

Road to Global AI Company

2023 SK broadband Sustainability Report



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Reader's Guide

SK broadband provides the following interactive features to optimize readers' access to information, and offer a larger breadth of information.



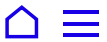
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Preface

SK broadband has maintained its core business capabilities in the wired telecommunications and media business while continuously exploring and discovering new growth opportunities to enhance our robust business foundations. Today, we are crating new value by introducing AI Transformation across all business sectors to reinvent ourselves as a global AI company.



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CEO Message



Advancing as a Global AI Company through AI Integration in Daily Life

To our esteemed stakeholders,

It is my pleasure to welcome you to SK broadband's fourth Sustainability Report. I am Park, Jin Hyo, the CEO of SK broadband.

In 2023, along with SK telecom, we achieved significant milestones and made notable progress toward becoming an "AI Company".

In our wired telecommunications business, we pursued digital transformation with AI-based services by launching the digital platform "B world," which maximizes customer convenience through AI solutions and provides the customer-tailored AI chatbot "ChatB," available 24/7 year-round. In our media business, we actively implemented AI transitions across all areas of B tv services by strengthening personalized curation using AI technology and launching "Real Live English Conversation," the first IPTV service that integrates ChatGPT, further advancing our AI-driven initiatives. Additionally, in our enterprise business we strengthened market leadership through T-B One Body, driving customer order expansion and revenue growth. We laid the foundation for scaling up growth businesses such as AI data centers and submarine cables.

With these significant achievements, in 2023, we recorded the highest net increase in Pay TV subscribers for the third consecutive year despite a challenging management environment with intensified market competition. Revenue increased by 3% compared to the previous year, reaching KRW 4.275 trillion, and operating profits totaled KRW 313.7 billion, solidifying our robust growth.

To accelerate our growth and AI Transformation, as well as embark on a journey to become a global AI company in collaboration with SK Telecom's AI Pyramid strategy, we have established the following specific implementation plans for 2024.



CEO Message

Integrating AI into Daily Life to Provide New Experiences

We are solidifying our place in the home market by continuously evolving B tv services into AI TV. As everyone experiences media services on a daily basis, that area is the most suitable field for AI-based service innovation. We continuously enhance our AI-based services, including personalized AI curation through automatic personal identification, AI shopping for product purchases made via TV, and new dimension search services integrating Large Language Model (LLM) technology, and we plan to offer ever more novel experiences in our customers' daily life with a hyper-personalized AI B tv that understands "me" as a user and "content".

Strengthening Tech Leadership for Growth and Advancement

By strengthening tech leadership across all service areas, we are creating the foundation for innovation that will surpass our competitors and dominate the market.

In the media business, we collaborated with SK Telecom to implement new AI-based technologies and developed the industry's first next-generation streaming UI (VCS) technology. In enterprise business, we are developing AI DCIM to optimize data center operations by analyzing collected data with AI, thereby preparing for AI DC readiness. In terms of infrastructure, we are enabling submarine cables and next-generation Internet, and enhancing quantum security services to provide various AI services.

We vow to continuously integrate AI and various technologies to further solidify our tech leadership in the market.

Spreading Positive Influence through ESG Management

Beyond business performance, we continuously pursue ESG management activities linked to our business. To help the environment and actively respond to climate change, we have set a goal of achieving Net Zero by 2045. We also provide low-carbon certified set-top boxes to customers and have supported the Seoul International Eco Film Festival for the past four years by producing and promoting environmental content, proving our role as agents of environmental change. To enrich the community, we contribute to bridging the media gap by providing Gachibom (barrier-free) movie services through Korean subtitle services using AI technology and the talk concert "Filmotalk". Additionally, we are strengthening our symbiotic activities with business partners by offering viewing data to program providers (PPs). For a more sustainable future, we promise to continuously spread positive influence on the environment and society in collaboration with various stakeholders, providing beneficial value to our customers, society, and the environment.

As highlighted, SK broadband is progressing towards becoming a global AI company along with SK Telecom. On this new journey, we vow to realize sustainable business models and create social value, maximizing our capabilities as an AI tech leader. We sincerely ask for your continued support and encouragement as we take bold steps toward a better future.

Thank you.

CEO of SK broadband
Park, Jin Hyo

박진효

About Us

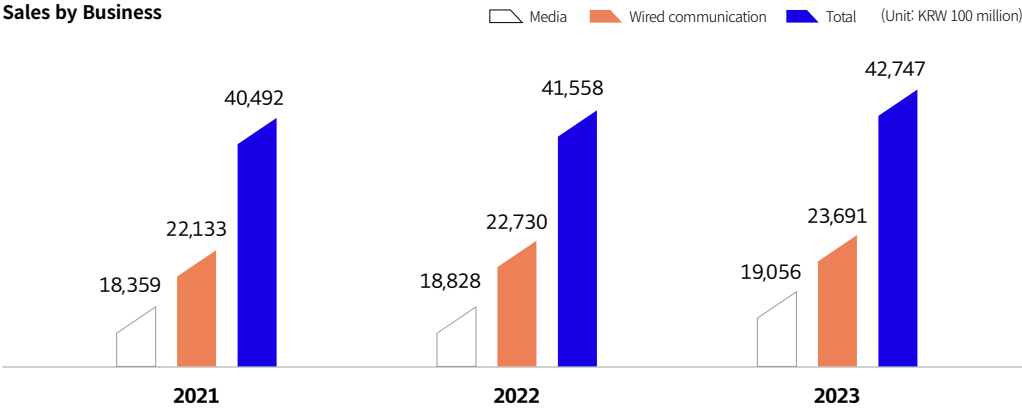
General Information

As a leading company in the telecommunications and broadcasting industry, we have achieved notable milestones, including the world’s first commercial ADSL and Korea’s first Pre-IPTV service. We are evolving into a comprehensive media platform company by diversifying our media business models. With the company-wide goal of becoming an AI company, we are currently working toward AI transformation across all businesses to continuously strengthen our business competitiveness.

Company Name	SK Broadband
Headquarters Address	24, Toegye-ro, Jung-gu, Seoul, Republic of Korea; SK Namsan Green Bldg
Year of Establishment	September, 1997
Employees	2,618 persons
Sales*	KRW 4.2747 trillion
Net Income*	KRW 202.9 billion
Total Assets*	KRW 6.4734 trillion

*Based on consolidated financial statements (as of the end of December 2023)

Sales by Business



*Based on consolidated financial statements

(As of the end of December 2023; 2022 sales for wired communication in the business report have been corrected due to the transfer of business sectors)

Domestic Network

Centered around our headquarters located at Toegye-ro, Jung-gu, Seoul, we provide services across the entire country. We offer seamless services to our customers with a total of 148 buildings, including 9 information centers and 132 Telecommunications buildings in major regions nationwide.

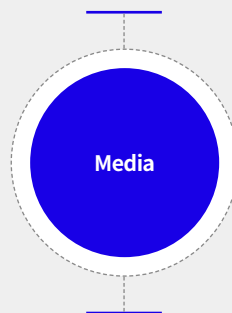
Headquarters	1
Information Centers	9
Telecommunications buildings	132
IDC	6
Total	148



About Our Business

Business Scope

We operate media and wired telecommunication businesses. In our media business, we maintain solid performance through differentiated content planning and production, and the development of customer-tailored media services. In our wired telecommunications business, we offer Internet access lines and services, along with telecommunication services using electrical communication facilities. Additionally, our accelerated growth is focused on B2B businesses such as Internet Data Centers (IDC). In 2023, we maximized synergy with SK Telecom by actively promoting the application of AI technology to our core businesses. Through this approach, we aim to innovate customer experience through AI media transformation in the B2C sector, while securing differentiated service competitiveness and expanding global reach based on data centers in the B2B sector.

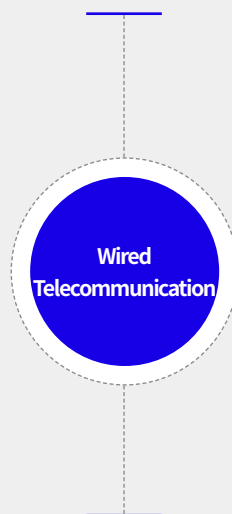


Internet Protocol Television (IPTV)

An interactive service that provides digital television content to consumers over an Internet Protocol (IP), and offers a convergence of telecommunications and broadcasting services, including real-time broadcast programs, VOD, data, voice, sound, multimedia content, and customized services.

Cable Television (CATV)

A business that provides TV viewing services by delivering video and audio information through a broadband-capable HFC network and operates local channels that emphasize regional identity.



Internet

A business that provides Internet access lines and services using the company-owned network, allowing customers to utilize content and additional services.

Phone/Internet Phone

A business that transmits and receives voice and other communications within the coverage area specified in the Telecommunications Business Act using telecommunication facilities, or transmits and receives voice and other communications over the Internet regardless of the coverage area, and provides additional related services.

Internet Data Center (IDC)

A facility that consolidates servers and other equipment essential to Internet connectivity, providing high-density, highly stable racks, uninterruptible power supply, controlled temperature and humidity environments, security, operation agency, and network lines to ensure the stable operation of customers' assets.

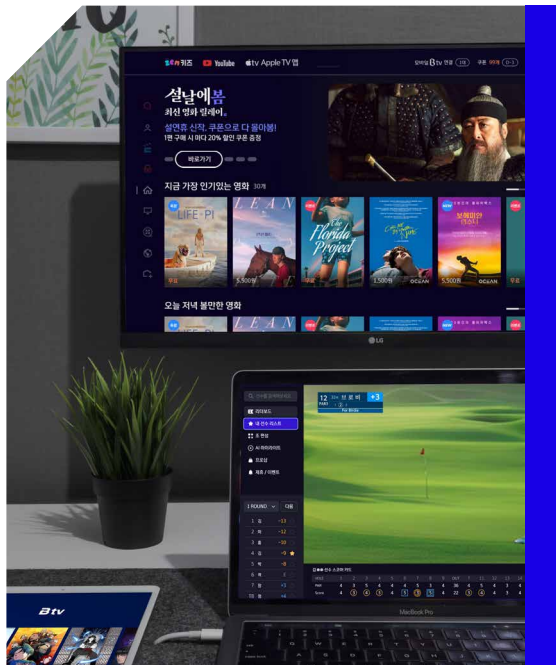
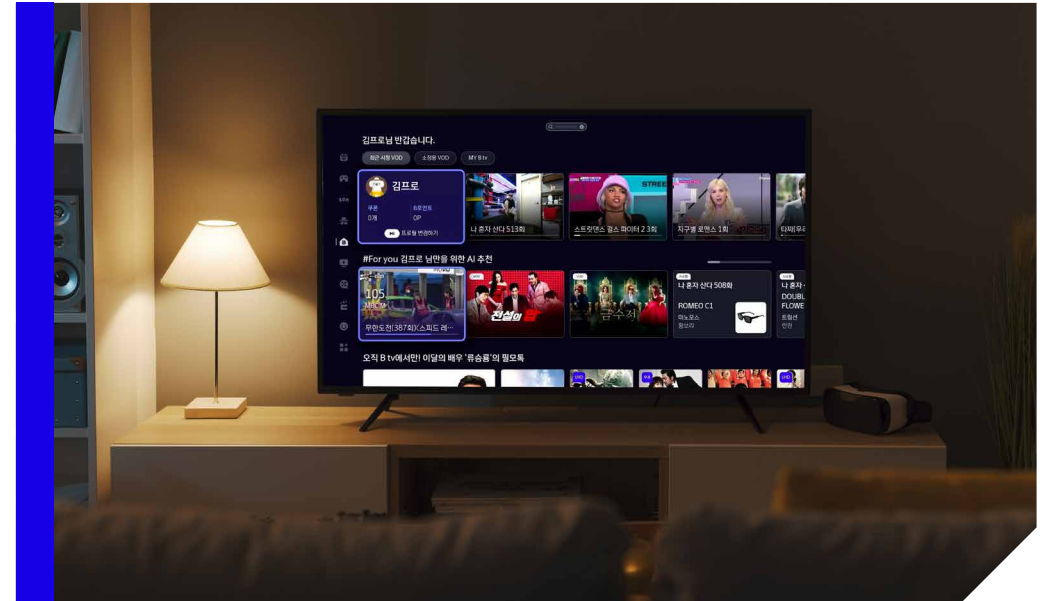


About Our Business

Media

B tv

B tv is a personalized IPTV service that provides customized content by incorporating set-top box-based customer viewing preferences. We plan to launch B tv+ (B tv Plus) as one of our main services by the second half of 2024. It will be a subscription-based service that offers unlimited access to various genres of VOD content, including movies, dramas, entertainment shows, documentaries, animation, and kids' content, with approximately 25,000 titles, the largest content offering in Korea. "ZEM" is an integrated wired-wireless service for children from infants to elementary school students, offering customer-oriented learning methods and content tailored to the children's age, level, and preferences. "B tv Happy Senior" is a service designed for seniors, featuring content tailored to their preferences and menus with enlarged text, making it easy and convenient for any senior to use. Considering the rapid increase of customers watching OTT on their smartphones, we also offer "Mobile B tv" which allows users to freely watch content anytime, anywhere.



B tv cable

In 2020, SK broadband launched the CATV service "B tv cable" through a merger with t-broad. B tv cable provides video and audio information through a high-quality, broadband-capable hybrid fiber/coax (HFC) network¹⁾ and operates local channels that emphasize regional identity. Targeting cost-conscious customers with affordable rates, B tv cable focuses on the fundamental functions of broadcast services by offering easy and simple operation methods for cable TV users who are not familiar with interactive services. Moreover, it operates its own local channels in Seoul, Incheon, Gyeonggi, Cheonan, Sejong, Jeonju, Daegu, and Busan, and offers a breadth of in-depth local news such as disaster broadcasts, local weather forecasts, public safety enhancements, and election broadcasts, thereby contributing to the creation of public value. Through close communication with the community and the implementation of regional identity, B tv cable endeavors to create the values of regional symbiosis and positive influence.

1) Hybrid Fiber/Coax (HFC): A hybrid network that combines optical fiber and coaxial cable

B tv pop

Launched in 2023 using the newly established technology neutrality system, B tv pop is a hybrid product that combines the advantages of both IPTV and cable TV broadcasting services. While cable TV services are cheaper, they have lower picture quality compared to IPTV. B tv pop addresses this issue by using the same Internet network and set-top box as IPTV, providing B tv's diverse and rich content in high quality. Simply put, B tv pop is a cable TV service that offers the performance and quality of IPTV at a reasonable price. With this product, users can access mobile B tv, the kids' service "ZEM" the senior-centered service "Happy Senior" and other OTT platforms. It also provides local news of the user's area, delivering information closely tied to their everyday life.



About Our Business

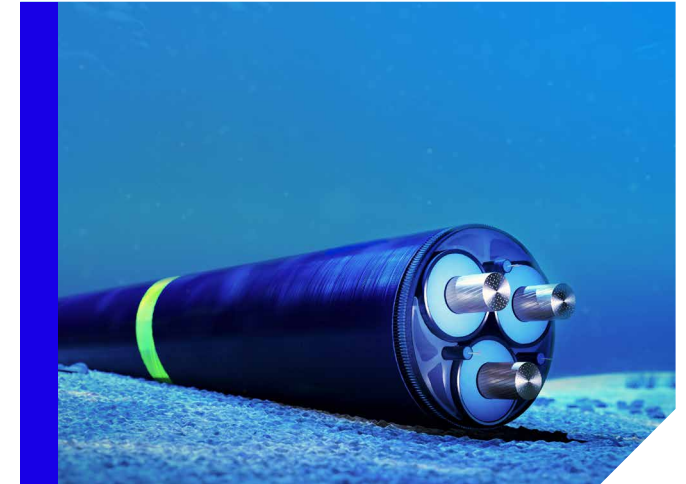
Wired Communication

Giga Internet

Giga Internet is a high-speed Internet service that offers speeds of up to 10 Gbps, capable of playing large video files without interruption. We also offer product bundles combining Giga Internet with various additional services that meet the needs of our customers, and these product bundles provide the following specialized services. First, “1Gig with Wings” extends WiFi signals to areas where they previously couldn’t reach. Next, “1Gig with One stop Care” provides remote diagnostics for PCs and smartphones, treats viruses and malware, and includes an annual on-site inspection. “1Gig with Guardian” protects children from harmful websites on PCs or smartphones, and allows parents to manage their gaming time and other activities. Lastly, “1Gig with Safer plus” offers top-level antivirus protection and automatic optimization features for each device. We will continue to improve the quality of these products to provide more stable and customer-responsive services.

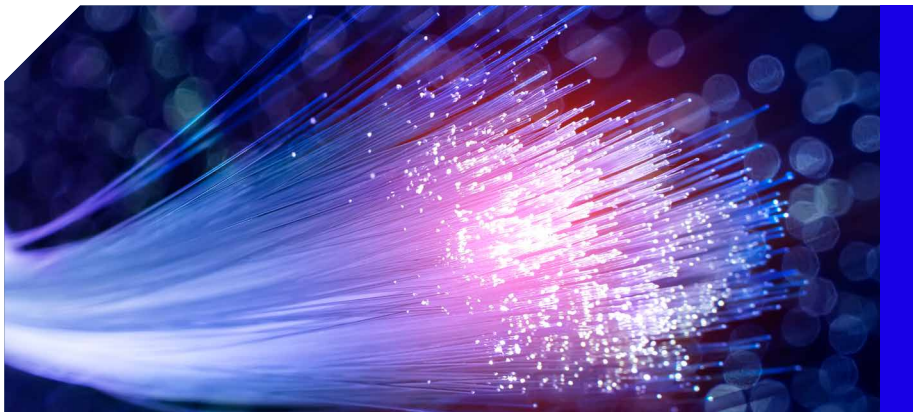
IDC

Demand for IDCs, which are key infrastructure in the era of hyper-connectivity, is constantly on the rise due to the digitalization of industries that require the storage, processing, and distribution of vast amounts of data. Since establishing our first IDC in 2000, we now operate six centers in the Seoul and Gyeonggi areas. We are pushing to open new centers and pursue the Asia Data Hub project to meet the growing demand for high-density servers and anticipate future needs. We secured a site of approximately 100 MW to expand data capacity and have accumulated differentiated technology and capabilities in the design, construction, and customization of data centers. As a result, we won contracts from the top seven global and domestic cloud service providers (CSPs), thus proving our quality competitiveness. Further, we are applying AI data center infrastructure management (DCIM), integrating AI data center infrastructure management expertise into each center. This effort aims to improve power usage, ensure stable operations, and manage risks to prevent major accidents. By increasing operational rates and cloud traffic, we will cement our place as a global supplier with environmental and social influence.



Submarine Cables

The rapid growth of the global content industry and the significant increase in the consumption of video-based services such as video conferencing and online shopping have led to a steady increase in international traffic. As a result, we decided to install submarine cables to operate a stable international communication network using international submarine cables and accommodate the growing data capacity in the fields of AI, big data, and cloud services. Starting with investment in the submarine cable “SJC2(Southeast Asia-Japan Cable 2)” which connects Japan, Hong Kong, and Singapore, we now plan to build a new submarine cable connecting Korea, Taiwan, Japan, and the United States. Securing international submarine cable infrastructure means playing a crucial role in the global exchange of valuable information and knowledge and supporting economic growth. Ultimately, our strategy of building submarine cables will not only address the increasing international traffic demands of domestic and international customers but also provide a foundation for Korea to enhance its global competitiveness and emerge as an Asian hub.





About Our Business

Wired Communication

Cloud PC

Our cloud PC service is a crucial solution for modern businesses that require flexible, smart work environments with remote operations. We seized this opportunity, and in 2020 became the first telecommunications company in Korea to commercialize the “Cloud X” service based on Korean-born core technology. Cloud PC supports a convenient remote and telecommuting work environment by implementing the PC environment required for work, such as the CPU, memory, disk, and operating system, on a central cloud server. It transmits only the screen information of the virtual PC running on the central server, thus preventing data leaks at the source and maintaining strong security. Additionally, we possess independently developed security technology based on domestic Desktop as a Service (DaaS) core technology, allowing flexible compliance with national security standards. As such, we obtained security function confirmation from the National Intelligence Service in just six months, the shortest period in the industry, complying with various high-level security regulations. Moving forward, we plan to aggressively target the demand for building smart work environments in national and public institutions and general enterprises, in line with government policies, by strengthening cooperation between domestic and international Cloud Service Providers (CSPs), optimizing costs, and maximizing operational efficiency.

Information Security Services

As technology advances, cyber attacks are evolving into various and unpredictable forms. We prioritize the preemptive protection of these threats and provide information security services tailored to diverse customer needs. Security on Demand (SODA) is a cybersecurity solution that protects enterprises from Internet threats and offers easy-to-use and quick platform-based services. Customers can directly request and use security features such as blocking harmful access, blocking ransomware, protecting personal information, and providing an antivirus through a service marketplace, thus reducing the costs and time required for service implementation. Additionally, our DDoS Clean Zone service prevents enterprises from substantial damage by blocking attack traffic and allowing only normal traffic through DDoS prevention equipment built into SK broadband’s backbone network during a bandwidth DDoS attack. Our company has maintained a competitive edge in the market with its patented DDoS auto-protection system (DAPS), and we enhanced the product’s marketability by offering the largest defense capacity in the country and automating the provision of DDoS attack history information.

On Air/Ad

“On-Air, On-Ad” is a service that broadcasts media content for business sites through Channel 800 on B tv. It is divided into On-Air, which broadcasts to internal members of B2B customers, and On-Ad, a digital signage service suitable for broadcasting advertising and promotion content to external customers. On-Air/Ad can broadcast content and watch TV channels using SK broadband’s IPTV set-top boxes without separate initial investments in servers and storage. It provides immediate troubleshooting through a 24/7, all-year-round call center and a nationwide maintenance organization. Customers can remotely control individual set-top boxes, and program, broadcast, and schedule content through the dedicated On-Air/Ad website. The website also offers templates that customers can use to create layouts for text, images, and videos and configure a screen suitable for their business environment. On-Air/Ad stands out from other services as it serves as a reliable communication tool for an array of diverse customers, including large corporations, public institutions, franchise stores, hospitals, universities, resorts, and religious organizations.





About Our Subsidiaries

Home & Service

Home & Service provides high-speed internet and IPTV installation and maintenance services based on wired and wireless communication services. With the goal of providing “home total services based on excellent customer touchpoint service competitiveness” our company is expanding its business areas into various lifestyle partnerships such as security services, AI, and IoT, and aims to become a core hub providing all home services for the SK Group. To provide quality customer service nationwide, Home & Service has stably managed the communication networks and facilities of houses and apartments. Our company established 87 branches and centers, as well as the distribution infrastructure of about 69 major marts nationwide, ensuring convenient subscription and customer service consultations. Prioritizing customer-perceived quality, our company strives to strengthen its management systems to offer accurate quality diagnoses and stable customer service. Home & Service is committed to providing differentiated home total services through continuous innovation and enhancing its value to our customers.

Company Name	Home & Service Co., Ltd.
Headquarters Address	10, Toegye-ro, Jung-gu, Seoul, Republic of Korea; Metro Tower
Year of Establishment	June, 2017
Employees	5,443 persons

(As of the end of December 2023)



Media S

Media S is a multiple program provider (MPP) that operates “Channel S” a comprehensive entertainment channel specializing in variety shows and dramas, and “Channel S Plus” a variety channel showing various programs. Since its launch in 2021, Media S has produced about 25 original programs, focusing on the advancement of channel competitiveness. As a result, Media S has seen steady growth, including rising channel rankings and record viewership ratings for its original programming. Additionally, our company offers differentiated content consumption experiences through ongoing business partnerships with competitive media operators such as general service channels, t.cast and ENA. Media S aims to synergize channels, content, and platforms with SK Group family companies, thereby strengthening its content production capabilities and securing interesting content.

Company Name	Media S Co., Ltd.
Headquarters Address	10, Toegye-ro, Jung-gu, Seoul, Republic of Korea; Metro Tower
Year of Establishment	January, 2021
Employees	36 persons

(As of the end of December 2023)



2023 at a Glance

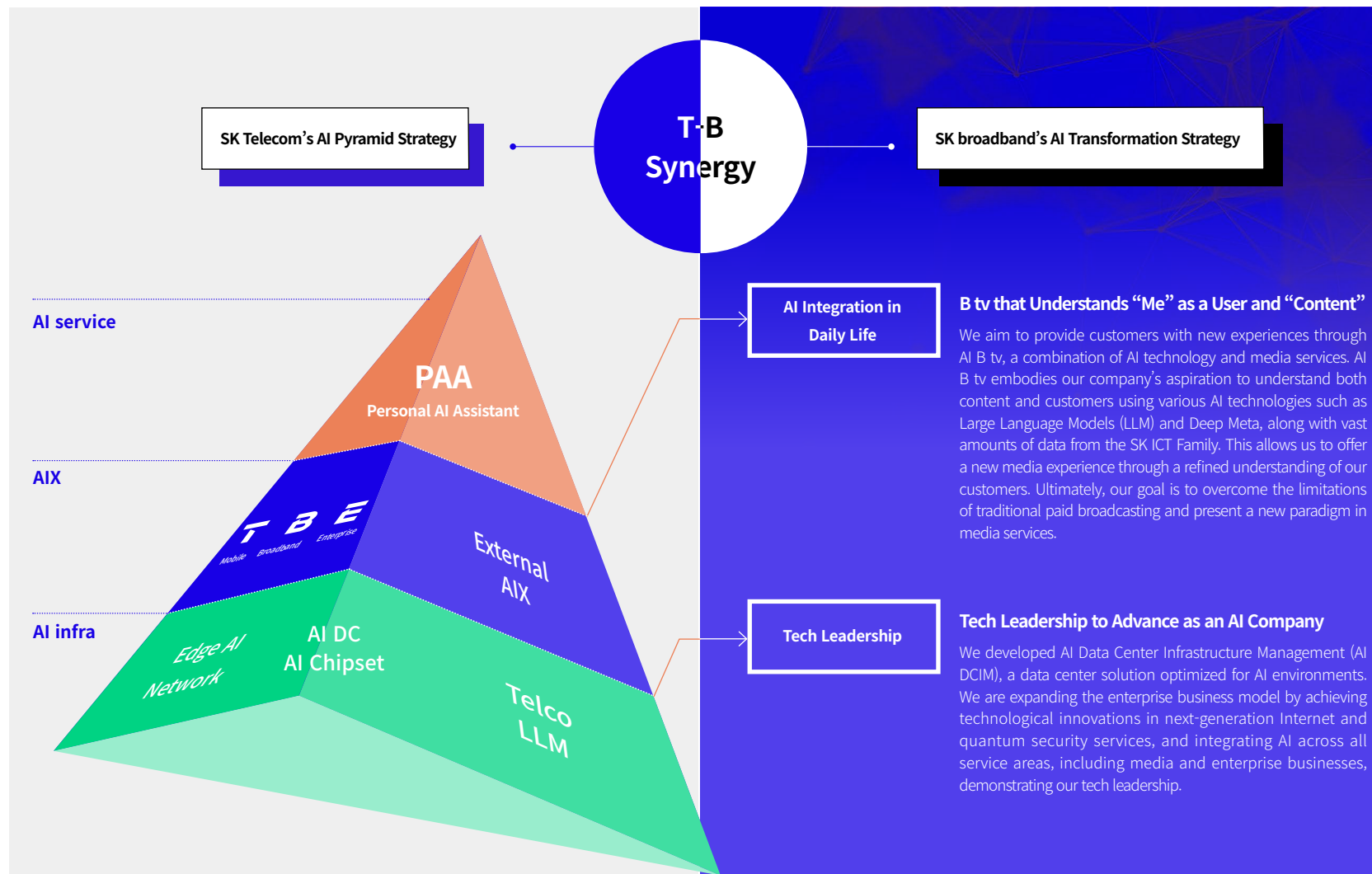
GENERAL	Ranked No. 1 in net increase in paid broadcasting subscribers for 3 consecutive years Released B world, an AI customer service total solution Launched “hyper-personalized services,” combining IPTV and AI Launched B tv pop, the industry’s first IP-based cable TV service Developed the industry’s first next-generation streaming UI (VCS) technology Launched Korea’s first quantum encryption dedicated line service
ESG	“Smart 3” set-top box achieved Environmental Product Declaration and Low Carbon Product Certification¹⁾ Obtained ISMS-P Certification for information security and personal information protection Achieved sales of KRW 640 million through local sales channel “Happy Market” (483% increase from the previous year) Successfully developed a subtitle generation system in Korean using AI technology Achieved 450,000 cumulative views for Gachibom content Created social value of KRW 873.1 billion (2% increase from the previous year)
Evaluations and Awards	Received “Carbon Management Sector Honors” for the Carbon Disclosure Project (CDP) (Telecommunications sector) Ranked No. 1 in external customer satisfaction surveys (NCSI, KS-SQI) Recognized as a workplace with an excellent safety culture by the Seoul Regional Employment and Labor Administration Selected as a company with an excellent labor-management culture by the Ministry of Employment and Labor Received a Social Welfare Merit Award from Suwon City

1) Achieved Environmental Product Declaration in 2023, and Low Carbon Product Certification in 2024

Shaping a New World through Innovation

We are making moves to become an AI company through AI convergence in our core businesses.

We fully launched AI transformation across all business areas, linking to the AI Pyramid strategy announced by SK Telecom. We selected “AI Integration in Daily Life” and “Tech Leadership” respectively as specific implementation plans for AIX and AI infrastructure, aiming to innovate customer service by integrating AI into our core business areas.



Shaping a New World through Innovation

AI Integration in Daily Life

AI B tv that Understands “Me” as a User and “Content”

AI-based B tv offers a hyper-personalized media portal service experience.

AI that Understands “Me”

Auto Detection

Auto viewer detection as soon as the TV is turned on

Push notifications are sent to the mobile device paired with the TV, and receive Wi-Fi or Bluetooth signals to deliver profile information. After identifying the viewer, it automatically switches to the user’s personal profile, eliminating the need for the customer to manually change from the shared profile to their personal profile.

Hyper Personalization

Analysis of customers’ real-life behavior data

With customer consent, AI B tv collects SK service usage records and behavior data, categorizes them into 139 preference categories, and generates corresponding keywords with AI. These keywords help identify recent preferences and interests to recommend personalized content accordingly.

AI Curation

Hyper-personalized data-based content recommendations

Moving beyond recommendations based solely on viewing history, AI B tv offers integrated recommendations for VOD, live channels, and shopping based on constantly updated hyper-personalized information.

AI Tutor for kids

ChatGPT-based “Real Live English Conversation” and “Mind Friend”

“Real Live English Conversation” allows children to freely practice English speaking with an AI character as if conversing with a native speaker. The service automatically filters out any inappropriate language and provides responses tailored to children. “Mind Friend” is a home mental care service that offers psychological counseling through real-time conversations between children and AI characters, and provides AI analysis reports.

AI Human

Shopping/job information tailored to senior customers through AI Human

After creating a virtual AI announcer, backgrounds, scripts, and effects are set up, and videos are quickly and easily produced. This helps deliver information that easily goes unnoticed by senior customers, who are more accustomed to video than text or images.

AI that Understands “Content”

AI Inside

Search for characters, background music, scenes, and other content-related information using AI video analysis technology

Using Deep Meta data-based AI video analysis, VOD content is analyzed to extract and database characters, locations, props, background music, and situations (e.g., action scenes) from videos. The acquired information is categorized into people, highlights, shopping, events, etc., and provided to customers in an easy-to-understand format.

AI Shopping

Complete integration of content and commerce, offering information and purchase options for products featured on TV

AI B tv extracts and databases information on various products featured in drama and entertainment content, and supports recommendations, provision of information, and purchases. The service also offers a feature where AI analyzes customer interests and recommends products tailored to their preferences by content and category.

OTT Home

A space that brings together OTT and one-stop services to connect everything from integrated searches to price comparisons and viewing

Utilizing OTT subscription information and content search and viewing history, this service provides curated content tailored to the viewer’s preferences. We plan to expand the service to include Netflix and YouTube Premium, following Coupang Play and Apple TV+.



Shaping a New World through Innovation

Tech Leadership

Tech Leadership to Advance as an AI Company

We provide convenient and stable services with evolution- and innovation-based solutions.

We promote collaboration with various organizations including SK Telecom, and continuously develop new technologies to offer new services in key technological areas such as AI, big data, and cloud servers. As a result, we successfully developed a set-top box UI incorporating video cloud streaming (VCS) in the media business. In the enterprise business, we introduced AI DCIM, which manages data center infrastructure based on AI learning and inference analysis. Additionally, we are strengthening security services by expanding the application of quantum security technologies, such as applying quantum encryption to drones.

AI DCIM

An AI-based integrated management solution for data centers

With the rapid growth of the generative AI market and a sharp increase in demand for data centers to support AI services, data center infrastructure management has become more crucial than ever. Through initiatives such as the digital transformation of data center operations (Experience to Digital), building standardized platforms for continuous service expansion (Continuous Innovation), and applying AI to data center operations (AI Now), we have developed AI DCIM to integrate and manage data center infrastructure, including racks, power equipment, and cooling systems. As a leading data center company, we vow to actively adopt AI, and differentiate and expand our AI data center references.

VCS-Based Set-Top Box UI

Next-generation streaming UI, VCS

To accelerate the transition to AI B tv, we developed and applied video cloud streaming (VCS) technology, the industry's first next-generation streaming UI. VCS technology processes the user environment and service operations of IPTV on a cloud server, not a set-top box. Thus, B tv customers can enjoy the latest UI and services at the highest specifications without the hardware limitations of the set-top box. Through the provision of high-quality videos with this technology, UI performance, including remote control response speed, menu navigation speed, and page scrolling speed, is significantly improved.

Quantum Encryption

Smarter and stronger security with quantum encryption technology

Following the world's first application of quantum encryption communication technology to the national convergence network, SK broadband successfully transmitted real-time 4K video from a drone in Antarctica using quantum encryption in April 2024, the first ever in the industry. By utilizing the quantum properties of light, such as uncertainty, superposition, and no-cloning, quantum encryption communication can ensure a high level of security. SK broadband is committed to advance quantum technology through mutual cooperation with hidden champions in Korea and establishing commercialization in various fields.





ESG Management

We faithfully perform our environmental and social responsibilities and operate transparent governance to strengthen our ESG management system. We periodically monitor our ESG management activities and performance, and transparently disclose the implementation status and results. Additionally, we endeavor to spread ESG management not only across the company but throughout the entire value chain with the aim of achieving sustainable growth.

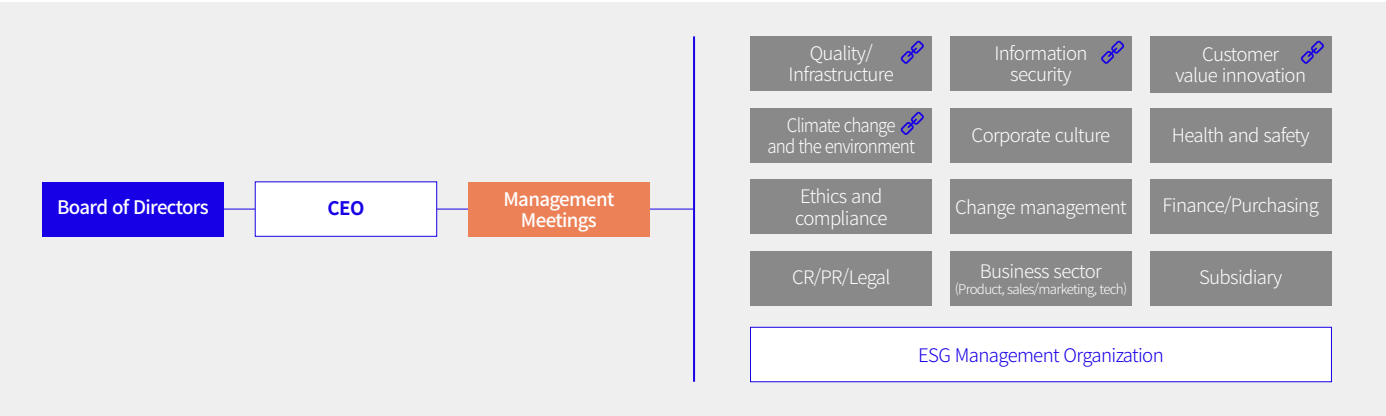


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ESG Governance

We have established an ESG decision-making system that connects the Board of Directors and the management organization to preemptively manage ESG risks and internalize ESG management. The Board of Directors, which is our top decision-making structure, oversees company-wide ESG management activities and performance. ESG agendas are periodically discussed at management meetings attended by top executives. The ESG management organization shares information with related departments and supports all matters necessary for task implementation.

