SK Holdings Co., Ltd is the Dow Jones Sustainability Indices (DJSI) Industry Leader*, based on its S&P Global ESG Score as of 13 Nov 2020. This report provides an overview of the performance of the Industrial Conglomerates industry and the relative positioning of SK Holdings Co., Ltd at the dimension and criteria level.

Company Information

Country: Republic of Korea  
Index market cap ($M): 6,430  
Source: S&P Global BMI, 11 Nov 2020

2020 Assessment Results

<table>
<thead>
<tr>
<th>Category</th>
<th>Average Score</th>
<th>Maximum Score</th>
<th>Industry Best Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Score</td>
<td>85</td>
<td>85</td>
<td></td>
</tr>
<tr>
<td>Governance &amp; Economic</td>
<td>78</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>Environmental</td>
<td>93</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Social</td>
<td>87</td>
<td>27</td>
<td></td>
</tr>
</tbody>
</table>

Industry Drivers

Industrial conglomerates are highly dispersed businesses working across globalized value chains. They rely on strong management and governance structures to achieve company synergies and economies of scale, and resource-efficient and lean manufacturing processes are important aspects of their business strategies. Within this framework, the development of new resource-efficient technologies through careful product stewardship is important to gaining market share and increasing growth and profitability. Supply chain management and supplier sustainability risk assessments are particularly important with respect to labor practices. Having strong business ethics throughout their operations is critical, as these companies typically have a global presence extending into emerging markets. Such conglomerates must, therefore, focus on promoting common corporate values that recognize the diversity brought about by multicultural backgrounds, while also developing policies and building compliance systems to prevent corruption and illegal market practices.

Company Performance

S&P Global has selected the most relevant criteria in each sustainability dimension based on their weight in the assessment and their current or expected significance for the industry. The spider chart below visualizes the performance of the industry leader against the best score achieved in each criterion and the average industry score.
Corporate Sustainability Assessment

The Corporate Sustainability Assessment (CSA) is a comprehensive annual evaluation of companies' sustainability practices and performance, with a coverage of over 7,300 companies representing approximately 95% of global market capitalization. The CSA is one of the longest standing ESG rating methodologies worldwide, dating back to 1999. The CSA assesses companies based on the basis of 80–120 industry-specific questions across 61 industries. S&P Global ESG Scores, calculated from the CSA, are from 1 to 100 (best).

In SustainAbility’s Rate the Raters 2019 report, companies rated the CSA as the most useful ESG assessment thanks to its high level of transparency, its sector-specific view of material ESG issues, and its forward-looking incorporation of emerging sustainability risks and opportunities. In the 2020 report, which looked at the investor perspective, the CSA came out top among the highest-quality ratings and was cited as a “strong signal of sustainability.”

The CSA focuses on financially material economic, environmental, and social factors that are relevant to companies’ success, but that are underresearched in conventional financial analysis. Every year, the CSA undergoes rigorous methodological review in order to ensure that the most current material sustainability topics, as well as emerging, longterm sustainability themes often of interest to investors are reflected, and companies are challenged on topics that lack disclosure today.

As of January 2020 the CSA is issued by S&P Global, where it forms the foundation of company ESG disclosure to S&P Global for financially material ESG factors and will underpin the ESG research across our different divisions (S&P Global Ratings, S&P Dow Jones Indices and S&P Global Market Intelligence).

For over 20 years the results of the CSA are used for the annual rebalancing of the iconic Dow Jones Sustainability Indices (DJSI). CSA scores are used in numerous other S&P Dow Jones indices including the S&P 500 ESG.

S&P Global ESG Scores are made available to the global Financial markets via S&P Global Market Intelligence platforms, robustly linked to financial and industry data, research and news, providing integral ESG intelligence to make business and financial decisions with conviction.

Companies’ data and benchmarks from the CSA can now feed seamlessly into the analysis for S&P Global Ratings ESG Evaluation should companies want a forward-looking long-term opinion of their ability to handle future risk and opportunities.

Learn all about S&P Global’s ESG Solutions: www.spglobal.com/ESG

Contact
S&P Global Switzerland SA
Zürich Branch
Josefstrasse 218
8005 Zürich Switzerland
Tel +41 44 529 5160
csa@spglobal.com

* Please note that DJSI Industry Leader status is determined on 13 Nov 2020, covering only companies eligible for inclusion in the Dow Jones Sustainability Indices. As the number of assessed companies increases throughout the year, the ranking of companies within an industry may also change.

Disclaimer. All information, data or material, including ratings or scores (all such information, “Content”), contained in this report and other reports, materials, or websites of S&P Global Inc. and its subsidiaries is the exclusive property of S&P Global Inc. or its relevant subsidiary and may not be copied or reproduced in any form except with the prior written permission of S&P Global Inc. A reference to a particular investment or security, a score, rating or any observation concerning an investment or security that is part of the Content is not a recommendation to buy, sell or hold such investment or security, does not address the suitability of an investment or security and should not be relied on as investment advice.

See additional Disclaimers at https://www.spglobal.com/en/terms-of-use. Copyright© 2020 S&P Global Inc. All rights reserved.