

HAPPINESS



2020 SK BROCHURE

HAPPINESS

04	CHAIRMAN'S VISION
SK OVERVIEW	
08	BUSINESS PHILOSOPHY SKMS
10	MILESTONES
12	SK AT A GLANCE
14	GOVERNANCE
16	SOCIAL VALUE
20	GLOBAL BUSINESS
SK PROFILE	
32	SK HOLDINGS
36	ENERGY · CHEMICALS
48	ICT
54	SEMICONDUCTOR · MATERIALS
58	LOGISTICS · SERVICES · BIO



CHAIRMAN'S VISION

Pursuing change and happiness

Since the establishment of our company more than half a century ago, SK has thrived and grown steadily. We have overcome one crisis and challenge after another.

Our affiliates have laid the foundation for this sustainable growth, and they have built strong business partnerships across the world. But if they have become the globally competitive companies they are today, it is also because they have engaged with their local communities and wider stakeholders. We at SK pursue change and innovation to bring happiness to society.

Delivering Deep Change

We live in times of rapid and unprecedented change. No business can survive in this disruptive environment unless it keeps up and finds ways to innovate and create value. Businesses cannot solely focus on the generation of financial returns but must also generate value serving the wider needs of society.

This is why SK seeks to drive Deep Change: to pursue both economic and social value to grow and build upon the trust of our customers and society. To this end, we will continue to develop innovative business models through our Double Bottom Line management initiative. The Double Bottom Line is our management framework that measures and optimizes the economic and social value we create through the operation of our businesses.

To maximize the generation of social value, SK is also committed to building a strong and sustainable social enterprise ecosystem. We shall continue to enhance our dedicated social enterprise platform, to grow our investments and to nurture talent and skills. Our people at SK will continue to work shoulder to shoulder with social entrepreneurs, businesses and their wider stakeholders. We believe this is the best way to grow the pie and generate greater happiness to all.

Creating greater happiness together

We believe in the practice of social value and the cultivation of happiness. SK is committed to creating sustainable happiness to all by establishing a new safety net for members of society facing difficulties and hardship.

Chey, Tae-won
Chairman
SK Group






SK, having overcome countless crises and challenges with relentless change and innovation, is now moving toward greater happiness. Everyone at SK is innovating business models based on the belief in and practice of social value and cultivating happiness, and is creating sustainable happiness for employees and all the stakeholders of SK.

SK OVERVIEW

BUSINESS PHILOSOPHY | SKMS

MILESTONES

SK AT A GLANCE

GOVERNANCE

SOCIAL VALUE

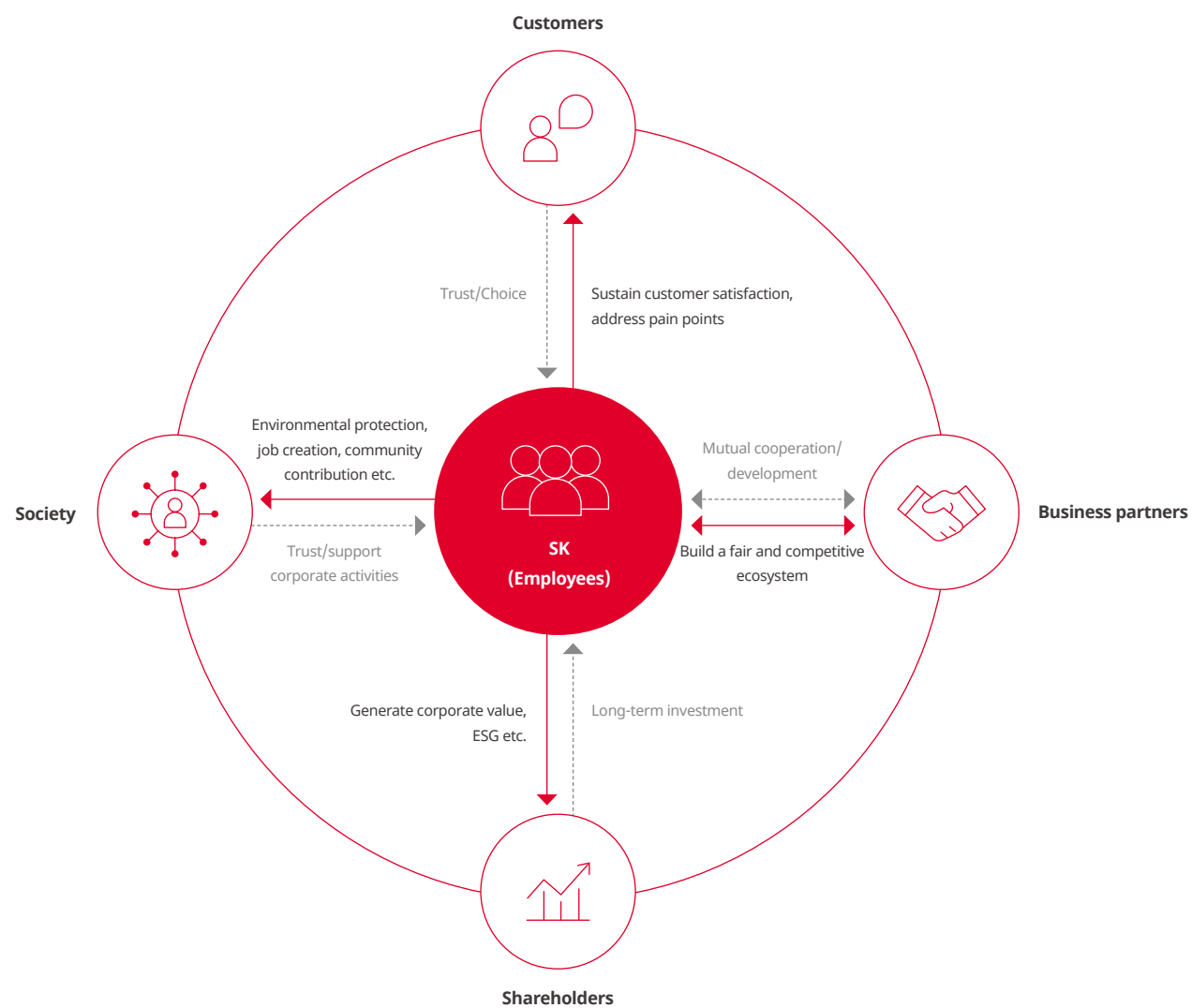
GLOBAL BUSINESS



BUSINESS PHILOSOPHY | SKMS

SK pursues **sustainable happiness** for employees and stakeholders alike.

SKMS was first established in 1979 as a methodology for applying business philosophy to actual business. It has since served as the foundation of the SK corporate culture by building consensus among all employees of SK. Business activities and corporate culture rooted in SKMS are critical to the continuous growth and development of SK. Everyone at SK is voluntarily and willingly practicing SKMS with confidence and passion. This is how one's own happiness and the happiness of stakeholders are simultaneously pursued.



Happiness of SK People



The people of SK have gathered at SK at their own volition. The people are the principals of business and the company itself. The people of SK continue to grow the pie of happiness by cultivating their own happiness based on the belief and trust that happiness can be increased and spread far and wide when working shoulder to shoulder with communities.

Social Value



Enlarging the happiness of various stakeholders is another role of SK. SK is actively creating social value, defined as all value created by the Company to promote the happiness of stakeholders. Ensuring the happiness of SK by ensuring the happiness of everyone associated with SK - this is the value SK aspires to.

SUPEX Company



SK upholds SUPEX, or Super Excellent, the highest level of achievement that can be reached by humankind, as the Company's goal and is making every effort to achieve this level in order to become a happier company. SK is creating a society of happiness by establishing a SUPEX Company, a company that generates the highest level of economic value, social value and happiness.

VWBE Culture

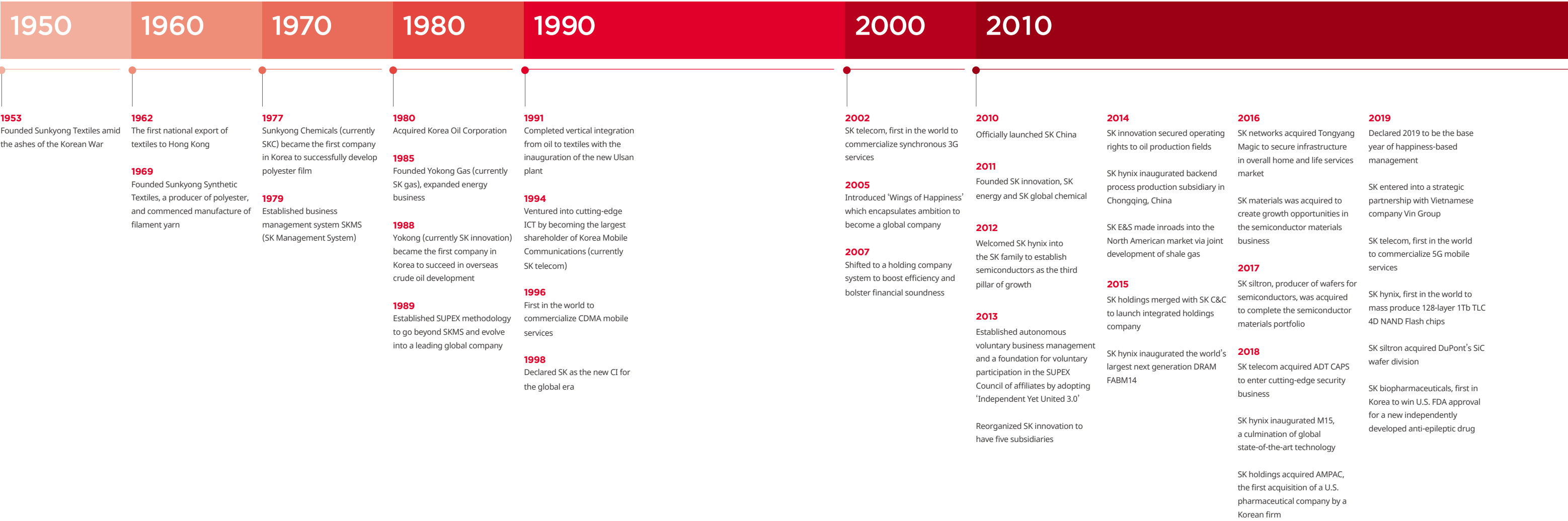


SK understands that the people of SK are the principals in pursuing happiness and that SUPEX can be achieved only when the people of SK are able to realize their full potential. 'Pae-gi' is defined as 'voluntary and willing brain engagement,' a stage where an individual can truly realize the most of one's potential. SK continues to foster people with 'Pae-gi.'

*VWBE : Voluntary and Willing Brain Engagement

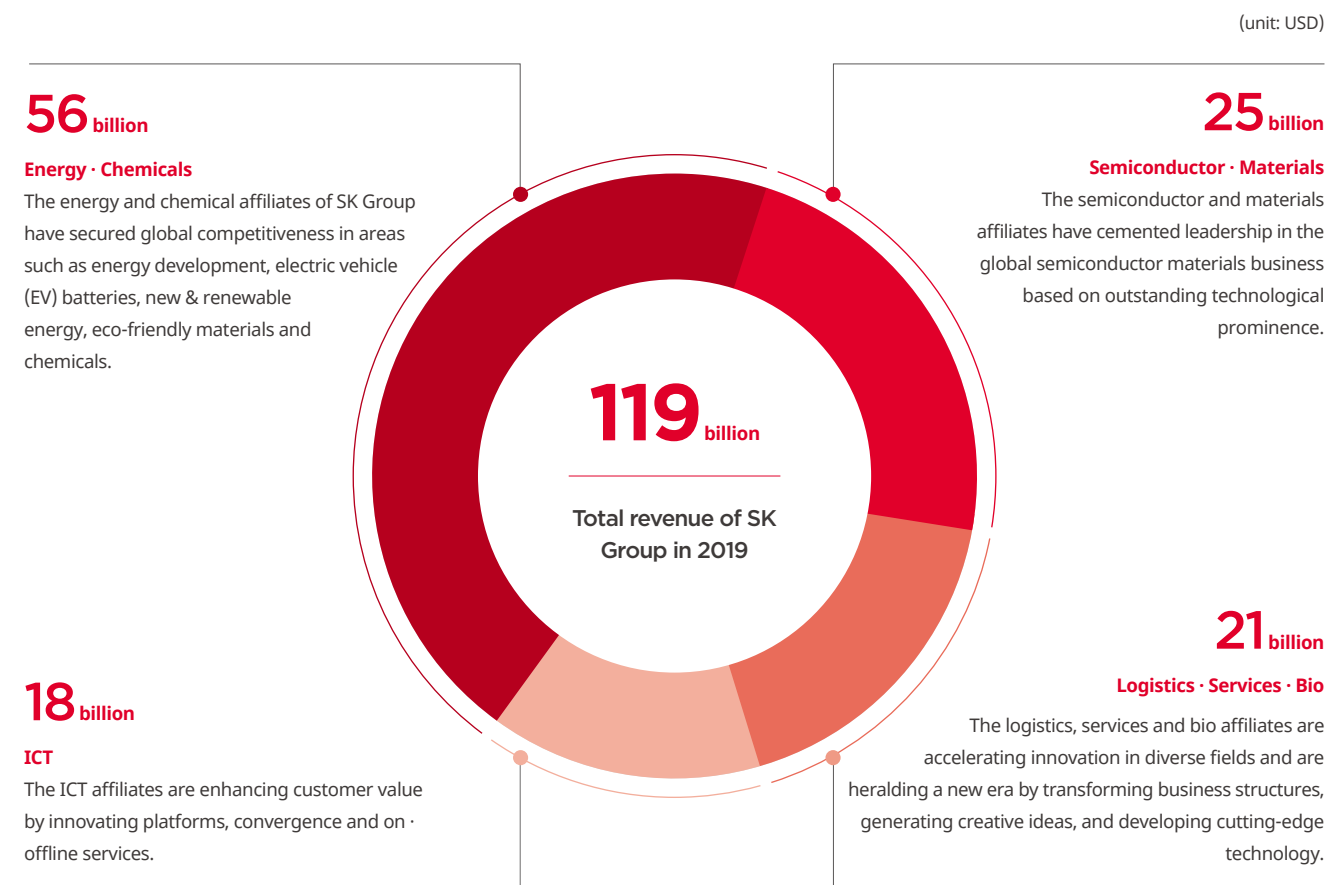
MILESTONES

The history of SK is a record of relentless pursuit of change and innovation, stepping up to meet crises and embrace new challenges to rise even higher.



SK AT A GLANCE

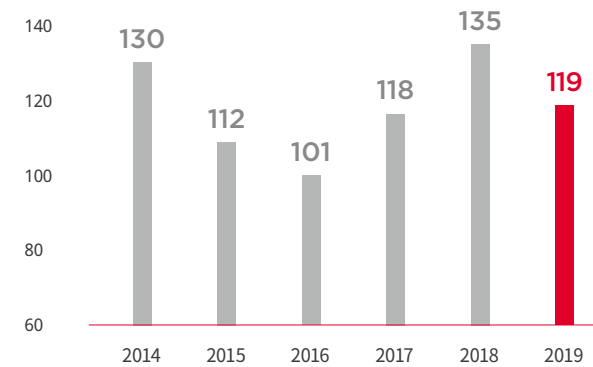
The affiliates of SK take the ‘independent’ approach to develop capabilities that is required by the business environment and industrial structure of each company, while also taking the ‘united’ approach to create synergy and promote stability and growth. SK will continue to create value for the happiness of stakeholders in all business lines; energy and chemicals that lead global growth; ICT, semiconductor and materials that pioneer technological innovation in the era of the Fourth Industrial Revolution; and logistics · services · bio that enrich lives.



