



About This Report

Reporting Scope

This report covers S-OIL's operations in Korea from January 1 through December 31, 2023, including the Head Office in Seoul, Onsan Refinery in Ulsan, terminals, and sales offices. The reporting coverage is 100% on the basis of total sales. All performance indicators and related data cover four-year trends, from 2020 to 2023, and material managerial changes partially cover 2024, which is the year the report is published. Data that is subject to frequent changes, such as information on human resources, was reported as of December 31, the last day of each fiscal year, with footnotes provided where necessary. Financial data was drawn in compliance with the Korean International Financial Reporting Standards (K-IFRS).

Reporting Guidelines

This report has been prepared in accordance with the GRI standards 2021, and with reference to the IFRS Sustainability Disclosure Standards of the International Sustainability Standards Board (ISSB) in the areas of governance, strategy, risk management, and metrics and targets for material issues. The 'Response to Climate Change' section follows the TCFD recommendations, and separate annotations have been added where the Company's own management standards have been applied.

Assurance

The reliability of this report has been verified on the basis of the international assurance standards AA1000AP(2018) and ISAE3000 by an independent and objective assurance organization. The independent assurance statement can be found in the Appendix of this report.

Communication with Stakeholders

At S-OIL, ESG management starts from communication with its stakeholders. S-OIL conducted surveys, interviews, and met with stakeholders to understand their expectations, while top management has presented the Company's management policies to stakeholders.

Additional Information & Inquiries

This report and additional information on S-OIL's ESG management can also be found on the Company's website (www.s-oil.com). Please contact the Sustainability Management Team for any inquiries or further information about the report.

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CEO Message



“ Recognizing the power of ESG in the Company's financial and non-financial values S-OIL makes it a central part of the Company's strategic framework and daily operations to contribute to sustainability of all stakeholders. ”

Dear stakeholders,

I would like to express my gratitude to all of you for your unwavering support to S-OIL. Despite the escalating geopolitical tensions and economic uncertainties that surrounded our business last year, our dedication to ESG management remained steadfast. Indeed, we transformed our commitment into concrete actions by embedding ESG principles throughout every aspect of our operations.

This is evident from the remarkable progress we have made in ESG management. In the process of preparing the Company for future energy transition through Shaheen Project, which aims at expanding S-OIL's chemical yield to 25%, we managed to secure green loan in recognition of the Project's low carbon footprint driven by a combination of minimum carbon emission and maximum energy efficiency. Our efforts towards less carbon emissions will last even after we complete the Project in the middle of 2026 as we will rigidly follow the Decarbonization Roadmap to achieve the Korean government's 2030 NDC and 2050 Net Zero.

The key strategies we implemented to reduce carbon emissions set out in Decarbonization Roadmap resulted in the Company outperforming carbon reduction target in 2023. We will build on the momentum by focusing on the levers such as low carbon utilities, hydrogen and CCUS selected based on economics and technological maturity along the decarbonization pathway.

Our care for people is represented by the variety of HR initiatives dedicated towards forging a healthy work environment where our employees feel satisfied, aspire to unlock their full potential and

stay engaged. To this end, we introduced new skills-based training programs and made performance-based HR a key part of our corporate culture defined by excellence. Recognizing employee safety and health as another key part of our never-ending ESG journey, we added 'safety reinforcement' on top of 'chemical expansion', 'profitability enhancement', 'green advancement' and 'operational excellence' as our strategic targets.

Our approach to serving the communities also endured as one of the Company's shared values. Throughout the year, we reached out to neighbors in need in the communities where we live and work, honored those who make this world a safer and a better place to live and shared our warmth. As a responsible and warm-hearted corporate citizen we aim to slowly but surely bring about positive changes in our society.

I am pleased that our constant commitment to ESG was duly credited by such prestigious institutions as Dow Jones Sustainability Index, which listed the Company in DJSI World Company, and Korea Corporate Governance Service, which rated us A+ in ESG evaluation.

S-OIL recently defined "constantly innovate the value of resources for cleaner, more convenient and sustainable human life" as our corporate mission and our reason for existence. Guided by this mission, we will keep the promise of offering sustainable energy solutions and living in harmony with all our stakeholders. Thank you.

Representative Director & CEO
Anwar A. Al-Hejazi

Top Management Message



Bong-Soo Park

President /
Head of Operations

We are making progress in Transformation and S-imoms Project to enhance efficiency of existing businesses and profitability based on our creative and innovative ideas. We are committed to consolidating company-wide capabilities to bring Shaheen Project to success.

Despite changing business environment, S-OIL’s operational efficiency and profitability remain high thanks to our constant innovation. Transformation Program aimed at driving profitability across the processes is currently underway based on collaboration with our major shareholder Saudi Aramco. We are also improving process reliability and efficiency through S-imoms Project which we are implementing to build digital refinery. Our continuous investment to enhance energy efficiency is enabling us to save energy cost and reduce carbon emissions across processes.

S-OIL is focusing on successful execution of Shaheen Project, leveraging its innovative capabilities. Shaheen Project will commercialize TC2C™ (Thermal Crude to Chemical) technology that converts crude oil into high value-added petrochemical products for the first time in the world and build a steam cracker with the largest ethylene production capacity on a single unit basis. This will diversify our business portfolio to petrochemicals as it will raise the Company’s petrochemical yield from 12% to 25%, thereby taking us to the next level of excellence in domestic petrochemical industry.



Yul Ryu

President /
Head of Corporate
Strategy & Services

We are committed to achieving a competitive advantage in the eco-friendly era through decarbonization initiatives and international certification for green products. Our focus is on promoting sustainable growth through ESG activities in collaboration with our stakeholders.

All members of S-OIL are making utmost efforts to drive ‘Sustainability into Action’ throughout ESG management. We will aggressively seek various low carbon solutions in the mid-to-long term by taking into account technological maturity and economic feasibility of CCUS, hydrogen and other new energy businesses to achieve our strategic goal towards green growth. As part of such efforts, we recently began treating bio feedstocks and waste plastic pyrolysis oil for low-carbon, circular products for which we obtained international sustainability certification. In doing so, S-OIL is effectively keeping itself aligned with trends in the circular economy. With a firm belief that all employees and officers are core assets for sustainable growth, S-OIL is dedicated to offering fair and performance-based evaluation and compensation. In the face of a rapidly changing business environment, we will maintain high employee satisfaction by fostering a work environment where every member can actively engage themselves and proactively respond to the changes.

Furthermore, we strongly support contractors in enhancing their ESG competencies through consulting, and collaborate with external stakeholders to foster mutual prosperity. We also carry out special CSR programs aimed at creating shared value with local communities. S-OIL will remain committed to listening to stakeholders for mutual growth, thereby lay a solid foundation for sustainable growth.



Jong-Bum Ahn

President /
Head of
Marketing & Sales

We will solidify our position as the ‘supplier of choice’ by offering top quality, best service and reasonable price. By putting together our marketing expertise, we will successfully deliver Shaheen Project.

S-OIL keeps customer satisfaction as the first and foremost value. Our constant efforts include enhancing marketing strategy through a complete CRM system overhaul for deeper customer engagement. We also redesigned mobile application in a more customer-friendly way. By upholding ‘integrity’, which is one of the Company’s core values, we adhere to the principles of fair market competition and protect consumer interest to uphold our reputation as the trusted brand. Despite challenging market conditions, S-OIL is maximizing profit through the expansion of sales outlets, collaborations with global customers and term agreements with strategic partners.

For the successful execution of Shaheen Project, we will leverage years of marketing expertise. and resources. This includes enhancing technical support for petrochemical business, acquiring new customers and improving logistics infrastructure. At the center of this lies the new TS&D (Technical Service & Development) Center, completed in 2023, to meet diverse customer needs for products and technical solutions. Going forward, we will remain committed to fostering sustainable relationships with customers that extend beyond product sales. This will reinforce our leadership position in the industry and drive collaborative growth with stakeholders.

Top Management Message



Ju-Wan Bang

CFO

We are committed to meeting the expectations of our stakeholders through enhancing corporate value by efficiently allocating resources, maintaining stable financial structure to support sustainable growth, and proactively responding to strengthened ESG disclosure.

S-OIL has maintained stable financial structure even in a volatile business environment based on efficient budget control, optimized financing and financial flexibility. We successfully secured long-term facility loan and shareholder loan at a very competitive interest terms and conditions to support Shaheen Project, which is at the center of our sustainable growth. While minimizing financing cost through efficient management of working capital and maintaining a high corporate credit rating, S-OIL has established and implemented a stable long-term financing plan. In addition, we have established and operated an enterprise risk management system to preemptively respond to rapidly changing business environment and mitigate potential risks. S-OIL closely communicates various stakeholders, including shareholders and creditors on the Company's strategies and future business direction. Our commitment to building trust with stakeholders and fostering sustainability of the Company is evident through fair distribution of earnings, transparent disclosure of business information and compliance with disclosure regulations. In response to reinforced domestic and international ESG-related regulations including mandatory ESG disclosure, S-OIL will strive to upgrade internal control procedures and system and to communicate our ESG management efforts more effectively to the market and all stakeholders.



Seung-Pyo Hong

CSO

Putting priority on safety, we are intensifying safety awareness among employees & officers of S-OIL and contractors as well in pushing forward our policies to foster and build a safety culture.

Safety is an uncompromised value that underpins every decision that S-OIL makes. To this end, everyone at S-OIL collaborates with each other to prevent safety incidents by introducing various new safety systems, programs and technologies. In 2023, we initiated Safety Theme Audit and Safety Observation Program to identify best practices and non-compliance through internal and external inspections. By strictly applying rewards and penalties based on inspection outcomes, we are embedding safety into our daily operations. Additionally, we are utilizing various digital technologies such as e-work permit and real time gas monitoring to enhance incident prevention and ensure compliance. As part of our contractor support program, we extend the Company's safety and health system to contractors, elevating their safety standards to align with our own. Under the philosophy of 'Healthy People, Healthy Organizations', we have implemented health checkup, mental health counseling, job stress relief, as well as weight loss programs aimed at enhancing employee wellbeing. As a result of these efforts, S-OIL became the first domestic refiner to have obtained KOSHA-MS certification, a Korean safety and health management system. Moving forward, we will continue to build the safest worksite by complying with related regulations and procedures through investment and dedication.



Won-Ki Cha


Head of Legal & Compliance HQ

We will minimize compliance risks through proactive measures in response to increasingly strict ESG regulations. Our governance remains transparent supported by a robust compliance and ethics management system.


In alignment with the global trend towards tightening ESG regulations, S-OIL is operating a system to address legal risks in advance and continuously enhance related practices. This enables us to preemptively assess ESG-related risks on the environment, occupational safety, natural capital and corporate governance as we pursue our long-term growth strategies. Lately, we are placing particular emphasis on occupational safety in executing large projects and key business initiatives. Through adherence to global standards such as ISO 37301 and ethics management system, S-OIL is committed to creating a culture of compliance and ethics. We strive to achieve this through ongoing legal education, guidance, and information sharing across organizations. S-OIL has also established a governance where checks-and-balances are assured by independent Board of Directors (BOD) with expertise and its sub-committees including ESG Committee. On this solid foundation, the BOD reviews and oversees the Company's management according to rules and regulations. Moving forward, we will continuously strive to achieve sustainable growth by responding to both domestic and international ESG regulations and risks, promoting compliance and ethics management, and upholding transparent governance standards.

Corporate Profile

S-OIL is dedicated to fulfilling its responsibilities as a respected corporate citizen by meeting the needs and expectations of its diverse stakeholders.



No. of employees
3,242 people



Total assets
KRW
21.576 trillion

Business Sites

- Seoul Head Office: marketing, finance, administration, etc.
- Onsan Refinery: production & shipping
- 15 Terminals/depots: product storage & shipping
- 2 District Biz HQs, 19 domestic & 3 overseas offices: product sales

Subsidiaries

- S-International Ltd.: 100%-owned crude oil trading broker
- S-OIL Singapore Pte. Ltd.: 100%-owned base oil trading and marketing support service provider
- S-OIL TotalEnergies Lubricants Co., Ltd.: A lube oil production & sales JV with 50% + 1 share, strategic alliance with TotalEnergies, France

Fuel Business

Since S-OIL began commercial operations of its first oil refinery in 1980, it has grown into a major oil refining company with a production capacity of 677,000 barrels per day after three major capacity expansions. Proactively responding to evolving market conditions, such as the growing demand for light oil products and tightening environmental regulations, S-OIL has operated the Bunker-C Cracking Center (BCC), a large-scale upgrading facility capable of converting all products into light and low-sulfur products, since 1996, ahead of the competitors. The BCC, which produces valuable light oil products from high-sulfur heavy oil products, has been hailed as a turning point in the history of Korea's oil refining industry, transforming it from a simple manufacturing industry to a high value-added, export-oriented one. In addition, the successful completion of the Residue Upgrading Complex & Olefin Downstream Complex (RUC/ODC) Project in 2018 significantly augmented its capability to produce high-value products, such as gasoline and propylene from low-cost residual oil, further enhancing the profitability of the fuel business. Since the initial operation phase, S-OIL has focused on exploring overseas markets beyond Korea, playing a crucial role as a light oil supply hub in the Asia-Pacific region with world-class facilities. Currently, S-OIL exports high quality, environmentally friendly petroleum products to all parts of the world, including regions with stricter regulations such as the US, Europe, and Oceania, as well as neighboring countries in Asia to generate profits in overseas markets.

Lube Business

S-OIL made an aggressive investment in the capital- and technology-intensive lube base oil business at the time of its establishment in 1976. By succeeding in localizing the production of base oil, which had previously been entirely dependent on imports, S-OIL has led both the domestic and international base oil markets to this day. S-OIL has a production capacity of 45,700 barrels per day at its #1 Lube Base Oil Plant (Group I

and Group II base oil) and #2 Plant (Very High VI Group III base oil). S-OIL is the only company in Korea that offers a full line-up of Group I / II / III lube base oil products and is positioned as one of the world-class manufacturers supplying premium lubricating base oils to global markets, not only in Asia but also in the EU and North America. Since entering the lube oil business in 1989, S-OIL has continuously innovated, consolidating its position as a leading company in the lubricants market. In response to market demand, S-OIL has been diversifying its lubricant product portfolio, and in 2019, unified its lubricant brands under S-OIL SEVEN, enhancing its status as a premium brand across a wide range of products. Currently, lubricant exports are handled directly by the Company, while domestic sales are mainly conducted through S-OIL TotalEnergies Lubricants Co., Ltd, a joint venture established with TotalEnergies Marketing & Services S.A. in 2008.

Petrochemical Business

In 1991, S-OIL laid the foundation for diversifying its business into the petrochemical sector with the commercial operation of a naphtha reforming unit and BTX production unit to increase the added value of its products. In 1997, S-OIL completed the construction of the world's largest paraxylene production facility with a capacity of 700,000 tons per year, signaling its entry into the petrochemical sector. In 1997, S-OIL also began producing 200,000 tons per year of propylene from the residue fluidized catalytic cracking unit, expanding its business scope in the petrochemical sector and gaining a competitive advantage in the downstream petrochemical business. In 2011, S-OIL completed the construction of the #2 Aromatic Complex, which consists of aromizer units that produce BTX, a raw material for petrochemical products, and the #2 Xylene Center, which produces paraxylene, a raw material for synthetic fibers. The start-up of the #2 Aromatic Complex more than doubled its production capacity to 1.85 million tons per year of paraxylene and 700,000 tons per year of benzene. Moreover, in 2018 the

Production Capacity, Products & Sales (unit: KRW in trillion)

Facilities	Production Capacity	Sales	Products
Total Sales		KRW 35.73 trillion	
Fuel Business			
Crude Distillation	677,000 B/D	KRW 28.26 trillion	Gasoline, Diesel, Kerosene, Aviation fuel, LPG, Heavy oil, Asphalt
Bunker-C Cracking	313,000 B/D		
Bunker-C Desulfurization	192,000 B/D		
Diesel & Kerosene Desulfurization	118,000 B/D		
Lube Business			
aramcoULTRA (Group-III base oil)	32,000 B/D	KRW 3.08 trillion	—
aramcoPRIMA (Group-II base oil)	10,600 B/D		
aramcoDURA (Group-I base oil)	3,100 B/D		
Petrochemical Business			
Para-xylene	1,850,000 tons/year	KRW 4.38 trillion	—
Benzene	700,000 tons/year		
Propylene	220,000 tons/year		
Ethylene	180,000 tons/year		
Propylene oxide	360,000 tons/year		
Polypropylene	405,000 tons/year		

Company successfully ventured into the downstream olefins business through the RUC/ODC project, with an annual production capacity of 360,000 tons of propylene oxide and 410,000 tons of polypropylene, thus achieving world-class competitiveness in petrochemicals beside its existing fuel and lube businesses. Far from complacency, in 2022 S-OIL decided to invest in the Shaheen Project, its second-phase investment in petrochemical expansion, with groundbreaking in 2023. The Shaheen project represents the biggest domestic petrochemical project in Korea supported by Aramco, one of the world's largest integrated energy and chemicals companies. Major units include the world's largest steam cracker (production capacity: 1,800 KTA of ethylene), a TC2C facility which converts crude directly into petrochemical feedstock (LPG and Naphtha), a polymer facility that produces high value petrochemical feedstock for plastics and other synthetic resins, and other facilities including storage tanks. When completed, the project is expected to more than double the Company's petrochemical production from the current 12% of total production to 25%, playing a key role in diversifying the Company's fuel-weighted business. Through this project, S-OIL will not only expand its petrochemicals business, but also proactively respond to the future energy transition.

Strategic Management of Mid- and Long-Term Risks

S-OIL conducts annual mid- to long-term business environment analyses, quarterly risk assessments and monitoring, and horizon scanning of key financial and non-financial risk factors. By analyzing and forecasting changes in internal and external business landscape, which could have a significant impact on the Company, through the system, S-OIL proactively establishes and implements corresponding strategies to address these changes. According to the '2024 Global Risk Report' recently published by the World Economic Forum, climate and environment risks have a considerable impact on the global economy, with five (extreme weather events, critical change to Earth systems, biodiversity loss and ecosystem collapse, natural resource shortages, and pollution) out of the top ten risks related to climate and environment. This has led to a tightening of climate change/environmental regulations at the national or regional level in recent years, as well as a longer-term trend toward decarbonization/energy transition. In response, S-OIL has identified 'renewable fuel market growth' as one of its strategic mid- to long-term risks through the macro environment analysis and industrial environment analysis. Renewable fuels are expected to replace conventional fuel demand, driven by a variety of global carbon reduction regulations. One example is the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) of the International Civil Aviation Organization (ICAO), which is expected to be mandated in 2027 and drive sustainable aviation fuel (SAF) demand to approximately 1.3 million bpd by 2035, or 15% of total aviation fuel demand. To meet the market demand for environmentally friendly products, S-OIL became the first Korean refinery to obtain ISCC CORSIA certification, which officially ensures products as CORSIA-eligible sustainable aviation fuels, thus paving the way for the Company to sell biofuels in the global market, including Europe. Furthermore, the Company is also considering the mass production of SAF after 2028by constructing a dedicated SAF plant. Secondly, S-OIL recognizes sustainability related supply chain due diligence obligations as a med- to long-term strategic risk. In particular, under the EU's Corporate Sustainability Due Diligence Directive, if the Company meets the turnover threshold set by EU legislation, it will be required to comply with due diligence obligations regarding environmental and human rights issues within the supply chain starting in 2029. Failure to comply could result in a penalty of at least 5 percent of the Company's worldwide turnover for the preceding fiscal year, and S-OIL has therefore classified it as a significant potential risk. As a way to mitigate this risk, S-OIL closely monitors local due diligence regulatory trends around the world and establish supply chain ESG management system through advisory support safety enhancement for suppliers and ESG management capability assessments of suppliers to prepare for future due diligence requirements.

S-OIL's Sustainability Management System

S-OIL's ESG management starts with stakeholders' expectations. The Company strives to deliver business performance and maximize stakeholder value by first identifying what stakeholders expect and what the Company needs to do to meet their expectations, and then incorporating them into corporate policies.



Value Creation

Inspired by the spirit of creative challenge and passion, S-OIL creates economic value through the stable supply of high quality fuels and raw materials across core business areas such as transportation fuel, lube oil, and petrochemicals, and shares the value with stakeholders along the way to contribute to the national economy and social development.



①
Crude Oil
223.4 million barrels

②
Production
225.8 million barrels
Fuel products

12.5 million barrels
Lube products

22.4 million barrels
Petrochemical products

* Economic value created: The total economic contribution made by a company over a certain period, calculated by deducting certain costs from revenues.

③
Transportation
KRW **341.7** billion
Logistics cost

④
Marketing & Sales
27.1 %
Market share for domestic retail light oil products
48 %
Share of exports to overseas markets

⑤
Economic Value Created
KRW **2,084.6** billion

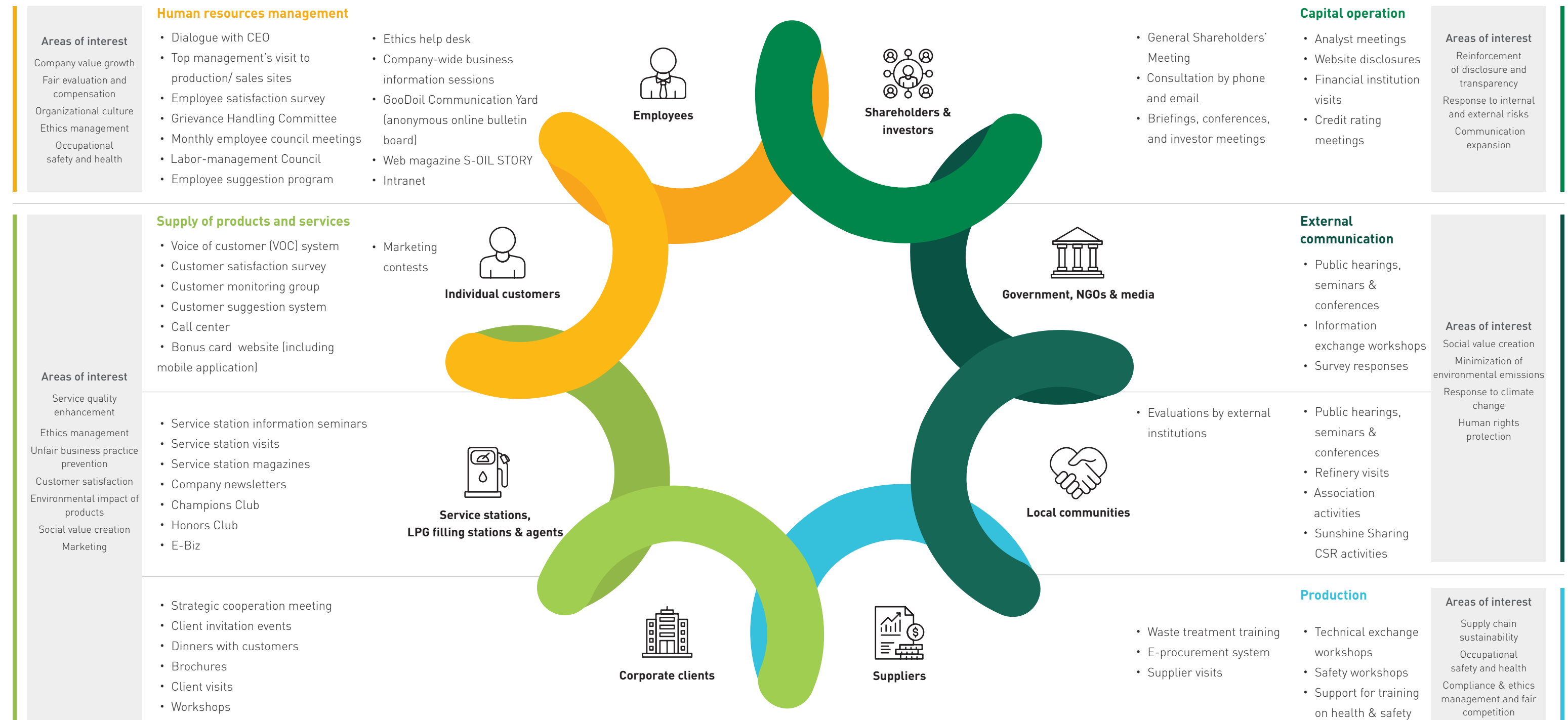
⑥
Economic Value Distributed

KRW 678.0 billion Employees (labor cost)	KRW 198.0 billion Shareholders (dividend)	KRW 9.6 billion Local communities (social contribution)
KRW 33,008.8 billion Suppliers (procurement)	KRW 182.9 billion Government (corporate tax)	KRW 70.2 billion Environment (environmental investment)

Stakeholder Engagement

S-OIL operates various stakeholder engagement channels based on the characteristics of each group to better identify their needs and expectations. S-OIL then develops and implements action plans aligned with its strategic directions and corporate initiatives to fulfill these expectations. The results are reviewed, analyzed, and incorporated into management activities.

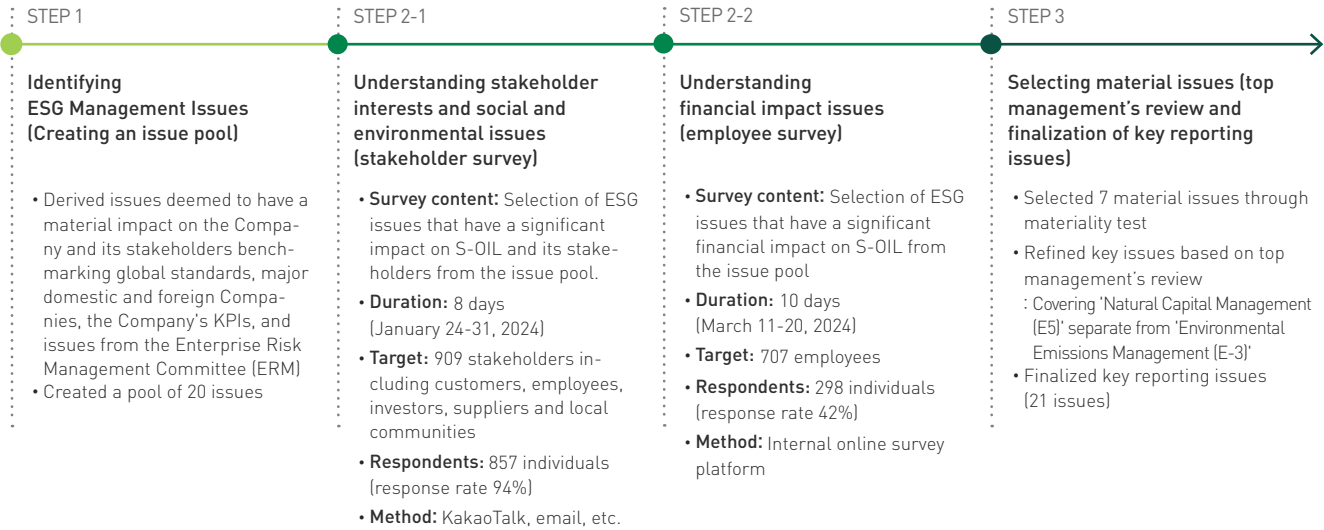
S-OIL's Business Activities and Stakeholders



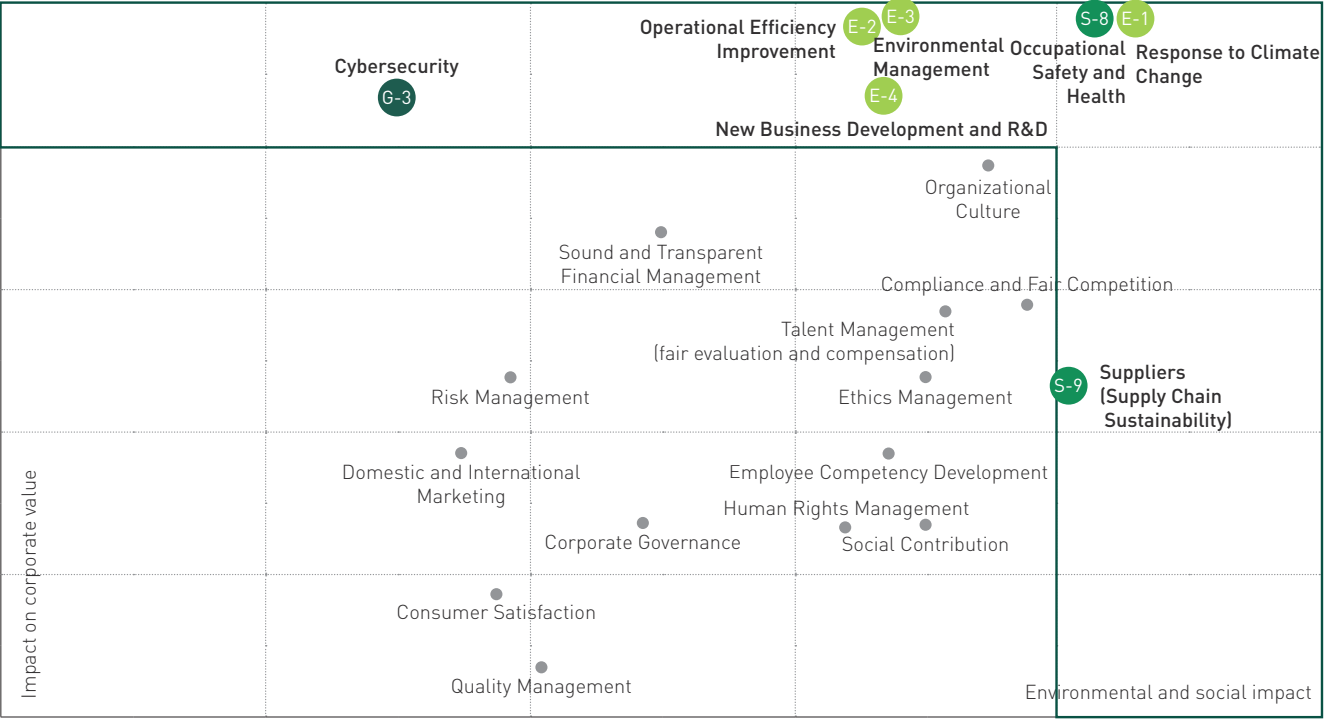
Materiality Test

S-OIL's ESG report addresses economic, environmental, and social issues from a double materiality perspective, based on the Company's ESG management system and global reporting guidelines. Double materiality is the concept that a company should consider both the impact of its management activities on the Company and the impact of external ESG-related factors on the Company's financial position. On this basis, an annual materiality assessment is carried out with input from stakeholders, and this year 21 issues have been identified as having a material impact on the Company's management of ESG issues.

Materiality Test Process



Materiality Test Results



Activities and Achievements on Key Issues (7 total)

Key Issue	Achievement	Reporting Page	GRI Index
<div>E-1</div> Response to Climate Change	<ul style="list-style-type: none">Implemented 35 carbon reduction initiativesParticipated in Clean Development Mechanism (CDM) projects in Myanmar and Bangladesh	24-28	GRI 11.1 GRI 11.2
<div>S-8</div> Occupational Safety and Health	<ul style="list-style-type: none">Achieved DNV safety culture score of 8.5TRCF* 0.088 pointsBecame the first Korean refinery to obtain KOSHA-MS certification for Korea safety and health management systemAchieved the highest P grade in the PSM evaluation by the Ministry of Employment and Labor	77-80	GRI 11.9
<div>E-3</div> Environmental Management	<ul style="list-style-type: none">Controlled total air pollutant emissions at 4,440 tons0.03% of fugitive emissions source leakage rate0 violations of environmental laws and regulations36.2% water recycling rate	34-38	GRI 11.3 GRI 11.5 GRI 11.6
<div>E-2</div> Operational Efficiency Improvement	<ul style="list-style-type: none">Implemented Transformation project aimed at maximizing company profits	29-33	GRI 11.1
<div>E-4</div> New Business Development and R&D	<ul style="list-style-type: none">Commenced co-processing of waste plastic-based pyrolysis oil and other bio-based feedstocksSigned LOI with Saudi Aramco to purchase low-carbon ammoniaDeveloped 5 new PP productsConducted 3 joint research projects with external organizations and filed 16 patents	39-43	GRI 11.2
<div>S-9</div> Suppliers (Supply Chain Sustainability)	<ul style="list-style-type: none">Conducted periodic risk assessments for all suppliersESG training completed by all employees in procurement divisionConducted briefing sessions for suppliers and meetings with outstanding suppliers twice a yearSourcing satisfaction rating 9.4 points (406 companies)Identified 114 new suppliers	81-83	GRI 11.10 GRI 11.12
<div>G-3</div> Cybersecurity	<ul style="list-style-type: none">Post-audits for ISMS-P certificationIT cybersecurity maturity level 3.3/5.0OT cybersecurity maturity level 1.6/3.0	100-102	GRI 418

* TRCF (Total Recordable Case Frequency): Rate of recordable injuries for employees and contractors per 100 full-time workers

Stakeholder Interviews

S-OIL engages with its stakeholders through various communication channels. Prior to publishing the ESG report, interviews with stakeholders were conducted to get their views on the Company's ESG management. Following are some excerpts from the interviews.

In what ways do you think S-OIL's ESG commitments have influenced your loyalty and purchase decisions?

I believe that S-OIL's active ESG management makes customers feel that we are making a positive impact on society through value conscious consumption with the simple act of purchasing products. The Company has obtained an overall rating of A+ from the Korea Institute of Corporate Governance and Sustainability in recognition of its efforts in various environmentally friendly activities, such as actively participating in carbon reduction initiatives and investing in circular economy projects rather than avoiding from environmental issues. In addition, the Company's involvement in CSR through the Ulsan Welfare Foundation helps to enhance its reputation among customers.

Hyung-Gu Ahn Customer(GooDoil Friends)

How does your work contribute to S-OIL's ESG goals?

The HR Division takes an active role in talent development to ensure maximum employee engagement and satisfaction, and strives to continually enhance our benefits. Recognizing that diversity fosters innovation and creativity in the organization, S-OIL recruits talented people aligned with the Company's core values through a hiring process that emphasizes fairness and diversity.

In addition, we conduct an internal human rights surveys, analyze the results to narrow the perception gap between generations and genders, and provide ongoing training to reinforce an organizational culture of mutual respect. I believe these efforts help elevate employee satisfaction and, in turn, the Company's overall performance and ESG achievements.

Ore um Manager, Personnel Team

Do you have any goals you would like to achieve in the future through your partnership with S-OIL?

Hallym Burn Foundation has been receiving support from S-OIL for the past four years. In 2024, we expanded the scope of support to cover medical expenses for low-income burn patients of all ages and launched a program to help people with burn disabilities become self-sufficient. Based on such a solid partnership, we aim to reduce the time required for treatment and social reintegration to three years, from the current seven years.

Se-Hee Hwang Hallym Burn Foundation

How have your tasks contributed to the implementation of the Company's decarbonization roadmap?

In line with the Nationally Determined Contribution (NDC) set by the Korean government, S-OIL has set a target of 'reducing carbon emissions by 35% from the 2030 BAU' and has established a decarbonization roadmap that takes into account both technological maturity and economic feasibility to achieve this target. For the implementation of the roadmap, employees have voluntarily proposed and implemented various initiatives, the most notable being the carbon capture and utilization (CCU) project, which was successfully completed in June 2023 in collaboration with the other company. This achievement has made a significant contribution to the Company's ESG goals, and in the future, employees will continue to successfully implement other initiatives planned under the roadmap, and will aggressively pursue other initiatives to reduce the Company's carbon footprint.

Seung-Hee Park / Senior Manager, Facility Planning Team

How have recent ESG trends impacted your company and S-OIL?

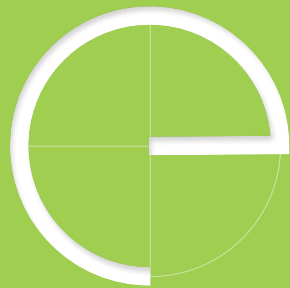
As corporate social responsibility has come to the forefront, there is an increasing demand for companies to improve supply chain transparency, which is essential to building a sustainable supply chain. The proactive risk management system has also become essential in an uncertain economic environment. To meet these requirements, Emro has partnered with S-OIL to develop an AI-based supply chain management system designed to be embedded into S-OIL's enterprise processes. In this way, Emro will strive to create a sustainable ecosystem of supply chain management for companies like S-OIL.

Seung-Rok Kim VP at emro

What does S-OIL mean to you?

Since 1999, my family has been running an S-OIL service station. Over this long period, S-OIL has become like a family to me. S-OIL's excellent service and quality, which my family has experienced for generations, has greatly contributed to Dolphin Service Station's growth with customers love. I look forward to creating more sustainable operations through continued co-growth with S-OIL.

Min-Ho Joo Dolphin Service Station



ENVIRONMENT



S-OIL implements the systematic environmental management aimed at sustainable development. This includes reinforcing the climate change strategies and introducing high-efficiency facilities that improve operational efficiency.

S-OIL is also working to realize cleaner production processes and further reduce its environmental impact through effective management. On the research and development front, S-OIL is focusing on the development of high value-added plastic materials and clean technologies to promote green transition. At the same time, S-OIL is exploring new approaches to the management of natural capital in order to protect biodiversity and ensure the sustainable use of resources.



Key Issues		Report Subject	Aspect	Major Stakeholders
Response to Climate Change ★	E-1	Response to Climate Change	Energy, Emissions, Economic Performance, Customer Health and Safety (S-OIL internal/external)	Employees, Shareholders & investors, Local communities, Government
Operational Efficiency Improvement ★	E-2	Operational Efficiency Improvement	Energy, Emissions, GHG emissions, Economic Performance, Materials, Energy (S-OIL internal)	Customers, Employees, Shareholders & investors
Environmental Management ★	E-3	Environmental Emissions Management	Water and Effluents, Waste, Asset integrity and critical incident management, Waste, Environment Compliance (S-OIL internal)	Shareholders & investors, Local communities, Government
New Business Development and R&D ★	E-4	New Business Development and R&D	Economic Performance, Materials, Energy (S-OIL internal)	Employees, Shareholders & investors
Environmental Management ★	E-5	Natural Capital Management	Biodiversity, Materials (S-OIL internal/external)	Shareholders & investors, Local communities, Government

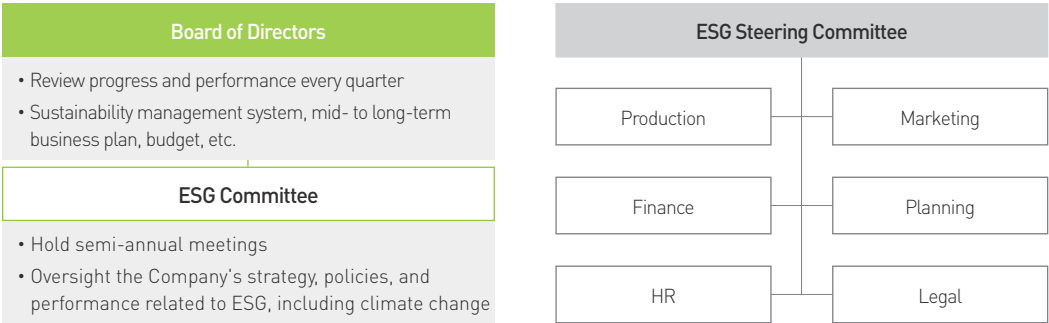
E-1 Response to Climate Change



WHY IS THIS IMPORTANT?

Climate change has profound ecological, economic, and social impacts worldwide. Following the international agreement on climate change, Paris Agreement in 2015, the Framework Act on Carbon Neutrality and Green Growth took effect in Korea in 2022, requiring companies to take practical and concrete steps to reduce carbon emissions. As the energy and chemical industry will be significantly and unequivocally affected by increased environmental regulations and the energy transition, addressing climate change will be critical to companies' competitiveness.

