






## Stakeholder Engagement

SK innovation runs various communication channels depending on stakeholder characteristics. We define main stakeholders as our customers, employees, shareholders and investors, local communities and suppliers. We constantly review issues of interest by group. Through continuous communication with stakeholders, we will build a firm relationship of trust and stimulate social value creation by reflecting their opinions and needs into our business operations.

### Stakeholder Communication

Stakeholders	Communication Channel	2017	2018
 Customer	<ul style="list-style-type: none"> <li>Customer Happiness Center' call center operations</li> <li>EnClean.com operations</li> <li>Year round meetings and events</li> <li>Homepage (SK innovation, blog (SK innovation, SK energy), Facebook (SK innovation, SK energy, SK lubricants), etc.</li> </ul>	<b>2017</b> <ul style="list-style-type: none"> <li>Creating value through mutual growth</li> <li>Maintaining a healthy work-life balance</li> <li>Securing sustainable technology</li> </ul>	<b>2018</b> <ul style="list-style-type: none"> <li>Fair performance evaluation and compensation</li> <li>Banning of unfair trade</li> <li>Improvement in communication and capacities of suppliers</li> </ul>
 Employee	<ul style="list-style-type: none"> <li>Intranet (tong tong, etc.)</li> <li>Company broadcasting channel (gbs) and newsletters by company</li> <li>iCon (company communication messenger, change facilitator)</li> <li>CEO and Employee conversations (Well-Comm. Day) and discussions</li> <li>Happy Walk</li> </ul>	<b>2017</b> <ul style="list-style-type: none"> <li>Increased company value</li> <li>Innovation of intrinsic competitiveness</li> <li>Mutual growth value creation</li> </ul>	<b>2018</b> <ul style="list-style-type: none"> <li>Innovation of intrinsic product competitiveness</li> <li>Secured new technology for sustainability</li> <li>Innovation of business model and business portfolio</li> </ul>
 Shareholder, investor	<ul style="list-style-type: none"> <li>Annual shareholder meetings, performance announcement</li> <li>Domestic and global NDR (Non-Deal Roadshow) and conferences</li> <li>1:1 meetings, e-mail and phone inquiries</li> <li>Publications, etc</li> </ul>	<b>2017</b> <ul style="list-style-type: none"> <li>Improved shareholder-friendly transparency based on board</li> <li>Communication with stakeholders</li> <li>Value creation through mutual growth</li> </ul>	<b>2018</b> <ul style="list-style-type: none"> <li>Secured new technology for sustainability</li> <li>Internal and external risk management response</li> <li>Expansion of stakeholder communication</li> </ul>
 Local community	<ul style="list-style-type: none"> <li>Meeting with local organizations</li> <li>Participation in local community committees near business sites</li> <li>Participation in the living and safety commissions of police precinct offices</li> <li>Engagement in welfare facilities and group operating commissions in the adjacent region</li> </ul>	<b>2017</b> <ul style="list-style-type: none"> <li>Communication with suppliers</li> <li>Increased company value</li> <li>Communication with shareholders</li> </ul>	<b>2018</b> <ul style="list-style-type: none"> <li>Prohibition of unfair trade</li> <li>Maintained work and life balance</li> <li>Minimized emission of environment pollutants</li> </ul>
 Supplier	<ul style="list-style-type: none"> <li>Regular meetings with suppliers</li> <li>Supplier CEO Meeting</li> <li>Regular meetings regarding logistics, machines, equipment inspections</li> </ul>	<b>2017</b> <ul style="list-style-type: none"> <li>Mutual growth value creation</li> <li>Secured new technology for sustainable growth</li> <li>Improved communication and capabilities of suppliers</li> </ul>	<b>2018</b> <ul style="list-style-type: none"> <li>Improved communication and capabilities of suppliers</li> <li>Secured new technology for sustainable growth</li> <li>Growth support through shared infrastructure</li> </ul>

## ESG Data | Economy

### Revenue and Operating Profit by Business Sector

(Unit: 100 million won)

