

Tax Policy

SK chemicals recognizes that compliance with tax laws and tax risk management are important factors for contributing to national finance, securing customer profits, and maximizing shareholder profits, and they are essential conditions for sustainable management. Accordingly, in order to fulfill the social responsibilities and obligations in the tax sector, and to preemptively identify and manage tax-related risks, the company has established tax policies and strictly complies with them.

1. SK chemicals operates overseas subsidiaries or branches in the United States, Germany, China, Japan, and Malaysia. SK chemicals faithfully fulfills its tax return and payment obligations in accordance with domestic laws and regulations as well as the laws of each country where it conducts business activities, and is faithfully fulfilling its duties as a taxpayer, such as submitting data stipulated by relevant laws, in a transparent relationship with the tax authorities of each country.
2. SK chemicals complies with domestic and international laws by evaluating and managing tax risks that may arise during business activities such as strengthening the competitiveness of existing businesses and investing in new growth. In the process of evaluating and managing tax risks, the final decisions on major and complex tax issues are made based on advice from domestic and foreign tax experts, and responses to inquiries from tax authorities or authoritative interpretation.
3. SK chemicals, in principle, conducts arm's length transactions in dealings with related parties in accordance with the OECD Transfer Pricing Guideline and the laws of each country. For transfer pricing transactions with related overseas parties, SK chemicals prepares BEPS* reports and transfer pricing reports with external tax experts to manage the implementation status.
* BEPS: Base Erosion and Profit Shifting. Tax revenue erosion through income transfer. It refers to the act of a multinational corporation avoiding taxes by establishing an offshore company in a country where tax rates are favorable under a tax treaty.
4. SK chemicals does not enter into transactions or contracts to transfer income between countries to take advantage of differences in tax laws between countries or loopholes in the international tax system, and ensures that taxable income is distributed consistently with the value created in each country where it conducts business. The company does not use tax havens that unreasonably reduce its tax liabilities and faithfully fulfills its tax obligations in international

transactions through a normal tax structure.

5. Executives and employees in charge of the company's tax affairs faithfully fulfill their tax reporting and payment obligations in accordance with the relevant laws and regulations, and perform their duties on the principle of maintaining a transparent relationship with the tax authorities.

※ The above tax policy was finalized after reporting to the ESG Committee.