GOVERNANCE



S-OIL has set green advancement in response to climate change as one of its strategic goals, and the Board of Directors, the highest decision-making body, reviews the progress and performance on a quarterly basis. Detailed implementation tasks for climate action are reflected in the Company's sustainable management system, mid- to long-term business plans, and budgets, and are set by the Board of Directors. The Company regularly reviews and analyzes the gap between climate-related targets and actual performance, and develop concrete measures to achieve targets. In addition, S-OIL held three executive workshops in 2020 to respond to climate change and enhance its sustainable management system, and in 2021 the Company established an ESG Steering Committee composed of executives from each function, including production, marketing, finance, planning, human resources, and legal, to review, evaluate, and make decisions on ESG KPIs and other key issues at regular quarterly meetings. In 2022, the Company established the ESG Committee under the Board of Directors, which was formally approved at the 2023 Annual General Meeting. The ESG Committee oversees the Company's overall strategy, policies, and performance on ESG issues, including climate change, and meets regularly semi-annually.

STRATEGY



S-OIL considers various scenarios related to climate change when developing its mid- to long-term strategy, and gives primary consideration to the scenario of Korea's Nationally Determined Contributions (NDCs), which aim to limit the global temperature increase to well below 2°C above pre-industrial levels. Based on this, the Company forecasts mid- and long-term emissions and reduction requirements and implement a comprehensive emissions management plan with cost-effective countermeasures. Furthermore, S-OIL has established a decarbonization roadmap to achieve carbon reduction by 35% compared to 2030 BAU, and is promoting low-carbon investments that take into account both technology readiness level and economic viability, while developing business models that can serve as new growth engines. The Company also operates an Enterprise Risk Management (ERM) sys-

STRATEGY

tem that systematically and regularly analyzes a wide range of potential risks in a rapidly evolving business environment and uses it to identify the risks and opportunities associated with climate change.

Climate-related Risks and Opportunities		Climate change-related risks and opportunities		Timeframe*	Financial Impacts	Responses
<div><div></div> Positive</div> <div><div></div> Negative</div>	Transition Risks - policies and regulations	Emissions trading scheme	Short-term/ Mid-term	<div><div></div> Decrease in free allocation → Increased burden of carbon reductions and higher emission allowance purchasing costs</div> <div><div></div> Sale of surplus emission allowances by further reducing carbon emission</div>	<div><div>•</div> Introduce energy efficiency facilities such as waste heat recovery units and gas turbine generator</div> <div><div>•</div> Develop a long term plan on carbon credit purchase based on Korea's NDCs and the Company's decarbonization roadmap</div>	
			Mid-term/ Long-term	<div><div></div> Increase in global regulatory compliance costs including EU CBAM and US CCA</div>	<div><div>•</div> Establish carbon emissions calculation system for each product</div>	
		Stricter climate disclosure regulations	Short-term/ Mid-term	<div><div></div> Decreased corporate value and increased litigation costs due to insufficient climate information disclosure, poor progress in low-carbon transition, etc.</div>	<div><div>•</div> Comply with climate disclosure standards under the EU Corporate Sustainability Reporting Directive (CSRD)</div> <div><div>•</div> Share guidelines and policies to prevent greenwashing across the Company</div>	
	Transition Risks - markets	Declining demand for fuel/lube products and growing demand for low-carbon products	Short-term	<div><div></div> Increased sales of circular economy products</div>	<div><div>•</div> Produce biofuels and circular products from biomass and waste plastic pyrolysis oil</div> <div><div>•</div> Obtain the International Sustainability and Carbon Certification (ISCC) for the Company's product lineup</div>	
		Mid-term/ Long-term	<div><div></div> Decrease in demand and sales due to global regulations such as the ban on sales of ICE vehicles and the carbon offsetting and reduction scheme for international aviation</div> <div><div></div> Cost reduction in the adoption and investment in CCUS technology, biofuels, and recycling technologies</div>	<div><div>•</div> Identify new CCUS business opportunities in existing processes</div> <div><div>•</div> Expand and develop new energy businesses such as hydrogen business, renewable fuel, etc.</div>		
<div><div></div> Acute</div> <div><div></div> Chronic</div>	Physical Risk	Heat waves	Short-term/ Long-term	<div><div></div><div></div> Delays in turnaround & inspection and higher chiller costs</div> <div>* All SSP scenarios are projected to exceed 20 °C as early as 2026</div> <div>* Heat wave days are also predicted to exceed 30 days in the 2060s under SSP 5-8.5 scenarios, reaching up to 96.4 days in 2100</div>	<div><div>•</div> Provide facilities to prevent health hazards and slowdowns for outdoor workers during summer months</div>	
		Precipitation	Short-term	<div><div></div> Increased operating costs due to river flooding and disruptions to plant operations due to increased precipitation intensity and peak precipitation</div> <div>* SSP 5-8.5 scenario predicts over 350 mm of precipitation in 2026</div>	<div><div>•</div> Strengthen risk response manual for stronger typhoons and heavy rains</div> <div><div>•</div> Conduct maintenance of wastewater discharge facilities</div>	

* Short-term risk: 1-2 years
mid-term risk: 3-5 years
long-term risk: 6-10 years

Shared Socioeconomic Pathway (SSP): A pathway that applies changes in future socioeconomic systems such as population, economy, and energy use by 2100, based on the level of radiative forcing and preparedness for future climate change. (SSP 1-2.6: A scenario where greenhouse gases are significantly reduced, reaching carbon neutrality around 2070, SSP 5-8.5: A scenario where greenhouse gas emissions continue at levels similar to the present.)

STRATEGY

Advanced Carbon Management System

S-OIL operates an IT-based carbon inventory system to identify, record, calculate and report carbon emissions generated by its business activities for systematic carbon management. The system reflects changes in government regulations in real time and ensures data accuracy and reliability through internal verification and independent external assessment. Through regular maintenance of measurement and analysis equipment, the Company maintains the highest standards in the industry with advanced monitoring capabilities. The Energy Conservation & Operation System (ECOS) evaluates the Company's energy use and identifies areas for improvement, which are then incorporated into processes to save energy and reduce carbon emissions. S-OIL also has revised internal procedures through top management meetings to strengthen the efficiency of carbon management and to integrate climate change issues into investment decisions by considering the internal carbon costs not only for major new investments, but also for small and medium-scale process improvements. In addition, to enable cost-effective regulatory responses, a medium- to long-term plan on carbon credit purchase has been established, projecting future emissions and available credits based on the national emission target.

Minimization of Direct and Indirect Carbon Emissions

Improving Energy Efficiency and Installing Low-Carbon Utilities | To minimize direct and indirect carbon emissions from operations, S-OIL is continuously investing in the use of energy-efficient heat exchangers, waste heat recovery, process efficiency improvements, and offsite low-carbon steam. The Company is also working to implement gas turbine generation using clean gas fuel.

Expanding Carbon Capture, Utilization and Storage (CCUS) Business | S-OIL has been producing carbonated products such as liquid carbon dioxide and dry ice for beverages by capturing and utilizing approximately 100,000 tons of carbon dioxide from hydrogen production in cooperation with a neighboring company. In addition, the Company generated a profit of KRW 280 million in the four months of 2023 by completing construction early and doubling the amount captured.

Carbon Capture Project



Carbon Emission Reduction Projects at Home and Abroad

S-OIL joins global efforts to respond to climate change by participating in overseas carbon credit projects. In 2019, S-OIL decided to invest in a project to distribute free high-efficiency cookstoves in Myanmar. The stoves are more energy efficient than burning wood for fuel, reducing carbon emissions and, most importantly, enriching the quality of life for Myanmar's people, who are affected by drought, flooding, typhoons, and severe air pollution that lead to many deaths every year. Also in 2020, S-OIL participated in a project to build community drinking water facilities to provide safe drinking water to villagers who did not have access to public water supplies and had to boil their water by burning wood. Since 2021, S-OIL has built a total of 20 drinking water facilities, reducing carbon emissions by reducing the amount of wood that would otherwise be used to purify water, improving the human rights of women and children who fetch and purify water themselves, and contributing to improved health conditions such as the prevention of water-borne diseases. S-OIL plans to participate in various carbon emission trading initiatives both at home and abroad to secure additional carbon credits under an evolving carbon trading scheme. At the same time, the Company will continue to diversify into low-carbon, eco-friendly businesses as a way to reduce the carbon intensity of the overall sales and mitigate climate change risks.

Carbon Reduction Initiatives with Stakeholders

Employees	Consumers	Association memberships for Paris Agreement compliance
<ul style="list-style-type: none">• Encourage active participation in energy and carbon reduction by turning best ideas into projects and expanding incentives.• [2023] Awarded CO₂ capture expansion project with neighboring company• [2023] Contributed to the Company's profitability and carbon emission reduction with stable sales of approximately 300 tons of CO₂ per day	<ul style="list-style-type: none">• Raise awareness of carbon emissions reduction through various activities• [2023] Introduced e-receipt on mobile application as the first refiner	<ul style="list-style-type: none">• Make annual decisions about activities and memberships based on their potential to make a lasting positive impact on the environment• Reconsider joining an association that does not comply with the Paris Agreement or engages in activities that may harm the environment, and work to mitigate the effects of climate change

RISK MANAGEMENT



Integration of Climate Risks into ERM

S-OIL has integrated climate change risk identification and assessment processes into the ERM system for systematic management. In 2020, S-OIL raised the importance of climate change risk in line with accelerated efforts to achieve carbon neutrality and strengthened the process of identifying, assessing, monitoring, and responding to risks. The Sustainability Management Team, as the risk owner for climate change, performs a quarterly quantitative assessment of climate-related issues and establishes a risk response process. In addition, the ERM Committee, composed of senior executives including the CEO, conducts a final review of risk management activities, including climate change, on a quarterly basis, determines necessary responses, and makes decisions on company-wide risk management policies.

RISK MANAGEMENT

1) Aqueduct Water Risk Atlas: A map of global water risk by region based on 13 indicators related to quantity, quality, and regulation developed by the World Resources Institute.
2) Riverine flood risk: the percentage of the expected population affected by flooding in an average year, accounting for the existing flood protection standards.

METRICS & TARGETS



Risk Identification	Risk assessment	Risk Response
<ul style="list-style-type: none">Perform environmental change analysis in the political, economy, market, technology, social, and legal categories	<ul style="list-style-type: none">Evaluate the relative importance of risks based on the Risk Assessment Matrix, which is built around the probability and impact of each riskSustainability Management Team (risk owner): Conduct quantitative assessment of climate-related issues every quarter	<ul style="list-style-type: none">Establish a process within ERM to ensure the rapid and effective implementation of risk mitigation controls on a company-wide basis in the event of a risk with a material impact on the CompanyERM Committee: Conduct a final review of risk management activities including climate change every quarter, plan necessary responses and make decisions on risk management policies

Disaster Response Activities

S-OIL is well aware of the physical risks posed by climate change. In particular, the Onsan Refinery is exposed to high physical risks due to high riverine flooding stress, as shown by the risk monitoring using the World Resource Institute’s (WRI) Aqueduct Water Risk Atlas. In response, S-OIL has implemented a proactive disaster response system.

By monitoring data from the Korea Meteorological Administration and responding in a timely manner, the system is designed to minimize the impact of natural disasters such as typhoons, storms, heavy rains, earthquakes, and tsunamis, which can cause disruptions in production and crude oil supply, as well as environmental pollution.

The reduction of carbon emissions has been identified as one of the key performance metrics for the achievement of strategic objectives, and to reduce emissions, facility investments and carbon emissions status are regularly monitored and the results are incorporated into the performance evaluation of all executives and team leaders.

In particular, short-term carbon abatement initiatives are reflected in company-wide KPIs to closely manage their implementation and progress, while medium- and long-term plans to reduce carbon emissions are updated on an annual basis in the ESG Roadmap in light of changes in global carbon emission policies. Based on the mid- to long-term operating plan and the NDC scenario, S-OIL has set a quantitative target of ‘carbon reduction by 35% compared to 2030 BAU’. The Company has established a specific roadmap for achieving the target and are implementing it in stages by prioritizing actions based on feasibility and economic viability, including technological maturity. The Company has also developed KPI indicators, including carbon intensity and carbon abatement and monitor the implementation of carbon reduction measures on a monthly basis.

Category	2023 Targets	Performance in 2023	2024 Targets	Mid/Long-term Targets
Strategic carbon response	• Expansion of direct carbon emissions reduction	• Implemented 35 carbon reduction initiatives (-249 ktCO ₂ eq)	• Expansion of direct carbon emissions reduction	—
	• Overseas CDM project development	• Participated in CDM projects in Myanmar and Bangladesh	• Domestic/ overseas CDM project development	—
Carbon Intensity (t/kCWB)	6.27	6.27	6.26	—
Carbon Abatement (ktCO ₂ eq)	-190	-249	-60	• carbon reduction by 35% compared to 2030 BAU

Operational Efficiency Improvement



WHY IS THIS IMPORTANT?

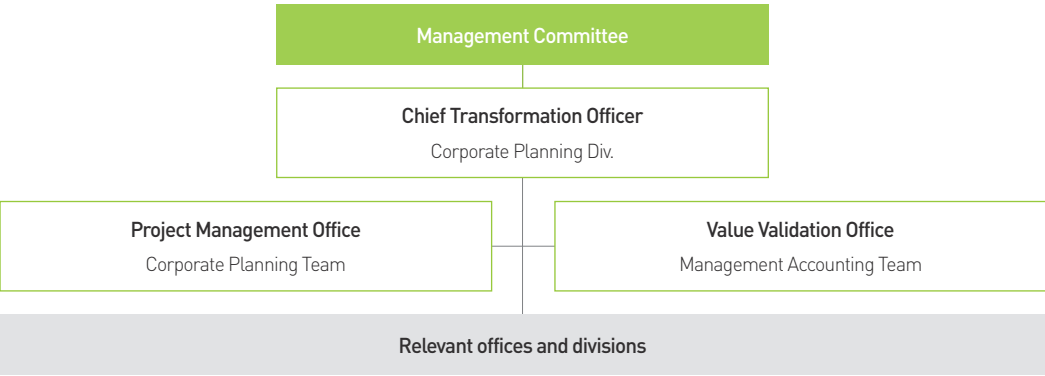
Increasing operational efficiency through efficient investments is essential for a company to stay profitable and competitive in a fiercely competitive landscape. From a long-term perspective, investments in energy efficiency and energy transition are in line with stakeholder interests and social responsibility. Further, the adoption of Fourth Industrial Revolution technologies, such as digital transformation and artificial intelligence (AI), is a key strategy for sustainable growth as it contributes to greater security and cost reduction.

GOVERNANCE



S-OIL’s Downstream Transformation Program, launched in 2022, is an ongoing, enterprise-wide effort to improve operational efficiency and profitability across all business areas. Each function voluntarily identifies and implements initiatives and then measures their performance. The Project Management Office aggregates the performance of each initiative and manages it as an enterprise KPI, while the Value Validation Office validates performance. The performance and progress of the Downstream Transformation Program is regularly reported to top management and the Board of Directors by the Corporate Planning Division, the Chief Transformation Office. This systematic process ensures that the program is not a one-time event, but rather a continuous effort to optimize operational efficiency and profitability.

Downstream Transformation Governance



As for the Refinery, the Refinery Minor Investment Analysis and Screening Committee is held on a regular basis, and various investment activities are evaluated for their potential contribution towards efficient operations and improved profitability. In addition, the S-OIL Integrated Manufacturing Operations Management System (S-IMOMS) project is underway to improve safety and work efficiency by moving towards a digital refinery that will integrate the major systems within the refinery.

STRATEGY



Downstream Transformation Program

In the face of rapidly changing market conditions and external factors beyond the control, it is critical to identify and execute revenue-generating opportunities to drive sustainable growth. The Downstream Transformation program has been launched to identify and drive additional value creation opportunities across the organization to improve the competitiveness of existing operations. The program, developed through studies with leading consulting firms, has enabled the Company to identify, establish, and implement cost-effective initiatives. While implementing the initiatives, S-OIL also tracks their contribution to profitability, both in terms of improving margins and reducing costs. In 2023, the Company integrated the Downstream Transformation program with the Unplanned Profitability Management program to execute profitability improvement activities more systemically.

Profit Improvement Suggestions and Communication Activation

In order to strengthen its efficiency and competitiveness, S-OIL continues to implement systematic profit improvement measures throughout the entire process, from crude oil procurement to product manufacturing and shipment. To this end, the Company uses various channels, including the company-wide employee suggestion system, to solicit and implement creative ideas for improving profits, which may include improving facilities, introducing new technologies, optimizing operating conditions at production facilities, increasing production capacity for high-value-added products, reducing fuel consumption, adjusting product mix ratios, etc. S-OIL has created an environment in which employees are free to propose new ideas at any time through the dedicated Profit Improvement Suggestion System. The Company also operates a separate Employee Suggestion Program (ESP), which allows employees to freely submit ideas to encourage innovation across the Company. Since 2017, S-OIL has been recognizing and rewarding teams that actively engage in profit improvement activities so as to motivate employees. Rewards are presented twice a year to each of the 16 teams, in the first and second halves of the year. The Company has also implemented the S-OIL Refinery Improvement Communication Hub (S-RICH) system to reference and utilize best practices from previous profit improvements and are working to display the system on the Decision Support & Visualization (DSV) dashboard, one of the digital transformation projects.

Activities to improve energy efficiency

S-OIL has made operational efficiency one of its strategic goals, and is practicing energy management with the aim of achieving the first quartile of the Solomon Fuel Energy Intensity Index (EII)* in the Asia-Pacific region. To achieve the goal, S-OIL operates an Energy Management Program to reduce energy costs, secure cost competitiveness, and reduce carbon emissions. Through this program, the Company monitors energy performance and conducts regular reviews through energy gap analysis. In addition, the Company strives to continuously reduce energy consumption and improve efficiency, through external energy consulting as well as through in-house energy saving initiatives developed by engineers.

Monitoring & Gap Analysis	Energy Saving Activity
<ul style="list-style-type: none">• Energy performance monitoring through real-time energy dashboard (ECOS)• Energy performance gap analysis through regular review<ul style="list-style-type: none">- Daily EII Report, Weekly EII status review, Monthly KPI review- Quarterly performance review by energy session- Yearly Company wide EII Review, etc.	<ul style="list-style-type: none">• In-house development of energy saving ideas through refinery-wide collaboration• Energy saving study in consultation with external experts• New energy saving initiatives• Introduction of External Energy Source

* Solomon Fuel Energy Intensity Index (EII): a petroleum refinery energy efficiency metric that compares actual energy consumption for a refinery with the standard energy consumption for a refinery of similar size and configuration.

Gas Turbine Generators (GTG) Installation | S-OIL has been preparing to invest in new self-generating facilities that will run on clean natural gas to generate clean electricity and produce steam by recovering waste heat. The Company completed the feasibility study in 2022 and basic design in 2023. The self-generation facilities are expected to be more efficient than the electricity supplied by KEPCO, thereby reducing carbon emissions, and improving air quality. By using all the electricity generated by the GTGs, S-OIL can also contribute to the stability of the national power supply.

External Electricity Energy Saving Consulting | S-OIL has signed a contract with a specialized energy consulting company to provide power saving services at the refinery from the second half of 2023 as a way to proactively respond to changes in the energy environment, such as the rising unit cost of electricity. The Company aims to improve energy efficiency and reduce energy costs at the refinery by implementing various ideas for saving electricity.

Education to Raise Awareness of Energy Consumption Reduction | S-OIL conducts activities aimed at raising awareness among employees to promote cultural change for energy optimization and consumption reduction. Key activities include distributing posters on energy savings throughout the entire plant, introducing energy-saving technologies through dedicated sessions, and awarding teams with significant energy-saving practices and those with numerous energy-saving proposals at the end of the year. Through these efforts, the Company aims to enhance employees' awareness of energy conservation.

Digital Transformation (DT) Roadmap Implementation

S-OIL promotes digital transformation initiatives that leverage the core technologies of the Fourth Industrial Revolution. A three-year digital transformation roadmap was established in 2020, and projects were implemented through 2023. Subsequently, the Company established a new roadmap from 2024 to 2026 and selected digital transformation tasks relevant and impactful to the organization by researching latest technology trends and best practices, with the goal of further increasing work productivity and reducing costs. In the process of developing the roadmap, the Company analyzed existing digital transformation directions and status quo, and identified various digital projects that could be applied to the industry. This led the Company to define and prioritize 19 digital transformation projects based on their strategic importance and ease of execution. On the basis of these assessments, a three-year implementation plan for the projects has been drawn up, and the Company will continue to monitor their progress.

Launch of Digital Refinery Project and Adoption of 4IRT | Since 2018, S-OIL has been working on the 4th Industrial Revolution Technology (4IRT) initiative as a strategy for the acceleration of the Digital Refinery. Through technology research, the Company has identified 38 applicable items and are rolling them out sequentially in the refinery. At the same time, the Company is constantly on the lookout for new technologies for the Digital Refinery by understanding the trends in the market and by responding to technological advances in the industrial field through exchanges with other companies. S-OIL has already adopted 4IRT technologies, including drone inspection, smart helmets and intelligent CCTV, to build a safe and efficient digital refinery. Also, in 2023, seven technologies, including facial recognition, worker positioning device, and robotic process automation (RPA), have been rolled out with a focus on preventing accidents and casualties while improving work efficiency. Other technologies, such as ultrasonic cameras and digital locks, are being applied on site, and various other technologies, such as four-legged robots, AI vision, and forklift safety control systems, are being studied in depth.

RISK MANAGEMENT



S-OIL recognizes lagging behind in digital transformation as a major risk to the Company, which refers that business value is not created and corporate competitiveness is weakened due to failure to timely implement digital transformation using Fourth Industrial Revolution technologies. To address this risk, the Big Data team in the IT Division, which is the risk owner, performs risk management activities, including assessing the risks, and reports the results to the risk owner. The risk owner, the Head of IT Division, then presents the results of the risk assessment to the ERM Committee, which consists of top executives, including the CEO. The ERM Committee carries out regular risk response activities on a quarterly basis and takes the necessary decisions in the event of a crisis. In particular, if a digital transformation project is delayed for more than three months due to adverse conditions in the internal and external business environment, the ERM committee is informed, and the team managing digital transformation projects reviews the progress and reports the results to Risk Management Team. The risk management team prepares a plan for change to the digital transformation master plan and reports it to the risk owner, who then presents it to the ERM committee for approval. Once approved, the revised plan is implemented in coordination with the Digital Transformation team.

METRICS & TARGETS



Downstream Transformation and Profit Improvement Activities Metrics and Targets

The business environment in 2023 has been more challenging than ever due to the ongoing Russia-Ukraine war and escalating geopolitical crises in the Middle East, leading to energy price volatility for crude oil and natural gas and a global economic downturn. Despite these challenging conditions, S-OIL achieved significant results in 2023 by increasing the production of high-value-added products, improving product yields, saving energy, and optimizing product shipments. Since 2013, the Company has consistently engaged in activities to identify and manage profit improvement items, making it increasingly difficult to discover new items. However, through the Downstream Transformation program, the Company plans to continue and intensify its profit improvement activities to enhance the Company's competitiveness.

Category	2023 Targets	Performance in 2023	2024 Targets	Mid/Long-term Targets
Reinvigorating Employee Suggestion Program	Revitalizing the program	218 participants, 888 proposals submitted	Revitalizing the program	Revitalizing the program

Energy Efficiency Improvement Metrics and Targets

S-OIL strives for continuous energy savings and efficiency improvements through energy consulting from external experts and own energy-saving ideas discovered by in-house engineers. Additionally, S-OIL analyzes the before-and-after performance of energy-saving measures and prepares internal reports to document the improvement effects. The Company also compiles and manages monthly results for energy-saving items to continuously verify the effectiveness of its energy conservation efforts. In 2023, the Company achieved the target for the year by discovering energy saving ideas equivalent to an annual EII improvement of 0.68. In 2024, S-OIL will continue to explore new energy improvement opportunities through its internal activities and external consulting, with a focus on reducing production variable costs and reducing carbon emissions.

Category	2023 Targets	Performance in 2023	2024 Targets	Mid/Long-term Targets
Identifying ideas for EII improvement	Idea discovery equivalent to annual EII improvement of 0.3	Discovered ideas equivalent to annual EII improvement of 0.68	Idea discovery equivalent to annual EII improvement of 0.2	Achieving EII 1st quartile in Asia-Pacific region

Digital Transformation Metrics and Targets

The key to successful digital transformation is to implement projects without delay according to the established roadmap. That is why the Company has set 'DT project implementation' as a corporate KPI and report progress and plans to the Company's top management on a monthly basis. Therefore, the Company systematically monitors the progress of digital transformation projects in the pipeline and ensures transparency on achieving key objectives across the organization. Specifically, the Company manages the progress of digital transformation projects against plan as a corporate KPI, and in 2023, all four planned projects were delivered with 100% adherence to timelines. For 2024, S-OIL has 10 digital transformation projects in the pipeline, and is on track to implement them on time.

Digital Refinery I Through the DT project, in which S-OIL benchmarks Saudi Aramco for the implementation of S-imoms, an integrated digital platform, the Company aims to transform business processes by leveraging the latest digital technologies to improve safety, reliability and efficiency in refinery operations, reliability & integrity and compliance. S-OIL's goal is to successfully complete the first phase of S-imoms by launching a total of 13 solutions by early 2024, driving innovation in the Digital Refinery. By setting quantitative indicators as KPIs, the Digital Transformation team tracks the progress of the S-imoms project.

Category	2023 Targets	Performance in 2023	2024 Targets	Mid/Long-term Targets
S-imoms Project progress score (%)	100	100	100	100

Environmental Emissions Management



STRATEGY



Environmental Pollutant Emissions Management

S-OIL has been operating the Environmental Management Dashboard System since 2021 to proactively respond to the strengthening of environmental laws and regulations. The system visualizes various environmental indicators, such as pollutant emission concentration, emission volume, and wastes disposal status, and provides real-time data, thus improving the accessibility of environmental data for users. The Company also proactively responds to environmental regulations by updating the system in real time with major legal and regulatory revisions and regular statutory audit schedules.

Air Quality Management | S-OIL has more stringent internal emission standards than the legal requirements in order to improve the air quality in local communities.

Key activities related to air quality

Key activity	Description
Minimizing SOx / NOx / dust emissions	<ul style="list-style-type: none">Replaced all heater and boiler fuel since 2018 (Bunker-C → Fuel gas)Operating wet scrubber / dry scrubber (electric/filtering)Installing Ultra Low NOx Burner (ULNB), Selective Catalytic Reduction (SCR), etc.
Reducing and better managing volatile organic compounds	<ul style="list-style-type: none">Installing Regenerative Thermal Oxidizer (RTO) and Vapor Combustion Unit (VCU)Installing leak prevention facilities (sealing devices, leakage prevention materials, etc.) in internal floating roof storageOperating Leak Detection and Repair (LDAR) system for fugitive emissions* of hazardous air pollutants (HAPs) throughout the entire process, including storage, shipping, etc.2023 Performance: Achieved a leak rate of 0.03% against the Company's own leak baseline of 500 ppm
Voluntary agreement to reduce air	<ul style="list-style-type: none">Targeted 40% reduction from 2014 level by 2022 & Final results exceeded target by 66.7%.Aiming to reduce emissions by 40% compared to 2016 level by 2024
Other initiatives	<ul style="list-style-type: none">Reducing pollutant emissions through environmental investments (e.g., energy efficiency improvements and facility upgrade) and efficient operation of pollution prevention facilities2023 Performance: Met the emission quota granted under the Air Pollutant Emission Cap established in 2020.Planning to meet the quota in 2024 by reinforcing the management of prevention facilities

*Fugitive Emissions: leakage of pollutants into the atmosphere from equipment, transmission pipes, seals, valves, etc., other than through a normal outlet such as chimneys or vents.

Water Quality Management | S-OIL engages in a number of environmental protection activities to minimize its impact on water quality in the waters surrounding the refinery and to conserve water resources.

Key activities related to water quality

Key activity	Description
Reducing water pollutant emissions and complying with legal standards	<ul style="list-style-type: none">Operating wastewater treatment facilities reliably to minimize impact on surrounding watersRemoving contaminants through physical, chemical, and biological processes to treat wastewaterEnsuring thorough preparedness for emergencies by transmitting water quality data in real-time to administrative agencies via Tele-Monitoring System (TMS)Expanding heavy summer rainwater storage facilities and introducing a separation system for rainwater and wastewaterStrengthening monitoring of 32 specific substances harmful to water quality including Cu and Pb as well as general water pollutantsMinimizing water quality impacts to public water bodies by establishing strict management standards, expanding analysis categories, and conducting internal/external analysis of cooling tower blowdown water discharged directly to the outside, beginning in 2023.
Minimizing water usage growth and increasing reuse	<ul style="list-style-type: none">Removing H₂S and NH₃ from sour water generated from the production process and reusing or reclaiming it in the production processMonitoring and managing water usage and recycled water on a regular basis

WHY IS THIS IMPORTANT?

Government and local communities place greater expectations and emphasis on companies to promote environmental stewardship as environmental accidents and pollutant emissions increase globally. Systematic environmental management has become increasingly important in the energy and chemical industries in particular, as companies are likely to be exposed to various environmental issues throughout their business activities, including the handling, production, transportation and distribution of raw materials and products. Maintaining public health and regulatory compliance is also critical to corporate sustainability.

GOVERNANCE



Environmental Management System

S-OIL has set the establishment of 'Proactive Green Management' as the Company's top environmental policy. To this end, the Company produces high-quality, environmentally friendly products by continuously improving processes and environmental facilities and introducing new technologies, while also striving to acquire pollution abatement facilities such as desulfurization and denitrification units, advanced wastewater treatment facilities, and dust collection facilities. Since 1996, the Company has practiced the highest level of environmental management by obtaining the first ISO 14001 environmental management system certification for all production processes and completing the 9th renewal in 2023, and has expanded the scope of certification to terminals to apply and manage the environmental management system throughout the process until the final product is shipped. In 2023, environmental training was provided to about a thousand employees to acquaint them with environmental laws and regulations and the Company's environmental management policies and systems.

Environmental Policy

S-OIL has established and operates an advanced environmental management system under the principle of preventive green management that prevents environmental hazards and risk factors at every stage of business operation. In addition, the Company complies with the following environmental policies with the cooperation of stakeholders such as customers, suppliers and employees.

1. The Company shall comply with the environmental laws and regulations of the region in which the Company operates its business, establish strict internal standards that are above legal standards, and adhere to the standards.
2. The Company shall minimize the environmental pollutants (air pollutants, water pollutants, soil pollutants, hazardous chemicals, etc.) created in the production processes or business facilities through the improvement of efficiency, etc. and prevent potential environmental accidents including oil spill.
3. The Company shall develop, manufacture and sell highly efficient products that minimize environmental impact on consumers.
4. The Company shall minimize greenhouse gas emissions from the distribution process through efficient logistics system operation and prevent environmental accidents such as leakage.
5. The Company shall treat wastes safely and environmentally, and improve waste reuse.
6. The Company shall consider environmental factors when selecting suppliers and do not receive products and services from suppliers that can cause severe environmental pollution while expanding green purchasing.
7. The Company shall improve the environmental performance of affiliated companies such as JVs and subsidiaries, and also consider environmental factors in capital investments such as mergers and acquisitions.
8. The Company shall actively support and participate in environmental protection activities such as biodiversity conservation.

STRATEGY

Soil Quality Management | In order to prevent soil contamination at the refinery and terminals, including oil storage facilities, S-OIL conducts regular internal inspections and accept statutory inspections. The Company also systematically improves facilities, such as the installation of pipes on the ground instead of underground. In addition, when building or rebuilding service stations, the Company applies the concept of clean, environmentally friendly service stations by using double tanks and double piping to prevent oil leaks, and leak detection and alarm systems to quickly prevent the spread of contamination in the event of a leak.

Hazardous Chemical Management | S-OIL complies with the standards for handling hazardous chemicals and associated facilities in accordance with the Chemical Substances Control Act. The Company also enhances its response capability in the event of a chemical accident through regular emergency drills. Additionally, the Company implements thorough accident prevention and response activities through the 'Prevention and Management of Chemical Accidents' by creating accident scenarios for the hazardous chemicals usage, calculating the extent of the impact, preparing a summary of chemical accident risks and emergency response information, and notifying the local community once a year. In 2023, the Company thoroughly implemented the approved chemical accident prevention management plan and chemical substance permit, and strengthened its chemical accident prevention and response capabilities through external inspections.

Wastes Management | S-OIL strives to consistently reduce wastes disposal and increase wastes recycling through strict segregation of wastes storage and treatment, thus promoting sustainable resource cycles. Fire detectors and water sprinklers have been installed in wastes and wastes catalyst storage facilities to prevent potential fire accidents and contamination during the wastes storage process.

Approval of Integrated Environment Permits by the Ministry of Environment and Subsequent Activities

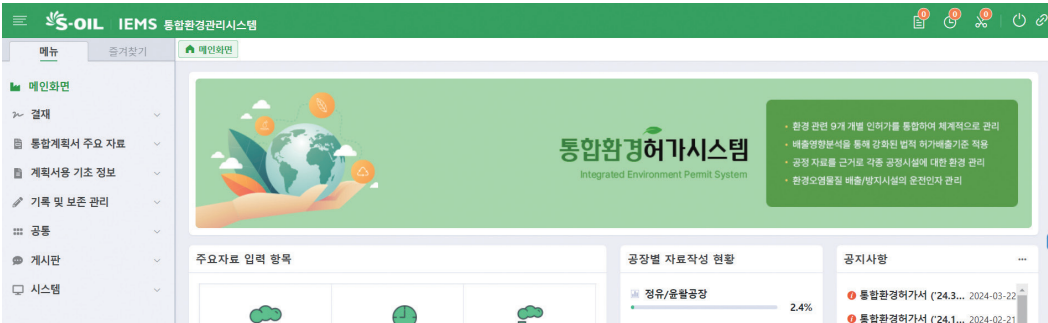
Pursuant to the Act on the Integrated Control of Pollutant-Discharging Facilities, S-OIL obtained the 'Integrated Environment Permits' from the Ministry of Environment (MOE) in December 2022. The integrated environment permit was introduced to solve the problems of environmental permits under existing sector-specific environmental regulations. It consolidates about 10 environment-related permits into one integrated environment permit, while applying customized emission standards that take into account the impact on the surrounding area of the business site to conduct integrated and systematic environmental management.

S-OIL has improved various environmental facilities and complied with the enhanced emission permit and management standards under the integrated permit. To maintain compliance with laws and regulations and to minimize the generation of pollutants, the Company plans to make further improvements to the facilities.

In 2023, the Company developed an IT-based Integrated Environment Management System (IEMS) to systematically and efficiently manage items required by law to be submitted to the MOE for follow-up activities under the law.

The IEMS has improved work efficiency by automatically completing approximately 1,900 process facility operating parameters that were previously completed manually, and contributes to environmental compliance by preventing risks of non-compliance such as failure to meet legal submission deadlines and incorrect or missing data.

IT-based IEMS



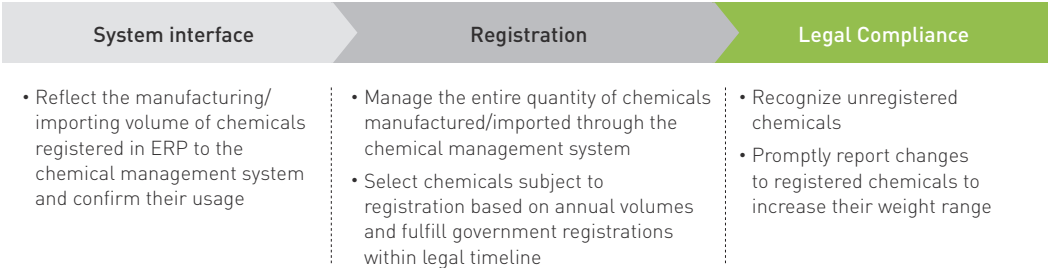
Environmental Impact Assessment and Environmental Compliance

S-OIL has been recognized as an environmentally friendly company that faithfully complies with the Environmental Impact Assessment Act and fully considers possible environmental impacts on neighboring areas. When undertaking new projects and large-scale construction, the Company evaluates the impact on its facilities and surrounding areas through an environmental impact assessment company. This assessment helps the Company incorporate pollution reduction measures into the design, and periodic measurements of air, water, biodiversity, and soil quality are conducted for follow-up management. The results of the environmental impact assessment are submitted to the administrative authorities before the start of the project, and follow-up environmental impact assessments are carried out during and after the project to minimize any environmental impact.

S-OIL proactively responds to environmental policies and regulations in accordance with the environmental policy of "Proactive Green Management". The Company considers environmental management from the initial plant construction stage by introducing optimized pollution prevention facilities and strives to minimize environmental impact by strictly observing regulations and internal standards as well. S-OIL further strengthens its voluntary environmental management system by proactively conducting daily checks and promptly initiating corrective actions for any deficiencies, while improving its environmental management by closely monitoring changing environmental policies and laws on a monthly basis. In addition, the Company reviews and shares revisions to environmental regulations through the Legal Compliance System and self-inspection checklists. Periodic self-assessments are conducted using the Environmental Compliance Assessment List, and implementation is verified through internal audits.

S-OIL promotes eco-friendly management by applying rigorous internal standards, while continuously communicating with various stakeholders such as the local community, government, media, and academia to collect and analyze environmental trends and actively incorporate them into the environmental management system. The Company also shares information about its environmental management with local residents and related organizations and listens to their opinions to improve its environmental management activities. To promote environmental protection and establish close ties with the local community, the Company actively participates in various environment-related events in the local community. The Company also contributes to the development of the local community by providing environmental training materials to suppliers and consulting services to small businesses in neighboring areas.

Chemical Substance Management System



RISK MANAGEMENT

Pursuant to the Act on Registration and Evaluation of Chemicals, anyone who intent to manufacture or import at least 100 kg of a non-phase-in substance per year or at least 1 ton of a phase-in substance per year is required to submit analysis and evaluation data on the hazards and risks of the chemicals to the government and register them. Failure to register within the statutory timeframe* will result in the suspension and recall of the manufacturing, import, use, and sale of the chemicals, and violations could be punished by imprisonment with labor for up to five years or by a fine not exceeding KRW 100 million.

To strengthen compliance with laws and regulations governing the manufacturing, import, and sale of chemicals, S-OIL has proactively implemented a chemical management system, which enables a systematic management of annual chemical manufacturing/import volumes, thereby allowing Company to quickly select chemicals for registration and proceed with government registration within the statutory timeframe. The system reduces the risk of unregistered chemicals and is designed to allow for quick review and change reporting with automatic notifications when the weight range is increased upon registration. The system also dramatically reduces the workload by allowing chemicals registered in the system to be checked, rather than having to manually check each department.

* non-phase-in substance and phase-in substance without a registration grace period: prior to manufacturing/importation phase-in substance: end of 2021 to end of 2030, depending on registration volume

METRICS & TARGETS



Category	2023 Targets	Performance in 2023	2024 Targets	Mid/Long-term Targets
Total air pollutant emissions (unit: ton)	6,687 (including carry-over from 2023)	4,440	Below 6,454	Below annual quota of 2020-2024
Managing leak rate of fugitive emissions (unit: %)	Below 0.08%	0.03%	Below 0.07	Maintaining below 0.07% by 2025
Enhancing emergency response ability to leakage of oil and toxic chemicals	At least 2 emergency drills	Conducted 2 emergency drills	At least 2 emergency drills	-
	Zero oil spills	Zero oil spills	Zero oil spills	-
Registering chemical substances with the government	Completing chemical* selection for registration and relevant system implementation	Completed chemical selection for registration and relevant system implementation	Completing registration of all chemicals in scope	By 2030 Completing registration of all chemicals in scope by 2023
Complying with environmental regulations (penalties over USD10K)	Zero violation	Zero violation	Zero violation	Zero violation

* Manufactured/imported substances of 100-1,000 tons per year

New Business Development and R&D



WHY IS THIS IMPORTANT?

