

# Supply Chain

## Governance

### Supply Chain Sustainability Management Policy

SK Gas has established clear goals and directions for managing supply chain sustainability and operates relevant policies to support their implementation. In January 2025, the company newly established the Supply Chain ESG Management Guidelines and manages its supply chain primarily based on the Partner Code of Conduct and its accompanying guidelines.

### Supply Chain ESG Management Guidelines

The Supply Chain ESG Management Guidelines aim to build a sustainable supply chain by identifying ESG risks and fostering mutual growth with partners. These principles apply to all SK Gas business sites and are embedded as contractual obligations in agreements with all partners, requiring compliance with the Partner Code of Conduct and related guidelines. ESG assessments are conducted for key partners to continuously monitor their ESG practices. In addition, SK Gas operates a variety of financial and non-financial shared growth programs to support sustainable development in partnership with its partners.

[Supply Chain ESG Management Guidelines]

Purpose	Building a Sustainable Supply Chain	
Content	Supply Chain Management System	• Define supply chain ESG management departments and roles
	Supply Chain Support Program	• Operate financial and non-financial support programs for partners • Provide incentives for outstanding partners
	Communication	• Operate a supply chain grievance handling system
	Supply Chain ESG Management and Evaluation	• Require all partners to comply with the Code of Conduct • Identify and manage supply chain sustainability risks

### Partner Code of Conduct and Guidelines

SK Gas requires all partners to sign a compliance pledge for the Partner Code of Conduct when entering into contracts. The Code outlines key compliance requirements for labor, health and safety, ethics, and management systems. To further support self-assessment in the social and environmental areas, SK Gas has developed the Partner Code of Conduct Guidelines, which cover human and labor rights, health and safety, environment, ethics, and management systems, enabling partners to evaluate and improve their performance.

### Green Procurement Guidelines

To minimize resource waste and environmental impact, SK Gas has implemented Green Procurement Guidelines that define eco-friendly products, such as those certified with official environmental labels. These guidelines apply across all SK Gas sites and cover the purchase of construction materials and goods, excluding services, managed by procurement departments.

In line with these guidelines, SK Gas prioritizes the selection of eco-friendly products when making purchasing decisions, thereby fostering a procurement environment that is centered on creating social value.

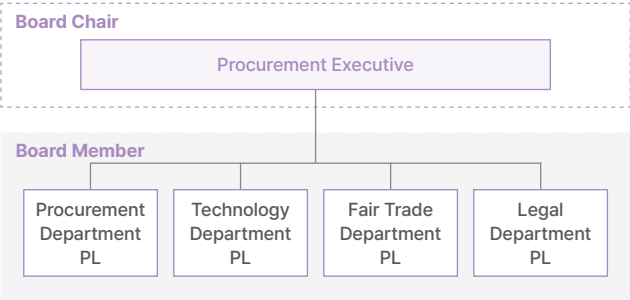
### Supply Chain ESG Management System

In response to stakeholder expectations for sustainable management and evolving domestic and international supply chain regulations, SK Gas has established and operates a structured Supply Chain ESG Management System. The system is overseen by an internal review committee chaired by the executive in charge of procurement, with participation from the procurement, technology, fair trade, and legal departments to ensure collaborative management of supply chain ESG risks.

For direct contracts exceeding KRW 500 million and competitive procurements exceeding KRW 1 billion, the internal review committee evaluates the appropriateness of partner selection to prevent unfair trade practices in advance. In 2024, the committee reviewed and assessed the validity of 21 direct contract proposals through this internal review process.

The supply chain management department also disseminates the Supply Chain ESG Management Guidelines to partners and conducts ESG risk evaluations and due diligence based on these standards. Additionally, the company supports partners in implementing ESG improvements and provides incentives to outstanding partners, thereby fostering the development of a sustainable supply chain.

[Supply Chain ESG Management System Organization]



# Supply Chain

## Strategy

### Shared Growth with Partners

To ensure the selection of qualified partners, SK Gas conducts SHE registration evaluations and technical assessments when registering new partners and maintains a pool of verified vendors. Regular re-evaluations and annual ethical compliance pledges are conducted to uphold the quality of approved partners.

In addition, SK Gas monitors credit agency data in real time to assess financial and non-financial risk factors. The company incorporates compliance with the Partner Code of Conduct as a mandatory requirement in all contracts and supports ESG awareness and capacity building among partners through a range of financial and non-financial initiatives.

### Financial Support

Under the Shared Growth Partnership Agreement between SK Group and IBK (Industrial Bank of Korea), SK Gas offers preferential interest rate reductions to small and medium-sized partners. To ensure liquidity, the company pays 100% of contract payments in cash, aiming to complete payment within 10 days from the invoice date.

In 2024, SK Gas achieved an average payment cycle of 7 days or less, helping partners maintain stable operations.

### Non-Financial Support

SK Gas holds more than four CEO Seminars on Shared Growth each year, providing lectures and training for partner CEOs on topics such as global trends, economic outlooks, IT, and the humanities.

In 2024, the existing Shared Growth MBA program was enhanced into the Shared Growth Team Leader Leadership School, targeting mid-level managers at partner companies. The program covers the expected roles and core competencies of team leaders. In addition, SK Gas offers partner employees access to its online learning platform, mySUNi, with courses spanning six areas, including ESG and business management. Support for safety and human rights training is extended beyond first-tier partners to second- and third-tier partners upon request.