Type	2016		2017		2018		
	Revenue	Percentage of revenue	Revenue	Percentage of revenue	Revenue	Percentage of revenue	
Revenue	Total	394,765	100%	461,627	100%	545,109	100%
	Petroleum	283,699	72%	327,712	71%	391,935	72%
	Chemicals	76,865	20%	93,392	20%	106,844	19%
	Lubricants	25,358	6%	30,475	7%	32,661	6%
	Battery	1,442	0%	1,457	0%	3,482	1%
	E&P and other	7,401	2%	8,590	2%	10,186	2%
Operating profit	Total	32,433	100%	32,218	100%	21,176	100%
	Petroleum	16,256	50%	15,020	46%	7,093	33%
	Chemicals	12,322	38%	13,772	43%	11,176	53%
	Lubricants	4,683	14%	5,049	16%	4,607	22%
	Battery	(1,001)	(3%)	(2,321)	(7%)	(3,175)	(15%)
	Oil E&P and other	172	1%	697	2%	1,476	7%

### Distribution of Economic Value

(Unit: 100 million won)

Sector	Recipient	Contents of distribution	2016	2017	2018
Economy	Corporation	R&D <sup>1)</sup>	1,425	1,957	2,336
		Acquiring tangible assets <sup>2)</sup>	6,345	9,135	12,863
	Investors	Dividend payout	4,512	7,566	8,222
Social	Employees	Employee Compensation <sup>3)</sup>	11,116	13,036	13,034
	Suppliers	Goods purchased for suppliers	9,536	11,866	16,654
	Local communities	Investment for social contribution	416	269	349
	Government	Corporate tax payment <sup>4)</sup>	5,193	6,513	7,325

1) Based on Annual Report 2018

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

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

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

### CEO Compensation

Field	Unit	2018
Total CEO compensation <sup>5),6)</sup>	Million won	2,664
Mean annual salary of all employees excluding CEO and executives	Million won	128
CEO compensation over mean annual salary of all employees	Multiplier	20.81

5) 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, business model innovation), created social value (SV based business model, SHE, social contribution, etc.) and others.

6) SK innovation granted the CEO 70,551 stock options in March 2018 to maximize company value.

## ESG Data | SHE

### Energy Consumption

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

Type	Unit	2018									
		2016	2017	Total	SKI (Seosan)	SKI (Jeungpyeong, Cheongju)	SKI (Daejeon)	SKE	SKGC	SKL	SKIPC
Total energy consumption		51,104,325	52,290,305	53,877,294	609,421	624,197	263,056	17,421,638	19,761,806	1,383,980	13,813,197
By category	Fuel	39,021,951	39,718,326	40,445,969	138,143	215,927	49,896	14,459,802	14,144,723	601,465	10,836,015
	Electricity	10,652,767	11,132,376	11,534,989	471,278	408,271	213,160	5,032,893	2,651,160	121,979	2,636,249
	Steam	6,934,002	7,079,153	7,636,226	0	0	0	2,785,641	3,727,320	782,332	340,933
Non-renewable energy sales		5,504,395	5,639,551	5,739,891	0	0	0	4,856,698	761,397	121,796	0
Total cost of energy consumption	Million won	1,831,778	2,248,301	2,683,845	26,502	23,974	12,930	959,918	987,488	84,503	588,529

### Greenhouse Gas Emissions

Greenhouse gas target for year 2025 — **7.8%** reduction on 2025 BAU

Type	Unit	2018									
		2016	2017	Total	SKI (Seosan)	SKI (Jeungpyeong, Cheongju)	SKI (Daejeon)	SKE	SKGC	SKL	SKIPC
Total greenhouse emissions (Scope 1&2)		12,765,304	12,884,478	12,870,112	107,637	110,878	46,429	7,408,923	3,201,257	205,627	1,789,361
By category	Total direct emissions (Scope1)	10,488,609	10,515,926	10,442,108	25,237	39,494	9,159	6,480,338	2,456,521	105,402	1,325,956
	Total indirect emissions (Scope2)	2,276,695	2,368,552	2,428,004	82,400	71,384	37,270	928,585	744,736	100,225	463,405

