

2024 SK chemicals Human Rights Management Report



About This Report

Report Overview

SK chemicals published its first Human Rights Management Report in 2024 to openly communicate its efforts in implementing human rights management within its business operations. The report openly shares the company's human rights management system, related performance, and initiatives to protect human rights across the business value chain.

Reporting Period and Scope

This report details SK chemicals' key human rights management activities and achievements from January 1, 2023, to December 31, 2023, with additional 2024 data included to ensure the timeliness and relevance of the information. Some items include data from the past three years to facilitate trend analysis and comparability. The report covers information from SK chemicals' headquarters, laboratories (ECO Lab), Ulsan business site, and Cheongju (S House) business site. In addition, some quantitative and qualitative content includes the performance of SK chemicals' subsidiaries and supply chain, which is distinctly identified and referenced through separate indicators and footnotes.

Report Guideline

This report follows the topics and content outlined in the United Nations Guiding Principles Reporting Framework on Human Rights.

Report Verification

To ensure the reliability and fairness of this report, we engaged the Institute for Sustainability Lab, a specialized third-party verification firm, to review the reporting process and data accuracy, providing trustworthy information to both internal and external stakeholders.

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01

Human Rights Management System

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Human Rights Management System

CEO Message

Greetings to our stakeholders.

SK chemicals has emerged as a global leading company manifesting Healthcare and Earthcare by spearheading innovation in eco-friendly materials and life sciences, driven by a mission to enhance human health and protect the environment. As we accelerate the transformation of our green business and expand our portfolio of healthcare solutions, we are engaging with a growing number of stakeholders, building relationship and influencing each other. This expansion has heightened our responsibility to uphold and respect the human rights of everyone we interact with. To meet this responsibility, SK chemicals is committed to fostering harmony between humanity and the environment while promoting the sustainable well-being of all stakeholders, including employees, customers, partners, and local communities.

In 2022, SK chemicals announced its Statement of Human Rights Management, grounded in international human rights principles. We established comprehensive policies and guidelines for respecting human rights and formed the Human Rights Management Committee. We are strengthening our human rights management by conducting human rights impact assessments to prevent violations, address issues, and continuously monitor potential risks throughout our business operations. SK chemicals remains dedicated to adhering strictly to human rights-related laws and advancing the standards of human rights management. We aim to foster a culture of genuine respect for human rights across society.

Our policies extend to SK chemicals' headquarters, domestic and international subsidiaries, and all relevant stakeholders, promoting collaborative efforts in practicing human rights management, while also committed to transparent disclosure and open communication.

Thank you.



Cheol Kim, CEO of SK chemicals

Jae-Hyun Ahn, CEO of SK chemicals

Human Rights Management System

Statement of Human Rights Management

Principles and Scope

SK chemicals has made human rights management a core corporate value, committed to respecting and protecting the fundamental rights of all stakeholders. To fulfill this commitment, SK chemicals follows the Universal Declaration of Human Rights, the International Bill of Rights, the UN Guiding Principles on Business and Human Rights, the core conventions of the International Labor Organization¹⁾, OECD Guidelines for Multinational Enterprises, the UN Convention on the Rights of the Child, the UN Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Women and Children, the UN Declaration on the Rights of Indigenous Peoples, and relevant domestic laws reflecting these principles. This commitment extends to all stakeholders, including members of SK chemicals, its affiliates worldwide, and encourages business partners to uphold these principles of human rights respect.

1) This includes the Convention on Freedom of Association and Protection of the Right to Organize (No. 87), the Right to Organize and Collective Bargaining Convention (No. 98), the Forced Labour Convention (No. 29) and its 2014 Protocol, the Abolition of Forced Labour Convention (No. 105), the Minimum Age Convention (No. 138), the Worst Forms of Child Labour Convention (No. 182), the Equal Remuneration Convention (No. 100), and the Discrimination (Employment and Occupation) Convention (No. 111).

Executive Responsibilities and Duties

SK chemicals' top management holds collective responsibility for implementing and managing the commitment to respect human rights across all business activities. Both top management and the Board of Directors of SK chemicals oversee the integration of human rights management throughout business relationships, value chains, operational departments, and sales divisions. Additionally, top management actively considers input from internal and external stakeholders when developing and updating human rights management policies.

Key Areas Impacted by Human Rights

Human Rights of Employees

- ① Child labor is strictly prohibited. Efforts are made to ensure the safety and protection of minors and to ensure that their work does not interfere with their educational opportunities.
- ② There is no discrimination in employment, wages, and promotions based on origin, race, gender, disability, religion, age, or political opinion. We strive to build an organizational culture that respects diversity and provide equal opportunities for self-development and education based on abilities and qualifications. Fair evaluation and compensation are provided based on objective standards.
- ③ The Company respects the privacy of all members, protects personal information, and ensures that their dignity as human beings is not compromised.
- ④ The Company complies with working hours and living wage standards stipulated by labor-related laws and regulations in the country and region in which they operate its business, strive to prevent involuntary work by coercion, and improve working conditions to maintain work-life balance and maximize individual abilities.
- ⑤ Continuous efforts are made to prevent safety accidents and to create a safe and clean working environment to protect and maintain health, providing optimal working conditions.
- ⑥ Freedom of association and collective bargaining is guaranteed, and sufficient communication opportunities are provided to members.

Human Rights of Customer

- ① The Company strives to ensure that customers can use its products and services safely and conveniently, responds promptly and accurately to customer demands, and works to enhance customer satisfaction.
- ② The Company protects the personal information of stakeholders, including customers, according to national and regional laws, and continuously improves technical and physical measures to responsibly protect customer information collected in the course of business.

Human Rights of Business Partners and Supply Chain

- ① The Company does not engage in unfair or corrupt transactions by exploiting a superior position and strives to grow and coexist through fair and transparent transactions.
- ② Communication and support are provided to business partners (supply chain) to adopt and practice human rights and ethical management.

Human Rights in Local Communities

- ① The Company ensures that its business activities do not infringe on the human rights of local community members and protects their rights and freedoms.
- ② The Company complies with domestic and international environmental laws, strives to protect the environment and prevent pollution, and encourages the spread of environmentally friendly technologies and research and development to continuously improve environmental protection performance.

Rights of Shareholders and Investors

- ① The Company provides necessary information to shareholders and investors in a timely, accurate, and fair manner according to relevant laws, ensures transparency through the disclosure of accurate accounting data, and maintains the trust of shareholders and investors.
- ② The Company strives to enhance the value of shareholders and investors through reasonable decision-making and transparent management activities.

Human Rights Management System

Human Rights Management Policy

Principle of Human Rights

SK chemicals has endorsed the 10 principles of the United Nations Global Compact (UNGC) in four areas of human rights, labor, environment, and anti-corruption. In 2022, following approval from the ESG Committee, the highest decision-making body on human rights, SK chemicals declared its human rights management policy and established the Guidelines for Human Rights Management Execution. The company also formed the Human Rights Management Committee to prevent human rights violations by stakeholders and to fulfill its responsibility to respect human rights by disclosing related issues in line with the UNGP reporting framework. Furthermore, the human rights policy includes measures to promote and protect the rights of vulnerable groups, such as children and individuals with disabilities. We have also established various HR regulations, including employment rules, Safety and Health Management Policy, Ethical Standards, Supplier Code of Conduct and Stakeholders Participation Policy, and we strictly enforce these regulations in our operations to prevent direct or indirect human rights violations in the workplace and damage caused by business relationships.

Classifications	Targets	Descriptions	Approval Entities
Statement of Human Rights Management	<ul style="list-style-type: none"> Employees (Non-regular workers included) Affiliates' employees Business partners 	<ul style="list-style-type: none"> A policy that articulates the organization's goals for human rights management, its commitment to respecting the human rights of all stakeholders, and its dedication to preventing human rights abuses 	CEO
Guideline for Human Rights Management Execution	<ul style="list-style-type: none"> Employees (Non-regular workers included) Affiliates' employees Joint ventures' employees Business partners 	<ul style="list-style-type: none"> Detailed guidelines for implementing human rights management to protect stakeholders' human rights, including employees, partners, and others, and to manage human rights risks. Include specifics on the prevention and management system for sexual harassment and other forms of harassment in the workplace Suggest details on zero tolerance policies, anti-discrimination and harassment training, reporting measures, and corrective or disciplinary actions, with a clear statement prohibiting sexual harassment and other forms of harassment, including a clear declaration of zero tolerance for such behavior. 	CEO
Safety and Health Management Policy	<ul style="list-style-type: none"> Employees (Non-regular workers included) Affiliates' employees Business partners 	<ul style="list-style-type: none"> Management policies aimed at protecting the safety and health of all stakeholders and minimizing environmental impact. 	CEO
Ethical Standards	<ul style="list-style-type: none"> Employees 	<ul style="list-style-type: none"> Guidelines that establish the right behaviors and values for employees to follow in order to adhere to fair and transparent business practices. 	CEO
Supplier Code of Conduct	<ul style="list-style-type: none"> Business partners 	<ul style="list-style-type: none"> Policies that require partners to comply with management principles such as human rights, environmental standards, and ethics to ensure sustainable supply chains and mutually beneficial cooperation, while minimizing related risks. 	CEO
Stakeholders Participation Policy	<ul style="list-style-type: none"> Customers, shareholders and investors, employees, the government and associations, business partners, local communities 	<ul style="list-style-type: none"> A policy that provides guidelines for effective stakeholder communication and outlines a grievance mechanism for stakeholders. 	CEO

Principles of Diversity and Non-Discrimination

Diversity and Inclusion Approach | SK chemicals prohibits discrimination in working conditions through the Statement of Human Rights Management and the Guidelines for Human Rights Management Execution. We do not discriminate against employees based on gender, religion, social status, nationality, disability, or other grounds without reasonable cause, and we foster an organizational culture that promotes diversity within the framework established by the Constitution and the Labor Standards Act.

Prevention of Sexual Harassment | SK chemicals incorporates human rights education to raise employees' awareness of gender-related issues in Guidelines for Human Rights Management Execution. Based on this foundation, we conduct sexual harassment prevention training to safeguard our workplace. We conduct an annual online training course on sexual harassment prevention for all employees and provide the training for new hires. When reports of sexual harassment are received through the Ethics Management Reporting Channel, the HR and Compliance teams investigate the facts thoroughly and respond decisively to internal gender issues by dismissing, demoting, reducing salaries, suspending, or reassigning the alleged perpetrator to another department.

Equal Pay for Men and Women | Recognizing the importance of gender equality, SK chemicals explicitly states in the Guidelines for Human Rights Management Execution that employees who perform equal work are entitled to equal compensation, irrespective of gender. We provide equal pay to male and female employees in the same positions, with compensation levels determined by individual and organizational performance, ensuring no gender-based discrepancies. The details of the equal pay ratio between men and women are transparently disclosed in our annual Sustainability Report.

Fair Evaluation and Compensation | In addition to our Statement of Statement of Human Rights Management, SK chemicals outlines in its personnel regulations that employees are evaluated based on fair standards, considering their individual abilities and qualities. We conduct annual performance evaluations for full-time employees, with 95% of employees receiving evaluations in 2023. At the start of each year, employees set goals linked to organizational and business objectives through MBO(Management by Objectives) -based KPIs. Through four regular performance check-ins each year, employees share their progress with leaders, receive feedback, and work towards achieving their goals. We aim to operate a data-driven performance management process with continuous feedback. Additionally, once a year, middle managers and above undergo a 360-degree multi-faceted evaluation to identify their strengths and areas for improvement, followed by targeted competency development activities, including leadership training.

