

# Reinforcing Information Security Risk Management

SK Innovation has put in place an information security management system and strives for its effective operation in order to ensure business continuity. We also strive to foster a culture of information security by providing our employees with education programs.



## 2025 Targets

Information security and privacy protection indicators (domestic, overseas)

**90%** or above

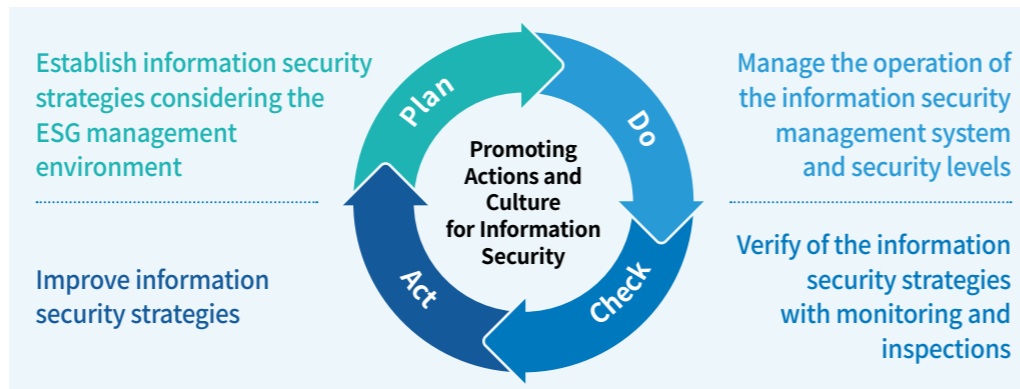
Employees' completion of education

**100%**

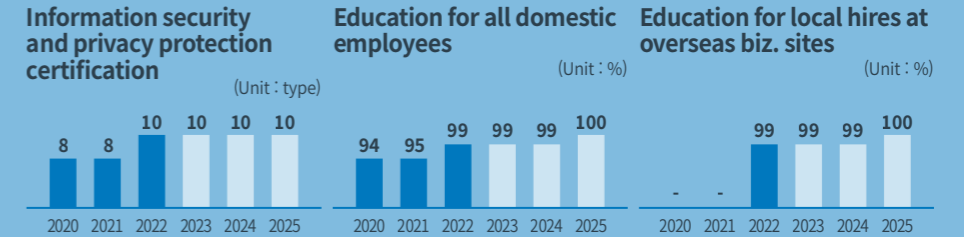
## Strategies to Achieve Key Tasks (Mid-to Long Term)

SK Innovation obtained or acquired a relevant certification by satisfying “at least 90% of information security and privacy protection indicators at domestic and overseas sites” and continues to improve security by detecting security risks and maintaining the certification. Regular inspections are conducted to identify security risks and keep upgrading security control. The company will obtain overseas information security certification (ISO/IEC 27001) and privacy protection certification (ISO/IEC 27701) by ISO as a means to verify the information security and privacy protection management system and its operation. We also aim to reach 100% education completion rates by all employees in Korea and local hires in overseas business sites to reaffirm our commitment and foster a corporate culture centered on security, and continue these security activities to make our business activities more sustainable.

### Information Protection Management System



## Progress & Roadmap



## Major Activities Planned for 2023

SK Innovation will reinforce its information security management system by maintaining relevant certifications as well as making security disclosures by subsidiary to prevent and minimize information security breaches. SK innovation will also will expand the education and engagement of employees further to promote the culture of information security.

### Reinforcing Information Security Management Systems

- Maintaining domestic and international certifications in information security and privacy protection (10 types)
- Disclosure of information security status by subsidiary
- Increase information security investment budget
- Appointment of the Chief Information Security Officer (CISO) with expertise and independence at each subsidiary
- Establishment and revision of the regulations and procedures on information security and privacy protection.
- Development of security management indicators and conducting pilot assessment



### Engaging Employees in Information Protection

- Over 99% completion rates of information security and privacy protection education programs: employees at domestic and overseas business sites
- Content development for information security and privacy protection education at overseas business sites
- Mock training against privacy breaches in external services
- Sending information security letters on a regular/ad-hoc basis

SK Innovation has taken diverse security measures to win the confidence of its stakeholders. As a result, the company acquired ten domestic and overseas certifications in information security and privacy protection, and achieved a 99% employee education completion rate.