### Water Consumption<sup>1)</sup>

Water consumption target for year 2025 — **51,956,113m<sup>3</sup>**

Type	Unit	2018										
		2016	2017	Total	SKI (Seosan)	SKI (Jeungpyeong, Cheongju)	SKI (Daejeon)	SKE (Logistics)	SKE	SKGC	SKL	SKIPC
Total volume of water usage		52,475,816	53,071,840	50,848,388	368,906	622,817	241,538	9,525	32,100,973	12,091,481	891,661	4,521,487
By category	Municipal water supplies	52,461,132	53,063,682	50,846,915	368,906	622,817	241,538	8,052	32,100,973	12,091,481	891,661	4,521,487
	Groundwater (freshwater)	13,768	7,658	1,253	0	0	0	1,253	0	0	0	0
	Rainwater	916	500	220	0	0	0	220	0	0	0	0

1) Percentage of recycled water: 7.6% in 2016, 7.0% in 2017, 7.4% in 2018 (Calculation method: pressurized water and collected amount after filter treatment/amount of introduced industrial water)

\* SHE Data Scope of Calculation: Includes SKI (SK innovation), SKE (SK energy), SKGC (SK global chem), SKL (SK lubricants), SKIPC (SK incheon petrochem), SKTI (SK trading international)

### Generated Waste

Target volume of generated waste for year 2025 — **135,609tons**      Target recycle ratio for year 2025 — **70.4%**

Type	Unit	2018										
		2016	2017	Total	SKI (Seosan)	SKI (Jeungpyeong, Cheongju)	SKI (Daejeon)	SKE (Logistics)	SKE	SKGC	SKL	SKIPC
Total volume of waste generated		111,214	112,002	127,541	6,867	10,133	760	38	75,112	17,540	4,002	13,089
By treatment method	Internally processed (landfill)	0	0	0	0	0	0	0	0	0	0	0
	Processed by agent (incineration, landfill)	39,593	42,150	42,810	542	736	513	37	29,043	5,095	820	6,024
	Processed by agent (recycling)	71,621	69,852	84,732	6,325	9,397	247	1	46,069	12,445	3,182	7,065
By category	Recycle ratio	64	62	66	92	93	33	4	61	71	80	54
	Designated (Hazardous) waste <sup>1)</sup>	42,360	50,224	59,322	5,172	7,687	464	38	27,441	5,841	1,554	11,125
	General waste <sup>2)</sup>	68,854	61,778	68,220	1,695	2,447	296	-	47,671	11,699	2,448	1,964

1) 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.

2) General waste: Waste generated from a business site excluding designated waste and construction waste

### Wastewater Treatment

Type	Unit	2018										
		2016	2017	Total	SKI (Seosan)	SKI (Jeungpyeong, Cheongju)	SKI (Daejeon)	SKE (Logistics)	SKE	SKGC	SKL	SKIPC
Volume of treated wastewater	Tons	18,448,618	17,935,014	17,580,141	0	86,402	0	0	14,528,171	1,292,408	0	1,673,160

### Air Pollutant Emissions

Type	Unit	2018										
		2016	2017	Total	SKI (Seosan)	SKI (Jeungpyeong, Cheongju)	SKI (Daejeon)	SKE (Logistics)	SKE	SKGC	SKL	SKIPC
NOx emissions <sup>3)</sup>		8,188	7,909	8,541	0	0	1	0	6,043	1,458	208	831
SOx emissions	Tons	4,085	3,950	3,103	0	0	0	0	2,696	275	1	131
VOC emissions <sup>4)</sup>		359	332	323	0	0	0	0	60	194	4	65
Dust emissions		200	159	158	1	2	0	0	124	28	2	1

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

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

Type	Unit	2018							
		2016	2017	Total	SKI	SKE	SKGC	SKL	SKIPC
Hydrocarbon emissions <sup>5)</sup>	Tons	0	0	0	0	0	0	0	
Methane emissions		2,031	2,306	2,109	7	1,958	64	4	76

5) Insignificant volume generated

## ESG Data | SHE

### Generated Harmful Chemicals

Type	Unit	2016	2017	2018					
				Total	SKI	SKE	SKGC	SKL	SKIPC
Volume of generated harmful chemicals	Tons <sup>1)</sup>	71.9	82.9	72.4	0	25.9	37.3	0.2	9

1) Basis of data calculation  
 - 2016: Performance based on data reviewed and published by the government  
 - 2017: Performance based on volume of chemical emissions reported to the government early 2018  
 - 2018: Performance based on chemical emissions collected and calculated for government reporting early 2019

