

SHE activities with local communities

Effort to reduce fine dust

In response to the fine dust problem that has currently become a social issue, SK innovation has set a target with the local community to reduce fine dust and is putting various efforts into practice. The Ulsan complex entered into a ‘voluntary agreement to reduce fine dust’ with the City of Ulsan, environmental office and companies in the Ulsan area. The agreement aims to reduce 40% of fine dust, sulfur oxides, nitrogen oxides and VOC emissions based on 2014 figures by 2022 and improve monitoring of facilities that release emissions that can cause fine dust. Meanwhile, we conduct various activities to reduce fine dust such as exchanging the existing boiler burners to low NOx burners and changing our fuel to natural gas.

In addition, SK incheon petrochem signed a ‘voluntary agreement to reduce fine dust in work sites’ with the Ministry of Environment to improve the air quality in the metropolitan area. It is renovating facilities to reduce fine dust as well as implementing emergency measures at times of high-density fine dust warnings. Our work site in Jeungpyeong also signed a ‘voluntary agreement to reduce fine dust’ with North Chungcheong province and local companies aiming to reduce fine dust by 19% the amount of 2017 by 2020.

Environment and safety risk governance for local community

SK incheon petrochem has supported and actively participated in building a ‘health and safety risk governance’ with 13 relevant institutions including Hangang riverside environmental office under the Ministry of environment, Korea Occupational Safety and Health Agency and City of Incheon. It runs 10 major activities including: hosting a CEO safety forum to spread a safe culture for work sites, running exhibitions to experience safety drills for disasters to raise general awareness on safety, and providing consultations for chemical substance assurance to improve safety management skills in small businesses. We collaborate with other institutions based on these 10 items to maximize efforts.

First aid training in local health institutions

SK innovation Ulsan Complex runs a specialized organization that provides rescue and response activities when emergencies occur on site. 21 members of this workforce hold emergency care certifications. These members visit various welfare organizations and regional government institutions in the Ulsan area to donate their talent to provide experiential training in first aid and CPR.



1. Agreement ceremony to establish environment and safety risk governance
 2. SK incheon petrochem voluntary agreement ceremony
 3. SK innovation Jeungpyeong site voluntary agreement ceremony
 4. First aid training for regional welfare organizations

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Community Engagement



Why is it important?

Importance of the issue

A company and the local community affect each other in various ways, directly or indirectly. If a company conducts self-righteous operations without considering the demands from the local community, it will receive criticism from stakeholders and gain a negative reputation which will act as an obstacle in business operations. On the other hand, communicating actively with the community and conducting philanthropic acts will help create social values in the community as well as gain many alliances in operations. This can also provide an opportunity to innovate and establish a new business model.

How is SK innovation responding to this issue?

SK innovation’s strategic approach

- Maximize stakeholder happiness by pursuing economic and social values
- Continuous innovation to solve fundamental social problems
- Think deeply about the socially disadvantaged and drive meaningful activities
- Promote activities in local community related to UN SDGs

How is performance tracked?

Performance evaluation method and mid- to long-term goals

- Continue to discover and support star social enterprises
- Manage average time of voluntary work per employee
- Manage investment funds for social contribution

Develop global communities

Mangrove forest restoration project in Vietnam

SK innovation is expanding its program to create environmental value. To battle global warming, we have been planting mangrove trees in Vietnam, one of the regions most vulnerable to climate change where we also develop oil and operate rest stations for freight vehicles.

In 2018, we planted 35,000 mangrove trees in an area of 11 hectares in Tra Vinh, Vietnam based on our 1% Happiness Sharing Fund. 1 hectare of mangroves can absorb 34 to 1,000 tons of carbon dioxide and these trees also act as a natural shield from natural disasters such as tsunami. In addition, we are supporting the livelihood of community by planting mangroves as well as providing education on the environment to residents and students. Furthermore, we have promoted research on Mangroves through Ho Chi Minh City University of Technology and we are collaborating with our global partners: Petro Vietnam E&P and Saigon NewPort through an environment contribution MOU to restore mangroves. We will review establishing a social enterprise in Vietnam in connection with the mangrove forest restoration project in early 2019 through which we will secure resources for the project, create jobs for the socially disadvantaged and increase profits for the community. We also plan to expand the enterprise to collaborative volunteer work with global partners. Simultaneously, we plan to restore 30 hectares of mangrove forests by 2020.

