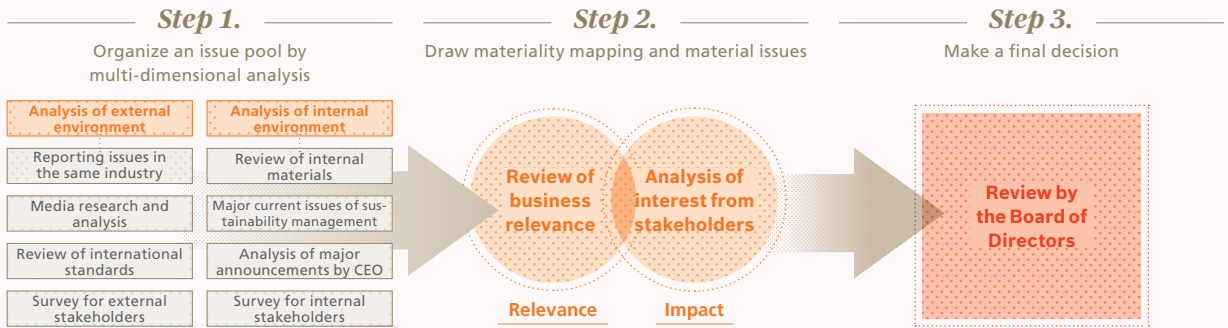







Appendix

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Materiality Test

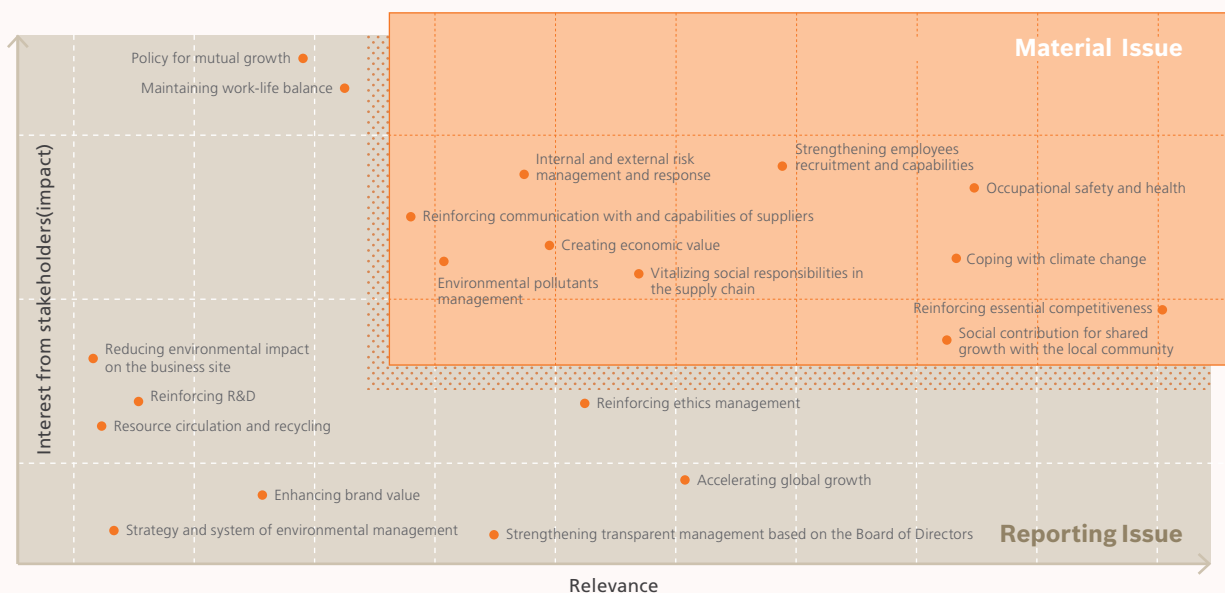
SK innovation draws any material issues, which may have an impact on the company's sustainability management, by taking into account various internal and external issues surrounding the management environment and opinions from stakeholders and discloses such content in the sustainability report in detail.



Stakeholders	Issues in 2016	Major communication channels
 <p>Customer</p>	<ul style="list-style-type: none"> · Social contribution for shared growth with the local community · Creating and distributing economic value · Policy on mutual growth 	<ul style="list-style-type: none"> · Operation of the call center "Customer Happiness Call Center" · Operation of EnClean.com · Annual meeting and event · Website(SK innovation), Facebook(SK innovation, SK energy, SK lubricants), blog(SK innovation, SK energy), etc.
 <p>Employees</p>	<ul style="list-style-type: none"> · Reinforcing essential competitiveness · Policy for mutual growth · Social contribution for shared growth with the local community 	<ul style="list-style-type: none"> · Intranet(tongtong, etc.) · In-house broadcast(gbs) and newsletter by each company · iCON(internal communication messenger, Change Facilitator) · CEO-Employees communication(Well-Comm. Day) and meeting · Happy Walk
 <p>Shareholders and Investors</p>	<ul style="list-style-type: none"> · Strengthening transparent management based on the Board of Directors · Reinforcing essential competitiveness · Preventing unfair trade 	<ul style="list-style-type: none"> · General Shareholders Meetings, Earnings Releases · Domestic and overseas NDR(Non-Deal Roadshow) · Domestic and overseas conference · 1:1 meeting, e-mail/phone counseling · Disclosures, etc.
 <p>Local Communities</p>	<ul style="list-style-type: none"> · Communication with stakeholders · Social contribution for shared growth with the local community · Vitalizing social responsibilities in the supply chain 	<ul style="list-style-type: none"> · Meeting with local organizations · Participation in local community committees and living and safety commissions for the police precinct office in the adjacent region · Engagement in welfare facilities and group operating commissions in the adjacent region
 <p>Suppliers</p>	<ul style="list-style-type: none"> · Policy on mutual growth · Reinforcing communication with and capabilities of suppliers · Social contribution for shared growth with the local community 	<ul style="list-style-type: none"> · Regular meeting with suppliers · Supplier CEO Meeting · Regular meeting with logistics, machines, equipment and inspection companies

In 2016, SK innovation strengthened the composition of stakeholder surveys and conducted assessments by dividing the potential impacts of each issue on the company into four aspects—finance, reputation, operation and strategy. Through this process, the company aims to identify any risks which may be caused by each issue and establish a more strategic sustainability management response system.

Materiality Test Matrix



Rank	GRI G4 aspects	Issue	Stakeholder impact assessment				Page
			Finance	Reputation	Operation	Strategy	
1	Occupational health and safety	Occupational safety and health			√		42~45, 79
2	Employment, training and education	Strengthening employee recruitment and building capabilities			√		66~69
3	Emissions	Coping with climate change				√	46~49, 80
4	Strategy and analysis	Internal and external risk management and response	√				59~61
5	Economic performance	Reinforcing essential competitiveness				√	28~31
6	Supplier Assessment for impacts on Society	Vitalizing social responsibilities in the supply chain		√			50~53
7	Economic performance	Creating economic value	√				36, 86
8	Procurement practice	Reinforcing communication with and capabilities of suppliers			√		70~72
9	Effluent and waste	Environmental pollutants management		√			45, 81~82
10	Local community	Social contribution for shared growth with the local community		√			73~77