



Message from
the CEO

SK innovation will continue to enact diverse efforts for sustainability management to become a better and stronger company. We appreciate your continued support and encouragement.

Dear Valued Stakeholders,

I would like to begin this letter by expressing my deepest gratitude for your unwavering support for SK innovation. In 2017, SK innovation managed to strengthen its core competitiveness in the business, thinking outside of the box to realize steady improvements. As a result, we achieved the best business performance in our history. We were also incorporated in the Dow Jones Sustainability Indices (DJSI), the highest authority in assessing sustainability management, thanks to our concerted efforts to create social value.

With the hope that these accomplishments will serve as a stepping stone to produce greater economic and social value in the future, we have outlined our achievements in the past year and clarified our commitment and future plans for sustainability management in this report.

Implementing Deep Change 2.0 and Producing Results

In order to demonstrate high performance amid intensifying competition in a rapidly changing market, it is necessary to shift from a Red Ocean to a Blue Ocean Strategy. This strategy requires us to change the way we look at the markets and try to create new ones. SK innovation will build partnerships with global companies and actively explore future growth engines to lay the foundation for sustainable growth. Based on this, we will take the leap forward to lead the energy and petrochemical industry.

Innovating Business Models by Expanding Shared Infrastructure

SK innovation actively shares our capabilities and assets both internally and externally to enhance all stakeholders' happiness. Sharing assets began at SK energy's gas stations in Korea, and will be extended to all of our global workplaces in the future. We will continue to innovate our business models and the way we work through building a shared infrastructure, thereby delivering outstanding performance.

Pursuing Stakeholders' Happiness by Creating Social Value

SK innovation believes that creating social value for stakeholders is one of the most important objectives of business management. Thus, we have made concerted efforts to enhance the sustainability of society as a whole, going beyond profit generation. These efforts have resulted in several positive outcomes, such as the successful operation of the Happiness Sharing Program to Promote Mutual Growth with 1% and the 'Discovery of Star Social Enterprises'.

In addition, we advocate the Ten Principles of the UN Global Compact and other global initiatives on corporate sustainability. We will continue to incorporate these principles into our business strategies as we lead the industry, setting the stage for happiness and prosperity in local communities and society.

SK innovation is highly committed to fulfilling its responsibility in regard to sustainability management, thereby becoming a better and stronger company. Once again, we ask for your enduring support and encouragement for SK innovation.

Thank you.

SK innovation CEO & President Kim Jun

Kim Jun