant)

Category	Unit	2021	2022	2023
Employees				
Total work hours	10,000 hours	1,187	926	1,019
No. of Lost Time Incidences (LTI)	cases	6	7	8
Lost Time Incident Rate (LTIR)	No. of incidents per 200,000 working hours	0.10	0.15	0.16
No. of occupational illnesses	cases	0	0	1
Occupational Illness Frequency Rate (OIFR)	No. of incidents per 200,000 working hours	0	0	0.02
No. of serious accidents	cases	0	0	0
No. of fatalities	cases	0	0	0
Biz. Partner				
Total work hours	10,000 hours	6,330	6,309	3,434
No. of Lost Time Incidences (LTI)	cases	121	163	176
Lost Time Incident Rate (LTIR)	No. of incidents per 200,000 working hours	0.38	0.52	1.03
No. of serious accidents	cases	0	1	0
No. of fatalities	cases	0	1	0

Management of Safety and Health Risks

SK Ecoplant continuously improves the safety and health risk management process to discover potential risk factors at the business sites and devise countermeasures. In addition, supportive activities and audits are conducted to enable the systematical operation of the safety and health management system in the field. SK Ecoplant especially focuses on achieving zero accidents at all business sites by operating an onsite support system geared to the risk level of each business site.

Inspection of Safety and Health Law Implementation

SK Ecoplant conducts "Inspection of Safety and Health Law Implementation" semi-annually under the responsibility of the CSO. Through the inspection, areas for improvement are identified and based on this, compliance inspection checklists and manuals are compiled to facilitate regulatory compliance by onsite employees. For legal violations, the root causes are identified, and work procedures and systems are improved to prevent any recurring issues. SK Ecoplant seeks to improve the completeness of its audit and management system to address safety and health legal risks in its business areas worldwide. In the first half of 2023, inspections were conducted at 45 business sites, with a total of 376 areas for improvement identified and 100% of improvement measures taken. In the second half of 2023, 60 business sites were subject to inspections, with a total of 429 areas for improvement identified and 100% of measures taken.

Inspection of Safety and Health Law Implementation Results

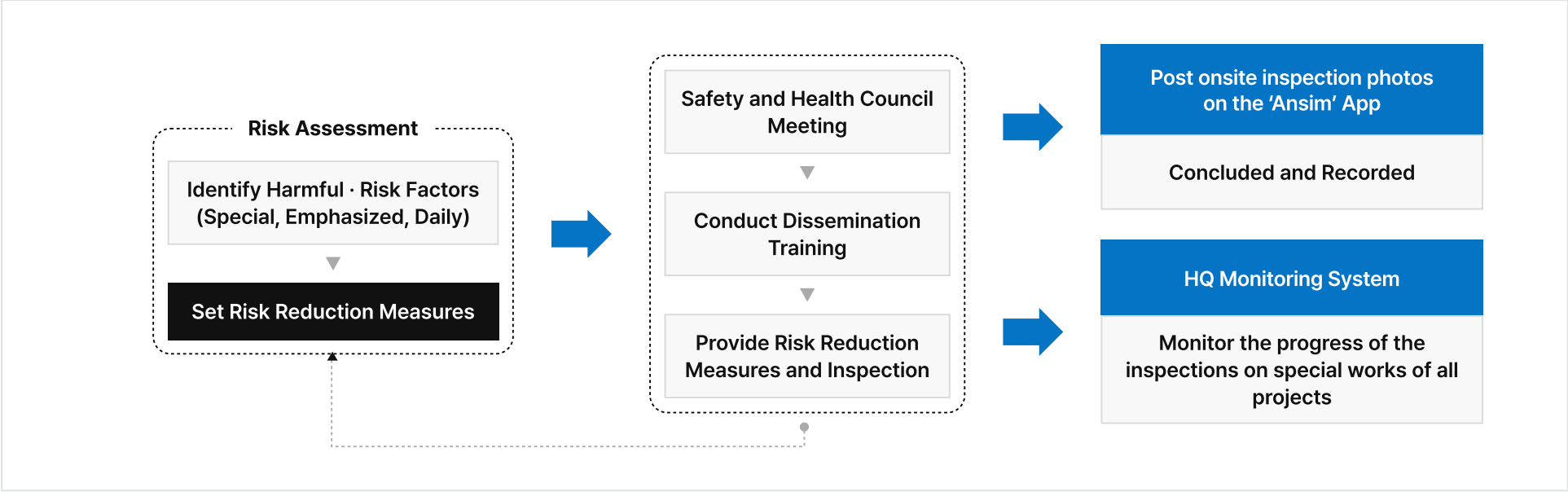
Category	Details
Key areas for improvement	Onsite actions following the safety and health standards - Some inadequacies in safety management, such as installation of safety facilities, incomplete conditions and actions, etc. Operating a system based on the Occupational Safety and Health Act - Some inadequacies in system operations such as risk assessment, safety and health training, and Safety and Health Council Meetings Operating a system based on the Serious Accidents Punishment Act - Some deficiencies in the establishment of the safety and health management system and the implementation of measures
Measures taken	100% of measures taken following pertinent legal standards and company regulations Completed onsite measures for site-specific improvements and reported their results to the head office within 1 week (When a certain amount of time is required to implement the measures, their results were reported afterwards)

Risk Assessment

To create a healthy and safe work environment, SK Ecoplant conducts risk assessments which employees directly participate in, for all projects at least once a month. Once harmful-risk factors at the business sites are identified through the risk assessment, risk levels are calculated contingent on the likelihood of the factors leading to injuries and illnesses of the employees and their severities. For items whose risk is assessed to exceed a certain level, safety and health risks are mitigated by measures to mitigate negative impacts or by eliminating the risk factors.

SK Ecoplant provides training to employees at business sites on harmful-risk factors derived through risk assessments, improvement measures, and past or potential accidents. In addition, the implementation of improvement measures in the field is examined in advance, in progress, and constantly, and the quarterly performance of each business site is measured independently. For work that is deemed hazardous or risky, the mobile application "Ansim" is utilized to conduct safety inspections categorized as special, emphasized, and daily inspections, and the results of measures taken are recorded. The data of inspections and measures are managed through the monitoring systems of the headquarters and respective business sites.

Risk Assessment Process



Result of Pre-work Safety Inspection on Harmful·Risk Factors

Category	Unit	2023 1H		2023 2H	
		No. of Identified Cases	No. of Safety Inspections (inspection rate)	No. of Identified Cases	No. of Safety Inspections (inspection rate)
Special	cases (%)	22,978	22,694 (99%)	48,251	47,073 (98%)
Emphasized	cases (%)	88,391	86,062 (97%)	112,125	107,530 (96%)
Daily	cases (%)	74,664	71,713 (96%)	114,254	108,759 (95%)
Total	cases (%)	186,033	180,469 (97%)	274,630	263,362 (96%)

Company-wide Recurrence Prevention Measures and Implementation Status

SK Ecoplant investigates accidents that arise at business sites to determine their cause and devise countermeasures, and then notifies all business sites to prevent any recurring accidents. Moreover, the headquarters leads unannounced inspections to examine whether recurrence prevention measures have been implemented. In 2023, plans for prevention measures were established for 16 serious accidents that occurred at the business sites and were deemed in need of such measures. Then, the implementations of the recurrence prevention measures were investigated and the efficacy of the measures were reviewed by gauging the risk level before and after conducting improvement measures.

Harmful-risk factors	Key measures	Risk level	
		Pre-mitigation	Post-mitigation
A cable tray fell during the removal of the upper pipe	- Mandated personal protective equipment - Delegated a monitoring team for constant onsite management	High	Low
Hit by a falling object from the top of a pile driver	- Reinforced falling object prevention facilities in the pile driving work areas - Controlled access to the pile driving work areas	High	Intermediate
Fell due to the formwork getting dislodged while moving its slab	Installed safety railings for access control	High	Low
Hit by a pipe during pipe-laying work	- Installed wedges to prevent pipes from rolling down - Conducted floor-leveling work	High	Low
Fingers caught between materials and chocks while unloading a forklift	- Special training on equipment signal system - Delegated a dedicated signalman	High	Low
Fingers cut while removing formwork joints	Installed a grinder protective cover and wore safety glasses	High	Low
Fell or hit by loose materials while dismantling the deck formwork	- Controlled access to dismantling work areas - Delegated dedicated access control staff	High	Low
Slipped and fell to the small end 1.8m below during the installation of the liner material	- Installed safety belt attachment equipment before work - Fastened dual safety rings	High	Low

Harmful-risk factors	Key measures	Risk level	
		Pre-mitigation	Post-mitigation
A driver of a 1-ton truck struck a signalman while backing up	Installed outdoor rear cameras on 1-ton trucks	High	Low
Hit by falling materials while dismantling band hardware for fixing column formwork	Prohibited concurrent higher and lower-level work and mandated two-person teams during the work	High	Low
Hit by residual soil that fell from the upper part of the slurry wall installation equipment BC cutter	Removed residues and installed protective shelves to prevent falling accidents	High	Low
Thawing frozen soil fell on the hard hat from above	Continued work after measures to prevent falling objects	High	Intermediate
Right foot caught in the fork of the forklift while unloading rebars with a forklift	Compliance with the signal system when a forklift unloads and transports materials	High	Low
Stepped on concrete residue and fell while descending stairs	Tidied up immediately after work	High	Low
Chain block affixing the steel formwork of internal wall became loose and slid down	Prevent formwork from falling off by installing two lug hook hangers for lifting formwork	High	Low
Slipped on a horizontal connector and fell onto a safety net while dismantling a system truss	Installed additional work scaffolds in the work zone with constant onsite monitoring by the safety team	High	Low

Biz. Partner’s Participation in Safety and Health Activities

SK Ecoplant holds Safety and Health Council Meetings at least once a month to prevent accidents and resolve safety and health-related difficulties of Biz. Partner employees at all business sites. This council shares the results of implemented safety and health measures for high-risk work discussed in previous sessions and discusses steps to address potential hazardous situations in the workplace, coordination of work processes between Biz. Partners, and matters related to risk assessment. Employees from Biz. Partners participate in the Safety and Health Council Meetings to discuss improvement measures for harmful-risk factors. In addition, Biz. Partners voluntarily and actively participate in safety and health management activities undertaken at the workplace, such as joint labor-management safety inspections, pre-work safety check meetings (TBM), and safety training.

Biz. Partner Safety and Health Grievance Settlement Status (SK Ecoplant)

Category	Unit	2022	2023
No. of reports-proposals for safety and health improvement	cases	4,049	2,154
Reporting hazardous situations: Unsafe conditions-activities, installing-maintaining safety facilities, etc.	cases	2,072	1,283
Proposals: welfare, health and hygiene, etc.	cases	1,977	871
No. of implemented safety and health improvement measures	cases	4,049	2,154
Rate of measures taken for safety and health improvement	%	100	100

Boosting Safety and Health Competency

Safety and Health Training

SK Ecoplant is committed to raising safety and health awareness and enhancing the capabilities of its employees and Biz. Partners by providing regular safety and health training. Completion of training is monitored through the "Ansim" mobile application, where noncompliance cases are checked and informed in real time. In addition, it is mandatory for employees who are assigned to a business site to complete project-related trainings to improve their understanding of the site and acquire knowledge to prevent safety and health accidents. Furthermore, SK Ecoplant continues to seek out and implement corporate-level action plans to bolster in-house safety and health capabilities, such as providing CPR trainings to employees.

Safety and Health Training Performances (SK Ecoplant)

Category		Unit	2022	2023
Total training time (Employees)		hours	13,670	14,611
Total training time (Biz. Partners)		hours	177,931	149,182
Newcomer training	No. of subjects	persons	576	557
	No. of participants	persons	576	557
	Total training time	hours	2,016	1,950

Case

"Ansim" App



"Ansim" App

To strictly comply with safety and health-related legal requirements and strengthen the safety conduct of all employees, SK Ecoplant has developed a safety and health management system (Serious for safety, "Ansim") as a mobile application and a web version of it, and applied it to all workplaces. Key functions of the "Ansim" include risk assessment, safety inspection, pre-work safety check meeting (TBM), safety training, Safety Shinmungo (grievance channel), reporting accidents, and organic connection between each function to improve the efficiency of the safety and health management system.

The app enables all employees on site to confirm the risk factors and safety measures for each task and directly input additional risk factors and measures. Managers conduct safety checks, review the status of the employees on site, and check whether they have completed their legal trainings by tagging QR codes.

The Safety Shinmungo (grievance channel) of the "Ansim" app allows employees to freely report hazardous situations found in the field or make proposals for improvement. Identified risks are shared with the site manager, administrative supervisor, safety manager, and other relevant managers, allowing them to take prompt action on site. Regarding various proposals, the practical validity and efficacy of accident prevention are reviewed, with improvement plans to be prepared and implemented.

In 2023, a total of 2,154 employee opinions were collected, with a completion rate of 100% for improvement measures. Meanwhile, "Ansim" was developed with essential functions in mind, to make it adaptable to other industries, such as shipbuilding and environmental industries, considering the nature of construction industry workers who frequently move between business sites.

Biz. Partner Safety and Health Management

SK Ecoplant conducts safety competency evaluations for Biz. Partners in the phases of partner registration to bidding, execution, and renewal to improve the safety and health management level of Biz. Partners. In the partner registration·bidding phase, qualified Biz. Partners are selected by evaluating the establishment of safety and health management system and their capability to prevent industrial accidents. In the execution·renewal phase, quarterly safety performance evaluations are conducted to comprehensively evaluate the preparation of a safety performance plan and the implementation level of onsite safety and health activities. To encourage responsible safety and health management among Biz. Partners, the results of safety performance evaluations are reflected in selecting excellent Biz. Partners and allocating incentives or penalties. In addition, starting in 2024, SK Ecoplant plans to support Biz. Partners in improving their safety capabilities by providing improvement guidelines and trainings to Biz. Partners whose evaluation results are substandard.

Biz. Partner Safety Competency Evaluation Results

Category	Unit	2022	2023	Measures Taken Based on 2023 Evaluation Results
No. of Biz. Partners to be evaluated		1,457	1,537	-
Grade A	No. of companies	11	16	Sent messages of gratitude and encouragement, selected candidates for Biz. Partner year-end awards
Grade B		1,379	1,465	Sent messages to encourage stronger safety management (information on deficiencies and areas for improvement)
Grade C		28	26	Sent messages to encourage stronger safety management (information on deficiencies and areas for improvement)
Grade D		39	30	Sent warning messages, imposed restrictions on registration·bidding·renewals upon 2 D grades accumulated in the past 2 years

Case

Support for Enhancing Biz. Partners’ Safety Competency

SK Ecoplant supports safety competency-building activities to help Biz. Partners improve their ability to comply with domestic and international safety and health regulations. Prompt action is taken for risk factors reported by Biz. Partners, expert trainings on the Serious Accidents Punishment Act are provided to Biz. Partners' employees, and the cost of acquiring safety certifications is supported. SK Ecoplant works with Biz. Partners to embrace and form a culture of safety throughout the supply chain.

Health Support for Employees

Health Support Policy and Goals

SK Ecoplant provides programs such as health checkups and management of those with findings to all employees, including contract workers, and their spouses, to promote their health and wellbeing. Diagnostic data from health checkups (especially of the management groups for cancer, cerebrovascular, cardiovascular, metabolic syndrome diseases, etc.) are collected separately and used to monitor the health management level of employees. In 2024, SK Ecoplant plans to create indicators for diseases that require continuous management by analyzing the health checkup data. From 2025, health promotion programs will be launched based on these indicators for enhanced employee health management.

Programs by Core Health Management Areas

Core management area	Management direction	Specific programs
Working environment	Create a healthy working environment and system to encourage healthy behaviors in everyday life	• Contact-free physical and mental health training programs • Operation of a health care office, dental clinic, fitness center
Mental health	Offer psychological counseling to take care of the mental health of employees and their family	• Support for employees, their spouses, and children in need of psychological care
Physical health	Provide medical checkups to early diagnosis of diseases, support follow-up management to protect and promote employees’ health	• Health checkups for employees and their spouses • Health information & counseling for those with symptoms

Healthcare Activities in the Business Site

To prevent health problems of employees and create a safe working environment, SK Ecoplant conducts working environment measurements at all business sites, and regularly measures and evaluates the levels of health hazards, such as hazardous chemicals, noise, and dust. The work environment measurement conducted in 2023 revealed that there were no cases of exceeding the exposure standards of health hazards. If there were such cases, improvement measures in engineering, management, and educational aspects were in place and executed. Additionally, SK Ecoplant conducts special health checkups for employees and managers who are exposed to hazardous factors specified in the Occupational Safety and Health Act to be subject to such checkups and take health protection measures according to the checkup results. SK Ecoplant also operates a "program for preventing musculoskeletal disorders" to prevent occupational illnesses. Under this program, appropriate improvement measures are performed by improving work methods and tools, providing protective gear, and having stretching times, supplemented by an analysis of workplace conditions that affect the human body. In addition, to prevent heat-related illnesses among outdoor workers during heat waves, outdoor work is restricted in the heat, and 10 to 15-minute breaks every hour and respite facilities are provided contingent on the perceived temperature of the site.



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Human Rights

Human Rights Management System

Human Rights Management Policy

SK Ecoplant supports and complies with the UN Universal Declaration of Human Rights, major conventions of the International Labor Organization, the 10 principles of the UN Global Compact, and domestic labor-related laws and regulations. In 2022, embodying SK Ecoplant's impetus for companywide human rights management, the "Human Rights Commitment" was enacted. In 2023, the "Human Rights Commitment" was amended as the "Human Rights Management Declaration", officially declaring SK Ecoplant's impetus for systematic approach on human rights management. The "Human Rights Management Declaration" applies to the entire value chain, including employees, subsidiaries, Biz. Partners, and joint ventures, and the "10 Ground Rules" declare the social and environmental responsibilities to protect the human rights of all stakeholders by prohibiting discrimination, respecting diversity, and establishing a safe and inclusive work environment.

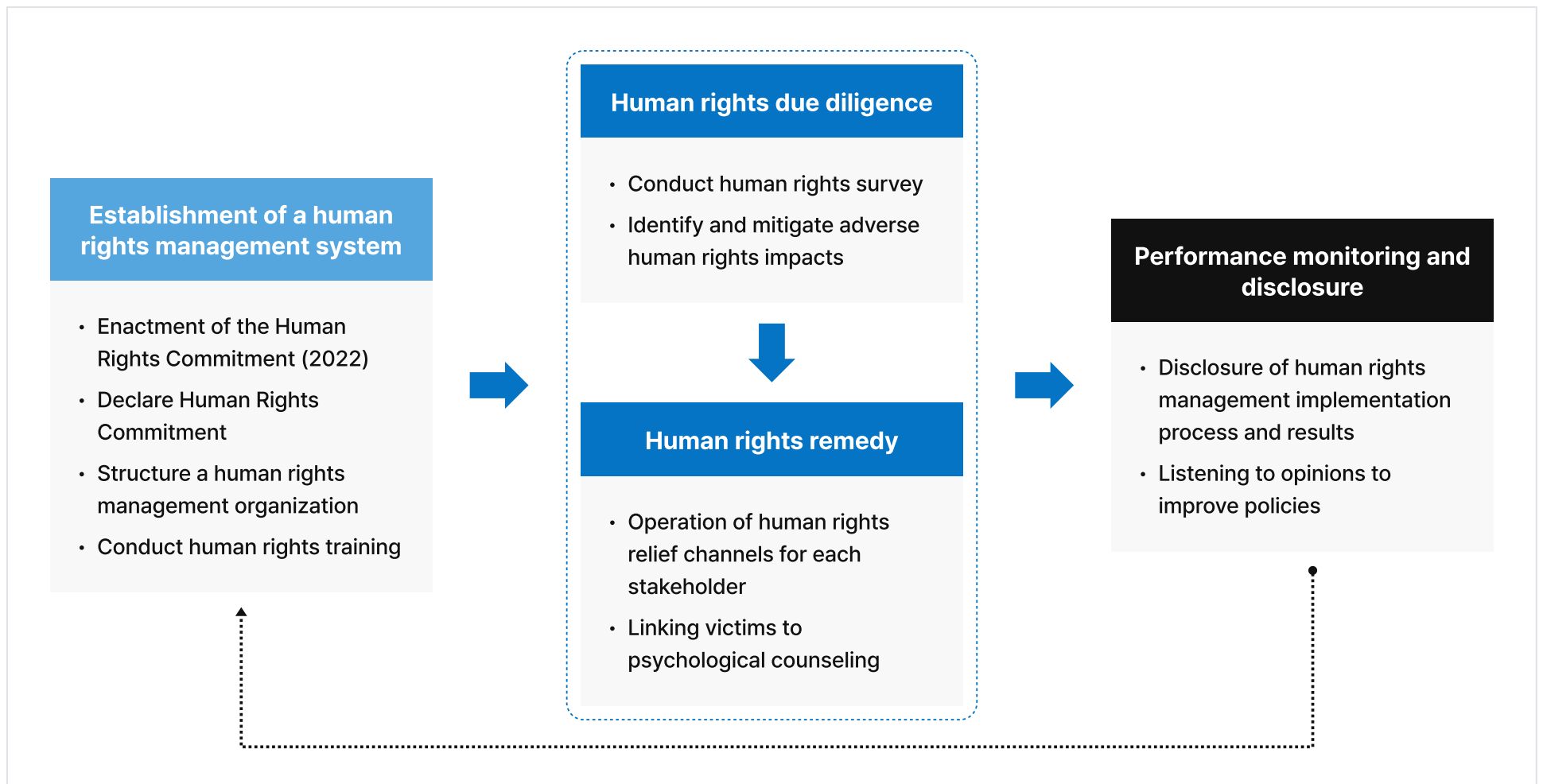
Upon the announcement of the human rights policy in 2022, SK Ecoplant has worked to establish its human rights management system by identifying and managing human rights risks by 2023, and undertaken activities to expand the human rights management system to include subsidiaries. From March 2024, to raise employees' awareness of human rights and instill a human rights management culture, a "Human Rights Management Bulletin Board" has been newly created and disclosed on the intranet portal, allowing employees to constantly check the contents of human rights policies, related processes, and human rights management programs.

SK Ecoplant Human Rights Management Declaration 

Human Rights Management System

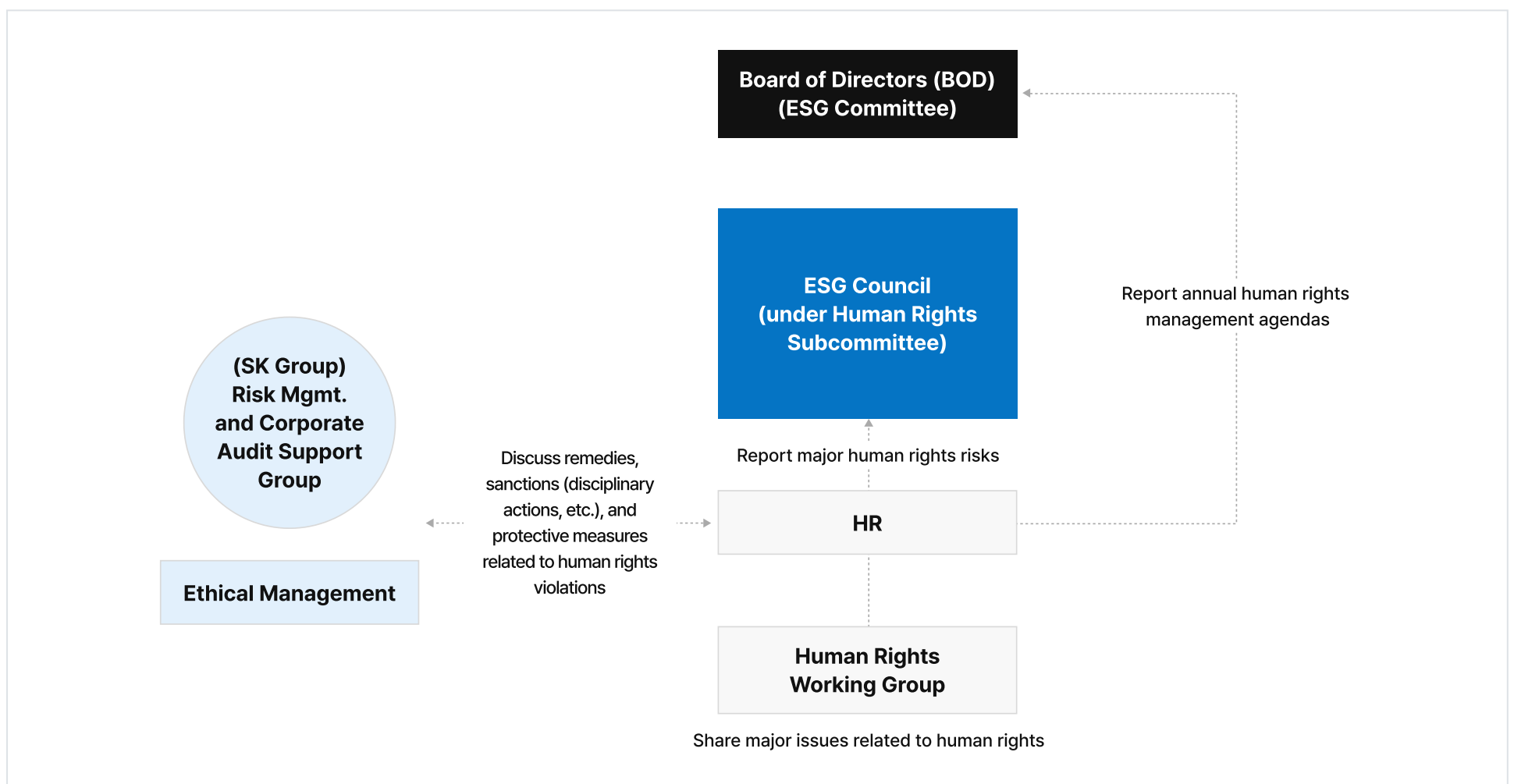
Our human rights management system is based on the due diligence guidelines of the UN Guiding Principles on Business and Human Rights. Additionally, with the operation of SK Ecoplant's human rights risk management process, adverse human rights impacts are identified and mitigated. The organization is the Human Rights Worksted to safeguard the human rights of all stakeholders. Concurrently, stakeholder opinions that are collected through the human rights grievance channels are analyzed and reflected in advancing the human rights management system.

Human Rights Management System Execution Procedure



Human Rights Management Organization

Organizational Chart of Human Rights Management



SK Ecoplant has established a reporting system to the Board of Directors on human rights-related risks in driving systematic human rights management encompassing the headquarters and the subsidiaries. Through this system, significant human rights risks are reported in the following order when they occur: "HR organization → ESG Council → ESG Committee under the BOD". The ESG Council integrates and manages human rights violation factors for each organization-department, and monitors the implementation of four major projects for improving the working environments¹⁾ which prioritize employees' safety to mitigate the potential human rights risks of incorporated subsidiaries in the process of business portfolio expansions. The results of taken measures on human rights violations and the status of human rights management at subsidiaries are all reported to the ESG Committee. In 2023, the ESG Committee was briefed on issues such as human rights management operational plans, human rights due diligence results, and improvement plans.

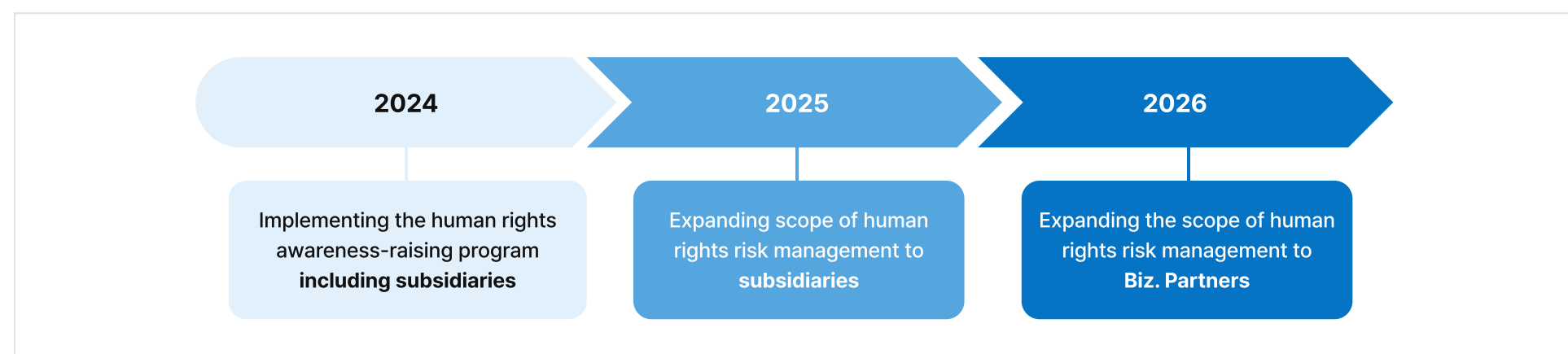
1) Improvement of safety facilities, improvement of health and safety protection equipment operation, management of the work environment measurement, management of odor reduction and prevention, etc.

The HR organization is the Human Rights Working Group, which oversees practical work of human rights management. As the supervisory organization for human rights management, the HR is responsible for human rights risk management by conducting human rights impact assessments, establishing and implementing risk improvement measures, and providing human rights trainings. The Ethical Management organization regularly reports on grievances received through the group's integrated reporting system to the CEO and the Audit Committee to manage employees' human rights grievances. With the HR, the Ethical Management organization deliberates and decides on the level of measures, such as remedy and disciplinary action, for human rights violations.

Human Rights Management Goals

To instill the human rights management system, SK Ecoplant expanded the human rights risk assessment conducted for employees at the head office in 2022 to all employees companywide in 2023, with a plan to implement the human rights awareness-raising program including the subsidiaries in 2024. From a mid- to long-term perspective, the scope of human rights risk management will be expanded to subsidiaries (in 2025) and Biz. Partners (in 2026) to establish a human rights management system inclusive of the entire value chain.

Human Rights Management Expansion Goal

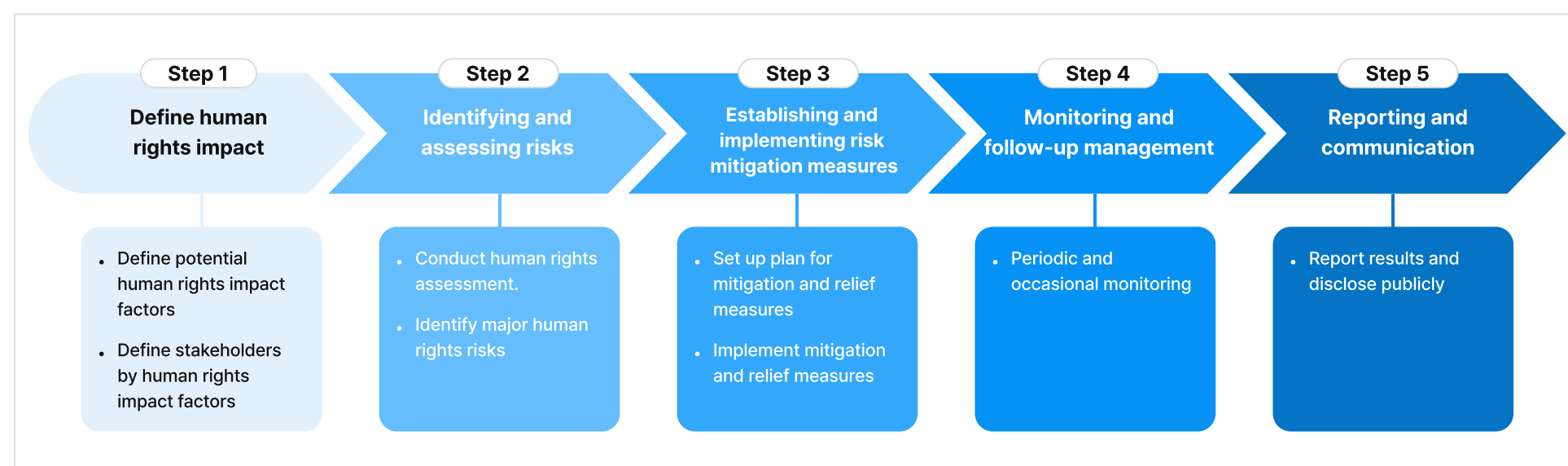


Management of Human Rights Risks

Human Rights Risk Management Process

With the operation of the human rights risk management process, SK Ecoplant proactively identifies and manages potential human rights risks throughout the value chain of the environment, energy, and solution business areas, protecting the human rights of all stakeholders. Human rights risks are systematically managed through the following five steps: defining human rights impact factors, identifying and assessing them, establishing and implementing mitigation measures, monitoring, and reporting.

Human Rights Risk Management Process



Human Rights Impact Assessment

SK Ecoplant assesses its level of human rights management every year through the human rights impact assessments and human rights surveys to identify and evaluate actual and potential human rights risks arising from business activities. In 2022, the human rights impact assessment for employees at the head office was conducted. In 2023, a human rights survey for all employees was conducted to assess the level of employee awareness of human rights management. The human rights survey was devised based on the 10 management areas of SK Ecoplant’s human rights policy, with focus group interviews (FGI) being conducted with employees to reveal in-depth issues for identifying potential human rights risks. Through this process, measures for improvement were established and monitored for items identified as potential human rights risks within the year. In addition, major subsidiaries were supported to establish human rights policies and human rights assessment processes, thus encouraged to instill their own human rights management systems.

Overview of the 2023 Human Rights Survey

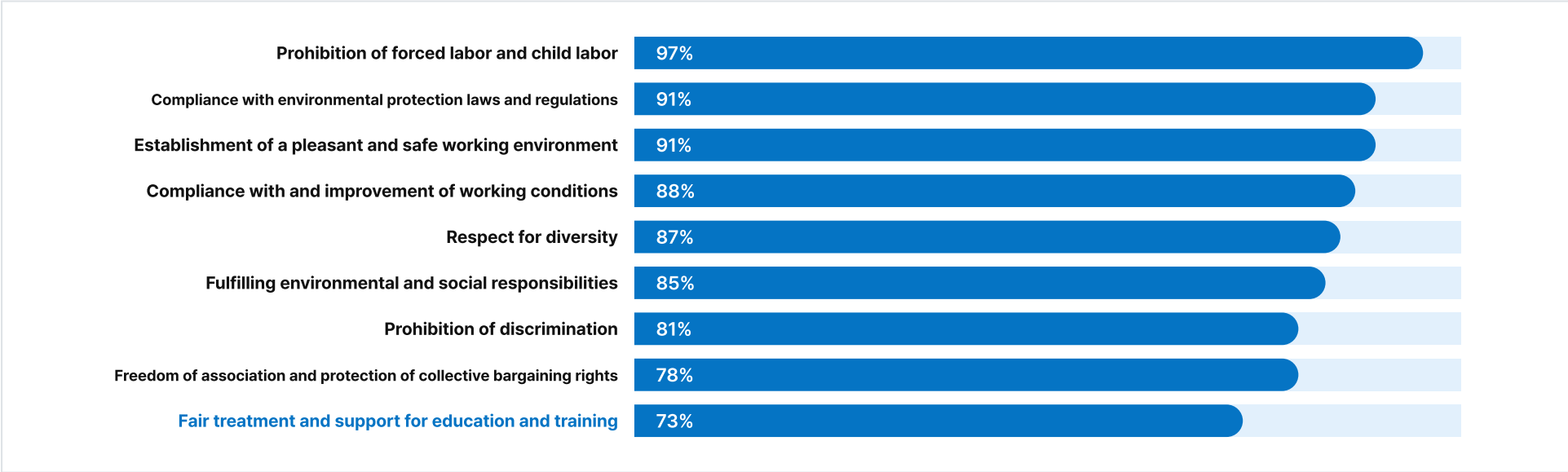
Category	Details	
Evaluation target group	All employees companywide	
Evaluation procedure	1) Establishing the implementation plan for the evaluation 2) Preparing the questionnaire 3) Survey implementation 4) Selecting vulnerable groups, conducting FGI 5) Compiling a result report 6) Top management reporting and information disclosure	
Evaluation items (10 management areas of Human Rights Policy)	1. Prohibition of discrimination 2. Respect for diversity 3. Prohibition of forced labor and child labor 4. Freedom of association and protection of collective bargaining rights 5. Fair treatment and support for education and training	6. Compliance with and improvement of working conditions 7. Establishment of a pleasant and safe working environment 8. Compliance with environmental protection laws and regulations 9. Fulfilling environmental and social responsibilities 10. Protecting environment, safety, and property rights of local residents

Human Rights Risk Assessment Results and Measures

Assessment of human rights management awareness level

As a result of diagnosing the level of awareness of human rights management among employees through the human rights risk assessment, the rate of positive responses regarding overall human rights management increased by 10% points from 76% in 2022 to 86% in 2023. Among the 10 areas of the Human Rights Policy, the "equal treatment at work and non-discrimination in education and training support", which had the lowest rate of positive responses, was selected as the intensive management area.

Assessment Results of Human Rights Management Awareness Level

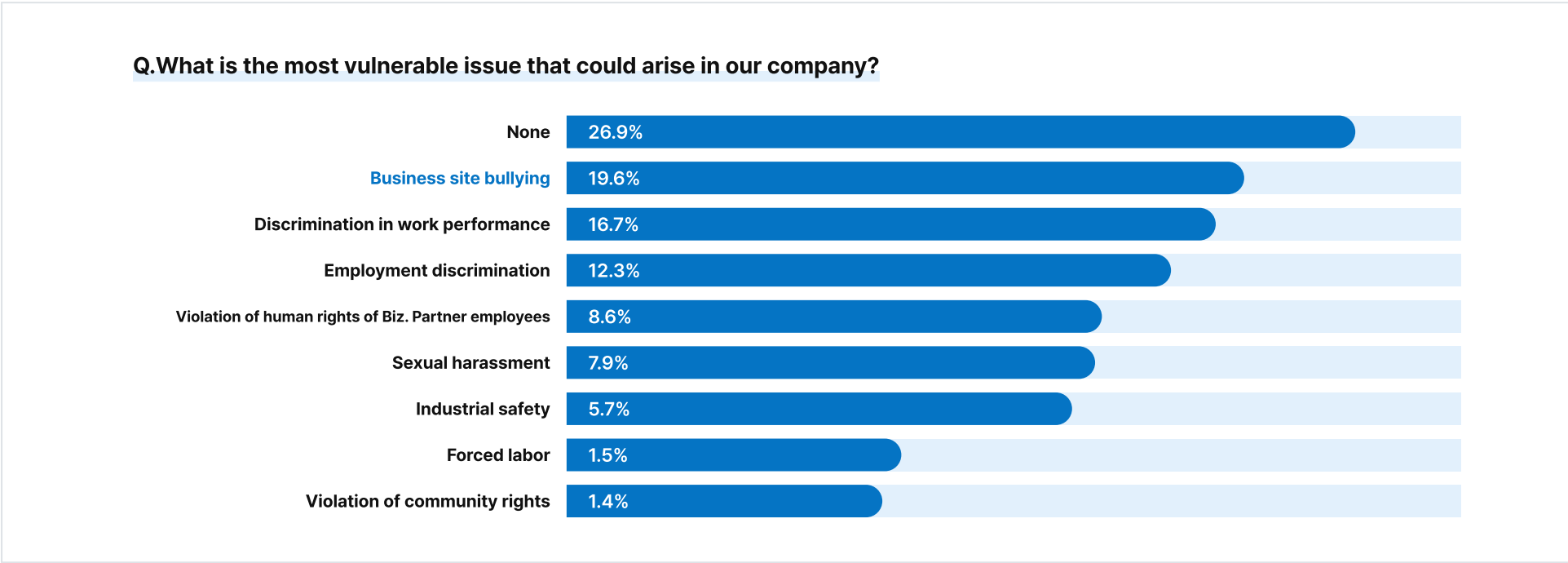


Management of potential human rights risks

To manage potential human rights risks, SK Ecoplant evaluated the frequency and severity of human rights violation issues that may occur internally. As a result of the evaluation, no high-risk factors or vulnerable groups were found, but "Business site bullying" was selected as the most vulnerable potential issue, therefore judged to be an area requiring preemptive action and management.

Accordingly, focus group interviews (FGI) were conducted with field employees for in-depth investigations into the identified potential human rights risks. The reason "Business site bullying" was identified as a potential vulnerable issue turned out to be attributed to the emphasis on human rights discussions companywide and the improvement in the awareness level of all employees. This is seen positively, as it implies the process of forming a mature human rights awareness through SK Ecoplant’s relentless efforts by expanding ethical management trainings and strengthening the level of disciplinary actions against Business site bullying.

Possible Human Rights Violation Issues



Measures to improve human rights risks

SK Ecoplant operates various programs to improve key management areas and potential human rights risks stemming from the human rights impact assessment. In 2023, the "Learning Path Program" was developed to expand job-specific training opportunities, providing employees with support for New Skill trainings. In addition, SK Ecoplant strengthened cross-communication by operating the communication channel for employees, "EP (Eco People), US" and expanded remedial measures for workplace human rights violations by appointing a grievance handling personnel of the Management Development Council. In 2024, we plan to enhance cross-communication between management and employees to form common grounds regarding these measures, while focusing on activities to prevent human rights violations by strengthening leader-oriented human rights management trainings, campaigns to deter Business site bullying, and strengthening links with psychological counseling for victims.

