

Social Contribution

ESG
Performance
Report 2021

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Social Contribution Strategies and Systems

Social Contribution Strategies

In order to create and share the benefits of sustainable growth and happiness, SK innovation is dedicated to creating social values as well as economic values and making efforts to building trust with local communities and stakeholders through active communication. To bring about social innovation, we actively try to solve various issues by promoting environmental protection, supporting socioeconomically disadvantaged groups, and contributing to local communities.

Social Contribution Systems

We have set three key social contribution strategies to improve the quality of life for people. The strategies are consisted of Social Innovation that promotes the nurturing of a socioeconomic ecosystem to solve social issues, Green Innovation that promotes actions to create a sustainable environment such as climate change response and biodiversity protection, and Happy Innovation that promotes the coexistence with local communities and community problem-solving based on the participation of employees and labor unions.

SK innovation Social Contribution System

| Happinnovation ³⁾ Creating and sharing the benefits of sustainable growth | | | |
|--|--|---|---|
| Key strategies | Social Innovation Nurturing a socioeconomic ecosystem | Green Innovation Sustainable environment | Happy Innovation Shared growth with local communities |
| Directions for action | Nurturing a socioeconomic ecosystem | Response to global environmental issues | Building a social safety net |
| Core program | <ul style="list-style-type: none"> Discovering and supporting social businesses Partnership with social business (based on SK innovation's business) | <ul style="list-style-type: none"> Mangrove restoration Environmental campaign and resource circulation Local environment conservation | <ul style="list-style-type: none"> 1% Happiness Sharing Fund Social safety net for local communities Social value creation (based on SK innovation's business) |
| UN SDGs | 2, 8, 12, 13 | 12, 13, 14, 15 | 1, 2, 3, 4, 8, 16 |
| Goals for 2021 | <ul style="list-style-type: none"> Discover and support environmental social businesses: 15 companies Support through shared infrastructure: 29 companies Discover and support green startups: 20 companies | <ul style="list-style-type: none"> Mangrove restoration: 60 ha Organize environmental awareness trainings in Vietnam: 500 participants Invest in Vietnamize social enterprises Organize a campaign for plastic waste reduction | <ul style="list-style-type: none"> Create social value in line with SK innovation's business Expand employee donations and volunteer campaigns Expand support for local communities and the socioeconomically disadvantaged Expand support through our social safety net |
| Performance in 2021 | <ul style="list-style-type: none"> Discover and support environmental social businesses: 15 companies Support through shared infrastructure: 29 companies Discover and support green startups: 20 companies | <ul style="list-style-type: none"> Mangrove restoration: 48 ha (Vietnam) - Not implemented in Myanmar due to the international situation Carbon reduction methodology development in Vietnam Organization of environmental awareness trainings in Vietnam: 812 participants Organization of nation-wide plogging campaign, 'Sanhaejinmi' - 160,000 participants | <ul style="list-style-type: none"> Social value creation: KRW 12.5 billion Happiness Sharing Fund raised: KRW 3 billion (KRW 2.9 billion matched by SK innovation) Employee volunteering: - 7,390 volunteers (100% of SK innovation's employees) - 20,930 hours - SV worth KRW 370 million Support for local communities and the socioeconomically disadvantaged: - 1,000 senior citizens living alone - 1,000 people with developmental disabilities Expand support through SK innovation's social safety net (On-tact Meal Sharing Campaign) - 620,000 meals for the homeless and the elderly - 57,000 meals for undernourished children |
| Goals for 2022 | <ul style="list-style-type: none"> Discover and support environmental social businesses: 15 companies Establish a support platform to systemically support and nurture the discovered companies | <ul style="list-style-type: none"> Mangrove restoration: 52 ha - Expand cooperation projects with external agencies and companies Expand the 'Sanhaejinmi Campaign' - 200,000 nation-wide participants - Encourage the participation of SK innovation's overseas business sites | <ul style="list-style-type: none"> Raise Happiness Sharing Fund: KRW 3 billion Volunteering: 7,920 people, 23,760 hours Increase support for local communities and the socially disadvantaged Expand the social safety net program - Starvation issues, blood donation |

1) Seoul, Ulsan, Incheon, Seosan, Jeungpyeong, Daejeon, Jeju, Gwangmyeong
 2) SK innovation's volunteer campaigns take place in locations such as Busan and Jeju logistics centers, the southern and central sales offices as well as welfare centers for the senior citizens who living alone and the people with developmental disabilities.
 3) The slogan that combines SK innovation's core value, happiness and innovation

Social Contribution Strategies and Systems

Communication with Local Community and Stakeholders

SK innovation is committed to enhancing communication with stakeholders to raise awareness of environmental issues within the local community and to come up with effective solutions. By organizing communities and associations with each stakeholder group, we share information on our business planning as well as implementation and performance evaluation results. We also collect feedbacks from them. In 2021, we had to cancel planned offline activities due to COVID-19. Instead, we held various online and contact-free environmental protection campaigns including 'Sanhaejinmi' plogging with local residents and organizations. In 2022, we are going to further enhance our communication with stakeholders. At the same time, with a focus on the Happiness Sharing Fund, we will expand supports to the socially underprivileged and strengthen mutually beneficial business relationships with our suppliers.



