






Stakeholder Engagement

At SK innovation, we divide our stakeholders into five groups: customers, employees, shareholders, the local community, and suppliers, and maintain communication channels for each group. While building trust through communication, we incorporate their feedback and needs into our business practices and use it as a basis for sustainable growth.

Stakeholder Communication

Stakeholders	Communication Channels	Areas of Interest	
 Customers	<ul style="list-style-type: none"> · Operation of the "Customer Happiness Call Center" · Operation of EnClean.com · Annual meeting and events · Website (SK innovation), blog (SK innovation), Facebook (SK innovation, SK lubricants), etc. 	<p>2016</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 	<p>2017</p> <ul style="list-style-type: none"> · Creating value through mutual growth → Maintaining a healthy work-life balance · Securing sustainable technology (R&D)
 Employees	<ul style="list-style-type: none"> · Intranet (tong tong, etc.) · In-house broadcast (gbs) and newsletter by each company · iCON (internal communication messenger, Change Facilitator) · CEO-Employee communication (Well-Comm. Day) and meetings; Happy Walk 	<p>2016</p> <ul style="list-style-type: none"> · Reinforcing essential competitiveness · Policy on mutual growth · Social contribution for shared growth with the local community 	<p>2017</p> <ul style="list-style-type: none"> · Increasing corporate value → Reinforcing essential competitiveness · Creating value through mutual growth
 Shareholders and Investors	<ul style="list-style-type: none"> · General Shareholders Meetings, Earnings Releases · Domestic and overseas NDR (Non-Deal Roadshow) and conference · 1:1 meeting, e-mail/phone counseling · Disclosures, etc. 	<p>2016</p> <ul style="list-style-type: none"> · Strengthening transparent management based on the Board of Directors · Reinforcing essential competitiveness · Preventing unfair trade 	<p>2017</p> <ul style="list-style-type: none"> · Strengthening shareholder-friendly transparent management based on the Board of Directors → Communication with stakeholders · Creating value through mutual growth
 Local Community	<ul style="list-style-type: none"> · Meeting with local organizations · Participation in local community committees near business sites · Participation in the living and safety commissions of police precinct offices · Engagement in welfare facilities and group operating commissions in the adjacent region 	<p>2016</p> <ul style="list-style-type: none"> · Communication with stakeholders · Social contribution for shared growth with the local community · Promoting social responsibility in the supply chain 	<p>2017</p> <ul style="list-style-type: none"> · Reinforcing communication with and capabilities of suppliers → Increasing corporate value · Communication with stakeholders
 Suppliers	<ul style="list-style-type: none"> · Regular meetings with suppliers · Supplier CEO Meeting · Regular meetings regarding logistics, machines, equipment inspections 	<p>2016</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 	<p>2017</p> <ul style="list-style-type: none"> · Creating value through mutual growth → Securing sustainable new technology (R&D) · Reinforcing communication with and capabilities of suppliers

ESG Data – Economy

Sales and Operating Income by Business Segment

(Unit: KRW 100 million)

Classification	2015		2016		2017		
	Sales	Percent of Sales	Sales	Percent of Sales	Sales	Percent of Sales	
Sales	Total	483,563	100%	395,205	100%	462,609	100%
	Petroleum business	352,997	73%	283,699	72%	327,712	71%
	Chemical business	92,880	19%	76,865	20%	93,392	20%
	Lubricant business	26,188	6%	25,358	6%	30,475	7%
	E&P and other businesses	11,499	2%	9,283	2%	11,030	2%
	Operating Profit	Percentage of Operating Profit	Operating Profit	Percentage of Operating Profit	Operating Profit	Percentage of Operating Profit	
Operating Profit ¹⁾	Total	19,796	100%	32,283	100%	32,344	100%
	Petroleum business	11,261	57%	16,256	50%	15,020	46%
	Chemical business	6,039	30%	12,322	38%	13,772	43%
	Lubricant business	2,947	15%	4,683	15%	5,049	16%
	E&P and other businesses	-451	-2%	-978	-3%	-1,498	-5%

Note 1) As petroleum and chemical businesses by SK incheon petrochem are divided, percent of sales and operating profit data for 2015 and 2016 are changed.

