



We care for the future.
Healthcare, Earthcare

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1 Plastic Circular Recycle Biz.

Transition to a Green Business Portfolio



**Securing global leadership
based on SK Chemicals' outstanding
circular recycling technology**

**World's 1st Commercialization of
Circular Recycled Copolyester ('21)**



Ratio of Recycle	'25	'30
Copolyester Production	50%	100%

Global Market Outlook

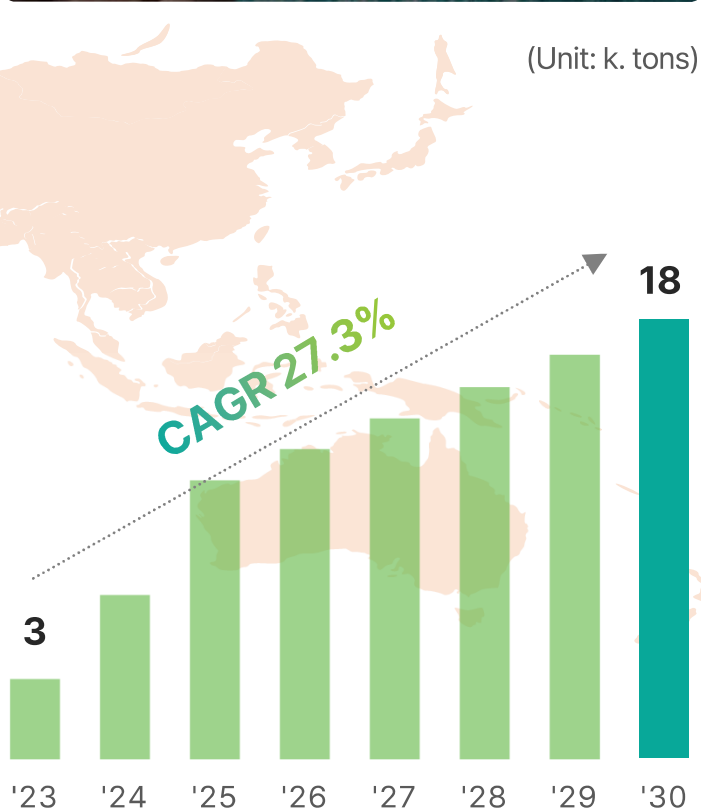
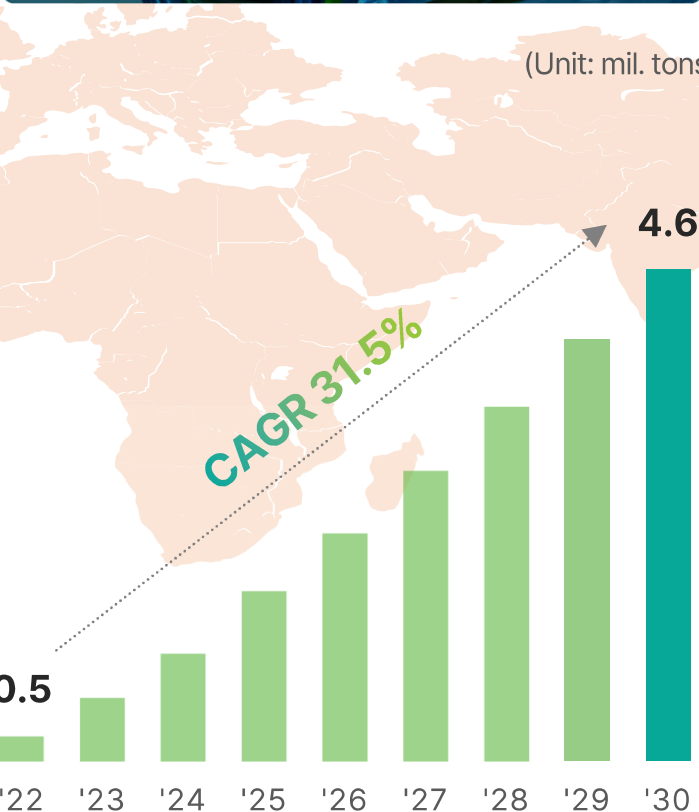
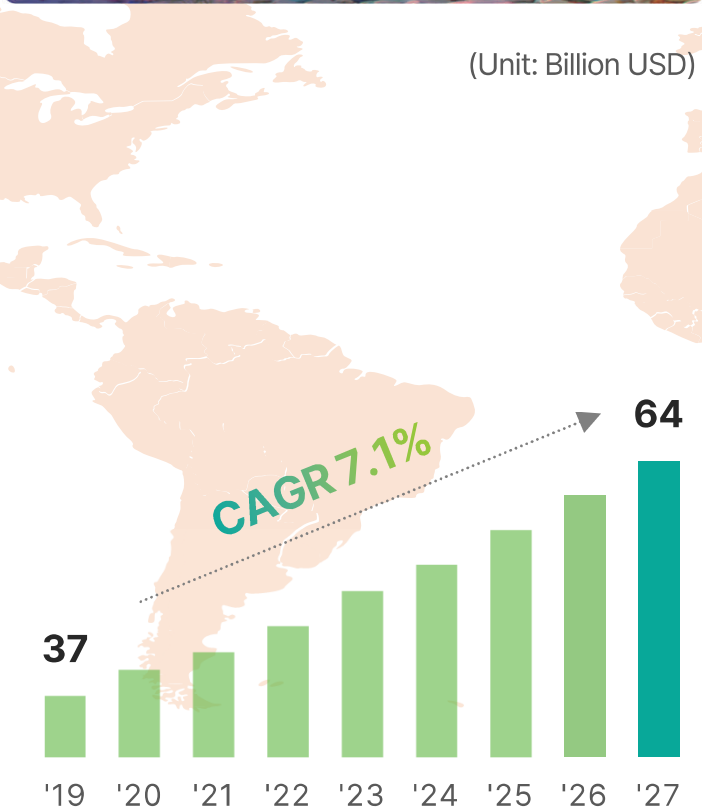
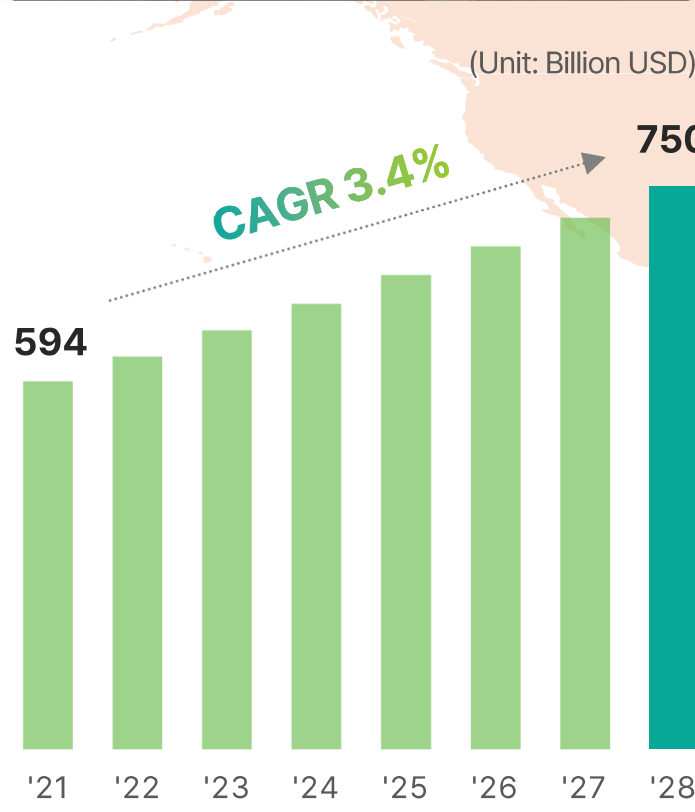
Global plastic market shows continued growth and the circular recycling market is expected to show rapid growth

