

Sustainable Performance

Economy

Condensed Income Statement

(Unit: KRW million)

Classification	2012	2013	2014
Sales	72,594,465	66,039,305	65,865,269
Cost of goods sold	69,002,293	62,765,681	64,291,605
Gross margin	3,592,172	3,273,624	1,573,664
SG&A expenses	1,873,887	1,867,206	1,804,941
Operating income	1,718,285	1,406,418	-231,277
Financial income	2,158,039	1,637,784	2,616,560
Finance costs	2,322,453	1,862,975	2,965,644
Gains or losses from equity method	139,949	67,709	130,775
Non-operating income	89,456	127,256	86,445
Non-operating expenses	81,264	237,045	129,928
Income before income taxes	1,702,012	1,139,147	-493,069
Continuing operations income before income taxes	507,099	337,111	-17,237
Continuing operations net income (loss)	1,194,913	802,036	-475,832
Discontinued operations net income	-12,562	-23,303	-61,334
Net income (loss)	1,182,352	778,733	-537,166
Other comprehensive income	-226,432	55,585	88,695
Total comprehensive income	955,920	834,318	-448,471

Condensed Statement of Financial Position

(Unit: KRW million)

Classification	2012	2013	2014
Current assets	17,885,166	16,997,440	14,888,371
Non-current assets	15,945,914	18,291,430	20,212,943
Total assets	33,831,080	35,288,870	35,101,314
Current liabilities	12,024,818	11,665,350	11,403,361
Non-current liabilities	5,458,237	6,708,266	7,636,896
Total liabilities	17,483,055	18,373,616	19,040,257
Capital attributed to owners of the parent company	15,371,342	15,839,458	15,000,341
Capital	468,570	468,570	468,570
Other paid-in capital	5,757,017	5,756,998	5,756,982
Consolidated retained earnings	9,114,823	9,535,337	8,636,046
Other capital	30,932	78,553	138,743
Non-controlling interests	976,683	1,075,796	1,060,716
Total shareholders' equity	16,348,025	16,915,254	16,061,057

Sales and Operating Income by Business Segment

(Unit: KRW 100 million)

Classification	2012		2013		2014	
	Sales	Operating Income	Operating Income	Chemical	Sales	Operating Income
Petroleum	565,889	2,791	498,968	597	490,563	(9,990)
Chemical	118,359	7,706	121,120	8,669	126,352	3,592
Lubricant	29,011	3,132	27,861	1,554	29,818	2,899
Petroleum development and others	12,686	3,554	12,444	3,244	11,920	1,186

Government Grants

(Unit: USD 1,000)

Classification	2012	2013	2014
Energy Special Accounting Fund	24,673	7,592	13,946

* Energy Special Accounting Fund (loan amount of energy special accounting) is a governmental loan that is provided to support resource development companies.

Shareholders with more than 5 percent of outstanding shares

(Unit: shares, %)

Name	No. of shares in holdings	Ownership
SK Corp.	30,883,788	33.4
National Pension Service	7,735,070	8.4

* As of Dec. 31, 2014

SK Innovation's share in its subsidiaries

(Unit: %)

SK Energy	SK Global Chemical	SK Lubricants	SK Incheon Petrochem	SK Trading International
100	100	100	68	100

* As of Dec. 31, 2014

R&D Investments

(Unit: KRW million, %)

Classifications	2012	2013	2014
R&D expenses	149,401	151,331	138,379
R&D expenses/sales	0.20	0.23	0.21

Ratio of Local Purchase

(Unit: KRW 100 million, %)

Classifications	2014
Amount of goods and equipment purchased through all the suppliers	9,126
Amount of goods and equipment purchased through local suppliers	4,153
Ratio of local purchase	45.5

* Local: based on domestic suppliers

Sustainable Performance

Environment

Energy Intensity

(Unit: TJ/person)

Classification	2014
Intensity (energy consumption/total employees)	33

GHG Emissions

(Unit: 1,000 tCO₂eq)

Classification	2012	2013	2014	
SK Innovation	Direct emissions	40	39	48
	Indirect emissions	74	74	95
	Subtotal	114	113	143
SK Energy	Direct emissions	6,120	5,996	6,420
	Indirect emissions	1,140	1,170	1,316
	Subtotal	7,260	7,166	7,736
SK Global Chemical	Direct emissions	2,461	2,424	2,688
	Indirect emissions	1,122	1,159	1,289
	Subtotal	3,583	3,583	3,977
SK Lubricants	Direct emissions	62	75	105
	Indirect emissions	147	146	207
	Subtotal	209	221	312
SK Incheon Petrochem	Direct emissions	632	575	830
	Indirect emissions	190	171	313
	Subtotal	822	746	1,143

* Retroactive application of GHG emissions from 2012 and 2013 due to changes in the applied emission factor.