Communication Channels with Stakeholders

| Key strategy | Acquisition of expert advice | Communication with stakeholders |
|--|---|--|
| Socioeconomic ecosystem | <ul style="list-style-type: none"> Social Enterprise Society Joyful Union & Impact Square MYSC (MY Social Company) | <ul style="list-style-type: none"> Community engagement Social enterprise community³⁾ |
| Solving environmental issues | <ul style="list-style-type: none"> UNEP (UN Environment Programme)¹⁾ & AFoCo (Asian Forest Cooperation Organization)²⁾ *The network for the implementation of the mangrove forest restoration project in Myanmar has been non-operational due to the current political situation. BNBP (Biz N Biodiversity Platform)³⁾ Ecodyne Co., Ltd. | <ul style="list-style-type: none"> Community engagement SV Public/Private/Academic Alliance in Vietnam⁶⁾ BNBP Advisory Committee Communication with relevant organizations MangLub, a local social enterprise in Vietnam Joint cooperation Korea Central Volunteer Center, Road Traffic Authority, Korea Expressway Corporation, etc. |
| Supporting local communities ⁴⁾ | <ul style="list-style-type: none"> Operation Committee and review/evaluation members for each support project Community Chest of Korea: project evaluation Able Welfare Foundation: judging committee Great Music Festival: juror for preliminary and final competition | <ul style="list-style-type: none"> Community engagement Labor Council Working-level seminars for the elderly citizens living alone (27) and people with developmental disabilities (33)⁷⁾ Ulsan/Incheon Local Residents Association Communication with relevant organizations Support Center for Seniors Living Alone, Korea Foundation for Persons with Disabilities, Heart to Heart Foundation, Korea Leukemia Children's Foundation, Able Welfare Foundation, etc. |

1) United Nations Environment Programme

2) Asian Forest Cooperation Organization

3) Biz N Biodiversity Platform

4) Advice from experts on support for the senior citizens living alone and people with developmental disabilities was not obtained due to COVID-19 in 2021.

5) A council composed of the CEOs of domestic social enterprises

6) Consisted of government, university, media, NGO, and business partners

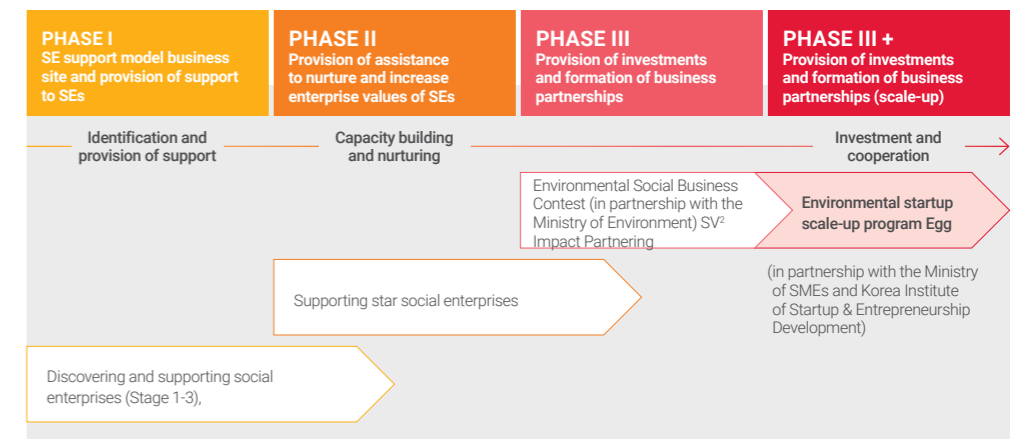
7) Offline seminars was canceled due to COVID-19 in 2021.

Social Contribution Programs

Social Innovation : Creating Socioeconomic Ecosystem

Recognizing the importance of social enterprises as an essential and efficient alternative to solving various and complex social problems, SK innovation is focusing on creating a healthy socioeconomic ecosystem. We are making efforts to supporting social enterprises and ventures to realize our core business strategy, Carbon to Green. At the same time, we are developing cooperation projects that will transform benefactor-beneficiary relationships formed between SK innovation and supported companies into true partnerships. In 2022, we will continue to support social ventures through our program to scale-up environmental startups named 'Egg'. We will also develop a support platform to ensure the supported startups establish competitive business structures.