### Activities and Achievements in 2022

#### Achievement 1 Improvement of Organization and Decision-Making Process

SK Innovation added reward and disciplinary rules to its internal regulation on information protection as a means to reinforce its commitment. The company appointed the Chief Information Security Officer with independence and expertise pursuant to laws and disclosed the appointment through the Ministry of Science and ICT. The information security organization led by the CISO improved the decision-making process and the execution of decisions.

#### Achievement 2 Inspection and Monitoring to Reinforce Information Security

SK Innovation has main services inspected to address security risks and keeps them certified by external institutions, including the renewal of ISMS/ISMS-P (two types) and ISO 27001/27701 (eight types). SK Energy, whose crude oil refining management system was designated as key information communication infrastructure in 2022, had relevant facilities and systems examined for vulnerabilities so that it could make an improvement; thus, not only our subsidiaries but also 35 affiliates and overseas corporations strive to enhance information security control by running security checks on key management systems.

#### Achievement 3 Industrial Technology Protection

SK Innovation provides an education program to protect confidential information, workforce, and industrial technologies following relevant domestic laws. SK On's battery manufacturing technology has been designated as a national core technology due to its high technical and economic value. As a result, it is subject to strict security controls SK IE Technology reinforced its systems to prevent confidential information leaks by adopting a dedicated document encryption solution and keeping it under strict security control comparable to the one for core national technologies. The company also pays keen attention to protecting confidential trade secrets by running comprehensive security checks on its overseas business sites.

#### Achievement 4 Response to Information Breaches

SK Innovation invests 7.6% of its IT budget in reinforcing the response system to security breaches and transparently discloses investments in information security, including the ones by its subsidiaries whose disclosure is not mandatory. The stable operation of the response system enabled us to fend off approximately 300,000 attacks by malicious codes and ransomware in 2022 alone, and our information inflow and outflow detection system is in constant operation to detect abnormal behaviors. We conduct companywide drills to get our employees ready to deal with malicious emails along with suppliers and related organizations to respond fast to privacy breaches and minimize damage. The company is insured by privacy liability and cyber liability insurance to sincerely fulfill its responsibility to compensate stakeholders who may have been affected due to such breaches.

Ratio of investment in information security to IT budget ..... 7.6%

#### Achievement 5 Global Information Security Compliance

SK Innovation closely examines privacy laws in each country, managing privacy protection issues and ensuring its products and services do not violate local laws and regulations. For instance, we supported our business sites in Europe to run privacy impact assessments following the General Data Protection Regulation (GDPR), assisted compliance with three data-related laws in China (Network Security Law, Data Security Law, Personal Information Protection Law), analyzed the latest trends of the California Privacy Rights Act (CPRA) of the US, and checked progress on compliance with the Personal Data Protection Act (PDPA) in Singapore. As such, SK Innovation and its subsidiaries made sincere efforts to protect personal information and enhance compliance across its overseas business sites in 2022.

#### Achievement 6 Education to Enhance Awareness

SK Innovation provides education programs for its domestic and overseas business sites to encourage its employees to stay committed to information security. These include general education for all employees as well as specialized education for those handling confidential information and critical assets. All education courses were completed by 99% or more of the employees. Furthermore, the company has sent out quarterly letters to all employees so as to internalize information security in corporate culture.

Completion rates by education course ⊕

Department's Comments ⊕

Learn more about Reinforcing Information Security Risk Management

## ESG SPECIAL PAGE

# Promoting Transparent Management with Information Security Disclosures by SK Innovation and Subsidiaries

### Background and Purpose

There are increasing information security threats that have emerged with the advent of new technologies, such as AI, IoT, and smart factories. Cyberattacks (hacktivism) driven by political and social purposes are also on the rise, as seen in the US-China disputes and the Russia-Ukraine War. At this juncture, the protection of strategic national facilities and core national technologies is required as an essential capability of both companies and countries.

