

WWE

NETWORK

**SK Networks**  
Sustainability Report 2020



# About this report

SK Networks publishes the Sustainability Report every year to transparently disclose our environmental, social, and governance activities and performance to stakeholders. The 2020 Sustainability Report shows the company's overall response strategy to ESG issues that were derived through a materiality assessment, where each chapter of the report is organized according to the E/S/G categories and details the corresponding activities and performance. In addition, the Report includes special interviews on the subject of "Innovation towards Sustainable Business" along with an 'SV Story' in each chapter to shed light on how the business model of SK Networks and its subsidiaries create social value. Furthermore, we voluntarily participate in global ESG initiatives by reporting SASB and TCFD Indexes.

## Reporting Principles

- Non-financial Information: Sustainable International Reporting Guideline GRI (Global Reporting Initiative) Standard, Applicable Core Options
- Financial Information: Korean International Financial Reporting Standards (K-IFRS)

## Reporting Period

- January 1, 2020 - December 31, 2020 (partially includes major achievements in the first half of 2021)
- Annual (previous report published in June 2020)

## Reporting Scope








- SK Networks and subsidiaries

## Reporting Assurance

- Third party assurance statement by an independent external verification agency to secure objectivity and transparency

## Interactive Guide

2020 SK Networks Sustainability Report is published as an interactive PDF that includes functions to move to different pages within the report

-  First Page
-  Previous Page
-  Selected Page
-  Weblink
-  Contents
-  Next Page
-  Video

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# CEO Message



## SK Networks is advancing toward a happy future that creates sustainable value based on inclusivity, cooperation, and ESG management.

SK Networks has continued to innovate its business model aimed at strengthening future competence even amid the COVID-19 pandemic. SK Magic recorded KRW 1 trillion in sales despite the fierce competition in the home appliances rental market. Reborn as an integrated company, SK Rent-a-Car has successfully established a stable business foundation. Moreover, MINTIT, the circular economy business model of recycling ICT devices based on SK Networks' core competence in distributing ICT devices, has been underway.

SK Networks will continue to enhance sustainability and innovate its business model through ESG management.

First, we will create business opportunities regarding solutions for environmental issues by integrating eco-friendliness into our key products and business processes. Specifically, SK Magic will increase the amount of eco-friendly raw material and minimize waste generation within the value chain, and SK Rent-a-Car will focus on the sales of electric vehicles (EV). SK Networks plans to implement its goals of "Net Zero" by 2040 and continue further accelerating the expansion of eco-friendly businesses, including MINTIT.

We will innovate in our governance organization led by the Board of Directors (BOD). In particular, we established the ESG Management Committee under the BOD to increase its responsibilities as the top decision-making body. We are also dedicated to enhancing the diversity and expertise of our BOD.

In addition, we will fulfill our expanded social roles and responsibilities by actively responding to the challenges in the changed era and do our best to promote the happiness, human rights, and career development of the SK Networks community.


Going forward, SK Networks will consistently take on diverse challenges based on its strong commitment to ESG management. This will enable us to secure our business model as well as create happiness for future stakeholders. Part of our efforts will include contributing to society's betterment.

We at SK Networks look forward to stakeholders' unwavering encouragement and support while we profoundly advance into a happier future. Thank you.

**Park Sang Kyu**  
President & CEO of SK Networks

N SK Networks (Excluding Walkerhill) W Walkerhill M SK Magic R SK Rent-a-Car


**N**



**71**

Suppliers Surveyed

**N**



**88%**

Repurchase Intention  
(\*Tire Pick)

**N W M R** Sub-subsidiaries



**98%**

Ethics and Compliance Program Completion Rate


**M**



**71%**

Waste Recycling Rate


**N**



**43**

Children sponsored through ICT Support Program


**N W M R**



**0**

Customer Information Leakage

**N M R**



**102**

Blood Donors

**N**




**KRW 11 Billion**

Environmental Value of MINTIT's used phone collection (\*cumulative)




**N W M R**



**29**

Product-Related Awards


**W**



**2,892 tonnes**

Carbon Emissions Reduced


**N W M R**



**4.62 million**

Customers


**N**



**243 Hours/Person**

Average Hours of Education


**N**



**KRW 570 Million**

Shared Growth Fund


**N W**



**KRW 1.35 Billion**

Donations


**W**



**12%**

Energy Consumption Reduced  
(\*Compared to the previous year)


**N R**



**65**

New Jobs Created through Mobility Bank

**N**



**651**

SpeedMate Branches supported in response to COVID-19 (\*Apr. 2020)

**N**



**42**

Telecommuting Days per person  
(\*Apr-Dec. 2020)


**M**



**27%**

Rate of Eco-friendly Plastic use in All-Clean Air Purifier

**N**



**5 / 7 points**

Employee Happiness  
(\*Measured by internal survey)

# About the Company

Founded on April 8, 1953, SK Networks has been embracing the dreams and hopes of the public from the time of Korea's reconstruction to the present day. As the name 'Networks' suggests, we strive to bring greater happiness to society by connecting our business with stakeholder values. By innovating our business model based on our company's new principles of environment, society, and governance (ESG), we aim to grow into a customer-oriented digital company.

## SK Networks History

### 1953-2009

- 1953** Founded Sunkyung Textiles
- 1962** First in the industry to export rayon textiles to Hong Kong
- 1963** Awarded the Gold Tower Order of Industrial Service Merit
- 1976** Awarded the USD 100 Million Export Tower Designated as a general trading company
- 1999** Merged with SpeedMate and SK Distribution
- 2003** Changed company name to SK Networks
- 2009** Merged with Walkerhill

### 2010-2020

- 2011** Exceeded 100 million accumulated sales of mobile phones
- 2014** Launched SK Rent-a-Car
- 2016** Acquired SK Magic
- 2019** Acquired AJ Rent-a-Car
- 2020** Launched SK Rent-a-Car as joint corporation

## SK Networks Subsidiaries



## General Information\*

**KRW 10,625.9 billion**  
Net Sales

**AA-(Stable)**  
Credit Score\*\*

**KRW 123.9 billion**  
Business Profit

**A Overall (A+ Social)**  
KCGS Rating ('21.4)

**KRW 8,773.5 billion**  
Total Assets

Year Established	1953
CEO	Choi Shin Won & Park Sang Kyu
Head Office	Samil Bldg., 85, Cheonggyecheon-ro, Jongno-gu, Seoul, Republic of Korea
No. of Employees	SK Networks: 1,866, SK Magic: 1,193, SK Rent-a-Car: 599

\*Based on consolidated Korean International Financial Reporting Standards (K-IFRS)

\*\*Based on corporate bond, Korea Investors Service, NICE Investors Service, Korea Rating

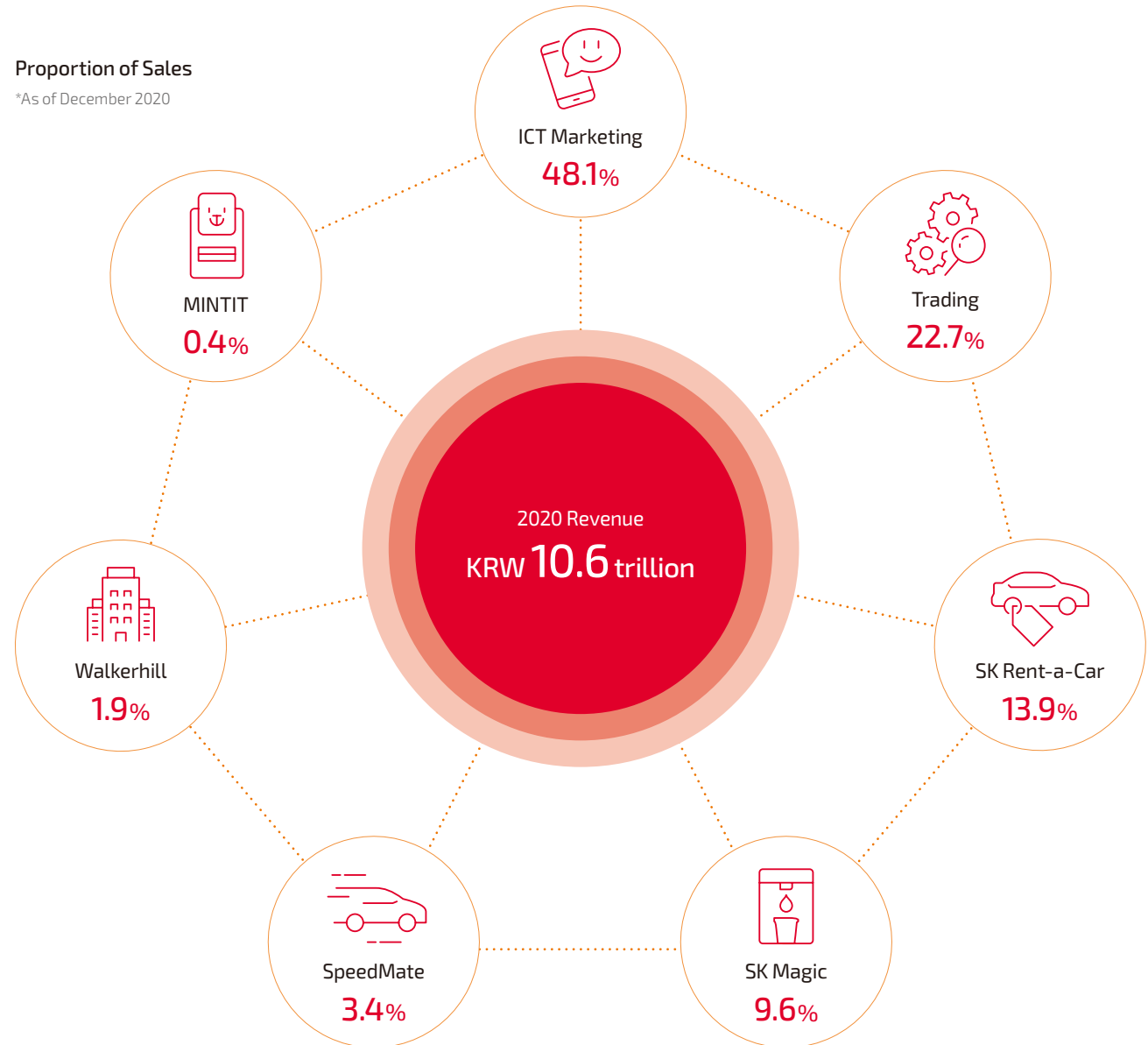
# Business Overview

Following our establishment as a fabric company, SK Networks has engaged in ICT distribution centered on mobile devices and global trading based on our competitiveness such as branches around the globe, outstanding business partners, and logistic capabilities. In addition, we manage growing businesses, including automotive businesses focused on rental and light maintenance, rental services of eco-friendly home appliances and sales of kitchen appliances, along with Walkerhill Hotel & Resort. We signed a contract with SK Telink to acquire a used mobile device business in May of 2020, strengthening our competitiveness as an ICT device distributor and laying a stepping stone for future growth.

Domestic	International
<b>SK Networks</b>	Shanghai/Shenyang/ Dandong Corporate
Head Office (Seoul)	Tokyo Corporate
Daejeon Distribution Center	Kuala Lumpur Branch/ Malaysia Corporate
Daegu Distribution Center	Jakarta Corporate
Busan Distribution Center	LA/San Francisco Corporate
Anseong Distribution Center	Frankfurt Corporate
Urban Distribution Center (Gyeonggi-do, Yong-in)	São Paulo Corporate
Gwangju Distribution Center	Hong Kong Corporate
<b>SK Magic</b>	Sydney Corporate
Head Office (Seoul)	Ho chi minh Branch/Mintit Vina
Hwaseong Plant (Gyeonggi-do, Hwaseong)	Tehran Branch
<b>SK Rent-a-Car</b>	Dubai Branch
Head Office (Seoul)	Taipei Branch

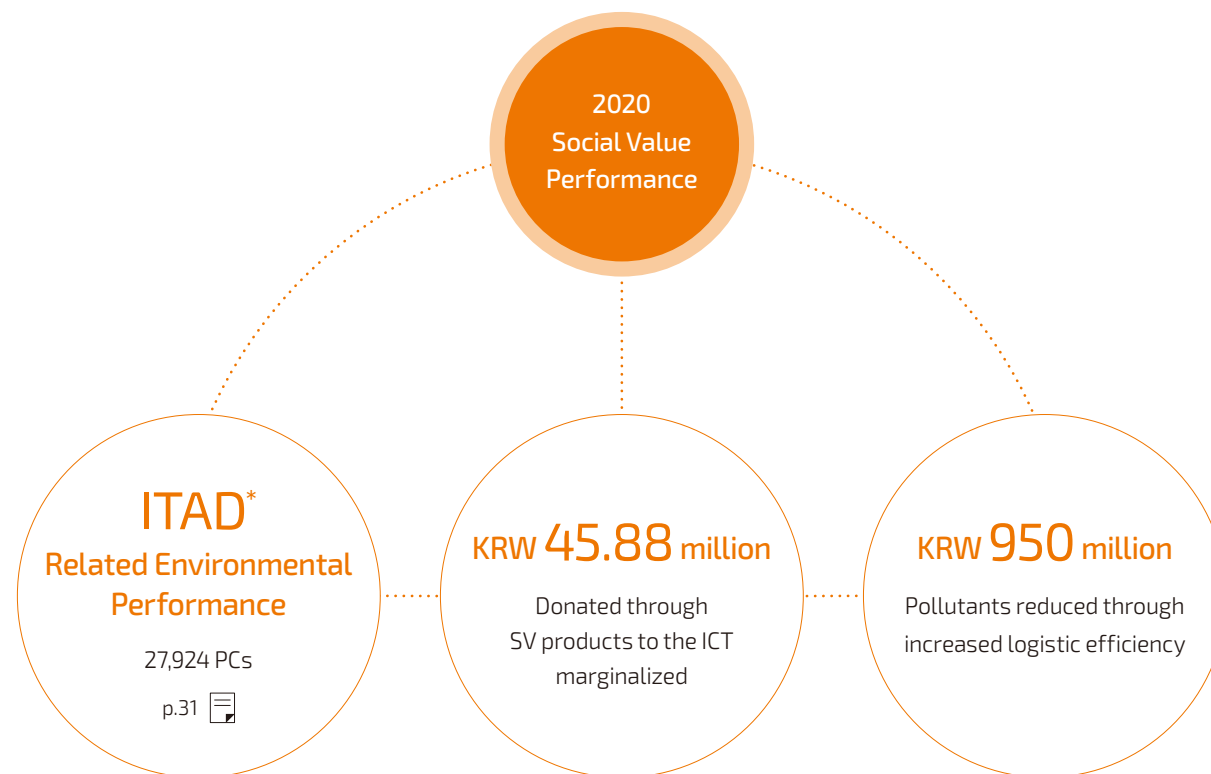
## Proportion of Sales

\*As of December 2020



## ICT Marketing

As Korea's No. 1 mobile device distributor, SK Networks sells approximately 6 million mobile devices a year largely in wholesale distribution and distributes various ICT devices such as laptops, tablet PCs, and ICT accessories through collaboration with manufacturers. In addition, we provide integrated distribution services to customers through our nationwide infrastructure. Through SK Networks Service, one of our subsidiaries, we offer a variety of services, including operation of the SK Telecom and SK Broadband's networks and provision of IT solutions and communication system equipment. We are currently expanding our recycling business sector by operating a resource circulation center that handles a variety of waste products including unused assets and waste generated within the IT industry.



\*IT Asset Disposition



### 2020 Business Performance

KRW **5.1** trillion in revenue

**5.96** million mobile devices sold

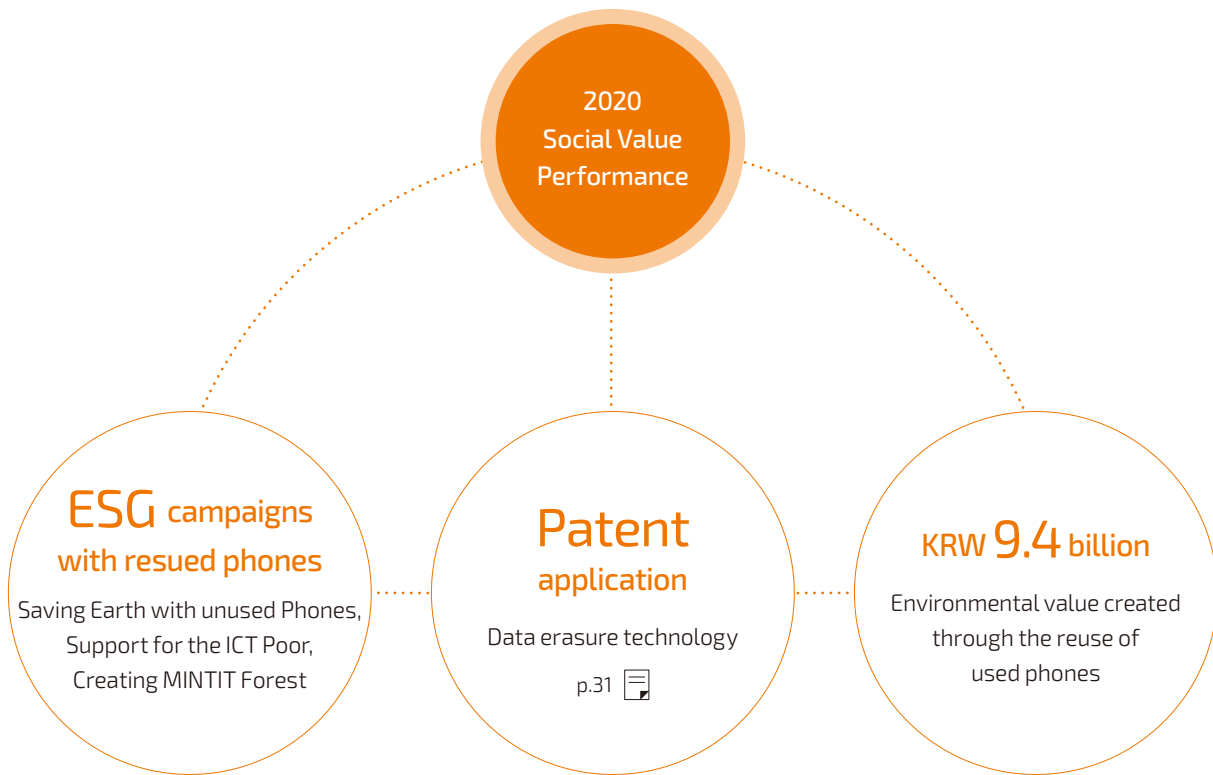
**1,090** mobile device agencies

**6** distribution centers nationwide



# MINTIT

MINTIT, SK Networks' used mobile device recycling brand, improves the preexisting non-transparent trade structure of the used phone market and expands the usability of resources. As a used mobile recycling platform, the 'MINTIT ATM' provides an environment where anyone can participate in the trade of used phones anywhere by incorporating AI evaluation technology and a convenient UI/UX. We newly create a used mobile trade culture that is contactless by expanding the number of customers' points of contact to 3,000 spots, including supermarkets, mobile carriers, general stores, and post offices. On top of the used mobile ATM service, MINTIT shapes a community that reduces the usage of resources and participates in protecting the environment by allowing customers to recycle and donate their used phones.



### 2020 Business Performance

2020 **IDEA\*** Design Award

More than **32,000** in monthly average purchases

**3,000** MINTIT ATMs installed

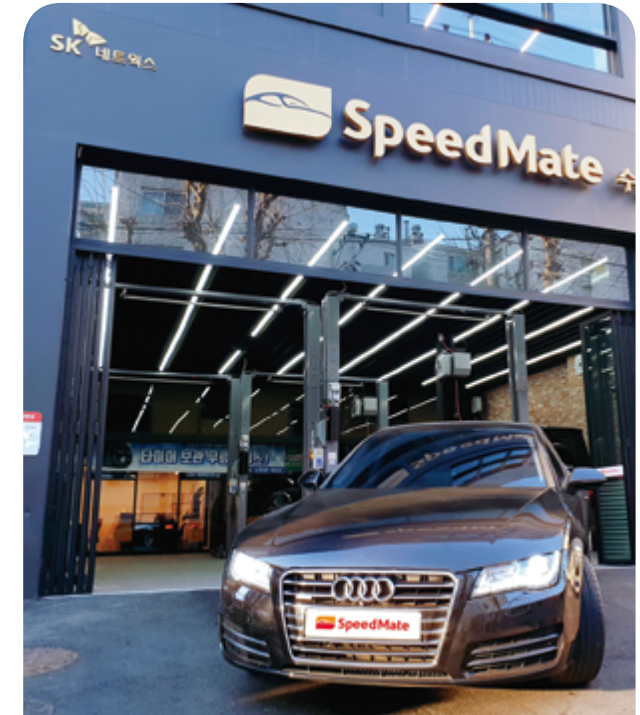
**390** thousand used phones collected

**16** thousand used phones donated

\*International Design Excellence Awards

# SpeedMate

Having begun as a car repair business, SpeedMate is now the No. 1 brand in the automotive aftermarket, providing a wide range of services from emergency roadside assistance to the maintenance for imported cars, distribution of imported vehicle components and tires, and exports of automotive parts. We aim to facilitate a customer-oriented imported car repair service culture by providing trustworthy and convenient services. 'Tire Pick,' SpeedMate's online-to-offline (O2O) tire selling platform, is the first of our kind to be launched in the industry, offering selected products and tire replacement services, as well as providing information on the tire sizes according to the vehicle registration numbers. In 2020, SpeedMate further enhanced the online prepayment function to ensure convenient non-face-to-face transactions and has initiated the valet tire installation service, where we deliver vehicles to the location requested by the customer following the tire installation. As such, SpeedMate focuses on enhancing customer convenience.



## 2020 Business Performance

KRW **369.6** billion in revenue

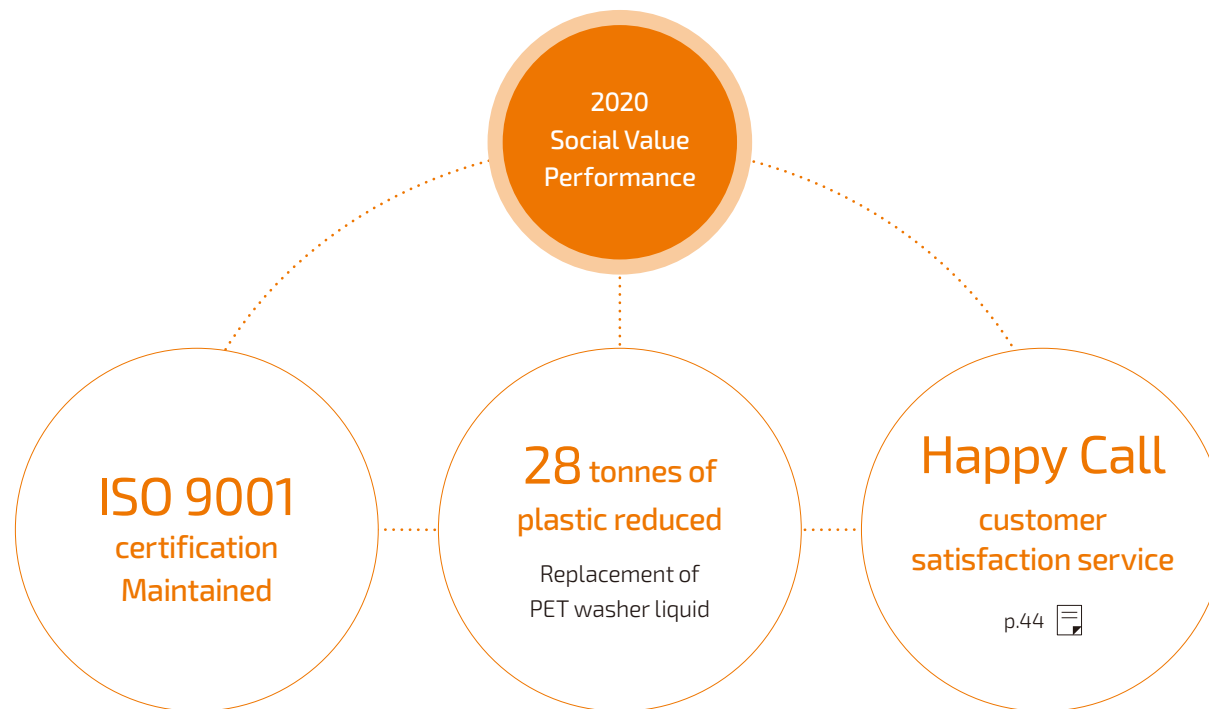
**1st** in K-BPI\* for **18** consecutive years

**640** SpeedMate stores

**325** partners nationwide

**53,000** tires sold

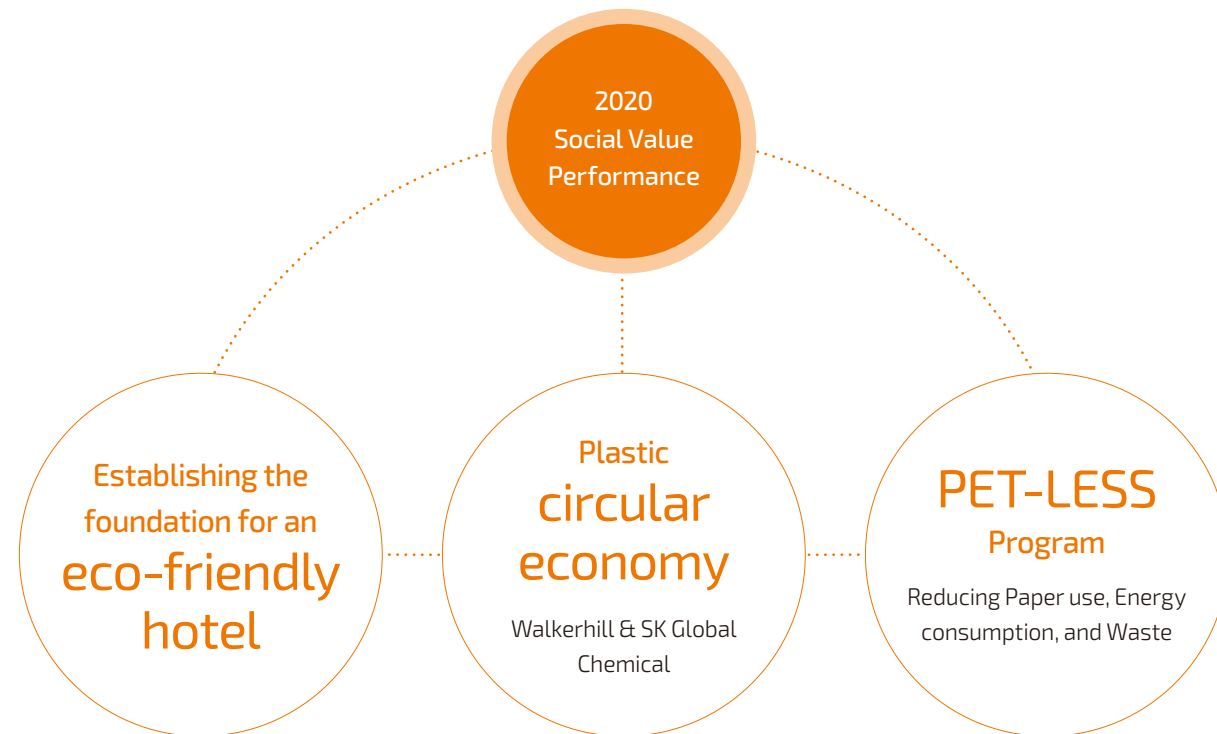
\*Korea Brand Power Index



# Walkerhill

Walkerhill Hotel & Resort is a pioneer of Korea's hotel industry, providing the best lifestyle experience in leisure, culture, and food, as well as creating an environment where visitors can rest comfortably surrounded by nature. The company engages in various businesses, including: Grand Walkerhill Seoul that offers a new leisure culture, Vista Walkerhill Seoul that provides a new and fresh experience, Douglas House where people can experience their own Querencia\* within the city, and external businesses such as Darakhyu (Incheon Airport Transit Hotel, Yeosu) for smart travelers. Having declared its vision of transitioning into an eco-friendly hotel, Walkerhill Hotel & Resort will continue to promote ESG management activities such as acquiring an eco-friendly hotel certification and organizing Chuseok (Korean Thanksgiving) gift sets with its own ESG stories.

\*A space where one feels at home when both physically and mentally exhausted



## 2020 Business Performance

KRW **196.8** billion in revenue

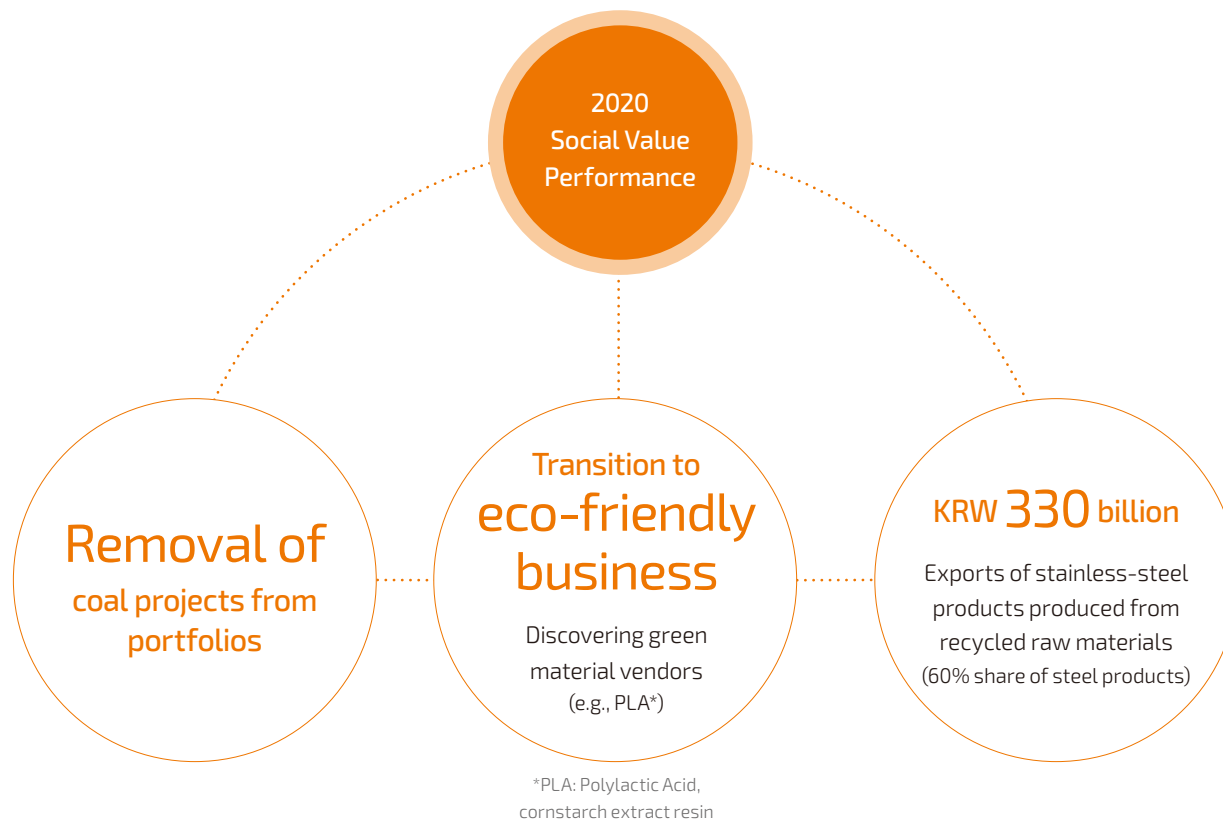
**No. 1** in Hotels & Resort category at the National Brand Awards for **5** consecutive years

**76,078** customers with membership

**43%** rejoining rate of paid membership

# Trading

Based on its 50-year-long experience in global business, SK Networks has secured a variety and differentiated level of competitiveness through its exceptional expertise in global sourcing, excellent information resources, and strategic networking. With our competitiveness, we carry out a global trade business of industrial materials and chemicals. We engage in global business transactions of our key products based at our global outposts and secure a stable income structure through strategic partnerships with major global suppliers.