Human Rights Management System

Human Rights Governance

Human Rights Governance System

SK chemicals strengthened its human rights management governance in 2022 to promote systematic human rights management. In June 2022, the company declared the Statement of Human Rights Management and established the Guidelines for Human Rights Management Execution. In December 2022, the Human Rights Management Committee was formed to create a system for protecting and promoting the human rights of employees and stakeholders. This governance structure is centered on the ESG Committee and includes the Human Rights Management Committee and the Working Group on Human Rights Management. The Human Rights Management Committee, chaired by the CEO, comprises the Head of Management Support Division, the Head of Corporate Culture, and the Leader of Legal Team. This committee conducts preliminary deliberations and decision-making regarding human rights management. Additionally, the Human Rights Management Working Committee, composed of relevant departments such as the Corporate Culture Department, ESG Progress Team, various on-site departments, and the Legal Department, is operated to advance practical tasks related to human rights management.

Human Rights Governance Structure



Roles and Responsibilities

SK chemicals' human rights management governance establishes clear roles and responsibilities among various organizations to systematically implement human rights management. The ESG Committee serves as the final decision-making body for human rights management, responsible for deliberating and approving policies. The Human Rights Management Committee supports this policy by addressing and making decisions on various issues and agendas related to human rights management in advance. Additionally, the Working Group on Human Rights Management carries out specific tasks related to human rights management, such as implementing human rights education, conducting risk assessments and due diligence, and receiving reports of human rights violations.

Roles and Responsibilities in Human Rights Governance

Structure		Roles and Responsibilities
ESG Committee		· Deliberation and final decision-making on human rights management
Human Rights Management Committee		· Preliminary deliberation and decision-making on human rights management
Working Group on Human Rights Management	Corporate Culture Group, Business Support Group	· Implementing company-wide human rights management training and reporting results · Promoting human rights-respecting policies/systems · Human rights risk assessment/due diligence · Advancing human rights due diligence system
	Human Rights Management Committee Secretariat	· Establishing a human rights management system · Establishing and publicizing a human rights management statement · Human rights risk assessment/due diligence · Advancing human rights due diligence system · Disclosing the status of human rights management implementation
	Working-level departments	· Complying with human rights management training and raising awareness
	Compliance Team, CP Team	· Receiving and handling reports of human rights violations · Monitoring and protecting against human rights violations · Implementing human rights remedy procedures








Human Rights Management System

Stakeholder Communication and Integration

Stakeholder Communication System

SK chemicals regularly engages with internal and external stakeholders to share human rights-related policies and incorporate their feedback into human rights management activities. These various stakeholders play a crucial role in protecting and promoting human rights, and SK chemicals enhances its policies by actively gathering their opinions. Furthermore, through transparent communication about human rights issues, SK chemicals identifies potential risks in advance and develops countermeasures to address them. This proactive approach strengthens cooperation with stakeholders, fulfills corporate social responsibility, and continues to build long-term trusting relationships.

Stakeholder Communication Channel and Key Issues

Entities	Communication Channel	Frequency	Key Issues	Key Issues	Frequency	Communication Channel	Entities	
Customers 	<ul style="list-style-type: none"> Customer satisfaction surveys (Green Chemicals business) Operation of customer counseling center (Pharma business) Operation of the Voice of the Customer channel on SK chemicals' website, etc. 	<ul style="list-style-type: none"> Yearly-basis Permanent Permanent 	<ul style="list-style-type: none"> Feedback on products and services Product quality control and safety Support for vulnerable populations, etc. 	All stakeholders 	<ul style="list-style-type: none"> Regulatory policy Unfair trade Support for vulnerable populations, etc. 	<ul style="list-style-type: none"> Permanent 	<ul style="list-style-type: none"> Consultation with local governments on policy 	The government and association 
Shareholders and investors 	<ul style="list-style-type: none"> Business reports/quarterly and half-year reports Quarterly earnings announcements and NDRs Contact IR bulletin board, etc. 	<ul style="list-style-type: none"> Quarterly-basis Quarterly-basis Permanent 	<ul style="list-style-type: none"> Issues with stock price and dividend changes Changes in business environment, business performance, and business strategy Transparent corporate disclosure, etc. 	Communication Channel <ul style="list-style-type: none"> Stakeholder survey (materiality assessment) Yearly-basis SK chemicals' YouTube channel Permanent Human Rights Impact Assessment Yearly-basis 1:1 inquires Permanent 	<ul style="list-style-type: none"> Safe working environment Fair contracts Collaboration for co-prosperity, etc. 	<ul style="list-style-type: none"> Monthly-basis Quarterly-basis Monthly-basis 	<ul style="list-style-type: none"> Supplier win-win cooperation meeting Meeting with supplier representatives Meeting with safety managers of partners 	Partners 
Employees 	<ul style="list-style-type: none"> Town hall meetings Happy executive workshops Labor-management councils, etc. 	<ul style="list-style-type: none"> Quarterly-basis Quarterly-basis Quarterly-basis 	<ul style="list-style-type: none"> Recruitment and employees fostering program Performance evaluation and compensation Work environment and benefits, etc. 	Key Issues <ul style="list-style-type: none"> Important issues in sustainable management at SK chemicals Company introduction and career information Identification of potential human rights risks All other inquiries/concerns/reports 	<ul style="list-style-type: none"> Supporting vulnerable groups Expansion of social contribution programs Climate change response, etc. 	<ul style="list-style-type: none"> Permanent Yearly-basis Permanent 	<ul style="list-style-type: none"> Local community programs Environmental impact assessments NGO meeting sessions 	Local communities 

Human Rights Management System

Stakeholder Communication and Integration

Local Community Impact Assessment

SK chemicals conducts impact assessments to identify and mitigate negative effects on local communities arising from its business activities. We assess biodiversity risks near our business sites and implement mitigation measures and conservation activities. Additionally, we engage community members in the human rights impact assessment process to continuously mitigate potential human rights risks to local communities. We measure the environmental, social, and economic value of our business activities and strive to create social value that benefits local communities.

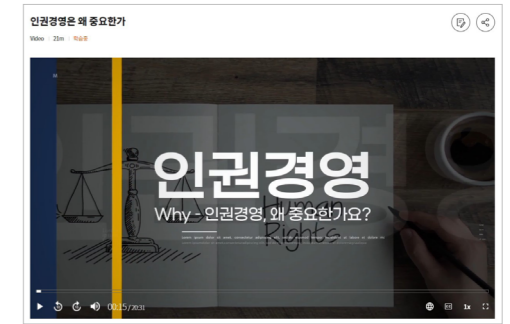
Moreover, SK chemicals actively participates in local government stakeholder meetings to gather feedback from community members and identify potential concerns. In 2023, the Ulsan Plant participated in one public-private council organized by the Nakdong River Drainage Basin Area Environment Center and attended seven local environmental technology seminars. Through these engagements, we acquired and shared information on community safety and environmental management, enhanced our understanding of local stakeholder needs, and incorporated their requests into our business practices.

Classification	Assessment Name	Impact Assessment details
Environment 	Biodiversity Impact Assessment	Conducting impact assessments using global methodologies, including TNFD ¹⁾ , to identify and address biodiversity risks at our operations, adjacent areas, as well as upstream and downstream.
Society 	Human Rights Impact Assessment	Conducting human rights impact assessments to identify at-risk groups, such as local community members, and address potential risks that could adversely affect human rights in our operations.
Economy 	Social Value Creation Performance Assessment	Conducting impact assessments to measure the indirect contributions to the economy, environmental performance, and social value generated by business and management activities.

1) The Taskforce on Nature-related Financial Disclosures

Training in Human Rights Management

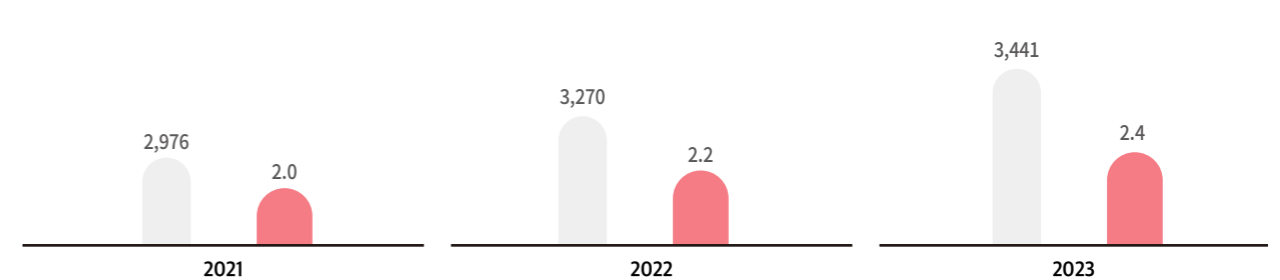
SK chemicals conducts systematic human rights training for all employees to internalize human rights management. This education is vital for enhancing employees' sensitivity to human rights and preventing related issues within the company. Human rights training programs are established as an essential means of enhancing employees' sensitivity to human rights and preventing human rights issues within the company. We continually update our training programs to incorporate the latest international norms and practices related to the protection and promotion of human rights, ensuring employees can apply these principles in their work. Additionally, we are expanding our training initiatives for external stakeholders to raise awareness of human rights protection among partners and contractors.



SK chemicals Online Human rights training programs

Human Rights and Sexual Harassment Prevention

(Unit: Hour) ● Total training hours ● Training hours per person



Human Rights Impact Report and Disclosure

Given the significant impact of major risks and human rights impact assessment results on SK chemicals' business, the company reports these assessments and key issues through the ESG Committee and the Human Rights Management Committee, incorporating the findings into its management practices. Additionally, SK chemicals discloses its human rights management processes, impact assessment results, and major risks through its annual sustainability management report and on its website.

Human Rights Management System

Human Rights Violation Reporting Channel

Human Rights Grievance Management System

SK chemicals operates an internal grievance channel managed by the Corporate Culture Group and Compliance Team, along with the SK Ethics Management Consultation and Reporting Channel for external stakeholders. In 2023, an external grievance channel was also established to enhance the anonymity, accessibility, and independence of the employee grievance system.

Human Rights Grievance Management Channel

Classification	In-house	External channel
Channel	<ul style="list-style-type: none"> Compliance team e-mail : skchemicals.ethics@sk.com Phone : 02-2008-2486 Post : POC of ethical management in Compliance team, SK chemicals, 310, Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do SK Ethical Management Integrated System 	<ul style="list-style-type: none"> Communication hotline - sotonghotline.com
Reporting types	<ul style="list-style-type: none"> Human rights violations, including ethics violations, corruption, BP fraud and abuse, workplace bullying, sexual harassment, child labor, forced labor, and human trafficking. 	<ul style="list-style-type: none"> Focus on employee human rights violations, including workplace bullying, sexual harassment, labor rights violations, discriminatory treatment, child labor, forced labor, and human trafficking.
Submission/ investigation	<ul style="list-style-type: none"> In-house Responsible Person 	<ul style="list-style-type: none"> External expert - Fact - finding investigation by an external expert, if requested by the whistleblower or if an internal investigation may raise whistleblower protection concerns

Human Rights Grievance Management Process

SK chemicals' human rights grievance process operates with transparency and promptness to protect the human rights of all stakeholders. Grievances can be submitted via the website, phone, mail, e-mail, or in person. Each case is assigned to the appropriate entity based on the employee's position and the issue's severity. If necessary, the relevant department conducts an investigation, with findings reviewed and approved by the Human Rights Management Committee. If unresolved, a further investigation is conducted, and feedback on the final outcome is provided upon request. For cases involving disciplinary action, follow-up measures are taken through internal procedures. SK chemicals remains committed to continuously improving its human rights grievance process to uphold the rights of all stakeholders.

