

A+M A-Z E

ADVANCING THE FUTURE OF
MOBILITY SERVICE

MAKING
A HAPPY LIFE

ZERO-EMISSION

ACCELERATING
CUSTOMER SATISFACTION

ETHICAL GOVERNANCE



Move. Better. SK rent-a-car

BRAND ESSENCE

Mobility Innovator

Setting new standards in the mobility industry through digital innovation

We provide new mobility solutions driven by data,
and provide convenient mobility experiences to customers,
anytime, anywhere.

BRAND SLOGAN

The world is full of movement.

We move rapidly towards innovation,
allowing you to experience new adventures with greater convenience.

A movement that changes the world

Move. Better.



CONTENTS



Introduction

- 04 Message from the CEO
- 05 Message from the Chair of the Board
- 06 About the Company

Our Approach to ESG

- 07 Sustainable Management Overview
- 08 ESG Strategy – We A+MAZE the World
- 12 ESG Highlights

Advancing the Future of Mobility Service

- 18 Our Vision for the Future of Mobility
- 19 Business Sectors
- 21 Business Highlights

Making a Happy Life

- 25 Human Rights Management
- 27 Occupational Safety and Health
- 29 Corporate Culture
- 31 Talent Development

Accelerating Customer Satisfaction

- 35 Customers
- 39 Business Partners
- 42 Local Communities

Zero-Emission

- 46 Climate Action
- 51 Green Management

Ethical Governance

- 54 Governance
- 61 Ethical Management
- 64 Compliance

Appendix

- 67 Human Rights Policy
- 68 Materiality Analysis
- 69 Stakeholder Engagement
- 70 Performance Data
- 76 Global Standards & Indexes
- 83 Independent Assurance Statement
- 84 About This Report

Interactive User Guide

[🏠 Main Cover](#) [☰ Table of Contents](#) [↺ Return](#) [◀ Previous Page](#) [▶ Next Page](#)

Message from the CEO



Greetings!

This is SK Rent-a-Car's first sustainability report since the establishment of this company. To all our stakeholders, customers, and shareholders, we sincerely express our gratitude.

Since its founding in 1988, SK Rent-a-Car has spearheaded the rental car market based on the constant pursuit of change and innovation. Following the launch of a consolidated corporation in 2020, we have established synergy-driven growth, achieving sales of more than KRW 1 trillion last year. The year 2021 marks a special year for us, not only in our financial success but also in laying the foundation of environmental, social, and governance (ESG) management. We established ESG-dedicated organizations and related committees, improving the company's fundamentals to promote an ESG-centered approach to our overall corporate operations.

As a result, we issued our first green bonds in February, and in March, we joined the K-EV 100, a Korean initiative to promote the transition into nonpolluting vehicles. Furthermore, we announced our construction plan for the "SK Rent-a-Car Jeju EV Park*" as part of our commitment to eco-friendly management. Because of such efforts we received an overall A rating in 2021 in the Korea Corporate Governance Service's (KCGS) ESG ratings for the first time in the industry.

*Tentative name, the same hereinafter

This year, SK Rent-a-Car will continue to make further efforts and investments with its stakeholders under the vision to become a "Data-driven O2O Mobility Service Provider". We are publishing this sustainability report to demonstrate our goals and progress, and continue our activities regarding the five key pillars of our ESG strategy: ▲Advancing the Future of Mobility Service ▲Making a Happy Life ▲Accelerating Customer Satisfaction ▲Zero-Emission and ▲Ethical Governance.

Through our first sustainability report, we would like to take a further leap into a better future, reviewing our status and transparently communicating our challenges and progress. I ask for your continued encouragement and advice to drive us forward in our meaningful journey.

Thank you.

Hwang Il Moon, CEO of SK Rent-a-Car

Message from the Chair of the Board



Greetings!

The board of directors (BOD) will strive to ensure that members of the management, including the CEO, keep the company's promise to ensure innovation and growth through environmental, social and governance (ESG) management. To that end, we will not only actively offer strategic, planning, budget, and financing support, but also faithfully perform our duties such as the lawful and efficient implementation of resources from a diverse, big picture perspective and monitoring and supervision of our legal compliance in terms of performance and distribution (in governance).

Furthermore, we will make our best efforts so that SK Rent-a-Car emerges as an industry-leading, innovative, and sustainable company by pursuing the unique value of contributing to the shared economy through mobility platforms, as well as pursuing the happiness of all stakeholders, including customers, business partners, employees, and shareholders as a member of the SK Group.

We have established the ESG Committee chaired by the CEO to demonstrate our commitment to sustainable management and have come to release this report to share the results of such commitment with our stakeholders.

In publishing our first sustainability report, we express our gratitude to our stakeholders, including employees, customers, and shareholders.

Thank you.

Park Hae Sik, Chair of the BOD

About the Company

General Information

Company name	SK RENT A CAR CO., LTD*	No. of employees	647
Industry	Rental car business	Sales (FY 2021)	KRW 1,036.9 billion
Date of establishment	June 3, 1988	Operating profits (FY 2021)	KRW 79.1 billion
CEO	Hwang Il Moon	Credit rating	KIS corporate bond rating of A (Positive)
Headquarters	Samil Bldg., 85, Cheonggyecheon-ro, Jongno-gu, Seoul, Republic of Korea	External rating	KCGS's ESG rating of A (Overall)

* The company SK RENT A CAR CO., LTD is hereinafter referred to as "SK Rent-a-Car"

Our Network



Nationwide network

156 Number of business sites

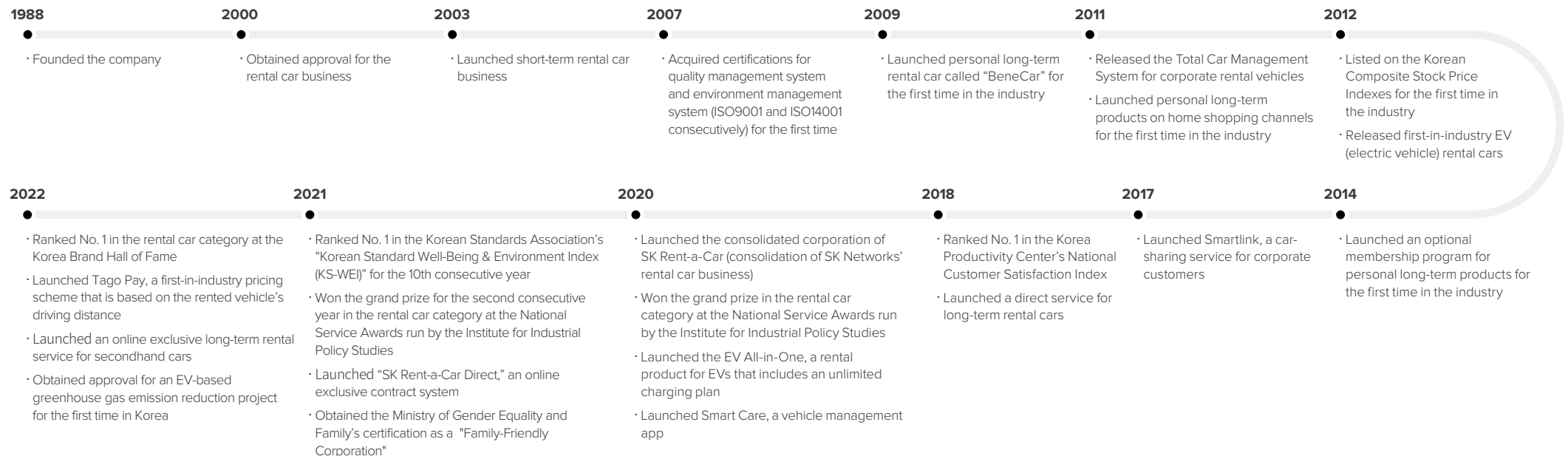
13 Distribution centers

4 Dealing centers

Key subsidiary

SK Rent-a-Car Service

Company Milestones

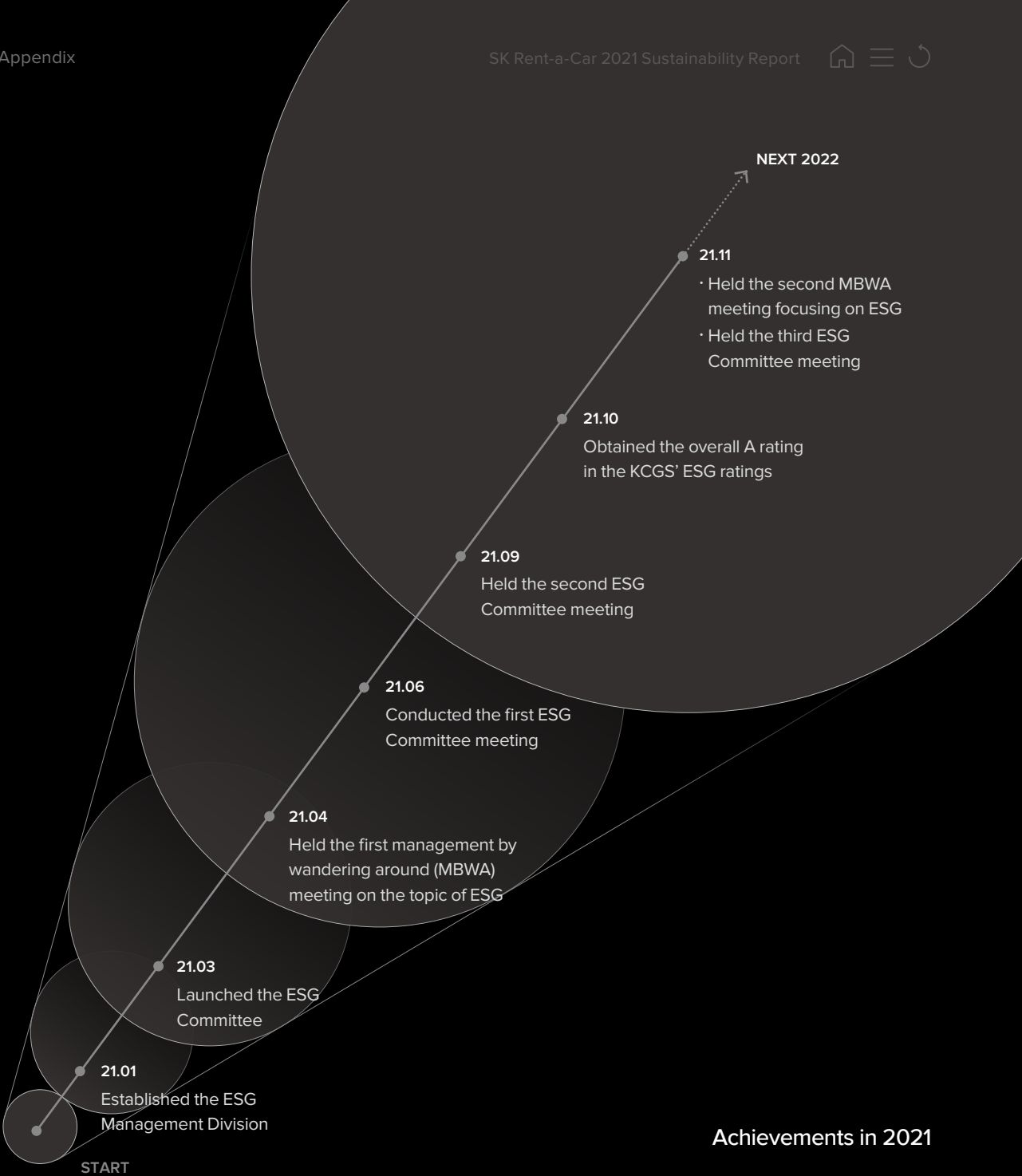


2021

Sustainable Management Overview

SK Rent-a-Car has set sustainable management focusing on environmental, social and governance factors as a major goal and spent the past year laying the foundation for a systematic and strategic sustainable management. In 2021, we established the ESG Committee within the board of directors (BOD) as the highest decision-making body for ESG-related issues and formed the ESG Management Division as the working-level organization to review and improve our sustainable management practices. With these bodies committed to ESG management, we have been creating diverse value for society and will continue to realize sincere and sustainable management practices based on our unique ESG management strategy.

Organizational Chart



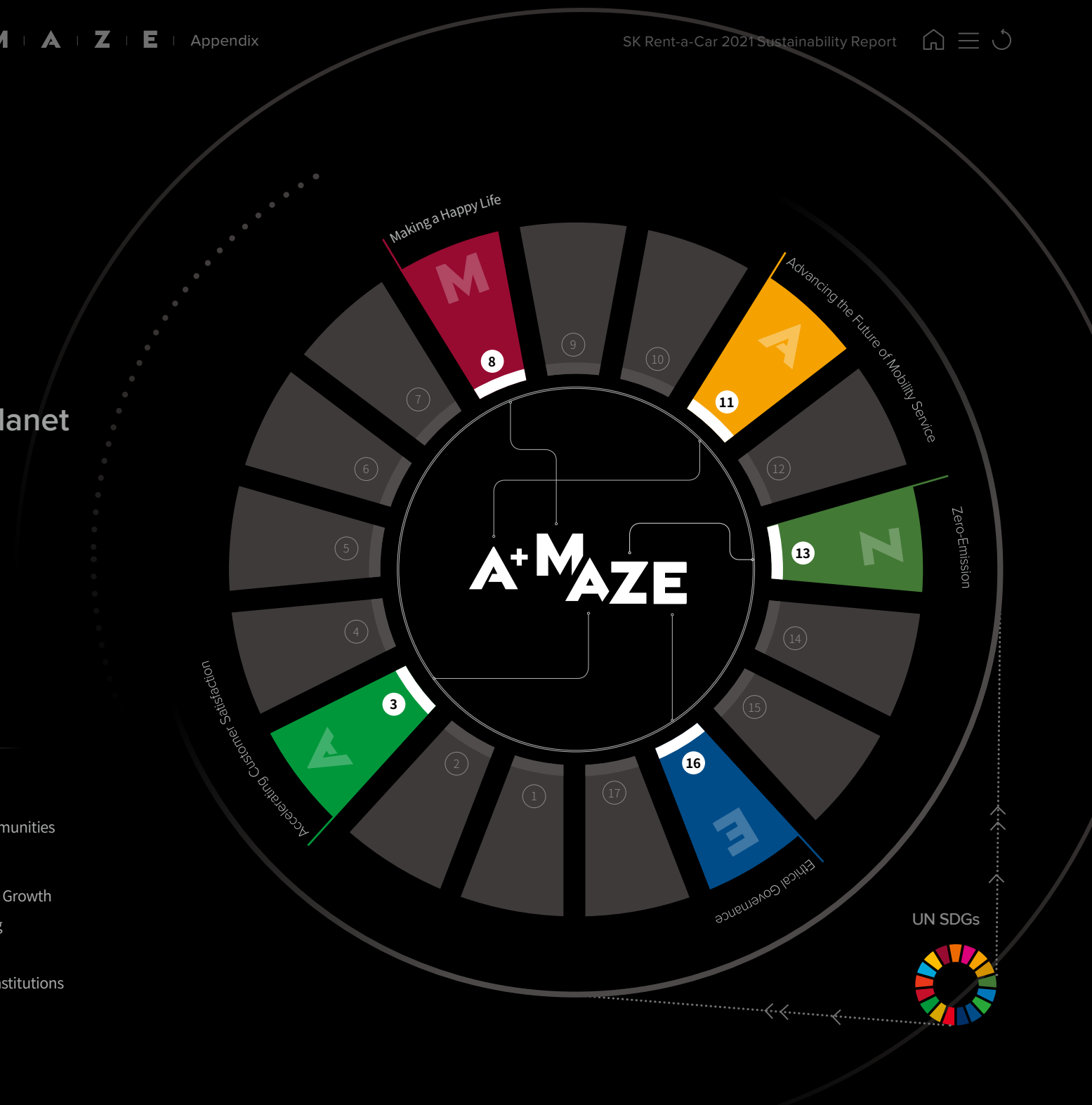
Achievements in 2021

Our Approach to ESG II

We A+MAZE the World

by creating sustainable mobility services for the people and the planet

Area	Five Strategic Pillars	UN SDGs
Business (Financial Story)	A	11 Sustainable Cities and Communities
	+	
ESG	M	8 Decent Work and Economic Growth
	A	3 Good Health and Well-being
	Z	13 Climate Action
	E	16 Peace, Justice and Strong Institutions



Financial Story — A

SK Rent-a-Car's business will drive the future of mobility services by expanding innovative products and services centered around online platforms and by establishing new business models based on its accumulated business knowledge and capabilities

— *Advancing the Future of Mobility Service*

ESG Pillars — MAZE

SK Rent-a-Car has set forth four key pillars for ESG management:

❶ ***Making a Happy Life*** (employee happiness); ❷ ***Accelerating Customer Satisfaction*** (customer satisfaction); ❸ ***Zero-Emission*** (climate action); and ❹ ***Ethical Governance*** (transparent governance structure). The first letters of each pillar spell out the acronym MAZE, which connotes something that is confusingly complicated. We believe that the ***MAZE*** perfectly describes the current ESG landscape. Despite the importance of ESG considerations, it is not easy to implement ESG management, as related concepts and ideas still remain largely unfamiliar.

Connecting ESG with our Financial Story — A+MAZE

We believe that ESG is an inextricable part of how we do business, so we combined our business direction of “ ***Advancing the Future of Mobility Service***” with our ESG strategies (abbreviated as ***MAZE***). As a result, SK Rent-a-Car's ESG strategy system can be summarized as ***A+MAZE***, which captures our goal to amaze the world with mobility services for the people and the planet. Going forward, we will continue to implement ESG management practices based on this ESG strategy system.

ESG Strategy System



ESG Strategy System (Continued)

	Core task	Mid/long-term goal	Current status and future plans	UN SDGs
Advancing the Future of Mobility Service Digital transformation and service platformization	Online platform business model	Establish an open platform that provides valuable data-based services	• Create online solutions for the entire business process of customer acquisition/marketing/sales/service • Expand differentiated product/service portfolios based on customer and vehicle data (e.g., expansion of demand-based rental products) • Enhance infrastructure and technology to strengthen the standing within the EV market (e.g., SK Rent-a-Car Jeju EV Park establishment, EV Smartlink improvement) • Expand business models for secondhand cars by securing end customers	  
	New service business model	Secure open innovation-based fleet management and data monetization business models	• Strengthen coworking with O2O repair platforms (e.g., launching visiting repair services offered on-demand for customers) • Increase Smartlink's service scope, and develop a business model for related solutions (e.g., expansion of markets for public institutions / logistics / taxi / small and mid-sized rental car players, as well as EV battery data collection / sales) • Invest in mobility startups, and boost partnerships to find new business opportunities	
Making a Happy Life Human rights management	Job creation and Job security	Develop and announce human rights policy	• Announce plans for 2022 regarding human rights management and remove any discriminatory factors	   
		Establish stable labor-management relations	• Obtain "Best of Labor Relations Certificate" by 2024 • Continue to minimize labor disputes through mutual growth and cooperation with the labor union	
		Expand bidirectional communication-based assessments	• Completed the introduction of new assessment criteria/methods in 2021 • Continue communication-based assessments for all employees	
	Employee work-life balance	Create a family-friendly working environment	• Satisfied legal requirements to qualify as a family-friendly entity (e.g., compliance with 40 hour workweek, introduction of measures to achieve work-life balance, flexible working hours, systems to assist pregnant employees)	
		Improve workplace culture	• Design adequate policies to improve per-capita productivity and corporate culture • Introduce a well-set workplace culture by streamlining reporting and meeting processes	
Accelerating Customer Satisfaction Customer satisfaction	Customer information protection and cybersecurity	Secure the safety and reliability of information assets	• Acquire new certification by 2022 in line with the newly introduced ISMS-P certification areas first acquired in 2020 (for the first time in the industry) → maintained certification in 2021 → scheduled to apply for renewed certification in 2022 as the scope for certification has expanded • Sustain cloud security certification for Smartlink (certification acquired in 2021)	 
		Improve management system for personal information protection	• Establish a self-checkup system for personal information protection for SP/consignment companies and branches (e.g., offering self-diagnosis checklists and guidelines for personal information management) • Expand the scope of inspection of personal information protection practices at branches and consignment companies	
		Strengthen cybersecurity	• Establish a cloud governance system in line with accelerating the transition to DT Infra Cloud	
		Expand disclosure of information security-related activities	• Disclose the status of information protection practices on customer data by 2022 (e.g., data on investment/workforce/certification/related activities)	

ESG Strategy System (Continued)

Accelerating Customer Satisfaction

Customer satisfaction

Core task	Mid/long-term goal	Current status and future plans	UN SDGs
Product quality and service safety	Create a safe working environment for employees and business partners	- Strengthen inspection of sites, including branches, logistics centers, and trading centers - Conduct campaigns to prevent excessive stress and musculoskeletal disorders of office workers, sales associates, and emotional labor workers	 
	Promote customer safety	- Operate a committee specializing in managing defects of new cars for prompt responses in the event of vehicle defects - Expand the scope of insurance coverage and review adjusting the coverage limits according to customer preferences	
	Support safe driving	- Provide safe driving guidelines for all cars based on connectivity-based services - Enforce preemptive vehicle management and provide information of nearby repair networks using Smart Care	

Zero-Emission

Climate action

Eco-friendly products and services	Participate in demonstration projects for zero-emission vehicles and carbon credits	Continue our progress in conducting demonstration projects for measuring the carbon reduction effects of EVs and securing carbon credits in return	   
	Expand and improve EV charging services	- Invest in startups specializing in charging services and devices - Launch EV Link, a new service for charging EV rental cars - Open SK Rent-a-Car Jeju EV Park by 2023, dedicated to EV rental/charging services - Offer mobile charging services to EV rental customers in Jeju	
Energy efficiency enhancement and management	Achieve Net Zero by 2040	- Expand solar power generation at logistics/distribution centers - Allocate carbon reduction targets to executives and assess performance (reflected as KPI) - Installed one solar power facility in 2021 and another in 2022 - Purchase Green Premium in 2022 - Refurbish obsolete, low-efficiency facilities - Continue shifting business vehicles to EVs	
	Shift to zero-emission vehicles by 2030	Convert 25% of vehicles by 2025, 70% by 2028, and 100% by 2030	

Ethical Governance

Transparent governance structure

Ethical management and compliance	Acquire ISO 37001 certification	Acquire ISO 37001 certification for the HQ, SK Rent-a-Car Jeju EV Park, and the Anseong dealing site by 2022 (scheduled to expand certification to all sites by 2023)	 
	Improve ethical practices via prevention of employees' unethical conduct and protection of human/physical resources	Offer education/communication activities for ethical management and regular checkups (online and in-class courses for employees, ethical management workshops, and surveys)	
	Establish and disclose compliance program (CP)	Establish and disclose the fair trade compliance program by end-3Q 2022	
Transparent disclosure system	Expand nonfinancial information disclosure	Publish sustainability report in the first half of 2022 and actively respond to domestic/global ESG evaluations	
	Devise and disclose the assessment system for the Board by 2022	Disclose activities of the Board and its committees on the company website and DART	

Our Approach to ESG III

ESG Highlights

The following are featured highlights for 2021.

Advancing the Future of Mobility Service

Mobility Start-ups

Invested a total of KRW 8 billion in mobility start-ups



Launched SK Rent-a-Car Direct

May 2021

SK Rent-a-Car Direct is an online platform available 24 hours a day year-round, which conveniently enables customers to place contracts themselves.

Introduced long-term rental service for secondhand cars

Dec 2021 Pilot launch

.....



Launched Tago Pay

Nov 2021 Pilot launch

Launched in November 2021, Tago Pay adopts a new pricing scheme based on the rented vehicle's driving distance.

Launched Smart Care

June 2021

Smart Care offers smart mobility services such as the provision of contract information, setting of appointments for maintenance and other services to suit customers' needs.



Making a Happy Life



Improved employees' digital capabilities

Established the Safety, Health, and Environment (SHE) management system

Established safety and health management policies and launched the SHE Center under the supervision of the Safety and Health Officer to create a safe working environment and prevent any potential hazards

Established a corporate human rights charter

Announced a human rights charter to actively promote human rights management and prevent possible violations



Certified as a family-friendly company

Obtained the Ministry of Gender Equality and Family's certification as a "Family-Friendly Corporation" in 2021



Zero accident rate

There were no safety-related accidents and hazards in 2021.



Obtained Cloud Security Assurance Program (CSAP)

1st in industry / G-Smartlink service

SK Rent-a-Car acquired a Cloud Security Assurance Program (CSAP) for the SaaS sector of G-Smartlink, a vehicle management solution for public institutions, in an industry first.



Accelerating Customer Satisfaction

Employee volunteer program

842 hours spent in volunteer work

Accelerating Customer Satisfaction (continued)

Customer satisfaction rate

Achieved **93%**
(percentage of satisfied customers)

SK Rent-a-Car pays careful attention to customer needs and spares no efforts when it comes to customer satisfaction.

Contributed to the ecosystem of social enterprises

Supported **68** social enterprises

Contributed to vitalizing social enterprises and their overall ecosystem through our support

KS-WEI (Korean Standard Well-Being and Environment Index)

Ranked No. **1** in the rental car sector

In 2021, SK Rent-a-Car ranked No.1 in the rental car sector for the 10th year in a row.



Zero-Emission



Purchased Electric Vehicles

Approximately **5,000** EVs acquired

Exceeded the 2021 quota by 40% in our progress to reach EV 100, purchasing around 5,000 EVs versus the quota of 3,500

Issued green bonds

worth of KRW **98** billion

Issued the first green bonds in February 2021 for a total value of KRW 98 billion

Announced plans to construct the SK Rent-a-Car Jeju EV Park

The plan to construct the SK Rent-a-Car Jeju EV Park, an EV-exclusive complex, was announced in May 2021



Joined K-EV100

Joined K-EV100, the Korean initiative promoting the transition to non-polluting vehicles in March 2021

Reduced greenhouse gas emissions

around **980** tons reduced

Reduced around 980 tons of greenhouse gas emissions at the workplace by maximizing efficiency in distribution/dealing centers and moving/reorganizing offices

Zero-Emission (continued)

Received approval for an EV-based greenhouse gas emission reduction project

1st in Korea



Joined EV100

A global initiative by the Climate Group

EV100 is a global initiative that sets its goals in transforming corporate-owned vehicles to eco-friendly vehicles such as electric vehicles and fuel cell electric vehicles and creating adequate charging facilities for such vehicles.



Ethical Governance

BOD meeting attendance rate

Achieved 100%

All of the BOD meetings conducted in 2021 recorded an attendance rate of 100%. SK Rent-a-Car established the Independent Director Candidate Recommendation Committee, ESG Committee, and Audit Committee to facilitate discussions on various agenda items.

Established committees within the BOD

(Independent Director Candidate Recommendation Committee, ESG Committee, and Audit Committee)

Number of independent directors

Increased 20%

SK Rent-a-Car is engaging more and more independent directors to the firm to create balanced decision-making procedures.



Appointed Female Independent Director

SK Rent-a-Car newly appointed a female independent director and is planning to further boost gender diversity within the BOD.

Established a corporate governance charter

SK Rent-a-Car established a corporate governance charter in October 2021.



