

Compliance Control Standards

Version 4.0



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Compliance Control Standards

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Chapter 1: General Provisions

Article 1 (Purpose)

The purpose of these Standards is to ensure lawful and ethical corporate conduct by SK chemicals Co., Ltd. (hereinafter referred to as the “Company”), thereby promoting fair and transparent business operations, securing sound development of the Company, and earning customer trust. These Standards aim to effectively manage legal risks that may arise during the Company’s business operations by establishing criteria and procedures that shall be followed during the Company’s business activities and by its executives and employees in the performance of their duties.


Article 2 (Definitions)

The key terms used in these Standards shall have the following meaning:

1. “Compliance Control” refers to the comprehensive process of policy formulation and control activities adopted to systematically identify laws and regulations applicable to the Company’s business operations, self-monitor the compliance of executives and employees, prevent legal violations in advance, and systematically respond to legal risks.
2. “Legal Risk” refers to the risk of incurring civil, criminal, or administrative liabilities or contractual invalidity resulting in damages to the Company due to non-compliance with laws, regulations, or these Standards by the Company or its executives and employees.
3. “Compliance Officer” means the person appointed pursuant to Article 542-13 of the Commercial Act to implement compliance education and training programs, monitor adherence to the Compliance Control Standards, and report relevant matters to the Board of Directors.
4. “Compliance Support Organization” refers to the department that assists the Compliance Officer in performing compliance control tasks. The department that substantively carries out compliance-related duties shall be designated as the Compliance Support Organization.

Article 3 (Application)

1. These Standards apply to all activities related to the Company’s business operations and to all duties performed by its executives and employees.

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2. All company regulations related to these Standards shall conform to these Standards. Unless otherwise provided by applicable laws or the Articles of Incorporation, these Standards shall prevail.

Article 4 (Establishment and Amendment)

The CEO shall establish and amend these Standards with the resolution of the Board of Directors. However, in cases where changes are made due to the enactment, amendment, or repeal of relevant laws or regulations, or where only minor textual revisions are required due to changes in the Company's organizational structure without any substantive alteration, such changes may be reported to the Board in lieu of obtaining a resolution.


Chapter 2: Compliance Control Environment

Article 5 (Basic Principles for Organizational Structure and Job Assignment)

The appointment of the Compliance Officer, designation of the Compliance Support Organization, and allocation of responsibilities shall ensure the efficiency of compliance control activities, the independence of the Compliance Officer, and clear delineation of roles and responsibilities among related executives and employees.

Article 6 (Roles of Each Body)


1. The Board of Directors shall decide on significant matters related to the implementation of these Standards and supervise whether the CEO has faithfully reflected on the Board's decisions in organizing and effectively operating the compliance control system under these Standards. The Board may delegate part of its authority concerning the implementation of these Standards to a specific committee within the Board when necessary.
2. The CEO shall, in accordance with these Standards and the Board's resolutions, establish, organize, and operate a compliance control system appropriate to the Company's size and business nature and supervise its operation.
3. The Compliance Officer shall comprehensively oversee the execution of compliance control tasks, including the establishment and implementation of

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compliance education and training programs and reporting on the status of compliance with these Standards to the Board or the CEO.

Article 7 (Appointment and Dismissal of the Compliance Officer)

1. The Compliance Officer shall be appointed and dismissed by the CEO upon resolution of the Board of Directors.
2. The CEO may dismiss the Compliance Officer through a resolution of the Board if the Officer falls under any of the following circumstances. The Board resolution shall require the approval of at least two-thirds of the directors in office:
 - (1) Concurrently holds another position that may affect the faithful execution of duties as Compliance Officer.
 - (2) Is subject to disciplinary action of salary reduction or higher due to a violation of company regulations.
 - (3) Is on leave of absence for three (3) months or more, raising concerns of a work vacuum.
 - (4) Fails to perform duties with due care as a good manager.
 - (5) Becomes physically or mentally unable to perform duties.
 - (6) Commits misconduct in relation to duties or violates laws or the Articles of Incorporation.
 - (7) Causes loss to the Company due to intentional or negligent acts.
3. The Compliance Officer shall not be dismissed during their term without just cause. If the CEO intends to dismiss the Compliance Officer during the term, sufficient evidence supporting the grounds for dismissal shall be established.
4. The Compliance Officer shall be given an opportunity to express their opinion before the Board concerning their dismissal.
5. In the event of dismissal, expiration of term, or resignation of the Compliance Officer, the CEO shall promptly appoint a successor to maintain continuity in compliance duties.