The energy industry is at a fundamental crossroads, driven by the growth of renewable energy, the energy transition, strict global carbon regulations, and stakeholder demands. The future of the energy industry is increasingly uncertain and volatile due to the Fourth Industrial Revolution, represented by artificial intelligence. In response, companies need to minimize volatility in their existing businesses while continuing to develop and expand new businesses to ensure future growth momentum and deliver high-quality and environmentally friendly products. This will enable them to improve their technological competitiveness and provide consumers with the best products while minimizing the impact on the environment and consumer safety. This will also help to create new revenue streams and seize growth opportunities, while enhancing customer satisfaction and corporate image.

GOVERNANCE



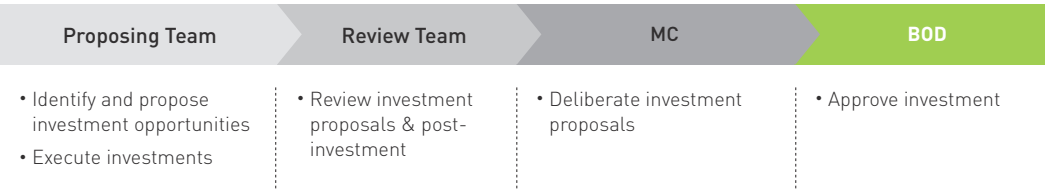
Investment Decision-Making Structure

S-OIL has established a strategic investment process to ensure transparent and rational investment decision-making and to enhance the effectiveness of investments by systematically defining and implementing investment strategies consistent with corporate strategy.

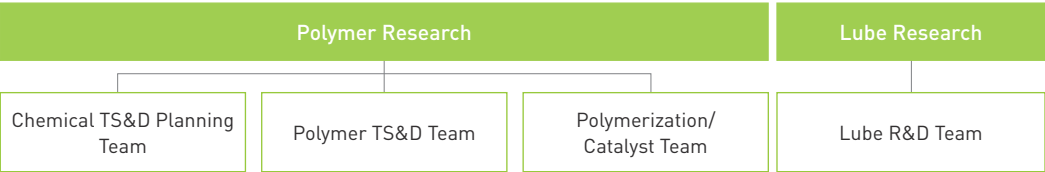
New investment projects proposed by the respective teams are subject to review and deliberation by an independent review team and the Management Committee (MC) before being submitted to the Board of Directors (BOD) for approval. For ongoing investment projects, a steering committee is formed for each project to oversee its implementation, management and operation, while a post-investment review process is established for completed projects.

The Shaheen Project, the largest petrochemical project in Korea, received the final investment decision (FID) from the BOD in November 2022, in accordance with the strategic investment decision process, and a steering committee has been established to oversee the progress of the project.

Investment Review Process



R&D Organizations and Processes



With the completion of the TS&D Center in Magok Industrial Complex in October 2017, S-OIL made a successful entry into the petrochemical downstream business, and is focusing on strengthening R&D capabilities related to the existing lube business. Given the broad product spectrum in the petrochemical downstream sector, it is essential to develop new products that reflect customer requirements, provide necessary technical information, collaborate on processing technologies, and support analytical services.

GOVERNANCE

With this in mind, the TS&D Center focuses on securing technological capabilities and strengthening competitiveness in the petrochemical business by conducting R&D activities related to polymers produced at the Olefin Downstream Complex (ODC). It also multiplies chemical R&D capabilities by collaborating with academic institutions with the highest research capabilities in Korea. The Company also seeks to attract outstanding research talents in Korea to research renewable energy technologies in line with the global green/decarbonization trend.

S-OIL facilitates effective product development by considering customer needs and market changes, legal and regulatory requirements, and changes in business strategies when selecting product development tasks, and by encouraging the free exchange of ideas among members. The Company regularly reviews and provides feedback on the use of resources and research progress during the product development phase to ensure that research projects are carried out efficiently and successfully.

Research & Development Process



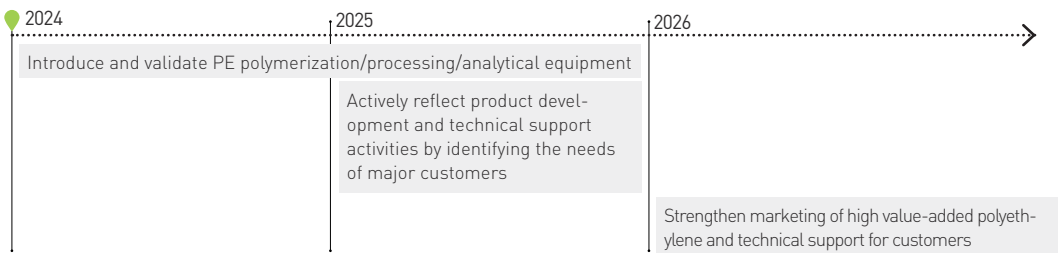
STRATEGY



Shaheen Project

S-OIL made the final investment decision for the Shaheen Project, a Phase II petrochemical expansion project, following approval by the Board of Directors in November 2022. The total investment for the project is KRW 9.258 trillion, with mechanical completion expected in June 2026. Through the Shaheen project, S-OIL is expected to gain an additional 3.15 million tons of petrochemical production capacity, including approximately 1.8 million tons of ethylene per year, and steadily transform the Company's structure from a fuel-centric business portfolio to a fuel/petrochemical company. In particular, the project will more than double the annual ethylene production capacity in the Ulsan area, and S-OIL will be able to supply the product via pipeline to nearby olefin downstream facilities, reducing transportation costs and increasing the security of supply of domestic petrochemical feedstocks. The project also marks the world's first commercialization of Saudi Aramco's Thermal Crude to Chemicals (TC2C™) technology, which converts crude oil into petrochemical process feedstocks. The innovative new process technology is expected to improve energy efficiency and operational effectiveness, resulting in higher cost competitiveness and contributing to carbon emission reduction. Supported by the active cooperation of various stakeholders, including the governments of Korea and Saudi Arabia, major shareholders, and local communities, the Company will fully utilize its capabilities, including its successful experience in large-scale projects, outstanding competence, and the passion of its employees, to successfully complete the project. The R&D organization is also actively supporting the Shaheen project and is committed to expanding into the high value-added polymer business. When completed, the project will enable the Company to develop products that meet various customer needs, such as high-density polyethylene (HDPE) and linear low-density polyethylene (LLDPE), and provide technical support. Therefore, the Company will focus its R&D efforts on strengthening new technology capabilities in the olefin downstream segment in order to secure the necessary technological capabilities and enhance competitiveness.

Timeline for Expansion of High Value-Added Polymer Business



Diversifying Business Areas through Venture Investments

S-OIL actively pursues venture investments in companies in promising emerging technology fields as part of its efforts to secure future new technologies, seize new business opportunities, and contribute to ESG management. Main venture investment targets are companies in fields that can strengthen the manufacturing competitiveness, create synergies with the existing businesses, have great potential to become new growth engines for the future, and contribute to ESG management. From 2019 to date, S-OIL has made direct investments in new energy, chemicals and materials, environment, mobility and smart plant. In 2023, the Company made new investments to enhance ESG management, one of which is EUCNC, a company that manufactures thermal insulation paints that are certified as green products for carbon reduction for heat shield and insulation, and S-OIL has made efforts to support the growth of the Company through PoC and CSR cooperation and to create business synergies with the business since the investment. In light of recent changes in the business environment with the spread of the Fourth Industrial Revolution, the strengthening of ESG management, and the transition to low-carbon and green energy, the Company plans to continue active investment and R&D in new energy fields such as clean ammonia/hydrogen, bio-based raw materials, and waste plastics.

Venture Investments Status

Major Activities	Description
~2020	<div>• IP!technology (polyimide)</div> <div>• LiBEST (Flexible battery)</div> <div>• BEOMJUN E&C (sulfur polymer-based specialty construction materials)</div> <div>• OnePredict (AI-based preventive machine diagnosis)</div> <div>• Glory & Tech (Overseas carbon emission reduction project)</div>
2021	<div>• KOHYGEN (hydrogen refueling station for commercial vehicles)</div>
2022	<div>• Allsu (waste oil collection platform)</div>
2023	<div>• EUCNC (thermal insulation eco-friendly paint)</div>

Low Carbon Energy Business

To effectively respond to the energy transition, the Fourth Industrial Revolution and circular economy trends, S-OIL is actively promoting new energy businesses such as low-carbon sustainable biofuels and circular products from biomass and plastic wastes, as well as the introduction and use of low-carbon ammonia and hydrogen.

Biofuel / Circular Economy Business | Since 2024, S-OIL has planned to produce low-carbon and environmentally friendly biofuels and circular products by co-processing crude oil with biomass and pyrolyzed waste oil, using the existing oil refining facilities to actively enter the market and create a value chain. Specifically, in the first half of 2024, the Company will begin supplying the market with sustainable aviation fuel, renewable diesel fuel, and bio/circular products for voluntary carbon reduction, which are produced according to internationally recognized methodologies and certified by the International Sustainability & Carbon Certification (ISCC). S-OIL also plans to build a dedicated biofuel production facility to meet the ever-increasing demand for low-carbon and environmentally friendly products.

Hydrogen Business | In 2023, S-OIL signed a letter of intent (LOI) with the majority shareholder, Saudi Aramco, to introduce low-carbon ammonia, and as a follow-up, the Company is currently conducting various studies to secure the relevant infrastructure for the introduction, storage, and transportation of low-carbon ammonia. To further decarbonization endeavors, the Company is continuously exploring ways to use low-carbon hydrogen from the cracking of low-carbon ammonia as a feedstock and energy source, as well as ways to replace existing gray hydrogen, with the goal of achieving tangible results in the decarbonization field within the next five to six years.

STRATEGY

Green & Decarbonization Research

Completion of S-OIL TS&D Center | S-OIL is strategizing R&D for sustainable growth in response to global environmental changes. To lead in the latest technologies and innovations, the S-OIL Technical Service & Development (TS&D) Center, which was completed in November 2023, was built with a total investment of KRW 144.4 billion (KRW 38.3 billion in Phase 1 and KRW 106.1 billion in Phase 2). Constructed on a gross building area of 36,700 m2 with four above-ground floors and two underground floors, the S-OIL TS&D Center serves as a hub of creative technological competitiveness. Equipped with the highest level of laboratory safety systems in Korea, it has a variety of support facilities, including state-of-the-art research laboratories, office and rest areas, a large auditorium, and an exhibition hall. Together with the Polymer Pilot Building and the Lube Test Building, which were completed in 2017, the center will play a pivotal role in the development of high-quality and high-value-added petrochemical and lubricant products, as well as lay the foundation for technology development in new energy fields such as clean hydrogen, ammonia and biofuels, in line with decarbonization and energy transition trends, reinventing S-OIL as a more sustainable and innovative company.

Strengthening Petrochemical Technology Capabilities | S-OIL is working to attract the Research & Development Center (R&D Center) of its parent company Saudi Aramco to the TS&D Center for research synergy in the field of green energy and decarbonization and is striving to cultivate domestic petrochemical technology capabilities and develop products and technologies through regular technology exchange meetings with SABIC, a subsidiary of Saudi Aramco and a global petrochemical company. In addition, the Company plans to conduct joint research with leading domestic and foreign research institutes to soft-land new research projects. While its R&D focus in the past has been on developing chemical technologies related to polypropylene and propylene oxide products and processes, the Company aims to broaden the petrochemical product range through the Shaheen project and expand research areas in line with the global trends of green energy and decarbonization.

Completion of TS&D Center Expansion



METRICS & TARGETS



Strengthening Lubricant R&D | Looking ahead, S-OIL aims to lead the development of innovative technologies in various fields, ranging from lubricants for existing internal combustion engines to lubricants for electric and hydrogen-powered vehicles, as well as fluid products that regulate the temperature of servers or electric car batteries. In 2023, the Company made significant progress, including the development of 21 new lubricant products. The Company developed a long-life gasoline engine oil with a domestic patent in cooperation with Hyundai Motor Research Institute, and is also developing an automatic transmission fluid through continuous joint research. In line with the rapidly changing market environment, S-OIL is focusing its capabilities on the development of lubricants for electric vehicles and other innovative technologies, such as cooling lubricant products for temperature control in data centers, electric vehicles and batteries for energy storage systems (ESS).

Low Carbon Energy Business Performance and Plans

2023 was a year in which S-OIL laid the foundation for the expansion of its bio-feedstock and waste plastic pyrolysis oil co-processing and hydrogen businesses. Building on this, the Company is now working to commercialize eco-friendly products that align with the global trend toward a circular economy.

Performance	Plan
<ul style="list-style-type: none">Regulatory sandbox approval from the Korean government for co-processing of bio-based feedstock and waste plastic pyrolysis oil<ul style="list-style-type: none">Approval for waste plastic pyrolysis oil co-processing (July 2023)Approval for biobased feedstock co-processing (Dec 2023)LOI signed with Saudi Aramco to introduce low-carbon ammonia (Oct 2023)Initial batch delivered for biomass and waste plastic pyrolysis oil co-processing (Jan 24)ISCC certification obtained (April 2024)	<ul style="list-style-type: none">Feasibility study for a dedicated sustainable aviation fuel plant (2H 2024)Discussions and subsequent agreement with Saudi Aramco to introduce low-carbon ammonia (2024)

Research and Technology Development Performance and Goals

S-OIL conducts its own research and development activities to develop new products, improve product quality, and upgrade production facilities without resting on the technology it currently possesses. The Company also conducts various joint research activities with leading domestic and foreign universities and research institutes.

Category	2023 Targets	Performance in 2023	2024 Targets	Mid/Long-term Targets
Developing new PP products and applications	Developing 4 new PP products	Developed 5 new PP products	Developing new PP products and applications	Developing new polymer products and applications
Technology development and IP acquisition through strengthening collaborative research with external institutions	3 external joint research projects 15 patent applications	3 external joint research projects 17 patent applications	Enhancing technological competitiveness to secure new growth engines	

Environmental Performance in 2023 (unit: KRW in million)

Category	Revenue	CAPEX	OPEX
Total	35,726,694	2,038,812	2,727,703
Environmental Performance Ratio	106,116 0.3%	70,195 3.4%	297,030 10.9%

Natural Capital Management



WHY IS THIS IMPORTANT?

Natural capital assets provide a variety of atmospheric, terrestrial, freshwater and marine ecosystem services. In particular, ecosystems provide the supporting, provisioning, regulating, and cultural services, such as soil formation, water purification, and carbon sequestration, that can reduce the costs of disasters, enable sustainable use of resources, and improve the social health and well-being of communities. By recognizing the importance of natural capital, companies can contribute to the long-term development of their businesses, as these resources underpin all economic activity.

GOVERNANCE



The Sustainability Management team works on strategic natural capital management policies, while the Environment team conducts legally required audits, including environmental impact assessment, and proactively minimizes its impact on natural capital. The General Affairs and Government & Public Affairs teams also contribute to the enhancement of biodiversity in the communities where the Company operates, organizing a variety of activities to extend the positive environmental impact.

STRATEGY



S-OIL takes proactive biodiversity management as one of its key environmental policies. The Company has adopted a Biodiversity Policy and a **No-deforestation Policy** that go beyond the mere reduction of negative impacts on biodiversity and seek to actively contribute to the recovery and promotion of biodiversity.

Biodiversity Policy

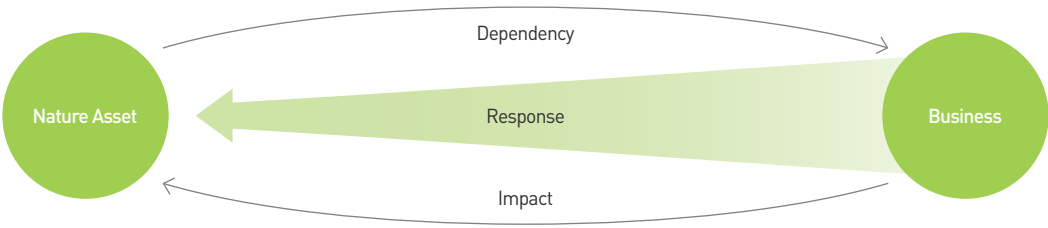
S-OIL recognizes the critical importance of preserving biodiversity and is committed to minimizing our impact on the environment and biodiversity. We aim to achieve Net Positive Impact (NPI) on biodiversity by 2050 and have developed the following commitments to guide our efforts:

- 1. Net Positive Impact by 2050**
S-OIL is dedicated to achieving Net Positive Impact (NPI) on biodiversity by the year 2050. We will implement actions that go beyond mitigating negative impacts, actively contributing to the restoration and enhancement of biodiversity.
- 2. Priority Area Targets**
S-OIL is committed to avoiding potential adverse impacts on sites containing globally or nationally important biodiversity. We will exercise precautionary measures and refrain from conducting operational activities in proximity to such areas to prevent any potential harm.
- 3. Value Chain Responsibility**
S-OIL will hold ourselves and our value chain partners accountable for minimizing biodiversity impacts. We will actively engage with our partners, encouraging them to avoid operational activities near sites with significant biodiversity value.
- 4. Mitigation Hierarchy**
S-OIL strictly follows a mitigation hierarchy to manage our biodiversity impact effectively:
 - **Avoidance:** We will prioritize avoiding impacts on nature and biodiversity whenever possible in our operations and projects.
 - **Reduction:** In cases where avoidance is not feasible, we will take all necessary measures to limit and reduce our impact on ecosystems and biodiversity.
 - **Restoration:** We are committed to restoring areas and ecosystems adversely impacted by our business operations, fostering their recovery and resilience.
 - **Offset and Compensation:** As a last resort, if any residual, adverse impacts remain after full implementation of the mitigation hierarchy, we will explore offsetting and compensatory measures to balance the biodiversity loss.

RISK MANAGEMENT



Concepts of Dependency and Impact



	Type	Risk		Type	Risk
Dependency	Provisioning Services	Water scarcity	Impact	Pressure on biodiversity	Land, freshwater and sea use change
		Forest productivity and distance to markets			Tree cover loss
		Limited wild flora & fauna availability			Invasives
		Limited marine fish availability			Pollution
	Regulating and supporting services (enabling)	Soil condition	Environmental factors		Protected and conserved areas
		Water condition			Key biodiversity areas
		Air condition			Other important delineated areas
		Ecosystem condition			Ecosystem condition
		Pollination			Range rarity
	Regulating services (mitigating)	Landslides	Socioeconomic factors		Indigenous peoples (IPs), local communities (LCs) lands and territories
		Wildfire hazard			Resource scarcity: food - water - air
		Plant/forest/aquatic pests and diseases			Labor/human rights
		Herbicide resistance			Financial inequality
		Extreme heat	Additional reputational factors		Media scrutiny
	Cultural services	Tropical cyclones			Political situation
		Tourism attractiveness			Sites of international interest
					Risk preparation

RISK MANAGEMENT

Risk Assessment Process



Identify industry- and location- specific risks

Determine dependency /impact on the Company

Develop/implement /disclose response plan

Risk Identification | As a first step in identifying biodiversity risks in the area around the Head Office and the Onsan Refinery, the Company assessed the nature reserves around its sites. In addition, at some of sites, the Company regularly conducts ex-post environmental impact assessments that include biodiversity. (Total 292 ha)

Key Biodiversity Areas Near Sites

Business sites	Key Area	Classification	Distance (in straight line)			
			< 1km	1~2km	2~5km	5~20km
Head Office	Han River	Key Biodiversity Area		●		
	Island in Han River	Ramsar wetland		●		
Onsan Refinery	Forest on Mokdo Island, Ulju	Natural Monument (No. 65)	●			
	Mujechineup, Ulju	Ramsar wetland				●
	Taehwa River	National Garden				●

Dependency and Impact Analysis | For the top five risk areas, S-OIL has taken action to minimize negative impacts on ecosystems near operations and to help preserve biodiversity.

Risk Dependency and Impact Analysis

Risk (ecosystem services)	Dependencies and impacts		Response	Reporting page
	Dependencies	Impacts		
Protected and conserved areas		●	• Environmental cleanup activities in the Mokdo Evergreen Forest	p. 87
Pollution		●	• Air/water/soil/chemicals/waste management and legal compliance	p. 34-38
Tree cover loss		●	• Adopting a no-deforestation policy • Conducting environmental impact assessment (ecosystem) and legal compliance • Issuing e-receipts through mobile application	p. 37, 44, 51
Tropical cyclones (regulating services)	●		• Maintaining natural disaster risk response manual	p. 28
Labor and human rights		●	• Implementing a human rights policy and human rights audits	p. 74-76

Risk Response Efforts | Given the nature of the industry, S-OIL is keenly aware of the significant impact of onshore and offshore oil spills on the ecosystem, and the Company continually implements systematic measures to minimize negative impacts. At the same time, the Company adheres to stricter emission standards and regularly monitors air, water and hazardous chemicals. In addition, the Company is committed to making a positive contribution to the environment through ecological restoration activities in local communities.

Major Risk Response Activities

Key Activities	Description
Avoidance	<ul style="list-style-type: none">• Mokdo Cleanup Activities (p. 87)• Onshore Leak Management<ul style="list-style-type: none">- Establishing a procedure to prevent leakage of oil and hazardous chemicals in the Refinery and ensure a systematic response in the event of an accident• Marine Oil Spill Management<ul style="list-style-type: none">- Establishing operational standards and procedures and strengthening on-site monitoring to prevent marine pollution incidents- Conducting regular emergency response drills and training & quarterly oil spill response drills- Pre-assessing the risk of all vessels entering and leaving the port facilities owned by the Company- Blocking vessels that do not meet safety standards through the Vetting System- A protection system consisting of radar, tidal current measurement system, mooring rope tension measurement system, etc. for single point mooring (SPM) of oil tankers, which can cause extensive marine pollution damage in the event of an accident- Operating Automatic Identification System (AIS) to prevent ship collisions with piers- Operating multiple crude oil unloading facilities stably since 2020 with the completion of the #2 SPM
Minimization	<ul style="list-style-type: none">• Emissions Reduction(Air/Water/Hazardous Chemicals, etc.) and Water Reuse (p. 34-38)• Onshore Leak Management<ul style="list-style-type: none">- Establishing a rapid detection and first response system by installing 32 oil detectors and containment facilities in key areas of Refinery- Planning to install additional oil detectors for more stringent monitoring- Conducting annual refinery emergency response exercises based on hazardous chemical and oil spill scenarios• Marine Oil Spill Management<ul style="list-style-type: none">- Developing response scenarios for various possible marine pollution incidents- Inspecting regularly areas where liquid cargo transfer piping failures could lead directly to marine pollution due to dolphin-shaped pier structure- Adding skimmers deployed to improve offshore oil spill containment- Remote-monitoring the buoy, SPM's main facility located approximately 3 kilometers off the coast, with surveillance cameras- Enhancing surveillance capabilities with increased pixels on dockside CCTV in 2023- Expanding investments in marine pollution prevention and response, including the construction of a large 150-ton pollution prevention vessel capable of more effective cleanup operations in offshore weather conditions.
Restoration	<ul style="list-style-type: none">• Conservation efforts (saving endangered natural monuments campaign, etc., p.86-87)

Environmental cleanup activities in Mokdo





SOCIAL



S-OIL endeavors to meet the needs and expectations of various stakeholders and to fulfill its social responsibilities to consumers, employees, and local communities as a responsible member of society. The Company achieves consumer satisfaction through high quality products and reasonable prices, as well as various communication and marketing activities. An objective human resources system is in place to enable performance-based compensation, and the recruitment and evaluation process is conducted transparently. The Company has also developed systematic and diverse training programs designed to nurture future leaders of the Company, while its top-tier welfare programs promote a healthy work-life balance for employees. Furthermore, S-OIL is committed to making systematic contributions to the local community in line with its business strategy.

Key Issues		Report Subject	Aspect Report Subject	Major Stakeholders
Consumer Satisfaction	S-1	Consumer Satisfaction	Marketing and Labeling	Consumer
Quality Management	S-2	Quality Management	Customer Health and Safety	Consumer, Government
Domestic and International Marketing	S-3	Domestic and International Marketing	Marketing and Labeling	Consumer
Talent Management (fair evaluation and compensation)	S-4	Talent Management	Market Presence, Employment, Labor/Management Relations, Diversity and Equal Opportunity	Employees
Employee Competency Development	S-5	Employee Competency Development	Training and Education	Employees
Organizational Culture	S-6	Organizational Culture	Economic Performance, Employment, Labor/Management Relations, Diversity and Equal Opportunity, Non-discrimination, Freedom of association and collective bargaining	Employees
Human Rights Management	S-7	Human Rights Management	Child Labor, Forced or Compulsory Labor	Employees, Shareholders & Investors, Suppliers, Local communities, Government
Occupational Safety and Health ★	S-8	Occupational Safety and Health	Occupational Safety and Health	Employees, Suppliers
Supply Chain Sustainability ★	S-9	Supply Chain Sustainability	Procurement Practices, Supplier Environmental Assessment, Supplier Social Assessment	Suppliers
Social Contribution	S-10	Social Contribution	Biodiversity, Indirect Economic Impacts, Procurement Practices, Local communities	Local communities, Government

Consumer Satisfaction



WHY IS THIS IMPORTANT?

Consumer satisfaction has become a key determinant of a company's sustainable growth as consumer expectations for products and services continue to rise and competition among goods intensifies. In such an environment, every company must strive to provide high quality products at a reasonable price. Consumer satisfaction supports long-term revenue growth and increased profitability, and higher customer satisfaction improves corporate image and reputation, thereby increasing marketing effectiveness. In addition, an active consumer feedback process can be a catalyst for product or service improvement and a source of synergy between the Company and its customers.

GOVERNANCE



Daily Pricing Operation Committee | Although domestic petroleum product prices are heavily taxed and have a structural lag, making it difficult for consumers to feel the impact of lower oil prices right away, the Daily Pricing Operation Committee quickly reflects price adjustment factors to provide reasonable reference prices for domestic light crude oil products.

YES Team | In order to meet the increasing customer service expectations of service stations (S/S) and filling stations (F/S), S-OIL operates the 'YES Team,' a training organization with professional certifications and knowledge related to S/S and F/S operations, such as customer satisfaction and labor relations. The YES Team conducts on-site training on customer service and demonstration of cleanliness activities.

STRATEGY



Efforts to Enhance Price Competitiveness

S-OIL strives to dispel any doubts regarding prices and maximize consumer utility by adopting the principle of reasonable and competitive pricing. The Company has been at the forefront of efforts to establish fair and reasonable prices in the domestic market by managing its own price adjustment system, which takes into account various factors such as global oil product prices, foreign exchange rates, and domestic market trends. In the future, the Company will continue to adhere to the current pricing policy to ensure to provide high quality products and services at reasonable and competitive prices that maximize the benefits to consumers. The Company also implements various marketing activities to maximize consumer benefits. Through the pursuit of reasonable pricing while maintaining the highest level of product quality in the industry, the Company is focusing its efforts on increasing the benefits to the consumers who use S-OIL products.

GooDoil Friends to Catalyze Customer Interaction

S-OIL actively engages with a prosumer group called GooDoil Friends to collect valuable insights and facilitate two-way communication with customers. The Company updated the customer relationship management system to improve the 1:1 chat service channel using KakaoTalk and the 24/7 chatbot. In addition, a new membership tier system has been introduced to differentiate the benefits available to VIP customers based on their usage.

Customer Satisfaction Enhancement at S/Ss and F/Ss

Expanding Non-Fuel Businesses | In response to the declining profitability of S/Ss and F/Ss due to intensifying price competition, S-OIL has developed a variety of competitive non-fuel businesses, including car wash, F&B, and convenience stores, which affiliated S/Ss and F/Ss can adopt to diversify their revenue portfolio. The Company has partnered with E-Mart 24 to develop and distribute a manned/unmanned smart convenience store model optimized for S/Ss, and the Company helps the marginalized to become more self-reliant by granting them the right to operate a Sunshine Sharing convenience store. The Company also supplies competitively priced, high-quality proprietary products, such as urea solution and ethanol washer fluid, to help S/Ss increase profits and customer convenience.

S-OIL Champions Club | Each year, as part of its efforts to strengthen long-term partnerships with affiliated S/Ss and F/Ss, S-OIL recognizes and rewards affiliate stations that have achieved excellence in service, facility management and other operational aspects, including sales volume and profitability, as 'S-OIL Champions Club'. The program not only promotes fair competition among stations, but also contributes to the improvement of their operations by sharing best practices.

Accessible Fueling Service | ServiceAs the number of self-service stations continues to increase, the Company has launched a nationwide campaign to provide assistance to people with disabilities, pregnant women, and others who have limited access at self-service pumps..

Mobile Application Upgrade | In February 2023, S-OIL upgraded the 'MY S-OIL' application with new features and enhanced customer convenience. The upgrade significantly improved customer convenience by introducing a simplified multi-payment system (S-OIL Pay) which enables customers to pay with credit cards, loyalty points, and gift certificates altogether; the registration, collection, and redemption of mobile gift certificates/loyalty points; and frequent service station search in the mobile application. In addition, as part of the ESG management, the Company has introduced the electronic receipt function in the app and promoted it in cooperation with the Korea Environment Corporation.

RISK MANAGEMENT

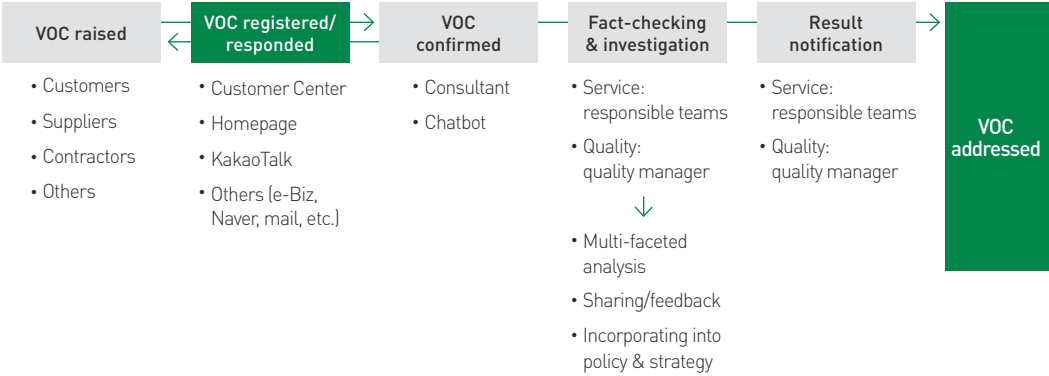


Integrated Voice of Customer (VOC) System Operation

To strengthen customer communication, S-OIL operates an integrated Voice of Customer (VOC) system. The system enables the Company to receive and analyze customer feedback from various channels, including the customer center, website, Automated Response System (ARS), and social media platforms, in an integrated and systematic manner. The turnaround time for handling VOCs is determined based on the type of feedback and is managed to ensure prompt resolution and the Company continuously strives for improvement by conducting VOC satisfaction surveys and incorporating the results. Customers are notified of the status of their VOCs by phone, SMS, and email. Furthermore, S-OIL has implemented a VOC Awareness Raising Program, which serves as an incentive system to recognize customers who have provided valuable feedback. S-OIL uses big data to analyze trends in customer complaints to prevent and avoid recurrence of customer complaints, and the Company also offers an S-OIL Notification Service using KakaoTalk for interactive communication with customers.

RISK MANAGEMENT

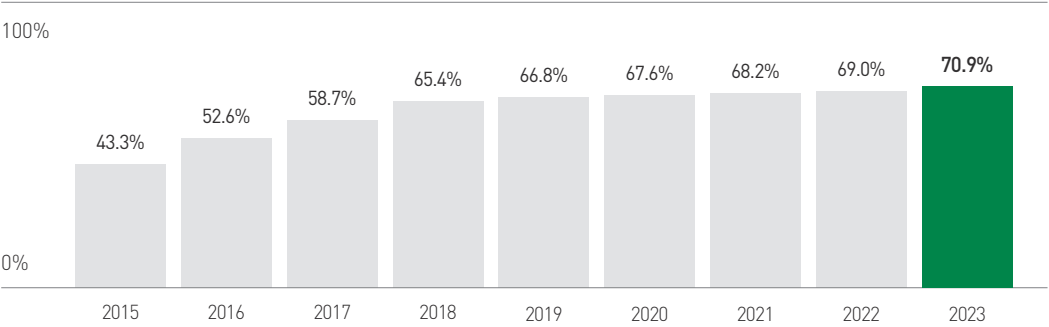
VOC Handling Process



METRICS & TARGETS



Korea Net Promoter Score Trends



VOC Management System

S-OIL strives to minimize the turnaround time for VOCs in order to handle customer complaints in a timely and accurate manner.

Category	2023 Targets	Performance in 2023	2024 Targets
Handling Customer Complaints in a timely and accurate manner	Time spent on VOC handling: <ul style="list-style-type: none">• 2 business days for inquiries• 5 business days for complaints	Time spent on VOC handling: <ul style="list-style-type: none">• 0.15 business day for inquiries• 0.8 business day for complaints	Time spent on VOC handling: <ul style="list-style-type: none">• 2 business days for inquiries• 5 business days for complaints

Quality Management



WHY IS THIS IMPORTANT?

Ensuring company-wide and systematic quality management is not only a prerequisite for meeting legal obligations to produce and supply products that meet petroleum quality standards, but also for achieving customer satisfaction with the products sold, which is one of manufacturers’ social responsibilities. Today, the highly competitive global petroleum industry requires reliable quality control activities from feedstock acquisition to consumer use to support competitive product manufacturing, maximize consumer value and drive sales. At the same time, thorough product quality assurance helps reduce the cost of returns and warranty claims due to defects. It also prevents loss of consumer confidence.

GOVERNANCE



Quality Assurance(QA)/Quality Control(QC) Team	
Fuel/Lube QC Part	Chemical QC Part

S-OIL has a real-time quality monitoring system in place for the entire process, from raw material procurement to product shipment and market distribution, to identify factors that may affect quality in advance. The Company prevents quality deterioration by applying its own quality standards, which are more stringent than legal standards, to ensure that only products that meet these standards are delivered to customers. There are two main categories of fuel/lubricant products and petrochemical products under the quality management system. Through regular communication between the respective production and sales functions, the Company strives to serve products that best meet customer requirements, and the Company continuously manages the distribution process to ensure that excellent quality is maintained. In addition, the QA/QC team participates in inter-laboratory precision comparison tests organized by the American Society for Testing and Materials (ASTM) and the Korea Petroleum Quality & Distribution Authority (K-petro) every year to ensure analytical reliability and verify analytical methods, thus contributing to the improvement of analytical precision.

STRATEGY



Adoption of Latest Analytical Equipment and Techniques

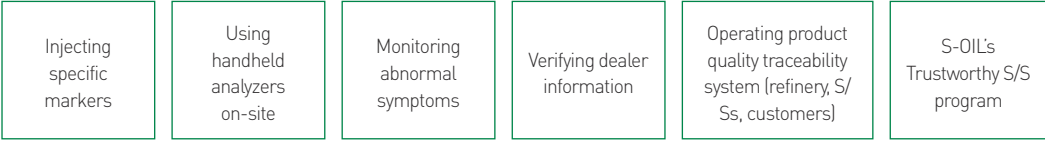
In an effort to stably control product quality and ensure product reliability, S-OIL has adopted the latest analytical techniques and equipment to continuously manage product quality. The Company's analytical equipment is calibrated by external accredited agencies and periodically inspected under its own internal inspection program to improve analytical reliability. In addition, the Company offers a variety of training programs to improve the analytical techniques and thereby enhance the efficiency of the production process. These efforts ensure the optimal analytical equipment and techniques to provide analytical support for its environmentally-friendly products, including plastic pyrolysis oil and biofuels, as well as for the successful implementation of the Shaheen project, the largest undertaking in its history.

STRATEGY

Enhancement of Quality Management in Market Distribution Process

S-OIL is committed to systematic product quality management throughout the market distribution process, as well as in the production process. This commitment aims to prevent contamination or degradation of products at service stations(S/Ss) and filling stations(F/Ss) and ensure consumers' rights to purchase products with specified quality and quantity.

Various quality checks and preventive activities



Particularly, S-OIL have in place the Trustworthy S/S Program, in which the Company guarantees the quality and quantity specifications of products sold at designated S/Ss, making it easier for customers to purchase high-quality products. Trustworthy S/Ss Program is managed through strict post-endorsement checks, including an average of four quality inspections per year and other regular quantity specification inspections, and is easily identifiable through signs that help consumers recognize it. The Company also imposes strict penalties, including de-branding, on S/Ss and F/Ss that sell fraudulent oil and other abnormal products to ensure that high-quality products are supplied to consumers.

RISK MANAGEMENT



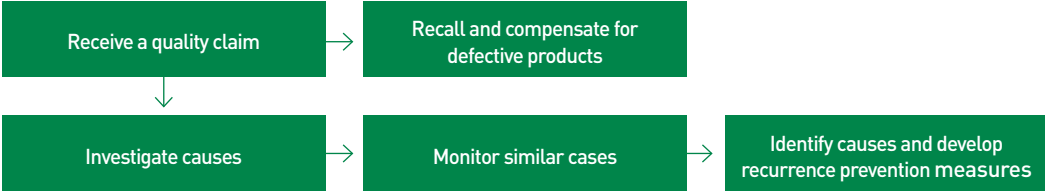
Quality Management System (ISO 9001)

To provide high-quality products and services that meet customer needs and expectations, S-OIL has established a quality management system in accordance with ISO 9001:2015, the latest global standard for quality management systems, and continues to improve internal processes and optimize the quality management system. In 2024, the Company plans to work toward renewing ISO 9001 certification and maintaining the company-wide quality management system medium to long term.

Quality Claim Response Mechanism

S-OIL has established a mechanism to analyze the causes of quality claims and develop countermeasures to prevent recurrence.

Product Quality Claim Response Procedure



METRICS & TARGETS



As part of efforts to strengthen quality management, the Company has conducted facility inspections, including S/Ss, to ensure the reliable supply of the highest quality products to consumers.

Category	2023 Targets	Performance in 2023	2024 Targets
Enhancing the quality competitiveness of distributed products	<ul style="list-style-type: none">Strengthening of quality/facility inspection at S/SsAchieving the lowest anomalous product detection rate	<ul style="list-style-type: none">S/S quality inspections : 8,351 timesFacility inspections : 2,222 timesAnomalous product detection rate of 1.0%	<ul style="list-style-type: none">Strengthening of quality/facility inspection at S/SsAchieving the lowest of anomalous product detection rate in the refining industry

Domestic and International Marketing



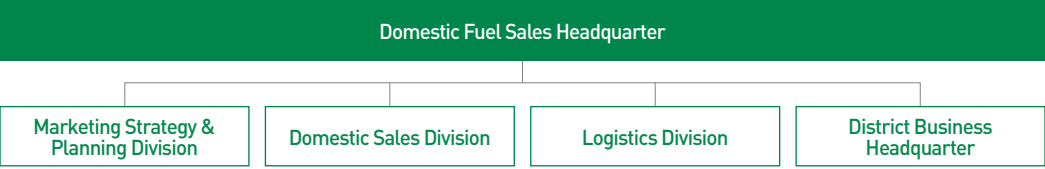
WHY IS THIS IMPORTANT?

In order to achieve sustainable growth, S-OIL has been proactively developing its domestic and overseas marketing capabilities. The domestic market, underpinned by its infrastructure of service stations(S/Ss) and filling stations(F/Ss), is relatively less susceptible to risks associated with fluctuations in crude oil prices and global economic conditions and offers a stable source of demand compared to overseas markets. In addition, in the case of polypropylene and propylene oxide, which are high value-added non-fuel products, domestic sales are more profitable than exports, making it important to gain a broad customer base and increase the volume of sales in the domestic market. Moreover, since more than half of the Company's fuel production is exported overseas each year, promoting S-OIL's brand value in global markets can enhance the Company's image. As such, domestic and overseas marketing is one of the key activities for increasing sales and maximizing profits through market expansion.