Grievance Management Process



Protection Measures for Reporters

All reports received through SK chemicals' grievance channels are managed with fairness and transparency, with strict measures to protect the identity of the whistleblower. For human rights issues specifically, a process is in place to separate the victim from the perpetrator and implement corrective actions if needed. Additionally, stringent protections ensure that whistleblowers do not face any status-related disadvantages or discrimination in working conditions as a result of their reporting activities.

Whistleblower Protection Policy

- Whistleblower will not face penalties or discrimination for making a legitimate report.
- If whistleblower experience disadvantage due to your report, you may request corrective action and protection from the responsible department, which will take all necessary measures to minimize any adverse effects.
- The identity of the whistleblower and the content of the report will be kept strictly confidential and will not be disclosed without consent.
- Individuals who cooperate in the investigation by providing statements or materials will receive equal protection.
- If an individual voluntarily reports their own unethical or illegal behavior, the associated sanctions may be reduced.

Human Rights Management System

Human Rights Violation Reporting Channel

Reporting and Remedial Actions

SK chemicals has a human rights grievance system to promptly and systematically address grievances received each year. In 2023, SK Chemicals addressed three human rights grievance cases, all of which were promptly resolved through swift and effective measures. We implement thorough follow-up actions to prevent recurrence. SK chemicals remains committed to improving its grievance handling procedures to protect the human rights of all stakeholders and uphold its corporate social responsibility.

Impact Assessment of the Grievance Management Process

SK chemicals regularly analyzes the effectiveness of its grievance processes, following the guidelines of the UN OHCHR's¹⁾ Accountability and Remedy Project (ARP). This effectiveness assessment includes eight criteria, such as legitimacy, accessibility, and predictability, with each criterion comprising detailed evaluation factors. In 2024, SK chemicals' grievance process received an overall effectiveness score of 64 out of 100. Based on these results, SK chemicals is continuously working to improve its grievance handling process to enhance effectiveness.

1) Office of the United Nations High Commissioner for Human Rights

Human Rights Grievance Management Reports and Remedial Action Performance

Classification	Unit	2021	2022	2023
Grievance Filing	Customers	Case	0	0
	Employees	Case	1	1
	Business partners	Case	0	0
	Others	Case	1	0
	Total	Case	2	1
Grievance management execution	Case	2	1	3
Resolved grievances percentage	%	100	100	100
Measures	Strict disciplinary action	Case	1	1
	Minor disciplinary action	Case	1	0
Sexual harassment and discriminatory cases	Case	0	0	2

2024 Impact Assessment Criteria and Outcome for Grievance Management Process (64 points / 100 points in total)

Legitimacy	· Building trust · Independence and impartiality · Professionalism	★ ★ ★ ★ ☆
Accessibility	· User-friendliness · Non-retaliation and confidentiality · Minimization of barriers	★ ★ ★ ★ ☆
Predictability	· Specification and disclosure of procedures · Notification and sharing progress	★ ★ ★ ★ ☆
Equity	· Supporting and assisting victims · Participation in the process	★ ★ ★ ★ ☆
Transparency	· Notification of the investigation and its progress · Notification and disclosure of the outcome	★ ★ ★ ★ ☆
Rights compatibility	· Justification of findings and Remedial Actions · Connection to external remedies	★ ★ ★ ★ ☆
A Source of Continuous Learning	· Case analysis and monitoring · Training and recurrence prevention	★ ★ ★ ★ ☆
Solution Based on Engagement and Dialogue	· Listening to diverse stakeholders · Create proactive and reactive actions through dialog	★ ★ ★ ★ ☆

Total points **64**

★★★★★ : 100~80points
 ★★★★★ : 60~80points
 ★★★ : 40~60points

02

Human Rights Risk Management

Human Rights Impact Assessment Framework >

Identification of Human Rights Risks and Preventive Measures >

Human Rights Risk Management

Human Rights Impact Assessment Framework

SK chemicals assesses working conditions, equal treatment and opportunity, and other labor-related rights for the company and its stakeholders to evaluate the human rights impact of its business activities. Groups potentially affected by business operations are identified as targets for human rights impact assessments. In addition, to ensure the independence, reliability, and expertise of human rights impact assessments, external organizations are engaged to conduct human rights due diligence. Through this process, human rights issues of employees are identified, and human rights management practices aligned with global guidelines are implemented. The company has established a three-year roadmap for human rights assessments starting in 2023, with plans to expand assessments to all business sites.

In 2023, assessments were conducted for SK chemicals' headquarters, Ulsan Plant, significant partners, and local communities (Ulsan). In 2024, two subsidiaries, 12 internal partners, the Cheongju Plant, regional office of Pharma Business, and local communities (Seongnam) had been added to the assessment. In 2025, human rights due diligence will extend to overseas subsidiaries and local communities (Cheongju). By 2026, SK chemicals plans to address mid- to long-term objectives, including enhanced stakeholder communication and monitoring of improvement initiatives from the human rights impact assessments, with regular evaluations of their effectiveness.

Three-Year Plan for Human Rights Impact Assessment

Assessment target	2023	2024	2025
SK chemicals (Own operations)	100%		
Subsidiaries	Domestic subsidiaries	100%	
	Subsidiaries overseas	100%	
Partners	Significant partners	100%	
	Local community	100%	



Percentage of Operations with Human Rights Impact Assessments in 2023 and 2024

* For own operations

100%

Human Rights Impact Assessment Process



Human Rights Risk Management

Human Rights Impact Assessment System

Human Rights Impact Assessment Objectives

SK chemicals conducted a human rights impact assessment for various stakeholders to evaluate its human rights management system and identify stakeholder human rights issues. The assessment included employees at headquarters and business sites, as well as members of its subsidiaries, providing a thorough review of internal human rights practices. Additionally, major partners were assessed to proactively identify and address potential human rights risks across the value chain.

Stakeholder Participation in Human Rights Impact Assessment

Classification	Assessment Method	Details	Stakeholders' participation			
			SK chemicals (Own operations)	Subsidiaries	Value chain	
					Partners	Local community
General Assessment	Checklist	Assess the level of human rights management policies and actions	✓	✓	✓	✓
	SAQ ¹⁾	Evaluate partners' human rights management policies and actions.				
	Survey	Survey collective perceptions of human rights risks				
In-depth Assessment	FGI ²⁾	Conduct interviews and in-depth analysis of individuals' detailed experiences with human rights risks among vulnerable groups	✓	✓	✓	✓
	On-site inspection	Conduct workplace surveys by external experts to identify risk exposure environments	✓	✓		

1) SAQ : Self Assessment Questionnaire 2) FGI : Focus Group Interview

Identifying Vulnerable Groups

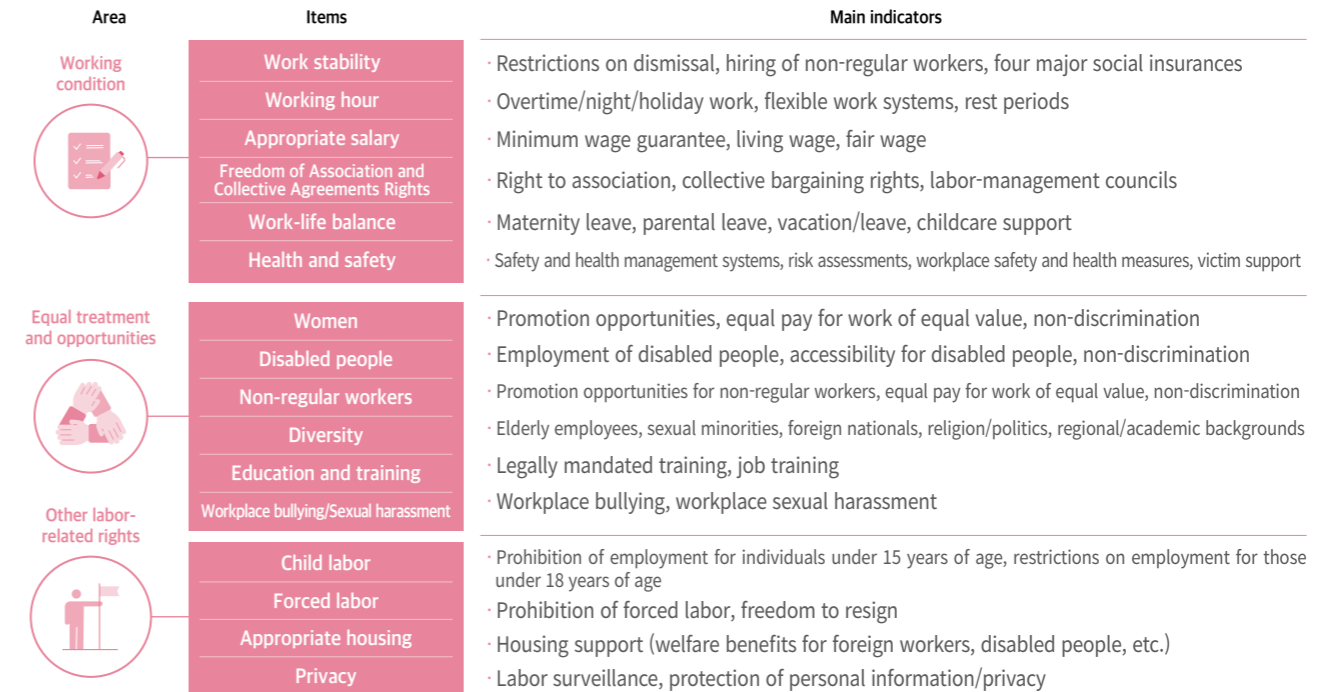
SK chemicals defines stakeholders as vulnerable groups specified as requiring special protection under various international human rights treaties and conducts annual human rights impact assessments to identify and address potential human rights risks. In particular, we identify vulnerable groups based on gender, parenting status, age, high-risk jobs, and employment type, and conduct FGI-based in-depth assessments to identify and address human rights risks for these groups. In-depth assessments based on Focus Group Interviews (FGI) are conducted to thoroughly understand and improve the human rights conditions for these groups. SK chemicals will continue to identify vulnerable groups and prioritize enhancing their human rights protections.

Vulnerable groups	Women / Parenting Group		Age groups		High-risk tasks	Employment		Minority
	Women during pregnancy or childbirth	Parents raising children under the age of 8	Juniors (From 15 to 29 in age)	Seniors (55 or above in age)	On-ground	Contract workers	New hires	Disabled
Whether they have taken in-depth assessment	✓	✓	✓	✓	✓	✓	✓	✓

Human Rights Impact Assessment Criteria

In 2023 and 2024, SK chemicals conducted human rights impact assessments to identify potential human rights risks as perceived by employees and stakeholders. The assessment items were designed to ensure alignment with global standard, such as the UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, and ILO International Labor Standards. To maintain independence and objectivity, the assessments are conducted by an external professional organization. General assessments are administered online to guarantee respondent anonymity, while in-depth assessments are conducted for stakeholders identified as vulnerable groups through methods such as Focus Group Interviews (FGI) and on-site inspections. Through these processes, SK chemicals comprehensively identifies potential human rights risks posed by the company's business activities to stakeholders.