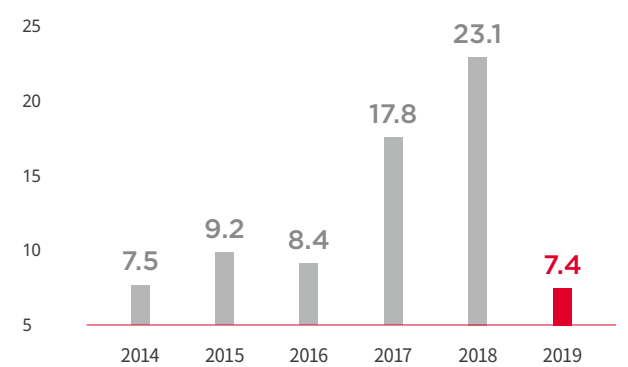
FORTUNE GLOBAL 500 | AS OF 2019



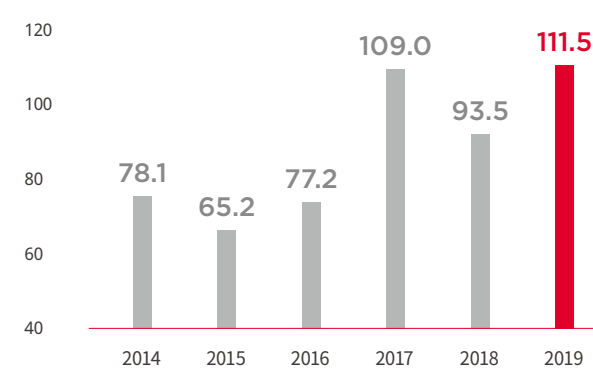
Total revenue (unit: USD billion)



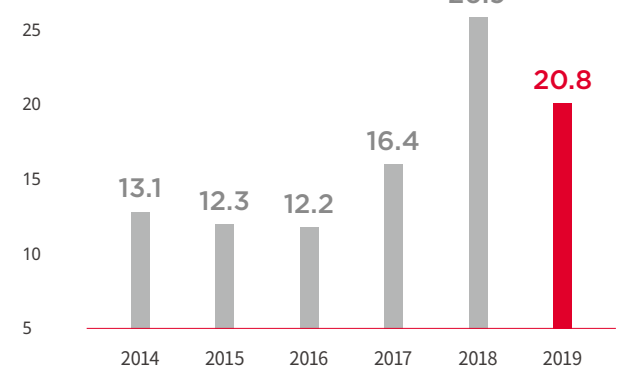
Operating income (unit: USD billion)



Market capitalization (unit: USD billion)



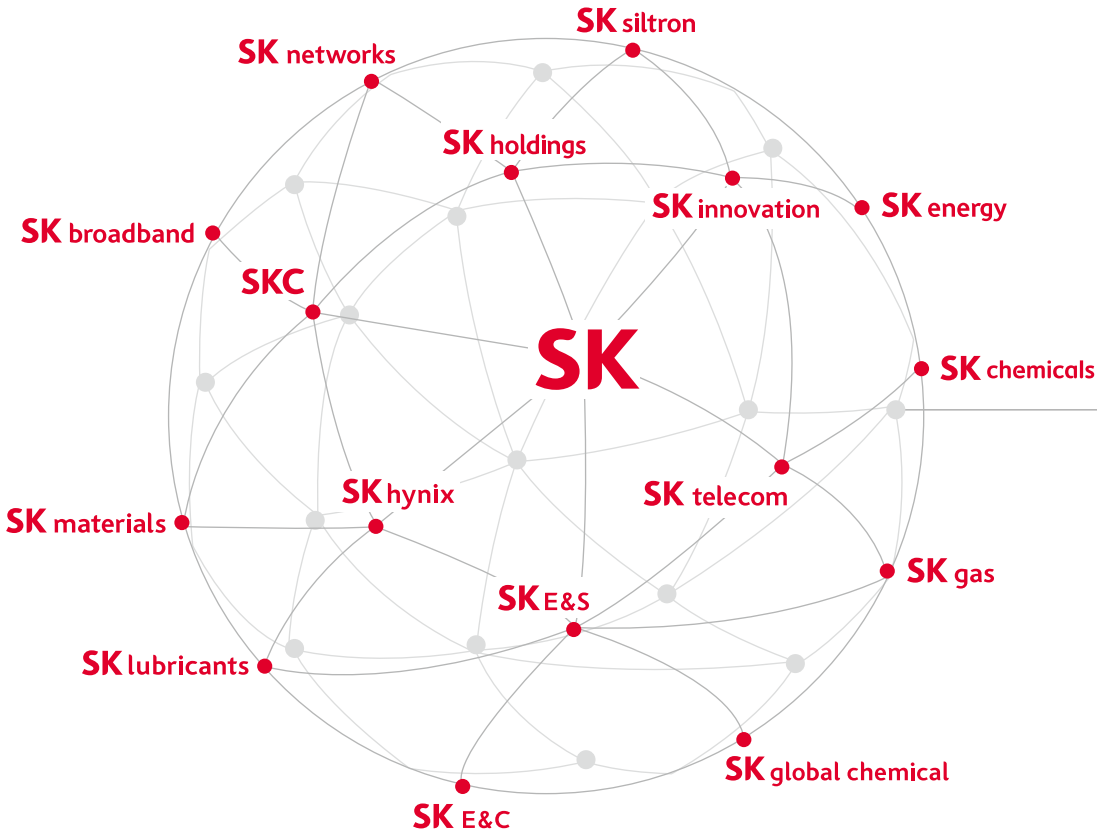
Investment (unit: USD billion)



GOVERNANCE

Transparent corporate governance

SK is maximizing stakeholder value by enhancing transparency of corporate governance and boosting business efficiency. SK has instituted a system for responsible business management by establishing independent autonomous business management of all affiliates as well as a system for cooperation among affiliates. The Company is also clearing the way for future competitiveness by adopting a decision-making structure that is suitable for the nature of each business line and efficient usage of resources.



SUPEX Council

The SUPEX Council is the official highest consultative body of the management of SK Group. The participation and cooperation of affiliates are promoted based on the ‘Agreement on the Implementation of Measures for Mutual Cooperation’ signed by all major affiliates. The continued and steady growth of SK is propelled by the effective application of the ‘Independent Yet Together’ approach. The SUPEX Council is comprised of representatives of 16 affiliates (as of January 2020) who signed the Agreement. There are seven specialized committees under the Council to galvanize the collective intelligence and mutual cooperation of affiliates to promote the practice of ‘Independent Yet United.’

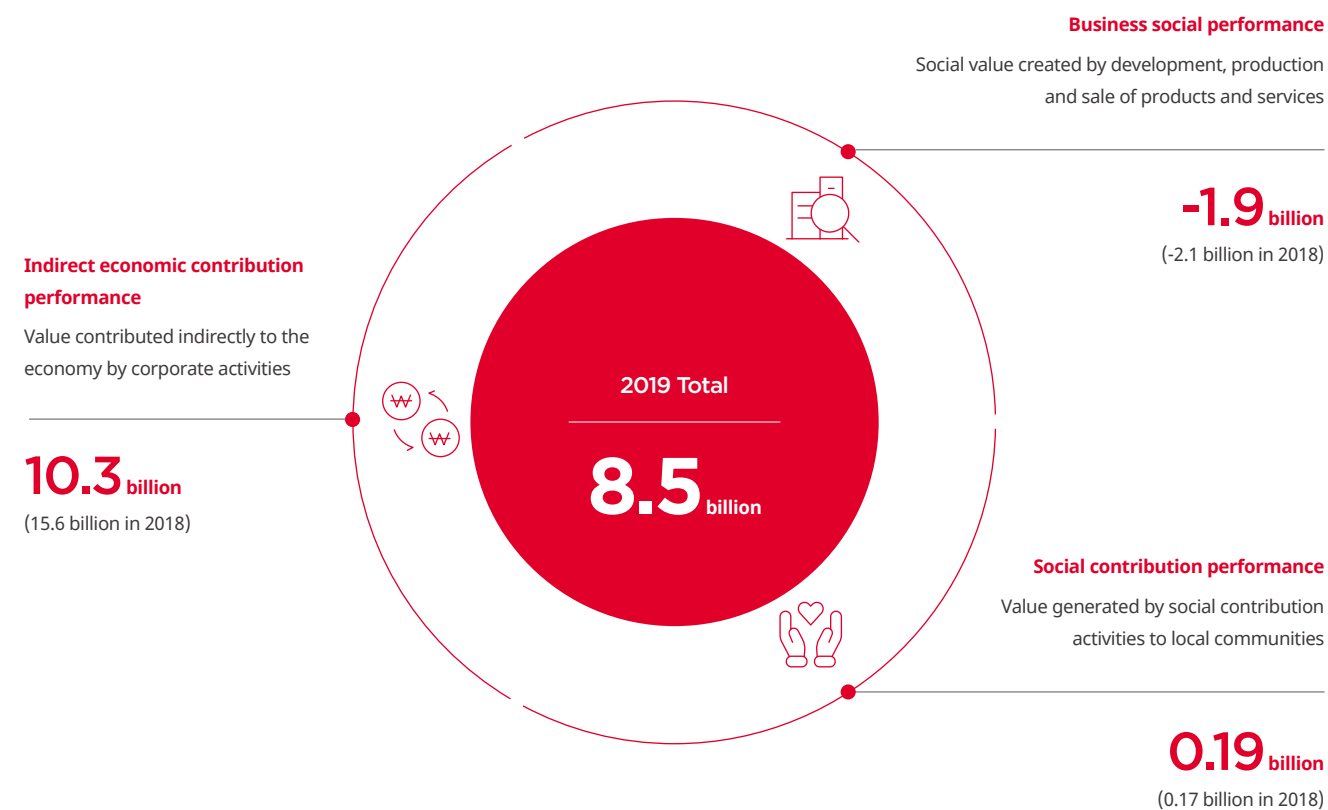
Strategy Committee	The Strategy Committee supports the development and execution of strategies at the Group level, identifies new business opportunities and discusses investment cooperation and execution plans.
Energy · Chemicals Committee	The Energy · Chemicals Committee supports the discovery of new growth engines and brings together the R&D capabilities of the Group to expedite the growth and development of affiliates.
ICT Committee	The ICT Committee discusses core agendas of ICT R&D and secures and fosters talent with technological expertise.
Global Growth Committee	The Global Growth Committee reviews and supports the Group’s growth strategy and business opportunities and forges friendly partnerships with global business partners.
Communication Committee	The Communication Committee ensures fluid communication with diverse stakeholders at both home and abroad.
Human Resource Promotion Committee	The Human Resource Promotion Committee supports the identification and development of potential senior executives of the future based on SKMS, the foundation of SK corporate culture.
SV (Social Value) Committee	The Social Value Committee sets the stage for the Group to generate social value and strives to promote mutual growth with social enterprises and business partners to create and share sustainable happiness.

SOCIAL VALUE

SK pursues social value to realize coexistence and happiness for all members of society.

SK is going beyond the subjective role of social responsibility to play a more active role of social value creation, ultimately to contribute to the sustainable growth of the Company and society. The Group makes great effort to win the trust of stakeholders by incorporating social value into the entire process from production to delivery of products and services, and is delivering business innovation to ensure coexistence and happiness of all members of society.

2019 Social Value Performance by SK Business Area (unit: USD)



Double Bottom Line

SK has adopted the 'DBL (Double Bottom Line) management,' which measures and manages economic and social value simultaneously. DBL management pursues both social value and economic value in parallel in overall corporate business activities. Social value is measured, and business models based on social value are being developed.

Shared infrastructure

Corporations have long been using assets exclusively to generate economic value. However, in the process of contemplating social value, SK has come to a different conclusion. SK is exploring ways to transform both tangible and intangible corporate assets valued at over USD 171.6 billion into shared infrastructure so that it can be shared by society at large. SK believes that innovative business models can come to life in the process of maximizing value by sharing the assets with society.

Build social value community

Since 2016, SK has operated the Happy Alliance, the largest social contribution platform in Korea, to address the issue of children who are skipping meals due to economic hardships. It marshals the resources and capabilities of social agents to resolve social issues. Since 2019, SK has sought to establish a vibrant social value community by hosting SOVAC (Social Value Connect), the first and largest social value creation event held by a private company in Korea.

Create social enterprise ecosystem

SK is exploring different means of cooperation with social value creation experts. Social enterprises address social issues while also generating profit. SK has established social enterprise investment funds and is fostering experts in social innovation so that talent and capital can continue to flow into the social enterprise ecosystem. In addition, Happynarae is working to vitalize the social enterprise ecosystem and spread social value.

The multifaceted efforts of SK to **build a social enterprise ecosystem** include running social entrepreneurship development courses, creating investment funds, establishing Happynarae, and providing social performance incentives.



Nurture social entrepreneurs

SK has introduced a two-year 'Social Entrepreneurship MBA' Program in 2013 in collaboration with KAIST to nurture 'model entrepreneur' talent required by today's society. Every year, 20 potential social entrepreneurs are selected to develop their social problem-solving abilities and entrepreneurial skills as well as to promote a sense of social calling.

105

The number of social entrepreneurs fostered by SK (as of 2020)

95%

The rate of starting a business upon graduation

Create social enterprise investment funds

SK launched the first social enterprise private equity investment trust fund with USD 9.4 million capital in collaboration with IBK Securities pursuant to the Financial Investment Services and Capital Markets Act in 2017. Private companies, commercial banks, and policy financial institutions all came together to invest in companies that participated in the SPC (Social Progress Credit) and companies whose social value and economic value have been validated for high growth potential. In 2018, SK launched a USD 17.2 million second fund of such kind with Shinhan Financial Group and in 2019, the third and largest USD 36.9 million social enterprise investment fund with KDB (Korea Development Bank).

USD 36.9 million

Social enterprise investment fund created in 2019

Happynarae

Happynarae, founded by SK, is a 'social enterprise for social enterprises.' A diverse array of programs has been developed to enhance the competitiveness of social enterprises such as increasing product competitiveness and providing distribution channels. All of the profits are returned to society to stimulate the social enterprise ecosystem.

USD 40.3 million

Amount returned to society by Happynarae

SPC (Social Progress Credit)

Spurring the development of the social enterprise ecosystem requires creating a virtuous cycle of recognizing the social value generated by social enterprises and ensuring that it leads to confidence, compensation, and investment from mainstream capital markets. The SPC project measures the value created by social enterprises in monetary terms and provides cash 'incentives' in proportion to the value. Over the last five years, 222 participating social enterprises have generated accumulated social performance of USD 144.3 million. When translated into economic value, a total of USD 29.1 million has been paid out as incentives.

