SK & Project Overview

SK hynix

1. SK Introduction

A. SK Group

SK is Korea's second-largest business group, comprising approximately 200 operating companies and more than 100,000 employees worldwide. Founded in 1953 during the Korean War as a textile manufacturer, SK has since grown into a global enterprise at the forefront of innovation. Its diverse portfolio spans Renewable Energy, Telecommunications, Biopharmaceuticals, AI and Semiconductors. Ranked at 100th on the Fortune Global 500, SK generated a total $136.3 million in revenue in 2023.

B. SK Presence in the U.S.

SK has a strong and expanding footprint in the United States. Currently operating in 21 U.S. states, SK holds $34.5 billion in assets and employs over 7,000 people across the country. SK Hynix is proud to become the first SK affiliate to establish a presence in the great state of Indiana.

C. SK Hynix

SK Hynix is one of the world's leading semiconductor companies, ranked at 4th globally by revenue among its peers. As a specialist in memory chips—small, integrated circuit (IC) that store data, either temporarily

or permanently —SK Hynix powers essential electronic devices, including smartphones, computers and AI systems.

D. SK Hynix HBM Leadership

As memory chips evolve to meet the demands of high-speed data processing in advanced AI applications like ChatGPT, High-Bandwidth Memory (HBM) has emerged as a critical technology. HBM, when integrated with AI logic chips, eliminates data bottlenecks by enabling large-volume, high-speed data transmission. SK Hynix is proud to lead the global HBM market and to be the most trusted supplier for companies in the U.S. and around the world.

2. Sustainability Best Practices

A. Our Environmental Commitment

SK Hynix was the first Korean company to join RE100—a global initiative committed to sourcing 100% of electricity from renewable energy. SK Hynix headquarters is located in the city of Icheon, about 50 miles southeast of Seoul, a city that serves as a vital water source for more than 5 million households in the Seoul metropolitan area. Under strict environmental regulations, the company conducts rigorous inspections to ensure that the water discharged from its fabrication facilities (Fab) is clean and fully compliant.

Thanks to the company’s ongoing efforts to preserve the water clean, Icheon remains a thriving habitat for many endangered species such as otters, hawks, and mandarin ducks.

B. Contributing to Local Communities

At SK Hynix, we believe in growing together with our communities. Beyond creating quality jobs and contributing to substantial tax revenue, we support various initiatives to enhance community well-being. These include developing public ecological parks such as "Happiness Park,” supporting a senior wellness center, offering STEM scholarships, and sponsoring the local orchestra "Hy-Classic.” These programs reflect our core belief that a company's success is deeply connected to the prosperity of its neighbors.

C. Global Recognition, Local Pride

Our efforts in sustainability and community engagement have earned SK Hynix international recognition, placing the company among the most respected companies in the United States. As we expand into West Lafayette, we are excited to bring these same values and commitment to Indiana—striving not just to lead in technology, but to be the kind of neighbor communities are proud to call their own.

3. SK Hynix West Lafayette

A. Project Overview

Building on our leadership in AI memory technology, SK Hynix plans to invest approximately $3.87 billion to establish a cutting-edge advanced packaging and R&D facility in West Lafayette, Indiana. This facility will be the first of its kind in the U.S. and will play a pivotal role in strengthening the country's AI supply chain.

As advanced packaging technology becomes a key differentiator in the global semiconductor industry, offering new avenues for technological and business innovation, this initiative will position the Midwest as a new "Silicon Heartland (new semiconductor cluster)" and fuel next-generation computing innovation.

The West Lafayette facility will mass-produce HBM products—critical components in GPU modules used to train AI systems—leveraging SK Hynix's leading market position.

Indiana was selected for its resilient manufacturing infrastructure, robust Midwest talent pool, thriving R&D ecosystem, and strong community growth opportunities.

B. Project Timeline

In April 2024, SK Hynix announced its investment plan and signed an investment agreement of advanced chip packaging with the State of Indiana.

In December 2024, the U.S. Department of Commerce awarded funding through the CHIPS and Science Act to support SK Hynix's project.

Under the current timeline, the company is scheduled to begin mass production by the end of 2028, while the new facility will also develop future generations of chips and house an advanced packaging R&D line.

C. Economic & Social Impact

The West Lafayette facility is expected to directly create up to 1,000 high-tech jobs and generate thousands more across construction, supply chains, and local partnerships in the Greater Lafayette community.

The company will be partnering with Purdue University and Ivy Tech Community College to develop training programs and interdisciplinary degree tracks, helping to build a skilled and sustainable semiconductor workforce.