Distribution of Economic Value

(Unit: KRW 100 million)

Sector	Recipient	Expenditure/Investment	2015	2016	2017
Economy	Corporation	R&D ¹⁾	1,701	1,482	2,003
		Acquisition of tangible assets ²⁾	4,609	6,345	9,135
	Investors	Total cash dividend	4,474	5,965	7,456
Society	Employees	Salaries ³⁾	11,653	11,116	13,036
	Suppliers	Amount of procurement	7,436	9,536	11,866
	Local communities	Social contribution investments	84	416	269
	Government	Corporate tax ⁴⁾	4,072	5,193	6,513

Note 1) Based on Annual Report 2017 (Data for 2015 and 2016 are revised due to the change in the standard for data collection).

Note 2) Based on each year's consolidated audit report, note 10-(2) refers to items in book value of tangible assets labeled 'acquired'.

Note 3) Based on each year's consolidated audit report, note 23 refers to the item under cost by category labeled 'employee wages'.

Note 4) Based on Annual Report 2017's consolidated cash flow statement in consolidated financial statement.

CEO Compensation

(Unit: KRW, times)

Classification	2017	Note
Total CEO Compensation ¹⁾	2,442,000,000	Reflects earned income for the term of the former and current CEO by considering the change of the CEO in March 2017
Mean Annual Compensation of All Employees, Except CEO and Executives	111,000,000	-
Ratio of the Mean Employee Compensation and the Total Annual Compensation of the CEO	22	-

Note 1) Incentive compensation for the CEO is determined by comprehensively considering company's financial profits (pre-tax profits, EVA), relevant financial indicators (increase in stock price) and external recognition indicators.

ESG Data – SHE

Energy Consumption⁴⁾

(Unit: MWh, KRW million)

Energy target for 2025
Reduction by **7.8%** compared to BAU by 2025

Classification		2015	2016	2017
Total Energy Consumption ³⁾	Petroleum, chemical and lubricant business sector (Incheon, Ulsan) ¹⁾	50,749,501	49,200,966	51,675,143
	R&D, logistics and other business sectors (Seosan, Jeungpyeong, Cheongju, Daedeok, Logistics) ²⁾	1,049,949	992,839	1,088,633
	Total	51,799,450	50,193,805	52,763,776
Fuel	Petroleum, chemical and lubricant business sector (Incheon, Ulsan)	38,775,641	38,124,951	39,430,674
	R&D, logistics and other business sectors (Seosan, Jeungpyeong, Cheongju, Daedeok, Logistics)	827,383	900,466	294,416
	Total	39,603,024	39,025,417	39,725,090
Electricity	Petroleum, chemical and lubricant business sector (Incheon, Ulsan)	10,085,110	9,920,453	10,335,068
	R&D, logistics and other business sectors (Seosan, Jeungpyeong, Cheongju, Daedeok, Logistics)	715,626	733,489	794,217
	Total	10,800,736	10,653,943	11,129,285
Steam	Petroleum, chemical and lubricant business sector (Incheon, Ulsan)	7,408,675	6,975,123	7,548,986
	R&D, logistics and other business sectors (Seosan, Jeungpyeong, Cheongju, Daedeok, Logistics)	-	-	-
	Total	7,408,675	6,975,123	7,548,986
Non-Renewable Energy Sold	Petroleum, chemical and lubricant business sector (Incheon, Ulsan)	5,519,925	5,819,561	5,639,585
	R&D, logistics and other business sectors (Seosan, Jeungpyeong, Cheongju, Daedeok, Logistics)	493,060	641,116	-
	Total	6,012,985	6,460,678	5,639,585
Total Costs of Energy Consumption	Petroleum, chemical and lubricant business sector (Incheon, Ulsan)	2,254,674	1,789,042	2,198,689
	R&D, logistics and other business sectors (Seosan, Jeungpyeong, Cheongju, Daedeok, Logistics)	47,052	43,332	47,181
	Total	2,301,727	1,832,374	2,245,871

Note 1) Petroleum, chemical and lubricant business sector: SK energy (Ulsan), SK global chemical (Ulsan), SK lubricants (Ulsan), SK incheon petrochem (Incheon)

Note 2) R&D, logistics and other business sector: Seorin Building (Seoul), Battery production line (Seosan), Battery and circuit materials production line (Jeungpyeong, Cheongju), Institute of Technology Innovation (Daedeok R&D Park), Logistics Center

Note 3) Total energy consumption: Calculated in accordance with the guidelines for the reporting and certification of emissions in the Korean emission trading system (fuel, electricity and steam purchase – non-renewable energy sales)

Note 4) Due to the change in the standard for data collection, data for 2015 and 2016 are revised.