222 companies **USD 144.3 million** **USD 29.1 million**

SPC participation (as of the end of May 2020)

Accumulated social performance

Incentives paid

GLOBAL BUSINESS

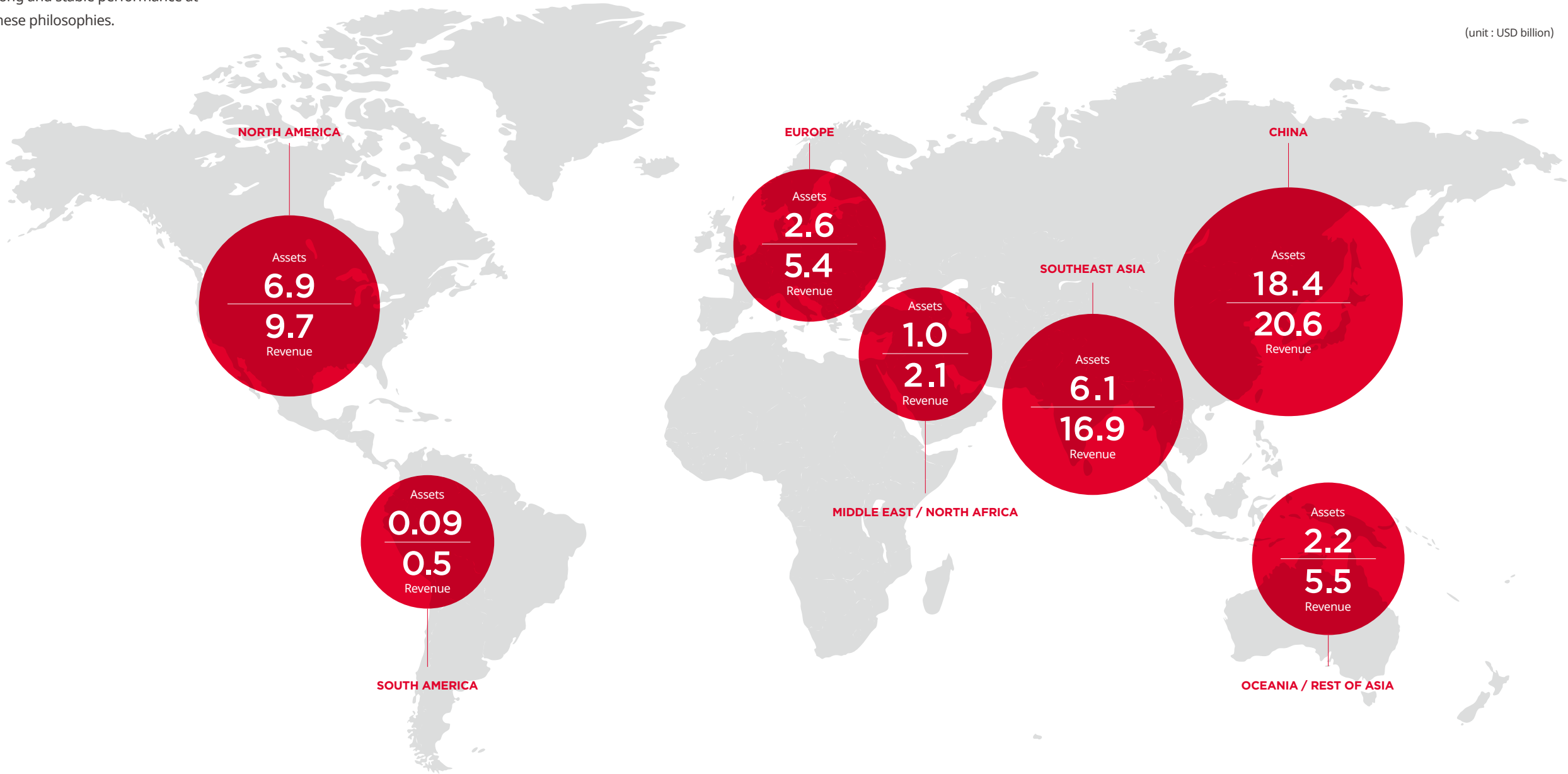
The essence of ‘SK Globalization’ is ‘Global Partnering.’ SK does not merely focus on short-term profits. SK finds ways to work closely with partners over the long-term to deliver robust performance. ‘Localization’ is intended for SK and local communities to grow together for the long run. ‘Independent Yet United’ encourages cooperation among affiliates to venture into areas that can increase synergy. ‘Social Value’ promotes the growth of both corporations and society. SK Globalization is a means of realizing strong and stable performance at the global level through simultaneous pursuit of these philosophies.

(unit : USD billion)

Approx. USD **37** billion
SK global assets

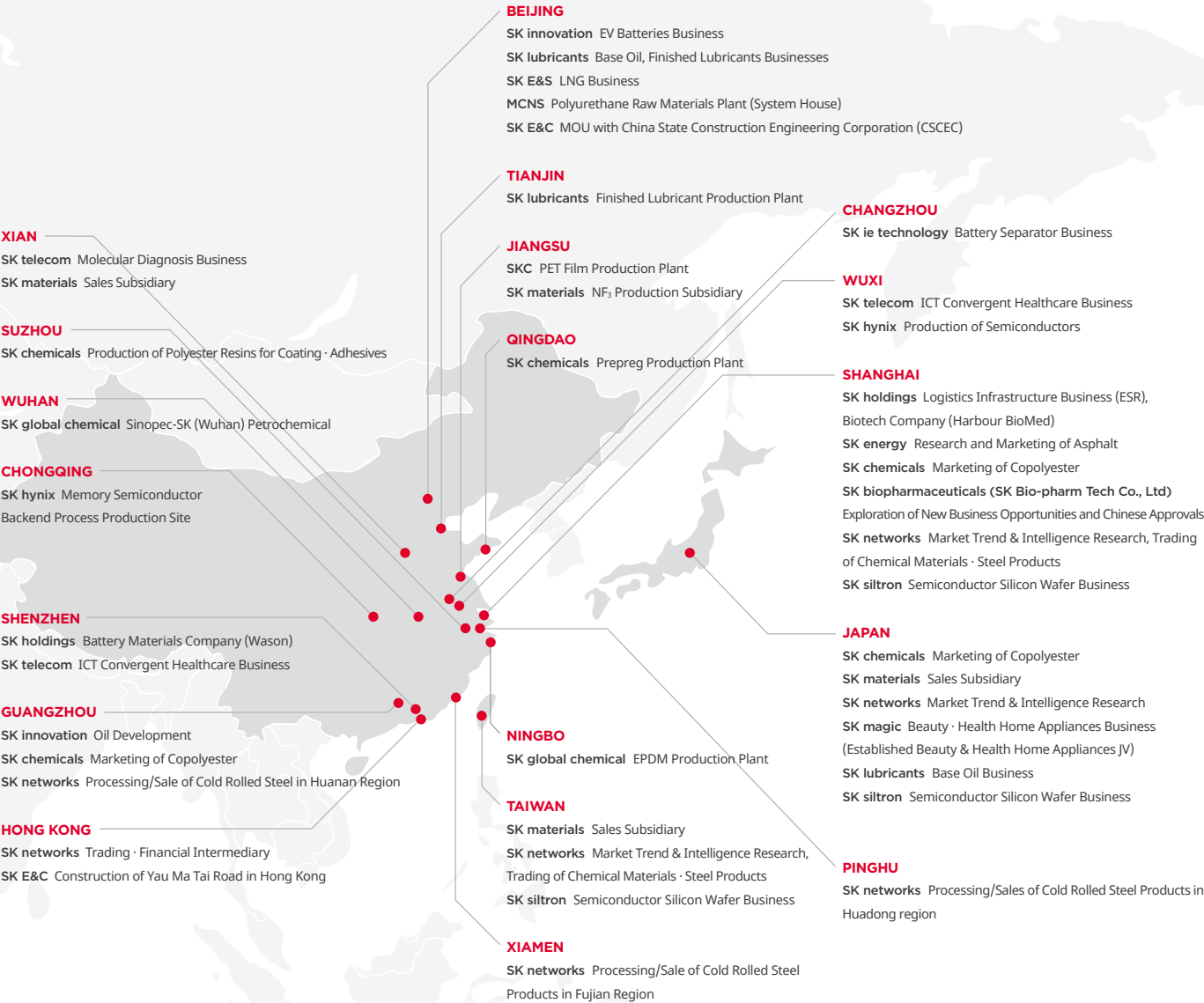
Approx. USD **61** billion
SK global revenue

287 networks
SK global subsidiaries and branches



NORTHEAST ASIA

In 1991, SK became the first Korean company to open an office in Beijing and has since been conducting business in China with a long-term perspective. SK is solidifying its position as a China Insider, and semiconductors and petrochemicals are now paving the way for other businesses such as EV batteries and healthcare.

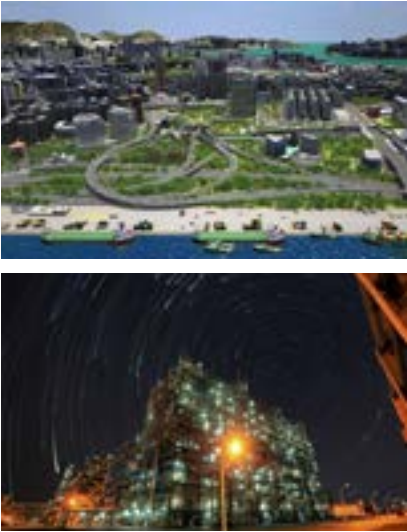


Energy · Chemicals
SK holdings acquired equity in Wason, the top producer of copper foil in China, to emerge as the second largest shareholder of the company. Copper foil is an essential component of secondary cell batteries, and with the investment, SK holdings plans to expand EV-related parts and materials businesses as a future growth engine.
SK innovation won exclusive rights to operate oil fields in the South China Sea in 2015. Since the successful exploration of block 17/03 in 2018, block 26/26 was additionally secured in 2019.
SK energy exported one million tons of asphalt to China driven by 'SK Asphalt (Shanghai) Co., Ltd.,' making it the leading player in terms of market share in the imported asphalt market in 2019. In 2020, the Company plans to establish a joint venture with a Chinese AP distribution company to expand presence in the Chinese market.
SK global chemical established Sinopec-SK (Wuhan) Petrochemical with Sinopec, China's largest oil company, in 2013, to secure a bridgehead to the Chinese petrochemical market.
SK lubricants has been producing and selling finished lubricants in the Chinese market at the Tianjin production plant since 2012 and is building trust in the market by establishing a base oil supply system in the four major regions of China.
SK incheon petrochem is expanding its global territory by increasing presence in China and Northeast Asia, propelled by ultra-light oil-based PX (Paraxylene) manufacturing facilities that produce high value added products.
SK chemicals has production subsidiaries in Suzhou and Qingdao to produce and sell polyester resins for coating · adhesives, and carbon fiber prepreg. The Shanghai/Tokyo sales subsidiaries are driving significant growth of the copolyester business.
SKC inaugurated a 33,000 ton PET (Polyester) film production line in Nantong, Jiansu, located nearby Shanghai in 2013, to produce heat shrinkable, optical, and highly functional industrial PET film.
SK ie technology built a production plant in Changzhou to be able to respond to the growing demand for separators in China in a timely manner and is expected to commence commercial production in the second half of 2020. China is one of the main drivers of global EV demand.

ICT
SK telecom is pioneering the 5G ecosystem in Asia by forging partnerships for the export of 5G with Japan, the Philippines and Taiwan. The Company is also preparing to launch a new gaming platform service for the 800 million gamers in Asia through joint ventures with Singtel and AIS, leading MNOs in Singapore and Thailand respectively, to create gamer communities, release services in association with e-sports, and develop gaming media content.

Semiconductor · Materials
SK hynix set up a production subsidiary in Chongqing, China, to secure backend processing production capabilities. The subsidiary serves as a core base in China and a foundation for global sustainable growth. The Wuxi production site is highly competitive in cost and production and is a major factor in SK hynix taking the lead in the global DRAM market.
SK materials established a NF₃ (nitrogen trifluoride) production subsidiary in Zhenjiang, Jinagsu (2011) and sales subsidiaries in Xian (2013) and Shanghai (2019). The Company is now evolving into a global partner, taking the lead in gas & IT materials through sales subsidiaries in China, Taiwan and Japan.
SK siltron promoted the Shanghai branch into a subsidiary in 2019 in response to an expanding semiconductor market in China. Along with China, the Japan and Taiwan branches supply leading-edge wafers to local semiconductor producers, propelling growth in the East Asian wafer market.

Logistics · Services · Bio
SK holdings invested in ESR (E-Shang Redwood Group), the second largest Chinese logistics infrastructure company, in 2017, in line with China's e-commerce demand and is planning to increase its presence in global markets including Southeast Asia. In 2019, the Company made a joint investment of USD 77.2 million with GIC and Legend Capital in Shanghai-based biotech company, Harbour BioMed.
SK biopharmaceuticals (SK Bio-pharm Tech Co., Ltd) is striving to discover business opportunities in the Chinese market by establishing partnerships for new drug approval procedures and new drug development.
SK E&C is widely recognized for differentiated technological competitiveness thanks to innovative and specialized design proposals for which it won orders to build the entire Yau Ma Tei project in Central Kowloon Road.



SOUTHEAST ASIA & OCEANIA

SK has been achieving robust growth in Southeast Asia ever since it began commercial production of crude oil in Vietnam in 2003. In Australia, the Group is pursuing various projects in energy, trading, commerce platforms, construction and car sharing.



Energy · Chemicals

After having acquired exploration rights of block 15-1 in Vietnam in 1998, **SK innovation** had carried out exploration and development, and started production in 2003. The Company has emerged as an oil field operator in Vietnam with the successful exploration of block 15-1/05 in 2019 and entry into block 16-2.

SK trading international is growing into a trading company specializing in crude oil and petroleum products and is increasingly becoming well recognized in Asia.

SKC and Mitsui Chemicals of Japan jointly established MCNS to manufacture polyurethane. MCNS operates a polyurethane ingredient biopolyol plant in Gujarat, India. In 2018, the Company commenced commercial production of a polyurethane raw materials plant (system house) not far from Chennai.

SK E&S established PT. PRISM Nusantara International in Indonesia to promote natural gas and LNG infrastructure businesses. In 2012, the Company acquired 37.5% of the Caldita-Barossa off shore gas field in Australia to participate in gas field development. Currently, additional appraisal well drilling is taking place to assess reserves, and commercial production is slated to begin in 2023.

SK energy is accelerating penetration into regions that show high growth in demand for oil. SK energy is seeking multi-faceted cooperation with local partners, leveraging the Company's global oil business expertise, know-how, and unique marketing capabilities when entering local distribution markets and developing new businesses, especially in Myanmar and Vietnam.

SK gas established SK gas International Pte. Ltd. in Singapore in January 2008 to strengthen trading capabilities and seek new business opportunities. The Company is continuing efforts to expand market presence by solidifying its position in the global market.