ADVANCING THE FUTURE OF MOBILITY SERVICES

Digital Transformation and Service Platformization

Our Vision for the Future of Mobility	18
Business Sectors	19
Business Highlights	21



Advancing the Future of Mobility Service

SK Rent-a-Car pursues business model innovations through digital transformation and platformization of services. We will lead the future of mobility services by expanding online platform business models and continuously developing business models for new services to bring fresh changes to the mobility ecosystem.



BACKGROUND INFORMATION

Established in 1988, SK Rent-a-Car was listed on the KOSPI in 2012 for the first time in the industry. We have continued to achieve growth by venturing into new areas, such as launching personal long-term rental car service. As a leader in the mobility industry, we aim to spearhead business model innovations by taking into account, not only customer needs and industry trends but also social and environmental sustainability.

SKR VISION

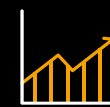
Data-Driven O2O Mobility Service Provider

SK Rent-a-Car will take a leap forward as a "Data-Driven O2O Mobility Service Provider". We will continue to drive innovations in the customer experience by operating a data-driven mobility service platform that offers new values and diverse services.

REPORTING SCOPE



Core Business
Sectors



2021
Business Highlights

Our Vision for the Future of Mobility

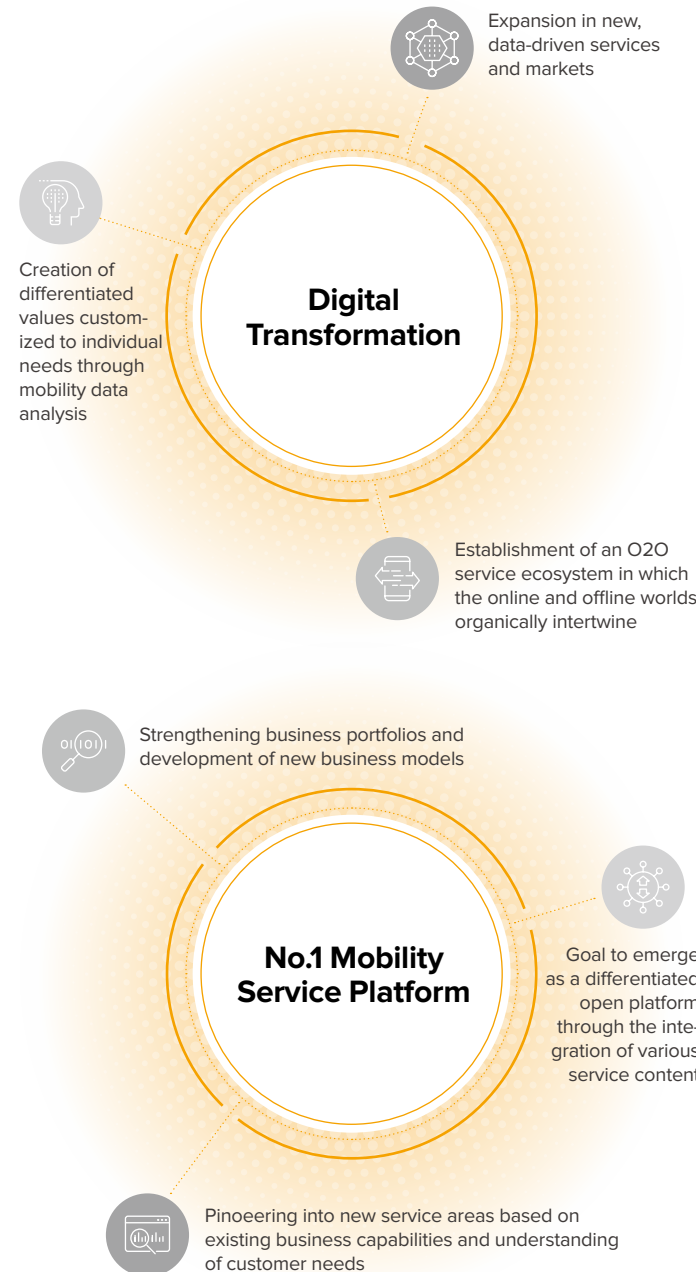
Digital Transformation

Spearheading Digital Innovation through Digital-Driven Business Innovations

SK Rent-a-Car pursues innovation in business models centering on online platforms, to provide differentiated digital-based services to customers. Amid the rapidly changing mobility industry, we are making multifaceted efforts to strengthen our business competitiveness and secure digital transformation capabilities.

We have developed systems focused on digital transformation by restructuring our Data Science Lab and establishing a Mobility Business Model (BM) Development Lab to actively expand a data-driven business model. Furthermore, in line with our efforts to create a platform for the existing IT system, we are shifting to digital infrastructure to better forecast customer/market trends and consider necessary responses, improving our business agility. We are also conducting projects to strengthen employees' digital literacy and secure Artificial Intelligence (AI) / Digital Transformation (DT) experts to innovate data-driven working practices.

As a Data-driven O2O Mobility Service Provider, SK Rent-a-Car will continue striving to bring digital innovations to the mobility life of our customers.



No.1 Mobility Service Platform

Taking a Leap Forward as Korea's Leading Integrated Online Service Platform

SK Rent-a-Car strives to create new values as a mobility service platform.

We are establishing various business models to strengthen our service competitiveness and offer customers a wider range of service options. Considering our focus on online platform business innovations and the beginning of the financial market, we launched SK Rent-a-Car Direct in 2021 and are building online platforms focusing on contactless transactions such as Tago Pay and O2O repair products.

SK Rent-a-Car is also making various investments to consolidate its position as a leading EV service platform in the domestic EV rental market. In 2020, we rolled out EV All-in-One, a rental product for EVs that includes an unlimited charging plan. In the first half of 2022, we plan to release EV Link, a program designed to make EV charging more convenient. Furthermore, we have announced our plan to build the SK Rent-a-Car Jeju EV Park, an EV-exclusive rental complex to create a new mobility ecosystem.

Lastly, we have revamped our Used Car Platform BU to strengthen our competitiveness in the secondhand car business. We will offer special secondhand car-related products and services by promoting our channel portfolio via expanded secondhand car sale channels and establishing an advanced data analysis system, such as vehicle history tracking and value assessment systems. By pursuing innovations in system and mobility business models, SK Rent-a-Car will continue to develop new business models and become Korea's leading open platform that brings new changes to the mobility ecosystem.

Business Sectors

Rental Business

Offering a New Car Life for Sharing Economy

SK Rent-a-Car is making a swift shift from internal combustion engine vehicles (ICEVs) to electric vehicles (EVs) to implement ESG management practices and preemptively respond to the age of EVs. Thus, we are offering a wide range of products and services to deliver the idea that SK Rent-a-Car is the best when it comes to EVs. We are purchasing many different domestic and foreign-brand EVs and have secured exclusive brands (e.g., Polestar 2 of Swedish brand Polestar) to satisfy various customer needs. In terms of services, we plan to launch EV Link to make EV charging more convenient.

I Long-Term Rental Car Service | A long-term rental car that allows customers to choose between returning or purchasing a new car according to their preference after a contract of at least 12–48 months. Anyone can make economic choices through our customized vehicle management program that offers economic benefits and reasonable membership services. Recently, we have launched a long-term rental service program for secondhand cars through which customers can buy high-quality secondhand cars that best suit their needs at a reasonable price, providing customers more options to select based on their situations.

I Medium-Term Rental Car Service | A medium-term rental car service that allows customers to rent a vehicle for one month or longer without the pressure to meet a certain contractual period. Individuals, corporations and public institutions can use this service according to their needs and will be offered services that match the standards of long-term rental cars.

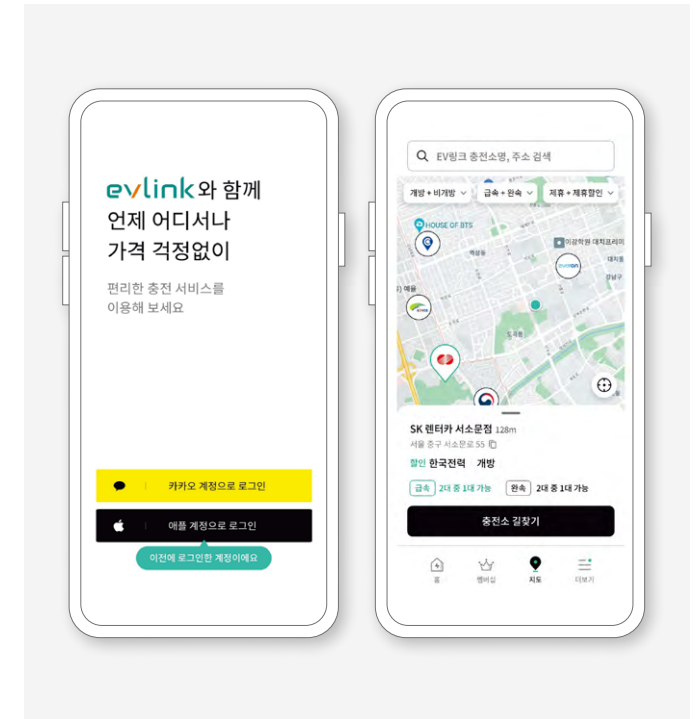
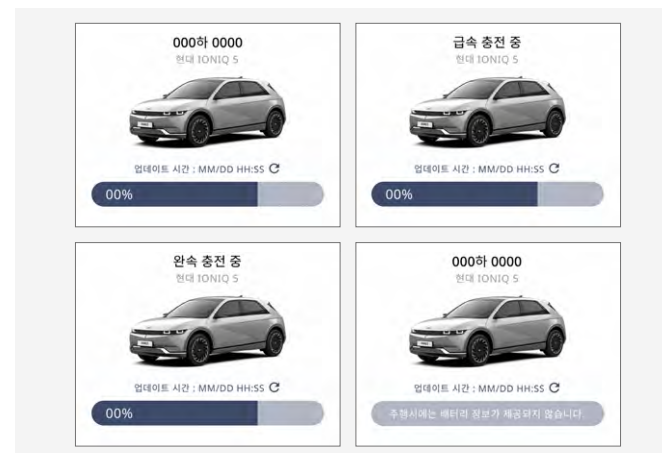
I Short-Term Rental Car Service | A short-term rental car service that allows customers to use a vehicle for travel/leisure/business purposes for one day or longer. It provides top-quality services through a sales network of over 150 businesses nationwide, including airports and KTX stations.

I SK Rent-a-Car Direct Service | SK Rent-a-Car Direct is a contactless online platform that provides quotation and contract services for new and secondhand cars, including Tago Pay.

EV Business

Expanding Eco-Friendly EV Rental Businesses That Cut Greenhouse Gas Emissions in Response to the Climate Crisis

I EV Link | EV Link is designed to ensure that our EV customers enjoy convenient charging services. Through a partnership with the largest number of charging networks in the country (which covers 53% of existing charging networks), the service allows customers to charge their vehicles at various locations using a single charging card and offers discount benefits via membership subscription services. Using the app, customers can check the locations and conditions of charging stations, as well as the rented EV's state of charge (SOC).



I SK Rent-a-Car Jeju EV Park | SK Rent-a-Car seeks to create a new mobility ecosystem by building the “SK Rent-a-Car Jeju EV Park,” an EV-exclusive rental complex on Jeju Island.

By 2025, all of the ICEVs in our Jeju branch will be replaced with EVs. Furthermore, EV-exclusive rental centers and integrated cultural facilities will provide differentiated EV experiences to our customers.

Our Jeju branch that is approximately 27,688m² large can be conveniently reached within three minutes from the airport by shuttle buses. In addition, we aim to further contribute to the reduction of greenhouse gas emissions in Jeju by building additional EV charging facilities in partnership with the Korea Electric Power Corporation.

Smartlink

Creating a More Convenient Mobility World by Connecting Users and Vehicles through Our Integrated Vehicle Management Solution “Smartlink”

| Integrated Vehicle Management Solution | Smartlink is a connectivity-based fleet management service platform. Smartlink boosts work efficiency and links customers to the mobility world, featuring an advanced connectivity-based vehicle management service. It also ensures a safe, convenient, and more efficient mobility experience for customers by using cutting-edge connectivity technologies based on vast amounts of data.

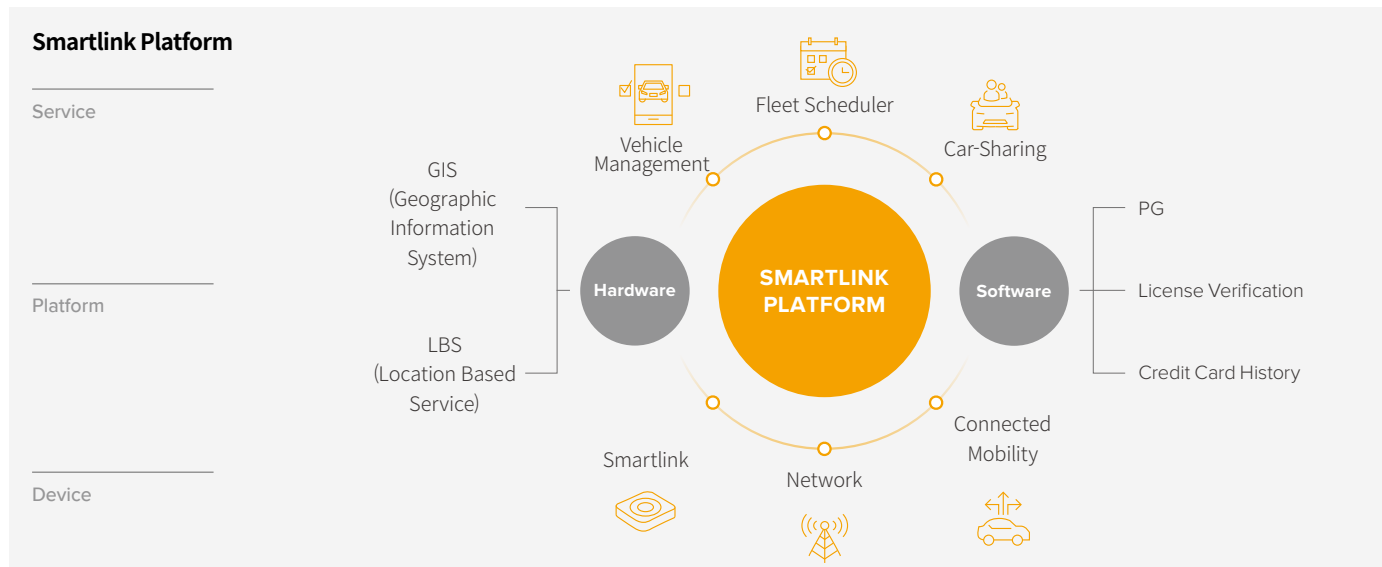
Smartlink collects and analyzes vehicle/driver/traffic (location) data in real time and, at the same time, offers various vehicle management and car-sharing services. Furthermore, it provides easy and precise access to the vehicle’s location/status and travel routes through a smartphone app.

| Vehicle Management Service | The vehicle management service offers convenient functions such as monitoring real-time vehicle location, drafting driving records in the National Tax Service's form, and providing guidelines to safe driving.

| Car-Sharing Service | The car-sharing service helps customers conveniently use vehicles by providing features that best suit their needs, such as vehicle reservations, allocations, returns, and convenient door control through smartphones.

| Fleet Scheduler | Fleet scheduler organizes the transportation of vehicles and manages schedules, providing optimal travel routes based on information on driving distance, working hours, and real-time traffic data.

| G-Smartlink (for Public Institutions) | Having acquired national security qualifications and the industry's first registration on the public cloud and the Korean Online E-Procurement System, G-Smartlink provides optimal vehicle management services for public institutions through the establishment of a responsive environment to such institutions.



Smart Care

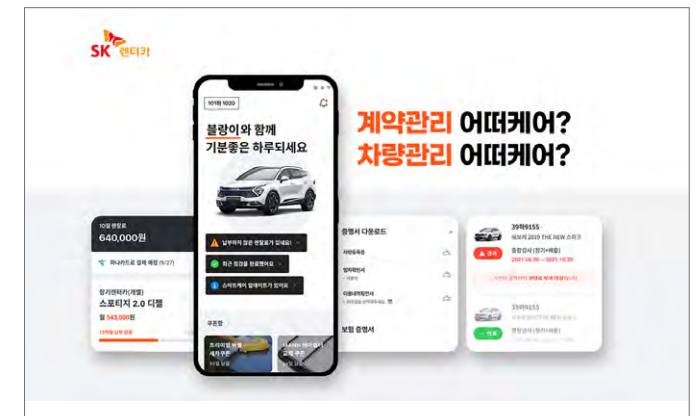
Offering Simple and Easy Mobility Life Anytime, Anywhere

| A Smart App that Takes Care of Customers' Vehicles |

Smart Care provides smart and reliable mobility services that suit the needs of SK Rent-a-Car's customers.

SK Rent-a-Car's customers can easily and conveniently use all of the services needed after the contract process through Smart Care First, they can check the preparation status of the assigned vehicle in real time. While using the assigned vehicle, they can also look at the contract details, confirm information about vehicle repair, download related documents, and apply for contract changes or vehicle repair using their smartphones. Customers can also check important information such as rental fees, fines, and regular maintenance inspections through the home screen of the app.

Overall, Smart Care has moved administrative services, which were previously requested to the sales associate or customer center, to a mobile platform, making the process more efficient. It also contributes to the creation of social value by optimizing the use of human and physical resources.



Business Highlights

Launch of SK Rent-a-Car Direct

Launched in May 2021, SK Rent-a-Car Direct allows customers to conveniently use a wide range of services based on innovative digital solutions, including quotation, online contracting, and same-day delivery. With a strong understanding of customer needs through accumulated experience in off-line sales of long-term rental car programs, SK Rent-a-Car has successfully released new products and services on its online platform. We have rolled out several first-in-industry products and services that are expected to boost the value of the platform, such as Tago Pay and same-day delivery services. Such new offerings are anticipated to create synergies with other services, such as Smart Care, an IoT-based vehicle management application. To emerge as a major online mobility platform, we will further expand the scope of our services to include secondhand car products and subscription services, as well as products bundled with other services. By providing various services customized to customers' lifestyles we will create a platform that spearheads the mobility market.

SK Rent-a-Car Direct

2021

Official Launch



Business Performance for 2021

Differentiated Values Provided by SK Rent-a-Car Direct

- Available to anyone, anytime
- Immediate delivery of vehicles after contract, made possible through an inventory of various vehicle models
- Easy and convenient online process from quotation to contract

Offering of Direct Services for Long-Term Rental Car Programs in an Industry First

- Establishment of one-stop contracting service for a long-term rental car
- Release of Tago Pay, a pricing scheme based on the rented vehicle's driving distance
- Launch of a same day delivery service for long-term car rental
- Assignment of dedicated car managers

24_{hours}

365_{days}

available anywhere, anytime



Consistent Monthly Growth* of the Service since Its Launch in May 2021

- Monthly growth of 21% in terms of number of visitors
- Monthly growth of 33% for number of customers who have received quotations
- Monthly growth of 24% in terms of number of contracts signed

* Average rate of growth from May 2021 to April 2022

Visitors

21% monthly increase



Contracts

24% monthly increase



Quotations

33% monthly increase



Release of Tago Pay

In 2021, SK Rent-a-Car unveiled Tago Pay, an online-exclusive rental product with a pricing scheme based on the rented vehicle's driving distance in an industry first. With the existing pricing scheme for rental car programs favoring long-distance drivers, there has been a need for products for short-distance drivers. Because of this, we released Tago Pay for short-distance drivers to use rental cars at more reasonable prices. Launched in November 2021, the pilot product for Tago Pay attracted strong customer interest and quickly sold out. The product drew particularly huge interest from customers using vehicles only during weekends, or only for a specific purpose, such as driving kids to school or for traveling and leisure purposes. In response to strong customer demand, Tago Pay made its official launch in January 2022 with even more types of vehicles.

Investment in Mobility Start-Ups

SK Rent-a-Car is making strategic investments in related start-ups to create a healthy mobility ecosystem. In 2021, we invested in start-ups, such as SOFT BERRY, TeamO2, EVAR, and CARANG, with a total investment amount of around KRW 8 billion. Furthermore, we have jointly developed a Smartlink-based, integrated vehicle management solution with TeamO2 and established a partnership model to support vehicle management activities of small and medium-sized rental car companies. Overall, SK Rent-a-Car builds various partnerships for laying the foundation to emerge as a major mobility platform player, forming a new mobility ecosystem that delivers greater values to customers.

Business Performance for 2021

Exceptional Value Offered by Tago Pay

- Allows customers to rent vehicles at reasonable prices which are set based on a basic rate and driving distance-based charges
- Features a pricing scheme based on actual driving distance via the integrated vehicle management solution Smartlink
- Provides more flexibility in selecting vehicle renting periods

Successful Pilot Launch of Tago Pay

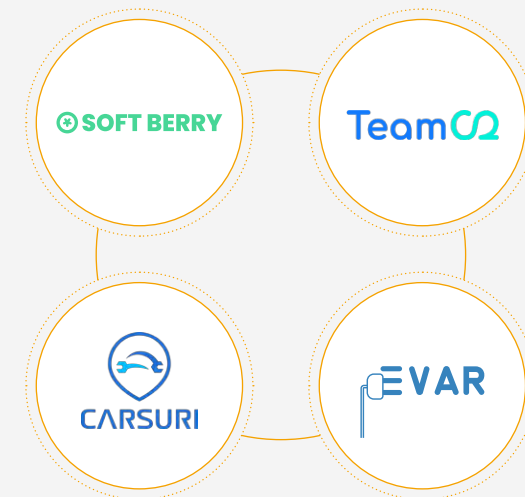
- Sold out of pilot launch products in November 2021
- Includes additional types of vehicles along with the official launch in January 2022



Business Performance for 2021

Investment in Mobility Start-Ups

- SOFT BERRY: Operates EV Infra, a mobile app that provides EV charging information and payment options
- TeamO2: Runs CARMORE, a price comparison app for small and mid-sized rental car companies
- EVAR: Manufactures standard power distribution chargers and mobile EV chargers
- CARANG: Operates CARSURI, a platform that provides contact-free visiting service for car maintenance





MAKING A HAPPY LIFE

Human Rights Management

Human Rights Management	25
Occupational Safety and Health	27
Corporate Culture	29
Talent Development	31

Making a Happy Life

SK Rent-a-Car pursues a working environment where employees can work happily together. Always prioritizing employees' happiness, we will promote human rights management by making job creation, the boosting of job security, and the enhancement of employees' work-life balance our key goals.



BACKGROUND INFORMATION

The UN's human rights institutions provide guidelines for companies to implement human rights management practices, and stress the importance of human rights management by recommending related laws and policies. Korea has also been establishing related policies to join the global movement to strengthen human rights. With the interest in human rights management expected to rise, it is becoming increasingly important to create a corporate culture in which individuals are respected as they are and encouraged to freely exert their capabilities.

SKR VISION

As the base and foundation for the sustainable happiness of all our employees, we pursue the happiness of both our employees and our stakeholders simultaneously.

REPORTING SCOPE



Human Rights
Management



Occupational Safety
and Health



Corporate Culture



Talent Development



Employees

We believe employees' happiness is the key driver of sustainable management. Accordingly, we set happiness as the goal of our company and work continuously to improve our workplace culture and programs.



SKR Strategy

Objective



Improve the organizational environment and related systems to ensure employees' happiness

Focus Areas



Establish a human rights management system



Achieve a zero accident rate



Create a horizontal corporate culture



Foster digital talent

Organization Chart

CEO

Corporate Culture Division

Human Resources (HR) Team

General Affairs Team

Human Rights Management

Corporate Culture

Talent Development

Occupational Safety and Health

Human Rights Management

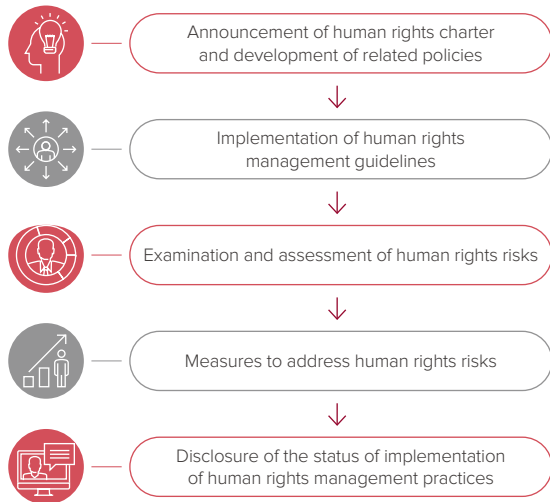
SK Rent-a-Car respects the human rights of all stakeholders, including its employees. Our human rights policies do not tolerate discrimination by gender, age, nationality, race, religion, marital status, or pregnancy, and strictly prohibit forced labor and child labor. SK Rent-a-Car recognizes the importance of human rights in order to establish an environment of mutual respect in which everyone can create positive values, and will continue to review and improve its operating systems for efficient management.

Human Rights Charter

SK Rent-a-Car has announced a human rights charter to actively promote human rights in the workplace and prevent possible violations or risks that could occur in business operations, and avoid related risks. In implementing human rights management, SK Rent-a-Car complies with human rights/labor-related global standards and guidelines, including the Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, the International Labor Organization's Declarations and Fundamental Conventions, and the OECD Guidelines for Multinational Enterprises. The subjects of our human rights charter declaration include not only our employees but also members of our subsidiary and business partners. All SK Rent-a-Car employees are working according to the human rights charter and we humbly ask all stakeholders in partnership with us to honor and respect it.

Human Rights Management System

SK Rent-a-Car is developing detailed guidelines and programs to establish management systems and corporate policies necessary for complying with the human rights charter. We plan to check and assess related risks regularly from 2022 according to our management system. Furthermore, we will ensure that measures to address human rights risks identified through assessments and grievance handling procedures are promptly developed and that human rights personnel and related departments create specific action plans to fulfill such measures. We will also disclose our status and progress in implementing human rights management practices to our stakeholders.



Human Rights Risk Assessment

SK Rent-a-Car has personnel dedicated to human rights management, who mainly engage in the ①drafting/revision of the human rights charter, ②establishment of plans to implement human rights management, ③human rights risk assessments, and ④operation of the grievance handling channels. Our human rights personnel will conduct annual reviews according to the internal management system starting from 2022 to check whether the company is appropriately managing the policies according to the UN Global Compact's guidelines.

Grievance Handling Process

We operate the following process for receiving and handling reports on issues related to human rights violations, such as discrimination, bullying at the workplace, inhumane treatment, forced labor, and child labor.

① **Receive reports on human rights violation cases:** SK Rent-a-Car operates a channel that allows employees and other groups to report human rights violations and risks. Once a case of human rights violation is reported, the related departments discuss specific measures to address the case based on considerations of the characteristics of the individual case.

※ Reporting channel: Grievance handling and consulting center within the HR Center

② **Process reports on human rights violation cases:** An optimal remedy is sought in a timely manner by referring to legal court precedent, the regulations of related institutions, and the handling of similar cases in the industry with the support of the legal department.

③ **Secure the anonymity of the reporter:** A disclosure of the reporter's personal details or any other details that could identify the reporter is strictly banned. The reporter's identity, the reported case, relief procedures, and the results are all kept confidential to prevent any punitive measures or discrimination against the reporter.

