

Climate Change

Strategy

As part of its Net Zero strategy, SK Gas comprehensively evaluates technological feasibility, financial implications, and environmental benefits to identify GHG reduction measures that enhance long-term corporate value.

Scope 1 emission reduction activities

Use of Seawater Heat Exchangers

SK Gas uses fired heaters to warm imported LPG from approximately -40°C to 3°C for storage in underground caverns. This process accounts for approximately 99% of the company's Scope 1 GHG emissions. To reduce these emissions, SK Gas is expanding the use of large-capacity seawater heat exchangers. Replacing fired heaters with seawater heat exchangers reduces propane consumption, thereby lowering GHG emissions.

Expansion Plan for Seawater Heat Exchanger Use

In 2024, SK Gas installed large-capacity seawater heat exchangers at the Clean Energy Complex (CEC). As a result, heater fuel consumption was reduced by approximately 1,915 tons (approximately 96.54 TJ) in 2025, leading to a GHG reduction of approximately 5,601 tCO₂eq.

The company plans to install refrigeration pipelines at the Ulsan Terminal and additional large-capacity seawater heat exchangers at the Pyeongtaek Terminal, enabling all incoming LPG to be heated exclusively using seawater heat exchangers. Procedures related to design, permitting, and regulatory approvals are currently underway.

Scope 2 Emission Reduction Activities

SK Gas plans to reduce Scope 2 emissions through lower electricity consumption and increased renewable electricity procurement. Solar power systems installed at the headquarters and three business sites (Ulsan Terminal, Pyeongtaek Terminal, and G.Hub) reduced approximately 209 tCO₂eq in 2025.

In addition, the company completed PPAs totaling 40 MW in 2024 and plans to secure renewable electricity under 20-year agreements beginning in 2027. Until then, renewable electricity will be procured through the Green Premium program.

Scope 3 Emission Reduction Activities

To reduce GHG emissions across the value chain, SK Gas identifies and continuously manages Scope 3 emissions. In 2025, Categories 1, 10, and 11 accounted for 75.2% of total Scope 3 emissions based on the company's self-assessment, with the largest contributions from purchased goods (Category 1) and the use of sold products (Category 11).

The company is pursuing a long-term supply of clean hydrogen feedstock to reduce Scope 3 emissions and achieve Net Zero across the value chain by 2050.

Employee participation in GHG reduction

SK Gas encourages employee participation in GHG reduction activities through the Hangarae application, which raises awareness of climate change and promotes everyday low-carbon practices. Employees earn SV points by taking actions such as using stairs instead of elevators, walking short distances, reducing food waste, and using reusable tumblers. Accumulated SV points can be donated or redeemed to purchase products from social enterprises. In 2025, these activities reduced GHG emissions by approximately 86.9 tCO₂eq. The company will continue promoting voluntary employee participation through the Hangarae application.

[Social Value Practice Application 'Hangarae']