Improvement Measures by Human Rights Risk Management Area

Category	Area	Plans for improvement	Evaluation of improvement effectiveness
Ares for improvement	Fair treatment and support for education and training	Expanding communication between management and employees Expanding the operation of the "EP, US" group, an employee communication channel hosted by the Management Development Council, holding meetings with employees at each level, etc.	Expanding employee communication - Expanding the operation of the "EP, US" group, a communication channel for employees (4 in 2023 → 7 in 2024) - In 2024, "A Deep dive into the Employees" meetings will be held for each job position (a total of 4 times)
		Activating Learning Path courses for each job position Establishing a new skill-centered training system such as batteries and R&D	Satisfaction level of employees who took battery-related courses from the Learning Path: 4.6 points (5-point scale)

Category	Area	Plans for improvement	Evaluation of improvement effectiveness
Potential human rights risks	Business site bullying	Strengthening activities to prevent and relieve human rights violations against employees - Strengthening activities to prevent human rights violations: providing trainings to improve awareness and operating communication channels for female employees, etc. - Expanding remedial measures: appointing a grievance handling personnel in the Management Development Council, linking victims to psychological counseling	Planning to monitor and measure the effectiveness of prevention and remedial activities in 2024

Case

Managing Business site bullying

Based on its ethics policy, SK Ecoplant strictly prohibits sexual harassment and Business site bullying that undermines an individual's character or the corporate culture. Business site bullying can manifest in various ways, including verbal abuse and assault, personal insults, unfair exclusion from work or work-related orders, and personal orders not related to work. We ensure that reports of Business site bullying experienced or witnessed by stakeholders are submitted through official channels and undertake an initial investigation into the reported cases to verify whether Business site bullying has occurred. If it is determined to be true, it's a top priority to isolate the perpetrator and the victim to prevent secondary damage. Then, after conducting a thorough investigation, responses to any inappropriate harassment takes place in accordance with our internal regulations.

Human Rights Protection Activities

Human Rights Grievance Settlement

SK Ecoplant operates various online and offline counseling and reporting channels, such as the Internet, KakaoTalk, email, and postal mail, to resolve human rights grievances and provide remedies for all stakeholders. The Ethical Management organization regularly reports grievances received to the CEO and the Audit Committee, and determines the level of remedial and disciplinary actions for human rights violations with the HR's support.

Through the grievance channels, all stakeholders, including employees, Biz. Partners, and third parties, can report human rights violations under their real name or anonymously. The identity of the whistleblower and the contents of the report are strictly treated as confidential and administered, and Non-Retaliation Policy are implemented to prevent retaliatory actions or backlashes. Strict disciplinary standards are applied to attempts to identify the whistleblowers or acts of discrimination against them. In 2024, we plan to expand the rollout of grievance channels and strengthen the protection of victims and whistleblowers, such as facilitating psychological counseling for victims and separating perpetrators.

Human Rights Grievance Channels by Stakeholder

Category	Human Rights Grievance Channel
Employees	Ethical management reporting website, intranet, Management Development Council
Biz. Partners	Ethical management reporting website, bulletin board for Biz. Partners (web)
Communities	Ethical management reporting website, local resident committee and consultation body
Other Vulnerable Groups to Human Rights Violations	Ethical management reporting website

Status of Human Rights Grievances Received and Settled (Consolidated)

Category	Unit	2021	2022	2023					
				Total	SKEP	SKEE	SKOP ¹⁾	SK Tes	Renewus
No. of grievances received	cases	21	25	28	14	3	0	11	0
No. of grievances settled	cases	21	25	28	14	3	0	11	0
Disciplinary action	cases	1	7	7	7	0	0	-	0
Processed as preliminary warning	cases	10	1	7	7	0	0	-	0
Grievance settlement ratio	%	100	100	100	100	100	-	100	-

1) Since 2023, SKOP has established an Ethics Management organizationto aggregate and manage the status of Human Rights Grievances received and settled.

Status of Human Rights Grievances Received and Settled (SK Ecoplant)

Category	Unit	2021	2022	2023
No. of grievances received	cases	16	16	14
No. of grievances settled	cases	16	16	14
Disciplinary action	cases	1	7	7
Processed as preliminary warning	cases	10	1	7
Grievance settlement ratio	%	100	100	100

Human Rights Training

SK Ecoplant provides regular human rights training, including Business site bullying, sexual harassment prevention, and disability awareness trainings, to all employees, including the management and contractual employees. After annual trainings, we evaluate the employees on the contents of the trainings and provide retraining when necessary. In 2023, the human rights training completion rate, including retraining, reached 100%. Temporary employees and overseas technical employees were given written training materials.

Human Rights Training Performances (Consolidated)

Category	Unit	2021	2022	2023					
				Total	SKEP	SKEE	SKOP	SK Tes	Renewus
Total hours of training	hours	13,627	11,593	16,901	12,005	1,408	3,488	0	0
Hours of training per person	hours	1.5	1.1	1.6	3.5	1.0	4.0	0	0

Human Rights Training Performances (SK Ecoplant)

Category	Unit	2021	2022	2023
Total hours of training	hours	11,387	7,180	12,005
Hours of training per person	hours	2.6	2.0	3.5



Acquisition and Management of Talents

Talent Acquisition System

SK Ecoplant operates a "preemptive demand forecast management" system to secure excellent talent for the business portfolio innovation process to be completed on time. We recruit talents with expertise and leadership in new business fields through various channels such as internship-linked recruitment, rolling recruitment, expert-targeted recruitment, while internal Job posting system¹⁾ and talent development programs contribute to ensuring that the hired talents are placed in the right position. We continue to strive to build an internal and external talent pool to stably secure excellent talents with job competencies needed in the environment, energy, and solution businesses.

1) This internal recruitment system enables the securing of in-house capabilities and promotes employee-led career development.

Status of New Recruits (Consolidated)

Category	Unit	2021	2022	2023					
				Total	SKEP	SKEE	SKOP	SK Tes	Renewus
Total no. of new recruits	persons	1,945	2,568	1,781	211	124	176	814	456

Status of New Recruits (SK Ecoplant)

Category	Unit	2021	2022	2023
Total no. of new recruits	persons	338	570	211

Case

Junior Talent System

SK Ecoplant is making various efforts to secure talented individuals with business understanding and job understanding. These efforts can provide sustainable value by responding promptly to changes in the internal and external business environment. As part of these efforts, we operates the "Junior Talent" system. The "Junior Talent" system is a selection for new hires from those who have a bachelor's degree or higher to those with less than three years of work experience. Through this system, we are providing new insights to the organization by placing talented people with diverse experiences necessary for SK Ecoplant's business and operations. In 2023, we hired about 40 talented people using the "Junior Talent" system, mainly in the solution business, and we plan to expand the recruitment target in consideration of the future direction of the business.

Diversity Policy and Status

SK Ecoplant strives to enhance the organization’s competitiveness and realize social value by embracing "employee diversity". To expand the hiring of individuals with disabilities, female employees with disabilities are being recruited for office support roles at the headquarters, while employment opportunities are being broadened from the field of sports to the arts, supporting the independence and self-fulfillment of employees with disabilities. In addition, to secure competitiveness during global business expansion, people of diverse nationalities have been recruited by rolling out the "Global Junior Talent" hiring process in the first half of 2023. To foster female leaders, the proportion of women selected for key talent training courses has increased to more than 20%. There are plans to continue providing comprehensive training programs to promote gender diversity in leadership positions.

Roadmap to Enhance Workforce Diversity

Employees with Disabilities

Category	Employment Rate of Individuals with Disabilities	Interaction between Individuals with Disabilities and Employees
2023 performance	Maintaining 3.5% employment rate of employees with disabilities	Expansion of winter sports for athletes with disabilities - Snowboarding, Ice hockey, etc. Promoting interaction activities between athletes with disabilities and employees - Conducted 4 interaction activities between athletes with disabilities and employees, including 1:1 lessons in bowling, boccia, weightlifting, and table tennis for employees.
2024 target	Maintaining over 3.6% employment rate of employees with disabilities	Improving treatment & working conditions for employees with disabilities Expansion of quality employment through continued employee interaction activities
2025 target		

Female employees

Category	Employment of Female Employees	Key Talent Training Programs
2023 performance	Increasing the proportion of female employees The proportion of female employees increased by 4% point compared to 2022 (20% → 24%)	Expanding selection and training of women through key talent training programs Increased to 20% of total number of employees
2024 target	Expanding the in-house female employee pool by recruiting more female employees Ratio of female employees to reach over 25%	Expanding selection and training of women through key talent training programs Increase to 25% of total number of employees
2025 target		Expanding selection and training of women through key talent training programs Increase to 30% of total number of employees

Foreign Employees

Category	Details
2023 performance	Enhancing organizational adaptability and awareness to the global environment Recruited 3 global junior talents from 3 countries
2024 target	Expanding global recruitment and transforming corporate culture Actively enlist personnel with job expertise without nationality constraints (i.e. executives, professional technical personnel, etc.)
2025 target	

Status of Workforce Diversity

SK Ecoplant continuously monitors employee diversity indicators to ensure employee diversity. The employment rate of individuals with disabilities in 2023 is 3.54%, remaining above the legally required rate.

Performances by Employee Diversity Indicator (SK Ecoplant)

Category	Unit	2021	2022	2023
Ratio of employees with disabilities ¹⁾	%	3.30	3.60	3.54
Total burden of hiring costs for employees with disabilities	KRW 1 million	8.75	0	0
Ratio of foreign employees	%	0.4	0.5	0.5

1) The ratio of employees with disabilities was calculated using reports from the Korea Employment Agency for Persons with Disabilities, and weighting is applied to employment of people with severe disabilities.

Case

Hiring More Employees with Disabilities

SK Ecoplant has strived to provide quality jobs and enhance social value by employing more people with disabilities and diversifying jobs. In particular, the employment field for individuals with disabilities, which was limited to office support positions, has been expanded to include the fields of sports and the arts. In the sports field, starting with forming the "SK E&C Team of Athletes with Disabilities" consisting of athletes from five sports in 2020, SK Ecoplant increased the number of recruits and operated a team of 34 athletes from nine sports in 2023. In the field of arts, a business agreement was signed with a company named "Eoullim Saesang" in November 2022, leading to the direct employment of 6 musicians with disabilities. Accordingly, the "Echo Ullim music performance group" was organized to provide musical performance opportunities at external volunteer events. Furthermore, efforts were made in 2023 to actively promote interactions between employees with and without disabilities, focusing on improving disability awareness among employees and internal stakeholders. Notably, a 1:1 tutoring program was conducted for employees, featuring athletes in four sports (i.e. bowling, boccia, weightlifting, and table tennis), providing direct networking opportunities. Moving forward, SK Ecoplant plans to continue the recruitment of individuals with disabilities to improve awareness and to expand this positive impact throughout society.

Competency Reinforcement and Performance Evaluation

Employee Competency Reinforcement Programs

SK Ecoplant operates various training programs to enhance the quality of and optimize employee competencies in business model innovation and global business expansion. In 2023, four major goals were established to support employee growth and skill development: Securing competencies for future changes, strengthening globality, Developing systematic leadership development, and fostering a fun and vibrant corporate culture. Starting in 2024, SK Ecoplant plans to define the key competencies for employees and assess their current competency levels to establish a customized talent development system. The gap between ideal competencies and current competency levels is analyzed to set goals and develop tailored training programs or recruit suitable talents.

Securing Competencies for Future Changes

Tech Competencies Program

To secure innovative technologies in innovating the business model, SK Ecoplant strengthens the company's tech competencies in various ways such as developing experts through training and hands-on practice, and transferring competencies through industry-academia cooperation.

Developing experts through training	- Through mySUNI, SK Group's training platform, the CDS (citizen data scientist) course is operated to develop experts in environmental solutions using AI and DT, with a total of 5 graduates in 2023. "High-Tech Solutions Department" has been established at Sungkyunkwan University to train experts in the field of smart construction technologies. In addition to establishing a joint industry-academia research network, efforts are made to develop employees with integrated competencies for EPC Value-Up and new business connections. This course is operated for full-time employees with a highly keen interest and advanced preparation for innovative technology. Starting with the selection of 2 employees in 2023, there are plans to expand the support scale and continue operating the program in the future.
Developing experts through work	- Waste battery R&D competencies have been disseminated internally by dispatching employees to the Korea Geological Research Institute and undertaking projects. - SOEC (Solid Oxide Electrolyzer Cell) technology has been acquired and disseminated through collaboration, including conducting demonstration projects, with U.S.-based Bloom Energy.
Competency transfer through industry-academia cooperation	- Waste battery recycling technologies (metal recovery) were jointly researched and developed with Sungkyunkwan University. - Biohydrogen production technology using organic waste resources is being developed with the Korea Institute of Industrial Technology and Yonsei University.

Job Competency Program

To improve the quality of internal competencies, a structured training system for each business area is designed, and systematic upskilling and reskilling training is provided.

Environmental field	A Learning path from the basics to the advanced level was established for the new positions of battery business development and battery R&D, with 173 graduates in 2023.
Energy field	Seminars inviting public institutions and professors are regularly held to provide energy business-related policies, trends, and insights.
Solution field	- Seminars to share the outlook and direction of new core projects (offshore wind power, carbon neutrality, and urban regeneration) are held. - To strengthen overall job competencies, an internal trainer-centered training system is designed and provided, categorized into design, construction, and business roles.

Common Competencies

To respond to future changes, SK Ecoplant operates the "Foundation Skill" course, which is a core competency that SK employees must possess. The course consists of four topics (Business Capability, Design Skill, Digital & Data Skill, and Social Skill), and employees hired through the Junior Talent system are prompted to complete the entire course within three years of joining the company. Additionally, to internalize ESG management, ESG training is conducted for newly appointed executives and business organizations, as well as separate training for subsidiaries to enhance their level of ESG management.

Performance of Key Programs for "Securing Competencies for Future Changes"

Programs	No. of participants	Training hours per person	Results of effectiveness measurement ¹⁾		
			Enhancement of interest	Knowledge acquisition	Application to work
Battery Learning Path	191 people	5 hours	4.5 points	4.6 points	3.9 points

1) 5-point scale

Strengthening Globality

To enhance the global language skills of executives and all employees, SK Ecoplant operates an "English Learning Support Program" and provides various learning tools such as learning apps and telephone & video English courses. Starting in 2023, a year-round program for global business employees has been launched into operation, and intensive training courses are provided by groups based on employees' language proficiency levels assessed at the beginning of each year. The intensive training courses are a face-to-face, weekly two-hour program where participants communicate in groups in English on topics such as global presentations and meetings. At the end of the year, a second language proficiency assessment is conducted to evaluate the effectiveness of the training program. The results of this assessment are used for managing the pool of overseas dispatch employees and other purposes. In addition, workshops on global business strategy establishment and negotiation-collaboration topics are conducted to improve the globality skills of employees.

Performance of Programs for "Strengthening Globality"

Programs	No. of participants	Completion rate	Training hours per person	Results of effectiveness measurement ¹⁾		
				Training satisfaction	Competency enhancement level	Application to work
Language intensive course	39 people	95%	12 hours	4.6 points	4.5 points	4.3 points
Globality workshop	36 people	100%	8 hours	4.4 points	4.3 points	4.4 points

1) 5-point scale

Systematic Leadership Development

SK Ecoplant supports systematic leadership development by offering tailored competency-building programs for various levels, from non-managerial employees (below managerial positions) to executives. These include programs such as preliminary leadership programs for prospective leaders, management-level leadership courses, and leadership courses for new executives. In addition, starting in 2021, a high-potential employee program was rolled out to foster prospective executives and CEO successors.

Systematic Leadership Development for Various Positions

Non-managerial employees are selected every year based on their potential as future leaders, and a preliminary leadership course is implemented to accelerate their preparation as leaders in management. For managerial employees, leadership assessments are conducted twice a year, once in each half of the year. The results are provided in a report to aid self-awareness and reflection on one's leadership. Additionally, to facilitate practical improvements in leadership, various leadership courses and coaching programs are offered based on the needs of leaders. As for executives, leadership courses for new executives are provided to help them recognize and embody their new leadership roles and responsibilities as leaders.

Key Talent System

Mgmt. Interaction and Mgmt. College Program are implemented as part of SK Ecoplant's key talent program.

"Mgmt. Interaction Program"	"Mgmt. College Program"
The "Mgmt. Interaction Program" is a training program designed not only for education and knowledge acquisition but also to expand business insights and develop managerial thinking through various interactions with executives. It facilitates the exchange and development of ideas among participants from diverse backgrounds, helping them broaden their perspectives and enhance their comprehensive thinking skills.	The "Mgmt. College Program" is designed to support the acquisition of necessary knowledge and enhancement of skills for growth into executive roles. In 2023, a total of four expert-led small group leadership coaching sessions were conducted per participant, as well as capacity-building workshops to secure key skills. In addition, through personality value assessments and experience analysis from the perspective of future executives, strengths and improvement areas for growth were identified, and customized development points were uncovered, thereby increasing the effectiveness of the program.

Performance of Key Programs for "Systematic Leadership Development"

Programs	No. of participants	Completion rate	Training hours per person	Results of effectiveness measurement ¹⁾		
				Training satisfaction	Competency enhancement level	Application to work
Leadership course for new executives	14 people	100%	9 hours	4.8 points	4.6 points	-
Mgmt.-level leadership course	20 people	100%	19 hours	4.6 points	4.8 points	4.4 points
Mgmt.-level leadership coaching	33 people	97%	6 hours	4.8 points	-	-
Preliminary leadership course	36 people	100%	31 hours	4.7 points	4.4 points	4.5 points

1) 5-point scale

Fostering a "Fun and Vibrant Corporate Culture"

Establishing Mental Health Support System for Employees

Since 2022, mental health counseling services have been provided to all employees and their immediate family members. A mental health support system has been established to address not only work-related issues but also employees' stress, creating an environment that fosters concentration and engagement in work. In 2023, a mental health support system was implemented to proactively identify and assist with employee stress. This system enabled the identification of mental difficulties faced by employees nationwide, including those in the field. Employees experiencing psychological challenges were either offered counseling services or had counselors dispatched to their locations for support.

Enhancing Caring for New Employee Onboarding

SK Ecoplant's caring system, including onboarding training, was enhanced to ensure a soft landing of New hires and experienced recruits in the company. This includes participatory workshops and team-building activities to foster friendship among peers and support seamless adaptation to the organization. In addition, programs were implemented to increase understanding of the company's business and align with its direction, such as conversations with top management, business unit interactive sessions, and visits to business sites including field and environmental business subsidiaries.

Operating Team-ship Programs to Solidify Employee Trust

The Team-ship program, aimed at improving understanding and communication among team members, has been expanded into a cross-team building program involving multiple teams. Specifically, collaborating departments have gathered to share work issues and jointly develop solutions, contributing to collaborative outcomes. After discussions, social contribution activities such as assisting with the training of athletes with disabilities and plogging were carried out to form cohesive team-ship across departments.

Performance of Key Programs for "Fostering a Fun and Vibrant Corporate Culture"

Programs	No. of participants	Completion rate	Training hours per person	Results of effectiveness measurement ¹⁾	
				Training satisfaction	Application to work
Junior talent course	36 people	100%	48 hours	4.8 points	-
Talent recruitment process	128 people	100%	4 hours	4.5 points	-
Mental health counseling program	246 people	100%	8 hours	4.5 points	-
Team-building program	116 people	100%	3 hours	4.8 points	4.7 points

1) 5-point scale

Status of Employee Training (Consolidated)

Category	Unit	2021	2022	2023					
				Total	SKEP	SKEE	SKOP	SK Tes	Renewus
Total hours of training	hours	395,573	289,304	242,998	126,817	45,298	17,085	27,338	26,460
Total cost of training	KRW 10,000	1,043,341 ¹⁾	962,032	941,282	741,435	126,269	63,990	7,159	2,429
Training hours per person	hours	43.8	28.4	22.6	36.4	31.5	19.5	10.3	11.5
Training cost per person	KRW 10,000	116 ¹⁾	94.3	87.5	213	87.7	72.9	2.7	1.1

1) SK Tes is excluded from the calculation as it is an uncounted item.

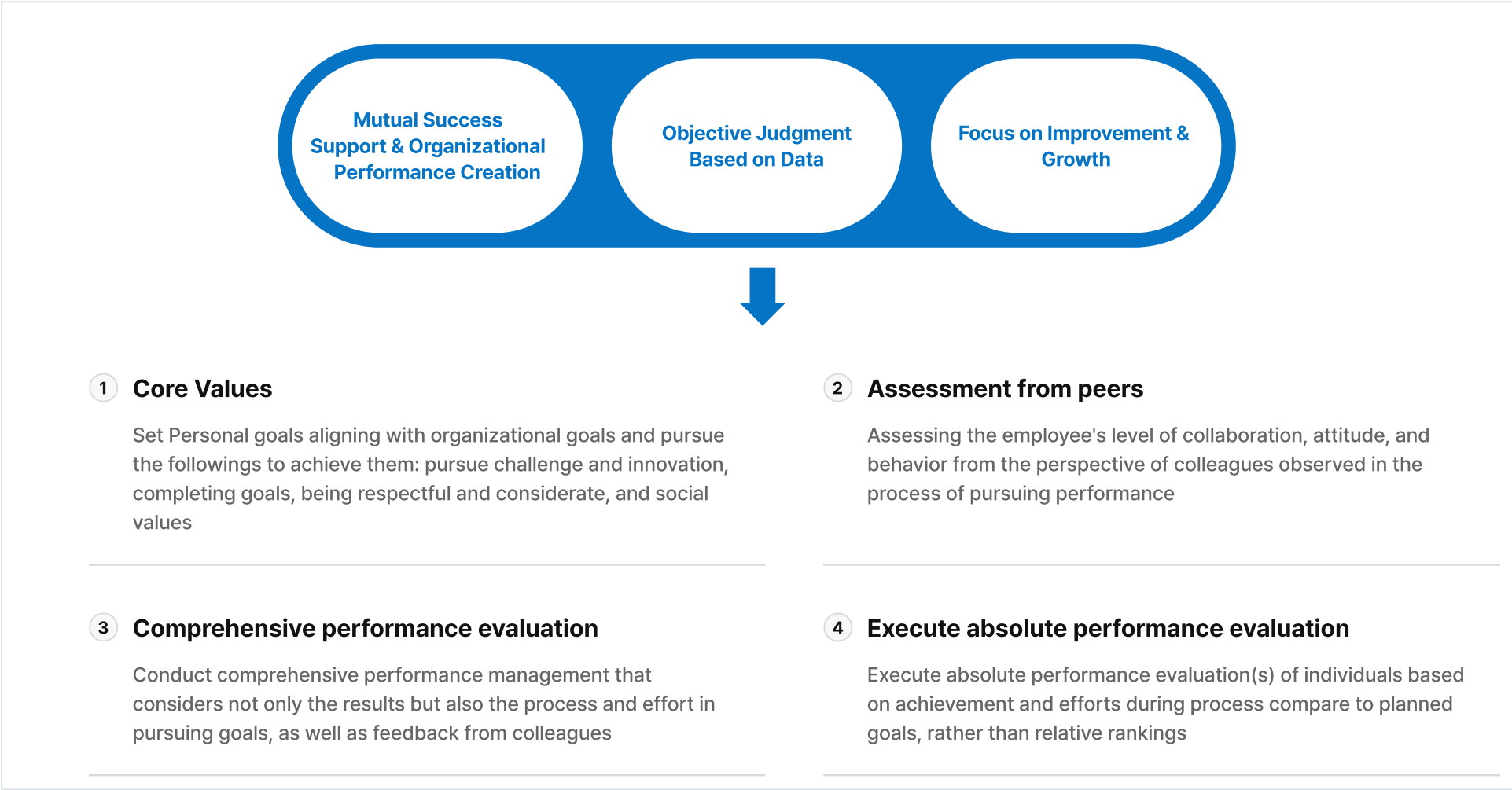
Status of Employee Training (SK Ecoplant)

Category	Unit	2021	2022	2023
Total hours of training	hours	351,362	183,582	126,817
Total cost of training	KRW 10,000	983,554	779,893	741,435
Training hours per person	hours	78.8	51.7	36.4
Training cost per person	KRW 10,000	221	220	213

Performance Evaluation System(s) and Process(es)

SK Ecoplant conducts an annual performance evaluation objectively for all employees. Performance evaluation(s) is based on our HR evaluation policies, following fair procedures and data-driven methods. The results are used for employee compensation, training, selection, and placement. Individual performance goals are aligned with organizational objectives to ensure that employees and the company pursue the same core values. In addition, performance management is encouraged through ongoing discussions and feedback with leaders, actively supporting a constructive performance process that leads to meaningful outcomes. Concurrently, to enhance the objectivity of evaluations and ensure a comprehensive assessment, peer evaluations are also conducted.

Principles of Employee Performance Evaluation



Fair Compensation

SK Ecoplant operates an annual performance-based incentive bonus system for all employees, including non-permanent employees, to recognize and reward the achievements of individuals and organizations. The system ensures fair compensation by reflecting performance contributions, and an employee stock ownership system is implemented to encourage participation in enhancing the company’s long-term value. Approximately 67% of employees are members of the Employee Stock Ownership Association, and all current employees can freely join or leave the association. All members are entitled to acquire company shares through the association, including shares transferred from retirees or other sources.

Pay Equity Performances (SK Ecoplant)

Category		Unit	2021	2022	2023
Average pay amount (including executives)		KRW 1 million	94.0	106	99.0
Average pay amount (excluding executives)		KRW 1 million	91.0	99.0	94.0
Female to male pay ratio	Team leaders	%	101	101	102
	Team members	%	97.9	96.8	97.9
	Administrative supports	%	85.2	89.7	92.5
	Special service positions	%	109	106	120

Supporting Employee Happiness

Support for Work-Life Balance

Policy for Work-Life Balance

SK Ecoplant operates various programs in two facets of "work-personal growth and work-family balance" to support employees' autonomous and responsible work performance. For "work-personal growth" balance, a flexible working environment is provided through measures such as flexible working hours, remote work, and hot desking to enhance work engagement. Additionally, employee development is supported through programs such as SK Group's online education platform mySUNI, support for pursuing graduate studies, and language programs. In terms of "work-family balance", support measures have been diversified according to employees' age groups. Maternity protection programs such as expanded parental leave and newly established pregnancy and childbirth support system, as well as family-friendly welfare programs such as "Happy Umbrella" loans, daycare centers at work, and expanded health checkups to include spouses are being implemented.

Performances of Work-Life Balance Programs

Over the past three years, SK Ecoplant has continued to expand various welfare benefits, including "Happy Umbrella" loans, support for transportation costs of field employees, and expanded long-term service rewards and special vacations. Starting in 2023, the scope of mental health counseling support has been expanded to include employees' families, ensuring that employees can work with psychological and physical stability. In addition, when providing medical expenses, employees can receive practical coverage for items they choose autonomously. Moreover, we introduced a new English learning support program for employees' families, and there is an ongoing consideration of new support programs for family accompanying employees on international assignments. These efforts are part of the continuous development of employee happiness programs aimed at creating a family-friendly work environment.

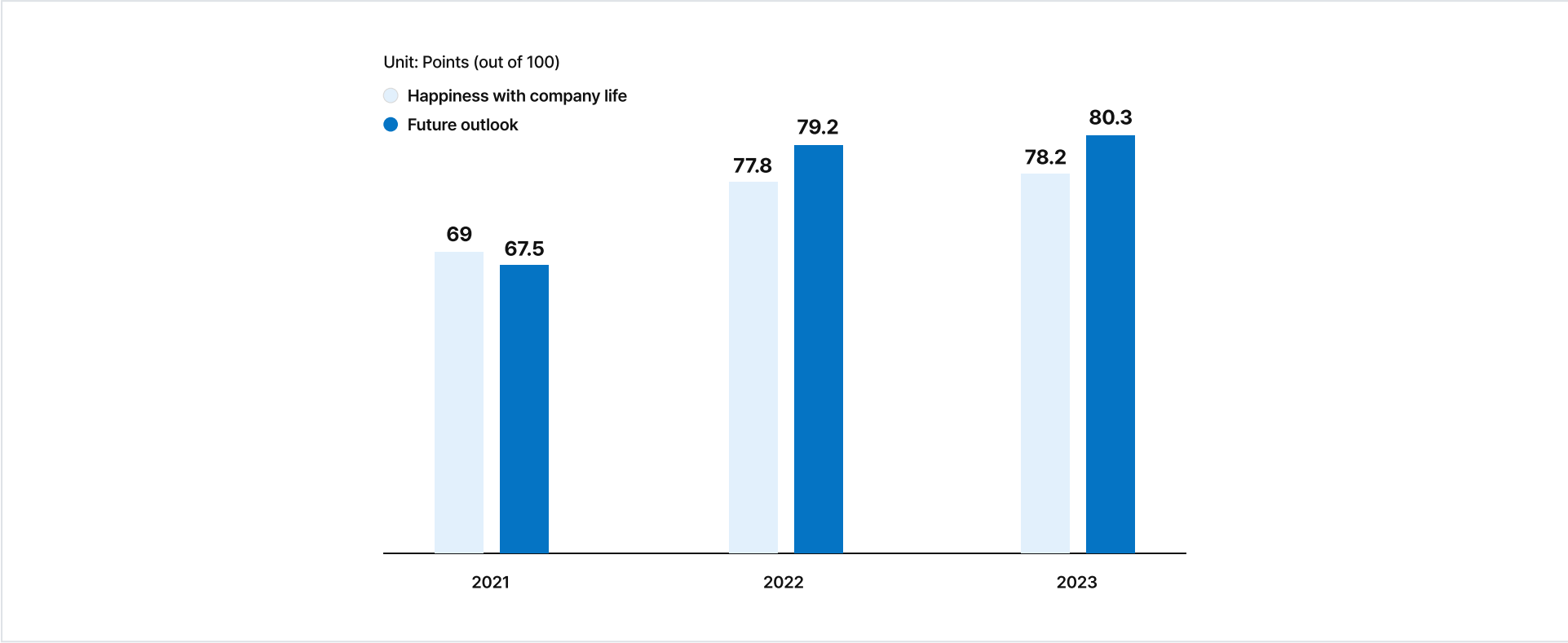
Key Programs and Performances in Supporting Work-Life Balance

Programs		Performance
Flexible work (for head office employees)	Self-designing work schedules by individual and adopting flexible working hours	37% participation rate in flexible working hours 38% participation rate in remote work
	Implementing remote work considering the characteristics of work	
	Support for leisure and self-development by leaving work at 4:00 PM on Fridays	
Leave, vacation and childcare (for all employees)	Expanding special leave for long-term employees and employees reaching retirement age	221 employees applied for special leave
	Grant summer vacation (5 days)	Eligible to all employees
	Instituting quarter-day leave	Used by 1,593 employees
	Parental leave extended to up to 2 years	45 employees used parental leave (97% retention rate for at least 1 year after returning)
	Operating "Wings of Happiness" daycare center	Parent's satisfaction rating: 4.8 points (5-pt. scale)
Employee-family support (for all employees)	Operating the "Happy Umbrella" loan system	75 employees supported
	Set up new breakfast, dinner, snack corners	Average monthly users: 3,146
	Expanded support for health checkups for spouses of field employees	381 field employees benefited
	Vehicle support for family events	Usage rate based on operating days: 46%
	Operating a subsidy system for the use of eco-friendly agricultural products	Employee welfare benefit support 2,624 employees
	Operating a dental clinic at head office	Average monthly users: 406
	Operating a fitness center at head office	Average monthly users: 605
	Operating funeral assistance services	143 employees supported

Management of Effectiveness

Regular surveys are conducted for employees to measure and manage the effectiveness of various programs designed to support work-life balance. 2023 survey results show that the "Happiness with company life" score reached 78.2, an increase from the previous year. Notably, the "Future expectations" score, which indicates how much they associate their work with greater happiness, rose three years in a row, from 67.5 in 2021 to 80.3 in 2023. Going forward, the focus will remain on enhancing employee happiness and future expectations through active communication and continuous improvements based on feedback.

Employee Survey Results



Status of Employees Using Parental Leave (SK Ecoplant)

Category		Unit	2021	2022	2023
No. of employees using parental leave	Total	persons	46	34	34
	Male		11	14	13
	Female		35	20	21
Rate of returning to work after parental leave	Total	%	100	91.2	91.2
	Male		100	85.7	84.6
	Female		100	95.0	95.2
Rate of employment for 12 months or more after returning from parental leave	Total		91.3	96.8	96.8
	Male		100	100	100
	Female		88.6	94.7	95.0

Status of Benefit Support for Employees (SK Ecoplant)

Category	Unit	2021	2022	2023
Employee benefit	KRW 100 million	272	246	177
Rate of employee's participation in health checkups	%	95.9	94.7	94.0
Rate of participation in flexible working hours	%	45.7	48.3	36.7

Soon-to-be Retired Employee Support Program

SK Ecoplant has been operating a "Re-employment support service" for employees nearing retirement and retirees since 2021, with a completion rate at 69% in 2023. Continuing from the previous year, participation in consulting from the Labor-Management Development Foundation under the Ministry of Employment and Labor was maintained, and the introduction of one-on-one counseling with trained instructors was added to enhance service satisfaction among participants. Notably, in 2023, SK Ecoplant was recognized as a government-awarded organization for its active support of reemployment services and efforts to continue employing older and semi-older employees, which ultimately led to receiving the Minister of Employment and Labor Award in the senior employment support category. SK Ecoplant aims to continually expand reemployment support services to help employees proactively plan for a healthy life after retirement.

Turnover & Retirement Status (SK Ecoplant)

Category	Unit	2021	2022	2023
Total no. of turnovers and retirement	persons	369	295	324
No. of voluntary turnovers	persons	250	231	181
Ratio of turnovers and retirement ¹⁾	%	8.2	6.6	9.1
Ratio of voluntary turnovers ¹⁾	%	5.6	5.2	5.1

1) Due to changes in internal management standards, it has been recalculated.

Employee Engagement Survey



SK Ecoplant wholeheartedly embraces the SK Group's philosophy, which defines a virtuous cycle connecting employee happiness with the company's creation of economic and social value. Happy employees voluntarily (V) and willingly (W) engage in brain engagement (BE), and by striving for the Super Excellent Level achievable by human capability, these employees drive the company toward becoming a sustainable SUPEX company.

SK Ecoplant conducts an annual 'Culture Survey' for all employees to manage and assess the performance of various programs focused on employee happiness. The analyzed results are incorporated into company policies and employee engagement programs. The 2023 'Culture Survey,' conducted for all SK Ecoplant employees, resulted in a score of 80.2¹⁾, with a response rate of 87.8%.

1) According to the standards of SK Group, 80 points or higher is regarded as an outstanding level.

The Culture Survey has confirmed employees' trust in SK Ecoplant's legacy, growth, vision, and direction. It also validated the effectiveness of current policies and programs. SK Ecoplant is committed to further strengthening its employee happiness-centered management by continuously seeking improvement. A new organizational culture direction based on employee happiness has been established, and active communication with employees has been promoted. Additionally, discussions are underway to address and improve systems and processes that may hinder happiness. Moving forward, SK Ecoplant will constantly strive to enhance employees' understanding and engagement in happiness-centered management, ensuring that employees can actively participate in and drive their own pursuit of happiness.

Employee Engagement Survey Results (SK Ecoplant)

Category		Unit	2021	2022	2023
Total		points	73.1	80	80.2
Position	Team leader		-	87.1	87.3
	Team member		-	78.9	79.2
Age	Under age 30		-	77.7	78.1
	Between age 30 to 50		-	79.6	79.2
	Over age 50		-	81.8	82.8
Gender	Male		-	80.7	81.1
	Female		-	75.6	74.2

Healthy Labor-Management Communication

SK Ecoplant operates the "Management Development Council" to discuss employee welfare and the long-term corporate management strategy. The Management Development Council consists of eight employee representatives, an equal number of management-level employees, and three grievance-handling members. They participate in various activities, including major company events such as town hall meetings, Icheon Forum as ambassadors, and educational volunteering at Sundukwon.

The Management Development Council holds quarterly regular meetings attended by management and periodic meetings for ongoing discussions among working-level employees to address management issues and employee grievances. In 2023, the council convened a total of 9 regular discussion meetings, during which they addressed matters such as the introduction of a new annual leave carryover system for parental leave and improvements to the business card application system. Notably, under the leadership of employee representatives, the council established the communication channel "EP (Eco People), US" to foster proactive engagement with employees and address grievances. Additionally, one grievance was received through the Management Development Council in 2023, and all follow-up measures were completed through coordination with relevant departments.

Hosting of Management Development Council (Labor-Management Council) (SK Ecoplant)

Category	Unit	2021	2022	2023
No. of Management Development Council hosted	times	8	7	9
No. of agendas discussed	cases	13	12	4
No. of agendas processed	cases	13	12	4
No. of grievance received	cases	7	10	1
No. of grievance settled	cases	7	10	1
Grievance settlement rate	%	100	100	100

Employee Status

Employee Status (Consolidated)

Category		Unit	2021	2022	2023						
					Total	SKEP	SKEE	SKOP	SK Tes	Renewus	
Total no. of employees ¹⁾		persons	9,029	10,197	10,753	3,488	1,439	878	2,650	2,298	
Gender		Male	persons	7,567	8,398	8,780	2,952	1,242	795	1,714	2,077
		Female	persons	1,462	1,799	1,973	536	197	83	936	221
Position	Executives	Male	persons	150	141	133	65	15	27	6	20
		Female	persons	6	8	6	4	0	1	1	0
		Total	persons	156	149	139	69	15	28	7	20
	Manager (Team leaders, Project leader)	Male	persons	580	667	739	285	73	65	187	129
		Female	persons	84	108	133	17	2	1	111	2
		Total	persons	664	775	872	302	75	66	298	131
	Team member	Male	persons	6,849	7,602	7,925	2,602	1,154	703	1,521	1,945
		Female	persons	1,372	1,683	1,833	515	195	81	824	218
		Total	persons	8,221	9,285	9,758	3,117	1,349	784	2,345	2,163
Employment type	Permanent	Male	persons	5,866	6,675	7,373	2,255	1,020	622	1,572	1,904
		Female	persons	1,214	1,471	1,674	347	159	76	902	190
		Total	persons	7,080	8,146	9,047	2,602	1,179	698	2,474	2,094
	Non-permanent	Male	persons	1,296	1,348	1,407	697	222	173	142	173
		Female	persons	229	305	299	189	38	7	34	31
		Total	persons	1,525	1,653	1,706	886	260	180	176	204
Age	20s	Male	persons	948	1,185	1,216	189	47	78	423	479
		Female	persons	283	419	442	101	31	38	191	81
		Total	persons	1,231	1,604	1,658	290	78	116	614	560
	30s	Male	persons	2,218	2,234	2,334	741	212	183	537	661
		Female	persons	646	745	798	280	110	30	311	67
		Total	persons	2,864	2,979	3,132	1,021	322	213	848	728
	40s	Male	persons	2,446	2,756	2,924	1,175	492	325	395	537
		Female	persons	325	424	492	129	47	10	261	45
		Total	persons	2,771	3,180	3,416	1,304	539	335	656	582
	50s	Male	persons	1,640	1,847	1,678	812	417	140	255	54
		Female	persons	158	168	424	25	9	5	130	255
		Total	persons	1,798	2,015	2,102	837	426	145	385	309
	Over 60	Male	persons	312	375	370	35	74	69	104	88
		Female	persons	50	43	53	1	0	0	43	9
		Total	persons	362	418	423	36	74	69	147	97

1) The total number of employees is the sum of executives, permanent employees, temporary employees, and contract employees. Dispatched workers are excluded from the total number of employees. As of 2023, the number of dispatched workers in SK Ecoplant and the aforementioned subsidiaries is 314.

Employee Status (SK Ecoplant)

Category			Unit	2021	2022	2023
Total no. of employees ¹⁾			persons	4,457	3,548	3,488
Gender		Male	persons	3,869	3,017	2,952
		Female	persons	588	531	536
Position	Executives	Male	persons	96	76	65
		Female	persons	2	5	4
		Total	persons	98	81	69
	Manager (Team leaders, Project leader)	Male	persons	309	299	285
		Female	persons	17	18	17
		Total	persons	326	317	302
	Team member	Male	persons	3,464	2,642	2,602
		Female	persons	569	508	515
		Total	persons	4,033	3,150	3,117
Employment type ²⁾	Permanent	Male	persons	2,800	1,962	2,255
		Female	persons	412	324	347
		Total	persons	3,212	2,286	2,602
	Non-permanent	Male	persons	664	680	697
		Female	persons	157	184	189
		Total	persons	821	864	886
Age	20s	Male	persons	200	216	189
		Female	persons	98	109	101
		Total	persons	298	325	290
	30s	Male	persons	1,104	788	741
		Female	persons	364	286	280
		Total	persons	1,468	1,074	1,021
	40s	Male	persons	1,450	1,171	1,175
		Female	persons	102	113	129
		Total	persons	1,552	1,284	1,304
	50s	Male	persons	1,050	806	812
		Female	persons	24	23	25
		Total	persons	1,074	829	837
	Over 60	Male	persons	65	36	35
		Female	persons	0	0	1
		Total	persons	65	36	36

1) The total number of employees is the sum of executives, permanent employees, temporary employees, and contract employees. Dispatched workers are excluded from the total number of employees. As of 2023, the number of dispatched workers in SK Ecoplant and the aforementioned subsidiaries is 65.

2) For 2021 and 2022, the counts were aggregated based only on team members according to internal management standards.