Human Rights Impact Assessment Criteria



Human Rights Risk Management

Identification of Human Rights Risks and Preventive Measures

Human Rights Impact Assessment and Identification of Key Human Rights Issues

SK chemicals conducts priority assessments for human rights issues identified through general and in-depth assessments. The assessment criteria are based on global human rights due diligence standards, such as the risk analysis guidelines of the German Federal Office for Economic Affairs and Export Control (BAFA¹⁾) and the UNGP Human Rights Due Diligence Guidelines. SK chemicals categorizes 16 potential human rights issues into nine levels based on severity and likelihood of occurrence. Among these, seven issues with mid-level or higher severity have been identified as key human rights issues.

1) Bundesamt für Wirtschaft und Ausfuhrkontrolle



Human Rights Issues Assessment Results

Area	Issue pool	Key human rights issues	Report page no.
Working condition	Work stability		22, 31
	Working hour	✓	18
	Appropriate salary		31
	Freedom of Association and Collective Agreements Rights	✓	18
	Work-life balance	✓	19
	Health and safety	✓	20
Equal treatment and opportunities	Women		28
	Disabled people		28
	Non-regular workers	✓	22
	Diversity		29
	Education and training		30
	Workplace bullying/Sexual harassment	✓	22
Other labor-related rights	Child labor		31
	Forced labor		31
	Appropriate housing		31
	Privacy	✓	23

Human Rights Risk Management

Identification of Human Rights Risks and Preventive Measures

Alleviating Measures for Major Human Rights Issues

SK chemicals is undertaking several initiatives to mitigate and prevent human rights risks. To address working hours, the company promotes flexible scheduling to improve employees' work environment and quality of life, and fosters sustainable development by expanding labor-management communication channels. To support work-life balance, SK chemicals is reinforcing the parental leave system and conducting awareness activities among employees. In health and safety, SK chemicals enhances facilities, supplies related resources for a safe workplace, and regularly inspects and improves conditions to eliminate benefits disparities for non-regular employees. To prevent workplace bullying and sexual harassment, the company has strengthened policies, implemented comprehensive training, and updated CCTV regulations to safeguard privacy standards.

SK chemicals will continue to monitor and address human rights risks, prioritizing the protection of stakeholder rights and advancing its commitment to human rights management.

Status of Alleviating Measures for Major Human Rights Issues

	Key human rights issues	Stakeholders	Alleviation measure implementation percentage	Alleviation measure execution
Working condition	Working hour	Employees, subsidiaries, partners	100%	· Enhanced awareness among employees through guidance on work hour-related policies, including flexible work options and rest periods
	Freedom of Association and Collective Agreements Rights	Employees, subsidiaries	100%	· Increased labor-management communication activities, including resolutions from labor-management councils
	Work-life balance	Employees	100%	· Expanded employee awareness initiatives related to work-family compatibility programs
	Health and safety	Employees, subsidiaries	100%	· Expansion of rest facilities for vulnerable workers · Enhanced accident prevention through increased training on the use of protective equipment · Expanded customized support for customer-facing employees
Equal treatment and opportunities	Non-regular workers	Employees	100%	· Review and improvement of discriminatory factors related to non-regular employee benefits
	Workplace bullying/Sexual harassment	Employees, subsidiaries, partners	100%	· Enhanced workplace bullying and sexual harassment policies · Expanded awareness activities, including workplace bullying and sexual harassment training, and training on grievance handling channels · Improved grievance procedures to prevent secondary damage
Other labor-related rights	Privacy	Subsidiaries	100%	· Revised regulations regarding CCTV installation and operation in the workplace

03

Management and Alleviating Measures for Human Rights Issues

- Working Hours >
- Right to Association and Collective Agreement >
- Work-Life Balance >
- Health and Safety >
- Non-Regular Workers >
- Workplace Bullying and Sexual Harassment >
- Privacy >

Management and Alleviating Measures for Human Rights Issues

Working Hours

SK chemicals is committed to upholding legal standards for working hours to protect employees' rights and foster a healthy work environment. All employees adhere to statutory working hours, and any necessary overtime is pre-approved and transparently documented. SK chemicals does not force workers to work overtime, and adequate, legally compliant compensation is provided when applicable. Additionally, the company enforces the 52-hour workweek, provides flexible work system and telecommuting options to ensure work flexibility. Moving forward, SK chemicals plans to continue systematic oversight of working hours, prevent excessive overtime working, and enhance support for work-life balance.

Enhancement of Work Flexibility

SK chemicals has implemented a new work management system, "Flex," to empower employees with greater control over their schedules. This system encourages employees to organize their work hours flexibly within a one-month period, allowing for a balance between more intensive and relaxed work phases. Employees can adjust their hours based on their work schedule within a one-month period. Additionally, a staggered working hour option enables flexibility in start and end times while maintaining the standard 8-hour workday. The company also supports the remote work/work from home system, allowing employees to choose the work environment that best suits their tasks, further enhancing flexibility and efficiency.

Flexible Work System

Programs	Description
Staggered working hour	· An adjusted work-hour system allowing flexible start and end times within an 8-hour workday framework
Remote work/ Work from home	· A system enabling employees to choose their optimal workplace for enhanced productivity
Selective working hour	· A flexible work-hour system allowing daily or weekly adjustments, with a maximum of 40 hours per week

Right to Association and Collective Agreement

SK chemicals is committed to upholding the fundamental labor rights of its employees, including the right to organize, the right to collective agreements, and the right to collective action, in compliance with the Korean Constitution and the Labor Relations Act. No employee will face adverse treatment or discrimination due to their involvement in trade union activities, and all employees own rights to form or join labor unions or other workers' organizations. SK chemicals respects the freedom of association for all employees and actively supports their participation in collective bargaining through labor unions, enabling them to freely express their opinions on improving working conditions and protecting their rights and interests.

Collective Agreements and Labor-Management Council

SK chemicals fosters a cooperative labor-management relationship through the establishment of quarterly works councils. These councils serve as a platform for employees and management to engage in open dialogue on various issues, including working conditions, employee welfare, and safety measures. SK chemicals emphasizes fairness and transparency in collective agreements processes, ensuring that all agreements are effectively implemented and monitored. The quarterly labor-management councils also provide a regular communication channel, enhancing mutual understanding and allowing both parties to collaboratively address any challenges that arise. Through these initiatives, SK chemicals actively incorporates employee perspectives and sustains a healthy, trusting relationship between labor and management.

Executive-Employee Communication Channels

In addition to collective agreements and labor-management councils, SK chemicals operates various communication channels through which employees can freely express their opinions. In particular, to strengthen communication between labor and management, we have established communication channels that allow for direct exchanges of opinions between management and employees, actively reflecting the voices of employees on major issues within the organization. We operate 'G+' and 'L+', communication channels where the CEO and employees share key management issues, as well as 'Town Hall Meetings,' where the CEO and team leaders discuss issues at both the divisions and office levels. This allows employees to freely voice suggestions and improvements related to their work environment, which are then discussed with management and implemented. Through these various communication channels, SK chemicals will continue to build a culture of transparent and open communication.



Management and Alleviating Measures for Human Rights Issues

Work-Life Balance

SK chemicals strives to provide an environment where employees can fully immerse themselves in their work by establishing programs that consider various aspects to support an efficient and autonomous work environment, along with work-life balance. Through the Family-Friendly Activity Support System, we operate a leave of absence and vacation system to ease the burden of childbirth and childcare for employees with children, and we provide support for child-rearing, such as tuition funds for children and congratulatory grants for entering school. We also offer financial support for employees' welfare, healthcare, and psychological stability support programs to help employees relieve stress and create an environment where they can focus on their work.

Support for Family-Friendly Initiatives

SK chemicals operates various programs to foster a culture of work-family compatibility. We provide pregnant employees and those with children during the childbearing period with a one-year reduced work schedule, up to one year of parental leave after the birth of a child, and 10 days of spousal maternity leave. We have a workplace daycare center to help our employees better balance work and parenting. We also support children's tuition funds, and congratulatory funds for children's entrance into school to reduce the burden of raising children and promote economic stability for each family. We support access to family accommodations, allowing members to enjoy quality leisure time with their families.

Family-Friendly Initiatives

Parental leave 	Spousal maternity leave 	Reduced work schedule for children during the childbearing period 	Assistance for childcare
<ul style="list-style-type: none"> · Statutory leave available for employees with children up to age 8 or in the second grade of elementary school (up to one year in total, which can be divided into two periods) - Paid parental leave for primary caregivers: up to 1 year - Paid childcare leave for non-primary caregivers: up to 1 year 	<ul style="list-style-type: none"> · A system for selecting the optimal work location to enhance efficiency 	<ul style="list-style-type: none"> · An adjustment to the workweek or daily hours, ensuring the total workweek does not exceed 40 hours 	<ul style="list-style-type: none"> · Programs to assist with child education expenses, back-to-school supplies, and related costs

Encouragement of Taking Vacation Days

SK chemicals promotes a system that enables employees to share or autonomously use vacation days for work-life balance and operates various flexible vacation programs to maintain an immersive environment for each employee. In addition, in 2021, we introduced a long-term leave system for employees with a certain number of years of service. This system provides vacation expenses to employees who take long-term leave, encouraging rest and self-development while helping them return to work at a comfortable pace. The usage rate of the long-term leave program has steadily increased, from 23% in 2021 (its first year) to 61% in 2022, and 76% in 2023. SK chemicals will continue to support employees in enjoying healthy, leisurely breaks and a balanced life.

Implementation of Employee Welfare Programs

SK chemicals has implemented various welfare programs to help employees work happily and live conveniently. In addition to financial support such as transportation and communication expenses, we operate health care programs to promote the physical and mental well-being of our employees. Furthermore, we offer a maternity care facility, a housing support system, and assistance for hobbies and leisure activities to enhance both the working environment and the leisure lives of our employees.

Welfare Programs

Financial support 	Health management 	Breastfeeding/rest areas 	Housing support 	Hobby/leisure 	Others
<ul style="list-style-type: none"> · Transportation assistance · Telecommunications assistance · Welfare points assistance · Organic grocery purchases assistance 	<ul style="list-style-type: none"> · Regular medical checkups · Medical expense reimbursement (for employees and spouses) · Health clinic · On-site dental clinic · On-site gym · Psychological counseling program 	<ul style="list-style-type: none"> · Breastfeeding room · Workplace daycare 	<ul style="list-style-type: none"> · Home purchase and rental financing assistance · Housing support for rural workers 	<ul style="list-style-type: none"> · Support for family accommodations · Support for company clubs and activities 	<ul style="list-style-type: none"> · Rewards for long-term service

Management and Alleviating Measures for Human Rights Issues

Health and Safety

SK chemicals prioritizes the safety and health of its employees and partners and makes various efforts to create safe workplaces. We operate a systematic safety and health management system at all of our worksites and proactively eliminate potential hazards through periodic risk assessments. In addition, we strengthen on-site due diligence and safety inspections to prevent accidents and have established an emergency response manual to quickly address unexpected incidents. Furthermore, we provide necessary training and support to employees and partners to enhance their safety awareness and health, while also strengthening continuous communication regarding safety and health matters.