4. Community Engagement Commitment

A. Establishment of Advisory Board

To foster meaningful local collaboration, SK Hynix will form an Advisory Board made up of local leaders, experts, and business and community representatives. The Board will guide grassroots engagement efforts,

support the development of joint programs, and ensure responsiveness to community needs.

B. Community Contribution and Empowerment

SK Hynix is committed to enhancing quality of life and fostering talent development throughout Indiana, with the aim of helping establish the state as a national hub for AI and semiconductor R&D. We are exploring a wide range of community initiatives—including healthcare services, expert training programs, cultural activities, sponsorships, and scholarships—to support this vision.

FAQ

▪ Safety Protocols

Q. What types of safety protocols will be in place at SK Hynix Advanced Packaging fabrication facility?

SK Hynix has been operating in South Korea, which imposes some of the world's most stringent safety standards, for more than 40 years, and have been fully complying with these regulations without any issues. We are committed to and confident in meeting or exceeding all relevant laws and regulations in the United States.

The facility will maintain SEMI certifications and implement Process Safety Management (PSM), a proactive system that identifies potential hazards, plans for emergencies, and ensures safe operation during every stage of production to help prevent any incidents.

During construction, SK Hynix will mitigate inconvenience to neighbors by installing temporary fences and sound barriers, tire wash systems, dust control systems, and deploying traffic control and street-cleaning services.

Q. What is SK Hynix's safety record?

SK Hynix has not caused harm to residents due to accidents or diseases during the production and operation of semiconductor manufacturing. As is the

case in other industries, minor accidents that require simple treatment may occur among workers inside the fabrication facility, but SK Hynix's accident rates (also called "Lost Time Injury Rate (LTIR)) is significantly below industry and national averages.

- 2022: National Average: 0.65% | Manufacturing: 0.79%
  SK Hynix: 0.078%
- 2023: National Average: 0.66% | Manufacturing: 0.82%
  SK Hynix: 0.091%

Q. How do you plan to collaborate with the Fire Department (Fire protection/fighting system)?

We plan to engage in thorough discussions with the local fire department to design tailored response systems. This includes fire detection and suppression technology, coordinated monitoring equipment, and regular joint drills with the fire department.

Q. Is it safe for residents to live near semiconductor fabrication facilities?

Yes. Our facilities in Icheon and Cheongju, South Korea, have operated safely for over 40 years with no major community health or environmental incidents.

These facilities are located within 500 feet of residential neighborhoods and employee housing, indicating the high level of safety.

Q. Will you conduct an assessment on environmental impact?

SK Hynix will conduct an environmental impact assessment once a site has been chosen. During the operation of our facilities, we plan to monitor environmental impacts in accordance with local and federal laws.

Q. Will the project be reviewed under the U.S. National Environment Policy Act (NEPA)?

Yes. Our site preparation is in accordance with NEPA guidelines. We plan to comply with the emission standards granted to the company under local and federal laws.

Q. Will there be noise and/or dust issues for local residents?

To minimize noise, a barrier will be installed, and vibration will be managed by applying low-vibration methods during construction. To reduce noise and traffic congestion from construction/material vehicles, the main entry and exit route is planned to be located at Yeager Road on the west side of the site. We will also operate road sweepers on roads near the site at all times and place traffic signals to alleviate traffic congestions and improve the traffic environment for residents.

In order to remove flying dust and pollutants, a wheel washing station will be installed at the entrance and exit and will be operated at all times. In order to prevent dust within the site, water truck, sprinklers and high-pressure sprayers will be deployed and operated.

Again, we will exercise our best effort to ensure that dust and pollutants don't spread beyond the construction site and cause damages to local communities.

Q. You say this fab will operate 24/7. What about light pollution during construction and operations?

Construction work is scheduled to occur during the daytime. Should there be any nighttime work required, lighting will be directed away from nearby residential areas to ensure there is no light pollution. After the construction phase, SK Hynix is committed to keeping a strict control of inappropriate use of artificial lights in accordance with the relevant regulations in order to prevent any disruption to the nearby residents.

▣ Water Usage & Quality

Q. How will water be utilized by the SK Hynix Advanced Packaging fabrication facility?

Water will be used primarily for:

1) UPW (Ultra-Pure Water) supply for the semiconductor manufacturing process

2) Scrubbing water for the treatment of air emissions and greenhouse gases

3) Cooling tower supply water for maintaining temperature and humidity of the Clean Room

Note: Advanced Packaging uses much less water than the front-end semiconductor processes.

Q. How much water will be used in a typical day / typical year?

Under the current design criteria being reviewed, estimated daily usage of water is 2.8 million gallons, totaling approximately 1 billion gallons annually.