Supply Chain Management System

Biz. Partner's Code of Conduct

SK Ecoplant established the "Biz. Partner's Codes of Conduct" to present operational practices for building a sustainable supply chain and support the social responsibility of Biz. Partners. Based on global guidelines such as the UN Universal Declaration of Human Rights, the 10 Principles of the UN Global Compact, and the "International Labor Organization Declaration on Fundamental Principles and Rights at Work", the Biz. Partner's Code of Conduct provides detailed guidelines for Biz. Partners in areas such as human rights, labor, safety, health, environment, corporate ethics, and legal sourcing of raw materials. Since 2022, a compliance agreement system for the Biz. Partner's Code of Conduct¹⁾ has been established upon their registration, encouraging active participation from Biz. Partners.

1) Signatures for the Biz. Partner's Code of Conduct are received and managed through the integrated procurement system (TOMMS).

Biz. Partner's Code of Conduct 

Eco-Friendly Procurement Policy

In 2022, SK Ecoplant established the "eco-friendly procurement policy," formalizing the standards for expanding the purchase of eco-friendly products and tracking performance. To increase the procurement of eco-friendly products, SK Ecoplant defines such products based on relevant laws concerning energy, environmental technology, resources, and recycling. Monthly purchase performance is aggregated using the internal integrated procurement system. The identification and procurement of eco-friendly materials have been set as key performance indicators for the responsible team members. Incentives are provided to Biz. Partners who manufacture and sell eco-friendly products. In 2023, approximately KRW 211.4 billion worth of eco-friendly products were purchased, with plans to continually expand the range of such products. To achieve this, dedicated eco-friendly procurement managers have been appointed and regular training on eco-friendly procurement is conducted for relevant personnel and departments to enhance the eco-friendly procurement management system.

Eco-friendly Procurement Policy 

Eco-friendly Procurement Performances by Type (SK Ecoplant)

Category	Unit	2021	2022	2023
Total amount of procurement	KRW 1 million	-	986,397	1,155,577
Amount of procured eco-friendly products ¹⁾	KRW 1 million	11,848	87,414	211,412
Proportion of eco-friendly procurement	%	-	8.9	18.3
Officially certified eco-friendly procurement products	KRW 1 million	11,848	87,406	211,242
Eco Label-certified products	KRW 1 million	788	626	4,064
Excellent recycled product	KRW 1 million	-	51,762	135,806
Low-carbon products	KRW 1 million	11,060	27,046	53,371
High-efficiency energy material and energy efficiency grade 1~2 products	KRW 1 million	-	7,972	18,001
Other eco-friendly products ²⁾	KRW 1 million	-	8.0	170

1) The amount of procured eco-friendly products is the sum of the officially certified eco-friendly procurement products and other eco-friendly products.
2) These products meet the eco-friendly product certification system and standards established by SK Ecoplant.

Consumption of Raw Materials and Sub Materials & Recycled Raw Materials (SK Ecoplant)

Category		Unit	2021	2022	2023
Ready-mixed concrete	consumption	m ³	1,081,428	906,277	1,778,523
	consumption per unit	m ³ /KRW 1 billion	151	146	386
Cement	consumption	Ton	33,934	27,012	112,549
	consumption per unit	Ton/KRW 1 billion	4.7	4.4	24.5
Aggregate	consumption	m ³	136,661	51,987	71,156
	consumption per unit	m ³ /KRW 1 billion	19.1	8.4	15.5
Asphalt concrete	consumption	Ton	94,096	62,164	45,457
	consumption per unit	Ton/KRW 1 billion	13.1	10.0	9.9
Sand	consumption	m ³	16,681	2,113	767
	consumption per unit	m ³ /KRW 1 billion	2.3	0.3	0.2
Steel bars	consumption	Ton	84,850	190,286	161,459
	consumption per unit	Ton/KRW 1 billion	11.8	30.7	35.1
Recycled aggregate (including slag)	consumption	m ³	45,415	224	0 ¹⁾
	consumption per unit	m ³ /KRW 1 billion	6.3	0.04	0

1) Due to a decrease in projects requiring recycled aggregate by design, the usage has declined.

Case

Restriction on Conflict Minerals Usage

SK Ecoplant stipulates a "Do not use conflict materials" in the Biz. Partner's Code of Conduct (Chapter 6, Article 34) to prevent the use of unethically sourced raw materials. Biz. Partners are required to comply with this Code of Conduct by establishing policies, building systems, and conducting due diligence throughout the mineral procurement process.

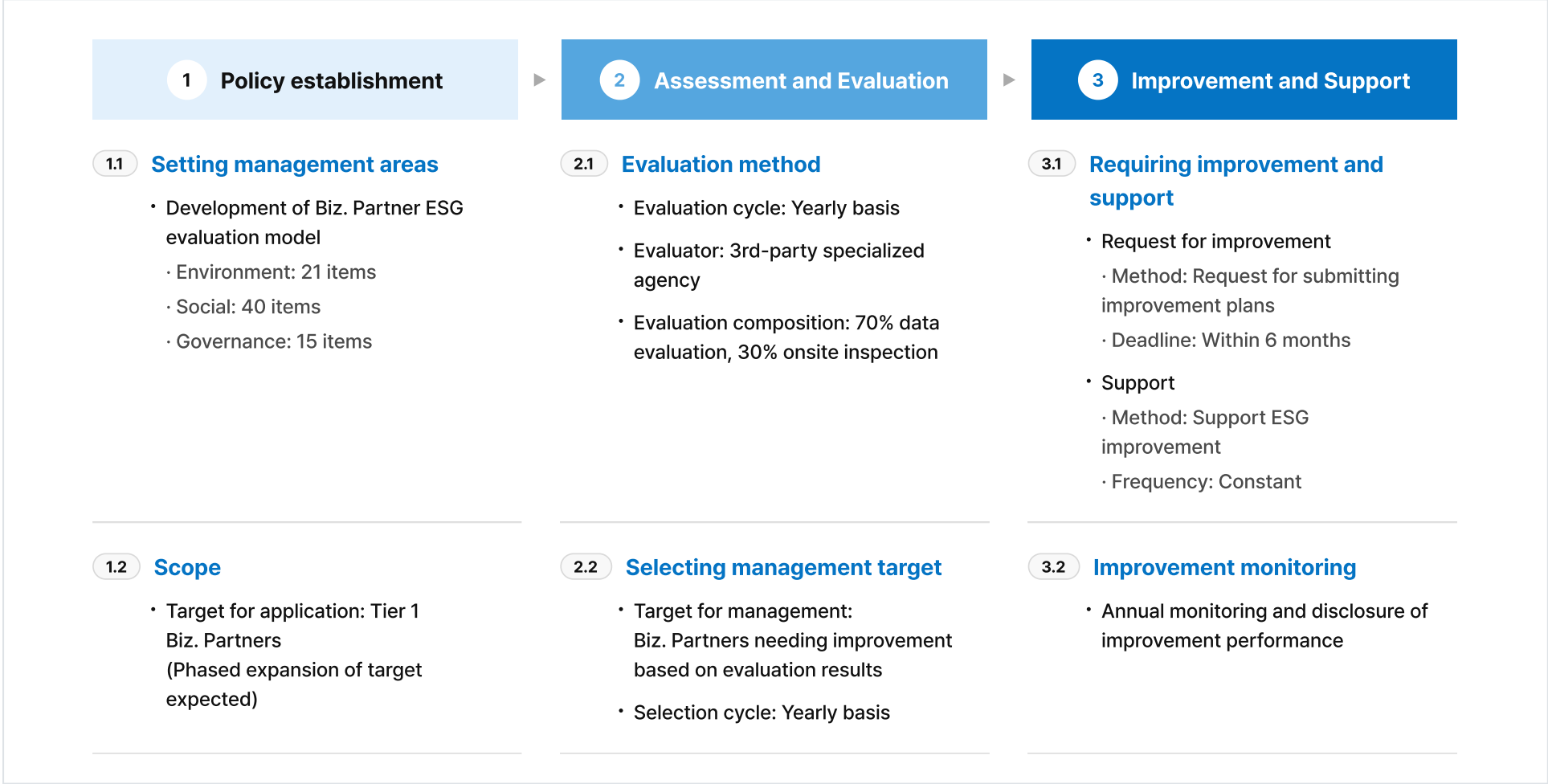
Supply Chain ESG Evaluation

Supply Chain ESG Evaluation System

SK Ecoplant is committed to improving the ESG management level within the supply chain by operating the "Support Program for Biz. Partners' ESG Improvement.¹⁾" This program targets Biz. Partners facing challenges due to a lack of relevant information and capabilities in fulfilling environmental and social responsibilities. Through the "Support Program for Biz. Partners' ESG Improvement," ESG evaluations are conducted for key Biz. Partners²⁾ and newly registered Biz. Partners. To encourage active participation, the program covers evaluation costs and provides incentives based on the evaluation results. For key Biz. Partners, participation in an annual ESG evaluation is encouraged. Biz. Partners targeted for intensive management based on the evaluation results are required to have their improvement status managed annually.

- 1) The ESG evaluation model for this program was developed in collaboration with major credit rating agencies and a pilot test of the model was completed in March 2021, involving 10 Biz. Partners.
- 2) The primary focus is on "ECO Partners member companies," which are part of SK Ecoplant's entrusted enterprise council. Additionally, Biz. Partners are selected based on a comprehensive review of transaction scale, core business areas, and level of collaboration with SK Ecoplant.

Support Process for Biz. Partners' ESG Improvement



Biz. Partner ESG Value-up Program

SK Ecoplant supports the establishment and improvement tasks across ESG policies, organization, and training operations through the ESG Value-up Program following the ESG evaluation of Biz. Partners. Specifically, the program involves analyzing the level of each ESG criterion and providing targeted support such as One Point coaching, on-site guidance, and online briefings for identified weaknesses. Continuous monitoring of the implementation of improvement tasks is conducted through the "ESG 24-Hour Help Desk". In addition, to facilitate the dissemination of ESG-related information, the ESG newsletter "Eco ESG Bridge" is published quarterly and shared with Biz. Partners.

Biz. Partner ESG Value-up Program

Category	Support details	Support method
Organization and policies	- Establishment of environmental organizations and policies - Prompting the setup of a dedicated safety organization - Establishing a safety management policy and process - Social contribution and ethical management	- Recommendations for improvement - Proposing model policies and processes - Partner-specific One Point coaching
Trainings	- Conducting environmental management trainings - Safety-serious accident trainings - Operating ethical management trainings	- Utilizing existing internal training contents and materials - Holding online and offline trainings concurrently - Group trainings or visiting trainings - Periodic repetitive trainings

Supply Chain ESG Evaluation Results and Goals

SK Ecoplant encourages the voluntary participation of key Biz. Partners in ESG evaluations to manage a supply chain that is competitive and proficient in ESG management within the evolving business environment. In 2023, ESG evaluations were conducted for 200 Biz. Partners (62% of key Biz. Partners) based on environmental, social, and governance criteria. The number of Biz. Partners subject to intensive management was expanded to 30 companies (15%). The plan is to gradually increase the scope of ESG evaluations to 68% of key Biz. Partners in 2024 and to 76% in 2025. Meanwhile, the goal is to keep the proportion of Biz. Partners with a low level of ESG management below 15%.

Biz. Partner’s Participation Status and Goals in ESG Evaluations (SK Ecoplant)

Category	Unit	2021	2022	2023	Goals		
					2024	2025	2026
Total no. of Biz. Partners	companies	1,594	1,610	1,776	1,610	1,610	1,610
No. of key Biz. Partners		324	324	324	324	275	275
No. of Biz. Partners participating in ESG evaluation		100	157	200	220	210	220
No. of Biz. Partners subject to intensive management		27	18	30	35	32	33

Supply Chain ESG Evaluation Results

SK Ecoplant monitors the implementation of improvement measures identified for each Biz. Partner following ESG evaluations of the supply chain and provides support for the corrective action process when necessary. For Biz. Partners targeted for intensive management due to insufficient ESG management levels, the principle is to manage their improvement status annually based on evaluation results. Starting in 2023, the Board of Directors receives regular reports on the results of supply chain ESG assessments, risk levels, and subsequent monitoring results to review and manage sustainability issues at the leadership level.

Biz. Partner ESG Evaluation Results (SK Ecoplant)

Area	Evaluation item	No. of Biz. Partners subject to evaluation	No. of Biz. Partners subject to intensive management
Environment	Environmental management system ¹⁾	200 companies	30 companies (15%)
Social	Health and Safety ²⁾		
	Labor ³⁾		
	Quality ⁴⁾		
Social	Shareholders ⁵⁾		
	Management system ⁶⁾		

1) Environmental strategy, environmental management, environmental performance, environmental control etc.

2) Appointment of safety managers, safety and health management policy and goals, safety and health organization operation, safety and health management regulations, site-specific risk assessment, CEO safety activities, onsite safety and health checkups, hazardous material and facility management system, safety and health training, emergency response, channels for collecting the opinions of field employees, provision of personal protective equipment, safety and health management system certification, safety and health investment activities, etc.

3) Compliance with legal standards for employment contracts and with the Labor Standards Act, employment environment for employees, operation of labor union and joint labor-management conference, labor human rights protection, employment of vulnerable groups, training-education management, etc.

4) Sustainable supply management, etc.

5) Status of largest shareholder, etc.

6) Ethical management training, such as anti-corruption and legal compliance, regulations on anti-corruption whistleblowing reporting system, regular internal audits, regulations on personal information collection, storage, processing, privacy security, etc.

Status of Biz. Partners ESG Improvement Measures Taken (SK Ecoplant)

Category		Unit	2021	2022	2023
ESG risk evaluation	No. of Biz. Partners subject to improvement measures	companies	-1)	18	30
	No. of Biz. Partners implementing improvement measures	companies	-1)	18	30
	Ratio of Biz. Partners implementing improvement measures	%	-1)	100	100
Financial risk evaluation	No. of Biz. Partners subject to evaluation	companies	1,594	1,610	1,776
	Ratio of Biz. Partners to be evaluated	%	100	100	100

1) Target Biz. Partners were selected for intensive management in 2021, but actual improvement activities were undertaken starting in 2022.

Win-Win Growth Support

Biz. Partner Win-Win Growth Programs

SK Ecoplant has established a win-win growth policy to foster a sustainable business partnership based on mutual understanding and cooperation with Biz. Partners. To address issues arising in collaboration with Biz. Partners, SK Ecoplant has appointed the head of the ESG Center (CSO) as the chairman of the Win-Win Growth Committee. The committee is convened twice a year, once in each half of the year. Specifically, support measures to improve the competitiveness of Biz. Partners are discussed through the Win-Win Growth Committee.

Details of matters discussed by the Win-Win Growth Committee in 2023

- The need to review support plans for small and medium-sized enterprises to strengthen co-growth in response to the economic downturns
- The need to establish an internal dispute resolution mechanism to enhance cooperative relationships through amicable resolution of disputes with a Biz. Partners
- The need to strengthen the management of subcontracting documentation practices

Win-Win Growth Support Programs and Performances

SK Ecoplant implements various financial and non-financial co-growth support programs, including support for fair subcontracting and joint technology development, to strengthen win-win cooperation with Biz. Partners and improve the overall competitiveness of the entire supply chain. Starting in the second half of 2023, a collaboration model with the Korea SMEs and Startups Agency was established. In February 2024, practical training was conducted to prepare for the Serious Accidents Punishment Act, which applies to businesses with less than 50 employees. Through this collaboration with Biz. Partners, approximately 4.6 trillion KRW in economic value was provided and created as of 2023. Additionally, SK Ecoplant was recognized as the industry's first honorary company to achieve the highest honor for seven consecutive years in the win-win growth index evaluation overseen by the Korea Commission for Corporate Partnership. As a leading company in win-win growth, SK Ecoplant plans to systematize detailed implementation plans for each support program and gradually expand the scope of support targets.

Status of Win-Win Growth Support Programs (SK Ecoplant)

Category	Support program	Details	Unit	2021	2022	2023
Finance	Win-win growth loan	Providing interest-free loans	KRW 100 million	400	400	300
	Win-Win Growth Fund	A fund jointly established by SK affiliates and IBK Industrial Bank of Korea, providing low-interest loans compared to market rates		200	200	115
	Contract execution guarantee support	Reducing contract execution guarantee rates for Biz. Partners	companies	56	39	36

Category	Support program	Details	Unit	2021	2022	2023
HR and recruitment	Job creation via industry-university partnership	Supporting internship training for prospective graduates of Meister high schools and their recruitment by Biz. Partners	companies	6	19	1
	Enabling participation in job fairs	Giving opportunities to participate in various exhibitions held		2	2	2
Technology	Industrial innovation movement	Supporting voluntary innovation projects by Biz. Partners using win-win growth investment resources	companies	2	7	4
	Support for tech leasing	Protecting key technical data by escrowing at the "Korea Foundation for Cooperation of Large&Small Business Rural Affairs"		6	6	6
Training-education	Outsourced trainings	Support for training costs for practical construction training courses provided by the Construction Association of Korea	persons	144	125	67
	CEO seminar for win-win growth	Providing seminars to improve CEO capabilities of major Biz. Partners		112	137	193
Market development	Participation in sales talks	Giving opportunity to participate in various procurement consultation meetings held	cases	10	12	12
	Win-win growth mall	Operating a win-win growth mall to support sales channels for small and medium-sized businesses	KRW 100 million	1	1	0.12
Welfare benefits	Subsidies for consolation and celebration expenses	Support for wreaths, artificial flowers, and condolence payments during significant events for Biz. Partners	KRW 1 million	2	3	1.2
	Support for long-term employment of key personnel	Encouraging long-term employment for key personnel at Biz. Partners through support for the "Naeil Chaeum Deduction System"	companies	1	1	2
ESG	ESG evaluation support	Support for participation in ESG evaluation by Biz. Partners	companies	100	157	200

Biz. Partner Nurturing Programs

Open Innovation

SK Ecoplant has established the Eco Open Platform, a collaborative system for Biz. Partners, to identify startups with innovative technologies in the environmental and energy fields and to support the establishment of research centers and investment attraction for technology commercialization. To discover participating companies for the Eco Open Platform, annual technology contests such as Tech Open Collaboration and ConTech Meet-Up Day are held. In 2023, SK Ecoplant secured government funding to expand joint technology development with Biz. Partners, fostering a sustainable industrial ecosystem.

Case

Expanding Platform Operations to Create a Sustainable Industrial Ecosystem

SK Ecoplant continues to support technology commercialization, investment attraction, and marketing for small and medium-sized businesses by establishing the "Value-up platform" in 2022. To facilitate startup investment, an IR event was held in collaboration with partner organizations such as the Gyeongbuk Creative Economy Innovation Center, the Korea International Trade Association, and Innopolis Foundation. Additionally, SK Ecoplant supported its Biz. Partners providing eco-friendly soundproofing solutions, contributing to the successful establishment of research institute-affiliated enterprises under the Ministry of Science and ICT's jurisdiction.

In March 2023, SK Ecoplant expanded the "Eco Open Platform" to include its subsidiaries, aiming to create a sustainable industrial ecosystem focused on the eco-friendly industry in the environmental and energy sectors. Furthermore, the platform has broadened its support areas beyond technology discovery and joint technology development to include technology commercialization and investment attraction. In 2023, agreements were signed for the growth of subsidiaries, SK oceanplant and Renewus, establishing the "Contract on the Offshore Wind Power Scale-up Program" and the "Contract on the Eco-Friendly Open Innovation Program", respectively. SK Ecoplant aims to further expand the platform continuously until 2026 by pursuing cooperation with other major corporations.



Tech Open Collaboration

Tech Open Collaboration is an open technology innovation program focused on research and development based on partnerships between existing companies and startups. In the 2023 Tech Open Collaboration, held in collaboration with the Ministry of SMEs and Startups, the Korea Institute of Startup and Entrepreneurship Development, and Korea International Trade Association, SK Ecoplant selected three companies for "joint R&D technology" in order to discover and develop technologies essential for SK Ecoplant's business.

Overview of 2023 Tech Open Collaboration

Category	Detail
Contest field	Joint R&D technology
Contest qualification	Startups
Contest technology	Eco-friendly materials, carbon reduction system, new energy, energy efficiency
Selected technologies	Softberry: Fuel cell-based electric vehicle charging stations and electric vehicle battery sourcing platform Theinsight: Digital twin-based real-time monitoring solution for open storage yard For-M: Production of conductive carbon using recycled marine waste

ConTech Meet-up Day

As a portmanteau of "construction" and "technology", ConTech refers to innovative technologies that enhance productivity in construction processes through automation, digitalization, and other 4th Industrial Revolution technologies. Since 2020, SK ecoplant has hosted the "ConTech Meet-up Day" contest in collaboration with the Innopolis Foundation for four consecutive years. In the second half 2023 event, five companies were selected for "joint R&D technology" based on comprehensive criteria including the applicability and scalability of the technology, its uniqueness and feasibility, demand and usability, and business potential.

Overview of 2023 ConTech Meet-up Day

Category	Details	
Contest field	Immediately applicable technology	Joint R&D technology
Contest qualification	Any domestic companies	SME, startups
Contest technology	EPC (engineering, purchasing, construction)-based eco-friendly technology - Eco-friendly (new materials, noise between floors, waste treatment) - Energy (thermoelectric power generation, ESS, hybrid battery, power conversion technology) EPC method improvement and smart technologies such as AI and DT - Smart construction and DT (AR-BIM design-management and design automation) - Cost reduction, construction period reduction, construction method improvement, quality and safety improvement technology	
Selected technology	New & renewable energy TheEN: Solution for removing hydrogen explosiveness and manufacturing electrodes for water electrolysis (AKL) Eco-friendly BLUELABS: Production of eco-friendly water treatment agents using fisheries by-products FUST Lab: Water treatment and sludge reduction technology using focused ultrasound technology Energyworks: Artificial intelligence-based zero energy building total solution Smart construction TJ LABS: Location recognition solution using IoT	

Grievance Settlement for Biz. Partners

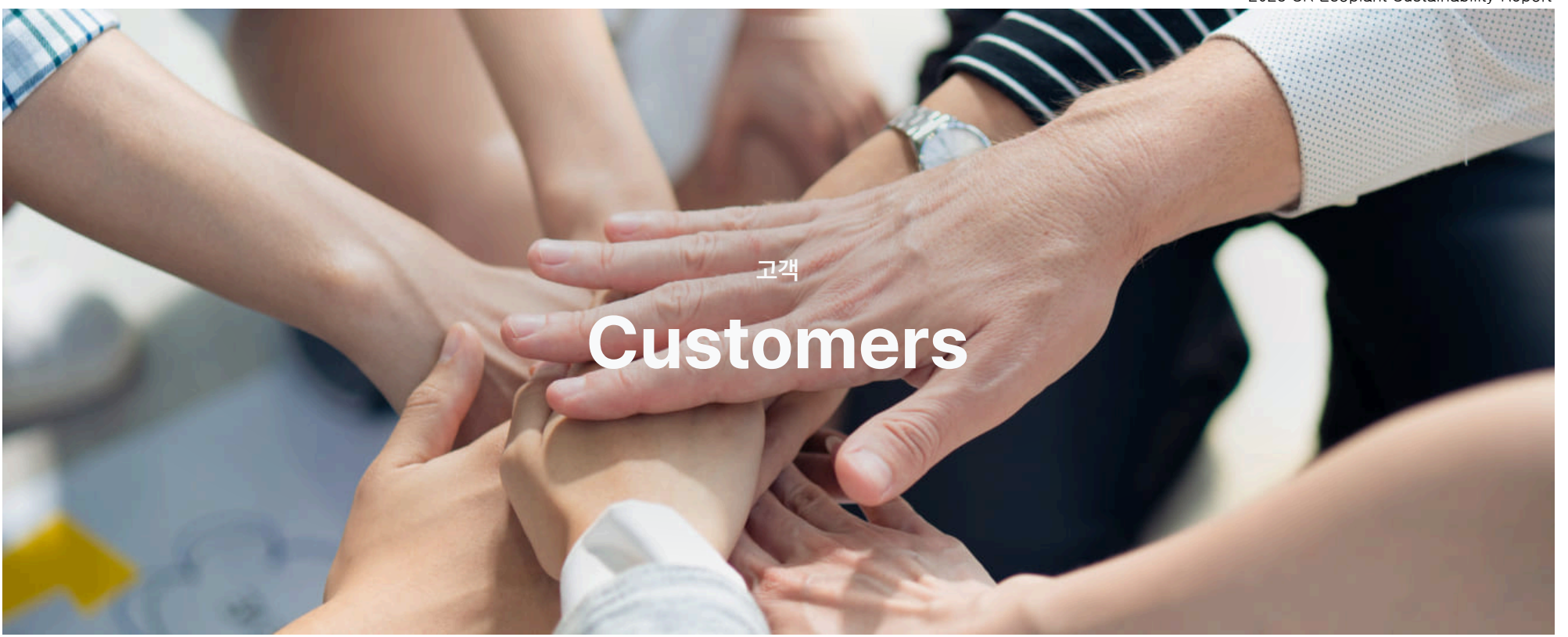
SK Ecoplant actively incorporates the opinions of Biz. Partners into its management activities by operating various communication channels. Grievances are received and processed through the "Biz. Partner Bulletin Board" on the SK Ecoplant Biz. Partner website. Additionally, an open channel for autonomous consultations and reports on ethical management is continuously available on the [company's website](#) . Starting in 2023, the Subcontract Dispute Mediation Committee, a settlement council, has been addressing disagreements and issues related to subcontract payments with Biz. Partners.

Status of Biz. Partner's Grievance Received and Settled (SK Ecoplant)

Category	Unit	2022	2023
No. of grievances received	cases	42	26
No. of grievances settled	cases	42	26
Grievance settlement ratio	%	100	100

Submission and Handling Status of Subcontract Dispute Mediation Committee (SK Ecoplant)

Category	Unit	2023
No. of submissions to the Subcontract Dispute Mediation Committee	cases	3
No. of cases handled by the committee	cases	2
No. of progressing cases received by the committee	cases	1
Completion rate of the committee	%	100



Customer Protection System and Performances

Customer Protection Charter

In the first half of 2023, SK Ecoplant established the "Customer Protection Charter" to continuously strengthen trust-based relationships with its customers. The Customer Protection Charter encompasses providing product and service information, handling grievances, and protecting customer information, all aimed at maximizing customer value. It is transparently disclosed on the website, allowing consumers to easily access it.

Customer Protection Charter

SK ecoplant will provide various values to our customers and obtain trust by continuously satisfying our customers, and ultimately work hard to constantly grow with our customers.

- We will pursue our customers' values and experiences first and provide optimal products and services to our customers.
- We will transparently provide information on products and services to our customers and always listen to the voices of our customers.
- We will keep the promises with our customers, build trust through customer satisfaction, and ultimately make efforts to make our customer happy.
- We will promptly and fairly process customers' complaints and damages, and continue to innovate to prevent recurrences.
- We will provide strict security measures to protect customer information and use it for only purposes it was collected for.

Customer Protection Organization

SK Ecoplant strives to provide products and services catering to customer needs in the course of business. As an organization dedicated to protecting consumer rights and interests, our CS team conducts mobile surveys on moving-in services and defect handling services for moving-in customers to improve customer satisfaction. If any areas of dissatisfaction are revealed from the investigation, prompt improvement measures and concerted efforts are undertaken to prevent the same issue from recurring in the future. Additionally, to ensure timely and accurate feedback on inquiries and grievances received through our website and the customer happiness center, relevant departments are directly involved in the response process starting from the root cause analysis. SK Ecoplant will continue to take a leading stance in customer value innovation by resolving customer dissatisfaction promptly and impartially, and improving the quality of products and services provided.

Customer Satisfaction Activities

Customer Satisfaction Programs

SK Ecoplant conducts customer satisfaction surveys to improve customer satisfaction and protect customer rights and safety in the process of product and service provision. Satisfaction survey results are internally analyzed to identify areas for improvement, ensuring that enhanced quality products and services are provided to customers. In particular, items that received high customer satisfaction ratings in each project evaluation are applied to subsequent projects, establishing a virtuous cycle in service management.

SK Ecoplant enhances resident satisfaction by implementing a dual inspection process that includes both "quality self-checks" and "resident pre-inspections." The "quality self-checks" conducted 40 days prior to the "resident pre-inspections" involve deploying field and head office employees along with professional managers representing customers to handle 100% of discovered defects in advance. For the "resident pre-inspection", discovered defects are reported via mobile, and the inspection process is operated efficiently by establishing a mobile defect management system that can monitor the receipt and resolution status. Mobile surveys are also conducted for the overall move-in services and defect handling to manage customer satisfaction.

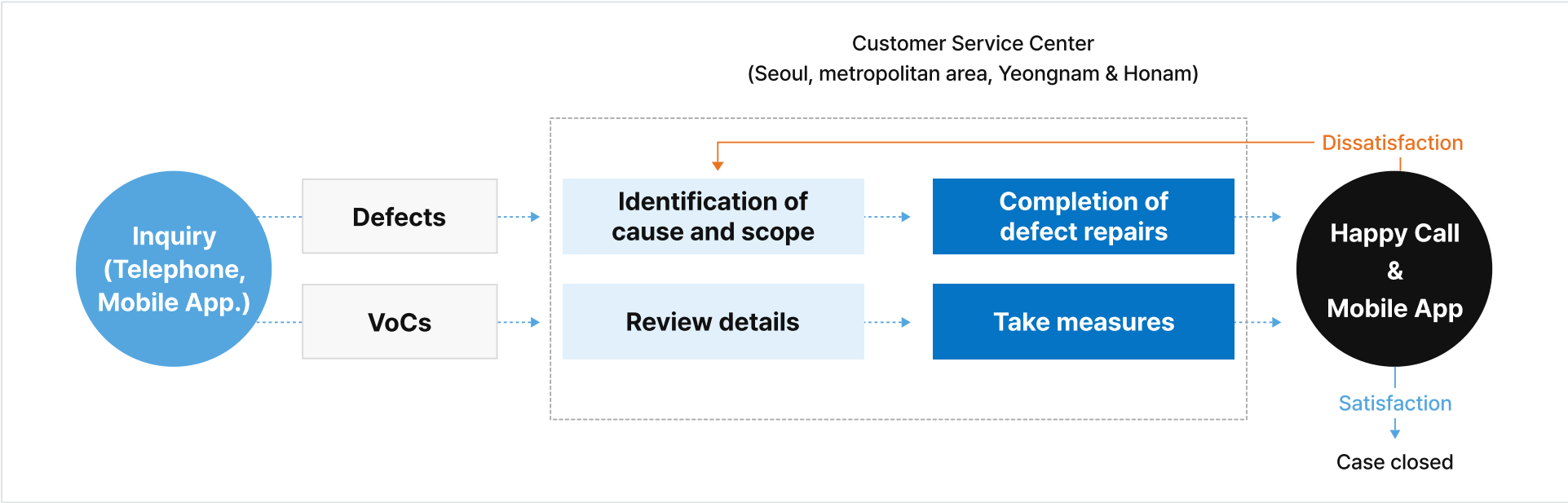
Customer Satisfaction Survey Results (SK Ecoplant)

Category	Unit	2022	2023
Satisfaction with resident service ¹⁾	points	3.7	3.7
Satisfaction with defect treatment service ¹⁾	points	3.9	4.1

1) On a 5-point scale

Consumer Damage Relief Procedures

SK Ecoplant listens to customer inquiries and complaints to minimize damage to consumers resulting from the use of our products and services use, and operates a systematic response process for analyzing submitted inquiries and complaints, deriving improvements, and reflecting them in our products and services. Simple inquiries about defects and VoCs submitted via phone or mobile app are answered within 24 hours in principle. Other cases are analyzed with the relevant departments and Customer Service Center before providing a response. When complaints from dissatisfied customers are submitted via happy call or mobile app surveys after defects were repaired, SK Ecoplant take a proactive approach in redressing consumer rights by deploying relevant departments to duly respond based on a comprehensive cause analysis.



Status of VoC Processed by the Customer Happiness Center (SK Ecoplant)

Category	Unit	2022	2023
No. of reports received ¹⁾	cases	226,055	196,161
No. of cases processed	cases	211,206	179,085
Processing rate	%	93.4	91.3

1) These are the number of VoCs (Voice of Customer) including received reports on defects.

Quality Management System and Performances

Quality Management Policy and Certification

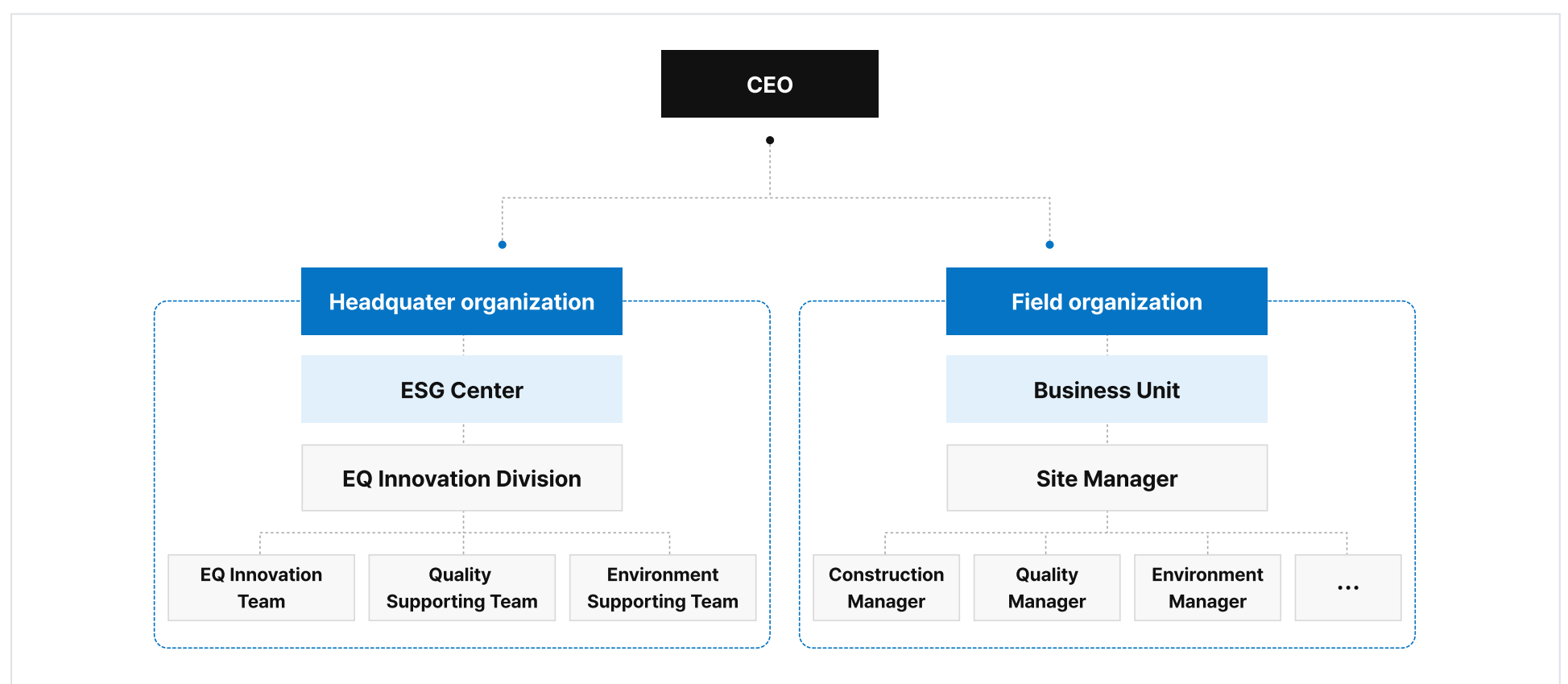
SK Ecoplant has established a quality management system and organization, relentlessly minimizing quality risks through preemptive quality management. To achieve this, quality inspections and management are conducted for each project, with a specific emphasis on large projects or others where issues arise, which are subjected to thorough inspections. At the construction stage, quality checks are conducted focusing on design adequacy, constructability, and O&M aspects. Potential risk factors identified are addressed with technical solutions to proactively mitigate quality risks. In addition, to prevent potential customer safety accidents during the use of products and services, SK Ecoplant conducts comprehensive quality management for fire doors, fire compartments, and firefighting equipment throughout their production and construction. For securing customer trust, indoor air quality measurements, radon management, noise measurements, and the quality and performance checks of finishing materials, such as insulation and windows, are also conducted. SK Ecoplant reports its annual quality management business plan, including these activities, to management and the Board of Directors every year. Meanwhile, in maximizing customer satisfaction and secure quality, all of SK Ecoplant's domestic and overseas operations have acquired certification for the international standard for quality management systems (ISO 9001:2015). All domestic nuclear power plants have received and maintained quality certification for the Korea Electric Power Industry Code (KEPIC).



Quality Management Organization

To operate a world-class quality management system, SK Ecoplant has established quality management organizations at both head office and field under the CEO's leadership. At the head office, a quality management organization within the ESG Center has been established to manage quality risks. For the field organization, construction managers, quality managers, and environmental managers are assigned under the site manager to ensure that self-initiated quality control activities are undertaken on site.

Organizational Chart of Quality Management



Quality Management Goals

SK Ecoplant's quality management roadmap aims to "achieve zero large-scale physical accidents that can affect the company." In 2023, SK Ecoplant conducted 34 sessions of quality improvement support and inspection processes for our subsidiaries, aiding in the establishment of a robust internal quality management systems. At the same time, SK Ecoplant keeps track of material accidents by managing COPQ (Cost of Poor Quality) according to internal material accident classification standards, and has recorded a decrease of approximately 48% in 2023 compared to the previous year, with material accidents totaling around KRW 3.1 billion. Based on our quality management roadmap and objectives, SK Ecoplant focuses on the continuous advancement of the quality management system.

Quality Management Goals and Roadmap

Category	Performances	Goals			
	2023	2024	2025	2026	
Resources and capabilities	Operated HRD (Human Resource Development) programs to bolster employee capabilities	Enhancing quality performance capabilities for new business models	Developing and securing human resources capable of executing new business models and existing business areas in tandem	Strengthening multi-role capabilities for new business models and existing business areas	
System and process	- Operated 39 processes to prevent recurrence of accidents - Performed 5 customized PMI (Post-Merger Integration) tasks based on strategies and directions of subsidiaries	Digitalizing quality management system and processes	Operating digital technology-based quality management system and processes	Establishing a quality system and process management system using AI	
Support and assessment	- Conducted regular, special, and joint quality inspections for 54 projects - Operated 34 subsidiary supports and inspection processes	Establishing autonomous responsible management and inspection systems for projects and subsidiaries	Establishing a Digital-based smart inspection and assessment system	Continuously advancing Digital-based smart inspections and assessments	

Quality Management Activities

Quality Training

To enhance the project’s overall quality and integrity, SK Ecoplant requires mandatory completion of "Quality Training for Assigned Personnel" for employees scheduled to be assigned to the project. The quality training for assigned personnel covers the importance of quality through case studies, understanding quality management, project quality activities, and quality IT systems, with a total of 489 employees having completed the training in 2023.

Quality Training Performances (SK Ecoplant)

Category	Unit	2021	2022	2023
No. of target employees	persons	1,401	544	489
No. of employees participated	persons	1,401	544	489
Participation rate	%	100	100	100

Quality Accident Prevention & Recurrence Prevention Measures

SK Ecoplant conducts multi-layered quality diagnosis, including regular, special, and joint diagnosis, to prevent quality accidents. For high-potential accidents and issues specific to each business division, both self-initiated project-level diagnosis and head office-led quality diagnosis are conducted. In addition, we proactively review quality risks at the marketing stage to prevent quality accidents during the operational stage.

SK Ecoplant has institutionalized a "recurrence prevention process" to prevent repetitive and similar material accidents. Following this process, existing accident data is analyzed, and frequent accidents are identified to establish mandatory management items for each product. A standard model for preventing recurrence is then developed. Accordingly, in 2023, a total of 39 self-diagnosis packages for recurrence prevention were established, and the recurrence prevention process is currently applied to all projects. As planned, SK Ecoplant’s quality management system will continue to be upgraded to prevent quality accidents and minimize risks.

Legal Violations Related to Product and Service Safety (Consolidated)

Category	Unit	2021	2022	2023					
				Total	SKEP	SKEE	SKOP	SK Tes	Renewus
Criminal punishment	cases	0	0	0	0	0	0	0	0
Administrative measure	cases	0	2	0	0	0	0	0	0

Legal Violations Related to Product and Service Safety (SK Ecoplant)

Category	Unit	2021	2022	2023
Criminal punishment	cases	0	0	0
Administrative measure	cases	0	2	0

Quality Management Support for Biz. Partners

SK Ecoplant conducts quality management for Biz. Partners to increase the effectiveness of quality control within the supply chain. Through data-driven quantitative quality assessments and a fair feedback process, SK Ecoplant supports Biz. Partners in establishing internal quality management systems and improving their management levels. In particular, SK Ecoplant integrates the quality management capabilities of Biz. Partners into our transactional decisions to promote a higher standard of quality management across the entire supply chain. Biz. Partners with poor capability are blocked from entering the supply chain, and the quality capabilities and commitment to improvement of high-performance Biz. Partners are driven further by providing incentives during the bidding phase.

Case

Activities to Enhance Consumer Safety

SK Ecoplant primarily uses eco-label certified products for finishing materials such as final finishes, adhesives, and interior materials that could negatively impact the health of residents. Additionally, flush-outs¹⁾ are conducted for all units before completion to improve indoor air quality in newly constructed apartment buildings. Furthermore, SK Ecoplant adheres to recommended indoor air quality management standards and prevents the emission of various VOCs (volatile organic compounds) and radon. This involves securing test reports for material-specific concentrations, radiation indices, and radium levels, and continuously monitoring these parameters.