The Top Decision-making Structure (Board of Directors)	• Deliberates on and resolves major ESG management-related agendas such as the company’s ESG management direction, strategy, policy, and task performance
Top Management	• The CEO oversees ESG activities and performance management
Management Meetings	• Attended by executives from each department to share and discuss major ESG agendas • Conducts ESG-related decision-making, performance reviews, and monitoring, and provides feedback
ESG Management Organization	• Establishes and operates the company’s ESG management strategy and plans, supports the establishment and execution of ESG tasks and KPIs, and strengthens the ESG capabilities and disclosures of subsidiaries • Relevant organizations of each ESG area collaborate with the ESG Management Organization to implement ESG tasks



* Please refer to each page for key governance structures by business



ESG Strategy

We established and are currently implementing tasks for each ESG area under the vision of becoming a “sustainable company based on ESG management that pursues stakeholder satisfaction”. We set tasks per area and annual achievement goals to monitor the implementation status of these tasks and systematically manage ESG performance.

A Sustainable Company Based on ESG Management That Pursues Stakeholder Satisfaction

Area	Goal/Objective	Key Initiatives	Tasks	UN SDGs
E	Eco-Friendly Net Zero by 2045	Net Zero by 2045	- Implement RE100 (100% renewable energy use) - Reduce carbon emissions by introducing/developing clean technologies (Expand use of alternative energy, establish high-efficiency energy equipment and solutions, expand development of eco-friendly products/services)	
		Act as an agent of environmental change through media	Exert a positive influence through platforms and content	
S	Together with stakeholders Increase social performance by 10% per year	Improve the quality of work and life for members	- Promote work-life balance and work-family harmony for our members - Operate a safety incident prevention system for a safe workplace	
		Information protection and data security	- Disclose the scope of application, enhance control and management - Strengthen member education	
		Create an inclusive media environment	Contribute to enhancing the quality of life for vulnerable groups through our services	
		Support business partners/SE ecosystem	Pursue symbiosis by spreading the culture of mutual growth and ESG management	
G	Transparent Corp. Mgmt. 100% information disclosure	Establish a governance structure centered on the Board of Directors	- Reorganize board structure/committees (independence/diversity/expertise) - Strengthen management process connections (strategy/evaluation and compensation)	
		Strengthen risk management	Prevent ethics/compliance/tax issues	
		Transparent disclosure of corporate information	Integrated reports/web/ESG disclosures	

Comprehensive Risk Management

Preemptive Risk Management and Follow-up Response

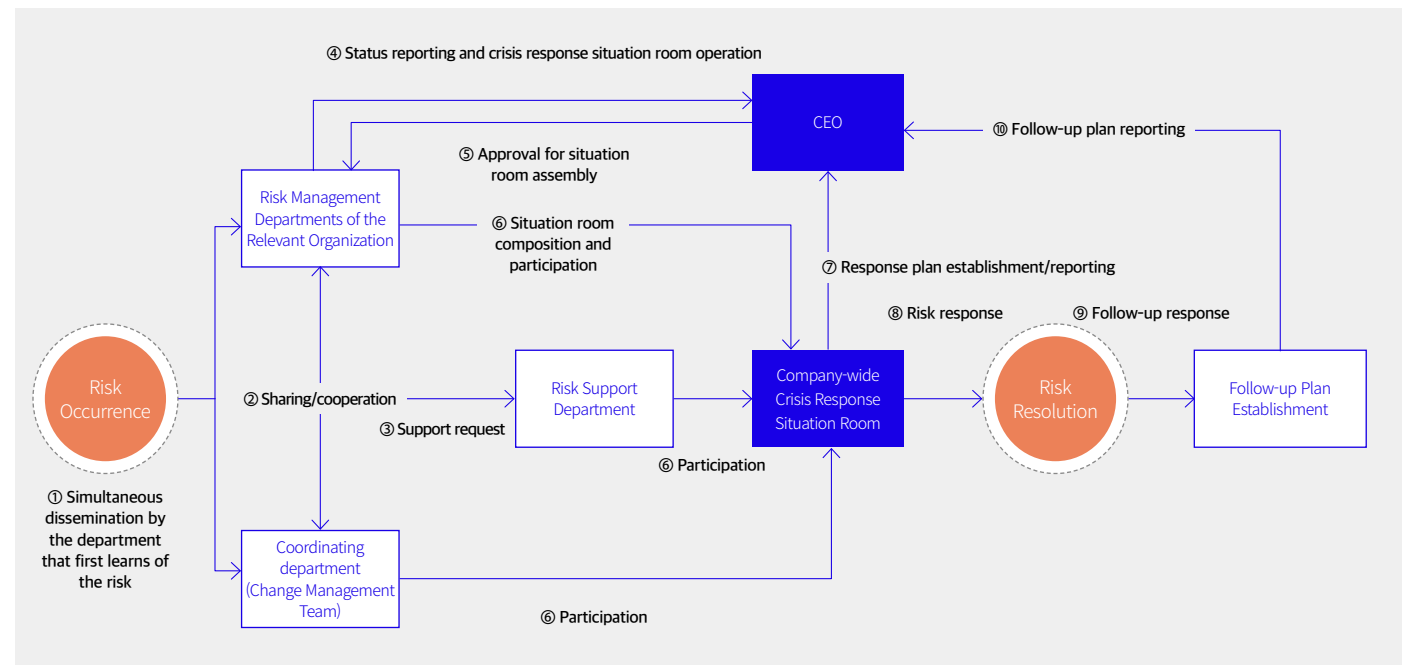
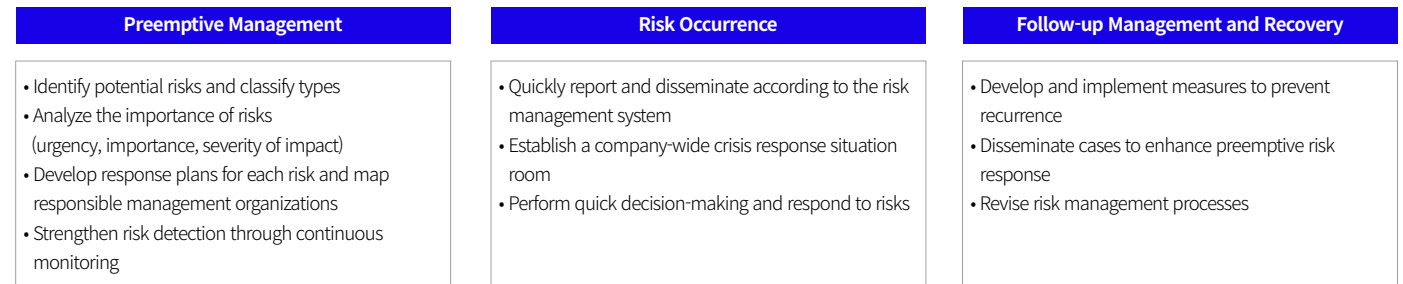
We operate an integrated risk management system that encompasses both financial and non-financial risks. By analyzing the significance of potential risks, we preemptively identify major risk factors and respond promptly. If a risk occurs, it is simultaneously shared with the Change Management Team, the coordinating department, relevant departments (risk management departments of the affected organization), and risk support departments. This information is reported to the CEO in consultation with the coordinating department. If necessary, a company-wide crisis response situation room is operated. Once the risk situation is resolved, a post-plan is established to share details of the occurrence to prevent recurrence. The coordinating department efficiently handles detected risks and monitors them closely. Key management/support departments are designated by risk type to continuously monitor and promptly disseminate information when risks occur.

Key Management/Support Departments by Risk Type

Risk Types	Management/Support Department
Service failure	ICT infrastructure
Customer information leaks/ IT security breaches	Customer value innovation /Information security
Customer value damage	Customer value innovation
Responding to climate change	ESG promotion
BR	Legal/Ethical management/ Safety and health
GR	Communication/Legal/Finance
Members	Corporate culture/Ethical management/ Safety and health
Financial risks	Business planning

* Please refer to each page for key risk management activities by type

Risk Management Process and Reporting System





Comprehensive Risk Management

Risks by Type

Non-financial Risks		
Classification	Risk Factors and Potential Impacts	Response Measures
Service failure	Natural disasters, human error, equipment malfunctions, etc. that lead to network service failures and major failures such as IPTV/CATV broadcast interruptions	- CEO-led meetings to improve service quality - Constructing submarine cables and providing high-quality services in response to an increase in traffic - Stabilizing network and improving recovery systems
Customer information leaks/ IT security breaches	Customer personal information leaks to third or external parties due to hacking attacks or a lack of professional ethics that can negatively impact corporate trust and reputation	- Appointing a Chief Information Security Officer (CISO) and Chief Privacy Officer (CPO) - Implementing tasks derived from the mid-to-long-term information protection plan - Maintaining ISO 27001, ISMS certifications, and acquiring ISMS-P - Strengthening personal information risk management across the value chain and promoting a culture of information protection
Customer value damage	Inadequate response to customer complaints and issues that can increase the likelihood of compensation payments and civil lawsuits	- Implementing customer surveys and Voice of Customer (VoC) monitoring for customer communication - Operating a customer advisory panel to gather feedback and make improvements - Promoting activities to strengthen the capabilities of customer touchpoint channels
Climate change and the environment	- Advancement of Korea's Nationally Determined Contributions (NDC) regulations and the full-fledged implementation of the Framework Act On Low Carbon, Green Growth to address the climate crisis - Increasing financial impacts for mandatory disclosures related to greenhouse gas emissions	- Declaring the 2045 Net Zero goal and establishing a roadmap - Introducing an internal carbon pricing system - Declaring RE100 and accelerating the transition to eco-friendly energy use - Increasing investment in clean technologies and environmental initiatives, including replacement of existing wares with high-efficiency equipment and development of eco-friendly devices
Members	- Increased obligations regarding industrial accidents and occupational health and safety with full-fledged implementation of the Serious Accidents Punishment Act - Risks of ethical and human rights violations	- Strengthening the safety and health organization system under the supervision of the Chief Safety and Health Officer (CSPO) - Maintaining ISO 45001 certification and revising the safety and health management system to include business partners - Establishing ethical management based on three elements (behavioral standards, systems, and consensus) - Forming and operating the Ethical Management Practice Committee
Business Relationship	- Risks associated with decreased ESG management capability of business partners - Damages arising from negative issues with business partners within the supply chain	- Providing business partners with an ESG code of conduct and making compliance mandatory in contracts - Conducting ESG diagnostic evaluations for 50 business partners - Implementing ethical management education for members and business partners
Governance Relationship	Risks related to investigations by national agencies, and other systems and policies	- Continuously monitoring changes in domestic laws and government policies for appropriate response - Enhancing compliance by improving systems and processes at vulnerable points - Implementing compliance education for all employees and members

Comprehensive Risk Management

Risks by Type

Financial risks		
Classification	Risk Factors and Potential Impacts	Response Measures
Market	- Foreign exchange risks that arise in connection with fluctuations in exchange rates related to identified assets and liabilities - Interest rate risks that arise from floating interest rate loan agreements	- Managing foreign exchange risks through forward currency contracts if deemed necessary to hedge operational foreign exchange risks - Considering refinancing, renewing existing borrowings, alternative financing, hedging, and other methods, and executing the most favorable funding strategies to minimize interest rate fluctuation risk
Credit	Credit risks that arise from normal trading and investment activities, when a customer or counterparty fails to fulfill the obligations under the contractual terms	Regularly evaluating the financial creditworthiness of customers and counterparties by taking into account their financial conditions, past experiences, and other factors, and setting credit limits for each customer and counterparty
Liquidity	Risks that arise when there is a temporary shortage of funds, preventing the fulfillment of payment obligations at the designated payment time, adversely affecting the counterparty's financing plans	Maintaining sufficient cash and cash equivalents and engaging in active business operations within appropriately agreed credit limits, flexibly sustaining financial leeway
Changes in business environment	- The digitalization of telecommunications technologies and devices that leads to blurred boundaries between wired and wireless connections and telecommunications and broadcasting, intensifying competition - The expansion of high-definition, large-capacity media content consumption that leads to a continuous increase in the volume of traffic - The increase in personalized content consumption that leads to accelerated competition for media platform services centered on unique content - The increase in traffic centered on big tech such as AI, and the expansion of IDC demand from CSP operators	- Strengthening fundamental competitiveness by securing strategic infrastructure - Preemptively securing data center capacity to enhance market response and competitiveness - Enhancing competitiveness with unique content supply and differentiated services - Advancing customized services through proactive introduction of AI services

Metrics and Targets by ESG Area

To manage sustainability risks and opportunities, we have set and operated metrics and targets for each key ESG area. Detailed action plans are established annually to achieve mid-to-long-term goals; performance is monitored against these goals. Please refer to individual report pages for detailed information on the metrics and targets for each area.

* 2023 performance compared to targets (●: Achieved, ○: Not achieved)

Area	Mid-to-Long-Term Targets	Metrics	2023 Goal Implementation Status		
			Targets	Performance	Achievement Rate*
Climate change/ Environmental management 	• Achieve Net Zero by 2045	• Greenhouse gas emissions • Amount of greenhouse gas reduction • Rate of renewable energy use	• Reinforcing energy efficiency: 21,800 tCO ₂ eq reduction • Rate of renewable energy use: 0.05	• Reinforcing energy efficiency: 23,267 tCO ₂ eq reduction (Achievement rate: 107%) • Rate of renewable energy use: 0.0433(Achievement rate: 86%)	
Network quality 	• Zero incidences of major telecommunications failures	• Number of major telecommunications failures • Quality VoC rate	• Provide uninterrupted service by expanding dual-line networks in multi-unit houses/buildings • Expand coverage through increased efficiency in wired infrastructure investment • Execute efficiency-based media advancement in line with government policies and joint construction	• Completed expansion of dual-line networks in multi-unit houses/buildings • Early completion of coverage expansion through useless unit entry • Achieved 117% of our media enhancement target	
Customer Privacy and Corporate Information Asset Management 	• Zero incidents related to information security and personal information protection	• Number of information leaks/hacks and personal information protection violations • Rate of external information security certifications	• Acquire ISMS-P certification • Solidify the industry's top-tier security level	• Acquired ISMS-P certification for IPTV service operations • Selected as the best institution for managing major information and communications infrastructure and received the Minister of Science and ICT Award • Strengthened big data-based anomaly traffic detection/analysis	
Customer Trust and Satisfaction 	• Maintain No. 1 in external customer satisfaction surveys	• Customer satisfaction survey results	• Identify customer pain points and expand the scope of customer surveys through data-based customer experience analysis • Expand the customer advisory panel to gather ideas for product/service/process improvements • Enhance the system for collecting, analyzing, and managing customer feedback	• Maintained No. 1 in external customer satisfaction surveys • Achieved "Very Excellent" rating in appraisal of affairs on the protection of users	
Talent management 	• Fully implement AI talent development for all members and advance the culture of voluntary learning	• Acquire AI Literacy Level and education hours per member	• Encourage my SUNI learning hours(200 hours for leaders and key talents, 100 hours for members) • Expand AI capabilities among leaders and key talents(leaders 60%, key talents 90%) • Conduct company-wide education to improve work methods	• Achieved an average of 111 my SUNI learning hours company-wide • AI Literacy course completed by 100% of leaders and 92% of members • Conducted in-depth W/S for key talents • Conducted company-wide education to improve work methods (30 sessions, 1,920 participants, 88% of all members)	



Metrics and Targets by ESG Area

* 2023 performance compared to targets (●: Achieved, ○: Not achieved)

Area	Mid-to-Long-Term Targets	Metrics	2023 Goal Implementation Status		
			Targets	Performance	Achievement Rate*
Work-life balance 	• Maintain work-life balance satisfaction at over 80% • Increase and maintain member engagement	• Satisfaction with work-life balance • Member engagement	• Ensure stable operation of flexible working hours • Expand family programs and programs to create a happy working environment for members • Expand healing and well-being spaces within the company • Enhance support for work-life balance, spreading a self-directed work culture	• Implemented happiness programs (including family participation programs) → Implemented monthly(operation of 5 family participation programs annually) • Implemented team-building programs → Implemented by 55 teams • Implemented collective intelligence suggestion programs → 50 topics suggested • Incorporated members' needs and improved the working environment of old office buildings	●
Business partners 	• Enhance the competitiveness(ESG capabilities) of business partners and strengthen mutual cooperation	• Rate of ESG diagnostic evaluations conducted • Rate of high-risk partners	• Conduct ESG diagnostic evaluations for 45 key business partners • Establish a co-growth program system(introduce new programs such as launching and expanding the co-growth online mall, patent support, etc.)	• Conducted ESG diagnostic evaluations for 50 key business partners(100%)	●
Human Rights Management 	• Internalize human rights awareness and maintain zero incidences of human rights law violations	• Number of violations of human rights laws • Hours of human rights education	• Establish comprehensive regulations on human rights infringement(Unify regulations on bullying and sexual harassment in the workplace) • Perform focused management to mitigate human rights risks for vulnerable groups • Implement human rights education in addition to legal mandatory education	• Established and disclosed human rights implementation guidelines • Conducted education on human rights education, in addition to legal mandatory education(conducted workplace bullying prevention education)	●
Health and safety 	• Maintain zero incidence of serious accidents	• Number of serious accidents • Number/rate of work-related injuries among members and business partners	• Strengthen the safety expert training system internally • Maintain ISO 45001 certification for headquarters and all IDC sites • Enhance the integrated safety management system	• Increased the number of certified safety experts through online certification courses(from 36 in 2022 to 55 in 2023) • Completed the follow-up audit of ISO 45001 for headquarters and all IDC sites(zero non-conformities) • Improved real-time mobile accessibility and implemented a safety activity dashboard for field-based activities	●
	• Maintain zero incidence of occupational diseases • Enhance member participation in health management programs	• Rate of occupational disease occurrence • Health management program participation rate	• Health management program participation rate at 250%	• Health management program participation rate at 366%	●

Metrics and Targets by ESG Area

* 2023 performance compared to targets (●: Achieved, ○: Not achieved)

Area	Mid-to-Long-Term Targets	Metrics	2023 Goal Implementation Status		
			Targets	Performance	Achievement Rate*
Contribution to local communities	Increase beneficiaries of happiness programs for vulnerable groups and expand value creation	- Number of happiness programs operated for seniors, youth, and the community - Member participation rate	Expand support for vulnerable senior groups	Provided 6,000 lunchboxes to senior citizens in Suwon(over 5 months)	●
			- Establish a cooperation system to enhance youth happiness - Strengthen content quality through local channels	- Signed an MOU with LOVE FNC for mutual cooperation to improve youth happiness - Produced and broadcasted the Blossom Youth Music Festival program on local channels(540,000 views on related YouTube videos)	
			Continue to provide media education and discover current issues in the community	Conducted 946 educational sessions for the media creation support center and produced a joint series on regional extinction issues with MSO	
			Continuously expand member volunteer participation	433 members participated in volunteer activities (333% increase from the previous year, 82% of the target)	
Support for the social enterprises' ecosystem	Expand discovery and support of social economy enterprises	Number of social economy enterprises supported	- Operate community activation programs to support the independence of social economy enterprises - Support the creation of a virtuous cycle ecosystem for the social economy and establish a cooperation network with professional support organizations	- Supported a total of 230 enterprises(142% increase from the previous year) - Conducted social enterprise impact IR with the Korea Social Enterprise Promotion Agency - Established a cooperation network with HappyNarae and the Korea Social Enterprise Promotion Agency	●
Ethics and compliance	- Zero anti-corruption violations - Zero incidences of ethical management violations - Maintain members' participation rate in ethics management education at 99% or higher	- Number of violations of corruption-related laws - Number of violations of ethical regulations - Participation rate in ethics management(anti-corruption and fair trade) education	- Conduct intensive audits of anti-corruption violations - Implement customized ethics(anti-corruption)education programs by job group - Expand unethical behavior prevention education for business partners - Established and disclosed major guidelines on fair trade	- Conducted audits on unethical acts related to business partners - Provided customized education for the sales organization(33 teams/175 members in the first half, 30 teams/227 members in the second half) - Conducted ethics management education for BPs(227 partners) and sent letters to prevent workplace bullying(once) - Created and disseminated guidelines on the Act on Fair Labeling and Advertising in association with press releases	●



Creating Social Value

SK DBL (Double Bottom Line) Management

We are working toward the goal of SK Group’s double bottom line (DBL) management, which considers not only economic value (EV) but social value (SV) as well. The social value measurement categories include economic indirect contribution performance, which refers to indirect contributions to the national economy through business activities; environmental performance, which refers to the positive and negative impacts on the environment from the products and services produced by the company or the fair processes of business operations; and social performance, which includes contributions to society through the company’s products and services, as well as improvements in the quality of life for employees, business partners, and the community. SK broadband converts the social value created across all business activities into monetary value using objective formulas for management. In 2023, the total social value created was KRW 873.1 billion, an increase of KRW 17.5 billion from the previous year.

Economic Indirect Contribution Performance	Employment	Performance generated by providing stable jobs and work income to members	Increase of KRW 12.6 billion compared to the previous year	In 2023, the economic indirect contribution performance was KRW 854.7 billion. The employment performance increased by KRW 60.2 billion compared to the previous year. Dividend performance slightly increased through cash dividends to shareholders, and tax payment performance slightly decreased due to changes in measurement standards ²⁾ .	
	Dividends	Performance contributed by redistributing profits generated from business activities to shareholders according to ownership shares			
	Tax payment	Performance resulting from tax payment on profits generated from business activities, contributing to the maintenance of the country and the advancement of citizens' lives			
Environmental Performance	Products/services	Performance on improving the extent of environmental impact through products and services(positive impact)	Increase of KRW 700 million compared to the previous year	In 2023, the environmental performance was -KRW 32.5 billion. Despite an increase in positive impacts due to the expansion of low-power set-top boxes and other products/services, the negative impacts from environmental processes arising from corporate operations slightly increased compared to the previous year.	
	Processes	Performance arising from internal company operations such as product production processes or service delivery(negative impacts)			
Social Performance	Products/services (Quality of life)	Performance of improving the user's quality of life through products and services	Increase of KRW 4.2 billion compared to the previous year	In 2023, the social performance was KRW 50.9 billion. The performance of improving the quality of life through our products and services increased by KRW 2.4 billion from the previous year due to the expansion of B tv local advertising, etc. Labor and co-growth saw an increase of KRW 2.4 billion from the previous year, thanks to the support for small business owners through media commerce.	
	Processes (Labor/co-growth)	Performance of labor environmental improvement activities and symbiotic activities for the industry ecosystem, including business partners			
	Social contribution	Performance of social contribution projects, donations, and various volunteer activities			
Governance ¹⁾	-	Performance related to the protection of minority shareholder rights, and performance related to ethical management such as accounting transparency, anti-corruption actions, and compliance with laws and regulations			

1) Governance metrics are published as non-monetary performance 2) Measurement standards changed from accrual-based to cash-based

The Road to a Sustainable Future

As a member of society, businesses must be sensitive to changes and issues that arise across the broader social spectrum and contribute to their resolution. To fulfill these responsibilities, we endeavored to deliver benefits and values to the world based on trust with stakeholders. Moving forward, we will continue to explore innovative ways to ensure that our management activities contribute to a sustainable society.



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Stakeholder Engagement

SK broadband includes all stakeholders who could be significantly impacted by our corporate activities in our reporting scope. We define members, customers, business partners, shareholders, and the local community as key stakeholders. We operate various communication channels to periodically identify ESG needs and expectations of each stakeholder and reflect these throughout our management activities and decision-making processes.



Classification	Communication Channels	Expectations	Reflection in Management Activities
Members	• Labor-management committee(Quarterly) • In-house intranet(Regular) • In-house news(Daily) • CEO/unit organization town hall(Quarterly)	• Foster a good workplace culture • Strengthen competency development education • Self-directed health management	• Established work culture direction "Broad Way"(diversity, inclusiveness, speaking out, establishing a culture of voluntary learning, etc.) • Implemented various corporate culture programs through voluntary member participation in WG(on and off) • Enhanced AI Literacy competency education • Operated mobile health consultation centers and health challenges
Customers	• Website and customer center(106) • Regular customer satisfaction surveys(Biannually) • Customer advisory panel(as needed) • Social media(blogs, Instagram, YouTube, etc.)	• Provide high-quality, reasonably priced products • Offer content tailored to individual preferences • Offer convenient and friendly service at customer touchpoints • Bridge the content consumption gap for digitally marginalized groups	• Launched B tv pop service • Recommended hyper-personalized, information-based content through automatic personal identification with the application of AI technology • Launched AI-based digital platform "B world" • Provided AI Korean subtitle service; produced Gachibom content and hosted inclusive movie concert "Filmotalk" using this content
Business partners	• CEO seminars(as needed, held 6 times in 2023) • Co-growth MBA(as needed, held 8 times in 2023) • ESG management diagnostics consulting (Annual)	• Expand co-growth programs • Share knowledge related to ESG management and support improvements in ESG diagnostics and evaluations	• Operated the mid-level manager education program "Co-Growth Team Leader School" • Expanded ESG diagnostics and evaluations to more business partners(50 companies) and provided support for high-risk partners in ESG evaluation improvements
Shareholders	• General meeting of shareholders(Annual and as needed) • Earnings announcements and conference calls(Quarterly)	• Continuous company growth • Visibility of dividends and other shareholder benefits	• Held 3 general meetings of shareholders(1 regular, 2 extraordinary) • Enhanced shareholder value through dividend payments • Presented mid-to-long-term growth strategies and visions through earnings announcements
Local Communities	• Website and customer center(106) • Social media(blogs, Instagram, YouTube, etc.) • Local channel advisory committee(Quarterly)	• Support for solving community problems • Support for revitalizing the local economy • Coverage of disaster situations by region	• Provided support for solving community problems through local channel broadcasts • Linked local channel commerce with traditional markets, small businesses, and agricultural and marine product sales • Provided real-time coverage on Typhoon Khanun and its impact on public livelihoods



Double Materiality Assessment

Materiality Assessment Process

We conducted a double materiality assessment to comprehensively consider the financial impacts of environmental and social factors on corporate management activities(outside-in) and the impacts of corporate management activities on the environment and society(inside-out). The materiality assessment methodology was taken from standards set forth by the Global Reporting Initiative(GRI) Standards and the EU Commission’s Corporate Sustainability Reporting Directive(CSRD). The identification and evaluation of impacts, risks, and opportunities of sustainability issues plays a crucial role in developing our business and enhancing stakeholder

trust. Therefore, this materiality assessment aimed to strengthen the level and methods of participation from internal and external stakeholders. For internal stakeholders, interviews and surveys were concomitantly conducted with organizations related to ESG issues; for external stakeholders, opinions were gathered through online surveys. The correlation between financial cost items and ESG issues was analyzed, followed by in-depth interviews and surveys conducted with our Finance, Accounting, and Business Planning Teams to refine the financial impact assessment methods related to strategy and business.

Step 1. Composing the ESG Issue Pool	Step 2. Identifying and Assessing Financial and Environmental/Social Impacts		Step 3. Deriving and Reporting Final Results
Composing the ESG Issue Pool Based on an Understanding of Corporate Management Activities and Business Context	Analyzing the financial impacts of ESG issues on corporate management activities and the impacts of corporate management activities on the environment and society		Deriving issue priorities and reporting to the CEO and Board of Directors
- Analyzing ESG disclosure guidelines and evaluation indices (GRI, SASB, MSCI, DJSI, ESRs, etc.) - Reviewing industry-specific ESG issues through benchmarking with similar companies of SK broadband and our subsidiaries (Home & Service and Media S) - Collecting opinions on the issue pool through interviews with related organizations and identification of value chain scope	Financial Impact Assessment (Outside-In)	Environmental and Social Impact Assessment (Inside-Out)	- Deriving issue priorities by integrating the results of financial impact assessment and environmental/social impact assessment - Determining thresholds for critical issues and decision-making on reporting directions - Reporting on the materiality assessment process and results to the CEO and board of directors for final decision-making
	Expert Evaluation	Expert Evaluation	
	Identifying risks and possible occurrences of issues, and evaluating “expected scale and likelihood” through in-depth interviews and surveys with related organizations - Survey targets: Our Finance, Accounting, and Business Planning Teams and external ESG experts - Survey period: March 4, 2024 to March 8, 2024 - Survey method: Online survey	Identifying the environmental and social impact of issues, and evaluating “expected scale, scope, recoverability, and likelihood” through in-depth interviews and surveys with related organizations - Survey targets: ESG issue-related organizations - Survey period: February 14, 2024 to February 21, 2024 - Survey method: Online survey	
	Financial Statement Analysis	Benchmarking with Similar Companies	
	Reviewing and analyzing the relevance of 19 issues and 2023-2024 CapEx/OpEx	Analyzing the reporting status of sustainability issues by leading companies in related domestic and international industries	
Composition of the Issue Pool (19 Issues)	Stakeholder Requirement Analysis	External Stakeholder Survey	Reporting on Key Issues (10 Issues)
	- Understanding legal and regulatory trends - Analyzing ESG information and disclosure requirements of external stakeholders - Analyzing internal/external risks	- Survey targets: Customers, partners, investors and shareholders, government-related organizations, NGOs, etc. (643 people) - Survey period: February 14, 2024 to February 21, 2024 - Survey method: Online survey	
	Company-wide strategic direction	Media analysis	
	- CEO’s New Year’s address and instructions - Key contents of ESG strategy	Analyzing media exposure frequency related to SK broadband’s ESG issues from January 1 to December 31, 2023	



Double Materiality Assessment

Issue Impacts and Response Activities

We identified the potential positive impacts resulting from the continuous management and monitoring of 10 key issues, as well as the negative impacts resulting from our failure to do so, and have listened to them as follows. We are diligently working to fulfill response activities for each issue to amplify positive impacts and reduce negative impacts resulting from our management activities.

●: High ●: Medium ○: Low

Issue	Characteristics of Impact		Key Impacts	Response Measures
	Positive	Negative		
Network quality management	●	●	(Positive) Improvement in network quality and service stability through the enhancement of telecommunications infrastructure (Negative) Telecommunications failures such as reduced Internet speed and delays in data transmission	- Strengthening network stabilization and disaster recovery systems - Expanding international network capacity through the construction of submarine cables - Developing and applying next-generation Internet technology
Customer privacy and corporate information asset management	●	●	(Positive) Prevention of personal information leaks/breaches (Negative) Potential large-scale disasters at the regional/national level in the event of cyber terrorism	- Acquiring and maintaining certifications for information protection and personal information protection - Establishing a personal information impact assessment process - Strengthening personal information risk assessment for subsidiaries and business partners - Developing quantum security technology services
Customer trust and satisfaction management	●	●	(Positive) Enhancement of customer service convenience and provision of various positive experiences (Negative) Reduced convenience for customers	- Digitalizing customer touchpoint channels and services - Applying AI technology to B tv services, such as providing AI Korean subtitle services - Applying next-generation VCS
Climate change and energy management	●	●	(Positive) Energy efficiency improvement and carbon emission reduction (Negative) Power usage and greenhouse gas emissions associated with network operations	- Analyzing the potential financial impact of major transition risks and physical risks - Improving power efficiency through network slimming, IDC PUE improvement, etc. - Implementing RE100 through the establishment of solar power facilities and purchasing external renewable energy - Developing low greenhouse gas emission products and strengthening carbon management (internal carbon pricing system, etc.)
New growth business (AI)	●	○	(Positive) Diversification of customer experiences by providing AI-integrated services and solutions (Negative) Increased power usage and greenhouse gas emissions due to AI technology development	- Promoting AI Transformation in conjunction with the AI Pyramid strategy - Providing AI-based B tv services - Developing AI DCIM, an integrated management solution for data centers
Talent management	●	○	(Positive) Enhancement of member capabilities and support for self-development to expand opportunities for self-fulfillment (Negative) Loss of excellent/skilled personnel	- Providing opportunities to enhance member capabilities (AI Literacy, leadership capabilities, etc.) - Activating job rotation systems and operating fair performance evaluation and compensation systems - Operation of fair performance evaluation and compensation system
Health and safety	●	●	(Positive) Enhancement of the health of members and business partners and decrease in the risk of safety accidents (Negative) Occurrence of industrial/major/civil disasters	- Performing regular inspections and spot checks for safety and health compliance in the workplace - Strengthening safety and health inspections for business partners and supporting the ability to build capability - Operating programs to promote physical and emotional health
Supply Chain Management (SCM)	●	●	(Positive) Quality enhancement through the establishment of mutually beneficial partnerships (Negative) Increased ESG risks related to human rights, labor, safety, and health within the supply chain	- Conducting ESG diagnostic assessments for the supply chain and supporting ESG capability building - Operating various co-growth programs including financial, technological, educational, and market entry support
Ethics and compliance	●	●	(Positive) Preemptive prevention of corruption cases and establishment of a fair trade culture (Negative) Potential financial damage to partners	- Establishing an Ethical Management Practice Committee - Conducting corruption risk assessments and subsequent risk monitoring - Providing online/offline education and workshops to internalize ethical management
Media and content diversity management	●	○	(Positive) User rights and satisfaction enhancement through the production, acquisition, and programming of diverse content (Negative) Limited user choices due to the provision of biased content	Collecting opinions through a viewer committee during content supply or channel restructuring/programming

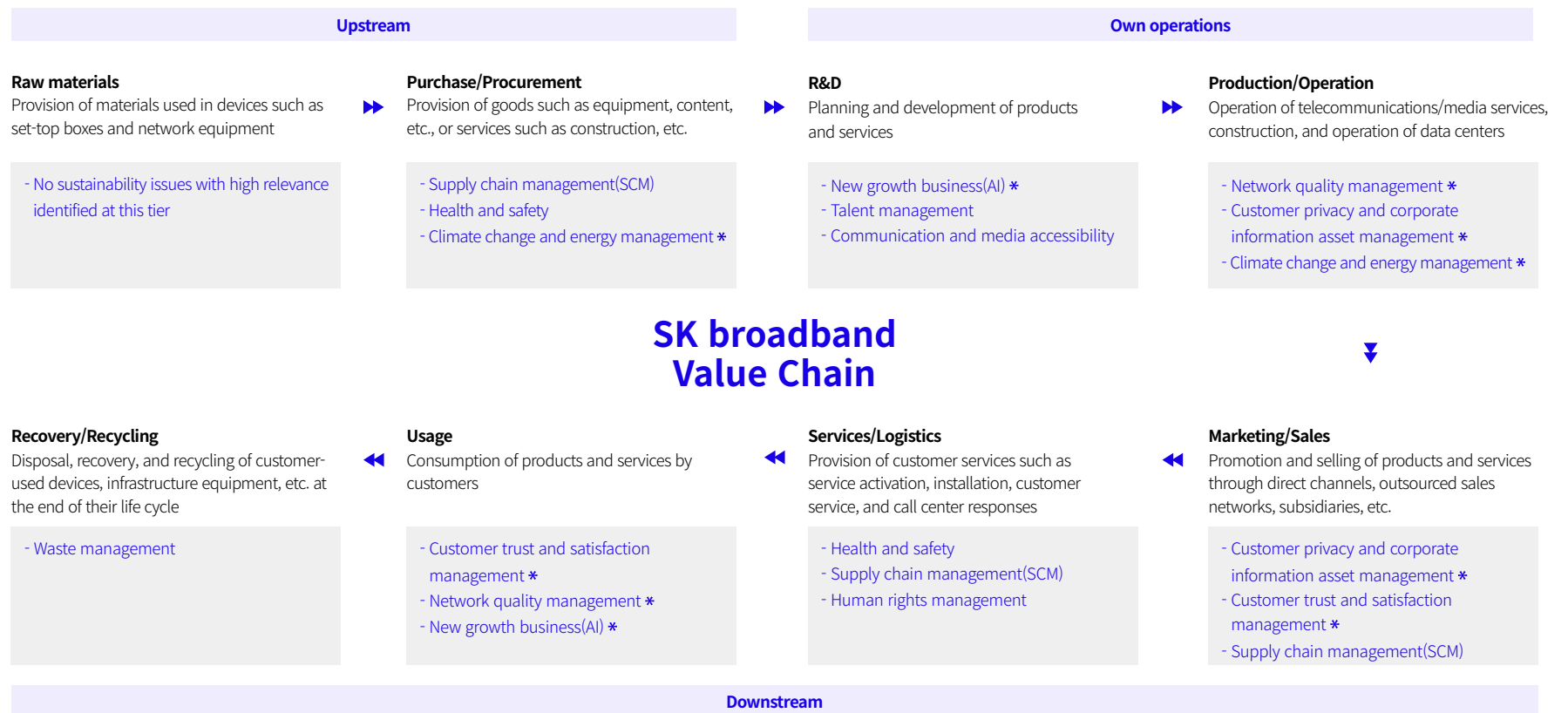
Double Materiality Assessment

Value Chain Management

With consideration of our main business characteristics, SK broadband distinguished the scope of the value chain from upstream to downstream. The value chain refers to all interactions involved in creating and delivering products and services. Sustainability-related risks and opportunities may arise from direct and indirect interactions with stakeholders or among the social, economic, and natural environments throughout the value chain. Therefore, understanding the value chain and taking it into account when establishing ESG strategies and plans can help us manage business risks and pursue sustainable growth.

