



Message from the CEO

Dear stakeholders,

I would like to start by expressing my deepest gratitude for your support and interest in SK innovation.

In the face of an extremely volatile business environment during the past year, the company continued to focus its efforts on innovating its profit structure. As a result, we achieved the most successful annual business performance in our corporate history. Not only did we successfully accomplish the largest turnaround to date, but also paved the basis for future growth by forward-positioning our petrochemical and refinery business in the global market and expanding our electric vehicle battery and I&E material capacity. In addition, efforts to improve our financial position came to fruition as the company achieved its highest credit rating to date from an international credit rating agency in 2017.

SK innovation will not rest on these achievements. We will strive to enhance our corporate value through persistent innovation and continuous growth. This sustainability report presents the company's main business, accomplishments, commitment and vision to improve sustainable management and corporate value.

Structural innovation of the business model for global growth

SK innovation is committed to business model innovation, in accordance with better positioning ourselves for stronger global growth, and enhance our corporate value. The company will aggressively push forward with strategic investments to expand new businesses and boost global growth. To spur meaningful innovation in our business structure, we plan to increase partnerships with leading companies around the world. In addition, the company will engage in a wide range of profit structure innovation by creating a foundation for steady margin generation through optimization, stronger operating competitiveness, and structural cost savings.

Enhancing innovation execution by creating a passionate, agile and flexible culture within the organization

Based on SK Management System(SKMS), SK Group's unique philosophy and business management system, SK innovation strives to respond quickly and flexibly to the ever-changing business environment by creating a robust corporate culture and concentrating the abilities of its employees. All employees are encouraged to freely and enthusiastically pursue innovation based on passion, the core of SKMS. In addition, we are strengthening innovation execution by introducing swift decision-making and work processes, flexible corporate culture and stronger communication.

Strengthened social responsibility in the pursuit of happiness for all stakeholders

SK innovation is exerting its utmost efforts to become a company that pursues the happiness of our stakeholders. We put the utmost priority on the safety and health of our stakeholders. Moreover, the company is committed to fulfill its social responsibility by adopting the global best practice SHE(safety, health and environment) management, pursuing mutual growth with suppliers, strengthening responsibility to our local community, and supporting the global initiative of sustainable management. These efforts will help us maximize social values and work together with our stakeholders to spread happiness.

Based on the trust and respect of our stakeholder, SK innovation aims to grow into a global top-tier company in the energy and chemical industry through continuous innovation. We will always listen to your opinion and be happy to communicate with you.

Best Regards,

SK innovation CEO and President **Kim Jun**