## 2020 Business Performance

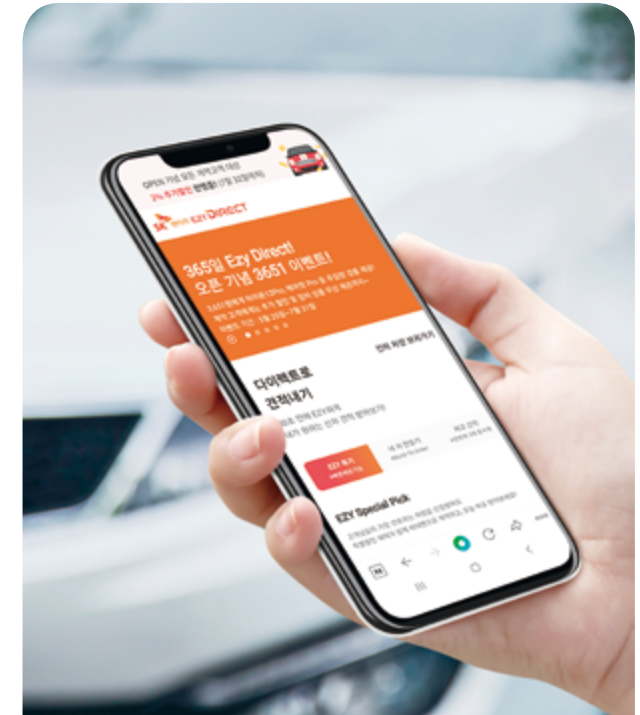
KRW **2.4** trillion in revenue

**35** long-term business partners in the chemical business

Designated as Expert Trade Company by the Korea International Trade Association (Renewed)

## SK Rent-a-Car

As the oldest company specializing in car rental service for over 34 years in the industry, SK Rent-a-Car continues to grow with its competitive edge in providing a 'Total Car Life Service' and attaining business models that integrate the latest digital technologies. In line with the recent increase in demand for car rental services, SK Rent-a-Car has been showing active sales through its 150 nationwide network points. As the first to launch 'EV All-in-One,' an unlimited charging plan for EVs, in 2020, SK Rent-a-Car strives to dominate the EV rental market by responding to the rapidly changing mobility business. We aim to convert all our vehicles to eco-friendly models by 2030, following the declaration to participate in K-EV 100, a campaign announced by the Ministry of Environment of Korea in 2021 to shift to zero-emission cars. From our IoT-based 'Smart Link' service that provides efficient vehicle management for corporate customers to 'Smart Care,' a mobile application for long-term lease customers, SK Rent-a-Car prepares to advance as the No. 1 mobility service provider of a contemporary vehicle lifestyle to customers.



### 2020 Business Performance

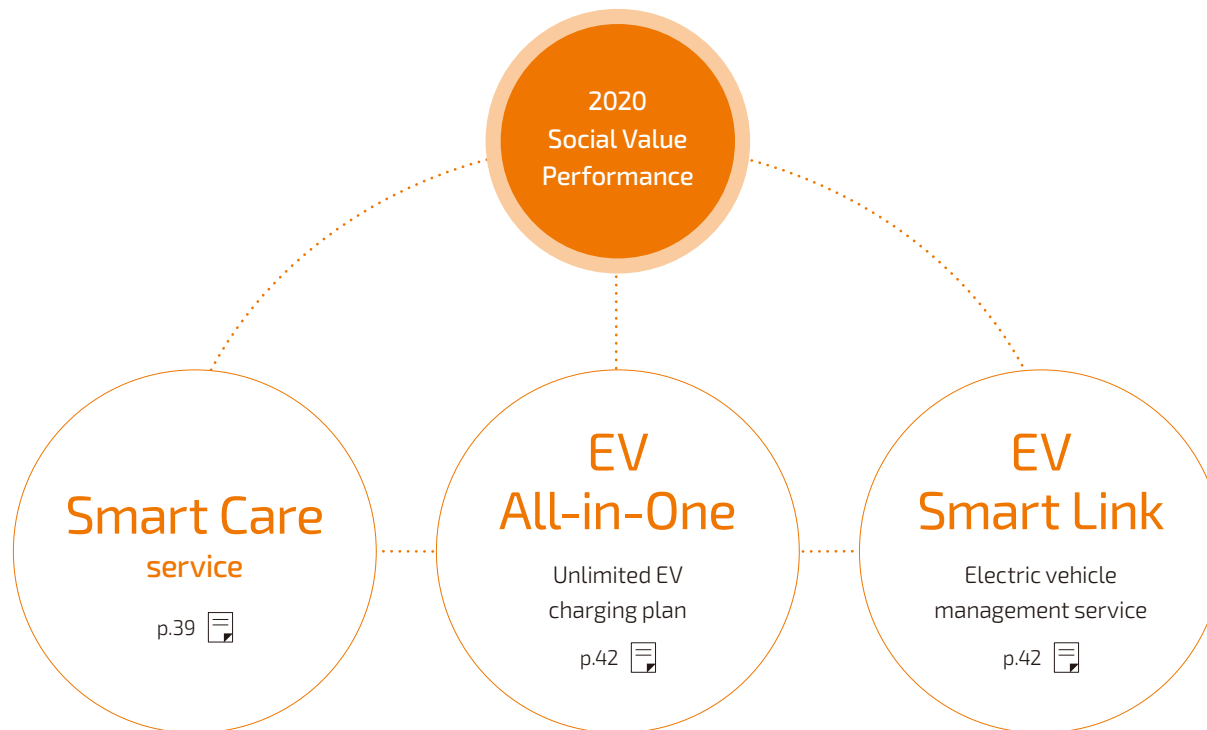
KRW **1.5** trillion in revenue

**No. 1** in **KS-WEI\*** for **9** consecutive years

2020 National Service Award in the Car Rental Category

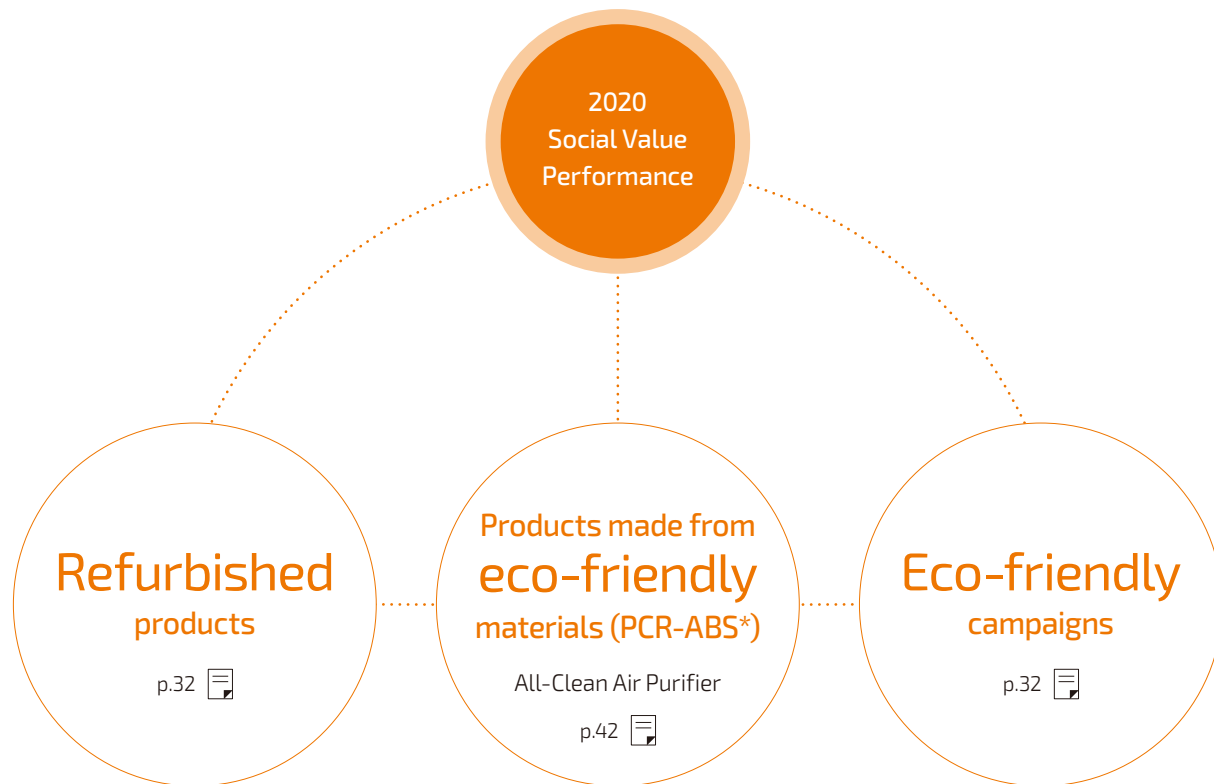
More than **200** thousand car rental permits

\*Korea Standard Well-being & Environment Index



# SK Magic

Since 1985, SK Magic has been leading the trends of the home appliances market with its differentiated technology and services. We are growing as a leading company within the industry centered on 'rental services' that are at the forefront of future growth and 'home appliances' secured with a solid business foundation. Furthermore, SK Magic is preparing new business models and ESG-based products, and expanding globally to secure sustainable competitiveness. We continue to increase our investment in research and development under the goal of improving quality and customer service to raise brand credibility, prioritizing customer value.



\*Post-Consumer Recycled Acrylonitrile Butadiene Styrene



## 2020 Business Performance

- KRW **1** trillion in revenue
- No. 1** in Korea Brand Power Index for **18** consecutive years
- Over **2** million in accumulated rentals
- Awarded the Presidential Award of the Korean Brand Awards

# SV Implementation System

Based on SK's Double Bottom Line (DBL), SK Networks pursues both economic value (EV) and social value (SV) as we strive to solve common problems faced by society through our business activities.

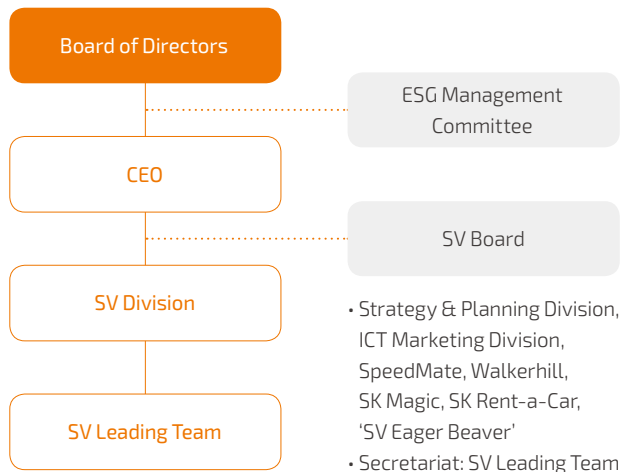
## Strengthening the Organization to Establish an ESG Management System

SK Networks centers our company-wide capabilities on creating social value and has been operating a team dedicated to promoting SV since 2019 to secure communication channels for each line of business. In 2021, the ESG Management Committee was established under the BOD to build an ESG Management system that is led at the corresponding level. With the strategy team of the strategy and planning division as the secretariat, the committee plans to aid in achieving sustainable growth of the company by conducting a preliminary review of the key decision-making matters related to environmental, social, and governance with the support of SV Division that work directly under the CEO.

## SV Board, the Social Value Council

SK Networks' social value council, SV Board, has been operating since 2019 under the supervision of the CEO. The SV Board has conducted a total of eight meetings in 2020 with members of the strategy team, each business division, and members of the SV management organization of subsidiaries. The SV Board shares and discusses the status and issues of each business on promoting SV and the domestic and international trends of SV, such as the Korean New Deal and RE100. In 2021, we expanded the range of required participants to the team manager level and regularized the participation of executives of each business to strengthen the board and foster internal experts. In addition, we designated employees with a passion for creating social values in their work voluntarily as SV Eager Beavers, selected them as SV Board members intending to support their role of being change agents within the organization.

### SV Management Organization



### SV Board Monthly Activities

- 1 Discussion on the annual operation plan and direction for 2020
- 2 Sharing the progress of Sustainability Report, SV Account & SK Group's Social Value Implementation System
- 3 Sharing SV Account Pilot Performance, SV Management goals per business
- 4 Introduction of a regular customer index and its utilization plan, and presentation of the outcomes of the SV-BM workshop
- 5 Presentation and discussion on Korean Green New Deal, SK Magic SV-BM Story and June Happiness Survey results
- 6 Sharing the Group's key ESG indicators, business environment index and management status of both
- 7 Presentation on RE100 and social/governance core indicator management status for each business
- 8 Sharing October Happiness Survey results and stories on sustainability for each business

### SV Implementation System

SK Networks operates a SV implementation system based on the SK Group's management philosophy of 'happiness of employees and stakeholders.' In 2020, we set a mid-to-long-term goal for 2030 where we seek to double the amount of positive impact we have on society and the environment and cut the negative impact by half. In 2021, we plan to establish detailed goals and action plans based on the key ESG indicators and strengthen ESG embedded management by each division.

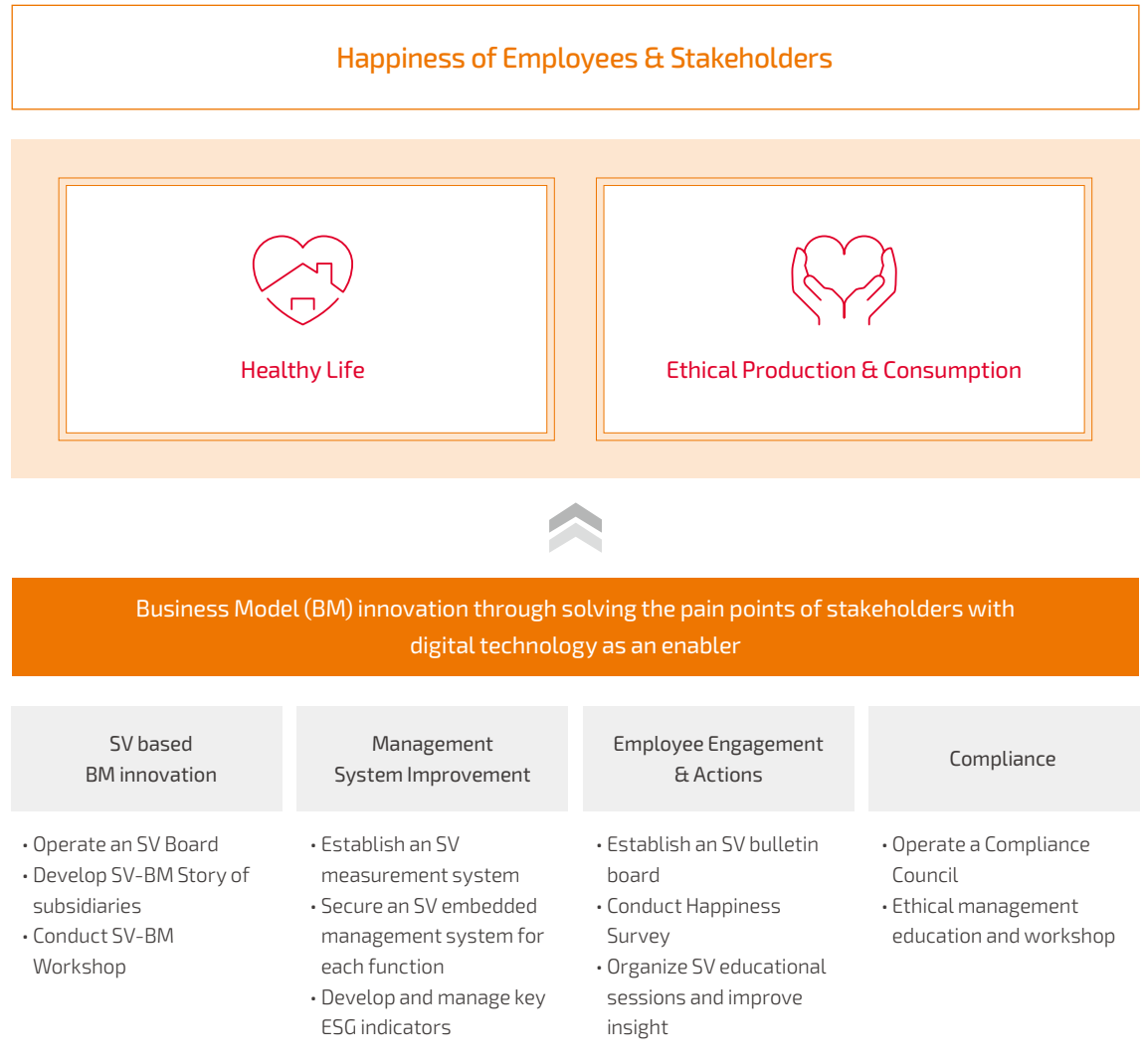
### SK Networks' SV Implementation System

SK Group Management Philosophy

SV Priority Areas

SV Direction

SV Tasks





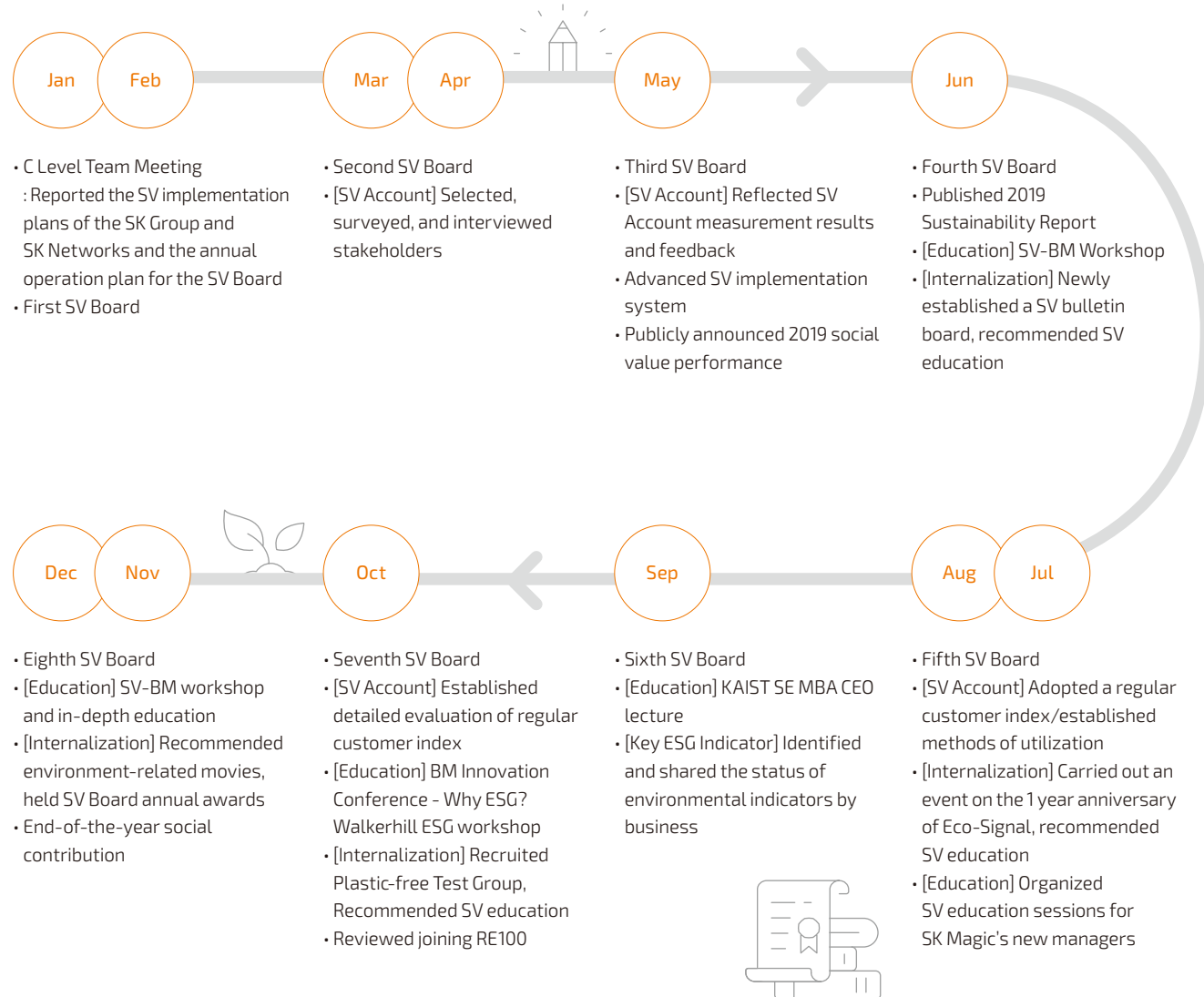
## SV Highlights 2020

### Introducing SV Account to Measure Social Value for Stakeholders

Introduced by the SK Group in 2020, SV Account is a type of account that measures and manages social value (SV) exchanged between the company and stakeholders. In consideration of the scale of business, SK Networks selected the ICT Marketing and SpeedMate divisions to see the effects of the SV Account Pilot. The survey and interviews of 1,041 ICT agencies and 84 SpeedMate mechanics identified that the SV needs of stakeholders were the highest in shared growth and environment. Accordingly, SK Networks prepared investment and support plans in those areas. In particular, SpeedMate adopted a 'regular customer index' to strengthen a detailed execution plan and augment stakeholder happiness based on the design of our branches (e.g. evaluation) which entails the happiness values that our customers and branches pursue in terms of SV Account.



### Key Monthly SV Activities



### Strengthening Employee Engagement and Activities

SK Networks has been operating a social value (SV) Bulletin Board since June 2020 to internalize social value activities among employees. We post the company's major SV activities and related materials and share various content such as social value creation cases on this bulletin board so that employees can comprehend the trends on SV, thus heightening the level of awareness regarding SV. We encourage SV engagement within our everyday lives by implementing diverse programs where employees can directly participate, such as "Turn on the Green Light" which involves reducing the amount of electricity, water and waste used within our company building, as well as the "Plastic Reduction Advocacy Group." We also recommend lectures provided by the SV College within SK Group's learning platform "mySUNI" to increase the employees' level of SV understanding. 8 out of 25 teams presented SV-related content at the On and Off Festival, an event where employees share their learning experience gained from the activities they engaged in on and off from work.

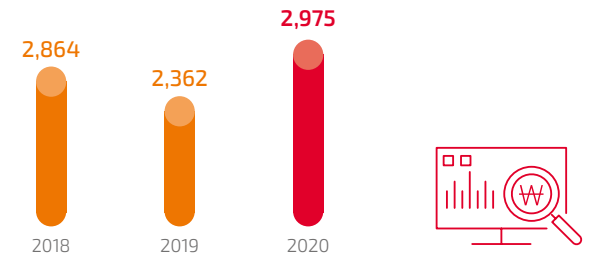
In 2021, we are planning various activities for employees to participate, in connection with eco-friendly activities in our new company building. Our goal is to encourage employee participation and action through the SV board and Hanggare, our SV action platform.

### 2020 Social Value Measurement

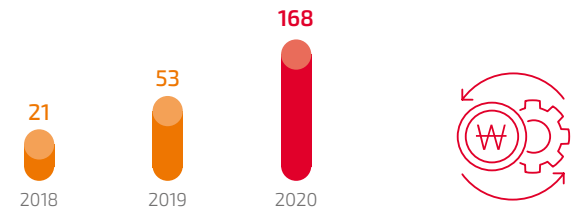
Based on SK's management principle, DBL measurement indicators, which consider both economic and social value, SK Networks has calculated our social value in monetary value since 2018. The disclosed boundaries are divided into social performance through indirect economic contributions, social performance through businesses, and social performance through social contributions, wherein the outcomes are transparently disclosed to our stakeholders annually. While making improvements on mitigating any negative impact, we will pursue the happiness of employees and stakeholders and expand the scope of our positive impact to achieve sustainability. We adjusted our business portfolio in 2020 and expanded our BM (Business Model) activities for social value creation. There were changes in the "social performance through indirect economic contribution" due to portfolio adjustment and MINTIT's SV-BM performance was directly reflected in our "Social performance through business."

(Unit: KRW100 million)

**Social performance through indirect economic contribution**  
Value that indirectly contributed to the domestic economy through business activities



**Social performance through business**  
Value generated through product development/production/sales



**Social performance through social contributions**  
Value created by social contribution to the local community



\*SK Networks + SK Networks Service

# ESG Issue Paper

## Stakeholder Engagement Channels

SK Networks defines all entities that directly and indirectly impact and are affected by our management activities as our stakeholders. Stakeholders include customers, employees, suppliers, the government, shareholders/investors, and local communities. We aim for successful communication with our stakeholders through various engagement channels. By conducting surveys to collect stakeholders' opinions on our sustainability management policies, we are committed to actively integrating them into our management activities.

### Engagement Channels and Priority Issues

Stakeholders	Engagement Channel	Priority Issues
Customers	<ul style="list-style-type: none"> <li>VOC channel</li> <li>Point of contact (an agency or a branch)</li> <li>CRM survey, customer satisfaction survey</li> <li>Website, Social Networking Services</li> </ul>	<ul style="list-style-type: none"> <li>Customer Satisfaction</li> <li>Tailored Solutions</li> <li>Information Security</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Labor union</li> <li>Internal online system, company-wide education curriculum</li> <li>Happiness Survey, Happiness Board, Happiness Bulletin Board</li> </ul>	<ul style="list-style-type: none"> <li>New ways of working, Competence Improvement</li> <li>Horizontal/Customer-oriented organization culture</li> <li>Stakeholder happiness, Social value creation</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Face-to-face meetings and discussions</li> <li>SK Networks electronic procurement platform</li> </ul>	<ul style="list-style-type: none"> <li>Fair and reasonable business relations</li> <li>Support for suppliers' management and educational activities</li> <li>CSR guide for suppliers</li> </ul>
Government	<ul style="list-style-type: none"> <li>Meetings, public hearings</li> </ul>	<ul style="list-style-type: none"> <li>Law Compliance and Ethical Management</li> <li>Fair Trade Compliance</li> </ul>
Shareholders/Investors	<ul style="list-style-type: none"> <li>Investor meetings, General shareholders meetings</li> <li>Seminars on business status</li> <li>Website</li> <li>Public announcements</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Value</li> <li>Financial Integrity</li> <li>Information Disclosure</li> <li>Robust governance</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>Platform for volunteering activities</li> <li>Residents' council</li> </ul>	<ul style="list-style-type: none"> <li>Local community contribution and investment</li> <li>Cultural benefits for the underprivileged</li> </ul>

## Awareness on Sustainability Management

In March 2021, SK Networks conducted a questionnaire targeting a total of 193 internal and external stakeholders about their awareness of SK Networks' ESG (environmental, social, governance) management. Compared to that of employees, external stakeholders' awareness of our sustainability management was found to be more positive. Both internal and external stakeholders gave social aspects the highest score.

Do you think SK Networks is a company that fulfills its environmental and social responsibilities in addition to promoting its growth?

Average awareness level \*On a scale of 5

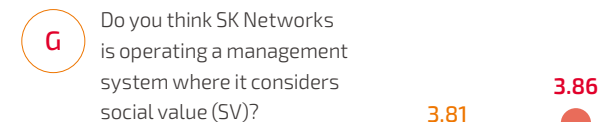
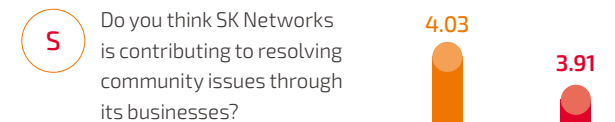
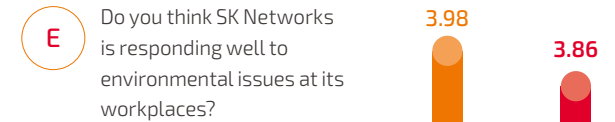
**3.91 points**



Sustainability management awareness level

(Unit: Points, on a scale of 5)

- External stakeholders
- Employees (SK Networks)



### Materiality Assessment Process

For sustainable management, SK Networks has derived material topics that require intensive management through a materiality assessment. The importance of each topic was identified through the results shown in stakeholder surveys,

media analysis, and benchmarking. The activities and business performance detailed in this sustainability report are founded on the seven material topics.

#### ESG Topics



#### Environmental

- GHG Emissions
- Waste Discharge
- Water Resources
- Air Pollutant Emissions
- Energy Consumption
- Pollution of Natural Ecosystem
- Eco-friendly Technology & Products



#### Social

- Labor-management Conflict
- Workforce Competency
- Workplace Safety
- Local Economic Recession
- Information & Cybersecurity incidents
- Customer Health & Safety
- Employee Diversity
- Partnerships in the Supply Chain
- ESG Risks in the Supply Chain



#### Governance & Business Management

- Consumption Trends & Technological Innovation
- Compliance with Government Policies/Regulations
- Corruption
- Domestic & Global Market Competition



STEP 1

#### ESG Topic Pool

We organized a pool of 20 ESG topics as subjects of sustainability management by conducting a media analysis, benchmarking global companies in the same industry, and assessing ESG indicators for which disclosure is required (including indicators of SK Group, GRI, DJSI, SASB, and MSCI).



STEP 2

#### Materiality Assessment

We identified the materiality of each topic based on the results of our internal and external stakeholder survey, media analysis, benchmarking, and comprehensive analysis of ESG assessment items.



STEP 3

#### Material Topic Selection

We selected the top 7 material topics that were identified to have the highest materiality through our material assessment.



STEP 4

#### Impact Assessment of Material Topics

We analyzed the impacts and associated risks of the selected topics on the company and our stakeholders to establish short and long-term sustainability goals and plan strategies for fulfilling the goals.

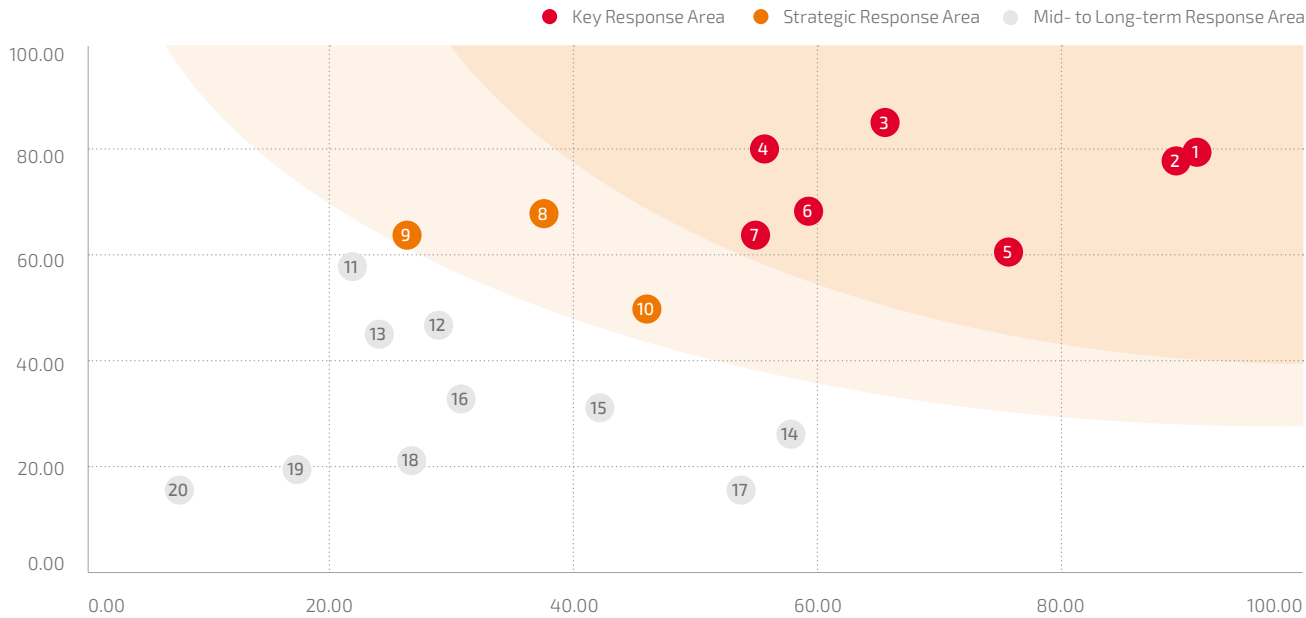


STEP 5

#### Response and Performance Management

We assessed the performances and impacts of activities according to the short and long-term plans to improve and strengthen SK Networks' sustainability management activities.

### Materiality Matrix



### ESG Topic Ranking

1	Consumption Trends & Technological Innovation	11	Local Economic Recession
2	Domestic & Global Market Competition	12	Labor-management Conflict
3	Corruption	13	Waste Discharge
4	Eco-friendly Technology & Products	14	Energy Consumption
5	Customer Health & Safety	15	Employee Diversity
6	Compliance with Government Policies/Regulations	16	Workplace Safety
7	Partnerships in the Supply Chain	17	GHG Emissions
8	Information & Cybersecurity incidents	18	Air Pollutant Emissions
9	ESG Risks in the Supply Chain	19	Water Resources
10	Workforce Competency	20	Pollution of Natural Ecosystem

Rank	Category	Material Topic	Topic Boundary						Page
			Employees	Customers	Suppliers	Government/ Local governments	Shareholders/ Investors	Local communities	
1	Governance & Business Management	Consumption Trends & Technological Innovation	●	●	●	●	●		p.37-44
2	Governance & Business Management	Domestic & Global Market Competition	●		●	●		●	p.37-44
3	Governance & Business Management	Corruption*	●	●	●	●	●		p.67-70
4	Environmental	Eco-friendly Technology & Products*	●	●	●		●		p.22-35, 42
5	Social	Customer Health & Safety	●	●	●		●	●	p.43-44
6	Governance & Business Management	Compliance with Government Policies/Regulations*	●			●	●	●	p.67-70
7	Social	Partnerships in the Supply Chain*	●	●	●		●		p.54-56

\*Identified as New Material Topics for 2020FY



# Innovation towards Sustainable Business

SK Networks operates innovative businesses to achieve our dream of becoming a sustainable business and community. Sustainable business entails not only providing top-quality products and services to customers but also creating social value, which will lead to a broader contribution to the environment and society.