GOVERNANCE

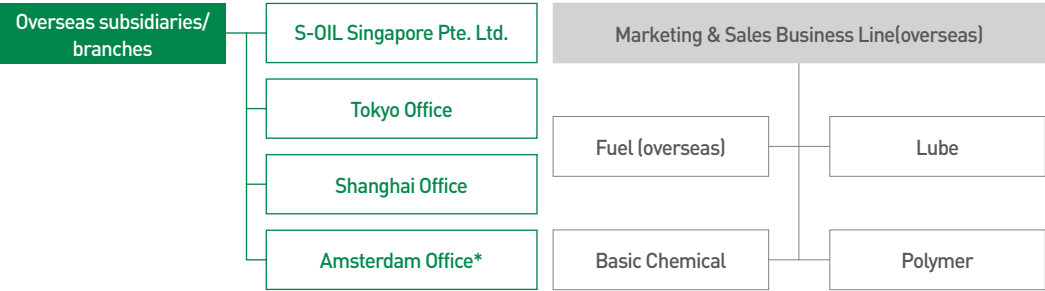


Domestic Sales Organizations



The Domestic Fuel Sales Headquarter, which is in charge of the sales of fuel products in Korea, works to supply high quality products by utilizing S-OIL's differentiated marketing strategies and network. The Domestic Fuel Sales Headquarter is composed of Marketing Strategy & Planning for sales strategy and brand marketing; Domestic Sales for retail/corporate sales; Logistics for product transportation and storage; and District Business Headquarter for regional sales management through 19 offices nationwide.

Overseas Sales Organizations



* Amsterdam Office is to be incorporated in 2024

Under the Marketing & Sales Business Line, the respective sales organizations for each product group are in charge of overseas marketing, allowing for a more targeted and specialized approach to marketing activities based on product characteristics. The Company has also established subsidiaries and branches in key locations to collect and analyze the latest market reports and manage local customer contacts in each region to ensure timely and effective market response.

STRATEGY



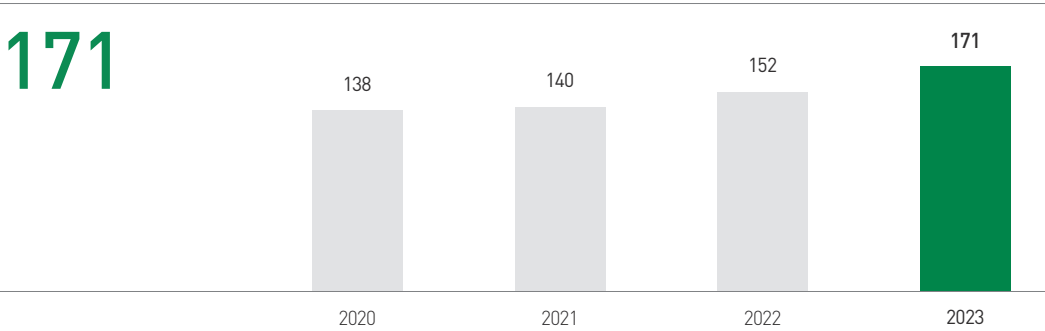
Major Domestic Marketing Activities in 2023

Fuel Products

Domestic Marketing | With the goal of becoming a top-tier brand and the No. 1 player in the market, S-OIL is systematically implementing brand management and integrated marketing activities. In particular, the Company utilizes the GooDoil character to convey the essence of its quality philosophy, 'Good Oil,' not only in advertisements, but also in various consumer contact points such as S/S and F/S, events, promotions, as a symbol of the Company, and to communicate with customers in a friendly manner.

Activities	Description	Effect
Advertisement and Social Campaigns	<ul style="list-style-type: none">• New advertising campaign song 'Do it Song'- Delivering the energy of positivity and support by featuring 'S-OIL Land', a fantasy world inside a fuel dispenser where the brand character GooDoil lives, inspired by the Company's quality philosophy of good oil.- Creating an upbeat and catchy melody with a brand message that emphasizes strength, cleanliness and freshness and the tagline 'GooDoil Can Do it'.• Co-marketing with professional baseball team KT Wiz Suwon- Baseball stadium cheer with GooDoil and GooMiso characters mascots• Marketing collaboration with KORAIL- GooDoil Christmas tree installation and interactive S-OIL brand experience at Seoul and Ulsan stations• SNS campaign events in line with the latest digital trends- Strengthening communication with Millennials and Gen Z by creating viral videos and short-form content utilizing GooDoil and through SNS events- GooDoil X BTS Service Station in collaboration with global pop group BTS went viral online	<ul style="list-style-type: none">• Driving purchases by purpose and method• Marketing synergy through collaboration• Delivering public interest messages
Cultural Events	<ul style="list-style-type: none">• KLPGA S-OIL Championship Golf Tournament- Hosting the time-honored and prestigious golf tournament- Providing premium services by inviting customers to Pro-Am golf tournament• Cultural benefits with invitational events- Engaging with customers through Cinema Dates for memberships	<ul style="list-style-type: none">• Promoting a high-end, dynamic, and friendly brand image
Sweepstakes	<ul style="list-style-type: none">• Large-scale giveaway events- Holding events at S/Ss & F/Ss nationwide every year to give away large amounts of prizes to customers- Conducted sweepstakes to provide 220,000 customers with popular household items and mobile vouchers• Various partnerships and cross-marketing collaborations- Broadening customer choice at the Point Mall, the closest point of customer contact, by adding and advancing the range of products- Providing better rewards with a variety of events	<ul style="list-style-type: none">• Delivering practical rewards and improving customer satisfaction at S/Ss and F/Ss
Membership Marketing	<ul style="list-style-type: none">• Four-tiered membership based on mileage performance- Introducing a new membership system with four tiers (VIP+, VIP, Gold, Silver) from April 2023 to provide differentiated benefits• Various discount cards launched with credit card companies- Launching the MY S-OIL Samsung Card (private label credit card) with a 10% discount on fuel purchases	<ul style="list-style-type: none">• Continued efforts to reduce fuel costs for customers

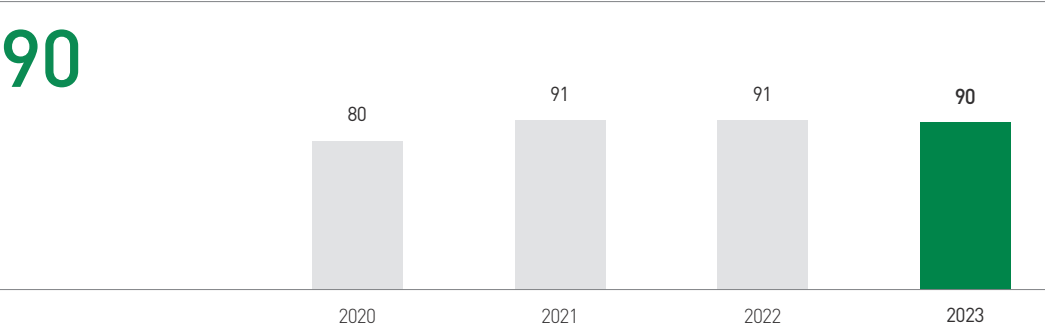
Trade Volume Trends with Aramco (fuel products)
Sales to ATS (KB/D)



Expanding Sales and Relationships in Key Strategic Overseas Markets

S-OIL continues to export to key strategic markets such as Japan and Australia. The Company is also implementing multi-layered marketing activities, such as the Customer Care Program, aimed at strengthening relationships in these regions.

Export Volume Trends to Key Strategic Markets (fuel products)
Export (KB/D)



Responding to Increasing Demand for Eco-friendly Fuels

Given the recent focus on combating climate change and achieving carbon neutrality, market demand for environmentally friendly fuels is expected to grow steadily. In response, S-OIL has laid the groundwork for the production of eco-friendly fuels and has begun production of biofuels and other sustainable fuel products that have received international certification. In order to secure new sales partners and facilitate the smooth export of these products to overseas markets, the Company actively conducting related market research and customer development.

STRATEGY

Lube Products

S-OIL maintains close relationships with its customers to solidify the sales base of its lube products. Also, to effectively respond to rapidly changing market conditions, the Company hold technology seminars inviting customers every year.

In 2023, production and sales decreased compared to the previous year due to the turnaround and inspection of hydrocracker, a production facility for AramcoULTRA, a Group III lube base oil. However, the Company's proven competitiveness enabled it to respond quickly and flexibly to changes in the market, resulting in an excellent operating profit margin compared to the competitors.

In addition, S-OIL continues to strengthen its core competencies in the lube business through the Refinery and TS&D Lube Research Center, and strives to build a solid customer relationship based on rigorous quality management and stable supply capacity for each product to meet the growing demand for high-end lube base oils.

Domestic Marketing | S-OIL, which was the first in Korea to produce lube base oil in 1981, has established itself as a market leader in the Korean market by stably supplying reliable and premium quality products. Leveraging its diverse product line, the Company provided customized marketing and expanded its loyal customers with stable supply capacity. Going forward, the Company will continue to maintain its competitive edge and further strengthen its leading position as the top lubricant base oil company in the domestic market.

Overseas Marketing |

Lube Base Oil

S-OIL has maintained stable sales of the entire lubricant base oil production inventory through marketing strategies tailored to each market and active utilization of its production capacity, which is the world's second largest by single site. Specifically, the Company is increasing its lubricant base oil trading volumes and market presence through international collaboration with the Aramco Base Oil Alliance, a group of Saudi Aramco subsidiaries with lubricant base oil production.

The lubricant base oil market experienced a gradual decline in the second half of 2023, mainly due to increased competition from global oversupply, but for the year as a whole, the market remained strong for the third consecutive year since 2021, with solid margins and performance.

Lube Oil

Since the integration of the S-OIL SEVEN brand in 2014, the Company has continued to consolidate the position in domestic and overseas markets.

In 2023, despite the continued economic downturn in China, one of key markets, the Company exported lube products to more than 60 countries worldwide, mainly in other Asian countries, and made various efforts to diversify sales outlets, resulting in the highest export performance in the history.

Also, S-OIL continued to strengthen cooperation with local partners abroad. Notable achievements include a new supply of service fill lubricants to Kia Motors in India, and the Company successfully expanded factory fill and service fill supplies to Hyundai Motor plants in Indonesia.

In particular, S-OIL further strengthened the foundation for a sustainable lubricant business by successfully taking over the lubricant supply business to Hyundai Motor in Korea, which was previously handled by the subsidiary S-OIL TotalEnergies Lubricants Co., Ltd.

Petrochemical Products

Following the completion of the RUC/ODC project in 2018, S-OIL commenced the production of polypropylene and propylene oxide, which are high value-added products from the olefin downstream, and began domestic and international sales.

Domestic Marketing | For aromatic and olefin monomer products, S-OIL has established long-term partnerships with major domestic customers and maximized domestic sales through pipelines in the Ulsan Petrochemical Complex, securing a stable revenue base. The Company also established logistics partnerships through various swap transactions and played a more active role in coordinating supply and demand within the complex. The Company's stable supply of olefin monomer not only strengthens its position in the petrochemical market, but also contributes to the competitiveness of related industries in the olefin value chain by expanding cooperation with various petrochemical derivatives companies. Since 2018, through the RUC/ODC project, S-OIL has been producing polypropylene and propylene oxide, which are olefin downstream products, and selling them in both domestic and international markets. Polypropylene products face fierce domestic competition as domestic production exceeds demand, but the Company plans to respond effectively to the highly dynamic global market and further expand domestic sales to ensure relatively high profitability. Therefore, the Company plans to increase sales to domestic customers in various applications using polypropylene such as appliances, automobiles, and household goods.

As for propylene oxide, it is imperative to expand its domestic customers and increase sales volume, as the domestic market has become oversupplied since the commercial operation of the production facilities, and it is more profitable to sell domestically than to export.

As a result of efforts to maximize domestic sales, in 2022, the Company signed long-term supply contracts with all major domestic polyol companies, and in 2023, the Company sold the entire production to domestic clients, thus solidifying a stable sales base in the domestic market. In 2024, while continuing to sell all of the production domestically, the Company plans to maintain sales stability through long-term supply agreements with customers in Korea.

Overseas Marketing | Taking into account the different production processes and market characteristics of various petrochemical products, S-OIL is diversifying its marketing activities to be optimized for each market through systematic market research and core customer development. In preparation for oversupply resulting from large-scale capacity expansion in China, the Company has strengthened its partnerships with key domestic customers. At the same time, the Company is seeking new customers with expected future demand growth to ensure a stable sales base and profitability. Furthermore, with an established customer network and accumulated efficient marketing experience in the Asian market, the Company is leveraging the global network of Aramco Trading Company (ATC) to secure competitiveness in the Asian region as well as offshore markets. In so doing, the Company is expanding the customer relationship and strengthening its market position in the fast-paced petrochemical market.

Reinforcing Business Cooperation with SABIC

Under a strategic partnership based on the principle of maximum mutual advantage, S-OIL has signed long-term export contracts with Aramco, a company with strong marketing capabilities and sales networks in foreign markets and used Aramco's existing foreign sales channels to enter major markets including China and South Asia. Since July 2021, in line with Aramco's strategic direction, the Company has partnered with SABIC, a petrochemical subsidiary of Aramco, and based on the continuous partnership between two companies, the Company has successfully exported polypropylene products to major markets such as China, Southeast Asia and Turkey, while actively expanding export sales to overseas plants of Korean companies.

Specifically, since 2022, S-OIL has been expanding export destinations through the development of profitable markets and the diversification of sales regions, which include Europe, the Americas, and Africa, in addition to its existing focus markets of China and Southeast Asia.

With regard to propylene oxide, all of its production will be delivered to domestic customers in 2023, and the Company plans to continue with the domestic sales of all of its production in 2024. Having said that, the Company is strengthening its partnership with SABIC in case the Company needs to export the production, depending on the market conditions.

METRICS & TARGETS



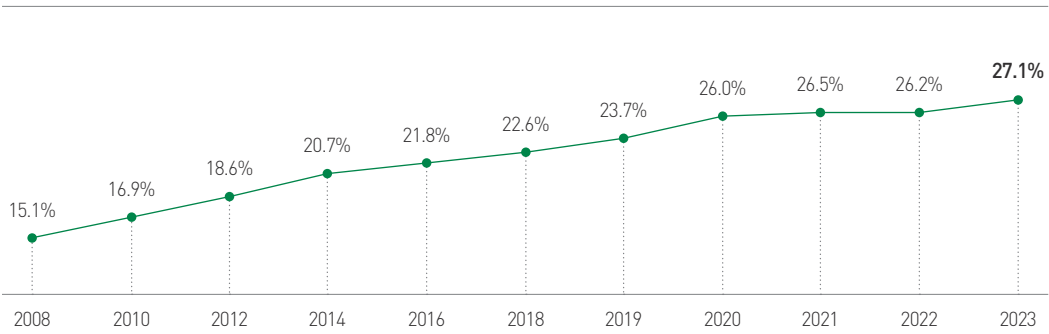
Fuel Products

Domestic Marketing | S-OIL has made continuous efforts in various areas to increase its domestic market share in the face of deteriorating sales conditions due to stagnant demand for petroleum products, growing market uncertainty, and intensified sales competition among suppliers. In addition to securing reliable new customers by expanding sales network (such as S/S, F/S, and direct sales points), the Company has also effectively implemented differentiated competitiveness programs aimed at improving relations and sales with existing customers. Consequently, the Company's share of the retail market for light crude oil reached an all-time high of 27.1% by 2023, and its share of the service station network exceeded 20%.

Retail Light Oil Market Share (M/S)

Commitments	2021	2022	2023
Retail light oil M/S (against target)	26.5%	26.2%	27.1% (+1.2)

Retail Light Oil M/S Trend

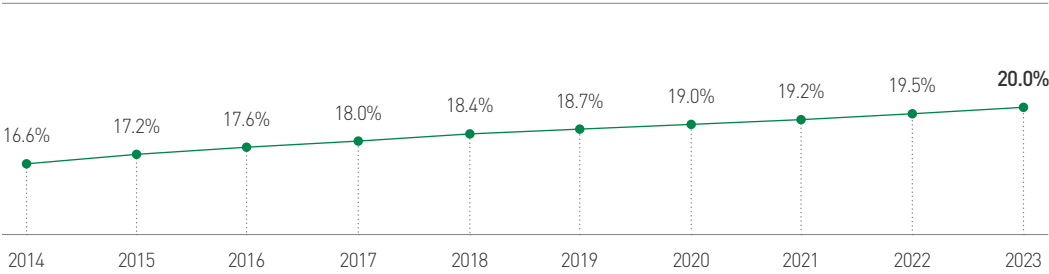


Going forward, S-OIL will strive to further increase its share of domestic sales by effectively implementing existing sales promotion measures, engaging in creative brand marketing, and actively seeking new business opportunities.

Service Station Network M/S

Commitments	2021	2022	2023
Service Station Network M/S (against target)	19.2%	19.5%	20.0% (+0.3)

Service Station Network M/S Trend



Due mainly to increased competition and deteriorating profitability in a saturated market, the number of service stations in operation nationwide has been on a declining trend since 2011. This downward trend can therefore be expected to continue in the near future unless business conditions change for the better. However, in spite of this nationwide downward trend, S-OIL has been able to increase its share of the service station network over the past year through aggressive efforts to expand its network.

Overseas Marketing | S-OIL designs and achieves a variety of qualitative goals to improve the profitability of overseas marketing and to strengthen its capabilities.

Category	2023 Targets	Performance in 2023	2024 Targets
Putting in efforts to strengthen and expand marketing in key strategic markets	• Continued sales activities in profitable markets (e.g., Japan and Australia) and successful contract awards to the US military, a key customer	• Continued to strengthen marketing in key strategic markets	• Expanding/strengthening stable and sustainable sales base
Driving profitable bunker oil sales and identifying and securing new markets for heavy fuel oil products	• Maximizing profitable bunker oil sales through aggressive marketing efforts, including term supply contracts with shippers	• Maximized profits through optimization efforts, including bottom-of-the-barrel sales and feed procurement	• Optimizing sales and purchasing for maximum profitability
Expanding domestic sales of propylene oxide	• Ongoing efforts to maximize domestic sales	• Established a stable domestic sales base by selling entire production to domestic customers	• Securing stable domestic customer relationship through long-term supply contracts
Ensuring stable implementation and smooth operation of the RPOA while maximizing synergies between the parties	• Expanding annual trading volume and cooperation with ATS	• Expanded fields of business cooperation with Aramco and its subsidiaries	• Building and reinforcing a long-term partnership model with Aramco and its subsidiaries
Identifying and responding to changing market trends, such as carbon neutrality, in a timely manner to improve customer loyalty and retention		• Established the marketing foundation for selling and operating green, low-carbon products	• Building a stable sales base for profitable green, low-carbon products

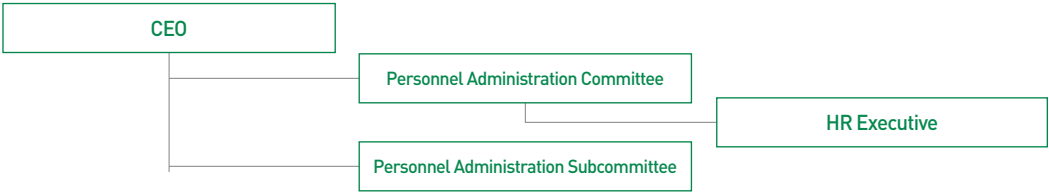
Talent Management



WHY IS THIS IMPORTANT?

A performance-driven culture is critical to achieving sustainable growth and development. The importance of an HR system cannot be underestimated, as it ensures that employees are recruited on the basis of their individual merits rather than factors such as region or academic background. In addition, it allows for systematic training and ensures that employees are fairly evaluated, recognized, and rewarded for their performance. S-OIL maximizes performance by retaining and developing talent and increases efficiency by minimizing talent turn-over costs. The Company also values the diversity of workforce and works hard to create a work environment that empowers employees to be creative and bring in new innovations to develop the Company. As part of these efforts, the Company is restructuring its compensation system to reinforce its performance-driven culture, which the Company believes motivates employees to achieve higher levels of excellence.

GOVERNANCE



S-OIL's Personnel Administration Committee is composed of top executives from each function to ensure an objective and fair HR system is established and operated from an overall view. The Personnel Administration deliberates on improving key HR policies and systems and makes HR-related decisions including promotions and discipline. Matters not handled by the Personnel Administration Committee are discussed and decided by Personnel Administration subcommittees under each business function reporting to the CEO.

STRATEGY



Fairness in Recruitment

S-OIL is committed to securing a diverse group of talented individuals who will drive the Company's sustainable growth through a transparent and fair recruitment process that eliminates discriminatory factors such as gender, age, region, academic background, and disability. The Company uses various channels such as campus recruitment, internship programs, and industry-academic scholarships to attract talented individuals who align with the core values.

The Company strives to recruit a diverse workforce by ensuring fairness in the hiring process. The Company does not ask for potentially discriminatory information on the application form and uses a blind interview system to evaluate candidates based solely on their skills and qualities.

In 2023, the Company opened up campus recruitment to rural areas, which had previously been concentrated in the Seoul metropolitan area, in an effort to provide talented people in different regions with sufficient information to attract top talent.

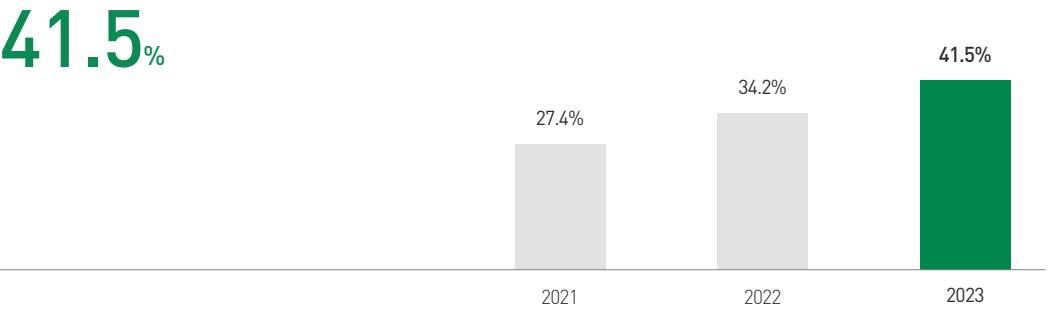
Ever since S-OIL began open recruiting, the Company has used independent experts to train interviewers to help ensure fair recruitment. In recent years, the training program has been strengthened to remind interviewers that inappropriate solicitation, pressure, or coercion related to recruitment may result in legal penalties. In addition, since 2021, the Company has adopted artificial intelligence (AI) evaluation technology that leverages big data for document and interview screening to enhance fairness, objectivity, and accuracy in recruitment.

In 2023, the Company adopted an external interviewer program to further improve the fairness and objectivity of the interview process. External interviewers sit in on the first round of interviews with internal interviewers to coach them on how to conduct objective and fair interviews and build their interview skills.

Diversity in the Workforce

Creating Female-Friendly Environment | For the 2023 recruitment, S-OIL increased communication efforts to overcome its male-dominated image by creating a recruitment website and YouTube content, and strategically implementing offline and online promotions (subway digital signage and ads on major social media), successfully increasing the percentage of female applicants each year.

Female Applicants in Recruitment of College Graduates in 2H 2023 Female Ratio



S-OIL strives to ensure that no one is discriminated against on the basis of gender by implementing gender equality policies throughout the recruitment process, for example by having female recruiters for campus recruitment and female interviewers for interview selection, and by conducting gender equality training for interviewers. Additionally, in 2023, the Company hired 35 female employees, further promoting diversity within the Company's workforce.

S-OIL conducts gender equality or diversity awareness training for all employees. For female employees, the Company has various personnel and benefits systems to foster a work-life balance environment and provide practical support. In particular, the Company provides maternity care programs, including childbirth allowances, in-house lactation rooms, and ergonomic office furniture for pregnant women, as well as substitutes for parental leave in order to reduce the psychological burden on female employees. Also, the daycare center, which has been in operation since 2017, provides practical support to all employees who are raising children. The Company will continue to pay attention to and make efforts to actively recruit female employees, while continuing to promote and improve the Company's female-friendly benefit systems, so that talented female applicants are interested in and pursue careers in the refining and petrochemical business.

Employment of Persons with Disabilities and National Merit | S-OIL takes care of socially marginalized groups by continuously hiring the disabled and national meritorious and providing equal treatment and working environment for non-regular employees. In particular, after sponsoring the Heart-to-Heart Orchestra, a group of young people with developmental disabilities, since 2009, the Company has hired the members of the orchestra as new employees from 2022. They hold small concerts every week to improve the awarness of the disabled and share cultural activities with the local community.

Reasonable and Fair Evaluation System

S-OIL continually strives to establish a fair and performance-oriented human resources management system to improve employee engagement. The Company is rapidly shifting its compensation system from seniority-based to performance-based by strengthening compensation differentials based on individual performance. Since a fair and objective evaluation system is a prerequisite for these changes to be embraced by employees

STRATEGY

and embedded throughout the organization, the Company is also continuing efforts to improve the evaluation system.

As part of the effort, the Company implemented a cloud-based year-round performance management system in 2020. Employees set individual goals aligned with team objectives and accumulate a record of their performance and feedback from leaders throughout the year. This wealth of data is then used as an objective basis for year-end evaluations.

In addition, the Company enhanced the fairness of evaluation by incorporating multifaceted assessments from peers or subordinates into the year-end evaluation.

In order to enhance cooperation within and outside the organization amid a performance-driven corporate culture, the Company has strengthened peer evaluations on work cooperation for a balanced evaluation of not only the results but also the process of achieving results.

The final evaluation results are used in a variety of HR systems, including pay differentials, promotion, development programs, and leader selection. To enhance employees' acceptance of the evaluation results, team leaders provide mandatory feedback to team members on the basis of the evaluation and direction for improvement through one-on-one interviews.

In this way, the Company focuses on the principle of evaluations, which is to foster employee growth and motivation, rather than simply ranking them.

METRICS & TARGETS



As part of efforts to promote diversity in the workforce, the Company has set and is committed to achieving targets for the employment of women and people with disabilities.

Category	2023 Targets	Performance in 2023	2024 Targets
Driving diversity in the organization	At least 8.9% female professionals	<ul style="list-style-type: none">Achieved 9.3% female professionals	<ul style="list-style-type: none">Reaching 11% female professionals by 2026Achieving 2% employment of people with disabilities by 2026

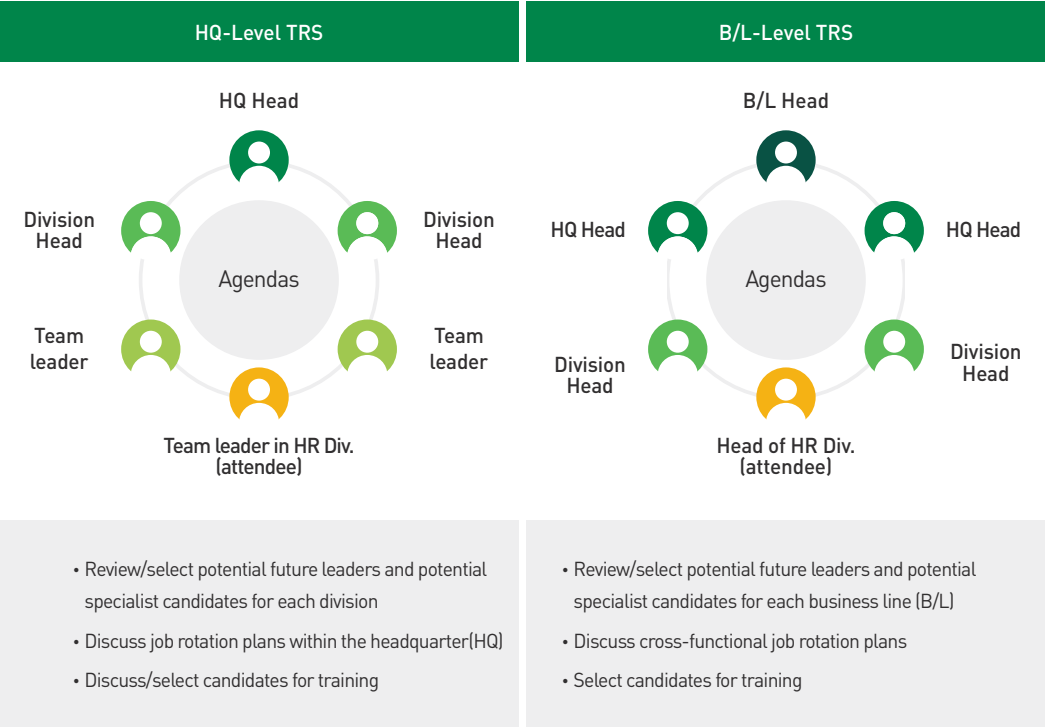
Employee Competency Development



WHY IS THIS IMPORTANT?

Enhancing the professionalism and capabilities of employees can lead to increased productivity and efficiency of a company, which in turn can be converted into a unique competitive advantage. S-OIL provides employees with various training programs and career development opportunities so that they can acquire the skills and technologies to flexibly respond to the changing business environment and take the lead in emerging markets, while fulfilling their social responsibilities. The Company believes that these programs support the individual development of employees, enhancing their job satisfaction and creativity, and strengthening the culture and ethics within the organization.

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Annual Talent Review Sessions (TRS) are held by each organization to have a comprehensive discussion on employee capacity building, including job rotation. The HQ-Level TRS validates and selects candidates for employee job rotation and core talent. Once the opinions of each headquarter are gathered, the B/L-Level TRS is held to discuss the corporate cross-functional job rotation and select candidates for core talent. This is followed by the Personnel Administration Committee and CEO reporting process. S-OIL engages in in-depth discussions on the development of employee competencies to ensure that each employee has the necessary training and work experience as part of his or her career planning process.

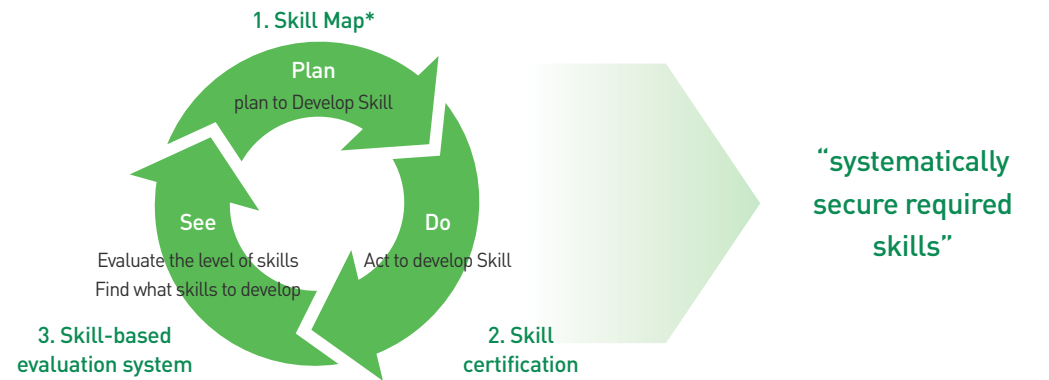
STRATEGY



In view of the rapidly changing business climate, S-OIL has reorganized the existing competency-based HR system into a skills-based system and implemented various upskilling and reskilling programs to help employees effectively acquire and maintain skills. In addition, all employees, depending on their position and function, are offered various internal and external training programs each year.

Skill-based HR System and Training Programs

For the systematic development of employee competencies, S-OIL drew out 21 soft skills and 779 hard skills.



*Skill map : a guidance to help employees set development direction, recommend training programs, and monitor skill improvement

Based on this, in 2023 S-OIL introduced a wide range of training programs for the skills required for each job and position. In particular, the Company introduced a soft skills certification program for professionals, which includes internal training followed by testing, on-the-job application, and team leader evaluation and third-party assessment (including AI interviews). Also, the Company operates a systematic talent development program to evaluate the use of required skills before they are promoted to higher positions. The soft skills training program for professionals maximizes the effectiveness of training by introducing a flipped learning approach in which employees acquire the necessary knowledge through online training and then derive the applications of the knowledge through discussion-based offline training. In the future, S-OIL believes that the skills-based HR system will not only help employees effectively secure the skills they need but will also contribute to the maximization of the Company’s performance through continuous skill development and appropriate employee deployment.

Soft Skill Framework for Professionals

Direction	Basic	Advanced	Leader
Digital Transformation	Digital Literacy	Data Analytics	
	Cybersecurity Literacy		
Performance-driven	Responsibility & Ownership	Cooperation	Time Management
			Performance Management
Innovative Working	Multi-disciplinary expertise	Driving Innovation	
	Creative Thinking		
Communication	Active Listening	Active Listening	5W1H Communication
			Storytelling & Speech
Leadership	Followership	Diversity (Inclusion)	Coaching
			Talent Development
Compliance			Delegation
	Safety Awareness		
	Compliance		

Effective Training Programs

From new hires to executives, the Company runs a variety of training programs on leadership, job competency, and other global communication competency required for each individual’s career path and development goals.

Leadership Training | S-OIL provides feedback to leaders who have an impact on the Company’s performance and organizational culture through regular leadership assessments in collaboration with external specialized organizations. Also, the Company supports them in developing their own competency development plans and participating in training at domestic and overseas universities and major institutions related to the latest business trends, technology and leadership. Officers actively participate in public speech lessons in addition to existing programs such as intensive coaching and attending domestic and international graduate courses, conferences and seminars to stay abreast of business developments and gain relevant insights. New team leaders take part in onboarding training on performance management, employee motivation, and other topics to help them make the transition from being high-performing employees to being effective leaders. In 2023, S-OIL’s leaders also received leadership training on Autonomy, Mastery, and Purpose (A.M.P.) to improve employee’s intrinsic motivation, based on which officers and team leaders set action plan for their organizations’ A.M.P. Then, at the end of the year, those action plans are assessed through 360 degree evaluation.

Onboarding Training | New employees at S-OIL undergo onboarding training to gain an understanding of the Company, basic business skills needed to perform their jobs, and communication skills for smooth collaboration. In particular, the Company offers specialized training in data analytics and global communication (e.g. understanding Arabic culture and business English). This training equips new hires with the necessary future and global skills. Upon joining the Company, new employees are invited to participate in the Dynamic Rookies Program, which includes communication session with CEO. Through this program, young employees have opportunities to revisit the Company’s vision and strategy, linking it to their own roles, which enhances their level of engagement with the Company.

2023 Dynamic Rookies



STRATEGY

Engineer Cultivation Program (ECP) | S-OIL also has the Engineer Cultivation Program (ECP) in place to support the systematic growth of engineers. The ACT-Engineer Program, jointly developed by EnergyTech (formerly Saudi Petroleum Services Polytechnic) and IFP Training, has been in operation since 2019, and 66 junior engineers have completed the program thus far in 2023. The program is designed to help young engineers acquire in-depth knowledge of processes and apply it to their actual work in order to improve the operational efficiency of the plant and contribute to production cost efficiency. Short-term MBA and overseas intensive courses are also offered to foster engineers with international mind-sets and qualities. In 2022, the Company introduced the Process Engineer Training for Refinery Operations course, which aims to improve the skills of engineers as production managers by providing systematic training on on-site operations.

Data Scientist Cultivation Program | As part of its efforts to successfully implement its Digital Transformation (DT) roadmap, S-OIL is implementing training programs to strengthen the DT capabilities of its employees. Beginning in 2021, the Company implemented a data scientist training course and internal certification program to strengthen the organization’s ability to analyze data and generate business insights. In 2023, a total of 87 employees completed the program as internal data scientists. The intermediate course for data scientists, which was introduced in 2022, enables participants to solve real-world business problems using machine learning technology and project-based learning, and is expected to generate new profits and reduce costs worth KRW 3.95 billion on an annual basis. In addition, the advanced course was established in 2023 to help participants obtain advanced training in deep learning and machine learning, as well as global certifications on data analysis.

Global Communication Training | S-OIL is keen to strengthen the global communication skills of employees in order to drive the Company’s global expansion. By operating the Global Learning & Communication Center (GLC) at the Head Office in Seoul and the Refinery in Ulsan, the Company offers training on foreign languages used at work, including English, Chinese, Japanese and Arabic, and courses to facilitate communication with overseas business partners, such as global cultures, business etiquette, speech training, and training prior to overseas assignment. The center takes various approaches to training, such as group classes, one-on-one courses and mobile courses, to make training more effective and convenient from the users’ perspective. In 2019, the Company launched the S-OIL Toastmasters Club, where employees from different functions engage each other to improve their leadership and English speaking skills, and in 2021, the Company received the Corporate Recognition Award from Toastmasters International in recognition of the club’s achievements.

Core Talent Development Program
Potential Future Leader Program | With a firm belief that cultivating core talents will drive the Company’s future success, S-OIL runs a systematic Potential Future Leader Program to nurture the next generation leaders. Potential Future Leaders, selected through a rigorous selection process, undertake leadership development activities and job expertise development activities in accordance with the Leadership Development Plan. Continuous mentoring and monitoring are also provided for more systematic implementation of the program. Trainees accumulate diverse work experiences through cross-functional job rotation, and the Company also supports them in pursuing an MBA studies at home or abroad, or a master’s degree in science and engineering at the IFP School in France, to build a pool of leaders with global business competencies. Through this systematic approach to talent cultivation, Potential Future Leaders will lead the Company’s sustainable growth.

METRICS & TARGETS



Specialist Program | S-OIL operates the Specialist Program in order to secure and develop highly specialized resources that are essential to maintaining the competitiveness of the Company. S-OIL determines the target jobs based on their substitutability, developmental characteristics, and business impact, and selects Potential Specialists through a rigorous selection process each year. Once selected, Potential Specialists are trained to become experts in their respective fields through systematic and high-quality professional development programs, such as obtaining professional certificates and training at domestic or foreign specialized institutions in accordance with their expertise development plan. The potential specialists are then reviewed and re-evaluated by a group of expertise evaluators to select the specialists. Through this process, employees will grow to become the key assets that will drive the competitiveness of the Company.

S-OIL has set a company-wide goal to manage training hours for employee competency development and is continuously monitoring progress to achieve this goal.

Category	2023 Targets	Performance in 2023	2024 Targets
Managing employee training hours for workforce competency building	• Over 57 hours of training on average	• Recorded 75 hours of training per employee	• Over 59 hours of training on average

Organizational Culture



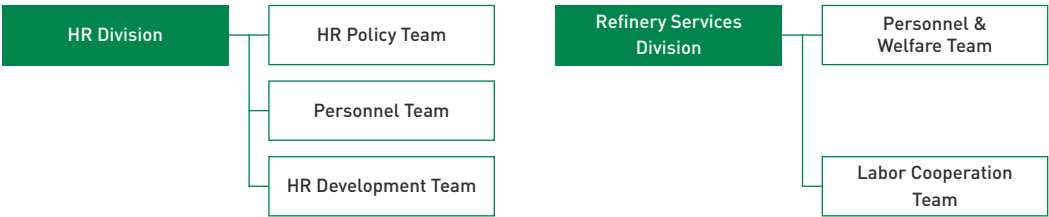
WHY IS THIS IMPORTANT?

A flexible and efficient organizational culture, along with a wide range of benefits, has a positive impact across the board, keeping employees motivated, satisfied and more efficient. This, in turn, translates into increased productivity and value for the organization and ultimately for all stakeholders, including customers and shareholders. Employee satisfaction leads to higher productivity and creativity, which contribute to a company's performance. A competitive benefits package and an effective organizational culture are important factors in talent attraction and retention, which are key to sustainable business growth.

GOVERNANCE



The Human Resources (HR) Division at the head office and the Refinery Services Division at the Ulsan Refinery are working closely together on the organizational culture and employee benefits.



STRATEGY



Internalization of Core Values

At S-OIL, all employees faithfully fulfill their roles and responsibilities based on the core values, which are the shared values that serve as the basis for decisions and actions regardless of changes in the external environment. The Company utilizes various media such as promotional videos, posters, and PC screen savers to raise employees' awareness of its core values and apply them to all work and decision-making processes. The Company continuously strives to select and develops talented employees who are in line with the core values by incorporating them into the hiring process and competency assessment for office employees, and by establishing the Core Value Award. To further promote corporate ethics and values, the Company also creates and shares videos of the CEO's messages and case studies, incorporate the core values into company-wide training, and conduct core value reinforcement workshops.