GHG Emissions

(Unit: tCO₂eq)

GHG emissions target for 2025
Reduction by **7.8%** compared to BAU by 2025

Classification		2015	2016	2017
Total GHG Emissions	Petroleum, chemical and lubricant business sector (Incheon, Ulsan) ¹⁾	12,742,702	12,550,646	12,708,356
	R&D, logistics and other business sectors (Seosan, Jeungpyeong, Cheongju, Daedeok, Logistics) ²⁾	291,274	293,185	194,851
	Total	13,033,976	12,843,831	12,903,207
Total Direct GHG Emissions ³⁾ (Scope1)	Petroleum, chemical and lubricant business sector (Incheon, Ulsan)	10,386,561	10,358,002	10,460,652
	R&D, logistics and other business sectors (Seosan, Jeungpyeong, Cheongju, Daedeok, Logistics)	152,634	164,675	55,255
	Total	10,539,195	10,522,677	10,515,907
Total Indirect GHG Emissions (Scope2)	Petroleum, chemical and lubricant business sector (Incheon, Ulsan)	2,356,141	2,192,644	2,247,704
	R&D, logistics and other business sectors (Seosan, Jeungpyeong, Cheongju, Daedeok, Logistics)	138,640	128,510	139,596
	Total	2,494,781	2,321,154	2,387,301

Note 1) Petroleum, chemical and lubricant business sector: SK energy (Ulsan), SK global chemical (Ulsan), SK lubricants (Ulsan), SK incheon petrochem (Incheon)

Note 2) R&D, logistics and other business sector: Seorin Building (Seoul), Battery production line (Seosan), Battery and circuit materials production line (Jeungpyeong, Cheongju), Institute of Technology Innovation (Daedeok R&D Park), Logistics Center

Note 3) Reflected based on the Korean emission trading system

Water

(Unit: m³)

Total volume target of water usage for 2020

57,850,483 m³

Classification		2015	2016	2017
Total Volume of Water Usage ³⁾	Petroleum, chemical and lubricant business sector ¹⁾	49,867,406	51,534,293	52,000,420
	R&D, logistics and other business sector ²⁾	914,648	941,523	1,071,420
	Total	50,782,054	52,475,816	53,071,840
Usage of Municipal Water Supplies ⁴⁾	Petroleum, chemical and lubricant business sector	49,867,406	51,534,293	52,000,420
	R&D, logistics and other business sector	904,883	926,839	1,063,262
	Total	50,772,289	52,461,132	53,063,682
Usage of Groundwater (Freshwater)	Petroleum, chemical and lubricant business sector	0	0	0
	R&D, logistics and other business sector	8,969	13,768	7,658
	Total	8,969	13,768	7,658
Usage of Rainwater	Petroleum, chemical and lubricant business sector	0	0	0
	R&D, logistics and other business sector	796	916	500
	Total	796	916	500

Note 1) Petroleum, chemical and lubricant business sector: SK energy (Ulsan), SK global chemical (Ulsan), SK lubricants (Ulsan), SK incheon petrochem (Incheon)

Note 2) R&D, logistics and other business sector: Battery production line (Seosan), Battery and circuit materials production line (Jeungpyeong, Cheongju), Institute of Technology Innovation (Daedeok R&D Park), Logistics Center

Note 3) Figures in 2015 and 2016 are revised due to errors in previous data collection.

Note 4) Figures in 2015 and 2016 are revised due to errors in previous data collection.

