

CEO Message



Dear SK innovation stakeholders,

I would like to convey my deepest gratitude for your continued support of SK innovation. Although 2015 was challenging with external business conditions worsening since 2014, SK innovation recorded its highest operating profit since 2011. As our strenuous efforts helped us overcome unprecedented challenges last year, we will continue to strive not merely to survive, but to achieve sustainable growth. We would like to share our major business activities, performance and plans for increasing our corporate value and efforts towards refining our sustainable management practices through the 2015 Sustainability Report.

Structural innovation to increase corporate value

SK innovation endeavored to overcome the challenges of a difficult business environment through innovations in its profit, business and financial structures. SK innovation not only streamlined and reduced costs in industrial complexes located in Ulsan and Incheon, but also increased its market share in the oil product, chemicals, and lubricants markets to further solidify its market leadership.

Moreover, SK innovation expanded its global partnerships through, for example, formation of SABIC SK Nexlene Company (SSNC) and Iberian Lube Base Oils Company (ILBOC), built additional battery production capacity, and increased its corporate value by reinforcing our E&P business in North America. Further, by improving SK innovation's financial structure which had been weakened at the end of 2014, SK innovation was able to restore its credit rating to be on the same footing with other global leaders. Today, SK innovation continually strives to increase corporate value by diversifying its business portfolios.

Management innovation for enhancing execution ability

Built upon the SK group's unique management system, SK Management System (SKMS), SK innovation aims to evolve and develop into a company that is strong in the face of a crisis and equipped with excellent execution capacity. While innovating SK innovation's management system to respond rapidly against sudden changes in the business environment, we also work to improve policies and remove inefficiencies from outdated practices. In particular, SK innovation promotes the spirit of 'Self-Design' policies and individual cultures uniquely fit for each of the five subsidiaries of SK innovation and its business units as part of our 'separate yet unified' approach as we strive to strengthen on-site operational excellency.

Enhancing Sustainable Management to pursue stakeholders' happiness

SK innovation is making its best effort to not only increase corporate value, but to also live up to its reputation as a company that is trusted and respected by all stakeholders. SK innovation endeavors to secure its employees' health and safety, manage Safety, Health, and Environment (SHE) in accordance with global standards, pursue mutual growth with suppliers, and enrich the quality of life for local communities. Moreover, in support of various global initiatives on sustainability including the UN Global Compact (UNGC), SK innovation will actively participate in the global discourse on corporate social responsibility including the responsibility to uphold human rights and labor rights, safeguard the environment, and spearhead anti-corruption initiatives.

Dear esteemed stakeholders,

All of us at SK innovation concertedly strive to become a global leader in the energy and chemical industry through change and innovation. SK innovation will earn your respect and affection by always listening to your opinions and communicating with all of our stakeholders.

Respectfully yours,
SK innovation Vice Chairman and CEO,
Chung, Chul-Khil