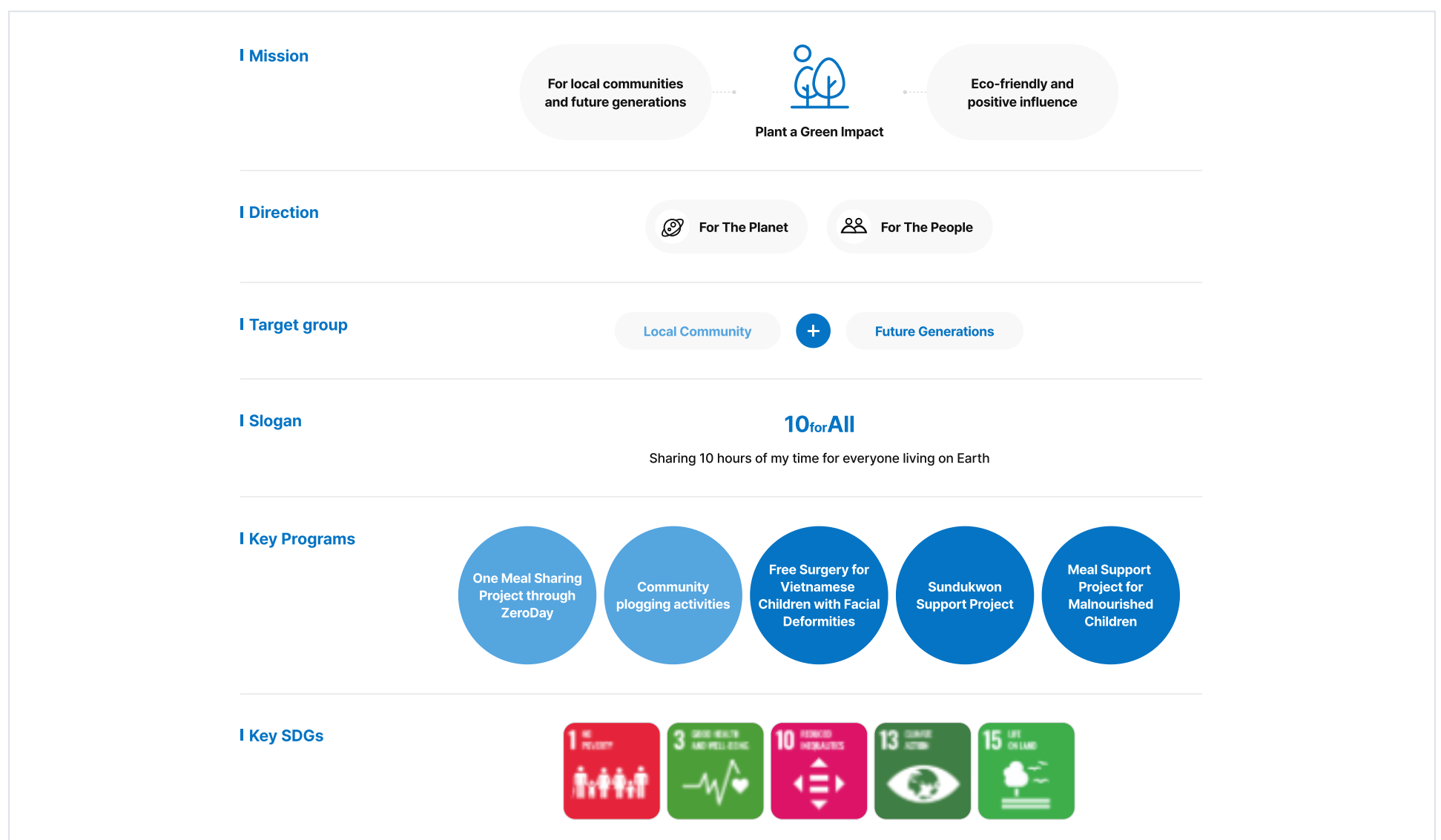
1) This refers to the act of using ventilation systems to bring sufficient fresh outside air indoors, while expelling indoor pollutants outside.



Social Contribution Strategy and Goals

Social Contribution Strategy: Plant a Green Impact

SK Ecoplant is dedicated to growing alongside society by playing various roles in environmental protection and contributing to the local community. Operating under the mission of "Plant a Green Impact," SK Ecoplant actively participates in different social initiatives to fulfill our corporate social responsibilities and achieve sustainable development. As an environment and energy company, SK Ecoplant runs social contribution programs that align with our business characteristics. Key programs include the "One Meal Sharing Project through ZeroDay" and "Community plogging activities" to support the local community. We also undertake initiatives for future generations such as the "Free Surgery for Vietnamese Children with Facial Deformities," "Sundukwon Support Project," and the "Meal Support Project for Malnourished Children."



Social Contribution Goals

SK Ecoplant is focused on addressing social issues through collaboration and connection. The company is enhancing related policies and programs by aligning its core business with the Sustainable Development Goals (SDGs) and addressing local community concerns. In 2023, SK Ecoplant established the in-house volunteer group "EP (Eco People) Volunteer Group¹⁾," which has resumed face-to-face volunteer activities and expanded opportunities for employees to engage in external volunteer work. Since June 2023, the "EP Volunteer Group" has been recruiting participants for the "10ForAll" program, which involves dedicating 10 hours of annual volunteer work yearly to support the local community and future generations. The company aims to expand the annual volunteer participation goal from 5 hours in 2023 to at least 10 hours in 2024. Additionally, various social contribution programs will be carried out in collaboration with SK Ecoplant's subsidiaries.

1) This volunteer group is composed of employees of SK Ecoplant and its subsidiaries.

Social Contribution Directions and Goals

Directions	Goals	
	2024	2025
Operating volunteer programs to have each employee participate for 10 hours annually, focusing on supporting the local community and future generations. - Maintaining existing programs with high satisfaction - Listening to employee opinions every quarter, reviewing proposed ideas, and implementing them to discover new programs that align with employee needs	- Having all employees to participate in 10 hours of social contribution activities annually - Developing community service programs in collaboration with subsidiaries	- Implementing community service programs in collaboration with subsidiaries - Establishing the "10ForAll" culture across SK Ecoplant and its subsidiaries

Social Contribution Investment Performances (SK Ecoplant)

Category	Unit	2022	2023
Investment amount ¹⁾	KRW 100 million	33.6 ²⁾	11.9
Social contribution activity expenses	KRW 100 million	0.6	3.4

1) The social contribution investment amount was calculated based on donations and in-kind sponsorships.
2) The amount has been re-calculated from KRW 3.41 billion to KRW 3.36 billion due to revisions in internal management standards.
3) Social contribution activity expenses include costs for cash, time, goods, management fees, improvements to spaces for happy living, and others.

EP Volunteer Group for employees' social contribution participation

The EP Volunteer Group is made up of employees from SK Ecoplant and SK ecoengineering, with plans to expand to other key subsidiaries in the future. Members are recruited monthly through voluntary applications for social contribution activities and engage with various volunteer agencies. The volunteer hours and performance of the group are managed through the "Hangarae" (Lift-Up) mobile app. In 2023, SK Ecoplant and its subsidiary SK ecoengineering collectively surpassed 20,000 hours of volunteering. Additionally, 100 million points accumulated through the group's activities and carbon reduction practices were converted into a donation. The recipients were selected through employee votes, and in 2023, the donation was made to the "Sundukwon Support Project" to purchase a vehicle for the children at Sundukwon.

Employee Volunteering Activity Performances (SK Ecoplant)

Category	Unit	2022	2023
Percentage of employee participants in volunteer activities	%	8.9	66.3
Total no. of participants	persons	316	2,312
Total volunteering hours	hours	1,118	17,593
Volunteering hours per person ¹⁾	hours	3.5	7.6

1) Volunteering hours per person were calculated by dividing the total volunteering hours by the total number of participants.

Social Contribution Activities

Theme 1. Support for Local Communities

One Meal Sharing Project



SK Ecoplant operates the "One Meal Sharing Project through ZeroDay" to reduce food waste. Under this program, on the first Friday of every month, the number of side dishes in the company cafeteria is reduced to minimize food waste. The cost of the reduced side dishes, amounting to KRW 2,000 per meal, is accumulated as a donation. The accumulated donations are used to purchase groceries such as rice, kimchi, and red pepper paste for socially vulnerable people through the Jongno-gu Food Market Center. In connection with the "10ForAll" program, the EP Volunteer Group actively participates by stocking shelves at the Food Market Center, assembling food packages, and making deliveries, sharing their warmth and support. In 2023, a total of 8,317 employees participated and donated items worth KRW 16.6 million.

Community plogging activities



As an environmental and energy company, SK Ecoplant organizes various initiatives to encourage employees to participate in community Community plogging activities and to cultivate positive relationships with the environment and local communities through their daily actions. Noteworthy programs include the "Cheonggyecheon Invasive Plant Removal", "Jongno-gu Voluntour", and "Seoul Forest Gardening", all aimed at preserving urban natural ecosystems. The "Cheonggyecheon Invasive Plant Removal" program focuses on eliminating invasive plants like cedar vine and thorn gourd, which disrupt the ecological balance by harming other plants, to maintain green spaces effectively. The "Jongno-gu Voluntour" involves plogging around the head office building every Friday. "Voluntour" is a term that combines volunteerism and leisure (tour), and employees participate individually or as a team to walk around the building, picking up litter. Moreover, at business sites across the country, local environmental cleanup activities are carried out to achieve an annual carbon reduction of 345 tons¹⁾.

1) The carbon reduction was calculated based on a reduction of 50.4gCO₂ per plogging and cleanup activity session (2 hours).

Happy Space environmental improvement activities



The Happy Space environmental improvement activities involve talent donations from SK Ecoplant employees, who repair and refurbish outdated living spaces for socially vulnerable groups and public welfare facilities. Since April 2006, SK Ecoplant has been collaborating with local NGOs to improve the living conditions of low-income households, including seniors living alone, single-parent families, and children and youth care centers. In recognition of these efforts, SK Ecoplant has received numerous plaques of appreciation, including an award from the Minister of Health and Welfare. In 2023, a total of 72 employees conducted six rounds of facility renovation and repairs at outdated living spaces of the socially vulnerable groups, such as community child centers, senior centers, and rental housing, to make these living spaces more comfortable and safe.

Theme 2. Support for Future Generations

Free Surgery for Vietnamese Children with Facial Deformities



SK Ecoplant has been actively organizing and operating the "Free Surgery for Vietnamese Children with Facial Deformities" since 2017, a project that SK Group has been carrying out annually since 1996. Through this Program, SK Ecoplant provides support to local Vietnamese medical professionals by funding medical technology, purchasing surgical equipment, and covering hospitalization expenses. Up to now, SK Ecoplant has supported 26 rounds of surgeries for 4,273 children, amounting to nearly KRW 3.9 billion. This project has successfully brought healthy smiles to children who have received surgeries through the program.

Performances of Free Surgery for Vietnamese Children with Facial Deformities

Category	Unit	2022	2023
No. of children receiving surgery support	persons	60	116
Surgery support scale	KRW 100 million	1.9	1.9

Sundukwon Support Project



SK Ecoplant operates various support programs for future generations in collaboration with Sundukwon, a child nurture facility in Jongno-gu. The EP Volunteer Group visits Sundukwon every week to provide tutoring, hosts monthly birthday parties, and sponsors facility maintenance and repairs to improve the children's happiness and living conditions. Additionally, special programs such as tidal flat field trips, Songpyeon-making classes, and ice skating lessons are organized for the children at Sundukwon on Children's Day, and during summer and winter vacations. These efforts demonstrate a strong commitment to supporting future generations in the local community.

Meal Support Project for Malnourished Children

SK Ecoplant operates the "Happy Two Meal Project" in collaboration with the "Happy Alliance¹⁾," providing meals to children who are at risk of skipping meals. The project, which began in Yeonje-gu, Busan in 2021 and expanded to include Buk-gu, Ulsan, and Chungju City in 2022. A sustainable support system has been established through collaboration with local governments. From April 2023, approximately KRW 100 million worth of side dish lunch boxes were donated to provide a total of 13,464 meals over the year to 51 children in Chungju City.

1) Happy Alliance is a social safety net where companies, government, and ordinary citizens collaborate to provide meals for malnourished children who lack welfare benefits. It is operated by Happynarae, a member of the SK Group.

Performances of Meal Support Project for Malnourished Children

Category	Unit	2022	2023
No. of children supported by the Happy Two Meal Project	persons	40	51
Support scale for the Happy Two Meal Project	KRW 100 million	1.01	1

지배구조

Corporate Governance

BOD-Centered Management

SK Ecoplant has established a transparent and genuine governance system to realize "responsible management centered on the Board of Directors." As the highest decision-making body in the company, the Board of Directors has the substantive authority and responsibility to supervise the management activities of the CEO and management. To this end, the majority of the Board of Directors are independent directors who can easily act independently, with a expert committee being established under the Board of Directors to discuss important issues of the company. In addition, the principles of independence, expertise, and diversity are applied when appointing board members to ensure that the board can effectively perform its oversight role. SK Ecoplant will stay committed to promoting board-centered responsible ESG management, while establishing a management system to maximize shareholder rights and corporate value.

Composition of the Board of Directors

As of July 2024, SK Ecoplant's Board of Directors consists of two inside directors, one non-executive director, and four independent directors. With 2021 marking the first year of governance innovation, we adopted a corporate governance charter, with an ESG Committee being established to discuss and monitor key issues related to corporate sustainable management. Meanwhile, in 2022, internal standards and selection systems were established to ensure independence, expertise, and diversity with a supplemented independent director appointment process. Additionally, we enhanced the gender diversity in the Board of Directors by appointing a female director.

SK Ecoplant transparently discloses information about the Board of Directors (i.e. appointment date, term in office, composition of the committee, etc.) and each director's career background to internal and external stakeholders through its website and business reports. The Board of Directors' regulations and committee regulations are available to access through the website and company intranet.

[Articles of Incorporation](#)

[Governance Charter](#)

[Board of Directors Regulations](#)


Members of the Board of Directors

Inside Director



Dong-Hyun Jang **Chairman of the Board**

Term 2024.01. ~ 2026.03.

Fields of expertise **Leadership, Financial·Audit & Risk, M&A ·Investment, Business Strategy**

- Current) CEO(Vice Chairman), SK ecoplant
- CEO(Vice Chairman), SK Inc.
- CEO(President), SK Inc.
- CEO(President), SK Telecom

At SK Inc., he has enhanced corporate value through diverse investments and global M&A, focusing on the four key industries of advanced materials, eco-friendly, digital, and bio. He possesses the ability and leadership to drive innovation in management systems. Additionally, he has extensive know-how and networks as an investment and finance expert within the group, demonstrating excellent communication skills with stakeholders in the capital market.



Hyung-Keun Kim

Term 2024.07. ~ 2027.03.

Committee **ESG Committee**

Fields of expertise **Leadership, M&A ·Investment, Business Strategy, Financial·Audit & Risk, ESG**

- Current) CEO, SK ecoplant
- CFO, SK E&S
- SK Inc., General Manager of Portfolio Mgmt.
- CEO, SK airplus

At SK Inc., he has demonstrated exceptional capabilities in transforming into a holding company structure and establishing a corporate value-based management system. His contributions include governance reform and portfolio optimization. He has served as the CEO of SK airplus and the CFO of SK E&S, exhibiting expertise in the environmental industry and related regulations.

Independent Directors



Jong-Ho Kim **Senior Independent Director**

Term	2023.03. ~ 2026.03.
Committee	ESG Committee, Audit Committee
Fields of expertise	Finance, Accounting, Management, M&A, Risk management, ESG
• Current) Independent Director in LS E-LINK (and Audit Committee member) • CEO & Advisor, Deloitte Korea	

As a certified public accountant and tax accountant, he has extensive experience and expertise in the financial field. He has served as an accounting and tax advisor, auditor, compliance officer for numerous companies, as well as CEO of an accounting firm. Based on this experience, he plays a role as an advisor on various management issues, including M&A and governance.



Sun-Kyu Park

Term	2023.03. ~ 2026.03.
Committee	ESG Committee, Audit Committee
Fields of expertise	Industrial expertise, Safety management, Globality, Organizational management
• Current) Professor, Dept. of Civil & Environmental Engineering, Sungkyunkwan University • Executive Vice President of SungKyunkwan University • DYWIDAG in Germany	

With his knowledge and expertise, he is highly recognized in the civil engineering academia and circles. He has extensive experience in construction and environmental sector and has worked for global companies. Through this experience, he actively serves as an advisor on technology and safety management for companies and projects.



Mira Lee

Term	2022.12. ~ 2025.03.
Committee	ESG Committee, Nomination and Remuneration Committee
Fields of expertise	Strategy, Transformation, Leadership, Organizational culture, ESG
• Current) Visiting Professor, Graduate School of International Studies, Yonsei University • Independent Director in Hankook Tire & Technology Chairperson of the ESG Committee • Head of HR at General Electric (GE) Korea • COO / Managing Director of Macquarie Group Korea • Head of Global Strategy at Dutch Bank in Germany	

With experience in global companies across various fields, she has developed excellent leadership and change management capabilities through her extensive expertise in finance, HR, and strategy. She also serves as a valuable advisor in accelerating the company's business portfolio transition.



Yeon-Man Jeong

Term	2024.03. ~ 2027.03.
Committee	ESG Committee, Nomination and Remuneration Committee, Audit Committee
Fields of expertise	Leadership, Business Strategy, ESG, Industrial technology
• Current) Advisor, BKL LCC • Chairman, Korea Society of Environmental Restoration Technology • Deputy Minister of Environment • Director of Planning and Coordination Office, Ministry of Environment • Director of Planning and Coordination office, Presidential Commission on Sustainable Development	

As an environmental expert with extensive experience in key areas such as water treatment, waste management, and resource circulation, he possesses excellent leadership and management skills. He also serves as a valuable advisor in the company's business portfolio transition and Value-up process.

Non-Executive Director



Chang-Ho Shin

Term	2024.03. ~ 2027.03.
Committee	ESG Committee, Nomination and Remuneration Committee
Fields of expertise	Leadership, Financial-Audit & Risk, M&A-Investment, Business Strategy, ESG

- Current) SK Inc. General Manager of Portfolio Mgmt.
- SUPEX Council, General Manager of Risk Mgmt. & Corporate Auditing Office
- SK Energy, Head of BM Innovation Division
- SUPEX Council, Executive, Strategic Support Team
- SUPEX Council, Executive, Risk Mgmt. & Corporate Auditing Office

As an expert responsible for discovering new business opportunities, conducting management diagnostics for affiliates, and innovating the business portfolio at SK Group, he serves as an advisor on various issues related to the company's business portfolio transition.

Expertise of the BOD

SK Ecoplant enhances the expertise of the Board of Directors by appointing experts in various fields, such as corporate strategy, ESG, and globality competency, as directors. In particular, in the process of expanding the company’s business portfolio, we have appointed highly competent professionals to fulfill the need for rational decision-making based on specialized knowledge and practical experience. In March 2024, a new independent director, Yeon-Man Jeong, an environmental expert, was appointed to provide the environmental business with expertise and advancement. Meanwhile, internal standards regarding the field-specific competencies of board members have been established. The expertise of the Board of Directors, evaluated according to these standards, is transparently disclosed to internal and external stakeholders in a table format.

Status of Expertise of the Board of Directors

Name	Leadership	Financial Accounting and Risk	M&A ·Investment	Business Strategy	ESG	Industry ·Technology	Global Business
Dong-Hyun Jang	●	●	●	●			
Hyung-Keun Kim	●	●	●	●	●		
Jong-Ho Kim	●	●	●		●		
Sun-Kyu Park	●			●	●	●	●
Mira Lee	●	●		●	●		●
Yeon-Man Jeong	●			●	●	●	
Chang-Ho Shin	●	●	●	●	●		

Detailed Competency by Area of Expertise

Areas	Detailed professional competency
Leadership	Expertise in running a large organization
Financial Accounting and Risk	Expertise in finance and accounting for managing and supervising a company
M&A · Investment	Expertise in corporate investment activities including M&A, IPO, etc.
Business Strategy	Experience and expertise in managing business strategy, transformation, portfolio
ESG	Expertise in environment, social, governance structure
Industry·Technology	Expertise including work experience and engineering degree related to the future growth industry of a company such as construction, environment, etc.
Globality Competency	Experience in operating global business

Cultivation of Expertise of Independent Directors

SK Ecoplant conducts regular training to elevate the expertise and work efficiency of independent directors, and actively participates in meetings geared to improving their expertise under SK Group’s leadership. In 2023, visits were made to newly incorporated domestic and overseas key subsidiaries and business sites related to environment and energy, to enhance the understanding of the business status and prospects. Meanwhile, all Audit Committee members have actively participated in the Audit Committee Forum and external accounting firm training programs at least once a year to strengthen their audit expertise.

Independent Director Training Status

Date of training	Training provider	Major training details	Attendance/Target (attendance rate)
2023.01.27.	BOD Office	Orientation for new independent directors (improvement of company management philosophy and business understanding, etc.) ¹⁾	3/3 (100%)
2023.02.17.	Eco Lab Center	Introduction of business status following the launch of Wayble service and presentation of incinerator automation system applying AI and DT	4/4 (100%)
2023.04.07.	SUPEX Council	Workshop for new independent directors (SK Governance Story and improvement of understanding of group management agenda, etc.)	1/1 (100%)
2023.04.18.	Audit Committee Forum ²⁾	Types of financial accidents, matters to be kept in mind by the Audit Committee, content analysis and implications of the internal accounting management system operation status report using text sentiment analysis	1/1 (100%)
2023.04.19.	Gyeongin Environmental Energy	Field inspections on incinerator automation system application through AI ·DT technology and discussion on technology advancement	3/4 (75%)
2023.04.21.	ESG Center	Overview of global ESG evaluation agencies and establishing consensus on our ESG goals, etc.	2/4 (50%)
2023.06.21.	Deloitte Anjin	Corporate Governance Development Center Seminar (ESG supervision of the board of directors considering domestic environment, etc.)	1/1 (100%)
2023.07.03	SUPEX Council	Group board chair council (discussing introduction of member company board evaluation platform and sharing group governance issues, etc.)	1/1 (100%)
2023.07.03.	Cenviro and SK Tes	Building consensus on business portfolio transition through visits to Southeast Asia and Global Anchor business sites in environmental business (Cenviro and SK Tes)	3/3 (100%)
2023.07.13.	Audit Committee Forum	Governance trends and implications that the Audit Committee should be aware of, and ways to apply Unilever’s success stories to Korean companies: ESG management centered on governance and measures to strengthen and advance internal control in response to environmental changes and increased risks	1/1 (100%)
2023.08.21.	Icheon Forum Secretariat	Practices led by communication (board of directors-member communication to enhance governance story, etc.)	4/4 (100%)
2023.09.13.	Tamra offshore wind power generation	Site visit to improve understanding of offshore wind power generation project	4/4 (100%)
2023.09.21.	Audit Committee Forum	Sustainability information that companies must disclose and the role of the Audit Committee in the corporate reporting process	1/1 (100%)
2023.10.13.	Eco Solution BU	Onsite inspection of Yongin Semiconductor Cluster (understanding the importance of our captive market and improving understanding of project at each business stage, etc.)	4/4 (100%)
2023.10.31.	SUPEX Council	SK Group Independent Director Summit (board member roster and global operation cases, board role related to strategy and investment, etc.)	4/4 (100%)
2023.11.21.	Audit Committee Forum	Preemptive audit and Audit Committee member roles and preparations in preparation of changes in regulatory environment and settlement period (Revised laws and regulations that the Audit Committee needs to know, checkpoints for the 2024 General Meeting of Shareholders, financial reporting at settlement time, and external audit supervision plan)	1/1 (100%)

1) Training was provided to a new independent director and two reappointed independent directors.

2) An independent director, who is not a member of the Audit Committee, attended the training.

BOD Independence and Diversity

BOD Independence

In its corporate governance charter, SK Ecoplant stipulates that a majority of the total number of directors¹⁾ be appointed as independent directors to ensure that the Board of Directors operates with independence. In addition, a senior independent director system has been established to bolster the independence of the Board of Directors. The senior independent director represents independent directors and leads seamless communication between the Board of Directors and management. We are committed to complying with commercial act, monopoly regulation, and fair trade act, and verifying the independence of director candidates and incumbent directors based on prescribed disqualification criteria.

1) As of July 2024, the ratio of independent directors is 57%.

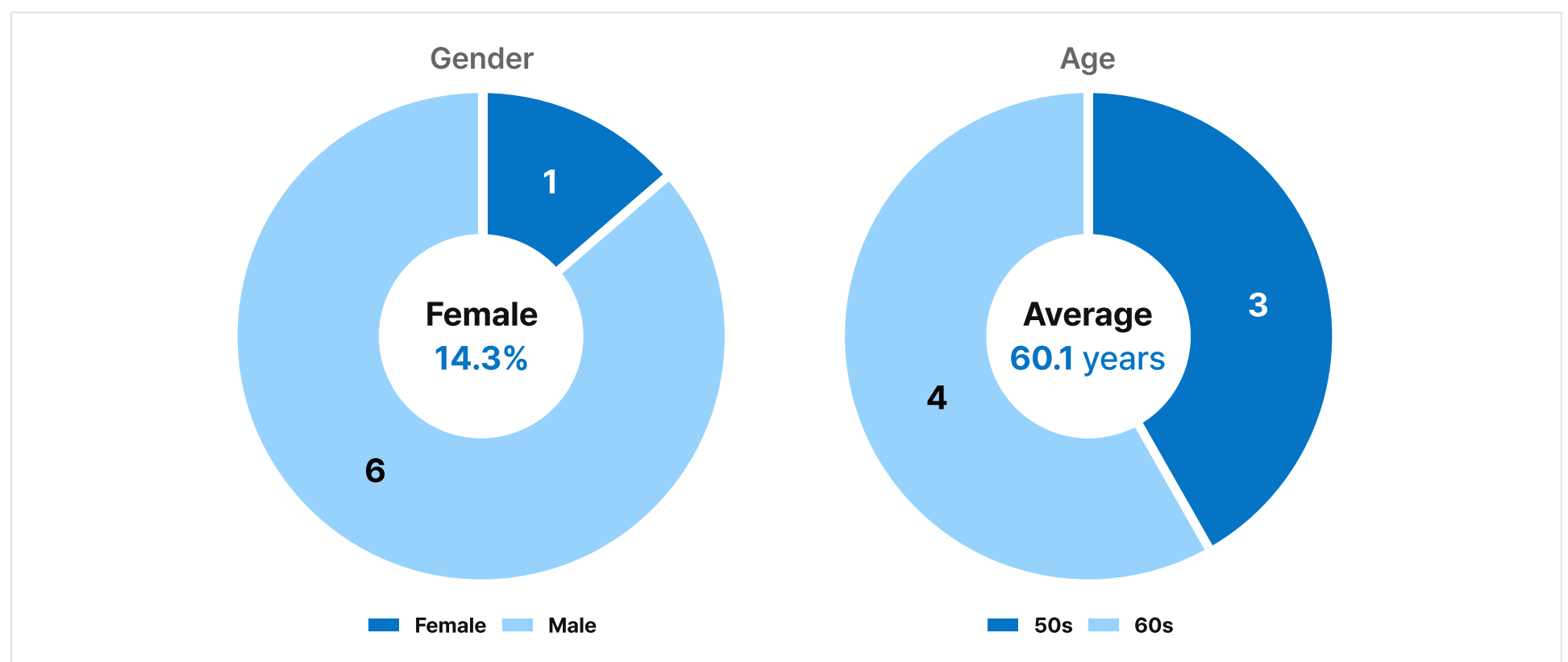
Grounds for Disqualification of Independent Director's Independence

- Director, executive officer, and employee engaging in the company's ordinary course of business, or director, auditor, executive officer, and employee who has engaged in the company's ordinary course of business within the past two years
- Shareholder and spouse, and lineal ascendant-descendant
- In case the largest shareholder is a corporate body, director, auditor, executive officer, and employee of the corporate body
- Spouse of director, auditor, executive officer, and lineal ascendant-descendant
- Director, auditor, executive officer, and employee of the company's parent company or affiliated company
- Director, auditor, executive officer, and employee of a corporate body with important interest in the company such as business relations
- Director, auditor, executive officer, and employee of another company where the company's director, executive officer, and employee is appointed as director, executive officer

BOD Diversity

SK Ecoplant has ensured board diversity to enable the review of potential risks and opportunities from various perspectives and experiences, as well as expertise, during the process of expanding the business portfolio. In December 2022, a female global HR expert was appointed as an independent director. By forming a board with diversity in gender, age, race, nationality, country of birth, and cultural background, SK Ecoplant aims to secure the expertise needed for the company.

BOD Diversity Status¹⁾



1) As of July 2024.

BOD Activities and Evaluation

BOD Activities

According to the BOD regulations, SK Ecoplant holds a BOD meeting on the last week of each month after giving a convocation notice seven days in advance. When necessary, BOD meetings or meetings comprised only of independent directors are held from time to time. For efficient board meetings and practical discussions, data on agenda items are shared in advance and, if necessary, sufficient information is provided to individual directors through prior reporting. In 2023, a total of 14 board meetings were held, and 37 agenda items for resolution and 23 agenda items for reporting were submitted. In 2023, the average attendance rate of independent directors was 97%, and out of 37 resolution items, there were no opposing opinions, one abstention, and one amendment.

Discussion of ESG Agenda

The BOD and the ESG Committee actively discuss ESG issues. The BOD deliberates on issues such as ethical management, safety and health, and governance enhancement, while the ESG Committee actively reviews human rights management, environmental management, and response to climate change from an ESG management perspective. In 2023, a total of 22 ESG agendas were addressed.

BOD Activities

Date	Agenda	Approval status	Attendance/Target (attendance rate)	ESG agenda
2023.02.08.	Approval of 2023 Safety/Health Plan (result of 2022 and plan of 2023)	Approved	8/8 (100%)	●
	Appointment of "Chief Compliance Officer"	Approved		●
	Approval of Deal with the Pinx	Approved		-
	Approval of 2022 financial statements and business reports	Approved		-
	Report on the operating status of the internal accounting management system for 2022	Report		●
2023.02.17.	Capital Increase related overseas Susidiary	Approved	8/8 (100%)	-
	Disposal of shares in overseas subsidiary	Approved		-
2023.03.02.	Convocation of the 61st regular general meeting of shareholders and adoption of additional agenda	Approved	7/8 (87.5%)	-
	Approval of the revision of the regulation of the internal accounting management system	Approved		●
	Evaluation report on current operation status of 2021 internal accounting management system	Report		●
	Report on 2023 Compliance Program (CP) Operation Plan	Report		●
	Major Managerial Issues	Report		-
2023.03.16.	Approval of change to Capital Increase related overseas Susidiary	Approved	7/8(87.5%)	-
2023.03.29. ¹⁾	Appointment of members for Expert Committee	Approved	6/7 (85.7%)	●
	Appointment of authorized representative in Yau Ma Tei East PJT in Hong Kong	Approved		-
	Quality&Environment management plan of 2023	Report		●
	Report on the 2023 management plan & KPI establishment	Report		●
	Major Managerial Issues	Report		-
2023.04.19.	Approval of service transactions related to next-generation ERP system	Approved	7/7 (100%)	-
	Additional contract for sub-lease	Approved		-
	Talent development strategy and directionality in 2023	Report		●
	Major Managerial Issues	Report		-

Date	Agenda	Approval status	Attendance/Target (attendance rate)	ESG agenda
2023.05.19.	Disposal of treasury stocks	Approved	7/7 (100%)	-
	Disposal of treasury stocks	Approved		-
	Disposal of treasury stocks	Approved		-
	Disposal of treasury stocks	Approved		-
	Report on Business development and Investment for Green Hydrogen and Ammonia in Canada	Report		●
2023.06.28.	Setting limits on long-term borrowing and corporate bond issuance in the second half of 23 years	Approved	7/7 (100%)	-
	Approval of service transactions	Approved		-
	Executive indemnity liability insurance subscription in 2023	Approved		●
	Major Managerial Issues	Reported		-
2023.07.19.	Provision of stock collateral for Sale of subsidiary stocks	Approved	7/7 (100%)	-
	Deal Closing with company "C"	Report		-
2023.09.11.	Issuance of exchangeable bonds	Approved	7/7 (100%)	-
	Physical division of subsidiary	Approved		-
	Disposal of stocks due to paid-in capital reduction of subsidiary	Approved		-
	Approval of Deal with the Pinx	Approved		-
2023.10.25. ²⁾	Sale of subsidiary stocks	Approved	7/7 (100%)	-
	Loan for subsidiary	Approved		-
	Deal with the Pinx	Approved		-
	Approval of next-generation ERP construction project	Approved		-
	Report on results of ESG Value-up program for Biz. Partner	Report		●
	CEO remuneration system	Report		●
	Process of CEO candidates review	Report		●
	Major Managerial Issues	Report		-
2023.11.29. ³⁾	Revision of Board of Directors regulations	Approved	7/7 (100%)	●
	Approval of extension of SK brand usage contract	Approved		-
	Signed an agreement to strengthen ethical management and risk management system	Approved with amendment		●
	Approval of transaction with SK forest	Approved		-
	Report on culture survey results	Reported		●
	Report on the results of compliance operations in 2023	Reported		●
	SK Ecoplant Scenario Planning	Reported		●
	Major Managerial Issues	Reported		-
2023.12.06.	Convocation of extraordinary general meeting of shareholders, adoption of agenda and resolution of the base date	Approved	6/7 (85.7%)	-
	Report on organizational reorganization and appointment of executives	Report		●
2023.12.19	Approval of deal with SK Inc. in 2024	Approved	7/7 (100%)	-
	Setting limits on long-term borrowing and corporate bond issuance in the first half of 24 years	Approved		-
	PF Debt Guarantee Limit Setting in the first half of 24 years	Approved		-
	The 2023 performance and the 2024 management plan	Report		●
	Major Managerial Issues	Report		-

1) Seung-ho Lee, independent director, retired at expiration of term in March 2023.

2) On Oct. 25, 2023, approval of the next-generation ERP construction task: 1 abstention (Non-executive director Sung-hyung Lee)

3) On Nov. 29, 2023, an agreement signed to bolster ethical management and risk management system: 1 vote for amendment (Independent director Yoon-mo Kim)

Case

Guarantee of Director’s Activities and Support Policy

SK Ecoplant has official corporate regulations that assures the activities of directors and support their expertise. If a director duly undertakes his duty of care (duty of care as a good manager), his responsibility for the above shall be mitigated through an ordinary resolution at the General Meeting of Shareholders pursuant to Article 31-2 of the Articles of Incorporation. However, when damage is caused intentionally or through gross negligence, or if it falls under Article 397 or 398 of the [Commercial Act], the liability policy does not take effect. In addition, to ensure the independent activities of directors and executives, we renew and subscribe to executive liability insurance every year. On the request of a director to enhance his/her expertise, we provide advice and assistance from external experts at the company’s expense at any time pursuant to Article 13-2 of the BOD Regulations.

Activities of Committees under the BOD

SK Ecoplant operates the ESG Committee, Nomination and Remuneration Committee, and Audit Committee under the BOD. The Nomination and Remuneration Committee also performs the functions of a committee recommending the independent director candidates and the remuneration committee, while the Audit Committee plays the role of an internal trade committee. The BOD is regularly briefed every month on the overall details of the review and discussion activities undertaken by each committee.

Status of committees under the Board of Directors

Committee name	Main functions	Chairman	Composition of the committee ¹⁾	Supporting organization
ESG Committee Regulations	- Reviewing the mid- to long-term strategy and annual management plan - Reviewing social value creation and implementation measures - Establishing ESG policy, Net Zero strategy and reviewing ways to expand policies and strategies at subsidiaries - Reviewing important investment agenda related to climate change response - Reviewing SHE policies and plans	Sun-kyu Park	1 inside director - Hyung-Keun Kim 4 independent directors - Jong-Ho Kim, Sun-Kyu Park, Mira Lee, Yeon-Man Jeong 1 non-executive director - Chang-Ho Shin	Division for each agenda and BOD Office
Nomination and Remuneration Committee Regulations	- Recommending independent director candidates at the General Meeting of Shareholders - Evaluation of CEO activities - Reviewing remuneration level for inside directors	Mira Lee	2 independent directors - Mira Lee, Yeon-Man Jeong 1 non-executive director - Chang-Ho Shin	HR Division and BOD Office
Audit Committee Regulations	- Review of annual internal audit plan and audit results - Audit of financial statements and preparing submitting an audit report - Receiving and evaluating reports on operation of the internal accounting management system - Selection of the auditor - Preliminary review of internal transactions under the Fair Trade Act in advance	Jong-Ho Kim	3 independent directors Jong-Ho Kim, Sun-Kyu Park, Yeon-Man Jeong	Finance Division, Ethical Management Division, and BOD Office

1) Change in committee member roster as of July 15, 2024

ESG Committee

SK Ecoplant’s ESG Committee operates with the goal of internalizing a transparent sustainable management system. As the command center for ESG management, the ESG Committee establishes the corporate-level mid- to long-term ESG strategy, deliberates on measures to improve governance, and inspects performance and issues in each detailed ESG field, such as human rights, safety and health. In addition, it establishes response strategies while identifying financial and non-financial risks and opportunities resulting from climate change, and seeks ways to enhance the company’s social value in lockstep with the changing internal and external management environment. In addition, it also serves as an investment reviewer when important investment decisions are made, based on business strategy. In 2023, a total of four ESG Committee meetings were held, with a total of five agenda items being deliberated, including one related to the environment, one related to society, and three related to governance.

ESG Committee Activities in 2023

Date	Agenda	Approval status	Attendance/Target (attendance rate)
2023.04.19.	Appointment of ESG Committee Chairman	Approved	5/5 (100%)
2023.05.19.	Introduction of Board Skill Matrix	Review	5/5 (100%)
2023.10.25.	SKEP Human Rights Management Operation Status	Report	5/5 (100%)
2023.11.29.	Briefing for Evaluation of Board of Directors in 2023	Report	5/5 (100%)
	Key contents of ESG information disclosure in 2023 (Net-zero progress status, Materiality assessment result)	Report	

Nomination and Remuneration Committee

SK Ecoplant’s Nomination and Remuneration Committee was newly established in 2021 by merging the committee recommending the independent director candidates and the remuneration committee. Accordingly, the Nomination and Remuneration Committee typically recommends final candidates for independent directors to be appointed at the General Meeting of Shareholders, and reviews and decides on the individual compensation of internal directors. In addition, the activities of the CEO are evaluated and stock options for management including registered and unregistered executives are issued and reviewed. In 2023, a total of six Nomination and Remuneration Committee meetings were held, with a total of six agenda items being deliberated and resolved, including recommendations for new independent director candidates and CEO candidates.

Nomination and Remuneration Committee Activities in 2023

Date	Agenda	Approval status	Attendance/Target (attendance rate)
2023.02.17.	Deciding inside director's individual remuneration	Approved	3/3 (100%)
2023.03.02.	Recommendation of candidates for independent director	Approved	3/3 (100%)
2023.04.19.	Appointment of Nomination & Remuneration Committee Chairman	Approved	3/3 (100%)
2023.10.25.	Review of candidate pool for new independent directors	Report	3/3 (100%)
2023.12.06.	Recommendation of candidate for CEO	Approved	3/3 (100%)
2023.12.15.	Performance evaluation of SK Ecoplant and CEO in 2023	Approved	3/3 (100%)

Case

Independent Director Appointment Process

SK Ecoplant appoints independent directors by advocating to the principles of independence, expertise, and diversity to ensure the BOD functions independently and effectively. After forming a pool of independent director candidates according to the above principles, the first round of candidates is selected by deliberating on the current board's expertise and required competencies based on the board competency and expertise chart. At this time, to ensure the independence and impartiality of independent directors, the Nomination and Remuneration Committee excludes candidates with vested interests in the company from the pool of relevant candidates. Once a signed certificate of independent director qualification eligibility is obtained from the recommended independent director candidate, the final appointment is reached following a resolution by the BOD and a resolution to appoint a director at the General Meeting of Shareholders. We will continue to organize the BOD by comprehensively analyzing the board member roster status and competencies to ensure well-balanced board operations, with ongoing plans to appoint experts in each field that fulfill global standards in the mid- to long-term.

Candidate request using various networks

Pooling

Candidate selection through screening

Pool Review

Recommendation and selection of final candidates by the Committee

Nomination and Remuneration Committee

Board resolution on agenda items for the General Meeting of Shareholders

Board of Directors

Resolution of the General Meeting of shareholders

General Meeting of Shareholders

Audit Committee

SK Ecoplant's Audit Committee evaluates the operation of the internal accounting management system based on independence and supervises the work performance of each director. Meanwhile, it comprehensively performs command, supervision, and responsibility roles as a control tower for corporate-level ethics and anti-corruption-related work. The Audit Committee is comprised of all three independent directors to ensure its independence, and as of March 29, 2024 one finance and accounting expert and two industry experts were appointed to improve the effectiveness of audit work.

In 2022, the Audit Committee regulations were revised to establish a dedicated support department in delegating the work of the Audit Committee within the financial and internal audit divisions, and the Audit Committee was granted the right to consent to the appointment and dismissal of the head of the internal audit department and the right to review and approve his/her HR evaluation. In addition, the roles of the Audit Committee were prescribed as deliberating on internal transactions and reviewing transactions between affiliates, and in February 2024, the internal audit division was reorganized to directly report to the Audit Committee to bolster the independence of the Audit Committee. In 2023, a total of 13 Audit Committee meetings was held, with a total of 47 agendas being deliberated and decided on, including 12 of them related to the internal accounting management system, six related to financial statement audits, five related to general business audits, 18 related to other major audits, and six related to preliminary review of internal transactions.