The sustainability issues with high relevance distinguished at each tier of the value chain are as follows. Moving forward, we will establish a more precise and clear scope of the value chain to monitor sustainability risks and opportunities more meticulously.

* Key issues (Tier 1)

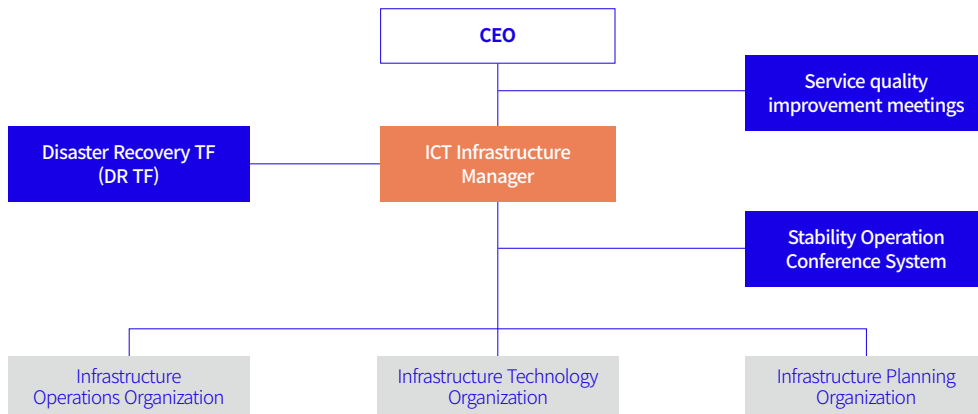


① Network Quality Management

Governance

Roles and Responsibilities

Network quality is managed, supervised, and monitored through service quality improvement meetings led by the CEO, and a stability operation conference system involving key executives. Our ICT Infrastructure Manager is a network quality expert with over 30 years of experience in network quality management. Additionally, field-specific responsible organizations and office-specific dedicated organizations serve to systematically manage the network service levels. In the monthly service quality improvement meetings chaired by the CEO, current issues related to network quality management are regularly reported. Network quality-related risks are considered during annual management planning, direction establishment, and major decision-making processes. Responsible executives monitor the goal-setting and achievement levels of the related organizations and have set “Zero Major Failures” as a key performance indicator(KPI) of the ICT Infrastructure Manager, linking it to performance rewards.

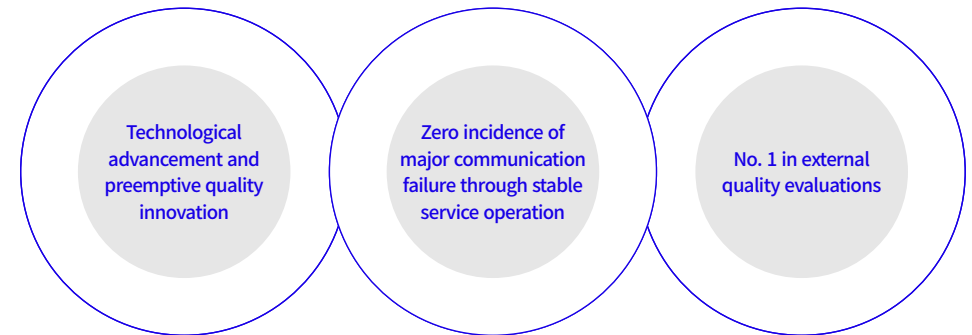


Strategy

Management and Operation System

We strive to provide excellent network quality and maintain fault-free, stable services. Centering on the service innovation organization newly established in 2021, the absolute stable operation has been managed as the KPI, emphasizing the importance of network quality. Proactive network investments, such as the construction of submarine cables, allow us to preemptively respond to increasing traffic beforehand, and establish rapid network recovery and public support systems in preparation for disasters.

Strategic Goals



① Network Quality Management

Strategy

Risk and Opportunity Management

We identified key risks and opportunities in the field of network quality management that are reasonably expected to affect our business outlook in the short, mid, and long terms, and further understand how these risks and opportunities impact our business model, value chain, strategy, decision-making, financial status, financial performance, and cash flow. Additionally, we established and are implementing response strategies and management plans to mitigate the following risks and maximize the following opportunities.

Classification	Description	Time horizon			Financial Impact
		Short-term	Mid-term	Long-term	
Risks	Network service failures and paid broadcast interruptions	●	●	●	• Damage to reputation and revenue loss due to reduced Internet speed and delayed data transmissions • Monetary/non-monetary compensation to institutions and individuals • Infrastructure investment costs for network stabilization/enhancement
Risks	Insufficient international network capacity due to increased demand for international services such as the development of the global platform industry, etc.	●	●	●	• Investment costs to secure international network capacity, such as construction of submarine cables, etc.
Risks	Damage to communication buildings due to natural disasters, fires, and other incidents	●	●	●	• Cost of building restoration and improvement • Cost of compensation for customer damage
Opportunity	Enhancement of service quality and network stability	●	●	●	• Increased customer satisfaction and competitive edge • Cost of network expansion, stabilization and dualization, and line maintenance
Opportunity	Increased customer preference for high-quality networks	●	●	●	• Increase in new subscribers and decrease in cancellations • Enhanced brand reputation and revenue growth with higher service competitiveness



① Network Quality Management

Strategy

Key Response Strategies

We manage risks and opportunities associated with network quality under the approach of enhancing our fundamental competitiveness and targeting zero major failures. Through line stabilization and the advancement of our disaster recovery (DR) system, we aim to improve service quality and resilience. In addition, we actively pursue the construction of international submarine cables and the development of next-generation Internet technologies to continuously improve our network quality competitiveness.

Stabilizing the Network and Improving Recovery Systems

To provide stable network services to our customers, we conduct thorough analyses of the causes of failures and delays in recovery time. In regions where subscribers or facilities are concentrated, there may be multiple cables laid in the same section or a lack of dualization of services. Further, urban congested areas or regions where securing cable lengths is not feasible present challenges in network recovery operations. To fundamentally address these potential failure factors, we improved network structures and high-density sections, and supplemented recovery procedures and methods. We changed installation methods to shorten installation times and created kits that allow for arrangement by cable order and color, which are applied on-site. Additionally, we established a cooperative framework with public institutions and private companies to enhance preemptive prevention systems, in addition to follow-up procedures for failures and incidents. We signed agreements with eight organizations, including the Korea Construction Equipment Safety Institute and the Korea Gas Safety Corporation, to prevent underground facility accidents. We also built systems that utilize AI and IoT to detect and respond to hazardous construction in real time.

Improving Customer-perceived Quality

To enhance the quality perceived by our customers, we are working to improve the functionality of devices and Wi-Fi equipment with frequent, repetitive customer inquiries. To accurately identify failure causes and enable quick on-site resolution, we also advanced the capabilities of customer diagnostic tools. For our flagship product B tv, we are operating a dedicated group for organic collaboration between development and operations teams. We have significantly reduced set-top box startup and channel switching times, and distributed improved software to our flagship set-top box, contributing to enhanced video quality. Furthermore, to identify and promptly address customer inconveniences in advance, we apply AI/DT technology to analyze the quality of large network equipment, customer devices, and Wi-Fi across four aspects: perceived quality, equipment quality, media quality, and in-home quality. In particular, in 2023, we improved the shortcomings of our Wing service and commercialized the wired interlocking function. The Wing service uses amplifiers in shaded areas within a user's home where the signal is weak, extending Wi-Fi coverage. This service helps maintain Internet speed and prevents interruption, with APs and wired routers being supplemented to implement the wired Wing function.

Reinforcing Service Stability

DDoS attacks are frequent both domestically and internationally. To address situations such as these, we likewise advanced security solutions for network stabilization. DDoS attacks and abnormal traffic inflows can cause network failures and degrade customer service quality. Backbone failures can affect all service areas, including high-speed Internet, B tv, and telephone. Therefore, a complete response to all external attacks is crucial. Consequently, we have identified potential security vulnerabilities when accessing our network from domestic and international networks, and reinforced the backbone network security system. Through these measures, we managed to block aggressive traffic at the source, enhanced network stability and secured our fundamental network competitiveness.

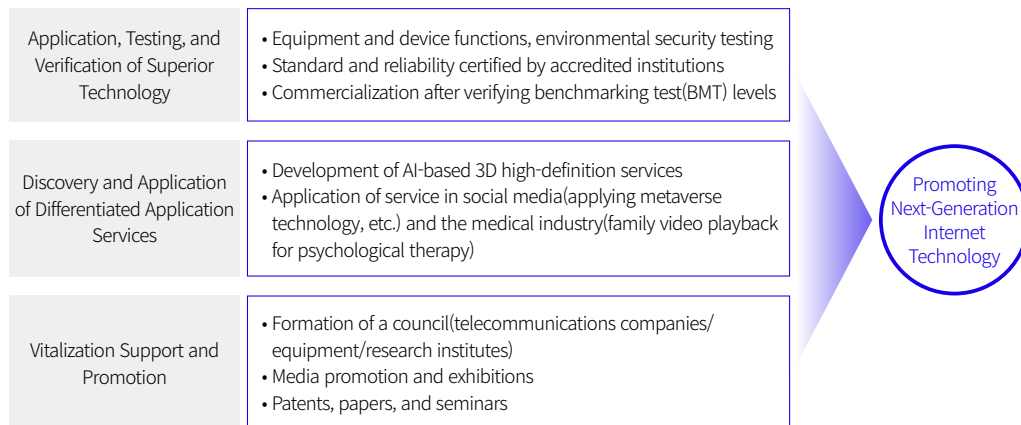
① Network Quality Management

Strategy

Key Response Strategies

Advancing Next-generation Internet Technology

We have established a cooperative framework with SK Telecom and competitive SMEs to develop and commercialize next-generation Internet technology, and played a crucial role during the full process, from establishing enhancement plans to developing services and promoting their application. We developed, tested, and verified virtualization technology and equipment/devices to build a foundation for offering differentiated next-generation Internet services and applications. Additionally, we discovered new B2C, B2B, and B2G business models in order to apply these achievements, promoting the commercialization of next-generation Internet technologies. One notable example is the virtualization-based dual access network technology, which enables seamless network services without altering the existing access network configuration. Furthermore, AI-based high-definition 3D conversion and generative AI media services automatically produce large-scale videos, efficiently reducing production time and costs. To promote the use of these next-generation Internet technologies, we formed a council composed of industry, academic, and research experts and actively participated in domestic and international media promotions and events. We will continue to lead the successful advancement of next-generation Internet technology, accelerating our effort to secure future technological prowess.



Expanding International Network Capacity through the Construction of Submarine Cables

The growing usage of short-form video platforms, social media, as well as OTT, has led to an exponential increase in traffic. To preemptively address this issue, we have been continuously expanding our international network capacities. We upgraded major systems at our network hubs in Los Angeles and Seattle, U.S., from gigabit(Gbps) level to terabit(Tbps) level. Moreover, we increased capacity in Japan and Hong Kong and completed the installation of a new network hub in Singapore, securing 6,300 Gbps of international network capacity. By the second half of 2024, we plan to launch the SJC2(Southeast Asia-Japan Cable 2) submarine cable that will connect 8 Asian countries in 10 regions. Spanning 10,600km, the SJC2 can simultaneously support 360,000 users watching ultra-high-definition(UHD) videos, while transferring over 280 4 GB movies per second. With this enhanced competitive edge, we will be able to offer high-quality services to both individual and corporate customers, and further expand into additional business models.

① Network Quality Management

Risk Management

Strengthening DR System Operation

Since October 2022, we have formed and operated a Disaster Recovery (DR) Task Force(TF). The TF includes executives of SK broadband family companies responsible for infrastructure and services to prepare for and quickly recover from potential social and national losses caused by telecommunications disasters. It covers all areas, including wired communications and media infrastructure, data centers, internal IT, and customer services, examining recovery systems for physical damage at office buildings due to fires, wars, etc. The importance of the DR system is classified into three grades(S/A/B) in order to consider financial impact, service characteristics, and user scale across the board; this classification is used during network service inspections and investments. In addition, a detailed safety assessment plan for telecommunications buildings has been established and is being implemented in stages, with an assessment conducted in November 2023.

We will continue to do our utmost to prevent telecommunication-related disasters by conducting safety inspections and diagnostics on critical telecommunications facilities. Moreover, we are committed to establishing and operating DR implementation plans for major services and offices, thereby preventing major failures and continuously improving the stability of our DR systems and facilities.

Preventing Service Interruptions and Ensuring Stable Operations

Through After Action Reviews (AARs) conducted by the stability operation conference system every month, we identify and improve deficiencies in the fault occurrence and resolution processes, strengthening our fault handling processes. We perform regular inspections and structural improvements of equipment and facilities to prevent failures, which has resulted in a 4.5% improvement in major faults handled by team leaders or higher in 2023 as compared to 2022. In 2023, we replaced a total of 4,941 outdated units(or cells), including UPS, cooling units, and batteries, within telecommunications buildings, and completed the expansion of dual-line networks for 10.41 million households in multi-unit houses/buildings, stabilizing lines and preventing potential failures in advance. We also implemented various solutions on-site to improve dense line sections and reduce recovery times, such as changing cable installation methods and using recovery kits. We operate a stability operation situation room during periods of potential disaster risks, such as tropical cyclones/typhoons, monsoons, and heavy rains, as well as major sporting events(the Olympics, Asian Games, World Cup, etc.) that cause a significant increase in data traffic and holidays with high population movement like Chuseok. This allows us to pre-inspect recovery materials, activate emergency duty systems, and perform 24-hour focused service monitoring, ensuring meticulous service quality management.

Development of a Customer Experience Index (CEI)

To address customer inconvenience and enhance their satisfaction, it is essential to focus on proactive management, as well as reactive responses. Relying solely on post-incident VoC feedback makes it challenging to gain insights from a broader perspective. As such, to improve the quality of high-speed Internet services, we developed a new customer experience metric called the Customer Experience Index(CEI) in collaboration with SK Telecom. The CEI redefines metrics from both customer and field perspectives based on the Customer Satisfaction Index(CSI) survey. It is optimized to identify and preemptively address any inconveniences before customers even become aware of them. The CSI consists of items such as Internet usage stability, Internet access speed, page transition speed, and upload/download speed, and the CEI score is derived by adding network quality indicators to these items. Our objective is to identify and improve the quality of our high-speed Internet service in areas with low CEI scores, thereby reducing overall customer inconvenience. In 2023, we validated the effectiveness of CEI by using existing data. From 2024 onward, we will further develop it step by step.

DR TF Checklist

Bypass options in case of facility damage

Impact on customer experience in case of bypass

Physical system for bypass and dual backup system between offices

Power stability within offices

① Network Quality Management

Metrics and Targets

Implementation Roadmap

Targets	Achieve zero incidence of major network failures, maintain the No. 1 ranking in external quality evaluations		
Metrics	Number of major communication failures, quality VoC(Voice of Customer) rate		

2023	2024	2025
• Provide uninterrupted service by expanding dual-line networks in multi-unit houses/buildings • Expand coverage through increased efficiency in wired infrastructure investment • Execute efficiency-based media advancement in line with government policies and joint construction	• Significantly improve customer-perceived quality by applying CEI and reducing inconvenient experiences beforehand	• Expand high-quality, high-capacity high-speed Internet services using integrated optical modules • Secure mutual growth and technological prowess with SMEs through continuous participation in national projects • Maintain the No. 1 ranking in customer satisfaction through customer analysis using AI/DT

Key Data

Classification		Unit	2021	2022	2023
Number of Major Network Failures ¹⁾		Cases	0	1	3
Regulatory Violations	Violations	Cases	0	0	0
	Financial penalties	KRW 1,000	0	0	0
	Non-financial penalties	Cases	0	0	0
Voluntary regulation violations		Cases	0	0	0

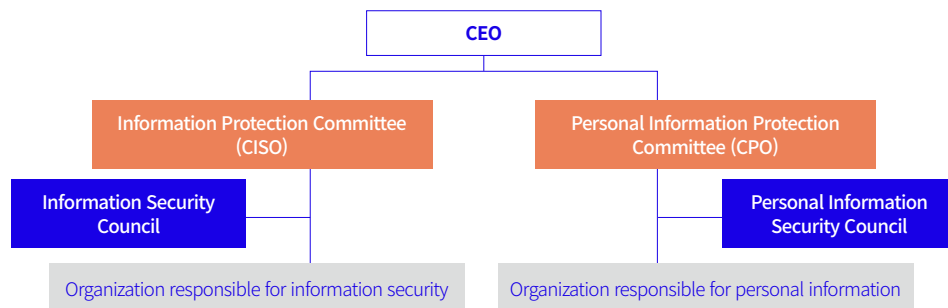
1) Failures subject to user notification under the Telecommunications Business Act revised in 2019 or failures of an equivalent or higher scale

② Customer Privacy and Corporate Information Asset Management

Governance

Roles and Responsibilities

Our information protection decision-making system is divided into the Information Protection Committee and the Personal Information Protection Committee, under the supervision of the CEO. Each committee reviews, approves, and makes decisions on key issues. We appointed a Chief Information Security Officer(CISO) and a Chief Privacy Officer(CPO) who work directly under the CEO. Each has a dedicated working group and management organization, performing 24-hour information security duties. The roles and responsibilities of these decision-making bodies and individuals are set forth in the security management guidelines and the personal information protection guidelines. The teams under the CISO and CPO consist of individuals with professional certifications in information protection and personal information, such as ISMS-P auditor, Privacy Impact Assessment specialist, and Certified Privacy Protection General(CPPG), or those with extensive practical experience. They actively participate in information protection and privacy protection training and seminars hosted by professional information security institutions to actively maintain and expand their expertise. Personal information inspection results, implementation plans, and performance are regularly reported to the Board of Directors, management, and committees. Annual management plans and detailed operational plans take into consideration information protection-related risks and opportunities during major decision-making processes. The teams responsible for information protection/personal information carry out activities according to management plans and processes, while management reviews the information protection goals and execution levels. Furthermore, the personal information protection activities of each organizational unit are established and operated as key performance indicators(KPIs) for management.



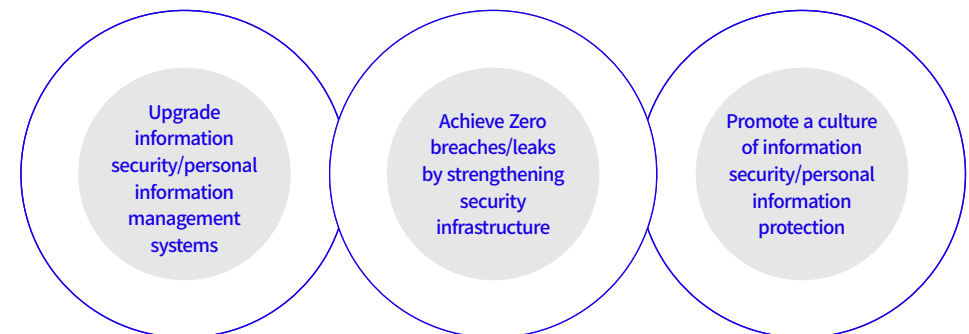
Strategy

Management and Operation System

We operate a stable security system based on an administrative, physical, and technical security framework, carrying out tasks derived from our mid- to long-term information protection plans. We implemented and carried out company-wide information protection policies, and regularly reviewed amendments to relevant laws, such as the Act on Promotion of Information and Communications Network Utilization and Information Protection and the Personal Information Protection Act, reflecting these changes in our in-house regulations and guidelines. We obtained and maintain certifications in the field of information security, including Information Security Management System(ISMS), Personal Information & Information Security Management System(ISMS-P), and ISO 27001(Information Security Management Systems), enhancing the stability of our security systems.

Additionally, we have a Privacy Policy that specifies the basic principles for processing personal information, including the collection, use, and provision of personal information, policies for the safe processing of personal information, including management and supervision of personal information, and the rights of information subjects. This information is publicly available on our website for easy access and is regularly updated to keep in line with the latest state of personal information processing operations. Customer's personal information is collected and used within the scope of prior consent, and customers are informed in advance about the items of personal information collected, the purpose of collection, and the retention period as per relevant laws. Collected personal information is securely managed through technical and administrative protective measures, and is promptly destroyed using safe methods as prescribed by law once the purpose of use is achieved or the retention period expires.

Strategic Goals



② Customer Privacy and Corporate Information Asset Management

Strategy

Risk and Opportunity Management

We identified key risks and opportunities in the field of information protection and personal information protection that are reasonably expected to affect our business outlook in the short, mid, and long terms, and further understand how these risks and opportunities impact our business model, value chain, strategy, decision-making, financial status, financial performance, and cash flow. Given the large volume of personal information handled and the diversity of entities processing such information due to the characteristics of the industry and corporate environment, we are quick to respond to the following risks and opportunities.

Classification	Description	Time horizon			Financial Impact
		Short-term	Mid-term	Long-term	
Risks	Reinforcement of laws and regulations such as the Act on Promotion of Information and Communications Network Utilization and Information Protection and the Personal Information Protection Act	●	●	●	- Increased cost of addressing legal risks due to higher financial penalties for violations - Increased cost of improving personal information risk pre-inspection systems and member training
Risks	Increased frequency and intensity of cyber security threats	●	●	●	- Increased operating and management costs of maintenance and improvement of the information protection system, and investment costs for information protection - Customer churn and damage to our reputation in cases of information leaks/breaches - Increased management cost of monitoring and inspecting distribution networks of subsidiaries, subcontractors, etc.
Opportunity	Increased demand for security sensitivity among individual and corporate customers	●	●	●	Customer acquisition/retention and business opportunity and revenue expansion by offering customized security products and services
Opportunity	Partnerships with related organizations through external cooperation on security technology		●	●	- Market competitiveness by solidifying our position in the security industry and enhancing corporate reputation - Reduced R&D costs and revenue generation by commercializing jointly developed industry solutions/technologies

② Customer Privacy and Corporate Information Asset Management

Strategy

Key Response Strategies

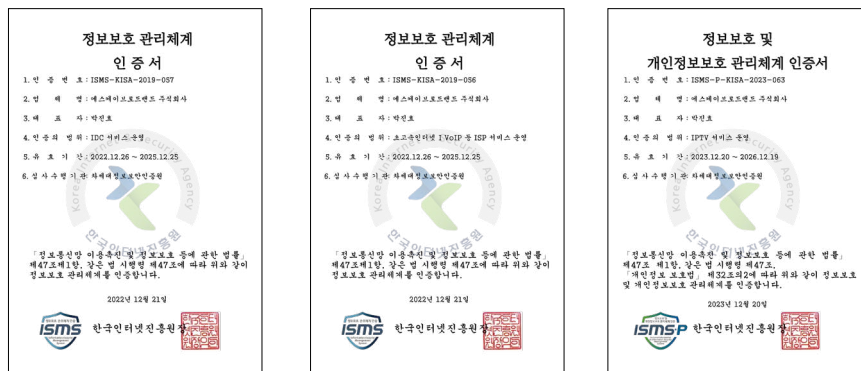
Our goal is to foster a secure information protection culture that all members and partners can practice, based on a reliable information protection and personal information protection system. To achieve this goal, we are focused on securing the safety of personal information processing systems and strengthening information protection risk assessment and inspection systems. We plan to establish measures to guarantee customers' rights to exercise their rightful entitlements in the era of AI, thereby enhancing the transparency of personal information processing.

ISMS-P Certification and Diagnosing Personal Information Vulnerabilities

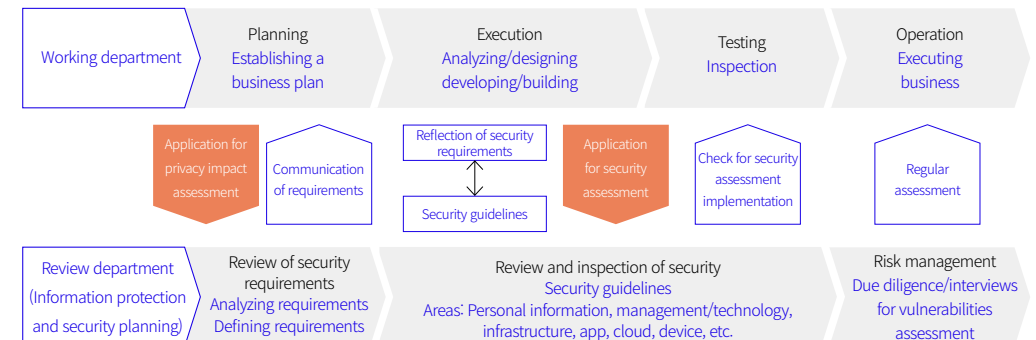
We obtained and maintained several information protection certifications to enhance our information protection management system. We maintain Information Security Management System(ISMS) certifications for ISP, IDC, and CATV, as well as ISO 27001(Information Security Management Systems) certifications for our Bundang and Gasan IDCs. In 2023, we further strengthened our personal information protection management system by obtaining Personal Information & Information Security Management System(ISMS-P) certification for our IPTV service operations. During the ISMS-P certification process, we diagnosed the level of personal information protection at each stage from initial collection to final disposal, and improved identified vulnerabilities. We will continue to maintain certifications and reinforce our personal information risk assessment system.

Introduction of the Privacy Impact Assessment Process

In July 2023, we introduced the “Privacy Impact Assessment” process during the products/services planning stage. This process, newly carried out between the business/service planning stage and the full-fledged development stage, involves diagnosing potential personal information risks by the Information Protection Department before development begins. The commercialization of AI technology in particular has led to certain changes in personal information protection laws. These changes include areas where “fully automated decisions” are made without human intervention, and the new regulations ensure the rights of data subjects(customers) in these areas. To quickly respond to these regulatory changes and strengthen preemptive measures, we mandated the utilization of the Privacy Impact Assessment process starting in 2024. With this, we aim to strengthen compliance obligations related to personal information, inspect and prevent personal information vulnerabilities before service launches, and provide safe products and services to our customers.



Service Development and Launch Process





② Customer Privacy and Corporate Information Asset Management

Strategy

Key Response Strategies

Strengthening Personal Information Risk Management across the Value Chain

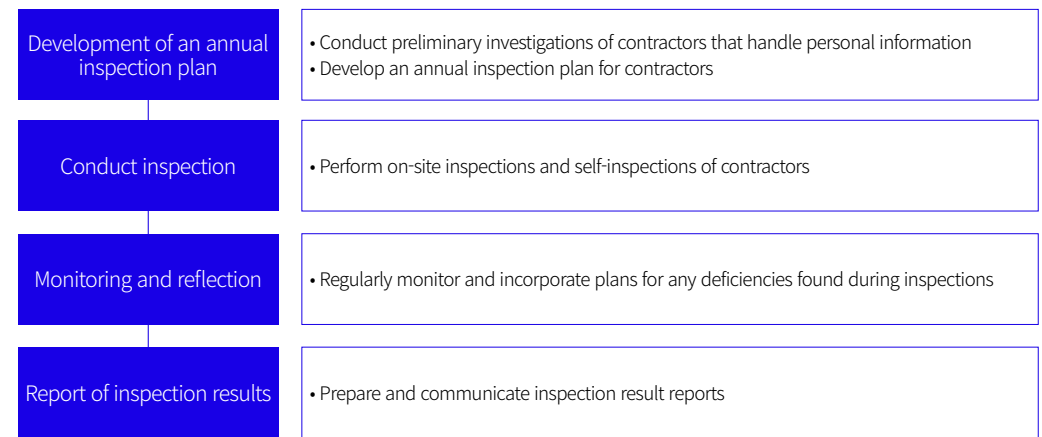
Considering the nature of telecommunications companies, personal information risks exist throughout the value chain. It is our duty to mitigate and prevent these risks. As such, SK broadband enhanced inspection and management systems to reduce personal information risks that may arise across the value chain, such as risks related to our members, subsidiaries, contractors, and sales agencies.

First, to minimize personal information risks in the distribution network, we expanded the scope of on-site inspections to include agencies and partners. We continuously review and improve the scope, level, frequency, and methods of inspection, with the goal of minimizing management blind spots. Inspection results are classified by risk level, and depending on the circumstances, penalties may be imposed, appropriate corrective actions may be required, and personal information protection education may be provided if necessary. Additionally, we created and distributed personal information protection guidelines for marketers in the distribution network and provided education on handling, using, and storing personal information.

We also conduct customized on-site training and coaching and support system improvements for better self-management to reduce information protection risks at sales agencies. In 2023, we conducted 784 diagnoses and corrective actions for sales agencies.

We are also strengthening site-centered management systems to reduce information protection risks at personal information processing contractors. In addition to regular education for contractors, we implement self-inspection activities by contractors and conduct at least one inspection annually using a checklist covering administrative, technical, and physical aspects of personal information management. Any deficiencies identified are promptly addressed on-site, and penalties are applied according to the terms of the contract to reinforce contractors' awareness of customer information protection. Through this, we will continue to raise the level of personal information protection awareness across the entire supply chain, including subsidiaries and contractors, and make fundamental improvements.

Contractor Security Inspection Process



② Customer Privacy and Corporate Information Asset Management

Strategy

Key Response Strategies

Operating the DDoS Clean Zone Service

Since 2019, we have provided the “DDoS Clean Zone” service, which detects and defends against DDoS¹⁾ attacks in real time. This service minimizes the impact of DDoS attacks on Internet services used by customers by blocking attack traffic, while simultaneously delivering normal traffic to the customer network. During hacker attacks, it reroutes or bypasses traffic to our large-capacity DDoS Clean Zone, preventing equipment overload and neutralizing large-scale DDoS attacks. In 2023, our security service management system was enhanced to automatically reroute to the Clean Zone when customer DDoS equipment exceeds the threshold. Additionally, we provide potential DDoS Clean Zone service customers with real-time information on DDoS attacks and traffic from the past six months. Moving forward, we are committed to maintaining a competitive edge in security products by securing the largest defense capacity in the country and automating the provision of DDoS attack history information.

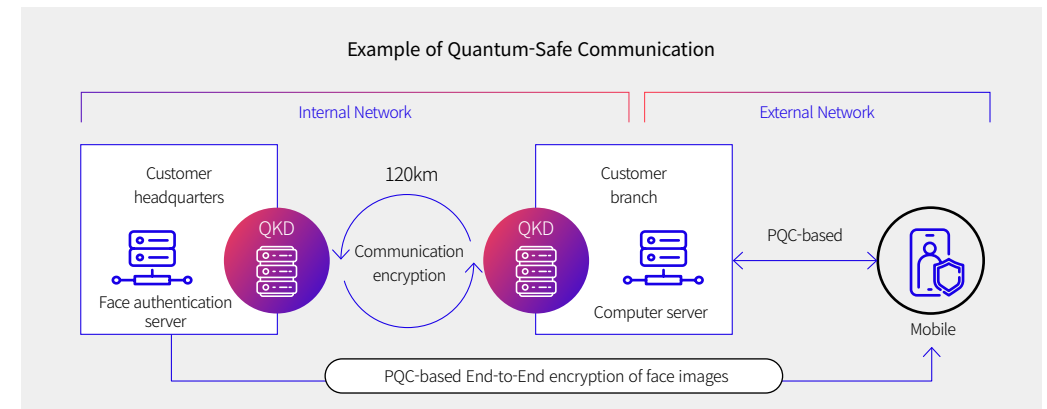
1) Distributed Denial of Service(DDoS): A method that paralyzes a service system by deploying a vast amount of traffic using large-scale malicious computing code(zombies) across Internet sites

Preventing Service Security Breaches

We established a centralized traffic security monitoring and analysis system based on big data to safely protect customers and networks. We maintain an open security control base through automation and efficiency, preemptively responding to DDoS and abnormal traffic and operating a system that detects vulnerabilities in advance. Moreover, we detect the source IPs of DDoS attacks using vulnerable IoT devices in advance and provide vulnerability information to IoT device manufacturers, contributing to the rapid development of patches. To counteract the fact that most cyber security attacks originate from overseas, we pre-filter unnecessary international traffic for major services and expand hacking detection coverage, thereby continuously enhancing service stability. We also conduct penetration testing on public web services to check for vulnerabilities and implement corrective actions. These activities showcase our commitment to strengthening the level of security assessment and proactively eliminating security breach elements.

Launch of a Quantum Security Dedicated Line

Quantum cryptography communication transforms quanta, the smallest indivisible units of light, into numbers to create an unbreakable encryption key, making it the most secure existing security technology. We are the first company in Korea to offer a dedicated line incorporating the core quantum cryptography communication technologies: Quantum Key Distribution(QKD) and Post-Quantum Cryptography(PQC). QKD and PQC have outstanding strengths in the security and scalability fields, respectively, while also operating complementarily. We provide customized security services by leveraging these strengths. By applying quantum technology-based security services to existing corporate dedicated lines, we have been able to further enhance security, and by applying encrypted communication throughout the entire corporate internal and external network, information is more safely protected than ever before. This service has been certified by the Korea Cryptographic Module Validation Program (KVMVP) of the National Intelligence Service, verifying both its stability and suitability. We aim to continue leading quantum technology in Korea and provide optimized security services in sectors requiring the protection of personal and Financial Data, such as government agencies, public sectors, healthcare, financial institutions, and corporations.



② Customer Privacy and Corporate Information Asset Management

Strategy

Key Response Strategies

Information Protection Campaign

We are currently conducting the campaign “Start the Day with a Personal Information Check” to raise members’ awareness of information protection. This campaign encourages members to autonomously practice information protection checks when handling personal information. Members can delete personal information files stored on their PCs using a personal information detection solution, or self-check for elements of privacy infringement during the planning of new services. This campaign is broadcast through signage within nationwide offices, and we are continuously attempting new methods to integrate it into members’ daily lives.

Campaign to Raise Information Protection Awareness

Classification	Description
Cloud PC	Adding slogan text in the cloud PC login screen
Signage	Broadcasting slogan text and awareness videos on TV monitors in our headquarters and nationwide offices - (On-air) Headquarters/nationwide offices TV - (We-garden) Headquarters E/V monitor
gbs (Internal broadcasting)	Planning a special broadcast on personal information protection - The importance of ISMP(Personal Information & Information Security Management System) certification - Introducing our personal information protection slogan and encouraging member participation

Fostering a Culture of Information Protection

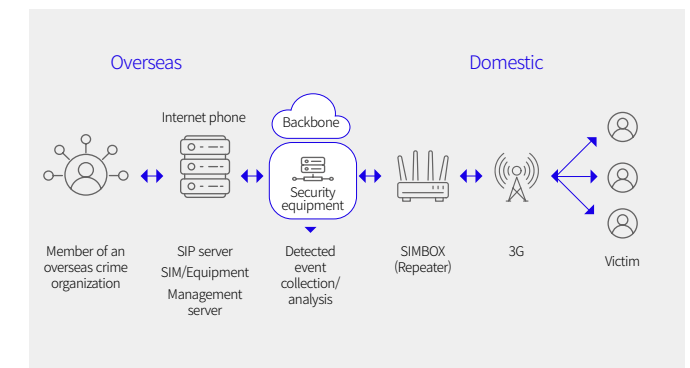
We provide various online and offline personal information protection education to our members and business partners. We provided specialized education specifically for organizations and individuals responsible for personal information, such as personal information handlers. In addition, for organizations handling personal information, we include personal information elements in organizational performance evaluations, internalizing the culture of personal information protection. We also actively participate in internal and external initiatives, such as presenting topics on cyber attack threats and countermeasures to security officers of SMEs, to foster and promote a safe and advanced information security culture in the industry.