Logistics · Services · Bio

SK holdings launched a joint venture in Malaysia in 2018 with SOCAR, the top car sharing company in Korea, to accommodate the rapidly growing global mobility market. The Company has also been expanding global business by investing in Grab, a Southeast Asian mobility leader. In the bio sector, investment was made in Hummingbird Bioscience, a Singapore-based biotech company, to preemptively secure innovative technology to enter the antibody medicine field. With an investment of around USD 6.9 million, SK holdings is looking forward to creating synergies with subsidiaries including SK biopharmaceuticals.

SK E&C won the order to build an ethylene production plant in the Long Son petrochemical complex in Vietnam with Technip FMC. The Company is also working on design and procurement of an FCC plant in the Balikpapan national oil refinery modernization project in Indonesia with Hyundai Engineering Co., Ltd.



NORTH & SOUTH AMERICA

SK is successfully venturing into global markets by establishing a value chain for energy resources, developing new bio medicine, building commerce platforms and constructing plants in North and South America.



Energy · Chemicals

SK holdings is expanding the global energy business by investing in companies such as EUREKA, BRAZOS and BRM to take advantage of the expansion of the shale gas market. The Company has also invested in Kinestral, a producer of smart glass, a product receiving attention with respect to new energy.

SK innovation became the first Korean company to secure exclusive operating rights to U.S. shale fields with its purchase of production fields in Grant and Garfield counties in Oklahoma in 2014. In 2019, the construction of an EV battery production site was initiated in Georgia. The Company expects the plant will serve as a pivotal bridgehead in the U.S. market, one of the largest battlegrounds of the global EV market.

SK E&S has evolved into a global LNG company with direct ownership of shale gas fields by initiating joint development with US-based Continental Resources.

SK global chemical acquired the EAA (Ethylene Acrylic Acid) and PVDC (Poly Vinylidene Chloride) businesses of Dow Chemical in 2017. The products are used as functional adhesive resins and barrier film, and are produced in Freeport, Texas and Midland, Michigan. **SK lubricants** started supplying automatic transmission fluid to GM and became acknowledged for its YUBASE-based technical prowess. Today, the Company supplies lubricant products to a diverse array of automobile manufacturers.

SK trading international has established and is operating feedstock trading of U.S. crude oil to adapt to US-led structural changes in the oil market.

SK chemicals is actively promoting sale of copolyester, in North, Central and South America via the local subsidiary established in 2002 in California, U.S.

SK gas established U.S. subsidiary SK gas USA Inc. in January 2015 to invigorate shale gas trading in North America. The Company is now strengthening its growth portfolio by developing new business opportunities in local markets including new electricity businesses.

SKC established SKC Inc. in Covington, Georgia in 1999 to produce PET film based on technological leadership and first know-how, in turn, contributing to the stronger competitiveness of global customers.



ICT

SK telecom launched Cast.era, a joint venture with Sinclair, to enter the U.S. media market. Cast.era is actively moving forward to lead the U.S. ATSC3.0 broadcasting market by becoming the first provider of high-definition video services in the U.S. In gaming, the Company currently offers a pilot version of Project xCloud in partnership with Microsoft and is jointly developing the 5G MEC (Mobile Edge Computing) business with Amazon Web Service.

Semiconductor · Materials

SK siltron has set up a sales network in the U.S., based on U.S. subsidiaries and branches, and the Company acquired a SiC wafer company in 2020 to venture into the power semiconductor market. The Company is expanding future growth areas such as EVs and 5G in the business portfolio by securing R&D and production capabilities in the power semiconductor sector and maximizing synergies among major businesses.

Logistics · Services · Bio

SK biopharmaceuticals (SK life science) was successful in independently developing the new anti-epileptic drug Cenobamate (U.S. brand name: XCOPRI®) and won approval for new drug sales from the U.S. FDA. Meanwhile, Solriamfetol (U.S. brand name: Sunosi®), a new drug treatment for sleep disorder developed by SK biopharmaceuticals, is being commercialized and distributed in the U.S. market in partnership with Jazz Pharmaceuticals. This is the first time two new drugs for the central nervous system developed by a Korean company gained U.S. FDA approval.

SK pharmteco has been established as a globally integrated entity for the CMO business in 2019 and currently generates approximately 42% of total revenue from the U.S. The subsidiary AMPAC operates production sites and research facilities in California, Texas and Virginia and maintains strategic partnerships with global pharmaceutical companies.

SK E&C completed the construction of the world's largest oil sand plant in Fort Hills, Canada. The construction was solely undertaken by SK E&C and went on to successfully produce the first crude oil with the client, Suncor Energy. **SK chemicals** developed 'NBP601' named Afstyla, a new bio drug treatment for hemophilia and received the U.S. FDA approval in May 2016. This was the first time a locally developed new bio drug won approval for distribution by the U.S. FDA, evidence of the Company's world-class technological competitiveness.

EUROPE

SK is taking a long-term perspective in Europe, securing global market footholds by establishing partnerships with local companies.

IRELAND
SK parmteco (SK biotek Ireland) European Headquarters, API Production Plant, R&D Center

UNITED KINGDOM
SK trading international Trading of Crude Oil and Petroleum Products
SK E&C Silvertown Tunnel Project in London

SPAIN
SK lubricants Base Oil Production Site
SK global chemical Operates EAA Production Site in Spain

FRANCE
SK chemicals Joint Development of Next-generation Pneumococcal Conjugate Vaccines
SK global chemical Operates MaH-G, EA and EVA Production Plants in France
SK siltron Semiconductor Silicon Wafer Business

BELGIUM
SK E&C Construction of PDH (Propane De Hydrogenation) Plant (FEED) at Antwerp Petrochemical Complex

NETHERLANDS
SK lubricants Base Oil Production Business

GERMANY
SK chemicals Marketing of Copolyester
SKC Global Marketing Hub for Chemicals and Film Products
SK networks Market Trend & Intelligence Research

RUSSIA
SK lubricants Finished Lubricants Business

HUNGARY
SK innovation EV Battery Business

POLAND
MCNS Polyurethane Raw Materials Plant (System House)
SK ie technology Battery Separator Business



Energy · Chemicals
SK innovation is scheduled to produce 7.5GWh of third generation EV batteries annually starting in early 2020 at the 47 acre production site in Komárom, Hungary. The cutting-edge batteries, which can run up to 500km on a single charge, are paving the way for the Company to penetrate the European market.
SK lubricants has outstanding brand recognition with ZIC. ZIC was dubbed the best performing imported engine oil by Russian auto magazine <Za Ruleum> in 2010 and 2013. ZIC was also recognized as the 'Best National Brand' in Russia in the engine oil category for two consecutive terms in 2017 and 2019.
SK trading international is strengthening competitiveness in trading in Europe, focusing on the North Sea crude oil market and petroleum products that are high in demand in Asia.
SK ie technology is moving aggressively to seize the first-mover advantage in the European battery separator market by building a production plant in Slaskie, Poland and has scheduled the commencement of commercial production in the latter half of 2021.

ICT
SK telecom is set to provide 5G RF repeaters to Deutsche Telekom, the largest European carrier. Starting in Germany, SK telecom plans to expand its presence all across Europe.

Logistics · Services · Bio
SK parmteco (SK biotek Ireland) generates approximately 53% of revenue from Europe. SK biotek Ireland, the local subsidiary, operates production facilities and is widely recognized for its strengths in technology and quality management, as evidenced by its strategic partnerships with global pharmaceutical companies.
SK chemicals jointly developed the next generation pneumococcal conjugate vaccine with Sanofi Pasteur. The two companies have also inked distribution contracts and are continuing research and development.
SK E&C became the first Korean construction company to win a FEED contract of a Western European PDH plant. The project, upon completion at the petrochemical complex in Antwerp Belgium, is expected to produce 750,000 tons of polypropylene a year.

MIDDLE EAST & NORTH AFRICA

SK is seeking to diversify business by actively venturing into the Middle East and Africa in the fields of energy and construction as well as ICT and commerce platforms.

TURKEY
SK planet Online Open Market (n11.com)
SK E&C Construction and Operation of the Eurasia Submarine Tunnel and Canakkale Suspension Bridge

ISRAEL
SK holdings Otonomo (a company under SK's investment portfolio)

SAUDI ARABIA
SK telecom Ministry of National Guard - Health Affairs Hospital Information System Project

QATAR
SK innovation LNG Project
SK E&C Doha Metro, Redline Construction Project

UNITED ARAB EMIRATES
SK trading international Trading of Crude Oil and Petroleum Products
SK networks Market Trend & Intelligence Research, Trading of Chemical Materials · Steel Products
SK E&C Al Mandous Oil Storage Terminal Project

OMAN
SK innovation LNG Project



Energy · Chemicals
SK innovation is engaged in oil development and LNG projects in the Middle East and Africa.

ICT
SK telecom is, with great success, introducing hospital information systems to hospitals of the Ministry of National Guard - Health Affairs in Saudi Arabia and is establishing a joint venture with Seoul National University Hospital and the Ministry of National Guard to expand the hospital information system business in the Middle East.
SK planet has secured 20 million members with 170,000 registered sellers on its Turkish open market site 'n11.com,' which is now by far the largest online shopping mall in Turkey. In 2019, the Company generated positive operating profit with Gross Merchandise Volume of USD 943.7 million, cementing market leadership position in the Turkish e-commerce market.

Logistics · Services · Bio
SK E&C successfully completed the construction of the epoch-making submarine tunnel which connects the Asia and Europe of Turkey. The tunnel is a 5.4km section of the world's first double deck motorway that crosses the Bosphorus Strait over a distance of 14.6km.



SK PROFILE

SK has upheld happiness as the highest value in business management for the past 70 years, which has propelled SK to evolve into an internationally recognized global company and a strong brand that represents Korea. The affiliates of SK are making utmost effort to contribute to creating a sustainable society by practicing mutual sharing and cooperation under a system of autonomous and responsible management and by driving fundamental innovation that creates new value amid the rapidly changing global business environment.



SK HOLDINGS

ENERGY · CHEMICALS

ICT

SEMICONDUCTOR · MATERIALS

LOGISTICS · SERVICES · BIO

SK HOLDINGS



SK holdings

Business area
SK holdings: Holding company
SK holdings C&C: Digital platform (AI, cloud, big data, block chain) IT outsourcing, application development

www.skholdings.co.kr
SK Building, 26 Jong-ro, Jongno-gu, Seoul
02-6400-0114

2019 revenue (unit: USD)

2.8billion

* Consolidated basis USD 85.2 billion

SK holdings became a holding company in August 2015 by merging with SK C&C. The transformation made SK Group more competitive in that it improved the corporate governance structure, enhanced shareholder value and financial stability and elevated external credibility. SK holdings is continuing innovation in pursuit of happiness of shareholders and customers by securing new future growth engines.

Bringing together the portfolio management expertise of SK holdings and the ICT and digital platform capabilities of SK holdings C&C has made SK far more competitive. Synergies realized by the business-oriented holding company and various affiliates, higher business efficiency, and a quick decision making system should open the door for better business opportunities going forward. In 2019, SK holdings, the integrated holding company, showed solid financial performance by recording USD 85.2 billion in revenue and USD 3.4 billion in operating income (consolidated terms). In addition, the Group is being acknowledged for progress in sustainable business management as evidenced by inclusion in the Dow Jones Sustainability World Indices for eight consecutive years and being chosen as Industry Leader (Industrial Conglomerate category). Furthermore, SK holdings was awarded Grade A by the ESG (Environment, Social, Governance) assessment conducted by the Korea Corporate Governance Service. Since the launch of the integrated holding company, the ‘Governance Committee’ newly established under the Board of Directors has ensured transparency in management and has strengthened shareholder rights. The Company is also actively implementing shareholder-friendly policies by gradually increasing dividend payout.

SK holdings, at the Group level, is concentrating efforts to discover and invest in new growth opportunities such as bio and pharmaceuticals, semiconductors and materials, logistics infrastructure, energy G&P (Gathering & Processing), ICT and mobility services, and digital innovation. The Company believes these business areas are essential to growing future value. At the same time, SK holdings is practicing SKMS, the unique value system and cornerstone of the SK corporate culture, and continues to raise the brand value of SK, which is a core intangible asset and key source of competitiveness of the Group. SK holdings will continue to achieve growth and create value amid rapid changes in the global environment by relentlessly pursuing creativity and innovation.



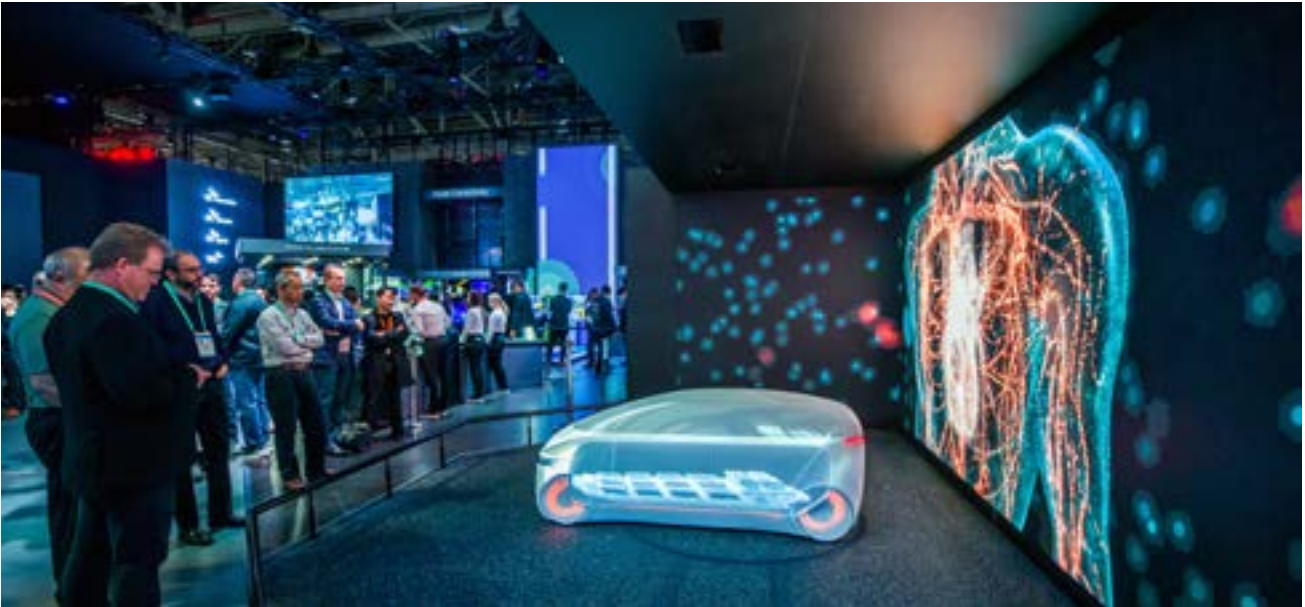
SK holdings
SK holdings is enhancing portfolio value by developing long-term investment strategies with globally competitive affiliates in energy and chemicals, ICT, semiconductor and materials, logistics and services, and bio and pharmaceuticals. In addition, while striving to achieve growth anchored in internal quality enabled by financial stability, SK holdings, as an investment-oriented holding company, is working hard to maximize corporate value and lay the foundation for sustainable growth by identifying and nurturing promising new lines of business.