Socioeconomic Ecosystem Support Strategy Roadmap



Support for Social Enterprises and Ventures

SK innovation is expanding its eco-friendly business models through the Carbon to Green strategy while transitioning to a business structure to achieve Net Zero by 2050. In line with this trend, the focus of our strategy for supporting social enterprises and ventures has also changed from 'self-reliance' to 'solving actual environmental issues through partnerships based on environmental technology'. Currently, we are expanding our investment and cooperation programs to create a business-based socio-economic ecosystem in which each business departments can directly participate rather than just practicing social contribution.

Collaborations between SK innovation's Affiliates and Social Ventures in 2021

| Startup-SK innovation | Cases of Collaboration |
|------------------------------------|---|
| Right Route - SK ie technology | <ul style="list-style-type: none"> Launched a new clothing brand (LOWTATE) using waste battery film |
| Soft Berry - SK on - SK energy | <ul style="list-style-type: none"> Collaborated on EV battery diagnosis service Collaborated on the development of solutions for enhanced battery charging services |
| JM.WAVE - SK energy | <ul style="list-style-type: none"> Conducted a demonstration project for the conversion of conventional vehicles into EVs with the vehicle owners working for LOGISQUARE, one of SK energy's suppliers |
| Boomyoung - SK on | <ul style="list-style-type: none"> Reviewed the introduction of aerial ultrasound technology in the production process |
| Eco-Life Packaging - SK lubricants | <ul style="list-style-type: none"> Produced the sample for eco-friendly packaging of ZIC lubricant and applied it to certain volumes |
| Usisan - SK geo centric | <ul style="list-style-type: none"> Launched a 'Hyu (Rest)' campaign for Korea Expressway Corporation |
| C&LD - SK incheon petrochemical | <ul style="list-style-type: none"> Initiated the input of waste-tire pyrolysis oil in petrochemical processes and developed a utilization plan of solid waste residue produced after pyrolysis |

Social Contribution Programs

Social Innovation : Creating Socioeconomic Ecosystem

Results of Socioeconomic Corporate Support

- 2013~2017: Social Enterprise Support Project**
 - Description: A project to support the incorporation of social enterprises and create jobs
 - Results: discovered 13 companies, created 300 jobs
- 2017~2019: Star Social Enterprise Support Project**
 - Description: A project to build capacity and develop business models of social enterprises by utilizing share social infrastructure
 - Results: supported Cheonnyeon Nuri Confectionery, Morethan, Usisan, and Grape Lab
- 2019~2020: Environmental Social Business Contest**
 - Description: A contest to discover social enterprises to solve environmental issues (pursued in cooperation with the Ministry of Environment)
 - Results: discovered and provided growth fund (KRW 700 million) for Somuna, Innovus, Right Route, Montsenu, and Arun including R&D, product development, and public relations
- 2019~2020: SV² impact Partnering**
 - Description: A investment project funded by SK employees' crowdfunding
 - Results: invested KRW 3.5 billion in 7 social ventures including Injin, Marine Innovation, O2M, E-nomad, Sheco, Somuna, and Ecoin Energy
- 2021~ : Green Alliance (EGG) Program**
 - Description: a program to support the growth of start-ups focusing on developing low carbon and eco-friendly businesses (pursued in cooperation with the Ministry of SMEs and Startups and Korea Institute of Startup & Entrepreneurship Development)
 - Results 1) 20 companies selected in 2021, 8 companies collaborated with SK innovation's 5 subsidiaries.
 - Results 2) Introduced at AVPN as Korea's first Green Alliance Project between government institutions, large companies and impact funds

Support through Infrastructure and Competency Sharing

Despite our support for the growth of social enterprises and ventures through socioeconomic partnerships, the supported companies are prone to serious management crisis unless they successfully advance their management capabilities and systems. It is important to secure fundamental competitiveness in all areas of corporate management including strategy, marketing, finance, human resources and labor, intellectual properties, patents, and public relations. Accordingly, SK innovation is making efforts to lay foundation for the sustainable growth of social enterprises and ventures by sharing our infrastructure and capabilities.

Market Connection & Support for Pilot Projects

We provide opportunities for business expansion by connecting the sales channels of social enterprises, ventures, and startups through our internal and external networks, at the same time providing support for the implementation of pilot projects. We purchase and use products made by social enterprises and ventures when organizing in-house events or purchasing gifts.

Results of Partnership Collaborations between Social Ventures and SK innovation's Subsidiaries in 2021

| Startup | Cases of Collaboration |
|-------------------------------|---|
| Innovus | • Implementation of the pilot project to set up a plastic wastes recycle system at expressway rest areas (pursued in cooperation with the Korea Highway Corporation, SK innovation, and SK geo centric) |
| Usisan, Montsenu, Grape Lab | • Marketing and sales of the participating startups' products through SK group's hotel chain infrastructures |
| Usisan, Montsenu, Right Route | • Enhancement of the competitiveness of the participating startups' products and sales through SK group's home shopping and online sales channels |
| Montsenu | • Development of new products in collaboration with the eco-friendly materials manufacturer |

[CASE]

Support for Ulsan Social Economic Marketing Support Center

Since 2022, SK innovation has been supporting the development of an online PR center for the Ulsan Social Economic Marketing Support Center to promote the sales of products from social enterprises and ventures. The center organizes products and service fairs to select social enterprises and ventures to be supported, and provide the selected companies to create online promotion pages, take product photos and make company introduction videos. With our support, the Ulsan Social Economic Marketing Support Center will roll out extensive publicity campaigns via various social media outlets including Instagram this year.