We would like to share our stories of “Innovation towards Sustainable Business,” including our merchandising of eco-friendly products, development towards a clean environment, and donation of our revenues to show how we have been taking the steps in our journey in becoming a sustainable business.



## PRODUCT RECYCLING

SK Networks is making significant efforts to foster a culture of recycling and reusing.

We create environmental value by not only reducing waste through recycling, but also by lowering GHG emissions from the production process. We also create social value as we donate part of our revenue to the ICT Dream Tree Project.

## GREEN MATERIALS

SK Networks ensures the safety and happiness of our customers, society, and environment by developing products that utilize eco-friendly materials. We reduce carbon emissions by providing eco-friendly products based on our key technologies, thus minimizing the environmental impact. We manufacture products in consideration of customer safety and health while taking on environmental responsibilities such as reducing waste, using eco-friendly materials, and responding to climate change.



"Sustainable consumption" entails environmental and social value creation through technological innovation and diffusion of value-consumption. SK Networks reduces the environmental impact caused by customers' purchases and product consumption by replacing the resources used in our products and services with eco-friendly materials. We continue to meet the needs of customers and promote sustainable consumption by strengthening our online services and communication.

## ECO-FRIENDLY CONSUMPTION

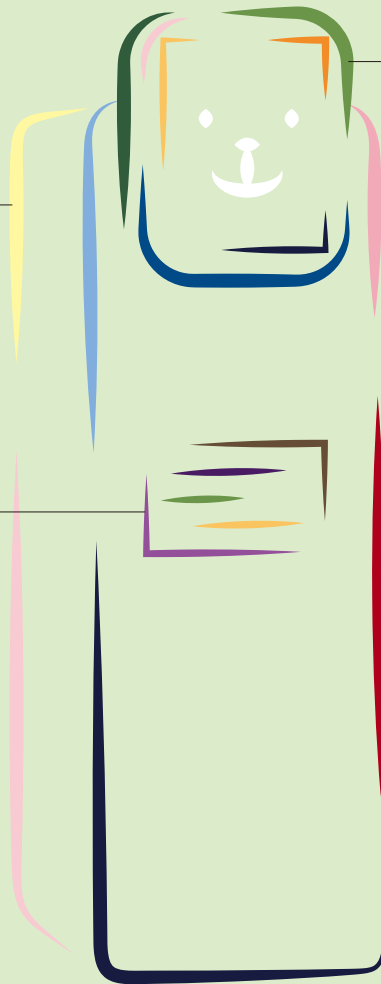


# PRODUCT RECYCLING

## Launched MINTIT ATM Mini

New features such as immediate data erasure, UV sterilization, and charging of mobile phones

## MINTIT's 'Recycling Ecosystem'



**KRW 51.87 million**

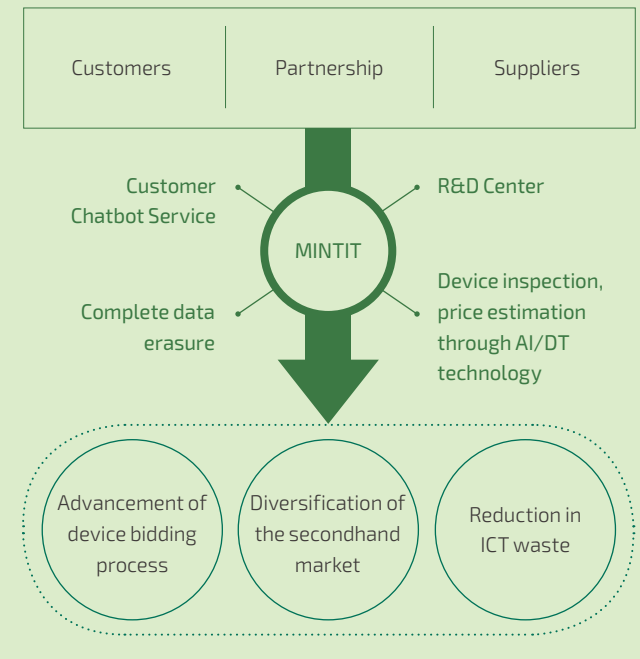
Provided to the ICT marginalized class through cooperation with Save the Children

“

Through MINTIT ATMs, we will create a culture where reusing and recycling becomes part of everyday life.

”

### MINTIT ATM Recycling Process



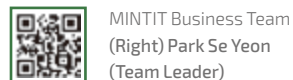
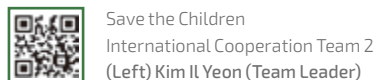


**Q.** Tell us about how the MINTIT business began, and your performance in 2020.

**A.** Park Se Yeon (Team Leader) Realizing that many used phones take place within the supply chain of mobile devices, the idea of MINTIT was born when we were analyzing the potential pain points of the customers during the distribution phase. Our vision is to innovate the used mobile market through MINTIT ATM, a contactless machine for collecting used devices, and to create a culture where recycling and reusing become a natural part of our daily lives. This vision has led us to expand the number of customer touchpoints and develop a business model through numerous partnerships. We installed about 3,000 ATMs across the country in 2020 and raised the level of accessibility so that customers can easily and conveniently sell their used mobile devices.

**Q.** What are the environmental values created by MINTIT?

**A.** Park Se Yeon (Team Leader) The more used phones we collect through MINTIT, the more we can reduce GHG and carbon emissions and disposal costs. This process ultimately creates environmental value, which can be estimated even higher in terms of reusing resources. Considering the amount of environmental pollution and carbon emissions created every time a new device is produced and disposed of, MINTIT generates an environmental value of KRW 26,300 per used phone through the recycling process.



 Use the QR codes to access our interview videos

**Q.** How has MINTIT contributed to creating social value?

**A.** Kim Il Yeon (Team Leader) Along with Save the Children, MINTIT provides support for children who are raised by their grandparents and seek ICT education. When consumers donate their used devices through the MINTIT ATM, the evaluation quote of the used device is given to Save the Children. We not only give monetary support but also provide ICT devices to children who aspire to a career in the ICT field but cannot afford to do so due to financial difficulties.

**Park Se Yeon (Team Leader)** There are two main ways in which we create social value: donations and our forest-making campaign. Customers currently have made almost 20,000 donations through the MINTIT ATM, which indicates the positive response we have been receiving from them. We also planted 4,000 trees in the forest through our 'MINTIT Forest' campaign on a site that stretches to about 10,000 square meters.



**Q.** What roles does SK Network's ICT expertise have in establishing MINTIT?

**A.** Park Se Yeon (Team Leader) To encourage customers to participate in the used mobile market, SK Networks reduces consumers' concerns regarding personal information leakage with our expertise in data erasure. We assess the performance of used devices using artificial intelligence (AI) technologies and propose consistent pricing to consumers. As such, we are creating a market environment where customers can conveniently trade used phones without worrying about information security.

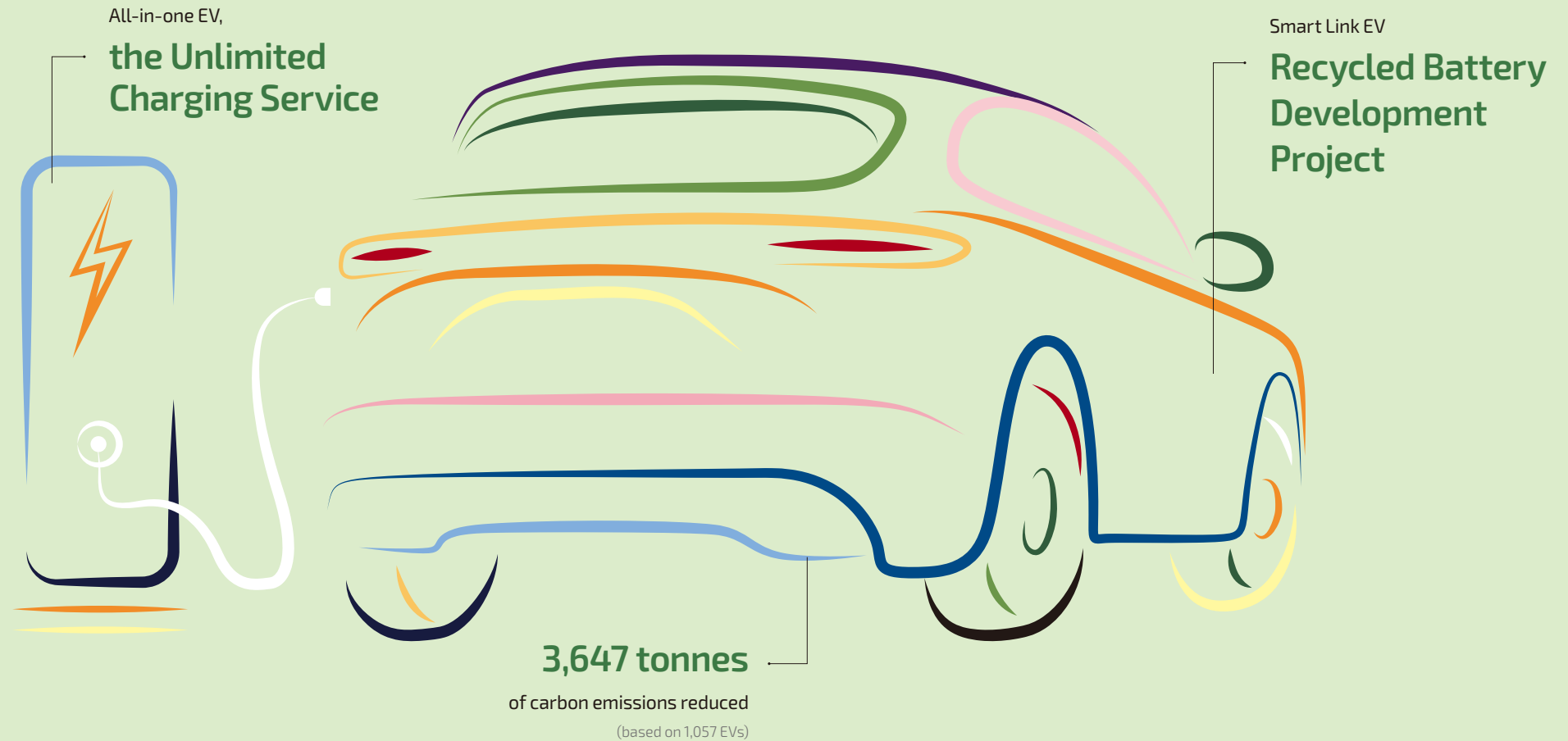
**Q.** What is the next step for MINTIT business and Save the Children?

**A.** Park Se Yeon (Team Leader) As for MINTIT, we are planning to expand our services with small and medium business operators to foster an ecosystem where we can grow together. We will create a convenient, reliable, and safe used device trading culture for consumers. Also, we will strive continuously for the future of underprivileged children with Save the Children.

**Kim Il Yeon (Team Leader)** I believe that through cooperation with Save the Children, MINTIT ATMs are building a circular social economy by linking recycling culture to social contribution rather than merely being content with the physical recycling process of devices. Through the MINTIT-Save the Children program, we will provide equal opportunities for children who experience difficulties in various areas.

# ECO-FRIENDLY CONSUMPTION

“  
 As an eco-friendly player in mobility,  
 SK Rent-a-Car will lead the EV  
 (electric vehicles) rental industry in Korea.  
 ”



**Q.** What encouraged SK Rent-a-Car to declare a 100% conversion to eco-friendly vehicles?

**A.** Jin Sung Bae (Project Leader) In March, SK Rent-a-Car joined the K-EV100 Initiative, a campaign to 100% own pollution-free vehicles or convert all rental cars to electric, hydrogen, or other pollution-free vehicles by 2030. We declared a 100% conversion to eco-friendly vehicles as we seek to respond to changes in the external environment. That is, to contribute to eco-friendly consumption by reducing carbon emissions emitted by our rental cars while considering the global consensus on climate change and global warming. As an eco-friendly mobility player, we are an industry leader in converting electric vehicles, and the launching ceremony of our EV Park on Jeju Island is scheduled for June 2021.

Oh Won Suk (Team Leader) As datafication and standardization of EV operations are still insufficient, SK Rent-a-Car is actively developing new technologies. Through Smart Link\*, we are developing and analyzing quantitative data on the eco-friendliness of EVs compared to motor vehicles. Accordingly, we will be able to check the environmental impact of EVs by quantifying the amount of carbon emissions that are reduced when using EVs in comparison to conventional motor vehicles.



SK Rent-a-Car  
Service Design Team  
(Left) Oh Won Suk (Team Leader)



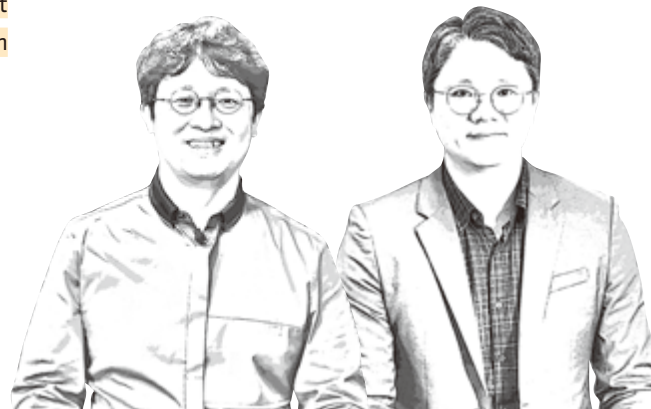
SK Rent-a-Car  
ESG Management Division  
(Right) Jin Sung Bae (Project Leader)

 Use the QR codes to access our interview videos

**Q.** What efforts are you making for EV diffusion?

**A.** Jin Sung Bae (Project Leader) The launch of EV Park is part of our effort to convert all rental cars at our branches to EVs. We are expecting to improve customer awareness by creating an environment where they can experience EVs. We will build a solution that monitors EV batteries to resolve consumers' apprehension about EVs and related safety issues. We also plan to register and obtain certification in carbon offset trading.

Oh Won Suk (Team Leader) To provide services suitable for EVs, SK Rent-a-Car is developing services to improve the battery retention period that will allow us to respond to or resolve customers' concerns or complaints regarding batteries. We are conducting a study on vehicle and battery management methods by applying our Smart Link technology with EVs. We plan to develop a solution that will increase EV convenience for customers, thus increasing their accessibility to EV.



**Q.** What activities are being implemented to create social value?

**A.** Jin Sung Bae (Project Leader) SK Rent-a-Car has a service called Mobility Bank. This social value creation service that indirectly contributes to the local community by providing vehicle rental services for free or at low prices to social enterprises. Customers using our vehicles through Mobility Bank then extend their services to the vulnerable class and contribute to job creation. We also actively participate in SK's group-wide social contribution activities, including the On-Tact\*\* project.

**Q.** What are your future plans?

**A.** Oh Won Suk (Team Leader) With the increase of companies joining the K-EV100 Initiative in Korea, social demand is rising to replace company cars with eco-friendly EVs. In response, SK Rent-a-Car is developing charging and other EV Management solutions and the service that provide EV batteries in the form of rental or exchange. Through such product expansion, we will lower the cost of EV purchases, attracting more customers to EVs.

Jin Sung Bae (Project Leader) SK Rent-a-Car is keeping pace with the current contactless social trend by launching EZY Direct, an online sales platform. We plan to promote and further upgrade the data-based BM innovation by providing more online services such as EV Smartlink and Smartcare.

\*Data-based vehicle management platform

\*\*Lunchbox Sharing Project for the underprivileged and small businesses that experience difficulties due to COVID-19

# GREEN MATERIALS

**50,328 products**

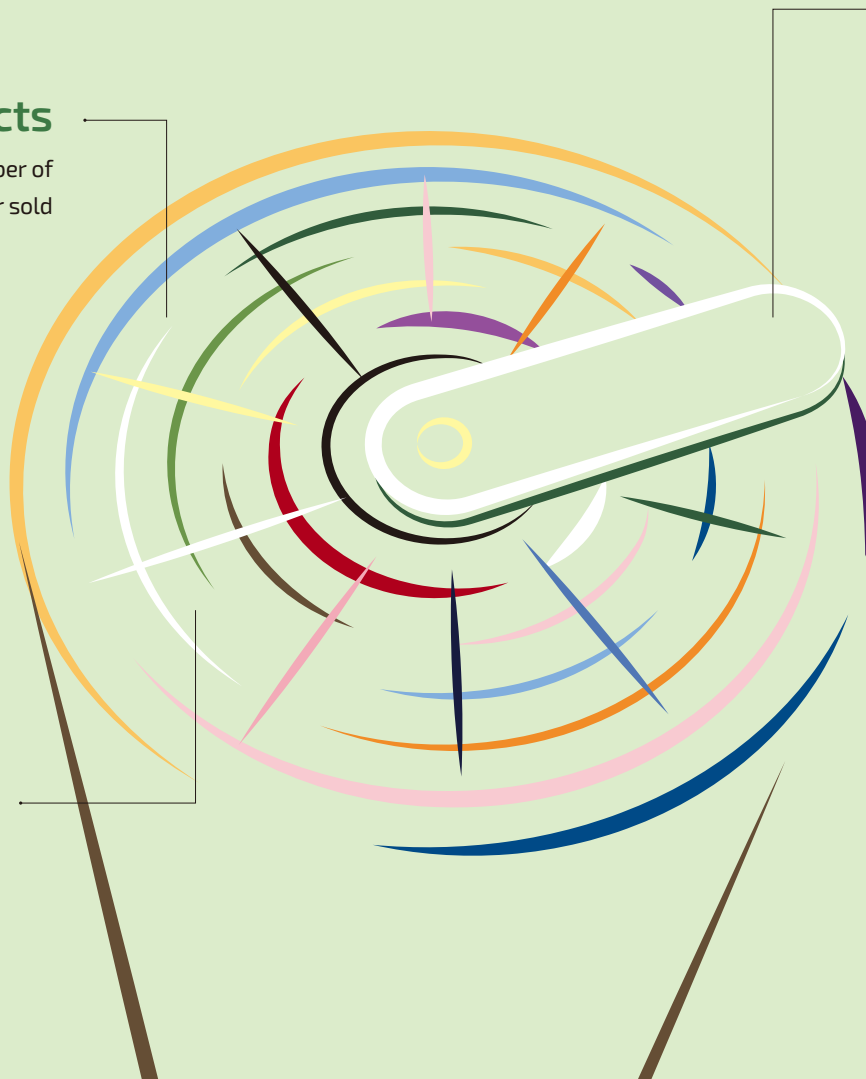
Accumulated number of All-Clean Air Purifier sold

**27%**

Ratio of eco-friendly plastic materials to total product weight of All-Clean Air Purifier

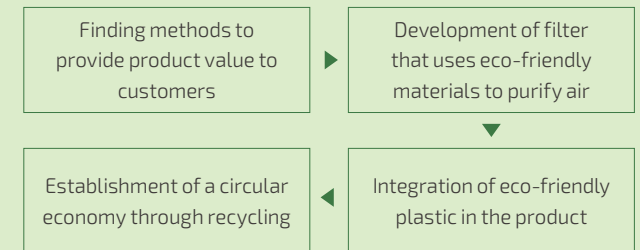
**97.2%**

Recycling rate of Returned Products

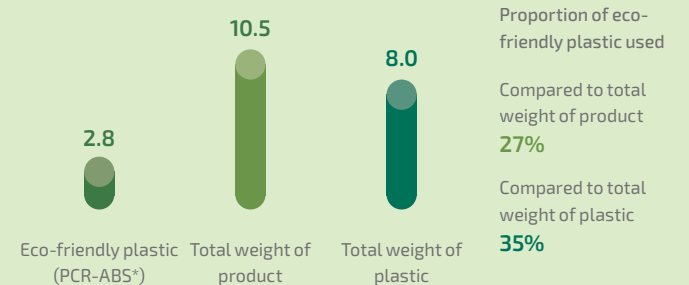


“  
We seek to develop products using recycled plastic to attain customer satisfaction and create environmental value.  
”

### All-Clean Air Purifier Product Development Process



### Amount of Eco-friendly plastic used in All-Clean Air Purifier (Unit : kg)



\*PCR-ABS: Post-Consumer Recycled Acrylonitrile Butadiene Styrene

**Q.** What was the context and driving force in planning SK Magic's All-Clean Air Purifier?

**A.** Lee Yun Young (Team Leader) SK Magic's All-Clean Air Purifier was developed on the idea of successfully delivering product value to customers rather than creating an eye-catching design, which is seemingly the latest trend within the industry. The air purifier we have developed has improved filter performance to prevent the accumulation of dust and pollutants in the filters. In terms of the product's environmental value, the air purifier encompasses our intentions of cleaning the environment by using eco-friendly plastic materials.

**Q.** Do you have any plans to increase social and environmental values created by SK Magic's products?

**A.** Lee Yun Young (Team Leader) The home appliances that SK Magic creates need to be environmentally friendly and healthy for the home. Likewise, we believe that we will be able to cultivate social and environmental values by communicating to our consumers the possibility of contributing to a healthier society through value creation and consumption.

Park Min Hye (Team Leader) I believe SK Magic's eco-friendly production using recycled materials is ultimately a way to respond to climate change and reducing carbon emissions. Establishing company-wide goals in response to the climate crisis in the long term and replacing the initial raw materials to fulfill the goals are meaningful in themselves.

**Q.** SK Magic is committed to creating a circular economy using eco-friendly materials. Can you give them a piece of advice?

**A.** Park Min Hye (Team Leader) I believe the first step of creating a circular economy is to establish a goal and announce it to the public, and SK Magic has successfully achieved this step. Fulfilling a goal becomes considerably more manageable when all stakeholders within a value chain cooperate. My advice for SK Magic is to set up and announce a detailed plan and engage in business activities along with their stakeholders. In addition, SK Magic can establish a circular economy if it strives to create an eco-friendly business environment, by carrying out relevant, providing education, and implementing campaigns to increase awareness. With these, it can subsequently achieve eco-friendly transformation of consumers' lifestyles rather than merely manufacturing and selling products.

**Q.** What are your future plans?

**A.** Lee Yun Young (Team Leader) We have limited data or technologies that may be applied to make the best use of PCR materials in plastic home appliances, but SK Magic plans to replace plastic materials used in All-Clean Air Purifiers with recycled or reused materials increasing the proportion from 35% up to 99.5% based on our studies. Moreover, we plan to use eco-friendly materials in our other products just like our All-Clean Air Purifier, which we hope will eventually lead to an increase in the social value we create. In the future, we plan to use eco-friendly recycled material like PCR in varying stages of our production process, from packaging and packing to making user manuals. We are also currently building a recycling center at Hwaseong Plant, and it is expected to increase opportunities to create environmental value.



SK Magic  
Product Development Team 1  
(Left) Lee Yun Young (Team Leader)



WWF  
Business Partnership Team  
(Right) Park Min Hye (Team Leader)

 Use the QR codes to access our interview videos

# Environment

- 30 Circular Economy
- 34 Climate Change



# Circular Economy & Climate Change



## PERFORMANCE



KRW **11 billion**

environmental value of the used phone collection  
(\*cumulative data of 2019-2020)



**2,892 tonnes**

reduced in GHG Emissions

## MEASURES

- Circular Economy [p.30](#)
- Climate Change [p.34](#)



## APPROACH

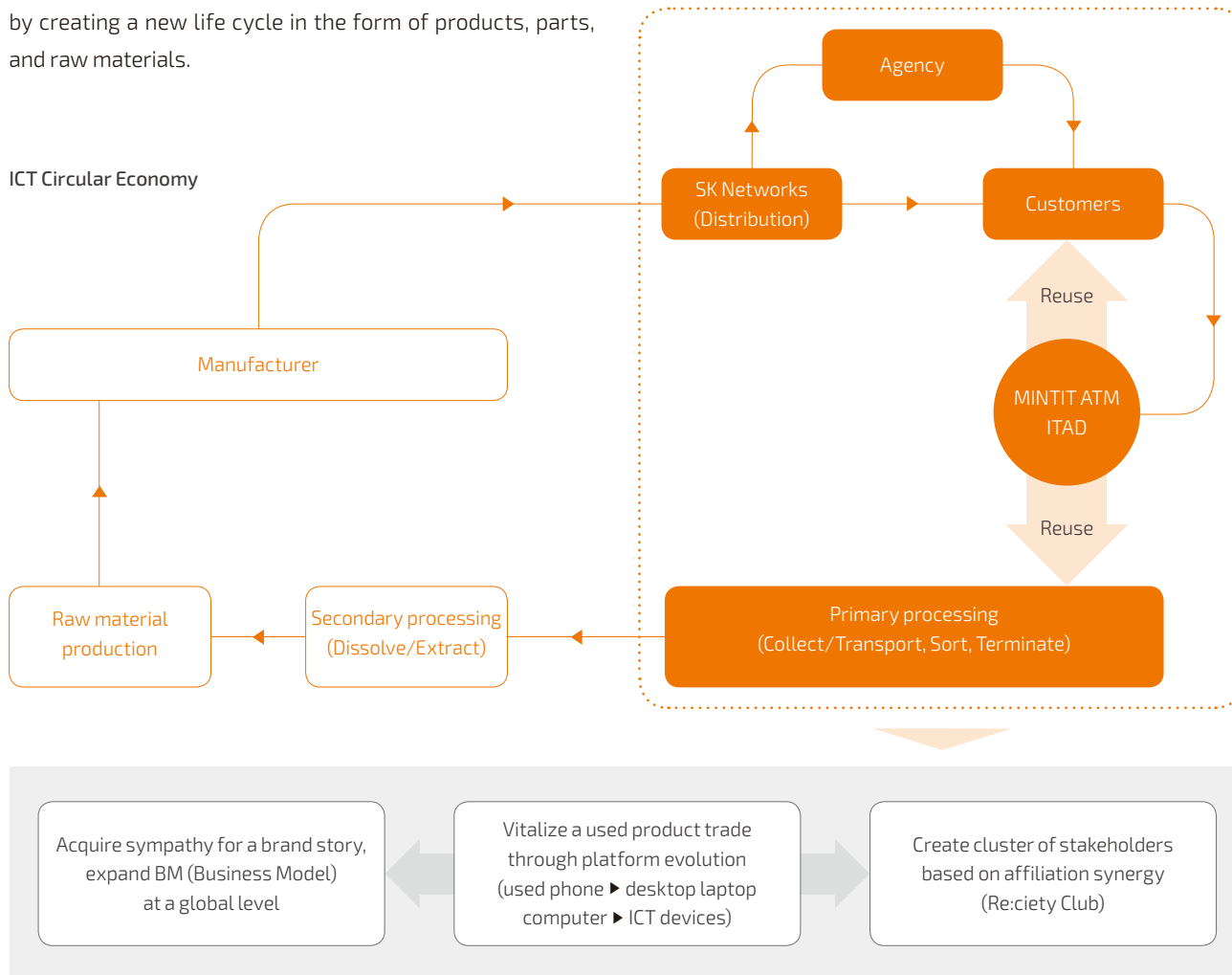
With climate change and environmental pollution recognized as important social issues across the globe, SK Networks is engaging in various environmental activities. Clean production and consumption are the focal points of our SV strategy. We aim to establish a circular economy that reduces environmental impact when it comes to the consumption and disposal of our products that use recycled material. Moreover, we have been reducing GHG emissions through our membership in the K-EV100 and declaration of Net Zero 2040 to proactively respond to climate change issues.

We will continue to reduce GHG emissions by decreasing the amount of energy and streamlining logistics, converting our rental cars to electric vehicles, and reducing on-site waste.

# Circular Economy

SK Networks is expanding as a sustainable ICT resource circulation service provider through a resource circulation system that supports the disposal and recycling of products by creating a new life cycle in the form of products, parts, and raw materials.

## ICT Circular Economy



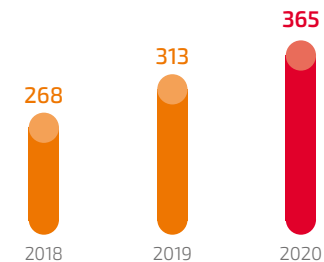
## Workplace Waste Reduction

### Korea Electronics Recycling Cooperative

As a merchandiser of the ICT device market, SK Networks takes on the responsibility of collecting disposed devices following the amendment of resource circulation regulations. We registered as a member of the Korea Electronics Recycling Cooperative in 2015 and systematized an electronics recycling system. The Recycling Cooperative requests responsible recycling practices to prevent environmental pollution that rises from the processing of hazardous substances, prevent leakage of personal information that may occur when disposing of mobile devices. Furthermore, we pay annual cooperative collection costs based on the annual recycling objectives set by the Ministry of Environment.

Mandatory collection quota of the Korea Electronics Recycling Cooperative delineated by the Ministry of Environment (100% achieved)

(Unit: Tonne)





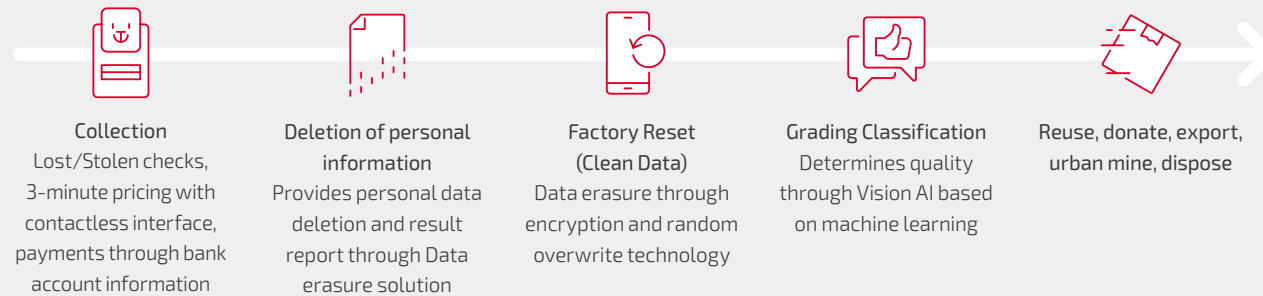
SV Story

## MINTIT 'Recycling Ecosystem'



MINTIT ATM, the used mobile device purchasing machine, integrates AI technology to establish a recycle and reuse culture of used mobile devices. We encourage the use of reused phones to reduce the number of resources applied to produce phones, decreasing the amount of GHG emissions and waste disposal costs, hence creating environmental value by preventing pollution through our recycling technology. In addition, by running the used mobile device donating program "MINTIT Project" with Save the Children, we create an environment in which customers can conveniently make donations anytime anywhere and contribute to creating a better community by supporting children who dream of being in the ICT field but have difficulty because their caregivers are their grandparents facing financial difficulties. SK Networks expanded up to 3,000 MINTIT ATMs across the country in 2020 so that customers can easily and conveniently reuse and donate their used mobile devices.

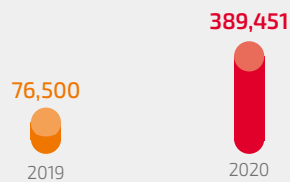
### MINTIT Resource Circulation Process



### MINTIT Mobile Device Distribution Performance

#### Number of Used Phones Collected

(Unit: Number of phones)



#### Amount Donated

(Unit: KRW 10 thousand)



## ITAD\* Service and Resource Circulation Center

SK Network Service's ITAD service provides systematic consulting and solutions regarding data deletion and disposal, due diligence of the IT devices customers no longer use, and is an efficient agent in waste disposal. Additionally, we have opened a 4,297m<sup>2</sup> resource circulation center in Hwaseong, Gyeonggi-do after acquiring a license for waste recycling business in July 2020. We have been expanding the circular economy ecosystem by recycling electric appliances such as water purifiers, boilers, vacuum cleaners, and air purifiers of our major clients, including SK Magic, KD Navien, and Dyson Korea.

\* IT Asset Disposition

### Resource Circulation Center Environmental Data



## Waste Recycling

### Creation of Re:ciety Club

Based on the 'reusing culture' MINTIT has fostered, and the expanded recycling system of SK Networks Service, SK Networks aims to create "Re:ciety Club" a cooperative body for sustainability where stakeholders voluntarily participate and cooperate in 4R(Reuse, Recycle, Replace, Reduce) activities. By implementing proper recycling of old mobile devices through programs such as the "Nationwide Old Cellphone Collection Campaign," we minimize environmental pollution, reduce waste generated in the community by recycling our resources, and expand awareness on resource circulation.

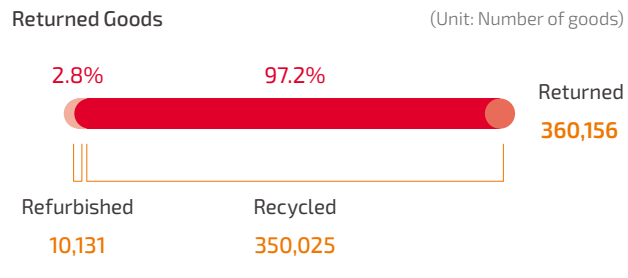
### 2020 4R Performance

Online campaign for recycling mobile devices	Agreement on ICT Dream Support (2nd)
Developed insurance for damaged used phones	Development and increase in the number of MINTIT ATM mini installations
Samsung Special Rewards Program	Samsung laptop transfer program
Registered as a member of 1% for the Planet	2020 "Nationwide Old Cellphone Collection Campaign"

## SK Magic's "RE:FRESH Campaign"



SK Magic contributes to the expansion of eco-friendly value-based consumption by encouraging refurbished product purchases through the "RE:FRESH Campaign." Refurbished products refer to returned or displayed products that go through a disassembling, cleaning, exchanging parts, and testing process and then eventually are resold. SK Magic has provided eco-friendly goods such as bamboo toothbrushes and organic towels produced by the "Jigu Shop" as gifts to customers who have purchased refurbished products through the "RE:FRESH" Season 1. A portion of the sale proceeds was donated monthly to the Korea Federation for Environmental Movements. About KRW 30,000 for each product rented in the "RE:FRESH" Season 2 is donated to the Good Water Project to support water facilities and kits to countries with poor water supplies.