Voice Phishing Prevention

In cooperation with the Korean National Police Agency and the Korea Internet & Security Agency(KISA), we are conducting activities to prevent voice phishing and smishing(social media phishing) using spoofed caller IDs. We are blocking unauthorized repeaters by identifying cases of misuse where overseas internet phone numbers are altered to domestic mobile phone numbers via SIM boxes. In 2023, we successfully blocked approximately 116,000 voice phishing attempts.

Voice Phishing Prevention Process



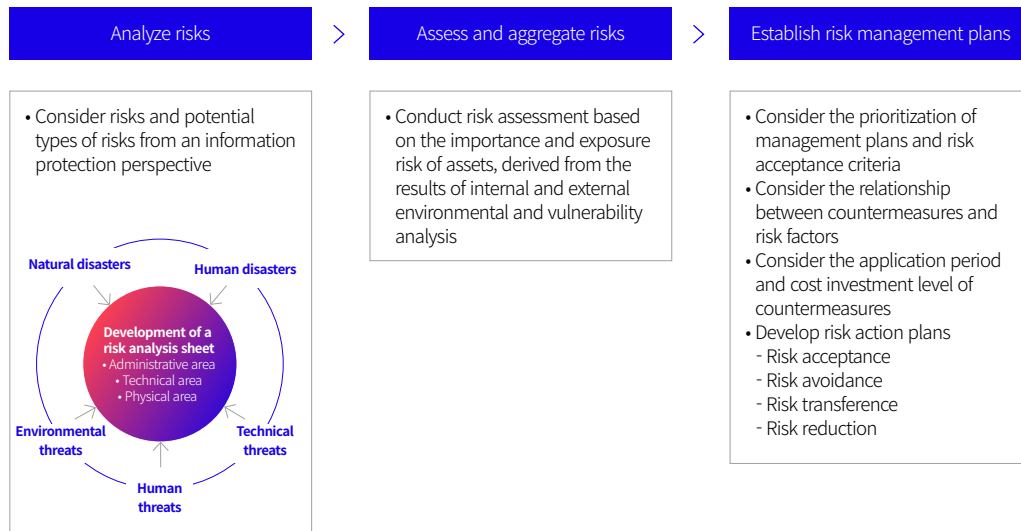
② Customer Privacy and Corporate Information Asset Management

Risk Management

Detailed Risk Factor Analysis in Information Protection

To identify and evaluate the priorities of information protection risks, we conduct risk assessments based on our risk analysis methodology. This assessment uses threat/vulnerability levels, asset importance, and legal compliance as factors. For threat/vulnerability levels, we follow the threat list and vulnerability assessment criteria we have established. Based on the comprehensive assessment of these factors, we classify the final score into three risk levels: Highest Priority Management, Priority Management, and General Management. Furthermore, we create risk mitigation plans for items that exceed the threshold value by establishing a baseline for meticulous risk management.

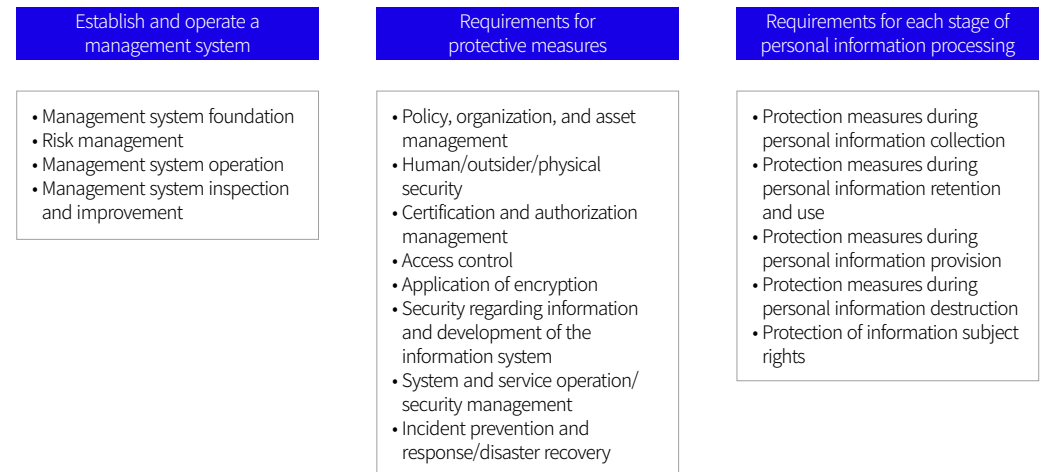
Risk Analysis Process



Inspecting Information Protection Management Level by Field

We conduct regular security vulnerability inspections on an annual basis, as well as occasional inspections(mock hacking) to identify issues; if problems are found, we immediately prepare and implement improvement measures. In compliance with ISMS-P standards, we also manage 322 checklists in the fields of information protection and personal information protection. Key inspection items consist of management system operations/inspections and improvements, security measures, incident prevention, disaster recovery measures, and protective measures for each stage of personal information processing. Upon inspecting whether our information protection system meets the detailed items in each field of information protection, we implement improvements on any deficiencies found.

Key Areas of Information Protection Level Inspection



② Customer Privacy and Corporate Information Asset Management

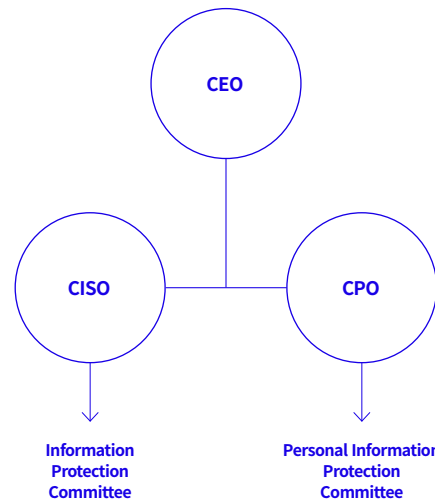
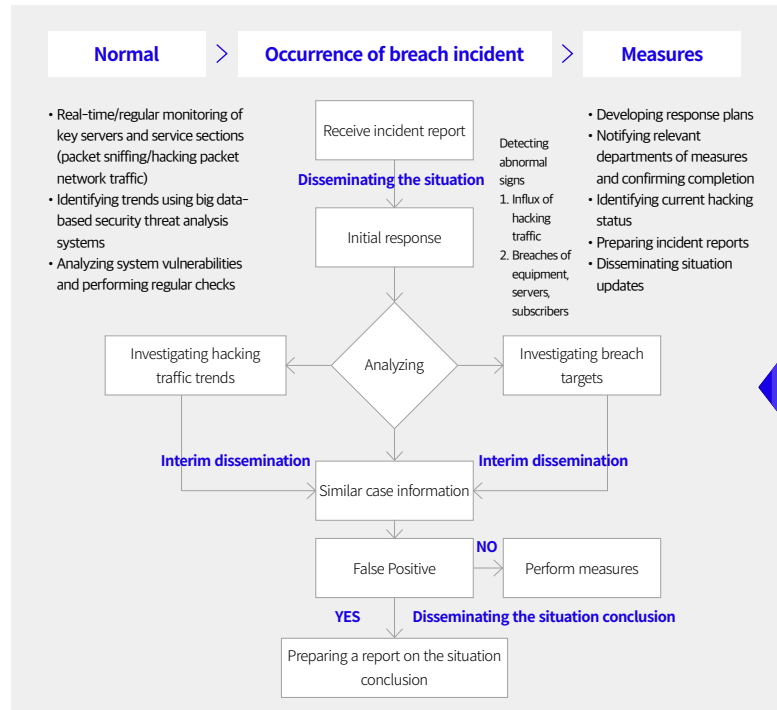
Risk Management

Security Incident Response System

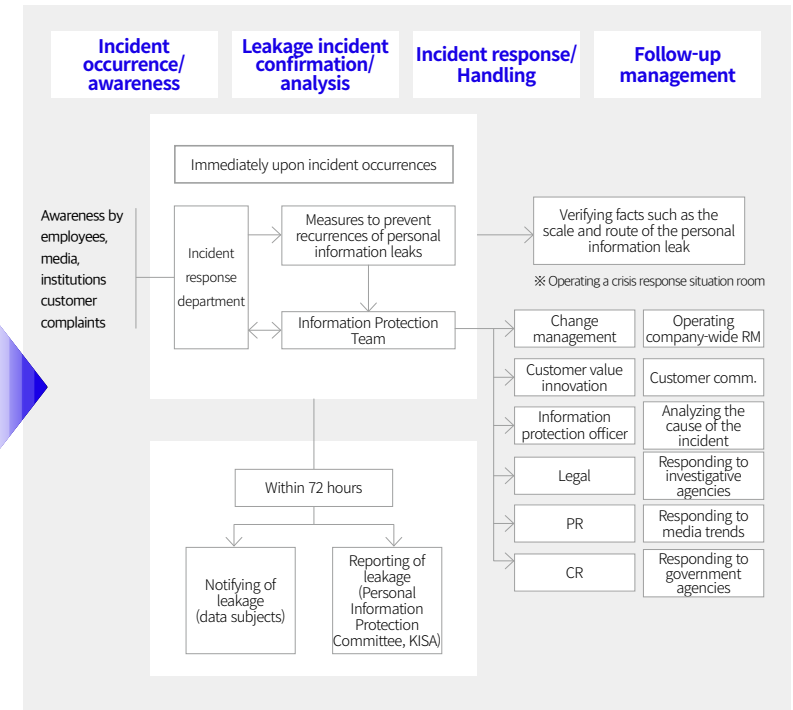
We have chosen personal information leakage as a major company-wide risk. As such, we established a personal information leakage response manual to minimize customer damage through swift action in case of such incidents, and we are prepared for any such incidents based on a company-wide crisis management system. Our Integrated Security Control Center continuously monitors signs of security incidents, and we established a cooperative response system with relevant organizations and external agencies to safely protect customer information and corporate information assets.

Integrated Security Control Center

Breach Incident Response System



Personal Information Leakage Response System





② Customer Privacy and Corporate Information Asset Management

Metrics and Targets

Implementation Roadmap

Targets	Zero incidents related to information security and personal information protection
Metrics	Number of information leaks/hacks, personal information protection violations, rate of external information security certifications

2023	2025	2027
- Strengthening the industry's top-tier level of personal information security with ISMS-P certification - Refining the big data-based security threat detection system	- Automating AI-based security threat detection and response - Strengthening internal and external initiative activities and leading security innovation in the industry	Enhancing customer rights protection in the era of AI

Key Data

Customer Personal Information Breaches¹⁾

Classification	Unit	2021	2022	2023
Number of Incidents	Cases	0	0	0
Fines and penalties	KRW	0	0	0

1) Number of customer personal information breaches and fines (Personal Information Protection Committee)

Information Security Education

Classification		Unit	2021	2022	2023
Personal information protection/information protection education	Hours of education per member	Hours	1	1	1
	Member completion rate	%	100	100	100
Information protection management system education	Hours of education per working-level member	Hours	1	1	1
Business partner personal information education	Total number of education completers	Persons	13,853	11,685	11,708
	Total number of online education completers	Persons	11,520	10,665	11,708
	Total number of offline education completers	Persons	2,333	1,020	0

② Customer Privacy and Corporate Information Asset Management

Key Data

Information and Advertising Reception

Classification	Unit	2021	2022	2023
Number of consenting customers	Persons	3,317,550	3,718,049	3,899,519
Consent rate	%	51	55	56

Diagnosis and Measures

Classification		Unit	2021	2022	2023
SK broadband	Assessment and inspection ¹⁾	Times	1	1	1
	Measures	Times	21	25	30
Business partners	Assessment and inspection ²⁾	Times	411	710	784
	Measures ³⁾	Times	21	25 ⁴⁾	60 ⁵⁾

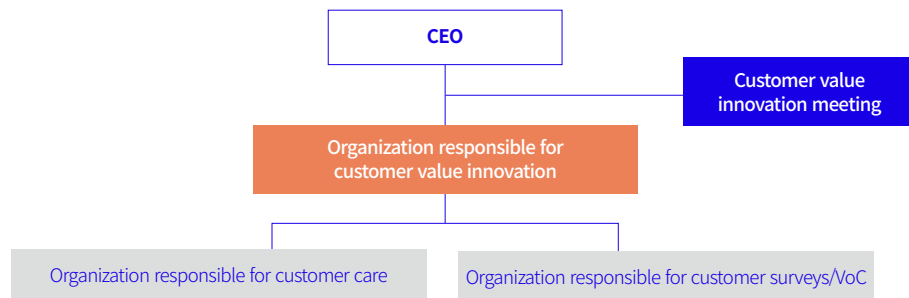
1) Based on ISMS certification criteria
2) Based on on-site inspection criteria
3) Violations with warning grades (Grade 1-2)
4) Changed figures for 2022 due to input errors
5) Increased number of measures due to strengthened inspection standards

③ Customer Trust and Satisfaction Management

Governance

Roles and Responsibilities

At the Customer Value Innovation Meeting chaired by the CEO, we conduct status assessment, monitoring, and performance analysis to improve customer experience. This regular meeting, held once a month with key executives also in attendance, includes pre-launch usability evaluations by a customer advisory panel for new products and services, inspection of existing process/service issues, evaluation of internal and external customer satisfaction, and detailed analysis of VoC collected through various channels, thereby allowing for identification of areas for improvement from the customer's perspective and preparation of action plans. When establishing annual management plans and direction, we take into account customer value-related risks and opportunities. We established individual departments under the executive in charge of Customer Value Innovation to operate customer management programs. Executives of relevant organizations set external customer satisfaction evaluation results as key performance indicators(KPIs) and link them to performance rewards.

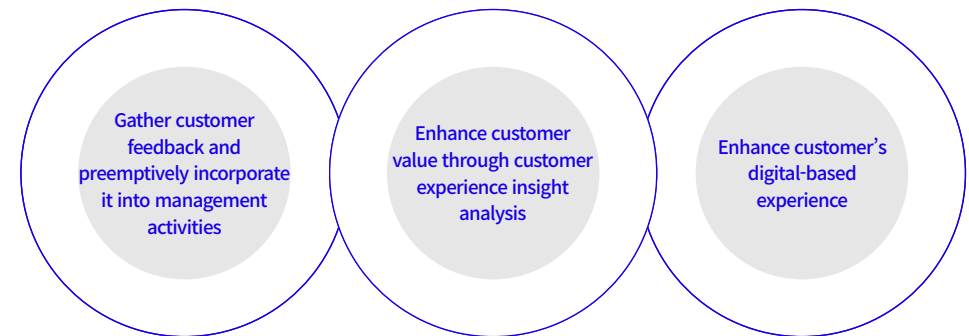


Strategy

Management and Operation System

We strive to capture and meet customer demands and needs. To do so, we gather customer feedback by means of semi-annual Customer Satisfaction Index(CSI) surveys, customer Focus Group Interviews(FGI), and VoC trend analysis. We also aim to respond to customer inquiries received through the website and service center(106) within 24 hours. Before launching new products and services, we identify potential VoC points and customer risk factors in advance through the Product Lifecycle Management(PLM) process, enhancing customer satisfaction. Additionally, we develop various support measures to improve communication and media accessibility for vulnerable groups.

Strategic Goals



③ Customer Trust and Satisfaction Management

Strategy

Risk and Opportunity Management

We identified key risks and opportunities associated with the issues of customer trust and satisfaction management that are reasonably expected to affect our business outlook in the short, mid, and long terms, and further understand how these risks and opportunities impact our business model, value chain, strategy, decision-making, financial status, financial performance, and cash flow. Additionally, we established and are implementing response strategies and management plans to mitigate the following risks and maximize the following opportunities.

Classification	Description	Time horizon			Financial Impact
		Short-term	Mid-term	Long-term	
Risks	Narrowing the gap with competitors in core service areas	●	●	●	• Negative reputation due to inferior core services compared to competitors • Increased investment costs to enhance service competitiveness
Risks	Difficulty in differentiating services among business operators		●	●	• Revenue loss due to customer churn • Increased marketing costs to prevent customer churn
Risks	Upward leveling of customer experience and expectations		●	●	• Revenue loss due to customer churn • Costs incurred for implementing digital/AI-based customer services • Increased R&D costs for product and service quality innovation
Opportunity	Enhanced convenience of customer touchpoint services		●	●	• Increased cost of process changes and training • Operating cost savings through the digitalization of customer centers • Reduced customer churn and retention costs, as well as re-acquisition costs
Opportunity	Positive customer experiences through the development of new services that meet customer needs		●	●	• Increased cost of planning and developing new services • Positive reputation for services and the influx of new customers • Revenue increase through the expansion of potential customer base and discovery of new customers
Opportunity	Enhanced customer communication and trust	●			• Increased reputation and acquisition of new customers through promotion of products and services • Reduced customer churn and retention costs, as well as re-acquisition costs



③ Customer Trust and Satisfaction Management

Strategy

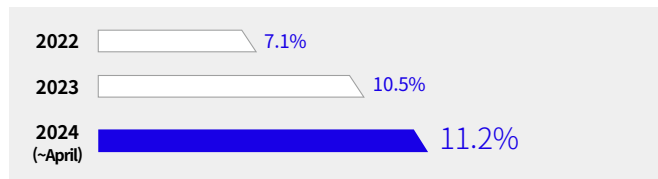
Key Response Strategies

We are focusing on enhancing service competitiveness and digitalizing customer services from the customer’s perspective. While working toward securing business competitiveness with new products and services tailored to customer expectations, we will continue to promote the digital transformation of customer centers and services.

Strengthening Customer Service Digitalization

We have tirelessly worked to innovate the experiences of our customers by integrating digital technology into customer services. Since the launch of the “Visible Customer Service Center(Visual IVR)” in 2017, we have consistently refined and expanded our service to cater the needs of diverse range of customer demographics, including senior citizens and non-Korean speakers. In 2022, we comprehensively revamped the UI/UX, and in 2023, we added six new options to the visible ARS self-service menu for a total of 32 options. We further expanded the menu to 41 options in 2024, incorporating an improved digital self-troubleshooting process and other advanced features. These enhancements have led to a steady increase in the usage rate of our self-services tools. Looking ahead, we are committed to further bolstering our digital and AI-driven service capabilities within our customer service centers, with the goal of fostering greater utilization of these digital services.

Self-service usage rate(self-service uses from Visual IVR / total calls)



Launching Products and Services from the Customer’s Perspective

A Total Solution for Customer Convenience, “B world”

We launched “B world” an AI-based digital platform. This service, available on our website and app, offers 24-hour self-service with the AI chatbot “ChatB”. Customers can input keywords into the chat window for various requests, from product subscriptions and changes to reporting issues, self-assessment, and booking visits. ChatB actively responds, allowing customers to easily inquire and receive solutions at any time, bypassing the need for call center hours and phone consultations. For instance, if customers enter keywords such as “malfunction” or “failure” into ChatB’s chatbox, the set-top box or network will automatically connect with the network control system, remotely checking and diagnosing the service status and providing optimal solutions. Customers can book online visits, and the process of changing the ownership of subscription services has been automated; customers are no longer required to contact the call center or access a separate webpage. We arranged this service to maximize customer convenience, providing a more efficient and easy-to-use communication experience.

A High-quality, Reasonably Priced Cable TV Product, “B tv pop”

To further enhance the benefits for cable TV viewers, we launched “B tv pop” a cable TV product offering high-quality and diverse content at affordable prices. B tv pop is a subscription-based product that offers unlimited access to various genres of VOD content, including movies, dramas, entertainment shows, documentaries, animation, and kids’ content, with approximately 25,000 titles, and delivers IPTV-level high-quality services at reasonable prices.

③ Customer Trust and Satisfaction Management

Strategy

Key Response Strategies

The Formation of the B tv & CATV Service Innovation TF

In today's world, customers experience various convenient services through multiple channels, and their expectations for service quality and new experiences are rising accordingly. Therefore, it is crucial to promptly detect and respond to customer pain points and expectations. We established a company-wide B tv & CATV Service Innovation TF to promote customer-centric service innovation. We analyzed and selected over 250 customer experiences throughout the entire customer journey(from subscription to activation and usage) based on the Customer Satisfaction Index(CSI), and identified 15 tasks for B tv & CATV, considering the urgency and innovativeness during each stage of the customer journey. The B tv & CATV Service Innovation TF plays a pivotal role in the practical execution of these initiatives. The TF implements improvement activities based on specific action plans for each task, measures the Net Promoter Score(NPS), and reviews the progress of tasks on a monthly basis.

Improving Customer Experience through Application of Next-generation VCS

Since 2020, we have applied Video Cloud Streaming (VCS) technology to enhance the user experience. In 2023, we developed the industry's first-ever next-generation VCS with advanced video effects, offering a differentiated customer experience. VCS technology processes IPTV UI and service operations on cloud servers instead of set-top boxes. This allows users to enjoy high-quality IPTV services; users with outdated low-spec set-top boxes can also experience enhanced service quality without needing to replace them. With the introduction of next-generation VCS technology, we have been able to significantly improve the responsiveness of remote controls, left-right menu navigation speed, and up-down page scroll speed, providing optimal usability for customers. Moreover, we offer high-quality UI with 3D effects that enhance the sense of depth on the screen, contributing to increased customer satisfaction. As such, we provide differentiated services and beneficial experiences to our customers by implementing technology that can be uniformly applied across various set-top box models without performance limitations.

Providing AI-based Korean Subtitle Services

While demand for subtitled content comes from general viewers who are accustomed to using Korean subtitles for domestic content, providing subtitle services is essential to bridge the content consumption gap for digitally marginalized groups, such as those with hearing and visual impairments. Starting in 2023, we developed proprietary subtitle generation technology using voice recognition AI and applied the Korean subtitle generation system to B tv content. This new system reduces the time required to provide subtitles and improves subtitle accuracy, reducing the time and cost of subtitle production and review. As a result, we are now able to expand the range of content with Korean subtitles. Moving forward, we are working to develop various AI technologies to provide differentiated media service experiences and meet diverse content consumption needs.



③ Customer Trust and Satisfaction Management

Strategy

Key Response Strategies

Providing Support for Senior Groups

We strive to create a digital media environment that is easy and convenient for seniors to use. “B tv Happy Senior” is the industry’s only service designed for seniors, featuring large text and simple, intuitive menu names. It offers curated movies and dramas tailored to senior preferences, as well as useful content such as job information, daily fortune-telling(horoscopes), and digital information education. Additionally, we provide services to our senior customers that offer public transportation information over the phone, content for solid sleep, and daily life information services like “Today’s Pick”. We also offer a virtual channel service for easy VOD viewing for seniors who prefer real-time viewing, and an “OCEAN Senior” monthly subscription service, where senior subscribers can enjoy movies and dramas at an affordable price.

In 2023, we partnered with Hollywood Theater to carry out various senior happiness enhancement programs offline. While broadcasting popular classic foreign films on the B tv Happy Senior menu, we screened them at Hollywood Theater with subtitles more than twice the size of regular ones.



Support Services for Visually and Hearing Impaired

We continuously seek ways to improve TV viewing convenience for people with disabilities, and incorporate these to our services. By providing specialized services such as smart subtitles, voice guidance, and screen narration, we help bridge the media gap experienced by visually and hearing-impaired individuals.

Discounts for Telecommunication Fees

We provide economically marginalized groups with discounts on high-speed Internet, telephone, and Pay TV services. In 2023, the total amount of reductions amounted to KRW 9 billion, including KRW 3.38 billion for multi-child/senior households, KRW 4.15 billion for individuals with disabilities, KRW 1.18 billion for low-income households, and KRW 290 million for persons of national merit and veterans.

Advancing Rural Telecommunications Networks

To enhance media service accessibility in rural areas, we promoted the Broadband Convergence Network(BcN) and rural telecommunications network advancement projects. Over the past four years, we have invested KRW 21.8 billion, completing the BcN project in 344 locations and the rural telecommunications network advancement project in 533 locations as of 2023.

Special Feature



Towards a Barrier-free Media World, “Gachibom”

SK broadband is actively engaged in various activities to bridge the digital gap and create a media world that everyone can enjoy on equal terms. Among these initiatives is “Gachibom” a service that provides subtitled content for dialogues and actions, as well as audio descriptions for B tv video content, to allow visually- and hearing-impaired individuals and non-disabled individuals to enjoy media equally. A portion of the revenue generated from “Gachibom” is donated to the Korea Association of the Deaf. Through these efforts, we seek to enhance content accessibility and break down invisible barriers in the media world.



Actress Han, Ji min and writer Jung, Eun Hye, who met as sisters in the drama <Our Blues> and maintain a special relationship, are visiting the “Filmotalk”. event in person to deliver their greetings.



A Film Concert for All, “Filmotalk”

We not only deliver barrier-free media content to customers’ homes through “Gachibom” but also spread positive influence in offline communities through “Filmotalk”. “Filmotalk” is a filmography talk concert where famous actors speak with a host about their major works and share behind-the-scenes stories that are typically hard to come by for the general public. “Filmotalk: Han, Ji Min” was particularly touching, as the episode was held with artist Jung, Eun Hye, who has a developmental disability and featured stories and an exhibition of her works. During “Filmotalk” events, videos of the actors’ works are provided with “Gachibom” content and on-site sign language interpretation, enabling both non-hearing impaired and hearing-impaired audiences to participate and enjoy. If a film from an actor’s major filmography is not featured in “Gachibom” we collaborate with the Korea Association of the Deaf to newly incorporate the film into “Gachibom” content, thereby expanding its value. An example of this is the film “Miss Baek” which was additionally produced as “Gachibom” content in August 2023 and allowed for the value of the work to be widely shared. Recognized for contributing to the improvement of viewing environments and awareness for the disabled, we were awarded the Korea Film Council Chairman’s Award at the 24th Persons with Disabilities Film Festival in 2023. We vow to continue to create a welcoming, accessible world where everyone can enjoy media content, transcending the boundaries between disabled and non-disabled audiences, and online and offline experiences.



③ Customer Trust and Satisfaction Management

Strategy

Key Response Strategies

Viewer Committee Operations

As a paid broadcasting platform operator, we established a Viewer Committee to provide users with choices and to protect their rights. Consisting of seven external experts from academia, civic organizations, content experts, and other fields, this committee meets regularly once a quarter and other times as needed. The Viewer Committee provides opinions on matters affecting service users, such as channel reorganization, UI configuration, and the diversity of channel and product fees. The committee’s primary function is to identify complaints from viewers’ perspectives and offer ideas for improving B tv services. Additionally, it provides advice on supply of content, programming, and related regulations. We then actively review and incorporate these advisory opinions into service operations. We vow to continuously operate the Viewer Committee to realize the public interest in broadcasting and promote the diverse operation of content.

Viewer Committee’s Key Roles

Classification	Description
Channel supply and programming	• Provide comprehensive direction for channel operations, including channel reorganization/programming • Advise on measures to discover and activate new channels for multicultural/foreign communities, marginalized groups, specific regions, and public/charity sectors
B tv service improvement	• Propose ideas for improving UI/UX, remote controls, and other services • Advise on developing new services for toddlers/kids, seniors, and other groups
Compliance advisory	• Monitor compliance with relevant regulations such as the Internet- or multimedia-related laws, the Broadcasting Act, etc. • Propose optimal solutions for acquiring and programming new content • Advise on follow-up actions for user complaints and issues(VoC)

Child and Youth Protection Activities

The flood of new content has increased the risk of children and adolescents being exposed to harmful content. In response, we have established and currently operate separate policies related to content curation and UI to create a safe media usage environment. For VOD content, we program only content that has been reviewed and approved by the Korea Communications Commission, and adult content is not programmed in sections where it could be accidentally discovered during VOD searches. We have mechanisms in place to restrict viewing based on the designated rating of each content, and further limit exposure to harmful advertisements during youth protection hours or when viewing kids’ and animation content. Additionally, we identify and improve service vulnerabilities through the collection of youth protection-related VoC. These activities contribute to our efforts to protect sensitive children and youths from harmful content in video media.

Child and Youth Protection Services

Classification	Description
Youth viewership protection	• Operate youth protection time slots • Implement dual age verification(Step 1: Viewing rating restriction, Step 2: Adult verification number)
Limiting exposure to advertisements	• Control commercial advertisement exposure by time slot and customer • Restrict exposure to advertisements for certain products such as alcohol during specific time slots to protect youth • Limit exposure to harmful ads for youth during viewing of kids/animation content
Viewing age restriction by content	• Implement viewing restrictions based on predetermined screening ratings (configuration of the viewing restriction feature based on screening rating) • Require verification number input if the viewing time exceeds the set limit
Adult content viewing restriction	• Operate dual age verification and separate billing services • Form separate blocks for adult channels • Provide separate menus and hide functions for adult content

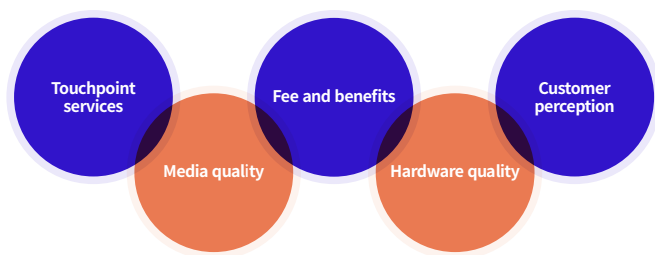
③ Customer Trust and Satisfaction Management

Risk Management

Regular CSI Surveys

We conduct CSI surveys twice a year, once in the first half and once in the second half of each year. The surveys target customers who use the services of both SK broadband and its competitors; the objective is to identify potential needs and satisfaction with offered services. From the detailed satisfaction survey results in various areas, we identify areas where we are at a disadvantage compared to other companies and select improvement tasks by integrating areas with high impact(importance) on customers. We are able to analyze customer perceptions more meticulously by selecting key improvement areas in consideration of not only customer satisfaction but also their intention to continue using the service.

CSI Survey Areas



Enhancement of Customer Survey Methods

In addition to regular customer surveys, we conduct targeted surveys to gather feedback on specific services. By analyzing media usage behaviors that reflect industry trends, such as the lifestyle of single-person households, and investigating customer experiences with new services, we collect customer opinions from multiple perspectives and incorporate them into our business activities.

Since 2014, we have operated a Customer Advisory Panel for swift collection of customer feedback. This customer advisory panel comprises various customer segments based on household types, age groups, and more, providing opinions on new products and services, as well as on processes such as installation, customer service, and consultations. In 2023, we established a separate “Cable Customer Advisory Panel” to identify and address the needs and inconveniences of customers using cable products. As of 2024, we are in the process of establishing a B2B customer satisfaction survey system to expand our understanding of customer preferences. We aim to become a company that knows its customers best by refining appropriate survey methods and targeting selection methods based on customer types and products.

VoC Analysis and Monitoring

We analyze VoC data to improve customer service and plan user protection activities. By identifying and analyzing patterns in similar or identical types of customer complaints, we are able to collaborate with relevant organizations to develop improvement measures aimed at eliminating recurring negative patterns. The effectiveness of these measures is evaluated by comparing the situation before and after implementation and checking if further adjustments are needed. Furthermore, recurrent VoC types or urgent issues are shared during Customer Value Innovation Meetings and incorporated into management activities.

PLM Process Operation

The Product Lifecycle Management(PLM) process is carried out to identify potential customer risk factors before launching new products and services. It covers the entire lifecycle of products and services: planning, development, prototyping, launch, stabilization, use, customer service, and disposal. The process identifies VoC occurrence points at each lifecycle stage. We have procedures and manuals for each stage of the lifecycle in place to prevent foreseeable negative customer issues. Key participants include the infrastructure and media business units, which are closely related to customer-facing services or touchpoint channels, as well as customer-centric management, marketing departments, and our customer center.

③ Customer Trust and Satisfaction Management

Metrics and Targets

Implementation Roadmap

Targets	Maintain No. 1 in external customer satisfaction surveys		
Metrics	Customer satisfaction survey results		

2023	2024	2025
- Identify customer pain points and expand the scope of customer surveys through data-based customer experience analysis - Expand the customer advisory panel to gather ideas for product/service/process improvements - Enhance the system for collecting, analyzing, and managing customer feedback	- Pursue improvement tasks for company-wide service innovation from a customer’s perspective - Advance AI-based systems for collecting, monitoring, and analyzing customer voices and potential risks	Implement AI-based machine learning technologies to enhance positive customer experiences

Key Data

Level of Customer Satisfaction

Classification		Unit	2021	2022	2023
NCSI ¹⁾	High-speed Internet	Ranking	1	1	1
	IPTV	Ranking	1	1	1
KS-SQI ²⁾	High-speed Internet	Ranking	1	1	1
	IPTV	Ranking	1	1	1
User protection task evaluation ³⁾		Rating	Excellent	Very excellent	Very excellent
SK broadband regular CSI results ⁴⁾		Points	79.9	80.1	80.7

1) As of 2024, we ranked No. 1 for 14 consecutive years in the National Customer Satisfaction Index(NCSI) for IPTV and high-speed Internet

2) As of 2023, we ranked No. 1 for 9 consecutive years in the Korean Service Quality Index(KS-SQI) for high-speed Internet, and 5 consecutive years for IPTV

3) Annual user protection task evaluation conducted on telecommunications operators by the Korea Communications Commission

4) The annual average score from SK broadband’s biannual(first and second half) internal CSI evaluations

④ Climate Change and Energy Management

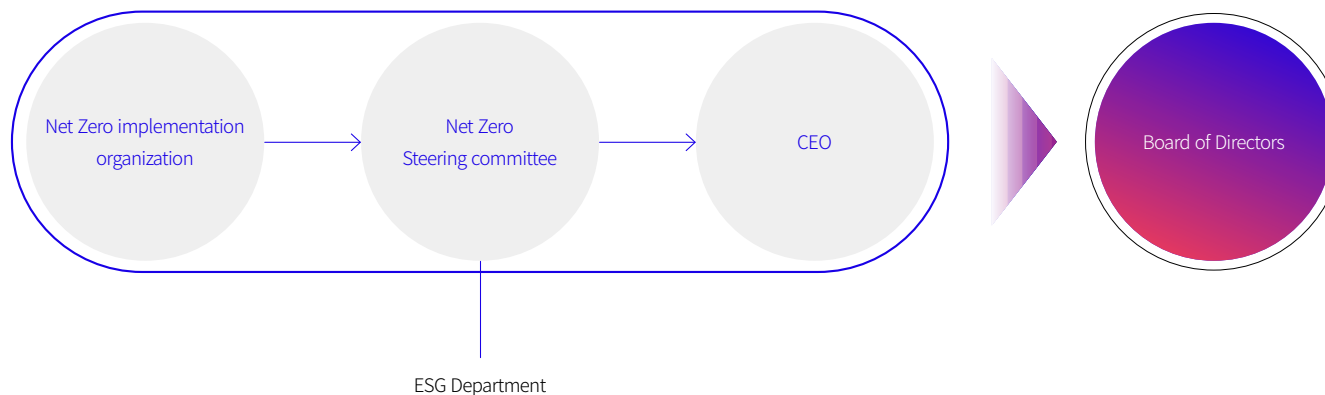
Governance

Roles and Responsibilities of the Board of Directors and Management

To address climate change, SK broadband has set targets such as “2045 Net Zero” and “RE100” and regularly monitor progress through our “Net Zero Steering committee”. This committee discusses key elements of our climate transition plan, including climate change risks and opportunities, scenario analysis, financial planning, goal setting, and verification. Through this process, identified issues are reported and reviewed by the ESG Department, then periodically reported to the CEO and key management. Major issues are reported to the Board of Directors in bi-weekly management meetings chaired by the CEO along with other ESG agenda items. In case of urgent climate change issues, the ESG Department and the departments responsible for Net Zero implementation tasks immediately report the details to the CEO and key management. Additionally, we established a business management system that reflects carbon price changes and introduced an internal carbon pricing system for reviewing and making decisions on investment proposals above a certain scale to comprehensively assess investment economics.