Support for Technical and Product Development

We help our suppliers improve their R&D capabilities by investing or providing financial support for developing eco-friendly technologies or products.

Support for PR and Marketing

SK innovation supports promotion of external activities, investment attraction, and new product development to the general public and potential business partners through its own communication channels. By doing so, we raise brand awareness of social enterprises and ventures while providing them with opportunities to expand business partnerships.

Connecting Businesses

We are diversifying our support to help social enterprises and ventures grow both quantitatively and qualitatively in line with our business operations. Products such as eco-friendly clothing and laptop stands produced by social enterprises are purchased and used as marketing items for our customers. We also provide social enterprises and ventures with waste materials or goods generated during the production and disposal of our products for recycling so that they can be used for the manufacturing of eco-friendly clothing and camping baskets. By doing so, we are not only creating environmental values, but also setting an example for collaboration between large companies, social enterprises and ventures.

Pro Bono and SE Consultant

We conduct business analysis of social enterprises and ventures by coordinating with pro bono of our own employees or the employees of SK Group's subsidiaries, and help them to enhance their business capabilities based on the results of the analysis. In particular, we provide critical aid in dealing with various management challenges such as investment attraction and intellectual properties management. Since 2021, we have been operating the SE Consultant program where retired executives provide professional advice to promote the growth of social enterprises in partnership with Happy Narae.

SE Consultant

The SE Consultant program allows retired SK executives to work as consultants and contribute their talent to society. Through the program, social enterprises receive consultation services based consultants' experience and expertise. In 2021, SK innovation discovered 18 SE Consultants and provided professional advice on business management, planning, marketing, finance, and accounting to 3 social enterprises.

Social Contribution Programs

Social Innovation : Creating Socioeconomic Ecosystem

SV Community

SK innovation provides support for social enterprises to help them gain competitive advantages and attract investment. By working with social impact investors, we are operating programs that can improve the capabilities necessary to attract investment with a focus on IR presentations and corporate analysis, and appealing for competitiveness points. SK Group's ESG platform 'SOVAC' provides support needed for external investment attraction through the SOVAC IR Room. With the SV Community, we provide opportunities to share information through online and offline meetings and create synergies by creating connections between businesses.

[CASE]

Inobus-Montsenu Udo Waste Plastic Circulation System

SK innovation collects plastic bottles with Inobus PET bottle separators In Udo, Jeju Island, and Montsenu use the collected bottles to make clothing products. This is a great example of collaboration with social enterprises that will expand SV through entry into new markets.

Green Innovation: Sustainable Environment

To create a sustainable environment, SK innovation is taking environmentally responsible actions in line with the 'Green Balance 2030' strategy and implementing eco-friendly projects and campaigns with a focus on recycling waste plastics in response to climate change.

Mangrove Forest Restoration Project in Mekong Region (Plant for the Planet)

As a part of the Green Innovation activities, SK innovation has been carrying out mangrove forest restoration project in Tra Vinh Province, Vietnam, since 2018. Mangroves play an important role in climate change response and biodiversity preservation. However, nearly 50% of the mangrove forests in the Mekong were lost due to indiscriminate development. In order to solve this environmental issue and create jobs in the local community, we established the first social enterprise (Manglub) in Cha Vinh Province, Vietnam, and developed various projects with a focus on protecting endangered mangrove species and providing environmental education for the local community. By promoting public-private-academic cooperation through the Vietnam Social Value Alliance¹⁾, we contribute to the restoration of mangrove forests in the region as well as the development of the local economy. In 2021, the restoration of a total of 116 ha of mangrove forest was completed. In 2022, we are going to expand the reach of SV Alliance so that more companies and organizations can participate in the restoration project.