### Concentration of Air Pollutants and Wastewater

Category	Type	Unit	2018						
			SKI (Seosan)	SKI (Jeungpyeong)	SKE	SKGC	SKL	SKIPC	
Concentration of air pollutants	NOx concentration	Business site	0	0	85	144.5	49.6	26	
		Legal standard	- <sup>2)</sup>	- <sup>2)</sup>	140	180	130	234	
	SOx concentration	Business site	0	0	27	72.1	3	10	
		Legal standard	- <sup>2)</sup>	- <sup>2)</sup>	180	180	180	234	
	Dust concentration	Business site	2	1.8	4	3	1.5	0.2	
		Legal standard	50	50	30	30	30	32.9	
Concentration of water pollutants in	COD volume	Business site	0	0.169	12.7	33	0	12	
		Legal standard	- <sup>2)</sup>	190	40	570	- <sup>2)</sup>	90	
	BOD volume	Business site	0	0.064	4.5	21	0	2.4	
		Legal standard	- <sup>2)</sup>	230	10	600	- <sup>2)</sup>	80	
	SS volume	Business site	0	0.51	6.7	13	0	5.8	
		Legal standard	- <sup>2)</sup>	180	10	400	- <sup>2)</sup>	80	

2) Business site where legal standards are not applicable (Not applicable)

### Violation of Environmental Regulations

Category	Type	Unit	2018
Violation of environmental regulations	Punishment exceeding fines	Number of incidents	0
		Value	0
	Fine (More than USD 10,000)	Number of incidents	0
		Value	0

### Industrial Accidents

Lost-Time Incident Rate (LTIR) target for 2025 — 0.32									
Type	Unit	2016	2017	2018					
				Total	SKI	SKE	SKGC	SKL	SKIPC
Number of fatalities	Employees	0	0	0	0	0	0	0	0
	Suppliers	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0
Lost Time Incident Rate <sup>1)</sup>	Employees	0.32	0.16	0.3	0	0.54	0.46	0	0
	Suppliers	0.54	0.92	1.09	1.65	0.68	0	0	3.95
	Total	0.46	0.57	0.78	1.09	0.63	0.18	0	2.14
Total Recordable Incidents Rate <sup>2)</sup>	Employees	0.64	0.4	0.67	0.29	0.89	0.91	0	0.78
	Suppliers	0.68	1.5	1.09	1.65	0.68	0	0	3.95
	Total	0.66	1.01	0.93	1.19	0.77	0.37	0	2.5
Occupational Illness Frequency Rate <sup>3)</sup>	%	0.08	0	0.07	0	0.18	0	0	0
Industrial Accident Rate <sup>4)</sup>	%	0.09	0.04	0.06	0	0.15	0	0	0

1) Lost Time Incident Rate (LTIR): Number of lost time incidents x1,000,000/Total number of work hours  
 2) Total Recordable Incidents Rate (TRIR): Total number of recordable incidents x1,000,000/Total number of work hours  
 3) Occupational Illness Frequency Rate (OIFR): Number of occupational illness occurred x1,000,000/Total number of work hours  
 4) Industrial Accident Rate (based on the Enforcement Decree of the Occupational Safety and Health Act): (Number of industry hazards/Total number of employees) x100

### Process Safety

Type	Unit	2016	2017	2018				
				Total	SKE	SKGC	SKL	SKIPC
Unplanned Capacity Loss (UCL)	%	0.24	0.16	0.08	0.06	0.13	0.05	0.04
Safety Accidents in the Process (Tier 1)	%	0.03	0.11	0.06	0	0.18	0.61	0

### Industrial Safety Training Hours

Type	Unit	2018					
		Total	SKI	SKE	SKGC	SKL	SKIPC
Industry safety training hours	Hours	56,873	26,499	10,987	3,495	820	15,072