Q. How and where will water - once utilized - be discharged?

The water discharged from the facility undergoes primary treatment at SK Hynix's own treatment facility before being processed at a terminal treatment plant and then discharged into the Wabash River. The water being discharged will be fully compliant with all legal standards.

Q. Will the discharged water contain contaminants? If yes, what type?

The discharged water will be treated and released in accordance with the IWDP (Industrial Wastewater Discharge Permit) agreement conditions, ensuring that it

has no impact on the biological treatment processes of the public discharged water treatment plant.

Q. What water related permits are required to operate the facility?

- (For discharge) The plan is to channel the discharged water into the public sewage treatment plant for processing before final discharge and obtain IWDP (Industrial Wastewater Discharge Permit) permits accordingly.

- We are currently reviewing necessary steps for water-related permits through a consultant. The project will be carried out in compliance with relevant environmental laws and procedures.

    - *Expected Permits/Approvals: SWPPP (Stormwater Pollution Prevention Plan), CSGP (Construction Stormwater General Permit), IPP (Industrial Pretreatment Permits)*

▣ Air Emissions

Q. What air quality measures does SK Hynix employ? Does the company comply with the basic requirements?

SK Hynix eliminates pollutant emissions through its multi-stage treatment system. SK Hynix's emissions will be regulated by the Environmental Protection Agency (EPA)

and the Indiana Department of Environmental Management (IDEM).

Q. How will air quality be measured and managed by SK Hynix?

At our headquarter in Icheon, we independently monitor air quality to assess the impact of the facility, and no negative impacts have been identified. Similarly, for our facility in West Lafayette, we plan to monitor the surrounding air quality by conducting self-measurements of emissions and air quality as required by law.

Q. Comparison on Icheon and West Lafayette air quality (WL: 26 AQI, Icheon: 110 AQI)

The fine dust levels in Icheon are significantly influenced by yellow dust blowing in from the northwest during the spring, as well as from nearby coal-fired power plants to the west. Because of these factors, a direct comparison of fine dust levels between Icheon and West Lafayette may not be applicable. Additionally, when comparing the fine dust levels between Icheon and Seoul, the capital city that has no semiconductor factories, there appears to be no significant difference. This suggests that air quality is not related to the presence of semiconductor factories.

Q. Where and how does the steam go out from the Fab?

We plan to operate a water-cooled cooling tower to maintain a constant humidity and temperature inside the Fab. The cooling tower is typically supplied with industrial water, and as it operates, some of the water is released as steam due to heat exchange with the outside air.

▣ Incident Mitigation & Emergency Response

Q. Could the SK Hynix Advanced Packaging fabrication facility prevent from fire and/or explosion risk?

From an architectural standpoint, SK Hynix is planning to design and construct fire-safe buildings in accordance with the building design standards (IBC and IFC) and fire prevention standards (NFPA) applicable in the United States. This will include the establishment of fire compartments and the application of fire-resistant structures.

The buildings are planned to be designed with explosion-proof features and protective barriers to minimize the impact on local residents. Similarly, for natural disasters such as tornadoes or earthquakes, it will be designed to remain secure, preventing the spread of damage to the surrounding area.

Q. Are West Lafayette emergency responders trained to handle potentially hazardous materials?

In Korea, domestic Emergency Response Teams (ERTs) regularly undergo training at government education institutions like the Central Fire Service Academy and the National Institute of Chemical Safety. This repeated training enables them to effectively respond to a variety of situations. We will prepare to provide a similar comprehensive training to local responders at the new facility in Indiana.

▣ Energy Grid Use

Q. Has the local utility guaranteed power would be available and will not negatively impact the community?

SK Hynix is currently negotiating with the local power supplier about the Facility Service Agreement (FSA) for the electricity supply to the facility.

Q. How is SK Hynix **going to meet their sustainability goals for electricity with the power provider?**

We are pursuing RE100 in countries like the United States. We plan to maintain ongoing communication with local power suppliers to explore ways to increase our use of renewable energy.

▣ Chemicals

Q. Will PFAS (per- and polyfluoroalkyl substances) be present at any point in the process?

No, we do not use PFAS compounds regulated by the Stockholm Convention.

▣ Storage and Transportation

Q. How and where is the waste stored and how is it transported and disposed of? Where exactly will the trucks dispose of these (solid) wastes? (Location)

In accordance with local laws, waste will be stored at the resource circulation center on the premises. All applicable waste will be outsourced to a waste management company for disposal. We plan to engage specialized companies that can refine and recycle the waste to ensure that residents experience no inconvenience during the disposal process.