Global Plastic Market
 Market size '28
 Forecasted USD 750 billion

Global Plastic Recycle Market
 Market size in '27
 Forecasted to USD 64 Billion

Global CR-PET Market
 Market size in '30
 Forecasted to 5 mil. tons

r-Copolyester Market
 Market size in '30
 Forecasted to 180k. tons



(Sources: Global plastic market size 2016-2028
 Published by Ian Tiseo, 2021)

(Sources: "Transition to a Circular Economy and
 Response Strategy Published by PwC Korea, 2022)

(Sources: Wood Mackenzie, HIS Markit, Expert Interview)

(Sources: Wood Mackenzie, HIS Markit, Expert Interview)


Global Regulations and Market Trends

Demands for recycled plastic products are expected to increase as global regulation gets stricter


Global Regulations

Europe 


- Mandated recyclable plastic usage in plastic packaging : 55% by 2022, 100% by 2030 (Sources: European Commission, COM(2018))
- Mandated usage of Recycled PET (r-PET) for PET beverage bottles : 25% by 2025, 30% by 2030 (Sources: European Parliament, Single-Use Plastics Directive)

US 

- In process of introducing laws to reduce disposable items and expand the usage of recycled products (Sources: McKinsey Sustainability)

Japan 

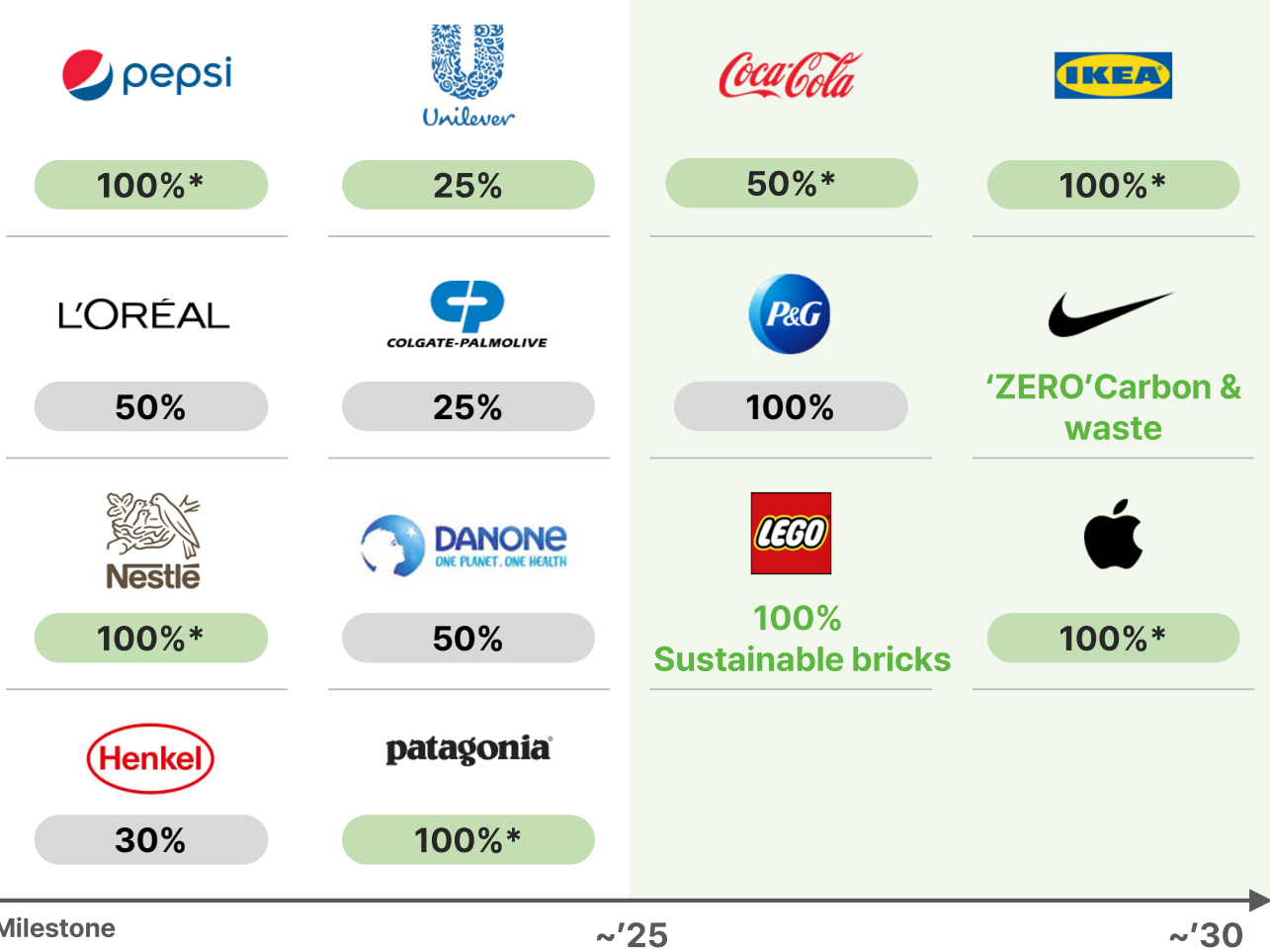
- Establishing goals for recycling rates of plastic containers : 60% by 2030, 100% by 2035 (Sources: Ministry of Environment, utilize as chemical fuel if difficult to recycle or reuse)

Korea 

- Enlarging 30% of the usage of recycled plastic materials by 2030 (Sources: Ministry of Environment, Comprehensive Countermeasures for Waste Recycling 2021.12)