Number of mangroves planted in Tra Vinh province in 2018

My Long Nam region	Long Khanh region
<ul style="list-style-type: none"> • 26,000 trees planted • Visits to elementary schools for environmental education 	<ul style="list-style-type: none"> • 9,000 trees planted • Visits to elementary schools for environmental education

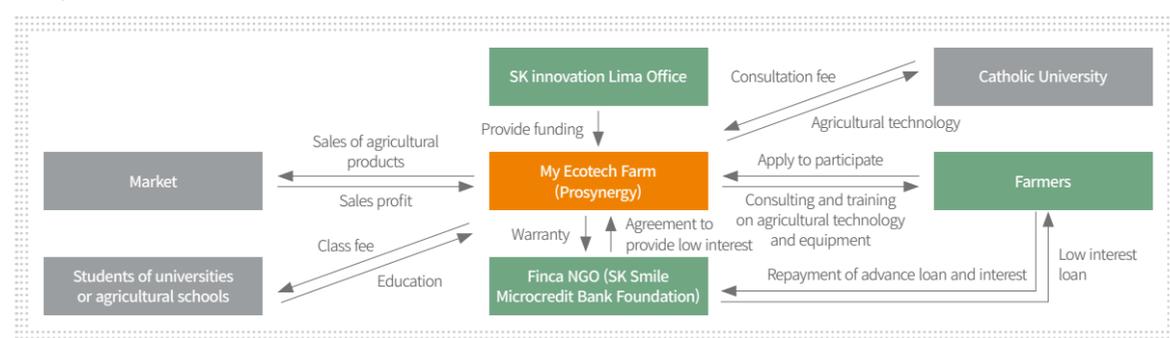
Agricultural technology promotion and profit model in Peru

SK innovation established ProSynergy, an organization specializing in social contribution, in Lima, Peru where we operate our business. We built branches 1 and 2 of Yachaywasi, a social enterprise aiming to promote agricultural technology and increase profits for low-income farming households. Through this social enterprise, we provide education in farming and livestock as well as securing a network to support the community with facilities and technology. We are also creating profit together through collaborative sales of agricultural goods and contributing to the well-being of farmers by working together with SK Smile Microcredit Bank Foundation Finca and the Catholic University. In addition, we are working with the local government to support farming by improving farming and irrigation facilities, greenhouse farming and alpaca fiber processing facilities.

As a result, we received USD 239,302 from the IICA, Finland Ministry of Foreign Affairs which we used to provide more renewable energy to agricultural areas and improve energy self-sufficiency. Also, we provided quality education service through our education platform, 'My School Program' providing web-based training as well as an information platform. ProSynergy supported philanthropic activities of other companies through projects such as building the mini Yachaywasi in connection with Pluspetrol funds, providing agricultural support with the alpaca fiber processing facilities. We plan to register for formal social contribution projects with government bodies to become autonomous by providing funds.

- 1) Yachaywasi: Quechuan language meaning Yachay (Teaching) + Wasi (Place), a forum for education
- 2) IICA (International Institute for Cooperation in Agriculture) Fund: A fund established to contribute to providing renewable energy to low-income agricultural regions in the world

Yachaywasi business model



UN SDGS



UN SDGs(Sustainable Development Goals)

SK innovation sincerely agrees with the objective of UN SDGs and will work together to achieve these goals. We have selected part of the 16 sustainable development goals and actively promote relevant practices. We will gradually improve our execution by expanding out to more related targets.

Type	SK innovation activities
<p>Goal 1 End poverty in all its forms everywhere</p>	<ul style="list-style-type: none"> • Promote agricultural technology for farming households in Peru and help create a profit model • Provide meal boxes to children skipping meals all over the country by participating in Happiness Alliance • Support residents' livelihoods through the mangrove restoration program in Vietnam • Provide meal boxes to the socially disadvantaged in Singapore
<p>Goal 2 End hunger, achieve food security and improved nutrition, and promote sustainable agriculture</p>	<ul style="list-style-type: none"> • Alleviate social isolation of elderly living alone and restore self-worth • Improve sociability of children with growth disabilities • Promote self-support for children with growth disabilities, support mental stability programs for carers of elderly living alone
<p>Goal 3 Ensure healthy lives and promote well-being for all at all ages</p>	<ul style="list-style-type: none"> • Provide education programs in areas of operation within the US • Study support for socially disadvantaged students in the Incheon area • Run 'My School' program in Peru to provide quality education service to low-income students
<p>Goal 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<ul style="list-style-type: none"> • Provide mental stability program targeting carers for elderly living alone
<p>Goal 5 Achieve gender equality and empower all women and girls</p>	<ul style="list-style-type: none"> • Purify ocean water by planting mangroves in Vietnam
<p>Goal 6 Ensure availability and sustainable management of water and sanitation for all</p>	<ul style="list-style-type: none"> • Provide energy through the Cook Stove distribution project in Myanmar
<p>Goal 7 Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<ul style="list-style-type: none"> • Create jobs by developing social enterprises
<p>Goal 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<ul style="list-style-type: none"> • Climate action through restoring mangrove forests in Vietnam • I Green We Green Campaign to protect the world environment
<p>Goal 13 Take urgent action to combat climate change and its impacts</p>	<ul style="list-style-type: none"> • Conserve marine ecosystem by restoring mangrove forests in Vietnam
<p>Goal 14 Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p>	<ul style="list-style-type: none"> • Conserve biodiversity by restoring mangrove forests in Vietnam
<p>Goal 15 Protect, restore and promote sustainable use of terrestrial ecosystems and halt biodiversity loss</p>	