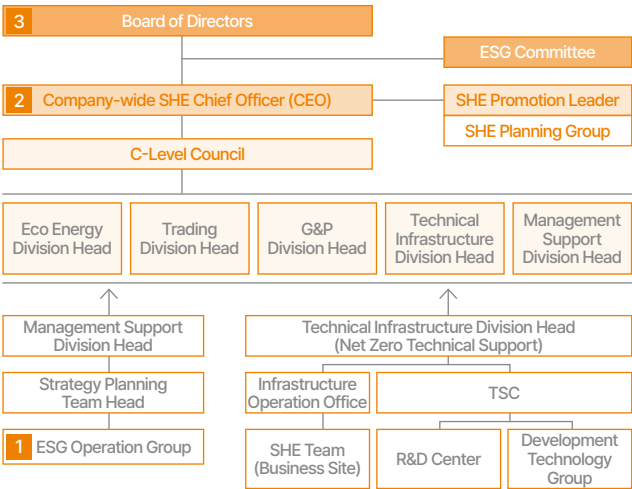


Climate Change

Governance

Climate Change Response Framework

[Climate Change Response Governance]



- 1 The ESG Operation Group is responsible for developing climate-related strategies and managing performance. The group works in close coordination with relevant departments to review and address key climate-related issues. The outcomes are reported by the Head of Strategic Planning to the Head of Business Support, who then reports to the C-Level Council.
- 2 The C-Level Council meets on a biweekly basis. Issues discussed are reported to the Chief Executive Officer (CEO), who has overall responsibility for safety, health, and environmental (SHE) matters. The CEO conducts quarterly reviews of ESG performance, including the status of climate initiatives, and reports the results to the ESG Committee and the Board of Directors.
- 3 The Board of Directors receives final reports on ESG matters, including climate-related risks and opportunities, from the ESG Committee. The Committee's oversight responsibilities are defined in the Corporate Governance Charter and its operational regulations.

Process for Integrating Climate Risks and Opportunities into Decision-Making

The Board of Directors considers climate-related risks and opportunities across all areas of management, including business strategy and financial planning. Management reports investment proposals exceeding a certain threshold to the ESG Committee, which then seeks approval from the Board. The ESG Committee utilizes the OSS (One Stop Support) review report and an ESG checklist to evaluate the financial viability of the investment along with sustainability factors, including climate considerations. In addition, the company is advancing its decision-making process by incorporating an internal carbon pricing mechanism into major investment evaluations to better account for climate-related risks and opportunities.

Oversight of Climate Target Implementation

The company has established climate-related targets and manages them through a structured approach. The ESG Committee monitors progress on key climate goals, including GHG emissions reduction and the expansion of renewable energy use. Performance is assessed semiannually using both quantitative and qualitative indicators tied to each climate-related target.

[Climate-Related Agenda Reported to the Board of Directors]

Meeting Date	Reporting Target	Agenda
Feb. 5, 2024	ESG Committee	• Report on 2023 Business Performance and 2024 Business Plan
Mar. 5, 2024	ESG Committee	• Report on PPA Progress and Response Plan
Mar. 18, 2024	ESG Committee	• Report on PPA Contract Execution
Jun. 18, 2024	ESG Committee	• Report on PPA Contract Structure Revision, Materiality Assessment Results, and Sustainability Report Publication
Oct. 16, 2024	ESG Committee	• Report on Enterprise-wide Integrated Risk Management System
Dec. 9, 2024	ESG Committee	• Report on 2024 ESG Performance and 2025 Plan, Climate Change and Other Environmental Issues – 2024 Performance and 2025 Plan, Materiality Assessment Results and Issue-Specific Opportunities/Risks

Development of Climate Expertise and Competencies

The Board of Directors is composed with consideration for both expertise and diversity. To strengthen the Board's and ESG Committee's capacity for climate-related decision-making, targeted training is provided. The training aims to enhance understanding of the evolving external environment, including business conditions and regulatory developments driven by climate change. Programs include internal and external training sessions, seminars, and forums.

[Climate-Related Training for the Board of Directors]

Date	Training
Oct. 2024	• Enterprise-wide integrated risk management system
Dec. 2024	• Climate change and other environmental issues: performance and plans
Dec. 2024	• Materiality assessment results and issue-specific opportunities and risks

Establishment of Climate-Related Performance Indicators for Management

The company links management compensation to the performance of climate-related initiatives. The ESG Committee conducts annual monitoring to assess progress on key action items related to the achievement of climate goals. The Committee also reviews whether climate-aligned performance indicators have been established and how those indicators are incorporated into the compensation framework.