## Walkerhill Declares itself to be an Eco-friendly Hotel




In 2021, Walkerhill declared itself to be the first-ever eco-friendly hotel in Korea and is carrying out various ESG activities such as using no disposable products, minimizing environmental pollution, and receiving eco-friendly certification for new buildings. We cooperate with SK Global Chemical through a memorandum of understanding (MOU) to reduce plastic use and have replaced the amenities in rooms with eco-friendly products. Our PET-LESS\* program has helped reduce the amount of paper/energy/waste used in the hotel. Packing materials and products for food and beverages have been changed to recyclable and biodegradable materials, and we are now developing menu items that use eco-friendly ingredients. Walkerhill strives to become an environmentally friendly company where we consider ESG factors as the basis for companies to bid for our procurement.

\*Less Paper/Energy/Trash

### Eco-Friendly Products & Services of Walkerhill



A lush green forest with sunlight filtering through the trees. The scene is filled with tall, slender trees and dense foliage, creating a serene and natural atmosphere. Sunlight rays are visible, streaming through the canopy and illuminating the forest floor.

June 2021  
Declared  
**NET ZERO by 2040**

# Climate Change

## Climate Change Governance System

SK Networks has adjusted our business portfolio in the course of reducing the impact we have on climate change by voting on the following issues during the past BOD meetings: LPG business transfer (February 2017), petrochemical product wholesale transfer (August 2017), Australia coal business withdrawal (October 2019), and petrochemical product retail transfer (March 2020). In March 2021, we created the ESG Management Committee consisting of five independent directors and the CEO following the BOD resolution to actively respond to environmental issues, including climate change, in addition to social and governance-related issues.

At the first ESG Management Committee meeting in June 2021, the CEO shared the direction and schedule SK Networks will take with our subsidiaries to promote the company's participation in the government's Carbon Neutrality by 2050 and SK Group's Net Zero declaration. As such, the ESG Committee reviews the strategic direction and promotional status of SK Networks' climate change response on a quarterly basis.

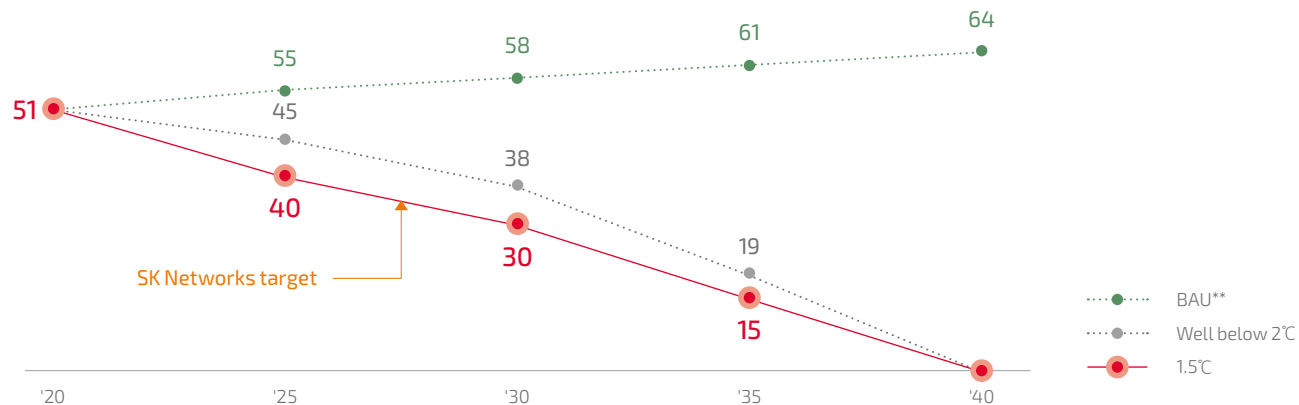
## Climate Change Response Strategy

Every business sector and subsidiary of SK Networks communicate organically, led by SV Division under the supervision of the CEO to preemptively respond to climate

change. We set mid- to long-term environmental goals and implemented tasks for each business that align with those goals since March 2021. Over a period of three months, we established a GHG inventory and identified environmental indicators, including energy and water consumption and waste generation of our business sites. The interim result and plans were shared with the CEO and board members at the SV Board meeting in June 2021. In July, we established goals and selected tasks for each environmental indicator. By reviewing and promoting to join the Science Based Targets initiative (SBTi) concurrently with the declaration of Net Zero 2040, we are committed in pursuing our response to climate change with integrity.

Scenario of GHG\* Emissions and Net Zero 2040

(Unit: tCO<sub>2</sub>eq)



- Target Companies: 7 (including all subsidiaries)
  - SK Networks/SK Networks Service, SK Magic/SK Magic Service, SK Rent-a-Car/SK Rent-a-Car Service, MINTIT
- 1.5°C: SBTi standard (annual 4.2% reduction)
  - 2021-2030 (annual 4.2% reduction), 2031-2040 (annual 5.8% reduction)
- Fuel conversion, EV car transition for company vehicles, Energy efficiency improvement/facility investment, Reducing GHG emissions through various measures including renewable energy usage and new technology development

\*Scope 1 & Scope 2 Emissions (Excludes Scope 3)

\*\*Business-as-Usual

**Expanding SK Rent-a-Car Electric Vehicles** 

Following the Paris Agreement, Green New Deal Policy, and Carbon Neutrality Declaration, SK Rent-a-Car is expanding into the EV rental business to successfully convert the transportation industry into an environmentally friendly business. We have become the first to provide an unlimited charging service within the industry by entering an MOU with the Korea Electric Power Corporation in 2020 are leading in the commercialization of electric vehicles by releasing short-term Tesla EV rentals. In collaboration with SK Telecom and Soft Berry, our project demonstrates GHG reduction of EV and is in progress of preventing global warming and accelerating the expansion of EV usage.



MOU between SK Rent-a-Car & Korea Electric Power Corporation

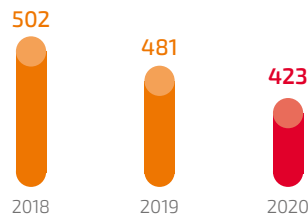
**Walkerhill Selected as Excellent Eco-mileage Organization**



With the aim of fully converting into an eco-friendly hotel, Walkerhill Hotel & Resort is proactive in reducing the amount of environmental impact and greenhouse gas emissions. In 2020, we reduced more than 10% of GHG emissions than that emitted 2 years ago by replacing our outdated lights and heating equipment and have been selected as an "Excellent Eco-Mileage Organization" by the Gwangjin-gu District Office. We produce electricity that can light approximately 1,200 LED lamps by operating a solar power development facility and participate in the global climate change campaign 'Earth Hour.' We are currently reviewing policies regarding fuel cell installation, and to establish a water recycling facility to reduce energy sources which is key in converting Walkerhill into an eco-friendly hotel. Walkerhill is working towards sustainable management based on environment-friendly business strategies.

**Walkerhill Energy Consumption**

(Unit: TJ\*)



\*Terajoule

**Walkerhill Greenhouse Gas Monitoring**

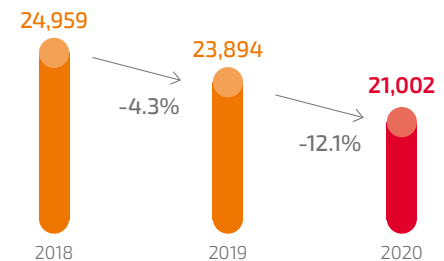


Walkerhill Hotel & Resort was designated a GHG allocation target in 2012 due to GHG emissions of approximately 30,000 tonnes a year. Accordingly, we continuously monitored the amount of GHG emissions and the energy we consume, and performed various reduction activities, such as improving boiler facilities, installing solar power plants, and replacing our lights with LED.

As a result, Walkerhill Hotel & Resort emitted 21,002 tonnes of GHG in 2020, a reduction of approximately 30% in comparison to 2012, consequently becoming a subject of the GHG management system rather than the allocation target. We were also able to generate additional profit by selling the remaining amount of the GHG emissions allocated. Walkerhill Hotel & Resort will dedicate a greater effort to achieve the Net Zero goal by 2040.

**Walkerhill GHG Emissions**

(Unit: tCO<sub>2</sub>eq)





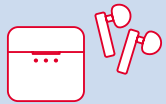
# Social

- 37 Product & Service Innovation
- 45 Employee Happiness
- 54 Sustainable Supply Chain
- 57 Local Community

# Product and Service Innovation



## PERFORMANCE



14,739

'APRIL X STONE'  
SV products sold



53,000

tires sold in 2020

## MEASURES

- Customer Value Innovation p.38
- Eco-friendly Products & Service Innovation p.42
- Customer Satisfaction p.43



## APPROACH

SK Networks offers AI-integrated, data-based services such as Smartlink and data erasure. We provide online services including SpeedMate, Tire Pick, and EZY Direct to reinforce communication with customers. Contributing to social value creation, we are developing products taking into consideration of the environment and local communities such as 'April Stone' and 'MINTIT.' We are doing our utmost to expand eco-friendly and sustainable products and services, including All-Clean Air Purifier and All-in-One Direct Water Purifier made from PCR materials mainly composed of plastic wastes by using differentiated technologies.

# Customer Value Innovation

## AI-based MINTIT ATM Innovation



MINTIT, the ICT recycling brand, has released MINTIT ATM with artificial intelligence (AI) functions built-in for the entire trading-in process of used devices to be contactless from inspecting the exterior, getting a price quote, and decision-making processes. Customers can receive a reasonable quote through the on-site AI price evaluation system and can decide whether to sell or donate their device after having inspected their devices. Moreover, the accuracy and speed of the device inspection process have improved, and images of the inspection result are provided so that customers can check the level and location of damages on their devices. 'MINTIT ATM Mini' has been released alongside the AI upgrade to provide better convenience for customers addressing their requests such as data erasure, mobile UV sterilization, and a charging system.

### Number of MINTIT ATMs Installed

3,000



MINTIT Used Mobile ATM

## SV Story

### 'Save the Children Edition' for Ethical Consumption

APRIL X STONE

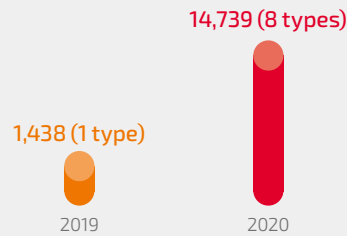
SK Networks' ICT lifestyle brand, April X Stone has collaborated with Save the Children and released various 'Save the Children Edition' products including Bluetooth earphones, speakers, and chargers. Products were created by connecting our business model to social value, where a portion of the sales has been donated to educate and purchase IT devices for children under the care of grandparents in need. The 'April X Stone a20 Save the Children Edition' released as 2nd generation in 2020, sold out 2,000 devices and raised KRW 20 million in donations.

In addition, April X Stone joined the global earth environment protection organization, "1% for the Planet" where we participate in leading environmental protection by donating 1% of our sales to the organization.

### April X Stone Product-Related Donations

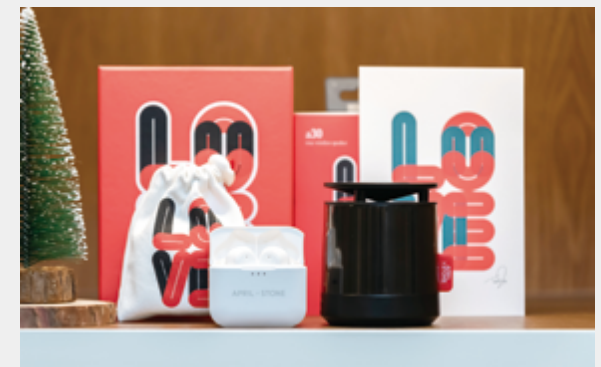
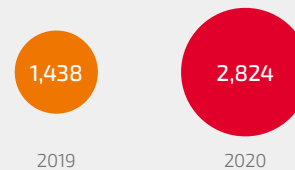
Total Product Sales

(Unit: Number of products)



Total Donations

(Unit: KRW 10 thousand)



April X Stone's Good Earphone & Good Speaker Series



**EZY Direct, Direct Service for Customers**



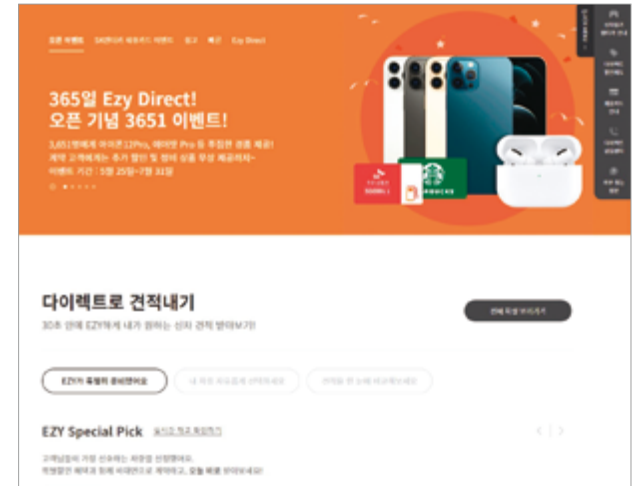
SK Rent-a-Car is expanding its services online with the skills it has accumulated through our long history of offline sales of long-term rental cars. In 2021, the company released EZY Direct based on various data solutions to make quotations and contracts more convenient for customers.

Using collected data, including payment amount, car insurance, and accident history, EZY Direct provides accurate estimates based on customer information, intelligent consultation by process, and recommendations for vehicles and options. It has also heightened customer convenience by supporting various payment methods and integrating online contactless contracts using fintech. EZY Direct is a new, unparalleled method for customer contracts, where the professional EZY Direct consultant center helps with the contract process, and a one-on-one car manager provides services that increase customer satisfaction.

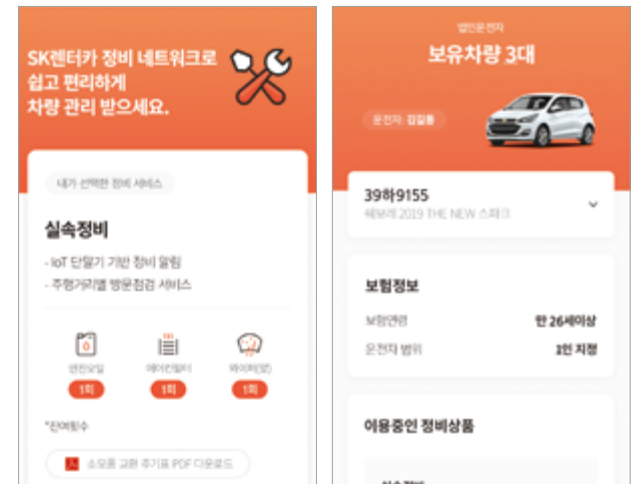
**Customer Value-oriented SmartCare Service**



SK Rent-a-Car has created 'SmartCare', a mobile app that provides services for long-term customers and drivers to use rental cars safely and conveniently during their contract period. Through the app, customers can easily solve any issues related to the contract and vehicle management (confirm contract details, issue certificates, report accidents, etc.), and are provided access to various benefits (short-term rental car coupon, for instance). In addition, we actively apply ESG management preventing accidents by inducing safe driving, reducing customers' time and expenses through the provision of the safe driving rating guidance, IoT terminal-based maintenance notifications, and visiting inspection services.



EZY Direct Website



SmartCare Mobile App Screen

**Tire Pick Service**

**TIRE PICK**

SpeedMate's Tire Pick service is an online service where customers can directly purchase, install, and manage tires for their vehicles. The company renovated its website in 2020 with an improved UI/UX so that services such as finding suitable tires and batteries can be easily viewed on a single page. Moreover, SpeedMate is the first to introduce a service where customers can search their vehicle number to find the size of their tires and battery standards, reducing the time customers spend by automatically recommending products that are fit for their vehicles. We continue to raise our customer convenience for purchasing tires by providing management services such as tire and battery replacement even after tire installation.

2020 Tire Sales

**53,000** tires



2020 Number of Members

**60,000**



"2021 Korean Brand Hall of Fame" Tires Category

**Grand Prize**



**Service Improvements by Converting Online**

Since 2020, SK Networks' business divisions and subsidiaries have reorganized our online websites and converted many of our services to online to improve customer accessibility and convenience. We increased the convenience of using the websites by improving the reservation system and automatizing data input functions. The redesigned websites also operate as new means of communication with customers, through which we collect customer feedback on service evaluation and reviews. Online conversion and AI activity have enhanced customer satisfaction and strengthened our business efficiency.

**More Details of the Redesigned Websites**

ICT Marketing	• Expanded online/mobile purchases
SpeedMate	• Developed API for online maintenance reservation
Walkerhill	• DT-based customer maintenance system • Online reservation/inquiry function
SK Rent-a-Car	• Provides vehicle management partnership services • Review linkage to Happy Call and GPS/rating-based recommendation
SK Magic	• Expanded online purchases • Provides self-inspection guideline • Enables the checking of after-sales service schedule • Strengthened the provision of content centered on customer engagement

**Launch of DT-based Home Appliances**

**SKmagic**

Applying our DT-based technology, SK Magic develops products that meet the needs of our customers. The prime example would be the All-in-One Straight Water Purifier, released in 2020 as a customer-friendly product. Its stainless flow path and UV LED with a 99.9% sterilizing power address customer concerns. Additionally, SK Magic's motion air purifier is the first in the country to apply smart sensor and motion technology. Not only does it optimize the best indoor air quality by automatically collecting and analyzing the state of the air and pollution patterns using AI technology, but the consumer can also control the product through a smartphone app and thereby check for themselves information regarding indoor air.



All-in-One Straight Water Purifier

## New SK Magic Businesses

**SK magic**

SK Magic has been expanding its rental appliance business, notably having merged with and acquired the plant cultivating startup AIPLUS in 2020. As the plant cultivation industry is rapidly growing, SK Magic plans to solve the pain points of customers concerning eco-friendly food ingredients by providing smart farm rental products rooted in IoT to customers. Beginning with the release of a home-use plant cultivator, we plan to broaden our scope of business globally and become a B2B by developing business solutions.

Furthermore, we have signed a strategic MOU with Samsung Electronics in 2021, and we are in the middle of combining SK Magic's customer-oriented rental services with Samsung Electronics' products. By the popular request of our customers, we are now able to provide rental services for large appliances through the MOU. We seek to enhance the convenience of our customers by improving our general rental management services such as free after-service and replacement of consumables.

Selected as

**'Excellent Brand'**

**Korea Brand Hall of Fame 2020**

in the water and air purifier category



## Highlight

### Brand Experience Space, "It's Magic"

**SK magic**

SK Magic opened "It's Magic" in December 2020, a new-concept culture space located on the 3F of SK Lifestyle Station at Gildong. We share our brand value, cooking, culture, and SK Magic's new products to customers and operate programs such as cooking classes and concerts where family and friends can participate together within the concept of 'Friends & Family.' In addition, we are contributing to regional co-prosperity by selling bread from bakeries in the Gildong area at the "Gildong Lounge," a space for rest. SK Magic plans to continue communication with customers through various communication channels, including an experience space.



It's Magic Experience Space (Gildong – SK Lifestyle Station – 3F)

# Eco-friendly Products & Service Innovation

## “EV All-in-One,” Unlimited Charging Service

SK Rent-a-Car launched the “EV All-in-One” to strengthen EV supply in response to the sharp increase of interest in purchasing electric vehicles following the 2020 Korean New Deal, and the ‘Eco-friendly Future Mobility’ policy. EV All-in-One is an innovative service that contributes to reducing carbon emissions by promoting EV distribution as the industry’s first unlimited electric vehicle charging service. EV All-in-One has positively improved customer convenience by signing an agreement with the Korea Electric Power Corporation to provide unlimited charging without fee increases. We are expanding the number of affiliated charging stations to remove any inconvenience customers may face regarding their EV charging.











“EV All-in-One,” Unlimited Charging Service

## SK Magic's Eco-friendly Product Release

SK Magic is continuously developing and releasing products that use eco-friendly materials. Appraised by customers for over 10 years, the Magic Eco Gas Stove also reduces the concentration of carbon monoxide (CO). In 2020, we expanded the production of eco-friendly products that minimize environmental impact, including the “All-Clean Air Purifier” manufactured using PCR-ABS, the eco-friendly plastic. PCR-ABS is recycled plastic that is used in lieu of regular plastic, thereby realizing a circular economy. The interior and exterior of the All-Clean Air Purifier are made from PCR-ABS, which accounts for 35% of the total plastic used in the product. In addition, the safe recycling and reprocessing method used to manufacture the product mitigates any concerns that customers may have with the production process.

### Items Selected for 2021 “Innostar-Green Star”

			
	Water Purifier	Dishwasher	Electric Stove
			
	Gas Stove	Air Purifier	Bidet

\*INNO-STAR: awarded by KMR to a product acknowledged by customers for its innovativeness and quality

\*GREEN-STAR: awarded by KMR to a product acknowledged by customers for its eco-friendliness and quality

### Highlight

## Smartlink EV Battery Project

Smartlink EV is SK Rent-a-Car’s electric vehicle management service that enhances the characteristics and benefits of electric vehicles. Smartlink is fundamentally a service that enables convenient purchase, usage, and management through the terminal installed within the vehicle.

The Smartlink EV battery project is a new electric vehicle management service that primarily manages the battery and its charging by using Smartlink data and predicts electric vehicle values such as certified emission reduction (CER) and sudden acceleration/deceleration. The ongoing Smartlink EV battery project also collects and studies data on batteries used for electric vehicles. Through this project, SK Rent-a-Car is facilitating good cooperation synergy with affiliates in various areas such as CER.



Smartlink Technology

# Customer Satisfaction

## Operating the Customer Value (CV) Board

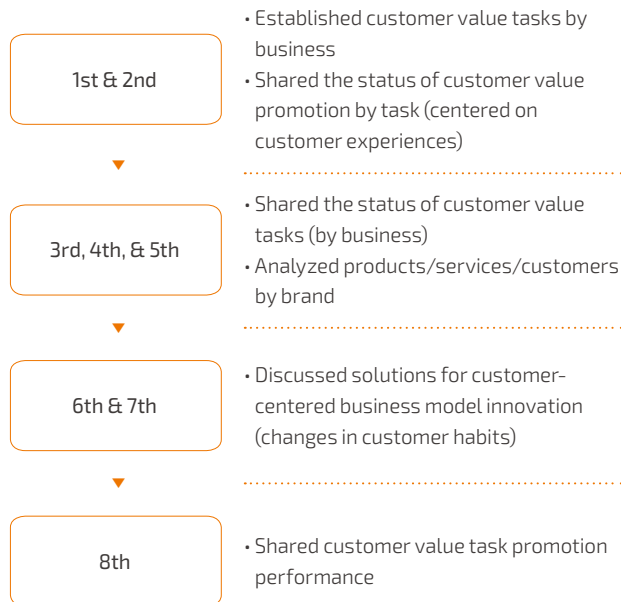
SK Networks considers a 'customer-oriented mindset' as a core company value, so it focuses on alleviating the customers' pain points in each business area, cultivating customer value, and sharing business insight and lessons learned. Accordingly, SK Networks regularly runs the "Customer Value (CV) Board" every month, supervised by the CEO, and requires the attendance of all business divisions

and subsidiaries. In 2020, the CV Board established and upheld 'innovative customer value tasks' corresponding to the 5 businesses. In addition, the CV Board implemented detailed measures of BM innovation activities and developed a customer-centered work culture by analyzing trends and customer behavior, discovering best practices of enhancing customer value and sharing them with other employees.

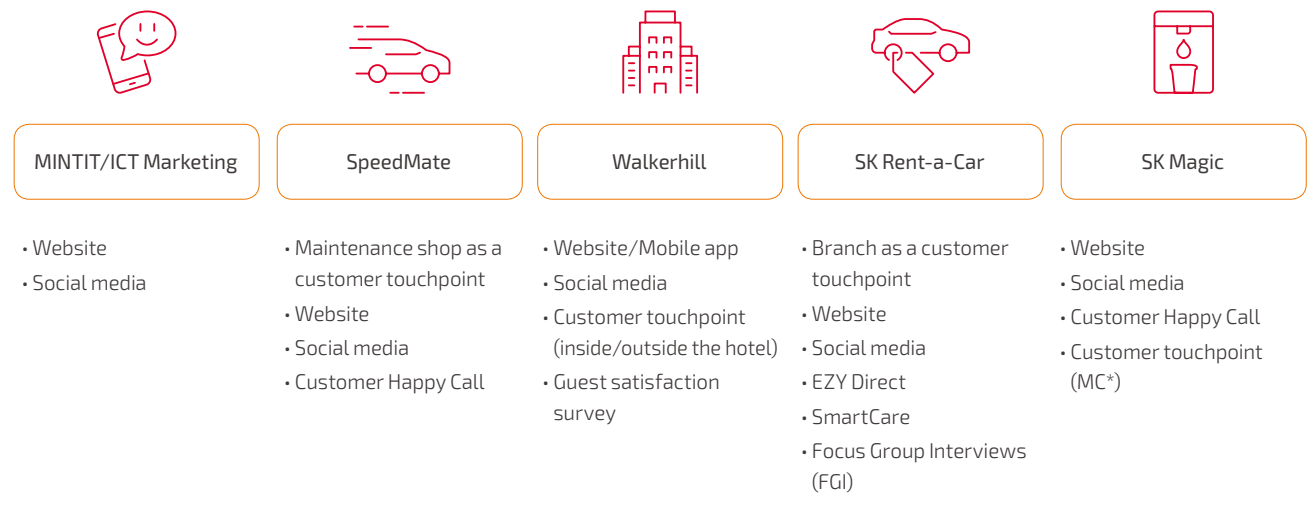
## Customer Communication Channels & VOC

When SK Networks receives customer feedback through the voice of customer (VOC) channels in each business division, it promotes customer satisfaction by promptly responding to complaints. Each business collects customer feedback and complaints through the corresponding VOC channels and derives areas of improvement through in-depth data analysis. We make efforts to create customer value, and we are developing a customer-oriented business in communication with customers through diverse communication channels.

### 2020 Customer Value (CV) Board Agenda



### Status of Customer Communication Channels



\*Magic Care: SK Magic Visiting Inspector

### Customer Satisfaction Survey

SK Networks conducts regular customer satisfaction surveys for customers of SpeedMate, SK Rent-a-Car, SK Magic, and Walkerhill and analyzes the results according to customer type. The detailed customer feedback obtained through the surveys are used to improve and develop products and services as we strive to achieve customer value.

### Safe OK Service at Customer Touch Points

SK Magic has a Magic Care (MC) incentive system based on the performance analysis regarding the level of customer satisfaction for the Safe OK Service, a service that involves regular maintenance visits. Based on the Safe OK Service satisfaction rating, different commissions are given to the MCs. Employees providing excellent service are selected every quarter to motivate employees to realize higher levels of customer satisfaction. As Safe OK Service is a service provided directly at customer touchpoints, we are able to develop services effectively by identifying customers' feedback. SK Magic takes immediate actions against the complaints received, having successfully recorded a high percentage of 99% in processing customer concerns in 2020.

### Online Customer Management System

Walkerhill conducts a satisfaction survey of its guests to determine the level of satisfaction with the services provided in Grand Walkerhill Seoul, Vista Walkerhill Seoul, Douglas House, and each restaurant/bar and the event/banquet. By introducing the UCRS\* customer management system in 2021, we seek to offer improved personalized services by thoroughly analyzing the profile of guests who use Walkerhill services and by considering the current trends in the hotel industry.

\*U(You/Customer) Customer Relations System

### Diversifying Customer Satisfaction Surveys

SK Rent-a-Car analyzes customer satisfaction at major customer contact points including interaction with the contract manager, accidents, general maintenance, maintenance visits, regular maintenance, and short-term rentals. In 2021, we conducted a satisfaction survey through contactless video focus group interviews with various customers considering the COVID-19 social distancing policy. Interviewees included short-/mid-/long-term rental customers and those using our EV rental services. Through the interview, we identified the pain points of each customer experience and we will ensure that their feedback is considered when improving our goods and services.

### SpeedMate Happy Call

Through the Happy Call survey, SpeedMate analyzes customer satisfaction of customers for basic and complex maintenance. The 2020 Happy Call survey results suggested a generally high level of customer satisfaction with SpeedMate services. Overall, customer interest in revisiting was high. We use the detailed feedback collected to improve and develop products and services. As such, SpeedMate is striving to accumulate higher customer value. In the future, SpeedMate will secure increased reliability of the satisfaction survey by expanding the parameters.

### Customer Satisfaction Evaluation

(Unit: %)



Basic Maintenance



Complex Maintenance

# Employee Happiness



## PERFORMANCE



**243** hours/person

Average employee education hours



**5 out of 7**

in happiness level at the workplace

## MEASURES

- Human Rights & Work-Life Balance p.46
- Happy Corporate Culture p.47
- Training & Education p.49
- Equal Opportunities & Compensation p.51
- Workplace Health & Safety p.52



## APPROACH

SK Networks respects all employees' rights and has newly introduced programs such as "Happiness Day" and "Happiness Survey" to ensure the happiness of its employees. We run various educational programs including those in data knowledge education to foster talent and invest in establishing a learning culture using educational infrastructure unique to SK, such as the mySUNI online platform. In addition, we utilize evaluation infrastructure that centers on communication, including NetPro and Q-Session, which help create a fair, equitable organizational culture.

SK Networks fosters a comfortable and safe work environment to improve employee satisfaction levels, thereby increasing work efficiency. We evaluate and manage safety risks by implementing SHE health and safety policies and prevent potential risks that may arise in the workplace. In 2020, we allowed our employees to work remotely and established an Emergency Response Organization in response to the COVID-19 pandemic.

# Human Rights & Work-Life Balance

## Respecting Human Rights and Diversity of Employees

SK Networks defines the ultimate goal of all management activities to be 'employee happiness' and states clearly the need to pursue continuous happiness for both its stakeholders and employees, as they are also members of the business. We endorse the 10 principles of the UN Global Compact (UNGC), and protection of the rights and livelihoods of our employees is the foundation for employment. Our contracts abide by the fundamental human rights of freedom of association, no discrimination in the workplace based on sex, race, nationality, or religion, and zero tolerance for child labor.

Our internal consulting program is anonymous to protect the rights of our employees. We make efforts to create a work culture where women can work without limitations, from HR-related issues such as hiring, evaluation, promotion to work-life balance programs like parental leave and childcare. We were certified in 2019 as a Family-Friendly business.

In addition, we provide separate resting space and time for our employees with disabilities who work as internal health keepers, to foster an inclusive work culture.

### Parental Leave\*

(Unit: Persons, %)

Category	2018	2019	2020
Employees who have used parental leave	58	82	59
Employees who have returned after parental leave	48	44	41
Retention rates after parental leave	78	94	82

\*SK Networks

## Development of an Exemplary Labor-Management Culture

SK Magic maintains an exemplary labor-management culture with a record of no conflict in the workplace since the establishment of its labor union. In 2020, we were selected as "Korea's Best Company for Employment" by the Ministry of Employment and Labor for our contribution to job creation and job quality improvement. Despite domestic and international uncertainties, we are making efforts to continue with job creation. We are improving the way we work in the wake of the COVID-19 pandemic by introducing a flextime system under which employees can autonomously choose their working hours and the "Magic Day" program wherein employees can manage their working days during the week as well as the work-from-home system. SK Magic, for the first time in the industry, has recently strengthened communication channels to encourage Magic Care (MC) workers, those under special types of employment, to register with a labor union. We plan to improve working conditions continuously based on the opinions received through our consultative body.

### SK Networks Work & Life Balance Policy

SK Networks arranges several policies in various fields, including health management, new ways of working and strengthening lifelong competitiveness for employees' work and life balance, ensuring that employees can design their own work and life balance system.

## SK magic

## Supporting Employee Happiness

SK Networks offers annual medical checkups for employees' health (100% medical checkup rate for the past 3 years) and subsidizes expenses for influenza vaccinations. In addition, we provide the SOKSOK counseling service to advocate fruitful communication and cooperation among employees. SOKSOK provides professional psychological counseling services and healing programs that care for employees' mental health. The service, based on psychological analysis and diagnosis, understands employees' difficulties and suggests appropriate solutions. In 2020, a counseling service to overcome the Corona Blues was extensively provided to prevent depression and lethargy among employees due to the prolonged COVID-19 pandemic. In 2021, we chose mental health as the area requiring intensive care and organized 'healing programs,' including psychological tests such as "Mind Care" and "My Mind Report" tailored for our teams and employees. We also provide a range of welfare programs to create a good work environment. In our new office building, we have devoted efforts to innovate the workspace by securing areas like the library and fitness center where employees can rest and relieve their stress.