Brand owners' Commitments

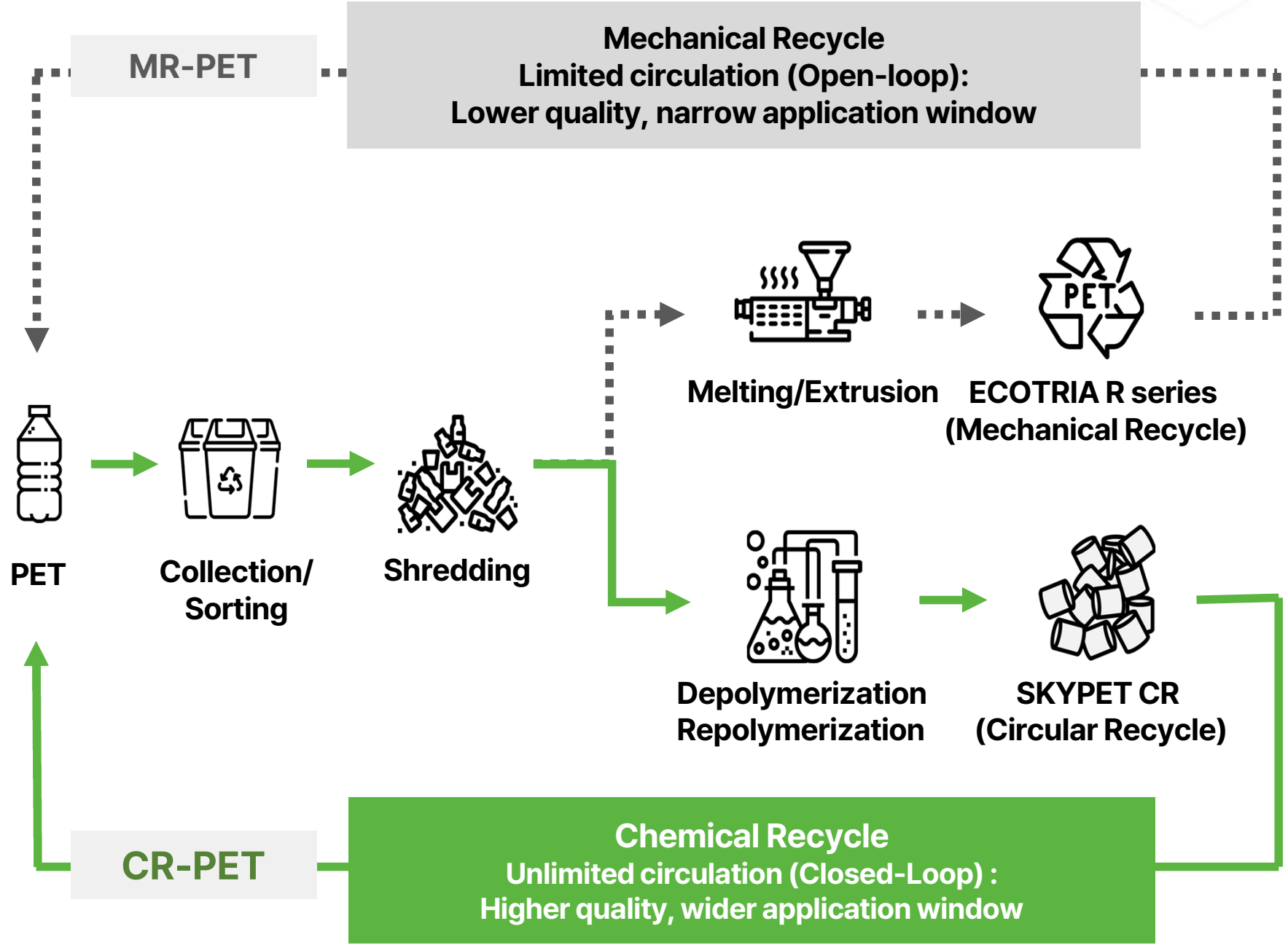
Announces from Brand owners :
 "Transition to 50%~100% recyclable materials by 2030"



* Renewable & recycle content

(Sources: Branded-audit report (2022)& Homepages of each company)

Why Circular recycle?



- Strict & complicated sorting process of waste plastics
- Resulting low-quality products (compared to new products)
- Resulting quality issue if repeatedly recycle



- Simple sorting process of waste plastics (compared to Mechanical Recycle)
- Resulting equivalent quality even when repeatedly recycled (compared to virgin)
- Can be used for products requiring high performance (e.g., cosmetics container)
- Low carbon emissions (compared to new products)



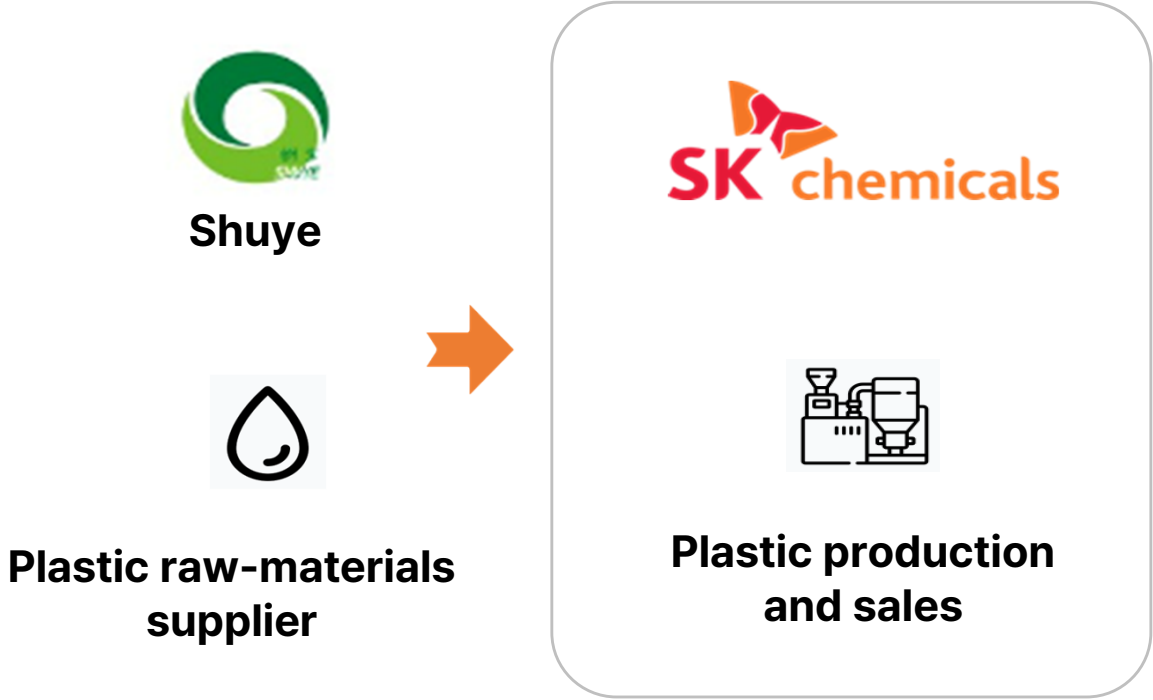
Significance of Shuye company acquisition