SK holdings C&C
SK holdings C&C has been building IT expertise and strong brand awareness with extensive track record in executing IT and ITS projects across all business areas including telecommunications, finance, manufacturing and services. Since SK holdings C&C announced transfiguration into a ‘leading company in digital transformation’ in 2016, the Company has been leveraging core digital technologies such as AI, cloud, and big data to pioneer digitally innovative markets in all sectors including telecommunications, manufacturing, distribution and finance. The Company is cementing its position as a ‘leading company in digital transformation,’ driving technological innovation in industries and identifying new digital service markets for customers.



New growth engines		
	Bio · pharmaceuticals	SK has been investing heavily in bio and pharmaceuticals as a new growth engine since 2008, having entered the new drug development business in 1993. The achievements in new drug development for the central nervous system have been verified by global markets to be credible and have accelerated growth. SK plans to rise to the next level and become a global FIPCO (Fully Integrated Pharmaceutical Company) with a fully integrated value chain from new drug development and production to marketing.
	Semiconductor · materials	Synergies with affiliates have been strengthening by means of vertical integration of semiconductors and materials. While maintaining long-term cooperative relationships with global semiconductor and material producers for reliable sourcing, global partnerships are being expanded, leveraging the network of the Group. SK aims to become a top global player in semiconductors and materials.
	Digital transformation	SK is leading customer value innovation in many different industries through AI (Aibril) and big data solutions and services. Cloud Z, a hybrid multi-cloud service, builds and operates customized digital infrastructure. Such activities help generate industry-specific, data-based digitalization for customers, thereby establishing SK as a ‘leading company in digital transformation’ in Korea.
	Digital innovation	Against the backdrop of convergence among industries, SK holdings C&C combines internally accumulated digital technology and core business capabilities of industrial leaders to transform major industrial business models into digital platform businesses, identifying a wide range of success cases of digital innovation in the process. The Company is actively developing customized digital systems, bringing together the experience in building and operating systems of major players in various industries including manufacturing, finance, telecommunications and services, and digital transformation capabilities such as AI, big data and cloud.
	Logistics infrastructure	In 2017, SK invested in ESR (E-Shang Redwood Group), Asia’s second largest logistics center operating platform, to participate in the growth of the e-commerce market in China and Asia. SK cemented its position as a global investor when ESR listed on the Hong Kong stock exchange in 2019.
	ICT services and mobility	SK has been accumulating core capabilities such as strong brand awareness, strategic partnerships with industry leaders, and exceptional technological capabilities in IT service, acquired by performing long-term projects in many industries including telecommunications, finance, manufacturing and services. In addition, the Company is expanding its global mobility portfolio based on Korea’s no.1 car-sharing company SOCAR.
	G&P (Gathering & Processing)	SK plans to generate a steady stream of profits from the global energy business by investing in G&P assets that are expected to benefit from linkages with the LNG business of the Group and the invigoration of the North American shale gas industry.

ENERGY · CHEMICALS



SK innovation

Business area
Oil development, batteries, future energy
www.skinnovation.com
SK Building, 26 Jong-ro, Jongno-gu, Seoul
02-2121-5114

2019 revenue (unit: USD)

2.6billion

* Consolidated basis USD 42.8 billion

SK innovation is an energy and chemical company, independently pursuing batteries and oil E&P businesses through six subsidiaries; SK energy, SK global chemical, SK lubricants, SK incheon petrochem, SK trading international and SK ie technology. SK innovation became the first company in Korea to secure overseas oil fields with the successful exploration in Marib, North Yemen in 1984. Ever since, the Company has had huge success in Vietnam and the U.S., and is contributing to the resource-lacking nations’ energy security and economic development. As of the end of March 2020, the Company operates 13 oil fields and four LNG projects in eight countries and the major fields produced, on average, 48,000 barrels per day. SK innovation also supplies high-energy-density batteries for the EVs of global auto makers and is continuing innovative R&D to be in position to

meet the rising demand for EVs and changing technology trends. As of early 2020, the Company has secured annual production capacity of approximately 20GWh across three countries, namely Korea, Hungary and China. Capacity should increase to 70GWh by 2023 with additional production facilities in the U.S., and to 100GWh by 2025 in these four countries, enabling the Company to fulfill the growing demand for batteries. Moreover, SK innovation is promoting BaaS (Battery as a Service) to enhance the use value at each stage of the entire life span of batteries, from production to usage to collection to recycling. SK innovation will continue to grow by developing related technologies and business models and working in cooperation with partners in a wide spectrum of industries.

New growth engines
EV batteries

SK innovation is a global supplier of batteries propelled by proprietary high-energy-density and high-power batteries. The Company was the first in the world to commercialize and mass produce lithium-ion batteries applied with NCM622 and NCM811 chemistry and also the first to develop batteries applied with NCM9½½ chemistry, currently slated for commercialization in 2022. As can be seen, SK innovation is pioneering high-energy-density, high-nickel, low-cobalt technology trends in the EV battery sector.



SK energy

Business area
Petroleum products (oil, gas, specialty products etc.)
refining and distribution

www.skenergy.com
SK Building, 26 Jong-ro, Jongno-gu, Seoul
02-2121-5114

2019 revenue (unit: USD)

27.7 billion
* Consolidated basis USD 27.8 billion

SK energy, a representative energy company of Korea, began as Korea Oil Corporation in 1962 as the first oil refinery in Korea. It has since contributed to national economic development by producing, exporting, and distributing petroleum products. The Ulsan Complex can process up to 840,000 barrels of crude oil a day and supplies petroleum products to both domestic and international markets. The Company is continuously improving the speed and flexibility of company-wide value chains in order to preemptively respond to the increasing price volatility of oil and oil products. SK innovation boasts world-class facilities and operational competitiveness, and exports more than 50% of production to all across the globe. The Company has made the oil industry a major factor in national exports.

SK energy supplies petroleum products in Korea to consumers via SK gas stations and charging stations for which the Enclean Bonus Card and partnered credit cards offer discounts to increase customer satisfaction. In addition, the Company is improving quality assurance programs to strengthen customer trust while launching ‘Netruck,’ a total solution service for commercial truck drivers. The differentiated services are being widely recognized by major customer satisfaction and brand power indices. SK Enclean, the first petroleum product brand in Korea, topped the list for 22 consecutive years in the Brand Power Survey conducted by the Korea Management Association. SK energy aspires to go beyond Korea’s number one to become a representative energy company in the global arena based on technological innovation, operational optimization of production sites, and marketing capabilities that the Company has built over the past 50 years as a leader in the Korean refinery industry.



SK global chemical

Business area
Chemical materials (packaging, automotive),
base oils (olefins, aromatics, performance chemicals)

www.skglobalchemical.com
SK Building, 26 Jong-ro, Jongno-gu, Seoul
02-2121-5114

2019 revenue (unit: USD)

8.5 billion
* Consolidated basis USD 10.2 billion

SK global chemical has pioneered the Korean chemical industry by investing in facilities, R&D and technological advancement ever since the commencement of operations at its first petrochemical production site in Korea in 1972. Leveraging the base oil business, technological development of catalysts and products, and the establishment of global partnerships have propelled SK global chemical to grow into a global chemical company that supplies a diverse array of products from advanced materials for automobiles, electronics, and telecommunications to consumer goods. SK global chemical is expanding into packaging and automotive businesses as a means of pursuing the ‘Green Growth Strategy,’ which diversifies the product portfolio from commodity chemical products to include eco-friendly, high value-added products. The packaging business is striving to become a global player by increasing strategic investment in highly-functional packaging materials and developing core technologies. To this end, in 2017, the Company established the TS&D (Technical Service & Development)

in Shanghai, China and acquired EAA (Ethylene Acrylic Acid) and PVDC (Poly Vinylidene Chloride) businesses. Technological development and bold investment are making the Company far more competitive on the global scene. In 2020, SK global chemical acquired functional polymer businesses, namely MaH grafted polymer (MaH-G) and ethylene acrylate (EA) to secure global production plants, and is now moving to become a leading company in the global market. The automotive business is opening new possibilities for eco-friendly materials that can enhance fuel efficiency while reducing gas emissions by developing highly-functional auto materials in line with recent trends of EVs and lighter materials. The Company will continue to strengthen technological competitiveness and create value for customers and society, ultimately accelerating global growth. Simultaneously, the ‘Green Growth Strategy’ will be aggressively implemented to offer values that are eco-friendly and enhances the quality of life, to become an innovative global high value-added materials company.

New growth engines
EAA, PVDC & MaH-G, EA

EAA (Ethylene Acrylic Acid) and PVDC (Polyvinylidene Chloride) are core ingredients for multilayer packaging films. Prospects for the business are strong, especially in China and emerging markets, as there are only a handful of suppliers in the market with high barriers to entry. MaH-G (MaH-Grafted-PE) and EA (Ethylene Acrylate) are polymer materials with reinforced functionality and are widely used in packaging, special adhesive resins for different types of materials and in the automobiles, electrical and electronics industries. Due to the high entry barrier, there are only a few producers of the high value-added chemicals in the market, making the business a major growth driver in China and emerging markets.



SK lubricants

Business area
Lubricant oil, lube base oil

www.sklubricants.com
SK Building, 26 Jong-ro, Jongno-gu, Seoul
02-2121-6114

2019 revenue (unit: USD)

2.6 billion
* Consolidated basis USD 2.9 billion

Since 1968, SK lubricants has specialized in lubricants and lube base oil and has been a pioneer in the Korean lubricant market. The Company was spun off as a subsidiary of SK innovation in 2009. SK lubricants projected strong growth of the premium lube base oil market; premium lube base oil accounts for 70% of the ingredients for highly fuel efficient, eco-friendly lubricant products and high-quality lubricants. In 1995, the Company initiated production of the VHVI (Very High Viscosity Index) lube base oil factory and ever since, has been expanding production capacity and building distribution networks. It is now the leading manufacturer of Group III base oil. SK lubricants has been setting up production hubs in Europe and Asia to strengthen supplying capabilities by establishing joint ventures with global partners. The global hubs are enabling the Company to reliably supply high-quality products to more than 50 regions around the world.

SK ZIC is the signature brand of the lubricants business, and is by far, the leading premium lubricants brand in Korea, evidenced by winning the Korea Brand Power Index (K-BPI) for 22 consecutive years. The outstanding quality of SK ZIC has been globally acknowledged, supported by the two most prominent quality assessment organizations in the industry; the API (American Petroleum Institute) and the ILSAC (International Lubricant Standardization and Approval Committee). Both awarded SK ZIC the highest level of certification. In response to the recent rise in demand for low viscosity products against the backdrop of tighter environmental regulations, SK lubricants has launched ultra-low viscosity lubricant, ZIC ZERO. SK lubricants will continue to build technological competitiveness, global networks, and brand power overseas to realize the vision of a ‘global prestigious lubricants company.’

New growth engines
YUBASE PLUS, ZIC ZERO

SK lubricants is contributing to the reduction of fossil fuel usage and greenhouse gas emissions by expanding sales of high-quality YUBASE and YUBASE Plus base oils. In 2019, Zero-tech technology was applied to develop an ultra-low viscosity lubricant, ZIC ZERO. The launch of ZIC ZERO generated social value as it satisfied customer demand for eco-friendly products while also improving fuel efficiency.



SK incheon petrochem

Business area
Production of petroleum & petrochemical products

www.skincheonpetrochem.com
415 Bongsu-daero, Seo-gu, Incheon
032-570-5011

2019 revenue (unit: USD)

5.8 billion

SK incheon petrochem cleared the way for regional and national economic development by playing an essential role in supplying energy to the Seoul metropolitan area, being located in Incheon, a gateway into Korea and one of the three major cities in the country. The Company was acquired by SK innovation in 2006. The Company steadily strengthened business competitiveness and was re-launched as SK incheon petrochem in July 2013. In July 2014, SK Incheon petrochem invested USD 1.4 billion in upgrading its production facilities of PX (Paraxylene), an ingredient for PET and synthetic fibers, to diversify into high value-added products.

Today, SK incheon petrochem is achieving the highest level of productivity in the industry, enabled by quick and flexible decision making, diversification of raw material sourcing, and maximization of integrated synergies among refining and chemical processes. The Company has set ‘SHE (safety · health · environment) First Management’ as a top priority and is pursuing zero accident production and implementing environment-oriented business management. Since 2006, the Company has invested approximately USD 300.3 million in safety, health and environment to create a workplace in which employees feel safe to work and that can be trusted by local communities.

New growth engines
Establishing the ‘Digital SHE platform’

SK incheon petrochem is pursuing ‘Digital SHE’ by grafting new technologies of the Fourth Industrial Revolution such as AI, big data, machine learning, and drones onto the SHE management system. The Company is continuously developing the SHE innovation model to meet the highest global standards. The Company is continuously expanding the ‘Digital SHE Platform’ and creating new business models based on eco-friendly SHE.

SK trading international

Business area
Trading of crude oil and petroleum products

www.skinnovation.com/company/trading.asp
SK Building, 26 Jong-ro, Jongno-gu, Seoul
02-2121-5114

2019 revenue (unit: USD)

9.8billion
* Consolidated basis USD 28.3 billion

SK trading international was established in July 2013 as a trading company specializing in crude oil and petroleum products. Ever since, while continuously making itself competitive in global trading markets, the Company has helped increase the value of the oil business by optimizing exports and imports of oil. SK trading international is building and expanding a unique trading platform in oil trading hubs in Singapore, Europe, North America and the Middle East, based on tangible

and intangible strengths and partnerships. The Company is also fostering and attracting professional traders equipped with global competitiveness, and is diversifying oil and naphtha suppliers to effectively respond to price fluctuations in international oil markets. The Company is also improving risk management to address changes in the business environment to support the expansion of trading, specifically by developing a proprietary advanced risk management system.

New growth engines
Global trading platform expansion

SK trading international is building diverse trading models and developing strategies to expand imports of U.S. oil as an alternative to Middle Eastern oil amid restructuring in the global oil market, triggered by U.S. shale. The Company made a joint investment with SK energy to acquire 35% stake in Myanmar’s second largest oil distributor, BOC, in anticipation of robust growth in Southeast Asia. The transaction should secure stable trading volume while paving the way for business expansion into Southeast Asian countries.