8 Codes of Conduct on SHE for Employees

Management System Certification (ISO 45001)

Safety and Health Management Policy

Establishment of SHE (Safety, Health, Environment) Management System and Its Expansion

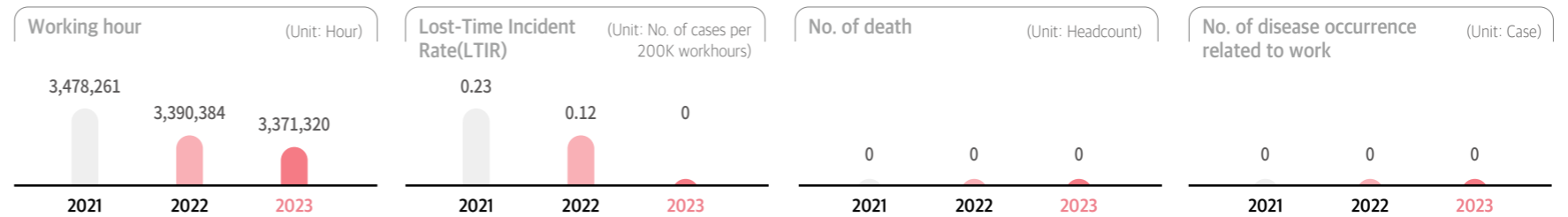
SK chemicals recognizes the environment, safety, and health as core values and practices SHE management. As a result, the Cheongju and Ulsan plants have obtained ISO 45001 certification. Additionally, the Andong plant of SK Bioscience, a subsidiary of SK chemicals, has also received ISO 45001 certification, bringing the total to 92% of SK chemicals' plants that are ISO 45001 certified¹⁾. Meanwhile, to prevent safety accidents at work, SK chemicals is strengthening its subsidiary SK multi utilities' safety and health management system and on-site execution. SK multi utilities is strengthening its health and safety management system and on-site implementation, obtaining ISO 45001 certification in 2024.

1) Based on the consolidated financial statement

Workplace Risk Assessment

To create a safe working environment for employees, SK chemicals actively promotes activities to proactively diagnose, identify, and improve potential hazards in the workplace. To this end, we have established a systematic risk assessment procedure for conducting these evaluations. At the Ulsan Plant, we have conducted risk assessments for all operations, while at the R&D Center, we have established risk assessment procedures specifically for high-risk experimental work to enhance safety. In 2023, 100% of SK chemicals' workplaces conducted employee health and safety risk assessments.

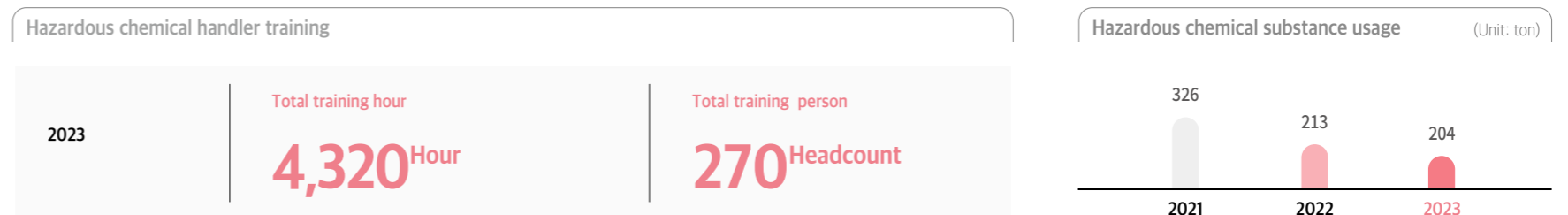
Safety and Health Status of Plants



Hazardous Chemical Management

Recognizing the importance of managing and preventing exposure to hazardous chemicals, SK chemicals provides hazardous chemicals training to employees who manage, handle, and transport these substances in research centers and plants. In addition, we are continuously reducing the amount of hazardous chemicals used by optimizing processes and applying alternative substances.

Performance in Managing Harmful Chemical Substances



Management and Alleviating Measures for Human Rights Issues

Health and Safety

Promoting a Safety-oriented Culture through Enhanced Communication

SK chemicals is conducting various activities to identify and improve risk factors in the workplace through smooth communication with employees and partners. We operate the 'Safety Reporting Center' to allow employees to freely suggest opinions on safety and health through smartphones, regardless of time and space. This enables us to quickly identify and improve unsafe factors in the workplace, contributing to workplace safety and promoting a culture of safety. We also operate the 'Safety Habit System(safety habits of coworkers)' to foster a culture of safety among coworkers. Through this system, employees observe each other's behaviors, praise safe behaviors, and discuss unsafe behaviors to encourage improvement. SK chemicals will continue to strengthen these communication-based programs to build a safer working environment and promote a culture of safety.

Identification and Mitigation of Risk Factors in Partner Workplaces

SK chemicals' SHE Management Procedures for Partners policy stipulates safety rules to be followed by partners who are present in the workplace and perform tasks such as construction and driving, and it provides basic knowledge on safety management. Additionally, we identified a total of 178 hazards and risks in our partners' workplaces, including risks of musculoskeletal disorders when loading products, hazards associated with forklifts in product warehouses, and tools for workers. We have successfully resolved 145 of these hazards, representing 81% of the total. In the future, we plan to expand the number of targeted partners and gradually increase the percentage of hazards resolved.

Implementation of Healthcare Management Programs

SK chemicals operates various health management programs to improve the health of its employees. We support employees in participating in initiatives aimed at enhancing physical fitness and preventing diseases through programs such as smoking cessation, 10,000-step walking challenges, and obesity prevention initiatives. Additionally, we implement customized health promotion programs at each workplace to increase employee participation. Regular health checkups are conducted for employees to prevent diseases and safety accidents, while special health checkups for hazardous chemicals are specifically offered for employees at research institutes. In 2023, the company renovated its on-site fitness center, 'ECO Fit,' and provides updated fitness equipment and GX (Group Exercise) programs to support employees' physical fitness and health management.

SK chemicals places significant emphasis on managing not only the physical health of its employees but also their mental well-being. To provide a better working environment and manage both personal and professional stress, we operate a professional psychological counseling program called 'Todak Todak,' in partnership with an Employer Assistance Program (EAP) provider. Employees can choose from various counseling channels, including face-to-face, video, and telephone, based on their convenience, with all counseling sessions kept strictly confidential. We also offer counseling programs for employees' families to support the creation of healthier family dynamics.



Website for "Todak Todak", employees mental counselling program

Management and Alleviating Measures for Human Rights Issues

Non-Regular Workers

SK chemicals strictly prevents discrimination against non-regular workers to ensure equal rights and treatment for all employees. We provide equal job security and career advancement opportunities, regardless of employment type, and are committed to respecting the rights of all workers. In particular, we continuously promote systemic improvements to ensure that non-regular workers enjoy the same benefits and working conditions as regular employees. We also encourage all employees to participate in fostering a fair culture free of discrimination through regular human rights training. SK chemicals will continue to do its utmost to create an inclusive work environment where all workers, including non-regular employees, are treated with respect.

Review and Improvement of Non-Regular Workers' Human Rights Risks

In 2024, SK chemicals conducted a human rights impact assessment by segmenting the assessment items to identify human rights issues affecting vulnerable groups, including non-regular workers. As a result, we identified human rights issues related to welfare benefits for converted intern workers and implemented related improvement tasks, such as establishing welfare payment standards. We also plan to conduct discrimination checks on non-regular workers, including converted intern workers, to improve their working environment and treatment. SK chemicals will continue to monitor the human rights issues faced by non-regular workers and promptly implement improvement tasks to protect their rights and ensure their equal treatment.

Workplace Bullying and Sexual Harassment

SK chemicals is implementing various activities to prevent bullying and sexual harassment in workplace. To create an environment where all employees feel safe and respected, we strictly prohibit bullying and sexual harassment through our policy <Regulations prohibiting harassment and sexual harassment>. We provide grievance channels and regular training to prevent such incidents. Additionally, in the event of a related incident, we prioritize the protection of victims and have procedures in place to implement prompt remedial measures. SK chemicals adheres to a zero-tolerance policy for bullying and sexual harassment, and through this commitment, we strive to create a healthy organizational culture where the human rights of employees are respected.

[Regulations prohibiting harassment and sexual harassment](#)

Bullying and Sexual Harassment Prevention Training

SK chemicals actively conducts training to prevent workplace bullying and sexual harassment as part of its human rights management efforts. We regularly provide training to all employees to strengthen their awareness and practical skills to prevent such incidents from occurring. As of 2023, 100% of employees have completed the training, and we plan to continue enhancing the relevant training content and expanding the training targets.

Harassment and Bullying Grievance Management

SK chemicals has a systematic grievance procedure to respond promptly to incidents of bullying and sexual harassment in the workplace. Reports received through the Ethics Management Reporting Channel are thoroughly investigated by the HR and Compliance teams, and appropriate measures are taken with the safety and rights of the victim as the top priority. Depending on the outcome of the investigation, severe disciplinary actions will be imposed, including dismissal, demotion, or pay reduction. If necessary, additional measures, such as departmental reassignment, will be implemented to protect the victim and ensure strict separation between the parties. Recently, we have designated additional female grievance counselors to increase the accessibility of our grievance channels, and we have improved our grievance procedures to prevent secondary victimization and protect victims further.



Workplace bullying and sexual harassment prevention manual

Management and Alleviating Measures for Human Rights Issues

Privacy

SK chemicals is engaged in various activities to protect the privacy and personal information of our stakeholders, including our employees. SK chemicals implements various security measures to minimize the collection and processing of personal information in all business activities, store it securely in accordance with laws and regulations, and prevent external leakage. We also ensure that all stakeholders, including employees, have the right to access and manage their personal information, and strengthen our personal information management system and protection capabilities through regular internal training and inspections.

Information Protection System

SK chemicals is committed to safeguarding and managing the valuable information assets of our customers and the company by implementing an anomaly monitoring system to prevent the leakage of confidential data. To prevent threats, even in cloud system or remote work environments, we have applied the Zero Trust strategy to build a Cloud Access Security Broker (CASB), Secure Web Gateway (SWG), and centralized management platform environment. We also regularly revise our information security policy and operate a systematic response system to effectively protect corporate information assets. In addition, in 2023, SK chemicals acquired the international standard information security management system certification (ISO/IEC 27001) to elevate its information security system to a global level.

Information Protection Audits and Outcomes

SK chemicals not only ensures the safety of business solutions by strengthening the security review process applied when introducing new solutions, but also builds a safe and sustainable business system through regular vulnerability diagnosis and management. Based on our Customer Information Policy, we have focused on preventing the theft and loss of data, including customers' personal information, and have recorded zero cases of theft and loss to date, consistently achieving our security goals.

In 2023, we conducted 17 information security campaigns, including two malicious email mock drills and two backup recovery drills, as part of our security awareness and internal information security inspection activities. Additionally, we held a 'Security Day' event to review the implementation of practices and inspection items in line with internal standards. We will continue to maintain a record of zero security-related violations by replacing obsolete systems, strengthening firewalls in our systems, monitoring of internal document security breaches and conducting offline inspections, such as periodic security checks. Furthermore, we have established an information security roadmap for 2024 that integrates the authentication system, automates information security threat detection, and advances information leakage detection.

Information Protection and Personal Data Security Training

SK chemicals regularly conducts customized personal information protection and information security training for employees and partners, which is updated annually to strengthen information security capabilities, including enhancing information security awareness. We provide personal information security training, employee security training, and new employee security training for employees, along with partner security training for partner employees.

To make the training more accessible, we have established an online system that allows more employees to participate. The completion rate of privacy and security training for employees is 99%, while the completion rate of security training for business partners is 100%.