Human Rights Policy

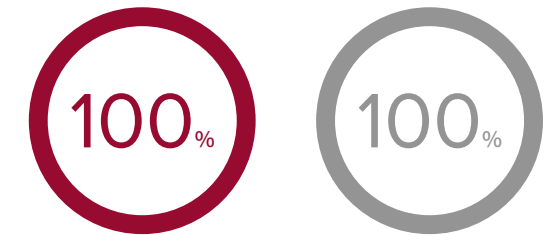
1. We respect the human rights of our employees.
2. We do not tolerate discrimination.
3. We pay wages that are above the minimum wage at the right time.
4. We prohibit forced labor.
5. We comply with legal provisions pertaining to labor hours and recess hours.
6. We do not hire child workers.
7. We guarantee the freedom of association.
8. We guarantee occupational safety.
9. We protect the human rights of our customers.
10. We operate online/off-line grievance handling channels.

Human Rights Education

SK Rent-a-Car offers human rights education programs to all of its employees, pursuant to legal requirements. Through regular human rights programs, we endeavor to improve employees' awareness of human rights matters and prevent any violation with regards to their human rights. In 2021, all employees participated in a total of three human rights education programs, with an off-line session added to the existing online courses.

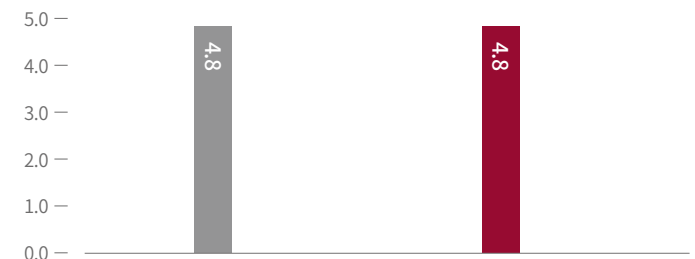
Participation Rate

● Disability awareness program ● Sexual harassment prevention program



Satisfaction Rate

● Disability awareness program ● Sexual harassment prevention program



Occupational Safety and Health

SK Rent-a-Car implements safety, health, and environment (SHE) management practices to protect our employees and customers from potential accidents that could occur during business activities and guarantee the safety of our products and services. All of our products and services are developed by prioritizing the safety of our customers, employees, and local communities, as well as environmental protection, and we strive to prevent any safety accidents that may occur at our business sites.

Creating a Safe Working Environment

We conduct a safety and health training program every quarter to improve employees’ awareness of safety and health and reduce the risks of accidents. With the Serious Accidents Punishment Act that came into force in January 2022, we have added relevant training to better respond to the regulatory changes.

Furthermore, we seek to establish the industry’s leading safety and health management system by acquiring ISO45001 certification, the global standard for occupational health and safety, by the second half of 2022. Lastly, we will have external specialized institutions conduct risk assessments and working environment measurement activities to identify and eliminate hazardous factors in the company.

Moving forward, we will continue to put our efforts into promoting a safe and healthy working environment, minimizing risks and improving our response system to protect our employees' safety and health.

Establishment of the SHE Management System

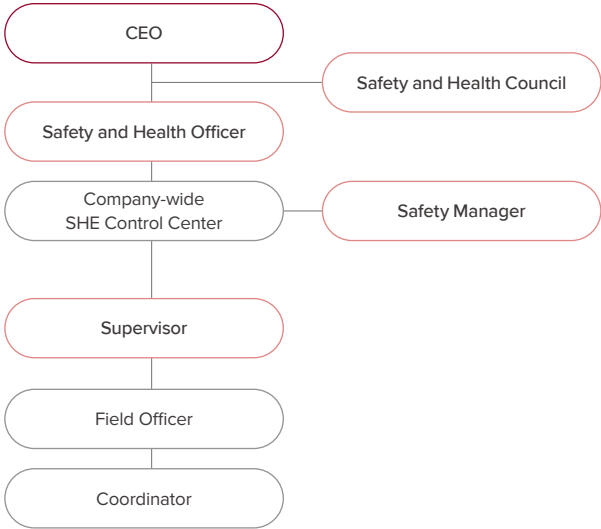
SK Rent-a-Car has established safety and health management policies to create a safe working environment for employees. To implement such policies, the company has launched the SHE Center under the Safety and Health Officer and is committed to prevent any workplace accidents. The SHE Center inspects business sites semi-annually to preemptively eliminate the risks of accidents. Furthermore, it seeks to reflect employees’ opinions and feedback to improve their working environment through the Safety and Health Council, which consists of our employees, in its efforts to create a safe workplace.

Our SHE management system has allowed us to systematically conduct safety and health activities, such as establishing safety and health organizations, responding to relevant regulations, providing education programs for employees, periodically managing safety facilities, and implementing safety inspections. Thanks to the SHE management system, SK Rent-a-Car achieved zero safety-related accidents in 2021.

SHE Management System



Organizational Chart for Occupational Safety and Health



Vision SHE(Safety.Health.Environment) 2023



Improvement of Employees' Health

SK Rent-a-Car strives to help employees improve their mental and physical health to increase their happiness at work and enhance the quality of personal life. We provide fitness facilities, a medical service room, lounges, massage chairs, and a health keeper system. We also offer counseling services with the help of external professionals to provide support for employees' mental health.

Programs to Enhance Employees' Health

Medical examination		Employees receive annual medical examinations to check their health conditions.
Vaccination		Vaccinations are offered to protect employees from the flu.
Refresh leave		Refresh leave is offered so that employees can take sufficient time to rest.
Fitness facilities, lounges, massage chairs, and health keeper system		We provide fitness facilities, lounges, massage chairs, and massage services to alleviate work-related stress and musculoskeletal disorders.
Medical service room		We run a medical service room for early treatment of light injuries or diseases that may occur at the workplace.
Psychological counseling		We support psychological counseling with the help of external professionals to help employees cope with various mental health issues.
Safety and health training		We conduct safety and health training four times a year to improve employees' awareness of safety and health.



(Above) Fitness center , (Below) Center for mind and body training

Response to COVID-19

SK Rent-a-Car conducts a wide range of activities to contain the spread of COVID-19.

Based on public protocols, we have established comprehensive guidelines that specify response rules and working standards regarding the pandemic and released it on our online bulletin board to guide employees to proactively create a healthy working environment.

We have installed contact-free thermometers, wrist temperature measuring devices, and hand sanitizers at all of our business sites, mandated the wearing of face masks, and are sterilizing the building once a day. In addition, we have distributed personal sanitation kits that include masks and hand sanitizers to our employees and equipped workplaces with self-testing kits to prevent the spread of the virus. As for the company cafeteria, a multi-use facility, we have adopted various policies to prevent the spread of COVID-19, including scheduled time slots, special seating arrangements that ensure physical distancing, and protective barriers.

Furthermore, we have implemented flexible working hours and recommended working remotely to restrict the spread of the virus. We have also adjusted the remote working protocols depending on the severity of COVID-19. We have provided a virtual working environment scheme (VDI system) and streamlined meeting processes to help employees better adapt to an online working environment.

Starting from June 1, 2021, we have been providing COVID-19 vaccination leave to help employees better manage their health after their vaccination. SK Rent-a-Car will continue to strive to enhance employees' health and prevent the spread of COVID-19.

Corporate Culture

SK Rent-a-Car pursues a corporate culture that ensures the happiness of all its employees. We have continually made multifaceted efforts to create a working environment that encourages our employees to freely exercise their competencies based on mutual respect by introducing relevant working schemes, welfare policies, and various programs that strengthen communication. SK Rent-a-Car conducts a “Culture Survey” of all our employees, with special attention on the category of “Employee Happiness.” Based on such efforts, we will further strive to improve our corporate culture to boost employee satisfaction.

Diversity and Inclusion

We respect the diverse backgrounds and values of our individual employees. Moreover, we seek to boost diversity and create a flexible corporate culture. Upholding the value of diversity, we strictly prohibit any discrimination based on factors such as personal background, race, gender, age, or disability.

Maternity Leave

Category	2020	2021
Number of employees on leave	18	21
Number of returning employees	17	21
Rate of return (%)	94	100

Childcare Leave

Category	2020	2021
Number of employees on leave	19	18
Number of employees scheduled to return	10	13
Number of returning employees	10	11
Rate of return (%)	100	85

In particular, we strive to create a working environment where our female talent can fully exercise their competencies. We run a daycare center to look after our employees’ children and offer maternity leave and reduced working hours for spouses to ensure that our female employees’ careers are not discouraged by pregnancy and childbirth. Moreover, we have promoted a corporate culture that is intolerant of gender-based discrimination in all aspects of employment including recruitment, wages, education, and promotion. Through such efforts, SK Rent-a-Car was certified as a “Family-Friendly Corporation” by the Ministry of Gender Equality and Family in 2021.

Furthermore, we endeavor to create a working environment where our disabled employees can freely exercise their competencies. We assign employees with disabilities to positions based on their individual needs and capabilities and continue to communicate with them to make sure that they do not face any restrictions or discrimination owing to their disabilities. SK Rent-a-Car will continue to support employees with disabilities so that they can work in a horizontal and voluntary working environment.



Work-Life Balance

SK Rent-a-Car endeavors to help its employees achieve a healthy work-life balance through various welfare policies and support schemes.

We implement a system that allows our employees to apply for temporary working hour extensions for flexibility in working schedules. In addition, we help our employees adjust their work-life balance to suit their individual needs through support schemes, such as family care leave and childcare leave for spouses.

Furthermore, we seek to enhance the quality of life of our employees by operating facilities such as a fitness center and center for mind and body training, as well as supporting their club activities. In addition, we offer maternity-related policies and support schemes for school tuition fees of our employees’ children to help our employees have a more stable life with their families.

Policies for Work-Life Balance Improvement

	Health	Fitness center, Center for mind and body training, Support for psychological counseling (EAP), Group personal accident insurance and more
	Family	Daycare center, Family care leave, Support for school tuitions of employees’ children, Financial support for congratulations and condolences and more
	Maternity Protection	Maternity leave, Childcare leave, Childcare leave for spouses, Reduced working hours for childcare purposes and more
	Welfare/Leisure	Selective welfare, Sabbatical leave for long-tenured employees, Company resorts and more



Company Daycare Center

Communicating with Employees

Culture Survey

SK Rent-a-Car conducts the Culture Survey targeting all employees annually to measure the level of employee happiness. Results of the Culture Survey are integrated into the designing of our internal systems and other efforts to improve corporate culture. In 2021, in light of our business environment and other variables, we improved the survey categories. We added the category “Organizational Fairness,” resulting in an increase in the number of survey questions from 44 to 51. We will further review and enhance our survey questions to better utilize the results of the Culture Survey as a tool to collect employee views and facilitate communication with them.

CEO’s MBWA Sessions

SK Rent-a-Car implements CEO Management by Wandering Around (MBWA) to proactively communicate with our employees. Through the MBWA, the CEO directly communicates with employees at the workplace to achieve the company’s goals together. Carried out under various themes and methods, our MBWA activities are focused on important issues that require direct communication with employees according to each period, such as personnel evaluation, compensation systems, and digital transformation plans.

Anonymous Bulletin Board

SK Rent-a-Car operates an anonymous bulletin board to promote communication among employees. The bulletin board serves as a channel through which employees can freely share their opinions on various topics and participate in dialogue centered on three categories: Story of Work, Story for Sharing, and Story of Everyday Life. The board allows anyone to make suggestions about company issues, and promotes open communication. In fact, a number of suggestions made on the bulletin board have materialized into actual policies, products, and service ideas.

Grievance Counseling Center

SK Rent-a-Car operates a grievance counseling center for employees to express their complaints or grievances and come up with fair and sustainable solutions. The counseling covers a wide spectrum of struggles ranging from work-related stress to relationship problems and personal concerns such as personal relations and childrearing.

Labor Relations

SK Rent-a-Car complies with the three primary labor rights stipulated in the Korean constitution. As such, all of the company’s employees can freely form and join a labor union. SK Rent-a-Car pursues mutual labor-management growth by improving working conditions and elevating employees’ economic/social positions, as well as promoting an equal labor–management relationship. With our labor union established in 2020, along with the establishment of SK Rent-a-Car as a consolidated entity, we have been constantly communicating with the union to promote a relationship based on mutual respect and cooperation, and strive to improve working conditions and establish a harmonious labor relation.

In addition, SK Rent-a-Car operates a labor–management council in accordance with the Act on the Promotion of Employees’ Participation and Cooperation. Our labor–management council is a representative body for all of our employees with its members appointed based on the employees’ voluntary application and election. The council strives to enhance employee welfare and promote sound growth based on voluntary participation and mutual cooperation. Since its inception in 2020, SK Rent-a-Car’s labor–management council has regular meetings every quarter, serving as a major communication channel, with a total of 15 meeting agenda items discussed in 2021. Through transparent meeting operations and the disclosure of meeting results, we will continue to collect the views and suggestions of all employees moving forward.

Fair Performance Management and Compensation

To build and maintain a strong talent pool, SK Rent-a-Car operates the following systems for promoting employee growth and strengthening their lifelong competitiveness.

Performance Appraisal System

SK Rent-a-Car evaluates employee competencies and efforts using a fair assessment system to promote their growth. Specifically, our NetPro System enables constant communication and exchanges of feedback between leaders and employees, ensuring healthy and multilateral communication instead of unilateral communication. We evaluate employees’ competencies in task performance, communication, and growth based on an absolute evaluation scheme that is linked with a talent development system to promote career development. Through such practices, we aim to fully recognize the achievements of employees and further motivate them through appropriate compensation.

Compensation System

Based on a total reward approach, SK Rent-a-Car offers fair and competitive compensation depending on employee competencies and performance. In particular, we provide incentive bonuses to share the company’s business success with employees, promoting the mutual growth of both the company and our employees. Furthermore, we operate various reward policies to offer immediate compensation for employee performance to ensure a happy and rewarding work life.

Compensation System

- ① Base pay: Annual salary system applied based on an employee’s job position, competency, and performance
- ② Incentive bonus (IB): Incentive offered based on organizational and individual performance
- ③ Employee benefits: Support for achieving a sound work-life balance
- ④ Talent development: Training opportunities and in-company contests
- ⑤ Working environment: Encouraging challenges and recognizing employee effort and dedication

Talent Development

SK Rent-a-Car helps our employees pursue new learning experiences and nurture their competencies so that they can achieve self-realization and find meaning in work. We operate a nurturing system to systematically support our employees to fully exercise their competencies. In addition, by maintaining a fair hiring system, we will further recruit new talent from various fields and ensure that all employees can freely exert their competencies.

Recruitment

SK Rent-a-Car hires talent based on the SK Group's management philosophy, which stresses employees' confidence and passion in pursuing the corporate management philosophy as they represent the main players of the company management's efforts. We recruit new talent when necessary and give fair opportunities to all applicants. In addition, we use various methods to secure talented individuals from various backgrounds, including internships, recruitment programs in partnership with vocational schools, and diversified interview arrangements. In 2021, we hired 38 new employees with a focus on positions for new business models in order to lay the foundation for further business model innovation. SK Rent-a-Car will continue to strive to hire talent based on their competencies and expertise to accelerate business innovation.

SK Rent-a-Car's Hiring Principles

1. We do not engage in improper solicitations, pressure, or coercion with regards to hiring, as these are in violation of related legal provisions. Furthermore, we do not provide or receive money, goods, entertainment, or property-related interests with regard to the hiring process.
2. We do not request job applicants to include any personal information that is not necessary in the performance of job duties in examination materials nor do we collect such information.
3. We do not place false hiring advertisements or change the content of such advertisements in a way that is unfavorable to applicants without a reasonable explanation.

New Recruitment		(Unit: person)	
Category		2020	2021
Age	Under 30	13	12
	30-39	14	30
	40-49	2	26
	50-59	2	4
Gender	Female	16	24
	Male	15	48
Total		31	72

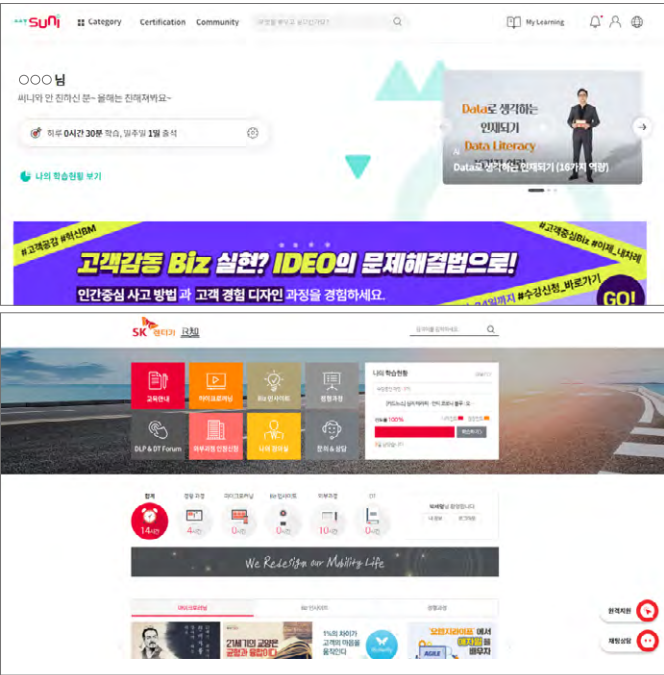
Nurturing Talent

Onboarding Program

We provide systematic onboarding programs to new employees. On the first day of work, we provide a one-day orientation program to introduce the SK Group's management philosophy, the SK Management System (SKMS). Furthermore, introductory programs are held on a quarterly basis for new employees to better understand the roles and responsibilities of each organization. These programs are designed to ensure that employees improve their understanding of the SKMS, corporate vision, the Financial Story, and the responsibilities and work processes of each division. We also offer curriculums focused on content that introduce the company's growth strategies centering on ESG management and digital transformation. For reference, the roles of each division are introduced by the managers of the respective division to facilitate future working relationships and inter-divisional communication.

Vocational Training Program

We provide the online education platform mySUNI to help employees accumulate job expertise. The platform provides employees with content related to not only their own jobs but to other areas of interest, allowing self-directed learning experiences. We also operate R-Ji (with "Ji" translated as "knowledge" in Korean), SK Rent-a-Car's exclusive learning system, to offer a wide range of learning content. Furthermore, SK Rent-a-Car holds special lecture series, inviting external experts from various fields including humanities, economics, business administration, and the mobility industry in order to inspire employees and develop their knowledge. From 2022, we plan to hold such lectures on a monthly basis. In addition, we have earmarked budget resources for external educational programs, paid certifications, forums, and seminars to help employees enjoy a wider range of learning experiences.



(Above) mySUNI, (Below) R-Ji

Leadership Development

SK Rent-a-Car strives to foster competent leaders who are able to maximize each employee's potential and drive the growth of the overall organization. We offer courses for new leaders and team heads via the SK Group's education platform mySUNI and hold executive workshops on a semi-annual basis.* In 2021, we also conducted a six-session leadership coaching program, in which around 60 team leaders and PL-level employees received training for two months about the role of a leader and skills with regard to team organization, change management, and evaluation management. In 2022, we plan to offer coaching programs more tailored to different learner groups.

**Not implemented in 2021 due to COVID-19 restrictions



Cultivating Digital Talent

SK Rent-a-Car puts great effort into strengthening the digital capacity of our employees in order to internalize the concept of digital transformation into overall management operations and feature digital-based, differentiated services. Since 2020, we have been operating an education system to enhance digital transformation (DT) competencies, encouraging all employees to participate in DT forums, providing related learning content, and supporting internal Office Automation (OA) learning courses. In 2021, we launched our own data visualization program for employees called Rent-a-Car Data Analysis Program (RDAP). Furthermore, we provide updated reports to management on IT and other tech-related trends under partnerships with external research agencies. In 2022, we expect to run in-depth learning courses that encourage the use of data analysis tools, and we will hold courses for practical data skills for each organization. Moreover, we will select courses that are highly relevant to SK Rent-a-Car's businesses, among which are digital transformation-related offerings on the SK Group's platform mySUNI. We are planning to link such courses with a certification system to keep our employees motivated with a passion for learning.

CASE STUDY

Industrial-Educational Cooperation for Digital Transformation between SK Rent-a-Car and KAIST

In July 2020, SK Rent-a-Car signed a memorandum of understanding with KAIST on industrial-education cooperation aimed at strengthening our employees' digital transformation competencies. The partnership is expected to improve their digital transformation skills via online and in-class learning programs, laying the foundation to advance existing businesses and develop new businesses. Our internal digital transformation forums for employees have been led by KAIST professors, making the forums more meaningful. The partnership between the leading rental car industry player SK Rent-a-Car and KAIST's top faculty is anticipated to create further synergies moving ahead.





ACCELERATING CUSTOMER SATISFACTION

Customer Satisfaction

Customers	35
Business Partners	39
Local Communities	42

Accelerating Customer Satisfaction

SK Rent-a-Car seeks to impress customers by developing products and services from the customers' perspective. In doing so, we strive to protect customer privacy, bolster cyber security and ensure product quality as well as safety of our services. Furthermore, we endeavor to create new value for customers and fulfill their various needs.



UN SDGs 3
Good Health and Well-Being

BACKGROUND INFORMATION

A company is not only an economic player that provides products and services to its customers but also a “corporate citizen” expected to act with a sense of ethical responsibility as a member of society. Amid the rise of the concept of “corporate citizenship,” it is becoming increasingly important for companies to not only provide products and services, but also consider their positive/negative impacts on customers, business partners, and local communities.

SKR VISION

As a corporate citizen, SK Rent-a-Car will take relentless efforts to create greater happiness for all our stakeholders, including our customers, business partners, and local communities based on our business competencies and characteristics.

REPORTING SCOPE



Customers



Business
partners



Local
communities

Customers

SK Rent-a-Car strives to provide various products and services to enrich the mobility life of our customers. We will continue striving to enhance customer satisfaction and build further trust with the goal of ensuring customer happiness.

SKR Strategy

Objective



Customer satisfaction improvement

Customer Satisfaction Rate (%)
(Proportion of those who checked “very satisfied” and “satisfied” in surveys)



Focus Areas



Analyze customer behaviors



Improve Smart Care user experiences



Analyze voice of customer (VOC) data and take necessary measures

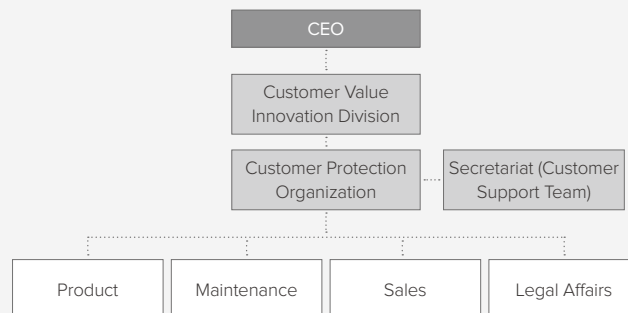


Establish a system to foster the car managers' competencies



Reinforce the personal information protection system

Organization Chart



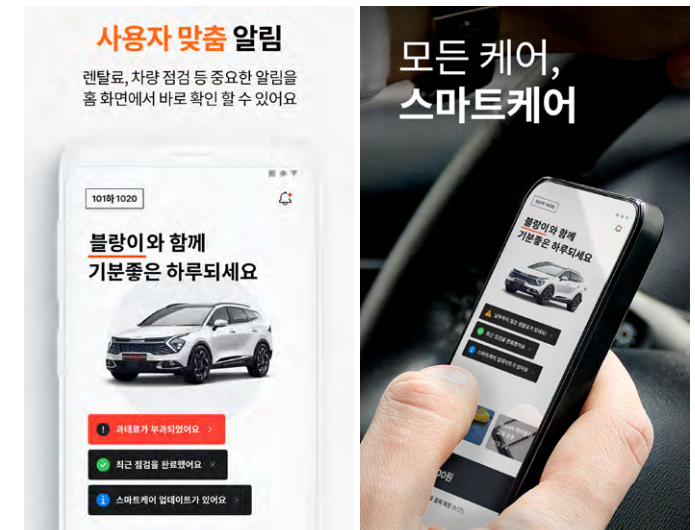
Customer Safety

Safety Management of Vehicles

Smart Care App

SK Rent-a-Car operates the Smart Care mobile application to provide vehicle safety management services to our customers. Smart Care sends IoT-based notifications related to vehicle maintenance to customers who have subscribed for a maintenance product, encouraging them to receive visiting inspection services. For customers who have not signed up for a maintenance product, we are expanding customers' maintenance options to allow them to request engine oil and battery replacement services directly through our smart home maintenance products.

In addition, we provide information on regular inspection schedules, traffic fines, and vehicle recalls. SK Rent-a-Car seeks to further expand and enhance connectivity-based services with regards to Smart Care to ensure safe driving among customers. Moreover, we are investing significant effort in UX improvement to provide greater convenience to customers.



Promotion of Safe Driving Practices

Safety Notifications

We send notification messages to our customers whenever there are natural disasters or changes in traffic regulations. In 2021, a total of 12 notification messages were sent to customers. SK Rent-a-Car will further utilize notification message channels to ensure safe driving experiences and prevent accidents for our customers.

Safety Notifications

Notification Category	Content	Date
 Driving safe in heavy snow	Weather forecast on heavy snow	2021-01-06 2021-01-12 2021-01-28
 Driving safe in snowy weather	Safe driving tips in snowy weather	2021-02-03
 Driving safe during the Lunar New Year holidays	Safety tips related to COVID-19 when using vehicles during Lunar New Year season	2021-02-10
 Vehicle maintenance during rainy season	Safe driving tips in rain and vehicle maintenance tips	2021-07-02
 Driving according to the "5030" traffic policy	Information on Safe Speed 5030 (e.g., restricted areas)	2021-07-16
 Driving safe in the heat wave	Safe driving tips following continued heatwave and Smart Care promotions	2021-07-29
 Driving safe during typhoons	Safety guidelines during typhoons	2021-08-23
 Driving safe during Chuseok	Safe driving tips during Chuseok, Information on Smart Care emergency calls	2021-09-17
 Parking and stalling ban in child protection zones	Parking and stalling ban notification in child protection zones	2021-10-22
 Vehicle maintenance during winter	Vehicle maintenance list for winter readiness	2021-11-21

Preventing and Responding to Accidents

SK Rent-a-Car endeavors to secure the safety of customers via a prompt registration and response system to accidents. We seek to minimize any inconvenience for customers who have experienced accidents by providing emergency rescue services and courtesy car services. While a prompt response to accidents is important, SK Rent-a-Car puts greater value on developing preventive approaches. SK Rent-a-Car also puts great effort into preventing potential accidents via measures such as the regular notification of recall information.

SK Rent-a-Car Official Blog

SK Rent-a-Car operates an official blog in order to provide information related to safe driving. We offer easy-to-access information to ensure safe driving and appropriate vehicle management, including introductions of new traffic laws, such as Safety Speed 5030, a policy that limits vehicle speeds on urban roads, guidelines for vehicle management related to COVID-19, and car management tips for each season. We will continue to use the blog as a platform to communicate with our customers and provide useful information such as the correct body posture for drivers and stretching tips to prevent sleep-driving.



Customer Satisfaction

Customer Protection System

In 2021, the Customer Value Innovation Division developed various systems and policies for customer protection. It conducted projects to outline protocols related to fair trade for customers and customer compensation procedures/standards, and disclosed them on our website for easy customer access. SK Rent-a-Car's website currently provides details on the principles related to fair trade for customers, the customer dispute settlement process/criteria, and our Customer Protection Organization. Moreover, the website has a banner for customers to upload queries—a system that ensures customers have easy access to consultation services. When customer complaints or disputes arise, the Customer Value Innovation Division promptly investigates the cause with the related departments to solve the situation. The division will further strive to lead customer protection efforts by efficiently operating related systems and listening to the voice of customers.