Industry-leading Welfare Benefits Programs

To create a workplace where people can feel deeply engaged in their work based on financial stability, S-OIL continuously strives to provide world-class benefit programs that meet the needs of employees and provide them with the best working environment. In addition to basic supports such as four major public insurances, education expenses, medical expenses, and the congratulations & condolences benefits, the Company also offers specialized lifecycle benefits to help employees work with a sense of security in all aspects of their lives, including housing, health, children's education and leisure.

Housing Stability Support | To help employees focus on their work with housing stability, S-OIL offers low-interest loans for housing, as well as the New Pension Program, a matching grant scheme introduced in 2015 in which the Company pitches in for employees' post-retirement resources, to help them prepare financial resources for a stable life after retirement. The program is designed with a structure that accumulates differently depending on the Company's mid- to long-term management performance, thus encouraging employees to take an interest in the Company's mid- to long-term growth and development.

Childcare Support | S-OIL supports employees' childbirth and upbringing by providing tuition funds, as well as maternity benefits and postnatal care center expenses, and operates workplace daycare centers at its Head Office and Refinery. In a situation where public daycare centers are in short supply and private daycare centers are unreliable, the operation of workplace daycare centers not only relieves the burden of childcare for employees with infants and young children, but also contributes to the job satisfaction of employees. In particular, the Company aims to create the best childcare environment in Korea through close and systematic communication between employees, the childcare institution, and the Company. Thanks to the efforts to promote gender equality in the workplace and implement various systems to help balance work and family, the number and proportion of female employees at S-OIL is increasing every year.

Health Care | To promote the health of employees and respond quickly to emergencies, S-OIL operates healthcare centers at the Head Office and Refinery with nurses on duty at all times, as well as maternity rooms for pregnant and nursing employees, and ergonomic office furniture for expectant mothers. In 2022, the Company launched the New Healthcare Program to support health promotion activities for employees. The Company also provides annual health check-ups at high-quality medical institutions and supports recovery from illness through medical assistance and a sick leave system. In addition, the Company runs the physical fitness centers at the Head Office and Refinery and conducts regular health campaigns. To promote employees' mental well-being as well as physical health, the Company also runs an employee counseling program where external experts provide coaching and counseling in various areas such as work stress, interpersonal relationships at work, family relationships, and parenting.

S-OIL's Employee Benefits Program

 Child Care Support <ul style="list-style-type: none">• Maternity cash benefits and support for postpartum care center expenses• Infant and toddler care support• Financial support for nursery/school tuition• Support for children with disabilities• Workplace daycare center	 Housing Stability Support <ul style="list-style-type: none">• Housing Loans• Company-provided housing• Housing purchase assistance• Relocation and moving allowances
 Health Care <ul style="list-style-type: none">• Regular Health Check-ups [Consultation with External Specialists]• Medical Expense Support, Operation of Nurseries and Maternity Protection Rooms• Operation of Healthcare Programs and fitness center• Disaster Support• Employee Assistance Program [EAP]	 Work-Life Balance <ul style="list-style-type: none">• Support for Recreational Facilities [Accommodation booking platform Points/Corporate Condos]• Support for Employee Clubs• Long-Service Gifts/Trips• Support for Extended Leave
	 Gifts and Others <ul style="list-style-type: none">• Congratulatory/Condolence Allowance and Leave• Accident-Free Commemorative Gifts• Welfare Points• Meal Support• Operation of In-House Employee Welfare Fund

STRATEGY

Work & Life Balance and Work Efficiency

Since 2018, S-OIL has improved work efficiency by introducing the PC-off campaign across the board to reduce unnecessary overtime and support employees to voluntarily immerse themselves in their work and ultimately improve work efficiency. The Company has also enhanced the electronic approval system to shorten the approval lead time and adopted a casual dress code in 2020 to promote creative and flexible thinking among employees in line with social changes. In addition, the Company has established the S-OIL Leaders' Way of Working to bring about positive changes in the way leaders work, shared and implemented it in various ways, and included the S-OIL Leaders' Way of Working in the multi-faceted evaluation to encourage leaders to embrace workplace improvements. Along with this, the Company hold special lectures and workshops for employees to improve work efficiency, leading to "work diet" and streamlined work practice in practical terms. Starting in 2022, the Company implemented the company-wide Work Efficiency Improvement Campaign for two consecutive years to simplify meetings and streamline and automate work processes. The Company will continue to strive for greater work efficiency by improving business processes and implementing new IT systems.

Company-wide Business Information Sessions to Strengthen Communication between Company and Employees

S-OIL is building a productive and healthy corporate culture that involves all members through collaboration and enhanced communication, breaking down barriers between organizations and individuals. To this end, S-OIL hold company-wide business information sessions twice a year, where top management directly presents the Company's management performance, outlook, and business highlights to employees and freely answers questions in a town hall meeting format to strengthen direct communication between the Company and employees. The Company also promotes activities that enhance communication between management and employees. The Company runs various programs such as the Junior Board, New Employee Communication Session, Dynamic Rookie Program, and others to facilitate vertical communication between leaders and employees and horizontal communication between functions.

Harmonious Labor-Management Relations

S-OIL's labor-management relationship sets an exemplary precedent for the industry, having gone 44 years without a single labor dispute since the union's inception in 1980. This has been achieved on the basis of mutual trust and cooperation between the union and the Company. While complying with relevant laws and regulations, the management respects union activities and listens to union voices. Through a variety of communication channels, labor and management work together to enhance the Company's competitiveness, improve employees' quality of life, and fulfill corporate social responsibility, including the Labor-Management Council, the Industrial Safety & Health Committee and joint workshops, as well as salary negotiations and collective bargaining. The content of labor-management negotiations is disclosed to all employees immediately.

Collective Wage Bargaining Agreement



RISK MANAGEMENT



METRICS & TARGETS



Employee Grievances Resolution to Enhance Employee Satisfaction

S-OIL respects the human rights of its members and is committed to creating a mutually respectful and cooperative work environment. To this end, the Company provides support through the Grievance Resolution Office and grievance managers at each business site to help employees resolve any complaints or work-related grievances that arise in the course of their daily work through reasonable procedures. A hotline has been in operation since 2022 to allow employees to easily report complaints and resolve them promptly. Upon receipt of a report, a thorough investigation will be conducted in accordance with internal procedures in consideration of the seriousness of the matter, and confidentiality will be strictly maintained during the reporting and investigation process in consideration of the situation of the parties involved in the case. In 2023, a total of 416 posts were made on the GooDoil Communication Yard (an anonymous online bulletin board), which facilitated communication among employees and contributed to the diversification of the Company's communication channels with employees.

Employee Engagement Survey

S-OIL conducts biennial employee engagement surveys to measure how employees view the Company and their satisfaction and uses the results to help improve morale and organizational culture. The 2022 Engagement Survey covers seven areas, including work, organization, supervisory leadership, communication, and management policy, and 82.1% of targeted employees responded. Since the survey was launched in 2018, the employee engagement score has been on a steady rise. Rather than resting on its laurels, the Company has adjusted its 2024 and mid- and long-term goals upwards to continue the efforts to improve employee satisfaction and workforce productivity. In addition, rather than simply measuring the status quo through surveys, the Company analyzes employee feedback to identify areas for improvement and develops practical strategies to improve organizational culture, leadership, and HR systems. In 2023, based on the results of the assessment, the Company asked each organization to develop action plans to improve employee engagement by empowering employees with Autonomy, Mastery, and Purpose (A.M.P.). Implementation of these plans is reflected in the performance evaluation as part of the multifaceted leadership assessment. The Company will also continue to improve programs and systems through regular assessments to enhance organizational communication and employee satisfaction.

Category	2023 Targets	Performance in 2023	2024 Targets
Engagement Survey Score	8.0/10.0	8.2/10.0	8.2/10.0
Percentage of employees responded with a score of 7 or higher out of 10	—	78.5%	—

Human Rights Management



STRATEGY



Prevention and Response to Discrimination and Harassment

S-OIL prevents discrimination and harassment in accordance with relevant policies, including the Human Rights Policy, the Code of Ethics, and other relevant regulations. In the event of a report of discrimination or harassment, a thorough investigation will be conducted in accordance with its internal procedures and in recognition of the seriousness of the matter. The Company will handle reported incidents with full consideration of the circumstances of those involved, including the complainant, and maintain strict confidentiality throughout the reporting and investigation process. The Company notifies to employees of the disciplinary actions taken and provides relevant training to prevent any recurrence of similar cases.

Human Rights Policy

- S-OIL shall respect the human rights norms described in the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Global Compact’s Principles of Human Rights and Labor, the UN Convention on the Rights of the Child, the ILO Declaration on Fundamental Principles and Rights at Work, and the laws and regulations of the country in which the Company has entered, etc. Therefore, the Company shall seek to protect the human rights of all communities affected by its business activities, as well as its business sites, and contribute to substantial improvements. To this end, the Company shall adhere to the following 8 human rights principles. In addition, suppliers of products or services, direct invested companies, and business partners should also share the Company’s human rights policy and participate in the protection and improvement of the human rights of the community in accordance with the 8 principles.
1. (Working condition) We shall respect and treat its employees with dignity, and provide over legal standards working conditions, wages working hours, and breaks. We shall grant the right to freedom of association and collective bargaining, and not take unfair treatment for this reason.
 2. (Safety &health) We shall provide workers with a safe working environment and continuously enhance the safety and health management system. We shall minimize the safety and health impacts of production processes or products and services provided by us.
 3. (Harassment) We shall protect all stakeholders, including employees, business partners, and local residents, from exposure to any kind of harassment (sexual and non-sexual) that violates human dignity.
 4. (Forced and Child Labor) We shall not engage in forced labor against the will of employees and not receive any labor in connection with employees’ liability. We shall not directly employ children under compulsory education age or under the age of 15. Also, we shall respect and protect all basic rights such as education, rest, health, nutrition, hygiene, freedom from violence and exploitation of children.
 5. (Discrimination) We shall prohibit discrimination based on race, color, religion, sex, national origin, age, disability and provide equal opportunity and treatment.
 6. (Personal Information Protection) We shall use personal information only for the purpose obtaining. We shall continuously check to prevent leakage of personal information to the outside and strengthen management system.
 7. (Human Rights of Local Communities) We shall prevent negative impacts on the human rights of local communities based on respect for their culture. We shall contribute to improving the quality of life of local residents by supporting economic, social and cultural development.
 8. (Human Rights Due Diligence) We shall systematically monitor potential human rights risk groups and issues. If risks are found, we shall take immediate remedial action and prevent similar cases from recurring. We shall continuously upgrade its human rights management system to prevent human rights issues from occurring throughout the supply chain.

Human rights inspections matrix (conducted in 2022)

Category	S-OIL	Subsidiaries, JVs	Suppliers	Local communities
Number of risks identified	2	1	3	3
Remedial actions taken [%]	100%	100%	100%	100%
Health & safety			0	0
Work hours				
Work environment	0	0	0	0
Harassment	0			
Information security				
Labor union activities				
Quality education & training			0	
Forced and child labor				
Discrimination				0

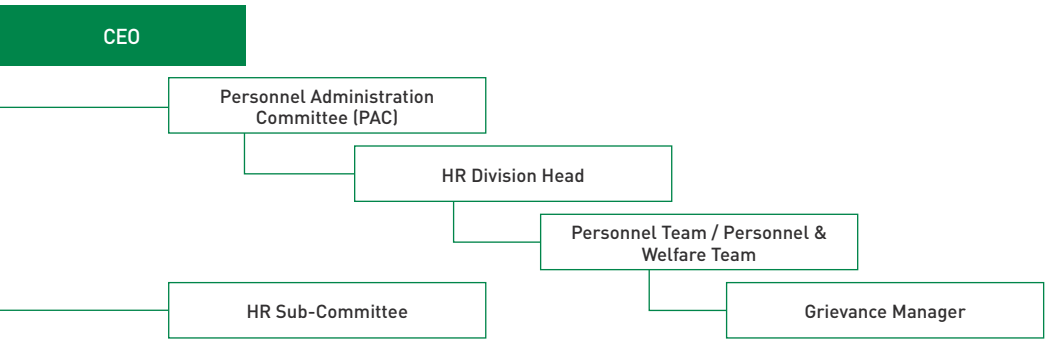
WHY IS THIS IMPORTANT?

For a business to create economic, environmental, and social value and to thrive with its stakeholders over the long term, it must protect human rights, which are universal rights and dignified values that should be pursued by all human beings. Respect for human rights is a universal obligation and a fundamental principle that should underpin the entire business operations. Moreover, when employees’ human rights are guaranteed and upheld, their job satisfaction increases, and so does their productivity and business performance. S-OIL has established its own human rights policy in line with global standards and is committed to the protection of the human rights of various stakeholders, including customers, employees, suppliers, and local communities, without discrimination on the basis of race, color, religion, sex, national origin, age, disability, and others.

GOVERNANCE



Decision Making and Organizational Structure for Internal Human Rights Review



S-OIL has a zero-tolerance policy towards any form of discrimination and harassment in accordance with relevant regulations, including the Human Rights Policy and the Code of Ethics. When a report is filed, it will be thoroughly investigated in accordance with internal procedures, depending on its severity, and confidentiality will be strictly maintained throughout the reporting and investigation process, taking into account the situation of the parties involved in the case, including the complainant. Upon receiving a report, the designated grievance manager at each site conducts a thorough investigation, which includes counseling and support for the affected party. The results of the investigation are then presented to the PAC for review. The committee takes appropriate action based on the severity of the case, which may include disciplinary action and protection of the affected employee. In order to prevent the recurrence of similar incidents, the Company issues an internal communication announcing the disciplinary action taken and provides relevant training.

Decision Making and Organizational Structure for External Human Rights Review

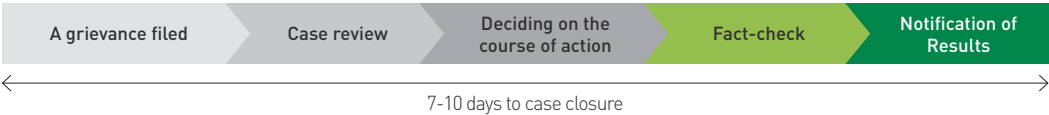
S-OIL’s Government & Public Affairs team works to manage the human rights of local communities and suppliers outside their operations. In particular, the Company developed the External Human Rights Risk Management Procedure in 2022 to strengthen human rights management for local communities, one of its key stakeholders.

RISK MANAGEMENT



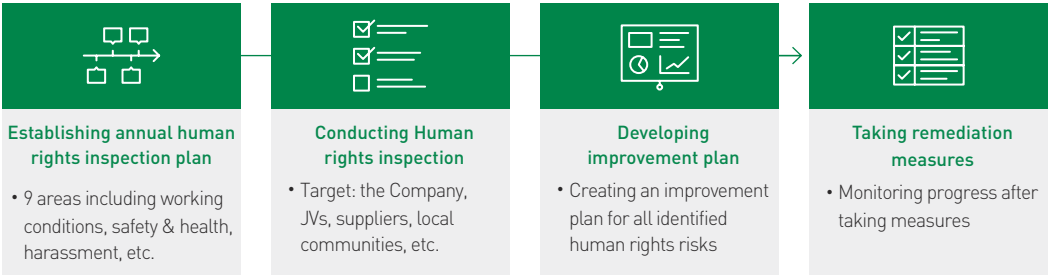
Protection of Whistleblower

Complaint Handling Process and Whistleblower Protection



S-OIL does not disclose any information that reveals or alludes to the identification of the informant without his/her consent. S-OIL guarantees the informant is not subject to any disadvantages in his/her status and/or discrimination in working conditions on account of reporting or submitting information. The reporting system is operated securely, and protective measures are taken to ensure the informant is not disadvantaged based on his/her report.

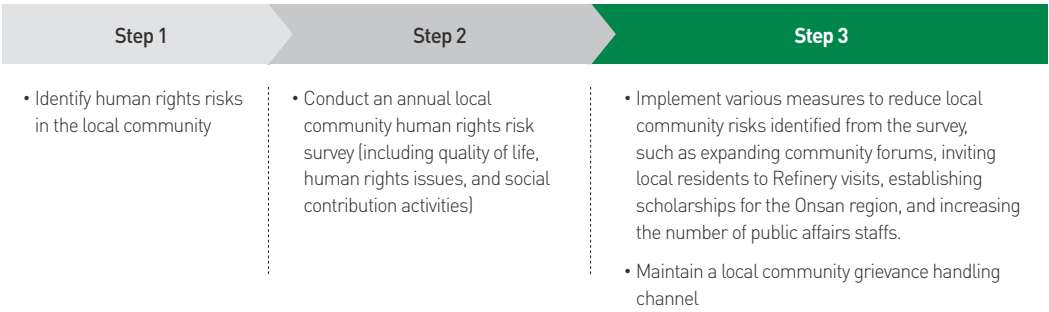
Human Rights Inspection Procedure



Internal Human Rights Inspections

Internal human rights inspections are carried out every two years at S-OIL. In 2022, the Company surveyed its employees on human rights, and based on the survey results, the Company implemented improvement measures with a focus on the most pressing issues. The results of the 2022 inspection showed that the most common experiences of human rights violations at the Company were related to verbal abuse and violence. When asked about the perception of the maternity protection system, 88% of respondents said that the Company was in compliance, confirming that the Company's efforts were positively evaluated. To improve the situation, the Company announced disciplinary cases internally in both the first and second halves of the year to highlight human rights violations and prevent their recurrence. In addition, the Company strengthened training to raise employee awareness of human rights by including disciplinary cases such as verbal abuse and violence, intergenerational understanding, and effective communication in the company-wide training, induction training for new employees, and induction training for new team leaders.

External Human Rights Risk Management Procedures



In addition to local communities, S-OIL conducts human rights surveys for S-OIL Total Lubricants Co. Ltd.

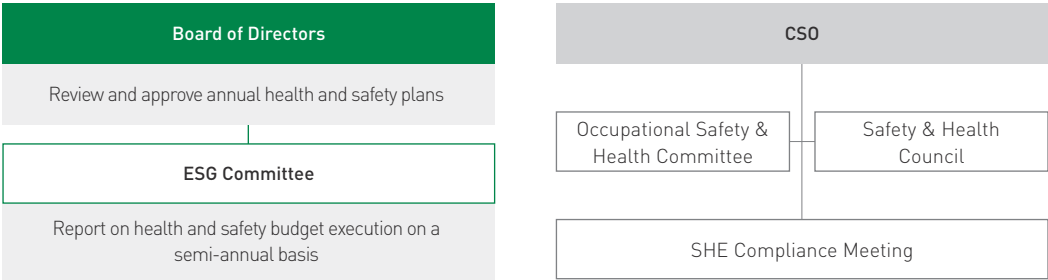
Occupational Safety and Health



WHY IS THIS IMPORTANT?

Failure to maintain occupational safety and health can lead to serious accidents, resulting in fatalities and enormous economic damage, particularly in the energy and chemical industries. ESG management has become the focus of attention for society and companies since the enactment of the Serious Accident Punishment Act. Under these circumstances, S-OIL is doing its utmost to achieve an accident-free workplace by building a safety-first culture and continuously strengthening its safety management system for sustainable growth.

GOVERNANCE



S-OIL has set safety improvement as one of the pillars of its strategic objectives for occupational safety and health management. In accordance with the Occupational Safety and Health Act, an annual report on the previous year's safety and health performance and the current year's management plan is submitted to the Board of Directors, the highest decision-making body, for approval. The ESG Committee is also briefed semi-annually on the safety and health budget execution, reviewing and evaluating its appropriateness. In addition, the Company listens to the voices of employees on safety and health issues through quarterly meetings of the Occupational Safety & Health Committee held at each site under the Chief Safety Officer(CSO) with the aim of preventing accidents and managing the safety and health of employees. Monthly safety and health council are also held with contractors at each site to share safety performance and accident prevention activities, thereby strengthening contractors safety and health management. In addition, monthly SHE (Safety, Health, Environment) Compliance Meeting is held, chaired by the CSO. This meeting reviews the Company's safety, health, and environmental performance, key issues in the safety and health management system, non-compliance with SHE procedures, the status of safety and environmental inspections, and SHE issues and safety activities for each organization.

STRATEGY



S-OIL is establishing a mid- to long-term action plan to strengthen safety and health management not only for S-OIL employees, but also for the employees of the contractors, by benchmarking various safety and health activities and accidents of Aramco, the largest shareholder, and major oil refineries around the world. The Company also continues to improve its safety culture through the mid- to long-term safety roadmap.

STRATEGY

Continuous Reinforcement of Safety Management Systems through Voluntary Safety Improvement Programs

S-OIL continues to operate the Behavior-based Safety (BBS) program to identify and eliminate unsafe behaviors or conditions that are often the root cause of accidents and encourages voluntary safety improvement programs by engaging employees and contractors in safety coaching. As a result, 22,402 safety hazards were corrected by employees and contractors in 2023.

In addition, the Company keeps track of the safety indicators for employees and contractors in real time, and encourages excellent safety-related activities through the Safety Observation Program. The program, which will consolidate all incentives starting in 2023, issues gold/green cards with commendation coupons for outstanding safety-related activities and yellow/red cards when corrective action is needed to raise awareness in day-to-day work and at job sites.

Employee Health Management

S-OIL engages in various activities to protect and promote the health of its employees. Medical checkups are provided regularly to all employees, and in addition to the general tests provided, additional examination items including adult diseases and cancer are covered by the Company. Employees also receive intensive screening for diseases of concern, and the Company supports those who have specific medical symptoms or need monitoring with regular counseling, testing and treatment. Medical services are also available at the Company's own health center, including first aid, medication and occupational health advice, and the Company provides free flu vaccinations to employees at a clinic of their choice. Additionally, the Company provides professional psychological counseling and coaching programs for employees and their families, and offers various health promotion programs to help employees with disease prevention, work-related stress management, smoking cessation and obesity management every year.

Support for Safety Management of Contractors

S-OIL conducts various support activities to strengthen contractors' safety management capabilities. In 2023, 48 contractors participated in the Safety and Health Cooperation Program, two more than in the previous year, and the Company provided various programs such as regular safety council meetings, joint safety and health inspections, supervisor workshops, and risk assessment training.

Advisory support | Every quarter, S-OIL conducts joint inspections of safety and health documents (e.g. training records, inspection history, protective equipment registers) and site audits of contractors to improve safety management and prevent industrial accidents. The Company has added new programs for contractors, such as risk assessment based on the Korea Risk Assessment System (KRAS) and consulting for obtaining KOSHA-MS certification. The Company also conducts daily pre-job safety training on safety golden rules, safety general rules and safety practice rules, accident cases, and emergency response to improve safety awareness among contractors' employees.

Through these activities, 10 new contractors obtained KOSHA MS certification in 2023, bringing the total number of certified contractors to 42, and 41 contractors also obtained KRAS-based risk assessment accreditation from the Korea Occupational Safety and Health Administration (KOSHA).

By actively supporting contractors in building their own safety systems, S-OIL aims to create safe workplaces with world-class standards.

RISK MANAGEMENT

Safety Management Training | In addition, to ensure better safety management at work sites, the Company has established qualifications for contractors according to their roles and ensured that only qualified people perform their duties for certain safety-critical positions, such as safety managers, supervisors, heavy equipment flagmen, and signalmen. In addition, to achieve an accident-free workplace during turnaround and inspection (T&I) periods, the Company provides contractors involved in T&I work with training on gas meter use and management, safe handling of hazardous chemicals, workplace safety management, accident cases and safety measures, as well as briefings on the processes, main tasks, and potential hazards in the T&I area.

Implementation of Safety & Health Bid Evaluation | To improve the sustainability of its contractors, S-OIL operates the Safety & Health Bid Evaluation (SHBE) system, which comprehensively evaluates each contractor's core capabilities as well as its capabilities in sustainability aspects such as safety and environment at an early stage, so that only those with a threshold score or higher are allowed to participate in the bidding process and contribute to on-site safety management. In 2022, the Company expanded the scope to general contractors across the Company to select safety-qualified contractors for all service contracts to encourage them to improve their safety management capabilities. The Company also motivates autonomous safety management by monitoring the entire process and recognizing employees and contractors who demonstrate excellent safety management behavior.

Support for Contractor Workers' Health Management

As an extension of health management efforts, S-OIL performs joint safety and health inspections with contractors and offers health guidance. The Company also assesses work environments, monitors if health examinations are provided appropriately, and provides health management counseling to promote the health of not only its employees but also the members of its contractors. Contractor workers also have the same access to health care centers as the employees to receive first aid, medication, and medical treatment for injuries.

KOSHA-MS Certification

S-OIL received the certification to convert its existing safety and health management system to ISO 45001 in 2021. From that time on, the Company has faithfully operated its safety and health management system and successfully renewed its certification from the certifying body in March 2023 as a result of a follow-up audit. After more than a year of careful preparation, the Company obtained KOSHA-MS, a safety and health management system certification from the Korea Occupational Safety & Health Agency in accordance with domestic safety laws and regulations, in November 2023, thereby increasing the adaptability of its system to the field.

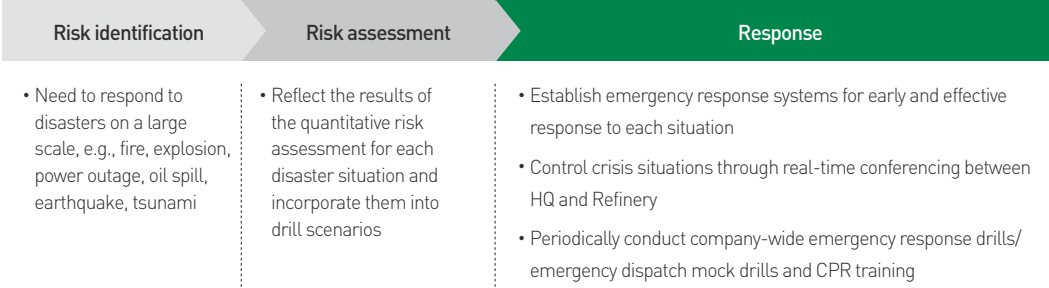
Job Safety Analysis and Process Risk Assessment

S-OIL conducts pre-job risk assessment and shares work hazards and preventive measures at Tool box meeting as a key component for accident prevention. In parallel, the Company regularly conducts daily safety checks, weekly joint safety walk-throughs by officers, team leaders, and senior managers, and semi-annual safety interview led by team leaders in an attempt to spread safety culture and strengthen visual safety leadership. These activities are updated on the SHE Dashboard for trending and monitoring. For continuous risk discovery and improvement, the Company conducted a process risk assessment using the K-PSR approach with an external consulting firm for all process units in all plants for two years starting in 2022, and in 2023, the Company inspected 19 process units in 11 production teams over a period of about eight months. The assessment resulted in 203 recommendations for improvement, such as the installation of additional safety valves and the management of emergency shut-off valve car seals, leading to improved process safety management and process safety. These efforts earned the Company the highest grade of P in the PSM evaluation conducted by the Ministry of Employment and Labor for the Olefin Plant in 2023, followed by the Aromatic Plant in 2021 and the Oil Movement Plant in 2022. Moreover, the Labor Safety and Health Law requires the Company to obtain prior approval from the Ministry of

RISK MANAGEMENT

Employment and Labor to contract its maintenance work for sulfuric acid and hydrochloric acid facilities. As a result, an external company conducted a safety and health evaluation of all relevant facilities up for contract renewal at the end of 2023, and prepared and submitted a thorough Safety and Health Plan, which received final approval from the Ministry of Employment and Labor in December 2023.

Emergency Response System



S-OIL operates a company-wide Emergency Control Program (ECP) to contain accidents as early as possible to prevent them from escalating into major accidents and to provide the most effective response. To ensure the effective operation of the ECP, the Company has established an Emergency Control Center (ECC), which operates 24/7 and monitors plant conditions using fire alarms, gas leak alarms, environmental TMS, emergency alarms, and emergency broadcasting systems. The ECC can cascade the situation in real time to Head Office, Refinery, and respective business sites through a video conferencing system.

In the event of an accident, the ECP operates the Emergency Command Vehicle (ECV) as a field command center to effectively communicate with the ECC and other parties dispatched to the accident site, and the ECC uses the information gathered by the ECP to remotely command the situation in a timely manner.

S-OIL also strives to build the enterprise emergency response capability to effectively handle large-scale disasters such as fire, power outage, oil spill, earthquake, and tsunami. To this end, simulated emergency response drills are planned and conducted more than 24 times a year at both the corporate and site levels. In addition, all employees are trained in basic firefighting equipment and cardiopulmonary resuscitation (CPR), and S-OIL regularly conducts emergency mobilization drills and fire scenario exercises to improve the initial response capabilities and joint response capabilities with external agencies. S-OIL is committed to preventing accidents and minimizing damage to people, the environment and property in the event of an accident.

S-OIL has added safety reinforcement as a strategic goal, with a medium to long term target of 'TRCF below 0.07' now included as a corporate KPI.

Category	2023 Targets	Performance in 2023	2024 Targets	Mid/Long-term Targets
TRCF ¹⁾	0.10	0.088	0.095	0.07
LOPC ²⁾	0	0	0	0
Fire Accident	0	0	0	0

1) TRCF: Total Recordable Case Frequency
2) LOPC: Loss of Primary Containment

METRICS & TARGETS



Supply Chain Sustainability



WHY IS THIS IMPORTANT?

The sustainable growth of a company depends on how it responds to the rapid changes in the supply chain market in order to maintain stable sources of supply while at the same time fostering healthy competition among suppliers. To do this, it is essential to build trust between the Company and its suppliers through fair and transparent supplier selection and to create an environment in which they can grow together.

GOVERNANCE



S-OIL supports the sustainability of its supply chain through the Procurement Division. The Procurement Management Team is responsible for managing supply chain sustainability while the Procurement Team and Refinery Procurement Team assist in sustainability management and ensure quality, timely and cost-effective sourcing.

STRATEGY



S-OIL is committed to minimizing the risks posed by its suppliers while creating new business opportunities for the Company and its suppliers to develop together by proactively supporting and managing its suppliers to ensure they have the capacity for sustainable development.

Direction of Supply Chain Sustainability Management
<ul style="list-style-type: none">• Enhancement of fairness and transparency in the selection of bidders by systematically improving the supplier evaluation process• Procurement of high quality products at reasonable price through the differentiated selection of suppliers• Integration of procurement processes & enhancement of interactive information sharing with suppliers• Enhancement of collaboration with outstanding suppliers• Analysis of information for effective purchasing

Procurement Processes Improvement

Since 2013, S-OIL has implemented advanced procurement processes such as auto-invitation and blind bidding to dramatically improve the transparency, objectivity, and fairness of its purchases. Under the auto-invitation process, the procurement of goods and services is initiated by automatically inviting all suppliers who have joined each sourcing group after being pre-screened by the contracting committee. S-OIL then selects contractors through blind bidding, with the e-procurement system automatically handling the quotation process. Through the advanced process, the Company ensures the contractor selection process is transparent and fair, while improving its procurement process based on close communication with suppliers.

Significant Suppliers: 145 companies (accounting for about 75% of total purchases in 2023)
Selection Criteria
1. Suppliers of large volumes of products and services
2. Irreplaceable suppliers
3. Suppliers that have been stably providing products and services for a long period of time
4. Suppliers that are essential to the operation of our main processes
5. Suppliers that are highly relevant to ESG issues such as environment and safety, and can affect the Company's ESG performance

STRATEGY

Improvement of the Supplier Relationship Management System

In order to establish a stable supply chain through mutually beneficial cooperative relationships in which suppliers and the Company grow and prosper hand in hand, S-OIL has operated the Supplier Relationship Management (SRM) system since 2010. Under this system, a comprehensive evaluation of suppliers is conducted annually, including objective credit ratings by Korea Evaluation Data (KoDATA) and performance evaluations of suppliers' delivery records. On the basis of the overall evaluation, the Company has selected excellent suppliers and awarded excellent supplier certifications since 2019, with a view to pursuing long-term mutually beneficial cooperation that will bring pride and shared growth to the suppliers. In 2023, the Company created the ESG category and selected a total of eight excellent suppliers (three for materials and five for services), presented them with certificates, and discussed ways to build a long-term win-win relationship.

Systematic Supplier Sustainability Management

S-OIL has set 'zero safety and environmental incidents' and 'ethics management' as sustainability management targets for suppliers and systematically manage their achievement. The Company evaluates the suppliers' basic capabilities, such as financial stability and technical capabilities, as well as their ESG aspects, such as ethics, employee interests, safety, and the environment. Only those that pass the evaluation are given the opportunity to bid. The results of its supplier sustainability management, as well as any issues and corrective actions identified, are reported to the ESG Steering Committee on a quarterly basis.

ESG Assessment | As part of the Company's ESG management, S-OIL has established the Supplier ESG Code of Conduct and encouraged its suppliers to comply with it since 2022, and the Supplier ESG Support Program, which was launched in 2022, continued in 2023. The program included an ESG self-assessment survey for 1,180 suppliers registered in the sourcing group, and based on the analysis of the data, 114 key suppliers and suppliers in need of ESG management support were selected and provided with online training on the importance of ESG. The Company then supported formal ESG assessments for 10 of them and conducted on-site inspections with ESG experts and its procurement staff. These site visits were more than just checks; the focus was on providing recommendations for improvement to help suppliers improve their ESG performance.

RISK MANAGEMENT

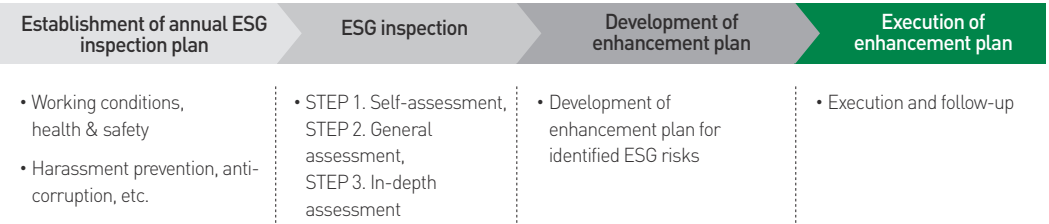


Ethics Compliance Pledge for Suppliers and Bidders | The Company's suppliers are required to submit a commitment to comply with the Code of Ethics. In order to emphasize the importance of compliance with the Code of Ethics, S-OIL has invited its suppliers every year since 2013 to inform them about the transparent and objective procurement system and the ethical rules for suppliers, and to verify their compliance with the Code of Ethics.

Supplier Briefing Session | In 2023, the supplier briefing sessions, which were held online for the past three years due to COVID-19, were held face-to-face twice each at the S-OIL Head Office and Onsan Refinery, where the Company shared its purchasing procedures, e-Procurement system user manuals, and ethics management.

Support for Strengthening Ethical Management | S-OIL has set ethical management as a goal for managing the sustainability of its partners and is systematically working to achieve this. Since 2020, due to COVID-19, the partner invitation program has been transitioned to a non-face-to-face format. S-OIL has produced explanatory materials, including topics on ethical management, and distributed them to its partners.

S-OIL contributes to the sustainability management of its suppliers through a process of planning, ESG assessment, improvement plan, and performance review.



METRICS & TARGETS



Category	2023 Targets	Performance in 2023	2024 Targets
Enhancing sustainability capability in supply chain	<ul style="list-style-type: none">Conducting 100% regular risk assessments for suppliers	<ul style="list-style-type: none">Conducted regular risk assessments for all suppliers	<ul style="list-style-type: none">Conducting 100% regular risk assessments for suppliers
	<ul style="list-style-type: none">Completing ESG training by 100% of Procurement team staff	<ul style="list-style-type: none">ESG training completed by all procurement staff	<ul style="list-style-type: none">Completing ESG training by 100% of Procurement team staff
	<ul style="list-style-type: none">Annual supplier briefing sessions	<ul style="list-style-type: none">Held two meetings with suppliers (supplier briefing session and high performing supplier meeting)	<ul style="list-style-type: none">Annual supplier briefing sessions
	<ul style="list-style-type: none">Supplier procurement satisfaction survey: over 9.3 points	<ul style="list-style-type: none">Recorded 9.4 from supplier procurement satisfaction survey (406 suppliers)	<ul style="list-style-type: none">Supplier procurement satisfaction survey: over 9.3 points
Strengthening bidding competitiveness	<ul style="list-style-type: none">Developing 110 new suppliers	<ul style="list-style-type: none">Registered 114 new suppliers	<ul style="list-style-type: none">Developing 110 new suppliers

Ethics Policy for Suppliers

S-OIL's suppliers shall comply with the S-OIL Supplier Ethics Policy as stated below and shall make efforts to build sustainable supply chains.

- We comply with international ethics-related regulations as well as anti-corruption and anti-bribery regulations as a member of the nation and local communities.
- We do not carry out any illegal act such as bid rigging that affects cost estimates.
- We do not provide or promise to give valuables or entertainment to project owners.
- We eliminate discrimination in terms of gender, race, nationality, disability, religion, and union activity.
- We respect business partners and their employees, and do not have an impersonal manner. We do not restrain employees' physical and psychological freedom illegally, and we do not force people to work against their will.
- We comply with the working hour requirement and the minimum wage as determined by labor-related laws and regulations.
- We prohibit employment of minors under the age of 15, and exclude employees under the age of 18 from work with higher potential health and safety risks.
- We guarantee freedom of association, and prohibit any disadvantage from it.
- We comply with labor conditions determined by labor-related laws and regulations in each country and region.
- We provide employees and relevant staff with a safe and healthy work environment, and take proper action to prevent them from being exposed to potential safety risks.
- We comply with environmental laws and regulations, and recognize that environmental protection is our basic social responsibility.
- We strive for continuous job creation, and implement social contribution activities for the development of local communities and the national economy.
- We have S-OIL level or higher ethical procurement policy for our suppliers.

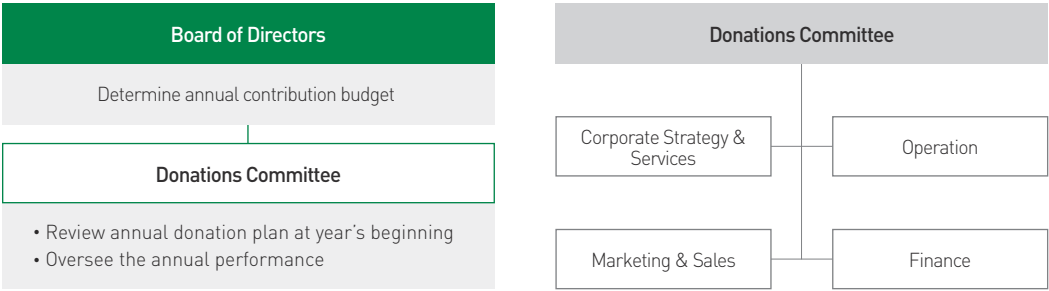
Social Contribution



WHY IS THIS IMPORTANT?

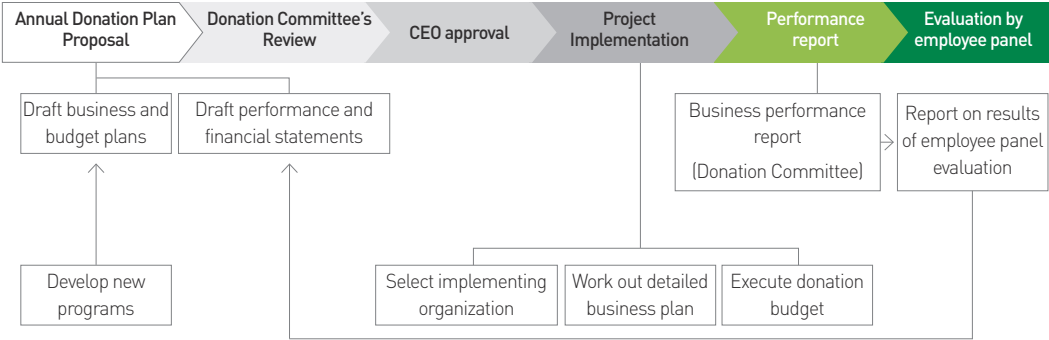
Companies have a responsibility to be good stewards of their communities, for the benefit of both business and society, through genuine social contributions. Contributing to society, particularly in the context of ESG, has become an integral part of a Company’s sustainable growth and a healthy community.