**Health management**  
Medical checkup, consulting services, vaccination, health keepers



**Family and childcare support**  
Infertility/maternal/parental leave, reduced working hours for pregnant employees/employees with children



**Strengthening lifelong competitiveness**  
Self-Design CoP (Community of Practice), etc.



**Others**  
Loans for house purchasing/living expenses, flexible working hours, remote work, etc.



# Happy Corporate Culture

## Leader's Happiness Talk

The CEO of SK Networks delivers talks on happiness to spread the happiness strategy among employees and increase the level of execution. The CEO lectures are held both in-person and online once a month on the topic "Happiness Meets Philosophy" to discuss happiness within SK by using philosophical cases. Lectures were recorded and uploaded to mySUNI, the Group's education platform for all SK Networks and the Group employees to watch. In addition, SK Networks holds the "Leader's Happiness Talk" twice a year, presided over by SK Networks executives and team managers to extend happiness among all and accelerate the SKMS management philosophy.



Happiness Meets Philosophy

## Invigorating the Happiness Communication Channel

### Happiness Board, a practice of employee happiness strategy

Led by our CEO, the "Happiness Board" consists of 12 members who come together once a month to discuss solutions concerning employee pain points and to study and discuss happiness strategies as well as action plans to find a detailed resolution that will make "our" workplace happier.

### Imagination Bulletin Board & Happiness Bulletin Board

We installed an "Imagination Board" for employees to easily view the information related to "Happiness, Social Value, and Customer Value" to multiply happiness among our employees. Since June 2020, we have been operating the online Happiness/Hangstagram bulletin to share the happiness management activities and other joys we experience in our lives to strengthen employee awareness and for employees to design their own happiness within the organization. Employees can share their happy experiences through the Happiness Bulletin and suggest ideas or share concerns regarding happiness activities.

## Book-Talk, Communication Through Books

SK Networks operates various programs that encourage communication between the CEO and employees to foster a horizontal communication culture. We strive to establish a debate culture and foster reading habits by operating "Book Clubs" for employees, along with a "Book Talk for new managers," designed as a forum for the free discussion between the CEO and new employees on current social/business/cultural issues.

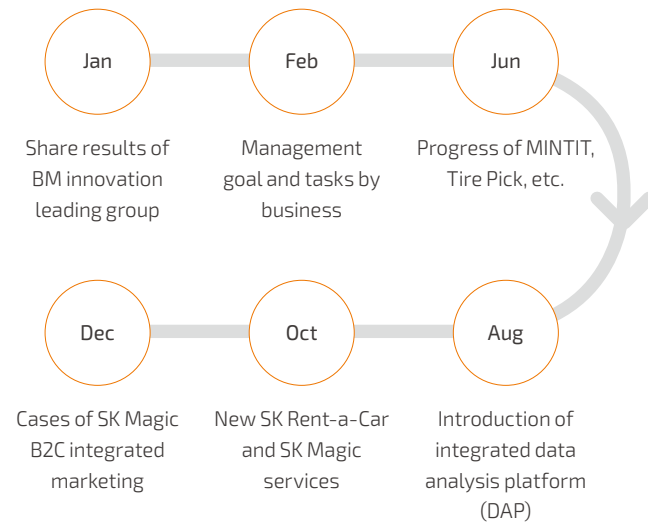
### 2020 Book Club

Book Club Name	Theme
Magazine B	Looking at the brand from a consumer's perspective
Minum-Hwaset	Reading the complete collection of Minumsa world literature (※ CEO participation)
2030 Book Club	Financial technology of the young generation
Balance	Pursuing physical, mental, and social health
With Gratitude	Books for a grateful life
Reading bestsellers	Reading bestseller of the month together
New Manager Book Talk	Cultivating reading habits and strengthening horizontal communication (※ CEO participation)
4th Year Book Talk	Developing thinking skills by reading

### Happiness Management Day

We held 6 "Happiness Management" days in 2020 to create sustainable happiness through the establishment of a solid business model. On "Happiness Management Day," leaders and employees present their work performance regarding their core business agendas of the organization both online and in-person. In 2020, employees shared their progress based on the five themes of customer value innovation, social value, digital transformation, employee competencies, and globalization with their peers.

#### 2020 Happiness Management Day



### Happiness Survey : Checkup for Fitness of Happiness

SK Networks has established and constantly developed a happiness measuring system to discover the strengths of our organizational culture and improvements to make. To create a company that is good to work for, we listen to our employees' opinions through the monthly happiness surveys conducted on each "Happiness Day" as a form of "Happy Health Checkup." Through the survey, we understand the overall happiness level of employees, the effects of implementing our happiness strategy, and thoughts and opinions of employees about the direction of the company. The survey results are shared with the employees through the happiness bulletin board after reporting to the CEO every month and are used in improving the work environment and system through related department and happiness board activities.

#### Happiness Survey Questions

- |   |   |
|---|---|
| <b>Happiness Mindset</b> <ul style="list-style-type: none"> <li>• Employee Level of Happiness</li> <li>• Agreement Level of Happiness Management Direction</li> </ul> | <b>Strengthening BM</b> <ul style="list-style-type: none"> <li>• Social Value Creation/Customer Value Innovation</li> <li>• Digital Transformation</li> </ul>   |
| <b>Increasing Life Competitiveness</b> <ul style="list-style-type: none"> <li>• Employee Growth and Development</li> </ul>  | <b>Creating a Good Company to Work for</b> <ul style="list-style-type: none"> <li>• Internal Policy and Workplace Environment</li> <li>• Horizontal Communication/ Cooperation within the Organization</li> </ul> |

#### Highlight

### Happiness Day, Raising Happiness for All Employees

SK Networks has designated every 3rd Friday of the month as "Happiness Day" to encourage the employees to reflect on their happiness and surroundings. "Happiness Day" is a time for employees to plan and pursue various activities for their own happiness without any restriction on activity or space for 4 hours in the afternoon. Employees can share their feelings by writing about their joyful moments during this day on the Happiness and Hangstagram bulletin board.



# Training & Education

## SK Networks Learning Policy

SK Networks has a learning policy to help employees build competency and develop lifelong competitiveness through self-directed learning, consequently achieving sustainable and long-term happiness. We guarantee at least four hours of education per week so that employees can invest approximately 200 hours per year, which is equivalent to 10% of their annual working hours in learning. We strive to create a work environment where employees can freely and voluntarily focus on learning. Notably, we continuously expand employees' learning opportunities by operating a variety of educational programs, such as the "Self-Design CoP (Community of Practice)," which allows employees to experience diverse fields of interest and design their own learning plans along with mySUNI and CHEOOM Concert.

## Integrated Education Platform, mySUNI












SK Networks operates a system called "mySUNI," an integrated educational platform launched by the SK Group in 2020 for the purpose of strengthening employees' competency levels. mySUNI is composed of 11 curricula and 700 courses on artificial intelligence (AI), digital transformation (DT), happiness of employees, and social value (SV). 77% of the courses are offered online.

To establish a self-directed learning culture using mySUNI, SK Networks has held three mySUNI challenges in 2020. Through these challenges, one titled "Top Accumulated Learning Hours" and two titled "My Own mySUNI Learning Note," we hoped to improve employees' participation in learning. A total of 540 employees in 53 teams participated in the challenges, and 261 employees in 37 teams were selected and awarded prizes such as vouchers for an overnight stay at Walkerhill, monetary gifts, and special leaves.

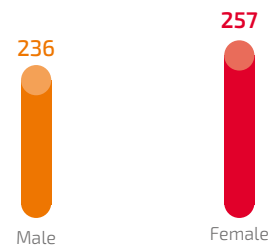
## Career Management Activities

SK Networks plans to implement a Career Management system beginning 2021 wherein employees can draft their future by reflecting on their career path beyond improving their competence as employees. We have also initiated the "Career 365" system, where departments can directly recruit employees through in-company position announcements or propose a job transition to specific employees, and vice-versa where members can apply directly to the organization of their choice. Internally, we encourage career transition for employees and provide competitive opportunities by creating the same growth environment as the external recruitment market. In addition, SK Rent-a-Car has introduced an in-company contest where it provides growth opportunities for employees.

### mySUNI curriculum

 AI	 DT	 Happiness	 SV
 Innovative Design	 BM Design	 Global	 Leadership
 Management	 Environment	 Future Semiconductors	

Average hours of education by gender\* (Unit: Hours)



Average annual education hours\*

**243 hours/person**



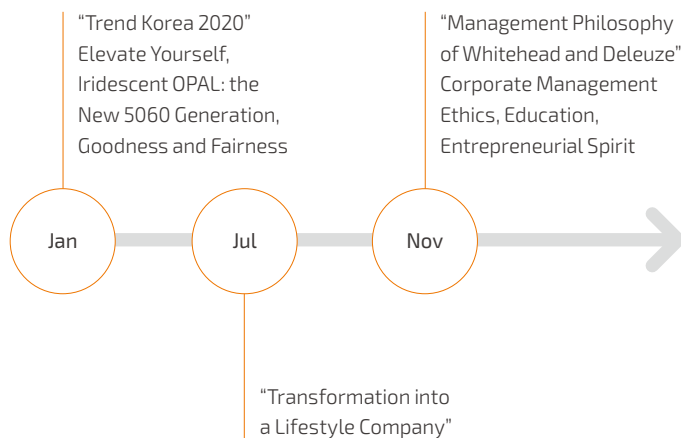
\*SK Networks (Excludes Walkerhill)

\*SK Networks (Excludes Walkerhill)

### CHEOOM Concert and Magic Concert Live Broadcast

SK Networks holds CHEOOM Concert to enhance employees' understanding of SK products and services, customers, and market trends. Composed of outside lectures and sharing of company's cases, CHEOOM Concert offers a variety of educational programs ranging from global trends to job competency building. Due to the spread of the pandemic in 2020, CHEOOM Concert was held as a live broadcast. A total of 271 employees participated in the concert. SK Magic also hosts an independent concert dubbed Magic Concert under different themes such as change, innovation, communication, and leadership.

#### CHEOOM Concert in 2020

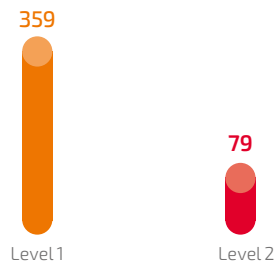


### Fostering Internal AI and Data Experts

SK Networks operates a system that helps employees develop core AI-related knowledge and information literacy with a goal to foster AI experts and data analysts. The fostering program consists of five stages from level 1, the introductory stage, to level 5, as the highest-level expert stage. In 2020, the program focused on level 1, understanding the basics of Python and basic statistics concepts, and level 2, designed for attendees to learn basic data analysis and machine learning. Following the education and certification by capacity level, the trainees will complete levels 3 to 4, through which they will receive professional education and build practical experience for at least four years. They will then be assigned to their corresponding field, where they will be able to perform as AI and data experts.

#### Employees who completed the DT utilization course

(Unit: Number of employees)



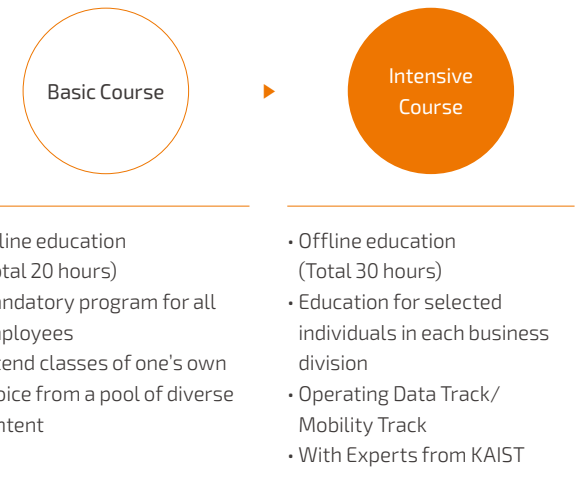
\*SK Networks (Excludes Walkerhill)

### SK Rent-a-Car DT Training System



SK Rent-a-Car establishes a DT training system based on the employee survey and focus group interviews. Having established an education system unique to SK Rent-a-Car that reflects employees' feedback, including those on themes/levels/education methods, we conduct expert cultivation training for talented employees. The training reflects the current digital transformation and recent trends in mobility. In addition, the intensive course is conducted offline, requiring employees to participate in certain assignments to encourage them to apply their professional knowledge to their work. In 2020, a total of 568 employees were trained, each person of whom completed an average of 21 hours of training.

#### SK Rent-a-Car DT Training System



# Equal Opportunities & Compensation

## Fair Recruitment Process

Through a transparent, fair recruitment process, SK Networks provides equal opportunities to all applicants. In 2020, we held virtual interviews to offer applicants constant employment opportunities, despite the COVID-19 pandemic. As such, we strive to create a sound employment market by conducting recruitment activities while protecting people's health. Moreover, to minimize errors that can occur while validating the candidate and to ensure a more efficient, objective recruitment, we are in the process of reviewing the introduction of an AI document screening system. We are employing persons with disabilities with newly created jobs and services, thereby expanding job opportunities for the socially vulnerable.

## Open Forum for Employee Assessment and Remuneration

The Happiness Survey conducted in June 2020 revealed that employees were dissatisfied with the company's compensation and remuneration system. Accordingly,

we collected employees' detailed feedback about the assessment and remuneration systems and held focus group interviews (FGIs) and assessment/remuneration open forum to come up with improvement plans. After receiving detailed feedback about the company's assessment systems through the FGIs, we announced the result of the analysis on the status of each assessment system and shared ideas on solutions for each issue at the open forum.

## Employee Assessment through NetPro Feedback

SK Networks operates the employee assessment system based on NetPro, a task-oriented real-time feedback system. The NetPro system enables constant communication and exchange of feedback between leaders and employees. With the peer feedback function, it also supports flexible cooperation focusing on 'work and customers.' We are also operating a compensation system linked to the NetPro to increase employees' motivation by relating the employee assessment results to compensation.

## Highlight

### Q-Session to Select Outstanding Employees

SK Networks has been conducting a Q-Session assessment each year since 2018 to select "Outstanding (OS)" employees with remarkable accomplishments and performance. Q-Session is a procedure for validating OS-recommended employees' performance, and the assessment categories are as follows: increasing customer value, reinventing working method, and creating happiness and social value. With external experts as well as leaders and members of each organization participating in the assessment board since 2020, the assessment has been actively "participatory," wherein employees give presentations about their performances to ensure fairness in the OS nomination process. In the same year, a total of 34 employees participated in the Q-Session, 30 of whom were selected as OS employees.

## Fair recruitment

(Unit: Persons)

Category	2018	2019	2020
Persons with disabilities**	30	59	95
Patriots and veterans	31	38	34
Foreigners	8	7	8

\*2018, 2019: Sum of SK Networks and SK Magic, 2020: Sum of SK Networks, SK Magic, and SK Rent-a-Car

\*\*Number of persons with severe disabilities calculated as double

## 2020 NetPro Performance\*

Monthly NetPro access  
per person

15.2



Mutual comments  
per person

16.3



Average task registrations per  
person

54.9



Amount of process  
compensation paid

KRW 430 million



\*SK Networks (Excludes Walkerhill); 26,347 Daily Tasks with work-from-home, 8.4 tasks per person

# Workplace Health & Safety

## SHE Management Promotion System

SK Networks is always prepared to respond to SHE (Safety, Health, Environment) risks in all its business activities to ensure a safe workplace founded on safety and health management policies. The SHE management organization works directly under the CEO and establishes plans and objectives across the entire company, designating SHE divisions in each business to oversee tasks as well as managing SHE management overall within the company and subsidiaries.

## SHE Management Organization



## SHE Accident Response

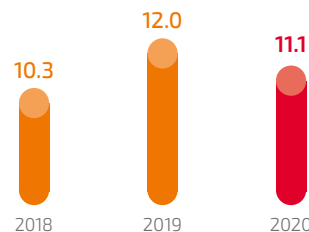
### SHE Risk Diagnosis in the Workplace

To ensure the safety of employees working in the field, SK Networks conducts field inspections at every workplace and shares issues derived from SHE inspections to take the necessary improvement measures. Safety KPIs are established by workplace, and progress is checked twice a year. Accordingly, we are striving to create a safe work environment by collectively applying the SHE guidelines to all subsidiaries.

SK Networks also responds to SHE-related accidents as per its accident response manual and emergency response system. We perform maintenance works and regular inspections on facilities that can cause serious impacts in case of an accident (boiler, freezer, UPS) and prevent SHE accidents at workplaces where accidents can lead to large-scale casualties, such as Walkerhill Hotel and distribution centers.

Total LTIR\*

(Unit: Number/200,000 hours)



\*SK Networks (including all subsidiaries), LTIR (Lost Time Injury Rate)

## Walkerhill Internal Safety Risk Assessment and Management



In addition to SHE risks assessment conducted by the head office, Walkerhill internally conducts safety risk assessments targeting its business premises, including Grand Walkerhill Seoul and Vista Walkerhill Seoul, as well as nearby areas. In 2020, road safety risks were assessed on facilities subject to accidents with handrail poles, road signs, and speed bumps, around the hotel buildings. As a result of assessing facilities by categorizing them into small, medium, and large-scale, risks were identified at four facilities, and corrective actions have been taken concerning the risks. Through an inspection of the work environment in 2020, 14 risk factors, including falling handrail poles, slippery floors, and fire, were identified. With corrective actions taken for 42% of the risk factors, which could be handled in a short period of time, the remaining tasks will be subject to improvement.

Walkerhill food safety management system

**ISO 22001** certification maintained



## Safety for SK Magic and the R&D center

**SK magic**

SK Magic ensures the safety of its employees and suppliers according to SHE risks prevention guidelines and safety KPIs. In 2020, it revised the EIA\* procedure to manage SHE risks in the case of chemical leaks. Based on the revised procedure, the company inspected compliance by the relevant organizations; thus improving on deficiencies related to chemical substance management. In addition, to prevent SHE risks that can occur at the SK Magic R&D Center, SK Magic established lab safety management guidelines that include regulations on experiments and research activities. As a result of inspecting lab safety, 49 safety issues were identified, and 48 of them have been handled apart from the installation of lights.

\*Environmental impact assessment

### Highlight

## Response to COVID-19

Immediately upon the outbreak of the COVID-19 pandemic, SK Networks established an emergency operations headquarters by forming the "COVID-19 emergency contact network" consisting of employees of the SK Networks Compliance Council member companies and set up an emergency response plan. The emergency operations headquarters monitors pandemic-related situations as well as the number of employees receiving COVID-19 tests and working from home. According to the emergency response guidelines, headquarters prevents the spread of the virus by checking the body temperature of people entering the business premises, conducting daily quarantine activities, and providing health care items. It also checks and manages the level of employee satisfaction with the company's COVID-19 response activities, such as a work-from-home system, through a survey.

### COVID-19 response by workplace

#### SK Networks

- Set guidelines for work-from-home system according to the government's social distancing levels  
(Level 1: more than twice a week, Level 2: more than 3 times a week, Level 3: more than 4 times a week, Level 4: all employees work from home)
- Mask mandate, refrain from conversations in public and visits
- Refrain from using public facilities vulnerable to infection/disease
- Lockdown and prohibit visits to floors where people in close contact with COVID-19 confirmed cases have worked
- Relocate people in close contact with COVID-19 confirmed cases or those showing symptoms outside of company and notify the person in charge of SHE management for tests

#### SK Magic

- Establish business contingency plans (response plans by situation)
- Emergency response organization: SCM team, production planning team, and heads of each team
- Enforce workplace shutdown when a COVID-19 confirmed case occurs

#### Walkerhill

- Implement employee health monitoring system
- Minimize risk by blocking infection routes, analyze infection causality
- Walkerhill emergency planning organization
- QR code and mobile check-in systems for customer touch points
- Non-face-to-face thermal imaging cameras at all sites

#### SK Rent-a-Car

- Set work standards according to the government's social distancing levels
- Establish guidelines for and encourage work-from-home system, mask mandate, refrain from conversations in public locations
- Establish the COVID-19 Council (SHE Control Tower (Executive level))
- Establish the SHE emergency contact network (Working staff level)
- Immediate notification of COVID-19 related alerts

# Sustainable Supply Chain



## PERFORMANCE



**71** suppliers

participated in Supplier Survey



**KRW 570** million

in support through the Shared Growth Fund



## MEASURES

- Supply Chain ESG p.55
- Shared Growth with Suppliers p.56

## APPROACH

SK Networks seeks sophisticated communication and cooperation with suppliers to achieve shared growth. Our Supplier Code of Conduct ensures that ESG is implemented in all business management areas with all our suppliers alongside SK Networks. We enhance the level of ESG awareness of our suppliers by implementing an ESG evaluation during our supplier selection process. We suggest sustainable standards to our suppliers by managing our supply chain and utilize our SK Growth Mobile training platform to educate their employees, thereby strengthening our level of competitiveness. Moreover, our questionnaires allow us to communicate transparently with our suppliers to minimize potential risks within the supply chain.



# Supply Chain ESG

## Supplier Code of Conduct

SK Networks has established the Supplier Code of Conduct to ensure that suppliers execute responsible management and help them secure business sustainability. In addition, we are implementing guidelines for corporate ethics, respect for human rights, safety and health, and environmental protection.

### Supplier Code of Conduct



**Corporate ethics**

Eliminate violations, disclose information, protect intellectual properties, protect personal information



**Respect for human rights**

Self-directed labor, prohibit child labor, comply with working hours, wage and welfare, humanitarian treatment, prohibit discrimination



**Safety and health**

Occupational safety, prepare for emergencies at the workplace, prevent industrial accidents and diseases



**Environmental protection**

Comply with environmental laws, manage air pollutants, prevent environmental pollution, and save energy, manage restricted/hazardous substances in products

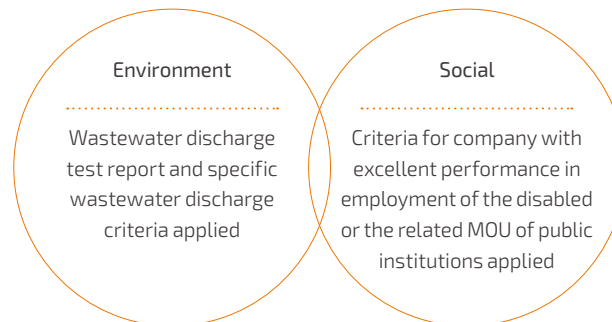
\*SK Networks Supplier Code of Conduct

## Selecting Suppliers based on ESG Assessment

To manage the ESG risks of suppliers preemptively, SK Networks has introduced the ESG assessment system to the Walkerhill Business Division, operating the system on a trial basis. The system enables the assessment of environmental and social performance along with job competencies for new supplier selection. In 2020, when selecting a linen washing service provider for guest rooms and food and beverage facilities, the Walkerhill Business Division granted up to ten additional ESG points for the bidding price score by assessing the candidates' wastewater discharge test reports and employment of the disabled. Ultimately, the company granted the additional points was selected. In addition, since January 2021, we have been encouraging ESG participation among all suppliers subject to new contracts by attaching the Supplier Code of Conduct to the contracts concluded through the electronic purchase system.

From 2021, SK Networks will strengthen ESG management in its supply chain by including environmental and social items in the periodic assessment of the existing suppliers.

### Supplier ESG Assessment Criteria (Example)



### Highlight

## Supply Chain ESG Project

In March 2021, SK Networks commenced the "SK Networks Purchasing Project: Reflecting the ESG requirements," consisting of 6 stages, to create business and social value through cooperation with suppliers. Led by the Walkerhill Business Division, six major suppliers participate in the project together with Walkerhill's 36 ESG-related managers and personnel. In the first half of 2021, we introduced the details of our ESG management and key issues concerning Walkerhill while simultaneously providing general ESG education. Through this process, we reached a consensus about our ESG management with suppliers and discussed the feasibility of implementing ESG management. We plan to develop our ESG purchase guidelines for Walkerhill following an in-depth discussion on purchasing issues according to each item and the needs of stakeholders.



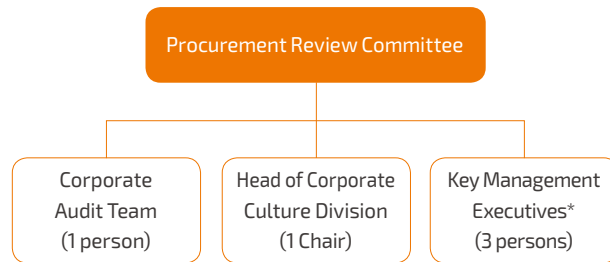
# Shared Growth with Suppliers

## Procurement Review Committee

SK Networks operates the Procurement Review Committee to review the adequacy in selecting suppliers and to continue fair and transparent purchasing activities. The committee holds meetings on purchases subject to review.\* In 2020, a total of 11 meetings were held to discuss 49 items.

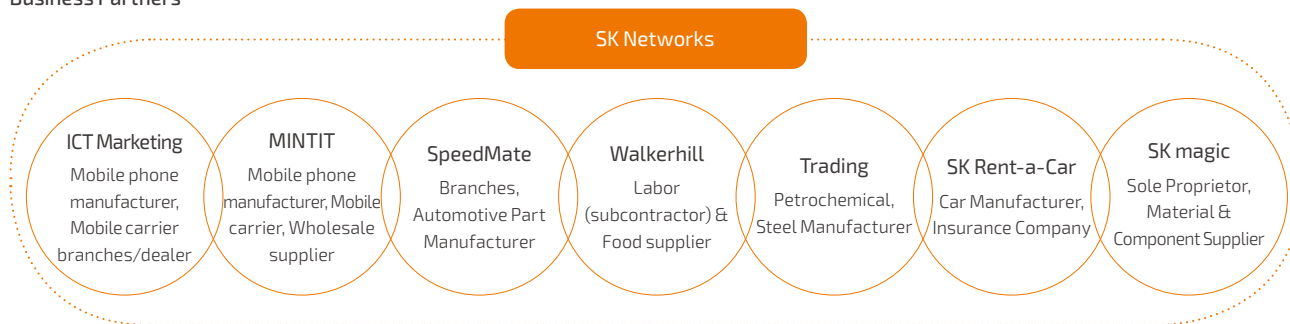
\*Purchase contracts of KRW +500 million and competitive purchases of KRW +1 billion

### Procurement Review Committee



\*Head of the Strategy Planning Division, Head of the Finance Division, Head of Sustainable Management Division

### Business Partners



## Shared Growth Fund for Suppliers

SK Networks provides financial support to suppliers through its Shared Growth Fund. Established in an agreement with IBK, the fund grants low or no-interest loans to partners. As of March 2021, we have provided KRW 570 million to two suppliers. As a result of the worsening economic uncertainty both domestically and internationally, more partners are expected to utilize the Shared Growth Fund in the future. In addition, given the continuing economic difficulties caused by COVID-19, we extended the contract period with our suppliers for one year to alleviate pressures regarding their supply issues.

## Resolving Supplier Pain Points

SK Networks conducts a supplier survey every year to identify the problems the suppliers are facing and preemptively prevent supply chain risks. We hear the 'voice' of our suppliers through this survey and come up with a solution by analyzing the impact of each voice. In 2020, two

surveys were conducted targeting a total of 71 suppliers; some major issues raised included sales decline and difficulties in product supply and raw materials. Accordingly, we recommended that suppliers seek assistance through our Shared Growth Fund.

## Supplier Employee Education Program

SK Networks runs a training program for suppliers' new employees, providing training on the fundamentals and job-related knowledge to support their early adaptation to their profession and improve their competency. In 2020, we offered training over the course of five days and covered not only the fundamentals ranging from organizational basics and document preparation to communication but also the latest business trends for each field that new employees must learn to grow and develop their core talents.

## SK The Growth Mobile Learning Platform

SK Academy's "SK The Growth Mobile" is a mobile education platform that teaches suppliers and their employees about a wide array of topics from motivation and capacity-building to leadership development as well as the latest industry trends. Initially developed for SK employees, the platform has expanded to be accessible to our suppliers' employees since 2017. By sharing educational and SK-related content and lectures from renowned instructors, we aim to improve the competencies of our suppliers' employees along with our own; thus creating a virtuous cycle of shared growth.

# Local Community



## PERFORMANCE



KRW **1.35 billion**

in social contribution



**43 children**

supported in ICT education



## MEASURES

- Social Contribution System p.58
- Happy Participation p.59
- Happy Coexistence p.60
- Happy Change p.61

## APPROACH

SK Networks pursues a society where every member is happy, and we are sincere in trying our best to fulfill our social responsibility. We utilize our expertise in ICT to engage in related social contribution activities. We amplify sustainable social value through our products and services, such as the Mobility Bank and our MINTIT service that sells used mobile devices. In 2021, we participated in "On-Tact," a meal sharing project, to support those affected economically and socially by the COVID-19 pandemic. Similarly, SK Networks strives to grow together with the community through its business.

# Social Contribution System

Based on the three principles of "Happy Participation, Happy Coexistence, and Happy Change," SK Networks carries out social contribution activities to induce better changes within our local community.

In addition to organizational activities for each business, we pursue voluntary social contribution activities by guaranteeing freedom to engage in volunteer activities for employees as well as expand our scope to entail partnerships with our stakeholders. Subsequently, we are enthusiastic about addressing the fundamental social issues we find in the community. Despite the difficult economic circumstances caused by COVID-19, SK Networks will grow together with the community by continually pursuing social contribution activities with the aim of maximizing the happiness of the local community.



## Social Contribution Performance\*

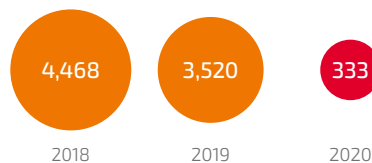
Amount Donated

(Unit: KRW 1 million)



Volunteer Hours

(Unit: Hours)



Number of Participating Employees

(Unit: Persons)



\*SK Networks

# Happy Participation

## Happiness Sharing Activities

At the end of each year, employees of SK Networks and subsidiaries participate in sharing happiness through activities such as transporting coal briquettes, making kimchi, delivering food boxes to poor areas, and holding a bazaar. Due to the COVID-19 pandemic in 2020, we stopped in-person volunteering activities and prioritized the safety and health of our employees. Instead, we shared happiness by providing monetary support to our community through the "Meal Community" coal briquette bank, Chang-sin district counseling services, Community Chest of Korea, and Sharing Happiness Foundation. Furthermore, we donated KRW 50 million for those affected by heavy rainfall in the form of a matching grant, KRW 8 million for the affected families of our employees, and KRW 42 million to the Hope Bridge Association of the National Disaster Relief.

## Fundraising Activities\*

**Donated KRW 50 million**



\*SK Networks (Excludes Walkerhill)

## Making Jeju Ocean Clean Together



SK Rent-a-Car Jeju branch employees engaged in 'making Jeju Ocean clean,' wherein they participated in cleaning up the beach with Handong-ri, Gujwa-eup, Jeju residents in November 2020. A total of 20 employees and 5 locals, including the head of Handong-ri, collected waste from the beach for 3 hours and had a tea party with the residents, building a friendship rooted in volunteering together. Starting with this project, SK Rent-a-Car plans to conduct environmental protection campaigns with the local community regularly.



Handong-ri, Jeju Beach Cleanup Volunteering

## Blood Donation Campaign to Fight COVID-19

Blood donations were urgently needed as blood supply was low due to COVID-19. In July 2020, about 100 employees of SK Networks, SK Magic, and SK Rent-a-Car donated blood, delivering compassion to patients in the community.

Number of Participating Employees\*

**102 participants**



\*SK Networks, SK Magic, SK Rent-a-Car



Employee Blood Donor Campaign

# Happy Coexistence

## Care Package Support for Armed Forces Medical Assistance Team

In March 2020, SK Networks delivered a total of KRW 200 million worth of donations and care packages over 6 times to support the military personnel in the Armed Forces Medical Assistance Team who are working in the front line of providing medical assistance in response to COVID-19. Care packages delivered to the Armed Forces Daegu Hospital, Armed Forces Daejeon Hospital, and Armed Forces Capital Hospital included bread and freshly squeezed fruit juices made by Walkerhill Hotel. In addition, since March 20, Walkerhill has been delivering handmade sandwiches and desserts to medical assistance teams in the Armed Force Medical Command, Incheon Airport, and Daegu Dongsan Hospital, who are integral in the country's response to COVID-19.

## Match-up Education Participation

The government officially announced plans for Korean New Deal in July 2020 following the economic repercussions of the COVID-19 pandemic. As part of the "Digital New Deal," one of the three pillars of the Korean New Deal, there has been extensive cooperation between the government educational institutions and the industry. SK Networks participates in the online job validation course "Match-up," a course opened to improve business competency in the fourth industrial revolution-related fields. We propose the job skills necessary for the blockchain industry and evaluate and validate the students' competence. The result has an effect on our HR system, including the recruitment

process. A total of 85 out of 457 students (95 SK Members, 362 Hanyang University students and others) completed the course and 17 of those passed the validation.