Waste

(Unit: metric tonnes – based on a dried form)

Target of total waste for 2020		Target of recycling ratio for 2020		
111,666 metric tonnes		69.0 %		
Classification	2015	2016	2017	
Total Volume of Waste Generated	Petroleum, chemical and lubricant business sector ¹⁾	84,661	96,021	97,992
	R&D, logistics and other business sector ²⁾	13,547	15,193	14,010
	Total	98,208	111,214	112,002
Discharge Volume by Treatment Method				
In-House Treatment (Landfill)	Petroleum, chemical and lubricant business sector	0	0	0
	R&D, logistics and other business sector	0	0	0
	Total	0	0	0
Outsourced Volume (Incinerator/Landfill)	Petroleum, chemical and lubricant business sector	31,058	38,233	39,563
	R&D, logistics and other business sector	1,867	1,361	2,587
	Total	32,925	39,593	42,150
Outsourced Volume (Recycled)	Petroleum, chemical and lubricant business sector	53,603	57,788	58,429
	R&D, logistics and other business sector	11,680	13,833	11,423
	Total	65,284	71,621	69,852
Waste Recycling Rate	Petroleum, chemical and lubricant business sector	63.3%	60.2%	59.6%
	R&D, logistics and other business sector	86.2%	91.0%	81.7%
	Total	66.5%	64.4%	62.4%
Discharge Volume by Type				
Designated Waste ³⁾	Petroleum, chemical and lubricant business sector	33,338	29,835	38,818
	R&D, logistics and other business sector	11,045	12,525	11,405
	Total	44,383	42,360	50,224
General Waste ⁴⁾	Petroleum, chemical and lubricant business sector	51,323	66,186	59,174
	R&D, logistics and other business sector	2,502	2,668	2,605
	Total	53,825	68,854	61,778

Note 1) Petroleum, chemical and lubricant business sector: SK energy (Ulsan), SK global chemical (Ulsan), SK lubricants (Ulsan), SK incheon petrochem (Incheon)

Note 2) R&D, logistics and other business sector: Battery production line (Seosan), Battery and circuit materials production line (Jeungpyeong, Cheongju), Institute of Technology Innovation (Daedeok R&D Park), Logistics Center

Note 3) Designated waste: As waste stipulated by Presidential Decree from the Korean government, designated waste refers to any hazardous materials that may contaminate the surrounding environment such as waste oil and waste acid in "industrial wastes", which are generated in the "factory" stipulated in article 2-1 of the Industrial Placement and Factory Construction Act.

Note 4) General waste: Waste generated from a business site except for designated waste and construction waste

Air Pollutant Emissions Volume

(Unit: metric tonnes)

Classification		2015	2016	2017	Note
NOx Emissions ³⁾	Petroleum, chemical and lubricant business sector ¹⁾	8,546	8,188	7,908	
	R&D, logistics and other business sector ²⁾	0	0	1	Insignificant volume generated
	Total	8,546	8,188	7,909	

Note 1) Petroleum, chemical and lubricant business sector: SK energy (Ulsan), SK global chemical (Ulsan), SK lubricants (Ulsan), SK incheon petrochem (Incheon)

Note 2) R&D, logistics and other business sector: Battery production line (Seosan), Battery and circuit materials production line (Jeungpyeong, Cheongju), Institute of Technology Innovation (Daedeok R&D Park), Logistics Center

Note 3) Any NOx emissions which are generated by business trips and commuting by employees are not included.

(Unit: metric tonnes)

Classification		2015	2016	2017	Note
SOx Emissions ³⁾	Petroleum, chemical and lubricant business sector ¹⁾	3,911	4,085	3,950	
	R&D, logistics and other business sector ²⁾	0	0	0	Insignificant volume generated
	Total	3,911	4,085	3,950	

Note 1) Petroleum, chemical and lubricant business sector: SK energy (Ulsan), SK global chemical (Ulsan), SK lubricants (Ulsan), SK incheon petrochem (Incheon)

Note 2) R&D, logistics and other business sector: Battery production line (Seosan), Battery and circuit materials production line (Jeungpyeong, Cheongju), Institute of Technology Innovation (Daedeok R&D Park), Logistics Center

Note 3) Any SOx emissions which are generated by business trips and commuting by employees are not included.

(Unit: metric tonnes)

Classification		2015	2016	2017	Note
VOC Emissions ³⁾	Petroleum, chemical and lubricant business sector ¹⁾	385	359	332	
	R&D, logistics and other business sector ²⁾	0	0	0	Insignificant volume generated
	Total	385	359	332	

Note 1) Petroleum, chemical and lubricant business sector: SK energy (Ulsan), SK global chemical (Ulsan), SK lubricants (Ulsan), SK incheon petrochem (Incheon)

Note 2) R&D, logistics and other business sector: Battery production line (Seosan), Battery and circuit materials production line (Jeungpyeong, Cheongju), Institute of Technology Innovation (Daedeok R&D Park), Logistics Center

Note 3) All VOC emissions which are generated from non-methane VOC's and stationary sources are included.