[Details on Linking Executive Climate Performance to Compensation]

Target	Performance Indicator	Reference Regulation
CEO, Head of Business Support Division, Head of Technology and Infrastructure Division	Performance on Net Zero plan	Personnel committee performance compensation policy

Climate Change

Risk Management

Identification and Assessment of Physical Risks

SK Gas utilized the S&P Climanomics® analytics platform to identify and assess physical risks associated with its business sites. This solution provides rational and reliable forecasts of physical risks based on asset types and geographic locations, applying scenario frameworks aligned with major international agreements such as the United Nations Framework Convention on Climate Change and the Paris Agreement.

[Hazards subject to scenario analysis]

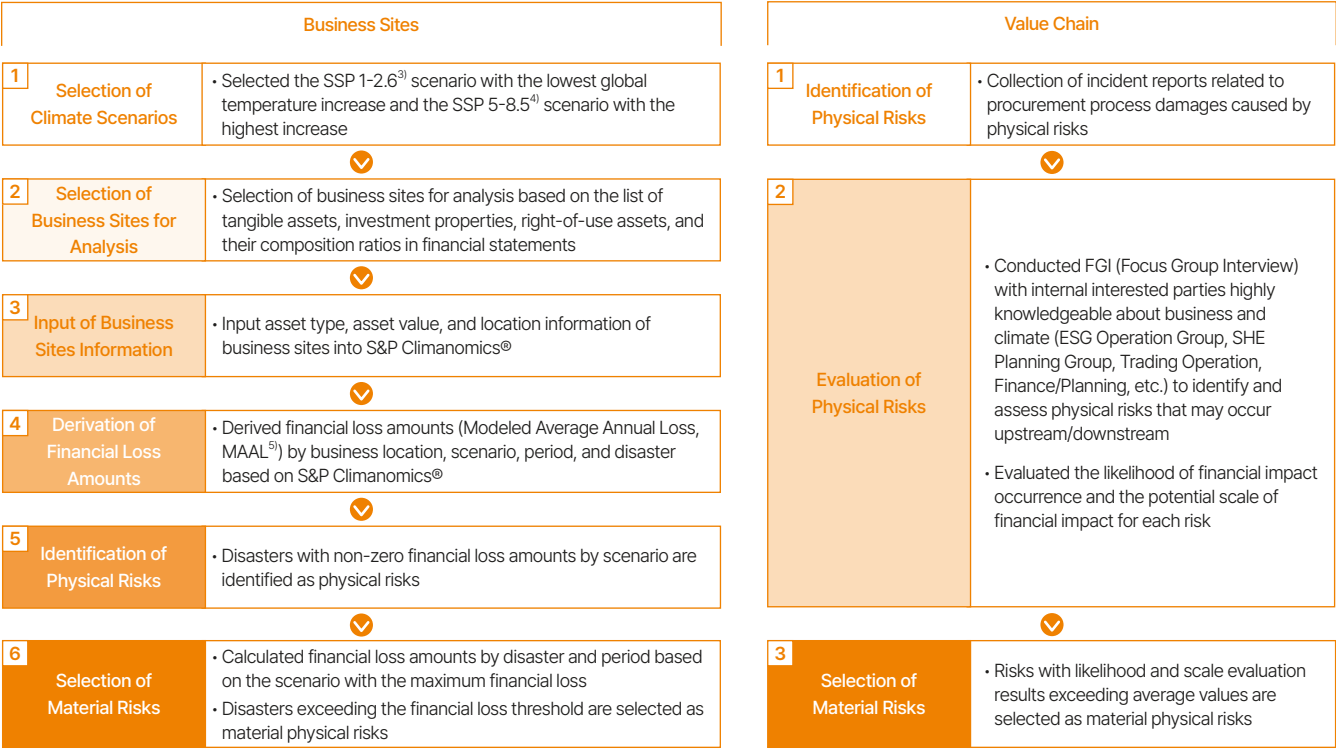
Hazards						
Fluvial flood	Pluvial flood	Typhoons	Wildfires	Drought	Extreme temperatures	Water stress

[Variables and data sources used in the analysis]

Input/Variable	Details	Data Sources
Climate variables by hazard type	Flood range, precipitation, sea surface temperature, temperature, humidity, wind speed, solar radiation, wildfire, drought-prone areas, etc.	<ul style="list-style-type: none">NASA NEX-GDDP¹⁾ DatasetWorld Meteorological Organization (WMO) CMIP²⁾6 scenario data
Asset type	Asset type most appropriate to asset characteristics	<ul style="list-style-type: none">Asset types provided by S&P Climanomics® Methodology
Asset value and location	Book value, latitude and longitude	<ul style="list-style-type: none">Target enterprises for analysis
Scenario	SSP1-2.6, SSP5-8.5	<ul style="list-style-type: none">IPCC 6th Assessment Report's Shared Socioeconomic Pathways (SSP) scenarios