**: Securing competencies in circular recycle biz.
based on technology and facilities**

Strength : Internalizing raw materials

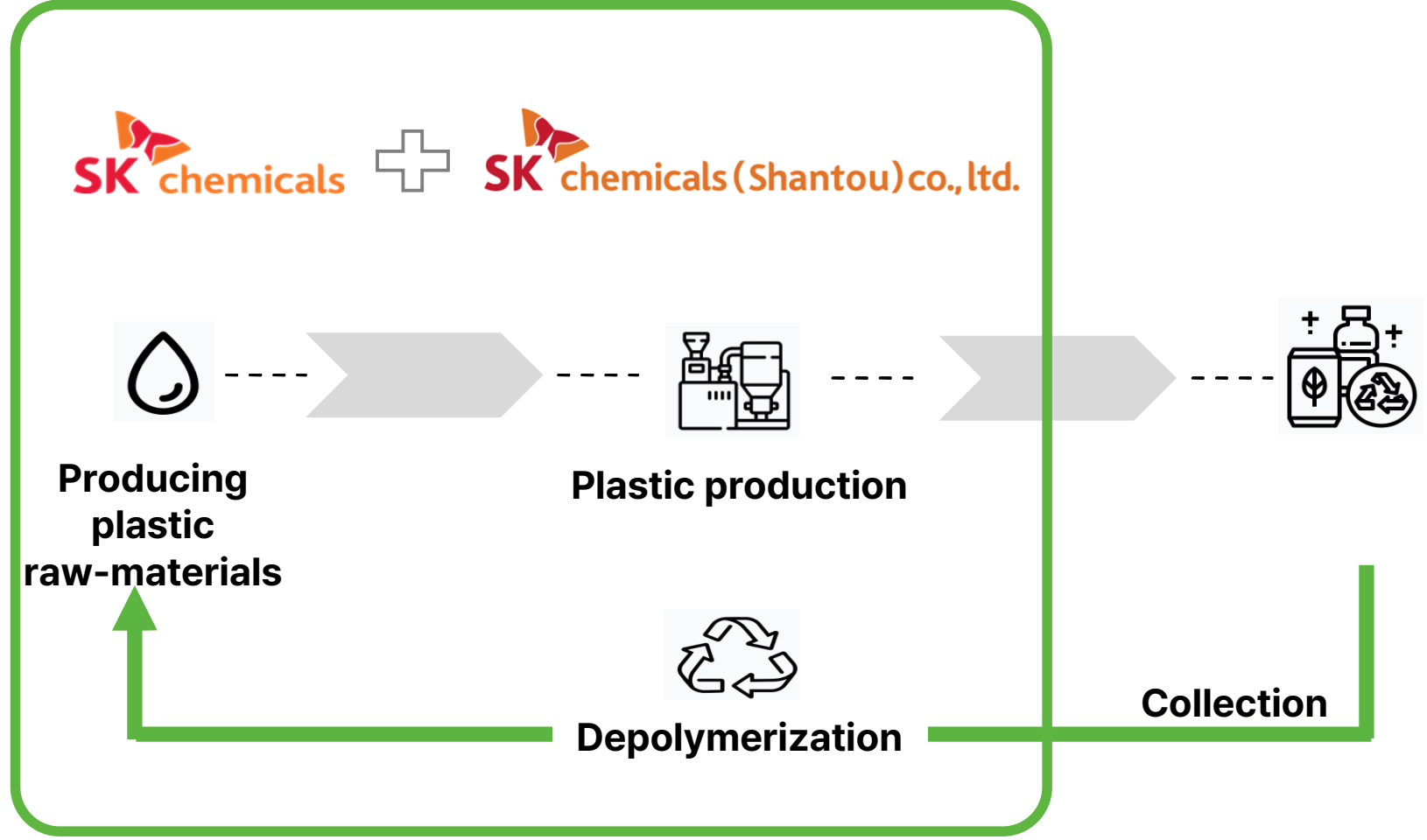
① Internalized core raw materials(r-BHET) by acquisition of Shuye's technology and facilities

AS-IS



"Outsourcing raw materials"

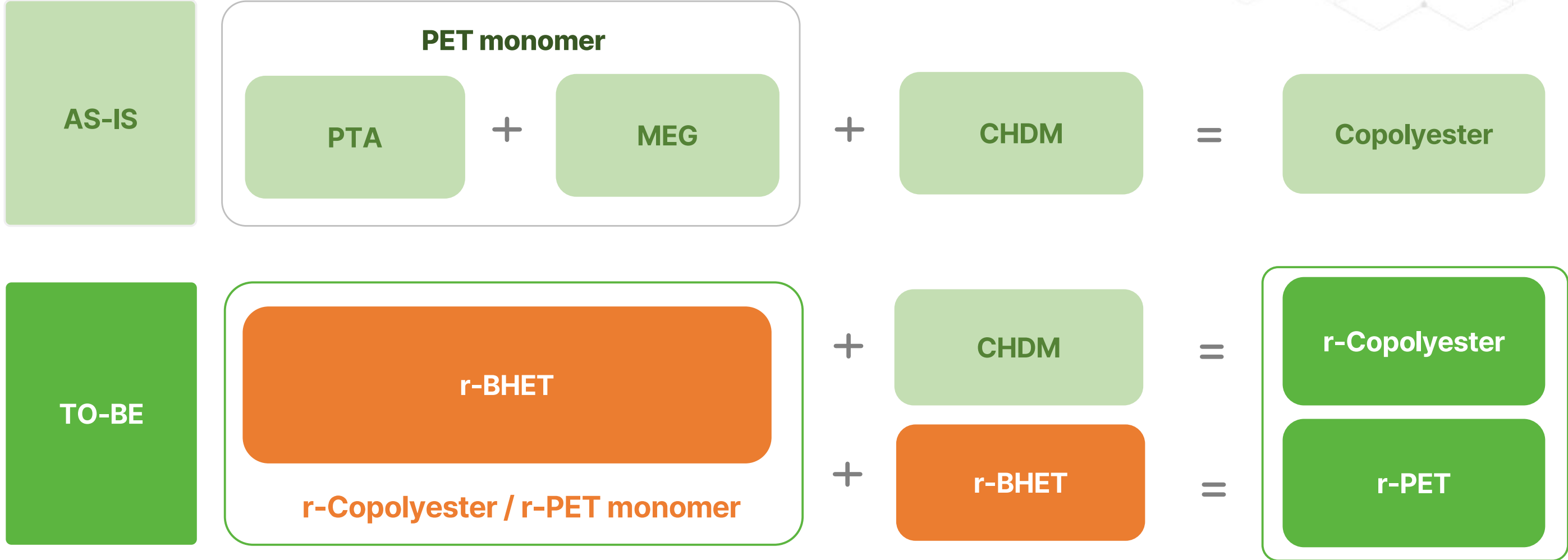
TO-BE



"Internalization of core raw-materials"