(Unit: metric tonnes)

Classification		2015	2016	2017	Note
Amount of Hydrocarbon Emissions	Petroleum, chemical and lubricant business sector ¹⁾	0	0	0	Insignificant volume generated
	R&D, logistics and other business sector ²⁾	0	0	0	Insignificant volume generated
	Total	0	0	0	

Note 1) Petroleum, chemical and lubricant business sector: SK energy (Ulsan), SK global chemical (Ulsan), SK lubricants (Ulsan), SK incheon petrochem (Incheon)

Note 2) R&D, logistics and other business sector: Battery production line (Seosan), Battery and circuit materials production line (Jeungpyeong, Cheongju), Institute of Technology Innovation (Daedeok R&D Park), Logistics Center

(Unit: metric tonnes)

Classification		2015	2016	2017	Note
Methane Emissions	Petroleum, chemical and lubricant business sector ¹⁾		1,995	2,024	2,031
	R&D, logistics and other business sector ²⁾		7	6	5
	Total		2,002	2,030	2,306

Note 1) Petroleum, chemical and lubricant business sector: SK energy (Ulsan), SK global chemical (Ulsan), SK lubricants (Ulsan), SK incheon petrochem (Incheon)

Note 2) R&D, logistics and other business sector: Battery production line (Seosan), Battery and circuit materials production line (Jeungpyeong, Cheongju), Institute of Technology Innovation (Daedeok R&D Park), Logistics Center

Occupational Safety and Health

(Unit: Case, Number of cases per million working hours)

Lost-Time Incident Rate (LTIR) target for 2020¹⁾

0.32

Note 1) Integrated target including all employees and suppliers (cases per million working hours)

Classification		2016	2016	2017
Number of Fatality	Employees	-	-	-
	Suppliers	-	-	-
	Total	-	-	-
Lost-Time Incident Rate (LTIR) ¹⁾	Employees	0.39	0.32	0.16
	Suppliers	0.71	0.54	0.92
	Total	0.56	0.46	0.57
Total Recordable Incidents Rate (TRIR) ²⁾	Employees	0.86	0.64	0.40
	Suppliers	1.27	0.68	1.50
	Total	1.08	0.66	1.01
Occupational Illness Frequency Rate (OIFR) ³⁾		-	0.08	-
Industrial Accident Rate (%) ⁴⁾		0.08	0.09	0.04

Note 1) Lost Time Incidents Rate (LTIR): Number of lost time Incidents x 1,000,000/Total working hours

Note 2) Total Recordable Incidents Rate (TRIR): Total number of accidents x 1,000,000/Total working hours

Note 3) Occupational Illness Frequency Rate (OIFR): Number of occupational illness cases x 1,000,000/Total working hours

Note 4) Reporting standard based on the Industrial Safety and Health Act, (Number of injured persons/Total number of employees)x100

Process Safety

(Unit: %, Number of cases per million working hours)

Classification	2015	2016	2017
Unplanned Capacity Loss (UCL)	0.07	0.24	0.16
Rate of Safety Accidents in the Process (Tier 1)	-	0.03	0.11

ESG Data – Society

Employee Status by Category¹⁾

(Unit: Person)