## "On-Tact," One Meal Sharing Project

The "On-Tact," One Meal Sharing Project ("On" meaning warmth in traditional Korean) is a food-sharing project that supports the vulnerable class and small businesses that faced sales decline due to COVID-19 by cooperating with the local government and small businesses. The On-Tact project was implemented at the SK Networks headquarters and affiliate locations including Gangdong-gu, Gwangjin-gu, and Jeju-do.

### Gangdong-gu, Jung-gu



SK Networks delivered about KRW 20 million worth of meal boxes to 120 vulnerable senior citizens who live alone through 17 projects with Food Odyssey Co., Ltd., district offices, and community service centers. Small restaurants near Hoehyeon-dong, Jung-gu, whose sales declined due to the prolonged COVID-19, made the meal boxes after



participating in cooking classes and getting a consultation on menus. SK Magic continued the cooperation with Food Odyssey Co., Ltd. to build a cooking studio in "Gildong CHEOOM," SK Networks' complex cultural space. The

studio will be used as a space not only for customers but also for local community coexistence programs.

### Gwangjin-gu



Walkerhill Hotel delivered meals made by small businesses for local senior citizens living alone to the Welfare Center as the soup kitchen in Gwangjin-gu Welfare Center was suspended due to COVID-19. Meals were made by a caterer in Gwangjin-gu that faced sales declines owing to COVID-19, and Walkerhill offered to consult about its hygiene and menu. We have delivered 2,940 meal boxes in 3 months since January 2021.

### Jeju



SK Rent-a-Car donated KRW 100 million (SK Networks/ SK Rent-a-Car KRW 15 million) for the free meal support project at a local welfare center for seniors along with SK Pinx located in Jeju and other subsidiaries. The project was experiencing lower food quality due to difficulty receiving adequate funding from the local government. With the KRW 100 million subsidies raised by SK Rent-a-Car and SK subsidiaries and a revised supplementary budget secured by the local government, the welfare center raised the unit cost of meals and was able to provide high-quality meals for senior citizens facing poverty. SK Rent-a-Car is planning to further support them in Jeju with the subsidy and local government's budget, increasing the number of senior citizens receiving meals from current 2,317 persons to 3,000 persons.

# Happy Changes

## Supporting ICT education for Underprivilege Children

SK Networks has been promoting projects to support Information and Communications Technology (ICT) for underprivileged children since 2018 with Save the Children by finding a social value creation model in relation to its businesses.

SK Networks' ICT brand MINTIT and April X Stone raise donations to support the improvement of IT competency of children. Customers also take part in this process by donating through the built-in donation function of MINTIT ATM, the self-service used mobile device buyer. In the past two years of running the project, a total of KRW 100 million worth of donations were raised, supporting 59 children in need. To expand the ICT support for children, the "2021 ICT Dream Project" agreement was signed with Save the Children in April 2021.

### ICT Dream Project Overview by Business

#### MINIT ATM

- Expand donation culture through MINTIT's "donation" function
- Raise donations by selecting the "donation" function

#### Cumulative Performance

**KRW 51.87 million**

#### April X Stone

- Donation through sales of Save the Children limited-edition products
- Release Save the Children edition package 6 times

#### Cumulative Performance

**KRW 45.88 million**

## MINTIT Forestation Campaign



From December 2020 to the end of May 2021, SK Networks' ICT recycling brand MINTIT planted 4,000 trees through its "MINTIT Forestation Campaign." The campaign sought to expand the recycling services of old unused phones and to attract customer participation. Through the campaign, a total of 346 old phones were donated. Accompanied by the social cooperative association Hangang, the tree planting began on Arbor Day on April 5, 2021, spanning an area of 10,000m<sup>2</sup> in Yeouido Saetgang Ecological Park.

SK Networks contributes to a sustainable environment through programs that encourage customers' participation, and we plan to continue various campaigns and cooperation to create social value that is related to our business.

## Support for Local Farming through Business



SK Rent-a-Car purchased approximately 80 tons of tangerines from Seogwipo Chilsimni Agricultural Cooperation over 3 months from November 2020 and gave away packs of tangerines (containing seven per pack) to customers at its Jeju branch and Billy Car rental services. This event was organized following a customer survey through which we discovered that tangerines are the most preferred Jeju produce. We estimated the number of customers based on big data analysis, which accurately estimated the required number of fruits. In July 2020, we purchased 60,000 bottles of Samdasoo water from Jeju Special Self-Governing Province Development Corporation and gave them to customers. Along with the tangerine and water events, we also bought 85,000 masks from JEJUSUM in 2021 and presented them to SK Rent-a-Car customers in Jeju.

### SV Story

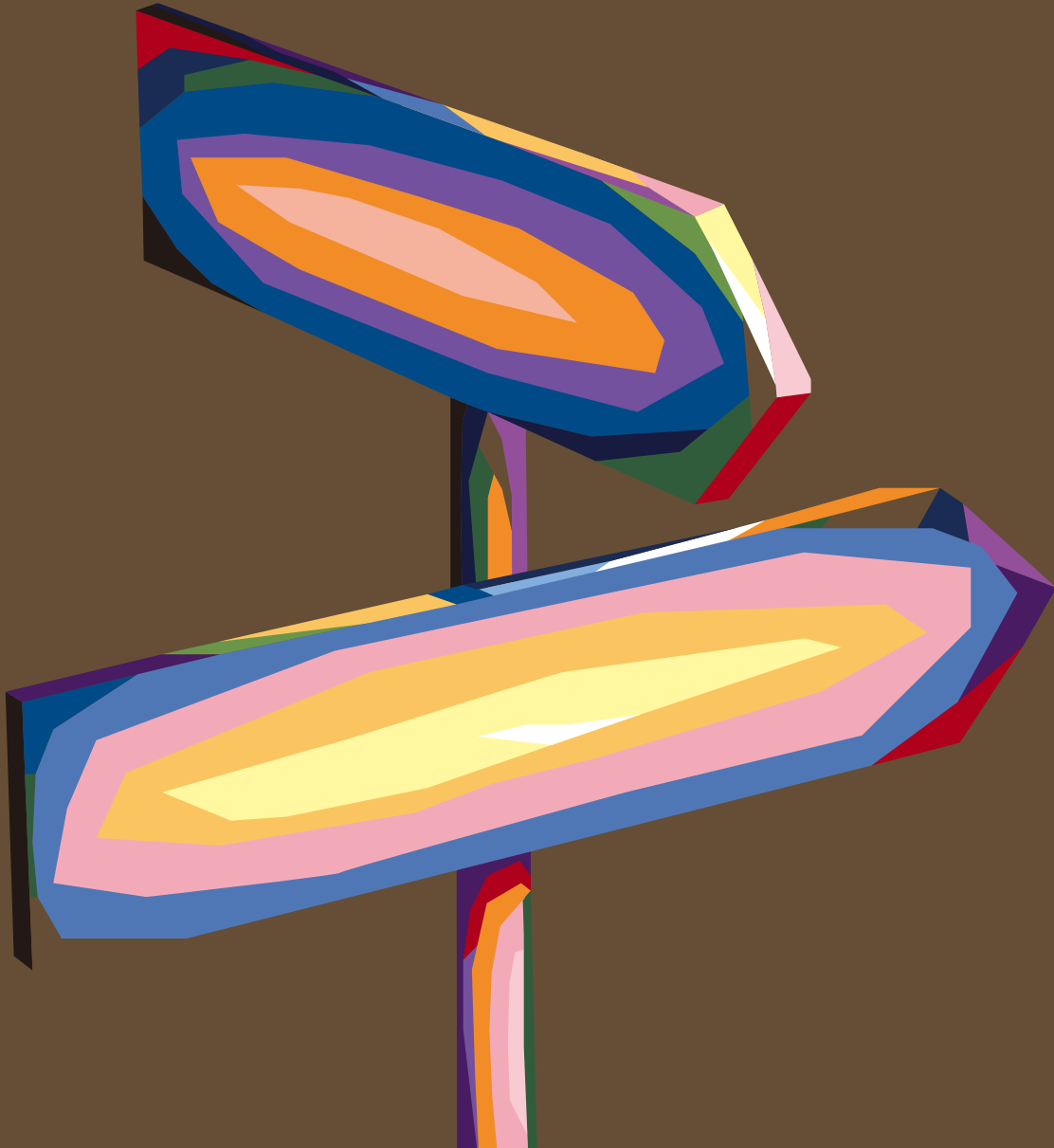
## Mobility Bank Project

First introduced in 2018, Mobility Bank is a BM linked to SV that provides rental vehicles to social businesses requiring mobility support. The beneficiaries create social value through the vehicles they rent in lieu of paying a rental fee. The second term of the Mobility Bank ended in September of 2020 and had 69 participants who reduced expenses by approximately KRW 300 million and recorded KRW 3.4 billion in sales along with other underlying successes such as job creation. We will diversify the types of cars we rent to achieve even greater value, with the 70 participants currently taking part in the third term beginning September 2020.

### Mobility Bank SV Impact Performance

Category	Unit	1st Term	2nd Term
Saved Costs	KRW 100 million	2.45	3.03
Contribution to Sales	million	24	34
New Jobs	Persons	16	49
New Projects	Projects	7	11
Social Service	10K People	1.7	1.2
Participating Company	Companies	60	69

\* Indirect/long-term social changes through vehicles including sales, job creation, new business, provision of social services



# Governance

63	Governance
66	Risk Management
67	Ethics & Compliance
71	Privacy & Cybersecurity



# Governance

SK Networks acknowledges the establishment of sound governance as the top priority in contributing not only to economic development but also to social value creation through management activities. Under the principle of "responsible management centering on the BOD," we provide sufficient and accurate management information to the directors of the BOD at the appropriate time, particularly to the three subcommittees including the ESG Management Committee. In addition, we are striving to ensure BOD's transparent decision-making by establishing and implementing a prior discussion system among independent directors.

## Board of Directors

					(as of March 2021)
Title	Name	Gender	Position	Main career	Term of office*
Executive Directors	Choi Shin Won	Male	Chairman & CEO	Chairman & CEO of SK Networks	Until March 22, 2022
	Park Sang Kyu	Male	President & CEO, Member of the ESG Management Committee, Member of the Personnel Committee	President & CEO of SK Networks	Until March 25, 2023
	Lee Ho Jeong	Male	Executive Director & CFO, CSO	Director of the New Growth Department and Management Department at SK Networks	Until March 29, 2024
Independent Directors	Ha Young Won	Male	BOD Chairman, Chairman of the ESG Management Committee, Member of the Personnel Committee	Emeritus at Sogang Business Department	Until March 29, 2024
	Lee Cheon Se	Male	Chairman of the Audit Committee, Member of the ESG Management Committee	Lawyer at the Dongin Law Group	Until March 25, 2023
	Lim Ho	Male	Chairman of the Personnel Committee, Member of the ESG Management Committee	Professor at Hongik University (Intellectual Property Law)/ Lawyer	Until March 29, 2024
	Jeong Suk Woo	Male	Member of the Audit Committee, Member of the ESG Management Committee	Professor at Korea University Economics Department	Until March 22, 2022
	Lee Mun Yeong	Female	Member of the Audit Committee, Member of the ESG Management Committee, Member of the Personnel Committee	Associate professor at Duksung Women's University Accounting Department	Until March 29, 2024
Non-executive Director	Cho Dae Sik	Male	Member of the Personnel Committee	Chairman of SUPEX Council	Until March 22, 2022

\*Average term of office: 2.89 years (2 new directors appointed in 2021)



### BOD Organization and Independence

As the supreme decision-making body of SK Networks, the BOD decides the company's overall management policies. For independent BOD operation and decision making led by independent directors, five out of nine directors have been appointed as independent directors as of March 2021. In addition, to secure the independence of the BOD, the CEO and the chairman of the BOD are separately appointed.\* Since 2019, an independent director has been appointed as chairman of the BOD.

### Director Expertise and Diversity

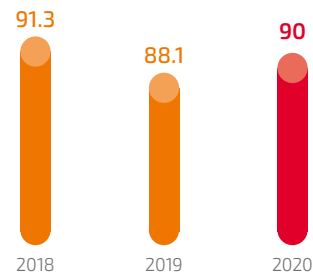
As for the candidates of independent director, SK Networks selects people who have no disqualification under the relevant laws, such as the Commercial Act and the Monopoly Regulation and Fair Trade Act, and who are capable of faithfully executing their duties based on expertise in each field and recommends them to the general shareholders' meeting. As of March 2021, we have secured expertise of the BOD by appointing directors possessing expertise and extensive experiences in industrial sectors such as corporate management, law, finance/accounting, and marketing. In addition, according to Article 29(3) of the Articles of Incorporation amended in March 2021, we are promoting gender equality in appointing BOD members. Accordingly, in the same month, one female independent director was appointed to ensure diversity of the BOD members.

### Efficient BOD Operation

The BOD of SK Networks reviews and decides matters prescribed by the law and the Articles of Incorporation, matters delegated by the general shareholders' meeting, basic company management policy, and critical matters concerning the execution of duties. It also supervises the execution of duties by directors. In principle, the BOD meeting is held once a month and can be convened when necessary. Resolutions of the BOD are made with the attendance of a majority of directors and consent of a majority of the directors present. In 2020, a total of 10 BOD meetings were held to discuss 27 resolutions and 11 reports.\*\*

Average BOD attendance rate

(Unit: %)



Number of BOD Meetings Held

(Unit: Number of meetings)



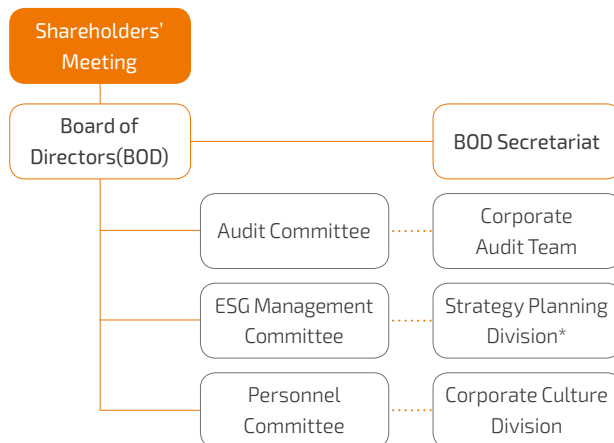
\*CEO and BOD chairman separately appointed between March 13, 2009 and March 12, 2014 and since March 18, 2016 to present

\*\*Activities posted on the SK Networks website

**BOD Subcommittees**

SK Networks operates subcommittees of the BOD and continues to enhance expertise and efficiency in decision making. In March 2021, we established the ESG Management Committee with all independent directors as members to achieve long-term sustainable growth by reviewing and analyzing the environment, social value, and governance-related strategies and issues. The Personnel Committee, which was also newly established, will play roles such as CEO assessment and deliberation on directors' remuneration in addition to the role of the existing Independent Director Recommendation/Nomination Committee. The BOD Secretariat is operated to assist the BOD, with a separate secretariat or an auxiliary organization supporting the operation of each subcommittee.

**BOD Organization**



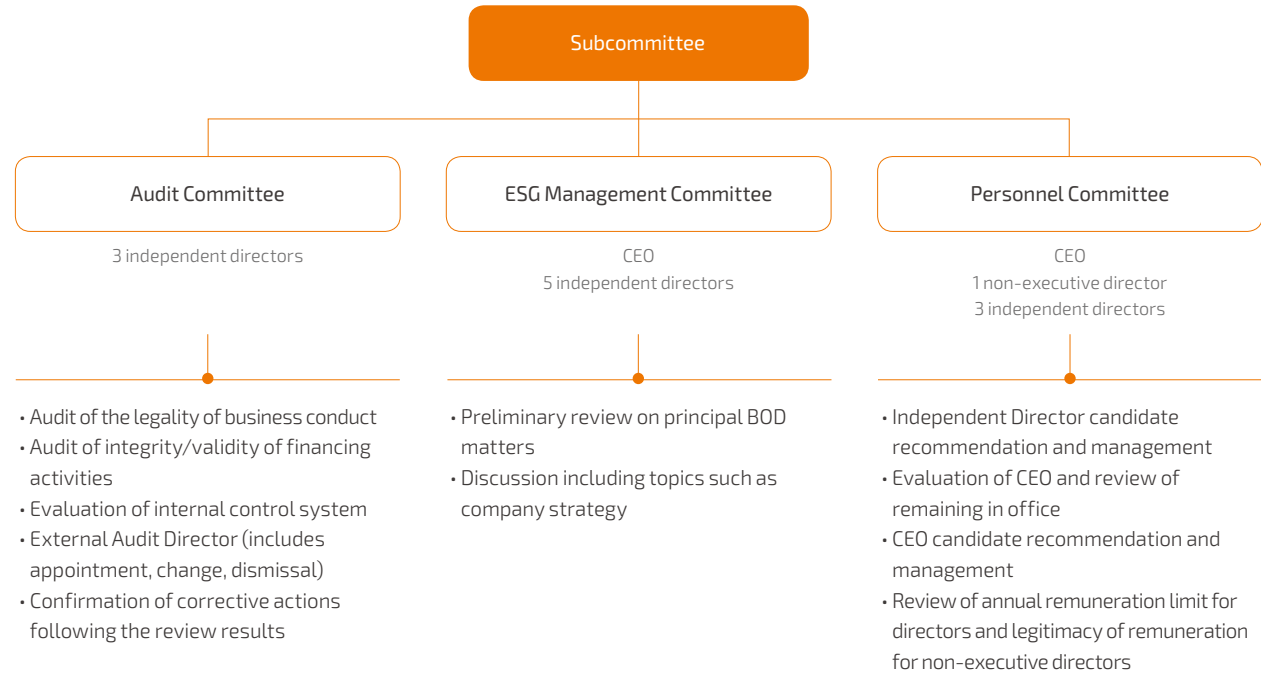
\*Supported by the SV Leading Team

**2020 Activities of Independent Directors**

On July 23, 2020, a meeting to promote the participation of independent directors in the BOD was held. Along with business portfolio improvement and major pending issues by business, ESG-related issues such as social and customer value creation performance and employee happiness management initiatives were discussed by independent directors at the meeting. We also sought to strengthen the role of the Audit Committee by providing education on the internal accounting management system for all Audit Committee members. In 2021, we plan to hold meetings

and workshops with independent directors on a regular basis; thus continuously strengthening the capacities of independent directors by providing them with a full-time educational program through "mySUNi," an internal education platform of the SK Group.

In the second half of 2020, as the demand for accounting transparency from stakeholders increased, an additional external auditor was appointed through the Audit Committee to inspect our internal control system. The inspection result, an unqualified opinion, was transparently disclosed at the general shareholders' meeting in March 2021.



# Risk Management

## Risk Management System

SK Networks has established a management system in response to various financial and non-financial risks arising from changes in the external environment. The working-level teams of each business sector, including the Finance Planning Team, constantly monitor risks, and we respond to such risks through the bi-monthly management performance review meeting and BM innovation meeting chaired by the CEO.

### Risk Management R&R

Department	Intrinsic RM function (R&R)
Digital Transformation Team	<ul style="list-style-type: none"> <li>IT investment projects</li> </ul>
Finance Planning Team	<ul style="list-style-type: none"> <li>New transaction/business</li> <li>Integrated credit limit of overseas branches</li> <li>Credit and Collateral</li> <li>Bond</li> <li>Accident</li> </ul>
Finance Team	<ul style="list-style-type: none"> <li>Funds (head office/overseas branches)</li> <li>Foreign currency and exchange risk</li> </ul>
Accounting Team	<ul style="list-style-type: none"> <li>Inventory</li> <li>Statement assessment</li> </ul>
Tax Team	<ul style="list-style-type: none"> <li>Tax-related risks</li> </ul>
HR	<ul style="list-style-type: none"> <li>HR regulations and system</li> </ul>
Legal Team	<ul style="list-style-type: none"> <li>Contract</li> <li>Litigation</li> </ul>

## Risk Management by Type

Having established the risk management (RM) regulations, SK Networks appointed the Finance Planning Team of the Management Supporting Division as the risk management supervising team, and Tax Team, Finance Team, Accounting Team, Digital Transformation Team, HR Management Team, and Legal Team as functional teams. By defining our R&R of risk management, we enable each team consisting of experts to analyze and manage risks systematically. We are also

managing risks by segmenting them into market, liquidity, compliance, and tax-related risks.

In addition, through the "internal forward exchange system," we hedge exchange risks that may occur in business activities. While holding exchange risk management seminars on a regular basis targeting the sales team, we are striving to increase employee awareness of exchange risk and encourage our employees to make use of the internal forward exchange system actively.

## Risk Management Segmentation



- Manages exchange risk by establishing exchange risk management guidelines, convenes the Exchange Risk Management Committee when making decisions on exchange rate fluctuations
- Organizes an efficient portfolio to manage interest rate fluctuation risk (through fixed rate borrowings/deposits, reduction of borrowings at high interest rates, and diversification of savings products)
- Promotes successful communication with the capital market through quarterly provisional performance disclosures and NDR\*

\*Non Deal Roadshow



- Manages the risk of the legal violation by reporting the CP (compliance program) operation status to the BOD annually
- Strengthens preventive activities and capacity for issue response through activities of the Compliance Council, including reviewing the impact of the amendment of the relevant statutes, such as the Occupational Safety and Health Act, sharing success cases, and providing education



- Manages appropriate debt level and improves financial integrity in connection with credit rating triggers
- Manages bond recovery-related risks through forfeiting and export insurance in trading transactions



- Preemptively responds to the impact (risks and opportunities) of the amendment of tax laws through analysis of precedents

# Ethics & Compliance

## Ethical Management System

### The 3Cs of Ethical Management

To fulfill its ethical responsibilities and to enhance stakeholders' trust, SK Networks is striving to foster a fair, transparent corporate culture by establishing an ethical management system consisting of 3Cs (Code, Compliance, and Consensus). Our Corporate Audit Team, an organization in charge of ethical management under the CEO's direct management, operates the ethical management system and runs various systems and programs to establish and spread the ethics culture.

### 3Cs of Ethical Management



## 3C Ethical Management System

### Code of Ethics and Practice Guidelines

In 2007, SK Networks enacted the Code of Ethics as part of the company's fundamental regulation. The Code of Ethics sets the standard for employees to make correct decisions and practice behaviors, such as their attitude toward customers and basic ethics. In addition, we implemented the Code of Ethics Guidelines to help employees correctly understand and practice the Code of Ethics.

The Code of Ethics Practice Guidelines specify the patterns of behaviors that employees should follow regarding anti-corruption, mutual respect, protection of company/customer information, settlement of conflicting interests, fair trade and competition, responsibility in safety/environment/health, and whistleblower protection.

In particular, the guidelines include clauses to prevent violations of anti-corruption laws, such as the Improper Solicitation and Graft Act. The Code of Ethics and our practice guidelines are shared with not only all employees of SK Networks but also our business partners for compliance. Support programs including education are also provided, and the pledge of compliance is requested.

\*Details of the Code of Ethics

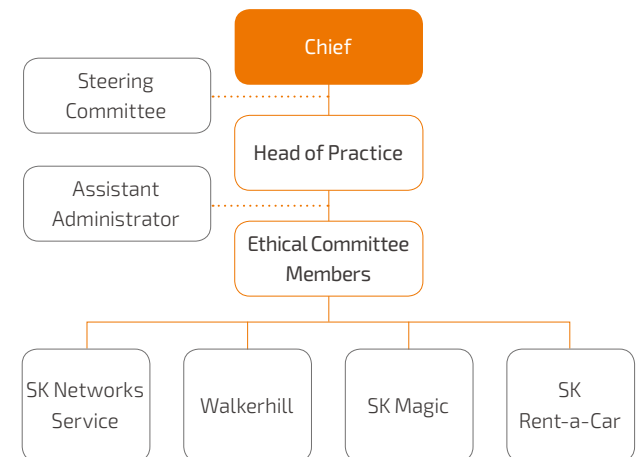
\*Details of the Code of Ethics Practice Guidelines

## Ethical Management Council

SK Networks operates the Ethical Management Council to strengthen the subsidiaries' ethical management capabilities and conduct ethical management activities efficiently based on cooperation between the HQ and the subsidiaries. The Council consists of the CEO of SK Networks as chief, with the CEOs of the subsidiaries as committee members.

In 2020, an audit manual was distributed to establish the internal audit function of the ethical management team of each subsidiary. During the five working-level meetings, the Council planned and engaged in ethical management activities such as ethical education, survey, and workshop. Through the Council's activities, we will continue to dedicate ourselves to improve independent ethical management and the internal audit functions of each subsidiary.

### Ethical Management Council



### Ethics System Operation

#### Ethical Risk Assessment by Field of Operation

To enhance the level of autonomous ethical management, SK Networks conducts an annual internal inspection of ethical risks within each field through a checklist process. The checklist has been prepared to inspect and assess risks according to the characteristics of operations, including HR management, cost management, purchase/business partner management, sales/receivables management, investment management system, inventory management, and management of peculiar risks.

### Ethical Management Reporting and Monitoring

To monitor and manage our status of ethical management, SK Networks operates channels through which all stakeholders can report ethical misconduct. The reports received through these channels are investigated by the Corporate Audit Team and the ethical management teams of each subsidiary and are transparently and systematically handled. In 2020, a total of 93 reports on issues such as the pursuit of personal interests by taking advantage of the job and the harassment in the workplace were received. 92 of the reports have been investigated and closed, with one report currently in the process of investigation.

### Ethical Management Reporting Channels

	Web	<a href="http://ethics.sk.co.kr">http://ethics.sk.co.kr</a>
	Address	SK Networks Corporate Audit Team, 85, Cheonggyecheon-ro, Jongno-gu, Seoul, 03190, Republic of Korea

### Disciplinary Actions on Ethical Management\*

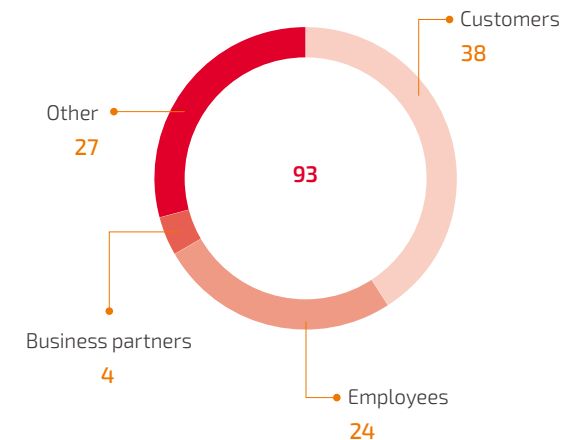
(Unit: Cases)

Category	Number of disciplinary actions taken
Pursuit of personal interests by taking advantage of the job	4
Customer complaint on exaggerated advertisement	1
Abuse of corporate credit card	1
Harassment in workplace, such as the use of abusive language	2
Transaction of money between employees (violation of employment regulations)	1
Other	2
<b>Total</b>	<b>11</b>

\*SK Networks and 6 subsidiaries/sub-subsidiaries

### Reports by stakeholder group\*

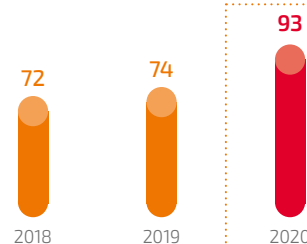
(Unit: Reports)



\*SK Networks and 6 subsidiaries/sub-subsidiaries

### Number of Ethical Management Reports\*

(Unit: Reports)



\*SK Networks and 6 subsidiaries/sub-subsidiaries

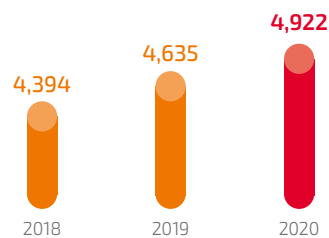
## Ethical Workplace Culture

### Employee Ethical Management Education

SK Networks provides ethical management education each year to improve employees' ethical awareness. Due to the outbreak of the COVID-19 pandemic in 2020, online education was provided to all employees. The education focused on SK Networks' key ethical management issues, including Code of Ethics assessment, power abuse, and attitude at the workplace. Moreover, surveys were conducted in terms of the effectiveness of education, adequacy of study cases, and appropriateness of the duration in order to improve the educational system and contents based on the employees' opinions.

### Ethical Management Education

Number of employees who completed the course (Unit: Persons)



Rate of employees who completed the course (Unit: %)



\*SK Networks and 6 subsidiaries/sub-subsidiaries

### Ethical Management Survey in the Workplace

Each year, SK Networks conducts an ethical management survey targeting all employees of the head office and the subsidiaries to check the level of compliance with the company's Code of Ethics and assess ethical culture.

To support the ethical management practices of our employees, we oversee the key implications derived from the ethical management surveys. The key implications include mutual ethical behaviors among employees, elements impeding SV, and continuous improvement of the ethical management practice system. In 2020, the survey was conducted in seven organizations, including the head office and our subsidiaries where 3,537 employees answered 70 questions. We were able to implement corrective actions, such as devising plans to inspect unethical behaviors and campaigning for workplace harassment, based on the employees' opinions collected through the survey.

On the first business day of each year, all employees are encouraged to participate in the Ethics Practice Pledge. Along with the employees' voluntary actions, we aim to enhance awareness of ethical management and establish a transparent corporate culture.

### Ethical Management Survey Score\*

(Unit: Points)



\*SK Networks and 6 subsidiaries/sub-subsidiaries

### Ethical Management Workshop

SK Networks holds annual ethical management workshops targeting all employees\* to enhance its level of ethical management in the workplace. In 2020, in view of the COVID-19 pandemic, the workshop was held in a non-face-to-face manner via video conference and internal messenger system. A total of 4,506 employees participated in the workshop. Employees had active discussions on different topics such as "workplace harassment" and "cultural difference between generations" after watching videos related to the topics and shared ideas on improving the ethical management practice. Furthermore, to internalize the ethics practice culture in each company, organizations demonstrating excellent performance at the workshop were awarded.

\*SK Networks and 6 subsidiaries/sub-subsidiaries



Grand Prize Winner of the SK Networks Workshop 2020: ICT Marketing Business Strategy Team

## Compliance

### Fair Trade Compliance Program

SK Networks' Fair Trade Compliance Program (CP) is an internal compliance system established and operated with the goal of fair trade-related compliance. SK Networks introduced the CP in 2002 and has been presenting CP operation as an agenda for the BOD every year.

Through the CP operation, we propose clear and concrete fair trade-related codes to our employees and minimize the risk of legal violations that can occur during business through preventive activities.

In 2021, we plan to increase compliance sensitivity to changes in the regulatory environment, such as Monopoly Regulation and Fair Trade Act, by providing education via the SK online education platform mySUNI and strengthen the inspection of and timely response to the risks caused by such changes.

### SK Networks Compliance Council

The SK Networks Compliance Council is composed of SK Networks and six subsidiaries that fulfill the company's responsibilities regarding compliance management and fair economy and enhance the overall compliance level. The Council is operated in three modules: legal, CR, and SHE, where the participating companies strengthen their capacities to prevent and respond to issues by interactively sharing information about the laws and regulations, lessons learned, and related training.

In 2020, the Council reviewed the impact of the amendments on the relevant laws and shared and provided education on cases of response to critical issues. In addition, to respond swiftly to the COVID-19 crisis, an emergency response channel was established with personnel from the participating companies. Through the response channel, plans for COVID-19-related issues were developed, crisis situations were shared, and systematic response activities were conducted.

### Fair Trade Compliance Committee

SK Networks appoints a compliance officer from the BOD and operates an organization dedicated to compliance management. Through the voluntary compliance committee, we are preparing a foundation for compliance by deriving key ethical issues and consequently inspecting the status of fair trade-related compliance for each business, promoting fair economy, enhancing trade transparency, and sharing the key Fair Trade policies with the relevant divisions. In 2021, we plan to strengthen preventive activities by checking potential Fair-Trade risks to respond to regulatory changes, such as the amendment of the Monopoly Regulation and Fair Trade Act.

### SK Networks Compliance Council



**Participants**  
SK Networks and  
subsidiaries/  
sub-subsidiaries



**Modules**  
Legal / CR / SHE



**Members**  
34  
(as of 2020)



**Key Activities**  
Improvement of compliance sensitivity and  
response capacity, education and information  
sharing, COVID-19 emergency response



# Privacy and Cyber Security

## Information Security Guideline

SK Networks recognizes the importance of personal information and IT service security and accordingly prepares and complies with each guideline. We revised our regulations on personal and company information protection to manage thoroughly and safely protect all personal information handled in accordance with the revision of the three data-related government bills. The revised regulations reflect the disciplinary action to information management that has been strengthened following the liberalization of employees' PC usage, and Personal information management of all stakeholders, including employees, external company employees, and visitors is handled under this regulation.

In addition, we protect valuable information assets by preventing damages, forgeries, alteration, falsification, and leak through the regulations and rules of IT service/security management. The regulations are applied to all divisions, employees, and partners related to information and the system that collects, processes, handles, sends, stores, and manages the information in order to secure safety from various threats.

## Certification for Information Security & Personal Information Management System

SK Networks acquired the Information Security Management System (ISMS) certificate and Personal Information Management System (PIMS) certificate in 2015 to protect the information of the company and the customers safely. We are continuously conducting inspections to maintain the certification; in 2020, we examined the principal vulnerabilities of the system and implemented measures accordingly. In 2021, we plan to strengthen further our information protection abilities by promoting the acquisition of ISMS-P, an integrated version of ISMS and PIMS.