SK ie technology

Business area
Production and distribution of materials for lithium ion battery separators and flexible display

www.skietechnology.com
SK Building, 26 Jong-ro, Jongno-gu, Seoul
02-2121-5114

2019 revenue (unit: USD)

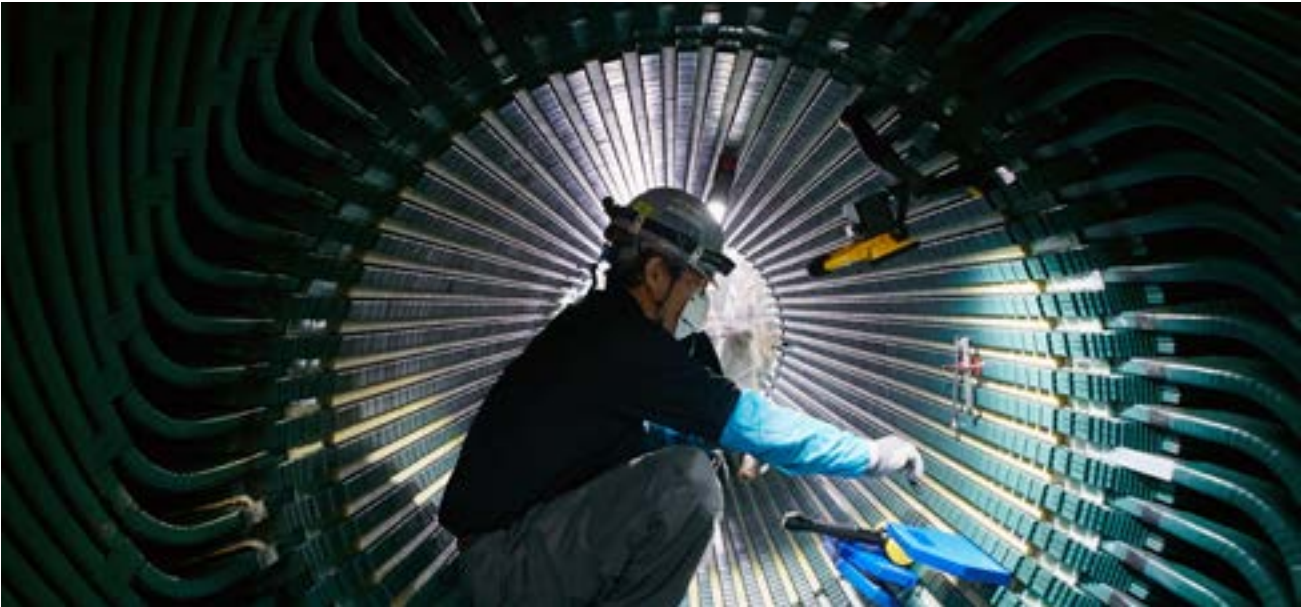
299million
* Includes Q1 revenue before split off

SK ie technology was split off from SK innovation in April 2019 to strengthen business expertise. SK ie technology is evolving into a global materials solutions company that is unrivaled in LiBS (Lithium-ion Battery Separator), a key ingredient for lithium-ion batteries, and FCW (Flexible Cover Window), an essential component of flexible displays such as foldable phones. The Company was the first in Korea and third in the world to independently develop LiBS production technology. The technological leap was followed by becoming the first in the world to complete the sequential stretching process, develop 5µm thin film products and commercialize simultaneous double-sided coating. The Company now produces high-quality battery separators based on such unmatched technological edge. The domestic production lines are located in Cheongju and Jeungpyeong

in North Chungcheong province while global commercial production is expected to expand in Changzhou, China and Slaskie, Poland, to fulfill demand in China and Europe, the fastest growing EV battery markets in the world. FCW, a key material for flexible displays including foldable phones, is a promising market given the robust growth of the display industry, which is seeking changes in form factors. The advantage of the FCW business is that transparent PI film production and coating are operated together to quickly respond to changes in customer needs and expand into a diverse array of functional products. SK ie technology will maintain exceptional technological competitiveness, increase production capacity via overseas subsidiaries, and strengthen global networks to become a ‘global top-tier materials solutions’ company.

New growth engines
Information and electronic materials

The information and electronic materials business of SK ie technology is becoming a global top-tier materials solutions company based on differentiated technological competitiveness. The company is expanding influence in the global information and electronic materials market by enhancing competitiveness in LiBS and FCW, a core material for flexible displays. The Company is responding to the growing EV battery market by establishing manufacturing hubs in China and Europe, particularly in Changzhou, China and Slaskie, Poland.



SK E&S

Business area
LNG based electricity business, city gas, collective energy projects, new & renewable energy, energy solution projects

www.skens.com
SK Building, 26 Jong-ro, Jongno-gu, Seoul
02-2121-3114

2019 revenue (unit: USD)

699million
* Consolidated basis USD 5.6 billion

SK E&S operates in the entire LNG value chain. The main business lines are LNG gas development and transport, power generation, city gas, and future energy including new & renewable energy and energy solutions. SK E&S is the first private Korean company to establish a presence in every part of the LNG value chain. First, in the upstream business, the Company became the first private company in Korea to directly import LNG in 2006 and currently has secured gas fields in Indonesia, Australia and the United States. In the midstream business, SK E&S established a foundation for import and distribution of North American shale gas by securing rights to use the LNG terminal of Freeport based in the United States. SK E&S owns two LNG carriers for the import and export of LNG and jointly

operates a LNG terminal in Boryeong with GS Group that can store LNG in liquid state to be later regasified. In the downstream business, SK E&S contributes to the stable supply and demand for electricity and supply of gas in Korea. In city gas, the Company has the largest market share and operates seven city gas subsidiaries in eight regions nationwide. SK E&S is taking on the challenge in global markets to achieve the vision of becoming a ‘global clean energy & solutions provider.’ The Company will advance to the next level as an eco-friendly energy company striving to address social issues and to respond to the global challenge of climate change, specifically by promoting a wide range of LNG-based projects and by expanding renewable energy.

New growth engines
Global LNG development

SK E&S has completed vertical integration of the LNG value chain from natural gas development to shipping. Since 2012, the Company has been investing in off-shore gas fields in Caldita-Barossa, Australia and is currently evaluating reserves. In 2013, SK E&S inked a contract to use LNG liquefaction facilities with US-based Freeport LNG to secure infrastructure for import of shale gas. In addition, the Company has secured 38 million tons of natural gas for 20 years by jointly developing shale gas with U.S. firm Continental Resources since 2014.



SK discovery

Business area
Chemicals, energy, pharmaceuticals, bio,
new & renewable energy, real estate

www.skdiscovery.com
332 Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do
02-2008-7399

2019 revenue (unit: USD, consolidated basis)

4.3 billion

SK discovery is a holding company with operating companies such as SK chemicals and SK gas as subsidiaries. The Company was officially launched in 2017, when the surviving entity of SK chemicals, SK discovery, and the pharmaceuticals and chemicals operating company, SK chemicals, were spun off. The restructuring enabled SK discovery to concentrate on management of subsidiaries and upgrading its business portfolio while allowing SK chemicals to focus on boosting management efficiency of the existing chemicals and pharmaceuticals business. The purpose of launching SK discovery was to enhance business efficiency and strengthen the expertise of operating companies as continuous efforts made since 2000 to improve the business portfolio and develop high value adding new businesses came to fruition. The holding company and operating company were functionally separated to boost shareholder value by increasing transparency and rendering business management more accountable. SK discovery is parent to SK chemicals, a supplier of eco-friendly materials and total healthcare solutions, SK gas, an eco-friendly energy total solution provider, and SK plasma, a producer and supplier of plasma-derived

medicines. It is also grandparent to SK Bioscience, a developer and producer of vaccines, and SK D&D, a developer of real estate and new and renewable energy. SK discovery is supporting its subsidiaries by changing the way of work and establishing high performance organizations so that the operating companies can actively develop and implement new growth strategies designed specifically for the nature of their business and to generate customer value in line with the vision and mission of each company. In addition, SK discovery is practicing and developing SKMS, the unique value system and corporate culture of SK. The Company ensures that the core intangible asset of SK concretely contributes to business by widely sharing and systematically managing the value of the SK Brand. SK discovery will generate unequalled value amid intense global competition by continuously taking on new challenges, innovating, and nurturing warm hearted professional talent. The Company aspires to grow into a future business-oriented global holding company by keeping investment and business separate.



SK chemicals

Business area
Green chemicals (chemicals and energy),
life science (pharmaceuticals and bio)

www.skchemicals.com
310 Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do
02-2008-2008

2019 revenue (unit: USD)

1.0 billion

* Consolidated basis USD 1.2 billion

SK chemicals was established in 1969 as Sunkyoung Synthetic Textiles and has since undergone ceaseless change and innovation to become the chemicals & life science company that represents Korea today. The Company sees eco-friendly materials and healthcare as the next growth drivers and is building related capabilities based on current business lines which are green chemicals, pharmaceuticals and life science. SK chemicals is recognized as an eco-friendly solutions provider in Korea with unparalleled strength in transparent heat-resistant copolyester products. The company also strives to generate future values by constantly pursuing R&D in the fast-growing advanced

materials sector including engineering plastics and carbon materials. In life science, R&D and investment in pharmaceuticals, vaccines and plasma are enabling SK chemicals to establish itself as a global life science company that addresses the entire continuum of handling disease, from prevention to treatment. SK chemicals considers vaccines as a future growth engine and in 2018, established SK bioscience, a company specialized in vaccines. The Company is investing heavily in R&D for independent development of vaccines and is already widely recognized for its outstanding R&D capabilities.

New growth engines
ECOZEN & SKYCellflu

ECOZEN is SK chemicals' heat-resistant bio-copolyester released in 2009. ECOZEN products have up to 15% carbon based bio-mass content, while still maintaining its outstanding physical properties and making up the usual shortcomings of petroleum based plastics. As a transparent material with excellent chemical and heat resistance, ECOZEN made its name as the optimal choice for electronical appliances, food contact application, as well as high-end cosmetic packaging. SKYCellflu is Korea's first commercialized cell-culture influenza vaccine, independently developed by SK chemicals. SKYCellflu quadrivalent, which was released in 2016, is the world's first quadrivalent cell-cultured influenza vaccine. It is a next generation vaccine that can prevent four types of influenza viruses with one inoculation. The vaccine can be supplied quickly and reliably in a crisis such as an influenza pandemic because it can be produced within two to three months.



SK gas

Business area
LPG marketing, global LPG trading, LPG import base operation, tank terminals, gas chemicals (PDH · PP), LNG terminals, gas combined cycle power generation, fuel cell generation, energy efficiency

www.skgas.co.kr
332 Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do
02-6200-8114

2019 revenue (unit: USD)

3.4 billion
* Consolidated basis USD 4.2 billion

SK gas was founded in 1985 and currently has the largest market share in the domestic LPG market. The Company has facilities in Pyeongtaek and Ulsan that can store up to 470,000 tons and a nationwide distribution network. The LPG storage facilities and nationwide distribution network have laid the foundation for diversification into gas chemicals and power generation, propelling the Company to become a ‘global top-tier eco energy total solutions provider.’

The core business of SK gas is the domestic LPG business, and the Company is a reliable supplier of LPG for automobiles, households, commercial and industrial purposes and also for manufacturing of petrochemicals. SK gas is strengthening competitiveness by expanding demand from auto makers, developing new demand and pioneering the small bulk market. The overseas LPG business is focusing on growing the global trading business based on its overseas network centered in Singapore and Texas.

SK gas is actively promoting new businesses in addition to improving competitiveness of the existing LPG business in order to become a total energy company. The company is working on a gas combined cycle power plant via Ulsan GPS, slated for commercial operation at the end of 2024, while also progressing with the LNG terminal project through the Korea Energy Terminal (KET) for the direct import of fuel for LNG power generation of Ulsan GPS. The Company, via SK advanced, an investment company founded in 2014, operates in PDH (Propane Dehydrogenation) using LPG as fuel, and has completed vertical integration of petrochemicals (LPG - propylene - polypropylene) by expanding business through partnerships.

SK gas, as Korea’s leading LPG player, will evolve into a global eco-friendly total energy chemical company by strengthening capabilities and promoting new businesses.

New growth engines
Vertical integration of gas and chemical industry

SK gas is becoming a global energy and chemical company driven by the PDH business, which uses LPG as an input for production of propylene. Leveraging the technology of SK advanced, the Company is constructing a jointly-invested polypropylene production plant scheduled to start operation in the first half of 2021 which should further vertical integration (LPG – propylene – polypropylene) of gas and chemicals. Technology export to foreign companies such as INEOS should increase given the superior technological capabilities of SK advanced. Currently, the Company is successfully expanding global business by establishing a local joint venture with a Saudi Arabian petrochemical company for the production of propylene and polypropylene.



SKC

Business area
Mobility, semiconductor, eco-friendly specialty materials

www.skccr
Block B, The K Twin Towers, 50 Jong-ro 1-gil, Seoul
02-3787-1234

2019 revenue (unit: USD)

1.1 billion
* Consolidated basis USD 2.2 billion

SKC was founded in 1976 as a company specializing in materials and has been contributing to strengthening the competitiveness of customers by taking on challenges and driving innovation. The Company is accelerating business model innovation with a focus on high value-added materials in the areas of mobility, semiconductor and environment.

SKC Industry Material Business has established an integrated production system which incorporates PET polymerization, base film, film processing and quality assurance to manufacture and supply a wide range of PET films including films for high value-added displays. The Company’s eco-friendly films include biodegradable PLA film, which uses corn as the main ingredient, and Eco-Label, which is a type of recyclable packaging for PET bottles. Mobility films include PCT film, the world’s first commercialized light weight film materials for automobile cables, and PVB film, which is a glass binding film for automobiles and construction. The Company is also

developing and producing specialty materials that can replace cover windows of foldable displays. The Semiconductor Material Business develops and manufactures semiconductors and specialty materials. The Company produces CMP pads and slurry, key materials for the semiconductor CMP process and is expanding business into wet chemicals used for cleaning, which removes micro foreign matter and contamination. In addition, SKC is making utmost efforts to increase localization of semiconductor materials technology, with the ultimate goal to commercialize high-end blank masks, a core component of the lithography process.

SKC is securing future growth drivers by making inroads into mobility including copper foil, a key material for EV battery anodes. SKC will take off to become a top global company specialized in advanced materials that provide new value to customers based on unrivalled technology.

New growth engines
High value-added specialty materials

SKC is innovating business models with specialty materials. The Company boasts world-class technology in copper foil, a key ingredient for EV batteries. SKC will proactively respond to a growing battery market by increasing production and expanding global business. In semiconductors, to achieve the goal of increasing localization, SKC has ventured into the blank mask market following CMP. The Company is adding eco-friendly products and bolstering the specialty materials business such as transparent PI film for next generation foldable and rollable displays.



SK telecom

Business area
Mobile Network Operator (MNO), Internet of Things (IoT) media/home, platforms

www.sktelecom.com
SK T Tower, 65 Eulji-ro, Jung-gu, Seoul
02-6100-2114 / 02-2121-5114

2019 revenue (unit: USD)

9.8 billion
* Consolidated basis 15.2 billion

SK telecom, Korea’s representative ‘New ICT company,’ has been the driver of innovation in MNO. Starting with first generation analogue mobile phone services in 1984, SK telecom was the first company in the world to commercialize second generation CDMA, the first in Korea to commercialize third generation WCDMA and fourth generation LTE, and first in the world to commercialize 5G MNO in 2019. The Company is making efforts to establish a global New ICT ecosystem based on 5G, AI and hyper-collaboration. SK telecom is making utmost effort to become a New ICT leader that drives change of the future. While renewing the New ICT strategy around MNO, media, e-commerce and security based on AI and 5G, the Company has heralded the 5G ‘hyper era’ by launching a diverse array of services such as 5G-based media and gaming and 5G clusters equipped with premium networks and services.