Customer Protection Charter

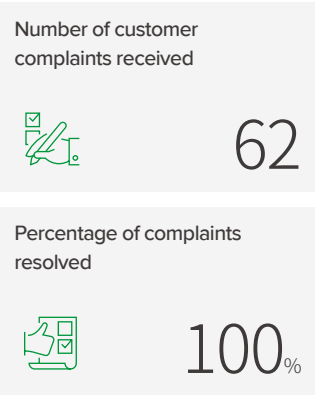
1 Transparent information	We will provide customers with transparent information regarding products and services.
2 Fair business practices	We will comply with the promises to our customers and conduct business fairly without discrimination.
3 Updated system improvements	We will handle customer complaints and damages fairly and quickly and reflect them in our system improvements.
4 Compliance with laws and procedures	We will comply with relevant laws and procedures to protect the personal information of our customers.
5 Respect for opinions	We will respect and reflect the opinions of our customers and strive for customer happiness through SK Rent-a-Car.

Listening to Customers

SK Rent-a-Car analyzes customer satisfaction data for the quantitative and qualitative improvement of products and services. Customers who have used our products and services participate in satisfaction surveys, which include categories related to major points of contact with customers, including contract associates, general repair, visiting inspections, and regular vehicle inspections.

The quantitative results of the satisfaction survey are used for the measurement of the key performance indicators (KPIs) of related organizations, and qualitative results are used for developing short-term and long-term targets for service improvement. In 2021, we developed a total of nine core focus tasks, eight of which were completed. As a result, the number of monthly voice of customer (VOC) cases dropped by 16%. We will continue to engage in efforts to identify and handle tasks for improving customer satisfaction in 2022.

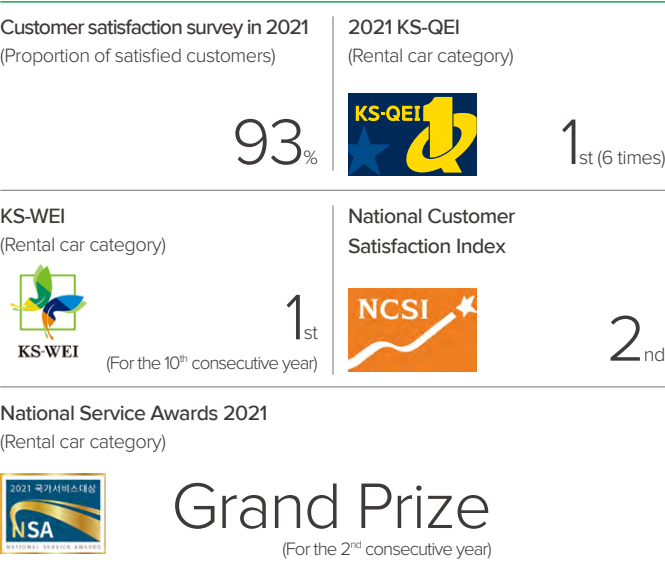
Response to Customer Complaints in 2021



Enhancing Customer Satisfaction

SK Rent-a-Car's efforts to realize customer value have been recognized externally. In 2021, our customer satisfaction survey showed that 93% of our customers were satisfied with our services. Furthermore, SK Rent-a-Car ranked first in the Korean Standards Association's "Korean Standard-Quality Excellence Index" (KS-QEI) for the rental car category in the same year.

Representing a leading comprehensive index for quality satisfaction in Korea, the KS-QEI is an indicator jointly developed by the Korea Standards Association and the Korean Society for Quality Management to measure product quality based on product/service features and the evaluation of actual users. In June 2021, SK Rent-a-Car ranked first in the Korean Standards Association's "Korean Standard Well-Being & Environment Index" (KS-WEI) for the rental car category for the 10th consecutive year and received the Grand Prize in the National Service Awards for the rental car category for the second time following 2020. SK Rent-a-Car is continuously receiving recognitions from external organizations for our outstanding quality of service and high rate of customer satisfaction.



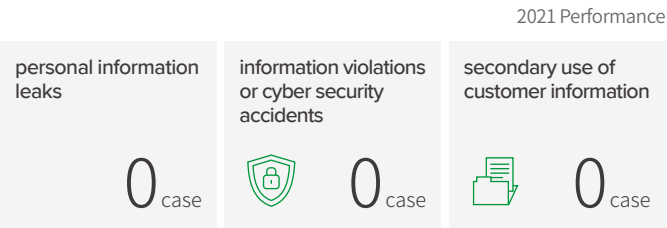
Privacy and Cyber Security

System for Personal Information Protection and Management

SK Rent-a-Car has adopted a strict information protection system in all of our business areas to protect customer data. Having established a dedicated Information Protection Center for the safe and systematic management of data assets, we have successfully laid a stable foundation for information security that is not merely temporary crisis responses.

In 2020, we set forth 24 specific rules regarding personal information and information protection regulations. We also established internal plans related to personal information issues and established standards for punishing any violations on information rules. Our information protection rules specify compliance principles for internal data management and cybersecurity, measures to respond to violations on information regulations and related reporting systems, and details with regard to the consequences of principle violations. Principles regarding information security and personal information protection are applied to all employees, with education programs and internal campaigns regularly held to emphasize its importance.

We have continuously revamped our personal information protection and management system in line with the changing IT technology landscape and the enactment of related legal provisions. Recently, we have improved our system by adding guidelines for cloud security. We achieved zero cases of personal information leaks, information violations, cybersecurity accidents, and use of customer information for secondary purposes in 2021.



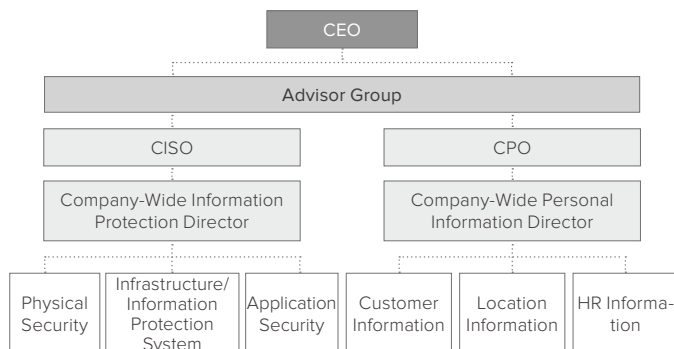
Establishing Working-Level Security Councils

To ensure an effective company-wide response for personal information protection and management, we launched a working-level Chief Information Security Officer (CISO) council and Chief Privacy Officer (CPO) council. Via the establishment, we have laid the foundation for a process in which decisions on matters regarding information security and privacy protection are made through the review of working-level councils and management. Working-level council meetings are held on a quarterly basis to discuss regulatory changes, security accidents, and related industry trends.

Management System for Information and Cyber Security

Category	Role
CISO	Chief information security officer
CPO	Chief privacy officer
Company-wide security organization	Establishment and operation of information protection policies and procedures · Activities related to corporate policies, education, inspections, and responses to external auditing
Advisor group	Management's decision-making on major issues · Activities related to policy development, legal review in the event of security accidents, current laws, the HR system, and public relations support
CISO/CPO council	Proposal of opinions for safe information protection

Cybersecurity Organization Chart



Cyber Security

Amid the growing dependence on digital information, it is becoming increasingly necessary for companies to brace for potential security risks, such as malicious codes and hackings. Based on an understanding of the gravity of various security threats, SK Rent-a-Car implements a wide range of systems to strengthen our cybersecurity capabilities.

We monitor any abnormal activities using our 24/7 security control (WAF/IPS) system. The system observes external security risks on a real-time basis, allowing a swift response to any abnormalities. Furthermore, amid the rising use of cloud servers, we have set up a secure space on SK Rent-a-Car's private cloud to expand the scope of our security coverage. In addition, we conduct hacking tests to identify weaknesses in the system more than once a year, which allows us to better prepare for possible hacking incidents.

Putting great emphasis on enhancing employee awareness on cybersecurity, SK Rent-a-Car conducts security trainings twice a year. These trainings are offered to not only our employees but also those of our business partners. We also regularly share security related issues with our employees to further improve their awareness of security matters.

Certification for Information Security

SK Rent-a-Car's information security management system has been certified by a third-party institution. In December 2020, we became the first in the industry to obtain the Personal Information & Information Security Management System (ISMS-P)¹⁾ certification, and we acquired the Cloud Security Assurance Program (CSAP)²⁾ to upgrade the information protection standard of G-Smartlink in 2021. To maintain the certification, we designed a system to block leaks of customer information and passed strict assessment procedures. As part of the efforts to more fundamentally prevent leaks of customer information, we have been offering virtual desktop infrastructure (VDI) to not only our own employees but also to those from business partners since 2021.



1) Personal Information & Information Security Management System (ISMS-P): A system to guarantee a company's safe and reliable management of corporate/personal information and infrastructure assets via assessments from a government-authorized certifying body



2) Cloud Security Assurance Program (CSAP): A system designed to ensure the safe use of cloud services offered by related service providers

3) Virtual Desktop Infrastructure (VDI): A system in which the user works through a PC or laptop, but the actual work environment is virtual desktop infrastructure technology operated on servers built in a data center (Article 4 (Access Control Compliance) of the Standards for Technical/Administrative Protection Measures to Protect Personal Information)

Business Partners

SK Rent-a-Car pursues mutual cooperation with business partners to achieve win-win outcomes. Our partners are not merely those with whom we have a business relationship but rather are our partners in creating a better society.



SKR Strategy

Objective



Establish fair business relations with business partners based on mutual trust

Focus Areas



Support mutual growth with business partners



Manage ESG risks of business partners



Promote the creation of a social enterprise ecosystem

Organization Chart

CEO

Rental Business Division

Corporate Culture Division

Merchandising Operations Team

General Affairs Team

ESG Management Division

Supplier Management

Risk Management

Support for Mutual Growth

SE Ecosystem Support

Mutual Growth with Business Partners

System for Mutual Growth

SK Rent-a-Car is striving to promote a fair business relationship with business partners based on mutual trust. We actively eliminate unfair business practices and review various support schemes for business partners in pursuit of mutual growth.

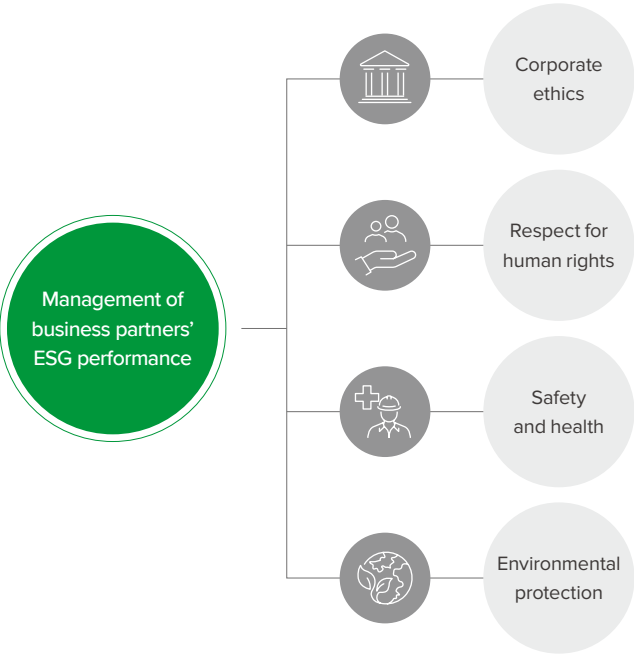
Managing Business Partners

Emphasizing transparency and fairness in the process of business partner selection, SK Rent-a-Car offers equal opportunities for bidding participation to potential partners. In addition, in light of the rising importance of managing sustainability-related practices of business partners, we put great emphasis on elements such as corporate ethics, reliability, safety/health measures, and other sustainability efforts when selecting business partners.

Prior to entering a formal contract to become our business partner, a firm must consent to our code of ethics under a compliance pledge and submit a checklist for its safety and health practices. The checklist is used to verify its safety and health management capabilities under a set of criteria, including: the presence of management guidelines on safety and health, the existence of a manual for safety accident response, and industrial accident rates in the past two years. The results of the checklist are used to determine whether a company qualifies as SK Rent-a-Car's partner, and a firm deemed inadequate is not selected as a partner.

SK Rent-a-Car seeks to build a sustainable society via joint efforts with all stakeholders in partnerships with us. As such, we require our business partners to fulfill their social responsibilities, making it clear that firms that fail to satisfy certain ESG criteria can be excluded from our list of business partners. In accordance with our code of conduct for business partners, we demand that all partners be loyal to the principles in four basic areas: corporate ethics, respect for human rights, safety and health, and environmental protection.

ESG Management of Business Partners



Safety Management of Business Partners

SK Rent-a-Car has launched a safety and health council to create a safe working environment reflective of the opinions of business partners. The council conducts meetings on a monthly basis, and we plan to gradually increase the number of business partners participating in this council.

SK Rent-a-Car will further support safety and health measures of business partners through the safety and health council, and set up a management system dedicated to safety and health between business partners so that each partner can continue with an advanced safety and health system.



Training Support for Business Partners

Support for EV education

Under a plan to expand EV adoption, SK Rent-a-Car is planning to support EV maintenance trainings for business partners starting from 2022.

We expect to actively support business partners so that they can safely manage EVs through comprehensive EV maintenance training that covers both EV working principles and high-voltage battery management skills. Amid the accelerating shift from ICEVs to nonpolluting vehicles, we will help our business partners swiftly respond to the changing landscape of the vehicle industry.

SK Mobile Academy

SK Mobile Academy is a mobile learning platform for employees of the SK Group's business partners. It allows online learning activities so that employees can engage in self-development anytime and anywhere. By supporting the human resource development of our business partners, we pursue the growth of both individual employees and the organization as a whole.

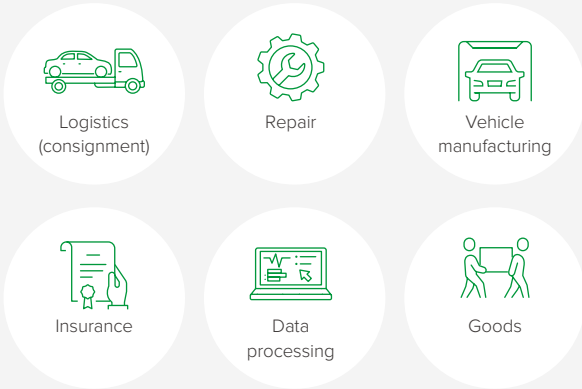
With the platform offering various learning content, ranging from occupational skills to leadership programs, employees of business partners can access a wide range of content using mobile devices.

Who Are Our Partners?

Business partners are suppliers of products or services with regards to SK Rent-a-Car's business operations, and they include both subcontractors (prescribed under the Subcontracting Act) and general consignment entities.

Our Partners

As of 2021, SK Rent-a-Car has partnered with around 1,148 companies. Our core business partners consist of the following categories.



Promoting a Healthy Ecosystem for Social Enterprises

Program to Support Social Enterprises: Mobility Bank Program

Through the Mobility Bank program, SK Rent-a-Car partners with various social enterprises based on the car rental model, which is a core business area. Mobility Bank is a cooperative model in which SK Rent-a-Car provides free-of-charge rental vehicles to social enterprises, small businesses, and start-ups that are in need of vehicles but face difficulty in securing them for reasons such as financial issues. The beneficiaries of the program create social values through the vehicles they rent in lieu of paying rental fees.

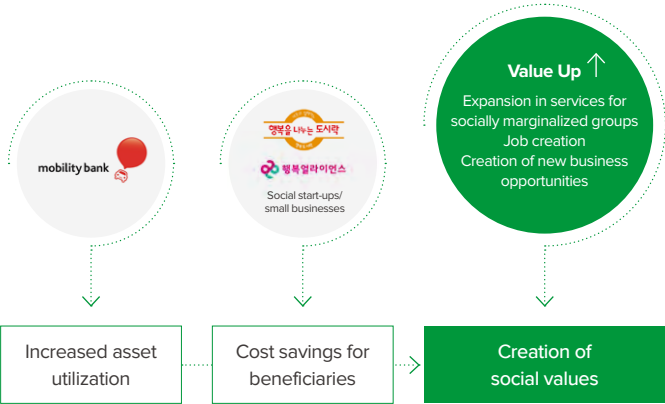
Since the program's launch in 2018, a total of 197 vehicles have been offered to social enterprises, start-ups, and small businesses. In December 2021, we held the third round of the Mobility Bank program, creating various social values along with 68 participants, including social enterprises (e.g., meal providers and self-support companies), businesses dedicated to the support of people with disabilities and the elderly, upcycling companies, small businesses, and start-ups.

Key Achievements of Mobility Bank*

Category	Unit	1st	2nd	3rd
Participants	Number of companies	60	69	68
Sales contribution	KRW 1 billion	24	34	35
Job creation	Number of people	16	49	77
New business launch	Number of businesses	7	11	20

*Analysis of direct/indirect changes made through the program

Program participants drove a monthly average of 890 km to create social value throughout the country. Thanks to the synergies created through the program, in March 2021, we won the Commissioner's Award at the Korea Commission for Corporate Partnership's "Happy Plus CSR Awards" under the mutual growth category. In addition, surveys of the participants of the third round of the Mobility Bank program have shown that the program have enabled participants to kick off twenty new projects. Overall, the Mobility Bank program has been helping social enterprises unleash their potential and achieve rapid growth.



CASE STUDY

Interview with Zoomansa, a Participant in the Mobility Bank Program

Q Company introduction

Zoomansa is a company that seeks to solve local parking problems via partnerships with local communities that want to share resident-first parking spaces with nonresidential vehicles. Operating an ARS-based parking sharing business "Parking Together," we contribute to relieving parking space problems via a solution that shares existing resident-first parking places with nonresidential vehicles—a solution that decreases the need for new parking buildings.

Q Changes after selection into the program

We had to move around the whole city of Seoul, being hands-on with managing parking-sharing spaces and promotional campaigns. We used to take public transportation or ride bikes carrying heavy items, but the Mobility Bank program has made our operations much easier, improving overall work efficiency. In particular, we found it very helpful that the provided vehicles could load sufficient amounts of luggage, relieving us of the heavy weight on our shoulders. We believe that improved work efficiency helped us secure new parking sharing spaces.

Q Message to those in need of mobility services

While the number of start-ups dedicated to solving social issues is increasing, many of them are likely to face difficulties owing to resource constraints. We recommend such companies to apply for SK Rent-a-Car's Mobility Bank program so that they can address their mobility concerns and better create social values.



Local Communities

As a corporate citizen, SK Rent-a-Car strives to contribute to solving social problems and pursue mutual growth within local communities. By sharing our business capabilities and resources, we will further engage in activities to create greater happiness with our stakeholders.



SKR Strategy

Objective



Pursuing sustainability for our planet and people's lives

Focus Areas



Eco-friendly

Using resources in a sustainable way by preserving our ecosystem

Restoring land/marine resources and limiting further environmental degradation



Solving social problems

Addressing social concerns to make social contributions

Joining efforts to solve social problems in local communities where our business sites are located



Mutual growth

Expanding the value of sharing via providing mobility service solutions

Achieving synergy-based growth using our business competencies and infrastructure

Organization Chart

CEO

ESG Management Division

Social Value Creation

Social Contribution Program

Programs to Pursue Mutual Growth with Local Communities

On-Tact Meal-Sharing Project

On-Tact (with "On" translated into English as "warm" and "Tact" abbreviated from the word "Contact") is a meal-sharing project launched in 2021 to address social concerns including increased hunger and tougher operational circumstances for microbusiness owners and welfare facilities. Meal service projects for seniors in Jeju have been in operation without any increase in unit prices since 1997, leading to a decrease in the quality of food materials which had a disproportionate impact on the undernourished elderly population. In order to solve problems related to meal support in Jeju, SK Rent-a-Car signed an agreement to improve the quality of meal services and provide support on March 18, 2021. This agreement was made along with the City of Jeju, the Jeju Seniors Welfare Center, and the Seogwipo Seniors Welfare Center. SK Rent-a-Car's sponsorship in 2021 helped provide meals to 119 senior citizens in Jeju, and we plan to continue our support in 2022 to expand the number of beneficiaries.

Vitalizing the Agricultural Industry of Jeju

Operating business networks in many different regions across the country, SK Rent-a-Car pursues mutual growth with local communities via promotions that support local produce and tourism programs. On August 20, 2021, we signed an agreement with the Jeju Sixth Industry Support Center to promote the growth of the rural convergence industry in Jeju. Based on the agreement, we engaged in cooperative activities with primary and second industry players in Jeju and contributed to mutual growth with the local community using our business resources.

We presented products of local businesses certified by the Jeju Sixth Industry Support Center to our short-term rental car customers to create social value together. We strive to simultaneously enhance social and customer value, such as by providing information on farm tourism programs certified by the center in the booklets placed in our vehicles, and supporting affiliate services in receiving discounts for actual visits.

Banryeo-Beach Program

Putting great emphasis on environmental protection, SK Rent-a-Car has participated in the Banryeo-Beach Program (with "Banryeo" translated into English as "companion"), hosted by the Ministry of Oceans and Fisheries. The project aims to promote a clean environment in Jeju, and it is a program in which companies, institutions, and schools take special care of designated beaches. With Hyeopjae Beach as its "companion beach," SK Rent-a-Car is to engage in activities to preserve the beach area for at least two years starting from July 2021. In 2021, SK Rent-a-Car's employees cleaned the beach areas in partnership with the area's haenyeo (female divers) and the Jeju Sixth Industry Support Center. Furthermore, we held interactive promotional campaigns in Jeju that aimed at improving public awareness on the marine environment. We offered gifts made by Jeju-based social enterprises to customers who visited the Hyeopjae Beach and posted pictures highlighting their participation in beach cleaning activities. We will further conduct programs to raise the customers' awareness of the marine environment this year, particularly during peak summer seasons, a time when beach pollution becomes a concern.

Support for the Warm Journey Program with SR

SR's Warm Journey is a program designed to support the travel of children with disabilities or those in socially marginalized groups. In the program, children take SR's train to a destination city, where they receive vehicle support from SK Rent-a-Car branches near the station to tour adjacent tourist attractions. In 2022, we supported two groups of child travelers. The first group consisted of children aged 9 to 12 living in a group home in Mokpo, and they used our cars to travel around Seoul. The second group comprised of children aged 12 to 13 living in facilities for North Korean defector families, to whom we offered vehicle support for their trip to Busan. We will continue to participate in the Warm Journey project to provide children in marginalized groups with unforgettable travel experiences.

Employee Participation Program

Haenggarae

Promoting "a tomorrow with more happiness," Haenggarae is a mobile platform designed to encourage employee participation in everyday practices that create social value. The platform features environmentally friendly activities for everyday office life, such as turning off office lights, using a tumbler instead of a disposable cup, and walking. Employees engaging in such activities receive social value (SV) points and related rankings, and they are also rewarded with SV credits, which can be used like cash at designated merchants. The program was tested on employees working in our main office in May 2021 and officially launched in February 2022 for all employees in the country. SK Rent-a-Car will include various ESG-related practices to Haenggarae to further encourage employees to participate in efforts to put social value into practice within the company.

Life Sharing On-Tact Project

Amid a nationwide blood shortage driven by a prolonged COVID-19 situation, SK Rent-a-Car participated in the Life Sharing On-Tact Project led by the SK Group along with SK Networks and SK Magic. The Life Sharing On-Tact Project is a large-scale blood donation campaign led by the SK Group under its partnership with the Korean Red Cross. As part of the project, a relay blood donation campaign was held in January 2022 at a bloodmobile in front of the Samil Building with our employees participating. In addition to blood donation, we collected matching donations for patients and families suffering from blood cancer in proportion to the number of campaign participants, and gifts from social enterprises and rewards from the Haenggarae platform were offered to the participants to support the spread of good influences. SK Rent-a-Car will continue to operate blood donation campaigns in 2022.

SV Happiness Sharing

SV Happiness Sharing is an employee-participating program for social contribution that was held in April in celebration of the foundation day and the move to the new integrated office building that houses SK Rent-a-Car, SK Networks, and SK Magic. The program consisted of three activities, including blood donation, tree planting, and contactless kit production for children and the elderly. Each activity was designed to address the issues of blood shortages, climate change, and marginalized groups of people (seniors with dementia and neglected children). The program allowed employees to participate in activities of their interest with the aim of raising their awareness of social issues. Employees joined the program from across the whole country to internalize the corporate spirit of social value creation and shared warmth.

Beach-Cleaning Activities

In an effort to keep a clean marine environment, we cleaned up the beach in Handong-ri, Gujwa-eup in Jeju under the "Making the Seas of Jeju Clean Together" program in 2020, and participated in the "Banryeo Beach Program" hosted by the Ministry of Oceans and Fisheries in July 2021, officially adopting Hyeopjae Beach and carrying out more regular and responsible beach-cleaning and protection activities. Our employees visited the beach in July, October, and November in 2021 for cleaning activities, and they will continue to engage in regular beach-cleaning activities in 2022.



Employees Who Participated in Beach-Cleaning Activities in 2021

Cumulative number of participants — 84



ZERO-EMISSION

Climate Action

Climate Action	46
Green Management	51

Zero-Emission

SK Rent-a-Car acknowledges the gravity of the climate crisis. That is why we strive to do our best to fulfill our environmental responsibilities. In response to the climate crisis, we have designated core tasks of our own, introduced eco-friendly products and services, and engaged in green management practices to promote energy efficiency.



BACKGROUND INFORMATION

The car rental business tends to grow as the number of vehicles purchased increases. The growth in the business also contributes to the amount of greenhouse gas emissions in the transportation sector. Following the proclamation of the nationally determined contribution (NDC) conveying the greenhouse gas reduction goal for 2030, it has become increasingly vital for companies to respond to climate change and consider environmental impacts when engaging in business activities. Accordingly, the automotive industry has been drastically shifting from ICEVs to nonpolluting vehicles over the recent years, influencing stakeholders including automakers, auto part manufacturers and repair shops.

SKR VISION

SK Rent-a-Car will strive to achieve Net Zero by 2040.

REPORTING SCOPE



Climate Action



Green management

Environment

SK Rent-a-Car is fully aware of its corporate responsibilities concerning climate change response and greenhouse gas emission reduction. As such, we seek to minimize our impact on the environment and incorporate environmental factors in our decision-making process.