The Board of Directors, which makes key climate-related decisions, is composed of professional managers, with the CEO acting as the Chief Climate Change Officer, overseeing climate change activities and performance management. To strengthen accountability for climate-related issues, we incorporate climate-related performance into the evaluations and compensation of the CEO and key management.

Decision-making Process



④ Climate Change and Energy Management

Strategy

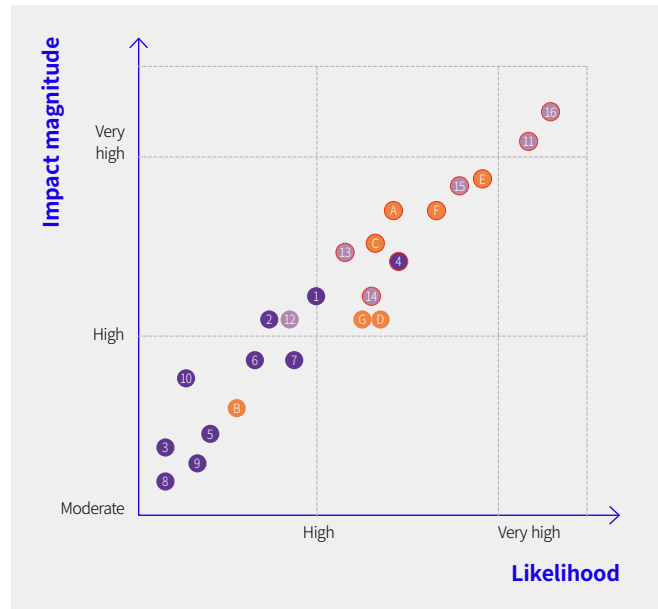
Key Climate Change Risk and Opportunity Factors

By conducting a materiality assessment of climate change risks and opportunities, SK broadband has identified the top 10 factors based on mid-term materiality scores. From this assessment, we selected one major physical risk, five transition risks, and four key climate opportunities. Among these, Transition Risk 11(increased carbon reduction regulations and demands in the telecommunications and data industry) and Transition Risk 16(rising electricity costs) were classified as having high or very high materiality scores for both mid-term and long-term periods. Heatwaves, which were identified as a major physical risk, exacerbate the impacts of Transition Risks 11 and 16. Consequently, we are developing targeted management and response strategies to address this issue.

Process for identifying and assessing the materiality of climate change risk and opportunity factors [🔗](#)

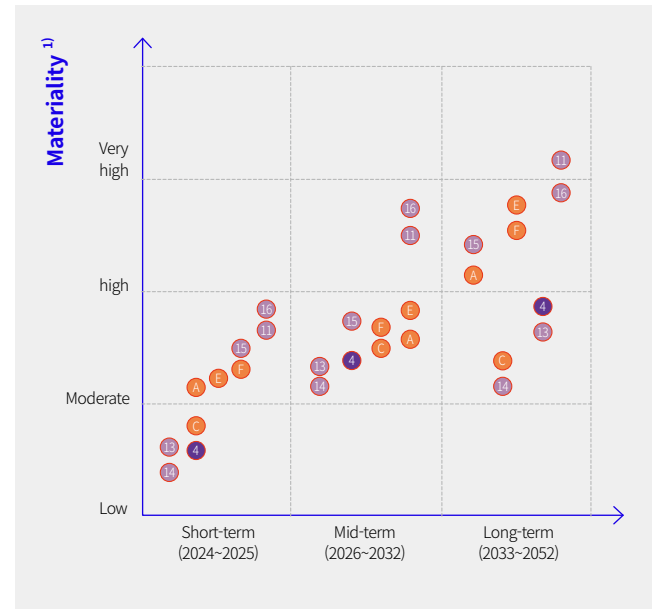
Climate Change Risk and Opportunity Factors (Mid-term)

We have selected the top 10 climate change risks and opportunities with the highest scores in terms of impact and likelihood based on mid-term materiality scores.



Changes in Key Climate Change Risk and Opportunity Factors

An analysis was conducted on the short-term, mid-term, and long-term trends of the top 10 factors selected based on mid-term materiality scores.



Key Climate Change Risk and Opportunity Factors

Key Physical Risks

- ④ Heatwaves

Key Transition Risks

- ⑪ Increased carbon reduction regulations and demands in the telecommunications and data industry
- ⑫ Rising electricity costs
- ⑬ Increased price volatility of renewable energy sources
- ⑭ Replacement of existing products and services due to changes in stakeholder preferences
- ⑮ Uncertainty in performance relative to R&D investments

Key Climate Opportunities

- ⑥ Increased stakeholder demand for eco-friendly infrastructure
- ⑦ Development of new products and services through R&D innovation
- ⑧ Increased energy efficiency
- ⑨ Securement of low-carbon energy sources

- Physical risk (blue), Transition risk (purple), Climate opportunity (orange)
- Key physical risk²⁾ (dark blue), Key transition risk²⁾ (dark purple), Key climate opportunity²⁾ (dark orange)

1) Materiality score = Likelihood score x Impact magnitude score

2) Top 10 factors by materiality score



④ Climate Change and Energy Management

Strategy

Key Climate Change Risk and Opportunity Factors

○: Materiality score: Moderate, ◐: Materiality score: High, ●: Materiality score: Very high

Type		Risk and Opportunity Factors	Timeframe			Potential Impact	Current Response and Plans
			Short-term	Mid-term	Long-term		
Physical Risks	Acute	④ Heatwaves		○	○	• Increased cooling costs and decreased labor productivity due to higher cooling loads in workplaces exposed to heatwaves	• Securing standby electricity in preparation for increased energy use • Optimizing high-efficiency cooling systems • Preparing heatwave response manuals and worker protection measures
Transition Risks	Policy and legal	⑪ Increased carbon reduction regulations and demands in the telecommunications and data industry	○	◐	●	• Increased cost burden due to stricter regulations on greenhouse gas emissions, carbon taxes, and rising carbon prices	• Refining emission permit predictions for the 4th commitment period of the ETS(Emissions Trading Scheme) • Reducing carbon emissions through securing the means to implement RE100 • Seeking opportunities to participate in external reduction projects
	Technology	⑭ Uncertainty in performance relative to R&D investments		○	○	• Increased costs for developing low-carbon technologies and financial losses in case of investment failures	• Implementing risk management by applying an internal carbon pricing system
		⑮ Replacement of existing products and services due to changes in stakeholder preferences		○	○	• Decline in preference and competitiveness of existing products/services with the emergence of low-carbon alternatives	• Developing low-carbon, eco-friendly products/services
	Market	⑮ Increased price volatility of renewable energy sources	○	○	◐	• Increased procurement costs for renewable energy due to demands to move away from dependence on fossil fuel energy	• Introducing renewable energy through Power Purchase Agreements(PPA)
		⑮ Rising electricity costs	○	◐	◐	• Increased costs due to rising electricity prices	• Replacing outdated equipment and network streamlining • Advancing energy management systems
Opportunities	Resource efficiency	Ⓐ Increased energy efficiency	○	○	◐	• Reduced energy costs through the optimization of energy use	• Improving IDC PUE(Power Usage Effectiveness) and prioritizing the adoption of low-power equipment
	Energy sources/ resources	Ⓒ Securement of low-carbon energy sources		○	○	• Preparing for the risk of price increases by securing renewable energy in advance	• Installing solar photovoltaic (PV) systems in the new office building • Adopting Power Purchase Agreements(PPAs)
	Products/ services	Ⓔ Increased stakeholder demand for eco-friendly infrastructure	○	○	◐	• Strengthening business competitiveness by responding to stakeholders' demands for eco-friendly infrastructure	• Recycling recycled aggregate from construction waste
		Ⓕ Development of new products and services through R&D innovation	○	○	◐	• Increased sales through the development of low-carbon products/services	• Developing low-emission products/services such as low-power set-top boxes

Response strategies to key climate change risk and opportunity factors



④ Climate Change and Energy Management

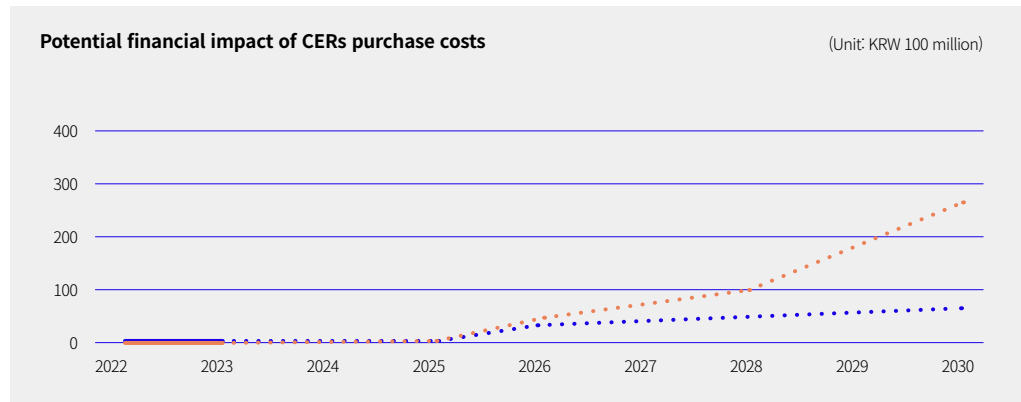
Strategy

Analysis of Potential Financial Impact of Key Transition Risks

Potential Financial Impact of Increased Carbon Reduction Regulations and Demands in the Telecommunications and Data Industry

SK broadband is subject to the allocation and trading of greenhouse gas emission permits as described in the Act on the Allocation and Trading of Greenhouse-Gas Emission Permits. With the strengthened regulations on greenhouse gas emissions, the proportion of paid allocations and the price of CERs(Certified Emission Reductions) are expected to rise. Consequently, we are expected to have a shortfall CERs during the 3rd and 4th commitment periods of the ETS. Therefore, the cost of purchasing CERs to cover the shortfall is calculated as a potential financial impact. Considering our business expansion plans, the government's assumption of the proportion of paid allocations during the 4th commitment period of the ETS and carbon price scenarios(IEA¹⁾), we estimate an annual cost of approximately KRW 1.4 billion to 8.6 billion between 2024 and 2030. To mitigate this potential financial impact, we are strengthening our emission permit trading management by establishing a carbon emissions management system, introducing an internal carbon pricing system, and reviewing economically viable renewable energy use contracts.

1) IEA: Based on the 2023 WEO

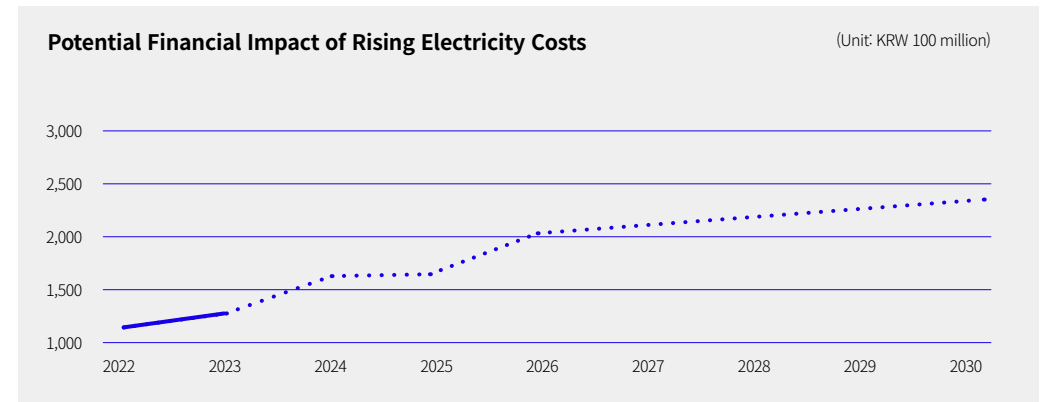


— Stated Policies Scenario (STEPS): A scenario reflecting the reduction plans being pursued or confirmed in each country
— Announced Pledges Scenario (APS): A scenario considering the implementation of each country's nationally determined contributions (NDCs)

Potential Financial Impact of Rising Electricity Costs

SK broadband predicts the continuous growth of data centers will lead to an increase in electricity consumption. In 2023, electricity consumption was approximately 917,927 MWh²⁾. By 2030, it is expected to require about 1.5 times the electricity as compared to 2023. The annual average increase in electricity costs over the recent 20 years was analyzed by separating high and low voltage to analyze the respective trends in electricity rate increases. Based on this analysis, we identified the potential financial impact due to the projected annual electricity demand. We will continue to engage in greenhouse gas reduction activities, such as energy efficiency improvements, to minimize the anticipated negative financial impacts in the future.

2) Excluding self-generated electricity



— Electricity costs (KRW 100 million)

④ Climate Change and Energy Management

Strategy

Potential Financial Impact of Physical Risks

Analysis Overview

The TCFD recommends businesses to review the level of exposure to physical risks under various climate scenarios. Accordingly, in this report, SK broadband conducted a scenario-based analysis through S&P Global’s Climanomics® hazard modeling.

Climate Change Scenarios

We conducted physical risk analysis on the four IPCC RCP scenarios, primarily reviewing the RCP 8.5 scenario¹⁾, where the failure to control greenhouse gas reductions leads to a rise in global temperatures by more than 4 degrees, resulting in the highest physical risks.

Scope of Analysis

- Analysis was conducted on five data centers and five key hub sites.
- Data centers: Ilsan, Ilsan Siksa, Seocho, Bundang, Gasan
 - Key hub sites: Seoul Dongjak, Seoul Seongbuk, Daejeon Seo-gu, Daegu Jung-gu, Busan Yeonje-gu

Analysis Methodology²⁾

For major IDCs, SK broadband assessed the potential impact using global climate risk forecasts, socioeconomic data, and economic models. The analysis evaluated the asset value loss and loss rate due to eight major climate risks (temperature extremes, pluvial flooding, drought, tropical cyclones/typhoons, coastal flooding, wildfire, water stress, and fluvial flooding) in 10-year intervals up to 2100.

Analysis Results

Prediction of the MAAL per Major Business Unit for Each Physical Risk Factor over the Next 5 Years

Under the RCP 8.5 scenario, where the global temperature rises by more than 4 degrees from 2020 to 2029, analysis of physical risk levels per business site showed that the asset loss rates at these business sites due to the eight major risk factors are classified as below the significant risk level³⁾. In particular, the impact of the remaining seven risk factors, excluding extreme temperatures, was analyzed to be negligible.

Modeled Average Annual Loss (MAAL ⁴⁾) from 2020-2029				N/A ⁵⁾	0~3%	~6%	~10%	~16%	Over 16%
Classification	Temperature Extremes	Pluvial Flooding	Drought	Tropical Cyclones/ Typhoons	Coastal Flooding	Wildfires	Water Stress	Fluvial Flooding	
IDC A									
IDC B									
IDC C									
IDC D									
IDC E									
OFFICE 1									
OFFICE 2									
OFFICE 3									
OFFICE 4									
OFFICE 5									

3) Significant risk level: If the Modeled Average Annual Loss (MAAL) is 16% or more (S&P Global rating “Red”)
4) Modeled Average Annual Loss (MAAL): The ratio of the predicted loss amount to the current asset amount
5) N/A: If the source of a risk factor does not exist or the location is not in a coastal area, or if not reflected in the analysis model due to data constraints

1) RCP 8.5: Assumes that global efforts to reduce greenhouse gases will not be effective (estimates the rise in global average surface temperature between 4.2 and 5.4°C by the end of the 21st century)
2) Used SK broadband’s internal data on asset locations and asset values as of 2020

④ Climate Change and Energy Management

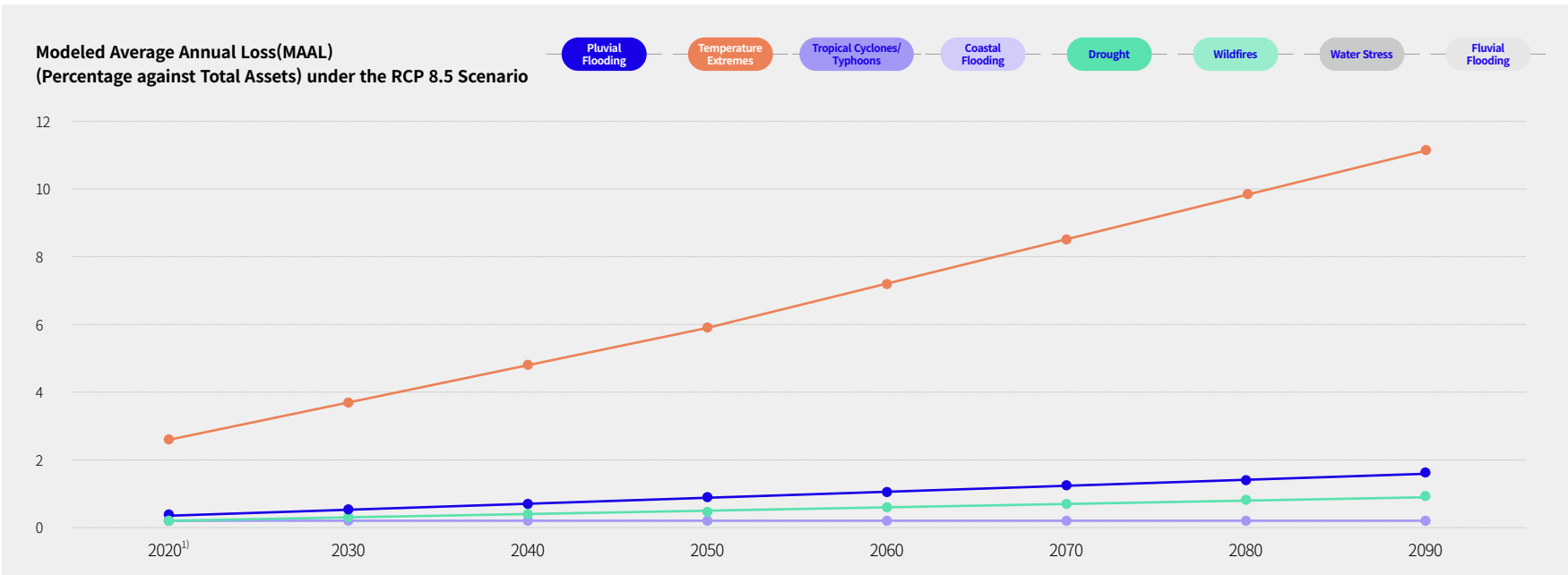
Strategy

Potential Financial Impact of Physical Risks

Analysis Results

Predicted Asset Loss Rate by Physical Risk Factor from 2020 to 2100

The analysis of physical risk trends under the RCP 8.5 scenario up to 2100 shows that SK broadband’s data centers and hub sites will not experience significant changes due to the other seven factors(pluvial flooding, coastal flooding, drought, wildfire, tropical cyclones/typhoons, water stress, and fluvial flooding) excluding temperature extremes, and the impact on asset loss due to these factors are very small. However, the impact of temperature extremes is expected to degrade heating, ventilation, and air conditioner(HVAC) performance, reduce labor productivity, and increase cooling costs, gradually increasing asset loss risks. Moving forward, we will focus on monitoring the issue of temperature extremes and establish a process to incorporate the results in our business continuity management plans.



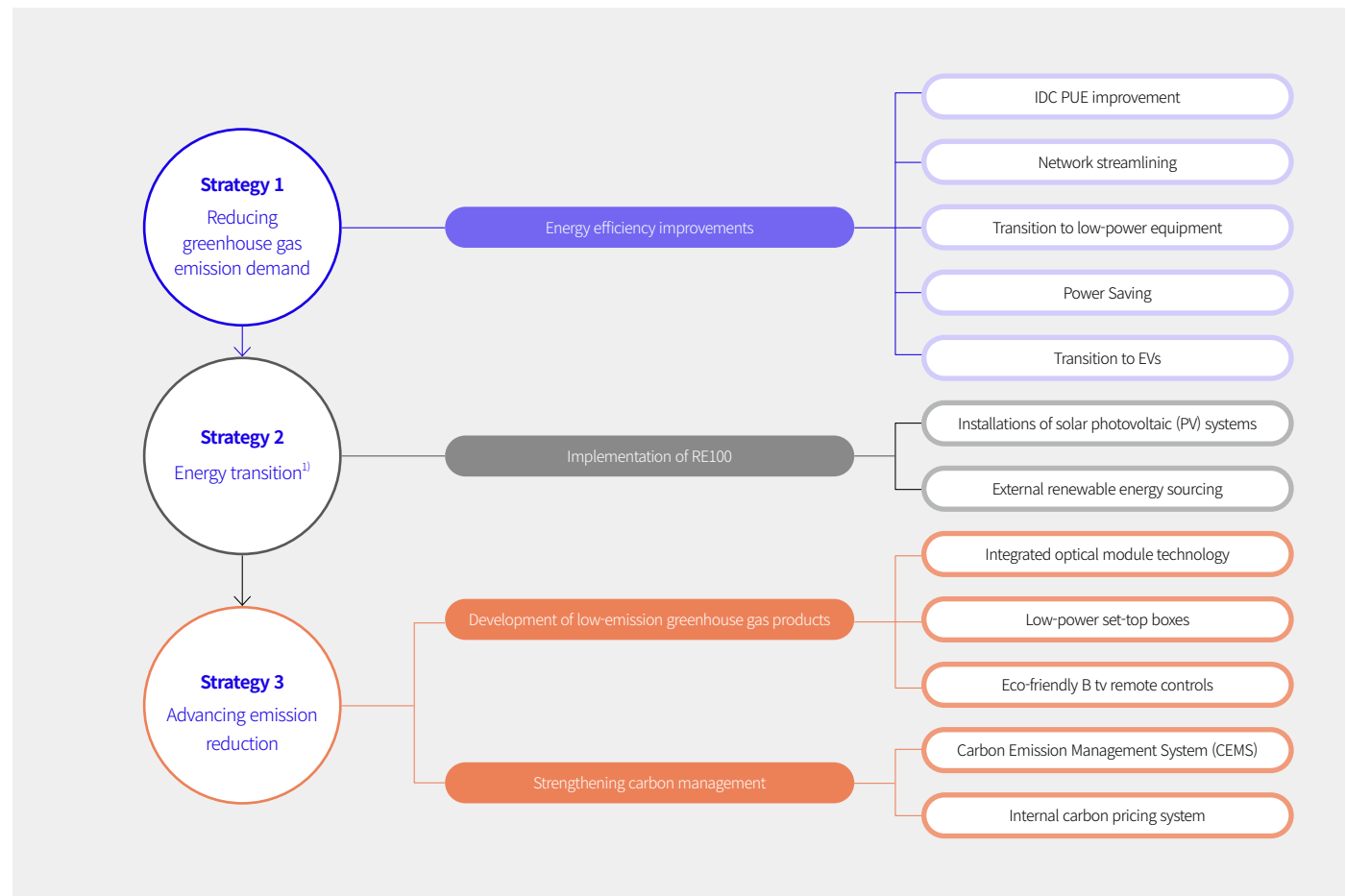
1) 2020 indicates the period range from 2020 to 2029

④ Climate Change and Energy Management

Strategy

Response Strategies to Key Climate Change Risk and Opportunity Factors

To address climate change issues, SK broadband selected key climate risk and opportunity factors through a materiality assessment, followed by the analysis of factors with high materiality and their business and financial impacts. Given the high electricity consumption common in the industry, it is essential to respond to the top transition risks identified as “increased carbon reduction regulations and demands in the telecommunications and data industry” and “rising electricity costs”. Additionally, as the top physical risk factor, heatwaves are expected to increase IDC cooling demand and exacerbate the major transition risks. Therefore, we determined that managing energy consumption, which accounts for the largest share of greenhouse gas emissions, is the key to our climate change response strategy. To systematically address this, three strategic directions have been established: First, reducing greenhouse gas emission demand through energy efficiency improvements; second, transitioning the energy currently used to renewable energy, and; third, developing low-emission greenhouse gas products, establishing a carbon emission management system, and strengthening related internal processes.



1) Transitioning from the existing fossil fuel-based energy system to an eco-friendly and low-carbon energy system to achieve future environmental sustainability

④ Climate Change and Energy Management

Strategy

Key Climate Change Response Strategy 1. Reducing Greenhouse Gas Emission Demand

Energy Efficiency Improvements

SK broadband is working to achieve electricity efficiency and reduce greenhouse gas emissions through the operational optimization of communication offices and equipment. In addition to promoting infrastructure improvements, such as network streamlining and the transition to low-power/high-efficiency equipment, we are improving the PUE¹⁾ of data centers(IDC) to enhance energy efficiency. For example, the replacement of low-power/high-efficiency cooling systems at the Seocho and Ilsan IDCs has been recognized by the Ministry of Environment as an internal reduction project. During the construction of the Gasan Center, environmental variables, power grid facilities, and server heat output were checked in advance, and a seasonal mechanical equipment operation system was applied to implement an optimized operating mode. Additionally, to enhance cooling efficiency at IDCs, a data center infrastructure management(DCIM) system incorporating a building energy management system(BEMS) was established in collaboration with SK Telecom. Various greenhouse gas reduction measures are also being implemented, such as converting company-owned vehicles to electric vehicles. Through these activities, we successfully reduced approximately 23,267 tCO₂eq(50,435 MWh) of greenhouse gas emissions in 2023.



IDC PUE Improvement

Various activities are being promoted to improve the PUE¹⁾ of IDCs, including the application of chiller pre-cooling, replacement with high-efficiency cooling towers, and the expansion of liquid immersion cooling systems. To manage the heat generated during the operation of large numbers of servers, we became the first in the domestic IDC industry to develop and commercialize a hybrid cooling system. We are also focusing on technology development to reduce energy consumption within data centers, such as recovering waste heat from IDCs for winter heating.

Network streamlining

We are dismantling, repairing, and replacing outdated equipment through circuit relocation and the maintenance of aerial cables, focusing on low-power equipment. We are also promoting network optimization through network redesign and virtualization.

Transition to Low-power Equipment

We are enhancing energy efficiency by introducing new low-power consumption equipment, such as inverter-type air conditioners and low-power IP backbone equipment, and repairing and replacing low-power Content Delivery Network(CDN) servers.

Power Saving

We are reducing power consumption by installing mist devices on outdoor cooling units and applying phase control solutions.

Transition to EVs

By joining K-EV 100(Korean zero-emission vehicle transition 100), we are officially declaring the transition to zero-emission vehicles and converting company-owned vehicles to electric vehicles. As of 2023, 26.9% of all company-owned vehicles have been converted to zero-emission vehicles, and the plan is still in motion.

1) Power Usage Effectiveness(PUE): An indicator used to evaluate the operational efficiency of data centers; represents the ratio of the total power used by the data center to the power used by IT equipment such as servers

④ Climate Change and Energy Management

Strategy

Key Climate Change Response Strategy 2. Energy Transition

Implementation of RE100

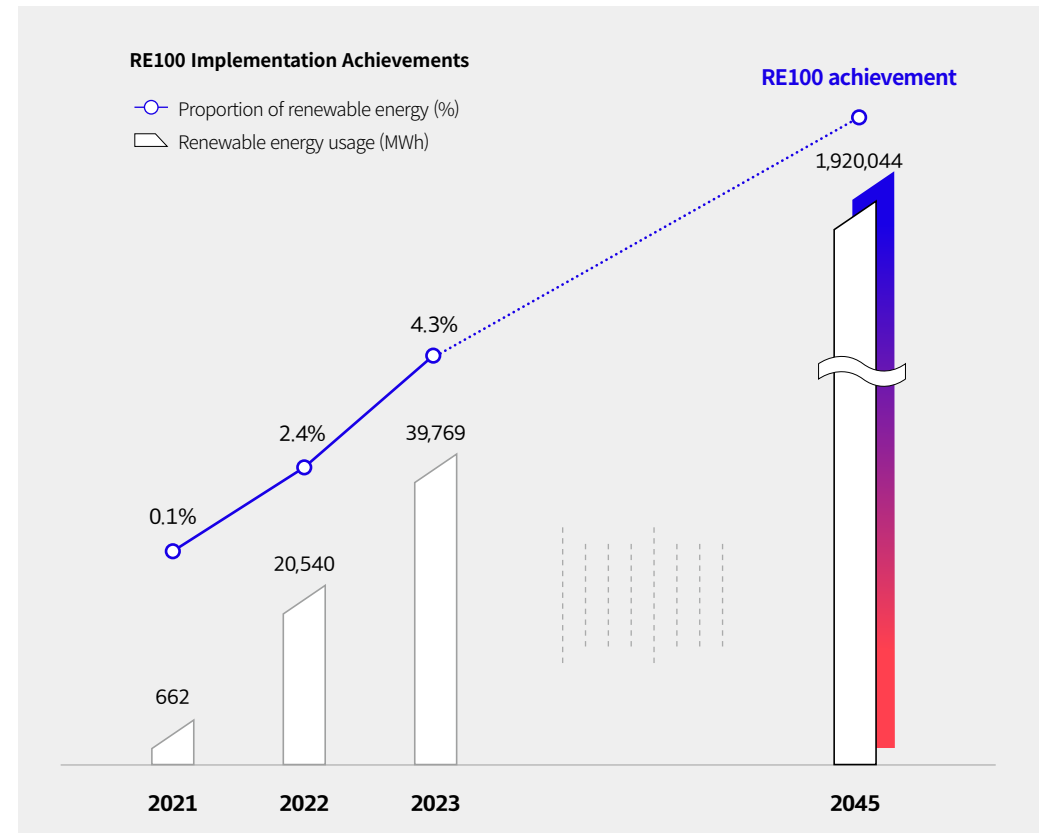
SK broadband's main business model is wired communication, and over 99% of its greenhouse gas emissions come from electricity consumption. While continuous expansion of communication equipment and network infrastructure is necessary for stable services, it inevitably increases greenhouse gas emissions. To address this issue, we are focusing on transitioning to renewable energy. In November 2020, we, together with seven other companies in the SK Group, became the first company in Korea to join RE100¹⁾. We aim to transition 100% of our energy use to renewable energy by 2045 with two main approaches: purchasing external renewable energy and establishing our own solar power facilities.

Installations of solar photovoltaic (PV) systems

In 2023, we completed the installation of a total of 235kW of solar power facilities at four offices in Anseong, Daejeon, Daegu, and Gyeongnam. With these facilities, we expect to reduce greenhouse gas emissions by 138 tCO₂eq annually. We strive to continue to proactively introduce solar power facilities to new office buildings.

External Renewable Energy Sourcing

Considering the uncertainties in the domestic renewable energy market, SK broadband is securing optimal RE100 implementation plans based on economic analysis for each procurable renewable energy source. Since 2021, we have signed Green Premium contracts²⁾ with KEPCO, and in 2023, purchased 39,500 MWh of renewable energy. Green Premium can be procured at once and is recognized as a means of RE100 implementation. However, it is not acknowledged as a greenhouse gas reduction effort within emission permit trading. Therefore, with consideration of other economic factors, we plan to start the full-scale introduction of Power Purchase Agreements(PPA) starting in 2027 to promote the active use and dissemination of renewable energy.



1) RE100: "Renewable Electricity 100" is an international campaign to replace 100% of electricity with renewable energy sources such as wind and solar power; 422 global are voluntarily participating as of the end of 2023

2) Green Premium contract: A system where companies pay an additional fee to receive a "confirmation of renewable energy use" to have the use of electricity produced from renewable sources such as solar and wind power acknowledged; the additional fees paid by companies are used to promote and expand renewable energy



④ Climate Change and Energy Management

Strategy

Key Climate Change Response Strategy 3. Advancing Emission Reduction

Development of Low-emission Greenhouse Gas Products

SK broadband is focusing on the development of eco-friendly products and services that lower standby power consumption and increase energy efficiency. We have worked to reduce electricity consumption in the use of set-top boxes, modems, routers, and remote controls. Even as advanced technologies and functions increase power consumption, we seek ways to maintain or reduce this consumption and implement these solutions in practice.

Integrated Optical Module Technology

Using integrated optical modules, we developed optical communication technology that offers 1 to 10 Gbps high-speed Internet with a single device. This device reduces heat generation and power consumption by up to 50%, thereby contributing to carbon emission reduction. This achievement is the result of the localization and commercialization of new optical communication technologies. By adopting this technology, we can eliminate the need for redundant equipment installation for different speeds, reducing investment costs and improving installation space efficiency by up to 60%.

Low-power set-top boxes

Our flagship model, the Smart 3 set-top box, was planned, designed, and developed with a focus on reducing carbon emissions. Incorporating optimized low-power system semiconductors, the set-top box reduces standby power by up to 65% compared to other models, earning it the “Low-Carbon Product Certification”, a unique certification in the IPTV industry. This certification is managed by the Korea Environmental Industry & Technology Institute under the Ministry of Environment, which certifies products that either further reduce carbon emissions after obtaining the Environmental Product Declaration (EPD) or emit less carbon than the average of similar products, all in an effort to promote a culture of low-carbon consumption. We are expanding the provision of low-power set-top boxes to existing and new customers, thereby reducing power consumption and carbon emissions from customers’ device usage. In 2023, with the new set-top box, we were able to reduce power consumption by 47,265 MWh and cut greenhouse gas emissions by 21,714 tCO₂eq, which is equivalent to the CO₂ absorption of about 2.39 million pine trees.¹⁾

1) Based on the standard that a 30-year-old pine tree in the central region absorbs 9.1 kg of carbon annually (Korea Forest Service, National Institute of Forest Science)

Eco-friendly B tv Remote Controls

In 2021, SK broadband became the first domestic telecom company to develop a lithium-ion rechargeable eco-friendly remote control instead of a battery-powered one. In 2022, for the first time in the industry, we developed a rechargeable remote control using high-capacity energy storage technology. In 2024, we commercialized an upgraded version: the “Super Capacitor” remote control. This super capacitor remote control further reduces carbon emissions by 10% compared to the 2022 rechargeable model and produces only one-tenth the carbon emissions of a battery-operated model. Assuming 200,000 units of this product are distributed annually, carbon emissions can be reduced by about 33 tCO₂eq, which is equivalent to the amount of CO₂ absorbed by approximately 3,632 pine trees. Additionally, the product considers not only low power consumption but also safety and waste reduction in material use. The battery uses lithium titanium oxide (LTO) material instead of carbon, significantly lowering the risk of explosion or fire during charging and discharging. The body uses 35% post-consumer recycled (PCR)²⁾ plastic, certified by global recycled standards (GRS), thus contributing to waste reduction. The product’s reliability has been validated through both internal testing and external professional organizations.

2) PCR: “Post-consumer recycled material” which refers to plastic recycled from products used and discarded by end consumers

④ Climate Change and Energy Management

Strategy

Key Climate Change Response Strategy 3. Advancing Emission Reduction

Strengthening Carbon Management

Carbon Emission Management System (CEMS)

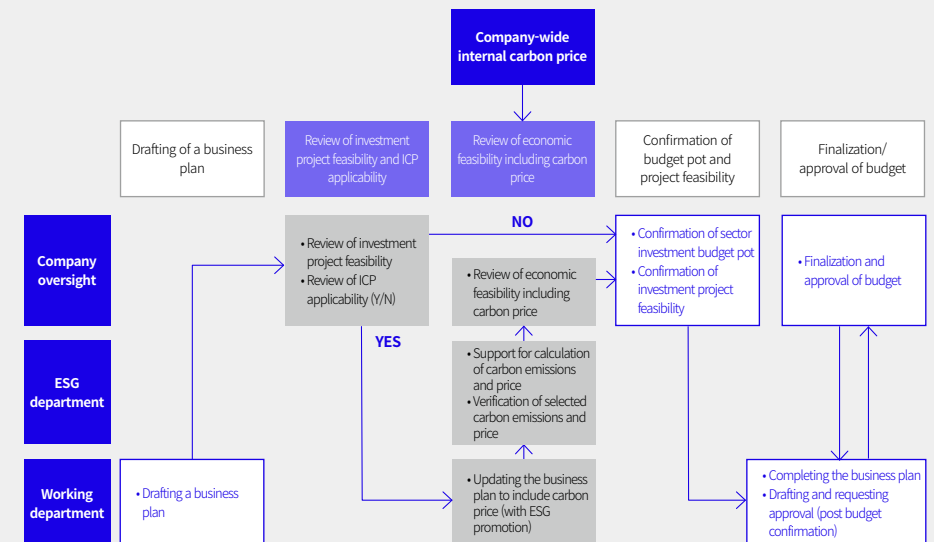
To respond to government policies during the 4th commitment period of the Emissions Trading Scheme and effectively manage greenhouse gas emissions, we established a Carbon Emission Management System(CEMS). By linking CEMS with the ERP system, we aggregated “data and evidence related to Scope 1 and 2 emissions activities”, “measurement instrument information” and “emission permit information” to enhance accuracy and management systematization. Through CEMS, we expect to reduce regulatory compliance risks through reporting of reliable information and disclosure of climate information, while swiftly detecting energy waste factors and identifying reduction items.