Audit Committee Activities in 2023

Date	Agenda	Approval status	Attendance/Target (attendance rate)
2023.02.08.	Report on the operating status of the internal accounting management system for 2022	Report	3/3 (100%)
2023.02.16.	Evaluation on the operating status of the internal accounting management system for 2022	Report	3/3 (100%)
2023.02.28.	Evaluation on the operating status of the internal accounting management system for 2022	Approved	3/3 (100%)
	Approval of the revision of the regulation of the internal accounting management system	Approved	
	Report on the review status of the internal accounting management system for 2022	Report	
	Report on audit results for fiscal year 2022	Report	
	Briefing on the 2023 Audit Planning	Report	
	Management Consulting for fuel cell business in the domestic market	Report	
	Report on reporting status and investigation results	Report	
2023.03.02.	Submission of the 2022 audit report	Approved	3/3 (100%)
	Prior approval of non-audit service by external auditor	Approved	
	Results of "SK oceanplant" PMI diagnosis	Report	
	Results of "JA Green" PMI diagnosis	Report	
2023.04.17.	Appointment of Audit Committee Chairman	Approved	3/3 (100%)
	Additional contract for sub-lease	Report	
2023.05.10.	Prior approval of non-audit services that can be provided by external auditors	Approved	3/3 (100%)
	Report on review for first Quater fiscal year 23	Report	
	The 2023 Audit Plan & Key Audit System Plan	Report	
	The 2023 First Quarter Financial Results	Report	
	The 2023 internal accounting operation status evaluation plan report	Report	
	Results of Audit Implementation of Improvement Recommendations for Incineration Subsidiaries	Report	
	Report on reporting status and investigation results	Report	
2023.06.28.	Prior approval of non-audit work provided by an external auditor to the parent company	Report	3/3 (100%)
2023.08.09.	Approval of non-audit work provided by an external auditor to the parent company	Approved	3/3 (100%)
	Audit plan for overseas branch/subsidiary	Report	
	Report on reporting status	Report	
	Report on review for first half fiscal year 2023	Report	
	Report on design-evaluation status of Internal accounting management system	Report	
	Report on design-evaluation results of Internal accounting management system	Report	
	The 2023 First half Financial Results	Report	
2023.09.06.	Disposal of stocks due to paid-in capital reduction of subsidiary	Report	3/3 (100%)
2023.10.13.	Approval of next-generation ERP construction project	Report	3/3 (100%)
	Incorporation of Samwon E&T into EMC subsidiary for reorganizing governance in environmental business	Report	
	Regular audit report for the first half of the year	Report	
2023.11.08.	Report on review for third Quater fiscal year 23 by external auditor	Report	3/3 (100%)
	Report on the status of review of the internal accounting management system in the third quarter of 2023 by external auditor	Report	
	The 2023 Third Quarter Financial Results	Report	
	Internal accounting management system operation evaluation report for the third quarter of 2023	Report	
	Extension of SK brand usage contract	Report	
	Report on reporting status and investigation results for third Quarter of 2023	Report	
	Report on the results of the 2023 Ethical Management Survey	Report	
	Report on the operation of the inspection of SK risk prevention system in 2023	Report	
2023.11.29.	Evaluation for ethical management executive in 2023	Approved	3/3 (100%)

Date	Agenda	Approval status	Attendance/Target (attendance rate)
2023.12.15.	Report on approval of deal with SK Inc. in the 2024	Report	3/3 (100%)
	Report on evaluation of Leader's performance as model officer/employee in 2023	Report	
	Result for measurement of ethical management in 2023	Report	
	Report on implementation audit results	Report	

Audit Committee Training Status

Date of training	Training provider	Major training detail
2023.04.18.	Audit Committee Forum	Types of financial accidents and considerations for the Audit Committee, Content analysis and implications of the internal accounting management system operation status report using text sentiment analysis
2023.07.13.	Audit Committee Forum	Governance trends and implications that Audit Committee should be aware of
2023.09.21.	Audit Committee Forum	Sustainability information that companies must disclose and the role of the Audit Committee in the corporate reporting process
2023.11.21.	Audit Committee Forum	Preemptive audits and Audit Committee member roles and preparations ahead of changes in regulatory environment and settlement period

Case

Audit Committee’s Role in Reviewing Internal Transactions

To internally supervise and manage internal transactions between affiliates and transactions with affiliated persons in the mid- to long-term, SK Ecoplant revised the Audit Committee regulations in 2022 and officially granted the Audit Committee the role of reviewing internal transactions¹⁾. As a result, transactions with affiliated persons that require board resolution must undergo a prior deliberation by the independent Audit Committee, pursuant to the Monopoly Regulation and Fair Trade Act, resulting in greater procedural legitimacy of board resolutions.

1) Audit Committee regulations - Article 9 Functions and Authority

Status of Preliminary Review of Internal Transactions

Date	Agenda	Attendance/Target (attendance rate)
2023.04.17.	Additional contract for sub-lease	3/3 (100%)
2023.09.06.	Disposal of stocks due to paid-in capital reduction of subsidiary	3/3 (100%)
2023.10.13.	Approval of next-generation ERP construction project	3/3 (100%)
	Incorporation of Samwon E&T into EMC subsidiary for reorganizing governance in environmental business	3/3 (100%)
2023.11.08.	Approval of extension of SK brand usage contract	3/3 (100%)
2023.12.15.	Report on approval of deal with SK Inc. in the 2024	3/3 (100%)

Case

Company’s Measures Taken to Strengthen the Independence of an External Auditor

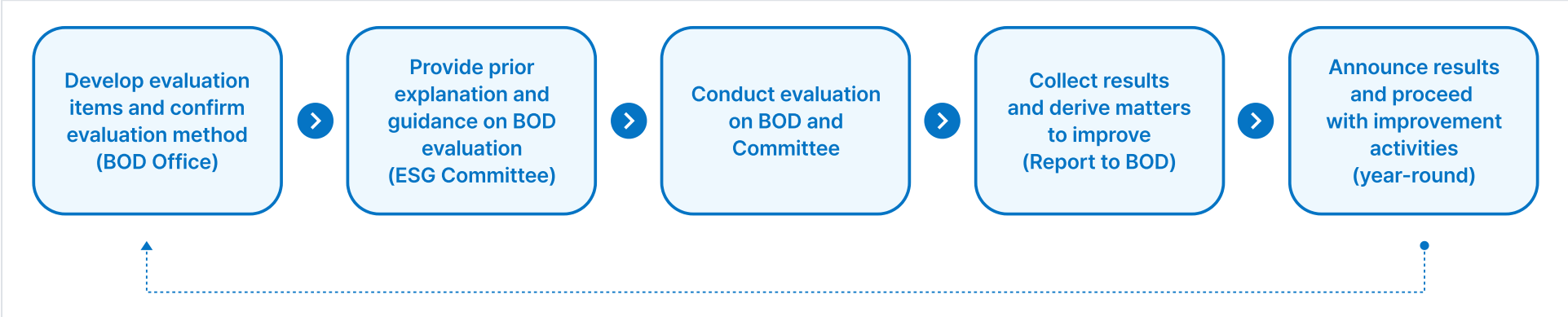
SK Ecoplant consults on the details in advance through a prior report before signing a contract for non-audit services with an external auditor. Starting in 2023, the process has been strengthened by obtaining prior approval from the Audit Committee on the scope and method of work for non-audit services. Information on non-audit service contracts concluded with external auditors is transparently disclosed through business reports. In addition, we strive to safeguard the independence of external auditors' audit services by holding sessions attended only by Audit Committee members and external auditors before the quarterly Audit Committee meeting.

BOD Evaluation

SK Ecoplant instituted a board operation evaluation in 2022 for the goal of improving governance through efficient operation of the BOD and subcommittees. This evaluation for BOD is conducted once a year and administered by the BOD Office, and the purpose, method, target, with the items of the evaluation being informed in advance through a pre-evaluation meeting. The evaluation items consist of the current role status, member roster status, and operational status of the BOD and subcommittees, as well as the self-evaluation of individual directors, using an evaluation checklist designed as a quantitative evaluation on a 5-point scale (1 point: very poor ~ 5 points: very good). The BOD or ESG Committee are briefed on the evaluation results of BOD for use as the basis of deriving and executing improvement plans for overall BOD activities.

The 2023 BOD evaluation results were reported to the ESG Committee, and based on this, SK Ecoplant plans to discuss our short-, mid-, and long-term strategies in depth in 2024 and supplement programs to foster the professional capabilities of each committee. In the mid- to long-term, we plan to upgrade the questions and diversify the evaluators to conduct peer evaluations of individual directors and management evaluations using the current evaluation items, and have the evaluations serve as a basis for future director reappointments. In addition, we aim to incorporate the BOD evaluation results in compensation to strengthen responsible management of the BOD. The BOD evaluation results will be transparently disclosed to stakeholders through various media, such as the company website or business reports.

BOD Evaluation Process



Director Remuneration Policy

The Nomination and Remuneration Committee receives reports on management's activity plans at the beginning of the year, and makes a final review of the performance evaluation of inside directors at the end of the year. The management compensation system is established and changed through reports submitted to the Nomination and Remuneration Committee, with individual compensation being reviewed with reference to the inside director evaluation results following the compensation system. The BOD decides on the individual compensation amount of inside directors and submits the limit of director remuneration amount, including the above, to the General Meeting of Shareholders for approval.

Director’s Remuneration Payment Standard

Category	Registered directors (excluding independent directors and Audit Committee members)	Independent directors and Audit Committee
Salary	The base salary was determined by comprehensively reflecting the duties, expertise, contribution to the company, and management environment within the 2023 director remuneration limits.	
Incentive	- Incentives equivalent to 0~150% of the annual salary can be provided by comprehensively considering the quantitative evaluation results—such as the company’s sales revenue and operating profit—and qualitative evaluation results including strategic target achievement level, leadership, Net Zero, improvement of ESG management level, happiness, and ethical management. - In terms of strengthening responsible management for mid- to long-term performance, stock-linked compensation such as stock grants, restricted stock units (RSU), and stock options can be paid.	To strengthen the BOD-centered responsible management system, we issue restricted stock units corresponding to KRW 39 million per year according to the BOD resolution (transfer liability within one’s term of office).
Welfare and severance pay	- Calculated according to the regulations on director severance pay issuance decided by the General Meeting of Shareholders - Paid according to company welfare support standards	Paid according to company welfare support standards

Director’s Remuneration Payment Details

Category	No. of persons	Total remuneration	Average remuneration per person ¹⁾
Registered director (excluding independent directors, Audit Committee members)	3 persons	KRW 2.424 billion	KRW 1.212 billion ²⁾
Independent directors (excluding Audit Committee members)	1 person	KRW 151 million	KRW 129 million
Audit Committee member	3 persons	KRW 389 million ^{3) 4)}	KRW 130 million

- 1) The average remuneration per person is "the sum of monthly average wages." The monthly average wage is the value derived by dividing the total wage of a relevant month by the average number of personnel of the relevant month.
- 2) Excluding one non-executive director with no remuneration payment amount.
- 3) Pro-rata calculation of the total compensation was included due to resignation of one Audit Committee member as of March 29, 2023.
- 4) The total compensation was calculated on a pro-rata basis following the change in executive status of one independent director to Audit Committee member as of March 29, 2023.

Case

Remuneration Policy Considering ESG Performance Elements

SK Ecoplant incorporates both financial and non-financial performance when calculating director remuneration, and the remuneration payment standards are transparently disclosed through business reports. Non-financial performance includes factors such as strategic goal achievement, leadership, establishing and achieving a Net Zero roadmap, improvement in ESG management level, and improvement in happiness and ethical management levels. When establishing KPIs for all executives, including the CEO, non-financial performance and goals are incorporated to a certain extent. Principally, for the KPIs of the CEO, incentives are linked to non-financial performance items such as leadership to create business performance, rapid portfolio transition and successful implementation focusing on the environment and new and renewable energy, etc. In addition, stock-linked compensation is provided, such as restricted stock units (RSU) and stock options, with the aim of better incentivizing CEO-led responsible management for mid- to long-term financial and non-financial management performance. SK Ecoplant intends to strengthen its leadership in pursuing ESG management and enhance long-term corporate value by expanding the proportion of non-financial performance¹⁾ in the mid- to long-term KPIs of the BOD and management.

1) As of 2023, the proportion of non-financial performance incorporated in inside directors’ KPIs is 10%.

Remuneration Payment Status

SK Ecoplant decided that the CEO’s base salary for 2023 would be KRW 1.1 billion and paid it in 12 monthly installments. This amount is calculated by comprehensively reflecting position, duty, leadership, expertise, contribution, etc. within the scope of director remuneration limits. Meanwhile, non-executive directors do not receive remuneration.

Standard of the CEO’s Remuneration Payment Calculation

Category		Total amount of remuneration	Calculation standard and method
Earned income	Salary	KRW 1.1 billion	According to the director compensation payment standards, the total base salary was determined to be KRW 1.1 billion by comprehensively reflecting position (CEO), duty (president), leadership, expertise, and contribution to the company within the scope of director remuneration limits in 2023, and divided into 12 installments for monthly payment.
	Incentives	KRW 668 million	- Performance incentives were paid in 2023 based on management performance in 2022. Following the executives’ performance-based remuneration standards, payment can be made within the range of 0% to 180% of the base salary by comprehensively evaluating the goal achievement level of quantitative indicators, such as sales and operating profit, and non-quantifiable indicators, such as strategic task performance and leadership in creating management performance. - In 2022, for quantitative indicators, we achieved management performance of KRW 7.55 trillion in sales and KRW 156.9 billion in operating profit on a consolidated basis. For non-quantifiable indicators, a performance bonus of KRW 668 million was calculated considering achievements such as leadership, net zero, ESG management level improvement, happiness and ethical management practices.
	Profits from exercisable stock options	-	Not applicable
	Other earned income	KRW 6 million	Approximately KRW 6 million was paid following the company welfare support standards.
Retirement income		-	Not applicable
Other income		-	Not applicable

Granting and Exercise of Stock Options^{1) 2)}

Recipient	Grant date	Granting method	Type	Period of exercise	Granted number of shares	Exercise Price
Registered executives	2022.03.25.	Delivery of treasury stocks, balance compensation	Common stock	2025.03.25.~2029.03.25.	166,331	KRW 60,121
Registered executives	2022.03.25.	Delivery of treasury stocks, balance compensation	Common stock	2025.03.25.~2029.03.25.	83,165	

- 1) Stock options were granted to registered director Kyoung-II Park at the 60th regular General Meeting of Shareholders (2022.03.25.).
- 2) The exercise period for the above stock options was the same, but the number. of shares exercised varied depending on the vesting conditions.

CEO and Employee’s Remuneration Ratio

Category	2023 Remuneration	To average employee remuneration	To employee’s median remuneration
CEO (Kyoung-II Park) ¹⁾	KRW 1,774 million	20.1 times	19.7 times
Average employee remuneration	KRW 88 million	-	-
Employee’s median remuneration	KRW 90 million	-	-

- 1) Excluding remuneration not included in the total amount of remuneration (stock options paid).

Ownership Structure and Voting Rights

Protection of Shareholder Rights

SK Ecoplant strives to continuously enhance shareholder value by protecting shareholder rights and creating a shareholder-friendly management environment. An electronic voting system has been introduced to increase the convenience of exercising shareholder rights, with news of regular General Meeting of Shareholders being announced through postal mail and the company website. Explanations on ways to exercise voting rights are also posted on the website to prompt shareholders to exercise their voting rights. In addition, the foundation for enhancing shareholder value has been established by forming an official basis for interim dividends through the Articles of Incorporation.

Corporate dividends are allocated through resolutions of the BOD and General Meeting of Shareholders pursuant to the Articles of Incorporation, and our dividend policy serves to "maintain a long-term and stable level of cash dividends based on management performance." Given future market conditions and the company's financial condition, we continue to implement a well-balanced policy geared to future growth and shareholder returns.

Resolutions at the General Meeting of Shareholders

SK Ecoplant follows the principle of one vote per share. The shares with voting rights equals 36,596,286 shares, accounting for 97.4% of the total issued shares, and some non-voting preferred shares have been also issued.

Voting Rights in 2023¹⁾

Category	Number of shares	Share ratio
Voting stocks	36,596,286 shares	97.4%
Non-voting stocks ²⁾	974,341 shares	2.6%
Total number of issued stocks	37,570,627 shares	100%

1) As of March 31, 2024.

2) Treasury shares are classified as non-voting stock.

Resolutions at the 62nd Regular General Meeting of Shareholders

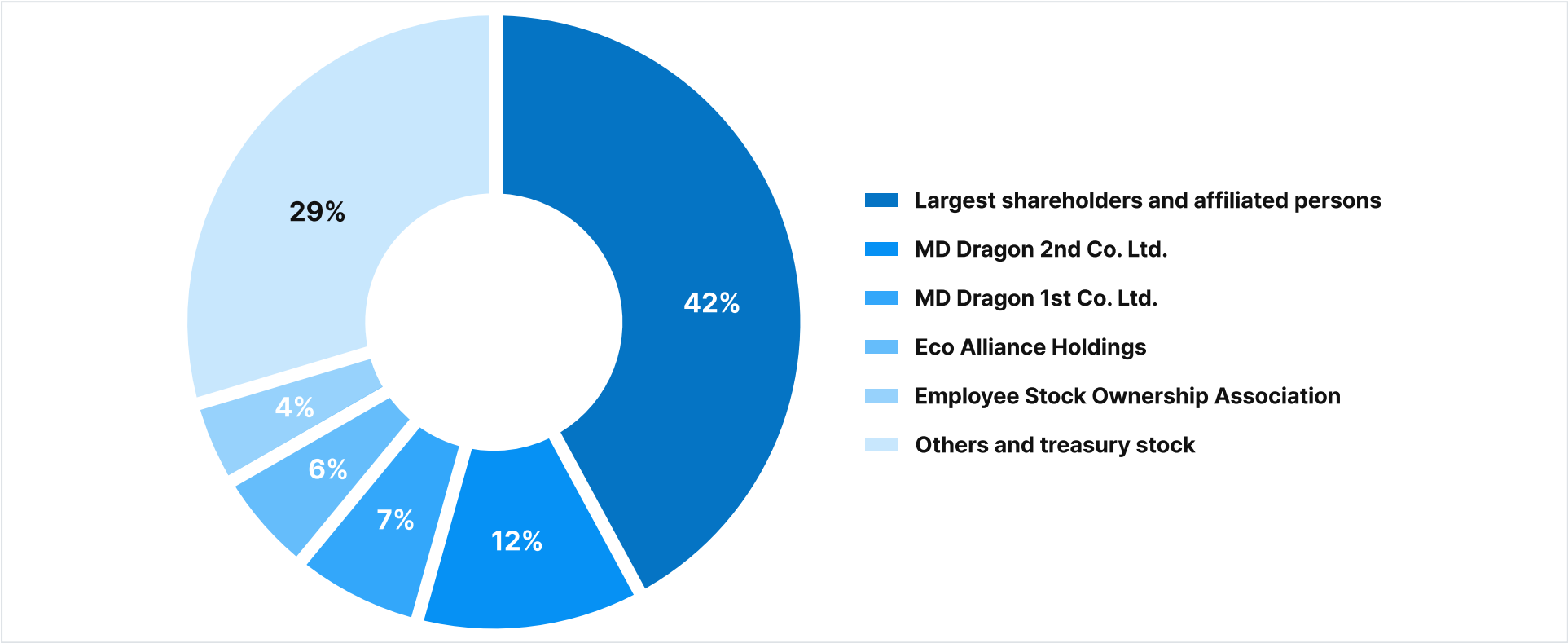
Category	Agenda item	Result	Agreement rate
Agenda No.1	Approval of the 62nd financial statements	Approved original bill	99.92%
Agenda No.2-1	Agenda to reappoint Inside Director Kyoung-II Park	Approved original bill	99.91%
Agenda No.2-2	Agenda to appoint independent director Yeon-Man Jeong	Approved original bill	99.89%
Agenda No.2-3	Agenda to appoint Chang-Ho Shin as non-executive director	Approved original bill	99.89%
Agenda No.3	Approval of director remuneration limits	Approved original bill	99.83%
Agenda No.4	Change in executive severance pay payment rules	Approved original bill	99.84%

Exercised Voting Rights at the 62nd Regular General Meeting of Shareholders

Total number of issued stocks	Number of voting stocks	Number of voting stocks exercised	Largest shareholder ¹⁾	Other shareholders ²⁾	Ratio of voting rights exercised ³⁾	Ratio of voting rights exercised excluding the largest shareholder
37,570,627	36,596,286	31,003,778	15,730,481	15,273,297	84.72%	41.73%

1) Largest shareholder: SK Inc. and affiliated persons
2) Other shareholders: Shareholders excluding the largest shareholder
3) Ratio of voting rights exercised = (Number of voting stocks exercised ÷ Number of voting stocks) × 100

Status of Shares Owned



Status of Shares Owned by Major Shareholder¹⁾

Category	Number of shares	Share ratio ²⁾
Total issued stocks	37,570,627 shares	100%
Largest shareholder and affiliated persons	15,864,711 shares	42.2%
MD Dragon 2nd Co., Ltd.	4,639,310 shares	12.3%
MD Dragon 1st Co., Ltd.	2,628,977 shares	7.0%
Eco Alliance Holdings	2,154,236 shares	5.7%
Employee Stock Ownership Association	1,478,264 shares	3.9%
Treasury stock	34,341shares	0.1%
Others	10,770,788 shares	28.7%

1) Based on the shareholder register as of March 31, 2024.
2) The number of shares and ownership ratio were calculated including common and preferred stock shares.

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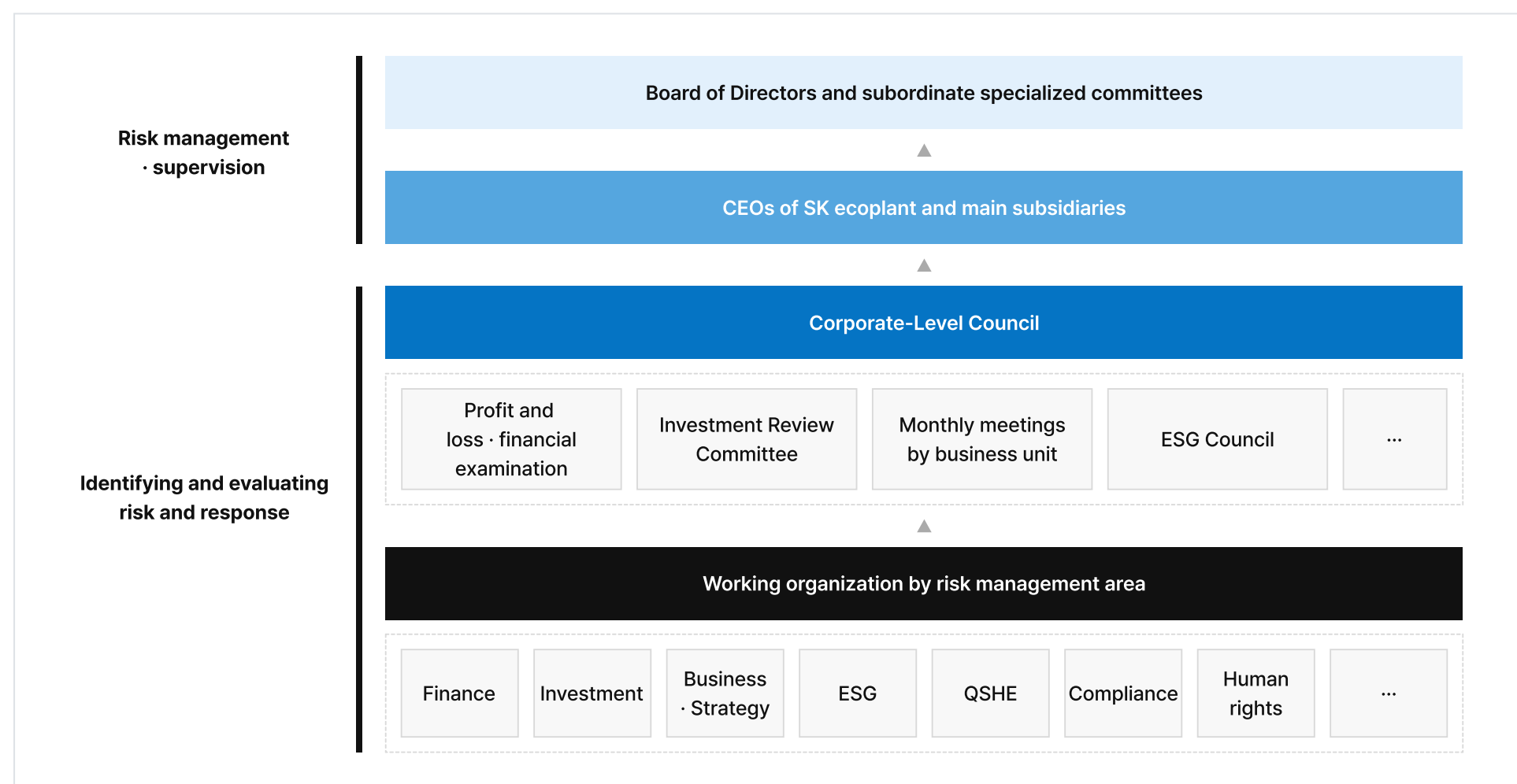
Risk Management

Integrated Risk Management System

Risk Management Process

SK Ecoplant comprehensively manages risks that may affect its financial performance and business operations and those of its subsidiaries, through a systematic corporate-level risk management process. A proactive response system is operated, so that the working-level division proactively identifies and evaluates risks and reports them to C-level executives by classifying risk management areas, such as finance, investment, business-strategy, and ESG activities. Then, a corporate-level meeting involving C-level and other key executives is convened to establish and implement specific response strategies. In addition, the CEOs of SK Ecoplant and its major subsidiaries regularly discuss current risk issues, while the working-level division reports the corporate-level risk management status and results to the Board of Directors and subordinate committees on a regular or frequent basis to strategically manage risks.

Corporate-Level Risk Management Process



Risk Management Area

SK Ecoplant continuously monitors and manages the status of risk profiles by working-level organizations and councils for each risk area. As for financial risks, financial strength and operational efficiency are regularly evaluated through profit and loss and financial examination meetings presided by the CEO. Investment Review Committee is held to proactively diagnose various potential risks and discuss new investment decisions in the course of business portfolio expansion. In addition, SK Ecoplant holds regular meetings every month to examine pending issues in each business unit to secure efficient resources allocation and stability in an uncertain market in the pursuit of sustainable development. Meanwhile, we manage ESG risks, including safety and health, quality, environment, compliance, and human rights, leading to compliance with environmental and social regulations and sustainable business operations. SK Ecoplant manages the ESG risks of itself and subsidiaries based on the ESG Council, in which both of them participate. Each working-level organization in charge of ESG-related areas reports key business plans and performance to the Board of Directors and subordinate committees, thereby strengthening the Board of Directors' responsible management for ESG risk management.

Corporate-Level Risk Management

Subsidiary Risk Management

In 2022, SK Ecoplant organized the ESG Council, propelling the advancement of ESG management of its subsidiaries. This Council allocates subsidiaries into ① major subsidiaries and ② small environmental subsidiaries according to company size and business characteristics, and recommends any improvements by examining corresponding ESG levels. As of December 2023, a total of nine¹⁾ companies, including SK Ecoplant, are members of the ESG Council, making efforts to internalize ESG principles. Meanwhile, top management of SK Ecoplant and major subsidiaries convene regular meetings to share key risk issues and deliberate on response measures, with key issues being reported to the Board of Directors and subordinate committees for review and decision-making.

1) Among the member companies of the ESG Council, some environmental subsidiaries were integrated and reorganized into "Renewone", resulting in a change in the number of member companies compared to 2022.

Risk Management by Project Stage

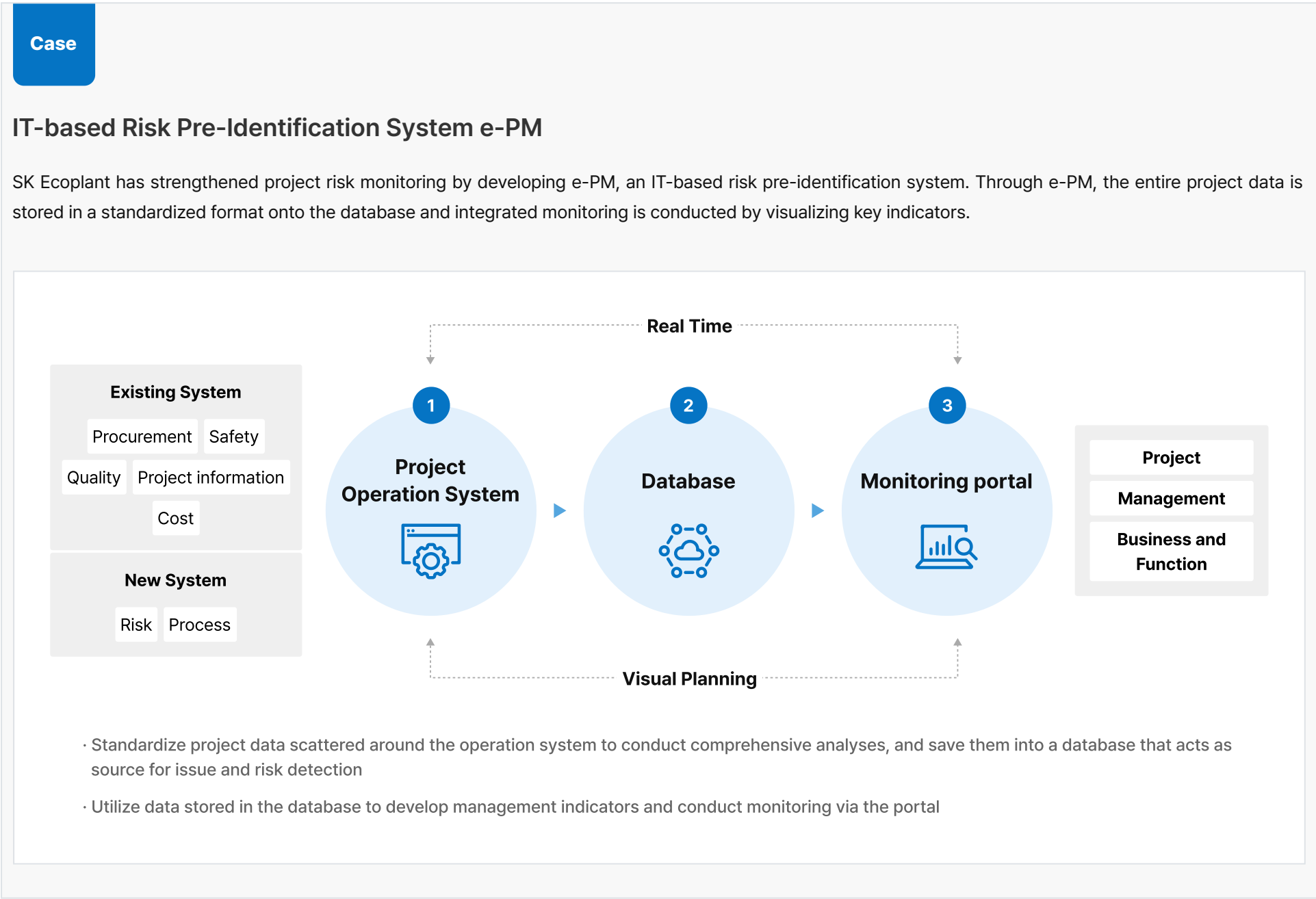
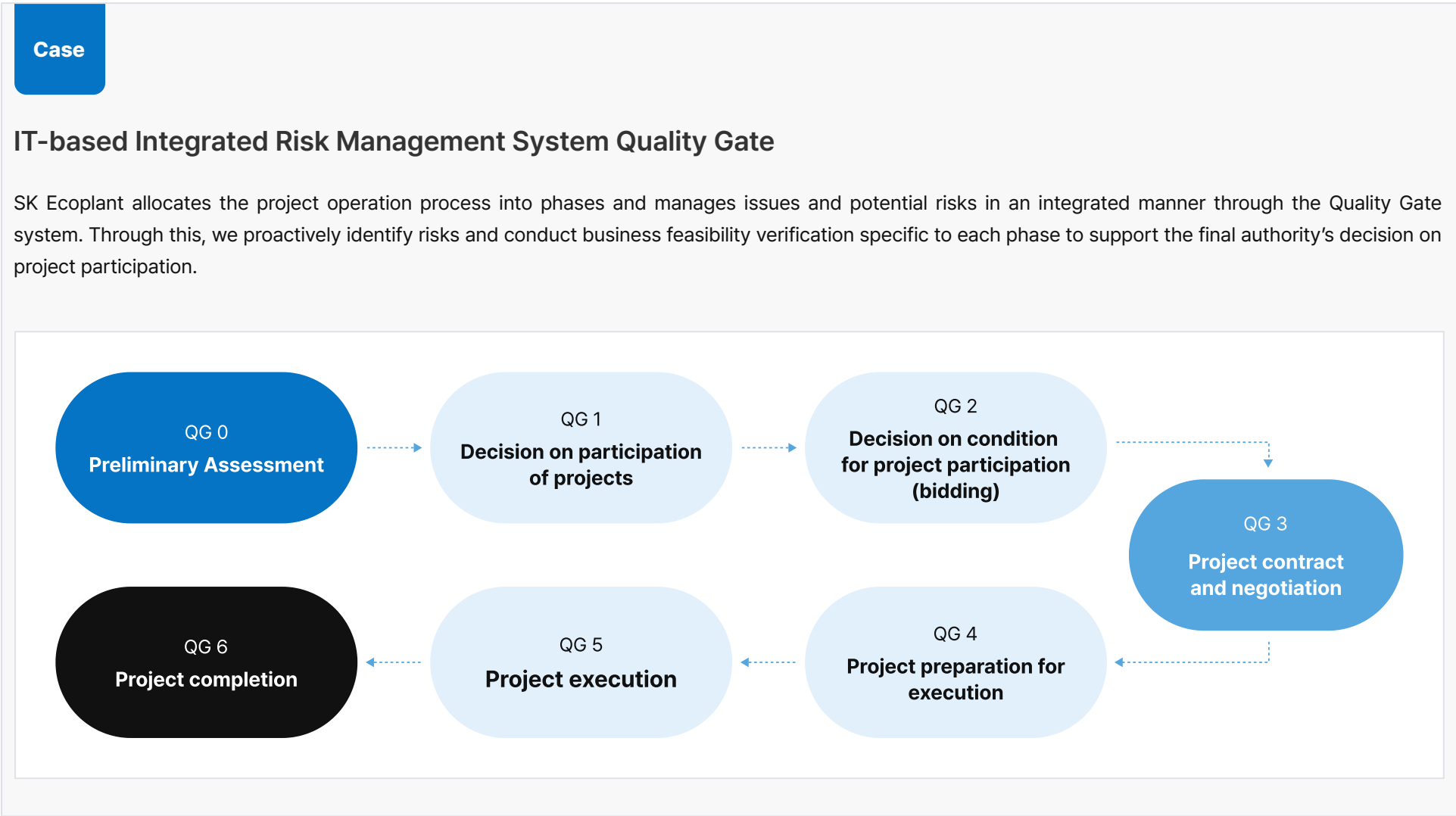
As SK Ecoplant expands the scope of its participating businesses during the transition of its business portfolio, various types of potential risks may arise in the environment and energy sectors. Accordingly, SK Ecoplant strives to further secure its sustainability by embracing systematic risk management, achieving zero risk, and establishing an ESG management culture across the entire business, based on the long-term goal of the "Value-up" sustainable management system.

Marketing Stage

SK Ecoplant strives to identify potential business risks to the fullest extent in the marketing phase, and minimize losses to achieve the goal of zero risk. To this end, we decide whether to proceed with a project and the scale of participation based on the results of a comprehensive feasibility review. From the initial bidding phase until the order is awarded, a separate process is operated to evaluate each business type, scale, and method, and we identify and examine business risks through frequent communication with relevant divisions based on the RBS (Risk Breakdown Structure) set up per each phase. Key risks are selected by analyzing the cause of the detected individual risks to support the decision makers in every stage of decision making. Additionally, to support high-quality business participation and stable project execution, we continuously strengthen risk management activities from institutional and cultural perspectives. These activities are regularly improved and supplemented, considering the company's mid- to long-term strategic direction.

Operation Stage

SK Ecoplant proactively verifies the feasibility and suitability of the project budget through a review and evaluation by the company-wide operation management organization. In addition, a budget management system enables us to control and manage it, with analysis tools being employed to monitor potential risks during project operation. In the event of a risk arising, the cause and scale of impact are promptly identified, and the optimal recovery plan is devised as fast as possible according to the internal decision-making system. Upon project completion, any issues that require improvement are incorporated by proceeding with a closure report process to prevent similar risks from recurring in future projects.

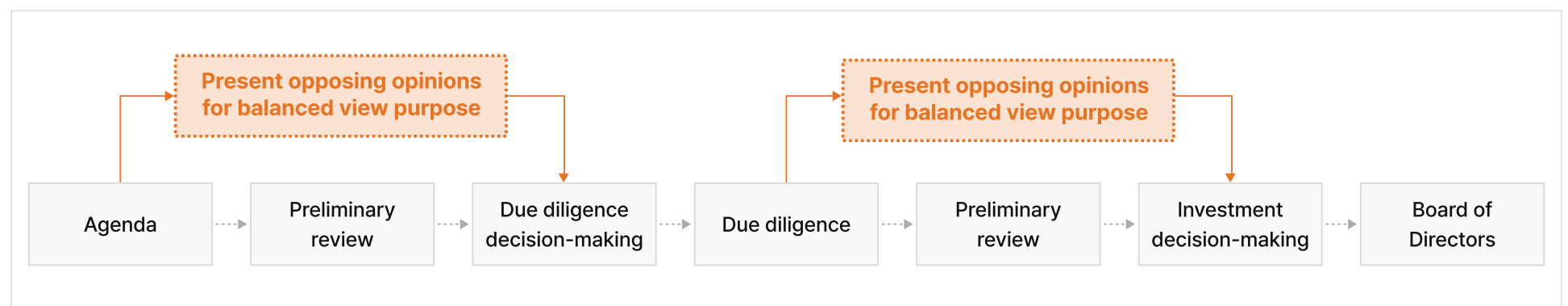


Risk Management by Investment Stage

Investment Stage

SK Ecoplant operates an Investment Review Committee that comprehensively reviews strategic alignment and economic feasibility, as well as ESG risks when making new investments. In particular, based on integrated ESG risk management from the initial investment phase, we proactively reduce the level of risk and evaluate the prospects of creating social value. Starting in 2024, the preliminary review and decision-making bodies have been separated and a new deliberation-and-decision-making organization has been established from a risk management stance to embrace a more independent and fair investment review system. The newly established decision-making control organization is comprised of experts in fields geared to the agenda (i.e. technology, ESG, marketing fields, etc.), with the role of executing comprehensive reviews of investment agendas and deliberately presenting opposing opinions. Accordingly, when making an investment decision, the final vote is cast by referring to the results of preliminary review and opposing viewpoints.

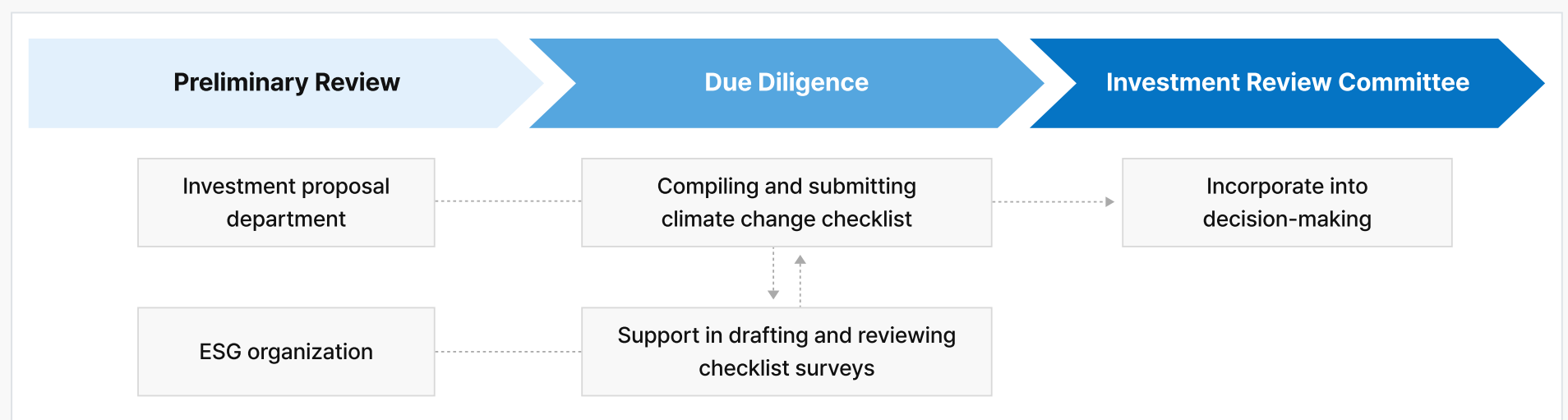
Investment Review Process



Case

Climate Change Checklist Operation

SK Ecoplant uses a climate change checklist to evaluate climate change risks in the investment review process. In the due diligence phase, key issues of agenda items that have passed the preliminary review process are evaluated, with the results being incorporated in the Investment Review Committee's evaluation process. The climate change checklist is compiled by the department originating an investment agenda and supplemented through a review by the internal ESG organization. Through this, it is thoroughly reviewed whether the investment agenda is applicable to the K-Taxonomy, and GHG emissions.