Enhancement of Employees' Personal Life Protection

SK chemicals is continuously improving related policies and infrastructure through communication with employees to protect their privacy. In 2024, we plan to enhance the relevant regulations for CCTV installation so that related issues can be discussed at the Labor-Management Council. We will also conduct an internal status check and consultation with the Occupational Safety and Health Committee to establish guidelines for CCTV installation. In addition, SK chemicals is committed to continuously reviewing and improving internal policies related to the protection of employees' privacy to create an environment where employees can work with relief.



Information protection campaign posters

04

Human Rights Management Status

- Sustainable Supply Chain >
- Diversity and Inclusion >
- Work Environment >

Human Rights Management Status

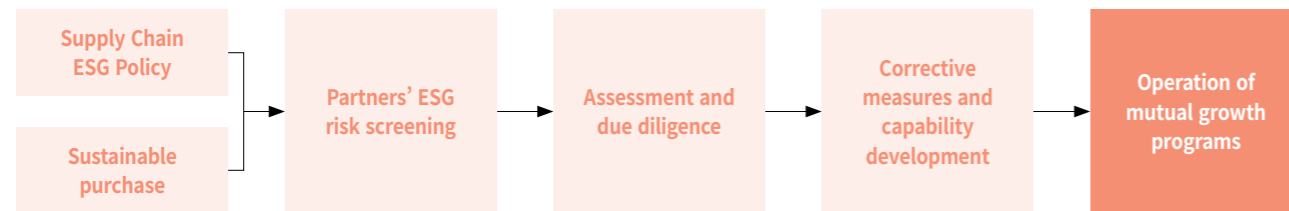
Sustainable Supply Chain

Supply Chain ESG Management System

SK chemicals ensures the sustainability of its partners through the supply chain ESG Evaluation system. This system evaluates risks across key areas, including labor, human rights, environmental impact, ethical management, and the safety and health of partners. Based on these evaluation, we work to mitigate ESG risks and enhance management capabilities of partners.

The supply chain ESG evaluation are conducted through self-assessments by partners, which are then verified by third-party assessment organizations. If necessary, additional verification is performed through on-site inspections. Through this process, SK chemicals requires partners with higher risk potential to take corrective actions and implement improvement measures, while also offering support programs such as consulting.

SK chemicals' Supply Chain ESG System



ESG Management Target and Directions of Supply Chain

SK chemicals recognizes the critical role of supply chain ESG management in maintaining and enhancing the organization's competitiveness. To support this, we annually update our three-year mid- to long-term strategy every three years, establishing ESG risk management plans for our partners and assisting them in developing supply chain ESG policies and self-assessments. In response to the implementation of The Corporate Sustainability Due Diligence Directive(CSDDD), SK chemicals plans to expand the scope of assessments and evaluations while supporting improvements in ESG performance across the supply chain. To manage the supply chain ESG system systematically, we define clear departmental responsibilities and roles and enhance ESG training on the supply chain to emphasize its importance to employees.

Supply Chain ESG Management Policy

SK chemicals has established and systematically implements the supply chain ESG management policy to ensure sustainable business practices with partners who contribute to addressing social and environmental challenges. The Supply Chain ESG Management Policy includes risk screening, a supplier code of conduct, and a supply chain ESG management roadmap. A key aspect of this policy is the supplier code of conduct, which is distributed annually to partners. Pledges are collected to ensure that only those partners who are familiar with and agree to the Code, covering areas such as labor and human rights, environment, ethics, and safety and health, are eligible to proceed to the contract signing stage. Furthermore, SK chemicals has established an ESG Committee responsible for making decisions on critical agendas, such as promoting supplier ESG initiatives and fostering mutual growth. Regular training sessions with SK Group are conducted to enhance internal expertise in supplier ESG management.

Sustainable Purchase Policy

At the procurement stage for raw materials, SK chemicals evaluates each supplier's performance in the Environmental, Social, and Governance (ESG) areas and incorporates these evaluations into purchase contracts. Since 2021, through our supplier evaluations, we have identified ESG-excellent partners, those recognized for their efforts to improve quality and service, and provide them with various incentives to foster stronger collaboration. Additionally, we actively promote green purchasing initiatives and green partnerships to enhance the competitiveness of our products.

Furthermore, based on our ESG management policy, we review ESG risks such as human rights, the environment, and ethics of partners and incorporate them into the purchasing process and qualification requirements. We suspend transaction contracts if there are significant legal risks. In 2023, a total of four partners were temporarily or permanently suspended during the transaction process. Additionally, we provide sustainable procurement training for contract managers to internalize sustainable procurement policies, and 86% of procurement managers completed the training in 2023.

In 2023, SK chemicals signed new contracts with 150 companies, and all partners, including existing ones, signed the ESG Code of Conduct.

Sustainable Purchase Policy Execution Status

Classification	Unit	2021	2022	2023
Percentage of partners signing the sustainable procurement charter/supplier code of conduct	%	88	100	100

Human Rights Management Status

Sustainable Supply Chain

Supply Chain ESG Evaluation and Due Diligence

To build a competitive supply chain, SK chemicals has been conducting supply chain ESG evaluation since 2021, focusing on partners with significant transaction volumes and high ESG materiality. We have established minimum standards that all members of the supply chain must comply with and evaluate partners' ESG compliance based on these criteria.

Partners begin the process with a self-assessment via our system, which is then verified by an independent third-party assessment organization to ensure the objectivity, reliability, and fairness of the evaluation. Following this, we generate a diagnostic report with an improvement roadmap to manage the ESG capabilities of our supply chain. Additionally, on-site due diligence are conducted when necessary, considering the diagnostic results and the materiality of the company.

The supply chain ESG evaluation consists of 66 detailed indicators across 23 medium and high-priority categories, based on global organization standards such as RBA and EcoVadis, as well as national laws and guidelines. Among these, 60 evaluation indicators focus on compliance, while 6 controversial indicators are used to identify potential violations of laws and regulations. Notably, in 2023, we introduced specialized indicators for different industries, exception indicators for specific workplaces, and customized indicators based on company size to improve the accuracy of the evaluation. Through the 2023 ESG evaluation, we identified two cases of regulatory violations—one related to the Clean Air Conservation Act and another concerning the Labor Standards Act—and took appropriate warning measures. Additionally, based on the importance and risk of each indicator, Governance items, such as ethics and audits, were identified as priority areas for improvement.

Actual status of Supply Chain ESG Evaluation

Classification	2023 Performance		2023 Target	Number of business partners Categorized as High Risk	Ratio of business partners Categorized as High Risk to Total business partners
	No. of partners	Purchase rate			
No. of business partners executed	51	37.5%	53	22	2.2% (22/990 partners in total)
No. of key partners among the executed	51	37.5%	53		

Identification and Alleviation of Supply Chain ESG Risks

SK chemicals evaluates high-risk partners by analyzing the results of the supply chain ESG assessment to establish targeted improvement plans and reward exemplary partners. If issues are identified during the supplier self-assessment or due diligence, we request improvement plans and monitor their implementation. These improvement plans are initially submitted in documentation form, and from 2024 onwards, we are adding the implementation of improvements to the monitoring metrics for the main contractor to ensure that we are making tangible progress.

2023 Key Supply Chain ESG Evaluation Outcomes



Supply Chain ESG Evaluation Outcomes and Key Corrective Measures Status

	Area	Key issues and corrective measures
Environment	Environmental management, eco-friendly products, energy, greenhouse gases, waste, hazardous chemicals, air pollutants, biodiversity, raw materials, water resources	<ul style="list-style-type: none"> Establishing an environmental policy Ensuring compliance with environmental laws and regulations
Society	Data protection, human rights, health & safety, employment, working environment, fair trade, social contribution	<ul style="list-style-type: none"> Establishing a conflict minerals policy Establishing a human rights policy Increasing the representation of female employees Measuring occupational injury rates
Governance	Information disclosure, management systems, audit, ethics	<ul style="list-style-type: none"> Establishing internal audit operating rules Disclosing ESG management information Establishing reporting rules for unethical behavior




Human Rights Management Status

Sustainable Supply Chain

Support for ESG Evaluation Incentives and Corrective Actions for Partners

SK chemicals awards ESG evaluation certificates and plaques to partners who complete the ESG evaluation process. To encourage greater engagement and enhance ESG capabilities, we plan to provide incentives to partners with excellent evaluation results. On the other hand, for partners who do not meet the minimum ESG standards, we will implement measures such as contract restrictions and offer 1:1 consulting to help them develop and implement corrective action plans.





Partners' Improvement Support Programs

Area	Issues and Corrective Measures
Environment 	<ul style="list-style-type: none"> · Support for environmental improvement consulting · Assistance with energy and greenhouse gas management measures · Support for waste management implementation plans
Society 	<ul style="list-style-type: none"> · Safety inspections and safety equipment support · Assistance with enacting safety and health management regulations · Support for revising and enacting employment rules
Governance 	<ul style="list-style-type: none"> · Guidance on establishing raw materials-related processes · Support in developing corporate ethics codes and policies

Implementation of Supply Chain ESG Screening

SK chemicals manages its major ESG risks by categorizing them into environmental, human rights/labor, governance, ethics, regional/production activities, and product-related risks. In addition, we plan to monitor specific risks such as country risks, those related to the chemical and pharmaceutical industries, and raw material risks—including conflict minerals—focusing on the supply chain in Korea, where our headquarters and core operations are located. The majority of our partners are located in Korea, where SK chemicals' main business sites are based. However, some items, such as raw materials, are sourced from overseas. To address this, we plan to expand the scope of risk checks by supporting multilingual ESG assessments in the future.

Partners' Preliminary Screening Factors and Checkup Result

Classification	Identifying Methods	Preliminary Screening Outcomes
ESG risks 	<ul style="list-style-type: none"> · Legal constraints on human rights and labor, environment, ethics, and governance 	<ul style="list-style-type: none"> · One violation of the Clean Air Conservation Act and one violation of the Labor Standards Act were identified, and warnings were issued. · Small and medium-sized enterprises need to strengthen their ethics and governance management systems
National risks 	<ul style="list-style-type: none"> · Operations in conflict zones, including human rights violations and wars 	<ul style="list-style-type: none"> · Most of our partners operate in Korea, with a few risk-free overseas operations
Raw materials risks 	<ul style="list-style-type: none"> · Use of conflict minerals 	<ul style="list-style-type: none"> · No partners use conflict minerals
Products risks 	<ul style="list-style-type: none"> · Availability of chemical information on environmental and human health impacts 	<ul style="list-style-type: none"> · Monitoring the management and use of chemical information data that impacts the environment and human health






Human Rights Management Status

Diversity and Inclusion

Female

SK chemicals actively works to establish a work environment free of gender discrimination and strives to prevent career discontinuity for female employees by operating a work-family support system. We achieve this by fostering a work environment that is free from gender bias and by implementing a comprehensive family support system. To help women balance childcare and work, we operate daycare centers and breastfeeding break rooms within the workplace. Through these initiatives, SK chemicals is committed to creating a gender-equal work environment and strengthening an inclusive organizational culture.