Q. How and where are chemicals stored?

In semiconductor processing, materials are stored in gas cylinders and other containers within material warehouses equipped with safety systems. These systems include outdoor spill prevention trenches, fire suppression systems, real-time leak detectors, and monitoring equipment. Once received in the material warehouse, each material is transported into the FAB using internal transport vehicles and is utilized by connecting

directly to supply systems like storage/supply tanks or gas supply cabinets or directly to semiconductor equipment.

All facilities and equipment involved in storing, supplying, and utilizing materials are protected by multiple safety measures to ensure safe operation. These measures include real-time leak detection sensors, monitoring systems, fire suppression systems, trenches, dikes, pressure relief devices, real-time pressure and temperature monitoring systems, leak shutdown interlock systems, and scrubbers for handling leaks.

Q. How and where are those chemicals transported?

A chemical supplier will be selected, and upon contract signing, SK Hynix will ensure compliance with transportation safety regulations. The chemicals will be transported using vehicles specialized for chemical transport and will be stored and supplied in the chemical room within the SK Hynix building.

Q. What safety and handling measures are in place to protect residents?

Our facilities include multi-layer safety and treatment system—including leak detection, supply shutdown, emergency exhaust and scrubbers, and wastewater treatment—to contain and manage the impact of material accidents both in- and outside the facility.

When transporting disposals, vehicle dispatch times will be adjusted to minimize the impact on residents.

▣ Property Values

Q. Will property values be negatively affected by the SK Hynix Advanced Packaging fabrication facility?

In regions where SK Hynix has established its semiconductor facilities, real estate values, including housing and land near the facilities, have significantly increased—some by up to 150% from announcement to production. This surge is driven by substantial investment and the expansion of hundreds of suppliers providing materials, equipment, and components, which in turn boosts employment and population growth.

We are optimistic that the real estate values in West Lafayette, Indiana, home to SK Hynix's advanced packaging plant, will experience significant positive growth.

▣ Overall Project

Q. Is $3.87 billion still an accurate figure to use for the facility? If that’s changed, what factors have gone into that?

An agreement was made for $3.87 billion with the federal government for an investment contract. Future adjustments may occur depending on market conditions and equipment needs.

Q. Can you explain the major difference between front end fab and back end packaging fab?

Advanced Packaging refers to the process of stacking and connecting multiple wafers based on wafers made in Korea to create HBM (High Bandwidth Memory) and packaging it.

While some processes similar to front-end fab processes are used in making HBM, the number of process steps is only 20% of those in front-end processes, and the use of chemicals is also lower, making the risk significantly lower.

They produce HBM, a cutting-edge memory product essential for AI. Wafers produced in the front-end process are brought to the United States for the advanced packaging process.

▣ Economic/Community Impact

Q. Is the 800- to 1,000 job figure tied to SK Hynix's plans still accurate? And is there a timeline to reach those figures?

If production starts in 2028 as currently planned, our direct employment is expected to reach approximately 1,000 people between 2028 and 2030.

Considering the employment by suppliers, it is expected that many more jobs will be created, but this is based on the assumption that the project proceeds as currently

planned. If the project is delayed, employment is also expected to be delayed.

Q. Who are the "partners" and what will they do/produce in Indiana? What sort of facilities will your partners bring in? Explain the impact of your entire supply chain.

To operate the Indiana West Lafayette Fab of SK Hynix and produce HBM, hundreds of partner companies are needed.

Firstly, there are partner companies that supply and distribute various materials, components, equipment, and tools necessary for product production.

Additionally, there are companies that maintain and repair the facilities and equipment of the fab, manage the environment, ensure safety and quality, and handle logistics, packaging, and transportation of the products and various necessary materials.

Therefore, it is expected that the partner companies needed to operate the Indiana Fab and produce products will relocate near SK Hynix's Indiana Fab, forming a new semiconductor cluster in the United States for the production of HBM, which is crucial for AI semiconductors.

Q. Will SK's suppliers and vendors also follow the standard requirements that SK does?

SK Hynix requires its suppliers to adhere to the standards that the company itself observes as a basic condition. Additionally, a thorough verification and certification

process is conducted for both the selection of suppliers and the products supplied by partners.

Q. How will this facility enhance my family's quality of life?

Adding to the high-tech jobs, the construction of SK Hynix's facility in Indiana is expected to create thousands more across construction, supply chains, and local partnerships, which will increase the population influx to West Lafayette and significantly boost the local economy.

The creation of thousands of jobs and an influx of population are anticipated to lead to the expansion of roads, the addition of schools, hospitals, parks, and restaurants, among various other amenities, thereby improving the quality of life for local residents.