Operational Stage after Investment

For the stable operation of its investment subsidiaries, SK Ecoplant identifies and evaluates key industry-specific risks and reports the achievement rates compared to the business plan and variable factors to both the CEO and CSO (Chief Strategy Officer). In addition, we manage year-end estimated profits and losses by taking account of the possibility of risk occurrence and the scale of impact, while also identifying mid- to long-term "Value-up" (added value) and implementing risk mitigation measures.

ESG Potential Risk Management

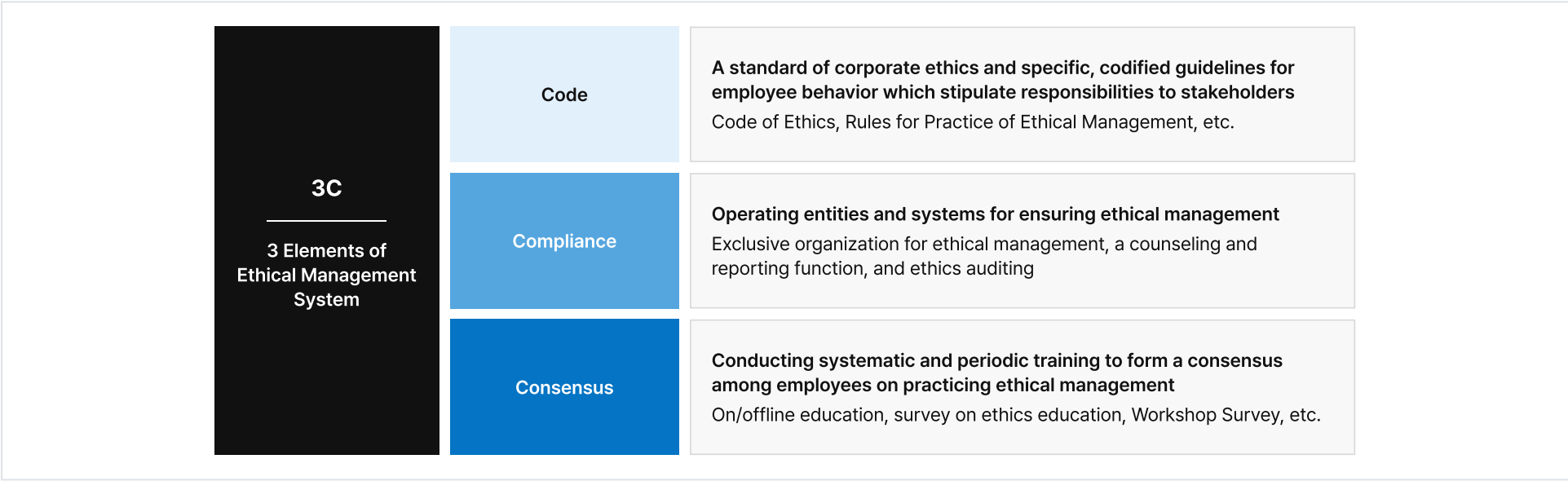
SK Ecoplant proactively identifies and manages ESG risks to minimize uncertainty in the business environment. We constantly monitor risks to promptly respond to changes in the domestic and global ESG regulatory environment. In achieving this, management activities are implemented, with improvement goals and response strategies being established. As a result, we contribute to mitigating the threats that potential ESG risks pose company-wide and actively seizing on opportunities based on strategic decision-making. SK Ecoplant's major ESG risk and opportunity factors and response strategies are disclosed in this report in relation to the materiality assessment results.

Response Status and Goals by Materiality Topic 

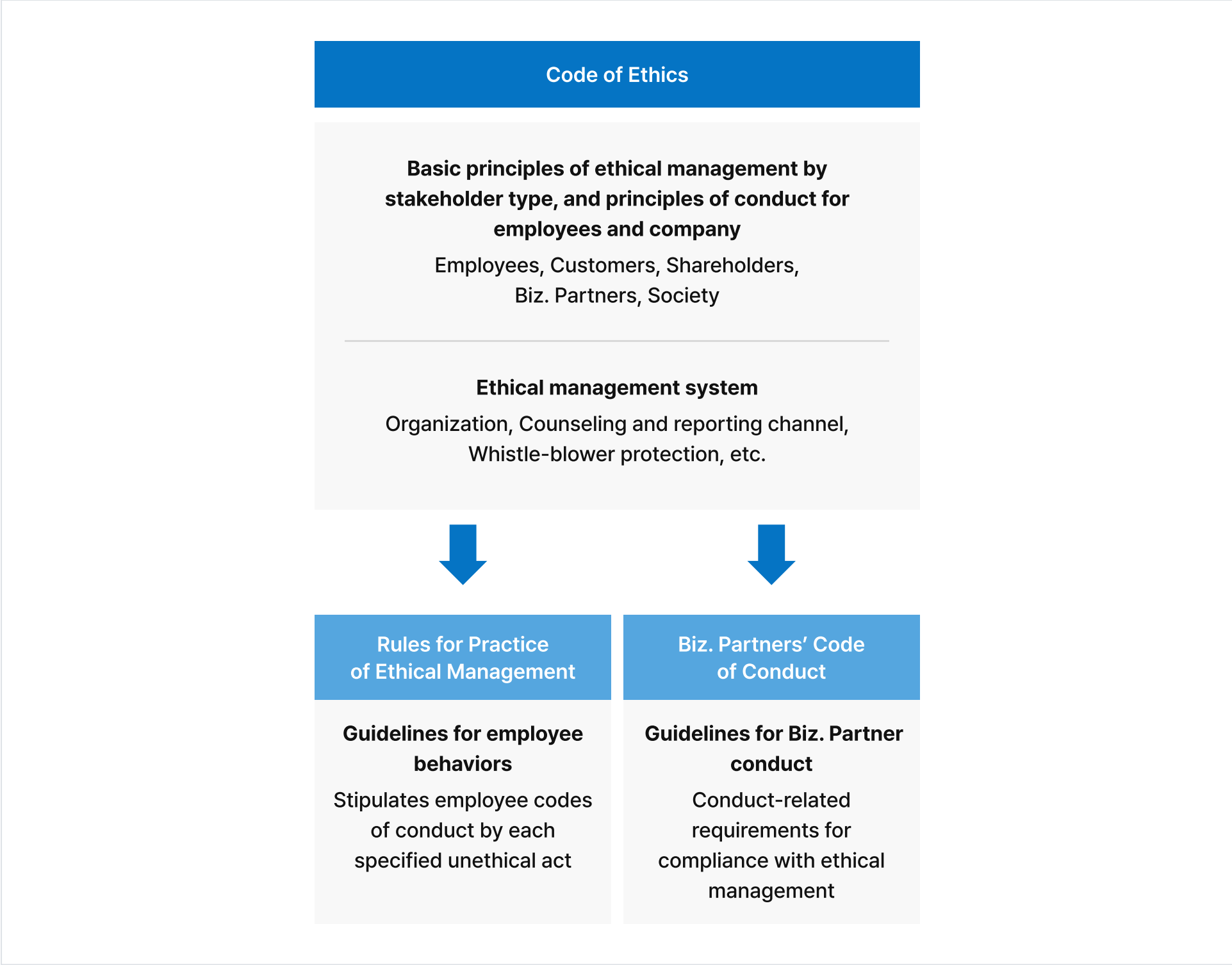


Ethical Management System

SK Ecoplant's ethical management system consists of three elements, code, compliance, and consensus. These three elements ensure transparency in the practice of ethical management and the execution of related tasks, thereby securing the trust of stakeholders.



Ethical Management and Anti-Corruption Policy



SK Ecoplant's ethical management system is operated based on the Code of Ethics and a Code of Conduct for Ethical Management. To constitute a fundamental policy to advocate ethical management, the Code of Ethics prescribes the ethical roles and responsibilities of SK Ecoplant to all employees, including contract and part-time workers, customers, Biz. partner, shareholders, and society. To be exact, it stipulates the overall ethical management system, including the composition of the responsible working group, anti-bribery and anti-corruption conduct principles based on the zero-tolerance principle, ethics counseling and reporting, and ethics education. The Code of Ethics applies to all branches, affiliates, and subsidiaries and abroad, and all stakeholders in business relationships are required to comply with the Code of Ethics as well. The Code of Conduct guides employees and stakeholders in making the right decisions in ethical conflict situations by prescribing clear standards for individual ethical principles.

The Ethical Management Division, which is organized by adhering to the Code of Ethics, functions as our ethical management executive body. The Ethical Management Division implements various activities to institute ethical management and specifically, supervises internal audits, reviews internal ethics-related risks, and reports them to the Audit Committee. Additionally, the internal audit department reviews non-financial risks deemed important by the Audit Committee and reports the audit results to the committee. Meanwhile, the Audit Committee, which is comprised entirely of independent directors, exercises the right and consent to appoint and dismiss the head of ethical management who oversees the internal audit, and ensures independence in performing internal audits by approving the annual audit plan at the beginning of each year.

- Code of Ethics
- Code of conduct for Ethical Management
- Biz. Partner's Code of Conduct

Ethical Management Goals

SK Ecoplant upgrades its ethical management system with the goal of zero anti-corruption violations. Based on the anti-corruption risk management system and management capabilities indexed at the SK Group level in 2022, anti-corruption risks are identified and evaluated company-wide. Improvement tasks are implemented, and the Board of Directors is regularly briefed on the performance of the risk management system operation. As a result, we were recognized for our ethical management capabilities by attaining the highest grade among members of SK Group in the 2023 SK Group ethical management evaluation. SK Ecoplant plans to continuously identify anti-corruption risks and implement improvement measures to eliminate potential risks.

Roadmap for Ethical Management Goals

Target	Zero Violation of Anti-corruption		
Detailed Implementation plan	2024 Take measures on audit results and set countermeasures to eradicate corruption	2025 Implement and supplement countermeasures for eradicating corruption	2026 Eradicate corruption and establish a corporate-level integrated risk management system

Ethical Management Monitoring

Internal Audit

SK Ecoplant conducts internal audits of its headquarters, subsidiaries, and ongoing projects across business units at least once every three years to assess its ethical management system. The Ethics Management Division, an internal audit department, determines the audit scope focusing on high-risk areas for each business unit and inspects work procedures, compliance with related laws, and unethical behavior. Violations detected through internal audit are reported to the CEO or Audit Committee, with improvement measures being taken immediately. Alternatively, as the supervising organization, the Ethics Management Division establishes improvement plans with related departments and then checks the improvement status every year. Transparency is ensured throughout the project by performing closing audits on finalized projects. In 2023, as a result of conducting three internal audits of business units, we identified 14 potential risks. We are currently reviewing the improvements, aiming for 100% resolution.

Internal Audit Status (Consolidated)

Category	Unit	2021	2022	2023					
				Total	SKEP	SKEE	SKOP ¹⁾	SK Tes	Renewus
No. of audits	cases	4	20	21	3	7	1	1	9

1) Since 2023, SKOP has established an Ethics Management Team to aggregate and manage the status of internal audits.

Internal Audit Status (SK Ecoplant)

Category	Unit	2021	2022	2023
No. of audits	cases	4	11	3

Preliminary Risk Inspection

SK Ecoplant inspects the "risk prevention review system" every year and operates a "risk-sensing system" to identify potential risks. To check the normal operation status of the "risk prevention review system", the relevant department conducts a self-assessment through a checklist based on risk items classified by task, such as purchasing, human resources, and cost, or inspects with the Ethical Management Division, the supervising organization. The "risk-sensing system" detects wrongdoing based on data extracted from each business area system. As of 2023, the number of risk self-cleaning system inspection areas is six, and the number of cases processed as inappropriate is none.

Status of Preliminary Risk Inspection (SK Ecoplant)

Category	Unit	2021	2022	2023
Number of areas checked in risk prevention review system	Tally	6	6	6
Number of cases processed as inappropriate by the risk-sensing system	Tally	0	0	0

Evaluation of the Level of Ethical Management

SK Ecoplant conducts an internal evaluation of the ethical management system operations every year. The evaluation is conducted in the form of a survey targeting all employees, including contract(excluding daily workers) and part-time workers, and the areas for improvement in the overall ethical management system are derived. As a result of the 2023 survey, we identified "eradicating business site bullying" as an area for improvement, and have continuously conducted surveys of employees to make improvements. The identified areas for improvement are actively incorporated in the process of overhauling the ethical management system to upgrade the level of ethical management practice. Meanwhile, following 2022, the level of ethical management practice in 2023 also improved overall compared to the previous year, confirming employees' positive perception and trust in ethical management by SK Ecoplant.

Anti-corruption Violations

SK Ecoplant advocates a zero-tolerance principle for ethics and anti-corruption violations with the goal of achieving "zero anti-corruption violations." If a violation occurs, the Reward and Punishment Review Committee determines the disciplinary action and level through resolution to prevent recurrence, and the details and reasons for disciplinary action are disclosed to employees. Cases of major violations and recommendations are regularly communicated to employees via electronic newsletters. As a result, over the past three years, there has not been a single case of legal violations related to bribery and anti-corruption at our domestic and overseas business sites.

Legal Violations Related to Bribery and Anti-corruption (Consolidated)

Category		Unit	2021	2022	2023					
					Total	SKEP	SKEE	SKOP	SK Tes	Renewus
Number of monetary sanctions	Domestic	cases	0	0	0	0	0	0	0	0
	Overseas	cases	0	0	0	0	0	0	0	0
Fines and settlements moneys	Domestic	KRW 100 million	0	0	0	0	0	0	0	0
	Overseas	USD 10,000	0	0	0	0	0	0	0	0

Legal Violations Related to Bribery and Anti-corruption (SK Ecoplant)

Category		Unit	2021	2022	2023
Number of monetary sanctions	Domestic	cases	0	0	0
	Overseas	cases	0	0	0
Fines and settlements moneys	Domestic	KRW 100 million	0	0	0
	Overseas	USD 10,000	0	0	0

Reports on Unethical Behavior and Ethical Education

Reporting Channels for Unethical Behavior

SK Ecoplant's ethical management counseling and reporting channel (hereinafter referred to as the Ethics Reporting Channel) is operated round-the-clock to receive reports of unethical conduct from all stakeholders, including employees, subsidiaries, Biz. Partner, and customers. Typical reporting targets include unethical and anti-competitive actions such as receiving gifts and money, entertainment, or convenience from Biz. partner or other stakeholders, or making unjust profits by improperly using corporate assets and information. Anyone can easily report incidents of unethical behavior through various channels, such as the internet, e-mail, and KakaoTalk.

Mail	Ethical Management Division, 4th Floor, SK Ecoplant, 19, Yulgok-ro 2-gil, Jongno-gu, Seoul	
Website	SK Ethical Management	
E-mail	skecoplant.ethics@sk.com	
KakaoTalk	One-on-one open chatting: Search SK Ecoplant Ethical Management or scan the QR code.	

Non-Retaliation Policy

As a member of SK Group, SK Ecoplant operates the SK Group integrated reporting system to truly internalize ethical management at the corporate and group levels. In addition, the [Non-Retaliation Policy](#) are disclosed within the reporting system for all stakeholders to easily access them. The Non-Retaliation Policy include guaranteeing the anonymity of whistleblowers, maintaining confidentiality and personal security and safety, and prohibiting discrimination in HR affairs, etc. As a result, we maintain strengthened disciplinary standards against actions that disadvantage whistleblowers or expose his-her identity to others to foster an environment where a report can be submitted assuredly.

Non-Retaliation Policy

- The identity of the whistleblower and the details of the report are kept strictly confidential so that they are not disclosed to the public.
- The whistleblowers do not incur disadvantages in their social status for justified reporting.
- If a whistleblower incurs disadvantages due to reporting, a request for correction and protection can be sent to the Department of Ethical Management .
- During the fact-checking of the report, those who cooperated in the investigation by testifying and providing materials are equally protected.
- If a person has engaged in unethical or illegal acts but voluntarily reported this fact, sanctions can be reduced for the act.

Status of Reports on Unethical Behavior and Measures Taken

SK Ecoplant took action on 26 cases based on 2023 reports received through the ethics reporting channel and took disciplinary action against a total of 66 people, including those involved in business site bullying, violation of company regulations, and unethical behavior. After taking actions, we notified all employees of the results of the Reward and Punishment Review Committee, provided training on cases of violations, and sent an ethical management pledge letter in an effort to prevent recurrence.

Ethical Management Counseling Reports and Measures Taken (Consolidated)^{1), 2)}

Category	Unit	2021	2022	2023					
				Total	SKEP	SKEE	SKOP	SK Tes	Renewus
No. of reported cases	cases	216	200	322	206	40	41	17	18
No. of measures taken	cases	51	16	89	26	18	17	17	11

1) Data for 2021-2022 are for SK Ecoplant only, 2023 data are consolidated.
2) SK Ecoplant comprehensively reviews all reports and aims for 100% action on cases that require intervention, proceeding with the relevant procedures.

Ethics Education

Every year, SK Ecoplant provides ethics education beyond the legally compulsory education on business site bullying, etc, to all employees, management, the Board of Directors, as well as temporary, part-time, and dispatched workers. In 2023, we provided face-to-face education by expanding the scope of ethics education to include employees of all domestic subsidiaries, and supported requests for rolling out autonomous ethical management systems and self-inspection activities for each subsidiary. In the future, we plan to improve the effectiveness of training by performing ethics education for all subsidiary employees and continuously improving education contents and techniques. Meanwhile, we continue to operate various programs to form common grounds on internalizing ethical management by conducting online ethics education, sending compliance letters, and supporting external training tuition for Biz. Partners every year, with plans to continuously expand the scope of Biz. Partners subject to ethics education.

Ethics Education Performances (Consolidated)

Category	Unit	2021	2022	2023					
				Total	SKEP	SKEE	SKOP ¹⁾	SK Tes	Renewus
No. of employees subject to ethics education	persons	6,968	8,314	10,315	3,588	1,476	803	2,150	2,298
No. of employees participating in ethics education	persons	6,634	8,277	10,025	3,450	1,420	794	2,080	2,281
Participation rate	%	95.2	99.6	97.2	96.2	96.2	98.9	96.7	99.3
Total education time	hours	12,122	11,595	13,579	7,590	994	1,210	1,040	2,746
Training hours per person	hours	1.3	1.1	1.3	2.2	0.7	1.4	0.4	1.2

1) Since 2023, SKOP has established an Ethics Management Team to aggregate and manage Ethical Training Performances.

Ethics Education Performances (SK Ecoplant)

Category	Unit	2021	2022	2023
No. of employees subject to ethics education	persons	4,457	3,548	3,588
No. of employees participating in ethics education	persons	4,216	3,546	3,450
Participation rate	%	94.6	99.9	96.2
Total education time	hours	9,275	7,801	7,590
Training hours per person	hours	2.1	2.2	2.2



컴플라이언스

Compliance

Compliance Management System

Compliance Program

SK Ecoplant is operating "Compliance Program (CP)" to create a transparent and mature compliance culture since 2008. For systematic CP operation, regulations and rules for operating CP have been established as corporate regulations to be complied with. Additionally, every year, all employees, including the CEO, sign a pledge to practice compliance, reaffirming their commitment to fostering a culture of fair trade. In 2023, for ongoing training system improvements, the regulations and rules for operating CP were partially revised to have the Compliance Office conduct a follow-up efficacy evaluation after CP training and report to the Chief Compliance Officer, resulting in clarified entities and procedures of the efficacy evaluation. As a result of these efforts, SK Ecoplant attained the highest AAA rating in the 2023 CP evaluation hosted by the Fair Trade Commission.

CP Guidebook

SK Ecoplant first established the "CP Guidebook" handbook in 2008 as work guidelines for establishing fair trade order. Given our business structure and characteristics, contractual relationships, and stakeholders, we have selected and included laws and regulations that are highly relevant to the nature of our business, and periodically issue revised versions to incorporate changes in the policy environment, amendments to laws, and the latest violation cases. In 2022, in addition to the 5th revised manual, we created and distributed a new handbook focusing on unfair subcontracting terms and practical inspection items that require our utmost attention. The 6th revision in 2023 includes amendments to the Monopoly Regulations and Fair Trade Act (new provisions for CP legislation) and Subcontracting Act (rollout of delivery unit price linkage system), revisions to guidelines for examination of labeling and advertising with reference to the environment, etc., and updates on the latest rulings and precedents, facilitating employees' clear grasp of the law. In addition, we produced a new pocket-sized CP Handbook and distributed for their convenient reference in practice. The 7th revised edition in 2024 includes the following updates: three key areas—major matters for unlisted companies overseen by the Fair Trade Commission, large-scale internal transactions, and disclosures for large business groups—along with six newly updated notices and guidelines, including the revised subcontracting law and unfair trade practices. Additionally, 21 new violation cases have been added. We also completely revamped the unfair trade practice types, focusing on unfair support and private interest exploitation. To improve practical usability for employees, we significantly enhanced the action guidelines, Q&A, and checklists for each regulation, focusing on essential areas. These materials were selectively compiled into seven sections and distributed through both online and offline libraries.

Overview of SK Ecoplant’s CP Guidebook

Category	Detail							
Revision history	2008	2011	2015	2017	2021	2022	2023	2024
	First edition	First revision	Second revision	Third revision	Fourth revision	Fifth revision	Sixth revision	Seventh revision
Related laws and regulations	- Monopoly Regulation and Fair Trade Act - Fair Transactions in Subcontracting Act - Act on Fair Labeling and Advertising - Act on the Regulation of Terms and Conditions							
Composition	(Step 1) Understanding of regulation content: Overview of company regulations related to fair trade and explanation of clauses for each regulation (Step 2) Understanding of the latest precedent: Explanation of the latest violation cases and precedent by duties (Step 3) Precautions by duties and major Q&A verification: Precautions by duties and explanation of work guide (Step 4) Self-inspection of legal violation status: Execution of self-inspection of legal violation status by utilizing the checklist by duties							

CP Guidebook (KOR) 

CP Handbook - Unfair Special Agreements (KOR) 

CP Handbook – Subcontracting Act. (KOR) 

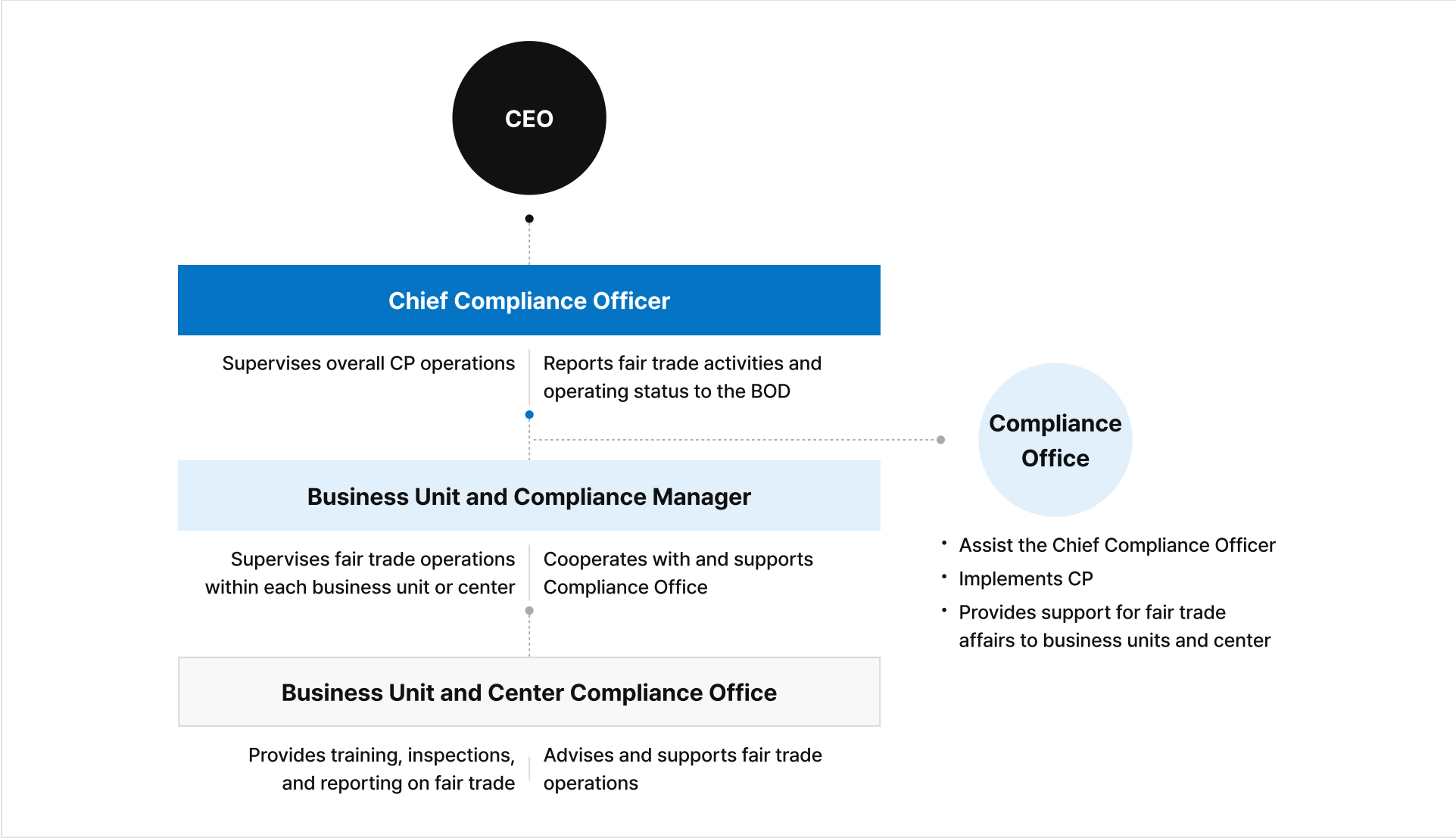
CP Handbook - Framework Act on the Construction Industry (KOR) 

CP Pocketbook – Subcontracting Act. (KOR) 

Compliance Organization

To ensure independent CP operations at SK Ecoplant, a Chief Compliance Officer is appointed by the Board of Directors to oversee CP operations. The Chief Compliance Officer reports quarterly CP operation plans and performance to the management (Board of Directors or CEO) directly and continuously improves the level of operation based on the feedback. To strengthen the compliance function, SK Ecoplant has organized and operated a Compliance Division dedicated to CP operations under the ESG Center from 2022. We have incorporated the personnel in charge of CP-related departments such as the Compliance Division, Win-win Partnership Team, Ethical Management Team, Corporate Legal Team and Business Legal Team into the Compliance Office and established a system wherein in company CP duties can be operated. In 2023, the CP operational system was strengthened by expanding the number of related departments belonging to the Compliance Office and increasing the number of employees.

Organizational Chart of Compliance



Duties and Rights of the Chief Compliance Officer

Duties of the Chief Compliance Officer	Rights of the Chief Compliance Officer
1. Establishment of plan for the Compliance Program and management of its operation 2. Identification of risks for violating the Competition Act and execution of risk assessment for management 3. Pre-business consultation for complying with the Competition Act 4. Management of training related to the Competition Act 5. Monitoring on the actual conditions of voluntary compliance 6. Analysis and improvement of violation of the Competition Act, consideration of corrective and preventive measures 7. Determination of level of sanctions on the Competition Act violator and request for review by the Reward and Punishment Review Committee 8. Reporting the CP activities and agendas to the BOD 9. Collection of CP pledge from all employees 10. Other matters deemed necessary by the BOD - CP Operational Regulations Article 7	1. Rights to inspect and investigate the actual condition of CP 2. Rights to request the submission of materials and information needed for performing duties 3. Rights to investigate and report Competition Act violators and their acts of violation 4. Rights to correct and improve the violation of the Competition Act 5. Other rights deemed necessary by the BOD - CP Operational Regulation Article 8

Case

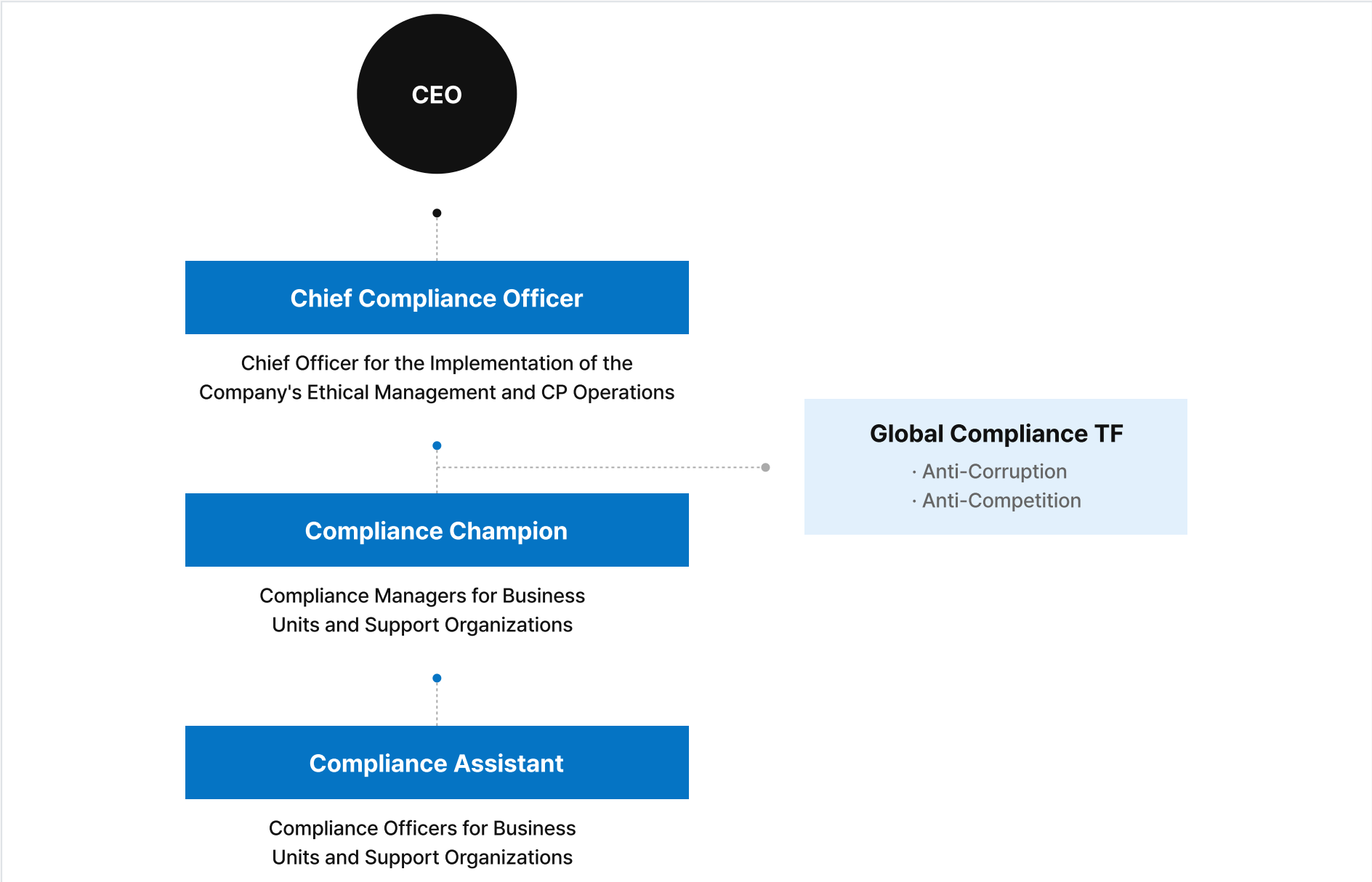
Global Compliance Activities

SK Ecoplant has established and implemented a compliance operational system that meets global standards in lockstep with the expansion of new businesses and overseas business networks of main subsidiaries. Following global M&As, we continue to prevent violations of related laws and regulations by instituting and enforcing various regulations, such as procedural regulations for anti-corruption and compliance, overseas conflict-of-interest regulations, and corporate partner rules for compliance with the Foreign Corrupt Practices Act. In particular, potential risks are minimized through due diligence or procedures for obtaining certificates of legal compliance before engaging in transactions with overseas Biz. Partners, along with major M&A target companies being subject to the internal compliance system.

SK Ecoplant regularly provides training to internal employees on international laws and regulations to stay abreast of when engaging in overseas business activities. In 2023, we conducted a program to strengthen employee competencies by conducting in-depth training on the U.S. Foreign Corrupt Practices Act (FCPA) conducted by an international law firm. In addition, a compliance council has been formed to inspect and strengthen the global compliance system of main subsidiaries, such as SK oceanplant and SK Tes, and plans to continuously revise relevant regulations and supplement institutional measures in the future.

Overseas Anti-corruption Regulations 

Global Compliance Organizational Chart



Goal for the Introduction of Compliance Management System

SK Ecoplant has established an integrated "Compliance Management System (CMS)" at the corporate level in 2023 to identify and manage potential compliance risks in the process of building a new business model that incorporates existing EPC capabilities into environmental and energy solutions. In addition, based on CMS construction and operation performance, we have demonstrated that our integrated compliance risk management system and operational level meet international standards by acquiring ISO37301 international certification for our compliance management system. In 2024, the validity for post-initial certification will be upheld through a verification based on ISO37301 certification post-examination.

ISO 37301:2021 

Compliance Risk Management

Risk Assessment for Violation of Fair Trade

SK Ecoplant constantly conducts fair trade risk assessments to identify and mitigate fair trade-related risks. The "fair trade risk management guidelines" were separately compiled by stipulating the risk assessment procedure, evaluation target, and risk level classification criteria (5 levels, lowest to highest) to perform efficient fair trade risk assessments. Quarterly fair trade risk assessments are conducted following the fair trade risk management guidelines, and risk control activities are undertaken, such as employee training, production and distribution of work manuals, post-examinations, sanction levies, and operation of a preliminary business consultation system, with potential areas of legal violation being identified. In 2023, four laws were selected as management targets, namely the Fair Trade Act, Subcontracting Act, Act on Fair Labeling and Advertising, and Act on the Regulation of Terms and Conditions, by taking into account any amendments to related regulations or history of legal violation by the company or similar industries. Also, we analyzed the risk content, related departments, and risk causes by provision of each regulation, and established and implemented a risk control plan to mitigate them.

Risk Assessment Procedure for Legal Violations



Key Results of Fair Trade Risk Assessment

Category	Main risks	Improvement measures	Risk Level ¹⁾	
			Pre-measure	Post-measure
Subcontracting Act	Legislation and amendments - Amendment of enforcement decree of Subcontracting Act and establishing a notice on the subcontracting disclosure system - Amending Subcontracting Act to reflect the delivery payment linkage system Continuing cases of violations in same industry - Based on the Fair Trade Commission's rulings, 40 cases occur annually	Conducting employee training - Conducting training for risk-related departments about enactment and amendment of laws and regulations in SK Ecoplant and its subsidiaries Work manual revisions - Providing work guidance through revising the CP Guidebook and distributing cases of violations Enhancing pre-review process - Strengthening the subcontract management process	Stage 4	Stage 3
Fair Labeling and Advertising Act	Legislation and amendment Implementation of revised guidelines for examination of labeling and advertising with reference to the environment Reports of "greenwashing" have been filed by consumer groups of the same industry	Conducting employee training - Conducting training for risk-related departments about enactment and amendment of laws and regulations in SK Ecoplant and its subsidiaries Enhancing pre-review process - Enhancing the pre-review process and work guidelines for environmental advertising	Stage 4	Stage 3

1) The level of risk is classified into 5 levels, with Level 1 being the lowest and Level 5 being the highest.

Compliance Inspection System

Preliminary Inspection System

SK Ecoplant's compliance and fair trade-related departments are constantly checking for possible legal violations related to fair trade by reviewing internal work procedures in advance. If any violations are detected in the examination process, corrective measures or actions are taken immediately, and if necessary, disciplinary actions such as warnings, reprimands, pay cuts, and suspensions are imposed according to disciplinary standards. To strengthen the ability of all employees to uphold compliance, SK Ecoplant has operated the "Compliance KPI Deduction System" from 2021, which deducts points from the related organization's KPI score for any compliance violations. Since its initial rollout, the scope and level of the KPI deduction system have been continuously expanded and upgraded, and in 2023, the scope of the deduction system application has been expanded from the existing "fair trade regulations" to "overall corporate laws and regulations."

Compliance KPI Deduction System Operation Status

Category	2021	2022	2023
Scope of law	Violation of fair trade-related laws and regulations	Violation of fair trade-related laws and regulations or occurrence of disputes	Violation of overall corporate laws and regulations
Maximum deduction level ¹⁾	5 points	10 points	10 points

1) The total KPI score is 100 points.

Internal Inspection Process

SK Ecoplant operates an "internal inspection process" to monitor the status of SK Ecoplant and its subsidiaries to ensure that any legal violations do not occur in the course of contract execution. All cases of subcontract payment are reviewed through documented surveys and self-initiated inspections to ensure legal compliance, and corrective actions are taken as soon as any violations are discovered. In addition, we conduct on-site surveys every month to detect any violations of 10 Subcontracting Act (i.e. subcontract payment, prohibition of unfair reductions, etc.) and four provisions of the Framework Act on the Construction Industry (i.e. notification of subcontract details to the order-maker, issuance of construction equipment payment guarantees, etc.) for all domestic projects, with improvement measures and disciplinary procedures being undertaken based on the results.

Activities on the Inspection of Subcontracting

Schedule	Activity
2023.05.	Conducted a compliance workshop according to the results of on-site subcontracting status inspection in March and April (9 sites)
2023.06.	Completed 2022 self-inspection of document inspections on subcontracting status (SK Ecoplant, SK ecoengineering, SK oceanplant, Renewus)
2023.09.	Conducted a compliance workshop based on results of on-site subcontracting status inspection from May to Aug. (17 sites)
2023.11.	Completion of on-site subcontracting status inspection in 2023 (review of 4,774 cases of 80 domestic sites and subcontracts of SK Ecoplant and SK ecoengineering)
2023.12.	Conducted a compliance workshop based on results of on-site subcontracting status inspection from Sept. to Nov. (12 sites)
2024.01	Completed improvement measures and disciplinary procedures according to the results of subcontracting status inspection in 2023

Case

Establishing a subsidiary compliance management system

SK Ecoplant works to establish a compliance risk management system and strengthen the capabilities of its subsidiaries due to the expanding laws and regulations subject to compliance in tandem with its business portfolio expansion and acquisition of new subsidiaries. In 2023, with the aim of minimizing violations of fair trade-related laws and regulations by subsidiary companies, the Compliance Council chaired by a Chief Compliance Officer was launched, and a council was formed with CP division and representatives and staff employees from 12 domestic subsidiaries, with its operation status and results being reported to the CEO. In 2023, a total of eight council meetings took place to identify and implement key management tasks for each subsidiary to prevent violations of fair trade-related laws and regulations. In 2024, to establish an independent compliance risk management system for subsidiaries, we are promoting the development of customized CMS for each subsidiary, taking into account their business characteristics and compliance management scope.

Key Management Tasks for Subsidiaries (12 first-tier subsidiaries, 10 second-tier subsidiaries)

Related Laws		Specific	No. of Agendas	Total
Fair trade laws and regulations		CP introduction	3 items	23 items
		Monopoly Regulation and Fair Trade Act	16 items	
		Subcontracting Act	4 items	
Mandatory laws and regulations	Environmental laws and regulations	Waste Control Act	19 items	23 items
		Clean Air Conservation Act	4 items	
	Other	Improper Solicitation and Graft Act	9 items	16 items
		Act on the Promotion of Mutually Beneficial Cooperation Between Large Enterprises and Small and Medium Enterprises	7 items	

Fair Trade Violations

SK Ecoplant is monitoring legal violations by type regarding the status of fair trade violations.

Fair Trade Violations (Consolidated)

Category		Unit	2021	2022	2023					
					Total	SKEP	SKEE	SKOP	SK Tes	Renewus
Number of monetary sanctions	Domestic	cases	0	0	0	0	0	0	0	0
	Overseas	cases	0	0	0	0	0	0	0	0
Fines and settlements	Domestic	Domestic	48.6	496.5	104.5	97.2	0	7.3	0	0
	Overseas	USD 10,000	0	0	0	0	0	0	0	0

Fair Trade Violations (SK Ecoplant)

Category		Unit	2021	2022	2023
Number of monetary sanctions	Domestic	cases	0	0	0
	Overseas	cases	0	0	0
Fines and settlements	Domestic	KRW 100 million	48.3	493.5	97.2
	Overseas	USD 10,000	0	0	0

Training on Fair Trade

SK Ecoplant provides case-specific and job-specific compliance education considering work relevance to all employees, including the CEO, executives, temporary workers and part-time workers. In 2023, SK Ecoplant provided a total of 4,250 hours of fair trade education to employees of SK Ecoplant and all its subsidiaries, thereby achieving the goal of expanding education to all subsidiaries, which was originally set for 2024, ahead of schedule.. Starting in 2024, one-on-one education will be provided by taking into account the business and characteristics of each subsidiary, in addition to existing education.

Fair Trade Education Performance for SK Ecoplant and its Subsidiaries (SK Ecoplant)

Category	Unit	2021	2022	2023
Total education time	hours	7,965	5,369	4,250 ¹⁾

1) Short-form (less than 5 minutes) education was launched to improve training comprehension and concentration, resulting in a decrease in the total education hours compared to the previous year.