Internal Carbon Pricing System

SK broadband introduced an internal carbon pricing system to preemptively respond to the highly volatile carbon market and achieve our Net Zero goals. This system operates using a shadow price method, applying potential prices to anticipated emissions during overall corporate operations and capital investments. Given that power usage is a critical element in our business structure, we aim to enhance power efficiency opportunities by incorporating an internal carbon pricing system, reflecting the financial impact of carbon emissions in investment decisions, and strengthening our preparation for a low-carbon future.

Internal Carbon Pricing System Operation Process



④ Climate Change and Energy Management

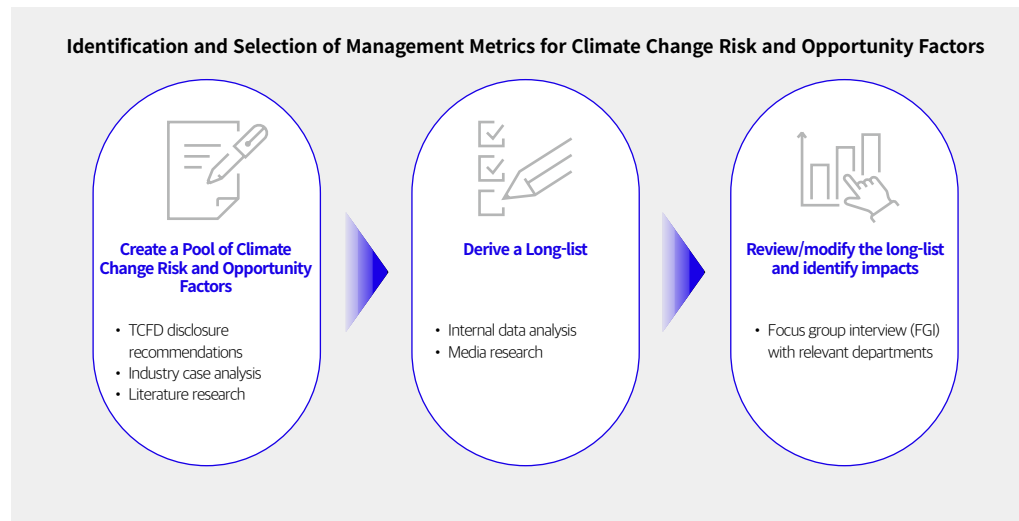
Risk Management

Process for Identifying and Assessing the Materiality of Climate Change Risk and Opportunity Factors

Given SK broadband's major business model includes high power consumption, managing climate change risks is crucial for us. Therefore, we comprehensively review risks and opportunities associated with climate change in terms of policy, legal, technological, market, and reputation, in both acute and chronic aspects. During this process, we determine business strategies with consideration to corporate value and financial impact.

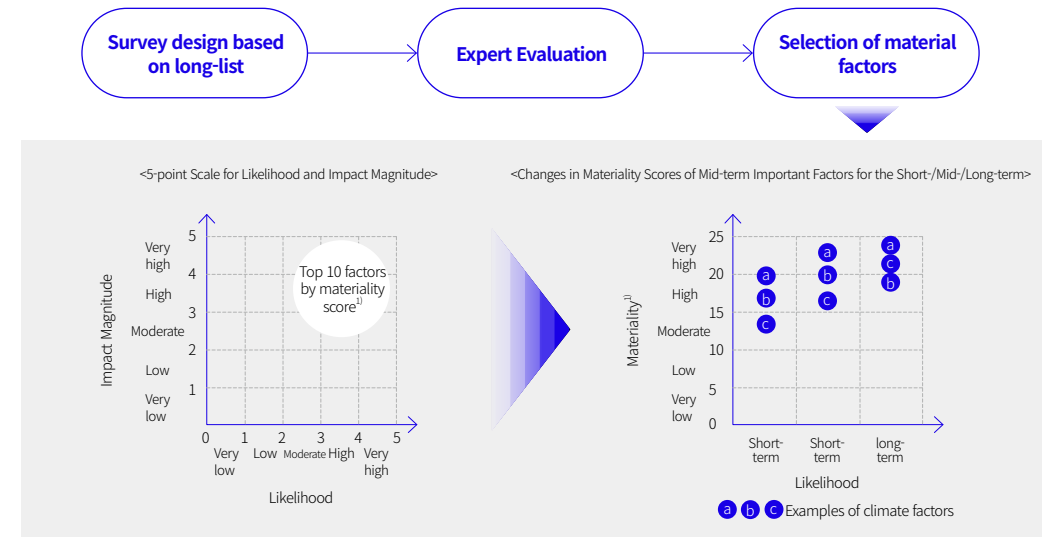
Identification of Climate Change Risk and Opportunity Factors

SK broadband identified climate change risks and opportunities in three major steps based on TCFD disclosure recommendations. First, we created a pool of climate change risks and opportunities through TCFD disclosure recommendations, industry case studies, and literature review. Second, we derived an initial candidate list(long-list) through internal data analysis and media research. Finally, we conducted a focus group interview(FGI) with relevant departments to review the derived list and understand the expected impacts.



Materiality Assessment of Climate Change Risk and Opportunity Factors

Materiality assessment was designed based on the impact magnitude and likelihood of climate change risks and opportunities. With input from our internal and external experts, we conducted surveys to evaluate the short-, mid-, and long-term impact magnitude and likelihood of each long-list factor on a 5-point scale. The survey results were subsequently analyzed to select the top 10 factors with high likelihood and impact based on mid-term factors, and the trends of short-, mid-, and long-term changes were identified for management.





④ Climate Change and Energy Management

Risk Management

Potential Financial Impact Analysis of Key Physical Risks

Amidst increasing abnormal weather events, SK broadband utilizes S&P Global’s Climanomics® hazard modeling tool to measure the physical risks of climate change to our assets and to develop response strategies based on these measurements.

S&P Global’s Climanomics® Hazard Modeling Analysis

Hazards	Definition	Analysis Method	Analysis Result Metrics
Temperature extremes	- Changes in the frequency of extreme temperatures - Generally defined as temperatures above the highest, or below the lowest thresholds observed in the past	Utilization of global climate risk forecasts, socioeconomic data, and econometric models for eight major climate risks to evaluate the impact on asset value loss	Utilization of the annual average predicted asset loss and asset loss rate for each scenario in 10-year intervals from 2020 to 2100 to derive financial impact analysis results
Coastal flooding	Changes in the frequency of coastal inundations of various scales; extreme coastal high tides are defined based on average sea level, waves, and local weather characteristics		
Drought	Changes in the frequency of drought occurrences leading to prolonged periods of abnormally dry weather significant enough to cause severe hydrological imbalances		
Wildfires	- Based on asset location, changes in the annual probability of wildfire occurrences of the 90th percentile scale compared to 1980-2000 - Calculated using the wildfire index utilized worldwide, based on localized climate model data	Risk Analysis (Hazards)	Forecasting changes in the eight major risk factors compared to the past under various climate change scenarios using global climate modeling and the latest research(IPCC, NASA, NOAA, etc.)
Tropical cyclones/ Typhoons	Changes in the location and intensity of hurricanes or tropical cyclones/typhoons(referring to severe storms originating in tropical oceans)	Asset Vulnerability Analysis (Vulnerabilities)	Analyzing the vulnerability and impact of the eight major risks based on the geographic location and type of assets held by the target company
Water stress	Changes in the long-term outlook(2040) of the water stress index by the World Resource Institute’s Aqueduct compared to the present value	Financial Impact Analysis (Financial Risks)	- Conducting a financial impact analysis(financial terms) based on the results of the external eight risk scenarios and vulnerability analysis for each asset subject to analysis - Based on asset value loss
Fluvial flooding	- Defined as the probability of fluvial flooding occurring within 100 years, compared to 1950-1999(flooding caused by rising water levels in rivers, streams, lakes, etc.) - Based on values calculated using three climate variables and four topographic variables		
Pluvial flooding	Defined as the probability of pluvial flooding occurring within 100 years as compared to 1950-1999(flooding caused by surface runoff exceeding the infiltration capacity during short-duration intense rainfall)		

④ Climate Change and Energy Management

Metrics and Targets

Achieving Net Zero by 2045

Since declaring Net Zero in 2021, SK broadband has strived to achieve our goal of reducing greenhouse gas emissions. Every year, we set greenhouse gas reduction goals and monitor implementation status and reduction performance.

2023 Goal Achievements

As 99% of our greenhouse gases are emitted from power consumption, SK broadband manages energy and power usage and the proportion of renewable energy used. Moreover, we regularly measure and manage greenhouse gas emissions, water usage, and waste discharge, and use them as key metrics for assessing climate change risks and opportunities. Since 2022, our carbon emissions have been verified as falling under Scope 3 within the calculable range by a third-party organization, and we plan to continuously manage and disclose this information to the public.

	2020	2021	2022		2023		2045
	Baseline Year Emissions	Goal Setting	Performance	Achievement Rate	Performance	Achievement Rate	Targets
Energy Efficiency Improvements	337,966 tCO ₂ eq	[Goal] Achieve Net Zero by 2045 (Net Zero greenhouse gas emissions) [Scope of Net Zero Target] All domestic business sites of SK broadband	16,667tCO ₂ eq	108.1%	23,267 tCO ₂ eq	106.7%	[Goal] Achieve net emission of 0 tCO₂eq (Net Zero)
RE100			2.4% (20,540MWh)	120%	4.3% (39,769MWh)	86% ¹⁾	

1) Adjusting the portfolio for RE100 implementation measures considering economic feasibility (Introduction of PPA, etc.)



④ Climate Change and Energy Management

Key Data

Greenhouse Gas¹⁾

Classification		Unit	2021	2022	2023
Total Greenhouse Gas Emissions (Scope 1 + Scope 2) ²⁾		tCO ₂ eq	370,190	394,402	423,633
Greenhouse Gas Emissions Intensity		tCO ₂ eq/sales (KRW billion)	91.20	94.76	98.94
Change in Greenhouse Gas Emissions ³⁾		tCO ₂ eq	32,224	24,212	29,231
Direct greenhouse gas (Scope 1)	Direct emissions	tCO ₂ eq	1,825	2,269	1,917
	Stationary combustion	tCO ₂ eq	1,264	1,574	1,162
	Mobile combustion	tCO ₂ eq	560	696	755
Indirect greenhouse gas (Scope 2)	Indirect emissions	tCO ₂ eq	368,404	392,169	421,752
	Electricity	tCO ₂ eq	368,341	392,102	421,705
	Steam	tCO ₂ eq	63	68	47
Other indirect greenhouse gas (Scope 3)	Other indirect emissions	tCO ₂ eq	1,594,889	1,375,563	1,330,826
	1. Purchased goods and services	tCO ₂ eq	568,065	402,318	233,831
	2. Capital goods	tCO ₂ eq	678,855	692,237	756,668
	3. Fuel- and energy-related activities(not included in scope 1 or scope 2)	tCO ₂ eq	210	14,631	48,118
	4. Upstream transportation and distribution	tCO ₂ eq	13,901 ⁴⁾	13,639	15,602
	5. Waste generated in operations	tCO ₂ eq	71	29	261
	6. Business travel	tCO ₂ eq	134	457	823
	7. Employee commuting	tCO ₂ eq	715	1,528	1,320
	11. Use of sold products	tCO ₂ eq	329,109	247,412	271,919
	12. End-of-life treatment of sold products	tCO ₂ eq	27	24	23
	15. Investments	tCO ₂ eq	3,802	3,289	2,260

1) Based on the greenhouse gas inventory
2) For the total greenhouse gas emissions, the standard for summing up after rounding up per business site, according to the method, implemented by the government, is applied. Therefore, there may be a difference between total emissions of greenhouse gas and the sum of direct and indirect emissions of greenhouse gas.
3) Emissions of greenhouse gas in the current year – Emissions of greenhouse gas in the previous year (Scope 1+2)
4) In the case of 2021, it was calculated as “Category 9. Downstream transportation and distribution” emissions, but according to the GHG Protocol standard, from 2022, it has been reported as “Category 4. Upstream transportation and distribution”.



④ Climate Change and Energy Management

Key Data

Energy

Classification		Unit	2021	2022	2023
General Energy	Total consumption of general energy (Direct + Indirect) ¹⁾	TJ	7,694	8,193	8,810
	Total Intensity of general energy consumption	TJ/sales (KRW billion)	1.90	1.97	2.06
	Consumption of direct energy	TJ	31.1	37.8	31.4
	City gas (LNG)	TJ	17.2	17.8	12.9
	Gasoline	TJ	7.4	9.1	9.3
	Diesel	TJ	6.5	10.8	9.0
	LPG	TJ	0.1	0.1	0.1
	Kerosene	TJ	0.0	0.0	0.0
	Consumption of indirect energy	TJ	7,699.0	8,195.6	8,813.7
	Electricity	TJ	7,697.0	8,193.5	8,812.1
	Steam	TJ	2.0	2.1	1.6
	Total consumption of general energy (Direct + Indirect) ¹⁾	MWh	2,137,222	2,275,834	2,447,222
	Total Intensity of general energy consumption	MWh/sales (KRW billion)	527	547	572
	Consumption of direct energy	MWh	8,647	10,491	8,716
	Consumption of indirect energy	MWh	2,138,608	2,276,549	2,448,241
	Electricity	MWh	2,138,052	2,275,969	2,447,805
	Steam	MWh	556	580	436
Renewable Energy	Total consumption of renewable energy	MWh	662	20,540	39,769
	Self-generated electricity	MWh	47	240	269
	Solar power	MWh	47	240	269
	Wind power	MWh	0	0	0
	Others (Hydroelectricity and biomass)	MWh	0	0	0
	External procurement	MWh	615	20,300	39,500
	Green Premium ²⁾	MWh	615	20,300	39,500
	Purchase of REC	MWh	0	0	0
	Third-party PPA	MWh	0	0	0
	Total consumption of electricity ³⁾	MWh	801,816	853,728	918,196
	Rate of renewable energy use ⁴⁾	%	0.08	2.41	4.33

1) For the total consumption of general energy, the standard for summing up after rounding up per business site, according to the method, implemented by the government, is applied. Therefore, there may be a difference in the sum per specific energy source.
2) Acknowledged as a renewable energy implementation method, but not acknowledged as a greenhouse gas reduction effort within emission permit trading in Korea
3) Total consumption of electricity is the sum of power consumption within indirect energy sources and renewable energy generation
4) Total consumption of renewable energy/Total consumption of electricity x 100

Environment

Businesses must preemptively respond to minimize negative impact on the environment and address the environmental issues they face. To fulfill our environmental responsibilities and roles to the best of our ability, SK broadband is promoting a range of environmental management practices centered around a company-wide environmental management system.



Environmental Management

Governance

Roles and Responsibilities

As chief environmental management officers, our Board of Directors and top management monitor the implementation and performance of environmental management tasks. The ESG Promotion Organization, which is responsible for environmental organization, operates the company-wide environmental management system and plans and executes the Net Zero roadmap. Detailed information on the roles and responsibilities of the Board of Directors and top management regarding environmental management can be found on the “Governance” page under “Climate Change and Energy Management” in this report.

Climate Change and Energy Management - Governance 



Strategy

Environmental Management System

Under our company-wide environmental management policy, we focus on various environmental issues, including reducing greenhouse gas emissions, enhancing energy efficiency, reducing resource usage, and fostering a circular economy. We established an environmental management system to strengthen social responsibility and achieve our environmental goals. We promote an eco-friendly culture through campaigns that raise awareness about environmental issues and encourage eco-friendly social contributions.

Environmental management policy 

Key Points of Our Environmental Management Policy

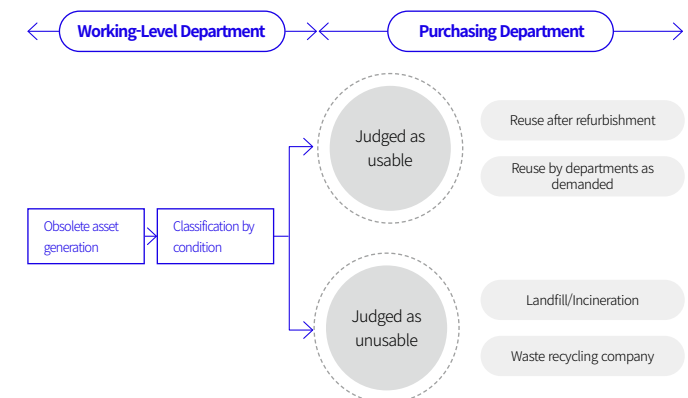
- 1 We comply with environmental policies to achieve organizational goals for Net Zero and strive to achieve our environmental objectives.
- 2 We enhance environmental awareness, comply with applicable environmental laws, and prevent environmental pollution in advance, thereby actively contributing to the conservation of the global environment.
- 3 We established and continuously implemented an environmental management system to fulfill our environmental responsibilities, and actively express our member's environmental management commitment to these tasks.
- 4 We regularly monitor the performance of our environmental management system and conduct ongoing improvement activities, ensuring transparency in our company's environmental management performance.
- 5 We are at the forefront of the utilization of renewable energy and eco-friendly products, minimizing the emission of environmental pollutants and promoting the reuse and recycling of resources in daily life.
- 6 We assign roles and responsibilities to members and ensure they fulfill these diligently and proactively to maximize the company's environmental performance.

Core Activities

Water and Waste Management

Water usage is calculated based on the water bills of 12 sites subject to environmental information disclosure. Data from subsidiaries and the supply chain are not included in the calculation, and water intensity is calculated by dividing the total water usage by separate standard sales. For waste management, we operate a waste treatment process to reduce waste generation and further recycling efforts. Any obsolete assets that are generated are either reused, disposed of in landfills/incinerated, or processed by recycling companies, depending on whether they can be reused.

Waste Treatment Process



Environmental information for major business sites and details of environmental regulation violations are transparently disclosed through the Env-Info System of the Korea Environmental Industry & Technology Institute and our Sustainability Report. These efforts show that we aim to thoroughly comply with environmental regulations; there have been no environmental regulation violations in the past three years(2021-2023). Given the nature of our business, we have no product manufacturing processes or business sites. Thus, no facilities or monitoring systems are required for managing air or water pollutants.

Environmental Management

Metrics and Targets

Implementation Roadmap

For practical environmental management growth, we established and are implementing a roadmap and detailed tasks to achieve Net Zero by 2045. Detailed information can be found on the “Metrics and Targets” page under “Climate Change and Energy Management” in this report.

[Climate Change and Energy Management - Metrics and Targets](#)

Key Data

Water¹⁾

Classification		Unit	2021	2022	2023
Water Withdrawal	Total water withdrawal	ton(m³)	371,921	420,915	516,572
	Industrial water	ton(m³)	0	0	0
	Tap water	ton(m³)	371,921	420,915	516,572
	Ground water	ton(m³)	0	0	0
	Other (Rainwater, etc.)	ton(m³)	0	0	0
	Water withdrawal from water stress areas ²⁾	ton(m³)	238,427	270,895	2,876
	Water withdrawal intensity	ton(m3)/sales (KRW billion)	91.63	101.13	120.64
Use and Recycling	Total water use	ton(m³)	371,921	420,915	516,572
	Recycled amount	ton(m³)	0	0	0
	Recycling rate	%	0	0	0

Waste³⁾

Classification		Unit	2021	2022	2023
Waste Generated	Total waste generated ⁴⁾	ton	2,738	2,529	2,440
	General waste	ton	2,394	2,288	2,185
	Incineration	ton	760	717	630
	Landfill	ton	-	-	-
	Recycling	ton	1,530	1,417	1,397
	Other	ton	104	154	159
	Designated waste	ton	344	242	255
	Incineration	ton	-	-	-
	Landfill	ton	-	-	-
	Recycling	ton	344	242	255
	Other	ton	-	-	0.34
	Generation intensity	Ton/sales (KRW billion)	0.67	0.61	0.57
	Total disposal cost	KRW 1,000	287,682	260,427	235,177
Waste Recycling	Total recycled amount	ton	1,874	1,658	1,651
	Recycling rate	%	68.4	65.6	67.7

1) 12 sites since 2023, based on environmental information disclosure criteria

2) Areas with high or above water stress according to the Water Risk Atlas (WRI)
(Starting from 2023, using the WRI Aqueduct 4.0 Framework updated in August 2023)

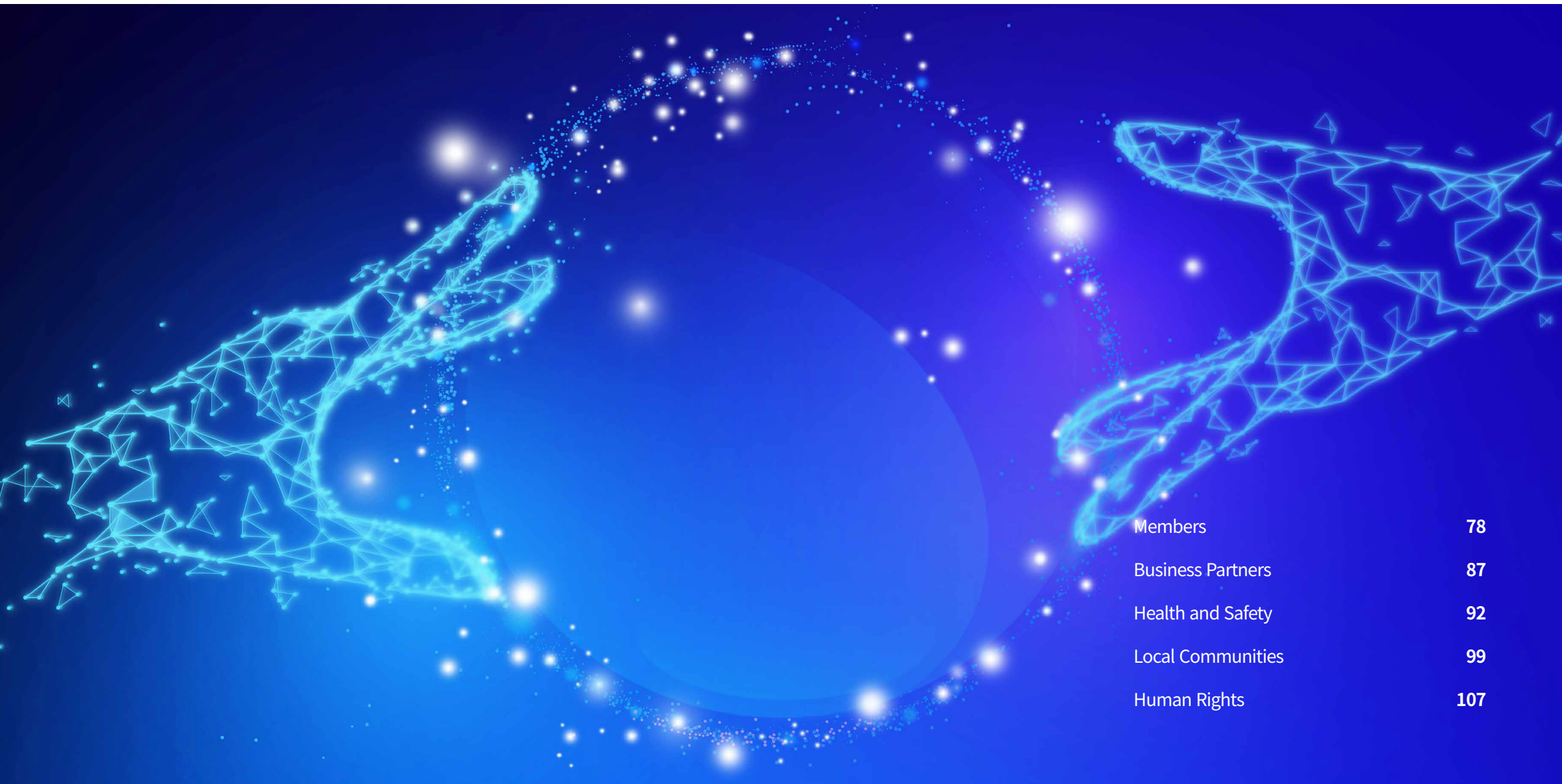
3) Data from 2021 to 2022 has been recalculated and corrected; data aggregated for telecommunication equipment assets such as cables and set-top boxes and those subject to environmental information disclosure criteria

4) Total waste generation = General waste + Designated waste



Social

The voices of our stakeholders, including members, business partners, local communities, and customers are important to us. Together, we foster relationships built on trust. We will continue to do our utmost to realize the values desired by stakeholders while promoting the growth of our business, thereby spreading a positive impact on society.



Members	78
Business Partners	87
Health and Safety	92
Local Communities	99
Human Rights	107

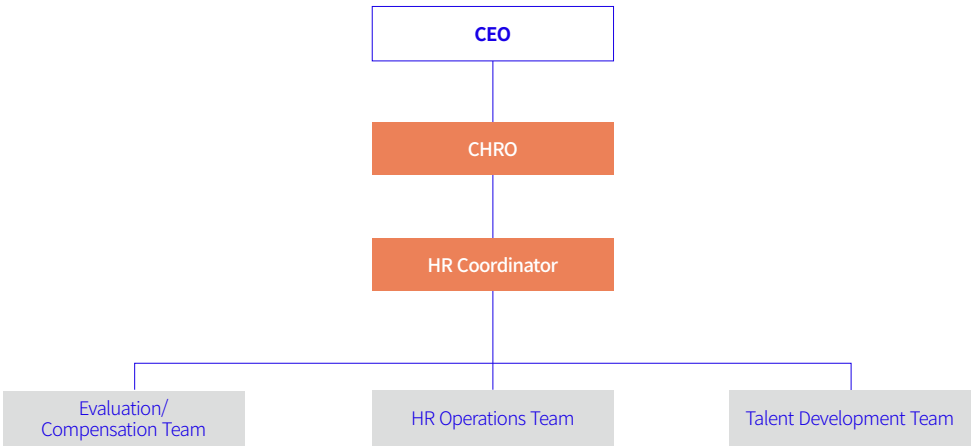


Members - Talent Management

Governance

Roles and Responsibilities

As the final decision-makers in the talent management sector, our top management reviews and approves matters related to talent development. Moreover, we ensure an efficient decision-making system by appointing a specialist with extensive work experience in talent management as the Chief Human Resources Officer (CHRO) and organizing separate teams for key areas such as evaluation/compensation, recruitment, and talent development.



Strategy

Talent Management System

We established a strategic talent management system linked to our business direction, and support various programs for the growth and satisfaction of individuals and organizations from members to leaders. Through SK Group’s online education platform, mySUNI, and in-house education programs, we strengthen members’ job skills and leadership capabilities, fostering AI talent to drive performance in next-generation growth businesses. Additionally, we comply with relevant laws to prevent discrimination on the grounds of gender, age, type of employment, or disability status, ensuring fair systems in all processes, including recruitment, evaluation, and compensation.

Strategic Goals

- Develop smart leaders and members
- Expand AI/DT education to drive performance in growth businesses
- Promote company-wide education to improve work methods
- Enhance recommendation-based online learning culture

Members - Talent Management

Strategy

Core Activities

Fair Recruitment

At the end of each year, we determine whether to replenish or recruit talents based on workforce needs identified in our annual management plan. We strictly comply with the Fair Hiring Procedure Act during the recruitment process, providing equal opportunities to applicants who meet the qualifications of each job posting. In 2023, we pursued career recruitment for growth businesses such as Tech and IDC. For new hires, we implemented differentiated screening processes for each job category to enhance competency verification. We transparently disclose recruitment processes for new hires, professional interns, and experienced employees on our website.

Evaluation and Compensation

We operate transparent and reasonable performance evaluation procedures. Team members register tasks, which are finalized upon the leader’s approval. Performance is then managed at the task level. This system allows for year-round registration, self-review by members, and leader feedback, culminating in an annual performance review by leaders and peers. We strive to improve our performance compensation system by reviewing the appropriateness of evaluation procedures, distribution, and compensation gaps. As a result of these improvements, in 2023, we were able to supplement the evaluation system to better care for high performers. Also, a petition(appeals) process is in place to enhance the acceptance of evaluations by evaluated individuals. Evaluation results are linked to team performance evaluations, and are used for wage increases and performance-based incentives according to the “evaluation→compensation matrix” structure. Additionally, we implement long-term performance-linked compensation for executives and stock grants for employees to align with our corporate value. We also incorporated ESG elements into organizational KPI items in an effort to promote ESG management practices.

Talent Development and Competency Enhancement

We foster a culture of voluntary learning among our members by actively utilizing SK Group’s online education platform, mySUNI. In 2023, we worked to enhance the competencies of leaders and members by leveraging SK Telecom-SK broadband synergies. To cultivate AI talent, we conducted AI Literacy(Generative AI) training for all members, resulting in a participation rate of 100% among leaders and 92% among members. For leadership capability enhancement, we expanded the number of key talents from 120 to 160 and established an advanced workshop for key talents. Moreover, our one-on-one coaching program for executives provides opportunities to disseminate. We also activated the job rotation system to encourage active rotation for members with over five years in the same position, strategically placing suitable talent in growth business areas. Furthermore, we offer startup programs and special education for retirees six months prior to their retirement to support career transitions.

Key Education Programs

Classification	Description	Performance
Heart-to-Heart Camp 2.0	Opportunities for face-to-face communication and sharing of company situations, education on social environments surrounding the company	Annual total of 30 sessions held; 88% member participation rate(1,920 participants among all members)
Support for special degrees	Support for degrees for leader and potential leader pools	Master’s program at the Graduate School of Information, Yonsei University (8 graduates, 2 currently enrolled as of 2023)
Professional certification support	Support for certification-related learning costs, etc.	External education cost support: KRW 93 million Number of beneficiaries: 311 persons
AI Literacy competency enhancement	Generative AI technology and usage, effective utilization of generative AI, limitations and future of generative AI	Team leaders: 100% completion Members: 92% completion
mySUNI	SK Group’s online education platform	Average learning hours per member: 111 hours

Members - Talent Management

Metrics and Targets

Implementation Roadmap

Targets	Fully implement AI talent development for all members and advance the culture of voluntary learning
Metrics	AI Literacy Level acquisition and education hours per member

2023	2024	2025
- Encourage mySUNI learning hours (200 hours for leaders and key talents, 100 hours for members) and enhance learning content level - Expand AI capabilities among leaders and key talents (Leaders 60%, Key talents 90%) - Conduct company-wide education to improve work methods	- Encourage acquisition of levels for AI Literacy competency enhancement (Level 1-3) and provide information on mandatory company-wide learning of the Prompt Engineering course - Encourage mySUNI learning hours (100 hours for leaders/members) and develop/provide necessary content by job category - Provide organization-specific customized job/leadership/ organization development programs	- Expand the number of members acquiring AI Literacy levels and utilize project-based practical applications to a wider extent - Expand mySUNI learning hours and develop/provide necessary content by job category - Provide organization-specific customized job/leadership/ organization development programs

Key Data

General Member Status

Classification	Unit	2021	2022	2023
Total members ¹⁾	Persons	2,527	2,608	2,618
By age	Under 30 years old	Persons (%)	203(8)	221(8)
	30 years old to 50 years old	Persons (%)	1,585(63)	1,305(50)
	50 years old and above	Persons (%)	739(29)	1,092(42)
By position	Executives	Persons (%)	45(2)	62(2)
	Team leaders	Persons (%)	209(8)	237(9)
	Non-general managers	Persons (%)	2,273(90)	2,319(89)
By employment type ²⁾	Regular employees ³⁾	Persons (%)	2,398(95)	2,481(95)
	Non-regular employees	Persons (%)	129(5)	137(5)
Overseas workers	Persons	0	0	0

1) Based on business report disclosure
2) None of non-guaranteed hours employees (contract type where wages are paid based on hours worked without guaranteeing minimum working hours)
3) Regular employees include non-registered executives

Recruitment

Classification	Unit	2021	2022	2023
Total new hires	Persons	194	364	162
By gender	Male	Persons (%)	76	51
	Female	Persons (%)	118(61)	111(69)
	Regular female employees	Persons	41	56
	Non-regular female employees	Persons	77	55
By age	Under 30 years old	Persons	-	99
	30 years old to 50 years old	Persons	-	59
	50 years old and above	Persons	-	4
Experience	New hires	Persons	135	135
	Experienced employees	Persons	59	27
	Youth interns converted to regular positions	Persons (%)	29(52)	35(54)



Members - Talent Management

Key Data

Turnover (Retirement)

Classification		Unit	2021	2022	2023
Employee Turnover	Total	Persons (%)	140(5.5)	184(7.1)	170(6.5)
	Male	Persons	58	75	73
	Female	Persons	82	109	97
	Under 30 years old	Persons	-	94	75
	30 years old to 50 years old	Persons	-	61	64
	50 years old and above	Persons	-	29	31
	Regular employees	Persons (%)	42(1.8)	46(1.9)	33(1.3)
Reason for Turnover	Voluntary turnover	Persons (%)	34(1.3)	29(1.1)	12(0.5)
Years of Continued Service	Overall average period	Years	14.1	14.5	15.3
	Male	Years	15.4	16.0	17.0
	Female	Years	7.3	7.0	7.4

Diversity

Classification		Unit	2021	2022	2023
Breakdown by Gender	Total for males	Persons (%)	2,130(84)	2,154(83)	2,143(82)
	Total for females	Persons (%)	397(16)	454(17)	475(18)
	Regular female employees ¹⁾	Persons (%)	312(13)	347(14)	377(15)
	Non-regular female employees ²⁾	Persons (%)	85(21)	107(24)	98(21)
	Female executives	Persons (%)	1(2.2)	2(3.9)	1(1.6)
	Female team leaders	Persons (%)	11(5.3)	14(5.9)	15(6.3)
	Females in revenue-generating departments	Persons (%)	264(19)	324(16)	342(17)
	Female in STEM ³⁾	Persons (%)	-	-	63(12)
Persons with Disabilities ⁴⁾		Persons (%)	56(3.4)	63(4.0)	56(3.4)
Persons of National Merit and Veterans		Persons (%)	74(2.9)	74(2.9)	74(2.8)
Foreigners		Persons	0	0	0

Education

Classification			Unit	2021	2022	2023
Education Programs	Participation in individual job education ¹⁾		Persons	578	724	757
	Participation in leadership education		Persons	363	380	383
	Participation in women’s leadership education		Persons	3	0	1
	Number of education programs operated per member		Courses	0.301	0.304	0.199
	Total number of education programs operated		Courses	777	794	546
	Total number of education participants		Persons	2,578	2,608	2,745
Education Satisfaction	Satisfaction of participating members ²⁾		Points	4.69	4.73	4.74
Hours of Education ³⁾	Total hours of education		Hours	311,003	375,205	342,869
	Hours of online education		Hours	230,730	277,994	265,038
	Hours of offline education		Hours	80,272	97,211	77,831
	Hours of education per member		Hours	123.1	143.9	131.0
	Gender	Male	Hours	-	-	135.7
		Female	Hours	-	-	109.8
	By position	Executive-level	Hours	-	-	68.6
		Team leader-level	Hours	-	-	150.1
		Non-General Managers	Hours	-	-	130.3
Education Costs	Total education costs		KRW 1,000	6,604,644	7,517,899	7,568,332
	Education costs per member		KRW 1,000	2,613	2,883	2,891

1) Number of regular female employees / Total number of regular employees (2022 figures corrected based on the business report)
2) Number of non-regular female employees / Total number of female employees
3) STEM: Employees using knowledge in science, technology, engineering, and mathematics in their work (Collected and reported from 2023)
4) Based on the number of full-time employees (excluding registered executives, dispatched employees, and new hires employed for less than 16 days); the number of employees with disabilities is the actual number, and the percentage applies a weighting for severe disabilities

1) External education attendees and mySUNI paid course participants
2) Based on respondents who expressed satisfaction with a score of 5 out of 5 among all training course participants
3) Training hours by gender and position (Collected and reported from 2023)



Members - Talent Management

Key Data

Performance evaluation

Classification		Unit	2021	2022	2023
Overall Status	Executive evaluation implementation rate	%	100	100	100
	Male	%	100	100	100
	Female	%	100	100	100
	Team leader evaluation implementation rate	%	100	100	100
	Male	%	100	100	100
	Female	%	100	100	100
	Non-general manager evaluation implementation rate	%	100	100	100
	Male	%	100	100	100
	Female	%	100	100	100
Performance Evaluation Method	360-degree feedback implementation rate	%	100	100	100
	Management by Objectives (MBO) implementation rate	%	100	100	100
Long-term Incentive	Long-term incentive payment rate	%	99.8	99.8	99.6

Compensation

Classification		Unit	2021	2022	2023
Average Wage ¹⁾	Total	KRW 1,000	108,032	114,302	116,229
	Male	KRW 1,000	114,557	121,363	124,777
	Female	KRW 1,000	71,972	77,334	76,154
	Highest Wage Level Compared to Median of Member Wages ²⁾	Times	-	11	3 ³⁾

Classification ⁴⁾		Unit	Non-General Managers	Team Leaders	Executives
Gender Pay Ratio ⁵⁾	Base pay	%	77	92	79
	Base wage + incentives	%	71	91	73

1) Based on business report

2) Highest wage / Median wage of members excluding highest wage

3) Highest wage: Based on the base wage and welfare benefit of the CEO newly appointed in July 2023 (the CEO who served from January to June 2023 held a concurrent position at SKT)

4) As of 2023

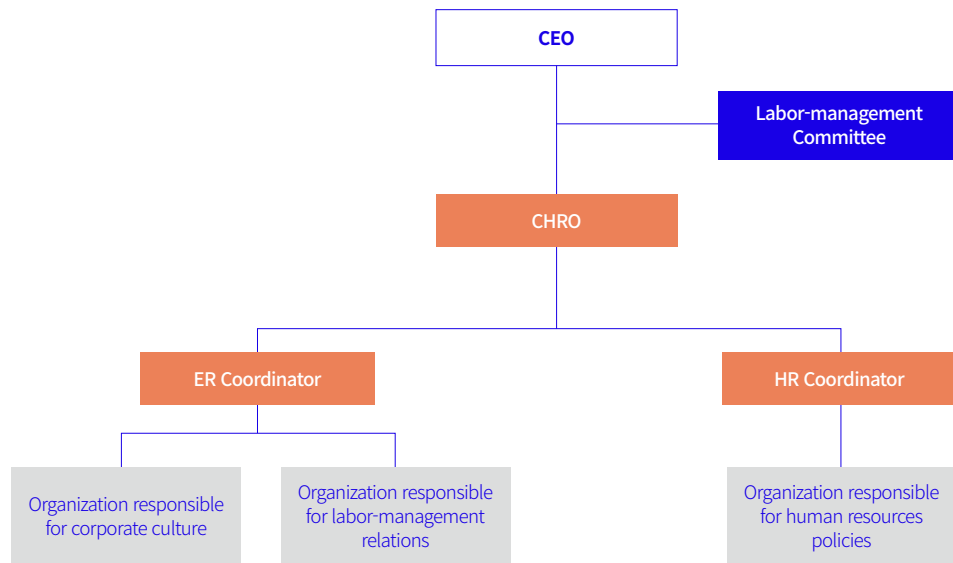
5) Gender pay ratio = Average female wage / Average male wage (excluding non-regular employees and mid-term retirees; wage difference arises from differences in years of continued service between males and females)

Members - Work-life Balance

Governance

Roles and Responsibilities

Our top management reviews implementation plans and performance results for work-life balance. Under the supervision of the Chief Human Resources Officer(CHRO), we have separate organizations, namely, the Employee Relationship(ER) Coordinator and the Human Resources(HR) Coordinator, who are responsible for corporate culture and labor-management relations and human resources policies respectively. We also operate a labor-management committee to share our vision and address grievances.