## ESG Data | Social

### Employee Status by Category<sup>1)</sup>

Type	Unit	2016	2017	2018							
				Total	SKI	SKE	SKGC	SKL	SKIPC	SKTI	
Total workforce <sup>2)</sup>	Number of employees	Persons	6,045	6,284	6,584	1,872	2,634	1,025	302	623	128
	Ratio	%	100	100	100	28	40	16	5	9	2
By employment type	Regular	Persons	5,915	6,134	6,353	1,808	2,527	1,010	298	585	125
		%	97.8	97.6	96.5	96.6	95.9	98.5	98.7	93.9	97.7
	Temporary	Persons	130	150	231	64	107	15	4	38	3
		%	2.2	2.4	3.5	3.4	4.1	1.5	1.3	6.1	2.3
By gender	Male	Persons	5,388	5,579	5,808	1,460	2,453	943	259	596	97
		%	89.1	88.8	88.2	78.0	93.1	92.0	85.8	95.7	75.8
	Female	Persons	657	705	776	412	181	82	43	27	31
		%	10.9	11.2	11.8	22.0	6.9	8.0	14.2	4.3	24.2
By age	Under 30	Persons	522	533	661	194	233	102	40	72	20
		%	8.6	8.5	10.0	10.4	8.8	10.0	13.2	11.6	15.6
	30 to 54	Persons	3,687	3,702	3,612	1,430	1,097	504	163	325	93
		%	61.0	58.9	54.9	76.4	41.6	49.2	54.0	52.2	72.7
	55 and over	Persons	1,836	2,049	2,311	248	1,304	419	99	226	15
		%	30.4	32.6	35.1	13.2	49.5	40.9	32.8	36.3	11.7
Management <sup>3)</sup>	Male	Persons	-	2,101	2,211	999	676	248	115	97	76
		%	96.0	92.4	91.6	87.8	97.1	92.5	92.7	96.0	88.4
	Female	Persons	-	172	202	139	20	20	9	4	10
		%	4.0	7.6	8.4	12.2	2.9	7.5	7.3	4.0	11.6

1) Advisors excluded

2) Local recruited employees at an overseas business site excluded

3) Manager or higher position

### Employee Diversity

Type	Unit	2016	2017	2018						
				Total	SKI	SKE	SKGC	SKL	SKIPC	SKTI
Disabled	Persons	94	111	96	22	41	16	5	11	1
Patriots and Veterans	Persons	265	288	300	42	144	64	12	38	0

### Use of Childcare Leave and Rate of Return

Type	Unit	2016	2017	2018							
				Total	SKI	SKE	SKGC	SKL	SKIPC	SKTI	
Number of employees who used childcare leave	Male	Persons	2	5	5	1	2	2	0	0	0
	Female	Persons	65	71	62	32	19	5	3	1	2
Number of employees returning from childcare leave who worked at least 12 months following return	Male	Persons	2	2	3	0	2	1	0	0	0
	Female	Persons	48	65	43	25	11	2	2	0	3

### Labor Union Registration Rate<sup>1)</sup>

Type	Unit	2018						
		Total	SKI	SKE	SKGC	SKL	SKIPC	SKTI
Ratio of labor union membership		45.5	9.4	60.6	63.8	33.4	72.6	0
Ratio of collective bargaining applied	%	100	100	100	100	100	100	100

1) In accordance with Article 35 of 'Trade Union and Labor Relations Adjustment Act', when a single union agreement is applied to the majority of a workers in a company or plant, the identical agreement that year is applied to other workers employed for that years' business or plants.

### Education Performance

Type	Unit	2016	2017	2018						
				Total	SKI	SKE	SKGC	SKL	SKIPC	SKTI
Education hours per employee <sup>2)</sup>	Hours	27.3	55.3	91.9	87.4	92.6	114.6	117.0	61.7	47.5
Education expense per employee	Million won	-	3.43	5.63	2.72	2.05	3.65	2.21	2.55	

2) Increase in training hours per person due to changes in calculation standard and education time.

