

CEO Message



I'd like to take this opportunity to deliver my deepest appreciation for your continued support of the company.

This report sheds light on SK innovation's sustainability management activities and performance in the aspects of economy, environment and society and introduces our future plans. As a responsible corporate citizen committed to mutual growth and co-prosperity with society, SK innovation will continue its endeavors and share its plans and performance results with its stakeholders. On behalf of everyone at SK innovation, I'd like to deliver my deepest appreciation for your support and encouragement of the company.

Reinforcing competitiveness and synergies

For us, 2013 marked a monumental start of a new chapter. After the successful spin-off of SK energy, SK global chemical and SK lubricants years ago, SK innovation spun off SK incheon petrochemical and SK trading international in 2013 to enhance their respective competitiveness in their own business areas. At the same time, we expanded the optimization technology among our subsidiaries in promotion of synergies among them.

Meanwhile, we consolidated the CIC (company in company) system as a means of further solidifying our business competencies and pursuing new growth engines. For instance, the Global Technology CIC is contributing its differentiated technologies to the company's efforts of strengthening the existing business competencies and developing future growth engines. Buoyed by the successful M&A of a production asset in North America in 2014, the E&P CIC has established operations and is poised to attain its goal of becoming a global E&P company.

Developing the SHE system as part of CSR efforts

Safety, health and environment are an integral part of sustainability management and we are tirelessly working to enhance our SHE competencies to meet global standards.

In 2013, we concentrated on upgrading SHE standards and procedures tailored to the different needs of each worksite, completing a competitive SHE management system that has been under work since 2012. After developing our Safety Golden Rules, we applied them to all our worksites to enhance the SHE consciousness of our employees and those of our suppliers, while auditing SHE practices at worksites around the clock so as to address any potential risks with thorough inspections and countermeasures.

At the same time, we published and widely distributed our Work Safety Guide under a business alliance with the Korea Occupational Safety and Health Agency and Ulsan City in May 2013. This was the first move made by any Korean company to preemptively address potential risks of occupational injuries in the course of the operation & maintenance of facilities at refinery and petrochemical plants, setting an example as a leader in domestic SHE management practices.

Bringing about a new paradigm change in social contribution practices

Departing from condescending donation or volunteerism practices, SK innovation supports social enterprises to become independent. Putting forward a new paradigm of corporate socially responsibility activities, this initiative involves supporting social enterprises in their marketing activities and in identifying new and sustainable social contribution models through public contests and the support of prize winners.

Our social contribution commitment also crosses borders to reach Peru, where we opened the second branch of Yachaywasi, a farming promotion institute social enterprise in 2013. We also operate the My School Program, which contributes to educational equality in local communities and the My Eco-Tech Farm Program that helps local farmers with agricultural techniques.

In addition, SK innovation has prepared a framework for more sustainable mutual growth with its suppliers through such programs as joint R&D on new technologies, joint patenting, and other support to enhance our suppliers' productivity. In recognition of these efforts, the company won a Presidential Commendation at the 2013 Win-Win Partnership Week celebration. In the future, we plan on expanding our win-win partnership programs to offer financial aid through Mutual Growth Funds and to support our suppliers' social contribution activities.

Distinguished stakeholders,

As a total energy · chemical company with globally competitive technologies, SK innovation will make every effort to attain its goal as a company respected by society in embracing change and innovation in pursuit of higher stakeholder value.

To that end, we will remain open and candid in our communication with our stakeholders, while listening to their thoughts. I humbly ask for your unwavering support and encouragement in the company as we move forward.

Vice Chairman & CEO of SK innovation
Koo, Ja - Young