SK telecom topped the National Customer Satisfaction Index (NCSI) for 23 consecutive years (as of 2020) the Korean Customer Satisfaction Index (KCSI) for 22 consecutive years (as of 2019) and the Korean Standard-Service Quality Index (KS-SQI) for 20 consecutive years (as of 2019). SK telecom was the first telecommunications company in Asia to be incorporated into the Dow Jones Sustainability World Indices for 11 consecutive years. The Company also was awarded the top grade by the Korea Commission for Corporate Partnership in their ‘Win-Win Partnership Assessment Index’ for seven consecutive years (as of 2019). In the ‘hyper era,’ which can be characterized as hyper convergence, hyper connection, and hyper intelligence, SK telecom will provide new value to customers not only in 5G-based MNO but also in a wide variety of businesses including media, security and e-commerce.

New growth engines
Domestic and international partnerships

SK telecom is creating new growth engines through hyper-collaboration with various partners at home and abroad. Hyper-collaboration with the three main broadcasters of Korea gave birth to wavve, which is steadily growing to become the representative OTT of Korea. Hyper-collaboration with Kakao took the form of an equity exchange on top of a strategic partnership based on openness and cooperation. SK telecom, through partnership agreement for gaming services with Microsoft, is piloting Project xCloud while joint business efforts are being made with Amazon Web Service for 5G MEC (Mobile Edge Computing). As can be seen, SK telecom is giving impetus to discovering new 5G BMs.



SK broadband

Business area

IPTV, high-speed internet, CATV (cable TV), residential phones, corporate ICT service

www.skbroadband.com
SK Namsan Green Building, 24 Toegye-ro, Jung-gu, Seoul
02-6266-6100

2019 revenue (unit: USD)

2.7 billion

* Consolidated basis USD 2.7 billion

SK broadband, established in 1997, became the first in Korea to launch IPTV services and the first in the world to commercialize ADSL, paving the way for the high-speed internet era in Korea. In 2020, the Company merged with the cable operator t-broad Co.,Ltd, by which it secured 8.21 million paid subscribers and 6.48 million high-speed internet subscribers and transformed into a media platform company. ‘B tv,’ the core IPTV service of SK broadband, is strengthening customized services to cater to different customer segments such as kids, seniors, and single member households, while linking and expanding AI, advertising and various other media services. At the same time, the Company is making efforts to position itself as ‘Lovely B tv’ in the hearts of customers by offering customer experience-oriented, DT-based content recommendations and new and differentiated value through product innovation. SK broadband is heading the 10 Gbps high-speed internet business with the industry’s top-

level telecommunications technology as well as upgrading telecommunications infrastructure-based network capabilities by participating in overseas submarine cable projects and next-generation IDC business expansion. The Company is also taking the lead in creating social value by providing services to enhance media accessibility for the most vulnerable members of society, hosting video contests on preventing teenage school violence and supporting telecommunications and media activities for those affected by COVID-19, all out of a sense of responsibility for social communities. SK broadband has been recognized for such efforts as evidenced by the Company being at the top of the NCSI (National Customer Satisfaction Index) for the IPTV and high-speed internet category for ten consecutive years. SK broadband will concentrate on enhancing the benefits and convenience of customers and provide a new and happy media experience to become the ‘No. 1 Media Company.’

New growth engines
Strengthen the competitiveness of media platform B tv

The Company is continually releasing media services that leverage cutting-edge technology such as services for children using AR and VR and VOD Information Offering Services based on AI video recognition while the UI/UX of ‘B tv’ is evolving with customer behavior analysis. In addition, concentrated efforts are being made to develop new media BMs such as △expansion of content value chain △partnerships with a wide range of local and global media operators and △addressable AD (targeted advertising)

SK planet

Business area

Business solutions, marketing platforms, data services

www.skplanet.com
264 Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do
02-6119-0114

2019 revenue (unit: USD)

236 million

SK planet, launched in 2011, is a leading ‘Data & Tech’ company that generates new value for businesses by leveraging data. Multi-dimensional understanding of customers and exceptional technological capabilities enable the Company to offer unique value to customers. SK planet boasts unmatched expertise in the areas of business solutions, marketing platforms and data. The Company is offering services in a wide spectrum of ICT areas including telecommunications, internet of things (IoT), media, AI, and mobility, based on technological leadership. In addition, SK planet provides useful shopping information and benefits to consumers while offering an effective marketing platform to business partners, taking advantage of the operating know-how accumulated by running Korea’s largest integrated reward service

program, ‘OK Cashbag.’ ‘Syrup Wallet’ not only presents information for smart spending of customers but also offers customized financial information based on consumption data. SK planet also provides targeted advertising and customer data analytic services via DMP (Data Management Platform) which collects and manages 130 million pieces of data from major services of SK Group. The Company is leading the creation of the ICT ecosystem with many cooperation programs to support the growth of small and medium sized vendors including the T Academy. SK planet expects to become a ‘Leading Data & Tech’ company based on new technology, innovative services, and diverse business solutions that satisfies customers.

New growth engines
Data-driven value creator

SK planet is a leading ‘Data & Tech’ company that generates new value for businesses based on data. The Company offers business solutions that head innovation in diverse areas including IoT and media and operates a marketing platform that can not only be used to maximize the effect of marketing based on customer data from OK Cashbag and Syrup Wallet, but also to suggest customized financial advice to customers. SK planet collects and analyzes 130 million pieces of information from major SK Group services to offer differentiated data insight and is making efforts to create new experiences and new value in all aspects of consumer activity.

SK telink

Business area

MVNO, international calls, satellite communication, B2B communication service

www.sktelink.com
Mapo T Town, 144 Mapo-daero, Mapo-gu, Seoul
1599-00700 / 1599-0999

2019 revenue (unit: USD)

312 million

SK telink began in 1998 with international call service ‘00700’ and has since grown into a Mobile Network Operator that provides a wide range of wired and wireless services including MVNO (Mobile Virtual Network Operator), satellite communications, nationwide number service and internet calls. International call service ‘00700’ won the major customer satisfaction surveys, namely National Customer Satisfaction Index (NCSI), Korean Standard-Service Quality Index (KS-SQI) and Korean Customer Satisfaction Index (KCSI) for six consecutive years and is undeniably a representative brand of Korea. MVNO service (SK 7mobile) is leading the ‘mobile value consumption’ era while in corporate services, the Company is acknowledged as a partner for successful business by offering comprehensive ICT solutions that combine wired, wireless and other value-added services. SK telink is not sitting on its laurels. The

Company is enhancing business competitiveness based on an objective perspective and flexible mindset to be in line with the rapidly changing business environment. The MVNO service is solidifying its position by releasing products based on online SIM card combined with diverse partnerships in areas including finance. International call and corporate services are set to open new possibilities by offering efficient target marketing by linking it with machine learning and developing new services using satellite communications. As an operator, the Company will emphasize the importance of customer protection and fully adhere to responsibilities and duties stipulated in legislation and regulation while underpinning compliance programs. SK telink seeks to become a trusted company that ultimately contributes to the happiness of all stakeholders by providing new efficacy and value previously unimagined by customers.



11street co.,ltd

Business area
E-commerce

www.11stcorp.com
Seoul Square, 416 Hangang-daero, Jung-gu, Seoul
02-6119-0011

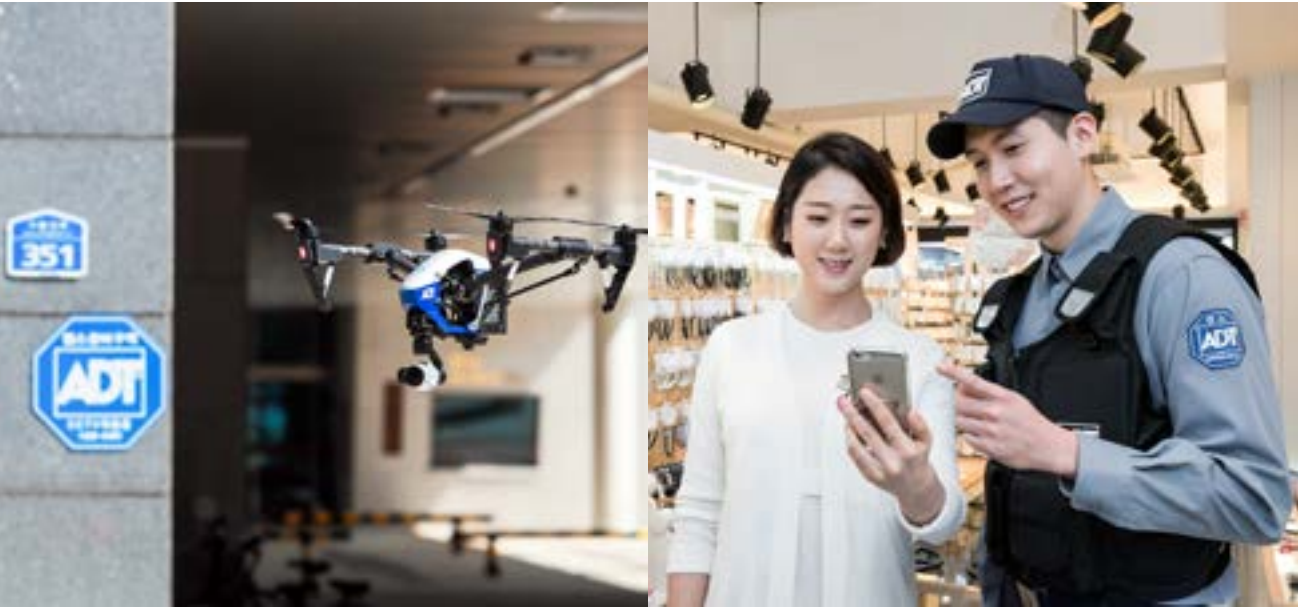
2019 revenue (unit: USD)
455million

The business of 11Street Co., Ltd is anchored in 11Street, Korea’s representative open market. 11Street Co., Ltd is implementing bold change and innovation so that 11street can become a ‘commerce portal’ that provides and sells everything; from information acquisition and product search all the way to purchase. 11Street ventured into e-commerce as a local open market in February 2008 and has since continually improved services. To customers, the Company has presented joy and touched their hearts; to sellers, the Company helped facilitate business success and a sense of reward. As a result, 11Street has become the most evolved open market in Korea. SK pay, a quick and safe simple payment service, Gifticons, Korea’s first mobile gift card and Scinic, a high-quality affordable skin care brand are some of the other differentiated products and services of the Company.

New growth engines
AI and big data-based search and recommendation/curation systems

The independently developed commerce search technology of 11Street offers personally customized search results that make exploring and purchasing products easy. The cutting-edge product curation algorithm used by Amazon and Netflix has been optimized with data of 11Street for 11Street consumers to curate the most appropriate products based on real time reflection of personal shopping demands. Such technological innovation is being applied to all stages of the shopping process in order to bring forward the ‘Zero Effort Commerce’ era, which minimizes customer effort in shopping.

The Company is paving the way for building a healthy e-commerce ecosystem. Joint planning and selling of products are contributing to identifying and fostering high quality SMEs. The Company is making multifaceted efforts to enhance social value such as helping agriculture and fishery communities that are experiencing difficulties in selling their products to secure distribution channels while at the same time, offering free training programs for sellers to support potential business founders who will become active in the open market. 11Street Co., Ltd has moved beyond being a fast follower and has now grown into a market leading first mover. The Company will continue to capture business growth opportunities and maintain market leadership while also creating social value by means of giving back to society by promoting ethical consumption.



ADT CAPS

Business area
Central Monitoring Service, CCTV security, access security, information security, home security, mid/large building integrated security, convergent security, car park management, drones, fleet management & control, retail solutions, security guard service

www.adtcaps.co.kr
613 Bongeunsa-ro (Samseong-dong), Gangnam-gu, Seoul
1588-6400

2019 revenue (unit: USD)
792million

ADT CAPS is a company specialized in security which began in 1971 as Korea Security Corporation and has built trust and expertise for the past 49 years. Since joining the SK Family as a subsidiary of SK telecom in October 2018, the Company has been stepping up efforts to enhance converged security combining physical and information security with ICT services. CAPS Home, T Map Parking, Smart Village, and Cyber Guard Professional are examples of services that have combined cutting-edge technology with security services

to ensure a safe and convenient lifestyle. ADT CAPS is driving such cooperation among the SK ICT family affiliates to lead the converged security market. ADT CAPS has become by far, the most widely recognized security brand in Korea as evidenced by winning the Korea First Brand Award for Central Monitoring Services for six consecutive years, the Korea Customer Surprise Brand Index (K-CSBI) for seven consecutive years and by being dubbed as one of Korea’s Top 100 Brands for four consecutive years.

New growth engines
Takeoff to become a leading operator of new ICT converged security

ADT CAPS plans to graft new ICT such as AI, DT (Digital Transformation), cloud, mobility, 5G & quantum technology to physical security to further expand the scope of business. The Company will continue to discover and adopt new ICT that can create synergies with security, for example, combining Intelligent Video Analysis and advanced preemptive incident response systems to Central Monitoring and Dispatch Services, establishing converged security control platforms in accordance to customer needs, applying cloud to security services, using 5G drones, and collaborating with quantum cryptography telecommunications.



SEMICONDUCTOR · MATERIALS

SK hynix

Business area
DRAM, NAND Flash, CIS (CMOS Image Sensor)

www.skhynix.com
2091 Gyeongchung-daero, Bupal-eup, Icheon-si,
Gyeonggi-do
031-5185-4114

2019 revenue (unit: USD)

21.7 billion

* Consolidated basis USD 23.2 billion

The territory and demand for semiconductors are gradually expanding as new digital devices and services such as AI and autonomous driving emerge and IoT becomes universal. SK hynix, founded in 1983, is providing innovative solutions by producing memory semiconductors such as DRAM, NAND Flash, and MCP (Multi Chip Package) which are essential to various ICT devices including mobile devices, servers, and storage solutions; and system semiconductors such as CIS (CMOS Image Sensor). Total investment in 2019 amounted to USD 10.9 billion and such strategic investment should continue in the future. The sheer volume of investment evidences the Company’s efforts to bolster technological competitiveness and secure future growth drivers. M16, the new semiconductor production plant, is scheduled to be completed at year-end 2020 in Icheon.

SK hynix also plans to invest USD 102.9 billion from 2022 onwards to construct four semiconductor FABs in the semiconductor cluster in which more than 50 companies from both home and abroad are set to participate. SK hynix is active in the semiconductor ecosystem and communities to pursue economic value and social value in parallel. Meanwhile, the Company has set off on a journey of happiness to create a ‘company in which all employees are happy.’ To this end, all systems and business management are shifting orientation to employees and on-site. SK hynix will raise its global status and cement leadership and influence in the memory chip industry by making itself more competitive amid the rapidly changing semiconductor market and competitive dynamics. In 2020, SK hynix will become the best-in-class company, marking the year of a new start.

New growth engines
128 layer 4D NAND flash

In June 2019, SK hynix became the first company in the world to develop the 128 layer 1Tbit TLC (Triple Level Cell) 4D NAND flash. In October 2019, the Company developed the third generation 1Znm 16Gb (Gigabits) DDR4 (Double Data Rate 4) DRAM. SK hynix is addressing market demand with a portfolio that includes high capacity, high performance, high value-added products such as HBM (High Bandwidth Memory) and GDDR6.