Work-Family Support System

 <ul style="list-style-type: none"> • Parental leave 	 <ul style="list-style-type: none"> • Spousal maternity leave 	 <ul style="list-style-type: none"> • Reduced work schedule for children during the childbearing period 	 <ul style="list-style-type: none"> • Workplace daycare center 	 <ul style="list-style-type: none"> • Breastfeeding room
<ul style="list-style-type: none"> • Statutory leave system for employees with children up to the age of 8 or in the second grade of elementary school (leave can be divided into two periods within a total of one year) 	<ul style="list-style-type: none"> • 10 days of maternity leave for the birth of a spouse's child 	<ul style="list-style-type: none"> • Reduced working hours for employees with children in the child-rearing period (up to 1 year) 	<ul style="list-style-type: none"> • On-site daycare center to support employees' childcare needs 	<ul style="list-style-type: none"> • Separate breastfeeding room with refrigerators for breast milk storage

Key Performances

Classification		Unit	2021	2022	2023
Female talent	Percentage of female executives	%	-	4	6
	Percentage of female managers ¹⁾	%	9	13	15
	Percentage of female junior ²⁾ managers	%	22	24	25
	Percentage of females in STEM ³⁾ department	%	41	49	54
	Percentage of female managers ⁴⁾ of profit-making departments	%	6	6	7
Work-family support	No. of parental leave takers	Headcount	21	37	33
	No. of people returned from parental leaves	Headcount	13	21	22

1) PL, team leader, and committee member 3) Positions related to Science, Technology, Engineering, and Mathematics, specifically applicable to members of the chemical research institute
 2) Employees excluding executives and managers 4) PL, team leader, and committee member of the marketing department

Persons with Disabilities

SK chemicals is dedicated to creating an inclusive employment environment for people with disabilities, providing them with equal and non-discriminatory working conditions. The company fully complies with the System of the Act on Welfare of Persons with Disabilities⁵⁾, and the number of employees with disabilities continues to grow each year. We develop job roles tailored to individuals with disabilities and support their integration into the workplace without discrimination. Additionally, we ensure that the work environment prioritizes the safety and health of employees with disabilities and provide relevant training to prevent any disadvantages due to their disabilities.

SK chemicals also conducts ongoing awareness programs to encourage employees to interact directly with people with disabilities in the community, promoting the value of diversity. In October 2024, SK chemicals employees and their families participated in various hands-on activities and disability awareness training alongside people with disabilities from local social welfare centers, aiming to address and reduce prejudice.

Through these initiatives, SK chemicals strives to help people with disabilities achieve economic independence while contributing to promoting diversity and inclusion across society.

5) A system in which employers with 50 or more full-time employees on average per month are required to hire workers with disabilities at a proportion equal to or greater than the percentage specified by presidential decree, within the range of one-hundredth of the total workforce in the company.



<Camping Salon>, family volunteering program aimed at improving perceptions of persons with disabilities

Key Performances

Classification	Unit	2021	2022	2023
Compliance with the System of the Act on Welfare of Persons with Disabilities	-	Implemented	Implemented	Implemented
No. of employees with disabilities	Headcount	44	43	50

Human Rights Management Status

Diversity and Inclusion

Diversity

Diversity and inclusion are core management principles at SK chemicals, and we are committed to respecting the dignity and value of our diverse workforce. To achieve this, we strictly prohibit discrimination on any grounds, including gender, age, disability, nationality, and religion, while fostering an organizational culture that ensures fair opportunities for all. We are dedicated to creating an employment environment free from discrimination, supporting employees from diverse backgrounds in reaching their full potential. Additionally, we continuously work to develop an inclusive culture where all employees feel a strong sense of belonging, cultivating an atmosphere of mutual respect alongside our commitment to gender equality.

Fair Recruitment

SK chemicals emphasizes job-oriented recruitment to adapt to the rapidly changing business environment and attract top talent from diverse backgrounds. We have established systematic screening procedures and standards to objectively assess the competencies required for each position. Our recruitment process is designed to be fair and transparent, rigorously excluding discriminatory factors such as gender, religion, and disability.

Organizational Culture Performance Management

SK chemicals conducts an annual 'Culture Survey' for all employees, subsidiaries, and affiliates. The survey assesses various aspects of the SK Group's management philosophy, social value measurement, employee happiness, sustainability management, and community engagement. The results are used to evaluate the state of SK chemicals' organizational culture, identify areas for improvement, and guide initiatives aimed at enhancing employee happiness. In the 2023 SK chemicals Culture Survey, the scores for items related to employee happiness, mental and physical health, job satisfaction, and sense of purpose improved to 3.7 out of 5, marking a 0.1-point increase from the previous year's score of 3.6.

Fair Evaluation and Rewards

SK chemicals ensures fairness and transparency by eliminating discriminatory factors from the evaluation and promotion process. Evaluations are based on job skills and performance, not on personal characteristics such as gender, age, disability, nationality, or religion, guaranteeing equal opportunities for all employees. At the beginning of each year, employees are evaluated using KPIs linked to organizational and business goals, based on the MBO (Management by Objectives) system. We continuously strive to enhance the transparency and rationality of the performance management and evaluation process through ongoing feedback. In 2023, 95% of employees at SK chemicals across all locations received regular performance and career development reviews.

Diversity Awareness Education Program

SK chemicals regularly conducts training programs to raise awareness about vulnerable workers, including people with disabilities. Our goal is to foster a work environment free from discrimination and to cultivate a culture that respects colleagues from diverse backgrounds. These training activities not only enhance employee understanding but also contribute to fostering an inclusive organizational culture. They play a key role in creating an environment where all employees have equal opportunities to thrive and grow. As of 2023, 100% of employees have been trained on diversity, discrimination, and harassment.



Human Rights Management Status

Work Environment

Education and Training

SK chemicals operates a structured program to ensure equal access to education and training for all employees, regardless of gender, religion, social status, nationality, or disability. This approach supports every employee's growth and personal development through diverse training programs. Our training programs focus on six key areas: fostering a self-directed, continuous learning culture; strengthening leadership capabilities; enhancing job expertise; cultivating key talent; providing onboarding support; and building digital transformation (DX) skills to adapt to evolving internal and external environments. SK chemicals is committed to creating a discrimination-free environment where all employees can grow, thereby strengthening corporate competitiveness and advancing our commitment to social value. In this regard, 85.5% of employees at all SK chemicals sites received career and job skills-related training in 2023.

2023 Training Hours per Type

Classification	Unit	Total training hours	Training hours per person
Environment training	Hours	2,259	7
Fair trade/Ethics training		472	1
Human rights/Sexual harassment training		3,441	2
Occupational Safety training		11,724	13
Work-related training		96,829	80

Employees Training Status

Classification	Unit	2021	2022	2023
Annual average training hour per person	Hours	53.4	57.6	76.8
Annual average training hour per female employee	Hours	73.3	54.9	71.2
Annual average training cost per person	1 million KRW	1.4	2.0	2.4
Total training hours	Hours	76,659	82,134	108,930
Total training cost	1 million KRW	2,053	2,799	3,443

Employees Training-Education Program

Classification	Objectives	Operational impact	Training titles
Self-directed learning	· Promote individual growth by empowering employees and encouraging knowledge sharing, thereby enhancing overall organizational competitiveness.	· Improve project execution, creative problem-solving, and cross-team collaboration for enhanced organizational effectiveness.	· mySUNI
Leadership training	· Strengthen the organizational and talent management capabilities of leaders and future leaders to enhance the overall competitiveness of the organization.	· Boost team performance and employee satisfaction, fostering a culture of innovation and sustainable growth.	· Leadership training · New Leader Training · Promoted employee training
On-the-job training	· Improve overall work performance by enhancing employees' job competencies and global communication skills.	· Increase employee expertise and global competencies, enhancing work efficiency and strengthening the organization's global competitiveness.	· Job skills courses · Language training support
Key talent development	· Cultivate core talent equipped with critical job skills and proactive leadership to respond to evolving business environments, driving deep organizational change and building a foundation for sustainable growth.	· Strengthen the professional skills and leadership of high-potential employees, supporting the organization's capacity for transformational change and improved competitiveness.	· Key workforce development programs · Degree programs · Certification support
Onboarding	· Support new and recently recruited employees in understanding the organization's management philosophy and business specifics, enabling them to adapt quickly.	· Empower employees to adapt rapidly and enhance their skills, driving organizational growth and overall work efficiency.	· New hire education · New hire training
Digital transformation (DX) empowerment	· Equip employees with fundamental digital capabilities, including AI and data analytics, to master new ways of working and lead digital transformation in the organization.	· Strengthen the organization's capacity for digital transformation and innovation by developing digital-based job competencies and data analysis skills.	· DX change management training · PBV(Project Based Value Creation)

Retiree Supporting Programs

SK chemicals operates a retiree support program to help employees make a smooth career transition and plan for their future after retirement. For employees, the program offers face-to-face counseling and job placement assistance as part of reemployment support. For executives, it provides 1:1 career consulting and change management support, along with courses across various fields.

Classification	Programs	Program descriptions	2023 no. of participants
Employees	Job Search Support for Workforce Re-Entry After Retirement	· One-on-One Face-to-Face Consultation · Two Job Placement Opportunities · Job Postings	10
Executives	Operation of SK Honors Lounge	· 1:1 Career Consulting · Specialized Courses in Humanities, Finance, Health, Trends, and More	1

Human Rights Management Status

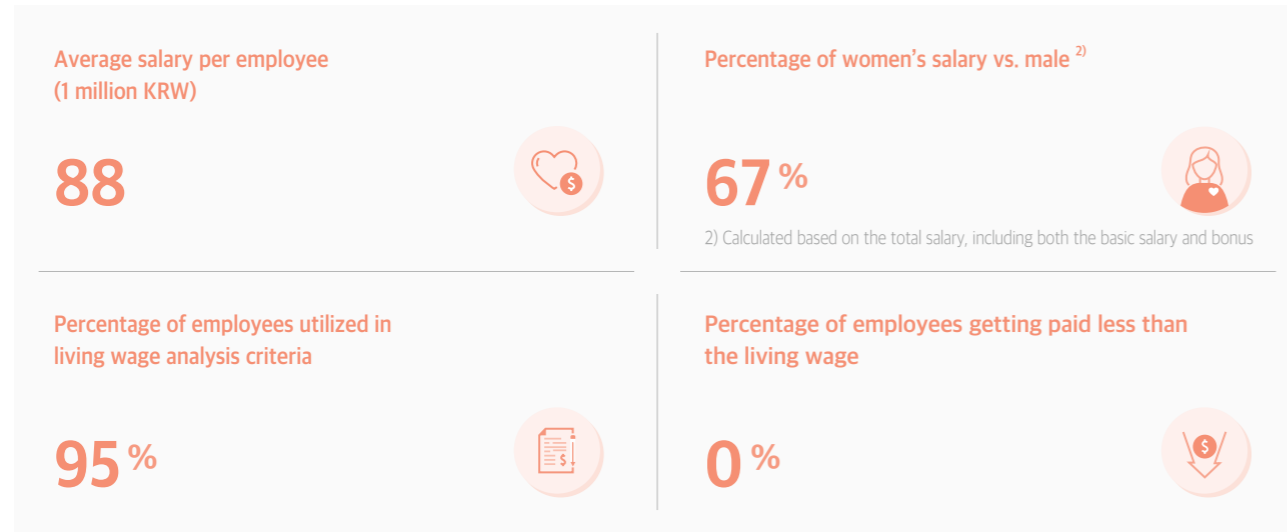
Work Environment

Appropriate Wage

SK chemicals strives to ensure fair and adequate remuneration for all employees. We not only comply with the minimum wage requirements¹⁾ but also guarantee wages above the living wage, enabling employees to lead a stable life. This commitment is clearly outlined in the Statement of Human Rights Management and the Guidelines for Human Rights Management Execution. A living wage covers the essential needs of employees and their families, and SK chemicals actively assesses and integrates appropriate living wage standards across its operational locations to provide fair remuneration. We also consider economic conditions and price fluctuations to help employees maintain a decent standard of living. Additionally, SK chemicals continuously refines its policies to uphold the principle of "equal pay for equal work," ensuring equitable and competitive compensation for all employees. Through these efforts, SK chemicals is building a sustainable employment environment that supports the economic well-being of its workforce and promotes a better quality of life.