GOVERNANCE



The Donation Committee is a decision-making body that deliberates and supervises the planning and execution of donations and consists of the Heads of Corporate Strategy & Services Business Line(B/L), Operations B/L, Marketing & Sales B/L, and CFO. At the beginning of each year, a report on the previous year’s business performance and financial results and a business and budget plan for the current year are submitted, reviewed by the Donation Committee, and approved by the CEO before execution. In the case of new projects that are not included in the annual donation plan, such as emergency or disaster relief donations, a written review by the Donation Committee and subsequent approval by the CEO is sought to execute the budget in accordance with internal delegation rules. The Donation Committee is responsible for the overall oversight of the Company’s strategy, policies, and performance on social contribution matters and holds regular meetings at the beginning of each year.

Donations Operations and Management Process



STRATEGY



Social Contribution Programs Aligned with the Business

To practice the Company’s core value of sharing, S-OIL implements systematic and differentiated social contribution activities in accordance with its strategic goals of effectiveness, timeliness, and beneficiary-centeredness. The Company operates a social contribution program consistent with its business to support fuel and heating oil, and work with public institutions and non-profit organizations to promote shared growth with the communities where its business sites are located. S-OIL also strives to address local community concerns such as job creation and economic revitalization through various support activities. This has also led to an increase in the number of users of its products to 6,561.

Hope to You campaign	Service Station Sharing N campaign
<ul style="list-style-type: none">• Provide winter heating oil to low-income families• Improve heating system: 1,205 low-income households, 300 welfare facilities	<ul style="list-style-type: none">• A nationwide program in partnership with 300 S/Ss
College scholarship for suppliers’ children	Scholarships for children of freight truck accident victims
<ul style="list-style-type: none">• Scholarship support program for children of workers of small and medium-sized suppliers at Ulsan Refinery starting in 2022 (totaling KRW 180 million)	Youth food truck fuel support
	<ul style="list-style-type: none">• A part of youth entrepreneurship support program

For Local Communities

S-OIL endeavors to promote the development of local communities where its business sites are located, such as Seoul and Ulsan, and improves the quality of life for local residents, while also achieving sustainable development for the Company. In addition to Mapo and Ulsan, the Company continues to engage in community outreach activities for local communities near the terminals and TS&D Center. The Company received a certificate from the Ministry of Culture, Sports and Tourism and the Arts Council Korea for the work as a certification system for excellence companies in culture and arts sponsorship in 2020, and has maintained this status since then through annual achievement evaluations.

Activities in Mapo | Since 2011, S-OIL has been organizing free monthly Culture & Sharing performances for local residents in the Mapo neighborhood where the headquarter is located. Family-friendly performances in a wide range of genres are well accepted and enjoyed by more than 2,000 people each year. Local residents who enjoyed the cultural activities have increased their participation in cultural activities to more than twice a year, indicating that the Company is making a significant contribution to the revitalization of cultural activities in the local community. As a guardian of local culture, the Company also supports the Mapo Ferry Salted Shrimp Festival, a traditional cultural event in the Mapo area. The Company also operates the GooDoil Café, which provides free cold mineral water in the summer and hot tea in the winter, in partnership with local organizations in Mapo. The Company continues to donate to the Mapo Welfare Foundation and the Mapo Talent Development Foundation, as the Company is committed to the development of the Mapo community.

Activities in Ulsan | In the local community of Ulsan, where the refinery is located, the Company is involved in various community support activities, such as operating the Ulsan Welfare Foundation, sponsoring the construction of the Taewha Pavilion and cultural events, and supporting welfare organizations in the area. In order to boost the pride of Ulsan residents while providing them with a comfortable public rest area, the Company funded the entire budget for the Taewha Pavilion restoration project. This restoration project was completed in 2014, and S-OIL has since supported annual cultural events at the historic site. In 1993, in honor of a talented local writer, the Company established the Oh Young-Soo Literary Prize, one of the most prestigious literary awards in Korea. In addition, since 1996, the Company has held the Beautiful Eyes Art Festival, an art event that mainly invites amateur artists from the region. The Company also continues to support various cultural and artistic events in the Ulsan area, including the Cheoyong Cultural Festival and the Kyung-sang Daily Lit-

STRATEGY

erary Awards for Young Writers. Moreover, since 2019, the Company has been supporting the regional trauma center of Ulsan University Hospital in the operation of the doctor cars, which was about to cease operations due to lack of budget, causing great concern about a vacuum in medical services in the heavily industrialized city of Ulsan, which has many heavy chemical companies with a higher risk of accidents. For Ulsan, the budget was executed with a 95% increase in 2023 compared to the previous year's performance*, and the Company plans to further expand the budget for the Ulsan community in 2024 as the Company strengthens its community outreach efforts.

*2022 (KRW 1,470 million) → 2023 (KRW 2,869 million): an increase of KRW 143 million (95%)

Major Social Performance <ul style="list-style-type: none"> Better access to culture and arts: 13,658 people Better educational opportunity for local youth from low-income families: 119 people Improved health for children with incurable diseases: 6 people 	Major Business Performance <ul style="list-style-type: none"> Media exposure of local community-related CSR activities: 146 times
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For the Environment

S-OIL carries out different activities in order to preserve the threatened natural resources and to conserve nature and ecological diversity for the future generations. Through environmental stewardship activities, the Company remediates some of the environmental impacts of the operations, while actively communicating with various stakeholders about the efforts to promote environmental protection and minimize pollutant emissions.

Endangered Natural Monuments Protection Campaign | In 2008, the Company launched the Endangered Natural Monuments Protection Campaign with the Cultural Heritage Administration to sponsor the research and protection efforts of specialized organizations dedicated to protecting natural treasures such as otters, red-crowned cranes, Korean spotted barbels (eoreumchi) and long-horned beetles. The Company also operates the country's only college students' natural monument conservation corps. In 2023, starting with the Natural Monument Conservation Grant Award Ceremony and the inauguration of the 11th S-OIL College Students' Natural Monument Conservation Corps, the Company conducted various activities throughout the year, including the release of eoreumchi into the Geumgang River in Geum-san, the ecological education of long-horned beetles at the Natural Monument Insect Research Institute in Yeongwol, the ecological education of otters at the Korean Otter Research Center in Hwacheon, and the feeding of red-crowned cranes with employee families in Cheorwon.

Janghang Wetland Conservation Campaign | Since 2021, S-OIL has conducted a campaign to preserve the biodiversity of Janghang Wetland, which is registered as a Ramsar site, together with Goyang City and the Han River Basin Environment Agency. Designated as a wetland protection area in 2006, Janghang Wetland is visited by approximately 30,000 water birds, including seven endangered species (including

Endangered Natural Monuments Protection Campaign



blackfaced spoonbills and white-naped cranes) visit every year. On May 21, 2021, it was registered as the 24th Ramsar site in Korea. To preserve this protected habitat, the Company supports wetland conservation activities and the creation of ecological tourism environments, and in this regard, the Company supports the restoration of otter habitat in the Han River through the Korea Otter Protection Association. After fencing the trail in 2022, the Company installed safety matting for the trail in 2023, and also contributed to the construction of the Han River Ecological Center. The Company also conducted ecological monitoring and habitat research of otters along the Han River estuary and public awareness programs. In 2024, the Company plans to release otters into the Han River in celebration of the opening of the Janghang Wetland Ecology Center.

Cleanup Activities around Mokdo Island | S-OIL regularly conducts environmental cleanup activities around the Mokdo Evergreen Forest, a natural monument located near the Refinery, and continues to expand green procurement to further contribute to environmental protection.

Yeongnam Alps Silver Grass Plains Conservation Project | The Company invested KRW 150 million to sponsor a project to preserve and restore the silver grass plains in Mt. Shinbul in the Yeongnam Alps in Ulju, which are under increasing threat from alpine climate change and growing tourism.

Major Social Performance <ul style="list-style-type: none"> Increase in the number of wild animals: 5,000 species Green purchasing: KRW 70,214 million 	Major Business Performance <ul style="list-style-type: none"> Media exposure of environmental protection activities: 225 times
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For Needy People

S-OIL is engaged in many programs to help marginalized neighbors stand on their own and contribute to society as healthy citizens with the continued interest and support of society. For example, the Company sponsors scholarships for young people living in orphanages or who have aged out of the orphanage system; hosts the Sunshine Sharing Camp for families of children with rare diseases; provides customized learning tools for young people with disabilities; sponsors the Heart-to-Heart Orchestra of developmentally disabled people; helps low-income families recover from fire damage; supports immigrant women who are victims of domestic violence; and covers medical expenses for burn victims in single-parent families. The Company communicates with its stakeholders about efforts to fulfill the social responsibilities while distributing its fuel products free of charge to the neighbors in need, creating a warm and positive image for the Company. Through continued sharing activities, S-OIL joined the 'Community Contribution Recognition Program' administered by the Ministry of Health and Welfare and the Korea National Council on Social Welfare. In 2019, the Company were recognized as an outstanding Company for community contribution in 2019, and have maintained its eligibility through annual public review.

Major Social Performance <ul style="list-style-type: none"> Improvement in the academic performance of youth from low-income families: 119 people Improved health of children with burn injuries: 10 people Empowerment of migrant women: 35 migrant women from 10 families transitioning out of shelter, and 3 migrant women working as community 	Major Business Performance <ul style="list-style-type: none"> Media coverage of its work for underserved neighborhoods: 463 times
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Underprivileged Neighbors Guardian Program



STRATEGY

For Heroes

S-OIL strives to create a brighter society by honoring the true heroes around people. The Company leads the way in creating a brighter society by celebrating 'the Hero Firefighters' who dedicate themselves to saving lives despite harsh working conditions; the 'Hero Coast Guard Officers' who are at the forefront of maritime crime prevention and sea rescue operations; and the 'Hero Citizens' who selflessly help their neighbors in danger with a spirit of sacrifice. The Company also provides financial assistance and scholarships to the surviving families of firefighters and Coast Guardsmen who have died in the line of duty, as well as medical assistance to those who have been injured in the line of duty. In addition, firefighters or coast guardsmen can take advantage of the Healing Camp program, and S-OIL selects and recognizes Hero Firefighters, Hero Coast Guardsmen and Hero Citizens each year.

Sunshine Sharing Social Contribution Activities by Employees

The Sunshine Sharing Social Volunteer Corps was launched in 2007 with the voluntary participation of employees, and since then, the Company has organized regular and team volunteer activities at the Head Office and the Refinery, as well as volunteer teams at branches, service stations and terminals, and continues to carry out various volunteer activities tailored to the local conditions of each business location. From 2020 to 2022, the program was temporarily suspended due to COVID-19 social distancing, but it has been normalized since 2023. Employees have engaged in voluntary service and donation activities through the Sunshine Sharing Campaign. Prime examples are their support for the surgical expenses of 147 children with biliary atresia since 2009 through wage tail-cut contribution, as well as support for children raised by grandparents through the 1 employee & 1 donation account campaign.

Efforts to Address the Needs of Local Communities

S-OIL has expanded its purchases of local products and services to stimulate the local economy in the Ulsan area. In particular, the Company purchases rice and pears produced in the communities surrounding the Refinery to support local farmers and donate them as part of social contribution activities. The Company also helps farmers to adopt organic farming by raising snails in rice paddles to increase the competitiveness of local farms and protect the environment. In addition, the Company continues to hire local talent to secure future growth drivers, thereby helping to create more jobs locally. To improve the educational environment for children in the local community, the Company has provided various support, including contributions to school development funds, scholarships, and book donations to seven elementary, middle, and high schools, as well as nine local children's centers in Ulsan.

Eco-friendly Social Enterprise Support Program

S-OIL has launched a new program to provide support for environmentally friendly social enterprises. Aimed at helping green social enterprises become competitive and create environmental and social value as they grow, the program provides budget support, training on measuring social value, and management consulting.



METRICS & TARGETS



Every year, S-OIL actively identifies social contribution activities and engages in various activities.

Social Contribution Performance

Donations	Publicity Performance
<ul style="list-style-type: none">• 9,555 million KRW• (Social Contribution: 842 million KRW, Turkey Earthquake Relief Fund: 100 million KRW, Flood Recovery Fund: 500 million KRW)	<ul style="list-style-type: none">• Total 1,430 cases (Print: 27 + Media: 1,103)* Print: 327 CSR articles (39%) out of 694 total company article
Beneficiary Organizations	Employee donation participation rate
<ul style="list-style-type: none">• 546 places	<ul style="list-style-type: none">• 1,642 employees (50%), One-Person-One-Donation Account campaign
Beneficiary Individuals	Employee Volunteer Participation Rate
<ul style="list-style-type: none">• About 105,948 people	<ul style="list-style-type: none">• 776 employees, 1,403 instances, 4,815 hours (pilot implementation after suspension due to COVID19)

Category	2023 Targets	Performance in 2023	2024 Targets	Mid-to long-term target:
Promotion of systematic CSR activities	Promoting systematic CSR activities	Promotion of systematic CSR activities	Promoting systematic CSR activities	
	Social contribution activities engaging with stakeholders		Social contribution activities engaging with stakeholders	
	Continuous improvement of CSR activities		Promotion of systematic CSR activities	
Promoting local culture & arts	12 cultural arts performances (3,000 audiences)	12 cultural arts performances (2,580 audiences)	12 cultural arts performances (3,000 audiences)	42 cultural arts Performances from 2022 to 2025 (10,500 audiences)
Promotion of systematic CSR activities	Revitalizing local society and economy (Purchasing in Ulsan: over KRW 200 billion)	Purchased in Ulsan: KRW 855.5 billion	Revitalizing local society and economy (Purchasing in Ulsan: over KRW 200 billion)	Revitalizing local society and economy

Heroes Guardian Program



G O V E R N A N C E



S-OIL has established transparent and sound corporate governance. The Company protects its stakeholders by disclosing accurate and transparent management information, and take every precaution to strengthen cybersecurity in light of recent cyber threats such as customer data theft. The Company strives for sustainable, trust-based growth with suppliers and practice compliance and ethics management guided by its corporate philosophy of integrity. Also, various risks, both internal and external, are managed in an integrated manner to strengthen sustainability.

Key Issues		Report Subject	Aspect Report Subject	Major Stakeholders
Corporate Governance	G-1	Corporate Governance	Governance	Employees, Shareholders & Investors
Sound and Transparent Financial Management	G-2	Sound and Transparent Financial Management	Economic Performance, Tax	Consumers, Employees, Shareholders & Investors, Suppliers, Local communities, Government
Cybersecurity ★	G-3	Cybersecurity	Customer Privacy	Customers, Employees, Shareholders & Investors
Ethics Management	G-4	Ethics Management	Child Labor, Forced or Compulsory Labor	Consumers, Employees, Shareholders & Investors, Suppliers, Local communities, Government
Compliance and Fair Competition	G-5	Compliance Management	Anti-corruption, Anti-competitive Behavior	Consumers, Employees, Shareholders & Investors, Suppliers, Local communities, Government
Risk Management	G-6	Risk Management	Strategy, Policies, and Practices	Employees, Shareholders & Investors, Local communities, Government

Corporate Governance



WHY IS THIS IMPORTANT?

Transparent and sound corporate governance is the cornerstone of sustainable growth. It is also the basis for ensuring corporate transparency and improving productivity, and is a key to gaining the trust of various stakeholders and increasing shareholder value. S-OIL has established a transparent and sound governance and strengthen trust with stakeholders by pursuing management activities that balance oversight and cooperation through a Board of Directors (BOD) and its committes that embody diversity, independence, and expertise.

GOVERNANCE



BOD Composition

(as of March 28, 2024)

Category	Name	Position & Duty	Career	Tenure
Executive Director	Anwar A. Al-Hejazi	RD & CEO	<ul style="list-style-type: none">Former President of Saudi Aramco AsiaFormer CEO of Saudi Aramco Asia Japan	2023. 5.9~
Nonstanding Director	Mohammed Y. Al-Qahtani	Chairman of CC	<ul style="list-style-type: none">Saudi Aramco Downstream PresidentFormer EVP of Saudi Aramco DownstreamFormer SVP of Saudi Aramco UpstreamFormer VP of Saudi Aramco Corporate Planning, Corporate Affairs, Petroleum Engineering & Development	2021. 3.30~
	S.M. Al-Hereagi		<ul style="list-style-type: none">Saudi Basic Industries Corporation executiveFormer SVP of Saudi Aramco TreasuryFormer VP of Saudi Aramco TreasuryFormer Saudi Aramco Petroleum Overseas Managing DirectorFormer Saudi Aramco Treasury Advisory, Treasury Services, Audit Head	2016. 3.18~
	Motaz A. Al-Mashouk	Chairman of ODCRC & ESGC	<ul style="list-style-type: none">Saudi Aramco Senior Vice PresidentFormer SVP of Saudi Aramco Engineering ServicesFormer General Manager of Saudi Aramco Maritime, Building & Infrastructure Project Management, Community Infrastructure & Public Project	2022. 3.22~
	Ibrahim M. Al-Nitaifi	Member of ESGC	<ul style="list-style-type: none">Saudi Aramco Vice PresidentFormer VP of Saudi Aramco Fuels Subsidiaries AffairsFormer General Manager of Saudi Aramco Fuels Subsidiaries AffairsFormer President & CEO of Saudi Aramco Mobil Refinery	2023. 3.28~

Outside Director	O-Kyu Kwon	Chairman of the Board of Directors	<ul style="list-style-type: none">Former Chairman of the Hyundai Motor Chung Mong-Koo FoundationFormer visiting professor at KAIST College of BusinessFormer Deputy Prime Minister and Chief of the Ministry of Strategy and Finance	2023. 3.28~
	Jae-Hoon Lee	Chairman of BAC, Member of CC	<ul style="list-style-type: none">Advisor at Kim & ChangFormer Chairman of Energy Future Forum, Energy Valley ForumFormer President of Korea Polytechnic UniversityFormer Vice Minister of Trade, Industry and EnergyFormer Commissioner of Presidential Committee on Green Growth	2021. 3.30~
	Jungsoon Janice Lee (female)	Member of CC, ODCRC & ESGC	<ul style="list-style-type: none">Advisor at Kim & ChangFormer CFO of Standard Chartered Bank KoreaFormer SVP of Hanaro TelecomFormer Controller of Daewoo Heavy Industries America	2019. 3.28~
	Jeon-Hwan Lee	Member of BAC, ODCRC & ESGC	<ul style="list-style-type: none">Advisor at Bae, Kim & LeeFormer Vice Commissioner of National Tax Service (NTS)Former Assistant Commissioner of NTS Individual Taxation BureauFormer Commissioner of NTS	2021. 3.30~
	Seung-Beom Koh	Member of BAC, ODCRC & ESGC	<ul style="list-style-type: none">Former Chairman of Financial Services CommissionFormer member of the Monetary Policy Board, the Bank of Korea	2024. 3.28~
	Eun-Hyung Lee (female)	Member of BAC & CC	<ul style="list-style-type: none">Professor at the College of Business, Kookmin UniversityFormer member of Deliberation Committee of Regulation-Free Special ZoneFormer Chairman of the Board of Directors at Standard Chartered Bank Korea	2024. 3.28~

* The BOD is organized as a one-tier board system in accordance with domestic law.

Balance between Diversity and Independence

S-OIL nominates director candidates with expertise and diversity, including nationality, race, gender, etc., in accordance with internal procedures to ensure that the interests of various stakeholders are properly represented and that mutual complementarity among directors can be maintained. Candidates are then appointed as directors at the Annual General Meeting. Based on the essential competencies of the Board, S-OIL selects candidates by reviewing their vision, leadership, expertise and professional experience, as well as their ability and qualifications to serve independently and objectively on the Board. To ensure the independence of the Board, a candidate is also screened by the independency factors. Thus, whether he/she works or has worked for S-OIL in the past five years, whether he/she performs or has performed any audit or consulting services for the Company, and whether he/she has any material relationship or transaction with the Company are fully considered.

Independency Policy of Outside Directors

To help the BOD conduct independent and objective decision-making for the protection of the rights of shareholders and investors, S-OIL appoints a majority of directors as outside directors who satisfy the following independency policy (disqualification reasons). Outside directors lose their posts when they cannot meet the independence policy.

1. Directors, executive officers and employees who are engaged in the Company, or directors, auditors, executive officers and employees who have engaged in the Company within the last five years;
2. The principal, his/her spouse, lineal ascendants, and lineal descendants, in cases where the largest shareholder is a natural person;
3. Directors, auditors, executive officers and employees of a corporation, in cases where the largest shareholder is the corporation;
4. The spouses, lineal ascendants, and lineal descendants of directors, auditors, and executive officers who have engaged in the Company or a parent Company and a subsidiary of the Company within the last three years;
5. Directors, auditors, executive officers and employees who are engaged in a parent Company and a subsidiary of the Company within the last five years;
6. Directors, auditors, executive officers and employees of a corporation in an important interest such as a business relationship with the Company as follows;
 - The Company's important customers, suppliers and related persons;
 - A corporation that concludes an advisory agreement such as legal advice, management consultation, etc. with the Company or top management of the Company;
 - A corporate that contracts a private service agreement with the Company or top management of the Company;
 - An accounting firm that has been the auditor of the Company within the last three years;
 - A non-profit organization and related persons that receives important donations from the Company, etc.
7. Directors, auditors, executive officers and employees of another Company for which directors, executive officers and employees of the Company serve as directors and executive officers; and
8. A person who is determined to undermine the independence of the BOD due to other interests with the Company or who is otherwise unable to faithfully perform his/her duties as an outside director

For outside directors, in particular, the Outside Director Candidates Recommendation Committee (ODCRC) recommends the most suitable candidates with independence, after evaluating candidates in accordance with internal standards to confirm that they have no vested interest in S-OIL or any other reasons for disqualification. S-OIL has also developed a database of over 200 outside director candidates to ensure the Company can recommend the right candidates in a timely fashion.

The Board leverages the expertise and diverse experience that directors bring from various areas, including accounting/finance, strategy/management and policy, as well as business related to refining and new energy, and two female directors have been serving on the board since 2019, further enhancing its diversity. Having served in various fields, such as the government, industry, and academia, directors with rich experience and capability in the energy and chemical industry will significantly contribute to enhancing the diversity and independence of the BOD.

Board Skill Matrix

Expertise Areas		Business-related (e.g., refining, petrochemicals, new energy, new business)	ESG	Accounting / Finance	Strategy & Management	Policy (planning and finance, industry, trade, etc.)
Inside Director & Non-standing Director	Anwar A. Al-Hejazi	●			●	
	Mohammed Y. Al-Qahtani	●			●	
	Salah M. Al-Hereagi	●		●	●	
	Motaz A. Al-Mashouk	●	●		●	
	Ibrahim M. Al-Nitaifi	●	●		●	
Outside Director	O-Kyu Kwon			●	●	●
	Jae-Hoon Lee	●			●	●
	Jungsoon Janice Lee		●	●	●	
	Jeon-Hwan Lee			●	●	●
	Seung-Beom Koh			●	●	●
	Eun-Hyung Lee	●	●		●	

Enhancement of Professionalism in BOD

To ensure professionalism in the formation of the BOD, S-OIL regularly conducts a briefing session to support the Board's decision-making, including general content such as changes in the business environment, business strategies, risk factors, and risk management measures. Directors receive a monthly report on economic, social and environmental issues that may affect the Company's sustainability. The BOD operates four committees - Board Audit Committee (BAC), Compensation Committee (CC), ODCRC and ESG Committee (ESGC)- to support its independence and efficient decision-making. The Management Committee, which supports the CEO, contributes to the Company's sustainable growth by analyzing critical economic, social, and environmental issues in advance to ensure the Board's sound decision-making in all areas, including business plans, budget, and labor policies. In addition, S-OIL evaluates the Board and outside directors through an annual self-assessment.

Balance between Checks and Cooperation

S-OIL establishes sound and transparent corporate governance led by the BOD and its committees, ensuring a balance between checks and cooperation. The majority of directors are appointed as outside directors who have been vetted for independence according to the internal policy. An independent outside director has served as the chairman of the BOD since 2015, and all other directors except for the CEO who is an executive director are non-standing directors. This ensures decisions are made in a manner that maximizes value for various stakeholders based on the objective and independent functioning of the BOD to oversee and check the management activities and performance of the CEO and the Company. S-OIL makes sure that the attendance rate of each director at the BODs' meeting remains above 75% each year, except in exceptional circumstances, so that checks and cooperation can be achieved through the active participation of directors. In addition, the BAC, composed entirely of outside directors, evaluates general management issues and the operational status of the internal accounting management system, and receives internal audit performance reports. S-OIL prohibits its outside directors from serving as directors of two or more companies in addition to the Company, and all outside directors fulfill this requirement.

Executive Remuneration Policy

S-OIL compensates its executives in accordance with objective and transparent procedures to ensure that all executives, including the CEO, are committed to protecting shareholder value and fulfilling their roles as corporate citizens. The Company operates a Compensation Committee (CC) as a separate body under the BODs, composed of non-standing and outside directors to ensure the independence and fairness of executive compensation decisions. The CC convenes annually to ensure that the level of compensation paid to executives is appropriate, and determines compensation based on the achievement of objectively established short- and long-term goals. The CC determines the level of individual variable compensation for all executives by comprehensively considering not only short-term management performance, which includes both financial factors (e.g., ROACE and EBITDA) and non-financial factors (safety and annual carbon abatement and other ESG-related factors), but also the achievement of the Company's mid-to long-term management performance goals (e.g., total shareholder return (TSR). The Company also transparently discloses the basis and amount of directors' compensation through its business reports. Furthermore, the Company has strengthened accountability management by establishing a system that requires directors, including the CEO, to directly compensate the Company for any damages. The scope of liability extends to damages caused by failing to faithfully perform their professional responsibilities, not just violations of laws and regulations or the Articles of Incorporation. In principle, directors are required to compensate the entire amount of damages, but the amount of compensation may be limited to six times the annual compensation (three times for outside directors) by a resolution of the shareholders' meeting.

Sound and Transparent Financial Management



WHY IS THIS IMPORTANT?

In order to achieve sustainable growth in a rapidly changing business environment, it is important to maintain a stable financial structure that is flexible and resilient to changes in the external environment. In addition, transparent disclosure of management information should enable stakeholders, including shareholders and investors, to accurately understand key decisions and changes in financial position that affect the value of the Company. For the Company with large projects in the pipeline, financial management goes beyond cost to help them allocate limited resources more effectively and improve profitability.

GOVERNANCE



The Company manages its financial activities in accordance with the Financial Operations Policies. To ensure financial soundness, it operates within key financial limits approved annually by the Board of Directors, such as the total debt limit, minimum cash balance, and net dollar liabilities limit. Additionally, to ensure transparent information disclosure, the Company has established and operates disclosure management regulations. The CFO has been appointed as the disclosure officer to systematically carry out disclosure activities.

STRATEGY



Financial Soundness and Efficient Financial Management

S-OIL regularly forecasts future cash flows to ensure timely funding while minimizing unnecessary borrowing. In 2023, the Company maintained financial integrity with an adequate level of liquidity by implementing the company-wide profit improvement activities, efficiently managing working capital, and avoiding unnecessary budget execution. The Company also maintains excellent credit ratings and actively communicate with local and international rating agencies about the financial flexibility, the availability of financial support from the parent company, Saudi Aramco, and the Company's growth strategy.

Execution of optimal capital procurement

In November 2022, S-OIL made the final investment decision for the Shaheen project to secure future growth momentum and commenced project implementation. S-OIL have established an optimal financing plan for the project based on the prudent financial management policy and are executing it as planned. Since the process design of the project, efforts has been made to reduce carbon emissions by adopting the most energy-saving technologies and applying a variety of concepts, which led to the project being recognized as a facility investment with lower carbon emissions compared to existing facilities, and to the receipt of a KRW 1 trillion industrial facility loan at competitive interest. S-OIL is also working closely with the parent company, Saudi Aramco, to secure a more stable source of funding through the establishment of a USD 600 million shareholder loan at a below-market rate. S-OIL continues to strive to reduce its financing costs, not only for strategic project financing but also for day-to-day operations, by raising working capital in a timely manner and at competitive terms. In June 2023, the Company issued KRW 350 billion of corporate bonds at competitive terms to redeem maturing existing corporate bonds by maintaining excellent credit ratings, raising the Company's credit rating outlook, and conducting active IR activities. S-OIL also postponed the issuance of corporate bond for refinancing scheduled for the second half of 2023 to January 2024, in light of the then-high interest rates and the prospect of future declining interest rates, thereby lowering the financing costs. Going forward, S-OIL will continue to strengthen the financing competitiveness by closely evaluating various capital raising options and financial market conditions.

Balanced Dividend Policy

S-OIL is committed to maximizing long-term shareholder value by returning the Company's earnings to shareholders in a balanced manner, taking into account maintaining financial soundness, retaining profits to secure future growth engines, and returning profits to shareholders. The Company pursues a dividend policy of allocating its earnings in a reasonable and balanced manner to secure investment resources, maintain the soundness of its financial structure, and return to shareholders. Along with this policy, the Company protects investors by increasing the predictability of its dividend payout by disclosing specific dividend guidelines. In July 2023, the Company disclosed its dividend guideline, stating that the Company would maintain its dividend payout ratio at approximately 20% of net income or above for fiscal year 2023-2024. In 2023, S-OIL paid dividends of KRW 1,700 per share on common stock and KRW 1,725 per share on preferred stock, including interim dividends, in accordance with the disclosed dividend guideline.

Efforts for Efficient Budget Management

S-OIL systematically plans and executes budgets to make efficient use of limited resources. The Company strives to avoid budgeting unnecessary items and creates budgets that are organically linked to its management strategy and action plans, and require that the execution of budgeted items be subject to review by the relevant budget management team. In 2023, despite the unavoidable increase in expenses due to sharp inflation, rising labor costs, and rising electricity prices, S-OIL carefully managed to execute the annual budget within the approved limit by carefully reviewing the necessity and justification of each budget item and ensuring that only essential expenses were executed efficiently, which resulted in a significant reduction in the fixed cost budget compared to the plan. In 2024, S-OIL continues the cost reduction efforts across the organization to respond to the increasingly uncertain business environment, such as continued price inflation and government policy changes, as well as to strengthen the Company's financial soundness for the successful implementation of large-scale projects. As part of the effort, the Company has optimized the 2024 budget to minimize unnecessary expense increases by keeping the overall fixed cost increase within the inflation rate, except for items related to the Company's key strategies including the Shaheen project, Digital Transformation, new energy business, and decarbonization. Going forward, S-OIL will continue to improve the efficiency of resource allocation and budget management through systematic and objective budgeting, line-item review of expense and investment budgets, and enhanced performance management.

Sincere Tax Payment

S-OIL takes it as an important responsibility as a respected corporate citizen to contribute to the national economy and social development through faithful tax payments. In accordance with its own tax policy, S-OIL observes the regulations, maintains an honest and transparent relationship with the tax authorities, and dutifully pays taxes. In addition, corporate income tax, deferred tax and effective tax rates are reported in detail through an audit report of independent auditors, and disclosed to the public through the electronic disclosure system of the Financial Supervisory Service.

Tax Policy

S-OIL adheres to the following tax policies, recognizing that contributing to the national economy and social development through sincere tax payment is an important responsibility of corporate citizens.

1. The Company shall strictly comply with the tax-related policies, laws, and international standards (OECD Guidelines, etc.) of the country or region where the Company operates its business.
2. The Company shall not violate tax laws or conduct inappropriate tax accounting activities for the purpose of tax avoidance.
3. The Company shall not use tax haven countries for offshore tax evasion or inappropriate tax reduction.
4. The Company shall not engage in any transactions related to the transferring income between countries by trading transparently and fairly in foreign transactions.
5. The Company shall apply objective and reasonable transfer prices for transactions with specially related parties in accordance with the arm's length principle.

STRATEGY

IR Activities to Enhance Corporate Value

S-OIL actively engages in investor relations activities to provide shareholders and investors with management information in a transparent manner and to enhance corporate value. Transparent sharing of management information through active IR activities not only protects shareholders and investors by eliminating information asymmetries, but also enhances investor confidence in the Company, allowing for proper valuation of the Company's value. Trust with investors built through IR activities protects shareholder value and management's reputation, which in turn leads to an improved corporate image, creating a virtuous cycle of fair valuation and stable share prices, which are important indicators of corporate value. In 2023, the Company held four conference calls for domestic and overseas investors, 10 in-person and virtual Non-Deal Roadshows (NDRs) in Korea and overseas, attended 10 major domestic and overseas conferences hosted by securities firms, and held 326 meetings with domestic and overseas investors, all of which helped to transparently communicate the business information to stakeholders through active IR activities. Every quarter, the Company hold earnings announcements to provide detailed financial results along with analysis and outlook for the future. S-OIL also proactively communicate its major achievements and future plans to investors and analysts, including its digitalization strategy, ESG management status, Shaheen Project progress, and decarbonization roadmap. Going forward, S-OIL will continue to make every effort to communicate with stakeholders its vision and efforts to respond to the rapidly changing business environment and achieve sustainable growth.

Investor
Communications

Category	2020	2021	2022	2023
Conference call	4	4	4	4
Domestic/overseas NDR	4	4	8	10
Investor conference	11	11	11	10
Shaheen Project Briefing	-	-	1	-

RISK
MANAGEMENT



Financial Risk Management through Employee Training and Disclosure Compliance

Disclosure is one of the fundamental obligations of a listed company and is designed to ensure fairness in the securities market and to protect shareholders and investors by providing timely, fair and complete information to its stakeholders, including shareholders, creditors and consumers, about material decisions and changes in financial condition that affect the value of the Company. If a company is under non-compliance, it not only fails to protect its shareholders and investors, but also faces legal sanctions and loses credibility. Accordingly, disclosure training familiarizes all employees, not just those responsible for disclosure, with the importance of disclosure and its rules, enabling timely and lawful disclosure, thereby enhancing shareholders' and investors' confidence in the Company and avoiding risks such as legal sanctions for non-compliance. S-OIL closely monitors new and revised laws and regulations related to disclosure, conducts relevant training to prevent disclosure omissions and delays, and faithfully completes annual mandatory training for those in charge of and responsible for disclosure in order to enhance investor confidence and comply with relevant regulations. Through this strict compliance with disclosure regulations, the Company submitted a total of 66 disclosures, including voluntary disclosures, without a single violation in 2023, providing shareholders and investors with management information in a transparent manner. In 2024, the Company will continue to conduct disclosure training to raise employees' awareness of disclosure and continue to make timely and lawful disclosures.

Number of Disclosures
Per Year

Category	2020	2021	2022	2023
No. of disclosures	49	55	62	66

METRICS &
TARGETS



To ensure Sound and Transparent Financial Management, S-OIL manages its credit ratings, dividend policy, financing plans and disclosure activities.

Category	2023 Targets	Performance in 2023	2024 Targets
Securing financial soundness	• Maintenance of excellent credit ratings	• Maintained domestic ratings at AA0 (positive) & global ratings at Baa2 (stable) & BBB (stable)	• Maintenance of excellent credit ratings
	• Balanced performance sharing	• Announced and adhered to a balanced dividend guideline that takes into account investment resources and financial strength	• Balanced performance sharing (dividend policy)
	• Optimized financing	• Timely financed on competitive terms	• Optimized financing
Active disclosure and management	• Zero violation of public disclosure	• Zero violation of public disclosure	• Zero violation of public disclosure
	• 1 training session on public disclosure	• 1 training session on public disclosure	• 1 training session on public disclosure
	• Active IR activities	• 24 investor communication events	• Active IR activities

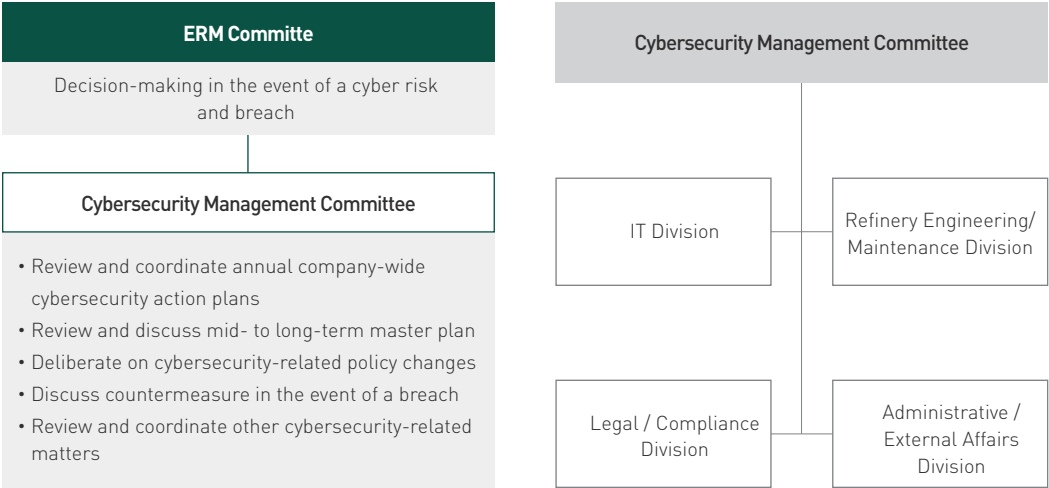
Cybersecurity



WHY IS THIS IMPORTANT?

Transparent and sound corporate governance is the cornerstone of sustainable growth. It is also the basis for ensuring corporate transparency and improving productivity, and is a key to gaining the trust of various stakeholders and increasing shareholder value. S-OIL has established the most transparent and sound corporate governance among listed companies in Korea and a trusting relationship with its stakeholders by organizing the Board of Directors (BOD) and its committees with diversity, independence, and rich expertise, and ensuring checks and balances in business operations.

GOVERNANCE



S-OIL has a Cybersecurity Management Committee, chaired by the Chief Information Security Officer (CISO), to report the company-wide cybersecurity strategy and action plan to the executive management, and to implement and supervise the execution of the approved plan. The Cybersecurity Management Committee meets four times a year and is responsible for reviewing and coordinating the annual company-wide cybersecurity promotion plan, reviewing and discussing the mid- to long-term master plan, deliberating on cybersecurity-related policy changes in advance, discussing the countermeasures to be taken in the event of a breach, reporting to the Enterprise Risk Management Committee (ERM Committee) on important issues, and reviewing and coordinating other matters related to cybersecurity.

STRATEGY



S-OIL has implemented a cyber security management system based on global industry security standards such as the NIST Cybersecurity Framework (NIST-CSF), Oil and Natural Gas Subsector Cybersecurity Capability Maturity Model (ONG-C2M2), and domestic security standards such as ISMS-P. Based on this, S-OIL protects company-wide information and technology assets ranging from Information Technology (IT) and Operational Technology (OT) and make continuous efforts to improve the level of security maturity. S-OIL also conducts a cybersecurity maturity assessment with external experts every three years. This provides objective results and confirms the reliability of its own cybersecurity performance. Based on the assessment results, the Company develops a master plan to strengthen the cybersecurity and implements the short-, medium-, and long-term plans.

Enhanced Risk Monitoring for External Web Services

S-OIL has strengthened its vulnerability management and threat monitoring for external web services as the threat of cyber hacking continues to increase. In the quarterly evaluation of the security level of external web services by an external evaluation agency, the Company received a score of 9.9/10, which is in the top 1% of the global oil and gas industry.

Configuration of a secure OT network including Plant DMZ

The Company's secure OT network has been designed based on IEC-62443, the international standard for industrial control system security. The network sets target security levels by function and role, and incorporates the principle of role-based access control. This further strengthens the security of the OT network perimeter to minimize the risk of external hacking attacks.

Increased Awareness Against Phishing Emails

S-OIL has strengthened its awareness programs to increase employee vigilance against the recent trend of more sophisticated phishing emails. As part of this, the Company publishes regular security newsletters and conduct monthly phishing email drills to encourage vigilance of latest business email compromise breaches. Since 2023, the Company has seen a steady decrease in the number of victims and a significant increase in the number of malicious email reports by introducing rewards for those who report the most malicious emails and linking the malware drill infection rate to executive KPIs.