Strengthening Information Security Competence

**ISMS/PIMS**  
Reauthorization Acquired

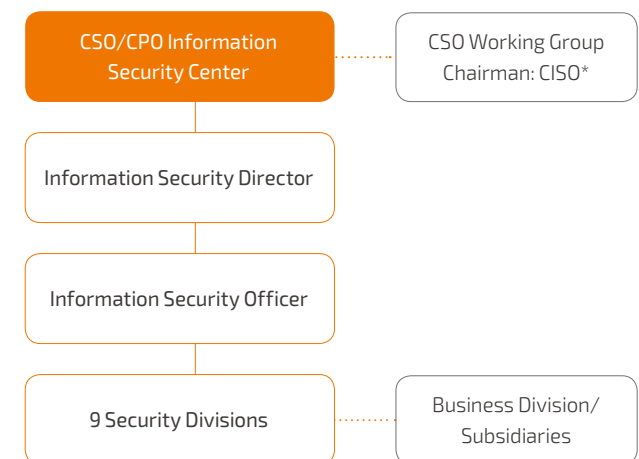


## Information Security Management Organization

SK Networks has designated a dedicated CISO(Chief Information Security Officer) at the executive level, who is prohibited from concurrently holding positions other than information protection. We also operate an Information Security Center that specializes in information protection. The CSO CPO\* Business Council operates on a quarterly basis to discuss essential information protection policies and share significant issues. We are improving the security level of subsidiaries through regular meetings with the CISOs of major subsidiaries such as SK Magic and SK Rent-a-Car and level diagnosis based on the SK Group's security guidelines.

\*CSO: Chief Security Officer/CPO: Chief Privacy Officer

### CSO/CPO Business Council

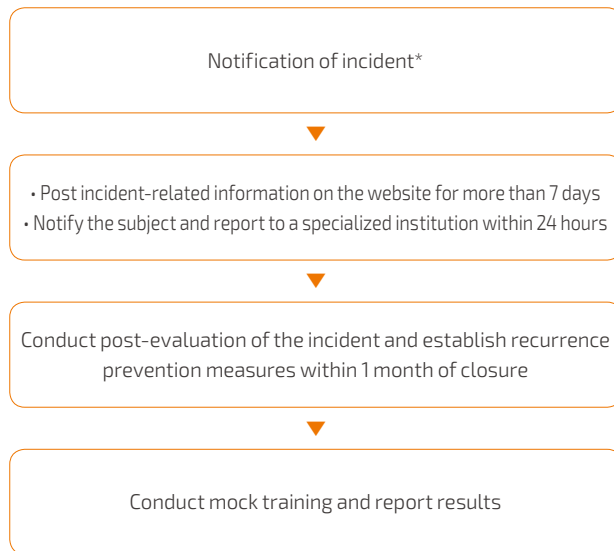


\*Chief Information Security Officer

### Security Breach Response

SK Networks abides by the Personal Information Breach Response Guideline and Intrusion Incident Response Rules to respond promptly to security incidents. The incident perceiver must immediately report to the person in charge who will take actions based on the severity of the incident. We then comprehend the cause and effect of the incident to take preventive measures and impose disciplinary action based on the violator's intention, including how much the company was affected by such behavior.

#### Security Breach Response Procedure



\*Reporting Procedure: Incident Perceiver → Senior Team Manager & Personal Information Management Division Officer → Senior Team Manager & Risk Management Division Officer → CPO & Team Manager/Executive of Relevant Division → CEO & Executive in charge of Holding Company

### Prevention of Violations on Data Protection and Privacy

SK Networks takes disciplinary actions against those who violate information security and personal information protection to prevent security breaches. We classify the incidents according to 11 violation clauses to distinguish whether the incidents happened from a security breach such as information leak or sale and saving unnecessary information or negligence in critical information management, including noncompliance with regulations. We strictly manage violators of information security and privacy based on the following 6 types of handling criteria: dismissal, suspension, pay cut, reprimand, warning, and caution.

SK Networks recognizes the importance of customer personal information and conducts exhaustive protective actions for safe management. In case personal information is included in any stage of the task process, including those handled by our subsidiaries, we make it clear that our privacy policy applies and ensure that employees enter the objectives and reasons for using personal information for more robust security.

#### Information Security Incidents\*

0 Cases



Leak and theft of company data/personal information



Leak and theft of customer information



Complaints related to information security

\*SK Networks, SK Magic, SK Rent-a-Car

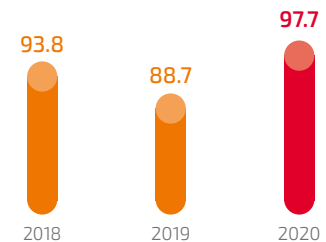
### Information Security Education

SK Networks publishes information security-related regulations so that all employees can raise their awareness and conducts information security training for employees every year. In 2020, we introduced the VDI\* system and linked the information security training to the company education platform mySUNI to conduct online training. We internalized the importance of personal information protection and security system by allowing employees who did not receive training offline to check the training materials online. In addition, we prevent information security risks and promote compliance with obligations related to personal information protection by training Walkerhill employees on the importance of personal information protection, affiliated laws and regulations, and collection, utilization, and provision of personal information.

\*Virtual Desktop Infrastructure, a solution providing virtual desktop and data storage space by users

#### Information Security Education Completion Rate\*

(Unit: %)



\*SK Networks

# Appendix


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# Performance Data

## Economic Data

### Consolidated Financial Statement

Category	Unit	2018	2019	2020
Current assets	KRW	32,532	39,657	26,387
Non-current assets	100 million	45,159	61,731	61,348
Total assets		77,690	101,388	87,735
Current liabilities		37,397	45,220	37,233
Non-current liabilities		17,174	33,115	28,049
Total liabilities		54,572	78,335	65,282
Total equity		23,119	23,053	22,453

 \*Subsidiary companies included in the consolidated financial statements can be found on p.3 - 4 of the SK Networks Business Report

### Income Statement

Category	Unit	2018	2019	2020
Sales	KRW	126,458	130,542	106,259
Gross profit	100 million	9,100	11,143	10,784
Operating income		1,335	1,094	1,239
Income before income taxes		899	15	1,073
Net income (loss)		77	-1,226	421
EBITDA*		3,857	9,470	9,455
Sales Growth Rate	%	-6.1	3.2	-18.6
Operating income growth rate		15.0	-18.1	13.3
EBITDA growth rate		11.2	145.5	-0.2
Operating profit margin		1.1	0.8	1.2
EBITDA Margin		3.1	7.3	8.9
Net profit margin		0.1	-0.9	0.4
Debt to equity ratio		236.1	339.8	290.8

\*EBITDA: Earnings before interest, taxes, depreciation, and amortization

### Policy-related Expenditures


Category	Unit	2018	2019	2020
Lobbying, Interest Groups, Quasi Groups*	KRW million	N/A	N/A	N/A
Local and Political Campaigns/Groups/Candidates		N/A	N/A	N/A
Total Amount of Membership Fees, such as to KITA**		-	-	485

\*SK Networks complies to the national political funding law and does not provide any funds to political, lobbying funds for certain political parties and organizations to prevent corruption related to political funds

\*\*2020 First year to report data

### Economic Value Distribution

Category	Unit	2018	2019	2020	
Stockholders	Dividend	KRW million	28,881	28,881	26,237
Creditors	Net Interest Expense		17,844	95,078	104,391
Employees	Allowance and Bonus		257,405	306,746	334,054
	Fringe Benefits		62,045	62,259	70,667
	Retirement Allowance		27,061	40,389	38,150
Government and Public Institutions	Corporate Income Tax and Public Utilities' Charge		55,775	51,063	110,207
Local Community	Investment in Social Contribution		5,010	2,093	1,330
Other	Operating Costs*		12,512,261	12,944,868	10,501,957

 \*Cost of sales + selling expenses + administrative expenses (Details can be found on p.79 of the SK Networks Business Report)

## Environment Data

\*N/A: Not Applicable

### Energy

\*Total energy consumption/sales

Category	Unit	2018		2019		2020			
		SK Networks	SK Magic	SK Networks	SK Magic	SK Networks	SK Magic	SK Rent-a-Car	
Total Energy Consumption	TJ	502	100	508	98	644	156	71	
	GJ	502,333	100	508,440	98	644,170	155,951	70,950	
Energy Consumption Intensity*	GJ/ KRW billion	40	0	48	0	80	153	86	
Direct Energy Consumption	Total Direct Energy Consumption by Source	GJ	8,559	0	8,421	0	17,042	198	4,528
	- Gasoline		1,157	N/A	1,519	N/A	5,908	198	2,243
	- Diesel		6,903	N/A	6,509	N/A	5,837	N/A	1,182
	- Kerosene		N/A	N/A	N/A	N/A	488	N/A	N/A
	- Other		499	N/A	392	N/A	4,809	N/A	1,103
Indirect Energy Consumption	Total Indirect Energy Consumption by Source		493,774	100	500,019	98	627,129	155,753	66,422
	- Electric power		323,089	91	340,492	91	486,534	152,987	64,369
	- City gas		170,685	9	159,527	7	140,595	2,767	2,053
Ratio of Renewable Energy Use	%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Electric Power Consumption	MWh	33,667	9,436	35,480	9,531	50,693	15,936	6,705	
Total Renewable Energy Consumption		12	0	0	0	12	0	0	
Renewable Energy Consumption by Source	Photovoltaic	12	0	0	0	12	0	0	
Renewable Energy Consumption by Supply Method	Self-generation	12	0	0	0	12	0	0	

### GHG Emissions

\*Total GHG emissions (Scope 1 + 2)/sales

Category	Unit	2018		2019		2020		
		SK Networks	SK Magic	SK Networks	SK Magic	SK Networks	SK Magic	SK Rent-a-Car
GHG Intensity (Scope 1+2)	tCO <sub>2</sub> eq/ KRW billion	2	7	2	5	4	12	4
Total GHG Emissions (Scope 1+2)	tCO <sub>2</sub> eq	24,959	4,863	25,228	4,782	31,586	12,261	3,452
Direct GHG Emissions (Scope 1)		9,267	464	8,691	338	7,957	4,831	326
Indirect GHG Emissions (Scope 2)		15,692	4,400	16,537	4,444	23,630	7,430	3,126

\*GHG emissions estimated based on the guidelines for GHG and energy target management, etc. (No. 2016-255) (mobile combustion estimated based on Korea Energy Agency automobile CO<sub>2</sub> emissions)

## Water Intake

\*Total Water Intake/Sales

Category	Unit	2018		2019		2020			
		SK Networks	SK Magic	SK Networks	SK Magic	SK Networks	SK Magic	SK Rent-a-Car	
Water Intake Intensity*	Ton/KRW billion	59	53	70	56	143	83	20	
Water Intake by Source	Total Amount of Water Used	Ton	727,599	34,991	741,886	49,428	1,149,449	84,590	16,172
	Potable Water or Intake from Other Waterworks System		36,552	5,709	62,658	5,879	581,513	37,048	16,172
	Groundwater Intake		42,670	29,282	47,532	43,549	35,812	46,908	0
	Surface Water Including Water from Marshes, Rivers, Lakes, and Ocean		620,710	N/A	608,180	N/A	513,599	N/A	N/A
	Water Intake in Water Resource Sensitive Areas		N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water Recycling	Amount of Recycled Water	Ton	27,667	0	23,516	0	18,525	634	0
	Ratio of Recycled Water	%	3.8	0.0	3.2	0.0	1.6	0.7	0.0

## Waste

\*Total Waste Generated/Sales

Category	Unit	2018		2019		2020			
		SK Networks	SK Magic	SK Networks	SK Magic	SK Networks	SK Magic	SK Rent-a-Car	
Waste Generation Intensity*	Ton/KRW billion	0	3	0	3	1	4	0	
Total Waste Generation	Total Amount Generated	Ton	2,495	1,970	3,191	2,465	4,340	3,805	94
	General Waste		2,486	1,945	3,191	2,421	4,337	3,782	94
	Designated Waste		9	25	0	44	3	23	0
Waste Recycling	Amount of Recycled Waste	%	2.2	92.0	13.2	95.6	41.5	70.6	0.0
	Ratio of Recycled Waste	Ton	54	1,812	422	2,356	1,802	2,687	0

## Air Pollutants\*

\*Not disclosed as SK Networks is not subject to air pollutant management

Category	Unit	2018		2019		2020		
		SK Networks	SK Magic	SK Networks	SK Magic	SK Networks	SK Magic	SK Rent-a-Car
NOx Emissions	Ton	N/A	0.0	N/A	0.0	N/A	0.1	N/A
SOx Emissions		N/A	0.0	N/A	0.0	N/A	0.0	N/A
PM Emissions		N/A	0.4	N/A	0.3	N/A	0.0	N/A
VOC Emissions		N/A	0.0	N/A	0.0	N/A	0.0	N/A

## Environmental Management

Category	Unit	2018		2019		2020		
		SK Networks	SK Magic	SK Networks	SK Magic	SK Networks	SK Magic	SK Rent-a-Car
Environmental Investment	KRW million	77	0.0	119	161	46	586	N/A



## Social Data

### BOD Composition

Category	Unit	2018	2019	2020
Average Tenure	Months	27.1	35.5	42.6
Composition of Executive Directors*	No. of Executive Directors	No. of Persons	2	2
	Ratio of Executive Directors	%	29	25
	No. of Executive Directors with Expertise	No. of Directors	2	2
	Female Executive Directors	No. of Persons	0	0
		%	0	0
Composition of Independent Directors*	No. of Independent Directors	No. of Persons	4	5
	Ratio of Independent Directors	%	57	63
	No. of Independent Directors with Expertise**	No. of Persons	1	1
	Period of Policy Building by Independent Directors and Non-executive Chairperson	Years	3	4
Composition of Other Non-executive Directors	No. of Other Non-executive Directors	No. of Persons	1	1

\*All directors over the age of 50

\*\*Global Industry Classification System Level 1 industrial experts or ESG experts

### Employee Information

Category	Unit	2018		2019		2020			
		SK Networks	SK Magic	SK Networks	SK Magic	SK Networks	SK Magic	SK Rent-a-Car	
Employees	Male	No. of Persons	1,494	367	1,464	460	1,200	520	477
	Female		757	554	763	632	666	673	122
	Total Employees		2,251	921	2,227	1,092	1,866	1,193	599
	Under 30 years of age		592	49	592	46	428	62	44
	30 - 50 years of age		1,476	685	1,398	750	1,206	854	516
50 years and older		183	187	237	296	232	277	39	
Administrative Positions	Male	No. of Persons	145	59	147	75	112	82	67
	Female		8	1	9	3	9	3	3
	Total Employees		153	60	156	78	121	85	70
	Ratio of Female Employees	%	5	2	6	4	7	4	4



## Labor Relations Management

Category	Unit	2018		2019		2020			
		SK Networks	SK Magic	SK Networks	SK Magic	SK Networks	SK Magic	SK Rent-a-Car	
Employment Type	Regular	No. of Persons	1,733	638	1,701*	825	1,476	951	576
	Non-regular		518	283	526	267	390	242	23
	Total		2,251	921	2,227	1,092	1,866	1,193	599
Employees by Age	Under 30 years of age	No. of Persons	592	49	592	46	428	62	44
	30 - 50 years of age		1,476	685	1,398	750	1,206	854	516
	50 years and older		183	187	237	296	232	277	39
Fair Recruitment	Ratio of Employees with Disabilities**	%	1.3	0	1.8	1.8	2.9	1.8	3.0
	People with Disabilities	No. of Persons	30	0	39	20	34	18	11
	Patriots and Veterans		30	1	27	11	18	11	5
	Foreigners		8	0	7	0	7	0	1
New Recruitment	Regular	No. of Persons	69	149	36	122	25	86	15
	Non-regular		395	98	518	196	119	141	17
	Female		236	176	276	187	66	121	16
	Male		228	71	278	131	78	106	16
	24 years and younger		186	4	256	4	49	3	5
	25 - 34 years of age		254	37	252	80	62	54	15
	35 - 44 years of age		11	78	21	109	12	93	10
	45 - 54 years of age		6	125	19	123	13	77	2
	55 years and older		7	3	6	2	8	0	0
Labor Practices	Labor Union Membership Ratio	%	28	62	35	72	40	80	23
	Collective Agreement Application Ratio		28	100	35	100	68	100	23
Turnover Rate***	Total	%	-	-	-	-	14.7	10.5	6.2
	Voluntary		-	-	-	-	13.6	8.6	3.8
	Involuntary		-	-	-	-	1.1	1.8	2.3

\*Number in previous year's report entered incorrectly

\*\*Doubled for people with severe disabilities

\*\*\*First report in 2020





## Employees in Overseas Worksites

Category	Unit	2018		2019		2020			
		SK Networks	SK Magic	SK Networks	SK Magic	SK Networks	SK Magic	SK Rent-a-Car	
No. of Employees in Overseas Worksites	No. of Employees Sent Abroad	No. of Persons	38	5	31	3	25	6	0
	No. of Locals Employed		603	0	509	52	467	159	0
	Total		641	5	540	55	492	165	0
Local Employment Ratio	%		94	0	94	95	95	96	N/A
No. of Local Managers	No. of Persons		3	0	1	0	2	0	0
Ratio of Locally Employed Managers	%		0.5	N/A	0.2	0	0.4	0	N/A
Total Employees by Key Region	China	No. of Persons	542	0	441	0	407	0	0
	Middle East		22	0	23	0	7	0	0

\*Not Applicable, SK Rent-a-Car only operates domestically

## Safety and Health

Category	Unit	2018		2019		2020			
		SK Networks	SK Magic	SK Networks	SK Magic	SK Networks	SK Magic	SK Rent-a-Car	
Lost Time Injury Frequency (LTIR*)	Total	Cases/200 thousand hours	10.3	0.0	12.0	0.0	11.1	0.0	0.0
	Employees		0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Suppliers		35.6	0.0	40.6	0.0	36.2	0.0	0.0
Lost Time Injury (LTI**)	Employees	Cases	0	0	0	0	0	0	0
	Suppliers		4	0	5	0	3	0	0
Employees	Occupational Illness Frequency Rate (OIFR)	Hours	0	0	0	0	0	0	0
	Occupational Illnesses	Cases	0	0	0	0	0	0	0
	Deaths		0	0	0	0	0	0	0

\* Total lost-time injuries (employees + suppliers)/total working hours (employees + suppliers) x 200,000

\*\* Total injuries with lost time for at least one day



## Employee Welfare

Category	Unit	2018		2019		2020				
		SK Networks	SK Magic	SK Networks	SK Magic	SK Networks	SK Magic	SK Rent-a-Car		
Equal Remuneration*	Director Wage	Female	KRW	N/A	N/A	N/A	N/A	N/A	N/A	
		Male	thousand	78,428	22,303	69,730	22,140	81,213	26,395	13,079
	Wage for Administrative Positions	Female		9,614	6,667	10,200	8,243	12,793	7,947	7,876
		Male		15,173	9,371	15,386	9,390	15,903	9,833	7,999
	Ratio of Female to Male Wage in Administrative Positions	%		63	71	66	88	80	81	98
	Average Wage of Non-administrative Positions (monthly)	Female	KRW	3,314	3,580	3,385	3,704	3,915	4,064	2,855
		Male	thousand	4,348	4,959	4,729	5,051	5,125	5,311	4,036
Ratio of Female to Male Wage in Non-administrative Positions	%		76	72	72	73	76	77	71	
Parental Leave	Employees with Parental Leave	Female	No. of	757	554	763	632	666	673	122
		Male	Persons	1,494	367	1,464	460	1,200	520	477
		Total		2,251	921	2,227	1,092	1,866	1,193	599
	Employees Using Parental Leave	Female		49	10	58	11	49	12	8
		Male		9	1	24	0	10	1	11
		Total		58	11	82	11	59	13	19
	Employees Returning after Parental Leave	Female		44	8	31	13	28	9	7
		Male		4	0	13	0	13	1	3
		Total		48	8	44	13	41	10	10
	Employees Working for Minimum 12 Months after Parental Leave	Female		27	11	41	6	27	12	1
		Male		8	0	4	1	9	0	0
		Total		35	11	45	7	36	12	1

\*No difference in wage by gender within the same job group and year

\*Information on the procedure of determining remuneration for executives can be found on p.377-382 of the SK Networks Business Report

## Human Resources Development

Category	Unit	2018		2019		2020			
		SK Networks	SK Magic	SK Networks	SK Magic	SK Networks	SK Magic	SK Rent-a-Car	
Employee Education	Total Education Expenses	KRW million	4,513	312	3,928	661	4,259	1,753	565
	Investment per Employee	KRW 10 thousand	201	34	176	61	228	147	94
	Total Education Hours	Hours	107,609	7,200	96,759	42,358	134,021	90,077	95,255
	Education Hours per Employee		48	8	43	93	72	169	174



## Ethical Management \*

Category	Unit	2018	2019	2020
Ethical Management Reports	Cases	72	74	93
Reports by Stakeholder Group	%			
Customers		29	31	38
Employees		26	33	24
Business Partners		12	2	4
Other		5	8	27
Disciplinary Action for Ethical Management Violation	Cases			
Money-related		2	3	5
Employee-related		3	3	2
Violation of rules		6	3	1
Other		1	0	3
Total		12	9	11
Violation of the Anti-corruption Rules	Cases	0	0	0
Anti-corruption Education*	No. of Persons (%)			
BOD Members to whom Anti-corruption Policies/ Procedures Have Been Delivered (Ratio)		-	-	0
Employees to whom Anti-corruption Policies/ Procedures Have Been Delivered (Ratio)		-	-	5,070(100)
Suppliers to which Anti-corruption Policies/ Procedures Have Been Delivered (Ratio)		-	-	2,443(100)
Employees Completing Anti-corruption Education (Ratio)		-	-	4,958(98)
Cost of Violations of Socioeconomic Laws	KRW	0	0	0
No. of Violations of Socioeconomic Laws	Cases	0	0	0

\*SK Networks and 6 subsidiaries/sub-subsidiaries

\*First report in 2020

## Information Security

Category	Unit	2018		2019		2020		
		SK Networks	SK Magic	SK Networks	SK Magic	SK Networks	SK Magic	SK Rent-a-Car
Corporate Data and Information Leaks and Theft	Cases	0	0	0	0	0	0	0
Customer Personal Information	Customer Information Leaks and Theft	0	0	0	0	0	0	0
	Information Security-related Complaints	0	0	0	0	0	0	0



## Supplier Management

Category	Unit	2018		2019		2020			
		SK Networks	SK Magic	SK Networks	SK Magic	SK Networks	SK Magic	SK Rent-a-Car	
ESG Risk Assessment	Suppliers Receiving Risk Assessment	No. of Suppliers	0	0	0	0	0	0	
	Rate of Suppliers Implementing Improvement Action	%	0	0	0	0	0	0	
Supply Chain Management	Supply Chains	No. of Suppliers	644	364	628	356	513	336	1,594
	*Primary Suppliers		644	364	628	356	513	336	1,594
	Key Primary Suppliers		199	75	203	77	144	72	293
	Rate of Cost Paid to Key Primary Suppliers out of Total Purchase Cost	%	95	80	95	83	95	85	97
	Rate of Cost Paid to Local Suppliers out of Cost Paid to Key Primary Suppliers		100	82	100	82	100	81	100

\*Services, goods, construction works

## Customers

Category	Unit	2018		2019		2020		
		SK Networks	SK Magic	SK Networks	SK Magic	SK Networks	SK Magic	SK Rent-a-Car
Violation of Customer Safety and Health Regulations	Cases	0	0	0	0	0	0	0
Violation of Product/Service Safety-related Laws		0	0	0	0	0	0	0

## Social Value Creation of Product/Service

Category	Unit	2018		2019		2020		
		SK Networks	SK Magic	SK Networks	SK Magic	SK Networks	SK Magic	SK Rent-a-Car
Social Value Creation of Product/Service	KRW million	829	N/A	2,810	N/A	10,537	N/A	N/A



# GRI Content Index

## General Disclosures

Topic	Disclosure	Reporting Page	Verification
Organizational Profile	102-1	Name of the Organization	p.4 ●
	102-2	Activities, brands, products, and services	p.5-12 ●
	102-3	Location of headquarters	About this Report ●
	102-4	Location of operators	p.5 ●
	102-5	Ownership and Legal Form	SK Networks Business Report p.3, 50 SK Magic Business Report p.44 SK Rent-a-Car Business Report p.25 ●
	102-6	Markets served	Business Report p.32 ●
	102-7	Scale of the organization	p.4-5 ●
	102-8	Information on employees and other workers	Performance Data ●
	102-9	Supply Chain	p.55-56 ●
	102-10	Significant changes to the organization and its supply chain	N/A** ●
	102-11	Precautionary Principle or Approach	p.66 ●
	102-12	External Initiatives	p.90-93 ●
	102-13	Membership of associations	p.96 ●
	102-14	Statement from Senior Decision-Maker	p.2 ●
Strategy	102-15	Key impacts, risks, and opportunities	p.86-89 ●
Ethics and integrity	102-16	Values, principles, standards and norms of behavior	p.13-16, 55, 67-70 ●
	102-17	Mechanisms for advice and concerns about ethics	p.67-70 ●
Governance	102-18	Governance structure	p.63-65 ●
	102-36	Process for determining remuneration	SK Networks Business Report p.377 SK Magic Business Report p.254 SK Rent-a-Car Business Report p.299 ●

Topic	Disclosure	Reporting Page	Verification
Stakeholder Engagement	102-40	List of stakeholder groups	p.17, 56 ●
	102-41	Collective Bargaining agreements	Performance Data ●
	102-42	Identifying and selecting stakeholders	p.17 ●
	102-43	Approach to stakeholder engagement	p.17 ●
	102-44	Key topics and concerns raised	p.19 ●
Reporting practice	102-45	Entities included in the consolidated financial statements	SK Networks Business Report p.3-4 ●
	102-46	Defining report content and topic Boundaries	p.18 ●
	102-47	List of material topics	p.19 ●
	102-48	Restatements of information	N/A ●
	102-49	Changes in reporting	p.19 ●
	102-50	Reporting period	About this Report ●
	102-51	Date of most recent report	About this Report ●
	102-52	Reporting cycle	About this Report ●
	102-53	Contact point for questions regarding the report	About this Report ●
	102-54	Claims of reporting in accordance with the GRI Standards	About this Report ●
	102-55	GRI Content Index	GRI Content Index ●
102-56	External assurance	Third Party assurance (p.94-95) ●	

\*SK Networks Business Report

SK Magic Business Report

SK Rent-a-Car Business Report

\*\*No changes were made in the supply chain during the reporting period



## Topic-Specific Disclosures

Topic	Disclosure	Reporting Page	Verification
<b>Topic 1: Consumption Trends &amp; Technology Innovation</b>			
GRI 103: Management Approach 2016	103-1	Name of the Organization	p.37-44, 87
	103-2	Activities, brands, products, and services	
	103-3	Location of headquarters	
Economic Performance	201-1	Direct economic value generated and distributed	p.5, Performance Data
<b>Topic 2: Domestic and Global Market Competition</b>			
GRI 103: Management Approach 2016	103-1	Name of the Organization	p.37-44, 88
	103-2	Activities, brands, products, and services	
	103-3	Location of headquarters	
Economic Performance	201-1	Direct economic value generated and distributed	p.5, Performance Data
<b>Topic 3: Corruption</b>			
GRI 103: Management Approach 2016	103-1	Name of the Organization	p.67-70, 88
	103-2	Activities, brands, products, and services	
	103-3	Location of headquarters	
Corruption	205-2	Communication and training about anti-corruption policies and procedures	p.67-69, Performance Data
<b>Topic 4: Eco-friendly technology and products</b>			
GRI 103: Management Approach 2016	103-1	Name of the Organization	p.21-35, 89
	103-2	Activities, brands, products, and services	
	103-3	Location of headquarters	
Materials	301-2	Recycled input materials used	p.26, 31
	301-3	Reclaimed products and their packaging materials	p.31, Performance Data
Energy	302-1	Energy consumption within the organization	Performance Data
	302-3	Energy intensity	Performance Data
Water and Effluents	303-1	Interactions with water as a shared resource	Performance Data
Emissions	305-1	Direct (Scope 1) GHG Emissions	p.34, Performance Data
	305-2	Energy Indirect (Scope 2) GHG Emissions	p.34, Performance Data



Topic	Disclosure		Reporting Page	Verification
Waste	306-3	Waste generated	Performance Data	●
<b>Topic 5: Customer Health and Safety</b>				
GRI 103: Management Approach 2016	103-1	Name of the Organization	p.89	●
	103-2	Activities, brands, products, and services		
	103-3	Location of headquarters		
Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Performance Data	●
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p.71-72	●
<b>Topic 6: Compliance with Government Policies/Regulations</b>				
GRI 103: Management Approach 2016	103-1	Name of the Organization	p.70, 90	●
	103-2	Activities, brands, products, and services		
	103-3	Location of headquarters		
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	p.70	●
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	No disciplinary action or fine regarding law violations	●
<b>Topic 7: ESG Risks in Supply Chain</b>				
GRI 103: Management Approach 2016	103-1	Name of the Organization	p.54-56, 90	●
	103-2	Activities, brands, products, and services		
	103-3	Location of headquarters		
Procurement Practices	204-1	Proportion of spending on local suppliers	Performance Data	●
<b>Other Materiality Assessment Topics</b>				
Employment	401-1	New employee hires and employee turnover	Performance Data	●
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p.46, Performance Data	●
	401-3	Parental Leave	p.46, Performance Data	●
Occupational Health and Safety	403-9	Work-related injuries	p.52-53, Performance Data	●
Training and Education	404-1	Average hours of training per year per employee	p.49, Performance Data	●
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	p.63, Performance Data	●
	405-2	Ratio of basic salary and remuneration of women to men	Performance Data	●
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	No incidents found	●

# UN SDGs

SK Networks has conducted a survey on the level of awareness our shareholders have on the UN SDGs to achieve the SDGs as they closely align with our ESG strategy. The results of the survey show us that strengthening global partnerships and job creation are considered the most important goals, which we will directly apply as part of our ESG management strategy.



## Target 7.3

Ensure access to affordable, reliable, sustainable, and modern energy for all

p.42 

SK Rent-a-Car  
Electric Vehicles



## Target 8.4

Promote sustainable, inclusive, and sustainable economic growth, full and productive employment, and decent work for all

p.40 

SpeedMate  
Tirepick Service

p.50 

Fostering Internal  
AI & Data Experts



## Target 12.5

Ensure sustainable consumption and production patterns

p.31 

ITAD Service and Resource  
Circulation Center

p.31 

MINTIT  
'Recycling Ecosystem'

p.42 

Launch of SK Magic  
Eco-Friendly Products



## Target 13.2

Take action to combat climate change and its impacts

p.34 

Climate Change



## Target 17.1

Strengthen implementation and revitalize global partnerships for sustainable development

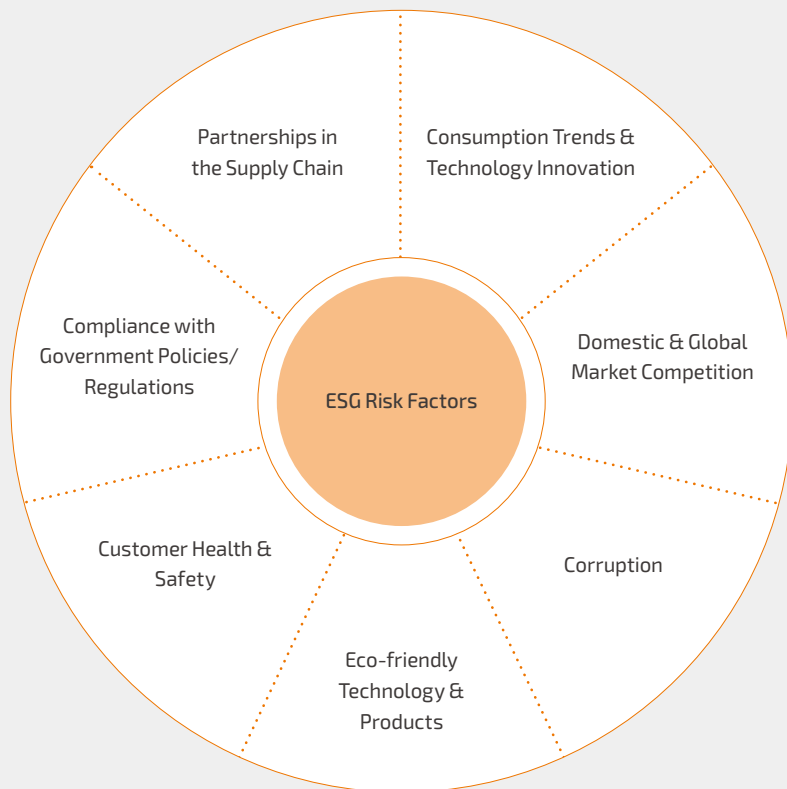
p.61 

ICT support for the  
underprivileged class by the  
cooperation of Save-the-  
Children and MINTIT

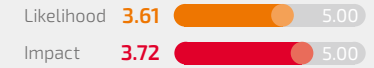


# ESG Risks & Opportunities

SK Networks identifies the risk potential that each material issue attains and analyzes their likelihood and impact. Not only do we prevent the occurrence of risks by systemically managing the 7 material topics we derive from our materiality assessment, but we also strive to become a global ESG company by having full control over the opportunity factors in advance.