Education Details by Target of Fair Trade Education

Training Target Group		Training Name/Subject	No. of Recipients (completion rate) ¹⁾
Subsidiaries	Advertising-PR manager	Eco-friendly advertising inspection preliminary training	15 people (88%)
	CP manager	Working-level council training for each construction and manufacturing module	19 people (100%)
	Subcontract manager	Introduction to subcontract management process improvement	12 people (100%)
Relevant department	SK Ecoplant sales manager	Unfair collusion, types of collusion, and Fair Trade Commission on-site examination	100 people (111%)
	Subsidiary sales manager		68 people (54%)
	SK Ecoplant environmental advertising manager	Overview of the Act on Fair Labeling and Advertising and cases of sanctions by the Fair Trade Commission and Ministry of Environment by industry	61 people (86%)
	Subsidiary environmental advertising manager		24 people (73%)
	SK Ecoplant executives, officials, and managers pursuing transactions with subsidiaries	Internal transaction compliance requirements and risk reduction measures	279 people (162%)
	Subsidiary executives, officials, and managers pursuing transactions with subsidiaries		104 people (153%)
	Compliance Office manager	CMS Kick-off Meeting	18 people (90%)
C-level and executives	SK Ecoplant C-level and executives	Major cases and precautions concerning internal transactions and unfair collusive practices	74 people (87%)
	SK ecoengineering C-level and executives		17 people (100%)
New employees	New Employees of the Eco Space Business Unit	Fair trade and subcontracting training	11 people (100%)
Department at risk ²⁾	Personnel in charge and general employees of related departments such as on-site public affairs, contracts, etc.	Short-form practical training for each Subcontracting Act content	2,958 people (139%)
	Target group for on-site assignment and transfer	Subcontracting Act training for new appointees	502 people (100%)
	Employees performing related tasks at SK Ecoplant and its subsidiaries	Training on "protection of technical data of subcontractors" under Subcontracting Act	2,048 people (100%)
Employees	All employees of SK Ecoplant and SK ecoengineering	Compliance informed directly by the CEO	3,456 people (100%)
	All employees of SK Ecoplant and SK ecoengineering	2023 global compliance training	3,060 people (100%)

1) Including voluntary participants beyond the training target group can result in a completion rate exceeding 100%

2) It refers to an organization at high risk of violating the Subcontracting Act, including project sites, department in charge of subcontracting management and signing contracts.

Compliance Management Activities

Status of Compliance Program Operation

Since the launch of the Compliance Program in 2008, SK Ecoplant has been operating various activities centered on eight key elements, including compliance with fair trade regulations and inspection of fair trade activities. The details of SK Ecoplant’s Compliance Program activities are as follows.

CP Operation Activities

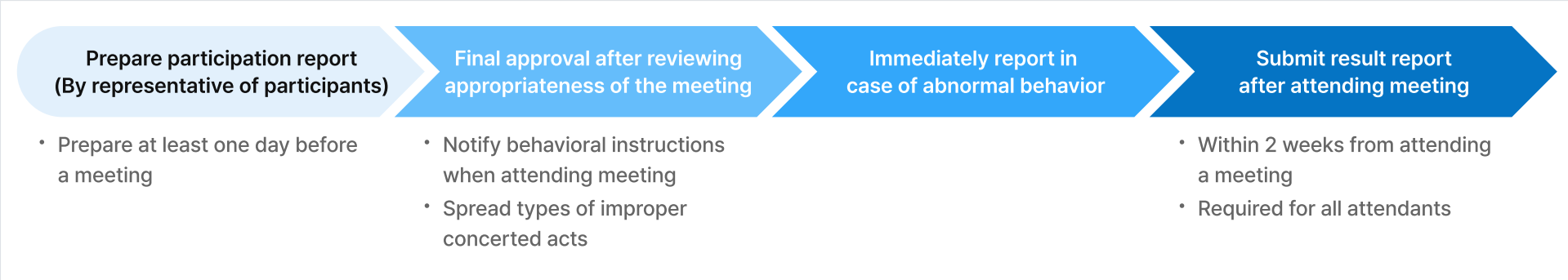
Schedule	Activity
2023.02.	Expanded company-wide KPI deduction system for compliance violations
	Appointed a new Chief Compliance Officer through resolution of Board of Directors (head of ESG Center)
2023.03.	Reported 2023 Compliance Operation Plan to Board of Directors
2023.04.	Completion of Statement of Oath for Fair Trade Compliance (97% consent rate/3,330 people consented)
	Signed a fair trade agreement with Biz. Partners
	Published the 1st regular newsletter (CP Letter) (Introduction to Compliance Program)
	Implemented improvements to documented issuance process
2023.05.	Conducted compliance workshops
	Published the 2nd regular newsletter (CP Letter) (Guide to compliance manual handbook)
2023.06.	Publicized SK Ecoplant's CP performance (Hankook Ilbo, etc.)
	Established the Subcontracting Win-Win Coordination Committee
2023.07.	Ministry of SMEs and Startups, held a roadshow and unveiled "purchase-payment linked system"
	CP awareness survey for all executives and employees (1st half of theyear)
	Reported 1st half of the year compliance operation performance to CEO
2023.08.	Released CEO's "Compliance Together" education video transcription
	Updated environmental advertising preliminary review guidelines
2023.09.	Overhauled fair trade subcontracting training and implemented "Subcontracting Act practical training"
	Acquired ISO37301 certification, international certification for compliance management system
2023.10.	Published regular newsletter (CP Letter) No. 7 (Guide on internal reporting system CP HOT LINE)
	Initiated issuing documented (work instructions) on mQMS Mobile
	Reported 3rd quarter of the year compliance operation performance to CEO
2023.11.	Completed on-site subcontracting status examination (69 on-going projects in South Korea)
	On-site award for excellence in adhering to compliance (Good Impact Award Ceremony)
	Reported 2023 compliance operation results to Board of Directors
2023.12.	4th revision of the regulation and rules for operating CP
	6th revision of the CP Guidebook
	Announced CEO message companywide on 15th anniversary of CP
	"2023 Shared Growth Day", a year-end event inviting corporate partners
	CP awareness survey for all executives and employees (2nd half of the year)
	Acquired "AAA (top-level)" CP rating from the Fair Trade Commission for 2023

Learn more about CP operation activities 

Compliance Activities

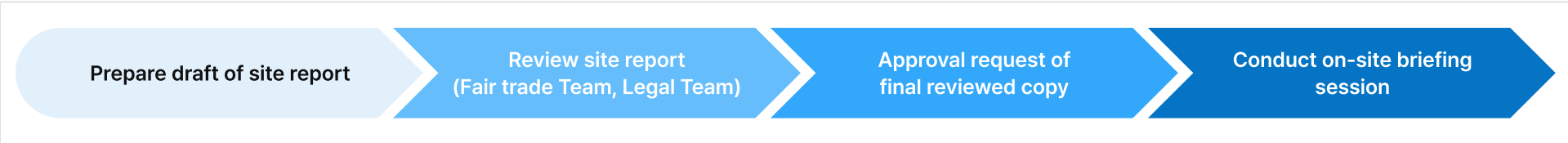
Pledge on Principles for Participating in Industry Meetings and Prevention of Bid Rigging

SK Ecoplant implements a preliminary industry meeting reporting system to prevent bid rigging by industry meeting participants. When reported pledges including the code of conduct on participating in industry meetings are collected, participants in industry meetings can attend after submitting a pre-registration form with detailed information, such as the purpose of attendance and number of attendees, as well as a "pledge to obey the principles of industry meeting participation" along with prior approval from the Compliance Team Leader. In case of any abnormal behavior, it must be reported promptly to the Chief Compliance Officer. Starting in 2022, we are monitoring the entire industry meeting attendance process by adding a procedure to post-report to the Compliance Division any instances of legal violations after attending the meetings.



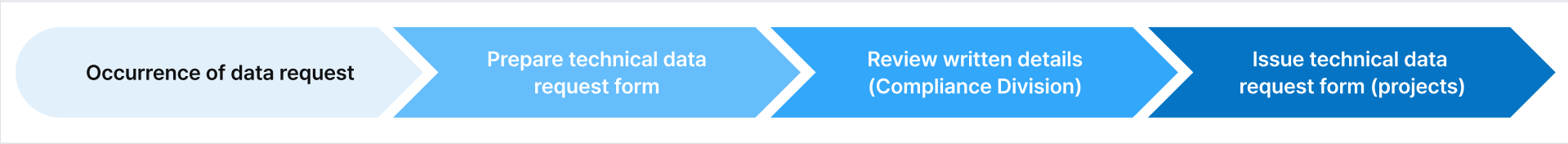
Prior Review for Compliance with the Subcontracting Act

In terms of subcontract agreements, we use a standard subcontracting contract form, and then the Policy Fair Trade Team and Contract Management Team check for any violations of the Subcontracting Act in on-site manuals concerning special agreement conditions. In 2023, we reviewed a total of 598 on-site manuals.



Prevention of Theft and Misuse of Biz. Partner's Technical Data

SK Ecoplant operates a "Technical Data Management System (TDMS)" to ensure compliance with the Subcontracting Act and to protect the technical data of subcontractors. This system verifies whether the materials provided by subcontractors during the contract and bidding stages are technical data and mandates the issuance of a technical data request form and the signing of a confidentiality agreement. Through this system, the Compliance Team constantly monitors the contract and bidding process to ensure that technical data request forms and confidentiality agreements are lawfully executed, thereby preventing legal violations such as theft and misuse of subcontractors' technical data. In 2023, a total of 1,779 requests for technical data were reviewed, with corrective actions being undertaken if any information was incorrectly entered.



Prevention of Labeling and Advertising Violations

SK Ecoplant reviews in advance by the Policy Fair Trade Team or Business Legal Team before distributing promotional materials to prevent violations of relevant laws and regulations due to false or exaggerated labeling and advertising in promotional materials as well as damage to stakeholders. In 2023, our internal environmental advertising pre-review process was reinforced according to the revision of the "guidelines for examination of labeling and advertising with reference to the environment", with a total of 15 promotional materials per year being pre-examined to correct any misleading phrases, preventing violations of the Act on Fair Labeling and Advertising.

Prevention of Violations Concerning the Improper Solicitation and Graft Act

SK Ecoplant has established and operates a process in which the Compliance Team reviews the possibility of Improper Solicitation and Graft Act violations before processing congratulatory and condolatory expenditures presenting gifts and producing souvenirs. In 2023, there were 28 reviewed cases related to Improper Solicitation and Graft Act conducted, and work manuals were provided to prevent legal violations. We continue to undertake promotional activities to comply with Improper Solicitation and Graft Act by distributing work manuals on regulatory overview, checklists, and violation cases to all employees.

정보보호

Information Security

Information Security System

Information Security Policy and Certification

Information Security Policy

SK Ecoplant established an information security policy, including information security regulations and personal information management regulations, and presented principles to safely protect and manage the information assets of the company and its customers. Within the information security regulations, we have established sector-specific rules, such as "HR security rules" and "security audit rules", and compiled guidelines and manuals under each rule to stipulate detailed work performance standards. The internal privacy security policy is established and revised periodically by monitoring external laws and trends. In 2023, the "information asset security rules" were revised to strengthen information leakage control by adding a provision prohibiting the use of external output equipment, and the "location information management guidelines" were newly instituted to ensure compliance with the obligations stipulated in the Location Information Act.

We protect corporate confidentiality and customer personal information by operating a round-the-clock surveillance system and controlling access to important data based on the three-access control principles¹⁾. In addition, we conduct a regular security assessment, inspection, and audit to verify compliance with privacy policies and normal operations of security measures. Based on this, we are upgrading our security management system in administrative, physical, and technical aspects.

1) Three principles of access control: 1. Need to know, 2. Least privilege policy, 3. Separation of duties.

Information Security Operational System

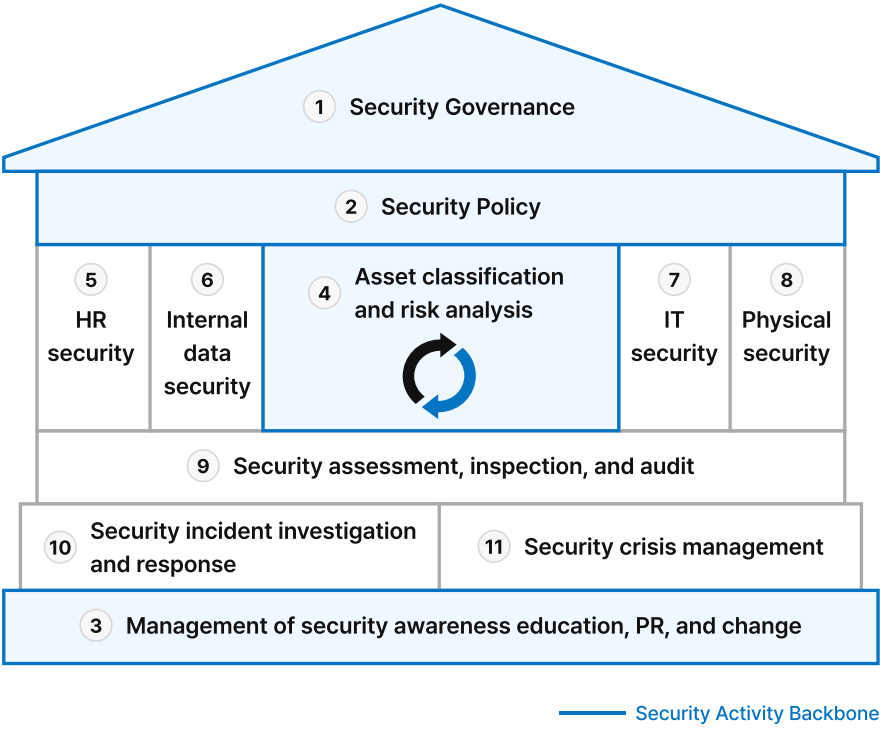
I Mission

SK ecoplant facilitates stable operations and achieves our business goals by managing security risks.

I Vision

Security Leader for Global Environmental Company

I Security Framework

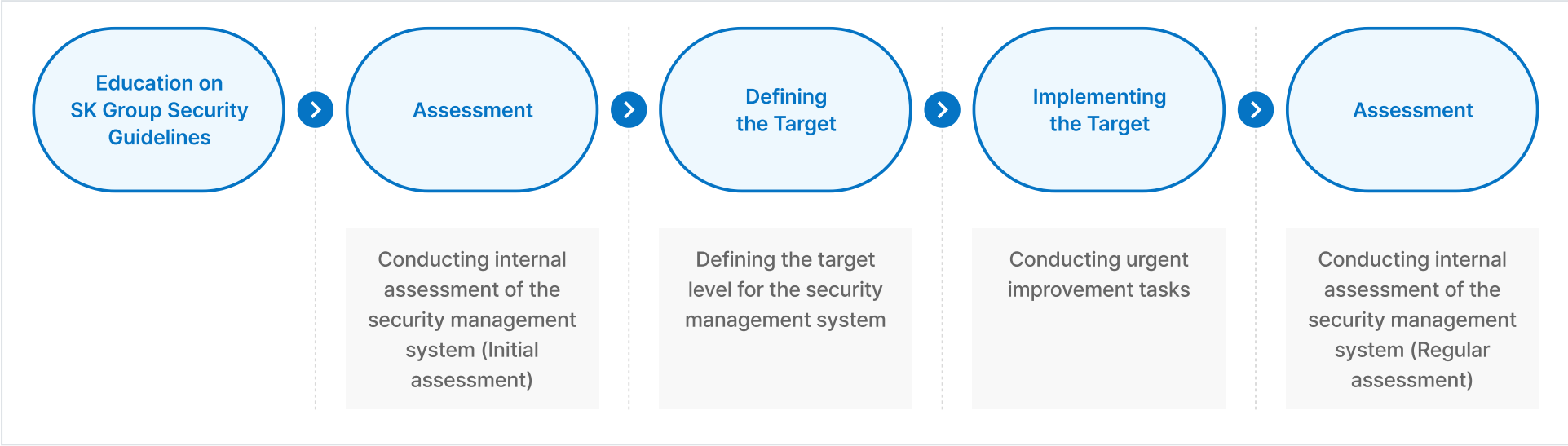


1 Security governance Establishing a corporate-level security organization system by designating a supervisory organization for security (planning, audit), operational organization, collaboration organization, division-specific management organization, and security personnel within departments	5 HR security Security management for internal employees and outsiders	9 Security assessment, inspection, and audit Setting up and running security assessments, inspections, and audit systems to check company-wide security management levels and compliance with security policies and legislation
2 Security policy Establishing, periodically reviewing and revising security policies (regulations, rules, operating principles and procedures, manuals) that serve as standards for enterprise security	6 Internal data security Preventing, detecting, and monitoring leaks of internal information (trade secrets, personal information, etc.), and establishing and operating response systems	10 Security incident investigation and response Investigating security incidents and setting and implementing measures to minimize losses and damages
3 Management of security awareness education, PR, and change Planning and running educational and public relations programs geared to better security awareness of employees and change management activities to solidify company security	7 IT security Managing security vulnerabilities and preventing external attacks of IT infrastructure and information systems, detection and monitoring, establishing and operating response systems	11 Security crisis management Defining response and recovery procedures for emergencies and urgent events such as accidents, disasters, and intrusions that could cause tangible and intangible losses
4 Asset classification and risk analysis Risk management by identifying and classifying the company's major assets, and analyzing asset-specific security risks to prepare response plans	8 Physical security Creating and implementing access control for major facilities such as office buildings, as well as physical protection systems for tangible assets	

Security Policy of Subsidiaries

SK Ecoplant strives to establish a high-level information security system at the company level by strengthening the information security capabilities of its subsidiaries through customized support. We provide "Security Shared Service" to subsidiaries that lack control over risks of exposure to cybersecurity threats and support them in establishing and implementing information security strategies suited to each business environment. Vulnerabilities in the publicly disclosed IT systems of subsidiaries are identified, and improvement measures are derived based on security needs. As for newly incorporated subsidiaries, the level of the security management system is assessed according to the "subsidiary's security management system", and set and implement improvement goals. Meanwhile, cyber simulation training is also conducted to raise the information security awareness of our subsidiaries.

Subsidiary Security Management System



Information Security Certification

SK Ecoplant has acquired and is maintaining domestic and global information security-related certifications to strengthen the stability of its information security system to a global level. The "Information Security Management System Certification (ISO 27001:2013)" acquired by SK Ecoplant officially assures the operation of an information security system that complies with global standards, including policies and organizations. In 2024, we plan to transition to ISO 27001:2022 certification, a new standard that accounts for the evolving digital environment such as cloud services and artificial intelligence (AI). In addition, we have acquired the "Privacy Information Management System certification (ISO 27701:2019)" for externally acclaimed safe management of personally identifiable information (PII) in compliance with global standards. Domestic standard "Personal Information & Information Security Management System Certification (ISMS-P)" have been acquired and maintained through annual follow-up reviews.

ISO 27001:2013

ISO 27701:2019

ISMS-P

Status of Information Security Certification

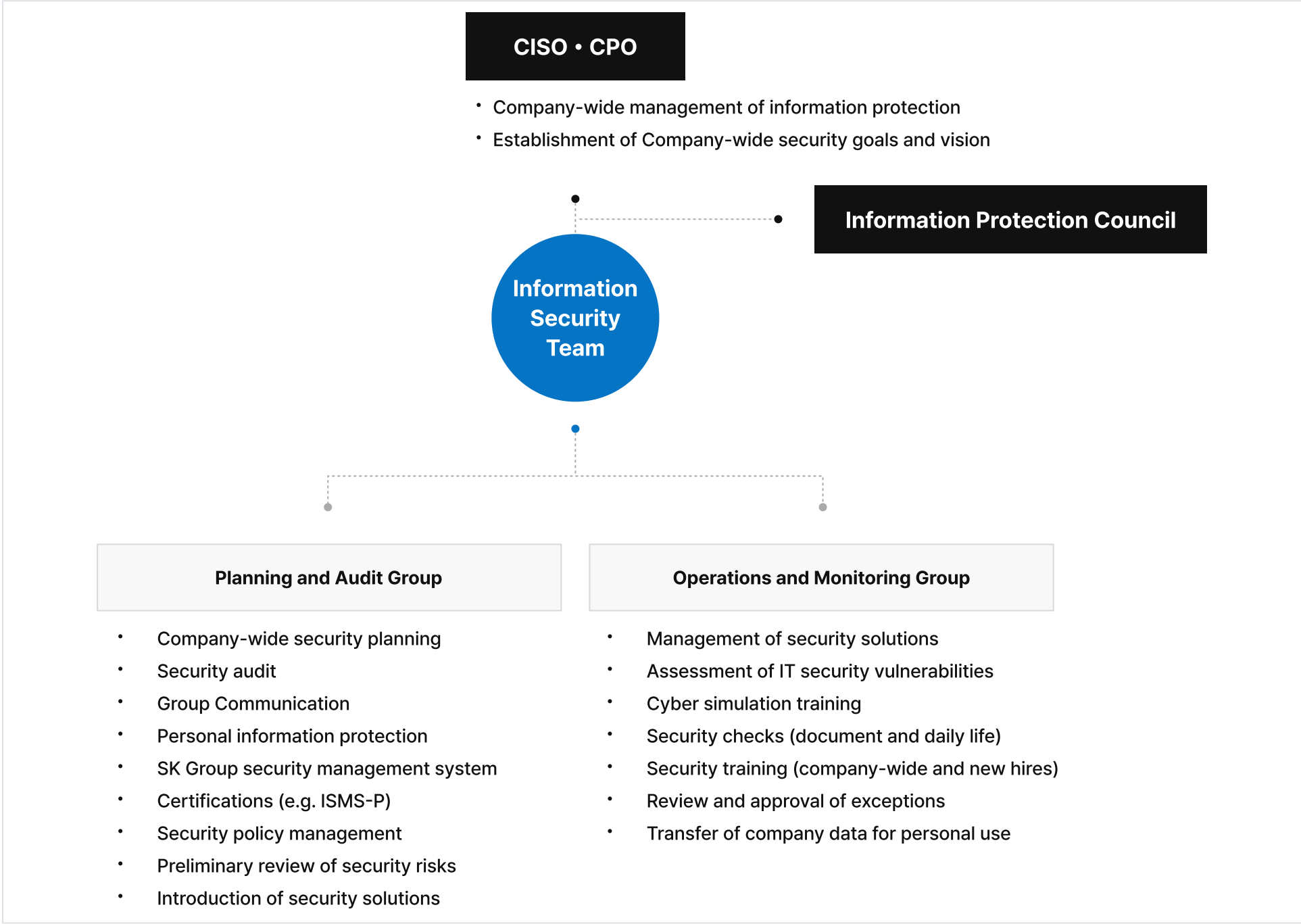
Owned certification	ISO 27001:2013	ISO 27701:2019	ISMS-P
Standard	International	International	Domestic
Valid period	2021.09.28.~2024.09.27.	2021.09.28.~2024.09.27.	2023.01.04.~2026.01.03.
Scope of certification	Customer satisfaction management system, Apartment sales management System, Customer information in internet homepage, Apartment sales homepages		
Certification effect	- Satisfaction of requirements from global market clients and enhancement of reliability - Compliance with domestic and overseas regulations related to information security - Objective proof of the company's information security level when participating in domestic and overseas projects - Securing business stability through systematic information security risk management		

Information Security Organization

As the control tower of the information security system, SK Ecoplant's information security organization is comprised of information security, privacy protection, and information and communication-related experts with an average of over 14 years of experience. This organization has established the corporate-level security goals and an integrated information security system. It conducts regular monitoring to prevent security incidents. In addition, security operating and implementing organizations' compliance with policies are assessed, inspected, and audited, with a focus on preventing additional damage through a rapid response in case of a security incident.

The Information Security Council is the highest decision-making body related to information security under the CISO and CPO, deliberating on key decisions, such as the status of security activities by department and information security activity plans with organizations that handle customers' personal information, such as IT, HR, and general administration departments. In 2023, the Information Security Council was held twice to deliberate on agenda items, such as compliance response plans for the revised Personal Information Protection Act, results of implementing the internal personal information management plan, and effectiveness measurement results.

Organizational Chart of Information Security



Information Security Officers

SK Ecoplant’s Chief Information Security Officer (CISO) and Chief Privacy Officer (CPO) are in charge of overall direction and supervision of information security tasks. In appointing the CISO and CPO, SK Ecoplant has established the qualifications (executive, expertise) required by related laws such as the 「Act on the Promotion of Information and Communications Network Utilization and Information Protection」 and 「Personal Information Protection Act」 as internal standards to ensure that their activities are based on expertise and aligned with their assigned responsibilities. The current information security officers at SK Ecoplant hold a master's degree in information security that exceeds the legal qualifications and are experts with more than 15 years of work experience in the information security and information and communications fields.

Chief Information Security Officer’s Role and Responsibilities

CISO (Chief Information Security Officer)	CPO (Chief Privacy Officer)
A. Establishes, implements, and improves the information security plan B. Periodically audits and improves the actual conditions of information security and its practices C. Identifies and evaluates information security risks and provides information security measures D. Establishes and implements the information security training and simulation plan	A. Establishes and implements the personal information security plan B. Periodically investigates and improves the actual condition of personal information processing and practices C. Processes complaints related to processing of personal information and damage relief D. Establishes an internal control system to prevent the leak of personal information and its misuse and abuse E. Sets and implements the personal information security training plan F. Protects, manages, and supervises personal information files

Information Security Performances and Goals

Information Security Activities and Roadmap

SK Ecoplant strives to achieve the goal of "zero incidents of information leaks and legal violations" by preventing the occurrence of information security-related risks. To this end, information security activities are subdivided into core management areas such as personal information management, internal information leakage control, cybersecurity threat response, location information security enhancement, and cloud security, with a medium and long-term roadmap being established and managed.

Personal Information Management

SK Ecoplant securely protects customers' valuable information assets by obtaining domestic and international certifications for information security and customer personal information protection, such as ISO 27001, ISO 27701, and ISMS-P. In 2023, [the "privacy policy" was newly posted in an easy-to-read](#)  format on the company website to facilitate stakeholders’ accessibility to personal information management, and the corporate-level system was assessed to improve the level of personal information management of employees. We are poised to complete employee personal information security measures in 2024 and increase the personal information management level through self-initiated inspections every year. In addition, the revisions to the Personal Information Protection Act, which will take effect from 2024, will be incorporated in our internal management plan, with inspections being conducted accordingly.

Goals for Personal Information Management

2024	2025	2026
• Incorporating implemented revision of the Personal Information Protection Act into the internal management system • Security measures for employee personal information processing system	• Implementing and improving regular personal information self-initiated inspection	• Implementing and improving regular personal information self-initiated inspection

Control of Internal Information Leak

SK Ecoplant's abnormality monitoring system is constantly operated to monitor anomalous attempts and signs of internal information leakage. In 2023, we established and applied business-specific security management standards for assured control of internal information leakage from major projects and overseas corporations, while expanding the scope of prior approval for sending external emails. In addition, we launched a campaign to delete old and unnecessary documents to raise employees' awareness of document security. In 2024, a new information leakage control policy will be established to continuously carry out activities aimed at eliminating security risks.

Goals for Controlling Internal Information Leak

2024	2025	2026
• Management, guidance and supervision of cloud-based integrated security solution rollout at overseas affiliates • Improving work efficiency by optimizing internal information leakage monitoring scenarios	• Establishing a plan to upgrade the endpoint hacking and information leakage defense system	• Enhancing internal information leakage monitoring using AI and machine learning

Response to Cyber Security Threat

SK Ecoplant operates a 24/7 layer-based security system and specialized security control for cybersecurity threat response. Through this, hacking and infringement attempts on IT infrastructure and information systems are impeded and a comprehensive inspection of information leakage risks is conducted, with the results to be used as basis for upgrading the risk response system. In 2023, we completed the stabilization of security policies for cloud-based services and new security control application. Furthermore, we established a policy to improve the security level of apartment home networks and are applying it to new residential complexes in phases. In 2024, CSPM (Cloud Security Posture Management) will be introduced to maintain the security level of cloud-based services. Additionally, we aim to establish a proactive response system to increasingly sophisticated cybersecurity threats by expanding white-hat hacker activities and replacing IT infrastructure security assessment tools.

Goals for Response to Cyber Security Threat

2024	2025	2026
• Introduction of CSPM (Cloud Security Posture Management) • Expanding white-hat hacker activity areas • Replacement of IT Infra security diagnostic tool	• Introduction of server endpoint-APT detection and response solution (EDR) • Dark web information leakage monitoring • Expanding vulnerability assessment areas and introduction of ASM (Attack Surface Management)	• Introduction of PC endpoint-APT detection and response solution (EDR) • Expanding IT Infra hacking response areas

Strengthening Location Information Security

SK Ecoplant protects customer location information according to relevant laws and regulations. In 2023, a dedicated management officer was assigned to establish a management system for location information, and location information terms of use and processing policies were prepared. In 2024, we plan to enhance the level of location information management by establishing and implementing an internal management plan that includes inspections of the status of location information handling, and training of those who handle location information.

Goals for Strengthening Location Information Security

2024	2025	2026
• Stabilizing location information management system - Establishing and implementing an internal management plan - Applying protective measures	• Implementing and improving regular location information self-initiated inspection	• Implementing and improving regular location information self-initiated inspection

Information Security Investment and Training

Information Security Investment

SK Ecoplant is investing in information security to strengthen its internal information security capabilities and respond to external breaches. The investment amount in information security in 2023 amounted to approximately 8% of the total IT budget.

Information Security Investment Performances (SK Ecoplant)

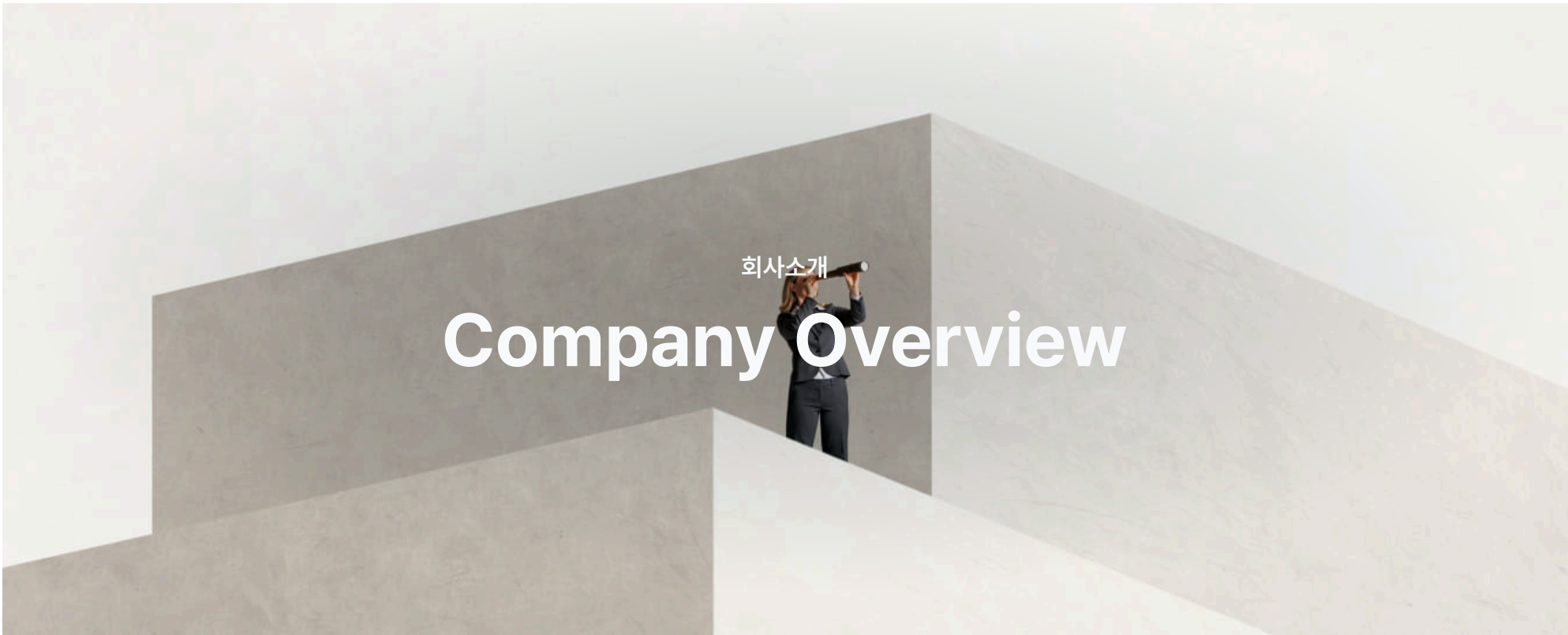
Category	Unit	2021	2022	2023
IT budget	KRW 1 million	37,629	31,259	37,323
Operational and investment cost	KRW 1 million	35,510	28,817	34,680
Internal manpower labor cost	KRW 1 million	2,119	2,441	2,643
Information security investment cost	KRW 1 million	2,968	3,413	2,970
Operating and investment cost	KRW 1 million	2,250	2,443	2,034
Internal manpower labor cost	KRW 1 million	719	970	936
Information security investment ratio	%	7.9	10.9	8.0

Cyber Simulation Training

SK Ecoplant conducts simulation training every year to actively respond to increasingly sophisticated cyber threats. In 2023, DDoS attack response, system recovery, and encryption key change training were conducted to implement cyberattack response. In addition, the security awareness of all employees, including subsidiaries, was raised through our in-house phishing email simulation training, and the level of security was objectively measured from participation in simulation training hosted by an external professional organization (KISA).

Status of Cyber Simulation Training (SK Ecoplant)

Name of training	Unit	2021	2022	2023
DDoS attack response training Inspecting the response to DDoS attacks, such as situational development and interception rate, after a simulated attack	times	1	1	1
System recovery training Training on system recovery and service resumption, assuming server failure	times	1	1	1
Encryption key change training Carrying out training in terms of new encryption key changes, assuming a breach in document security and DB encryption key leakage	times	1	1	1
Phishing email response training Measuring attack success rates after sending a spear phishing email for simulation training	times	1	2	2



General information

SK Ecoplant Overview

Company name	SK Ecoplant		
Year and date of establishment	February 21st, 1962		
Number of worksites	104 sites		
Number of employees	3,488 (As of Dec. 31, 2023)		
Financial performance	Backlog	KRW 19.1 trillion	
	Revenue	KRW 4.6 trillion	
	Operating profit	KRW 39.3 billion	
Credit rating	A- (corporate bonds), as of Oct. 2023		
Key business sectors	Environmental Business:		landfill, incineration, water treatment, E-waste, waste batteries, plastic recycling, etc.
	Energy Business:		fuel cell-hydrogen, renewable energy generation (solar, wind), implementation of energy solutions, etc.
	Solution Business	Plant	Industrial plant, chemical plant, power plant, environmental plant construction projects, etc.
		Housing-Construction	Apartments, officetels (office-residential buildings), business-commercial facilities, government offices, data center-logistics center construction and development projects, etc.
		Infrastructure	Roads, railways, ports, environment (water supply and sewage, wastewater treatment, waste landfill-incineration, eco-friendly materials, etc.), industrial complexes, offshore wind power development projects, etc.

Global Network

Overseas branch (27 across 23 countries)	UAE (3), Norway, Laos, Malaysia, Mexico, USA (2), Vietnam (2), Saudi Arabia, Singapore, Ecuador, UK, Iraq, Indonesia, Chile, Kazakhstan, Qatar, Kuwait, Thailand, Türkiye, Poland, Philippines, Hungary, Hong Kong
Overseas corporations (19 across 10 countries)	Netherlands, Laos, Malaysia, USA (4), Saudi Arabia (2), Singapore (3), China, Kazakhstan, Thailand (2), Türkiye (3)

Awards

Order	Date	Awarded by	Awards
1	2023.01.13.	Korea National Railway Seoul Metropolitan Regional Office	Recognition_2022 “Railroad Safety Awards” Commendation
2	2023.03.22.	Money Today	2023 Overseas Construction Awards_Grand Prize_Private Business Sector
3	2023.04.21.	Minister of Science and ICT	Recognition_Contribution to developing and commercializing new eco-friendly construction materials such as KEco-bar and KEco-binder
4	2023.05.18.	Korea Institute of Building Construction (KIC)	Technology Award_Technology development and advancement in the architectural construction field
5	2023.05.31.	Money Today	2023 Korea Residential Service Awards_Grand Prize in Eco-Friendly Sector
6	2023.06.15.	Minister of Land, Infrastructure and Transport	Recognition_Contribution to development of the construction industry
7	2023.06.15.	Minister of Land, Infrastructure and Transport	Recognition_Contribution to development of the construction industry
8	2023.06.27.	The Korean Economic Daily Magazine	19th Wellbeing Apartment Awards_Eco-Friendly sector
9	2023.07.03.	Minister of Employment and Labor	Recognition_2023 Occupational Accident Prevention Merit Award
10	2023.07.18.	Administrator of Cheongju Branch of Daejeon Regional Employment and Labor Office	Recognition_Contribution to occupational accident prevention industry
11	2023.07.20.	Central Region Employment and Labor Office Administrator	Awarded_Grand Prize_2023 Safety Activities Excellent Case Presentation Contest in Construction Industry
12	2023.09.19.	Lloyd's Register Quality Assurance Inc._LRQA	Acquired international certification for Compliance Management System_ISO 37301
13	2023.09.21.	Korea Economic Daily TV	2023 Korea Representative Apartment Grand Prize_Minister of Land, Infrastructure and Transport Grand Prize
14	2023.09.21.	Seoul Metropolitan City Mayor	18th Asia Construction Awards_Grand Prize in Social Contribution Sector
15	2023.09.22.	Seoul Metropolitan City Mayor	Recognition_Operating a Seoul-type eco-friendly construction site
16	2023.10.18.	Aju Business Daily	2023 Aju Business Daily Construction Grand Prize – Judge’s Grand Prize in Social Contribution Sector
17	2023.10.19.	Korea Recycled Construction Resources Institute	Excellent Recycling Award_Contribution to excellent recycling of construction recycled resources
18	2023.10.31.	Asia Today	15th Green Construction Awards_Eco-Friendly Digital Solution sector
19	2023.11.08.	eToday	2023 Smart Construction Awards_Grand Prize in New Business Sector
20	2023.11.14.	eDaily	2023 Eco-friendly Construction Grand Prize_Grand Prize in Energy Technology Sector
21	2023.11.14.	Chairman of the Korea Workers' Compensation and Welfare Service	Awarded_2023 Work Daycare Center THE Pride Childcare Contest (Space Environment Design sector) Excellence Award
22	2023.11.17.	Minister of Environment	Awarded_19th Construction Environmental Management Best Practice Contest
23	2023.11.17.	Korea Construction Environment Association	Awarded_19th Construction Environmental Management Best Practice Contest
24	2023.11.22.	Korea National Railway Chairman & CEO	Awarded_2023 Smart Construction Challenge Contest Innovation Award
25	2023.11.30.	Hankook Ilbo	2023 Green Housing Awards_Customer Satisfaction Grand Prize

Order	Date	Awarded by	Awards
26	2023.12.05.	Mediapen	Eco-friendly Grand Prize_MP Correct Housing Grand Prize
27	2023.12.08.	Construction Workers Mutual Aid Association	Awarded_2023 Silver Award for Excellent Workplace in Implementing Retirement Deductions
28	2023.12.08.	Construction Workers Mutual Aid Association	Awarded_2023 Excellence Award for Excellent Workplace in Implementing Retirement Deductions
29	2023.12.08.	Herald Biz	Herald Biz House to Live in 2023_Knowledge Industry Center Grand Prize
30	2023.12.11.	District Mayor of Gangdong-gu, Seoul	Recognition_Construction Safety Management
31	2023.12.14.	Minister of Land, Infrastructure and Transport	Recognition_Contribution to developing land and transportation business
32	2023.12.19.	Seoul Economic Daily	2023 Korea Construction and Real Estate Industry Awards_ESG Management Category
33	2023.12.21.	Korea Economic Daily	2023 Korea Economic Daily Construction Real Estate Awards_Officetel Grand Prize
34	2023.12.21.	Administrator of Seoul Southern Branch, Seoul Regional Employment and Labor Office	Recognition_Contribution to preventing industrial accidents and proliferating safety culture
35	2023.12.26.	Administrator of Busan Northern Branch, Busan Regional Employment and Labor Office	Recognition_Disaster prevention and safety culture vulnerability improvement
36	2023.12.28.	Korea National Railway Chairman & CEO	Awarded_2023 KR Railroad Safety Awards
37	2023.12.29.	Busan Metropolitan City Mayor	Awarded_Good Company Certification Evaluation Grand Prize

Memberships and associations

Memberships in 69 associations and institutions as of 2023



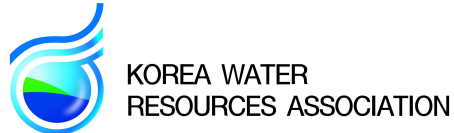
[Seoul Chamber of Commerce and Industry](#)

