Overview   SK Innovation GROWTH Strategy   Sustainable Management   ESG Policy & Performance   ESG Data   Appendix

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GROWTH Overview G R O W WINNING THE TRUST — 9. Reduction of Corruption Risks to Zero   10. Reinforcing Information Security Risk Management T H

Reduction of Corruption Risks to Zero

Business management based on anti-corruption compliance is one of SK Innovation's core values pursued in business operations and is also one of the principles required by our stakeholders. From that perspective, SK Innovation is striving to fulfill our social responsibility as a corporate body and to maintain integrity in transactions with our business partners across the value chain. In particular, SK Innovation constantly pursues "Reduction of Corruption Risks to Zero" as one of the imperative goals to prevent socioeconomic losses and issues of defamation. SK Innovation strives to prevent the risk of corruption by fostering an ethical business culture encouraging self-compliance by the employees and sharing this culture with our interested parties.

Progress & Roadmap

Anti-corruption education completion rate

■ Actual □ Target
(Unit: %)

	2022	2023	2024	2025
	95 or above	95 or above	95 or above	100

2025 Targets

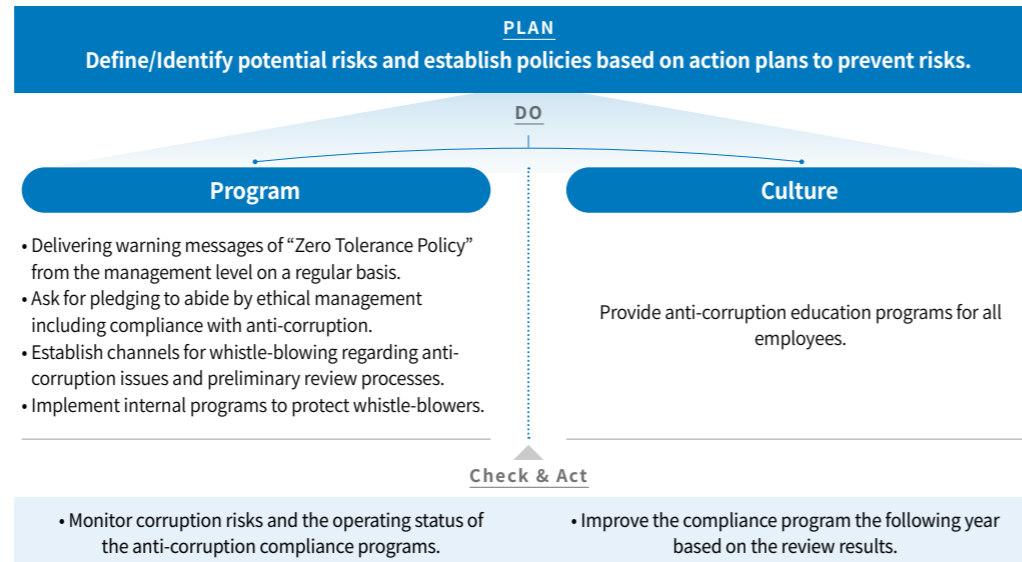**No. of corruption cases**

0 cases

Employees' completion of anti-corruption education

100 %

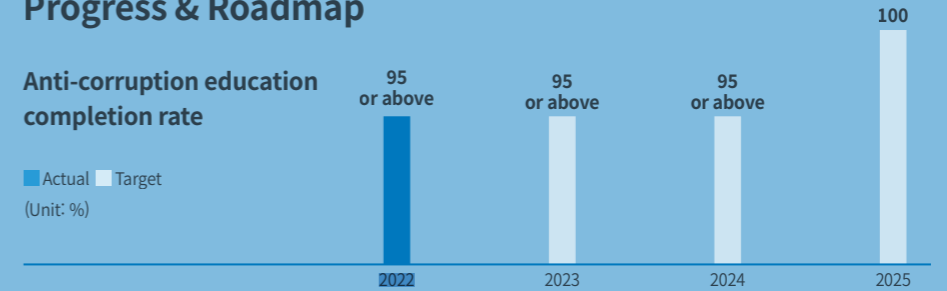## Strategies to Achieve Key Tasks (Mid-to Long Term)

SK Innovation operates anti-corruption compliance programs based on a progressive-flow structure of "Plan-Do-Check-Act(PDCA)" to eliminate corruptive activities by removing risk elements, and also to build a cornerstone to establish an anti-corruption compliance system satisfying global standards by 2025.