Strategy

Work-life Balance Management System

At SK broadband, we strive to establish a corporate culture where all members can enjoy life and stay happy and healthy. By enhancing organizational dynamism and creating an environment conducive to work engagement as our main agenda, we operate a wide range of systems supporting work-life balance and improving the work environment. We promote innovation in the workplace and the enhancement of welfare to contribute to the stability of members' lives and the improvement of their quality of life. This, in turn, encourages members' innovative thinking, flexibility, and motivation towards their work. We guarantee the freedom of assembly and association as ensured by domestic law and the International Labor Organization(ILO), and support related activities. Moreover, we provide a platform for communication to build a cooperative labor-management relationship.

Strategic Goals

Design of a work environment conducive to work engagement

- Flexible work system
- Open seating
- Life on(Work engagement system)

Support for a happy family life

- Children's Day gifts
- Customized support for each stage of life
- Happiness programs with family participation

Support for leisure to "Re-fresh" the body/mind and self-development

- Long-term leave
- We-fresh Day(Bi-weekly Friday off)



Members - Work-life Balance

Strategy

Core Activities

Welfare

We have customized support systems for different stages of life, such as family health management, housing stability support, and family event support. For members who are pregnant or raising children, we implement family care and family relationship enhancement programs. To ensure members have adequate rest, we also encourage the use of leave around holidays and operate a biweekly Friday day-off system called “We-fresh Day”. Additionally, we support club activities, hobbies, and leisure activities, and provide a car-sharing service for commuting and weekend activities. In 2023, we organized an event to give gift sets of school supplies and cards made from eco-friendly paper to our members’ children who entered elementary school. Through these activities, we endeavor to improve the convenience and satisfaction of members not only in their work environment but also in their family life.

A Good Workplace Culture

We are working to improve work methods, pursuing changes in the way we work, and emphasizing self-discipline. Depending on the need for collaboration and the nature of their work, members can freely choose their working environment, such as office spaces, individual focus rooms, and project rooms. We support flexible working hours through staggered commuting hours and monthly optional working hours, allowing members to design a work schedule that fits best for them. We also operate Life On, a work engagement system that helps streamline collaboration and enhance work efficiency.

Satisfaction and Engagement Management

Every year, we evaluate members’ satisfaction with work-life balance and their work engagement and incorporate their feedback from these evaluations when improving our systems. Through work engagement surveys, we measure members’ sense of belonging and pride in our organization, as well as the degree of achievement and value they attribute to their work. The results of these surveys are gradually incorporated into the process of creating a healthy work culture. We are gradually improving systems and programs to create a corporate culture where members are happy and satisfied, and our efforts resulted in a work-life balance satisfaction rate of 83.8% in 2023.

Creating a Healthy Corporate Culture

We established a common work culture goal to encourage our members to practice VWBE(Voluntarily, Willingly, Brain Engagement). We introduced the concept of “Broadway” combining a culture of encouraging members to freely express their opinions on a “broad” scale with the “way” approach to creating a flexible yet strong corporate culture. We are working to foster balance and collaboration among members and promote a culture of creativity, innovation, and fearless challenges. Furthermore, we operate happiness and team-building programs planned in which members themselves participate and hold a monthly idea contest program called “We-Help Day” to enhance engagement and collaborative knowledge.

Sound Labor-Management Relationship

We guarantee the rights of workers in all business sites. If there are changes in the status and working conditions of members for managerial reasons, we actively seek to communicate beforehand through labor-management consultation. In addition, we aim to build a mutually reliable and stable relationship, expanding both formal and informal communication opportunities. In recognition of these joint efforts, we were selected as a company with an excellent labor-management culture by the Ministry of Employment and Labor in 2023.

Members - Work-life Balance

Metrics and Targets

Implementation Roadmap

Targets	Maintain work-life balance satisfaction at over 80%, increase and maintain member engagement
Metrics	Work-life balance, member engagement

2023	2024	2025
- Establish a flexible work system by institutionalizing remote work - Expand family programs and programs to create a happy working environment for members - Expand healing and well-being spaces within the company - Enhance support for work-life balance, spreading a self-directed work culture	- Spread the “Broad Way” culture (Embracing diversity, speaking out) - Strengthen communication across levels - Internalize work culture through programs with member participation	- Advance AI work methods - Enhance support for work-life balance tailored to members’ stages of life

Key Data

Maternity and Childcare

Classification		Unit	2021	2022	2023
Number of employees using maternity leave ¹⁾	Female	Persons	9	7	10
	Male	Persons	14	17	19
Number of employees using childcare leave	Female	Persons	7	14	19
	Return rate ²⁾	Persons	95	92	93
	Male	Persons	12	16	10
Status of returning to childcare leave	Female	Persons	9	8	15
	Working rate ³⁾	%	93	86	83
	Male	Persons	13	10	12
Working for more than 12 months after return	Female	Persons	13	14	8

1) Starting from 2023, calculated including non-regular employees

2) Returnees from childcare leave / Expected returnees from childcare leave

3) Those who work for more than 12 months after returning from childcare leave / Expected to work for more than 12 months after returning from childcare leave

Members - Work-life Balance

Key Data

Welfare

Classification	Unit	2021	2022	2023
Welfare benefits ¹⁾	KRW 1 million	21,031	23,524	24,535
Welfare benefits against sales	%	0.52	0.57	0.57

1) Welfare: Operating welfare pensions, support for children, educational expenses and medical expenses, selective welfare, etc.

Participation in a flexible work system

Classification	Unit	2021	2022	2023
Participation rate in a flexible work system	%	100	100	100

Re-fresh program

Classification	Unit	2021	2022	2023
Long-term Re-fresh program leave users	Persons	67	220	577
B-Happy Car ²⁾	Persons	241	1,455	2,345

2) Service provided from November 2021

Member satisfaction and engagement

Classification		Unit	2021	2022	2023
Work-life balance satisfaction	Total	%	83.6	85.7	83.8
	Male	%	84.8	86.5	85.1
	Female	%	72.9	79.2	74.8
Engagement	Total	Points	70.5	72.3	73.6
	Male	Points	71.4	73.1	74.5
	Female	Points	62.8	66.1	67.5

Support for family life

Classification	Unit	2021	2022	2023
Support for family medical expenses	Persons	2,147	2,245	2,282
Support for family cancer coverage	Persons	12	10	18
Support for children's educational expenses	Persons	2,442	2,518	2,488
Support for children with disabilities	Persons	25	22	21
Support for daycare expenses	Persons	27	23	21
Support for family events	Persons	528	639	703
Family CARE ³⁾	Persons	1,244	963	1,091

3) Invitations for children, Children's Day gifts, congratulations for children entering elementary school, encouragement gifts for children taking college entrance exams, etc.

Labor union

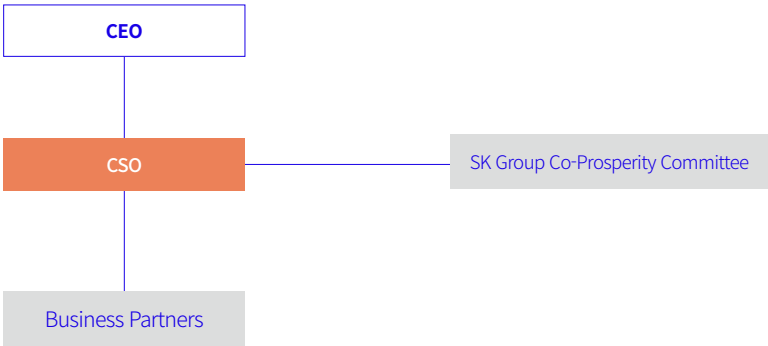
Classification	Unit	2021	2022	2023
Number of members eligible to join the labor union	Persons	2,006	2,033	2,027
Number of members who have joined the labor union	Persons	1,744	1,832	1,843
Labor union membership rate	%	86.9	90.1	90.9
Collective bargaining application rate	%	100	100	100

Business Partners

Governance

Roles and Responsibilities

Our top management reviews and approves the co-prosperity strategy plans implemented for our business partners. We appoint a worker with extensive experience and expertise in their field as the Chief Strategy Officer (CSO), the highest responsible officer, to manage and supervise all matters related to co-prosperity and business partner support. The responsible organization carries out ESG diagnostic evaluations and monitors the results, coordinating the development and operation of co-prosperity programs.



Strategy

Supply Management System

We have a supply chain system and additional policies to grow together with our business partners, all while enhancing our competitiveness within the industry. We established the “Business Partner ESG Code of Conduct” which is applicable to all our business partners; this code of conduct covers key areas such as environment, health and safety, labor and human rights, and ethics. Considering strategic importance and transaction size, we classify business partners into key management targets and general management targets. We conduct ESG diagnostic evaluations for key management targets as well. We provide support based on these evaluations in terms of business and ESG aspects and will continue to pursue measures to maintain a respectful, professional partnership.

Key Points of the ESG Code of Conduct

Classification	Description
Environmental management	Establishment of environmental management goals, eco-friendly products/services, response to climate change, pollution prevention, waste management, natural capital
Health and safety management	Occupational safety, occupational accidents and diseases, hygiene, food and housing, health/safety communication
Labor and human rights management	Prohibition of forced labor, prohibition of child labor, compliance with working hours, wages/benefits, humane treatment, prohibition of discrimination/harassment, freedom of association
Ethical management	Integrity, fair trade, information protection, information disclosure, intellectual property protection, whistleblower protection, prohibition of conflict minerals use, responsible mineral sourcing

Pledge of compliance with business partners for the ESG Code of Conduct 



Business Partners

Strategy

Core Activities

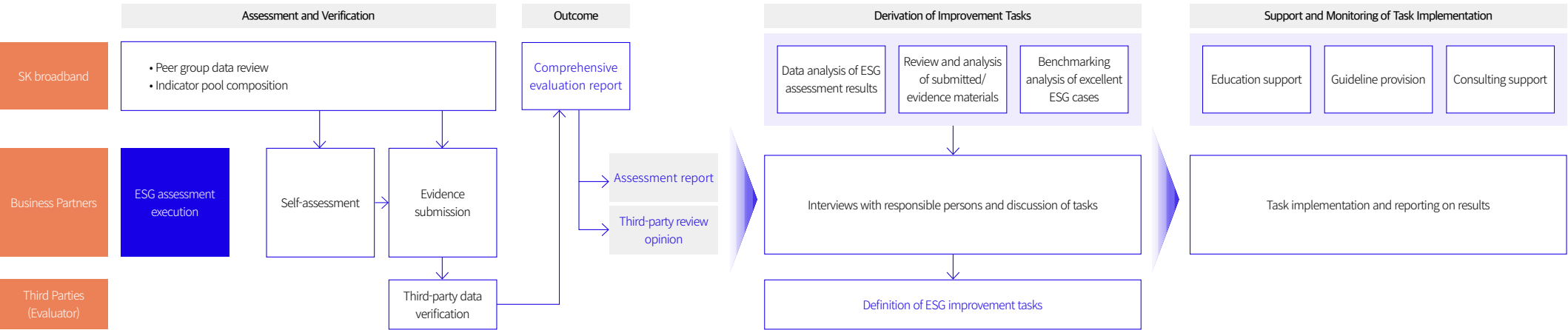
ESG Assessment

To ensure a respectful and professional partnership with our business partners, we conduct an annual ESG assessment, identifying and improving potential risks within the supply chain. The assessment items are configured with consideration to our business partner’s industrial characteristics, and weights are assigned to environmental, social, and governance factors. In 2023, the ESG diagnostic evaluation was conducted on a total of 50 companies with enhanced criteria. The assessment classified a total of 20 of our business partners as having a high negative impact(high risk). For high-risk business partners, we establish a risk improvement plan and request corrective actions accordingly; implementation of the plan is supported through online/offline training and consulting. Additionally, business partners who participate in the assessment are given benefits such as priority access to co-prosperity programs or recommendations for co-prosperity fund eligibility. On the other hand, business partners with satisfactory evaluation results(medium risk/low risk) are provided with incentives such as additional points in non-price metrics when participating in competitive bids.

Key ESG Assessment Items

Environment	Social	Governance
• Environmental management system • Eco-friendly products • Greenhouse gas and energy • Waste and raw, subsidiary materials • Biodiversity • Water resources • Hazardous substances • Air pollutants	• Information security • Human Rights • Health and safety • Employment • Working environment • Conflict minerals • Social contribution	• Fair trade • Management system • Audit • Ethical management

Business Partner ESG Management Process





Business Partners

Strategy

Core Activities

Subsidiary ESG Assessment Implementation

We identified improvement tasks for our subsidiaries Home & Service and Media S based on the objective assessment of their ESG levels through third-party evaluations/diagnoses and provided coaching for practical implementation. Key improvement tasks will be set as ESG KPIs for the following year, and their implementation status will be regularly monitored.

Pledging to Comply with the ESG Code of Conduct

When signing contracts, all business partners are required to sign a letter of commitment to CSR and pledge to the Business Partner ESG Code of Conduct. This process is linked to our electronic contract system to have our partners officially agree to our ESG policies; the pledge rate is maintained at 100% annually.

Management Condition Assessment

To care for future solvency, we conduct annual assessment of the management conditions of our business partners, alongside credit rating agencies. Financial and quality aspects are comprehensively assessed, and the assessment results are used to determine whether to maintain contracts.

Operating Co-prosperity Program

We operate various co-prosperity programs in the fields of finance, technology, education, and communication. In 2023, we operated our flagship program, the Co-prosperity CEO Seminar, both online and offline, and began use of our online education platform, mySUNI. Additionally, we have plans to support capability enhancement by operating the “Co-prosperity Team Leader School” an education program for mid-level managers of our business partners. Moving forward, we will continue to look for the necessary support measures for business partners and expand the scope of the application, thereby creating a co-prosperity ecosystem.

Classification			Description
Promoting Mutually Beneficial Cooperation	Finance	Co-prosperity fund	• Creation of a fund by depositing money in financial institutions and support for low-interest loans for equipment purchases/operating funds to SME business partners (Operated with a contribution of KRW 500 million)
		Immediate payment of funds	• Early payment of transaction amounts to support the cash liquidity of SME business partners (Implementing 100% prepayment before holidays such as Seollal and Chuseok)
		Co-prosperity online mall	• An online mall where necessary business services can be purchased at special prices offered exclusively online
	Technology	Technology escrow	• A technical service where SME-developed technologies are stored in the Korea Foundation for Cooperation; SMEs can reduce the risk of technology leakage, and large enterprises can utilize the stored technologies in case of SME bankruptcy or closure
	Communication	Management consulting	• ESG management assessment briefing
		Co-Prosperty Pride Awards	• Delivering gifts to business partners to show appreciation and respect • Provision for award-winning companies with benefits such as the best certification plaque, SK gift certificates, overseas training for partner company employees, and priority access to the ESG interest-free loan program
Enhanced Competitiveness	Education	Co-prosperity MBA	• Seminars to impart management know-how on business strategy, finance, HR, etc. • 7 companies and 18 person participated individuals in 2023
		CEO seminars (online/offline)	• Seminars with the participation of business partner executives(6 sessions held in 2023)
		Online education platform	• Provide educational content through mySUNI
	Biz	Job fair	• Conducted online(application available at all times through the Saramin website) • 3 companies participated, hiring 3 individuals in 2023

Business Partners

Metrics and Targets

Implementation Roadmap

Targets	Enhance the competitiveness(ESG capabilities) of business partners and strengthen mutual cooperation
Metrics	ESG assessment rate, high-risk business partner rate

2023	2024	2025
• Conduct ESG assessment for 45 key business partners • Establish a co-growth program system(introduce new programs such as launching and expanding the co-growth online mall, patent support, etc.)	• 100% ESG assessment rate for key business partners • Achieve 15% of high-risk business partners from the evaluation • Expand ESG assessment(targeting 10 companies) • Provide companies undergoing ESG assessment with co-prosperity incentives(additional points in bidding, support for the co-prosperity fund, interest reduction programs, etc.)	• 100% ESG assessment rate for key business partners • Achieve 5% of high-risk business partners from the evaluation • Expand co-prosperity program targets



Business Partners

Key Data

Business Partner Status

Classification	Unit	2021	2022	2023
Total number of business partners	Partners	782	738	638
Number of business partners undergoing management condition assessment	Partners	648	622	613
Number of key business partners ¹⁾	Partners	50	50	50

1) Based on the strategic importance of transaction size and supply items

ESG Assessment

Classification	Unit	2021	2022	2023
Number of business partners undergoing assessment	Partners	-	5	50
Assessment implementation rate	%	-	10	100
Number of business partners evaluated as having a high negative impact based on ESG assessment results ²⁾	Partners	-	0	20
Number of business partners with agreed corrective actions/improvement plans	Partners	-	-	20
Rate of business partners with agreed corrective actions/improvement plans	%	-	-	100
Number of business partners with transaction suspension due to significant actual or potential negative impact	Partners	-	-	0
Number of business partners receiving support for corrective action plans/improvement activities	Partners	-	-	12
Rate of business partners receiving support for corrective action plan implementation among those evaluated as having a high negative impact	%	-	-	60

2) Number of business partners classified as high-risk

Pledge to Comply with the ESG Code of Conduct³⁾

Classification	Unit	2021	2022	2023
Number of business partners who pledged compliance	Partners	-	738	638
Rate of pledged compliance	%	-	100	100

3) Compliance pledge required with the establishment of the Business Partner ESG Code of Conduct in 2022

Purchase⁴⁾

Classification	Unit	2021	2022	2023
Total purchase amount	KRW 1 Billion	1,437	1,334	1,429
Construction and service purchase amount	KRW 1 Billion	785	681	934
Equipment and materials purchase amount	KRW 1 Billion	652	653	495

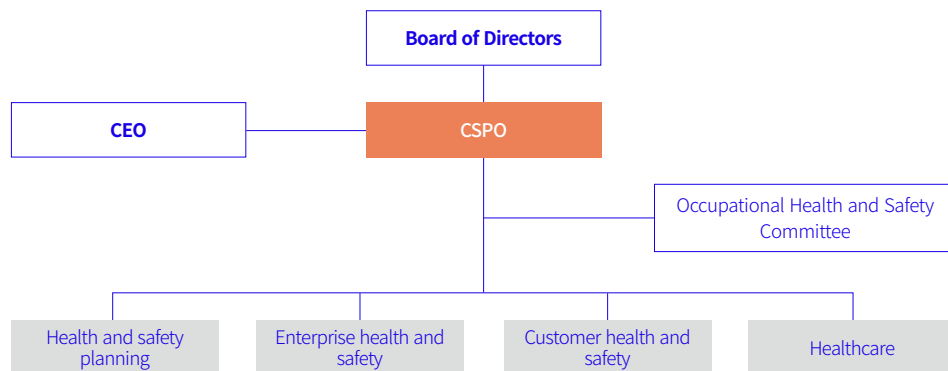
4) Based on the contract amount for the current year

Health and Safety

Governance

Roles and Responsibilities

The Board of Directors and top management review and approve the health and safety management policy and plans. In addition, a worker with extensive experience and expertise in their field is appointed as the Chief Serious-Accident Prevention Officer (CSPO) to fulfill the duty of establishing a safety and health management system at business sites according to the Serious Accidents Punishment Act. In 2023, to enhance overall safety and health management, the CSPO was placed on the same level as the CEO, strengthening the organizational structure for overseeing safety and health. Related regulations were also amended to allow the CSPO to exercise final decision-making authority over safety and health organization, personnel, and budget. The roles and responsibilities of these decision-making bodies and individuals are set forth in the safety and health management regulations and procedures. We have dedicated safety/health organizations that act as a control tower under the CSPO, with safety and health managers and supervisors appointed at each business site. The Occupational Health and Safety Committee shares and discusses solutions for health and safety-related issues and grievances. Further, to strengthen accountability for health and safety, we established a health and safety management system for preventing serious accidents, linking key quantitative performance to management performance evaluations and compensation, and reporting the annual health and safety plan to the Board of Directors.



Strategy

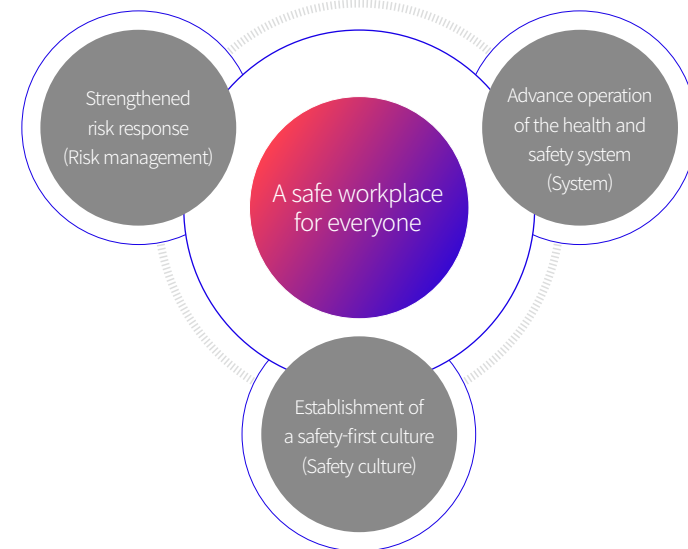
Health and Safety Management System

We uphold company-wide health and safety management policies that prioritize the safety of all stakeholders, including members. We also post these policies and goals on the internal portal and health and safety bulletin boards at all offices to communicate the message to all members. Additionally, management systems are segmented according to business sectors such as media and infrastructure, and sector-specific health and safety management activities are conducted. Our headquarters obtained and maintains ISO 45001, an international certification for an occupational health and safety management system, and has extended the certification scope to all IDC business sites.

[Safety and Health Policy](#)

Strategic Goals

“Zero” Cases of Serious Industrial Accidents and Serious Citizen-related Accidents



Health and Safety

Strategy

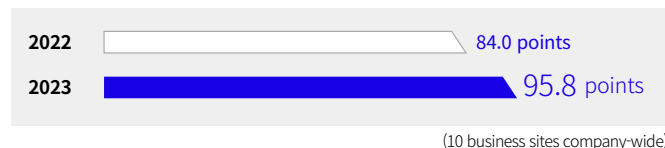
Core Activities

Strengthening Health and Safety Management

Prevention of Health and Safety Risks

Through regular health and safety compliance inspections conducted once in the first half and once in the second half of the year, we ensure compliance with the health and safety management system and related laws, and the results are shared through safety and health bulletin boards and meetings. Furthermore, emergency response drills are conducted to prevent disasters and major accidents such as fires, floods, and electric shocks. In 2023, a total of 20 in-house emergency response drills were conducted in 10 business sites. Also, we revised and distributed standards for the installation of safety facilities, safety management manuals for hazardous materials, and checklists. During inspections, external professional agencies conduct cross-checks using items specified in the Occupational Safety and Health Act, the Serious Accidents Punishment Act, on-site safety measures, etc., ensuring the objectivity of the assessment. For office buildings housing multiple companies, all tenant customers participated in fire drills in conjunction with the fire department, assuming the occurrence of a fire.

Health and Safety Compliance Inspection Results



Promotion of On-site Health and Safety Activities

We are increasing on-site inspections and spot checks by the CSPO and contractor managers to identify and improve harmful and hazardous factors on work sites. To prevent electric shock accidents, protective measures have been implemented for live parts of the panel board in equipment rooms and shared distribution panels. To reduce the risk of fall accidents, safety railings have been installed at the edges of rooftops, and safe work platforms have additionally been distributed. Further, we distributed smartwatches for the immediate initiation of emergency contact systems and swift action in the event of emergencies during solo night shifts, establishing a 24-hour monitoring system. We also conduct regular emergency response drills to ensure that the smartwatch monitoring system operates properly. Moreover, AEDs have been installed at facilities with night workers or remote facilities to prepare for emergencies. To fundamentally improve the safety of work sites for our subsidiary Home & Service, we have begun utilizing aerial lift trucks. We have operated these trucks on a full scale starting in 2023, and an aerial lift truck scheduling system has been developed to automatically determine the need for aerial lift deployment and match it with on-site personnel, minimizing unnecessary deployments. This system establishes a safety accident prevention framework for field members and prevents safety accidents during pole work. In recognition of our efforts to prevent industrial accidents, we received a commendation for an excellent workplace(for organizations) in the field of health and safety by the Seoul Regional Employment and Labor Administration of the Ministry of Employment and Labor in 2023.





Health and Safety

Strategy

Core Activities

Supporting Health Promotion

We seek to prevent occupational diseases by providing support for mental and physical health programs tailored to the characteristics of different job roles, such as office workers and field workers. Various programs such as smoking cessation programs and cardiopulmonary resuscitation training are available for all members regardless of employment type, and we also operate a mobile health consultation center to help effectively prevent health issues. We optimized our member health data management system to diagnose health levels in real-time and identify and manage individuals with abnormal findings based on examination results, as well as those who need to be monitored for health concerns. Additionally, to prevent diseases caused by work environment factors, we provide salt glucose to outdoor workers to prevent exhaustion during the hot months and heatwaves, installed fixed blood pressure monitors, produced safety rule videos for preventing summer heatwaves and accidents from tropical cyclones/typhoons, distributed multi-gas concentration meters for confined space workers, and installed eight additional automated external defibrillators(AEDs) for emergencies for a total of 35. We further investigate musculoskeletal hazardous factors to take preventive measures and implement psychological counseling programs to resolve job stress and psychological difficulties, with a total of 76 members(467 sessions) participating in 2023. In 2024, we plan to provide members with customized health challenge programs(exercise, diet, stretching, etc.) based on data derived from health checkups, surveys, and counseling results. We aim to meet the expected health standards of members by enhancing the level of health management through SK Group consultative activities and benchmarking advanced cases.

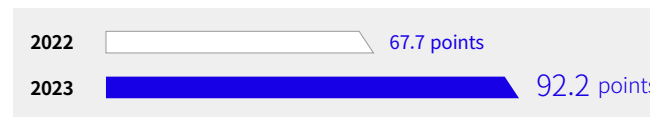
Spreading a Culture of Health and Safety

To improve safety awareness and professionalism, we conduct occupational health and safety education for all employees, including executives, team leaders, safety-related personnel at business sites, and new hires. We are expanding members' access to education through online/offline training, and we have introduced courses for obtaining health and safety certifications, as well as providing first aid training. Through participatory campaigns and member surveys, we check the direction of safety and health management and supplement any areas of the management system that are lacking. We are enhancing safety awareness through events such as the Family Love Health and Safety Video Contest, the Health and Safety Four-line Poem Contest, and the Health and Safety Practice Declaration Sharing Campaign. Additionally, we operate a safety and health activity reward system to encourage active participation in improving workplace hazards. Rewards are provided to organizations and individuals with excellent performance in health and safety, and these exemplary cases are shared with all members. Moreover, we hold health and safety meetings and workshops to share health and safety activity plans and to listen to members' opinions on health and safety.Thanks to these efforts to strengthen health and safety compliance, results from our surveys on health and safety awareness among members increased from the previous year.

Health and Safety Management for Business Partners

We are taking the lead in health and safety activities(Level Up health and safety education for executives, etc.) for contracted business partners to prevent safety-related accidents by providing safety management funds and supporting the purchase of suitable supplies. Through expanded spot checks for safety and health compliance inspections, a total of 663 safety patrols(SP) have been conducted, providing us with the opportunity to correct 60 safety rule violations. Furthermore, to ensure the safety of members and business partners against tropical cyclones/typhoons and floods, related equipment such as portable generators and inverters, as well as power generation vehicles and emergency contact networks, have been thoroughly inspected, creating a virtuous cycle of support activities to enhance the health and safety capabilities of our business partners.

Survey Results on Health and Safety Awareness Among Members



Health and Safety

Metrics and Targets

Implementation Roadmap

Safety Roadmap

Targets	Maintain zero serious accidents
Metrics	Number of serious accidents, number/rate of lost-time incidents among members and business partners

2023	2024	2025
- Strengthen the development of internal safety experts through advanced education systems - Maintain ISO 45001 certification for headquarters and all IDC sites - Advance the integrated safety management system	- Prevent near-miss accidents for members and business partners (establish company-wide standard safety work guidelines, strengthen risk assessment capabilities, implement activities to identify hazardous risk factors at all times) - Enhance professional health and safety management competencies of business partners(consult support such as large-small and medium enterprise co-prosperity cooperation program of the Ministry of Employment and Labor)	Internalize autonomous safe management (achieve zero defects in health and safety management system compliance checks)

Health Roadmap

Targets	Maintain zero occupational illness frequency rate, enhance member participation in health management programs
Metrics	Occupational illness frequency rate, health management program participation rate

2023	2025	2030
- Operate health programs based on member health data(health checkups, health surveys, clinics to help quit smoking, etc.) - Health management program participation rate at 250%	- Upgrade health management by benchmarking advanced cases - Achieve a 300% member participation rate in health management programs	- Operate personalized health management programs - Achieve a 400% member participation rate in health management programs

Health and Safety

Key Data

Occupational Accidents Among Members

Classification		Unit	2021	2022	2023
Total working hours		Hours	5,054,000	5,216,000	5,236,000
Number of full-time employees		Persons	2,527	2,608	2,618
Rate of members covered by the Health and Safety Management System		%	100	100	100
Injuries	Number of fatalities	Cases	0	0	0
	Fatality rate	%	0	0	0
	Severity rate ¹⁾	%	0	0	0
	Number of lost-time incidents	Cases	2	0	0
	Lost-time incident rate(LTIR) ²⁾	Per 200,000 working hours	0.079	0	0
	Total number of recordable incidents	Cases	2	0	0
	Total recordable incident rate(TRIR)	Per 200,000 working hours	0.079	0	0
	Number of serious accidents ³⁾	Cases	0	0	0
	Number of occupational accidents	Cases	2	0	0
	Rate of occupational accidents	%	0.079	0	0
Diseases	Number of fatalities	Cases	0	0	0
	Fatality rate	%	0	0	0
	Number of lost-time incidents	Cases	0	0	0
	Lost-time incident rate(LTIR)	Per 200,000 working hours	0	0	0
	Total number of recordable incidents	Cases	0	0	0
	Total recordable incident rate(TRIR)	Per 200,000 working hours	0	0	0
	Rate of occupational diseases	Cases	0	0	0
	Occupational illness frequency rate(OIFR) ⁴⁾	Per 200,000 working hours	0	0	0

1) Severity rate: Total number of lost-time days/Total working hours x 1,000

2) Lost-time incident rate (LTIR): Lost-time incident for 1 day or more/Total working hours x 200,000

3) Serious accidents refer to accidents with one or more fatalities, accidents with two or more injuries requiring more than three months of medical treatment, or accidents with ten or more injured or occupational disease cases occurring simultaneously

4) Occupational illness frequency rate (OIFR): Rate of occupational diseases/Total working hours x 200,000



Health and Safety

Key Data

Occupational Accidents for Business Partners

Classification		Unit	2021	2022	2023
Business Partners (Subsidiaries + Business Partners)	Total working hours	Hours	26,908,000	26,652,000	26,608,000
	Number of full-time employees	Persons	13,454	13,326	13,304
Injuries	Number of fatalities	Cases	0	0	0
	Fatality rate	%	0	0	0
	Number of lost-time incidents	Cases	63	51	62
	Lost-time incident rate(LTIR) ¹⁾	Per 200,000 working hours	0.47	0.38	0.47
	Total number of recordable incidents	Cases	65	55	71
	Total recordable incident rate(TRIR)	Per 200,000 working hours	0.48	0.41	0.53
Diseases	Number of fatalities	Cases	0	0	0
	Fatality rate	%	0	0	0
	Number of lost-time incidents	Cases	0	0	3
	Lost-time incident rate(LTIR)	Per 200,000 working hours	0	0	0.02
	Total number of recordable incidents	Cases	0	0	3
	Total recordable incident rate(TRIR)	Per 200,000 working hours	0	0	0.02

1) Lost-time incident rate (LTIR): Lost-time incident for 1 day or more/Total working hours x 200,000



Health and Safety

Key Data

Health and Safety Education

Classification		Unit	2021	2022	2023
Participation in education	Number of participants	Persons	2,527	2,425	2,401
	Member completion rate	%	100	100	100
Hours of education	Hours of education	Hours	30,324	58,200	57,624
	Hours of education per member	Hours	12	24	24
Educational costs ¹⁾	Educational costs	KRW	40,432,000	38,800,000	0
	Educational costs per member	KRW	16,000	16,000	0

1) No additional costs since using SK Group's education platform mySUNI in 2023

Health Support

Classification		Unit	2021	2022	2023
Health checkups		Persons	2,403	2,460	2,552
Medical expense support		Persons	1,972	2,140	2,233
Support for vaccination		Persons	776	623	966
Support for clinic to quit smoking		Persons	21	12	18
Spring Health Walk operation		Persons	237	350	1,090
Club support		Persons	949	1,112	1,219
Health Challenge Program operation ²⁾		Persons	156	1,374	932
Health consultation operation		Persons	-	-	570

2) Program name changed in 2022 (Health Stairs Program → Health Challenge Program)

Health and Safety Law Violations

Classification		Unit	2021	2022	2023
No. of breaches		Cases	0	0	0
Penalties		KRW 1 million	0	0	0
Fines		KRW 1 million	0	0	0
Non-financial penalties		Cases	0	0	0

Hazardous · Risk Factors³⁾

Classification		Unit	2021	2022	2023
Identified		Cases	180	183	187
Addressed	Total	Cases	180	183	187
	Elimination	Cases	79	79	81
	Substitution	Cases	39	39	39
	Control	Cases	62	65	67

3) Risk assessments conducted for all business sites; risks are classified into three levels (Critical, Major, Minor) for management

Elimination: If the risk factor classified as Critical/Major changes to Minor after improvement activities

Substitution: If the risk factor classified as Major is again classified as Major after improvement activities

Control: If the risk factor classified as Critical changes to Major after-improvement activities

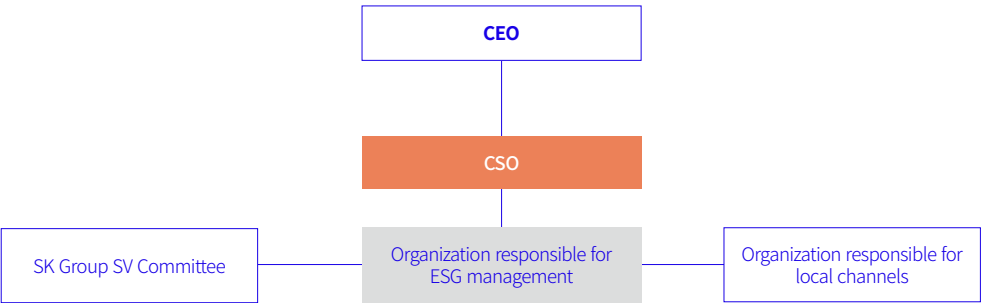


Local Communities - Social Contribution

Governance

Roles and Responsibilities

To fulfill our roles and responsibilities in the local community, we plan and operate community programs tailored to beneficiaries and measure the resulting impact. The CEO and Chief Strategy Officer(CSO) are responsible for managing the activities and outcomes of social contribution programs. The CSO, as the overall manager of community programs, approves implementation plans and monitors them regularly.