SKR Strategy

Objective

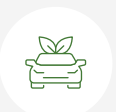


Reduce annual greenhouse gas emissions by **4.5%** by 2031
(Based on greenhouse gas emissions in 2021)

Focus Areas



Strengthen the climate change response system



Expand the number of nonpolluting vehicles

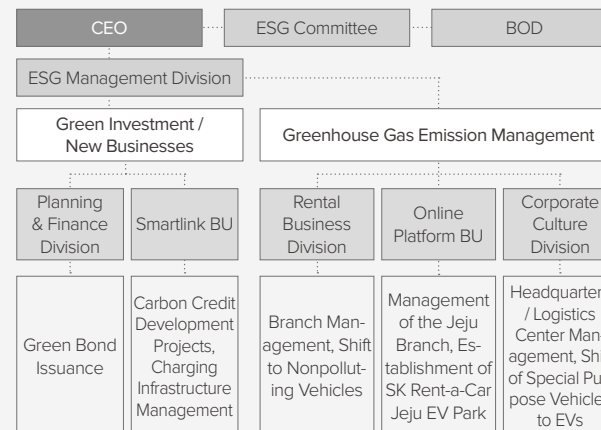


Increase the use of renewable energy sources



Internalize a green management system

Organization Chart



Climate Action

Climate Crisis Response System

Mid/Long-Term Strategy - Net Zero by 2040 & EV100

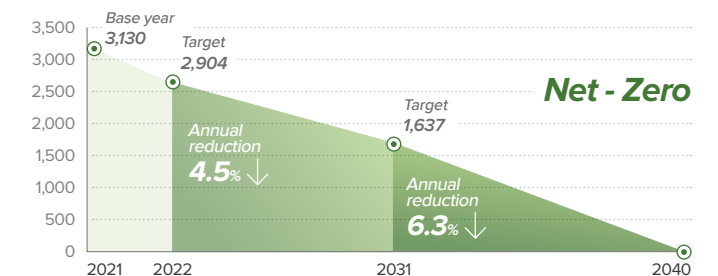
SK Rent-a-Car has developed long-term goals and relevant action plans to strategically respond to the climate crisis. By 2030, we will convert 100% of our rental fleet into nonpolluting vehicles to achieve net zero emissions by 2040. In March 2021, we announced our participation in the K-EV100 a Korean initiative led by the Ministry of Environment to transition into nonpolluting vehicles, and joined the Climate Group's EV100 initiative in November. We will present our mid/long-term road map to transition into eco-friendly vehicles (EVs and hydrogen vehicles) and disclose our annual performance in reaching the goal.

Short-Term Action Plan

We have set our annual greenhouse gas emission reduction targets to achieve net zero emissions by 2040 which is our mid/long-term goal. Regarding greenhouse gas emissions resulting from business operations, we aim to cut them by 7.2% in 2022, 4.5% annually through 2031, and 6.3% annually through 2040 based on 2021 emissions. Furthermore, we are working to join the Science Based Targets initiative (SBTi) to provide greater reliability to our stakeholders.

SK Rent-a-Car Net Zero 2040 Scenario

(Unit: tCO₂-eq)



Climate Crisis Risk Management

We have set climate-related risks and opportunities as major criteria for screening and reviewing investment activities to identify climate crisis impacts on business, society, and environment, and preemptively respond to related risks. Accordingly, we closely review ESG elements in planning business expansion, investment, and financing. Furthermore, we have established a governance system where the ESG Committee discusses the climate crisis impacts on SK Rent-a-Car's business operations to ensure sustainable management strategies and business directions.



Greenhouse Gas Emission Reduction

100% Conversion to Electric Vehicles

We plan to convert all of our 200 thousand vehicles into EVs to reduce greenhouse gas emissions from our business operations and spearhead the future mobility market. Furthermore, we have set our mid/long-term goal for 100% EV adoption (EV100) and we integrate it into our KPI every year to accelerate the conversion process. In 2021, we purchased 5,000 EVs, 40% more than our target of 3,500 units for the year under the EV100 roadmap. In addition to simply supplying EVs, we will expand EV-related infrastructure to promote its expansion so that more people can experience EVs. We plan to build the EV-exclusive rental complex SK Rent-a-Car Jeju EV Park and convert 100% of the 3,000 cars in the region into EVs by 2025. We expect the park to serve as a place where customers visiting SK Rent-a-Car in Jeju (around 1 million per year) experience and become more familiar with EVs.

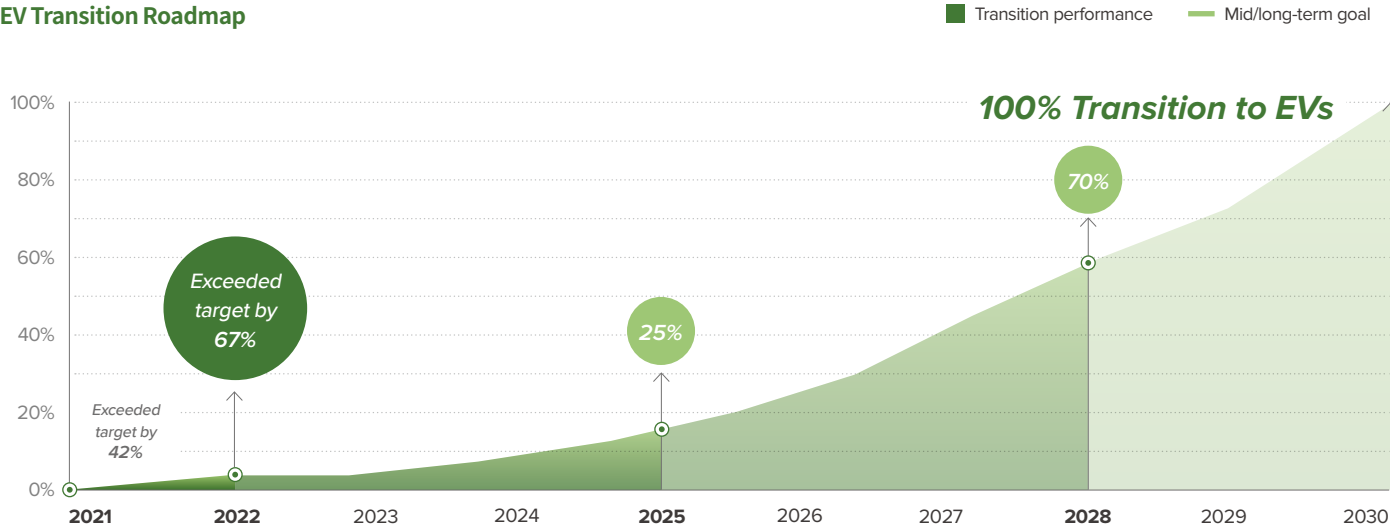
Greenhouse Gas Emission Management

Since 2020, we have gauged the source of greenhouse gas emissions from all of our business sites and those from our subsidiary SK Rent-a-Car Service to precisely measure and effectively reduce them. In addition, we have classified greenhouse gases from customers' vehicle use as Scope 3 emissions (other indirect emissions).

As a rental car company, we lease several small business sites and monitor their energy consumption, including in offices, logistics centers, and trading centers. Furthermore, each business organization manages its energy usage data to meet its emission reduction target. Such data are reported to management and used for the calculation of greenhouse gas emissions. As for rental cars, a major source of greenhouse gas emissions, we have set a separate goal to transition to EVs. The progress is reported to management every month, and improvement plans are developed for any unmet targets.

SK Rent-a-Car's greenhouse gas emissions (including those from SK Rent-a-Car Service) for 2022 are set to be reduced by 7.2% from the previous year to 2,904 tCO2-eq. Emission reduction targets shall be achieved by converting business-purpose vehicles into EVs, using solar power (including self-generated energy and purchasing power under the KEPCO's green premium program), and utilizing existing renewable energy certificates. Furthermore, we have included greenhouse gas emission reduction goals in company-wide KPIs to better meet our net zero target. Each organization has set its target to reduce power consumption, with some of the organizations' set targets for renewable energy consumption and conversion of business-purpose vehicles into EVs. Such targets are reviewed by the ESG Committee and reflected in the overall management plan.

EV Transition Roadmap



In 2021, greenhouse gas emissions from business sites decreased by 980 tons, thanks to office relocation/integration and logistics/trading center optimization. Furthermore, the number of eco-friendly vehicles increased by three times compared to 2020, leading to a greenhouse gas emission reduction of more than 11,000 tons. We will further reduce emissions by completely converting our commercial vehicles to EVs as well.

SPECIAL PAGE

SK Rent-a-Car Jeju EV Park

In June 2021, we officially announced our plan to build SK Rent-a-Car Jeju EV Park, an EV-exclusive complex in Jeju. We plan to invest around KRW 40.6 billion in building a 27,688 m² rental complex dedicated to EVs to expand the EV infrastructure. Construction for SK Rent-a-Car Jeju EV Park is scheduled to be completed by 2023, with all registered vehicles to be converted into EVs in phases by 2025.

In addition to establishing an EV-rental complex and expanding our EV fleet, we seek to build one of the largest charging facilities in Korea, laying the foundation for a new mobility ecosystem. In April 2021, we signed a partnership agreement with KEPCO to develop a 7,200 kW charging facility in order to operate 3,000 EVs in Jeju by 2025. Furthermore, we plan to establish SK Rent-a-Car EV Park Seogwipo, where our customers can lounge and use EV charging services. SK Rent-a-Car EV Park Seogwipo will have a size of 2,950 m² and will include a 1,000 kW open charging station for not only our customers but also the general public.

Jeju City is currently working on an initiative to transform Jeju Island into a carbon-free island (CFI) by 2030 in response to the climate crisis. We hope that SK Rent-a-Car Jeju EV Park will contribute to fulfilling the city's initiative.

KRW 40.6
billion invested



27,688 m²
rental complex



7,200 kW

EV charging facility in development
(Joint development with KEPCO)



100%

Transition to EVs by 2025
(Total of 3,000 vehicles)





High ceilings and art walls to be featured in the car exhibition space at the pick-up tower



EV chargers installed in the pick-up tower providing customers with exceptional charging experiences

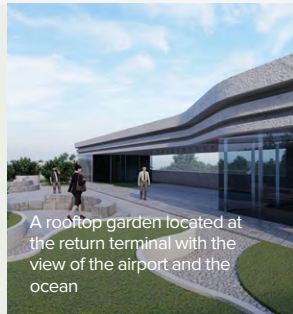
CASE STUDY

SK Rent-a-Car Jeju EV Park – Green Building

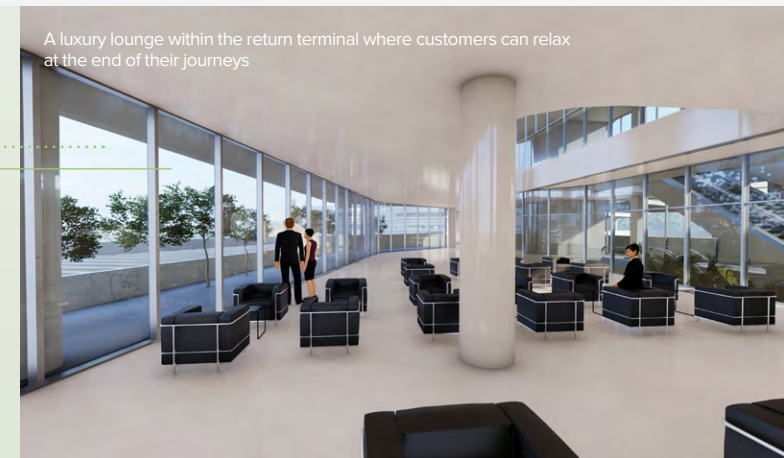
SK Rent-a-Car Jeju EV Park will be built as a green facility that satisfies the standards for eco-friendly construction after carefully considering its possible impacts on the transportation, energy use, and environment of nearby local communities. As part of the efforts to make the space eco-friendly, we plan to install solar power systems for renewable energy production. In particular, we will adopt building-integrated photovoltaics (BIPV) to seamlessly integrate solar power systems into various locations and ensure an effective solar energy supply.



A media bridge seamlessly connecting two buildings



A rooftop garden located at the return terminal with the view of the airport and the ocean



A luxury lounge within the return terminal where customers can relax at the end of their journeys

Expansion of Renewable Energy Sources

Expansion of Solar Power Facilities

In 2016, SK Rent-a-Car's Jeju branch kicked off a project for installing 185kWp solar panels to promote the transition toward renewable energy sources. In 2021, the installation reflected 162MWh of renewable energy production. The installed panels also serve as a rain shelter, helping customers access vehicles in a pleasant environment, even when it is raining.

In October 2021, we installed 62kWp solar panels for self-power generation in our logistics center in Busan. Then, in January 2022, we installed a 60 kWp self-power generation facility at the Billycar branch in Jeju to expand the use of renewable energy. With solar panels installed at two branches in Jeju and the Busan logistics center, we pursue both social and environmental values by providing a rain shelter for customers and employees.

Renewable Energy Purchases

SK Rent-a-Car is making multifaceted efforts to overcome the renewable energy infrastructure limits and expand the use of renewable sources. In 2022, we entered into a purchase agreement for KEPCO's green premium worth of 302MWh. Furthermore, we are also considering other options to increase the proportion of renewables in our total energy use, such as self-power generation, the Power Purchase Agreement, and Renewable Energy Certificates.



Busan logistics center

Expansion of Eco-Friendly Businesses

Greenhouse Gas Emission Reduction Project

We have developed EV Smartlink, a system that verifies vehicle-related information based on our integrated vehicle management solution Smartlink to precisely measure the amount of emissions reduced from an increase in EV fleet and obtain recognition of our methodology to reduce greenhouse gas emissions in the transportation sector in the carbon credit trading system, pursuant to the Framework Act on Low Carbon, Green Growth. In October 2020, along with SK Telecom, we applied to participate in the Ministry of Land, Infrastructure and Transport's (MOLIT) Greenhouse Gas Emission Offset External Project using electric vehicles. We secured emission reduction data for approximately 60 EVs at the Billycar branch in Jeju. Using EV Smartlink, we obtained reliable data regarding greenhouse gas emissions and charging/discharging amounts for different driving conditions based on 75 categories of vehicle operation information, including EV battery control, motor control, and charging control. The data showed that our EVs would lead to around 150 tons of greenhouse gas emission reductions compared to when using ICEVs. With this, our emission reduction project passed the Emissions Certification Committee review and obtained the MOLIT's final approval in January 2022. Moving forward, we will continue to convert our fleet into EVs and obtain offset emission permits to further create environmental values.



SK Rent-a-Car Jeju branch

Implementation of V2G* Projects

Korea has often experienced power supply shortages with coal-fired power plants, which represent a sizable portion of the overall power production. In particular, power plants are constantly operating to supply power during peak hours when power demand surges. As a result, coal-fired power plants accounted for 38% of 700 tons of domestic greenhouse gas emissions in 2019. In Jeju, there is an imbalance in power supply and demand due to excessive power generation during the daytime from the increase in renewable energy power generation facilities. As a result, the number of wind power generation output restrictions have increased every year, and recently, there have also been solar power output restrictions. SK Rent-a-Car has launched a vehicle-to-grid (V2G) test bed project in partnership with KEPCO, using the EV batteries we own as an energy storage system (ESS) to contribute to stabilizing the power supply and demand in Jeju.

By December 2022, the two companies are expected to develop grids and control systems required for implementing V2G technologies before kicking off a pilot project in 2023 using the EVs at SK Rent-a-Car Jeju EV Park. By 2024, when the project is carried out in earnest, SK Rent-a-Car expects to minimize energy loss by storing the surplus electricity from renewable energy and midnight energy using its increased EV fleet in SK Rent-a-Car Jeju EV Park as ESSs to rely less on coal-fired power plants and cut down greenhouse gas emissions resulting from power plant operations.

* V2G: Vehicle-to-grid

Green Management

SK Rent-a-Car has acquired the ISO 14001 certification to obtain external recognition for its green management policies. In order to internalize green policies and grow into a sustainable company, we are continuously communicating the importance of green management with employees and inviting employees to our efforts for sustainable growth.

Circular Economy

Promoting Electronic Contracts

In 2013, SK Rent-a-Car was the first in the industry to adopt an electronic contract system for short-term contracts to reduce paper consumption from paper-based agreements. Thanks to the system, we reduced the use of 800 sheets of contract paper in the Jeju branch per day.

Since then, we have developed our e-contract system to create a service that allows customers to register their information online and pick up their vehicles upon arrival at our branch. In 2021, we rolled out the SK Rent-a-Car Direct, an online-exclusive service that handles various tasks from quotation to contracting for long-term rental contracts. The service has not only saved resources, but also improved customers' convenience, allowing them to skip paper submissions required under the existing paper-based contract system.

Internal Environmental Campaigns

Our head office conducts various environmental campaigns to improve employees' awareness on environmental protection. We have switched disposable paper cups at our office building to reusable mugs and sought to reduce paper consumption by installing toilet bidets and hand dryers. As such, we are trying to provide alternative methods better to the environment.

Green Bonds

We announced our participation in the K-EV100, a Korean initiative to promote the transition into nonpolluting vehicles, and joined the Climate Group's global EV100 initiative in 2021 to achieve our major goal of converting 100% to eco-friendly vehicles. Furthermore, we issued our first green bonds worth of KRW 98 billion in February 2021 to facilitate the conversion into nonpolluting vehicles. Proceeds from bond issuance were used to purchase 2,251 standard and hydrogen EVs, and the purchased vehicles are expected to reduce 5,883 tons of greenhouse gas emission annually. In other words, every KRW 100 million bond issuance can be considered to contribute to a reduction of 6 tons of emissions.

SK Rent-a-Car's green bonds received evaluations from the Korea Investors Service and were granted the highest credit rating, thanks to the prompt investment of the proceeds in eligible projects and the establishment of a transparent fund management system for disclosing related information.

Evaluation of SK Rent-a-Car's Green Bonds

Overview	
Issuer	SK Rent-a-Car
Subject of evaluation	No. 45-2 unguaranteed bond (green bond)
Evaluation type	Ex post evaluation (regular evaluation)
Issuance amount	KRW 98 billion
Issuance date	February 4, 2021
Expiry date	February 4, 2026 (5 years) * Capital use completed in August 2021



Office campaigns for the environment

Evaluation results	
Final evaluation GB1 (Highest rating)	Part1 evaluation E1 (Excellent, highest rating)
	Part2 evaluation M1 (Excellent, highest rating)



ETHICAL GOVERNANCE

Transparent Governance Structure

Governance	54
Ethical Management	61
Compliance	64

Ethical Governance

SK Rent-a-Car implements transparent management based on a structure of healthy governance. We have established a transparent information disclosure system to gain the trust of all stakeholders and ensure stable management. We also put great emphasis on ethical management and compliance activities across all business areas.



BACKGROUND INFORMATION

Transparent corporate governance represents the foundation of sustainable management. Amid a rapidly changing industrial landscape, companies increasingly face the need to manage various new risks and opportunities. With this backdrop, key stakeholders, including shareholders, investors, and employees, are increasingly calling for a fair, transparent, and professional governance system. To meet stakeholders' expectations and achieve sustainable growth, SK Rent-a-Car is further strengthening its ethical governance system.

SKR VISION

SK Rent-a-Car practices transparent management policies under the BOD. We consider ethical management our driving force to maximize profits for investors and create value for our customers.

REPORTING SCOPE



Governance



Ethical
Management



Compliance

Governance

To improve shareholder value and protect shareholder rights, SK Rent-a-Car strives to create a transparent, sound and stable governance structure and build a foundation for reasonable management practices. This is because we believe the key to sustainable growth lies in the trust gained from our shareholders.

SKR Strategy

Objective



Continuous improvements for a sound and transparent governance structure

Focus Areas



Create the highest decision-making body of diversity, expertise, and independence



Operate a BOD that promotes collective intelligence via open communication and discussion



Strengthen information-sharing with shareholders, investors, business partners, and society



Establish a scheme for systematic ethical management and risk management

Organization Chart

CEO

Director of the BOD Secretariat

BOD Composition and Operation

Integrated Risk Management

Board Composition

Appointment of Directors

For executive directors and nonexecutive directors, experts in business management and business strategies are recommended to the BOD. In March 2021, we established Independent Director Candidate Recommendation Committee to ensure a thorough and objective screening process for independent directors. Information about the candidates is reviewed by the committee and the BOD. It is then transparently sent to our shareholders before the general shareholders' meeting as part of the general shareholders' meeting announcement. Appointment of directors is subject to the shareholders' approval at the meeting.

Key Features of the BOD

Independence

SK Rent-a-Car runs its BOD to ensure balanced and objective decision-making through its focus on independent directors whose independence is verified. In 2021, independent directors comprised 60% of the BOD, a level that exceeds the requirement of the Commerical Act. Furthermore, we separated the role of the BOD chair and the CEO to decrease reliance and strengthen the BOD's independence and transparency of management.

Diversity and Expertise

SK Rent-a-Car appoints BOD members based on various fields of expertise, not reflecting factors such as gender, regional affiliation and age. In 2021, we appointed a female independent director, pursuing gender diversity with the BOD. We recommend candidates who have accumulated knowledge and expertise regarding our management operations as executive and nonexecutive directors and appoint independent director candidates with expertise in diverse fields necessary for business operations. For our Audit Committee in particular, we frequently provide relevant training programs necessary for the conducting of audits to strengthen its expertise.

SPECIAL PAGE

Board Overview

SK Rent-a-Car operates the BOD with transparency and due process to ensure its diversity, expertise and independence.

As of April 2022, the BOD consists of one executive director, three independent directors, and one nonexecutive director appointed at the general shareholders' meeting.

Under the BOD, we operate the Independent Director Candidate Recommendation Committee and ESG Committee, as well as the Audit Committee that consists entirely of independent directors.



Lee Ho Jung Nonexecutive director (Male)
 | Term | 2022.03.28~2025.03.28
 | Area of expertise | Business
 | Professional background |
 Current head of the Management Support
 Department at SK Networks
 Former center director of SK Investment
 Center 2
 Former head of SK Investment Center 3
 | Committee |
 ESG Committee member

Kim Byung Ok Independent director (Male)
 | Term | 2022.03.28~2025.03.28
 | Area of expertise | Law and accounting
 | Professional background |
 Current lawyer at Sojong Partners
 Former member of the administrative trial committee
 at the Seoul Metropolitan Office of Education
 Former member of the accounting system review
 committee at the Financial Services Commission
 | Committee |
 Audit Committee chair and Independent Director
 Recommendation Committee member

Song Won Ja Independent director (Female)
 | Term | 2021.03.24~2024.03.24
 | Area of expertise | Accounting
 | Professional background |
 Current assistant professor at the
 University of Suwon
 Former member of the Board of
 Trustees and Women's Committee
 at the Korean Institute of Certified
 Public Accountants
 Former partner at Deloitte Anjin
 LLC
 | Committee |
 Audit Committee member and ESG
 Committee member

Hwang Il Moon Executive director (Male)
 | Term | 2021.03.24~2024.03.24
 | Area of expertise | Business
 | Professional background |
 Current CEO of SK Rent-a-Car
 Former head of Walker Hill at SK Networks
 Former head of the Planning Department
 at SK Networks
 | Committee |
 ESG Committee chair and Independent
 Director Candidate Recommendation
 Committee member

Park Hae Sik Independent director (Male)
 | Term | 2022.03.28~2025.03.28
 | Area of expertise | Law
 | Professional background |
 Current lawyer at Yulchon LLC
 Current securities and finance institute head at the Seoul Bar
 Association
 Current member of the Ministry of Land, Infrastructure and
 Transport's Central Land Demand Committee
 Current member of Dispute Resolution Committee at the Korea
 at the Korea Communications Commission
 Former judge at the Bucheon branch of the Incheon District Court
 | Committee |
 BOD chair / Independent Director Recommendation Committee
 chair, Audit Committee member and ESG Committee member



“ I will do my best to create a BOD that engages in transparent decision-making, communicates with employees, and fulfills its responsibility to overview business activities. ”

Kim Byung Ok (Director)

“ Amid the rising importance of sustainable management and ESG practices, it has become increasingly important for the company to protect the rights of the shareholders and members of society. As a BOD member of SK Rent-a-Car, I will do my best to help the BOD move from simply monitoring management to playing an important role in promoting the healthy growth of our ecosystem for both the company and its stakeholders. ”

Lee Ho Jung (Director)



“ ESG management must represent the center of a company’s management philosophy and be the main driver of a company’s very existence. Based on active discussions and open communication, we will continue our journey of ESG management with firm leadership to pursue the happiness of our stakeholders and the next generation. ”

Hwang Il Moon (CEO)



“ The BOD’s role has become more significant as ESG factors have become an increasingly integral part of corporate management. SK Rent-a-Car’s BOD will not only review major ESG-related issues but also listen to the opinions and feedback of our current and potential stakeholders, shareholders, creditors, and the government to maximize corporate value and achieve sustainable management, getting the best of both worlds. ”

Song Won Ja (Director)



“ SK Rent-a-Car will strive to provide innovative and convenient services to our customers. We ask for your continued encouragement and suggestions to drive us forward in our journey to become a long-lasting, sustainable company. ”

Park Hae Sik (Chair)

Board Management

Board Responsibilities

The BOD’s main responsibilities include setting the company’s management goals and strategies, and supervising the management to maximize the profits of the company and its shareholders. Therefore, SK Rent-a-Car’s BOD fulfills its role as a decision-making and supervisory body regarding management issues, including developing corporate goals and strategies and establishing policies for governance structure improvement. Major decisions regarding the company are made through BOD resolutions. In particular, details for management plans and performances must be reported to the BOD. In addition, we have established a Secretariat of the BOD to offer systematic support and facilitate the work of the BOD.

Board Operations and Activities

Regular BOD meetings are held once a month according to the BOD protocols, with additional meetings conducted whenever necessary. In 2021, the BOD had a total of 10 meetings and discussed 48 agenda items, with its meeting attendance rate recording 100%. Details on the meeting including agendas are disclosed on our website.

Board Meetings Overview

Category	2020	2021
No. of BOD meetings held	11	10
No. of agendas discussed	53	48

Board Meeting Attendance Rates

Category	2020	2021
Executive director attendance rate (%)	81.8	100
Independent director attendance rate (%)	100	100

CASE STUDY

2021 Meeting Agenda – Enactment of a Corporate Governance Charter

SK Rent-a-Car seeks to create a BOD promoting healthy communication for exchanging views and making decisions rather than one that exists simply as a formality. In 2021, the BOD meeting attendance rate reached 100%, evidencing the strong engagement of our BOD members, who faithfully fulfill their decision-making responsibilities based on thorough reviews and discussions.

At the eighth BOD meeting held in October 2021, the BOD granted the revised approval on “Agenda Item No. 2: Enactment of a Corporate Governance Charter” to reflect amendments recommended by the ESG Committee. The preamble and detailed provisions (Articles 4, 9, 10, and 13) were revised following recommendations to add declarative sentences to the preamble and subsections and amend them in a way that better reflects SK Rent-a-Car’s management structure.

As disclosed in the “Status of Governance Structure of Companies Subject to Mandatory Disclosure of Corporate Governance Reports in 2020” released by the Fair Trade Commission, 99.51% of agenda items presented at BODs of related companies were passed in their original form. We will strive to ensure that our BOD goes beyond the institutional framework to become an organization that contributes substantially to the company’s qualitative improvement.