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Article 8 (Qualifications, Term, and Status of the Compliance Officer)

1. The Compliance Officer shall be appointed from among individuals who meet the requirements set forth in Article 542-13 of the Commercial Act and Article 40 of its Enforcement Decree.
2. An auditor or a member of the Audit Committee shall not be eligible to serve as the Compliance Officer.
3. The Compliance Officer shall serve on a full-time basis, and the term of office shall be three years; reappointment shall be permitted.

Article 9 (Authority and Duties of the Compliance Officer)

1. The Compliance Officer shall have the following authority in the course of duty:
 - (1) Implementation of education and training programs on compliance.
 - (2) Conducting regular or ad hoc inspections and reporting on adherence to these Standards.
 - (3) Requesting submission of information or materials and statements from relevant departments and employees, as necessary to perform compliance control tasks.
 - (4) Demanding compliance from the Company and its employees and requesting cessation, correction, or improvement of any violations.
 - (5) Requesting disciplinary action against employees who violate laws, regulations, or these Standards.
 - (6) Attending meetings of the Board of Directors and other relevant bodies to express opinions on compliance matters.
 - (7) Supervising the compliance support organization and recommending personnel appointments related to compliance functions.
 - (8) Any other matters designated by the Board of Directors as within the authority of the Compliance Officer.
2. The Compliance Officer may seek advice or assistance from external experts if necessary.

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3. The Compliance Officer shall perform duties with the care of a good manager and shall not disclose any trade secrets learned in the course of duty, both during and after their term of office.

Article 10 (Independence in Performing Duties)

1. The Compliance Officer may report directly to the Board of Directors or the CEO regarding compliance control tasks under these Standards and, if necessary, may report independently and confidentially to the Audit Committee.
2. For such reporting, the Compliance Officer may request the CEO to convene a Board meeting.
3. The Company shall assign the Compliance Officer a position within the organizational hierarchy sufficient to perform duties independently and effectively.
4. The Company shall not impose any unfair personnel disadvantages on current or former Compliance Officers due to the performance of their duties.


Article 11 (Restrictions on Concurrent Positions)

The Compliance Officer may hold other positions that do not compromise the independence of compliance duties, such as a fair-trade compliance manager. However, the Company shall not assign duties related to sales operations or other roles that may affect the faithful execution of compliance responsibilities.

Chapter 3: Compliance Control Activities

Article 12 (Assessment of Legal Risks)

1. The Board of Directors shall ensure that the Compliance Officer operates an integrated evaluation and control system of legal risks, which functions effectively in managing company-wide legal risks through the operation of these Compliance Control Standards.
2. The Compliance Officer may classify and assess major legal risks by considering factors such as severity and frequency of occurrence. When requesting cooperation for such classification, relevant departments and employees shall respond promptly and faithfully.

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Article 13 (Control of Legal Risks)


1. Employees shall be fully aware of and comply with all applicable domestic and international laws (see Appendix 1), these Standards, and the Company's internal regulations relevant to their duties.
2. If an employee discovers or becomes concerned about potential violations of applicable laws or these Standards, they shall promptly report it to the Compliance Officer or the compliance support organization. Employees shall not engage in or assist with such violations.
3. When a legal risk arises, the relevant departments and the Compliance Officer shall take appropriate measures to prevent the risk from spreading or transferring to other departments.
4. Based on the legal risk assessments under Article 12, the Compliance Officer shall ensure that employees correctly understand their obligations under Paragraphs 1 and 2.