Maintaining ISMS-P Certification

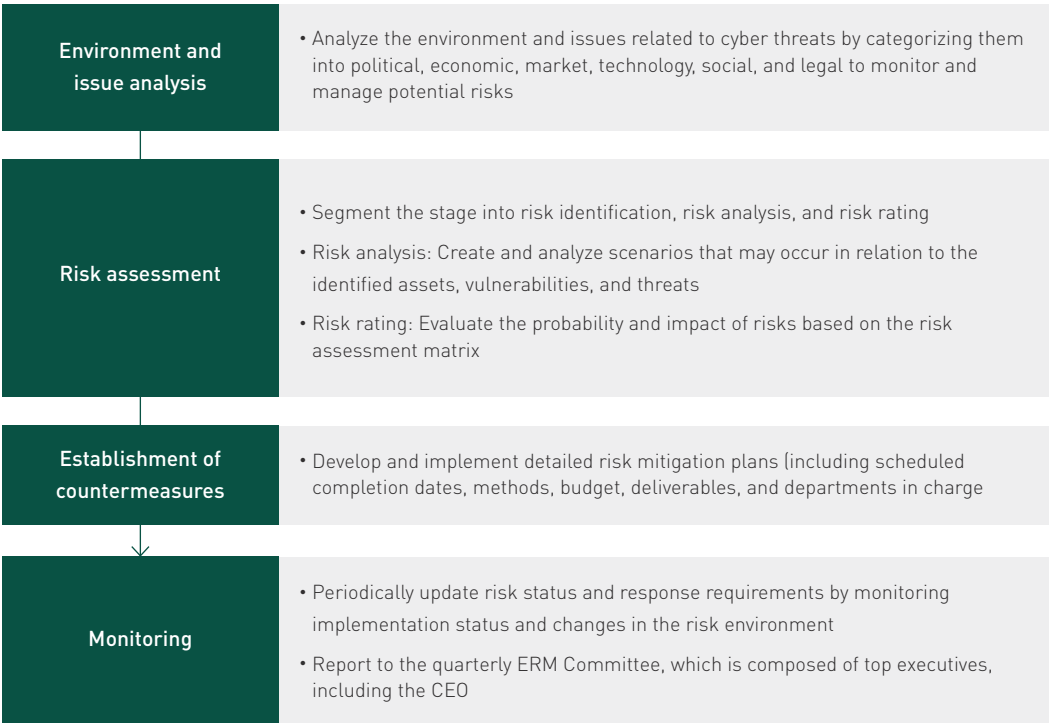
In 2015, S-OIL became the first Korean refinery to simultaneously acquire the Information Security Management System (ISMS) and Personal Information Management System (PIMS), and has been certified as ISMS-P, which integrates ISMS and PIMS, since 2021, In 2023, the Company passed the post-certification audit and maintained the ISMS-P certification. S-OIL complies with the Personal Information Protection Act and collects personal information with the consent of customers by limiting it to necessary information. To minimize the risk of personal information leaks, S-OIL does not collect residential registration numbers and destroys all sensitive personal information as soon as it is no longer required. Led by the CISO, the Company is continuously improving relevant policies and processes to minimize the handling of personal information by business.

S-OIL's cyber risk management framework is based on the Company's risk management policy and the ISO31000 international standard, and is governed by the cybersecurity risk policy and guidelines. The Company continuously monitors changes in the internal and external environment, including political, economic, market, technological, social and legal, to responds to increasingly sophisticated and advanced cyber threats, and newly identified threats are added to the risk register, followed by remediation activities according to the identified risk level and periodic status monitoring. These risk management activities are reported quarterly to the ERM Committee, which consists of top executives including the CEO.

RISK MANAGEMENT



RISK MANAGEMENT



METRICS & TARGETS



S-OIL manages quantitative and qualitative indicators using multiple metrics to meet the needs of various stakeholders, including employees and customers.

Category	2023 Targets	Performance in 2023	2024 Targets
Strengthening IT/ OT security	Establishing a 3-Year cybersecurity master plan	Established a 3-year cybersecurity master plan	Implementing a data mobile security system
	Strengthening response to advanced malware	Strengthened response against intelligent malware	Implementing a cloud technical security framework
Enhancing customer and privacy information protection activities	Maintaining ISMS-P certification through follow-up audit	Maintained ISMS-P certification after follow-up audit	Maintaining ISMS-P certification
IT Cybersecurity Maturity Level [0 - 5]	3.30	3.30	3.40
OT Cybersecurity Maturity Level [0 - 3]	1.50	1.60	1.85

Ethics Management



WHY IS THIS IMPORTANT?

How companies handle ethical issues is critical for building trust and reputation in the global economy. In addition, strict compliance with global anti-corruption and fair trade standards is increasingly required. As a result, companies strive to ensure transparency and accountability through ethical standards and policies on improper solicitation and bribery, workplace harassment, and whistleblower protection systems. Guided by its core value of Integrity, S-OIL places ethics management as its top priority and incorporates them in the day-to-day business of all employees. The Company ensures that all employees are well informed of and adhere to relevant domestic and international laws and regulations, as well as internal policies, in the course of their work.

GOVERNANCE



In 2004, S-OIL established the Ethics Committee consisting of the heads of Legal & Compliance Headquarter, Corporate Planning Division, Human Resources Division and Controller. They are appointed by the CEO after being screened for suitability by the Board Audit Committee (BAC). The committee is responsible for overseeing ethics management activities, establishing ethics policies and programs, and raising ethics awareness in the organization. In particular, the committee must review transactions with the Company involving employees' interests that have a high potential for conflict of interest to prevent violations of the Code of Ethics. The committee's activities are regularly reported to the CEO and the BAC, and disclosed to stakeholders through the Ethics Management website. Since 2018, S-OIL has conducted ethics management assessments for stakeholders, including employees, service stations, LPG filling stations, corporate customers and suppliers, on the Company's overall ethics management, including ethics awareness, respect for employees/customers/suppliers, abuse of dominant position, fairness in business dealings, and any experience with corruption, and reflected the assessment results in Company policies to improve ethics management.

STRATEGY



Code of Business Ethics & Conduct | S-OIL closely monitors domestic and international trends, such as anti-graft laws and workplace harassment laws, and proactively reflects them in the Company's Ethics Code, and all employees regularly submit the Ethics Acknowledgement Statement. In 2021, the Company improved the structure and content of the Ethics Code by benchmarking it against global best practices. The Company has clarified the types of discrimination prohibited, such as race, nationality, gender, and age, and enhanced the content related to confidential information (Article 7), protection & proper use of company assets (Article 8), antitrust & fair competition (Article 9), anti-corruption & anti-bribery (Article 10), safety, health, and environment (Article 11), prohibition of conflicts of interest (Articles 12 and 13), prohibition of receiving/offering of money & gifts, entertainment/convenience and other similar acts (Article 14), and whistleblower protection (Article 16). S-OIL also embraces the Ethics & Regulatory Compliance Framework (ERCF), the ethics and compliance standards of Saudi Aramco, the largest shareholder. The Ethics Code extends to suppliers, subsidiaries, and investment companies, and suppliers are required to submit the Ethics Acknowledgement Statement to comply with the Code. Should a supplier be found to be in violation of laws and regulations or engage in unethical behavior, it may be excluded from transactions or disadvantaged in its business dealings with S-OIL. In addition, to encourage the reporting of ethics management violations, S-OIL operates a whistleblower protection system, as well as an anonymous reporting channel and a leniency program for voluntary reporters. In addition, the Code strictly prohibits the provision of political funds or the use of the Company's organiza-

STRATEGY

tion, personnel, and assets for political purposes. In other words, S-OIL will strictly prevent political activities that deviate from their original purpose or activities that may adversely affect society. The Company will also continue to manage its purchasing, social contributions, and other activities to ensure that no expenditures are used to exert political pressure. In 2023, there were five violations and S-OIL took disciplinary measures against six employees in accordance with relevant regulations and procedures. Violation cases were also shared across the Company and covered in training for recurrence prevention purposes.

Ethical Management Training | Since 2009, S-OIL has been providing ethics management training tailored to different job grades and functions to raise employees' ethical awareness in their daily work, while also inviting outside experts for special lectures. Reflecting the results of stakeholder evaluation of S-OIL's ethics management, six courses on ethics management were offered in 2023, as well as case-based training for sales offices that have a high probability of committing an ethics violation due to frequent encounters with business partners. In addition, since 2013, the Company has offered ethics management training for suppliers and affiliates to help them understand the basic principles of the Code of Business Ethics & Conduct, thereby improving the quality of ethics management throughout the supply chain. In 2022, the Company customized the training content to reflect the Ethics & Regulatory Compliance Framework (ERCF), Saudi Aramco's ethics compliance standards, as well as the latest trends and real-world cases in ethics management and conducted e-learning training. In addition, ethics management was added to the soft skills training introduced in 2023, as well as being integrated into the training provided for each job grade of the Company. Since 2015, S-OIL has also implemented the Ethics Management Self-Diagnosis System to enhance employees' understanding of the Code of Ethics.

S-OIL introduced the Compliance Monitoring System in 2011 to help employees better understand and adhere to the Company's internal policies in their daily work, thereby minimizing confusion and risks associated with non-compliance. Currently, the Company conducts compliance monitoring activities twice a year based on 120 checklists covering 38 policies. The results are used in the performance evaluation of all managers and team leaders to encourage voluntary compliance by employees. In 2023, zero violations were identified through compliance monitoring.

Ethics Management Help Desk

• phone : 02)3772-5238

• fax : 02)3772-5239

• e-mail : ethics@o-s-o-i-l.com

• website : s-o-i-l.com

METRICS & TARGETS

S-OIL has set a goal of 'Zero Violations' for ethics management and is actively encouraging all employees to comply with its ethical standards by making it an annual goal. Through this ambitious goal, the Company will work to build an organizational culture in which ethics management guides employee decisions and behavior.

Category	2023 Targets	Performance in 2023	2024 Targets
Number of ethics violations*	0	5	0
Stakeholder ethics management evaluation (unit: points)	9 or above	9.29	9 or above

* While the goal of zero ethics violations is not realistically achievable, S-OIL is working toward it by setting it as a goal each year.

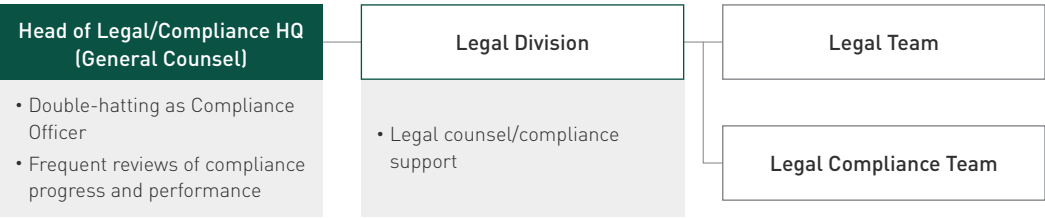
Compliance Management



WHY IS THIS IMPORTANT?

In tandem with increasingly high social demands in areas such as industrial safety, health, environment, anti-trust, and fair trade, the relevant laws and regulations are on the rise, along with stricter criminal penalties and civil liability for violations. Failure to comply with laws and regulations or to effectively manage legal disputes can place a significant financial burden on a company and, in some cases, put it at risk of legal sanctions. The course and outcome of legal disputes can have a direct impact on a company's future, which is why it is essential to prevent legal disputes in advance and to manage them effectively. Consumer and government interest in fair trade is particularly high in the domestic petroleum products market, which is dominated by a small number of companies and has a significant impact on prices.

GOVERNANCE



The Legal & Compliance Headquarter ensures its independence from other departments, alignment with strategic targets, close coordination on company-wide issues by operating under the direct supervision of the CEO through the General Counsel, who leads the headquarter. The General Counsel directly reports to the CEO in a timely manner if he/she determines there is a legal risk that could significantly impact the Company.

In addition to supporting legal compliance through a systematic compliance system, the Legal & Compliance Headquarter strives to ensure that all employees are fully aware of relevant domestic and international laws and regulations, as well as internal policies, and comply with them naturally in the course of their work.

The Legal Division provides timely legal review of all contracts that the Company enters into, and maintains ongoing communication with those involved with stakeholders on long-term projects to identify and minimize possible risks through careful legal review. In the event of civil, criminal, and administrative cases, S-OIL provides timely legal advice and actively responds to protect the interests of the Company, its employees, and stakeholders by appointing the best external specialized law firms, if necessary. In addition, in order to respond effectively and in advance to the strengthened Occupational Safety and Health Act and the Serious Accidents Punishment Act, the Company is preventing disputes and penalties by providing the necessary legal advice and reviewing individual contracts.

Through a dedicated team of legal experts, the Company focuses on preventing legal issues and disputes by thoroughly reviewing the latest legal trends, laws and regulations, and contracts related to major businesses and projects to assist management in making legal judgments in advance. As Compliance Officer, the Head of the Legal & Compliance Headquarter actively practices compliance by operating the compliance system.

STRATEGY



S-OIL has specialized teams to carefully review and prevent legal issues and contracts. When legal disputes do arise, the Company seeks the optimal solution without compromising trust with stakeholders. This approach allows the Company to minimize the risk of legal disputes while further strengthening trust with its stakeholders. By practicing compliance management, which is the foundation of ESG, S-OIL ultimately contributes to the Company's goal of environmentally responsible growth. The Company will continue to make every effort to lead the way in compliance management.

Compliance Management as Corporate Culture

Led by the strong commitment of top management to compliance management and the active involvement of employees in practicing it in their daily work, S-OIL has embedded compliance management in its corporate culture. All employees integrate compliance standards into their day-to-day work and are mindful of compliance in the performance of their duties. Major compliance activities are regularly reported to top management, and the Company raises employee awareness of compliance by distributing compliance newsletters, disseminating compliance trends led by global companies, and providing various compliance programs such as compliance trainings and campaigns. The Company conducts in-depth analyses of laws and regulations, develops policies and provides customized training to further strengthen compliance management.

Systematic Compliance System

S-OIL takes a systematic approach to compliance management, using profiles and checklists for company-related laws and regulations to help employees practice compliance management. The IT-based compliance system allows employees to access it at any time for easy and convenient compliance activities. The system also provides real-time, up-to-the-minute information on the latest laws and revisions, making it convenient for employees to search for or request legal information relevant to their jobs and to conduct compliance activities on their own through regular or ad hoc inspections.

Effective Response to Industrial Accidents and Legal Support for New Projects

The Company has established a security management system required by law and has made thorough and demonstrable preparations to comply with the law. In doing so, the Company has put in place a systematic safety compliance system to minimize its exposure to criminal liability. In addition, S-OIL has provided legal support for major projects, including the Shaheen project, to minimize legal risks related to occupational safety that may arise during construction. The Company has also provided legal support on individual matters, such as the bidding and contracting procedures associated with the project, and has provided comprehensive legal advice on new business ventures such as the bio-fuel business to mitigate legal risks.

Compliance Activities related to Supply Chain

S-OIL proactively addresses global supply chain regulations by collecting and sharing relevant domestic and international legal information across the Company. The Company has distributed guidelines and standard contract clauses that can be practically utilized by relevant departments in their transactions with partners. This initiative particularly considers the EU jurisdiction's regulations (Corporate Sustainability Due Diligence Directive), which hold a leading position in supply chain regulation. The Company will continue to monitor trends in the enactment and revision of domestic and international laws, striving to promote compliance management for both S-OIL and its suppliers.

RISK MANAGEMENT



Legal Advice and Litigation Response

The Legal & Compliance Headquarter prevents future legal risks and disputes and protects the Company's rights and interests by providing legal advice on all matters requiring legal review and reviewing contracts and external documents to which the Company is a party. When tort litigation arises, the relevant team identifies the key elements of the dispute, develops an aggressive defense, and gathers evidence and outside expert advice as needed to not only defend against various claims, but also maximize the Company's interests.

ISO 37301 Certification for Compliance Management System

On May 13, 2021, S-OIL became the first company in the world to be certified to ISO 37301, the international standard for compliance management systems, and has since maintained this certification through annual follow-up audits. This means that the Company's compliance system is operating effectively and successfully for the systematic practice of compliance management. S-OIL's efforts to practice compliance management continuously and establish a culture of compliance for all employees by appointing the Compliance Officer in 2013 and implementing the compliance system starting from 2014 resulted in the world's first ISO 37301 certification, which offers requirements and guidelines to establish, develop, implement, evaluate, maintain, and improve the effective compliance management system, in 2021 and recertification since then.

Establishing Fair Trade System

Guided by top management's strong commitment to compliance management, S-OIL employs a variety of systems to ensure compliance with the Fair Trade Act and to maintain free and open competition in the marketplace.

Establish culture of fair competition	Ad hoc/regular compliance audits through compliance system
<ul style="list-style-type: none">• Conduct fair trade training for marketing employees at least once a year• Update Fair Trade Compliance Handbook for all employees to follow in sales activities• Publish and update "Do's & Don'ts," detailing principles and guidelines to be implemented by all employees in sales activities• Conduct fair trade training by inviting external experts on an annual basis	<ul style="list-style-type: none">• Provide real-time information on new and revised fair trade laws to employees• Implement training and periodic monitoring of key legal issues
Use fair trade standard contracts	
<ul style="list-style-type: none">• Use standard contracts reflecting the obligations of the Fair Agency Transactions Act and the recommendations of the Korea Fair Trade Commission in all business relationships with business partners• Introduce the industry's first blockchain-based e-contracting system to prevent unfair transactions through voluntary contract signing and ordering by business partners• Upgrade the e-Biz system to enable voluntary transactions with business partners	

Risk Management



WHY IS THIS IMPORTANT?

As the business environment continues to evolve at a rapid pace, the factors affecting business are becoming more diverse, complex and uncertain. Therefore, in order to overcome the myriad of potential risks that threaten the survival of a company and to achieve sustainable growth, systematic risk management has become an essential tool. S-OIL has established and implemented a well-organized risk management system to proactively respond to potential risks that may jeopardize its economic, environmental, and social values and to grow together with its stakeholders.

GOVERNANCE



ERM Committee

S-OIL operates the Enterprise Risk Management Committee (ERM Committee), composed of top management including the CEO, as the highest decision-making body for enterprise-wide risk management activities. The committee, which meets on a quarterly basis, sets the direction of enterprise-wide risk management to ensure strategic alignment between the Company's management policies and its risk management activities, and reviews the status of risk management. The committee also performs a final review of risk management activities performed by risk owners each quarter, directs necessary response actions, and determines company-wide risk management policies. In 2023, the ERM Committee held four meetings to report and review major changes in the internal and external business environment, risk monitoring results, the business continuity management system, and risk response activities. In addition, since 2022, the Company has reported annually to the Board Audit Committee on the status of enterprise-wide risk management, improvement progress and plans.

ERM Sub-Committee

To prevent risks that could hinder the achievement of management goals from materializing, S-OIL designates risk owners to systematically manage the process of identification, evaluation, monitoring, and response to the risk. In addition, since 2020, the Company has strengthened its risk management expertise by introducing ERM Sub-Committees in Production, Marketing, Strategy, Finance, and IT to review and assist risk owners in their efforts to manage risk effectively and make recommendations to the ERM Committee. In addition, from 2021, S-OIL expanded the management of major risk issues, which had been selectively implemented since 2015, to conduct a comprehensive environmental analysis of each major risk on a quarterly basis under the leadership of the risk owner to effectively identify potential risks at an early stage and respond proactively.

Board Audit Committee and Audit Organization

There is an audit organization that reports directly to the Board Audit Committee (BAC) to ensure the independence and expertise of the internal audit function. The BAC directly appoints external auditors and evaluates the internal accounting management system through independent and objective evaluations in accordance with the relevant procedures for the appointment of external auditors and the internal accounting control system evaluation procedures. The Company continues to enhance its transparency and corporate value through rigorous internal audits of accounting, ethics and compliance, and overall business operations. Based on its extensive experience and in-depth understanding of the business, the audit organization focuses on maintaining a sound internal control system and improving inefficient work processes and cost structures.

STRATEGY



Since 2008, S-OIL has operated a highly sophisticated enterprise risk management system to allow all members of the Company to respond quickly and effectively to various risks that may arise from business activities. Each risk has a designated risk owner who continuously assesses and proactively responds to the risk in accordance with the system. The ERM Subcommittee supports the activities of these risk owners and reports to the ERM Committee on the optimal response. The ERM Committee, as the highest risk management decision-making body, establishes risk management policies in line with the Company's strategy, oversees the activities of each risk owner, and makes final decisions.

S-OIL's ERM system is composed of three main stages: risk prevention, emergency response in the event of a crisis, and business normalization after crisis response. The Company has established a six-step risk management process (1) business environment analysis, 2) risk identification, 3) evaluation of risk controls, 4) assessment of the probability and impact of risks, 5) establishment and implementation of additional countermeasures, and 6) risk monitoring and report to the management) to prevent the occurrence of risks in its daily operations. In the event of a crisis, the Emergency Control Program, an enterprise-wide emergency response system, is activated to minimize damage to people and property, and the Business Continuity Management (BCM) program, newly introduced in 2023, lays the foundation for the rapid resumption of normal business activities after a crisis.

RISK MANAGEMENT



Establishment of Business Continuity Management (BCM)

In May 2023, S-OIL established the BCM system to ensure undisrupted supply of products in the event of a crisis such as a natural disaster or fire explosion. The Company has documented the activities of the countermeasures to ensure continuity of product supply through the system. The Company further strengthens its corporate risk management capabilities by activating the BCM Committee to review and systematically support all activities to ensure rapid plant recovery and product supply continuity through company-wide cooperation when the expected shutdown period exceeds the recovery target time.

Early Warning System (EWS) Operation

The EWS is a system that periodically monitors a large amount of data generated during daily business operations according to predefined scenarios and enables preventive response activities. The EWS monitors anomalies according to 62 scenarios defined for finance, human resources, procurement, marketing & sales, and production, and quickly notifies relevant people to prevent risks from worsening or escalating through proactive risk review and response activities.

Emergency Control Program (ECP) Operation

The ECP is a company-wide emergency response system that serves to swiftly minimize damage to people and property in the event of an unexpected emergency. The Company has established Emergency Control Centers at major business sites and periodically perform emergency drills in each site to strengthen emergency response capabilities. In 2023, the Company held a company-wide emergency drill with top management participation that simulated a production process fire and casualties, enabling the Company to review and improve emergency response processes and business continuity management system.

Internal Accounting Management System (IAMS) Establishment and Operation

Pursuant to the Act on External Audit of Stock Companies, etc., S-OIL has implemented the IAMS to manage and review its internal control processes related to financial information in order to ensure the reliability of financial information. In particular, since 2023, the Company has newly established a consolidated IAMS with the subsidiary S-OIL Singapore Ptd. Ltd. in accordance with the Act and successfully put it into operation. Furthermore, the effectiveness of the design and operation of internal controls is evaluated on a regular basis, the result of which are audited by external auditors and reported to the Board of Directors, the Board Audit Committee, and the General Meeting of Shareholders. The Company also conducts annual training for officers and employees to improve their ability to operate the IAMS.

RISK
MANAGEMENT

Effective Internal Audit System

To ensure efficient and effective internal audit, the Company ranks risks by organization or business process, taking into account the magnitude of risks and exposures, controls in place, and audit effectiveness, and formulates a five-year audit plan accordingly. The audit organization then conducts regular internal audits every two to five years based on the results of the risk assessment for all organizations throughout the Company in accordance with the five-year audit plan approved by the Board Audit Committee, and conducts special audits for potentially significant risks. In addition, the Company shares past audit cases with business functions and strengthens the follow-up of audit recommendations to prevent similar cases from recurring.

Internal Audit Cycle
Based on Risk
Assessment Results

Low Risk Group	Medium Risk Group	High Risk Group
4-5 year cycle	3-4 year cycle	2-3 year cycle

To encourage reporting of tip-offs and protect whistleblowers, S-OIL actively communicates its Ethics Management Policy and whistleblower hotline to employees, business partners and suppliers. When a tip-off comes in, the Company thoroughly reviews and investigates the tip-off, and follows up on confirmed cases to prevent reoccurrence and to improve. The Company also continuously reviews internal audit policies and procedures, strengthens internal controls, and increases employee compliance awareness and self-audit mindset through regular and ad hoc audits based on a risk-based audit plan.

Internal Audit Performance

In 2023, S-OIL improved efficiency by recommending shortening the precious metal recovery cycle for waste catalysts at the refinery, while continuing to monitor the Shaheen project for its successful implementation.

In addition, the Company received the 'Generally Conforms' opinion, the highest level of internal audit quality assessment based on the Institute of Internal Auditors (IIA) standards, from IIA Korea, an independent external professional organization. The Company also won the 'Internal Audit Innovation Award' from IIA Korea in recognition of the effort to high internal audit quality and continuous quality innovation.

To continually strengthen the audit organization's capabilities, S-OIL actively encourages participation in various training programs and the acquisition of professional certifications. The Company also uses Audit Command Language, a specialized audit software, to conduct in-depth data analysis to detect anomalies and gaps.

In this way, S-OIL promotes corporate value through an exemplary audit system, including an objective and independent audit committee and audit organization, an effective audit system with leading global companies, and audits that focus on process improvement.

Business Fundamental

Summarized Financial Statement (unit: KRW in million)

Items	2020	2021	2022	2023
Current assets	4,996,549	8,377,423	9,205,981	9,647,760
Non-current assets	10,693,961	10,315,812	10,407,154	11,928,363
Total assets	15,690,510	18,693,235	19,613,135	21,576,123
Current liabilities	6,565,111	8,505,027	8,213,158	9,254,520
Non-current liabilities	3,442,922	3,200,166	2,916,508	3,284,038
Total liabilities	10,008,033	11,705,193	11,129,666	12,538,558
Capital stock	291,512	291,512	291,512	291,512
Capital surplus	379,190	379,190	379,190	379,190
Reserves	977,944	985,474	986,123	989,140
Treasury stocks	(1,876)	(1,876)	(1,876)	(1,876)
Retained earnings	4,035,707	5,333,742	6,828,520	7,379,599
Total equity	5,682,477	6,988,042	8,483,469	9,037,565
Total liabilities and equity	15,690,510	18,693,235	19,613,135	21,576,123

* Based on consolidated financial statements prepared in accordance with K-IFRS.

Summarized Income Statement (unit: KRW in million)

Item	2020	2021	2022	2023
Sales	16,829,681	27,463,918	42,446,028	35,726,694
Cost of sales	(17,366,204)	(24,695,192)	(38,291,440)	(33,620,949)
Gross profit	(536,523)	2,768,726	4,154,588	2,105,745
Selling & administrative expenses	(562,623)	(627,784)	(749,422)	(751,163)
Operating profit	(1,099,146)	2,140,942	3,405,166	1,354,582
Other income	394,473	459,981	1,147,592	802,824
Other expenses	(430,609)	(494,023)	(1,329,905)	(826,809)
Financial income	416,394	129,059	432,487	299,062
Financial expenses	(452,615)	(359,726)	(756,627)	(500,292)
Share of net profit of joint venture	3,706	1,787	(171)	2,338
Profit before income tax	(1,167,797)	1,878,020	2,898,542	1,131,705
Corporate tax	371,689	(499,479)	(794,155)	(182,857)
Net profit	(796,108)	1,378,541	2,104,387	948,848
Other comprehensive income	(6,303)	43,541	8,165	(22,111)
Total comprehensive income	(802,411)	1,422,082	2,112,552	926,737

* Based on consolidate financial statements prepared in accordance with K-IFRS

Economic Value Created (unit: KRW in million)

GRI 201-1

Category	2020	2021	2022	2023
Sales	16,829,681	27,463,918	42,446,028	35,726,694
Cost of sales	(16,895,224)	(24,062,245)	(37,709,401)	(33,008,769)
Other income	814,573	590,827	1,579,908	1,104,224
Other expenses	(707,404)	(726,203)	(1,928,330)	(1,080,669)
Depreciation cost	(571,473)	(590,863)	(586,326)	(656,886)
Economic Value Created	(529,847)	2,675,434	3,801,879	2,084,594

* Based on consolidated and separate financial statements prepared in accordance with K-IFRS

Economic Value Distributed (unit: KRW in million)

GRI 201-1

GRI 203-2

Stakeholder	Item	2020	2021	2022	2023
Employees	Salary & pension	438,755	639,614	718,797	677,979
Government	Taxes & dues	(348,314)	529,732	820,493	211,335
Local communities	Social contribution expenditure ¹	17,757	17,733	7,053	9,556
Creditors	Interest costs	158,063	109,813	151,149	236,876
Shareholders & Company	Dividend & reserves	(796,108)	1,378,541	2,104,387	948,848
Economic Value Distributed		(529,847)	2,675,434	3,801,879	2,084,594

* Based on consolidated and separate financial statements prepared in accordance with K-IFRS

1) Social contribution expense is calculated as donations on the financial statements

Procurement of Crude Oil (unit: KRW in million)

GRI 102-9

Category	2020	2021	2022	2023
Crude oil	9,605,427	16,147,536	25,860,588	20,735,053

Treatment of Crude Oil (unit: thousand barrels)

GRI 301-1

Category	2020	2021	2022	2023
Crude oil treatment volume	233,109	235,928	228,698	223,394

* Difficult to calculate renewable materials used

Production Performance (unit: thousand barrels, KRW in million)

Category		2020	2021	2022	2023
Fuel	Qty	228,043	231,420	228,961	225,832
	Amount	14,394,525	20,868,495	33,605,843	27,663,628
Lube Oil	Qty	12,541	14,770	13,701	12,498
	Amount	789,481	1,389,874	1,925,713	1,675,437
Petrochemical	Qty	24,302	25,366	23,790	22,400
	Amount	2,869,802	4,111,652	4,434,423	4,443,699
Total	Qty	264,886	271,556	266,452	260,730
	Amount	18,053,808	26,370,021	39,965,979	33,782,764

Sales Performance (unit: KRW in million)

Category		2020	2021	2022	2023
Fuel	Domestic	6,355,088	9,979,639	16,057,885	13,851,915
	Export	6,279,904	10,211,131	17,947,044	14,405,139
	Sub-total	12,634,992	20,190,770	34,004,929	28,257,054
Lube Oil	Domestic	235,925	515,937	566,302	530,741
	Export	1,002,456	1,839,772	2,420,312	2,078,473
	Sub-total	1,238,381	2,355,709	2,986,614	2,609,214
Petrochemical	Domestic	1,076,542	1,883,549	2,450,954	2,373,639
	Export	1,785,589	2,773,811	2,574,582	2,011,124
	Sub-total	2,862,131	4,657,360	5,025,536	4,384,763
Total	Domestic	7,667,555	12,379,125	19,075,141	16,756,295
		45.8%	45.5%	45.4%	47.5%
	Export	9,067,949	14,824,714	22,941,938	18,494,736
		54.2%	54.5%	54.6%	52.5%
	Total	16,735,504	27,203,839	42,017,079	35,251,031

Spending on Business Associations (unit: KRW in million)

GRI 415-1

Category	Alignment with the Paris Agreement	2020	2021	2022	2023
Korea Petroleum Association	0	1,316	1,346	1,495	1,461
Ulsan Chamber of Commerce & Industry	0	129	130	130	150
Korea Petrochemical Industry Association	0	130	120	119	135
Onsan Industrial Complex Association	0	82	82	86	86
Korea Employers Federation	0	33	33	34	34
Korea Listed Companies Association	0	15	15	15	16
Korea Lubricating Oil Industries Association	0	13	12	12	11
Others	-	28	31	30	40
Total		1,746	1,769	1,921	1,933

* Through the Ethics Code, S-OIL strictly bans employees to use its organization, man-power, and assets for the purpose of providing political funds or for political purposes. The Company is only affiliated with associations aimed at promoting industries, which guarantee political neutrality, and joins the associations whose activities are aligned with the Paris Agreement to ensure a consistent response to climate change.

* Total expenses can differ due to rounding of expenses for each association

Spending on Business Issue-related Research (unit: KRW in million)

Category	2020	2021	2022	2023
Spending on research	158	158	184	172

* Indirect spending for research through a payment to business associations

* Key business issue research activities in 2023: fuel business diversification and biofuel technology research (KRW 139 million), ESG trends and responses (KRW 33 million)

Environment

E-1 Response to Climate Change

* Total GHG emissions can differ due to rounding of GHG emissions at each business site

GHG Emissions (unit: thousand tons CO ₂ eq)	GRI 305-1		GRI 305-2	
	GRI 305-3		GRI 305-4	
Category	2020	2021	2022	2023
Scope I	7,824	8,137	7,904	7,925
Scope II	1,755	1,899	1,806	1,773
Total	9,579	10,036	9,710	9,698
Scope III ¹	34	34	33	31

1) Scope III includes downstream transportation and distribution only

GHG Emissions by Type

GRI 305-1

GRI 305-2

GRI 305-3

GRI 305-4

Category		2020	2021	2022	2023
CO ₂	(thousand tons)	9,538	9,987	9,663	9,651
CH ₄	(tons)	1,652	1,664	1,617	1,573
N ₂ O	(tons)	22	47	44	44

GHG Emissions by Type (unit: thousand tons CO₂eq)

GRI 305-1

GRI 305-2

GRI 305-3

GRI 305-4

Category	2020	2021	2022	2023
CO ₂	9,538	9,987	9,663	9,651
CH ₄	34	35	34	33
N ₂ O	7	14	13	14
Total	9,579	10,036	9,710	9,698
Intensity ¹⁾	0.57	0.37	0.23	0.27

* It is CO₂ converted volume considering the Global Warming Potential (GWP) presented by IPCC Guideline in 2006. (GWP: CO₂=1, CH₄=21, N₂O=310)

1) Intensity is calculated on the basis of sales amount.

E-2 Operational Efficiency Improvement

Energy consumption (unit: TJ)

GRI 302-1

Category	2020	2021	2022	2023
Scope I	88,708	88,011	86,437	86,616
Scope II	37,080	42,021	39,681	38,451
Total	125,788	130,032	126,118	125,067
Scope III	454	484	476	442

Detailed Energy Consumption
(unit: TJ, TJ/KRW billion)

GRI 302-1

GRI 302-3

Category	2020	2021	2022	2023
Fossil fuels	88,708	88,011	86,437	86,616
Electricity	35,469	38,995	37,162	36,737
Steam / Heating / Cooling & other energy	1,611	3,026	2,518	1,715
Total renewable energy	0.108	0.108	0.108	0.108
Energy Intensity*	7.47	4.73	2.97	3.50

1) Intensity is calculated on the basis of sales amount

Energy Cost (unit: KRW in million)

GRI 302-1

Category	2020	2021	2022	2023
Energy cost	1,170,767	1,548,909	1,709,809	1,859,448

Sales of Energy (unit: TJ)

GRI 302-1

Category	2020	2021	2022	2023
Steam	2,980	2,733	2,838	2,417

EII Improvement (unit: %)

GRI 302-4

Category	2020	2021	2022	2023
EII Improvement	2.22	0.49	0.39	0.68

E-3 Environmental Emissions Management

Environmental Performance (unit: KRW in million)

Category	2020	2021	2022	2023
Environmental investments	20,122	18,949	33,336	70,195
Environmental operating costs	221,171	227,441	251,957	297,030
Environmental benefits	66,637	147,965	175,497	106,116

Details of Environmental Investments (unit: KRW in million)

Category	2020	2021	2022	2023
Air quality, malodor, HAPs	12,665	13,419	22,814	34,893
Water quality, marine	1,106	1,761	1,530	9,966
Energy saving	288	1,545	4,586	22,679
Soil, hazardous chemicals, waste, etc.	6,063	2,224	4,406	2,657
Total	20,122	18,949	33,336	70,195

*Major investments in 2023

Air quality, malodor, HAPs: Installation of new TMS in accordance with the totalemis-sions trading regulation, total flare stack flow rate meter, and total calorific value me-ter, and facility improvements to reduce air pollutants, etc.

Water quality, marine: Wastewater treatment facility improvements to treat high con-centrations of effluent, installation of additional oil detectors, etc.

Energy savings: Installation of additional energy saving equipment, facility improve-ments to increase thermal efficiency, etc.

Others: Installation of additional hazardous chemical leak detectors, soil pollution prevention facility improvement, implementation of integrated environmental permit follow-up system, noise/vibration improvement, etc.

Air Pollutant Emissions Concentration at Onsan Refinery

GRI 305-7

Category		2020	2021	2022	2023
SOx	Emission Concentration (ppm)	2.0	0.7	0.3	1.1
	Legal standards (ppm)	120	120	120	94
NOx	Emission Concentration (ppm)	45.0	43.0	37.3	35.9
	Legal standards (ppm)	130	130	130	80
Dust	Emission Concentration (mg/Sm³)	0.0	1.4	1.9	1.0
	Legal standards (mg/Sm³)	15	15	15	15

* From 2023, the legal standard is to apply the average of the permitted emission stan-dards for heaters and boilers under the Integrated Environmental Permit.

* Arithmetic average of emission concentrations of the most predominantly utilized heater and boiler among our facilities (TMS and self-measurement)

Air Pollutant Emissions Volume at Onsan Refinery
(unit: tons)

GRI 305-7

Category	2020	2021	2022	2023
SOx	352	405	425	424
NOx	5,814	5,824	4,908	4,005
Dust	17	16	12	11
Total	6,183	6,245	5,345	4,440

* Based on the finalized permit under the Total Air Pollution Load Management System

HAPs Leak Rate at Onsan Refinery (unit: %)

GRI 302-4

Category	2020	2021	2022	2023
HAPs leak rate	0.04	0.04	0.05	0.03

Water Pollutant Emissions Concentration at Onsan Refinery

GRI 305-7

Category	Legal standards	2020	2021	2022	2023
BOD ¹⁾	10 ppm	2.7	3.1	3.1	3.1
COD ^{2),3)}	COD 40 ppm	8.7	8.7	7.5	-
	TOC 25 ppm	-	-	-	4.6
SS ²⁾	10 ppm	1.7	1.8	2.1	2.3

1) BOD: Self-measurement result

2) Simple average of emissions concentration from outlets where TMS is installed

3) Starting in 2023, chemical oxygen demand measured as TOC instead of COD

Water Consumption, Recycling, & Wastewater
Volume at Onsan Refinery
(unit: thousand tons)

GRI 303-1

GRI 303-2

GRI 306-1

Category		2020	2021	2022	2023
Water consumed	Municipal water supplies	28,661	31,364	31,767	32,802
	Fresh surface water	0	0	0	0
	Fresh ground water	0	0	0	0
	External steam intake	498	467	346	135
	Condensate recovery	12,324	12,667	11,983	12,871
	Total	41,483	44,498	44,096	45,808
Water recycled	SWS ¹ treated water	2,554	2,749	2,354	2,373
	Backwash water recovery	1,038	1,281	1,276	1,318
	Amount of condensate recovered	12,324	12,667	11,983	12,871
	Total	15,916	16,697	15,613	16,562
	Recycling rate	38.4%	37.5%	35.4%	36.2%
Wastewater discharged		12,518	12,684	12,636	12,998

* The area where the Company operates the Refinery is not classified as a Wa-ter-stressed Area by the World Resource Institute (WRI).

1) Sour Water Stripper

General Waste Recycling & Disposal
at Onsan Refinery (unit: tons)

GRI 306-2

Category		2020	2021	2022	2023
Generated		27,971	30,959	30,159	34,069
Recycled/reused		24,129	28,355	25,394	29,482
Disposed	Landfilled	2,863	1,839	2,943	2,863
	Incinerated (heat recovery)	0	0	0	0
	Incinerated	979	765	1,822	1,724
	Others	0	0	0	0
	Total	3,842	2,604	4,765	4,587

Designated Waste Recycling & Disposal
at Onsan Refinery (unit: tons)

GRI 306-2

Category	Legal standards	2020	2021	2022	2023
Generated		10,769	13,617	19,593	21,903
Recycled/reused		9,112	11,783	15,884	20,097
Disposed	Landfilled	3	64	2	13
	Incinerated (heat recovery)	0	0	0	0
	Incinerated	1,654	1,771	3,088	1,793
	Others	0	0	619	0
	Total	1,657	1,835	3,709	1,806

Emissions of Hazardous Chemical Substances
(unit: tons)

GRI 306-2

Category	2019	2020	2021	2022
S-OIL	89	87	83	-
Average of domestic competitors	192	253	175	-

* Data after 2022 is not announced by the Ministry of Environment.