### Employee Engagement Rate

Type	Unit	2016	2017	2018
Employee Engagement Rate	Points	88	91	93
Scope of data	%	100	100	100

## ESG Data | Social

### Performance of Volunteer Groups

Type	Unit	2018						
		Total	SKI	SKE	SKGC	SKL	SKIPC	SKTI
Number of activities	Case	13,655	3,949	5,943	1,476	502	1,600	185
Hours	Hours	49,168	16,506	19,385	4,517	2,015	5,814	931
Number of volunteer teams	Team	71	19	33	7	4	7	1
Participants	Person	5862	1,602	2,417	894	259	607	83

### Social Contribution Activities

		Target investment ratio for local community — 75%		
Type	Unit	2016	2017	2018
Social contribution ratio <sup>1)2)</sup>	100 billion won	416	269	349

1) 34.57 billion won on cash contributions, 350 million won on In-kind giving, 1.63 billion won (49,167 hours) on employee volunteering during paid working hours, and 16.1 billion won on Management overheads  
 2) Local community investment ratio of 60.8% in 2016, 70.6% in 2017, 70.0% in 2018

### Current Status of Major Donations

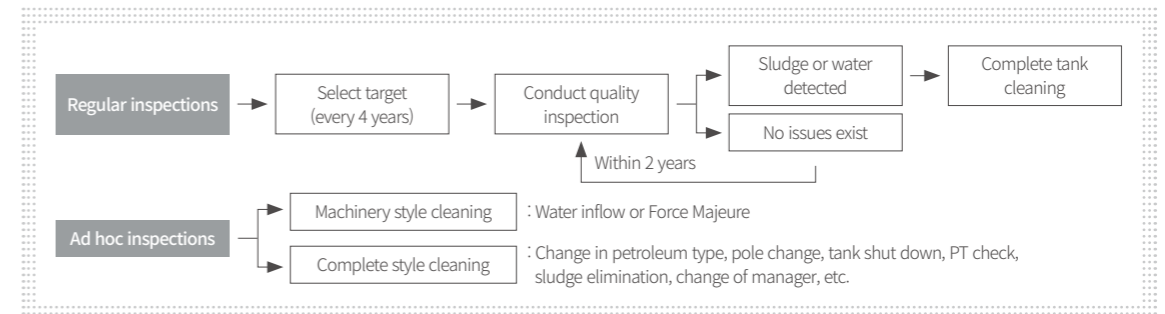
Beneficiary organization	Programs
Shinseok Foundation	Establishment of institution
CSES Foundation	Establishment of institution
Jonghyun Academic Foundation	Establishment of institution
The Happiness Foundation	Aid in Sulawesi area after massive earthquake, Happiness Alliance to help children missing meals
The Korean Foundation for Advanced Studies	Academic support and cultivation of exceptional talent
Community Chest of Korea	Year-end charity fund for the disadvantaged
Seoul National University	Donation of idle research equipment
KOFCA	Support Industry Innovation 4.0
Korean Red Cross	Restore Laos from flood damage
Pro-synergy	Provide operating fees for agricultural social enterprise Yachaywasi etc.
SEN	Establish promotional social enterprises
UNEP National Committee for the Republic of Korea	Plant mangrove trees
ChildFund Korea	Find missing children
Work Together Foundation	Public contest to stimulate social economy
Rice University / Ho Chi Minh University	Scholarship support

### Customer and Quality Management

Type	Detailed contents	Unit	2016	2017	2018
Customer satisfaction	KSCI		1 <sup>st</sup> place	1 <sup>st</sup> place	1 <sup>st</sup> place (8 consecutive years)
Customer complaint processing	Number of complaints	number of complaints	2,100	2,319	3,031
	Complaints process rate	%	100	100	100
Quality inspection	Service station quality inspection	Number of inspections	12,008	11,982	11,998