Article 14 (Operation of Compliance Education and Training Programs)

1. The Compliance Officer may design and implement specific and systematic compliance education and training programs to help employees identify and appropriately respond to legal risks related to their work.
2. The Compliance Officer may conduct compliance education and training programs for all employees at least once per year, and the Company shall support such programs through the relevant departments. In addition, the Compliance Officer may implement special training programs for departments and employees that are expected to be exposed to a high level of legal risk.
3. The Compliance Officer may provide training using information and communication technology, such as online distance education.
4. The Compliance Officer shall evaluate the effectiveness of the training programs and may conduct surveys for improvement when necessary.
5. Separate from regular training programs, the Compliance Officer may operate a counseling system for employees significantly exposed to legal risks in the course of work.

Article 15 (Routine Compliance Support)

1. The Compliance Officer and compliance support organization shall provide ongoing legal risk consultation to employees. The Company and its employees may

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be required to consult the Compliance Officer or the compliance support organization in advance when engaging in tasks closely related to legal risks, such as contract execution.


2. The Compliance Officer shall establish procedures for employees to report or disclose violations of laws or these Standards.
3. The CEO shall ensure effective and timely communication between the Compliance Officer and employees with respect to any legal risks or compliance-related issues that may arise during business operations.
4. If any employee, including the CEO, instructs actions that violate these Standards, the instructed employee shall report such instructions to the Compliance Officer.

Article 16 (Voluntary Compliance Self-Inspections by Employees)

1. Each department may establish plans for voluntary compliance self-inspections and conduct them periodically.
2. The Compliance Officer may provide guidance on establishing such self-inspection plans and evaluate their implementation.
3. For effective self-inspections, the Compliance Officer may provide department-specific checklists.

Article 17 (Compliance Inspections by the Compliance Officer)

1. The Compliance Officer shall conduct inspections of the Company and all employees to assess compliance with applicable laws and these Standards.
2. Such inspections may include regular inspections conducted annually and ad hoc or special inspections in response to specific legal issues.
3. The Compliance Officer may verify compliance through questions and document requests to relevant departments and employees. For specific matters, the Compliance Officer may request verification from or consult with the internal audit team or Audit Committee.
4. The Compliance Officer may standardize reporting formats by department and mandate reporting of specific issues, if necessary.
5. The Compliance Officer shall report the inspection results to the CEO and Board of Directors at least once per year.

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Article 18 (Internal Reporting System)

1. The CEO may establish an internal reporting mechanism that allows employees to report violations or improper acts directly to the Compliance Officer or related personnel.
2. Any person or department responsible for receiving or handling internal reports under these Standards shall maintain the confidentiality of the whistleblower's identity and the contents of the report.
3. If the reporter discloses their own involvement in the violation, mitigating circumstances may be considered. No reporter shall suffer any personnel disadvantage due to having made a report.

Article 19 (Response to Violations)

1. Upon detecting a violation of applicable laws or these Standards, the Compliance Officer may notify the department head responsible or report to the CEO and request appropriate actions such as cessation, correction, improvement, or disciplinary measures. In urgent cases, the Compliance Officer may directly request such actions without prior reporting.
2. The Company shall impose appropriate sanctions on violators based on the severity and importance of the legal risk.
3. The Compliance Officer may propose recurrence prevention measures to the CEO or the Board. Upon determination, the Compliance Officer shall notify the relevant departments of the measures, ensuring that such measures are duly incorporated into future programs and policies.

Article 20 (Information and Data Management)

1. For compliance control tasks, the Compliance Officer may request the submission of relevant information and materials in usable format from departments and employees, who shall respond promptly and in good faith.
2. The Compliance Officer shall systematically organize and securely store compliance-related information and materials.
3. Information and materials generated while performing compliance control tasks shall be managed and stored in accordance with the Company's security control regulations or guidelines.

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Chapter 4: Key Standards for the Business Conduct of the Company and Its Employees

Article 21 (Minimizing Risk of Misinterpretation as Unfair or Improper Transactions)


1. When the Company engages in joint business or transactions with its affiliates, the Company and its employees shall make every effort to eliminate any concerns of unfair trade or improper support under the Monopoly Regulation and Fair-Trade Act, tax laws, and related regulations by paying reasonable consideration based on mutual agreement within the bounds of the law.
2. The Company and its employees shall ensure that any costs arising during joint business activities with affiliates are borne based on reasonable standards, and maintain proper documentation to substantiate such standards.