1) An organization established by SK innovation to utilize the resources, capabilities, and networks of the participating government agencies, educational institutions, media organizations, non-profit organizations, and private companies

Performance and Goals of Mangrove Forest Restoration Project in the Mekong

(2018~2021) Total 136ha, 531,628 trees, reduced by 4,623tco2

| Category | Unit | Performance | | | | Goal |
|----------|------|-------------|---------|---------|---------|---------|
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| Area | ha | 11 | 29 | 48 | 48 | 52 |
| Tree | | 35,000 | 125,300 | 228,000 | 143,328 | 188,000 |

Performance in 2021

- Restored 48 ha and planted 143,328 trees
- Developed and registered carbon credit methodologies
- Received the Achievement Award from Tra Vinh Province, Vietnam
- Registered Biz N Biodiversity Platform for the best practice
- Presented at the National Assembly Climate Forum
- Introduced in the column written by former IUCN Advisor, Professor Jeffery A. McNeely

Goals for 2022

- Restore 45 ha and plant 135,000 trees
- Measure the carbon reduction by mangrove trees
- Scale up the restoration alliance (in cooperation with SK Group's subsidiaries and external companies/groups)
- Present at CBS Climate Forum
- Win additional awards

Environmental Awareness and Education Programs in Vietnam

For the preservation of mangrove forests in Tra Vinh, Vietnam, we are organizing environmental education programs to raise awareness and promote the importance of mangrove forests to local residents and students. In 2021, various education programs were provided and expanded to online platforms, and a total of 812 local residents and students participated.

Vietnam Environmental Awareness Program Performance in 2021 and Goals for 2022

Performance in 2021

- 812 participants (students 80%, residents 20%)
- * Due to COVID-19, trainings were provided mainly online

Goals for 2022

- Recruit 500 participants
- Expand offline trainings

Voluntary Carbon Credit Registration (SK Voluntary Carbon Reduction)

'Vietnam Mangrove Forest Restoration Project Registration and Implementation Methodology' was certified by the SK Carbon Certification Center²⁾ in 2021. Based on the certification, we are preparing to measure the carbon reduction of mangrove forest restoration. The measured performance will be reflected in our Net Zero target through the SK VER.

2) The first private organization established by SK Group to certify carbon reduction methods and amount to support the implementation of Net Zero

Social Contribution Programs

Green Innovation: Sustainable Environment

I Green We Green Campaign

To reduce the consumption of disposable plastics, SK innovation launched the 'I Green We Green' campaign in 2019 in cooperation with the United Nations Environment Program (UNEP) and Usisan for our employees, citizens, and local governments. In order to reduce disposable products in our daily life, we are organizing various campaigns to promote the best practices with a focus on the use of tumblers and donations to support mangrove trees in Vietnam. During the Season 1 campaign, we encouraged not to use disposable products. The Season 2 campaign was focused on promoting proper disposal of recyclable waste. Currently on the Season 3, we are making efforts to roll out the 'Sanhaejinmi Campaign' to solve plastic waste problems.

Sanhaejinmi Plogging Campaign

The 'Sanhaejinmi Campaign' was organized to protect mountains and seas from plastic waste and preserve the environment through plogging. We are committed to creating values for our society by delivering upcycled products made out of the plastic waste collected through volunteer work. We donate these products to senior citizens living alone and children with developmental disabilities. In 2021, with all domestic employees participated in the campaign, we expanded the campaign to the local communities located around our business sites in Ulsan, Incheon, Seosan, and Jeungpyeong in cooperation with local governments, residents' associations and NGOs. In 2022, we are going to announce 'Plogging Week' in the first half of 2022 and expand the campaign to all our overseas business sites.

[CASE]

Becoming Nationwide Campaign: Sanhaejinmi

In the second half of 2021, we turned the 'Sanhaejinmi Campaign' into a nationwide event in cooperation with the Korea Volunteer Center, the Korea Social Welfare Community Chest, and the Road Traffic Authority. It has spread across the country with the aid of 245 regional volunteer centers with over 160,000 citizens participating. In 2022, with the Korea Coast Guard and each and every regional maritime police station, we plan to expand the campaign into a nationwide one to collect marine waste.

Environmental Protection in Local Community

In order to protect the local environment, SK innovation engages in various cleanup campaigns in cooperation with local governments and resident groups, mainly in the areas near our business sites. In 2021, we contributed to the local environmental protection and strengthened the collaboration with the local community by organizing plogging campaigns in Ulsan and Incheon.

Local Community Environmental Protection Activities in 2021

| Region | Key activities |
|---------|--|
| Ulsan | <ul style="list-style-type: none"> Plogging with local groups and employees: 8 times Private-public-corporate joint plogging Signed MOU (with Ulsan Metropolitan City, Green Leaders Council, Ulsan Dong-gu Volunteer Center, Ulsan Social Welfare Center Association, and Ulsan Social Welfare Community Chest), Joint plogging: 3 times Collected PET bottle caps and produced/donated garden pots: 1,000 low-income families |
| Incheon | <ul style="list-style-type: none"> Clean-up activities near business sites Clean-up activities on the roads and Simgokcheon stream: 4 times/89 participants Community plogging with employees: 7 times, 163 participants |

Happy Innovation: Shared Growth with Local Community

Happy Innovation is one of our social contribution activities that is organized to fulfill social responsibilities as a corporate citizen. We are implementing various programs with the goal of solving the issues of an aging society and supporting people with developmental disabilities that require our attention, as well as building a social safety net for local communities.

