
Biodiversity & No Deforestation Commitment

SK Square strives to achieve the UN Sustainable Development Goals (SDG) and acknowledges biodiversity conservation and deforestation, linked to climate change, as significant challenges. We therefore manage biodiversity loss and deforestation by integrating these risks into our enterprise-wide risk management system, with the aim of preserving biodiversity and prohibiting deforestation. When major risks relating to biodiversity and forests are identified, we make decisions through the board-level ESG Committee, our highest decision-making body in this respect.

Our Biodiversity and No Deforestation Commitment is enacted, revised, and approved through the ESG Committee's reporting process. Relevant activities and outcomes are transparently disclosed through our ESG Report, which is published on an annual basis to communicate with stakeholders.

Biodiversity Commitment

SK Square recognizes the importance of biodiversity conservation for the sustainable development of the planet. We intend to implement all necessary measures to minimize biodiversity loss and any negative environmental impacts arising as a result of our business operations. To this end, we are committed to carrying out the following activities:

1. We will prevent, minimize, and mitigate biodiversity risks by prohibiting business activities and exploration in biodiversity conservation areas across the entirety of our operations. In conducting business, we will also assess biodiversity-related impacts and values, and conduct biodiversity risk assessments and monitoring.
2. As a matter of the highest priority across our business, we will strive to avoid biodiversity loss within, and in the vicinity of, biodiversity conservation areas. We will also minimize negative biodiversity impacts and restore and offset biodiversity loss when issues arise. Further, we will endeavor to achieve minimum net loss (NNL)* and a net positive impact (NPI)** through our activities.

* No Net Loss: realizing a value chain that operates without biodiversity degradation or loss

** Net Positive Impact: restoring biodiversity by expanding investments and activities for biodiversity conservation, restoration, and expansion

3. Across our business activities, we will comply with national and regional laws and

regulations concerning land management and biodiversity protection, as well as relevant international conventions (World Heritage areas, IUCN Category I-IV protected areas). We will strive to achieve NNL and NPI in business activities relating to IUCN Categories II and IV.

4. We will strengthen our partnerships on biodiversity protection by actively collaborating with relevant internal and external stakeholders.
5. We will strive to ensure that biodiversity conservation activities, conducted in accordance with this Commitment, are equally applicable to all of our business partners. This includes our own operations, tier 1 suppliers, tier 2 suppliers and above, and joint ventures.

No Deforestation Commitment

With the aim of mitigating climate change, SK Square has established a policy to ban deforestation. Wildfires, which are becoming more frequent due to climate change, are having a direct effect on our business operations and the business operations of our subsidiaries. To prevent such physical climate risks and minimize potential damage, we are committed to implementing the following activities.

1. Negative impacts arising from deforestation will be prevented, minimized, and mitigated throughout our business. We will identify forest-related values and impacts and implement monitoring procedures across our operations.
2. Deforestation prevention activities will be implemented in alignment with our 2040 Net Zero target.
3. We will endeavor to ensure that our ban on deforestation and relevant activities, conducted in accordance with this Commitment, are equally applicable to all of our business partners. This includes our own operations, tier 1 suppliers, tier 2 suppliers and above, and joint ventures.