Article 22 (Submission of Board Agenda Items and Execution of Approved Matters)

1. The Company and its employees shall obtain prior legal and disclosure reviews and receive approval from the appropriate delegated authority before submitting items to the Board of Directors.
2. Following Board resolutions, the Company and its employees shall ensure that any matters requiring public disclosure are disclosed within statutory deadlines, and that the progress and outcomes of approved matters are reported to the subsequent Board meeting.

Article 23 (Prior Consultation on Contracts and Legal Documents)

1. Regardless of title - such as contracts, agreements, or memorandum of understanding - if a document in which the Company is a party imposes legal obligations on the Company by way of execution or other declarations of intent, the Company and its employees shall consult in advance with the Compliance Officer or compliance support organization and obtain their review.
2. The following cases are exempt from the prior consultation and review requirement in Paragraph 1. However, in the case of subparagraph 3, notification and subsequent consultation with the Compliance Officer or the compliance support organization is required:

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- (1) Executing standardized contracts or documents that have already been reviewed by the Compliance Officer or compliance support organization.
- (2) Extending or modifying only the term of a contract that was previously reviewed, without altering other conditions.
- (3) Matters that are routine or daily in nature, where the Company's liability is reasonably judged to be minimal.

Article 24 (Handling of Disputes)

If, during the Company's operations or an employee's job performance, a risk of dispute arises with third parties - such as objections by counterparties, administrative orders or recommendations from authorities, or issues raised by media or civic groups - or if actual legal proceedings are initiated, the Company and its employees shall immediately notify the Compliance Officer or the compliance support organization and seek consultation and review regarding response strategies.


Article 25 (Compliance with Ethical Standards)

In situations involving ethical conflicts in job performance, employees shall base their decisions and actions on the Company's Code of Ethics and its Implementation Guidelines. The Compliance Officer and Compliance Support Organization shall ensure that the Company's commitment to ethical compliance is reflected in contracts and other legal documents.

Chapter 5: Evaluation of Effectiveness

Article 26 (Criteria and Procedures for Evaluating Effectiveness)

1. The Compliance Officer shall independently evaluate the effectiveness of compliance support and inspection activities under these Standards and report the results to the Board of Directors.
2. The Board shall regularly review the effectiveness of compliance implementation and, if any deficiencies or areas for improvement are identified, seek measures to address them.

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3. The evaluation under this Article shall empirically assess the adequacy and effectiveness of implementing these Standards, including legal risk assessment and control, compliance support and inspection, independent performance of the Compliance Officer, business conduct standards for the Company and employees, and the sanctions system for violations.

Article 27 (Follow-Up Measures Based on Evaluation Results)

1. Based on the evaluation results prescribed in Article 26, the Board of Directors may establish supplementary or corrective measures to remedy any deficiencies in the implementation of these Standards. In doing so, the Board shall duly consider the opinion of the Compliance Officer.
2. The CEO shall take the necessary actions in accordance with the improvement measures established under Paragraph 1.

Chapter 6: Miscellaneous

Article 28 (Rewards for Employees)

The Compliance Officer may recommend rewards or promotions for employees who are deemed to have made significant contributions, such as by faithfully complying with these Standards and preventing or mitigating damage to the Company.


Article 29 (Detailed Provisions)

The Compliance Officer may separately establish detailed guidelines necessary for the implementation of these Standards.

Addendum (Aug. 1, 2025)

Article 1 (Effective Date)

These Standards shall take effect on August 1, 2025.