Participation Rate of
BOD Meetings



100%

Approved Agenda Items from
BOD Meetings

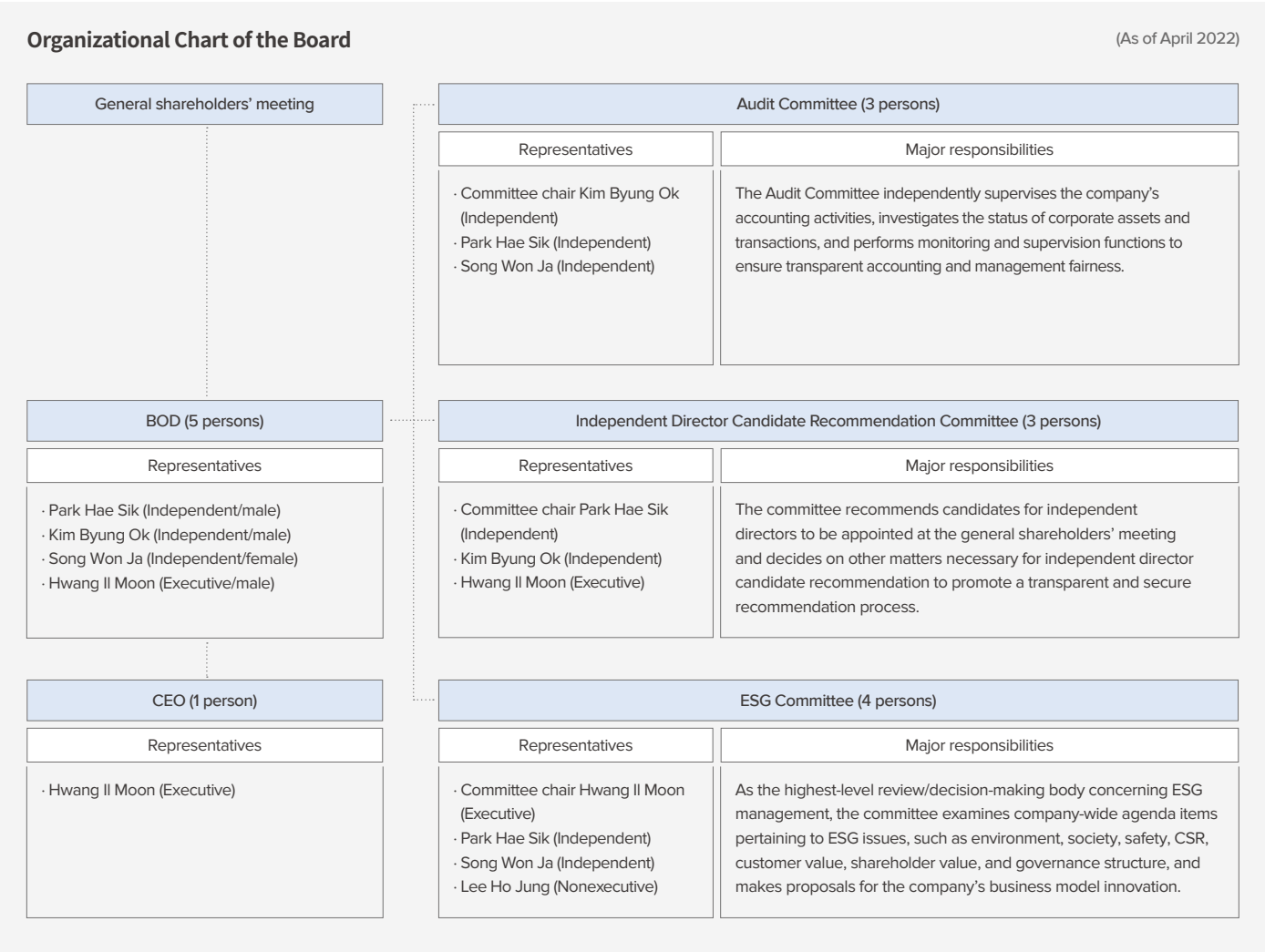


99.51%



Committees within the Board

In March 2021, SK Rent-a-Car established the Audit Committee, Independent Director Candidate Recommendation Committee, and ESG Committee to ensure efficient operations under the BOD. In the same year, a total of six meetings were conducted for the Audit Committee and three for the ESG Committee. Meanwhile, the Independent Director Candidate Recommendation Committee held its first meeting since its establishment in March 2022.



Board Evaluation and Remuneration

We provide remuneration to BOD directors within the scope approved at the general shareholders' meeting, while remuneration for independent directors includes base salaries and minimum employee benefits without bonuses. Base salaries are determined considering the job performance, level of professionalism, and company's management environment. Meanwhile, remuneration for executive directors is set based on our HR management regulations for executives.

Base salaries for executive directors are determined within a specific ceiling, considering the job performance, level of professionalism, and degree of contribution to the company's management performance, with appropriate bonuses offered based on quantitative criteria (e.g., the company's sales and operating profits) and qualitative criteria (e.g., the achievement of strategic goals and leadership levels). The total remuneration amount and average remuneration amount per person are transparently disclosed in our annual reports in accordance with the relevant regulations.

Board Remuneration in 2021			
(Unit: KRW million)			
Category	No. of persons	Total remuneration amount	Average remuneration amount per person
Executive directors	2	1,055	527
Independent directors	3	160	53

Shareholder-Friendly Management

Protection of Shareholders' Rights

SK Rent-a-Car provides all the information shareholders need to exercise their rights in a timely manner and ensures that shareholders can exercise their rights with due process. We conduct general shareholders' meetings outside of concentrated dates to facilitate participation. Furthermore, we adopted an e-voting system in 2019 which continues to be in operation, and we adopted a system for recommending proxy voting in 2021 and are continuing to expand and improve methods to ensure more convenient and diverse exercise of shareholders' voting rights.

Communication with Shareholders

We have been disclosing our quarterly business performances not only on our website but also on websites including the Financial Supervisory Service's Data Analysis, Retrieval, and Transfer System (DART) and the Korea Exchange's disclosure system to gain the shareholders' and investors' trust and present our competitiveness to the public. In addition, we hold company presentations and conduct investor relations (IR) activities including conferences regularly to communicate with our investors. Because of this, we will continue to strengthen our efforts in communicating with our investors, reflecting their opinions collected through IR activities.

IR Activities in 2021

No. of general shareholders' meetings held	1
No. of company presentations held	2
Early announcements of business performances	3
IR activities conducted, including conferences	47
DART disclosures	49

Risk Management

Risk Management System

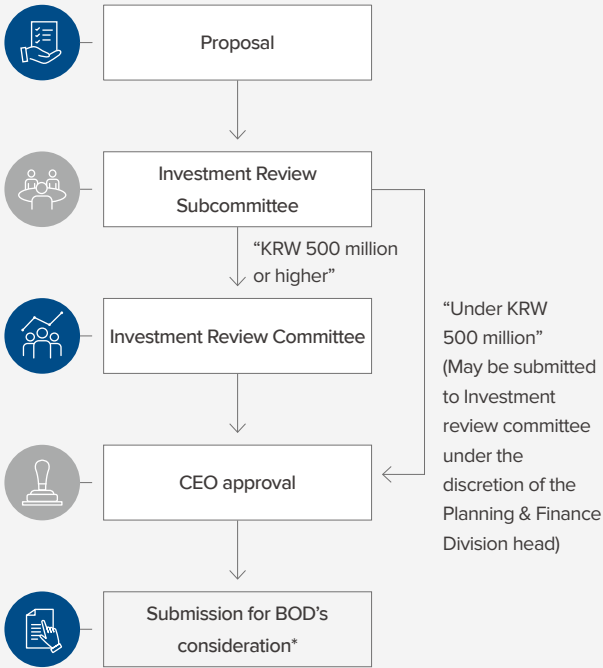
A company's business operation tends to be exposed to various risks regarding finance, environment, society, corporate governance, and laws. Given this, SK Rent-a-Car operates internal organizations and control policies to predict and effectively manage such risks. We are also seeking to improve our system by establishing organizations required for internal control measures, adjusting relevant roles and revising our internal regulations.

SK Rent-a-Car has a dedicated organization that manages and responds to potential risks that could occur in business operations, with major issues subject to the BOD's supervision, focusing on the ESG Committee and the Audit Committee. In 2021, we adopted a compliance officer system to promote and monitor compliance, relevant activities, company-wide risk management, and the implementation of ethical management practices. Furthermore, an internal accounting manager has been appointed to ensure systematic risk management across the whole company by effectively designing and operating internal accounting policies.

In addition, SK Rent-a-Car has established the Investment Review Committee to identify and respond to potential risks before making investments to new businesses. A meeting is held by the Investment Review Committee or the Investment Review Subcommittee depending on the investment amount, with risk management/response measures and ESG management factors examined during the review process. The committee members' final evaluation further helps SK Rent-a-Car reduce ESG-related risks.

Risk Management System

1. Operating Process



* Matters subject to submission for the BOD's consideration:

- 1) Investment of an amount equivalent to or higher than 1.5% shareholders' equity based on the end-level the previous year (KRW 7.28 billion, as of April 2022)
- 2) Transactions with SK Networks or SK Magic (following the BOD's regulations)

2. Operating Method

- 1) Final evaluation conducted based on committee members' opinions
 - Pass or fail, decided by a majority vote of the committee members
- 2) Final decision made by the CEO reflecting the final evaluation results
- 3) Expense request drafted for the investment plan that obtained the final approval (subject to the CEO's approval and consent for support of the Planning & Finance Division head)

Risk Management Areas

SK Rent-a-Car divides risks into financial and nonfinancial risks to ensure systematic risk analysis and management. Financial risks refer to those resulting from market and capital-related factors while nonfinancial risks stem from factors related to the environment, ethics, human rights, and compliance matters.

Financial Risks

In managing financial risks, we have established the Audit Committee to stabilize our financial structure and enable efficient capital operations. Furthermore, various business departments jointly monitor corporate business models regularly to minimize potential financial risks. Meanwhile, the dedicated accounting team receives external auditing and seeks to eliminate tax-related risks by supervising internal accounting systems.

Also, in response to market-related risks, we closely monitor economic fluctuations and resulting changes in price or demand of secondhand cars. Furthermore, we examine further factors that affect secondhand car prices, such as domestic supply-demand conditions and signposts to preemptively implement price-defense strategies. Moreover, we seek to improve price ratios through measures, such as diversifying sales channel portfolios and rebalancing the sales channel mix in line with market conditions.

SK Rent-a-Car responds to risks that could arise from inventory discrepancies due to theft or loss. We also deal with risks of inventory price declines because of a prolonged selling period. In September 2021, we integrated the trading centers and established an LPR-based inventory management system to identify inventories in real time. We also manage inventory ledgers daily and conduct thorough inventory inspections to minimize inventory-related risks. Lastly, we have adopted channel-based sales standards in ensuring all sales are completed within 60 days to prevent a potential value depreciation because of inventory accumulation.

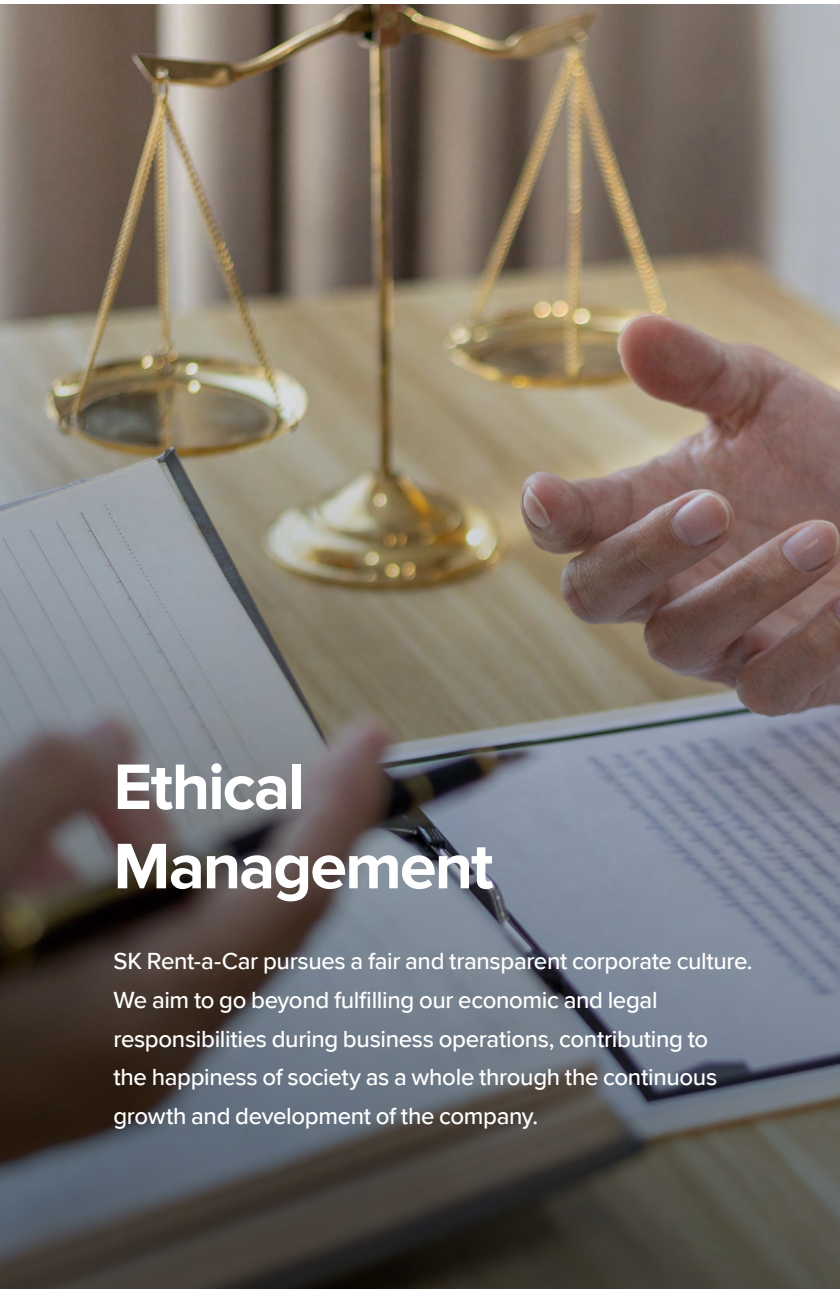
Nonfinancial Risks

In 2021, SK Rent-a-Car established the ESG Committee under the BOD to strengthen the response system to non financial risks. The committee has conducted meetings regularly and discussed ESG agendas to strengthen corporate risk management. We will continue to make multifaceted efforts in identifying and preventing potential risks.

Nonfinancial Risks Reviewed

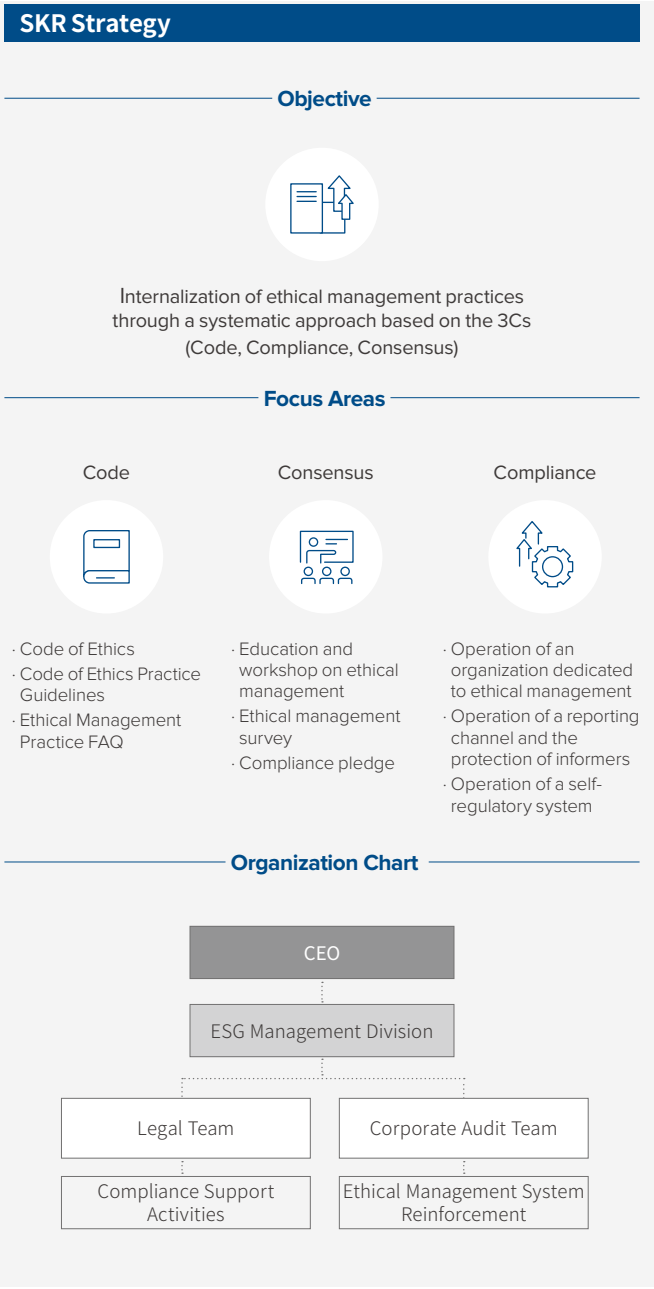
June 8, 2021 (First ESG Committee meeting)	① Agenda Item No. 1 for review: Investment in SK Rent-a-Car Jeju EV Park
	② Agenda Item No. 1 for report: Investment status of SK Rent-a-Car
	③ Agenda Item No. 2 for report: SK Rent-a-Car's social contribution activities in 2021
September 28, 2021 (Second ESG Committee meeting)	① Agenda Item No. 1 for review: Overview and forecast on KCGS's ESG ratings
	② Agenda Item No. 2 for review: Joining the EV100 initiative
	③ Agenda Item No. 3 for review: Introduction of a corporate governance charter
	④ Agenda Item No. 4 for review: Directions for SK Rent-a-Car's investment activities
November 10, 2021 (Third ESG Committee meeting)	① Agenda Item No. 1 for review: SK Rent-a-Car's Financial Story
	② Agenda Item No. 2 for review: Understanding and implementing ESG Practices





Ethical Management

SK Rent-a-Car pursues a fair and transparent corporate culture. We aim to go beyond fulfilling our economic and legal responsibilities during business operations, contributing to the happiness of society as a whole through the continuous growth and development of the company.



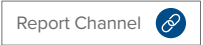
SK Rent-a-Car Code of Ethics

Attitude toward customers	We shall continue to satisfy our customers to gain their trust and ultimately share happiness with our customers.
Basic ethics of employees	All employees shall build a corporate culture of happiness to achieve VWBE* without any unnecessary conflict and achieve the vision of both the company and themselves at the same time. * VWBE: SK's corporate culture of Voluntary, Willingly, and Brain Engagement attitudes
Responsibility to shareholders	We shall remain fully committed to increasing corporate value to create the value of shareholders. To this end, we pursue efficient and transparent management.
Relationship with our business partners	We shall pursue mutual benefits and shared development with our business partners, and compete fairly with our competitors.
Responsibilities to society	As a healthy member of society, we shall engage in management activities that meet social and ethical standards to contribute towards the development of the nation and society, and we shall make the utmost efforts to become a company with the trust of society.

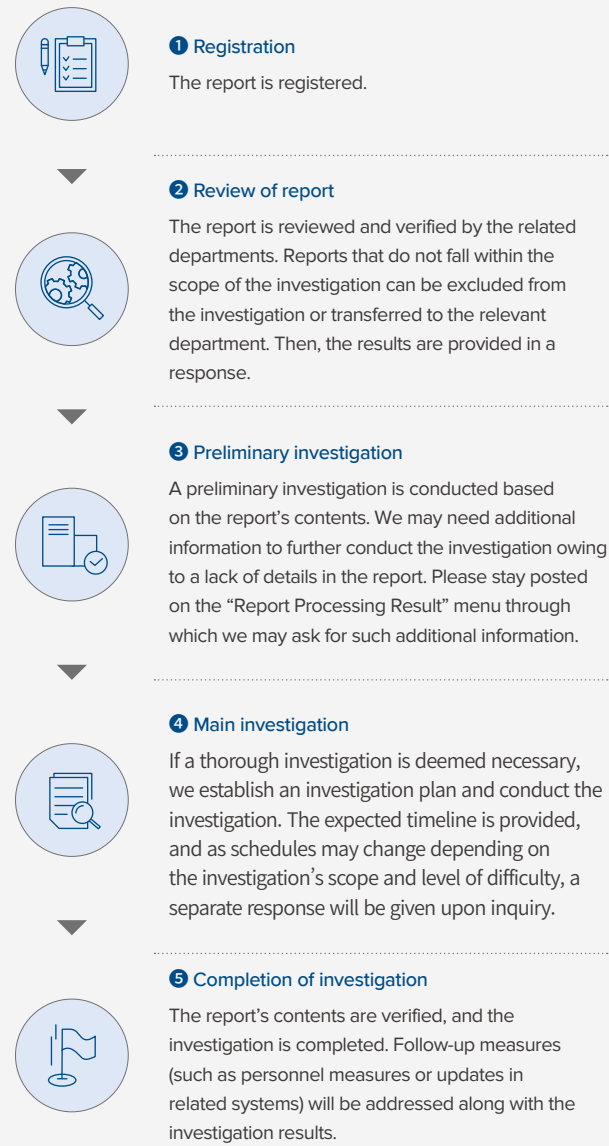
Operation of a Reporting Channel and Whistleblower Protection Program

SK Rent-a-Car operates a reporting channel for those who have witnessed a violation of the company's ethical management principles, and the reporting can be done by name or anonymously. Any action that involves ethical problems, such as malpractice against business partners, a lack of respect among employees, inappropriate work processing, or violations of social values, is subject to reporting.

In addition, we operate a thorough whistleblower protection program to ensure that whistleblowers do not face any punitive measures or discrimination that may result from the reporting. The whistleblower's identity, report content, and information of those who cooperate in the investigation are kept strictly confidential.



Processing Steps



Whistleblower Protection Program



Risk Prevention System Operation

SK Rent-a-Car reviews the operation status of its risk prevention system. We ensure preemptive risk management by drafting checklists for major business areas and having each business unit voluntarily review its risk management status and solve related issues. The checklists consist of categories for reviewing and assessing risks in various areas appropriate to the characteristic of each job, including HR management, cost management, purchase/business partner management, sales/bond management, investment management system, inventory management, and unusual factors.

Ethical Management Activities

SK Rent-a-Car conducts various activities to promote employees’ ethical awareness and encourage ethical behaviors.

Ethics in Practice

Compliance Pledge

SK Rent-a-Car receives compliance pledges from employees stating the main contents of the Code of Ethics and agreements to comply therewith. By taking the pledge, employees get to understand the Code of Ethics and related guidelines and are encouraged to make decisions based on appropriate ethical standards.

Education Programs for Ethical Management

SK Rent-a-Car actively encourages its employees to participate in ethical management education programs to internalize ethical management. In May 2021, related education programs were conducted for all employees, with extra sessions held for dispatched workers in June 2021. Ethical management education programs have been held annually since 2016 to improve the SK Group employees’ ethical awareness. All SK Group affiliates have participated in developing high-quality educational content that relates to the actual working environment. The participation rate in ethical management education reached 100% consecutively in 2021 and 2020.

Ethical Management Education

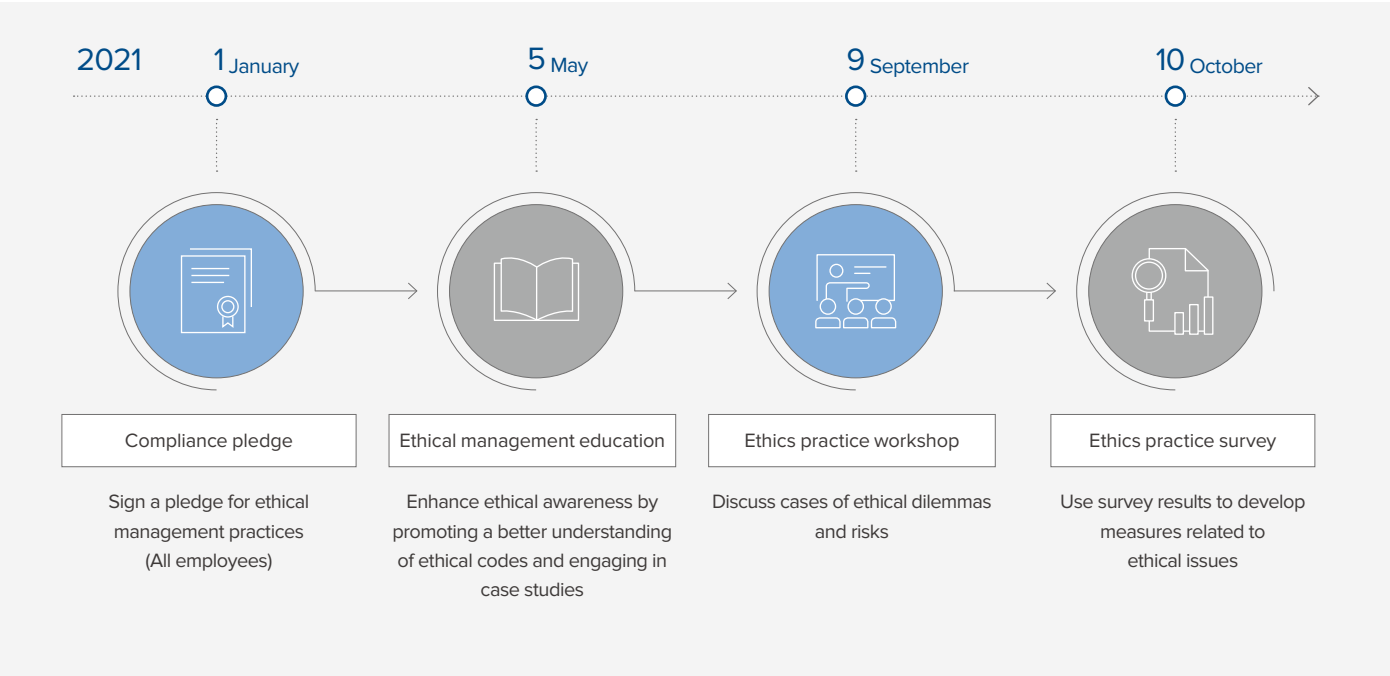
Category	2020	2021
No. of participants	593	597
No. of those subject to participation	593	597
Participation rate (%)	100	100

Ethics Practice Workshop

We also conduct a field-based workshop to implement ethical management practices for all employees, aimed at improving their ethics-based decision-making skills, by discussing ethical risks and dilemmas. In 2021, amid a rise in telecommuting due to COVID-19, we held a workshop with themes such as “focusing on work” and “mutual ethics among employees.” Discussions were held by teams and conducted by the leadership of team heads, reviewing cases on ethical risks by each organizational unit. Furthermore, we offered prizes to departments that achieved excellent workshop results to boost employees’ participation. In 2021, there was active participation of employees with 576 employees having participated in the workshop.