Classification	2015	2016	2017							
	Number of people (ratio)	Number of people (ratio)	Total	SKI	SKE	SKGC	SKL	SKIPC	SKTI	
Total Number of Employee ²⁾	5,820(100%)	6,045(100%)	6,284(100%)	1,671(27%)	2,610(42%)	1,002(16%)	278(4%)	602(10%)	121(2%)	
Employment Type	Regular	5,744(98.7%)	5,915(97.8%)	6,134(97.6%)	1,624(97.2%)	2,546(97.5%)	990(98.8%)	273(98.2%)	583(96.8%)	118(97.5%)
	Temporary	76(1.3%)	130(2.2%)	150(2.4%)	47(2.8%)	64(2.5%)	12(1.2%)	5(1.8%)	19(3.2%)	3(2.5%)
Gender	Male	5,171(88.8%)	5,388(89.1%)	5,579(88.8%)	1,298(77.7%)	2,440(93.5%)	926(92.4%)	242(87.1%)	581(96.5%)	92(76.0%)
	Female	649(11.2%)	657(10.9%)	705(11.2%)	373(22.3%)	170(6.5%)	76(7.6%)	36(12.9%)	21(3.5%)	29(24.0%)
Management ³⁾	Male	-	96%	2,101(92.4%)	902(88.8%)	679(97.1%)	243(93.1%)	104(93.7%)	100(97.1%)	73(88.0%)
	Female	-	4%	172(7.6%)	114(11.2%)	20(2.9%)	18(6.9%)	7(6.3%)	3(2.9%)	10(12.0%)
Age	Under 30	589(10.1%)	522(8.6%)	533(8.5%)	139(8.3%)	183(7.0%)	85(8.5%)	28(10.1%)	83(13.8%)	15(12.4%)
	30 to 50 years of age	3,826(65.7%)	3,687(61.0%)	3,702(58.9%)	1,339(80.1%)	1,236(47.4%)	535(53.4%)	159(57.2%)	336(55.8%)	97(80.2%)
	50 years or older	1,405(24.1%)	1,836(30.4%)	2,049(32.6%)	193(11.5%)	1,191(45.6%)	382(38.1%)	91(32.7%)	183(30.4%)	9(7.4%)
Minorities	Disabled	94(1.6%)	94(1.6%)	111(1.8%)	34(2.0%)	44(1.7%)	17(1.7%)	6(2.1%)	10(1.7%)	-
	Patriots and veterans	301(5.2%)	265(4.4%)	288(4.6%)	38(2.3%)	151(5.8%)	63(6.3%)	12(4.3%)	23(3.8%)	1(0.9%)

Note 1) Advisors excluded

Note 2) Local recruited employees at an overseas business site excluded

Note 3) Manager or higher position

Education Performance

(Unit: Hour)

Classification	2017	Target of education hours per employee for 2020
Education Hours per Employee	55.3	80 hours

Employee Engagement

(Unit: %)

Classification	2014	2015	2016	2017
Employee Engagement	87	87	88	91
Data Coverage	100	100	100	100

Use of Childcare Leave and Rate of Return

(Unit: Person)

Classification		2015	2016	2017						
				Total	SKI	SKE	SKGC	SKL	SKIPC	SKTI
Number of Employees who Used Childcare Leave	Male	4	2	5	-	4	1	-	-	-
	Female	65	65	71	38	27	1	3	2	-
Number of Employees Returning from Childcare Leave who Worked at Least 12 Months Following Return	Male	1	2	2	1	-	1	-	-	-
	Female	39	48	65	42	10	7	4	-	2

Ratio of Labor Union Membership

(Unit: %)

Classification	2017						
	Total	SKI	SKE	SKGC	SKL	SKIPC	SKTI
Ratio of Labor Union·Collective Bargaining Applied	46.54	9.92	61.22	62.74	33.88	74.63	-

Performance of Volunteer Groups

(Unit: Case, Hour, Team, Person)

Company	Number of Activities	Hours	Number of Volunteer Teams	Participants
SK innovation	3,440	14,344.5	19	1,436
SK energy	6,366	20,791.5	31	2,387
SK global chemical	1,419	5,082.5	7	926
SK lubricants	381	1,452.5	3	246
SK incheon petrochem	1,751	5,965.5	7	598
SK trading international	81	393.0	1	73
Total	13,438	48,029.5	68	5,666

Social Contribution Activities

(Unit: KRW million)

Classification	2017
Average Hourly Salary on Volunteer Activity	4,405
Cash Donations	25,907 ¹⁾
In-kind Donations	69

Note 1) The amount of community investment is equivalent to 70.58%.