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■ Appendix 1 to Compliance Control Standards

Laws and Regulations Employees shall Comply with During Business Activities (related to Article 13)

Employees shall comply with the following domestic and international laws and legal procedures while performing their duties:

1. Fair Trade-Related Laws

- o Monopoly Regulation and Fair-Trade Act
- o Act on the Fair Transactions in Subcontracting
- o Act on the Promotion of Mutually Beneficial Cooperation Between Large Enterprises and SMEs
- o Act on Fair Labeling and Advertising
- o Act on Fair Transactions of Franchise Business


2. Anti-Corruption Laws

- o Improper Solicitation and Graft Act (a.k.a. “Kim Young-ran Act”)
- o Political Funds Act
- o Act on Combating Bribery of Foreign Public Officials in International Business Transactions
- o Protection of Public Interest Whistleblowers Act
- o Act on Contracts to Which Local Governments Are Parties
- o Anti-Corruption Act and Act on the Establishment and Operation of the Anti-Corruption and Civil Rights Commission

3. Accounting and Tax Laws

- o Customs Act
- o Adjustment of International Taxes Act
- o Corporate Tax Act
- o Value-Added Tax Act
- o Commercial Act
- o Act on External Audit of Stock Companies
- o Foreign Exchange Transactions Act
- o Stamp Tax Act
- o Financial Investment Services and Capital Markets Act
- o Punishment of Tax Evaders Act
- o Restriction of Special Taxation Act
- o Local Tax Act

4. Information Protection Laws

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- o Personal Information Protection Act
- o Act on Promotion of Information and Communications Network Utilization and Information Protection
- o Medical Service Act

5. Intellectual Property Laws


- o Copyright Act
- o Patent Act
- o Invention Promotion Act
- o Unfair Competition Prevention and Trade Secret Protection Act
- o Trademark Act
- o Design Protection Act

6. Human Resources and Labor-Related Laws

- o Labor Standards Act
- o Act on the Protection of Fixed-Term and Part-Time Employees
- o Act on the Protection of Dispatched Workers
- o Act on Gender Equality in Employment and Support for Work-Family Reconciliation
- o Guarantee of Workers' Retirement Benefits Act
- o Framework Act on Labor Welfare
- o Fair Hiring Procedure Act
- o Act on the Promotion of Worker Participation and Cooperation
- o Trade Union and Labor Relations Adjustment Act
- o Minimum Wage Act
- o Employment Insurance Act
- o Act on Prohibition of Age Discrimination in Employment and Promotion of Employment for Older Persons
- o National Pension Act
- o Act on the Employment of Foreign Workers
- o Civil Execution Act
- o Act on the Employment Promotion and Vocational Rehabilitation of Persons with Disabilities
- o National Health Insurance Act

7. Safety and Health Laws

- o Occupational Safety and Health Act
- o Serious Accidents Punishment Act
- o Hazardous Materials Safety Control Act
- o High-Pressure Gas Safety Control Act
- o City Gas Business Act

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- o Wastes Control Act
- o Electrical Safety Management Act
- o Act on Installation and Management of Firefighting Systems
- o Chemicals Control Act
- o Act on Registration and Evaluation of Chemicals
- o Act on Fire Prevention and Safety Management
- o Elevator Safety Management Act
- o Laboratory Safety Environment Establishment Act
- o Basic Research Promotion and Technology Development Support Act

8. Environmental Laws

- o Act on Integrated Management of Environmental Pollution Facilities
- o Water Environment Conservation Act
- o Sewerage Act
- o Water Supply and Waterworks Installation Act
- o Framework Act on Air Quality Conservation
- o Noise and Vibration Control Act
- o Soil Environment Conservation Act
- o Framework Act on Carbon Neutrality and Green Growth for Coping with Climate Crisis
- o Act on the Promotion of Saving and Recycling of Resources
- o Act on the Allocation and Trading of Greenhouse Gas Emissions Allowances
- o Circular Economy Transition Promotion Act
- o Act on the Promotion and Support of Water Reuse
- o Framework Act on Environmental Policy
- o Environmental Technology and Industry Support Act

9. Business-Related Laws

- o Pharmaceutical Affairs Act
- o Product Liability Act

10. General Laws

- o Civil Act
- o Commercial Act
- o Financial Investment Services and Capital Markets Act
- o Foreign Investment Promotion Act

11. Criminal Laws

- o Commercial
- o Criminal Act
- o Act on the Aggravated Punishment of Specific Economic Crimes