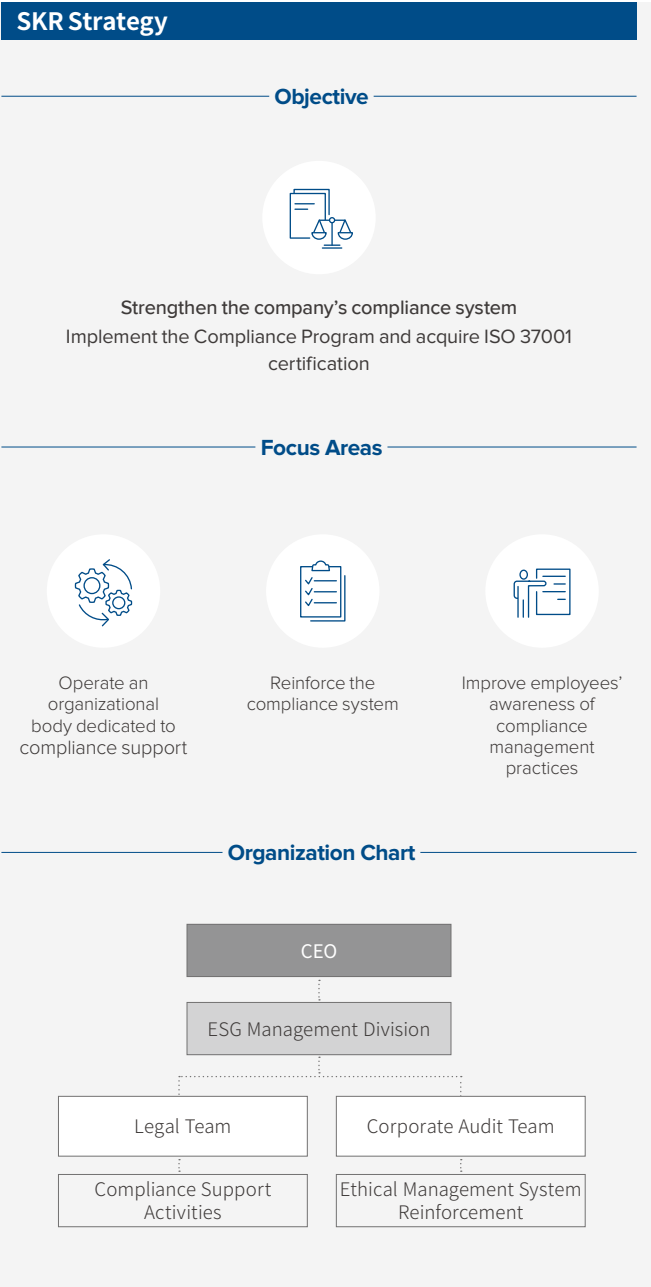
Ethics Practice Survey

At the end of 2021, we conducted an ethical management practice survey of all employees to review the ethical management practice status and further enhance our ethical management system. The 23-question survey covered topics ranging from ethical management performances to related systems. The survey also helped us verify ethical management performances and the efficacy of ethical management systems, telling us how much we integrated ethical management into our corporate culture. In the survey conducted in 2021, 62% of respondents said that the company’s ethical management performance improved from the previous year. Moreover, we plan to hold the survey regularly to hear the employees’ views and continuously strengthen our ethical management system based on the survey results.



Compliance

Compliance with laws is an integral part of fulfilling social responsibilities. SK Rent-a-Car respects the regulations of international and local communities and manages compliance risks by monitoring compliance risks and enhancing its law-abiding consciousness.



Compliance Management System and Activities

Strengthening the Compliance System

Establishment of Compliance Support Organization

SK Rent-a-Car has appointed a compliance officer and established a compliance support organization to promote transparent work performance through compliance with the laws and regulations, and systematically manages various legal risks that may arise from business activities and operations. As a US-licensed attorney with legal expertise, our compliance officer was appointed for a three-year term through the BOD's approval on February 9, 2021. Regarding the compliance support organization, its roles include regulation analysis of our business operations, prevention of illegal acts within the company, and response to various legal risks.

Adoption of the Compliance Program (CP)

The Compliance Program (CP) is a compliance system internally established and operated by the company to adhere to fair trade-related laws. In addition to training to prevent violations of such laws, the company operates this program autonomously so that such violations can be detected and corrected at an early stage. Starting with the introduction of the Voluntary Fair Trade Compliance Program, SK Rent-a-Car plans to engage in related activities in earnest from 2022 onward to manage compliance risks more effectively.

ISO 37001 Certification Acquisition

We plan to acquire ISO 37001 certification to improve the compliance management system. This certification is an international standard published by the International Organization for Standardization (ISO) to prevent corruption. It supervises corporate policies and systems related to anti-corruption and requires an international-level of compliance systems such as the monitoring of related systems, identification of improvements, etc. We are currently preparing for the external assessment process to obtain the certification in the second half of 2022.

Participation in the Compliance Council

SK Rent-a-Car participates in SK Networks’ Compliance Council, in which compliance management-related information is shared to strengthen the compliance management system. Hosted by SK Networks, the Compliance Council encourages its member companies to fulfill their social responsibilities regarding compliance management and fair trade. The council consists of three modules, including legal affairs, external cooperation, and safety, health and environment (SHE) factors, and provides information and training related to laws and policies in each area. Furthermore, a prompt communication system for member companies allows them to enact preventative methods and respond to related issues in a systematic manner, strengthening response capabilities.

Activities to Raise Compliance Awareness

We engage in various efforts to internalize compliance and raise awareness of employees. Legal and policy trends related to our business operations are consistently monitored by the responsible departments and summarized in the Policy and Law Report to be shared with all employees every month.

We also diagnosed the card payment process and related systems to prevent erroneous credit card transactions using loopholes such as the reuse of cancellation statements and the time lag in system reflection, and the systems were improved. Moreover, we reduced the risk of loss from delayed registrations by diagnosing the mid to long-term release procedures. SK Rent-a-Car is striving to create a culture of compliance with the laws and regulations with our employees by conducting anonymous employee surveys to understand the current state of compliance management and improve the related systems.



APPENDIX

Human Rights Policy	67
Materiality Analysis	68
Stakeholder Engagement	69
Performance Data	70
Global Standards & Indexes	76
Independent Assurance Statement	83
About This Report	84

Human Rights Policy

1. SK Rent-a-Car's Human Rights Policy

Human Rights Charter



2 We do not tolerate discrimination.

We do not tolerate discrimination in employment, wage, or promotion, or other punitive measures based on gender, age, nationality, race, religion, marital status, or pregnancy.



5 We comply with legal provisions pertaining to labor hours and recess hours.

We adhere to legal provisions pertaining to labor hours, extended/night/holiday work, and recess hours prescribed under labor-related laws, and check our compliance status on a regular basis. Furthermore, measures are taken for employees working overtime, such as the granting of substitution holidays.



8 We guarantee occupational safety.

To ensure that our employees work in a safe environment, we check the facilities/equipment/tools in our business sites on a regular basis, and provide measures to prevent or eliminate any physical/mental risks.



3 We pay wages that are above the minimum wage at the right time.

We pay wages that are above the minimum wage at the right time in accordance with labor relations laws and provide a certificate of payment. Furthermore, we pay for extended, night, or holiday work with allowances required under related legal provisions.



6 We do not hire child workers.

We comply with the minimum age stipulated under labor-related laws, and operate an employment procedure that excludes adolescents aged under 18.



9 We protect the human rights of our customers.

All employees shall prioritize the protection of customers' life/health/properties when providing them with products and services, and strive to take all possible measures to protect personal information collected as part of management activities.



1 We respect the human rights of our employees.

We strive to protect basic human rights of all employees. Any inhumane activities including physical/verbal violence, sexual harassment, and bullying at the workplace will be punished in accordance with the internal rules.



4 We prohibit forced labor.

We ban any forced labor that goes against employees' free will by means of violence, threats, confinement, commercialization of a human being, or illegal restrictions on physical or mental freedom. As part of the measures to prevent forced labor, we strictly prohibit the transfer ID cards and guarantee the right of freedom to resignation.



7 We guarantee the freedom of association.

We guarantee the right to organize, collective bargaining, and collective action prescribed under labor-related laws, and do not take any disadvantageous action on grounds of labor union activities. We also guarantee the freedom of association, and the freedom to (or not to) participate in peaceful protests.



10 We operate online/off-line grievance handling channels.

We constantly monitor employees' grievances via internal grievance consultation programs or ethical management-related reporting activities on a daily basis. Once a grievance is filed, it is processed in accordance with internal rules with protective policies offered to the reporter whenever it is necessary.

Materiality Analysis

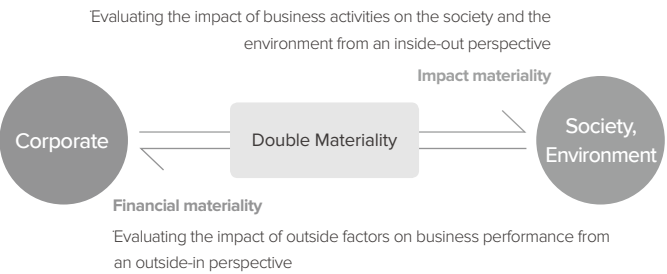
2. Materiality Analysis

Materiality Analysis Overview

SK Rent-a-Car has conducted a materiality analysis to identify major environmental, social, and governance (ESG) issues and matters that require special attention. For a thorough review of ESG issues that warrant attention, SK Rent-a-Car has applied the “double materiality” concept, which comprehensively analyzes both impacts on our business and impacts on society and the environment. Based on the results of the analysis, we have devised five pillars for ESG management and will conduct a systematic ESG management accordingly. Details of each pillar are covered in the “Our Approach to ESG” section of this report.

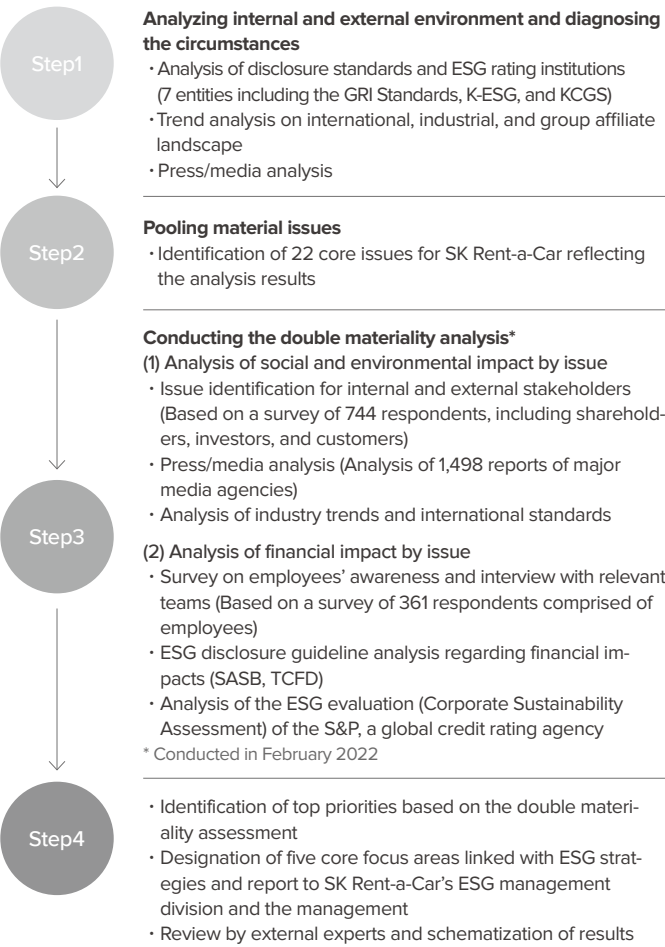
Double Materiality

Double materiality is a concept that requires the entity to view the materiality of ESG issues from two perspectives.



The concept is suggested to overcome the limitation of analyzing materiality from a specific perspective. This concept allows companies to understand the dynamic relations at stake and apply insights to its business activities. Key nonfinancial information disclosure guidelines and global standards are emphasizing the concept of double materiality. Accordingly, more and more companies are making efforts to faithfully reflect both internal and external perspectives.

Materiality Analysis Procedure



• Social and environmental impact: The severity of positive/negative impacts that a company's business operations could have on the society and the environment

• Financial impact : The severity of positive/negative impacts that external factors related to sustainability issues could have on a company's financial performance

Materiality Analysis Results

SK Rent-a-Car has designated five focus areas and key tasks for ESG management based on the results of the materiality analysis. SK Rent-a-Car will prevent management risks in advance and find new business opportunities to create a better future by continuing to analyze social and environmental impacts and financial impacts by issue.

Core issues	● High ◐ Medium ○ Low		
	Impact Materiality	Financial Materiality	
Introduction of eco-friendly products and services	●	●	
Customer satisfaction management	●	●	
Employees' work-life balance	●	◐	
Sound governance	●	◐	
Climate change responses and reduction of greenhouse gas emission	●	●	
Privacy and cyber security protection	●	●	
Contribution to local communities	●	○	
Product quality and service safety	◐	●	
Transparent disclosure of information	◐	◐	
Ethical management and compliance	◐	●	
Human rights management	◐	◐	
Diversity and inclusion	◐	○	
Talent development	◐	◐	
Energy efficiency enhancement and management	◐	◐	
Job creation and job security	◐	●	
Expansion of renewable energy	○	◐	
Mutual growth with business partners	○	◐	
ESG risk management of business partners	○	○	
Labor-management relations	○	◐	
Waste management and recycling expansion	○	○	
Water management and wastewater management	○	○	
Support for social enterprises (SEs)	○	○	

Stakeholder Engagement

3. Stakeholder Engagement

SK Rent-a-Car is making multifaceted efforts to strengthen its communication with stakeholders in all business areas. SK Rent-a-Car has established various communication channels to build a consensus with each stakeholder group that concerns sustainability issues. We consider our stakeholders’ views to reflect them in our management operations. We will continue to strengthen our partnership with our stakeholders.

Defining and Communicating with Our Stakeholders —

1 Customers	A. Major areas of interest Product quality and service safety, customer privacy protection, and customer satisfaction B. Communication channels Company website, official blog, social media channels, customer center, and customer satisfaction survey
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2 Shareholders and investors	A. Major areas of interest Disclosure of information, sound governance structure, ethical management and compliance, and introduction of eco-friendly products and services B. Communication channels General shareholders’ meetings, annual investor relations (IR) activities, and various disclosure materials (Business, audit, corporate governance, sustainability, and annual reports)
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3 Employees	A. Major areas of interest Employees’ work-life balance, diversity and inclusion, talent development, human rights management, and a sound governance structure B. Communication channels Internal portal, employee survey, grievance handling channel, labor-management council, and internal education/workshop opportunities
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4 Business partners	A. Major areas of interest Mutual growth with business partners, human rights management, and support for social enterprises B. Communication channels Purchase information system and council meetings
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5 Local communities	A. Major areas of interest Eco-friendly products and services, climate action, local communities, and waste management B. Communication channels Social contribution activities, partnership with local communities, and disclosure materials (Sustainability report)
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6 Press/media	A. Major areas of interest Disclosure of information, climate action, and ethical management and compliance B. Communication channels Company website and media reports
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7 Government	A. Major areas of interest Ethical management and compliance, human rights management, job creation and job security, and renewable energy B. Communication channels Company website, various disclosure materials (Business, audit, corporate governance, sustainability, and annual reports)
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Performance Data

4-1. Financial performance

Category	Item	Unit	2020	2021
Consolidated financial statement	Current assets	KRW million	196,350	309,194
	Noncurrent assets		2,030,797	2,551,010
	Total assets		2,227,147	2,860,204
	Current liabilities		692,928	926,518
	Noncurrent liabilities		1,071,166	1,450,033
	Total liabilities		1,764,095	2,376,552
	Total equity		463,052	483,652
	Sales	KRW million	863,467	1,036,879
	Operating expense		792,672	957,827
	Operating profit		70,795	79,052
	Profit before income taxes		22,194	27,003
	Income taxes		4,003	6,413
	Net profit		18,190	20,589
Political funds and membership fees	Lobbying and other political funds ¹⁾	KRW million	N/A	N/A
	Total amount of membership fees		504	529
	Breakdown of membership fees	KRW million	Car Rental Association	412
			Korea Chamber of Commerce and Industry	54
			Korea Used Car Dealers Association	49
			Korea Listed Companies Association	10
			Korea Electric Vehicle User Association	2
			Seoul Bar Association	1
			Jeju Tourism Association	0.1
			Korea Fire Safety Institute	0.1

Category	Item	Unit	2020	2021
R&D and patents	Cumulative trademark registrations	Number	16	16
	Cumulative trademark applications		0	56
Government funding ²⁾	EV subsidy	KRW million	15,998	51,897
Economic value distribution	Investors ³⁾	KRW million	37,809	41,640
	Employees ⁴⁾		45,588	56,912
	Local communities ⁵⁾		276	239
	Government ⁶⁾		7,322	11,075
	Company ⁷⁾		678,378	767,666

1) SK Rent-a-Car complies with the Political Funds Act and does not provide any political, election campaign, or lobbying for certain political parties and organizations to prevent political fund-related corruption.

2) Funding provided by the government(Ministry of Environment) and local governments to promote the purchase of EVs

3) Interest expenses

4) Salaries, benefits, and retirement allowances

5) Total donation amount

6) Taxes, utility bills, and income taxes

7) Tangible asset acquisition

Performance Data

4-2. Nonfinancial performance

Category	Item		Unit	2020		2021	
				SK Rent-a-Car	SK Rent-a-Car Service	SK Rent-a-Car	SK Rent-a-Car Service
Environment							
Energy	Total energy consumption		GJ	70,950	3,184	50,479	13,008
	Energy intensity	Consumption by end-use	GJ / KRW billion	82	122	49	500
	Energy consumption by category	Stationary combustion	GJ	66,422	1,886	41,331	536
		LNG	GJ	2,053	0	4,703	0
		LPG	GJ	0	0	126	0
		Kerosene	GJ	0	0	42	0
		Electric power	GJ	64,369	1,886	36,460	536
		Mobile combustion	GJ	4,528	1,299	9,147	12,472
		Gasoline	GJ	2,243	317	5,666	697
		Diesel	GJ	1,182	982	1,785	11,685
		LPG	GJ	1,103	0	1,697	90
	Greenhouse gas	Total emissions (Scopes 1 and 2) ¹⁾		tCO ₂ -eq	3,452	158	2,472
Greenhouse gas intensity		Emissions by end-use	tCO ₂ -eq / KRW billion	4	6	2	25
Greenhouse gas emissions by category		Scope 1 (Direct greenhouse gas emissions)	tCO ₂ -eq	326	66	701	632
		Scope 2 (Indirect greenhouse gas emissions)		3,126	92	1,771	26

Category	Item		Unit	2020		2021	
				SK Rent-a-Car	SK Rent-a-Car Service	SK Rent-a-Car	SK Rent-a-Car Service
Water							
Water	Total energy consumption		Ton	16,172	6,942	31,634	7,076
	Water consumption intensity	Consumption by end-use	Ton / KRW billion	20	0	31	0
	Water consumption by category	Water supply consumption	Ton	16,172	6,942	31,634	7,076
		Groundwater consumption		ton	0	0	0
Waste	Total waste generation		Ton	94	13	435	48
	Waste generation intensity	Consumption by end-use	Ton / KRW billion	0.1	0.5	0.4	1.8
	Waste generation by category	General waste	Ton	94	13	435	48
		Designated waste	Ton	0	0	0	0
Green Management	Environmental investment		KRW million	0	0	98,000	0
	Number of environmental regulation violation cases		Number of cases	0	0	0	0
	Fines for violating environmental regulations		KRW million	0	0	0	0
Environmental Education	Number of sessions provided		Number of cases	1	N/A	77	N/A
	Number of participants		Number of persons	386	N/A	1,212	N/A
	Total education hours		Hr	772	N/A	1,639	N/A
	Education hours per employee		Hr	2	N/A	1	N/A

1) In the of the greenhouse gas emissions data of SK Rent-a-Car Service in 2020, there may be a gap between the actual amount of emissions and the disclosed data as the entire period for calculation has not been reflected in the disclosed data.

Performance Data

4-2. Nonfinancial performance

Category	Item		Unit	2020		2021	
				SK Rent-a-Car	SK Rent-a-Car Service	SK Rent-a-Car	SK Rent-a-Car Service
Society							
Employee information	Number of employees		Number of persons	598	455	647	374
	By employment type	Total	Number of persons	598	455	647	374
		Permanent	Number of persons	578	263	562	268
		Temporary		20	192	85	106
		Permanent employees ratio		%	3	42	13
	By age	Total	Number of persons	598	455	647	374
		Under 30 years old	Number of persons	57	167	42	171
		Over 30 to under 40 years old	Number of persons	297	226	315	161
		Over 40 to under 50 years old	Number of persons	205	54	237	36
		Over 50 to under 60 years old	Number of persons	38	8	51	6
		Over 60 years old	Number of persons	1	0	2	0
	By rank	Total	Number of persons	598	455	647	374
		Executives	Number of persons	8	4	13	5
		Position holders	Number of persons	63	9	70	13
		Managers	Number of persons	527	442	564	356
Employee diversity	Gender	Total	Number of persons	598	455	647	374
		Male	Number of persons	476	312	500	293
		Male employee ratio	%	80	69	77	78
		Female	Number of persons	122	143	147	81
		Female employee ratio	%	20	31	23	22
	People with disabilities	Total	Number of persons	12	8	14	8
		Male	Number of persons	5	4	6	4
		Female	Number of persons	7	4	8	4
		Portion	%	3.1	2	3.1	2

Category	Item		Unit	2020		2021		
				SK Rent-a-Car	SK Rent-a-Car Service	SK Rent-a-Car	SK Rent-a-Car Service	
Society								
New recruitment and turnover	Patriots and veterans	Total	Number of persons	7	0	7	0	
		Male	Number of persons	6	0	6	0	
		Female	Number of persons	1	0	1	0	
	Gender	Number of newly recruited employees		Number of persons	31	213	72	109
		Total	Number of persons	31	213	72	109	
		Male	Number of persons	15	142	48	88	
	Female	Number of persons	16	71	24	21		
	By employment type	Total	Number of persons	31	213	72	109	
		Permanent	Number of persons	15	43	0	12	
		Temporary	Number of persons	16	170	72	97	
	By age	Total	Number of persons	31	213	72	109	
		Under 30 years old	Number of persons	13	88	12	64	
		Over 30 to under 40 years old	Number of persons	14	97	30	38	
		Over 40 to under 50 years old	Number of persons	2	26	26	6	
		Over 50 to under 60 years old	Number of persons	2	2	4	1	
		Over 60 years old	Number of persons	0	0	0	0	
	Turnover rate	Total	%	5.4	8	5.6	19	
		Voluntary	%	3.7	7	4.5	9	
		Involuntary	%	1.7	1	1.1	10	

Performance Data

4-2. Nonfinancial performance

Category	Item		Unit	2020		2021	
				SK Rent-a-Car	SK Rent-a-Car Service	SK Rent-a-Car	SK Rent-a-Car Service
Society							
Maternity and childcare leave	Maternity leave						
	Employees who used maternity leave	Total	Number of persons	18	5	21	4
		Male	Number of persons	16	0	20	0
		Female	Number of persons	2	5	1	4
	Employees who returned after maternity leave	Total	Number of persons	17	5	21	4
		Male	Number of persons	16	0	20	0
		Female	Number of persons	1	5	1	4
	Ratio of employees who returned to work after maternity leave		%	94	100	100	100
	Childcare leave						
	Employees who used childcare leave	Total	Number of persons	19	10	18	7
		Male	Number of persons	11	4	12	2
		Female	Number of persons	8	6	6	5
	Employees who are expected to use childcare leave	Total	Number of persons	308	N/A	295	N/A
		Male	Number of persons	150	N/A	136	N/A
		Female	Number of persons	158	N/A	159	N/A
Employees who returned after childcare leave	Total	Number of persons	10	9	11	4	
	Male	Number of persons	4	3	7	2	
	Female	Number of persons	6	6	4	2	
Employees who are expected to return to work after childcare leave	Total	Number of persons	10	10	13	8	
	Male	Number of persons	4	4	8	4	
	Female	Number of persons	6	6	5	4	
Ratio of employees who returned to work after childcare leave	Total	%	100	90	85	50	
	Male	%	100	75	88	50	
	Female	%	100	100	80	50	

Category	Item		Unit	2020		2021		
				SK Rent-a-Car	SK Rent-a-Car Service	SK Rent-a-Car	SK Rent-a-Car Service	
Society								
	Employees working for a minimum of 12 months after childcare leave	Total	Number of persons	4	2	10	9	
		Male	Number of persons	2	1	4	3	
		Female	Number of persons	2	1	6	6	
Equal pay	Average remuneration for employees (Base salary)							
	Executives	Male	KRW thousand	195,500	124,029	205,000	94,598	
		Female	KRW thousand	0	0	0	0	
		Female-to-male wage ratio	%	0	0	0	0	
	Administrative positions	Male	KRW thousand	70,724	50,293	71,709	47,915	
		Female	KRW thousand	82,961	62,891	90,709	53,567	
		Female-to-male wage ratio	%	117	125	126	112	
	Nonadministrative positions	Male	KRW thousand	36,951	26,204	38,149	26,380	
		Female	KRW thousand	29,030	24,029	32,197	24,748	
		Female-to-male wage ratio	%	79	92	84	94	
	Ratio of the maximum remuneration to an employee's average wage	Maximum remuneration amount	KRW thousand	664,000	210,000	691,020	150,000	
		Employee's average wage	KRW thousand	54,000	26,846	64,300	27,141	
		Ratio of the maximum remuneration to an employee's average wage	%	1,230	782	1,075	553	
	Talent development	Education expenses	Total education expenses	KRW million	565	57	631	109
			Executives / position holders	KRW million	179	41	267	79
Managers			KRW million	385	17	364	30	
Education expenses per employee			KRW thousand	1,032	158	985	278	
Education hours		Total education hours	Hr	95,255	12,859	63,360	26,928	
		Executives / position holders	Hr	18,699	763	10,745	1,359	
		Managers	Hr	76,556	12,096	52,615	25,569	
		Education hour per employee	Hr	173	36	99	69	
Number of education participants		Number of education participants	Number of persons	547	361	640	392	

Performance Data

4-2. Nonfinancial performance

Category	Item		Unit	2020		2021	
				SK Rent-a-Car	SK Rent-a-Car Service	SK Rent-a-Car	SK Rent-a-Car Service
Society							
Employee participation	Employee engagement ¹⁾	-	%	51.9	63.6	50.3	56.5
Labor-management relations	Employees joining labor union	Number of employees joining labor union	Number of persons	143	N/A	175	N/A
		Ratio of employees joining labor union	%	23	N/A	27	N/A
Human rights management	Grievance handling for employees	Cases of grievance submitted	Number of cases	2	2	3	0
		Cases of grievance processed	Number of cases	2	2	3	0
		Ratio of cases of grievance handled	%	100	100	100	N/A
Occupational Safety and health	Number of employees	-	Number of persons	598	455	647	447
	Total working hours	-	Hr	1,196,000	1,092,000	1,294,000	1,072,800
	Total number of occupational accidents	Total number of occupational deaths	Number of cases	0	0	0	0
		Number of serious injuries	Number of cases	0	0	0	0
		Number of light injuries	Number of cases	0	3	0	3
	Number of victims from occupational illness	-	Number of persons	0	0	0	0
	Occupational accident ratio	Total	%	0	0	0	0.22
		Employees	%	0	0	0	0.22
		Business partners	%	0	0	0	0
	Lost time incidents rate (LTIR / 200 thousand hr)	Total	Cases / 200 thousand hr	0	0	0	0.19
Employees		-	0	0	0	0.19	
Business partners		-	0	0	0	0	

1) Results of applicable categories in SK Rent-a-Car's Culture Survey

- Our employees listen to and consider their colleagues' opinions and actively express their views.
- Our company has established a scheme that helps employees to participate in improving corporate policies and systems.
- Our employees actively participate to create a *VWBE-driven working environment.