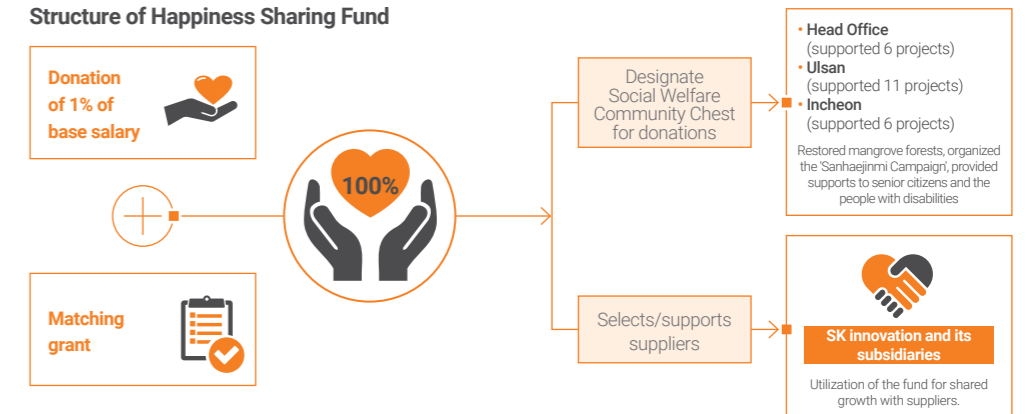
Happy Innovation Performance in 2021 and Goals for 2022

| Social issues | Goals for 2021 | Performance in 2021 | Goals for 2022 |
|--|--|--|--|
| Senior citizens | <ul style="list-style-type: none"> Expand social care and psychological support programs organized in response to COVID-19 | <ul style="list-style-type: none"> Organized psychological support programs in response to COVID-19 Delivered companion plants to 2,000 people Donated kimchi and other necessities to 300 people | <ul style="list-style-type: none"> Expand psychological support and social care programs Resume self-efficacy programs for social workers |
| People with developmental disabilities | <ul style="list-style-type: none"> Expand psychological support programs in response to COVID-19 Organize the 5th National Music Festival for People with Developmental Disabilities Provide Job training and employment services for 40 people with disabilities | <ul style="list-style-type: none"> Provided psychological support to 1,000 people Organized the 5th National Music Festival for People with Developmental Disabilities: 30 teams, 294 people Organized charity Night Gala with diplomatic missions Provided job training and employment services to 37 people with disabilities Provided training for social adaptation and delivered developmental play kits to 413 people | <ul style="list-style-type: none"> Expand social care and support programs for self-reliance Organize the 6th National Music Festival for People with Developmental Disabilities and other events with diplomatic missions Develop new global programs for people with developmental disabilities Provide job training and employment services to people with disabilities |
| Social Safety Net | <ul style="list-style-type: none"> Reinforce social safety net for local communities Donate meals to children exposed to the risk of undernourishment (KRW 300 million) | <ul style="list-style-type: none"> Provided support for social safety net Supported people exposed to the risk of undernourishment due to COVID-19: 42,326 meals Donated fire detectors: 300 households Donated voice and braille gas circuit breakers for the visually impaired: 200 households Donated gifts to COVID-19 screening stations: 1,837 people Donated meals to children exposed to the risk of undernourishment: KRW 350 million, 804 people | <ul style="list-style-type: none"> Expand social safety net for local communities On-tact Meal Sharing Campaign On-tact Blood Donation Campaign Donate meals to children exposed to the risk of undernourishment (KRW 300 million) |

1% Happiness Sharing Fund

Our employees donate 1% of their base salary to '1% Happiness Sharing Fund', to raise awareness of social issues and create social values. In response, SK innovation provides matching grant to the fund. As of 2021, a total of KRW 11.73 billion was raised to provide medical support for children with leukemia, job training for people with developmental disabilities, and prosthetic limbs for the amputees. The fund was also used to organize the Campaign for Nature, as part of our efforts to build a social safety net and eliminate welfare blind spots.

Structure of Happiness Sharing Fund



Social Contribution Programs

Happy Innovation: Shared Growth with Local Community

2021년 30억원 기부, 누적 117.3 억원 조성

2021 Happiness Sharing Fund Project

| Category | Performance in 2021 |
|---------------------------------------|--|
| Head Office (Seoul, Nationwide) | <ul style="list-style-type: none"> • Provided medical support to children with leukemia and cancer: 19 people • Provided job training and employment services to people with developmental disabilities: 37 people • Produced and repaired prosthetic limbs for the amputees: 12 people • Organized the 'Sanhaejinmi Campaign' in response to the climate crisis <ul style="list-style-type: none"> - No. of participants: 162,976 people, amount of waste collected: 243 tons • Donated lunches to the senior citizens living alone and the homeless: 644 people, 42,326 meals |
| Ulsan | <ul style="list-style-type: none"> • Provided medical support to children with leukemia and cancer: 31 people • Provided emergency support to low-income people with disabilities: 290 people • Provided support to abused children: 104 people • Provided support to single-parent families in need: 131 people • Provided educational support to children from low-income families: 35 people |
| Incheon | <ul style="list-style-type: none"> • Provided support to children's centers and welfare facilities: 28 Facilities • Repaired houses of the senior citizens living alone: 32 households • Provided support to low-income seniors who underwent artificial joint surgeries: 15 people • Provided support to fire victims: 3 people (through the Miracle of 119 Campaign, donated by the Incheon Fire Department) • Provided support for cataract surgery to low-income seniors: 6 people |