Strength : Expanding Business portfolio

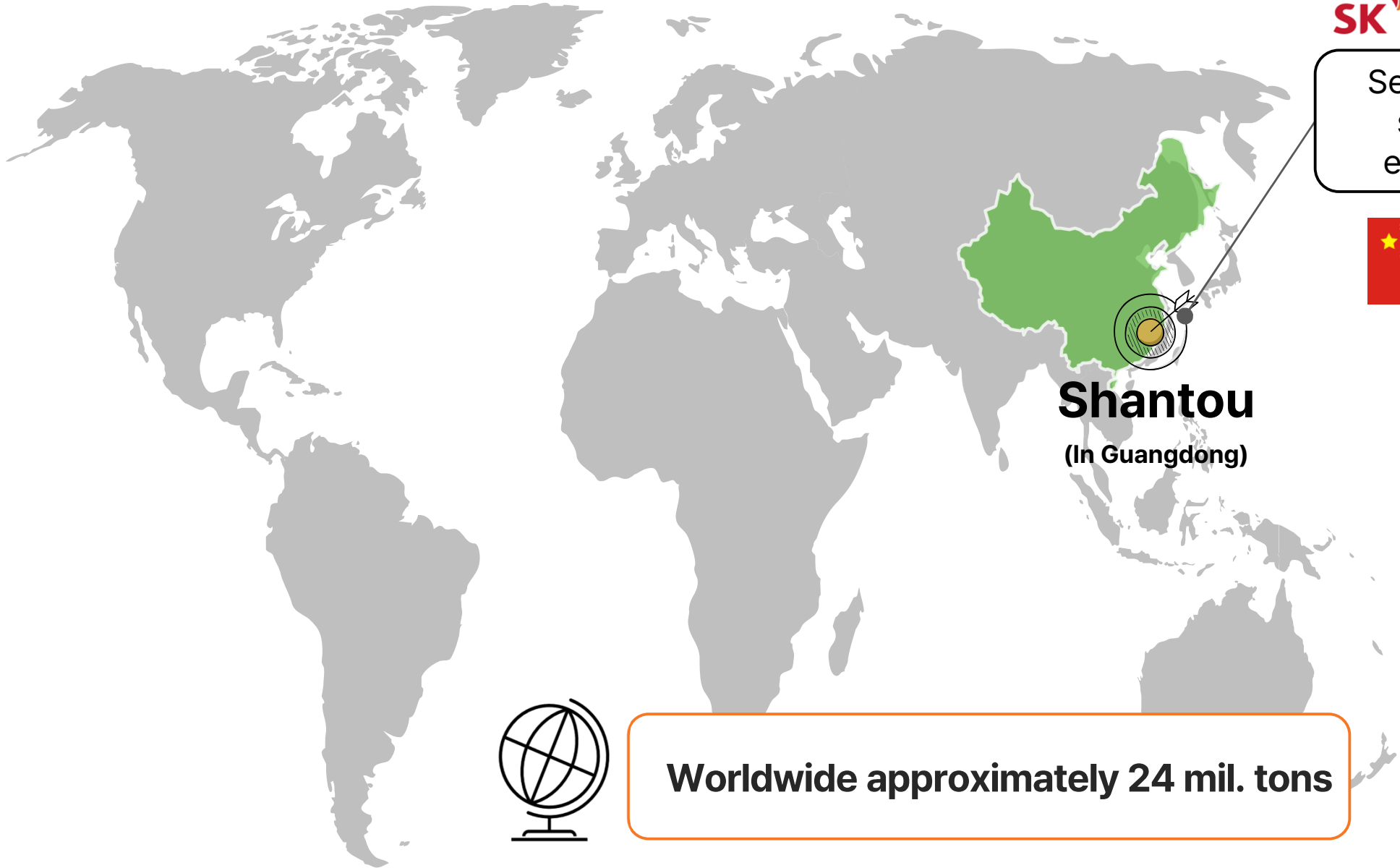
② Building Recycle Value chain and expanding business portfolio(r-PET)



* r-BHET : major monomer of circular recycling

Strength : Geographical advantage of securing Feedstock

③ Securing Waste PET preemptively by taking advantage of location

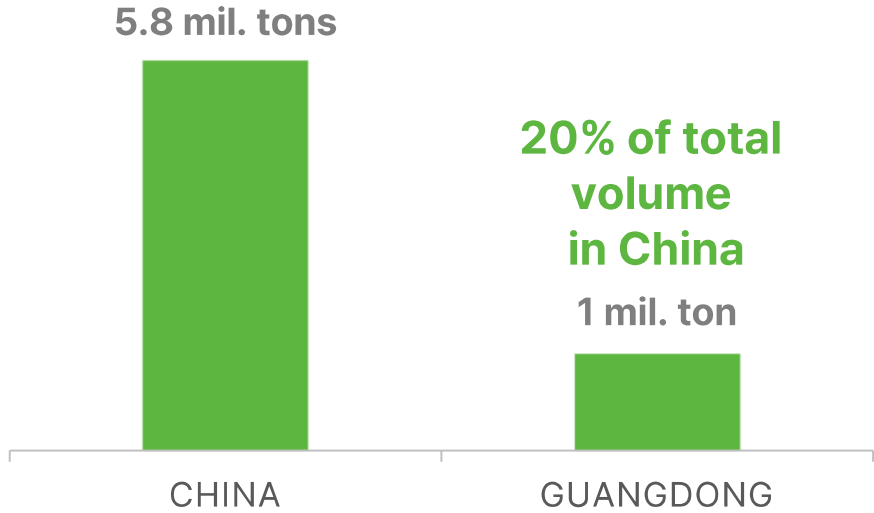


SK chemicals (Shantou) co., ltd.

Securing r-BHET and securing advantages of supply and demand for Flake through the establishment of a local subsidiary in China



"Waste PET volume in China"



Worldwide approximately 24 mil. tons

* Source : W.M. MEG Supply/Demand_2020, W.M. Global Bale Flake RPET Capacity_2023 May

Circular Recycle Business progress

Working on the 'Basic but Important Tasks' to strengthen biz. sustainability

Key Activities

Expectations

	Key Activities	Expectations
Certification / Regulation	<ul style="list-style-type: none"> Acquisition of GRS and ISCC Plus certification Conducting tasks to respond regulations by major regions 	<ul style="list-style-type: none"> Securing a core-marketing competitiveness Resolving barriers to entry into the recycling market
SK Shantou	<ul style="list-style-type: none"> Processing PMI by adapting SK process after acquisition of Shuye's facilities & technology ('23.3) Promoting cooperation with w-PET (ISCC certified) companies to secure stable flake supply 	<ul style="list-style-type: none"> Enhancing cost competitiveness and optimizing processes through continuous PMI process Building recycling cluster by taking geographical advantage of Shantou
Customers	<ul style="list-style-type: none"> Securing domestic/overseas clients Validation with major brand-owners on the progress 	<ul style="list-style-type: none"> Strengthening Global networks by securing new customers in various markets

Strengthening key factors through analysis & advancement

Raw-materials

Cost-leadership

Advanced strategy

Financial outcome

"Sustainability & Competitiveness"