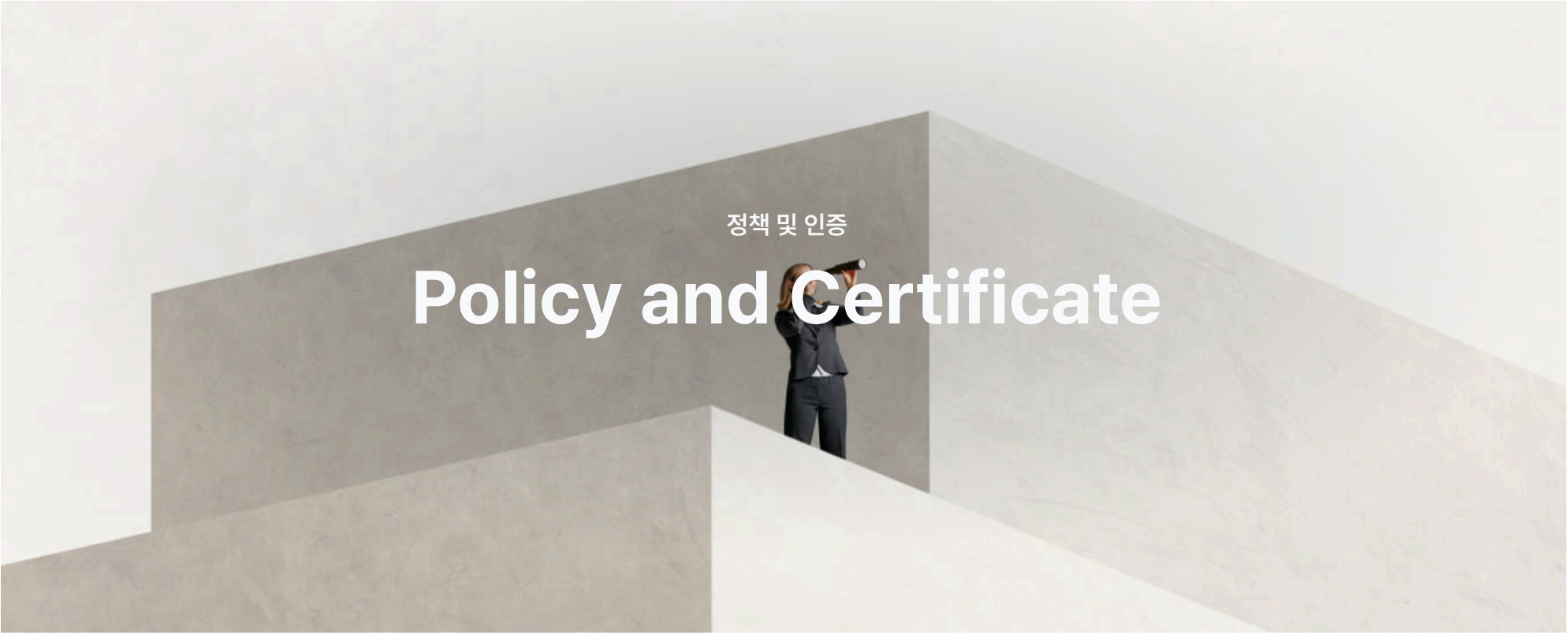


[Korea Environmental Industry Association](#)



[Korea Hydrogen and New Energy Society](#)





ESG
Management

ESG Business Principles and Code of Conduct

Download 

Corporate
Governance

Articles of Incorporation

Download 

SK Ecoplant Governance Charter

Download 

Board of Directors Regulations

Download 

ESG Committee Regulations

Download 

Nomination and Remuneration Committee Regulations

Download 

Audit Committee Regulations

Download 

Ethical
Management
and Compliance

Code of Ethics

Download 

Code of conduct for Ethical Management

Download 

Global Anti-corruption Regulations

Download 

ISO 37301:2021

Download 

QSHE
Management

SK Ecoplant Environmental Management Policy	Download 
Environmental Policy	Download 
Environmental Management Strategy	Download 
ISO 14001:2015	Download 
Safety and Health Management Policy	Download 
Safety and Health Policy	Download 
ISO 45001:2018	Download 
KOSHA-MS	Download 
Customer Protection Charter	Download 
Quality Policy	Download 
ISO 9001:2015	Download 
KEPIC-MN	Download 
KEPIC-EN	Download 
KEPIC-SN	Download 
KEPIC-MH	Download 

Information
Security

ISO/IEC 27001:2013	Download 
ISO/IEC 27701:2019	Download 
ISMS-P	Download 

Human Rights
Management

SK Ecoplant Human Rights Management Declaration	Download 
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Win-win Growth

Biz. Partner's Code of Conduct	Download 
Eco-Friendly Procurement Policy	Download 



GRI

GRI Content Index

Statement of Use	SK Ecoplant has reported in accordance with the GRI Standards for the period 2023-01-01 ~ 2023-12-31
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Currently not applicable

GRI 2: General Disclosures 2021

Category	GRI Code	Disclosure	Location
The organization and its reporting practices	2-1	Organizational details	General Information
	2-2	Entities included in the organization’s sustainability reporting	Scope and Assurance
	2-3	Reporting period, frequency and contact point	Scope and Assurance
	2-4	Restatements of information	Noted in comments where applicable.
	2-5	External assurance	Third-party Verification
Activities and workers	2-6	Activities, value chain and other business relationships	Company Overview
	2-7	Employees	Employee Status
	2-8	Workers who are not employees	Employee Status

Category	GRI Code	Disclosure	Location
Governance	2-9	Governance structure and composition	Activities of Committees under the BOD
	2-10	Nomination and selection of the highest governance body	BOD-Centered Management Activities of Committees under the BOD
	2-11	Chair of the highest governance body	BOD Independence and Diversity
	2-12	Role of the highest governance body in overseeing the management of impacts	BOD Activities
	2-13	Delegation of responsibility for managing impacts	BOD Activities
	2-14	Role of the highest governance body in sustainability reporting	Materiality Assessment Process and Results
	2-15	Conflicts of interest	BOD Independence and Diversity
	2-16	Communication of critical concerns	Materiality Assessment Process and Results
	2-17	Collective knowledge of the highest governance body	Expertise of the BOD
	2-18	Evaluation of the performance of the highest governance body	BOD Evaluation
	2-19	Remuneration policy	Director Remuneration Policy
	2-20	Process to determine remuneration	Director Remuneration Policy
	2-21	Annual total compensation ratio	Director Remuneration Policy
Strategy, policy and practices	2-22	Statement on sustainable development strategy	CEO Message
	2-23	Policy commitments	Policy and Certificate
	2-24	Embedding policy commitments	Ethical Management System
	2-25	Processes to remediate negative impacts	Human Rights Protection Activities
	2-26	Mechanisms for seeking advice and raising concerns	Reporting Channels for Unethical Behavior
	2-27	Compliance with laws and regulations	Environmental Compliance
	2-28	Membership associations	Memberships and associations
Stakeholder engagement	2-29	Approach to stakeholder engagement	Communication with Stakeholders
	2-30	Collective bargaining agreements	Healthy Labor-Management Communication

GRI 3: Material Topics

Category	GRI Code	Disclosure	Location
Disclosures on material topics	3-1	Process to determine material topics	Materiality Assessment Process and Results
	3-2	List of material topics	Materiality Assessment Results

Topic Standards

Category	GRI Code	Disclosure	Location
Economic Performance	201-1	Direct economic value generated and distributed	Company Overview
	201-2	Financial implications and other risks and opportunities due to climate change	TCFD Information Disclosure
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	Social Contribution Goals
	203-2	Significant indirect economic impacts	Social Value Creation Performances
Anti-corruption	3-3	Management of material topics	Compliance Risk Management
	205-1	Operations assessed for risks related to corruption	Internal Audit
	205-2	Communication and training about anti-corruption policies and procedures	Ethical Management System Ethical Training
	205-3	Confirmed incidents of corruption and actions taken	Anti-corruption Violations
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Fair Trade Violations
Materials	301-1	Materials used by weight or volume	Eco-Friendly Procurement Policy
	301-2	Recycled input materials used	Eco-Friendly Procurement Policy
Energy	3-3	Management of material topics	Renewable Energy Transition Activities
	302-1	Energy consumption within the organization	Energy Consumption
	302-3	Energy intensity	Energy Consumption
	302-4	Reduction of energy consumption	GHG Emission Reduction Activities and Performances
Water and Effluents	303-1	Interactions with water as a shared resource	Water Resources
	303-2	Management of water discharge related impacts	Harmful Substances
	303-3	Water withdrawal	Water Resources
	303-4	Water discharge	Water Resources
	303-5	Water consumption	Water Resources

Category	GRI Code	Disclosure	Location
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity
	304-3	Habitats protected or restored	Biodiversity
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity
Emissions	3-3	Management of material topics	GHG Emission Reduction Roadmap and Strategy
	305-1	Direct (Scope 1) GHG emissions	GHG Emissions
	305-2	Energy indirect (Scope 2) GHG emissions	GHG Emissions
	305-3	Other indirect (Scope 3) GHG emissions	GHG Emissions
	305-4	GHG emissions intensity	GHG Emissions
	305-5	Reduction of GHG emissions	Renewable Energy Transition Activities
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Harmful Substances
Waste	306-1	Waste generation and significant waste-related impacts	Waste and Resource Circulation
	306-2	Management of significant waste related impacts	Waste and Resource Circulation
	306-3	Waste generated	Waste and Resource Circulation
	306-4	Waste diverted from disposal	Waste and Resource Circulation
	306-5	Waste directed to disposal	Waste and Resource Circulation
Supplier Environmental Assessment	3-3	Management of material topics	Supply Chain ESG Evaluation
	308-1	New suppliers that were screened using environmental criteria	Supply Chain ESG Evaluation
	308-2	Negative environmental impacts in the supply chain and actions taken	Supply Chain ESG Evaluation
Employment	401-1	New employee hires and employee turnover	Talent Acquisition System Support for Work-Life Balance
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Support for Work-Life Balance
	401-3	Parental leave	Support for Work-Life Balance

Category	GRI Code	Disclosure	Location
Occupational Health and Safety	3-3	Management of material topics	Safety and Health Management System
	403-1	Occupational health and safety management system	Safety and Health Management System
	403-2	Hazard identification, risk assessment, and incident investigation	Business Site Safety and Health Management
	403-3	Occupational health services	Healthcare Activities in the Business Site
	403-4	Worker participation, consultation, and communication on occupational health and safety	Management of Safety and Health Risks
	403-5	Worker training on occupational health and safety	Boosting Safety and Health Competency
	403-6	Promotion of worker health	Health Support Policy and Goals
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Management of Safety and Health Risks
	403-8	Workers covered by an occupational health and safety management system	Safety and Health Management System
	403-9	Work-related injuries	Serious Accident Prevention Activities and Performances
	403-10	Work-related ill health	Serious Accident Prevention Activities and Performances
Training and Education	404-1	Average hours of training per year per employee	Employee Competency Reinforcement Programs
	404-2	Programs for upgrading employee skills and transition assistance programs	Support for Work-Life Balance
	404-3	Percentage of employees receiving regular performance and career development reviews	Performance Evaluation Systems and Processes
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Employee Status
	405-2	Ratio of basic salary and remuneration of women to men	Fair Compensation
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Social Contribution Strategy and Goals
	413-2	Operations with significant actual and potential negative impacts on local communities	Water Resources Biodiversity
Supplier Social Assessment	3-3	Management of material topics	Supply Chain ESG Evaluation
	414-1	New suppliers that were screened using social criteria	Supply Chain ESG Evaluation
	414-2	Negative social impacts in the supply chain and actions taken	Supply Chain ESG Evaluation
Customer Health and Safety	3-3	Management of material topics	Quality Management System and Performances
	416-1	Assessment of the health and safety impacts of product and service categories	Quality Management Policy and Certification
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Quality Management Activities



SASB (Sustainability Accounting Standards Board) Index

SK Ecoplant utilizes SASB Standards to provide stakeholders with information on sustainability-related risks and opportunities within the scope of consolidation, including subsidiaries. We have identified SASB Standards relevant to the business activities of SK Ecoplant and our key subsidiaries, SK ecoengineering, SK oceanplant, SK Tes, and Renewus. Disclosure topics were selected considering the significant relevance of the topics included in the identified SASB standards to our business activities. Ultimately, we referenced the SASB standards for five industries, and detailed information is reported through the SASB Index below.

Environmental Business

Waste Management Industry

Sustainability Disclosure Topics & Metrics

Topic	SASB Code / Metric	Renewus	SK Tes
Greenhouse Gas Emissions	IF-WM-110a.1 Scope 1 emissions	436,565tCO ₂ eq	1,498tCO ₂ eq
Fleet Fuel Management	IF-WM-110b.1 (1) Vehicle fuel consumption (2) Ratio of vehicle natural gas use (3) Ratio of vehicle renewable energy use	(1) 75,878 GJ (2) 0% (3) 0%	(1) 19,199 GJ (2) 13% (3) 0%
	IF-WM-110b.2 Ratio of alternative fuel vehicle	0%	0%
Air Quality	IF-WM-120a.1 (1) NOx emissions (2) SOx emissions (3) Volatile organic compounds (VOCs) emissions	(1) 69.8 tons (2) 3.3 tons (3) 0.7 tons	(1) 2.5 tons (2) 0.008 tons (3) -
	IF-WM-120a.2 No. of facilities located in or near areas of dense population	17 facilities - Renewus Headquarters, Renewone Headquarters: 2 locations - Renew Energy Gyeongin, Gyeonggi, Gyeongbuk, Chungcheong, Daewon, Green, Saehan: 7 locations - Renew Energy Chungnam: 1 location - Renew Land Gyeongju, Cheongju: 2 locations - Renew Liquid Seonam (Daesan, Gimhae), Honam: 3 locations - Renew Con Daewon, Renew Logis: 2 locations	31 facilities
Labour Practices	IF-WM-310a.1 Percentage of active workforce employed under collective agreements	35%	6%
	IF-WM-310a.2 Total number of idle days due to work stoppage	17 days	0 days

Topic	SASB Code / Metric	Renewus	SK Tes
Workforce Health & Safety	IF-WM-320a.1 (1) Total accident rate (2) Fatality rate	(1-a) Permanent employees 0.3 (1-b) Contract employees 0 (2-a) Permanent employees 0% (2-b) Contract employees 0%	(1-a) Permanent employees 3.35 (1-b) Contract employees 0.41 (2-a) Permanent employees 0% (2-b) Contract employees 0%
	IF-WM-320a.3 No. of road accidents and incidents	40 cases	16 cases
Recycling & Resource Recovery	IF-WM-420a.4 (1) E-waste collection amount (2) Material recovery rate through E-waste recycling	-	(1) 180,221 tons (2) 42%

Activity Metrics

Topic	SASB Code / Metric	Renewus	SK Tes
Activity Metrics	IF-WM-000.A No. of customers by type (municipal, commercial, industrial, residential, other)	Municipalities 39 cases, industry 168 cases	-
	IF-WM-000.B Total number of vehicles	66 cars	79 cars
	IF-WM-000.D No. of facilities by type (landfills, transfer sites, recycling centers, incinerators, other facilities)	2 landfills, 10 incinerators, 3 other facilities	37 recycling centers
	IF-WM-000.C Waste management volume by customer type (municipal, commercial, industrial, residential, other)	Municipalities 159,710 tons, industry 107,824 tons	Commercial 101,766 tons

Energy Industry

Wind Technology & Project Developers Industry

Sustainability Disclosure Topics & Metrics

Topic	SASB Code / Metric	SK oceanplant
Materials Efficiency	RR-WT-440b.1 Top 5 consumed materials (by weight)	1. PLATE 127,601 tons 2. H-BEAM 5,700 tons 3. PIPE 1,940 tons 4. ANGLE 178 tons 5. ROUND BAR 0.127 tons (The 2nd- ~ 5th-ranked were calculated based on the arrival volume in 2023.)

Industrial Machinery & Goods Industry

Sustainability Disclosure Topics & Metrics

Topic	SASB Code / Metric	SK oceanplant
Energy Management	RT-IG-130a.1 (1) Total energy consumption (2) Percentage of grid electricity (3) Renewable energy consumption rate	(1) 952.98 TJ (2) 100% (3) 0%

Activity Metrics

Topic	SASB Code / Metric	SK oceanplant
Activity Metrics	RT-IG-000.A No. of units produced by product category	Foundation 25 items Component 10 items (offshore wind power substructure parts and components)
	RT-IG-000.B Total number of employees	878 persons

Solution Business

Engineering & Construction Services Industry

Sustainability Disclosure Topics & Metrics

Topic	SASB Code / Metric	SK Ecoplant	SK ecoengineering
Environmental Impacts of Project Development	IF-EN-160a.1 No. of incidents of non-compliance with environmental permits, standards, and regulations	24 cases ※ This is the total number of cases without applying a separate amount standard.	1 case ※ This is the total number of cases without applying a separate amount standard.
	IF-EN-160a.2 Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	[SK Ecoplant] SK Ecoplant fulfills its social and environmental responsibilities and strictly complies with environmental laws and regulations. SK Ecoplant conducts an environmental impact assessment to identify potential environmental risk factors, and establishes and implements supplementary/action plans for the identified risk factors. In addition to compliance purposes, we are identifying environmental impacts that may result from our business activities in a wide range of areas, including air, soil, water quality, and biodiversity, and are actively taking mitigation measures to minimize the identified negative impacts. In addition, SK Ecoplant operates an inspection process and monitoring system for transparent management and emission standards for individual environmental factors such as waste, water quality, and air pollutants. We have developed a checklist for the entire project process, including atmosphere, waste, noise-vibration, and water quality, for self-inspection on project approval-permission-operation-prevention and control facility measures. We have developed and are using an “on-site environmental issue-centered management standard model” to inspect environmental issues by site itself, and are working hard to comply with environmental laws by conducting occasional inspections on all sites based on six major non-conformance factors.	
Structural Integrity & Safety	IF-EN-250a.1 Amount of defect- and safety-related rework costs	Domestic: KRW 21.36 billion Overseas: KRW 3.41 billion	Domestic: KRW 470 million Overseas: KRW 0
	IF-EN-250a.2 Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	Domestic: KRW 8.26 billion Overseas: KRW 0	Domestic: KRW 0 Overseas: KRW 0
Workforce Health & Safety	IF-EN-320a.1 (1) Total recorded incident rate (TRIR) (2-a) Fatality rate of direct employees (2-b) Fatality rate of contract employees	(1) SK Ecoplant uses the LTIR as a safety management indicator instead of TRIR. LTIR figures for 2023 are 0.157 (employee) and 1.027 (Biz. Partner). (2-a) 0% (2-b) 0%	(2-a) 0% (2-b) 0%

Topic	SASB Code / Metric	SK Ecoplant	SK ecoengineering
Lifecycle Impacts of Buildings & Infrastructure	IF-EN-410a.1 (1) No. of projects with sustainability certification verified by a third-party (2) No. of scheduled sustainability certifications among ongoing projects	(1) Green Building Certification (Green Standard for Energy and Environmental Design, G-SEED): 3 cases Energy Efficiency Rating Certification: 3 cases (2) 2024 Green Building Certification: 12 cases, Energy Efficiency Rating Certification: 14 cases 2025 Green Building Certification: 9 cases, Energy Efficiency Rating Certification: 10 cases 2026 Green Building Certification: 5 cases, Energy Efficiency Rating Certification: 5 cases	(1) Green Building Certification: 2 cases, Energy Efficiency Rating Certification: 2 cases (2) 0 cases
	IF-EN-410a.2 Discussion process to incorporate operational-phase energy and water efficiency considerations into project planning and design	[SK Ecoplant] SK Ecoplant undertakes a variety of phased activities to minimize environmental impacts throughout the entire life cycle of buildings, from design, construction, operation, and maintenance to disposal. We identify and develop eco-friendly technologies and apply them in design and construction. We have obtained certifications such as the Green Building Certification and the Building Energy Efficiency Rating, and we conduct Life-Cycle Assessment (LCA) to evaluate the environmental impacts that occur throughout the life cycle of a building. Design - In the initial stage of project design, design and technology elements are introduced to secure the energy efficiency of the building itself and improve the comfort of residents. - Passive design (i.e., placement and direction for natural energy utilization and high-performance building facade) is applied to minimize energy consumption in buildings, and active design (i.e., high-efficiency facilities, equipment and lighting) is applied to enhance energy efficiency. - Furthermore, SK Ecoplant is operating integrated energy design process by stage that can maximize the energy self-sufficiency of buildings utilizing new and renewable energy such as solar, BIPV¹⁾, geothermal heat, and fuel cells. 1) BIPV: Building Integrated Photovoltaic System Construction - We are applying Fast Delivery and OSC (Off-Site Construction) methods to reduce CO₂ and waste. - We are actively contributing to reducing greenhouse gas emissions by operating modular on-site temporary offices, reducing water use, and managing construction waste disposal. - In addition, we are minimizing power waste and improving energy efficiency by applying ESS (Electric Storage System) made by recycled waste batteries from electric vehicles to construction sites for the first time in Korea. Operation - We are introducing a differentiated Energy and Waste Solution, BEMS (Building Energy Management System), and AI automatic indoor environment control system to improve energy efficiency and reduce environmental load at the building operation stage. - In addition, we are contributing to reducing greenhouse gas emission in building maintenance and operation stages by applying water-saving sanitary appliances for water saving and water circulation management, rainwater reuse system, gray water system, and LID (Low Impact Development) techniques.	
Climate Impacts of Business Mix	IF-EN-410b.1 Backlog for: (1) Hydrocarbon-related projects (2) Renewable energy projects	(1) KRW 154 billion (2) KRW 647.6 billion	(1) KRW 743.1 billion (2) KRW 3.3 billion
	IF-EN-410b.2 Backlog associated with cancelled hydrocarbon-related projects	KRW 0 (no projects canceled)	KRW 0 (no projects canceled)
	IF-EN-410b.3 Backlog associated with climate change mitigation-related non-energy projects	KRW 667.3 billion	KRW 524.8 billion

Topic	SASB Code / Metric	SK Ecoplant	SK ecoengineering
Business Ethics	IF-EN-510a.1 In countries ranked in the bottom 20 of Transparency International's Corruption Perception Index: (1) No. of active projects (2) Order backlog	(1) 0 cases (2) KRW 0	(1) 0 cases (2) KRW 0
	IF-EN-510a.2 Total monetary losses as a result of legal proceedings associated with charges of: (1) Bribery or corruption (2) Anti-competitive practices	(1) Domestic: KRW 0, Overseas: KRW 0 (2) Domestic: KRW 9.72 billion, Overseas: KRW 0	(1) Domestic: KRW 0, Overseas: KRW 0 (2) Domestic: KRW 0, Overseas: KRW 0
	IF-EN-510a.3 Description of policies and practices for prevention of followings in bidding process: (1) Bribery and corruption (2) Anti-competitive behavior in the project bidding process	[SK Ecoplant] (1) SK Ecoplant pledges to strengthen its ethical and compliance management and act fairly and transparently throughout the business process. The Code of Ethics applies to all domestic and overseas branches and subsidiaries, and all stakeholders in business relationships with the company are encouraged to comply with it. Relevant education programs and compliance pledges are practiced for maintenance of an organizational culture of ethical management, and regular audits and anti-corruption risk assessments are proceeded for monitoring violations. From 2022, as a member of the SK Group, we are identifying and implementing improvement tasks by categorizing and measuring the anti-corruption risk management system and anti-corruption management capabilities to raise the level of ethical management. (2) SK Ecoplant introduced the Compliance Program (CP) in 2008 to ensure compliance with fair trade laws and regulations at both domestic and overseas project sites. The CP is supervised by the Chief Compliance Officer, who is appointed through a resolution of the Board of Directors. A preliminary reporting process for industry meetings is operated to prevent bidding collusion, unfair sub-contracting agreements are prevented through pre-reviews of on-site documentation, and technological theft is prevented through operation of a TDMS (Technical Data Management System) and technology data request forms. In accordance with this CP operating system, a preliminary supervision system is established to proactively review and prevent legal violations. In addition to preliminary reviews, we operate an “internal monitoring system” to monitor the occurrence of law violations in the contract execution process. Through document inspections, all subcontract payments are thoroughly reviewed to ensure compliance with the law, and corrective actions are taken immediately upon the discovery of violations. Through on-site inspections, all domestic projects are checked on a monthly basis for violations of 10 Subcontracting Act (subcontract payment, prohibition of unfair reduction, etc.) and 4 Framework Act on the construction industry (notification of subcontract details to clients, issuance of construction equipment payment guarantees, etc.), and corrective measures and disciplinary procedures are carried out according to the results. In addition, we strive to minimize the risk of legal violations by conducting job-specific and case-specific compliance training in consideration of work relevance for all employees, including the CEO and contract workers.	

Activity Metrics

Topic	SASB Code / Metric	SK Ecoplant	SK ecoengineering
Activity Metrics	IF-EN-000.A Number of active projects	94 cases	46 cases
	IF-EN-000.B Number of commissioned projects during the reporting period	26 cases	14 cases
	IF-EN-000.C Total backlog	KRW 19.1643 trillion	KRW 12.7107 trillion

Home Builders Industry

Sustainability Disclosure Topics & Metrics

Topic	SASB Code / Metric	SK Ecoplant
Land Use & Ecological Impacts	IF-HB-160a.2 (1) No. of lots delivered in regions with high or extremely High Baseline Water Stress (2) No. of homes delivered in regions with high or extremely High Baseline Water Stress	(1) 0 sites (2) 0 houses
Design for Resource Efficiency	IF-HB-410a.3 No. of homes delivered certified to a third-party multi-attribute green building standard	Green Building Certification (Green Standard for Energy and Environmental Design, G-SEED): 3 cases, Energy Efficiency Rating Certification: 3 cases
Climate Change Adaptation	IF-HB-420a.1 No. of lots located in 100-year flood zones	6 (Gasan 3rd SK V1 Center, Riversen SK VIEW Lotte Castle, Cheonggye SK VIEW, Dongsan Station 1st SK V1, Dongsan Station 2nd SK V1, Gwangmyeong Xi Hillstate SK VIEW)

Activity Metrics

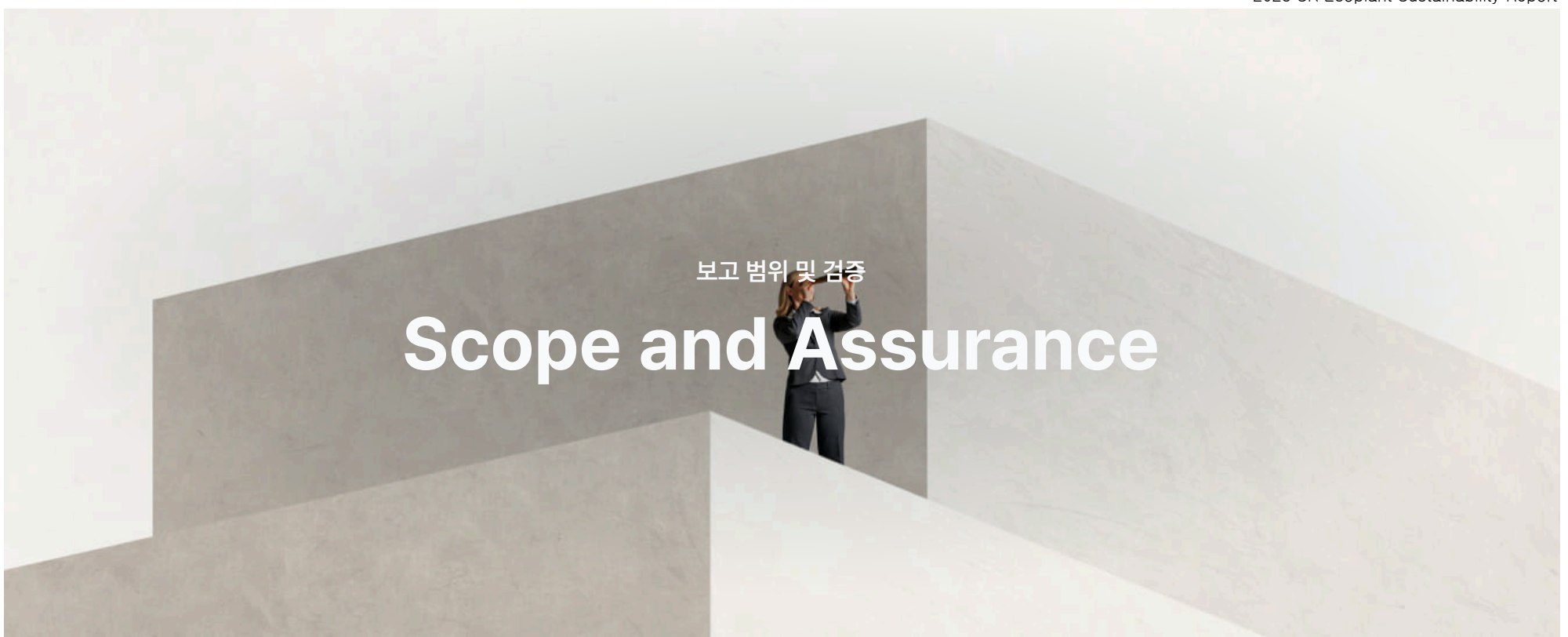
Topic	SASB Code / Metric	SK Ecoplant
Activity Metrics	IF-HB-000.A No. of controlled lots	There are no housing construction sites owned by SK Ecoplant. (As of Dec. 31, 2023)
	IF-HB-000.B No. of homes delivered	3,798 households (as of Jan. 1, 2023 – Dec. 31, 2023)
	IF-HB-000.C No. of active selling communities	2,193 households (as of Dec. 31, 2023)

TCFD

SK Ecoplant TCFD Report

In 2021, SK Ecoplant introduced the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), a climate change-related information disclosure framework. Furthermore, we registered as a TCFD Supporter in 2022 and are now participating in the Korean TCFD Alliance. To achieve external recognition of our GHG reduction plan, we have also asked for target verification by SBTi and was the first Korean construction company to be verified in February 2023. Our response to climate change and GHG reduction implementation process is disclosed via TCFD.

[SK Ecoplant TCFD Disclosure \(PDF\)](#)



About this report

Overview

SK Ecoplant has been publishing sustainability reports since 2016 to transparently disclose the company's sustainable management direction and key achievements to stakeholders. We will continue to actively utilize the sustainability report as a channel to communicate with various stakeholders.

Reporting Principals

This report has been prepared in accordance with the GRI (Global Reporting Initiative) Standards 2021, the sustainability reporting standard. Materiality assessment was conducted to select the report topics, and requirements from ISO 26000, the international standard for social responsibility published by the International Organization for Standardization (ISO), as well as the Sustainable Development Goals (SDGs) adopted by the United Nations were applied. Additionally, the contents of the SASB (Sustainability Accounting Standards Board) industry standards were considered, and the disclosure recommendations of the TCFD (Task Force on Climate-related Financial Disclosures) were also incorporated.

Reporting Period and Scope

The reporting period is from January 1, 2023 to December 31, 2023. Quantitative performance provides data for the past three years to compare year-on-year trends, and certain data and performance in the first half of 2024 are also included, considering the timeliness and materiality of the information. Unless otherwise specified, the scope of consolidated quantitative data includes SK Ecoplant (prior to the split-off of SK ecoengineering), SK oceanplant, SK Tes, and Renewus for 2021, and SK Ecoplant, SK ecoengineering, SK oceanplant, SK Tes, and Renewus for 2022~2023. In the quantitative data tables within the main text of the report, each company is denoted as SKEP, SKEE, SKOP, SK Tes, and Renewus. In cases where the scope of data collection varies, the reporting scope is stated in a footnote for each data. In addition, financial performance was compiled according to the Korean version of International Financial Reporting Standards (K-IFRS).

Report Assurance

An independent accounting firm audited the financial information contained in this report. To ensure the report's objectivity, fairness, and reliability, it obtained a verification by With Accounting Corporation, an independent external organization without a vested interest in SK Ecoplant. The report assurance was conducted by complying with the international verification standards, ISAE 3000 and AA1000AS.

Team in Charge | ESG Reporting & Rating Team, SK Ecoplant

Address | SK Ecoplant, 19, Yulgok-ro 2-gil, Jongno-gu, Seoul

Email | skep.cw7901@partner.skecoplant.com

Third-party verification

Third-party Verification

Independent Assurance Report on the Identified Sustainability Information in SK Ecoplant’s Sustainability Report

To the Management of SK Ecoplant

We have undertaken a limited assurance engagement in accordance with ISAE 3000 established by IAASB(International Auditing and Assurance Standards Board) in respect of the selected sustainability information (the 'Identified Sustainability Information') in the SK Ecoplant's Sustainability Report for the year ended 31 December 2023 ('the Sustainability Report') listed below. Also, we performed assurance engagement Type1, Moderate levels of AA1000AS v3.

Identified Sustainability Information

The Identified Sustainability Information included in the SK Ecoplant's Sustainability Report for the year ended 31 December 2023 is summarized below:

- Pages related to the Global Reporting Initiative (GRI) Standards 2021 Index included in the Report
- Pages related to the TCFD (Task Force on Climate-Related Financial Disclosures) Index included in the Report
- Pages related to the SASB (Sustainability Accounting Standards Board) Index included in the Report

Our assurance was with respect to the year ended 31 December 2023 and the first half of 2024 and before partially 2023 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the Sustainability Report and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by SK Ecoplant to prepare the Identified Sustainability Information on 'GRI Standards 2021' and 'Sustainability Accounting Standard Board (SASB)' and 'TCFD (Force on Climate-related Financial Disclosures)' and 'UN SDGs (UN Sustainable Development Goals)'

SK Ecoplant’s Responsibility for the Identified Sustainability Information

SK Ecoplant is responsible for the preparation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of Identified Sustainability Information that is free from material misstatement, whether due to fraud or error.

Inherent Limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability.

Our Independence and Quality Control

We have complied with the ethical requirements and independence requirements of the Republic of Korea relating to assurance engagement, which are designed to maintain our independence are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained. We performed our limited assurance engagement in accordance with ISAE 3000(International Standard on Assurance Engagements 3000 (Revised)), issued by the IAASB(International Auditing and Assurance Standards Board). These standards require that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of SK Ecoplant use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information. A limited

assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgment and included questions, observations of processes performed, document reviews, analytical procedures, suitability assessments of quantification methods and reporting policies, comparisons between basic information, and lines.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interview with the personnel responsible for internal reporting and data collection regarding SK Ecoplant's Identified Sustainability Information to understand their approaches to managing material issues
- Understand the systems and processes in place for managing and reporting the Identified Sustainability Information of SK Ecoplant. And Review documents related to sustainability information policies and standards, materiality assessments, stakeholder engagement activities, etc
- Assessment the adequacy of the design and operation of processes and control activities for the measurement of GHG emissions and sustainability information management and reporting during the reporting period
- Perform inquiries and analytical reviews on the Identified Sustainability Information

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether SK Ecoplant's Identified Sustainability Information has been prepared, in all material respects, in accordance with the Criteria.

To increase the interoperability of assurance engagement, we simultaneously performed authentication in the form of AA1000AS v3, Moderate levels, one of the international assurance standards. We evaluated compliance with the principles of inclusivity, materiality, responsiveness, and impact presented by AA1000AP (2018). Our opinions on the principles are as follows.

Inclusivity: SK Ecoplant has developed and operated stakeholder communication in various forms.

In accordance with the SK Management System (SKMS), the SK Group's business management system, have developed and operated various stakeholder communications to identify our stakeholders and ensure that we fully understand and implement the organization's accountability responsibilities related to stakeholder engagement. In doing so, we confirmed that efforts are made to ensure that stakeholders' views and expectations are reflected in the reporting organization's strategy.

Materiality: SK Ecoplant has established a double materiality assessment process that selects materiality issues by considering both the financial materiality, which is the impact of sustainability issues on the company's financial status, and the impact materiality, which is the impact of corporate management on the environment and society, according to the recommendations of the Global Reporting Initiative (GRI), a guideline for global sustainability reporting. Based on the results of media research analysis, domestic and foreign peer group analysis, analysis of major global initiatives related to sustainability, and expert group analysis, we identify the environmental, social impact, and financial impact, set thresholds for each, and disclose them according to the topic reporting standard through reports. In total, six topics were identified as having high environmental, social or financial significance. In particular, three key topics - 1) Response to Climate Change, 2) Safety and Health in Business Site, and 3) Clean technology innovation - were ranked as highly material in terms of both impact and financial materiality; 4) Sustainable supply chain, 5) Fair trade · Compliance were ranked as both impact and financial materiality; and 6) Product quality and safety were ranked above the threshold for impact materiality. The results of the materiality assessment are reported annually to the Board of Directors and utilized in management decision-making, and targets and performance are disclosed along with the management approach, and detailed information on each topic is disclosed throughout the report.

Responsiveness: SK Ecoplant is setting material sustainability topics and are responding to and disclosing timely and relevant impacts from a sustainability materiality perspective on 1) Response to Climate Change, 2) Safety and Health in Business Site, and 3) Clean technology innovation 4) Sustainable supply chain, 5) Fair trade-Compliance, 6) Product quality and safety as strategic corporate concerns.

Impact: SK Ecoplant is understanding the impact of the organization's activities on the ecosystem and society as a whole and is explaining and disclosing the effects of the organization's activities and performance on the economy, environment, and society.

As above, we found no inappropriate parts regarding the compliance with the principles laid out by AA1000AP (2018).

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that SK Ecoplant's Identified Sustainability Information the year ended 31 December 2023 and the first half of 2024 is not prepared, in all material respects, in accordance with the Criteria. And, we have not found any inadequacies in respect of the principles presented by AA1000AP (2018)

Restricted Use

This Report is prepared solely for the management of SK ecoplant to assist in obtaining understanding of SK Ecoplant's sustainable management performance and activities. Accordingly, we accept no liability or responsibility to any third party, other than SK Ecoplant and its management, who gains access to this report.

WITH Accounting Corporation

Seoul, Korea



24 July 2024

YoungSuk Lee, Chief Executive Officer



AA1000
Licensed Report
000-683/V3-QY2EB



위드회계법인
With Accounting Corporation

This assurance report is valid as of the assurance report date (24 July 2024). This may result in events or situations that may have a significant impact on the company's report between the date of the assurance report and the time it is viewed, which may result in modification of the assurance report.

Third-party Verification 

GHG verification

SK Ecoplant 2023 GHG Verification Statement



GHG Verification Statement

Independent Verification Statement

SK ecoplant Co., Ltd.

Domestic workplaces : G.plant, Gwanhun building, Busan Housing Culture Center,
Yangji Document Center, Construction site(89 sites)

The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas (hereinafter "GHG") emission (Scope 1,2&3) of SK ecoplant Co., Ltd (hereinafter "the Company") in 2023.

SCOPE

Verification of places of business and emission facilities under the control of the company.

STANDARDS

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National Greenhouse Gas Inventories
- Guidelines for Reporting and Certification of Emissions under the GHG Emissions Trading System
- Guidelines for greenhouse gas target management operation, etc.
- Environmental declaration preparation guidelines, environmental declaration evaluation coefficients
- Emission factors for UAE indirect emission facilities (electricity) apply IEA's country-specific cogeneration emission factors.
- Technical Guidance for Calculating Scope3 Emission(Greenhouse Gas Protocol)
- WRI/WBCSD GHG Protocol

PROCEDURE

We conducted a risk analysis approach and on-site verification based on data evaluation, and we identified the appropriateness of the data and factors applied to GHG emission calculations based on objective evidence. The verification team verified the GHG emissions during the reporting period in a reasonable way based on the verification guidelines.

INDEPENDENT

KMR does not have any stake in the verified entity and does not conduct verification with biased opinions/views. We have drawn an independent and objective verification conclusion based on the verification standards, and reviewed the every aspect of the verification we performed throughout the entire verification process through internal review.

LIMITATIONS

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are many inherent limitations, and there may be disagreements in the interpretation of appropriateness. Although we have tried to faithfully perform verification that meets the verification standards, we suggest that errors, omissions, and false statements that could not be found may be latent as the limitations to the verification.

KMR-VCV-24-030

#1204, Acehightechcity 1-dong, 775 Kyunginro, Yeongdeungpo-gu, Seoul, 07299, Korea



GHG Verification Statement

Independent Verification Statement

OPINION

- GHG verification has been performed to meet the limited assurance level according to the verification standards.
- We express that no significant errors were found in the calculation of emissions during the verification process, and that relevant activity data and evidence were appropriately managed and calculated. As a result, we express an "unmodified" opinion.
- Criticality: meets the criterion, which is less than 5%

GHGs Emission	Direct Emission(Scope1)	Indirect Emission (Scope2)	Other indirect Emission (Scope3)	Total (tCO ₂ -eq)
2023	5,206.127	26,975.749	2,541,420	2,573,601

Energy Consumption	Fuel	Electricity	Stream	Total (TJ)
2023	80.346	563.695	0	644

NO	Category	Domestic(tCO ₂ -eq)	Oversea(tCO ₂ -eq)
1	Purchased goods and service	1,024,984	-
2	Capital goods	18	-
3	Fuel- and energy-related activities (not included in scope 1 or scope 2)	2,503	-
4	Upstream transportation and distribution	13,291	-
5	Waste generated in operations	8,840	-
6	Business travel	2,217	-
7	Employee commuting	2,801	-
8	Upstream leased assets	N/A	-
9	Downstream transportation and distribution	N/A	-
10	Processing of sold products	N/A	-
11	Use of sold products	538,996	-
12	End-of-life treatment of sold products	4,221	-
13	Downstream leased assets	N/A	-
14	Franchises	N/A	-
15	Investments	943,550	-
TOTAL		2,541,420	

※ Note : There is a difference in the total amount of emissions and emissions, by greenhouse gas and by workplace.
(Total emissions are cut to a decimal point for each workplace unit and emissions are summed up for each workplace unit.)

RESULTS

- We confirm through verification that the emissions from major emission facilities have been calculated and reported without omission.

※ The abovementioned company is responsible for preparing verification data in accordance with the "Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No. 2021-278)", and KMR's responsibility is limited to the party in the verification contract according to the agreed contract terms, and is not responsible for other decisions, including investment decisions based on this verification statement.

※ The abovementioned company must comply with the use of the certification and logo marks under the contract entered into with KMR.

April 29, 2024

Authorized By

CEO Eun Ju Hwang



KMR-VCV-24-030

#1204, Acehightechcity 1-dong, 775 Kyunginro, Yeongdeungpo-gu, Seoul, 07299, Korea