[Partner Shared Growth Roadmap]

Program		Overview	2024 Performance	2025-2026 Target	2027 Target
Financial Support	Partner Payment	• Although the Subcontracting Act requires payment within 60 days after issuing a tax invoice, SK Gas makes payments in cash within 30 days to alleviate partners' financial burdens.	Within an average of 7 days	Within 10 days	Within 10 days
	Partner Shared Growth Fund	• Implemented as an interest rate reduction support program for outstanding partners under the 'Shared Growth Cooperation Agreement for Joint Support of SK Group Partners' between SK Group and IBK Industrial Bank of Korea.	Over 30% of QUOTA	Over 30% of QUOTA	Over 50% of QUOTA
Non-financial Support	CEO Seminar on Shared Growth	• Spread culture of social value creation for shared growth and sustainable growth • Strengthen communication with partner CEOs and enhance business insight • Expand offline seminars	4 sessions (online/offline)	4 sessions/year (online/offline)	4 sessions/year (online/offline)
	Shared Growth Team Leader Leadership School	• Course on expected roles and necessary competencies for small and medium enterprise team leaders (newly established in 2024)	Once/year	Once/year	Once/year
	Online Education Platform	• Expanded implementation of mySUNi Online Education Platform (Target: ESG Key Partners → All Partners wishing to receive education)	All partners wishing to receive education	All partners wishing to receive education	All partners wishing to receive education
	Partner Meetings	• Continuously conducting regular meetings to seek shared growth with partners, listen to grievances, and address them	1 session/site	1 session/site	1 session/site
	Partner Safety Education	• Safety-related education/consulting provided not only to 1st-tier partners but also to 2nd and 3rd-tier partners	Continuous	Continuous	Continuous
	Partner Human Rights Training	• Human rights training conducted not only for 1st-tier partners but also for 2nd and 3rd-tier partners	1 session	1 session/year	1 session/year

### Partner Communication and Grievance Channels

To address partner employee grievances, SK Gas operates a 24/7 Ethics Management channel. Reports submitted through this channel are promptly reviewed by the relevant department, appropriate action is taken, and feedback is provided to the reporting party, with follow-up monitoring conducted. All information related to the whistleblower's identity and company affiliation is strictly protected in accordance with the company's whistleblower protection policy.

# Supply Chain

## Risk Management

### Partner ESG Evaluation

SK Gas classifies primary partners that play a critical role in business operations as key partners, based on a comprehensive review of transaction volume, frequency, revenue contribution, and employee size. Each year, the company evaluates ESG risks using 66 evaluation indicators covering areas such as environment, health and safety, human rights, labor, ethics, and governance. This enables SK Gas to identify and manage risks in a systematic and proactive manner.

For high-risk partners identified through the evaluation, SK Gas provides coaching, consulting, and on-site evaluations to suggest improvement measures and actionable plans. Improvement action plans are submitted by the partners, and the company continuously monitors implementation progress to ensure effective resolution of identified risks.

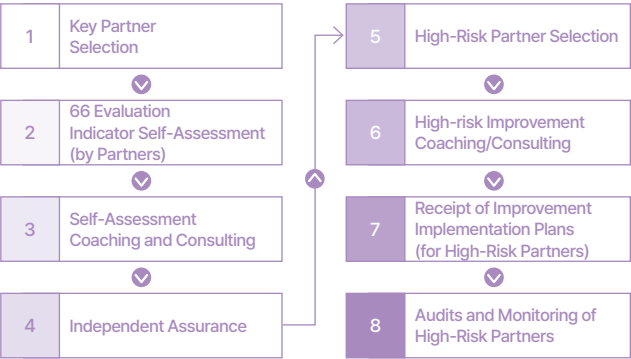
[Partner ESG Risk Evaluation Indicators]

Area	Major Category	Sub-Category
Environment (26 items)	Environmental Management	Environmental Management Control
	Eco-Friendly Opportunity	Product Environmental Attributes
	Addressing Climate Change	GHG Emissions, Energy Consumption
	Pollution Prevention and Waste	Waste Management, Hazardous Substance Management, Air Pollutants
	Natural Capital	Soil, Noise/Vibration, Odor, Raw Materials, Water Resources Protection
Social (27 items)	Social Goals	Social Target Management
	Human Capital	Health and Safety, Information Security, Human Rights, Labor
	Product/Customers	Partner Management, Fair Trade
	Partners	Conflict Minerals
	Local Communities	Social Contribution
Governance (13 items)	Social Contribution	Information Disclosure, Management Systems, Audit
	Corporate Behavior	Ethical Management

### Partner Evaluation Results and Support Measure

In 2024, SK Gas conducted ESG risk evaluations for 18 key partners and 11 voluntarily participating partners. Partners that received high evaluation scores were granted incentives such as a 2% loan interest rate reduction and exemption from contract performance bond submission. Additionally, ESG-related training and improvement programs were provided to high-risk partners that expressed interest in receiving consulting support.

[Partner ESG Risk Evaluation Process]



[Key Partner ESG Risk Evaluation Results]

Category	Key Partners	High Risk Partners	High-Risk Ratio
2022	16	16	100%
2023	15	4	26.7%
2024	18	0	0%

[Partner Consulting/Coaching Status]

Category	Performance
SK Gas Consulting	7 companies
KB Kookmin Bank ESG Consulting	1 company
Shinhan Bank ESG Consulting	1 company

## Metrics & Targets

### Enhancement of Partner ESG Management Evaluation

Since 2023, SK Gas has expanded its partner ESG risk evaluation coverage to include all business units. In 2024, the company established departmental KPIs targeting a maximum of 20% high-risk partners and 20% near high-risk partners within the key partners, further advancing the sophistication of its supply chain ESG management. To support sustainable development and realize its commitment to mutual growth, SK Gas will continue to implement its Shared Growth Program Roadmap.

[Partner ESG Management Evaluation Roadmap]

Category	2021	2022	2023	2024 ~
Target for Partner ESG Management Evaluation	LPG Facility Construction Partners	LPG Facility/ Equipment Suppliers	Conducted for all Partners	