2

Company Overview



Business Overview



Copolyester

Development and Sales of high performance product with high transparency, chemical and heat resistance (BPA free)



Circular Recycle

World's 1st commercialized Circular recycle materials and PET production equipment



Pharma

Manufacturing high-quality natural and synthetic pharmaceuticals with research and development



SK Bioscience (Vaccine)¹⁾

Developing vaccines and bio-pharmaceuticals to prevent and treat viruses

1) SK Bioscience is a subsidiary of SK Chemicals on a consolidated basis. For detailed information regarding its business and performance, please refer to the earnings release materials of SK Bioscience

Business Statues and Strategies

Green Chemicals - Copolyester

□ Main Products



Applications



Cosmetic containers



Beverages



Household items



Food containers



Home appliances



Interior sheet

□ Strengths and Growth Strategy

**Leading circular recycling company
(Internalized raw materials and technology)**



Enhance the competitiveness of existing businesses

- Continuous application development and market expansion through substitution of other materials.
- Expansion of high-value product portfolio.
- Strengthening the cooperation network with brand owners.
- Securing global production bases.



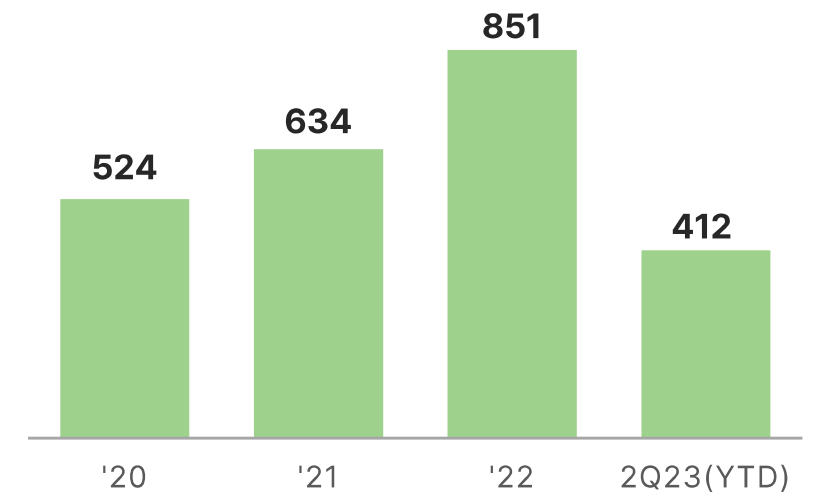
Secure global leadership in circular recycle business.

- Internalization of core materials, development of technology-driven circular recycling solutions.
- Expansion of recycle value chain.
- Globalization.

□ Earnings Trend

Revenue

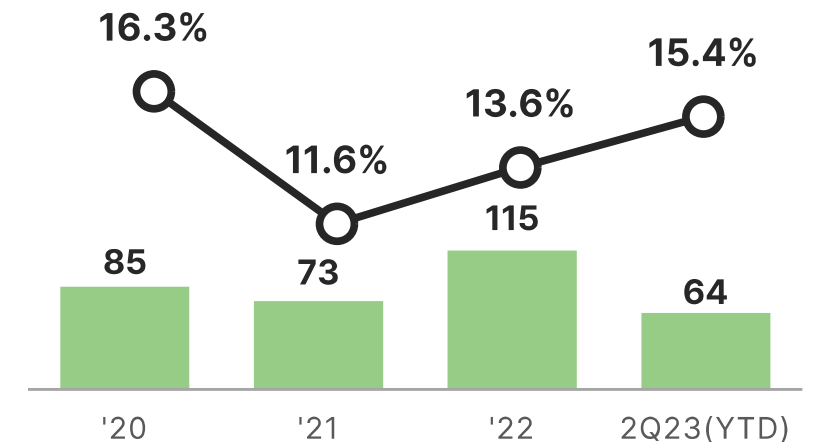
(Unit : KRW Bn)



* Including performance of America/Europe sales corporations

OP & OPM

(Unit : KRW Bn)



* Including performance of America/Europe sales corporations

Business Statues and Strategies

Life Science- Pharma

□ Main Products

Ginexin-F



No.1 Ginkgo extract circulatory enhancer

Joins



Korea's no.1 herbal medicinal products for arthritis

Trast



World no.1 patch formulation for arthritis

Mvix S



World's 1st film type impotency treatment

Rivastigmine Patch



Patch type Alzheimer treatment

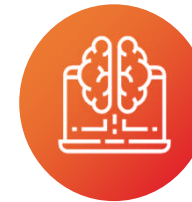
□ Strengths and Growth Strategy

Top class marketing and strategic partnerships in Korea



New drug development strategic cooperation

- Open Innovation
- CMO · CDMO



Establishment of a new drug search platform utilizing AI

- Expand new pipelines and minimization of failure costs
- Secure analysis capacity at the level of established AI companies



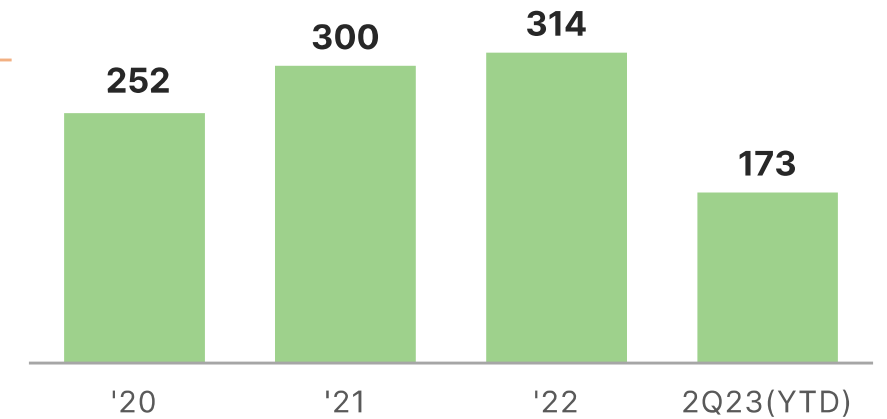
Introduction of external projects and venture investments

- Build high-prospect venture capital investment pipelines, and search for new business fields
- Generate investment profits and develop introduction pipelines