Target of local community investment rate for 2020

75.0%

(Unit: KRW million)

Classification	2015	2016	2017
Expenses for Social Contribution Activities	8,431	41,606	26,977

Current Status of Major Donations

Institution for support	Program	Institution for support	Program
Korea Handball Federation	Supporting training for the Olympics and reinforcing the capabilities of instructors and athletes	Korea Association of Senior Welfare Centers	Supporting a volunteer program for senior citizens living alone
Community Chest of Korea	Donation for helping neighbors	The Happiness Foundation	Supporting underfed children, vitalizing the ecosystem for social enterprises and cultivating social entrepreneurs
UN Global Compact Korea	Paying UNGC annual fee	Prosynergy	Social enterprise for developing local communities in Peru
Incheon Human Resource Development & Scholarship Foundation	Local human resources cultivation program	Ministry of Land, Infrastructure, and Transport	Construction and operation of a residential welfare unit for improving living conditions for the elderly
Korea Disaster Relief Association	Supporting the restoration of flood damage in Ulsan	Heart-Heart Foundation	Enhancement of the ability of interpersonal relations and improvement of sociability for people with developmental disabilities through group musical activities
ChildFund Korea	Campaign to find lost family members	Korea Disaster Relief Association	Relief for victims and their family members in Pohang earthquake
Korean Foundation for Advanced Studies	Providing academic support and fostering human resource development		

Supply Chain Evaluation

(Unit: Number of company, %)

Classification	2015	2016	2017
Number of Newly Registered Suppliers	304	335	384
Number of Suppliers for Economic, Social, Safety and Environmental Evaluation	304	335	384
Ratio of Pre-Evaluation	100	100	100

Target of suppliers' evaluation rate for 2020¹⁾

To maintain a 100%

Note 1) Total suppliers (Tier 1) and critical Non-Tier1 suppliers are included.

Current Status of Corporate Tax Payment¹⁾

(Unit: KRW 100 million)

Classification	Region	Sales	Operating profit	Corporate tax paid	
Country	Korea	636,889	50,867	6,345	
	Netherlands	5,865	8	4	
	U.S.A.	8,105	△23	△29	
	Spain	4,505	174	40	
	Singapore	227,704	△295	64	
	U.K.	39,061	△108	-	
	Indonesia	2,936	177	24	
	Japan	6,015	12	4	
	China	14,953	8	57	
	Russia	576	23	-	
	Others (consolidated)	△483,999	△18,499	4	
	Total	462,610	32,344	6,513	
	Region	Korea	636,889	50,867	6,345
		Asia	251,607	△98	149
Europe		50,007	97	44	
Others		△475,893	△18,522	△25	
Total		462,610	32,344	6,513	

Note 1) It is regional information on the consolidated target (based on the location), and internal transactions between consolidated targets are adjusted and reflected in the category of others.

Classification	2016	2017	Average (note)	Classification	2016	2017
Pre-tax Profit	2,423,379	3,220,824	-	Nominal Tax Amount vs. Actual Tax Amount	182,677	424,447
Nominal Tax Amount	701,945	1,075,722	Income statement	Difference in Reversion Period		
Nominal Tax Ratio	28.97	33.4	31.2	- Period of corporate tax payment: March to May in the following year	129,999	159,153
Actual Tax Amount	519,268	651,275	Statement of cash flow	Temporary Difference		
Actual Tax Ratio	21.43	20.2	20.8	- Reflected gains on valuation by subsidiary company	-	150,069
				- Increase in domestic tax ratio (24.2% → 27.5%)		
				Permanent Difference		
				- Damage in the subsidiary company not recognized	50,892	35,812
				Tax Amount Exemption and Reduction Difference		
				- Tax amount exemption and reduction, non-exempt overseas paid tax amount	35,705	56,482
				Other Differences		
				- Tentative and fixed difference	△33,919	22,931

Current Status of Contributions for Membership Associations and Groups¹⁾

(Unit: KRW)

Total contributions	2013	2014	2015	2016	2017
Total Annual Contributions	885,634,000	761,240,000	510,297,000	376,944,000	104,876,000

Note 1) In accordance with the Political Fund Act of Korea and SK innovation Code of Ethics Guidelines, it is strictly prohibited to provide donations and sponsorship for the political purpose by using corporate assets and budgets.

Major groups for contribution	Contributions				
	2013	2014	2015	2016	2017
Korea Business Council for Sustainable Development (KBCSD)	70,000,000	0	50,000,000	50,000,000	50,000,000
Korean Institute of Hazardous Materials	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Korean Fair Competition Federation	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
Korea Industrial Technology Association (KOITA)	7,400,000	7,400,000	7,400,000	7,400,000	7,400,000
Korea Economic Research Institute	752,758,000	698,364,000	398,421,000	268,068,000	0