Volunteer Activities

SK1004 Volunteer Group

The SK1004 Volunteer Group has been engaging in volunteer activities since 2004. As of 2021, we have 61 volunteer teams operating across the country. The group focuses on social care programs for the senior citizens living alone (Happiness Sharing Love), support programs for children with developmental disabilities (Happy Dream Eye), and plogging campaigns for environmental protection. In addition, each business site operated by SK innovation organizes various volunteer programs to support local communities including donations of kimchi and briquettes, and recovery from disasters.

The SK1004 Volunteer Group puts greater emphasis on one-on-one care programs than on financial support or service. Although offline activities have been reduced due to COVID-19, we have enhanced programs designed to support psychological needs surfaced due to quarantine as well as to donate meals to support those with psychological and financial difficulties. The activities have become a unique culture of SK innovation in which all employees participate. With our genuine effort, SK innovation is building trust with local communities.

SK1004 Volunteer Group Activities in 2021

| Category | Performance in 2021 |
|--------------------|--|
| No. of volunteers | <ul style="list-style-type: none"> • Employees: 7,390 • SE Consultants: 18 |
| Hours | <ul style="list-style-type: none"> • Employees: 20,903 hours (including 250 hours from SE Consultant activities) |
| Social values | <ul style="list-style-type: none"> • Employees: KRW 370 million (including KRW 54 million in value creation by SE Consultants) |
| Main Beneficiaries | <ul style="list-style-type: none"> • Senior citizens living alone: 1,000 people • Children with developmental disabilities: 1,000 people • Social enterprises: 3 companies (K2 International Korea, Paper Pop, 119 Reo) |

Mental Quarantine Volunteer Program

In response to the prolonged pandemic, we organized contact-free volunteer activities called 'Urachacha' to help the senior citizens living alone and children with developmental disabilities overcome isolation and depression. Companion plant pots with messages of encouragement made with plastic bottle caps collected through our plogging campaigns caps were donated to 2,000 senior citizens living alone and children with developmental disabilities.

Nationwide Music Festival for the Developmentally Disabled (Great Music Festival)

As the largest music festival for people with developmental disabilities in Korea, the GMF (Great Music Festival) provides the developmentally disabled with opportunities to show off talents and pursue dreams, at the same time raising public awareness. Starting from the third festival that took place in 2019, the Minister of Culture, Sports, and Tourism award is being granted to the Grand Prize winner. So far, 131 teams and 1,500 artists in total have been successfully introduced through the GMF. The fifth festival held in 2021, hosted in the form of an online talk concert, attracted more than 1,500 viewers around the world. 30 teams joined the festival. The winners performed at the SK Seorin office and Charity Night Gala 2021. The Grand Prize winner, 'Vivache Ensemble', also performed at the 2022 K-League opening match (Jeju vs. Pohang).

Charity Night Gala 2021 (Charity Event by the Ladies of the Ambassador's Family)

Along with the Great Music Festival, SK innovation organized a charity event and concert featuring the GMF award winners with the ambassador to Korea and their spouses. Through the event, we provided opportunities for musicians with developmental disabilities to perform on stage, considering the scarcity of such opportunities due to COVID-19. The diplomatic envoys promised to provide supports they need to achieve their dreams and visions. Going forward, we will continue to spread positive social impacts around the world.

Social Safety Net

SK innovation is making efforts to build a social safety net to solve various social issues. In response to the rapid spread of COVID-19, we provided quarantine facilities and resources to domestic and overseas business sites in a timely manner. On December 2020, we provided SK Training Center Moeui to Incheon City for the treatment of mild COVID-19 patients living in the metropolitan area. With about 7,800 patients successfully treated at the center, we received a commendation from the Minister of the Interior and Safety.

In 2021, we organized a blood donation campaign at our business sites across the country in response to the national blood supply crisis. We also carried out the 'On-tact Meal Sharing Campaign' to support the socially disadvantaged and small business owners who have been affected by COVID-19. Through the campaign we provided 62,000 meals to 900 socially disadvantaged and homeless people exposed to the risk of undernourishment.