□ Earnings Trend

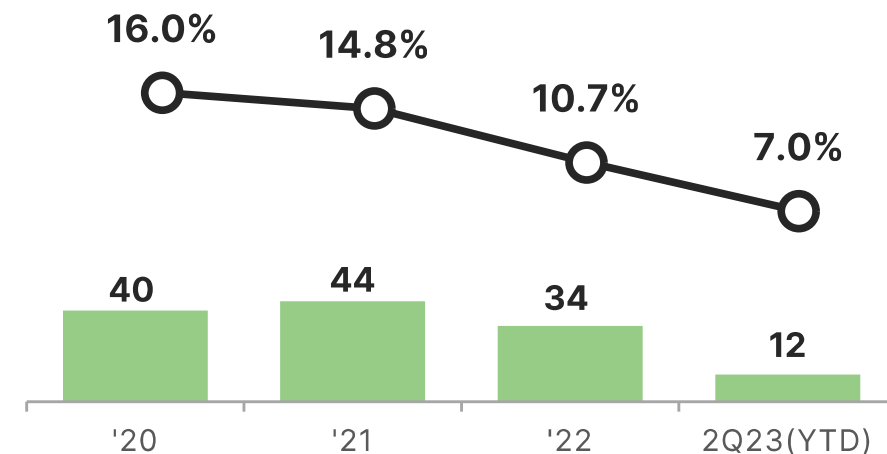
Revenue

(Unit : KRW Bn)



OP & OPM

(Unit : KRW Bn)

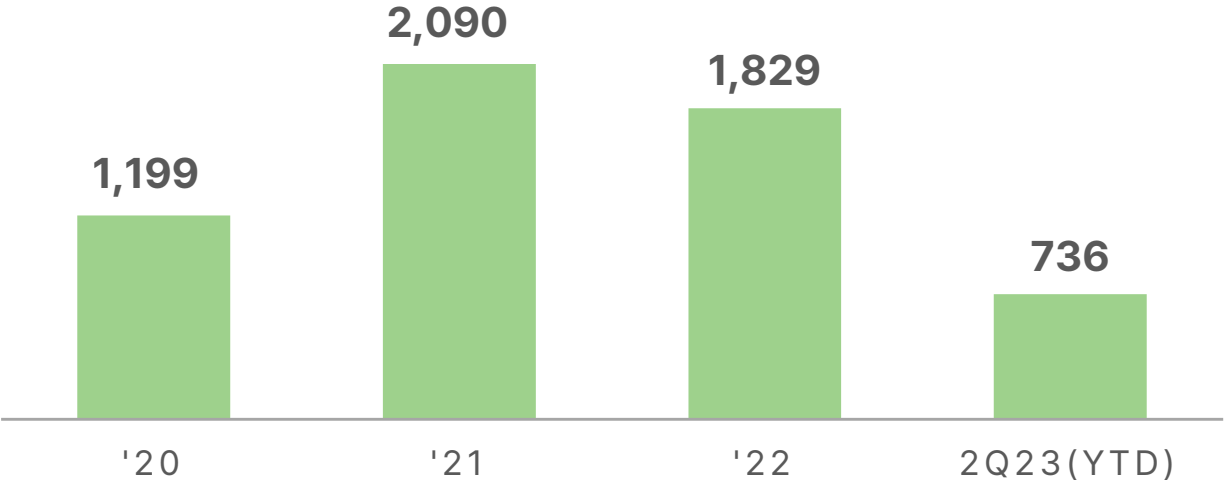


Appendix. Earnings Trend

Consolidated

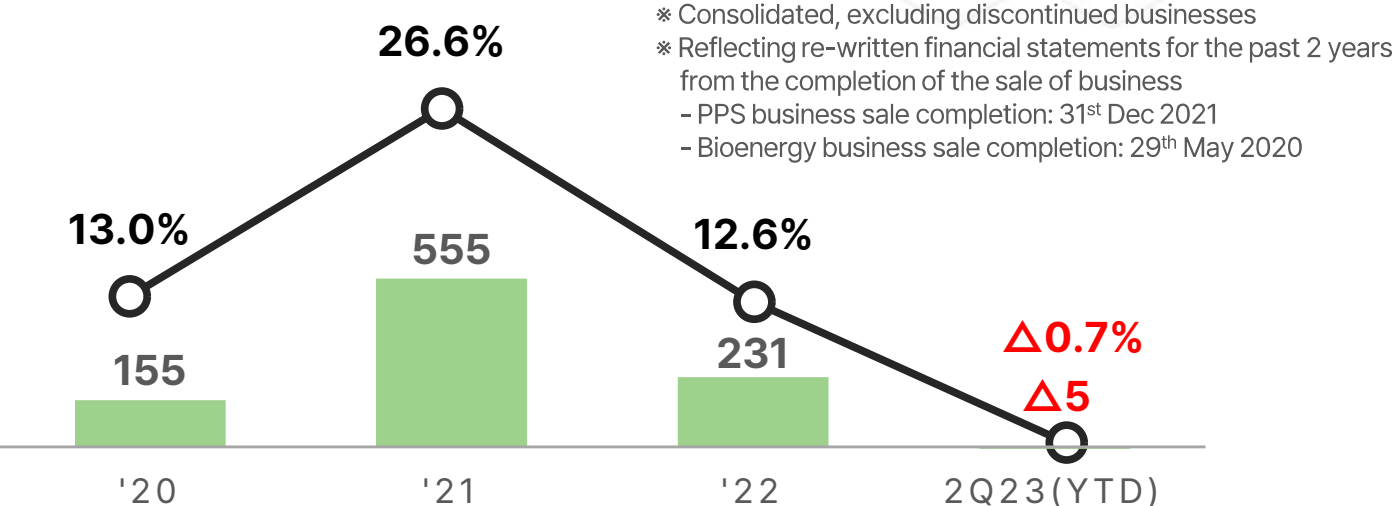
Revenue

(Unit : KRW Bn)



OP & OPM

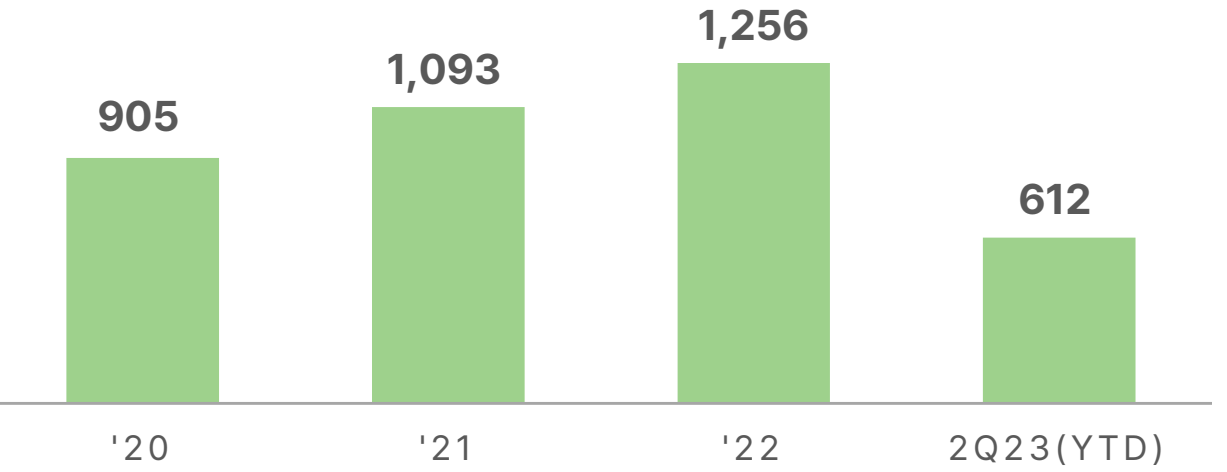
(Unit : KRW Bn)