PLAN
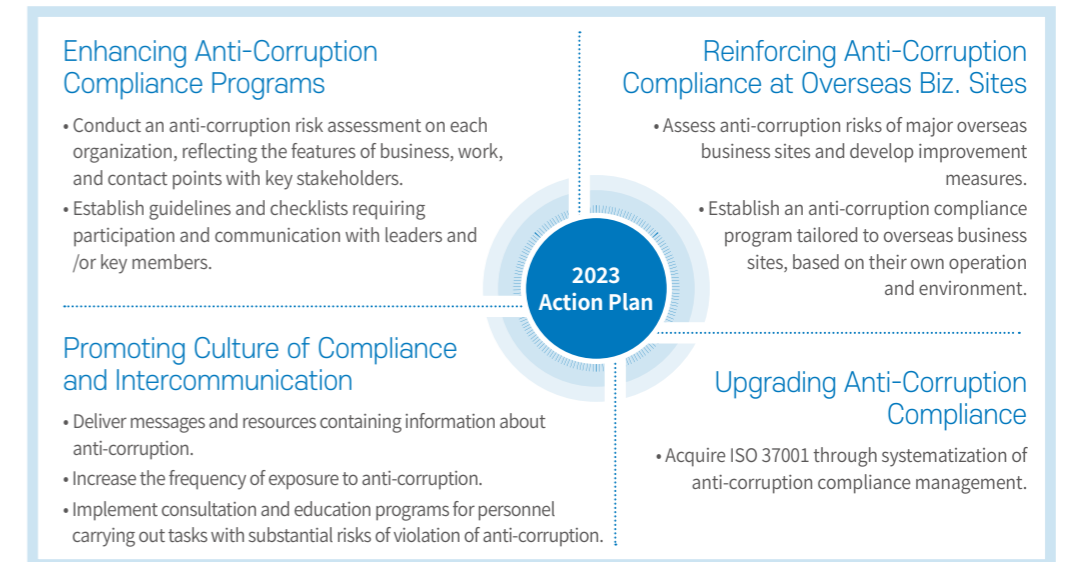Define/Identify potential risks and establish policies based on action plans to prevent risks.

DO

Program
- Delivering warning messages of "Zero Tolerance Policy" from the management level on a regular basis.
- Ask for pledging to abide by ethical management including compliance with anti-corruption.
- Establish channels for whistle-blowing regarding anti-corruption issues and preliminary review processes.
- Implement internal programs to protect whistle-blowers.

Culture
Provide anti-corruption education programs for all employees.

Check & Act
- Monitor corruption risks and the operating status of the anti-corruption compliance programs.
- Improve the compliance program the following year based on the review results.

Major Activities Planned for 2023

SK Innovation plans to operate and make the advancement of anti-corruption compliance management by considering the features of each business site for internalizing such within our company. We, SK Innovation, will also utilize various channels for interactive communication to encourage employee participation and improve awareness.

2023 Action Plan

Enhancing Anti-Corruption Compliance Programs
- Conduct an anti-corruption risk assessment on each organization, reflecting the features of business, work, and contact points with key stakeholders.
- Establish guidelines and checklists requiring participation and communication with leaders and /or key members.

Reinforcing Anti-Corruption Compliance at Overseas Biz. Sites
- Assess anti-corruption risks of major overseas business sites and develop improvement measures.
- Establish an anti-corruption compliance program tailored to overseas business sites, based on their own operation and environment.

Promoting Culture of Compliance and Intercommunication
- Deliver messages and resources containing information about anti-corruption.
- Increase the frequency of exposure to anti-corruption.
- Implement consultation and education programs for personnel carrying out tasks with substantial risks of violation of anti-corruption.

Upgrading Anti-Corruption Compliance
- Acquire ISO 37001 through systematization of anti-corruption compliance management.