Social Contribution Programs

Happy Innovation: Shared Growth with Local Community

Social Safety Net Performance

| Category | Performance in 2021 |
|---------------------------------------|---|
| COVID-19 quarantine support | <ul style="list-style-type: none"> • Provided SK Training Center Mooeui for COVID-19 treatment • Donated snacks for the medical staffs working at the center: 1,887 people |
| Support for the vulnerable population | <ul style="list-style-type: none"> • On-tact Meal Sharing Campaign: 907 senior citizens living alone and homeless people • Happiness Alliance (Happy Narae): 804 children exposed to the risk of undernourishment • Expanded the social safety net in Ulsan and Incheon making use of the Happiness Sharing Fund |

Social Value Creation in Line with Business

We have been making efforts to increase the effectiveness of our social contribution activities by aligning them with our business and creating social values. We organized environmental campaigns in connection with our waste plastic recycling business and built a social safety net through gas stations located across the country as part of our efforts to create social values leveraging our infrastructure, technology, and services.

Expressway Rest Stop 'Hue-Cycle' Campaign

In 2021, SK innovation, SK geo centric, the Korea Expressway Corporation, and the Korea Expressway Rest Stop Association joined their efforts to carry out 'Hyu (Rest) Recycle Campaign', a program to establish a recycling system for waste plastics at 199 rest stops on highways across the country. Social enterprises and ventures supported by SK innovation also participated in the installation of PET bottle separators on the rest stops and the production of upcycled products. SK geo centric took up the role of picking up the collected bottles and laid foundation for recycle. The Korea Expressway Corporation also hosted plastic waste recycle campaigns for people using the service areas. Through these campaigns rolled out through the partnership between private companies and public institutions, we were able to raise environmental awareness and emphasize the importance of recycling in our daily lives.



Local Emergency Center for Gas Stations

SK energy is operating local emergency centers using its gas station infrastructure to provide initial first aid response until the 119 ambulance arrives in case of emergency. At each gas station, AEDs (Automated External Defibrillators) and first aid kits are prepared. Training sessions on first aid and cardiopulmonary resuscitation for staffs on site are also being organized.

Currently, a total of 207 people, including 133 SK gas station operators and 74 suppliers including rental charging station operators, NeTruck Houses, and fuel transport companies, have completed E.F.R. training. A total of 10 first aid instructors have also been appointed. We plan to us 155 gas stations under our direct management as local emergency centers and in the future further expand the scheme and include 3,200 gas stations and charging stations as well as NeTruck houses. We will also make efforts to expand the social safety net through communication with local communities while continuously providing safety trainings, emergency rescue supports, and talent donations.

NeTruck House for Truck Drivers

In order to improve the working conditions of truck drivers exposed to irregular and long working ours and lack of rest areas, we are making efforts to reduce accidents and provide benefits. As part of such efforts, SK energy established NeTruck House, a parking and resting space at major ports and logistics hubs across the country. Currently, there are 23 houses in operation, and we plan to add more houses and operate 40 houses in total by 2030. By preventing traffic accidents, improving working conditions, reducing parking costs and increasing the value of drivers' leisure time, social values worth of KRW 11.54 billion are expected to be created. In order to create not only social values but also environmental values, we will transform our NeTruck Houses into eco-friendly energy stations by installing solar power generation systems and hydrogen charging stations.

Operation of NeTruck House in 2021

- Created social values worth of KRW 11.54 billion
- Operating 23 NeTruck Houses at major ports and logistics hubs nationwide (to be increased to 40 houses in total by 2030)
- Installed solar power generation systems to reduce greenhouse gas emissions (5 houses, 2.2MW in total)
- Organized E.F.R training for 22 people (1 person per 1 NeTruck House, 22 in total)
- Built hydrogen charging stations for trucks to expand eco-friendly vehicle infrastructure (2 locations under construction, expected to be completed in the second half of 2022)

Quiet Taxi for the Hearing Impaired

In order to raise employment rate and increase level of income of the hearing impaired, SK energy has formed a partnership with a social enterprise, Coactus Ltd., to implement the 'Calm Taxi Program'. The program is designed to help the hearing impaired to earn taxi driver's license and find employment at corporate taxi companies. Coactus and corporate taxi comapnies who hire the hearing impaired are given incentives of 50,000 points in OK Cashback per hire on a monthly basis. Coactus also provides fuel cost supports in partnership with SK energy's LPG charging stations, using the 'Calm Mobility Platform', a transportation platform manned by drivers with hearing impairments hired directly by Coactus. Going forward, we will continue to support and expand the 'Calm Taxi Program' and 'Calm Mobility Platform' to create social values by creating jobs for the hearing impaired.

Operation of Goyohan Taxi in 2021

- Provided incentives for 348 employees in aggregate (as of 2021, including those employed by Coactus)
- Increased the average income by 243% (calculated based on an average monthly income of the hearing impaired, KRW 1.25 million)
- Goyohan Mobility: received a preliminary social enterprise certification, attracted Pre-A investments, obtained a Type 1 platform transportation business license