1) NASA Earth Exchange Global Daily Downscaled Projections
2) Coupled Model Intercomparison Project

[Physical Risks Identification and Assessment Process]



For hazards and business sites where exposure to physical risks is material, the necessity of strategy establishment is determined based on the analysis results. If an existing strategy is in place, the enterprise's resilience resulting from the implementation of the strategy is evaluated.

3) SSP 1-2.6: Scenario assuming minimization of fossil fuel use due to advances in renewable energy technology
4) SSP 5-8.5: Scenario focusing on industrial technology development and urban-centered expansion
5) Total expected financial losses due to climate change including, capital expenditures, incremental operating costs, asset impairments, etc.

Climate Change

Risk Management

Identification and Assessment of Transition Risks and Opportunities

SK Gas identifies transition risks and opportunities by business unit in accordance with the TCFD recommendations. The company uses the following categories as the basis for assessment: policy and legal, technology, market, reputation, resource efficiency, energy sources, and product and service resilience.

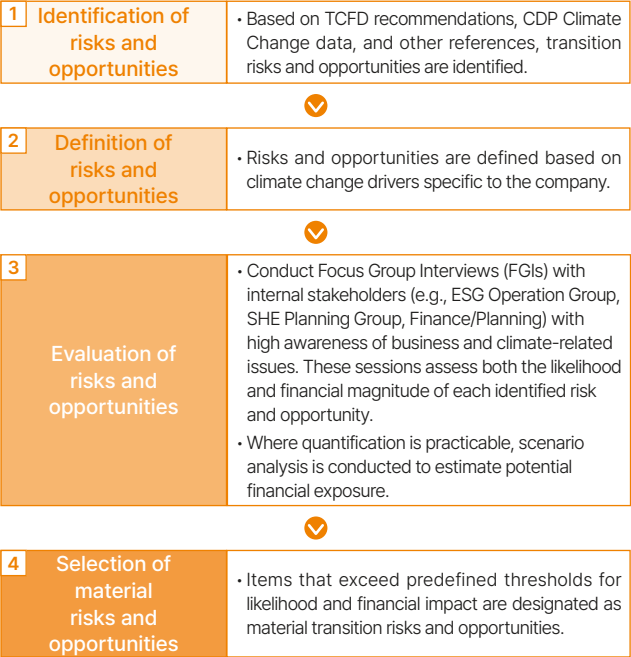
For the assessment, SK Gas applies scenario analyses based on the STEPS (Stated Policy Scenarios) and APS (Announced Pledge Scenarios) developed by the International Energy Agency (IEA). These public scenarios are widely used by energy companies and are aligned with major international agreements such as the UN Framework Convention on Climate Change (UNFCCC) and the Paris Agreement. The selected scenarios offer a comprehensive analysis of global energy markets and policy trends and are considered appropriate for the company's strategic planning.

[Variables and data sources used in the analysis]

Input/Variable	Details	Data Source
Fuel demand outlook by region	Regional natural gas demand outlook, regional hydrogen demand outlook	• IEA WEO (World Energy Outlook) 2024
Scenario	STEPS, APS	• IEA Global Energy and Climate Model

1) Stated Policies Scenario (STEPS) – Conservative scenario: Assumes that existing policies currently in place and officially announced by each country will be implemented, based on a sector-by-sector assessment of those policies.
2) Announced Pledges Scenario (APS) – Progressive scenario: Assumes full implementation of all climate-related commitments, including each country's NDCs and long-term net-zero targets.

[Transition Risk and Opportunity Identification and Assessment Process]



For material climate-related transition risks or opportunities, the company assesses whether a strategic response is necessary. If a strategy is already in place, the company evaluates its resilience by reviewing the outcomes of its implementation.

Integration with Enterprise Risk Management Process

SK Gas has established an enterprise-wide risk management framework by forming a management-level Risk Management Committee and appointing a Chief Risk Officer (CRO). Through this structure, climate-related risks and opportunities are integrated with both financial and non-financial risks at the Board level.

The Risk Management Committee defines risk as the potential for uncertainties arising from business activities to negatively impact financial performance, corporate value, or reputation. Risks are categorized into business development risk, business operation risk, and corporate management risk, with climate-related risks and opportunities incorporated under the corporate management risk category to ensure systematic oversight and control.