*VWBE: SK's corporate culture of Voluntary, Willingly, and Brain Engagement attitudes

Category	Item		Unit	2020		2021	
				SK Rent-a-Car	SK Rent-a-Car Service	SK Rent-a-Car	SK Rent-a-Car Service
	Lost time incidents (LTi)	Total	Number of cases	0	0	0	1
		Employees	Number of cases	0	0	0	1
		Business partners	Number of cases	0	0	0	0
	Occupational illness frequency rate (OIFR / 200 thousand hr)	Total	Cases / 200 thousand hr	0	0	0	0
		Employees	Number of cases	0	0	0	0
		Business partners	Number of cases	0	0	0	0
	Occupational Safety education	Total education hours	Hr	3,462	5,548	7,572	7,218
		Number of employees participating in education	Number of persons	577	1,231	631	1,733
	Social contribution	Volunteer hours	Total volunteer hours	Hr	60	0	842
Volunteer hour per employee			Hr	3	0	4.6	0
Employee participation		Number of employees participating in volunteer activities	Number of persons	20	0	183	0
		Ratio of employees participating in volunteer activities	%	3.3	0	28	0
Monetary value conversion of employees' volunteer hours ²⁾			KRW thousand	1,620	0	26,944	0
Customers	Customer satisfaction survey results	Satisfied customer ratio	%	92.7	88	93.0	90
	Customer complaint management ³⁾	Number of customer complaints submitted	Number of cases	N/A	N/A	62	N/A
		Ratio of customer complaints handled	%	N/A	N/A	100	N/A

2) Monetary value conversion of employees' volunteer hours = average wage per hour X employee volunteer hours

3) The Customer Value Innovation Division formed a Customer Support Team in 2021 to manage customer complaints

Performance Data

4-2. Nonfinancial performance

Category	Item		Unit	2020		2021	
				SK Rent-a-Car	SK Rent-a-Car Service	SK Rent-a-Car	SK Rent-a-Car Service
Society							
Information security	Information security violation	Number of personal data leaks	Number of cases	0	0	0	0
		Number of personally identifiable information leaks	Number of cases	0	0	0	0
		Information security violations and cyber security accidents occurred	Number of cases	0	0	0	0
		Number of customers harmed by data leak accidents	Number of persons	0	0	0	0
		Total monetary loss stemming from fines imposed for information security violations or cybersecurity accidents	KRW million	0	0	0	0
	Customer and user data	Number of cases of customer data privacy breaches and losses	Number of cases	0	0	0	0
		Number of cases using customer information for secondary purposes	Number of cases	0	0	0	0
		Number of user data and information requests by the government and law enforcement agencies	Number of cases	0	0	0	0
		Number of complaints filed concerning customer privacy breaches and customer data losses	Number of cases	0	0	0	0
		Information protection education	Number of participants	Number of persons	601	422	609

Category	Item		Unit	2020		2021	
				SK Rent-a-Car	SK Rent-a-Car Service	SK Rent-a-Car	SK Rent-a-Car Service
Governance							
Board composition	Average tenure		Months	9.6	N/A	21	N/A
	Executive director	Number of executive directors	Number of persons	2		1	
		Female executive directors	Number of persons	0		0	
	Independent director	Number of independent directors	Number of persons	2		3	
		Female independent directors	Number of persons	0		1	
		Independent director ratio	%	40		60	
	Nonexecutive director composition	Number of nonexecutive directors	Number of persons	1		1	
Ethical management and compliance	Supervision on compliance and ethical management		Number of cases	1	0	1	0
	Violation of laws and regulations	Number of violations	Number of cases	0	0	0	0
		Amount of fines imposed	KRW million	0	0	0	0
		Number of nonfinancial penalties imposed	Number of cases	0	0	0	0
	Compliance-related measures	Number of reports filed for corruption and bribery cases ¹⁾	Number of cases	1	0	3	0
		Ratio of cases for which correction measures were taken	%	100	N/A	33	N/A
		Disciplinary actions	Number of cases	9	8	6	3
	Ethical management-related reporting	Sexual harassment cases	Number of cases	0	0	0	0
		Noncompliance with ethical codes cases	Number of cases	23	1	14	2
		Other cases reported	Number of cases	8	0	27	0
Ethical management education	Ethical management education	Number of participants	Number of persons	593	398	597	421
	Sexual harassment prevention education	Number of participants	Number of persons	569	423	630	447
	Disability awareness education	Number of participants	Number of persons	569	423	613	447

1) Excluding false or overlapping reports

Global Standards and Indexes

5-1. GRI Standards

GRI Standards	Category	Index No.	Indicators	Reporting level	Reporting position	Remarks
Universal Standards						
GRI 2: General Disclosures 2021	The organization and its reporting practices	2-1	Organizational details	●	6	
		2-2	Entities included in the organization's sustainability reporting	●	84	
		2-3	Reporting period, frequency and contact point	●	84	
		2-4	Restatements of information	●	-	Not applicable
		2-5	External assurance	●	83	
	Activities and workers	2-6	Activities, value chain and other business relationships	●	19	
		2-7	Employees	●	72	
		2-8	Workers who are not employees	●	72	
	Governance	2-9	Governance structure and composition	●	54	
		2-10	Nomination and selection of the highest governance body	●	54	
		2-11	Chair of the highest governance body	●	55	
		2-12	Role of the highest governance body in overseeing the management of impacts	●	57	
		2-13	Delegation of responsibility for managing impacts	●	58	
		2-14	Role of the highest governance body in sustainability reporting	●	58	
		2-15	Conflicts of interest	●	58	
		2-16	Communication of critical concerns	●	59	
		2-17	Collective knowledge of the highest governance body	●	54	
		2-18	Evaluation of the performance of the highest governance body	●	Annual report	
		2-19	Remuneration policies	●	Annual report	
		2-20	Process to determine remuneration	●	Annual report	
		2-21	Annual total compensation ratio	●	73	
	Strategy, policies and practices	2-22	Statement on sustainable development strategy	●	9	
		2-23	Policy commitments	●	67	
		2-24	Embedding policy commitments	●	26	
		2-25	Processes to remediate negative impacts	●	59	
		2-26	Mechanisms for seeking advice and raising concerns	●	26	
	Stakeholder engagement	2-27	Compliance with laws and regulations	●	64	
		2-28	Membership associations	●	30	
		2-29	Approach to stakeholder engagement	●	69	
		2-30	Collective bargaining agreements	●	74	

GRI Standards	Category	Index No.	Indicators	Reporting level	Reporting position	Remarks
Material Topics						
GRI 3: Material Topics 2021	Disclosures on material topics	3-1	Process to determine material topics	●	68	
		3-2	List of material topics	●	68	
		3-3	Management of material topics	●	68	
Economic Performance (GRI 200)						
GRI 201: Economic Performance 2016	Economic Performance	201-1	Direct economic value generated and distributed	●	70	
		201-2	Financial implications and other risks and opportunities due to climate change	●	80	
		201-3	Defined benefit plan obligations and other retirement plans	●	-	Operates DB (Defined Benefit) and DC(Defined Contribution) programs
		201-4	Financial assistance received from government	●	70	
GRI 202: Market Presence 2016	Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	●	67	Human resource principles ensure no wage discrimination by gender
		202-2	Proportion of senior management hired from the local community	●	72	
GRI 204: Procurement Practices 2016	Indirect Economic Impacts	203-1	Infrastructure investments and services supported	●	42	
		203-2	Significant indirect economic impacts	●	41	
GRI 204: Procurement Practices 2016	Procurement Practices	204-1	Proportion of spending on local suppliers	●	-	100% local procurement
GRI 205: Anti-corruption 2016	Anti-corruption	205-1	Operations assessed for risks related to corruption	●	65	
		205-2	Communication and training about anti-corruption policies and procedures	●	65	
		205-3	Confirmed incidents of corruption and actions taken	●	75	
GRI 206: Anti-competitive Behavior 2016	Anti-competitive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	●	62	
GRI 207: Tax 2019	Tax	207-1	Approach to tax	○	-	
		207-2	Tax governance, control, and risk management	●	59	
		207-3	Stakeholder engagement and management of concerns related to tax	○	-	
		207-4	Country-by-country reporting	●	Annual report	

Global Standards and Indexes

5-1. GRI Standards

GRI Standards	Category	Index No.	Indicators	Reporting level	Reporting position	Remarks
Environmental Performance (GRI 300)						
GRI 301: Materials 2016	Raw materials	301-1	Materials used by weight or volume	●	-	Not applicable
		301-2	Recycled input materials used	●	-	Not applicable
		301-3	Reclaimed products and their packaging materials	●	-	Not applicable
GRI 302: Energy 2016	Energy	302-1	Energy consumption within the organization	●	71	
		302-2	Energy consumption outside of the organization	●	71	
		302-3	Energy intensity	●	71	
		302-4	Reduction of energy consumption	●	71	
		302-5	Reductions in energy requirements of products and services	●	71	
GRI 303: Water and Effluents 2018	Water and wastewater	303-1	Interactions with water as a shared resource	●	71	
		303-2	Management of water discharge-related impacts	○	-	
		303-3	Water withdrawal	●	71	
		303-4	Water discharge	○	-	
		303-5	Water consumption	●	71	
GRI 304: Biodiversity 2016	Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	○	-	
		304-2	Significant impacts of activities, products and services on biodiversity	○	-	
		304-3	Habitats protected or restored	○	-	
		304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	○	-	
GRI 305: Emissions 2016	Emissions	305-1	Direct (Scope 1) GHG emissions	●	71	
		305-2	Energy indirect (Scope 2) GHG emissions	●	71	
		305-3	Other indirect (Scope 3) GHG emissions	○	-	
		305-4	GHG emissions intensity	●	71	
		305-5	Reduction of GHG emissions	●	71	
		305-6	Emissions of ozone-depleting substances (ODS)	○	-	

GRI Standards	Category	Index No.	Indicators	Reporting level	Reporting position	Remarks
GRI 305: Emissions 2016	Waste	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	○	-	
		306-1	Waste generation and significant waste-related impacts	●	71	
		306-2	Management of significant waste-related impacts	●	71	
		306-3	Waste generated	●	71	
		306-4	Waste diverted from disposal	○	-	
		306-5	Waste directed to disposal	○	-	
GRI 308: Supplier Environmental Assessment 2016	Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	○	-	
		308-2	Negative environmental impacts in the supply chain and actions taken	○	-	
Social Performance (GRI 400)						
GRI 401: Employment 2016	Employment	401-1	New employee hires and employee turnover	●	72	
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	●	29	
		401-3	Parental leave	●	73	
GRI 402: Labor Management Relations 2016	Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	○	-	
GRI 403: Occupational Health and Safety 2018	Occupational Health and Safety	403-1	Occupational health and safety management system	●	27	
		403-2	Hazard identification, risk assessment, and incident investigation	●	26	
		403-3	Occupational health services	●	28	
		403-4	Worker participation, consultation, and communication on occupational health and safety	●	28	

Global Standards and Indexes

5-1. GRI Standards

GRI Standards	Category	Index No.	Indicators	Reporting level	Reporting position	Remarks
		403-5	Worker training on occupational health and safety	●	27	
		403-6	Promotion of worker health	●	28	
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	●	28	
		403-8	Workers covered by an occupational health and safety management system	●	28	
		403-9	Work-related injuries	●	74	
		403-10	Work-related illnesses	●	74	
GRI 404: Training and Education 2016	Training and Education	404-1	Average hours of training per year per employee	●	73	
		404-2	Programs for upgrading employee skills and transition assistance programs	●	31	
		404-3	Percentage of employees receiving regular performance and career development reviews	●	30	100% of employees receive regular performance reviews
GRI 405: Diversity and Equal Opportunity 2016	Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	●	72	
		405-2	Ratio of basic salary and remuneration of women to men	●	73	
GRI 406: Non-discrimination 2016	Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	●	75	
GRI 407: Freedom of Association and Collective Bargaining 2016	Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	●	67	
GRI 408: Child Labor 2016	Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	●	67	
GRI 409: Forced or Compulsory Labor 2016	Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	●	67	

GRI Standards	Category	Index No.	Indicators	Reporting level	Reporting position	Remarks
GRI 410: Security Practices 2016	Security Practices	410-1	Security personnel trained in human rights policies or procedures	○	-	
GRI 411: Rights of Indigenous Peoples 2016	Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	●	-	No incidents of violations
GRI 413: Local Communities	Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	●	42	
		413-2	Operations with significant actual and potential negative impacts on local communities	●	-	Not applicable
GRI 414: Supplier Social Assessment 2016	Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	○	-	
		414-2	Negative social impacts in the supply chain and actions taken	●	39	
GRI 415: Public Policy 2016	Public Policy	415-1	Political contributions	●	70	
GRI 416: Customer Health and Safety 2016	Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	○	-	
		416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	●	-	No incident of noncompliance
GRI 417: Marketing and Labeling 2016	Marketing and Labeling	417-1	Requirements for product and service information and labeling	●	-	Not applicable
		417-2	Incidents of non-compliance concerning product and service information and labeling	●	-	No incident of noncompliance
		417-3	Incidents of non-compliance concerning marketing communications	●	-	No incident of noncompliance
GRI 418: Customer Privacy 2016	Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	●	75	

Global Standards and Indexes

5-2. SASB Disclosures | Business Category - Car Rental & Leasing |

Topic	Metric	Code	References	Remarks
Accounting Metrics				
Customer Safety	Percentage of rental fleet vehicles rated by KNCAP program with an overall 5-star safety rating, in Korea	TR-CR-250a.1.	19%	The ratio has been calculated based on the data of cars with the highest rating disclosed on the Korean New Car Assessment Program (KNCAP) website and the number of our rental cars with the applicable rating (as of end-December 2021).
	Number of vehicles recalled	TR-CR-250a.2.	27,596	In the event of a manufacturer's recall because of vehicle operation systems, we block the delivery of vehicles in stock before the recall process is completed. As for a vehicle that is being used by a customer, the relevant information is sent to the contract associate and the customer, with completed recalls registered on our system.
Fleet Fuel Economy & Utilization	Rental day-weighted average rental fleet fuel economy	TR-CR-410a.1	-	-
	Fleet utilization rate	TR-CR-410a.2.	97% long-term rental cars / 75.56% short-term rental cars	Our rental products consist of long-term products with two years or longer rental period for which contracts are signed annually, medium-term products with contracts signed monthly, and short-term products signed daily. Utilization rates are managed separately in two categories, long- and short-term (including medium-term) products. Our calculation is based on the annual average ratio of vehicles in operation to vehicles in contract in each category.
Activity Metrics				
Car Rental & Leasing	Average vehicle age (from initial vehicle registration date)	TR-CR-000.A	27 months	The average for the number of days passed from the registration date for our rental assets divided by 30 days (base date: December 31, 2021)
	Total available rental days (per year)	TR-CR-000.B	365 days	We offer products that can be used from 1 to 365 days or more.
	Average rental fleet size (per month)	TR-CR-000.C	N/A	-

Global Standards and Indexes

5-3. TCFD

Category	Sub-category	Response
Governance	Describe the board's oversight of climate-related risks and opportunities.	The ESG Committee within the BOD reviews and discusses the impacts that climate change has on SK Rent-a-Car's management operations. Furthermore, the ESG Committee has the authority to review the company's management plan and strategies in advance based on criteria concerning long-term sustainability and climate change-related risks and opportunities. It is also entitled to deliberate on the company's important investment decisions in advance based on the mentioned criteria.
	Describe management's role in assessing and managing climate-related risks and opportunities.	Each organization in the company reflects the "BM innovation plan" and "greenhouse gas emission reduction targets" in its key performance indicators (KPIs). The innovation plans and greenhouse gas emission reduction targets of each organization are determined after the review by the ESG Committee and related results are reported to the ESG Committee. SK Rent-a-Car has established the ESG management division that works under the CEO's direct supervision to implement matters concerning climate change-related risks and opportunities designated by the ESG Committee. The ESG Management Division constructs and manages the database necessary for climate change and eco-friendly management, establishes company-wide ESG management strategies and goals, and oversees the implementation of such goals for each organization. Matters concerning the transition into nonpolluting vehicles, achievement of net zero emissions, utilization of renewable energy sources, screening, and support for business partners for eco-friendly businesses are reported to the top management, with related results reported to the ESG Committee to ensure consistent management and innovation efforts.
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	From a medium-/long-term perspective, the automotive industry has been shifting from ICEVs to nonpolluting vehicles—in response to climate change—and the related regulations have been tightened. The move has been affecting related manufacturers, parts makers, repair players, and our business partners. Given that a rental car company engages in close partnership with its business partners we believe that SK Rent-a-Car will not be free from the impacts of such an industry-wide shift, thus identifying it as a new transitional risk factor. Considering the mentioned shift as a new growth opportunity, we are establishing and implementing management plans to become a leader in the eco-friendly vehicle market. Planning for 100% eco-friendly vehicle adoption by 2030 , SK Rent-a-Car has demonstrated its integrity to transition into nonpolluting vehicles by joining the EV100 initiative and announced its plan to build the SK Rent-a-Car Jeju EV Park by 2023 to accelerate the shift into EVs . From a short-term perspective, SK Rent-a-Car has identified physical risks concerning abnormal weather conditions. Having established an organization dedicated to safety, health, and environmental (SHE) issues SK Rent-a-Car consistently monitors abnormal weather conditions and reflects the data in business operations.
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	SK Rent-a-Car reviews the financial risks of introducing carbon taxes and increase in carbon prices from a medium-/long-term perspective and considers financial risks related to our carbon emissions in our financial plans. Furthermore, we have set related risks and opportunities as criteria for making investment decisions to preemptively respond to the climate crisis. Engaging in a project to secure carbon credits using our fleet, we are developing a product to allow our customers and business partners to participate in emission reduction efforts. In addition, we are developing concrete measures to expand eco-friendly businesses. In 2021, we issued KRW 98 billion green bonds for the first time as part of our capital financing plan.
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	SK Rent-a-Car has announced its management goal, "Net Zero 2040," which is a tighter goal compared to the nationally determined contributions (NDC). SK Rent-a-Car plans to join the Science Based Targets initiative (SBTi) and set its annual emission reduction targets based thereon to fulfill the mentioned medium-/long-term goal. Furthermore, we have joined the EV100 initiative to convert all our fleets to nonpolluting vehicles. We will further update our management strategies according to the climate change scenarios and recommendations of global initiatives.

Global Standards and Indexes

5-3. TCFD

Category	Sub-category	Response
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	SK Rent-a-Car thoroughly analyzes the impacts that climate change-related risks and opportunities have on corporate operations by conducting double materiality assessments every year. The ESG Management Division continues to monitor the company's greenhouse gas emissions to regularly identify related risks. Starting from 2020, we have measured and managed greenhouse gas emissions from our business sites and those from our subsidiary SK Rent-a-Car Service through its emission source. Furthermore, we have classified greenhouse gases from customers' vehicle use as the Scope 3 category (other indirect emissions) for exact measurement. In 2007, SK Rent-a-Car acquired the ISO14001 certification and has been maintaining the certification by renewing the assessments to obtain external recognition for its green management policies and climate change response systems.
	Describe the organization's processes for managing climate-related risks.	Climate change-related risks are managed by the ESG Management Division and the SHE Organization. The ESG Management Division engages in integrated management of related risks, including transition-related risks. The SHE Organization is taking preventive measures to address physical risks. Furthermore, the SHE Organization has established a rapid response system that encompasses all business sites in the country and operates a network that allows all organizational units to swiftly respond to natural disasters or accidents. Moreover, the Customer Value Innovation Division operates a system that informs customers of risks of natural disasters or accidents, as well as necessary safety measures. For example, in 2019, a typhoon and heavy rain caused flooding in our branches, which were identified by the SHE Organization. Given that cases of typhoons and heavy rain have been increasing over the past five years, and that such abnormal weather conditions could pose a risk to rental car business operations, the SHE Organization continues to monitor weather conditions and operates an internal system that informs customers of potential heat waves, typhoons, and heavy rain in advance to minimize any related harms.
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	As a rental car company, we lease a large number of small business sites and monitor the energy consumption at our business sites, including offices, logistics centers, and trading centers across the country, with the usage amounts managed by each business organization to meet emission reduction targets. Such energy consumption data are reported to the management through the SHE Organization and ESG Management Division so that they can be reflected in overall risk management. The SHE Organization operates an emergency decision-making system that involves the CEO and other major position holders to ensure an immediate company-wide response to accidents, incidents, and risks. Such activities are reported to the CEO, and compliance control-related matters that require further improvement are reported to the BOD.
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	SK Rent-a-Car manages environmental data, such as greenhouse gas emissions, energy consumption, and renewable energy production as the company's key indicators to assess climate change-related risks and opportunities. Furthermore, we analyze the social and environmental impacts of our environmental performance, as well as the impacts that climate change-related factors have on our financials by linking related data with external indicators. We refer to the TCFD's recommendations, as well as indicators of global rating agencies, such as the S&P's CSA and SASB standards. In addition, we have reflected emission reduction targets of each organizational unit in KPIs to internalize our net zero initiative and facilitate its implementation. Each organization unit has set its target to reduce power consumption compared to previous years, with some of the organizations' given targets for renewable energy consumption and conversion of business-purpose vehicles into EVs. Such targets have been submitted to the ESG Committee for review and reflected in the overall management plan.
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks.	Refer to "Nonfinancial performance" in the appendix to see annual greenhouse gas emission data.
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	In response to the climate crisis, SK Rent-a-Car aims to achieve net zero emissions by 2040 and seeks to convert all of its rental fleet into eco-friendly vehicles by 2030. We significantly increased the proportion of EVs in our fleet in 2021, operating three more EVs compared to in 2020. In addition, we achieved greenhouse gas emission reduction of 11,000 tons in 2021. We aim to cut greenhouse gas emissions by 7.2% in 2022 and by 4.5% annually through 2031, with such targets included in KPIs for each organization.

Global Standards and Indexes

5-4. UN SDGs

The Sustainable Development Goals (SDGs) are targets that the UN and the international community aim to meet from 2016 to 2030 to address global poverty and fulfill sustainable growth. As a corporate citizen, SK Rent-a-Car strives to meet the UN's SDGs. We have established our ESG management system based on these SDGs, with our decisions in the course of business being made in consideration of sustainability under each goal.

Index	Category	Goal	Reporting position
	Good health and well-being	Ensure healthy lives and promote well-being for all at all ages.	27
	Quality education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	31, 73
	Gender equality	Achieve gender equality and empower all women and girls.	29, 72
	Clean water and sanitation	Ensure availability and sustainable management of water and sanitation for all.	71
	Affordable and clean energy	Ensure access to affordable, reliable, sustainable and modern energy for all.	50, 71
	Decent work and economic growth	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	31
	Industry, innovation and infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	16

Index	Category	Goal	Reporting position
	Reduced inequalities	Reduce inequality within and among countries.	25, 26, 29, 67, 72
	Sustainable cities and communities	Make cities and human settlements inclusive, safe, resilient and sustainable.	47, 48, 49
	Responsible consumption and production	Ensure sustainable consumption and production patterns.	48, 49
	Climate action	Take urgent action to combat climate change and its impacts.	46, 47, 48, 49, 50, 51
	Life below water	Conserve and sustainably use the oceans, seas and marine resources for sustainable development.	43
	Peace, justice, and strong institutions	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.	52
	Partnerships for the goals	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	46, 47

Independent Assurance Statement

6. Independent Assurance Statement

To readers of SK Rent-a-Car 2021 Sustainability Report

Introduction

Korea Management Registrar (KMR) was commissioned by SK Rent-a-Car to conduct an independent assurance of its Sustainability Report 2021 (the "Report"). The data and its presentation in the Report is the sole responsibility of the management of SK Rent-a-Car. KMR's responsibility is to perform an assurance engagement as agreed upon in our agreement with SK Rent-a-Car and issue an assurance statement.

Scope and Standards

SK Rent-a-Car described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR's assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with the Core Options of the GRI standards was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process. We also confirmed that the report was prepared in accordance with the TCFD recommendations and SASB.

- GRI Sustainability Reporting Standards
- Universal standards
- Topic specific standards
 - Management approach of Topic Specific Standards
 - GRI 302: Energy
 - GRI 303: Water and Effluents
 - GRI 305: Emissions
 - GRI 306: Effluents and Waste
 - GRI 401: Employment
 - GRI 404: Training and Education
 - GRI 405: Diversity and Equal Opportunity
 - GRI 406: Non-Discrimination
 - GRI 413: Local Communities
 - GRI 416: Customer Health and Safety
 - GRI 418: Customer Privacy

As for the reporting boundary, the engagement excludes the data and information of SK Rent-a-Car's partners, suppliers and any third parties.

KMR's Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

- reviewed the overall Report;
- reviewed materiality assessment methodology and the assessment report;
- evaluated sustainability strategies, performance data management system, and processes;
- interviewed people in charge of preparing the Report;
- reviewed the reliability of the Report's performance data and conducted data sampling;
- assessed the reliability of information using independent external sources such as Financial Supervisory Service's DART and public databases.

Limitations and Recommendations

KMR's assurance engagement is based on the assumption that the data and information provided by SK Rent-a-Car to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with SK Rent-a-Car on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the Core Option of the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

Inclusivity | SK Rent-a-Car has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

Materiality | SK Rent-a-Car has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

Responsiveness | SK Rent-a-Car prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of SK Rent-a-Car's actions.

Impact | SK Rent-a-Car identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

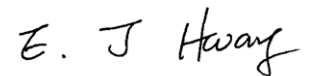
Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021:2015 - Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with SK Rent-a-Car and did not provide any services to SK Rent-a-Car that could compromise the independence of our work.

May 2022 Seoul, Korea

CEO 



7. About This Report

This report has been published to ensure the transparent communication of SK Rent-a-Car's sustainable management performance with its stakeholders. The 2021 Sustainability Report outlines SK Rent-a-Car's ESG strategies, as well as its activities and achievements in the environmental, social, and governance areas.

Reporting standards

This report complies with the "Core Options" of the GRI Standards, a global guideline for sustainable management, and reflects the TCFD and SASB guidelines. The financial data contained in the report remain according to the Korean International Financial Reporting Standards (K-IFRS) on a consolidated basis.

Reporting period

The reporting period is from January 1, 2021, to December 31, 2021. The report partially includes major achievements in the first half of 2022. The report is planned to be released once a year, starting from the 2021 report.

Reporting scope

Nonfinancial performance is based on SK Rent-a-Car only. The reporting scope for financial performances covers both SK Rent-a-Car and its subsidiary SK Rent-a-Car Service. Any exception from the mentioned reporting scope has been marked in footnotes.

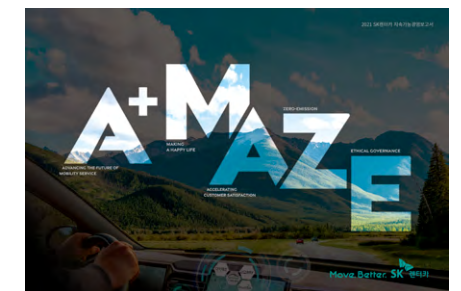
Reporting assurance

This report has been assured by the Korea Management Registrar, an independent assurance corporation, to ensure the credibility of all the information included, with the verification completed according to AA1000AS, an international verification standard. Detailed verification results can be confirmed through the independent assurance statement.

Inquiries

For inquiries about this report, you may reach us through the following contact information.

| SK Rent-a-Car ESG Management Division | Email: yj.koh@sk.com



Cover Story

Portrays SK Rent-a-Car's ambition to amaze the world through its A+MAZE strategy comprised of business innovation and ESG management