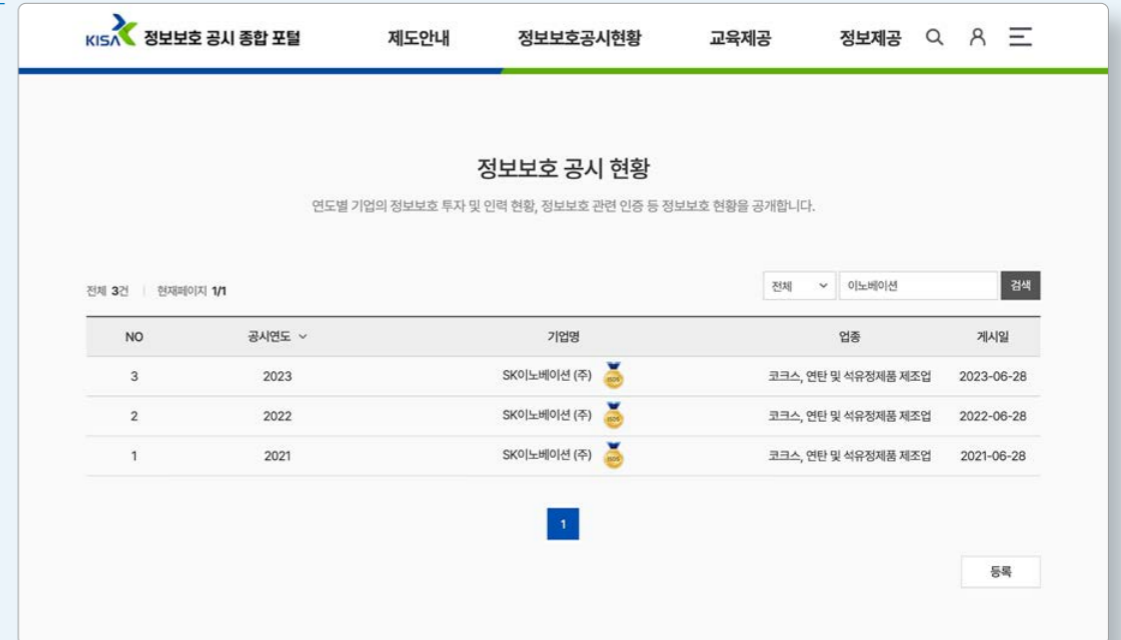
Accordingly, SK Innovation is making devoted efforts to achieve its key tasks, bringing the information security and privacy management index to 90% and security education completion rates to 100% by 2025. We also transparently disclose our information security activities meeting global standards. Through these disclosures, the company will respect shareholders' right to know and provide consumers with a wide range of choices, thereby winning the confidence of stakeholders.

### Activities

While the amendment of the Information Protection Industry Act mandated public disclosure on information security starting in 2022, SK Innovation had prepared its first public disclosure in 2019, three years earlier, and had the ratio of its investment in information security to total IT budget verified by the Ministry of Science and ICT and Korea Internet & Security Agency. The company has since carried out various information security activities comparable to global standards with continuous investments, such as acquiring certifications and sharing information on cyber hacking with the public sector.

In 2021, before public disclosure on information security became mandatory, the company made a public disclosure of its security information activities, including those of its subsidiaries, for the first time in the energy industry. The company will keep earning the confidence of stakeholders by making transparent disclosures and information security activities.

### Comprehensive Information Security Disclosure Portal, SK innovation's information security disclosure



### Major Achievements and Expectations

SK Innovation currently makes public disclosures on information security efforts by nine companies (two mandatory; seven voluntary disclosures) and is committed to earning stakeholders' confidence by increasing investments and activities to protect information.

We are the first one in the energy industry that made a public disclosure on information security in 2021, and that included voluntary disclosures by our subsidiaries.

The company also shared its experiences of information security activities meeting global standards and of disclosures with partner companies to support. As a leader of voluntary disclosures on information security, we expect these efforts will serve to encourage social participation as well.

SK Innovation will lead the way in spreading the corporate culture of integrity and transparency, through continuous efforts for information security and public disclosure.