Climate Change

Strategy

Material Risks and Opportunities

Physical Risks

SK Gas may face increased operating costs due to extreme temperatures and flooding caused by heavy rainfall at its directly operating sites. From the value chain perspective, disruptions to operations caused by typhoons and droughts could negatively impact profitability.

Transition Risks

The company recognizes reputational risks arising from potential failure to meet stakeholder expectations for GHG emissions reduction, which may result in revenue decline. In the long term, changes in energy demand toward zero-carbon sources may lead to reduced sales of LPG and LNG, highlighting the need for proactive responses to evolving energy market dynamics.

Opportunities

In scenarios where national decarbonization policies are implemented gradually, the extended competitiveness of existing low-carbon products may present a favorable outcome for the company. In addition to such regulatory factors, demand for low-carbon product lines is expected to remain strong until zero-carbon infrastructure becomes fully established in the energy market. In the post-transition period, the expansion of the zero-carbon energy market is anticipated to align with the company's portfolio transformation strategy, representing a long-term growth opportunity.

[Impact of Risks and Opportunities on the Company]

 Subject of Quantitative Financial Impact Calculation

Risk and Opportunity		Scope	Period ¹⁾	Expected Financial Impact on the Company	Response Strategy
Physical Risk	Extreme temperature	Own operations	Short to long-term	• Increased operating costs, including cooling and air-conditioning, due to extreme temperature condition	• Improvement of energy efficiency at business sites and use of renewable energy-based energy
	Pluvial Flooding	Own operations	Short to long-term	• Recovery and cleanup costs incurred from site flooding	• Investment in structures to prevent flood damage
	Typhoons, droughts	Across the value chain	Short to long-term	• Profitability decline due to disruptions in vessel berthing and unloading caused by increased physical climate risks such as typhoons	• Investment in equipment to enhance durability against typhoon damage • Strengthening safety management plans for handling hazardous materials during docking and cargo handling of incoming and outgoing vessels
Transition Risk	Reputation: Demand for GHG emissions reduction	Own operations	Short to long-term	• Revenue decline resulting from failure to implement GHG reduction measures	• Continuous review and update of the 2030 Net Zero roadmap • Implementation of GHG emissions reduction including use of seawater heat exchangers, and conclusion of PPA contracts ❖ Current and Anticipated Financial Impacts from Implementation of Greenhouse Gas Reduction Strategy • Financial Impact for Current Period (2024): ① Acquisition cost of seawater heat exchanger assets: approximately KRW 15.3 billion (current depreciation expense: approximately KRW 0.5 billion) • Short-, Mid-, Long-term Financial Impact (2025-2030): ① Seawater Heat Exchanger: CAPEX and OPEX costs of approximately KRW 9.1 billion, with a decrease in costs (LPG fuel costs) of about KRW 15 billion) ② PPA: Renewable energy procurement costs of approximately KRW 28.3 billion with a decrease in costs (electricity charges) of about KRW 26.3 billion)
Opportunity	Market: changes in energy demand	Own operations	Long-term	• Decline in LPG/LNG sales due to long-term reduction in demand for carbon-emitting fuels	• LPG Business - Stable supply of LPG for private and transportation use based on LPG import/distribution and refueling station infrastructure - Diversification of customer sites including industrial fuel, power generation fuel, petrochemical and refining raw material LPG
	Regulations/ Policies/Laws: prolonged transition period due to passive implementation of decarbonization policies	Own operations	Short to mid-term	• Revenue growth driven by enhanced competitiveness of low-carbon products due to a prolonged transition period under slow national decarbonization	• LNG Business - Securing new supply opportunities for industrial LNG - Expanding operation of LNG import and supply infrastructure - Promoting LNG supply business for bunkering
	Market: changes in energy demand	Own operations	Short to mid-term	• Revenue increase during the short- to mid-term transition period based on growing demand for low-carbon products (LNG, LPG) prior to full-scale demand for zero-carbon energy	• Hydrogen/Ammonia Business - Promoting clean hydrogen supply business for power generation companies - Advancing clean hydrogen co-firing power generation at Ulsan GPS and SK Multi-Utility
		Own operations	Long-term	• Long-term revenue and investment gains expected from market expansion of zero-carbon energy after the transition period	- Advancing clean ammonia co-firing power generation at GGP (Goseong Green Power)

1) Short-term: Up to 1 year after the reporting period, Mid-term: Exceeding 1 year less than 5 years after the reporting period, Long-term: Exceeding 5 years after the reporting period