SK siltron

Business area
Production and distribution of Si and SiC wafers

www.sksiltron.com
53 Imsu-ro, Gumi-si, Gyeongsangbuk-do
054-470-8499

2019 revenue (unit: USD)

1.3 billion
* Consolidated basis 1.3 billion

SK siltron, founded in 1983, specializes in semiconductor materials. The main product is silicon wafers which is a key part for semiconductors. SK siltron achieved a robust annual average revenue growth of 3.2% over the past ten years. In 2019, the Company generated record high revenue and increased the contribution of exports to 50%. The manufacture of silicon wafers is a technology held by only a handful of companies in the world which are mainly based in Japan and Germany, and the industry has a high technological entry barrier. SK siltron is the only Korean company to supply to global semiconductor producers based on world-class technology in crystal defects free, 20nm size particles control and super flat

surface control. SK siltron is contributing to the development of next-generation semiconductors as a partner to global semiconductor manufacturers by supplying leading-edge wafers for research. In addition, to enhance the performance of equipment used in major processes, the Company is accelerating yield and quality improvement while also working on increasing cost competitiveness by boosting efficiency in manufacturing lines and reducing raw materials costs. SK siltron will leap forward to become a global top total advanced materials company with unrivalled competitiveness in manufacturing, technology and quality.

New growth engines
Wafers for power semiconductors that drive EV and 5G

SK siltron acquired the SiC wafer division of US-based DuPont to establish SK siltron CSS in 2020. The Company is actively venturing into power semiconductor materials to secure future growth engines as the market is expected to show robust growth, given the wider acceptance of EVs and full-scale adoption of 5G. SK siltron CSS will grow into the global first SiC wafer company propelled by core technologies such as independently developed grower design, operating know-how and world class R&D.



SK materials

Business area
Specialty gas and materials for displays and semiconductors

www.sk-materials.com
59-33 Gahyeunggongdan-ro, Yeongju-si, Gyeongsangbuk-do
054-630-8114

22F Gran Seoul, 33 Jong-ro, Jongro-gu, Seoul
02-728-0910

2019 revenue (unit: USD)

390 million
* Consolidated basis USD 662 million

SK materials is a global leader in specialty gas and materials for semiconductors and displays. The unwavering R&D efforts made by the Company came to fruition in 2001 when SK materials became the first company in Korea to successfully locally produce specialty gas NF₃ (nitrogen trifluoride). NF₃ is a specialty cleaning gas used to remove residue in chambers during the production process of semiconductors and displays. SK materials is solidifying leadership as the no. 1 player in the market with more than 40% of the global market share of NF₃. The Company is unmatched with a product portfolio that includes the production and distribution of WF₆ (tungsten hexafluoride, largest global producer), SiH₄ (monosilane, second largest global producer), SiH₂Cl₂ (dichlorosilane) and

Si₂H₆ (disilane). SK materials has established overseas subsidiaries in Taiwan and Japan (2010), Jinjiang, China (2011), Xian, China (2013) and Shanghai, China (2019). The production subsidiary in Jinjiang is a bridgehead for global market penetration. The Taiwan, Japan, Xian, and Shanghai entities are sales subsidiaries that are driving global market expansion. Since joining SK Group in February 2016, SK materials has added a diverse array of semiconductor materials such as industrial gas, precursors, etching gas, and PR (photoresist) to generate synergy. The Company will continue to develop next generation products and innovate production processes to leap forward to become a top global semiconductor materials platform company.

New growth engines
Total solution provider

SK materials is raising competitiveness by securing the ability to develop a wide range of materials through concrete leadership in industrial specialty gas. SK airgas, a subsidiary, produces industrial gases such as oxygen and nitrogen. SK trichem and SK showadenko, joint ventures with global partners, produce precursors and etching gas. In addition, the Company is making full-scale entry into carbon dioxide for semiconductor cleaning and PR materials to diversify the business portfolio and localize essential materials to proactively respond to a rapidly changing market.

LOGISTICS · SERVICES · BIO



SK networks

Business area
ICT marketing, global trading, automotive aftermarket service, automobile and environmental home appliance rental, hotel & resorts, lifestyle business

www.sknetworks.co.kr
SK Myeongdong Building, 90 Namdaemun-ro, Jung-gu, Seoul
070-7800-2114

2019 revenue (unit: USD)

9.1 billion
* Consolidated basis USD 11.2 billion

SK networks was founded in 1953 as Sunkyong Textiles, the precursor of SK Group. The Company is strong in lifestyle businesses including domestic and international networks, high quality vendors, exceptional logistics capabilities, automobile and environment, home appliance rental and hotel & resorts. In ICT marketing, SK networks boasts the most extensive mobile phone distribution network in Korea and a nationwide logistics system to sell 6.5 million units in 2019, solidifying the Company's stance as the leading mobile phone distributor. The launch of ICT products and recycling of second-hand phones are efforts to diversify business. Speedmate, which commenced business with automotive maintenance and ERS (Emergency Road Service), is now evolving into the leading brand in automotive aftermarkets by expanding into tire distribution, maintenance and parts of imported cars, as well as O2O platforms (Tire Pick). In global trading, the Company differentiates itself from its competitors in many ways including

outstanding sourcing ability, exceptional expertise and strategic networking. Industrial materials such as chemicals, materials, steel, automobile, and coal are the mainly traded commodities. Walkerhill Hotel & Resort is the leader of the hospitality sector in Korea, offering the calm of nature at the edge of a bustling urban city to provide the best experience to customers whether the visit is for retreat, culture or business. The Grand Walkerhill Seoul, Vista Walkerhill Seoul, Walkerhill Douglas House, transfer hotel at Incheon International Airport, premium lounges, and the capsule hotel Darakhyu are hotel brands of SK networks all based on different concepts and together are creating synergies with one another. SK networks seeks to deliver future growth strongly rooted in value innovation for customers, shareholders and members of society alike. SK networks will carry on creating unique value and work toward realizing the grand vision of becoming a prestigious global company.

New growth engines
Customer value explorer

SK networks is becoming a leader in sharing economy with SK magic and SK rent-a-car. The Company is also strengthening business competitiveness in global trading, ICT marketing, automotive aftermarket services and hospitality. SK networks, to fulfill the mission of the Company name 'networks,' will ensure that the businesses of the Company connect the value of stakeholders to create greater happiness for society. SK networks will make utmost effort to deliver the visionary cycle of nurturing capabilities of employees, connecting stronger capabilities with customer value, and maximizing customer value to address social issues.



SK magic

Business area
Manufacture and rental of kitchen and home appliances

www.skmagic.com
14F Yonsei Severance Foundation Building, 1 Tongil-ro, Jung-gu, Seoul
02-1600-1661

2019 revenue (unit: USD)

732million
* Consolidated basis USD 750 million

With the launch of gas ovens in the Korean market in 1985, SK magic began business as a premium kitchen appliances company. The business gradually expanded to include gas ranges, electric ranges, dishwashers, water purifiers, air purifiers and bidets. The home appliance business is taking advantage of the powerful brand name to carve out the largest market share in dishwashers and electric ovens. The Company is spearheading the market with innovative products evidenced by the successful launch of the smart ‘Super Cook,’ a gas range

equipped with IoT, and hybrid electric ranges. The home rental business has been showing robust growth since the Company introduced, in Korea, the first JIKSOO Water Purifier, the first UV Sterilization Bidet, and the first AI air purifier. The Company’s innovation is apparent in its winning multiple awards, namely, the Inno Star, the Green Star, and the CES Innovation Award. Today, the Company is delivering the best service via ‘Safe Care Service’ which provides clean water and clean air.

SK rent-a-car

Business area
Car rental

www.skcarrental.com
503 Bongeunsa-ro, Gangnam-gu, Seoul
1599-9111

2019 revenue (unit: USD)

550million

SK rent-a-car started with a small fleet of 150 cars in 1988 and has achieved annual average growth of 23%, propelled by offering unmatched services such as ‘total car life service’ and ‘digital technology combined business models.’ SK rent-a-car was the first company in Korea to launch a long-term rental car service that does not require a deposit and the first company in Korea to commercialize EV rental. SK rent-a-car also released IoT-based ‘Smart Link’ which helps corporate customers efficiently manage their fleet. As such, the Company has always garnered attention for launching products and

services that fulfill the needs of and creates value for customers. Moreover, ‘SK long-term rental car direct’ service that utilizes AI and VR technologies is becoming increasingly popular amid the recent zero-contact trend. SK rent-a-car was dubbed no. 1 by the NCSI in 2018 for the rental car service category and won the KS-WEI (Korea Standard Well Being and Environment Index) for eight consecutive years in 2019. As the only KOSPI-listed company in the industry, SK rent-a-car is continuing efforts to enhance value.



SK E&C

Business area
Infrastructure, architecture and housing, plants (oil and gas, energy technology, high tech)

www.skec.co.kr
SK E&C Building, 32 Insadong, 7-gil, Jongro-gu, Seoul
02-3700-7114

2019 revenue (unit: USD)

6.7billion
* Consolidated basis USD 7.8 billion

SK E&C was founded in 1977 and has since continued growth and development by showing outstanding ability in many different fields including infrastructure, architecture, housing and plants. The Company is currently undertaking 50 projects in 25 countries and has 15 overseas subsidiaries and 24 overseas branches. In the plant business, SK E&C is continuously participating in new projects as the top business partner of customers at home and abroad based on an exceptional track record of quality, safety, low cost and high efficiency plant construction in the oil, gas, energy technology and high-tech industries. The Company is pursuing business model innovation by venturing into fuel cell, eco-friendly and high value-added industrial plants enabled by outstanding construction and project

development capabilities. In infrastructure, SK E&C is enhancing the quality of human life by executing development projects and contracted projects in Korea and overseas including the U.K, Turkey, the U.A.E., and Hong Kong, leveraging strengths in key areas such as underground and transport infrastructure. The architecture and housing business strives to deliver state-of-the-art architectural residential environments propelled by the highest quality and technology. SK E&C is increasing the share of eco-friendly and urbanization projects while at the same time working to boost productivity by innovating business models and proactively adopting smart construction. SK E&C will concentrate all efforts to cement the foundation of growth while fulfilling social responsibility.

New growth engines
Unrivalled capabilities in global development projects and underground development

SK E&C is conducting multiple PPP (Public Private Partnership) projects in new global markets by linking with Company’s projects where it holds technological lead such as tunnels and underground development. SK E&C successfully completed the construction of and is currently operating the Eurasian Submarine Tunnel, which connects the Europe and Asia of Turkey. The Canakkale suspension bridge, the world’s longest suspension bridge upon completion, is currently under construction as is scheduled for completion in 2022. The Company is also working on the Silvertown tunnel project, a tunnel under the southern part of the Thames River, and has recently concluded the financial agreement for the construction of the Almaty Beltway project in Kazakhstan.



SK biopharmaceuticals

Business area
Global innovative new drug development

www.skbp.com
221 Pangyoeyeok-ro, Bundang-gu, Seongnam-si,
Gyeonggi-do
031-8093-0114

2019 revenue (unit: USD)

106million

SK biopharmaceuticals has delivered one achievement after another in new drug development since 1993 when the Company was founded as a next generation growth driver of SK Group. In 1996, SK biopharmaceuticals became the first company in Korea to win U.S. approval for the clinical trial of an investigational new drug. The Company then focused on developing central nervous system disorder treatments, an area of high unmet need. In 2019, the Company won U.S FDA approval for the independently developed anti-epileptic drug Cenobamate (U.S. brand name: XCOPRI®), the first for a Korean company. Today, SK biopharmaceuticals is presenting the way forward with the success in singlehandedly commercializing Cenobamate in the U.S., the world’s largest pharmaceuticals market. As the only Korean company to ever win FDA approvals for two new drugs (Cenobamate and Solriamfetol), SK biopharmaceuticals will

work to create a virtuous cycle of economic value and maximize social value by developing innovative new drugs in areas of high potential including central nervous systems and cancer treatment and carrying out late-phase global clinical trials. The Korean, U.S. and Chinese subsidiaries of the Company are spearheading development and commercialization of new drugs while strengthening partnerships to springboard onto the global stage. The Life Science Research Institute in Pangyo Techno Valley, Gyeonggi province, formulates research and project development plans and conducts basic research for the development of innovative new drugs. SK life science, the New Jersey subsidiary, works on global clinical development and directly executes marketing. SK Bio-pharm Tech Co., Ltd, the Shanghai subsidiary, is seeking opportunities for strategic partnerships for new drug development.

New growth engines
Cenobamate
(U.S. brand name: XCOPRI®)

Cenobamate is the first new drug independently developed by a Korean company to ever win U.S. FDA approval. This innovative drug is an FDA-approved treatment of partial-onset seizures in adults – a type of epilepsy experienced by 65 million patients globally and is currently being sold in the United States. SK biopharmaceuticals signed a USD 500 million licensing agreement for the commercialization of Cenobamate in Europe.



SK pharmteco

Business area
API production

12460 Akron Street Suite 100,
Rancho Cordova, CA, 95742, U.S.A.

2019 revenue (unit: USD)

476million

* Combined non-consolidated revenue of three subsidiaries, may differ from disclosed information

SK pharmteco is a global CMO (Contract Manufacturing Organization) company. In 2019, SK biotek and SK biotek Ireland were incorporated as subsidiaries under SK pharmteco to create synergy within the Group and integrate CMO competencies. SK pharmteco, with networks in Korea, Ireland and the U.S., is an active CMO player in the global pharmaceutical landscape. SK biotek has secured global pharmaceutical companies in the U.S., Europe and Japan as major clients based on differentiated technology, and has passed the onsite audit of the U.S. FDA (Food and Drug Administration) and Japanese PMDA (Pharmaceuticals and Medical Devices Agency) to be acknowledged for exceptional quality management. SK biotek Ireland was established as the result of acquiring the API production facilities of BMS (Bristol-Myers Squibb) located in Ireland.

The transaction allowed the Company to lay the cornerstone for additional CMO business growth by securing outstanding production facilities and professionals along with long-term supply contracts with global pharmaceutical companies. In 2018, SK Group acquired AMPAC (AMPAC Fine Chemicals, LLC) a major U.S. CMO player, to respond to changing preferences of global pharmaceuticals which were leaning toward CMOs located in developed countries. AMPAC has a diverse array of specialized technologies and an exceptional track-record of audits by regulatory authorities such as the FDA and the DEA (Drug Enforcement Administration), and the acquisition gave the Company a production and distribution foothold in the U.S., one of the two largest markets in the global arena, alongside Europe.

New growth engines
Outstanding production facilities and professionals

SK pharmteco has six production sites across Europe, North America and Korea and has experience in audits from regulatory authorities of developed markets and the production ability to flexibly respond to the needs of global pharmaceutical companies. Given the recent tightening of regulation in developed markets on quality and the preference of global pharmaceutical companies for CMOs in developed markets, the audit experience and production capabilities are contributing immensely to business growth. In addition, the Company is able to produce highly advanced products based on the many specialized technologies that cannot be easily obtained by competitors such as continuous processing, energetic chemistries treatment and controlled substances production, which are all helping the Company build strong trust with customers.

