

Recycling Wastes from Business Sites

The recycling rate of SK innovation and its subsidiaries stands at 80%, which is superior to the industry average. Nevertheless, we are committed to improving our recycling rate and solidifying our position as a leader in resource circulation in the petrochemical industry in line with the growing trend of global waste management and social awareness.

Our plan is to upgrade our waste management system and capabilities with 'Recycling Waste from Business Sites' as an priority task for the GROWTH strategy. It is expected that successful implementation of this plan will create revenue streams by maximizing the use of in-house resources while minimizing our environmental impact.



Production of asphalt products using waste oil and sludge from storage tanks

Priority Task Implementation Strategy (Mid/Long-term Strategy)

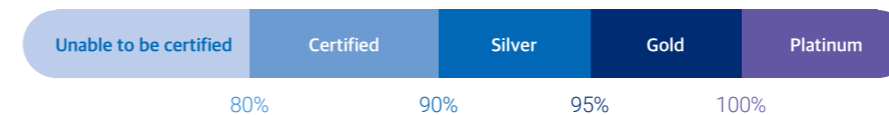
SK innovation is committed to managing the implementation process of this priority task by setting a mid/long-term goal of achieving 85% of the recycling rate at business sites by 2025. This is the average level of SKI subsidiaries, set in line with the requirements under the Framework Act on Resource Circulation in Korea, and we plan to engage in activities to achieve the goal and maintain improved performance by 2025.

To this end, we plan to strengthen our partnership in waste treatment and disposal to increase the recycling rate. We will also continuously define and develop projects inside the company. The projects currently under our review include the acquisition of ZWTL¹⁾ certification for the enhancement of waste management system, development of technologies to secure stable recycling process, and creation of strong partnership with new recycling suppliers. At the same time, we will encourage the communication between SK innovation and the subsidiaries through the SHE Coordination Council and promote the sharing of projects development and implementation results. Through mutual benchmarking, we will be able to achieve our aim more efficiently.

Action Plans for 2022

In 2022, SK innovation will participate in the ZWTL certification system with the third-party assurance of waste-related data to enhance the reliability of its performance in implementing its priority task. As this is the first time participating in the system, we plan to acquire the certification for at least two of our domestic business sites. We will go from there to expand the certification to all domestic and overseas business sites in the future. Although the ZWTL certification is mainly acquired by electronics manufacturers, SK innovation will use the occasion to set an example in resource circulation for the petrochemical industry. In addition to getting the certification, we are committed to establishing action plans to further improve the recycling rate by developing organic solvent and waste oil recycling technology, and exploring new partnership with new landfill waste recycling companies.

ZWTL Rating



Alignment with UN SDGs



Goal for 2025



Achieving recycling rate above

85%

¹⁾ Zero Waste to Landfill: A certification of resource circulation level by the Underwriters Laboratory (UL), a verification agency located in the United States. The UL quantifies the recycling rate which excludes non-recyclable waste from total waste generated and then assigns grades - certified, silver, gold, and platinum.

Progress in 2021



Increased the recycling rate of the subsidiaries by

23% compared to 2017

Progress in 2021

The average waste recycling rate of SK innovation and its subsidiaries has risen from 60% to 83% between 2017 and 2021. This is due to our efforts to waste recycling and reduction, e.g. producing cement from wastewater sludge, manufacturing asphalt from waste oil and storage tank sludge, and developing plastic recycling process.

Waste Recycling Rate Improvement



Comments from the Department in Charge

At this very moment that the recycling rate has increased by more than 15% through on-going efforts for the past three years, it will not be easy to go beyond the current recycling rate. However, we have set to 'achieve a higher level of recycling' as a specific goal of our priority task. We also included 'improving the reliability of data for waste management' to ensure transparency in our disclosure and manage the recycling rates based on accurate information.

Since resources circulation is an integral part of corporate sustainability, SK innovation is fully committed to fulfilling our responsibilities as a producer so that all resources used by us can be recycled without ending up with single use. In order to achieve the best results at all our business sites, in-house experts will optimize the waste management system based on the characteristics of process and operation.



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