1) Wages set higher than the minimum wage at the discretion of local governments, taking into account the actual living costs of workers and the prevailing inflation rates

2023 Salary Level



Child Labor/Forced Labor

SK chemicals prohibits both child labor and forced labor in principle. To prevent child labor, we verify the age of applicants before hiring, and if anyone under the age of 18 is hired (including students, interns, trainees, and apprentices), we ensure that they are not engaged in hazardous or dangerous work, including night shifts or overtime, under any circumstances. Additionally, we monitor to ensure that their work does not limit their educational opportunities. We also comply with labor-related laws and regulations to prevent forced labor, ensuring that no work is performed involuntarily or through coercion. Employees are never forced to surrender their identification cards, passports, or work permits as a condition of employment, nor are they required to accept money.

These principles are upheld through SK chemicals' Statement of Human Rights Management and Guidelines for Human Rights Management Execution. We are continuously improving working conditions to ensure all employees can maintain a work-life balance and maximize their individual potential.

Appropriate Housing

SK chemicals is committed to enhancing housing stability and quality of life for its employees through various support initiatives. Our housing support policy is designed to help employees secure stable living environments, promoting a healthy balance between work and personal life. To reduce financial burdens, we also offer financial assistance, including loans through the Company's Employee Welfare Fund, with plans to expand these support programs in the future. For employees required to relocate for work, we provide housing expense support to ease their transition and help them adjust to new environments. SK chemicals remains dedicated to fostering stable housing conditions for our employees, contributing to their productivity and well-being.

Regulations on Support for Stable Housing

Article 54 of the Collective Labor Agreement: (Housing Stability Support)

To support the housing stability of its employees, SK chemicals' Internal Employee Welfare Fund provides housing loans in accordance with specific regulations, within defined limits.

05 Appendix

UNGP Reporting Framework >

Key Human Rights Issues Management Indicators >

Third-Party Assurance Statement >

Appendix

UNGP Reporting Framework

Classifications	Report Principles	Descriptions	Report Status
Governance of Respect for Human Rights	A1. Policy Commitment	Disclosure of commitment	p.5~6
	A2. Embedding Respect for Human Rights	Commitment for internalization	p.7~11
Defining the Focus of Reporting	B1. Statement of salient issues	Human rights issues in relation to business activities	p.18~23, 25~31
	B2. Determination of salient issues	Process of selecting key issue	p.13~16
	B3. Choice of focal geographies	Key regions for management and selection process	p.13~16
	B4. Additional severe impacts	Key issues and potential issues	p.25~31
Management of Salient Human Rights Issues	C1. Specific policies	Specific human rights policies	p.5~6, 25
	C2. Stakeholder engagement	Stakeholder engagement by issue	p.8, 14
	C3. Assessing impacts	Continuous identification of issues	p.13~16
	C4. Integrating findings and taking action	Decision making process in response to issues	p.13~16
	C5. Tracking performance	Efficacy of activities for solving issues	p.13~16
	C6. Remediation	Follow-up support activities for victims	p.10~11, 18~23

Appendix

Key Human Rights Issues Management Indicators

Management indicators		Unit	2021	2022	2023	
Salary	Average salary per employee	1 million KRW	89	82	88	
	Women's total salary (basic payment + bonus) percentage vs. men	%	64	66	67	
	Percentage of employees utilized in living wage analysis criteria	%	94	94	95	
	Percentage of employees getting paid less than the living wage	%	0	0	0	
Labor union's collective convention	Implementation of labor union's collective convention	%	100	100	100	
Organization culture	Satisfaction to organization culture	Level of Satisfaction (out of 5)	Point	3.6	3.6	3.7
		Response rate	%	78.3	75.6	82.3
Work-life balance	No. of employees using parental leave	Male	Headcount	4	12	8
		Female	Headcount	17	25	25
		Total	Headcount	21	37	33
	No. of employees returned from the parental leave	Male	Headcount	6	7	6
		Female	Headcount	7	14	16
		Total	Headcount	13	21	22
	No. of employees worked over 12 months after returning	Male	Headcount	4	6	3
		Female	Headcount	5	8	4
		Total	Headcount	9	14	7
	Percentage of employees worked over 12 months after returning	Male	%	67	86	50
		Female	%	71	57	25
		Total	%	69	67	32
Health and safety	Working hour	Hour	3,478,261	3,390,384	3,371,320	
	No. of death cases	Headcount	0	0	0	
	No. of accident cases	Case	6	9	5	
	No. of occupational illness and diseases	Case	0	0	0	
	Total Recordable Incident Rate (TRIR)	%	0.34	0.53	0	
	Lost Time Injured Rate (LTIR)	%	0.23	0.12	0	
	Harmful chemical substances usage	Ton	326	213	204	

Management indicators		Unit	2021	2022	2023	
Diversity	Total headcount	Headcount	1,439	1,425	1,418	
	Female	No. of female employees	Headcount	294	313	331
		Percentage of female employees	%	20	22	23
		No. of female directors	Headcount	0	0	0
		Percentage of female directors	%	0	0	0
		No. of female executives	Headcount	0	1	2
		Percentage of female executives	%	0	4	6
		No. of female managers ¹⁾	Headcount	9	13	15
		Percentage of female managers	%	8	10	11
		No. of female junior managers ²⁾	Headcount	285	300	314
		Percentage of female junior managers	%	22	24	25
	Minority groups	No. of female employees in STEM ³⁾ departments	Headcount	62	72	78
		Percentage of female employees in STEM departments	%	41	49	54
		No. of female employees in profit-making departments ⁴⁾	Headcount	18	19	25
		Percentage of female employees in profit-making departments	%	6	6	7
		No. of total minorities in employees	Headcount	441	392	362
		No. of disabled employees	Headcount	44	43	50
No. of foreign employees		Headcount	1	1	1	
No. of national veteran employees	Headcount	26	26	25		
No. of non-regular employees	Headcount	88	82	74		
No. of employees over 50 in age	Headcount	282	240	212		

1) PL, team leader, and committee member

2) Employees excluding executives and managers

3) Positions related to Science, Technology, Engineering, and Mathematics, specifically applicable to members of the chemical research institute

4) PL, team leader, and committee member of the marketing department

Appendix

Key Human Rights Issues Management Indicators

Management indicators		Unit	2021	2022	2023	
Education and training	Annual average training hour per person	Hour	53.4	57.6	76.8	
	Annual average training hour per female employee	Hour	73.3	54.9	71.2	
	Annual average training cost per person	1 million KRW	1.4	2.0	2.4	
	Total training hours	Hour	76,659	82,134	108,930	
	Total training costs	1 million KRW	2,053	2,799	3,443	
Human rights grievance report and management	Grievance filing	Customers	Case	0	0	0
		Employees	Case	1	1	3
		Business partners	Case	0	0	0
		Others	Case	1	0	0
		Total	Case	2	1	3
	Grievance management execution		Case	2	1	3
	Percentage of handled grievances		%	100	100	100
	Occurrence of sexual or other forms of harassment		Case	0	0	2
	Measures	Minor disciplinary action	Case	1	1	3
Strict disciplinary action		Case	1	0	0	
Human rights impact assessment	No. of workplaces with high risks of violation of freedom of association and collective agreements rights		No.	0	0	0
	No. of workplaces with high risks of child labor or forced labor		No.	0	0	0
	Percentage of human rights risks relieving measures		%	100	100	100
Supply chain management	Supply chain status	Total no. of partners	No.	1,477	1,297	990
		No. of retail shops	No.	333	313	258
		No. of shops other than retail shops	No.	1,144	984	732
		Purchase amount	100 million KRW	7,658	6,738	7,650
		Purchase amount of retail shops	100 million KRW	1,281	1,014	904

Management indicators		Unit	2021	2022	2023		
Supply chain management	Supply chain status	Purchase amount of shops other than retail shops	100 million KRW	6,378	5,724	6,746	
		No. of partners in the tier 1 significant partners	No.	-	32	74	
		Purchase amount in the tier 1 significant partners	100 million KRW	-	4,726	5,848	
		Purchase percentage of tier 1 significant partners	%	-	70	76	
		Sustainable procurement		%	88	100	100
	Supply chain evaluation	No. of partners participated in supply chain ESG evaluation		No.	30	40	51
		No. of partners at high risks based on the assessment result		No.	-	26	22
		No. of partners that finished due diligence on the supply chain		No.	-	10	9
		Percentage of partners that finished due diligence on the supply chain ¹⁾		%	-	38	41
	Corrective actions and support	No. of partners who implemented corrective action/improvement plan		No.	-	26	22
		Percentage of partners who implemented corrective action/improvement plan		%	-	48	41
		No. of partners supported in corrective action plan implementation		No.	-	26	22
		Percentage of partners supported in corrective action plan implementation		%	-	100	100

1) Percentage of high-risk partners that conducted due diligence on the supply chain

Appendix

Third-Party Assurance Statement

SK chemicals' Stakeholders

Sustainability Lab (hereafter 'the validator') submits the following verification statement in response to SK chemicals' request for third-party verification of the "SK chemicals Human Rights Management Report" (hereafter 'the report'). The validator conducted limited validation of SK chemicals' report for the fiscal year ending December 31, 2023 (with some qualitative data extending into 2024), following the UN Guiding Principles Reporting Framework (hereafter 'UNGP') included in the appendix of the report.

Responsibilities and Independence

SK chemicals is fully responsible for the data and opinions stated in this report. The validator is responsible solely for providing the validation opinion on the report. As an independent validation agency, the validator did not participate in preparing the report and has no interests that could impair its independence.

The management of SK chemicals selects the principles covered and addressed by the report, prepared in accordance with the UNGP, and is responsible for the preparation, statements, and disclosures in the human rights report. This responsibility includes designing, implementing, and maintaining internal controls to ensure the report is free from material misstatements caused by inaccuracies or errors.

Restrictions

The validator has confirmed the reliability of the achievements outlined in the report. However, as the external reference materials included in the report are not within the scope of our work, the validator does not guarantee these elements. This verification report has been issued for SK chemicals' management according to the terms of the contract, and the validator does not assume any liability for compensation or joint responsibility to any individual or organization that makes decisions based on this statement.

Validation Method

This verification statement is based on the validator's processes and professional judgment. It provides validation opinions by reviewing the process, evaluating the document, and assessing its compliance with the UNGP. The following details were confirmed during the validation process.

- Analysis of the process used to collect and integrate data suggested in the report.
- Review of SK chemicals' report, applying the UNGP (policies, procedures, activities, and other examples aligned with UNGP principles).
- Validation of information consistency with SK chemicals' "Sustainability Report."
- Confirmation of alignment with risk factors identified by SK chemicals in the report, referring to the company's policy regarding human rights.
- Identification of core human rights issues in the report and review of methodologies used in its creation.
- Confirmation of activities undertaken to address identified risks and alleviate them as stated in the report.

Restricted Validation Results

Based on the review of the "Appendix: UNGP Reporting Framework" in SK chemicals' report, in accordance with the validator's processes and content, we confirm that no material errors or omissions regarding key factors for the UNGP reporting principles were found in the report.

November 2024