## Consumption Trends & Technology Innovation



### Sustainability Context

An increasing number of consumers place importance on not only the level of convenience in using products and services but also an interesting consumer experience as technology continues to change rapidly, and information spreads swiftly through the growth of social media. In line with the diffusion of contactless consumption due to COVID-19, companies seek ways to achieve technological innovation centered on AI and big data. At the same time, customer sensitivity to personal information leakage is more likely to increase due to the increase in ICT, and companies are thereby required to implement a detailed response strategy for better information security.

- Introduction of new technologies by competitors and acceleration of changes in technologies according to the changes in consumption trend
- Decrease in customer satisfaction when technological innovation is insufficient
- Changes in purchasing trends/ consumption due to COVID-19

- Develop services and platforms that understand customers and trends based on key data
- Provide services with increased convenience for customers
- Strengthen accessibility for new customers
- Intensify ICT experience for customers of all age groups

#### Risk & Impact

#### Opportunities

#### Next Step

#### Policy & Activities

- Develop products that will impress customers by fostering experts of marketing and customer value
- Benchmark global top-tier companies and obtain additional certifications on external information security
- Improve business portfolio

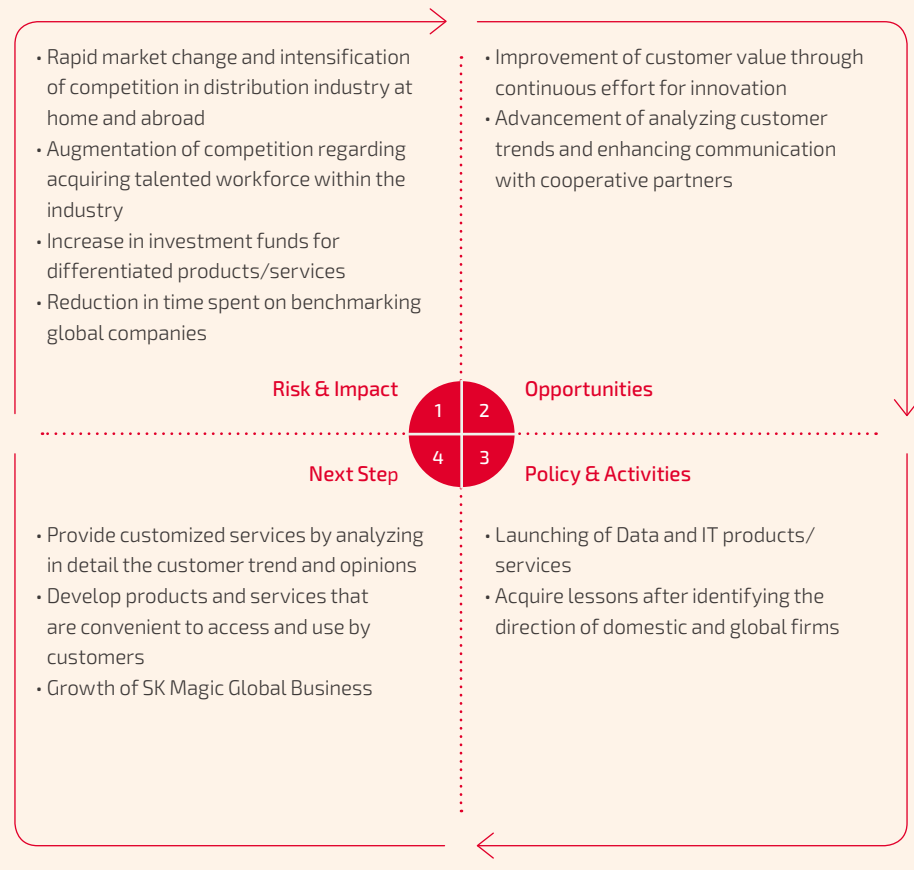
- Release DT-based products and services, such as those based on AI
- Expand data solution-based online services
- Increase customer privacy protection by integrating MINTIT data erasure technology
- Improvement of customer accessibility and online services considering the online nature of the current market

## Domestic & Global Market Competition

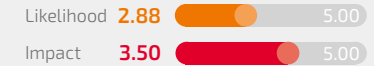


### Sustainability Context

Competition among companies is intensifying with the rapid development of the global market. Accordingly, through the continuous development of new technologies, companies must provide products and services based on customer demand and those that create social value. Most importantly, as the demand for online and contactless services increases due to the COVID-19 pandemic, a strategy to provide a differentiated consumer experience through ICT is required.



## Corruption

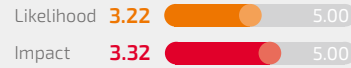


### Sustainability Context

Corruption within the company indicates the existence of a defect in the internal control system. This damages transparency and deteriorates a company's image, which serves as a basis for trust among stakeholders, including shareholders. In response to the occurrence of corruption, fair and transparent internal management is required. To prevent corruption, an independent corporate governance system and active ethical management are needed. Moreover, ethical education to prevent employee corruption and strengthen their compliance competency must be internally provided.



## Eco-friendly Technology & Products



## Customer Health & Safety



### Sustainability Context

The importance of climate change has been rapidly increasing globally, critically impacting the management system of companies. Not only do companies face physical risks from climate change, but they now also need to consider the policies and regulations, technology, market, and changes in consumer trends that affect their business and find the proper opportunities accordingly. As the MZ generation has become the core consumer age group, consumption patterns that prioritize environmental and ethical values are desired, and the development of eco-friendly products and services have accordingly been requested by consumers. Correspondingly, companies need to respond to climate change by transitioning into environmentally friendly companies and lead good production and consumption, consequently increasing customer value.

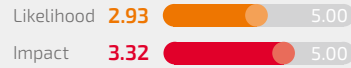


### Sustainability Context

Companies must prevent accidents by developing innovative goods and services and ensure the safety of their customers. Product quality should be managed from the customer's perspective, and thereby it is important to establish a customer communication channel. Companies must implement management that creates customer value in the long term by strengthening the monitoring and analysis process.

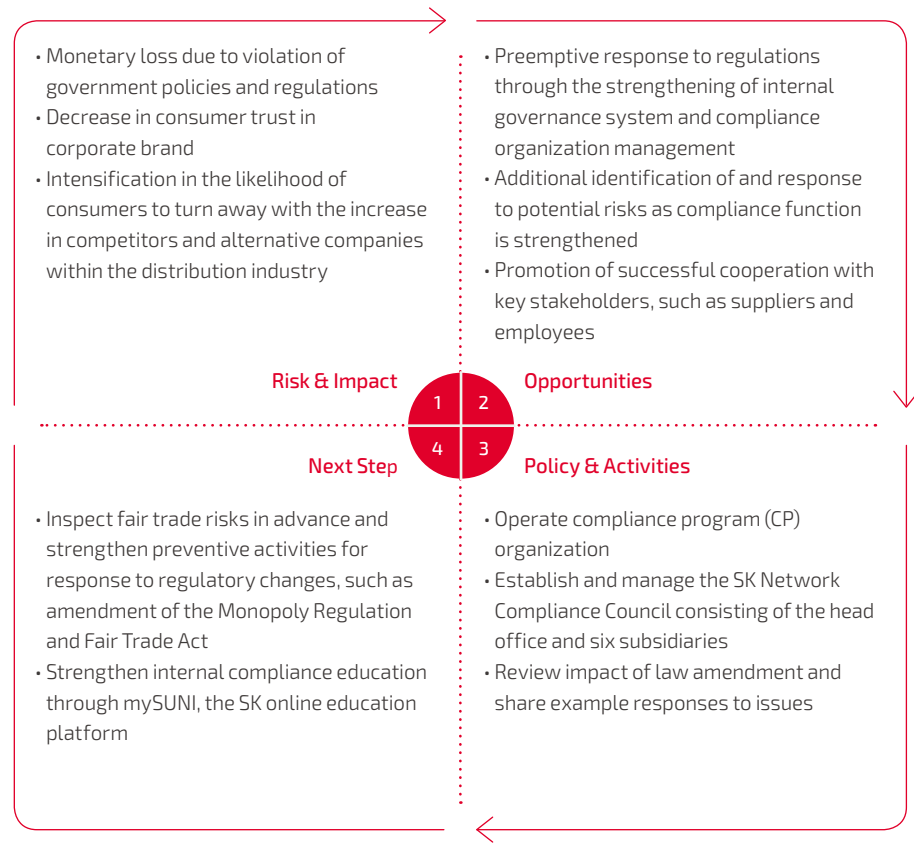


## Compliance with Government Policies/Regulations

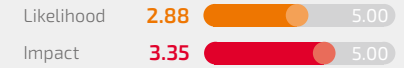


### Sustainability Context

Companies are affected by government policies and regulations, where not only are the company brand and management affected when they violate these policies but can also create a high level of risk for the company's existence. More recently, there has been a continuous expansion of policies and regulations that require company compliance, including a 3-stage approval process of company regulations, strengthening of technology and environment regulations, and making the disclosure of non-financial information mandatory. Accordingly, companies must be reminded that compliance with policies and regulations is a fundamental basis and should continue to reinforce their level of compliance.

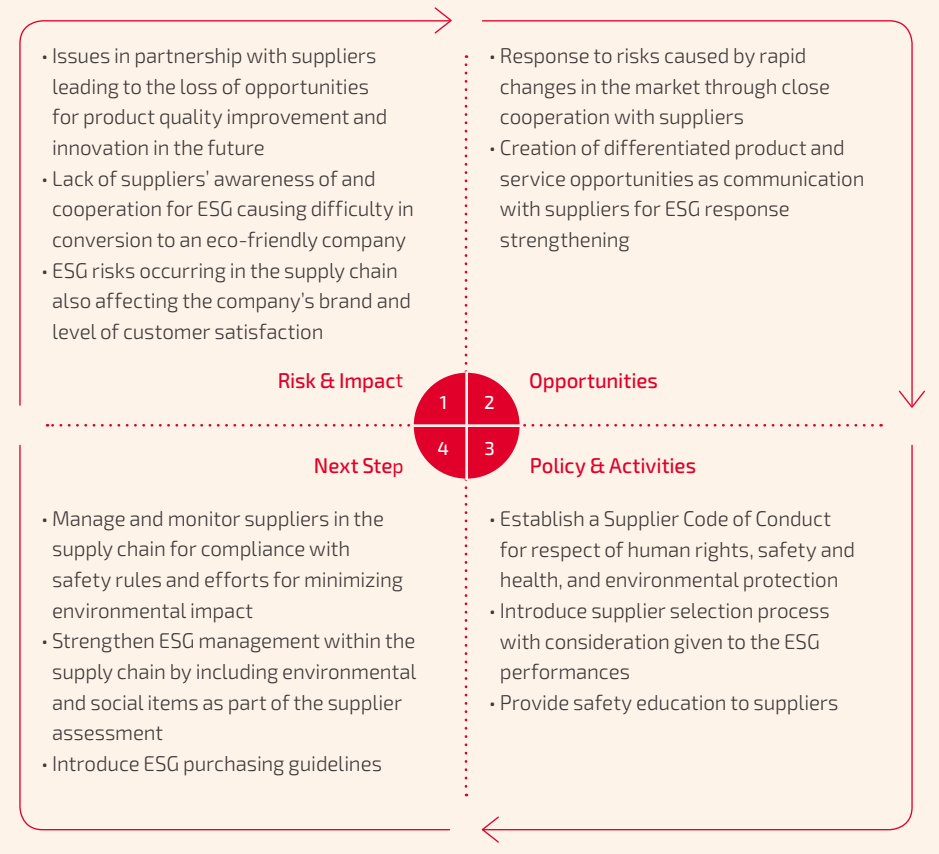


## Partnerships in the Supply Chain



### Sustainability Context

Accelerating global expansion and creating greater social values through cooperation with suppliers are some of the important elements of corporate competitiveness. It is necessary to manage ESG risks found in the supply chain as it can expand as ESG risks of the company. In addition, it is mandatory to cooperate with suppliers to respond immediately to potential risks created by changes in the external environment, consumer trends, and distribution structure. Thus, companies must create a sustainable corporate system by improving risks and evaluating ESG risks prior to their occurrence, as well as to continuously communicate with suppliers.





# SASB Index

The SASB (Sustainability Accounting Standards Board) Index identifies the subset of ESG issues most relevant to financial performance in each of 77 industries as initially established by the US Securities and Exchange Commission (SEC). SK Networks specifically reports according to the standards of the "Multiline and Specialty Retailers & Distributors" industry where our ICT business applies.

## Sustainability Disclosure Topics

Topic	Code	Accounting Metric	Reporting Page
Energy Management in Retail & Distribution	CG-MR-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	p.75
Data Security	CG-MR-230a.1	Description of approach to identifying and addressing data security risks	p.71-72
	CG-MR-230a.2	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	p.72, 81
Labor Practices	CG-MR-310a.2	(1) Voluntary and (2) involuntary turnover rate for in-store employees	p.78
	CG-MR-310a.3	Total amount of monetary losses as a result of legal proceedings associated with labor law violations*	p.81(No Losses)
Workforce Diversity & Inclusion	CG-MR-330a.1	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees**	p.77-78
Product Sourcing, Packaging & Marketing	CG-MR-410a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	p.89
	CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	p.32, 89

\*Establishes context and content on the nature of all adjustments made due to monetary losses

\*\*Overall explanation on policies and programs affiliated to fostering fair and equal talent within the workplace

## Accounting Metrics

Disclosure Index	Code	Report Contents
Number of Distribution Centers	CG-MR-000.A	8 Distribution Centers (Seoul, Yongin, Anseong, Busan, Dajeon, Daegu, Gwangju, Iljuk)
Total area of: (1) retail space and (2) distribution centers	CG-MR-000.B	45,662m <sup>2</sup> (total floor area)



# TCFD

The Financial Stability Board published the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations as corporate roles and responsibilities for climate change response are being increasingly emphasized. According to the TCFD recommendations, SK Networks discloses our climate-related goals and data, and is actively fulfilling our responsibilities for climate change response.

Category	Recommended Disclosures	Description	CDP
Governance	Disclose the board's oversight of climate-related risks and opportunities	In March 2021, SK Networks installed the ESG Management Committee comprised of the CEO and five independent directors to actively respond to climate change and strengthen the company's ESG management. The committee discusses in advance agendas (e.g., capital expenditure, acquisitions, and sales) for improving sustainable corporate values, such as climate change response. At the first ESG Management Committee meeting in June 2021, SK Networks, together with the SK Group subsidiaries, declared Net Zero 2040 following prior deliberation and discussion. At present, the committee is discussing the development of strategies for climate change response, like those concerning the TCFD and SBTi. The committee will continue our engagement in supervising the company's quarterly promotion status.	C1.1
	Describe the management's role in assessing and managing climate-related risks and opportunities	When it comes to business activities, SK Networks' CEO and management place importance on environmental issues and strive to reduce the environmental impact of business activities. Centering on SV Division, which is under the CEO's direct supervision, we develop company-wide climate change strategies, innovate our business models, and establish an environmental management system. In addition, the CEO provides online real-time lectures targeting position holders to share the importance of climate change response and ESG with the employees, and our business divisions discuss climate-related issues and make decisions on key issues at our management meetings chaired by the CEO.	C1.2
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	SK Networks continuously engages in assessing climate change risks, and no material risks have been detected so far. Among our business divisions, only Walkerhill Hotels & Resorts has been designated as a business site subject to national GHG and energy target management systems. As emissions from this business division are not high, there is no risk of being included in the emissions trading scheme within the next three years. Furthermore, the level of transition risks caused by climate change is not high across all business divisions. As for physical risks, they are at a level that business sites can preemptively cope with, and thus no damage has occurred. Our business sites are eliminating any risk factor prior to occurrences of critical impact. SK Networks prevents and manages risks based on our full-time risk response system. For preemptive response prior to detection of material risks, we formulate carbon reduction plans and strategies, such as the Net Zero 2040 declaration and joining the K-EV100 initiative. Strategic activities, as such, are identified as climate-related opportunities, and through the given opportunities, we strive to reduce GHG emissions and thus advance to become an ESG leading company.	C2.1, C2.2, C2.3, C2.4
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Following the LPG business transfer in February 2017, the petrochemical wholesale business transfer in August of the same year, and the withdrawal of the Australian coal business in October 2019, the Board of SK Networks resolved to transfer the petrochemical retail business in March 2020. SK Networks continues to restructure our business portfolio as part of our efforts to reduce the climate change impacts. In 2021, SK Networks and SK Rent-a-Car joined the K-EV100 and declared 100% conversion to pollution-free vehicles by 2030. In February of the same year, SK Rent-a-Car raised KRW 98 billion of funds for eco-friendly vehicle purchases through green bond issuance.	C2.5, C2.6, C3.1
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Since the declaration of Net Zero 2040 in June 2021, SK Networks has been considering joining the SBTi. Also, as of 2020, we have calculated the GHG emissions of our company and subsidiaries. In addition, we have set our primary reduction goal by 2030 to be 42% of 2020. This number is based on the SBTi's absolute contraction approach to limit the average rise of global temperature to 1.5°C. We will fulfill the GHG emissions reduction target by expanding the use of renewable energy, introducing low-carbon technologies, and converting all vehicles to electric vehicles.	C3.1

Category	Recommended Disclosures	Description	CDP																												
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks	In relation to domestic and international trends of climate-related policies and systems, each business division manager at the SV organization checks key issues and performance by monitoring emissions and energy consumption. In addition, ESG key indicators are collectively entered into the system monthly. By referring to TCFD recommendations, we will improve the processes of identifying and assessing financial and non-financial risks that are related to climate change in each business division. For example, we have created a process to predict and respond to risk impacts based on discussions with representatives of each business division by identifying and sharing climate-related system trends in Korea and overseas by establishing a company-wide ESG Leading Committee in August 2021.	C2.2																												
	Describe the organization's processes for managing climate-related risks	In 2019, our branches suffered typhoon and flood damages, and the SHE organization identified the status of branches across the country. As for the car rental business, efforts were made to minimize damage, such as sending text messages directing customers to avoid parking in low-lying areas. The frequency of typhoons and flood occurrences has been increasing over the last five years due to climate change, and this can be a risk to our car rental business. Accordingly, we have internal guidelines to monitor meteorological trends and provide climate-related information to customers, ranging from heatwaves at temperatures over a set level to the number of days of a typhoon or heavy rain to help them reduce damages.	C2.2																												
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	SK Networks develops company-wide climate change strategies centering on the SV Division, an executive-level organization under the CEO's direct supervision, and innovating our business models and improving the management system based on the strategies. We are establishing a process through which the SV Division reports climate-related issues, strategy development, and other operations directly to the CEO each month to ensure organic and swift communication. In addition, climate-related progress along with the business model strategies are shared with our executives monthly through a company-wide executive consultative body. We also undergo business restructuring as part of our efforts to pursue eco-friendliness throughout the organization. As we are engaged in a number of businesses, such as ICT marketing, car maintenance, distribution of vehicle components (SpeedMate), Walkerhill, trading, home appliances (SK Magic), and car rental (SK Rent-a-Car), we have designated organizations in charge of climate change response in each business division, and they are operating the SV Board, a consultative body of all business divisions chaired by the CEO, once a month. The CEO as the final decision-maker, makes decisions on business restructuring and other activities according to the climate change strategies, and the key issues are discussed by the Board. The joint declaration of SK Rent-a-Car and SK Networks to join the K-EV100 in March 2021 was also carried out through the same process.	C2.2																												
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	In addition to SK Group's ESG key indicators, SK Networks is in the midst of developing mid-to-long-term 2030 environmental goals. In terms of GHG emissions, water consumption, waste discharge, and air pollutant emissions, we will attain the 2030 environmental goals and tasks according to the characteristics of each business division and thus manage goals fulfillment.	C4.1																												
	Disclose Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions and related risks	In 2020, SK Networks expanded the scope of the organizational boundary for the estimation of GHG emissions to include subsidiaries and sub-subsidiaries in Korea. Total emissions are as follows: <table border="1" data-bbox="594 1145 2036 1308"> <thead> <tr> <th rowspan="2">Category</th> <th rowspan="2">Scope 1</th> <th rowspan="2">Scope 2</th> <th colspan="5">Scope 3</th> </tr> <tr> <th colspan="5">581,558</th> </tr> </thead> <tbody> <tr> <td rowspan="2">tCO<sub>2</sub>eq</td> <td rowspan="2">16,346</td> <td rowspan="2">34,852</td> <td>Purchased goods and services</td> <td>Upstream transportation and distribution</td> <td>Business travel</td> <td>Downstream transportation and distribution</td> <td>Use of sold products</td> <td>Franchises</td> </tr> <tr> <td>28</td> <td>7,476</td> <td>17,354</td> <td>11,170</td> <td>542,326</td> <td>3,205</td> </tr> </tbody> </table>	Category	Scope 1	Scope 2	Scope 3					581,558					tCO <sub>2</sub> eq	16,346	34,852	Purchased goods and services	Upstream transportation and distribution	Business travel	Downstream transportation and distribution	Use of sold products	Franchises	28	7,476	17,354	11,170	542,326	3,205	C6.1, C6.3, C6.5
	Category	Scope 1				Scope 2	Scope 3																								
581,558																															
tCO <sub>2</sub> eq	16,346	34,852	Purchased goods and services	Upstream transportation and distribution	Business travel	Downstream transportation and distribution	Use of sold products	Franchises																							
			28	7,476	17,354	11,170	542,326	3,205																							
Describe the targets used by the organization to manage climate-related risks and opportunities and performance	To achieve Net Zero 2040, SK Networks has established GHG emissions reduction targets and actively reviews a plan to join the SBTi. We examine GHG emissions reduction plans that benefit the characteristics of each business division, will establish detailed tasks as an overall roadmap, and will regularly disclose the status of our climate change response and performance to stakeholders.	C4.1																													

※ Boundary Organizations: SK Networks, SK Magic, SK Rent-a-Car, SK Networks Service, MINTIT, SK Magic, SK Rent-a-Car

\*GHG emissions have been modified through an additional review following the submission of CDP questionnaires. Compared to CDP, Scope 1 and Scope 3 emissions increased by 686 tCO<sub>2</sub>eq and 7,764 tCO<sub>2</sub>eq respectively.

# Third Party Assurance Statement



To: The Stakeholders of SK Networks Co., Ltd.

## Introduction and objectives of work

BSI Group Korea (hereinafter "the Assurer") was asked to verify SK Networks Co., Ltd.'s 'SK Networks Sustainability Report 2020' (hereinafter "the Report"). This assurance statement applies only to the relevant information contained in the scope of the assurance. SK Networks Co., Ltd. is solely responsible for all information and assertion contained in the report. The responsibility of the assurance is to provide an independent assurance statement with expert opinions to SK Networks by applying the verification methodology and to provide this information to all stakeholders of SK Networks.

## Assurance Standards and Levels

This assurance was based on the AA1000AS v3 (2020) Assurance Standard and confirmed that the report was prepared in accordance with the Core Option of GRI Standards, the guidelines for the international standard of sustainability reports. The assurance level was based on the Type 1 that confirmed compliance with the four principles of AA1000 AP (2018) in accordance with the AA1000 AS and the Type 2 assurance that verified the quality and reliability of the information disclosed in the report.

The Type 2 assurance was applied to the following disclosure of the GRI Specific Topic Standards:

- Environmental: 302-1 Energy consumption within the organization, 302-3 Energy intensity, 303-1 Interactions with water as a shared resource, 305-1 Direct (Scope 1) GHG emissions, 305-2 Indirect (Scope 2) GHG emissions, 306-3 Waste generated
- Social: 403-9 Work-related injuries

## Scope of Assurance

The scope of assurance applied to this report is as follows:

- Based on the period from January 1st to December 31st, 2020 included in the report
- Major assertion included in the report such as sustainability management policies, strategies, objectives, business and performance
- Information related to material issues determined as a result of materiality assessment
- Appropriateness and consistency of processes and systems for data collection, analysis and review
- The following items were not included in this assurance:
  - Financial information, UN SDGs, SASB Index and TCFD Index in the report
  - Other related additional information such as the website presented in the report

## Methodology

As part of its independent assurance, the assurer has used the methodology developed to collect relevant evidence to comply with the verification criteria and to reduce errors in the reporting, and has performed the following activities:

- To determine verification priorities, review of materiality issue analysis process and verification of the results
- System review for sustainability strategy process and implementation
- Review the evidence to support the material issues through interviews with senior managers with responsibility for them
- Verification of data generation, collection and reporting for each performance index

## Assurance Opinion

On the basis of our methodology and the activities described above, it is our opinion that

- The information and data included in the SK Networks Sustainability Report 2020 are accurate and reliable, and the assurer cannot point out any substantial aspects of material with mistakes or misstatements.
- The report was prepared according to the Core option of the GRI Standards.
- The assurance opinion on the four principles presented by the AA1000 AP (2018) is as follows:

### AA1000 AP (2018)

#### Inclusivity: Stakeholder Engagement and Opinion

SK Networks defined customers, employees, business partners, government, shareholders/investors and local communities, and operates communication channels for each group for stakeholder engagement. They conducted a survey on internal and external stakeholders and collected various opinions and expectations of stakeholders based on the response results, and reflect the derived material issues in decision-making on sustainability management.





### Materiality: Identification and reporting of material sustainability topics

SK Networks organized the issue pool by media analysis, global peer benchmarking, ESG evaluation and disclosure requirement indicator analysis. SK networks selected seven material topics according to the materiality assessment conducted by comprehensively considering internal and external stakeholder survey results, media analysis, global peer benchmarking, and ESG evaluation item analysis.

### Responsiveness: Responding to material sustainability topics and related impacts

SK networks derived ESG risks and opportunities to reflect and respond to stakeholder expectations on material topics derived through materiality assessment, analyzed their impacts, and reflected them in management strategies and plans. In addition, they disclosed response activities and performance results for each material topic.

### Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders

SK Networks implemented the process to identify and evaluate the impact on organizations and stakeholders related to material topics. They disclosed the collected results to understand the impact of their business activities in economic, social and environmental aspects.

### Key areas for ongoing development

- Each section of the report describes the positive aspects and expresses efforts to develop them further. However, at the same time, identifying issues with poor performance and specifying specific plans for resolving them will help improve the balance of reporting.
- In order to identify material issues, it is necessary to include a broader range of sustainability themes in the pool, and when selecting material topics, it is necessary to increase the proportion of external stakeholders so that issues with high social interest can be selected.
- It is recommended to establish a system for collecting and integrated management of performance data by economic, social, and environmental areas to monitor performance on a regular basis and to integrate with the internal audit process for data reliability management.

### Statement of independence and competence

The assurer is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years of history in providing independent assurance services. No member of the assurance team has a business relationship with SK Networks. The assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as AA1000AS assurers, have a lot of assurance experience, and understand the BSI Group's assurance standard methodology.

### Evaluation against GRI 'In Accordance' Criteria

The assurer confirmed that this report was prepared in accordance with the GRI Standards Core Option and the disclosures related to the following Universal Standards and Topic-specific Standards Indicators based on the data provided by SK Networks.

[Universal Standards]

- Organizational Profile 102-1-13/ Strategy 102-14-15/ Ethics and Integrity 102-16-17/ Governance 102-18, 102-36/ Stakeholder Engagement 102-40-44/ Reporting practice 102-45-56/ Management Approach 103-1-3

[Topic-specific Standards]

- Economic: 201-1, 204-1, 205-2
- Environmental: 301-2-3, 302-1, 302-3, 303-1, 305-1-2, 306-3, 307-1
- Social: 401-1-3, 403-9, 404-1, 405-1-2, 406-1, 416-2, 418-1, 419-1



02 Aug 2021

K. S. Song / BSI Group Korea, Managing Director



# Awards, Certifications and Memberships

## Awards

Business	Award	Organization
MINTIT	IDEA design award 2020	IDSA (Industrial Designers Society of America)
	GD(Good Design) Award	Ministry of Trade, Industry and Energy/ Korea Institute of Design Promotion
SpeedMate	Tire Pick, Top Prize in the tire store category of the Korea Brand Hall of Fame	The JoongAng Ilbo/The Institute for Industrial Policy Studies
	No. 1 in K-BPI Brand	Korea Management Association Consulting
Walkerhill	No. 1 in Hotels & Resorts category at the Korea National Brand Awards 2020	The JoongAng Ilbo Media Group
SK Rent-a-Car	No. 1 Car Rental category in the Korean Standard Well-being & Environment Index	Korea Standards Association
	Brand of the Year	Customers Council
	Top Prize, National Service Awards Car Rental Category	The Institute for Industrial Policy Studies
SK Magic	iF design award 2020	International Forum Design
	reddot design award 2020	German Design Council
	No. 1 in digital customer satisfaction in environmental home appliances category at the Korea Marketing Awards	Korea Marketing Association
	Selected as company with the best jobs in Korea	Ministry of Employment and Labor
	IDEA 2020 (3 products)	IDSA (Industrial Designers Society of America)
	GD (Good Design) Award (3 products)	Ministry of Trade, Industry and Energy/ Korea Institute of Design Promotion
	GD (Good Design) Award Japan (3 products)	Japan Industrial Design Promotion Organization
	Best Product, Korea Consumer Awards	Korea Consumer Association
	PIN UP Design Award (7 products)	Korea Association of Industrial Designers
	Presidential Award, Korea Brand Awards	Ministry of Trade, Industry and Energy

## Certifications

Business	Type	Organization	Date
SK Networks	PIMS	Korea Internet & Security Agency	Dec. 24, 2018
	ISMS	Korea Internet & Security Agency	Dec. 24, 2018
SpeedMate	ISO 9001	Korea Foundation for Quality	Nov. 1, 2013
Walkerhill	ISO 22000	Bureau Veritas	Aug. 11, 2017
	HACCP	Korea Agency of HACCP Accreditation and Services	Jun. 17, 2008
SK Rent-a-Car	ISO 14001	NTREECERT Co., Ltd.	Aug. 5, 2013
	ISO 9001	NTREECERT Co., Ltd.	Aug. 5, 2013
	ISMS-P	Korea Internet & Security Agency	Dec. 16, 2020

Business	Type	Organization	Date
SK Magic	ISO 9001	Korea Standards Association	Nov. 17, 1994
	ISO 14001	Korea Standards Association	Jun. 27, 2007
	HSPM (QC 080000)	Korea Foundation for Quality	Feb. 16, 2010

## Memberships

Korea Exchange	Korea Automobile Manufacturers Association	Korea-Brazil Society
Korea Investor Relations Service	Busan Marine Industry Association	Korea Electric Vehicle User Association
Korea Listed Companies Association	TEMOT International	Korea Listed Companies Association
Fair Competition Federation	Seoul Car Rental Association	Hwaseong Chamber of Commerce and Industry
Korea Enterprises Federation	Korea Rental Mutual Aid	Korea Personal Improvement Association
Korea Defense Industry Association	Gwangjin-gu United Defense Council	Korea Engineers Association
National Power Reserves Association	Gwangjin-gu Scholarship Committee	The Organization of Consumer Affair Professionals in Business
Korea Nurses Association	Gwangjin-gu Sports Committee	Korea Energy Engineers Association
Korea International Trade Association	Korea Tourist Hotel Association	Korea Air Cleaning Association
Korea - Japan Economic Association	Korea Tourism Association	Korea Water Purifier Industry Cooperative
Energy & Mineral Resources Development Association	The Gwangjin Cultural Center	Korea Energy Appliances Industry Association
Korea Local Tax Institute	Gwangjin-gu Chamber of Commerce and Industry	Korea Standards Association
Korea Electronics Recycling Cooperative	Korea Food Service Industry Association	Korea Fire Protection Association
Korea Fire Safety Institute	Fire Prevention Measures Council	Korea Industrial Safety Association
Korea Tire Industry Safety Association	Suwon Chamber of Commerce and Industry	Korea Packaging Recycling Cooperative
Korea Foundation for Quality	Gyeonggi-do Chamber of Commerce and Industry	Korea Plastic Packaging Container Association
Korea Automobile Importers & Distributors Association	Korea Chamber of Commerce and Industry	

## Participants in Publication

### Key Participants in the Report

#### SK Networks

BOD Secretariat, Corporate Audit Team,  
SKMS Implementation Team,  
Customer Value Innovation Team,  
Information Security Center, Strategy Team,  
Financial Management Team, HR Team,  
Competence Development Team,  
Purchasing & Supply Management Team,  
Corporate Communications Team, Legal Team

#### ICT Marketing

ICT Marketing Business Strategy Team

#### MINTIT

MINTIT Business Team

#### SpeedMate

SM Customer Value Innovation Team

#### Walkerhill

SV Leading Team

#### Trading

Chemical Materials Team

#### SK Rent-a-Car

SV Leading Team

#### SK Magic

PR Team

### Department in charge of Sustainability Report Publication

SK Networks SV Leading Team



This report is printed on FSC certified, eco-friendly material.