

## Corporate Culture

Creating a corporate culture for a great workplace is an essential factor in achieving sustainable development. SK Innovation strives to enhance the corporate culture by strengthening cooperation among employees and promoting the importance of the company's development.

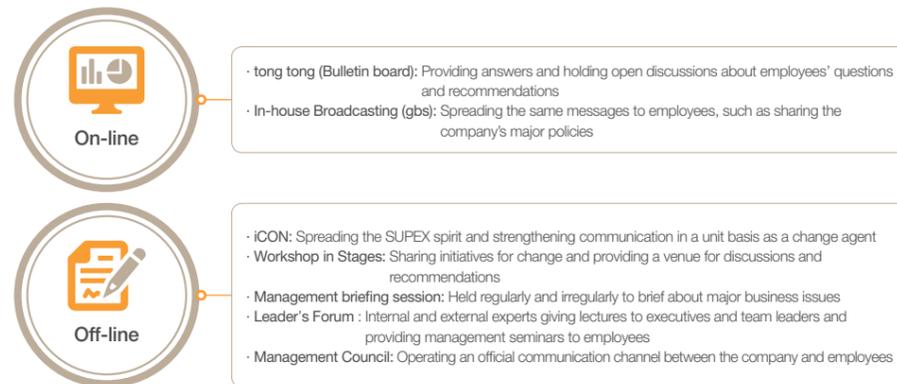
### Promotion of Open Corporate Culture

SK Innovation encourages employee engagement by sharing the company's future directions through open communication channels. Through these efforts, we establish a reliable relationship with our employees and create a corporate culture and working environment where each employee can realize his/her full potential. Therefore, we got rid of partitions that blocked communication between employees, and addressed any complaints made by employees.

#### Expanding Communication with Employees

Internal communication channels established can consolidate the employees' competencies to create a winning culture. Starting from 2015, we plan to integrate the division in charge of communication to SKMS Department, so that diverse communication channels are provided.

#### Operating Channels



#### C-Talk (a Year-round Coaching Program)

C-talk is SK Innovation's one-to-one coaching program for assisting employees' self-development. Employees can consult their team leaders or peer groups whenever they need motivation or advice on new projects, career development, or work issues. To that effect, the company is systematically assisting team leaders in developing their coaching skills because this coaching program is expected to highly enhance overall performance results and stimulate employees' competency-building.

#### iCON (Innovation Communication ON)

Until now the Junior Board was in place for each subsidiary, but starting from 2015, SK Innovation and its subsidiaries will integrate it into iCON. After going through a strict screening process with candidates nominated by executives and team leaders, a total of about 200 persons with at least one person from each team, are selected for iCON. They will take the lead in adapting to changes and bringing innovations through communications with the management, leaders and other employees as an opinion leader with SK Value and competencies. Besides spreading the management philosophy and commitment and being active in communicating with other employees, the opinion leaders will take the lead in change and innovation by creating a winning culture at the workplace. Also, they will implement various activities across the board, including reviewing the SKMS and SUPEX status and establishing guidelines.

### Addressing Employees' Complaints

SK Innovation reflects employees' complaints that might arise from carrying out their job duties by operating the Grievances Committee. It consists of representatives recommended by the CEO and the labor union, which help out with improving working environment and working conditions verbally or via mail, phone, e-mail and other media.

### Operating an In-house Counseling Center Called 'Harmonia'

SK Innovation operates an in-house counseling center called 'Harmonia' to assist its employees with their stress management and career development. With certified psychology counselors on standby and ten more external specialists ready to help, the center provides employees with systematic counseling programs in the areas of life, career, work and family to receive good responses from employees and their spouses, parents and children. Also, we provide programs to support development at work, such as team building, conflict management and leadership coaching. Since its opening in 2005, the number of employees using the service has grown over the years and reached 1,382 persons in 2014, showing a high satisfaction among users with 4.8 points on a scale of 5. As such, Harmonia has become a trusted partner to our employees for their happiness and we plan to expand it to local worksites.

### Work-Life Balance

#### First Korean Refiner to Adopt Flexible Work Hours

SK Innovation adopted a flexible work hour system that is carried out according to each team. A flexible work hour system means the employees can adjust their working hours by choice depending on their personal situation and work status, so that they can achieve a balance between their work life and personal life.

#### Enhanced Flexibility in the Work Process with the Smart Work System

In order to enhance work efficiency and get rid of inefficient practices, SK Innovation adopted the smart work system. This is part of the efforts made to streamline the procedures of meetings and documentation, while also creating an environment where employees can adjust their working hours to enjoy time with their families or use it for personal life

### Strengthening Family-Friendly Management

#### Increasing the Certifications of Family-Friendly Management

After receiving the Presidential citation for Outstanding Family-friendly Company in 2012, SK Innovation has made efforts to further strengthen its family-friendly management practices. We operate family-friendly systems like improving flexible working hours and providing a generous maternity leave package, while also achieving a work-life balance to contribute towards enhancing the quality of life at home and in the workplace. In 2014, SK Lubricants acquired the certification as an Outstanding Family-friendly Company.

#### Addressing Childcare Issues with Mandatory Childcare Leaves

SK Innovation has made it mandatory to take childcare leave without feeling uncomfortable about applying for childcare leave at the end of maternity leave. As a result, employees who have taken maternity leave are automatically required to take at least a year off after giving birth. In a case where the employee does not want to take such steps or wishes to adjust the period, it can be done through an application made separately, and get the supervisor's approval to suit individual situations.

### Creating a Winning Culture

In 2015, SK Innovation has taken 'Winning Culture' as the keyword for overcoming crisis. Also, SK Innovation's leaders refer to people who make the organization and team members win in their assigned duties regarding projects and tasks. Therefore, all employees should be able to overcome structural problems arising from global competition by seeking solutions and taking necessary action. Based on a winning culture, SK Innovation will create a corporate culture where talented people with competitiveness and excellence can realize their full potential.