Oil Spill (unit: cases)

GRI 306-3

Category	2020	2021	2022	2023
No. of oil spill accidents (leakage outside the Refinery)	0	1 ¹	0	0

1) In 2021, an oil spill was found in underground pipeline, while S-OIL completed a prevention work and an improvement of facilities for preventing a recurrence.

Violation of Environmental Laws
(unit: cases, KRW in million)

GRI 307-1

Category		2020	2021	2022	2023
Fine/penalty over \$10,000	No. of violations	0	0	0	0
	Amount	0	0	0	0

Green Purchasing (unit: cases, KRW in million)

Category		2020	2021	2022	2023
No. of products		252	103	101	144
Amount of purchasing		14,413	18,956	33,348	70,214

Social

S-1 Consumer Satisfaction

Customer Satisfaction Survey (unit: points)

Category		2020	2021	2022	2023
S-OIL		67.6	68.2	69.0	70.9
Average of domestic competitors		64.9	66.1	65.5	67.2

* Korea Net Promoter Score conducted by the Korea Management Association Consulting

Inspection on Product Quality & Facilities of Service Stations & LPG Filling Stations (unit: times)

Category		2020	2021	2022	2023
Quality inspection		9,283	8,604	6,832	8,351
Facility inspection		2,044	1,881	2,060	2,222

VOC Handling Performance (unit: cases)

Category		2020	2021	2022	2023
Call counseling		165,919	170,398	125,668	129,660
ARS self-counseling		56,092	37,660	28,012	56,424
1:1 chat counseling		38,193	61,309	58,482	45,876
Chatbot counseling		605,652	654,236	696,991	455,052
Total		865,856	923,603	909,153	687,012

Complaint VOC Handling Performance (unit: cases)

Category		2020	2021	2022	2023
Bonus card & associated cards		1,385	1,241	535	1,153
Promotions & vouchers		248	306	581	662
Service & transportation, etc.		1,399	1,368	1,200	1,111
Quality		161	86	59	129
Total		3,193	3,001	2,375	3,055

Time Spent on VOC Handling (unit: business days)

Category		Standard Service Level	2020	2021	2022	2023
Inquiry VOC		2 business days	0.7	0.6	0.1	0.15
Complaint VOC		5 business days	1.9	2.9	0.97	0.80
Rate of VOCs closed within designated window			100%	100%	100%	100%

S-2 Quality Management

Trustworthy Service Stations (unit: stations)

Category		2020	2021	2022	2023
Trustworthy Service Stations		1,909 88.2%	1,890 87.9%	1,970 91.8%	1,985 87.7%

Environmental Quality Evaluation on Automotive Fuels (unit: ★)

Category	2020		2021		2022		2023	
	1H	2H	1H	2H	1H	2H	1H	2H
Gasoline	★5	★5	★4	★5	★4	★5	★5	★5
Diesel	★5	★5	★5	★5	★5	★5	★5	★5

* The Ministry of Environment has been evaluating ratings of vehicle fuels every 6 months since 2006 by taking gasoline and diesel samples from terminals and service stations of each refinery which are located in the metropolitan area and commissioning the Korea Institute of Petroleum Management for test. Expanded nationwide from 2020 in accordance with the Clean Air Conservation Act (highest rating ★5)

Abnormal Product Detection Rate (unit: %)

Category		2020	2021	2022	2023
S-OIL		1.1	0.7	0.9	1.0
Average of domestic refiners		1.2	1.2	1.1	1.0

Violation of Laws related to Health & Safety Impacts of Product/service (unit: cases)

GRI 416-2

Category		2020	2021	2022	2023
No. of violations		0	0	0	0

S-3 Domestic and International Marketing

Domestic Market Share (unit: stations)

Category		2020	2021	2022	2023
No. of service stations nationwide		11,425	11,186	10,984	10,855
No of S-OIL service stations		2,165	2,150	2,147	2,174
		18.9%	19.2%	19.5%	20.0%
Retail light oil domestic market share		26.0%	26.5%	26.2%	27.1%

* Based on service stations in business (estimated by S-OIL)

Top of Mind Awareness in TV Advertising (unit: %)

Category		2020	2021	2022	2023
S-OIL		-	61.5	61.5	67.9
Average of domestic refiners		-	4.1	4.5	4.3

* Based on tracking check result of advertising impact by a professional research institution

* TV advertising not carried out in 2020

S-4 Talent Management

Employment Status by Job (unit: persons)

GRI 102-8

Category		2020	2021	2022	2023
Executives		43	42	44	43
Administrative staff		1,338	1,292	1,288	1,339
Production staff		1,841	1,820	1,805	1,861
Total		3,222	3,154	3,137	3,243

Employment Status by Workplace (unit: persons)

GRI 102-8

Category		2020	2021	2022	2023
Head Office		754	722	705	720
Refinery		2,159	2,133	2,159	2,249
District Biz HQ		231	221	209	210
Terminal		78	78	64	64

Employment Status by Age (unit: persons)

GRI 102-8

GRI 405-1

GRI 408-1

GRI 409-1

Category		2020	2021	2022	2023
50 or above		1,213	1,357	1,385	1,415
30~50		1,580	1,475	1,490	1,565
Under 30		429	322	262	263

* No. of employees aged 55 or above in 2023: 595 people (18.3%), no. of employees aged under 20: None¹

Employment Status by Gender (unit: persons)

GRI 102-8

GRI 405-1

Category		2020	2021	2022	2023
Total	Male	2,990	2,922	2,897	2,986
		92.8%	92.6%	92.35%	92.08%
	Female	232	232	240	257
		7.2%	7.4%	7.65%	7.92%
Managers or higher levels	Male	845	849	871	919
		91.5%	90.8%	90.5%	90.3%
	Female	78	86	91	99
		8.5%	9.2%	9.5%	9.7%
Managers in revenue-generating functions	Male	383	380	386	390
		94.1%	94.1%	93.0%	92.0%
	Female	24	24	29	34
		5.9%	5.9%	7.0%	8.0%
Jobs on STEM-related positions	Male	407	398	394	448
		96.0%	92.8%	93.1%	93.9%
	Female	17	31	29	29
		4.0%	7.2%	6.9%	6.1%

* STEM : Science, Technology, Engineering, Mathematics

* Change in the number of people due to change in the position system

Employment Status by Nationality (unit: persons)

Category	2020	2021	2022	2023
Korea	3,220	3,152	3,135	3,241
Others	2	2	2	2

1) 1 each from Saudi Arabia and Canada (accounting for 1.1% of female managers in 2023)

Employment Status by Employment Contract (unit: persons)

GRI 102-8GRI 405-1

Category	2020	2021	2022	2023
Executives	43	42	44	43
Regular employees	Male	2,923	2,855	2,817
	Female	216	213	217
	Total	3,139	3,068	3,034
Non-regular employees (contractors)	Male	24	24	36
	Female	16	19	23
	Total	40	43	59

Employment Status by Employment Type (unit: persons)

GRI 102-8GRI 405-1

Category	2020	2021	2022	2023
Full-time	Male	2,990	2,922	2,897
	Female	232	232	240
	Total	3,222	3,154	3,137
Part-time	Male	0	0	0
	Female	0	0	0
	Total	0	0	0

Major Activities performed by Workers not employed by S-OIL (unit: persons)

Category	2020	2021	2022	2023
General office work (dispatch staff)	57	39	35	38
Contract/service (Head Office)	169	167	169	166
Contract/service (Refinery)	990	1,134	1,168	1,189
Total	1,216	1,340	1,372	1,393

* It is the same as the employment type disclosure data of the Ministry of Employment and Labor. (As of March every year)
Contract/service at Head Office: Building management, cleaning, security, driver, restaurant, IT, call center, etc.
Contract/service at Refinery: Repair & maintenance, cleaning, security, crude oil unloading, restaurants, etc.

Recruitment (unit: persons)

GRI 401-1

Category	2020	2021	2022	2023
Age	50 or above	1	4	1
	30~50	9	19	11
	Under 30	66	15	74
Gender	Male	63	19	66
	Female	13	19	20
Total	76	38	86	177
Open positions filled by internal candidates	84%	91%	84%	76%

Retirees (unit: persons)

GRI 401-1

Category	2020	2021	2022	2023
Age	50 or above	76	63	80
	30~50	11	27	16
	Under 30	13	11	8
Gender	Male	89	82	92
	Female	11	19	12
Total	100	101	104	66
Turnover rate	3.1%	3.2%	3.3%	2.0%
Voluntary turnover rate	1.9%	2.2%	2.0%	1.0%

Employee Remuneration (unit: KRW in million)

GRI 102-38GRI 102-39

Category	2020	2021	2022	2023
Total amount paid a year in remuneration	340,101	348,357	511,019	525,224
Average remuneration per employee	106	112	166	170

* Remuneration (KRW 151.9 million) of the median employee refers to the pay of the 1,593rd employees out of the total of 3,186 people on the payroll in 2023.
* The CEO's compensation was KRW 1,223 million, 7.2 times higher than the average remuneration per employee in 2023.

Average Salary by Gender (unit: KRW in million)

GRI 102-38

Category	2020	2021	2022	2023
Executive	Basic salary and bonuses(Female)	210.1	105.7	169.9
	Basic salary and bonuses (Male)	237.8	240.9	258.7
	Total salary (Female)	221.6	123.3	273.1
	Total salary (Male)	251.6	246.0	471.0
Senior Manager or Above	Basic salary and bonuses(Female)	82.6	83.6	82.1
	Basic salary and bonuses (Male)	93.5	93.8	96.0
	Total salary (Female)	93.7	95.9	148.6
Below Senior Manager	Total salary (Male)	106.4	107.5	173.6
	Basic salary and bonuses (Female)	54.4	55.4	54.9
	Basic salary and bonuses (Male)	68.0	69.4	56.2
	Total salary (Female)	61.3	62.9	97.2
	Total salary (Male)	77.4	79.7	99.1

* Average salary of female executives is the average salary of female directors.
(Average salary of male directors: Basic salary KRW 149.3 million, Basic salary and bonuses KRW 241.8 million)

Employment of the Disabled & National Meritorious Persons (unit: persons)

GRI 102-38

Category	2020	2021	2022	2023
No. of employees with disabilities	48	46	50	56
	1.5%	1.5%	1.6%	1.7%
No. of national meritorious employees	168	163	159	158
	5.2%	5.2%	5.1%	4.9%

S-5 Employee Competency Development

Training Hours per Employee (unit: hours)

Category	2020	2021	2022	2023
Male	69	73	75	74
Female	65	70	73	70
Total	71	68	73	75

Training Expenses per Employee (unit: KRW in thousand)

Category	2020	2021	2022	2023
Training expenses per employee	1,402	1,873	1,393	1,376

Human Capital Return on Investment (HC ROI)

Category	2020	2021	2022	2023
Human Capital Return on Investment	-2.12	6.85	7.27	3.44

* HC ROI formula: {Revenue – (Operating Expense – Employee-related Expenses) / Employee-related Expenses}
* Employee-related Expenses are based on the total annual payroll listed in the Business Report

S-6 Organizational Culture

Employee Engagement

Category	2020	2021	2022	2023
Employee Engagement Survey Results(unit: points)	8.1points	-	8.2points	-
Percentage of employees responded to the employee engagement survey with a score of 7 or higher out of 10	77.2%		78.5%	

* Survey frequency: 2 years

Annual Leave (unit: days)

Category	2020	2021	2022	2023
Average days of used annual leave per employee	23.9	24.5	24.2	23.6

* Excluded production staffs & project organization staffs.

Parental Leave (unit: persons)					GRI 401-1
Category		2020	2021	2022	2023
No. of employees took parental leave	Male	8	4	9	6
	Female	14	19	30	21
	Total	22	23	39	27
employees returned to work after parental leave (plan)	Male	5	3	5	4
	Female	8	8	18	14
	Total	13	11	23	18
No. of employees returned to work after parental leave (actual)	Male	5	3	5	2
	Female	8	8	18	13
	Total	13	11	23	15
		100%	100%	100%	83%
No. of employees worked for more than one year after parental leave	Male	0	4	4	4
	Female	11	7	8	18
	Total	11	11	12	22
		100%	85%	86%	96%

Labor Union (unit: persons, cases)					GRI 102-41	GRI 403-1
Category		2020	2021	2022	2023	
No. of union members		1,803	1,796	1,773	1,787	
		56.7%	57.7%	57.3%	55.8%	
No. of employees covered by collective bargaining agreements		3,179	3,112	3,093	3,200	
		100%	100%	100%	100%	
No. of labor disputes		0	0	0	0	

S-8 Occupational Safety and Health

DNV Safety Culture Evaluation (unit: points)				
Category	2020	2021	2022	2023
DNV Safety Culture Score	8.5	8.6	8.4	8.5

* DNV Safety Culture Score: An index to evaluate the level of corporate safety culture in a quantitative manner created by DNV GL [0~9 points: World Class over 8.1 points, Leading Edge: 6.1~8.0 points, Extended: 4.1~6.0 points, Core: 2.1~4.0 points]

No. of Injured Employees and Occupational Injury Rate (unit: persons, %) ¹⁾					GRI 403-8	GRI 403-9
Category		2020	2021	2022	2023	
S-OIL	No. of injured male	0	0	8	1	
	No. of injured female	0	0	0	0	
	Total	0	0	8	1	
		Injury rate (LTIR ²⁾)	0.00	0.00	0.19	0.00
		Injury rate (TRCF ³⁾)	0.00	0.00	0.26	0.03
Contractors	No. of injured male	1	0	6 ⁴	5	
	No. of injured female	0	0	0	0	
	Total	1	0	6	5	
		Injury rate (LTIR)	0.04	0.00	0.20	0.08
		Injury rate (TRCF)	0.04	0.00	0.24	0.14

1) Injury rate = No. of injured employees X 200,000 / total work hours
2) LTIR (Lost Time Injury Rate): Rate of lost-time injuries relative to total work hours
3) TRCF (Total Recordable Case Frequency): Rate of recordable injuries for employees and contractors per 100 full-time workers
4) One fatality from contractors in 2022 (no fatalities in 2020, 2021, and 2023)

Loss of Primary Containment (unit: cases)				
Category	2020	2021	2022	2023
Tier-1	0	0	1 ¹	0

* Loss of Primary Containment: Uncontrolled leakage of materials including non-toxic and flammable materials
1) On May 19, 2022, there was a fire during Anti Surge Valve maintenance at #2 Alkyla-tion process.

Process Safety Events Rate (unit: cases per million hours)				
Category	2020	2021	2022	2023
Process Safety Events Rate (Tier-1)	0.00	0.00	0.08	0.00

* Process Safety Event Rate: No. of process leak accident X 1,000,000 / total work hours
* Tier-1: Over LTI by process leak accident, over \$100,000 of fire/explosion, over Tier-1 leakage standards on flammable/toxic substance (API RP 754)

Safety Accident (unit: cases)				
Category	2020	2021	2022	2023
Fire accidents		0	1 ¹	0
Accidents from violations of regulations		0	0	0

1) On May 19, 2022, there was a fire during Anti Surge Valve maintenance at #2 Alkyla-tion process

Occupational Illness (unit: persons, cases)					GRI 403-10
Category	2020	2021	2022	2023	
Employees with occupational illness(Male)	0	0	0	0	
Employees with occupational illness(Female)	0	0	0	0	
Total	0	0	0	0	
Occupational Illness Frequency Rate (OIFR)	0.00	0.00	0.00	0.00	

* Standard: No. of occupational illness approved by the Korea Workers' Compensation & Welfare Service.
* Occupational Illness Frequency Rate (OIFR) = No. of occupational illness X 1,000,000 / total work hours

Safety Training (unit: times, persons)					GRI 403-5
Category		2020	2021	2022	2023
S-OIL	No. of trainings	679	633	654	729
	No. of participants	46,997	40,483	41,745	40,467
Contractors	No. of trainings	469	389	406	375
	No. of participants	17,033	10,317	19,374	18,456

* Included commissioned trainings & firefighting drills.

S-9 Supply Chain Sustainability

Procurement by Item (unit: KRW in million)					GRI 102-9
Category	2020	2021	2022	2023	
Construction & maintenance	347,758	145,459	334,763	501,146	
General service	135,884	96,741	226,357	686,399	
Materials	477,636	385,632	449,355	463,739	
Total	961,279	627,832	1,010,475	1,651,284	

* Excluding procurement of crude oil & products
* There is a difference between above data and the value creation amount at Page 15, which is the cost of sales in the financial statements.

Procurement by Region (unit: KRW in million, suppliers)						GRI 102-9
Category		2020	2021	2022	2023	
Procurement amount	Korea	677,096	387,434	790,158	1,459,607	
	Asia	214,167	132,913	113,052	172,070	
	Middle East	92	940	1,131	195	
	Europe	7,764	11,850	38,740	12,032	
	Americas	62,133	94,661	67,283	7,271	
	Others	27	34	111	110	
Total		961,279	627,832	1,010,475	1,651,285	
No. of suppliers	Korea	1,074	1,082	1,102	1,222	
	Asia	30	42	32	79	
	Middle East	2	2	2	1	
	Europe	23	27	19	25	
	Americas	27	27	19	1	
	Others	1	2	1	1	
Total		1,157	1,182	1,175	1,329	

* Excluding procurement of crude oil & products

Regular Risk Evaluation on Suppliers (unit: %)				
Category	2020	2021	2022	2023
Regular evaluation rate (including ESG risk)	100	100	100	100

Suppliers Satisfaction Survey (unit: points)				
Category	2020	2021	2022	2023
Supplier satisfaction score	9.43	9.45	9.31	9.40

Supplier Invitation Program (unit: times, companies, persons)				
Category	2020	2021	2022	2023
No. of programs	-	-	-	4
No. of companies	1,106	1,002	1,012	425
No. of participants	-	-	-	510

* According to the government's COVID-19 quarantine regulations, programs were re-placed to the distribution of explanation materials for 2020-2022.
* Conducted twice at the Head Office and twice at the Refinery in 2023

ESG Training for Procurement-related Teams (unit: %)				
Category	2020	2021	2022	2023
Participation rate	100	100	100	100

S-10 Social Contribution

Performance in Social Contribution Activities (unit: KRW in million)				
Category	2020	2021	2022	2023
For Local Community	1,808	2,129	1,722	3,384
For the Environment	-	300	470	430
For Needy People	2,096	1,548	2,970	3,063
For Heroes	840	970	1,160	890
Others (S-OIL Science Prodigy & Culture Foundation, etc.)	650	650	650	1,788
Total	5,394	5,597	6,972	9,555

* The above performance includes donation as charity and local community contribution activities only.
* According to the government's COVID-19 quarantine regulations, activities for the Environment were suspended in 2020.

Sunshine Sharing Campaign (unit: persons, hours, KRW in million)					
	Nation	2020	2021	2022	2023
S-OIL Public Service Corps	No. of participants	-	-	-	776
	Participation hours	-	-	-	4,815
Wage tail-cut contribution	No. of participants	1,824	1,758	1,756	1,642
	Amount of contribution	70	75	125	150
1 employee & 1 donation account	No. of participants	1,390	1,341	394	333
	Amount of contribution	51	48	45	42

* According to the government's COVID-19 quarantine regulations, activities of S-OIL Public Service Corps were suspended from 2020.

Cultural Arts & Sharing Campaign (unit: times, persons)

Category	2020	2021	2022	2023
No. of events	1	-	6	12
No. of participants	200	-	810	2,580

* According to the government's COVID-19 quarantine regulations, events had been temporarily suspended from Feb. 2020 to May 2022.

Local Purchasing in Ulsan (unit: cases, KRW in million)				
Category	2020	2021	2022	2023
No. of purchases in Ulsan	5,305	5,575	6,792	6,515
	58.8%	60.9%	59.1%	57.3%
Amounts of purchasing in Ulsan	271,181	134,919	204,945	855,476
	28.2%	21.5%	20.3%	51.8%

* Excluding crude oil & products

Governance

G-1 Governance

BOD Composition (unit: persons)						GRI 102-18
Category		2020	2021	2022	2023	2024
Type	Inside	1	1	1	1	1
	Non-standing	4	4	3	4	4
	Outside	6	6	5	6	6
Gender	Male	9	9	7	9	9
	Female	2	2	2	2	2
Age	50 or above	10	10	9	10	10
	30~50	1	1	0	1	1
	Under 30	0	0	0	0	0
Total		11	11	9	11	11

BOD Meeting Participation Rate (unit: %)

Category	2020	2021	2022	2023
Average participation rate	97.2%	99.3%	100.0%	98.5%

BOD Evaluation (unit: points, 5-point scale)					GRI 102-28
Category		2020	2021	2022	2023
BOD Evaluation	Overall	4.8	4.9	4.8	4.7
	Composition	4.9	4.9	4.8	4.6
	Roles	4.6	4.8	4.7	4.7
	Operation	4.9	5.0	4.7	4.7

Total Number of Shares (unit: shares)

Category	Voting rights	2020	2021	2022	2023
Common stock	1 vote	112,582,792	112,582,792	112,582,792	112,582,792
		96.6%	96.6%	96.6%	96.6%
Preferred stock	none	4,021,927	4,021,927	4,021,927	4,021,927
		3.4%	3.4%	3.4%	3.4%
Total		116,604,719	116,604,719	116,604,719	116,604,719
		100%	100%	100%	100%

* There are no golden shares issued holding special voting or veto rights.

Status of Shareholders: based on Common Stocks (unit: shares)

Shareholder Name	2020	2021	2022	2023
Aramco Overseas Company B.V. (AOC)	71,387,560	71,387,560	71,387,560	71,387,560
	63.4%	63.4%	63.4%	63.4%
National Pension Service (NPS)	6,396,916	8,997,198	8,385,342	7,675,230
	5.7%	8.0%	7.4%	6.8%
Institutional investors & individuals	34,798,316	32,198,034	32,809,890	33,520,002
	30.9%	28.6%	29.1%	29.8%
Total	112,582,792	112,582,792	112,582,792	112,582,792

* AOC became the largest shareholder by acquiring 35% of S-OIL's shares in 1991. In 1999, the Company purchased 28.4% of its shares as treasury stocks from Ssangyong Group, and changed its name from Ssangyong Oil Refining Co. to S-OIL in 2000. In 2015, AOC acquired these 28.4% of S-OIL's shares additionally.

* Shares held by governmental institutions: none
* Shares owned by NPS included consignment accounts
* All values are based on business report

Shareholding Status of MC Members (unit: shares)

Name	Position	2020	2021	2022	2023
Anwar A. Al-Hejazi ¹	CEO	-	-	-	-
Bong-Soo Park	President	8,360	8,360	8,360	8,360
Yul Ryu	President	4,550	4,550	4,550	4,550
Jong-Bum Ahn	President	9,140	9,140	9,140	9,140
Ju-Wan Bang	CFO	-	9,500	10,000	10,000
Seung-Pyo Hong	CSO	-	-	-	1,000
Won-Ki Cha	Head of HQ	-	-	0	0

* Anwar A. Al-Hejazi was newly appointed as the CEO on May 9, 2023.
* Hussain A. Al-Qahtani, the outgoing CEO who served until May 9, 2023, held 1,000 shares worth 0.15 times of his annual fixed salary.
* MC members except the CEO held S-OIL's share worth 82% of their average salary as of the end of 2023.

Corporate Governance Rating by Korea Corporate Governance Service (KCGS)				
Category	2020	2021	2022	2023
Corporate governance rating	A+	A+	A+	A+

G-2 Sound and Transparent Financial Management

Credit Ratings

Category		2020	2021	2022	2023
Overseas Credit Ratings	Moody's	Baa2	Baa2	Baa2	Baa2
	S&P	BBB	BBB	BBB	BBB
Domestic Credit Ratings	Korea Ratings	AA	AA	AA	AA
	NICE Investors Service	AA	AA	AA	AA
	Korea Investors Service	AA	AA	AA	AA

Tax, Sales, and Operating Profit by Nations (Unit: persons, KRW in million)

Category		2020	2021	2022	2023
Domestic	Employees	3,222	3,154	3,094	3,242
	Sales	16,829,681	27,463,918	42,446,028	35,726,694
	Profit before tax	(1,167,797)	1,878,020	2,898,542	1,131,705
	Corporate tax	(371,689)	499,479	794,155	182,857
	Tax paid by cash	0	85,604	217,430	695,482
Overseas	Employees	0	0	0	0
	Sales	0	0	0	0
	Profit before tax	0	0	0	0
	Corporate tax	0	0	0	0
	Tax paid by cash	0	0	0	0

* Based on consolidated financial statements prepared in accordance with K-IFRS.
* S-OIL has a single refinery in Korea. Also, all business activities including production, sales, administration, and planning are implemented in Korea.

Dividend Payments (unit: KRW, %)

Category		2020	2021	2022	2023
Total dividends paid [KRW in million]		96	442,495	640,409	198,011
Cash dividend payout ratio		-	32.1%	30.4%	20.9%
Cash dividends per share	Common	-	3,800	5,500	1,700
	Preferred	25	3,825	5,525	1,725
Cash dividend yield	Common	-	4.3%	6.2%	2.4%
	Preferred	0.1%	6.7%	9.4%	3.4%

* Based on separate financial statements prepared in accordance with K-IFRS
* Differences in tens are due to rounding of decimal places

Violation of Disclosure Regulations (unit: cases)

Category	2020	2021	2022	2023
No. of violations	0	0	0	0

G-3 Cybersecurity

Violation of Laws related to Customers’ Personal Information (unit: cases)

GRI 418-1

Category	2020	2021	2022	2023
No. of violations	0	0	0	0

Cybersecurity Maturity Level

Category	2020	2021	2022	2023
IT Cybersecurity Maturity Level (0 - 5)	2.92	3.09	3.18	3.3
OT Cybersecurity Maturity Level (0 - 3)	0.71	1.07	1.35	1.60

G-4 Ethics Management

Violation of Improper Solicitation & Graft Act (unit: cases)

GRI 419-1

Category	2020	2021	2022	2023
No. of violations	0	0	0	0

Violation of Internal Regulations found by Compliance Monitoring (unit: cases)

Category	2020	2021	2022	2023
No. of violations	0	0	0	0

Deliberation of Ethics Committee (unit: times, cases, persons)

GRI 205-3

Category		2020	2021	2022	2023
No. of meetings		21	16	21	14
Deliberation	Operation of sales networks	18	23	12	15
	Purchasing of goods & services	31	6	12	10
	Others	8	15	4	2
	Total	57	44	28	27
No. of disciplines due to violations of Ethics Code	Corruption or bribery	0	0	0	0
	Discrimination or harassment	2	2	1	1
	Customer privacy data	0	0	0	0
	Conflict of interest	0	0	0	0
	Money laundering or insider trading	0	0	0	0
	Other Ethics Code violations	2	2	2	4
	Total	4	4	3	5

* Completed investigations and follow-up actions on all violations reported by 2023.

* 2020: 1 case of procurement regulations violation (salary reduction to 2 people), 1 case of inappropriate use of language and violence between colleagues (suspension to 1 person), 1 case of inappropriate action between colleagues (suspension to 1 person), 1 case of inappropriate claim for allowance (suspension to 1 person)
2021: 1 case of procurement regulations violation (salary reduction to 2 people, reprimand to 3 people), 2 cases of inappropriate use of action and language between colleagues (suspension to 2 people), 1 case of inappropriate claim for allowance (suspension to 3 people, reprimand to 3 people)
2022: 1 case of drunk driving (salary reduction to 1 person), unauthorized hot work for personal purpose (suspension to 2 persons, warning to 1 person), use of violence between colleagues (suspension to 1 person, salary reduction to 1 person, warning to 1 person)
2023 : 1 case of long-term absence without leave/monetary borrowing between employees (termination to 1 person), 1 case of inappropriate claim for allowance (salary reduction to 1 person), 1 case of monetary transaction between employees (salary reduction to 1 person), 1 case of workplace harassment (salary reduction to 1 person, warning to 1 person), 1 case of procurement regulations violation (salary reduction to 1 person)

Ethics Management Training for Employees (unit: times, persons)

GRI 412-2

Category	2020	2021	2022	2023
No. of trainings	8	11	8	5
No. of participants	3,875	3,658	3,577	3,721
Participation rate	100%	100%	100%	100%

Ethics Management Training for Suppliers & Affiliates

GRI 412-2

Category	2020	2021	2022	2023
Suppliers	No. of trainings	-	-	-
	No. of companies	1,106	1,002	2,385
	No. of participants	-	-	-
Affiliates	No. of trainings	1	1	1
	No. of companies	1	1	1
	No. of participants	6	6	7

* According to the government’s COVID-19 quarantine regulations, trainings were re-placed to the distribution of training materials for 2020-2022.

Self-assessment on Ethics Management (unit: persons, points)

Category	2020	2021	2022	2023
No of participants	3,224	3,019	3,201	3,170
	100%	100%	100%	100%
Average score	99.4	99.6	99.4	99.6

Ethics Management Evaluation by Stakeholders (unit: points)

Category	2020	2021	2022	2023
Employees	9.20	9.30	9.20	9.30
S/Ss & F/Ss	9.36	8.52	9.12	8.86
Corporate clients	9.43	9.40	9.48	9.63
Suppliers	9.31	9.24	9.27	9.29
Average score	9.23	9.29	9.21	9.29

G-5 Compliance Management

Violation of Laws related to Product/service Information & Labeling (unit: cases)

GRI 417-2

Category	2020	2021	2022	2023
No. of violations	0	0	0	0

Violation of Laws related to Marketing Communication (unit: cases)

GRI 417-3

Category	2020	2021	2022	2023
No. of violations	0	0	0	0

Fair Trade Training (unit: times, persons)

Category	2020	2021	2022	2023
No. of trainings	1	2	2	2
No. of participants	414	516	342	331

Anti-competitive Behavior (unit: cases)

GRI 206-1

Category	2020	2021	2022	2023
Anti-competitive Behavior	0	0	0	0

ESG Performance Indicators

Key ESG performance indicators reported to ESG Committee

구분		단위	2023	
			Target	Actual
E	Carbon Intensity	t/kCWB ¹	≤ 6.27	6.27
	Carbon Abatement	KTA	≤ -190	-249
	Energy Intensity Index	-	≤ 82.7	82.6
	Environmental Compliance	횟수	0	0
	Total Air-pollutant Emission	ton	≤ 5,000	4,440
	Waste Recycle Rate	%	≥ 80	88.6
	Water Recycle Rate	%	≥ 35	36.1
S	TRCF ²	-	≤ 0.10	0.088
	Fatality	명	0	0
	LOPC ³ Tier-1	횟수	0	0
	Fire Accident	횟수	0	0
	Occupational Diseases	%	0	0
	Female employee	%	≥ 8.9	9.3
	Employee Engagement Score	10점 만점	N/A	N/A
G	Cybersecurity Maturity Level (IT)	5점 만점	≥ 3.30	3.30
	(OT)	3점 만점	≥ 1.60	1.60
	Violation of Ethics Code	횟수	0	5

- 1) CWB (Complexity Weighted Barrels): The sum of throughput weighted by process-specific GHG emissions
2) TRCF (Total Recordable Case Frequency): Rate of recordable injuries for employees and contractors per 100 full-time workers
3) LOPC (Loss of Primary Containment): Uncontrolled leakage of materials including non-toxic and flammable materials

Independent Assurance Statement

To the stakeholders of S-OIL

KPC (the “Assurer”) was requested by S-OIL (the “Company”) to conduct an independent assurance engagement of the ‘2023 S-OIL Sustainability Report’ (the “Report”). The Assurer hereby provides the following assurance statement, which applies only to the information included within the scope of the assurance engagement.

Independence and Competencies

The Assurer was neither involved in the preparation of this Report nor has any conflicts of interest that could undermine its independence. This assurance statement applies only to the information included within the scope of the assurance engagement. The Company is solely responsible for all information and opinions presented within the Report.

Assurance Criteria and Scope

The Assurer carried out a Type 2 defined in AA1000AS(v3) including ISAE 3000 of International Auditing and Assurance Standards Board(IAASB). In addition, the AA1000AP(2018) assurance principles were checked for compliance with the principles of inclusivity, materiality, responsiveness, and impact, and additional verification principles were checked for possible effects from the organization’s activities and performance. This means that the effectiveness and reliability aspects of the reporting criteria between this assurance have been comprehensively reviewed. The assurance standards are based on the risk reduction with limitations defined in ISAE 3000 and correspond to the moderate level of assurance defined in AA1000AS(v3).

Limitations

The Assurer identified the reliability of performance in the Report based on the above-mentioned assurance scope and standards as follows. The on-site verification was carried out at the headquarters in Seoul. The financial data were verified through audit reports and public institution management information disclosure systems audited by independent auditors, environmental and social data were verified through on-site verification or interviews. The assurer expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Methodology

- The assurance engagement for this Report was conducted in line with the following methods.
- Verified the compliance with the principles of the Report contents and quality based on GRI Standards.
 - Verified the selection of material issues covered and the appropriateness of the technical content through media research and benchmarking analysis.
 - Verified the suitability of the contents and any errors in expression through comparison analysis with other sources.
 - Verified the basis of Comprehensive data and information and the internal process and system through on-site inspection at the headquarters in Seoul.

Conclusions

It is the Assurer’s opinion that the Report reflects the Company’s sustainability management activity & performance faithfully and fairly. In addition, through this verification process, the Assurer judges that the Company’s report meets the GRI Standards requirements for Core Options, and secured the rational level which can be presented by Type 2 assurance level.

Universal Standard Disclosures were prepared in full compliance with the requirements for Core Options. Topic-specific Standard Disclosures and Oil and Gas Sector 2021 Disclosures were reviewed in line disclosures of the material topics identified through the process of determining report content as follows;

- Universal Standards: 2-1~2-5, 2-6~2-8, 2-9~2-21, 2-22~2-28, 2-29~2-30, 3-1~3-3
- Oil and Gas Sector 2021: 11-1 ~ 11-22
- Topic Standards: 418-1

▪ **Inclusivity: Stakeholder engagement**

The assurer confirmed that the Company defines key stakeholders including customers, shareholders and investors, local communities, suppliers, employees and general stakeholders as government and media to comply with the inclusivity principle. The Company is promoting communication activity through the communication channel by interested party for conformance to the principles of inclusivity. Stakeholder expectations identified through stakeholder engagement are reviewed in connection with the Company’s strategic direction and strategic tasks.’

▪ **Materiality: Selecting and reporting on key issues**

The Assurer confirmed that the Company is selecting core issues through the materiality evaluation process. Key issues were selected through the process of analyzing the impact on stakeholder decision-making on various sustainability issues and analyzing the impact on management performance. The selected core issues are reflected in management activities through processes such as participation in materiality evaluation through the circulation of each person in charge, and the activities and performance of the Company on each issue are reported in each report in each promotion area.

▪ **Responsiveness: Organizational response to key issues**

The Assurer confirmed that the Company’s report sets clear objectives on issues presented by stakeholders and transparently discloses their performance. In addition, the overall structure of the report was divided into governance, strategy, risk management, indicators and objectives, and the report was organized to confirm that key stakeholders and investors are managing critical ESG issues of the Company. The Assurer has confirmed that the Company identifies key issues that affect the performance of stakeholders and conducts sustainable management activities in response to the issues.

▪ **Impact: Considering the impacts of the organization**

The Company identifies the major issues presented by stakeholders and the impact of management activities on society and the environment and promotes efforts to improve them. The impact on critical issues was analyzed in terms of revenue, cost, and risk, and the results are used to make management decisions to develop ESG response strategies and are published in reports.

Recommendations

The Assurer recognizes the diverse efforts and performance made by the Company and suggests the following for the Company’s publication of the Report in the future and the improvement of its sustainability standards.

The Assurer recommends the Company to quantitatively identify the impact of risk and opportunity factors of core ESG issues on the Company’s sustainability, and that the changes in business models and processes are well integrated from a strategic point of view. Also, if the effect of risk and opportunity factors on the Company’s overall value chain can be presented, it will be possible to communicate clearly on changes in business models and processes in terms of sustainability.



June 2024
Korea Productivity Center **Ahn Wan-ki**

GRI Content Index

Topic	No.	Core Disclosure	Sector	Verification	Page
GRI 2: General Disclosures 2021					
1.The organization and its reporting practices	2-1	Organizational details		●	Cover
	2-2	Entities included in the organization’s sustainability reporting		●	Cover
	2-3	Reporting period, frequency and contact point		●	Cover
	2-4	Restatements of information		●	113, 117, 123
	2-5	External assurance		●	127
2. Activities and workers	2-6	Activities, value chain and other business relationships		●	10-11, 14-15
	2-7	Employees		●	117-119
	2-8	Workers who are not employees		●	
3. Governance	2-9	Governance structure and composition		●	92-95
	2-10	Nomination and selection of the highest governance body		●	
	2-11	Chair of the highest governance body		●	
	2-12	Role of the highest governance body in overseeing the management of impacts		●	
	2-13	Delegation of responsibility for managing impacts		●	
	2-14	Role of the highest governance body in sustainability reporting		●	
	2-15	Conflicts of interest		●	
	2-16	Communication of critical concerns		●	
	2-17	Collective knowledge of the highest governance body		●	
	2-18	Evaluation of the performance of the highest governance body		●	
	2-19	Remuneration policies		●	
	2-20	Process to determine remuneration		●	
	2-21	Annual total compensation ratio		●	
4. Strategy, policies and practices	2-22	Statement on sustainable development strategy		●	4-5
	2-23	Policy commitments		●	12-13, 34, 44-45, 75, 82, 93-94, 97
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	2-25	Processes to remediate negative impacts		●	108-110
	2-26	Mechanisms for seeking advice and raising concerns		●	103-107
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	2-28	Membership associations		●	113
5. Stakeholder engagement	2-29	Approach to stakeholder engagement		●	16-17
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GRI 3: Material Topics 2021					
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	3-2	List of material topics		●	
	3-3	Management of material topics		●	

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	11-1	GHG emissions		●	24-33, 113-114
	11-2	Climate adaptation, resilience and transition		●	24-28
	11-3	Air emissions		●	34-38, 114
	11-4	Biodiversity		●	44-47
	11-5	Waste		●	34-38, 115
	11-6	Water and effluents		●	34-38, 114-115
	11-7	Closure and rehabilitation		●	66-72
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	101-3	Access and benefit-sharing		●	
	101-4	Identification of biodiversity impacts		●	
	101-5	Locations with biodiversity impacts		●	
	101-6	Direct drivers of biodiversity loss		●	
	101-7	Changes to the state of biodiversity		●	
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	201-3	Defined benefit plan obligations and other retirement plans		●	70-72
	201-4	Financial assistance received from government	11.21.3	●	N/A
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		Management approach		●	62
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage		●	119
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GRI 203: Indirect Economic Impacts 2016					
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	205-2	Communication and training about anti-corruption policies and procedures	11.20.3	●	
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2023 Accolades & Recognitions

Goals	Awarded by
2023.01	Selected as No.1 Company of service station category at the 2023 Korea Brand Hall of Fame Institute for Industrial Policy Studies
2023.03	Selected as No.1 Company of refining industry, listed on All Star 30 at the 2023 Korea's Most Admired Companies Korea Management Association Consulting
2023.04	Ranked No. 1 in the Brand Strategy & Service Station categories at the 2023 National Industry Awards Institute for Industrial Policy Studies
2023.06	Ranked No. 1 in the Service Station & Gas Application categories at the 2023 National Service Awards Institute for Industrial Policy Studies
2023.09	Awarded in the Brand Strategy & Refining categories at the 2022 Korea CEO Hall of Fame Institute for Industrial Policy Studies
2023.12	Selected as World Company at the 2023 Dow Jones Sustainability Indices (Oil & Gas Refining & Marketing Industry) S&P Dow Jones Indices, SAM, Korea Productivity Center
2023. 12	Selected as No.1 Company of service station category at the 2022 Korea Net Promoter Score Korea Management Association Consulting





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