

Third Party's Assurance Report



Relating to SK innovation Co., Ltd.'s Sustainability Report for the calendar year 2013

This Assurance Statement has been prepared for SK innovation Co., Ltd. in accordance with our contract but is intended for the readers of this Report.

Terms of Engagement

Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by SK innovation Co., Ltd. (SK innovation) to provide independent assurance on its Sustainability Report for the calendar year 2013 ("the Report") against the assurance criteria below to a moderate level of assurance using AccountAbility's AA1000AS (2008), where the scope was a Type 2 engagement.

Our assurance engagement covered the operations and activities of SK innovation and its five major subsidiaries (SK energy, SK global chemical, SK lubricants, SK incheon petrochem and SK trading international) in Korea and specifically the following requirements:

- Evaluating adherence to AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness
- Confirming that the Report is in accordance with application level A of GRI's G3.1 Reporting Guidelines
- Reviewing whether the Report has been based on GRI's G3.1 oil and gas sector supplement (OGSS)
- Evaluating the accuracy and reliability of data and information presented in the Report
- Validating SK innovation's self-declaration for GRI's application level A+

Our assurance engagement excluded the data and information of suppliers, contractors and any third-parties mentioned in the Report associated with SK innovation and its five major subsidiaries.

LRQA's responsibility is only to SK innovation. LRQA disclaims any liability or responsibility to others as explained in the end footnote. SK innovation's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the Report and for maintaining effective internal controls over the systems from which the Report is derived. Ultimately, the Report has been approved by, and remains the responsibility of SK innovation.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that SK innovation has not:

- Met the requirements above
- Disclosed accurate and reliable performance data and information as no errors or omissions were detected
- Covered all the issues that are important to the stakeholders and readers of this Report.

The opinion expressed is formed on the basis of a moderate level of assurance and at the materiality of the professional judgement of the Verifier.

Note: The extent of evidence-gathering for a moderate assurance engagement is less than for a high assurance engagement. Moderate assurance engagements focus on aggregated data rather than physically checking source data at sites.

LRQA's Approach

LRQA's assurance engagements are carried out in accordance with AA1000AS (2008). The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Assessing the approach to stakeholder engagement of SK innovation and its five major subsidiaries, to confirm that issues raised by stakeholders were captured correctly. We did this through reviewing documents and associated records.

- Reviewing the process for identifying and determining material issues of SK innovation and its five major subsidiaries, to confirm that the right issues were included in their Report. We did this by benchmarking reports written by SK innovation and its five major subsidiaries, and their peers to ensure that sector specific issues were included for comparability. We also tested the filters used in determining material issues to evaluate whether SK innovation and its five major subsidiaries make informed business decisions that may create opportunities that contribute towards sustainable development.
- Auditing the data management systems of SK innovation and its five major subsidiaries, to confirm that there were no significant errors, omissions or mis-statements in the Report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the Report.
- Checking that the GRI Content Index allows stakeholders to access sustainability performance indicators.
- Reviewing additional evidence made available by SK innovation and its five major subsidiaries at their head office in Jong-ro, Jongno-gu, Seoul.

Observations

Further observations and findings, made during the assurance engagement, are:

- **Stakeholder Inclusivity:** We are not aware of any key stakeholder groups that have been excluded from stakeholder engagement process of SK innovation and its five major subsidiaries. SK innovation and its five major subsidiaries conduct open dialogues with their stakeholders on a timely manner depending on the intended engagement objectives.
- **Materiality:** We are not aware of any material issues concerning sustainability performance of SK innovation and its five major subsidiaries that have been excluded from the Report. It should be noted that SK innovation and its five major subsidiaries have established extensive criteria for determining material issues/aspects and that these criteria are not biased to management of SK innovation and its five major subsidiaries.
- **Responsiveness:** We are not aware that SK innovation and its five major subsidiaries have not provided a detailed response to their relevant stakeholders.
- **Reliability:** SK innovation should consider improving its process for gathering performance data and ensuring reliability particularly those from its five major subsidiaries.

LRQA's Competence and Independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

LRQA is SK innovation's certification body for ISO 9001, ISO 14001, OHSAS 18001 and TS 16949. We also provide SK innovation with a range of training services related to Management Systems. The verification and certification assessments, together with the training, are the only work undertaken by LRQA for SK innovation and as such do not compromise our independence or impartiality.

Signed
Dated: 21 July 2014
Hee-Jeong Yim



LRQA Lead Verifier
On behalf of Lloyd's Register Quality Assurance Limited

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