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GROWTH Overview — G R O **W** **WINNING THE TRUST** — 9. Reduction of Corruption Risks to Zero   10. Reinforcing Information Security Risk Management   T H

SK Innovation endeavors to enact internal regulations, establish a platform for encouraging employees' spontaneous compliance, strengthen monitoring and controls, and improve employees' awareness, for the internalization of management based on anti-corruption compliance. As a result of such, we have achieved a 95% completion rate of education programs, and none of the activities associated with corruption appeared.

Our Commitment

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Compliance-based management is one of SK Innovation's core values and guidelines, and it is recognized that all of our employees shall conduct business through fair and transparent work processes based on compliance with the strictest standards on each of their minds at all times.

The culture of compliance could be developed when each of the employees carries out business practices based on compliance. I, as the CEO, will do my best to practice self-compliance as well.

-CEO's message for compliance in 2022

Vice Chairman Kim Jun,
SK Innovation

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Activities and Achievements in 2022

Achievement 1 Establishment of Anti-Corruption Compliance Regulations

SK Innovation established anti-corruption compliance regulations to set up standards of management against corruption and to provide clear foundational standards of business practices for employees. Furthermore, we have established the "Guidelines on the Prohibition of Accepting Money and Valuables", the "Anti-Corruption Due Diligence Procedures for Business Partners", and the "Procedures for Donations and Sponsorships" in order to manage efficiently the risks identified in analyses performed through professional consultation and the company's self-assessment.

Achievement 2 Monitoring and Control

SK Innovation has provided guidance to its employees to report the event, when they have received or delivered goods with monetary value, to the Compliance Division and/or Audit Department to comply with the company's internal policy. Also, we have instituted checklists and a protocol for conducting due diligence to identify risks of corruption involved in transactions through agencies as well as an internal regulation to store evidential materials of donations to prevent their fraudulent use, such as bribery.

Achievement 3 Platform for Self-Practice

We developed the Compliance Platform to facilitate information sharing and communication based on the internal intranet to assist employees' self-compliance with anti-corruption. We are supporting our employees to access types of legal risks including corruption issues, regulations based on specific cases, internal policies, guidelines, and related FAQs via the Compliance Platform. Also, SK Innovation has embodied necessary processes such as a preliminary review prior to donations, and is currently operating a whistle-blowing system for promoting anti-corruption compliance.

Achievement 4 Improvement of Awareness and Spreading Culture of Compliance

SK Innovation delivered the CEO's messages calling for carrying out compliance management including anti-corruption. We have implemented anti-corruption education programs for employees at home and overseas and achieved a 95% completion rate as a result. Moreover, we also provided anti-corruption education programs to our business partners to share our principles of anti-corruption compliance.

Progress in Anti-Corruption Compliance Programs

| Education completion rate | **95**% | Pledge of Compliance | **98**% |

Phased Targets for Anti-Corruption Compliance Programs

	2022	2023	2024	2025
System	• Establishment of the Anti-Corruption Compliance Regulations and Specific Guidelines • Establishment/dissemination of anti-corruption regulations for overseas business sites	• Executing corruption risk assessment on an organizational level • Structuring a corruption-related risk management system specialized for each business site: enact guidelines and checklists for each organization	• Establishment of the anti-corruption compliance management system for overseas business sites: enact guidelines and checklists for each site	• Continued improvement to meet global standards and trends
Process	• Introduction of procedures to report exchanging money, valuables, etc. • Introduction of due diligence procedures for business partners • Introduction of preliminary review and a monitoring process associated with donations	• Embodying autonomous working process via the Compliance Platform: process for reporting accepting goods with monetary value, preliminary review for donations	• Embodying autonomous working process via the Compliance Platform: managing records of organizational self-inspection	• Considering the introduction of procedures to control transactions involving substantial risks of corruption
Culture	• Achieve 95% of completion of anti-corruption compliance education programs	• Achieving over 95% of completion of educational programs regarding anti-corruption • Providing special anti-corruption education programs to organizations and employees carrying out tasks with substantial risks of violation of anti-corruption	• Achieve over 95% of completion of anti-corruption education programs • Sharing the company's ethical business culture with business partners and stakeholders	• Achieving a 100% completion rate of anti-corruption education programs • Sharing the company's ethical business culture via diverse channels

Department's Comments ⊕

Learn more about **zero corruption risks** →