* Based on statement

GHG Emission Intensity

(Unit: 1,000 tCO₂eq/person)

	2012	2013	2014
Direct emission intensity (GHG emissions/ total employees)	146	143	159
Indirect emission intensity (GHG emissions/ total employees)	43	41	51
Total emission intensity (GHG emissions/ total employees)	189	184	210

Oil Imported Volume by Year

(Unit: 1,000 barrels)

Classification	2012	2013	2014
Oil imported volume	307,019	293,185	278,667

* Based on PEDSIS (Korea National Oil Corporation) report

Air Pollutant Emissions

Air Pollutant Emissions Volume

(Unit: Tons)

Classification		2012	2013	2014
SOx	SK Energy (Ulsan)	3,206	3,165	3,322
	SK Global Chemical (Ulsan)	213	208	200
	SK Incheon Petrochem (Incheon)	360	225	221
NOx	SK Energy (Ulsan)	6,226	6,097	6,887
	SK Global Chemical (Ulsan)	1,197	1,157	1,189
	SK Incheon Petrochem (Incheon)	912	762	834
Dust	SK Energy (Ulsan)	224	177	141
	SK Global Chemical (Ulsan)	38	32	31
	SK Incheon Petrochem (Incheon)	20	17	23

Air Pollutant Emissions Concentrations

Classification	Legal limit/ Company standard	2012	2013	2014	
SOx (ppm)	SK Energy (Ulsan)	180/170	27.4	28.9	35.1
	SK Global Chemical (Ulsan)	180/160	16.9	14.9	12.5
	SK Incheon Petrochem (Incheon)	180/160	20.2	15.1	7.3
NOx (ppm)	SK Energy (Ulsan)	200/180	73.3	79.1	89.8
	SK Global Chemical (Ulsan)	150/130	94.4	91.6	98.9
	SK Incheon Petrochem (Incheon)	250/235	74.2	69.3	41.5
Dust (mg/m ³)	SK Energy (Ulsan)	50/40	5.4	4.7	4.1
	SK Global Chemical (Ulsan)	30/20	4.9	4.3	3.9
	SK Incheon Petrochem (Incheon)	30/25	4.4	4.5	1.9

Water Pollutant Emissions Concentration

(Unit: ppm)

Classification	Legal limit/ Company standard	2012	2013	2014	
COD	SK Energy Ulsan CLX	40/20	10.5	8.1	9.3
	No.2FCC	90/70	17.3	14.9	20
	SK Global Chemical PE/PP	90/70	8.5	8.4	6.9
SS	EPDM	90/70	24.1	25	15.4
	SK Incheon Petrochem Incheon	90/40	19.8	14.6	10.9
	SK Energy Ulsan CLX	10/8	2.9	4.4	3.1
Oil	No.2FCC	80/60	36.7	32.5	25
	SK Global Chemical PE/PP	80/60	16	16	16.2
	EPDM	80/60	13	14	9.7
Oil	SK Incheon Petrochem Incheon	80/30	10.8	5.9	5.9
	SK Energy Ulsan CLX	5/1	0.4	0.3	0.3
	No.2FCC	5/3.7	2.7	1.3	1.4
Oil	SK Global Chemical PE/PP	5/3.7	0.4	0.3	0.4
	EPDM	5/3.7	0.1	0.1	0.2
	SK Incheon Petrochem Incheon	5/3	0.78	0.46	0.47

Sustainable Performance

Society

Present Status of Employees by Category

(Unit: persons, %)

Classification			2012	2013	2014
Total Employees			6,346	6,350	6,338
By contract	Regular	Persons	6,229	6,240	6,231
		Ratio	98.2	98.3	98.3
	Non-regular	Persons	117	110	107
		Ratio	1.8	1.7	1.7
Gender	Male	Persons	5,697	5,656	5,623
		Ratio	89.8	89.1	88.7
	Female	Persons	649	694	715
		Ratio	10.2	10.9	11.3
By age	Under age 30	Persons	568	510	734
		Ratio	9.0	8.0	11.6
	Between 30 and 50 years of age	Persons	4,190	4,075	4,263
		Ratio	66.0	64.2	67.3
Above age 50	Persons	1,588	1,765	1,341	
	Ratio	25.0	27.8	21.2	
Underprivileged	Disabled	Persons	113	87	130

* Excluding executives and advisors

Number of Retirees and Severance Rate

(Unit: %, persons)

Classification			2012	2013	2014
Severance rate			1.3	0.9	1.2
Number of retirees	Total persons		81	59	74
		Male	66	39	59
	Female	15	20	15	

* Based on December 31 of every year

* Severance rate: Number of retirees / Number of total regular employees

* Retroactive application for 2012 and 2013 due to changes in severance rate standard.

Average Service Years

(Unit: years)

Classification			2012	2013	2014
Average service years			15.2	15.5	15.9

Number of Employees on Parental Leave and Number of Employees Who Returned to Work

(Unit: Number of Persons)

Classification			2012	2013	2014
Number of employees entitled to parental leave	Male		1,042	927	1,300
	Female		182	191	220
Number of employees who used parental leave	Male		-	1	2
	Female		43	58	61
Number of employees who worked at least one year after returning from parental leave	Male		-	-	-
	Female		48	41	25

Number of Consulting and Reporting through Business Ethics Infrastructure

(Unit: number of cases)

Classification			2012	2013	2014
Number of consultations			64	103	81

Social Contribution Investments

(Unit: KRW 100 million)

Classification			2014
Annual social contribution investments			306

Number of 1004 Volunteers* and the Annual Volunteering Hours

(Unit: persons, hours)

Classification			2012	2013	2014
Number of volunteers			5,867	5,836	5,762
Annual volunteering hours			48,256	42,562	34,053

* 1004 volunteers: SK Innovation's enterprise-wide volunteer group

Ratio of worksites giving back to local communities, conducting impact assessment and implementing development programs

(Unit: %)

Classification			2012	2013	2014
Ratio of worksites giving back to local communities, conducting impact assessment and implementing development programs			100	100	100