Separate

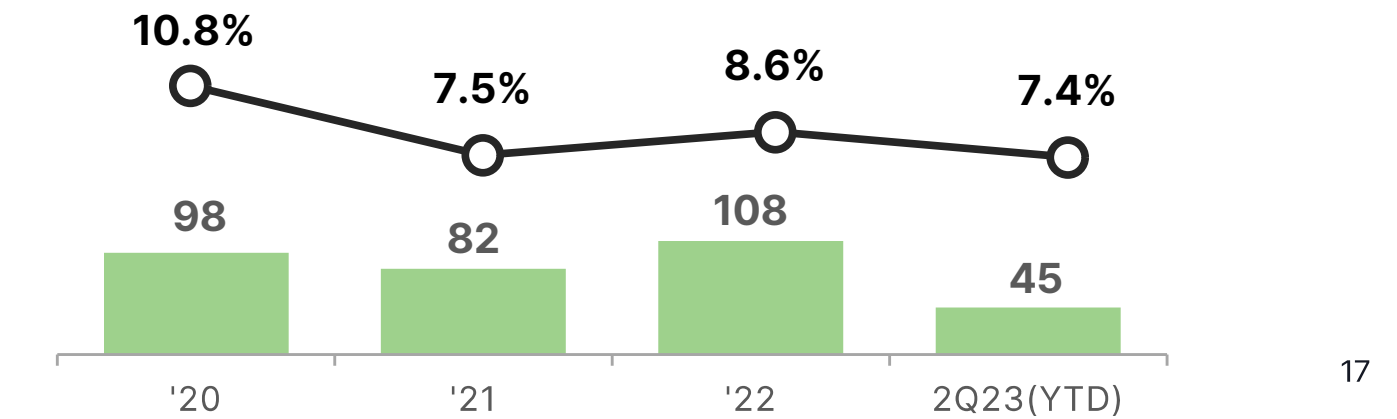
Revenue

(Unit : KRW Bn)



OP & OPM

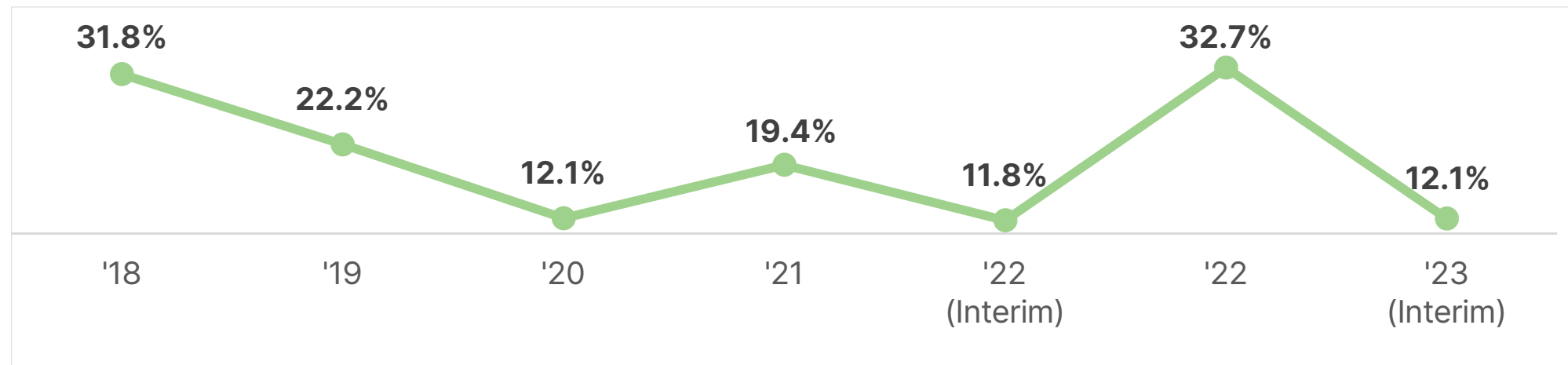
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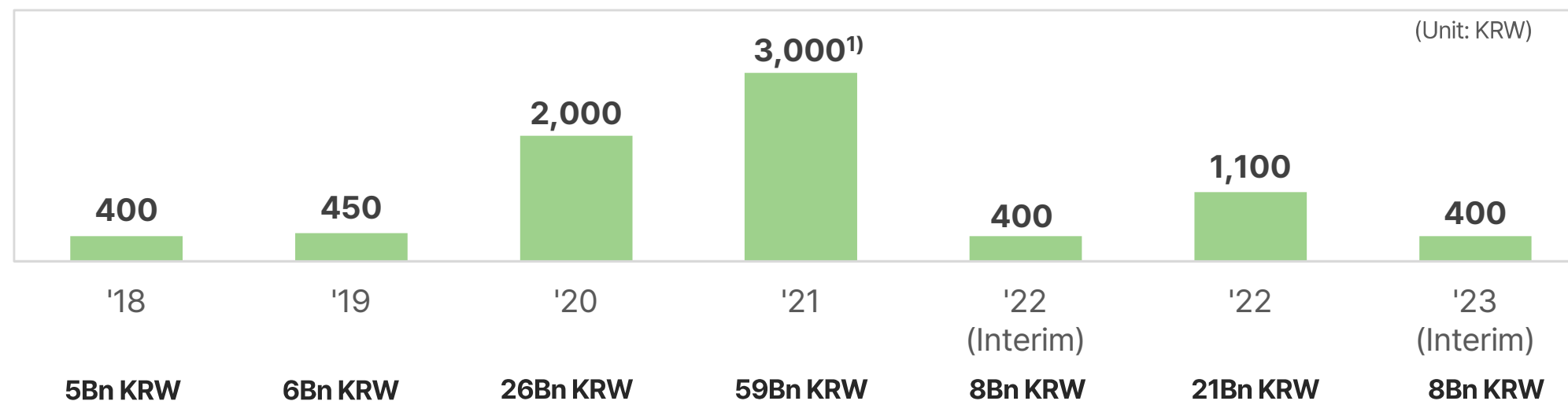
Appendix. Shareholder returns

Dividend

Payout Ratio



Dividend per share (Common stock)



1) Considering the capital increase without compensation, the dividend per share was 4,500 KRW(including extra dividend) in 2021.

Others

'17. 6 Retirement of Stock¹⁾

'21. 10 Announced dividend policy²⁾

'21. 11 50% capital increase without consideration

'22. 3 Announced Buy-back of Stock (50 Bn KRW)

'22. 10 Retirement of Stock (50 Bn KRW)³⁾

1) 1,939,120 shares of common stock.

2) Determining the total amount of dividends at the 30% dividend payout level

(Separate net income excluding non-recurring income)

3) Retired 389,489 common shares