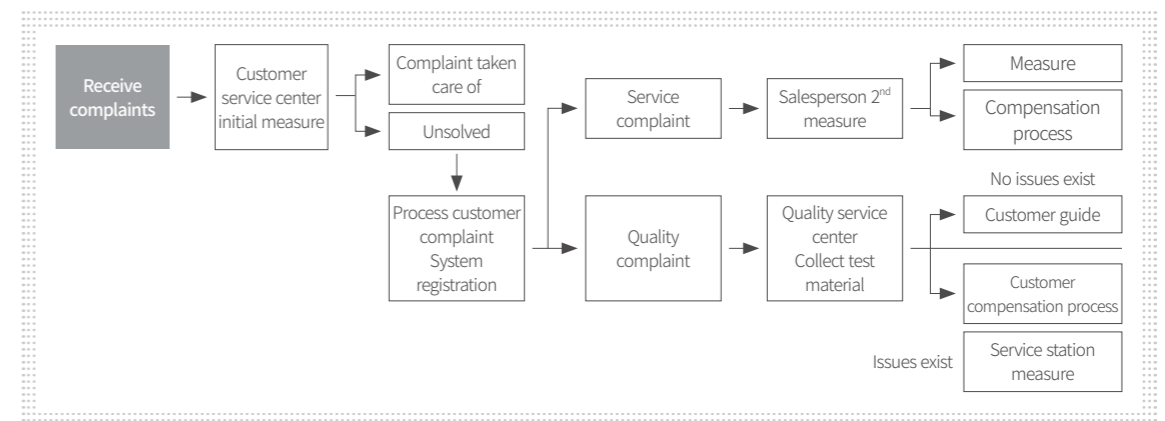
### Product Quality Control Process

SK energy conducts regular quality inspections to manage quality at the point of contact with customers. We clean out all tanks in the according service station if we detect water or sludge during our periodical quality checks. In addition, when cleaning is necessary excluding inspection periods, we conduct machinery style or complete tank cleaning on an ad hoc basis to improve customers' reliability on quality.



### Registration Process of Customer Complaints

Our rule is to solve customer complaints on the day of occurrence. We developed a system to share our process (CCS) so that complaints are categorized into service or quality and promptly sent to according authorities and processed.



ESG Data | Social

GRI Index

Current Status of Corporate Tax Payment<sup>1)</sup>

Item	Type	Unit	2018			
			Revenue	Operating profit	Taxes and public utilities' charge	Corporate tax payment
By country	Korea		757,347	42,347	298	8,966
	Netherlands		6,412	42	2	6
	USA		18,486	(65)	7	33
	Spain		6,104	219	2	35
	Singapore		284,698	279	1	12
	England		57,821	(115)	2	75
	Indonesia		3,753	219	1	65
	Japan		5,942	12	1	5
	China	100 billion won	23,048	68	17	13
	Russia		503	33	1	6
	Other (connect and adjust)		(619,005)	(21,862)	5	(2,113)
<b>Total</b>		<b>545,109</b>	<b>21,176</b>	<b>335</b>	<b>7,104</b>	
By region	Korea		757,347	42,347	298	8,966
	Asia		317,441	572	22	102
	Europe		70,852	176	7	123
	etc.		(600,531)	(21,919)	8	(2,087)
	<b>Total</b>		<b>545,109</b>	<b>21,176</b>	<b>335</b>	<b>7,104</b>

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.

Type	Unit	2017	2018	Average (notes)	Type	Unit	2017	2018	Average (notes)
Earnings before Tax		3,220,824	2,420,374		Nominal tax amount vs. actual tax amount		424,447	(22,124)	
Reported Taxes	million	1,075,722	710,390	Income statement	Difference in reversion period		159,153	(163,196)	
Effective Tax Rate	won	33.40	29.40	31.40	• Period of corporate tax payment: March to May of the following year				
Cash Taxes Paid		651,275	732,514	Statement of cash flow	Temporary difference		150,069	27,667	
Cash Tax Rate	%	20.20	30.30	25.25	• Reflected gains on valuation by subsidiary company	million won			
					• Increase in domestic tax ratio (24.2% → 27.5%)		35,812	6,239	
					Permanent difference				
					• Damage in the subsidiary company not recognized		56,482	101,265	
					Tax amount exemption and reduction difference				
					• Tax amount exemption and reduction, non-exempt overseas paid tax amount		22,931	5,901	
					Other differences				
					• Tentative and fixed difference				

Current Status of Contributions for Membership Associations and Groups<sup>2)</sup>

Type	Unit	2014	2015	2016	2017	2018
Total annual contribution	million won	3,081	2,834	2,961	2,855	3,112

2) 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 political purposes by using corporate assets and budgets.

Major groups for contribution	Type	Unit	2014	2015	2016	2017	2018
Korea Petroleum Association	Contribution		1,650	1,452	1,619	1,486	1,491
Korea Petrochemical Industry Association	Contribution		140	154	156	154	152
Korea Oil Association	Contribution	million won	78	74	72	101	286
Korea Chemical Industry Council	Contribution		26	26	26	26	26
Korea Oil Station Association	Contribution		14	14	14	14	83

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