Strategy

Social Contribution Operation System

We operate a social contribution system to present media-based solutions to community problems in cooperation with NGOs, the government, media organizations, and other interested parties. We focus our social contribution activities on three social issues: aging, youth education, and gaps between communities. We go beyond just providing support and actively create new models by leveraging our capabilities to address social problems.

Direction	Media-based Solutions to Community Problems			
Social problems	Aging - Increasing isolation of seniors - Physical/mental issues	Issues with youth education - Decreased happiness in youth - School violence, etc.	Community disparities - Technology and information gap - Economic difficulties in local communities	Employee participation and contribution to solving community problems
Goal	• Senior happiness	• Youth happiness	• Community happiness	
Key policies	• Senior health	• Support based on cooperation with interested parties(NGO, government, media organizations, universities, etc.)	• Support through local media	• Employee volunteering
Partnership	• Suwon Council on Social Welfare • Guro-gu District Office • Guro Hope Welfare Foundation	• LOVE FNC • Korea Arts & Culture Education Service • Dreamus Company • Seoul YMCA	• The National Association of Community Mediacenters • Community Media Foundation • Korea Agro-Fisheries & Food Trade Corporation • Anyang 1st Street Merchant Association • Korea Federation of Micro Enterprise • Korea Merchant Association • Daegu Traditional Market Service Agency • Yangnyeongsi Preservation Council	• HappyNarae • Happy Alliance • Korea Social Enterprise Promotion Agency • Korean Red Cross
UN SDGs	  			 

Local Communities - Social Contribution

Strategy

Core Activities

Social Contribution Programs Specific to Stakeholders

We identify the key vulnerabilities of our core stakeholders and continuously discover programs to address these issues, leveraging our media capabilities. Additionally, the performance of program operations is periodically measured and monitored to analyze effectiveness, identify areas for improvement, and reflect these findings in plans for the following year.

Seniors

We utilize all of our various capabilities to best help and support seniors. In 2023, through B tv, we provided free health content and useful information such as fire prevention methods and local news via the “On-Ad Service” to 494 senior centers in Namwon. Additionally, we partnered with Silver Cinema in Jongno to run a weekly happiness enhancement program. We also set up B tv experience zones and kiosk experience zones in movie theaters to give seniors the opportunity to use digital devices. Furthermore, for the past three years, we have run the “Safety Net Program” to contribute to solving the issue of undernourished elderly people in Suwon. This program provides free meals to seniors who have difficulty preparing meals on their own. In recognition of our activities, we received a commendation for social contribution merit at a commemorative ceremony hosted by Suwon Special City. In 2024, we plan to expand the Happiness-Sharing LunchBox to Guro-gu, Seoul, providing a total of 10,000 meals annually.

Youth

Since 2018, we have been operating “Blossom” a social contribution program aimed at enhancing youth happiness and solving social problems. In 2023, we held the “Blossom Youth Music Festival” with the theme “Sing a Song of Happiness” with a total of 94 teams participating. The winners had the chance to release their songs on the music streaming application FLO. After the music festival, we aired the performances and semi-documentaries on cable TV channels to raise social awareness about youth happiness. Two winners participated and performed celebratory concerts in the Korea Arts & Culture Education Festival hosted by the Korea Arts & Culture Education Service, which drew significant interest and recognition from government-affiliated institutions. In 2024, with the motto “Together for Happiness” we vow to continue activities that allow youth to convey their thoughts and messages to society so that they can achieve a community built on empathy and understanding where their voices are heard.

Safety Net Program Operation Status

2021	2022	2023
Love-Sharing LunchBox	Health-Sharing, Happy Seniors	Happiness-Sharing LunchBox
Providing lunchboxes to undernourished elderly people in Suwon	Senior health food/exercise program in Gyeonggi-do	Providing lunchboxes to undernourished elderly people in Suwon
46,000 meals	4,000 people	6,000 meals



Local Communities - Social Contribution

Strategy

Core Activities

Social Contribution Programs Specific to Stakeholders

Small Business Owners/Local Residents

Enhancing Local Competitiveness

We aim to spread positive influence by producing and broadcasting content for small business owners and local residents through various channels. In addition to producing promotional content for local small businesses and the tourism industry, we support market channels directly, revitalizing local commercial areas and the local economy. We helped increase sales for small business owners by creating meal kits from traditional market vendors' products and linking them with live commerce. By signing a business agreement with the Korea Agro-Fisheries & Food Trade Corporation, we jointly discovered excellent local products and established stable direct transaction channels. We arranged to market these products through the local channel commerce broadcast "Happy Market" on B tv cable channel ch B tv, expanding the revenues of local agro-fisheries farmers and small business owners. Additionally, we provided TV advertising opportunities through "B tv Neighborhood Advertising" to 20 traditional markets nationwide, including Seoul, Daegu, and Incheon, to attract visitors to the stagnated traditional markets and revitalize the economy. Moving forward, we will continue to promote programs that support the sustainability of the local economy.

Expanding Media Education

in cooperation with the Community Media Foundation and the National Association of Community Mediacenters, we operate a total of 11 Media Creation Support Centers. These centers provide instructions on using recording studios, studios, and filming equipment, and the skills necessary for content creation. In 2023, we held 946 media education sessions. Additionally, we have hosted a media contest since 2020 to capture various voices in the community. From 2023, we expanded the range of content to include movies, documentaries, and short-form content, making it more accessible to local residents.

Proactive Reporting on Community Issues

We advance the news competitiveness of local channels by discovering and reporting on current local issues. In 2023, we began circulating a new type of news broadcast called the "Story-type Investigative Report" and planned/reported on the conditions and improvement of school zones, focusing on reporting via stories. During Typhoon Khanun's approach, we gave real-time reports on the situation and safety management precautions at each point to protect the lives and property of local residents. Moreover, by conducting integrated broadcasts instead of individual regional broadcasts, we were able to share local situations in real time, raising awareness across the projected typhoon path. Furthermore, we expanded our disaster subtitle broadcasts from 8 channels to 205 channels on the B tv screen to deliver disaster information to a larger number of local residents. Such region-based news reporting addresses various community problems and contributes to the safety and welfare of residents. Therefore, we will continue to listen to voices in local communities and take the lead in reporting to solve social problems.



Local Communities - Social Contribution

Strategy

Core Activities

Social Contribution Programs Specific to Stakeholders

Activities with Member Participation

At SK broadband, we encourage members to volunteer in activities to share and solve the difficulties faced in local communities. In Busan, since 2006, our members get together under the name “Stepping Stone of Love” and prepare and serve lunches, donate lunch ingredients, and organize holiday events, senior parties, and kimchi-making events at the Gongchang Social Welfare Center for seniors who live alone once a month. In Daejeon, our members regularly volunteer at local welfare centers through the Happy Precinct Volunteer Group, participating in the annual tree planting event organized by Daejeon City on Arbor Day, and volunteering to tidy up plots and place national flags at Daejeon National Cemetery. Additionally, since 2005, SK broadband has participated in annual blood donation campaigns with the Red Cross, and in 2023, we participated in delivering lunch boxes to residents with mobility difficulties in the shantytown near Seoul Station, organized by the Catholic Caritas Seoul. We are committed to expanding volunteer programs that members can voluntarily and happily participate in.



Disaster/Emergency Relief Activities

In August 2023, scouts participating in the World Scout Jamboree had to evacuate as Typhoon Khanun loomed. We acted quickly and urgently adjusted the training schedule at the education center to provide support for the location. We had limited information on the number or nationalities of the scouts, so to prepare for unexpected situations, we promptly recruited nurses, members who could speak English/Spanish/German, and so on, to form an advance team. Additionally, we prepared special vegan meals excluding ingredients avoided in certain cultures and established a health management room and a prayer room to accommodate scouts from diverse cultural backgrounds. With our meticulous preparation, we went beyond simply providing lodging and convenience; we were able to contribute to the happiness of stakeholders and the enhancement of our national image.





Local Communities - Social Contribution

Metrics and Targets

Implementation Roadmap

Targets	Increase beneficiaries of happiness programs for vulnerable groups and expand value creation
Metrics	Number of happiness programs operated for seniors, youth, and the community, member participation rate

	2023	2025	2027
Seniors	- Expand support for vulnerable seniors - Provide long-term support(5 months) for vulnerable seniors in Suwon	- Reach 200 beneficiaries of the Senior Happiness Program - Establish support projects for vulnerable seniors linked with local resources - Continuously produce senior care content	- Reach 250 beneficiaries of the Senior Happiness Program - Strengthen our safety net by expanding beneficiary areas
Youth	- Establish a mid-term cooperation system for youth happiness improvement by signing an MOU with LOVE FNC - Enhance content quality by producing special broadcasts of music festivals through local channels	- Create broadcast content that has a significant social impact based on the achievements of youth happiness projects - Attract co-host organizations outside the media and entertainment industries with social influence	- Evolve into a representative festival for the happiness of Korean youth - Strengthen alliances through expanded cooperation between public and private sectors
Local Communities	- Support media education for local residents - Expand the social value video contest exhibition - Discover current local issues and address them through in-depth coverage	- Regularly schedule top media content from local residents on B tv and local channels - Reach 19,000 broadcasts of community happiness programs - Conduct in-depth coverage and report local issues(enhance society-monitoring functions)	- Reach 20,000 broadcasts of community happiness programs - Expand the positive influence of local channels through reporting and improving community issues
Members Participation	- Expand in-person volunteer activities - Identify and expand support activities for vulnerable groups in the local community - Continue disaster relief support - Expand our blood donation campaign - Continue member volunteer activities linked to professional skills	- Reach a 30% member volunteer participation rate - Expand support activities for vulnerable groups in the community - Enhance disaster relief support - Continue our blood donation campaign - Expand member volunteer activities linked to professional skills	- Reach a 40% member volunteer participation rate - Regularly implement volunteer programs supporting vulnerable groups in the local community - Continue disaster relief support - Expand participation in blood donation campaigns in each office - Expand subsidiary participation in member volunteer activities linked to professional skills

Key Data

Social Investment

Classification		Unit	2021	2022	2023
Social investment amount	Cash	KRW 1 million	1,475	1,357	530
	Indirect	KRW 1 million	190	165	0
Policy donations	Political donations ¹⁾	KRW 1 million	0	0	0

1) In compliance with Article 31 of the Political Funds Act of the Republic of Korea and our Code of Ethics, we do not provide political donations or other lobbying funds

Volunteering

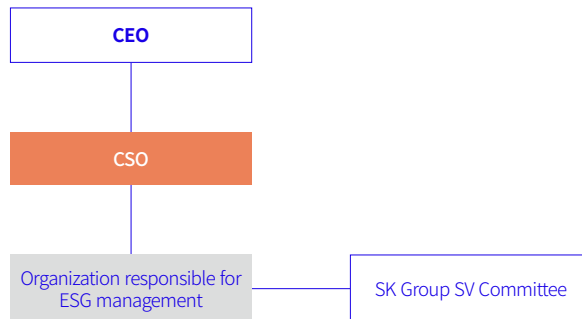
Classification		Unit	2021	2022	2023
Volunteer hours per member		Hours	0.2	0.2	0.4
Volunteer participation rate		%	5.2	3.8	16.5
Calculated amount based on volunteer hours		KRW 1 million	36	54	266
Rate of professional volunteering		%	1.4	0.8	0.6

Local Communities - Support for a Social Enterprises Ecosystem

Governance

Roles and Responsibilities

The CEO and Chief Strategy Officer(CSO) approve and monitor the implementation plans and performance of social enterprise support programs. The responsible organization plans and operates these programs to support social enterprises, assessing their impact on the environment and society.



Strategy

Social Enterprise Ecosystem Management System

We select social enterprises that contribute to solving social issues using their business models and support them in various ways. Selection criteria include positive impact on the environment and society within the telecommunications and media industries, as well as the relevance to our business. One representative case is “Foundation Happy Green Recycling” a social enterprise model we have been supporting since 2011. In conducting recycling and delivery operations of SK broadband’s devices, Foundation Happy Green Recycling creates jobs and hires people with disabilities. In collaboration with the SK Group SV Committee, we have also created content to raise public awareness of the social enterprise ecosystem. One piece of such content is “Companies Sincere About Social Value” an entertainment show that explores and introduces different social enterprises. Produced content is provided through various platforms including ch B tv local channels, Channel S Plus, and the SOVAC YouTube channel. Moreover, we host the “Social Economy Enterprise Impact IR” in collaboration with the Korea Social Enterprise Promotion Agency to support the growth of social economy enterprises. By engaging in these activities, our goal is to contribute to creating a virtuous cycle ecosystem for the social economy.

Strategic Goals

Support for establishing social enterprises linked to business models

Consulting support

Support for shared spaces

Media integration marketing support

Local Communities - Support for a Social Enterprises Ecosystem

Strategy

Core Activities

Classification	Description		Outcome of Creating Social Value
Support and establishment of social enterprises linked to business models	Happy Green Recycling	Established with the purpose of directly employing socially vulnerable groups and recycling rental devices; currently supporting self-reliance through device recycling and delivery of outsourcing contracts	- Contribution to waste reduction through device recycling: Total KRW 1.89 billion (set-top boxes KRW 1.57 billion, routers KRW 320 million) [Calculation formula] (Consumption of new equipment replacement reduced) x (Number of recycled devices) x (Durability period) - Contribution to income increase of vulnerable producer organizations through service support: Total KRW 4 billion [Calculation formula] (Service amount) x (Industrial added value rate of 46.7%) - Employment performance for employment-vulnerable groups such as persons with disabilities Total 47 people(created employment of persons with disabilities for our services)
	Impact IR for social economy enterprises	Selecting social enterprises that can be linked with our business and hosting impact IR	11 social enterprises selected and impact IR hosted
Support for shared spaces	Support for Dunsan office lobby space in Daejeon	Free rental to cooperative cafe	Total KRW 12.69 million [Calculation formula] (Free rental support amount) x (Industrial added value rate of 42.30%)
	Support for Gasan IDC lobby space	Creating a local senior employment cafe for job creation through collaboration with the Geumcheon-gu Office and Geumcheon Job Co., Ltd.	Total KRW 93.23 million [Calculation formula] (Free rental support amount) x (Industrial added value rate of 42.30%)
Consulting	Pro bono activities by members	Consulting and education support in intellectual property rights, tax, legal affairs, finance, marketing, etc. by SK pro bono professional volunteers	- Total KRW 228.44 million [Calculation formula] (Pro bono activity unit price) x (Hours) x (Number of people) - Participating members: 16 people; Number of supported companies: 209 companies
Media integration Marketing support	Support for social enterprise promotion and advertising	Producing and programming social enterprise promotion programs, free ad exposure on “B tv Neighborhood Advertising” and “B tv cable”	- Total KRW 5.1 million(cost of free support programs) - Number of supported companies: 5 companies(monthly free support equivalent to KRW 300,000 per social enterprise)

Hosting Impact IR for Social Enterprises

In collaboration with the Korea Social Enterprise Promotion Agency, we discovered social enterprises and held an Impact IR event. We selected outstanding enterprises that can be linked with our business, including social enterprises, preliminary social enterprises, social ventures, and cooperatives, and held IR mentoring sessions. In 2023, a total of 11 companies were selected, including Kingdom Plant Cooperative, which is contributing to the revitalization of local farms through the development of food and beverages using local agricultural products. We will continue to do our utmost to enhance the competitiveness of social enterprises while building a healthy social enterprise ecosystem capable of solving issues found in local communities.

Special Feature



Local Communities - Support for a Social Enterprises Ecosystem

Metrics and Targets

Implementation Roadmap

Targets	Expand discovery and support of social economy enterprises
Metrics	Number of social economy enterprises supported

2023	2025	2027
- Operate community activation programs to support the independence of social economy enterprises - Support the creation of a virtuous cycle ecosystem for the social economy and establish a cooperation network with professional support organizations	- Expand discovery and support of social economy enterprises related to the telecommunications/media industry - Strengthen the support system for creating a virtuous cycle ecosystem for the social economy	- Discover social economy enterprises related to the telecommunications/media industry and expand support by establishing partnerships with specialized institutions linked to products/services - Advance social economy support performance through SE ecosystem support programs with member participation

Key Data

Classification		Unit	2021	2022	2023
Social Enterprise Operation Support ¹⁾	Social enterprise support	Partners	1	14	14
	Amount of social value created ²⁾	KRW 1 million	3,357	3,325	4,025
Support for Shared Spaces	Social enterprise support	Partners	1	2	2
	Donations made ³⁾	KRW 1 million	30	232	250
Consulting Support	Social enterprise support	Partners	30	74	209
	Amount of social value created ⁴⁾	KRW 1 million	35	52	228
Media-based Marketing Support Achievements	Social enterprise support	Partners	9	5	5
	Donations made ⁵⁾	KRW 1 million	61	2	5

1) Social enterprise support achievements: Happy Green Recycling, purchasing products from social enterprises, social enterprise IR events, etc.

2) Purchase amount (service fee) x Added value rate of the target company's industry

3) Annual rental market rate

4) Pro bono activity unit price x Hours x Number of people

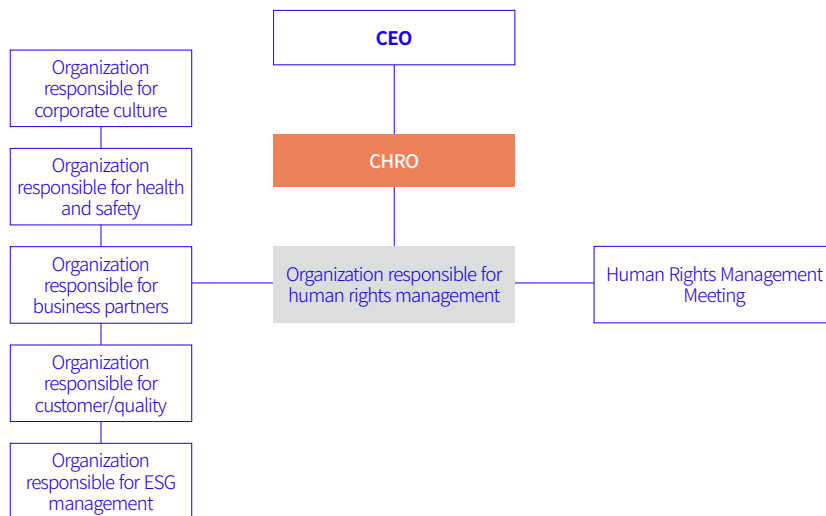
5) Cost of free support programs

Human Rights

Governance

Roles and Responsibilities

Our top management manages and oversees the implementation performance of human rights management strategies and activities. The organization responsible for human rights management conducts annual human rights impact assessments in accordance with the Human Rights Management Implementation Guidelines and reports the results to top management. The Human Rights Management Meeting serves as a body to review key implementation tasks and issues related to human rights and discuss improvement measures. The roles and responsibilities of these decision-making bodies and individuals are set forth in the Human Rights Policy Declaration and Human Rights Management Implementation Guidelines.



Strategy

Human Rights Management System

Our human rights policy is based on international guidelines, including the UN Universal Declaration of Human Rights and Guiding Principles on Business and Human Rights, and the International Labor Organization Declaration. Through the CEO's Human Rights Declaration, we have proclaimed the essential human rights leadership necessary to "maximize the happiness of members and stakeholders" which is our core management value. Included in the Human Rights Management Implementation Guidelines are the basic principles for each human rights area, the human rights management system, remediation, and human rights impact assessments, which all stakeholders, including members(subsidiaries and non-regular employees) and business partners, should be aware of.

[Human Rights Policy Declaration](#)[Human Rights Management Implementation Guidelines](#)

Basic Principles of the Human Rights Management Declaration

- | | |
|---|---|
| ① Prohibition of discrimination in employment and work and compliance with working conditions | ⑦ Information protection |
| ② Guarantee of freedom of association and collective bargaining | ⑧ Protection of human rights of local residents |
| ③ Prohibition of forced labor | ⑨ Guarantee of environmental rights |
| ④ Prohibition of child labor and protection of young workers | ⑩ Customer protection |
| ⑤ Creation of a safe working environment | ⑪ Humane treatment |
| ⑥ Responsible supply chain management | ⑫ Efforts for remedial measures |



Human Rights

Strategy

Core Activities

Human rights impact assessment

To understand the level of human rights awareness among members and proactively identify human rights risks, we conduct a human rights impact assessment annually and incorporate the results in our human rights management strategy and plans. Through this assessment, we aim to identify and prevent potential human rights risks that may affect both internal and external stakeholders, including our human rights management system, employment, labor rights, occupational safety, supply chain, and local residents. In 2023, a human rights impact assessment was conducted for all members across all business sites for areas such as basic human rights awareness, respect and violations of human rights, important elements of human rights, and workplace harassment investigation. Results indicated that the level of members' respect for human rights and the level of culture promoting such respect improved compared to the previous year. We will continue to identify areas requiring improvement and derive and review tasks for enhancement based on these assessment results.

Human Rights Impact Assessment Process



Overview and results of the 2023 human rights impact assessment

Purpose of Assessment	Identifying human rights management status and identification of potential human rights issues
Number of Participants	848 persons
Assessment Period	November 8, 2023 to November 21, 2023
Assessment Method	Online survey (PC/mobile)



Human Rights Risk Improvement Tasks and Implementation Achievements

Classification		Description	Implementation Period	Implementation (Planned) Schedule
Establishment of a Human Rights Management System	Human rights implementation guidelines	Establishment and website publication of human rights management implementation guidelines, including human rights impact assessment policy	Short-term	2023.05
	Human rights impact assessment	Implementation of human rights impact assessment for all members	Short-term	2023.11
		Implementation of human rights impact assessment for vulnerable groups	Short-term	2024
Protection of Human Rights in the Workplace	Establishment and implementation of a human rights protection action plan	Production and distribution of response guide for members for human rights protection	Short-term	2024
		Implementation of campaigns to spread a culture of mutual respect among members	Short-term	2024



Human Rights

Strategy

Core Activities

Human Rights Remediation Process

We operate a human rights remediation process to address human rights violations that occur in business operations. Inadequate respect for human rights, such as verbal abuse, physical assault, sexual harassment, bullying, exclusion from work, and orders for personal errands, can be reported through online and offline channels. We guarantee the anonymity of the whistleblower to protect them from any disadvantages or discrimination. Upon receiving a report, an investigation is initiated within three business days, and the grievance is addressed promptly within seven business days. If necessary, follow-up actions such as personnel measures and institutional improvements are implemented, along with establishing measures to prevent recurrence.



Human Rights Education and Campaigns

We provide legally mandated human rights education to all members, including training to prevent sexual harassment and training to raise disability awareness. In 2023, in addition to the legally mandated education, separate training was given through lectures from the Chief Human Resources Officer(CHRO).

Subsidiary Human Rights Risk Assessment

To expand the scope of human rights risk management, we conducted human rights risk assessment for our subsidiaries, Home & Service and Media S. Each subsidiary performed self-assessments based on a checklist of key areas. As a result, some insufficient items were identified as areas for improvement, and we are providing the necessary support for these improvements. Moving forward, we will continue to work to minimize negative impacts on human rights that may arise across the entire value chain, including our own operations, subsidiaries, and business partners.

Key Inspection Items for Human Rights Risks

Classification	Description
Human Rights	- Establishment of human rights policies(prohibiting discrimination/harassment, guaranteeing freedom of association, etc.) - Employment of women/disabled persons
Health and Safety	- Establishment of health and safety policies - Safe working environment(safety equipment, accident prevention facilities, etc.) - Occupational accident rate management
Employment	Compliance with work/labor-related laws
Working environment	- Creation of a favorable working environment - Processing of employee grievances

Protection of Customer Service Representatives

Due to the nature of their work, customer service representatives are constantly exposed to the risk of human rights violations. In compliance with the protection of emotional workers under the Occupational Health and Safety Act, we protect customer service representatives who may be exposed to abusive language, sexual harassment, threats, and insults from customers or other third parties. Our policies and manuals for protecting customer service representatives define inappropriate behaviors and outline response measures, with relevant content included in their training. Additionally, we allow workers to take appropriate actions, such as ending the call early, if problematic situations arise, and provide rest periods for mental and physical recovery. Furthermore, we operate ongoing psychological counseling programs and regular mental health assessments to manage their mental health and stress. We also conduct regular satisfaction surveys related to organizational culture and leadership, using the results to improve the working environment and promote campaigns that encourage a culture of mutual respect.

Human Rights

Metrics and Targets

Implementation Roadmap

Targets	Internalize human rights awareness and maintain Zero violations of human rights laws		
Metrics	Number of violations of human rights laws, hours of human rights education		
2023	2024	2025	
• Establish comprehensive regulations on human rights infringement (Unify regulations on bullying and sexual harassment in the workplace) • Perform focused management to mitigate human rights risks for vulnerable groups • Implement human rights education in addition to legally mandated education	• Enhance basic human rights awareness among members • Distribute the leaders guide to human rights protection and notify the human rights protection reporting guide to members • Perform inspections on the human rights of vulnerable groups	• Expand human rights education for business partners	

Key Data

Reporting and Processing

Classification		Unit	2021	2022	2023
Number of human rights reports		Cases	5	2	1
Number of human rights cases processed ¹⁾		Cases	5	2	1
Violations of human rights laws	No. of breaches	Cases	0	0	0
	Penalties	KRW 1 million	0	0	0
	Fines	KRW 1 million	0	0	0
	Number of financial penalties	Cases	0	0	0
	Number of non-financial penalties	Cases	0	0	0

1) Refer to the personnel/disciplinary committee and announcement of disciplinary action results

Human rights education

Classification		Unit	2021	2022	2023
Total	Hours of education per member	Minutes	185	187	210
Sexual harassment prevention education	Hours of education per member	Minutes	65	73	90
	Member completion rate	%	99.7	99.2	100.0
Disability awareness improvement education	Hours of education per member	Minutes	89	67	86
	Member completion rate	%	99.3	99.6	98.8
Workplace bullying prevention education	Hours of education per member	Minutes	31	47	35
	Member completion rate	%	99.0	99.4	98.8

Governance

Our efficient decision-making system is based on the soundness, independence, and transparency of the Board of Directors. To firmly establish an ethics and compliance management system, we are strengthening in-house audits and enhancing the ethical awareness of our members. We will continue to establish a fair trading culture and strictly adhere to regulations in order to cultivate a healthy corporate culture.

[Board of Directors](#)

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[Ethics and Compliance](#)

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Board of Directors

Governance

Composition of the Board of Directors

As the highest decision-making body, our Board of Directors develops methods to ensure the company’s sustainable growth and realize our management philosophy, as well as make important decisions.

As of June 30, 2024, the Board consists of seven members, each appointed in compliance with the procedures specified by the Commercial Act and other relevant laws, considering their expertise and potential contribution to the company’s development.

Composition of the Board of Directors

Classification	Name	Gender	Appointment Date	Experience
Chair of the Board (Non-executive Director)	Yoo, Young Sang	Male	August 31, 2023	(Current) CEO of SK Telecom (Former) CEO of SK broadband
CEO (Internal Director)	Park, Jin Hyo	Male	August 31, 2023	(Current) CEO of SK broadband (Former) CEO of SK Shieldus
Internal Directors	Choi, Seung Won	Male	March 30, 2022	(Current) Head of ICT Infrastructure & CSPO at SK broadband (Former) Head of Core Infrastructure Division at SK Telecom
	Park, Jong Seok	Male	January 12, 2023	(Current) Head of Corporate Planning & CFO at SK broadband (Former) Head of Management Planning Group at SK Telecom
Non-executive Directors	Yoo, Kyung Sang	Male	March 28, 2024	(Current) Head of Strategy & Development & CSO at SK Telecom (Former) Head of SK Digital Investment Center
	Lee, Myung Cheol	Male	March 28, 2024	(Current) Head of Finance Office, Support Division at Taekwang Industrial (Former) Finance Officer, Support Team of Future Management Council at Taekwang Group
	Kang, Seong Beom	Male	June 18, 2024	(Current) Head/Executive Vice President of IB1 Division at Mirae Asset Securities (Former) Head of Management Innovation Division at Mirae Asset Securities

Board of Directors

Strategy

Board Principles

We ensure and facilitate efficient decision-making by our Board by enhancing its diversity, expertise, and independence. To improve the attendance rate of Board members, the date, time, location, and agenda of Board meetings are notified to each director at least three days in advance, and remote attendance is allowed. Each director is also provided with the expenses necessary to facilitate the execution of Board duties.

Classification	Description
Diversity	Prohibition of discrimination on the grounds of gender, race, ethnicity, religion, nationality, etc. during director appointments
Expertise	- Selection of director candidates with extensive knowledge or experience in management, finance, Global Industry Classification Standard(GICS), and sustainable management - Understanding of management and business, Presence of data required for decision making frequently
Independence	- Separation of CEO and Chair of the Board within the Board - Individuals who have special interests in the resolution of the Board are not allowed to exercise voting rights

Board Competence

Classification		Yoo, Young Sang	Park, Jin Hyo	Choi, Seung Won	Park, Jong Seok	Yoo, Kyung Sang	Lee, Myung Cheol	Kang, Seong Beom
Leadership	Possession of expertise in large organization operation	●	●	●	●	●	●	●
Core industry	Possession of expertise in relevant industries	●	●	●	●	●	●	
Finance	Possession of expertise in finance and accounting for company management and oversight	●			●		●	●
M&A/Capital market	Possession of expertise in investment activities, such as M&A	●						●
Global	Possession of expertise in international political dynamics and regional risks					●		
ESG	Possession of expertise in key ESG areas such as health and safety, information security, customer satisfaction, and product/service quality		●	●				

Board of Directors

Strategy

Board Operation

We hold regular and ad-hoc board meetings. The Board of Directors receives reports on ESG agendas to enhance sustainability and on agendas for economic growth and makes resolutions. Additionally, the Board regularly monitors the performance of our policies and programs. In 2023, a total of 10 Board meetings were held, handling 29 agendas. To facilitate responsible decision-making, we strive to ensure that at least 75% of the Board members attend meetings; the average attendance rate of the Board members in 2023 was 90%.

ESG Agendas Resolved by the Board in 2023

Date	Agenda	Classification	Key Content
2.6	Health and safety plan (Draft)	Resolution	• Health and safety management policies(Core values and implementation directions) • Health and safety organization structure, personnel, and roles • Status of health and safety budget and facilities • Insights from 2022 and key activity plans for 2023
	Report on the publication of the sustainability management report	Report	• Materiality assessment results • Strategies for sustainable growth • ESG goal setting and management enhancement
8.31	Code of Ethics revision (Draft)	Resolution	• Enhancement of principles for fair business conduct to enhance stakeholder trust • Incorporation of the 14th revision of SKMS • Specification of ethical management elements considering the nature of the business (Inclusion of media-marginalized groups) • Supplementation of the scope of the Code of Ethics application

Compensation for Directors and Executives

Compensation for Board members consists of a base wage and performance-based incentives. Base wages are determined in consideration of their responsibilities, expertise, and contributions to the company, within the limit of the director compensation cap. Performance-based incentives are granted based on a combination of quantitative evaluations, such as revenue and operating profit, and qualitative evaluations, such as achievement of strategic targets and leadership. If the amount of compensation payments exceeds KRW 500 million, individual compensation amounts and calculation methods are transparently disclosed in our business report. To strengthen the ESG management responsibilities of internal directors, performance evaluation metrics include ESG elements(ESG management improvement, Net Zero implementation plans, etc.), and an evaluation of goal achievement is conducted once a year. Further, we established and operate a long-term incentive policy to ensure that executives perform their duties with a sense of responsibility for the company’s long-term growth and development. Since 2023, ESG elements have been incorporated into performance evaluations for all executives, including non-registered executives.

Shareholder-friendly management

We guarantee equal rights for all shareholders. We do not grant multiple voting rights to specific shares. The articles of incorporation specify that the date, time, place, and purpose of shareholder meetings must be notified in writing or electronically two weeks in advance, and that electronic voting must be implemented. This provision is followed to ensure that a regular shareholder meeting is held annually and to provide shareholders with ample information and time to actively exercise their voting rights. Furthermore, we implemented a shareholder return policy to share our performance with shareholders, ensuring continuous investment and increased corporate value. Continuing from 2023, cash dividends were paid in 2024.

Board of Directors

Key Data

Board Operation

Classification		Unit	2021	2022	2023
Number of board meetings held		Times	8	9	10
Reports and Resolutions	Reports	Cases	6	4	5
	Resolution Agenda	Cases	19	21	24
Agenda opinions	In favor	Cases	96	102	126
	Opposed	Cases	0	0	0
	Abstention	Cases	0	0	0
	Absent	Cases	12	14	25

Shareholding Status

Classification	Number of Shares	Percentage
SK Telecom Co., Ltd.	299,052,435	74.38%
Taekwang Industrial Co., Ltd.	67,352,565	16.75%
MADW Tiger Co., Ltd.	32,190,779	8.01%
Minority shareholders ¹⁾	2,311,198	0.57%

1) Excluding treasury shares

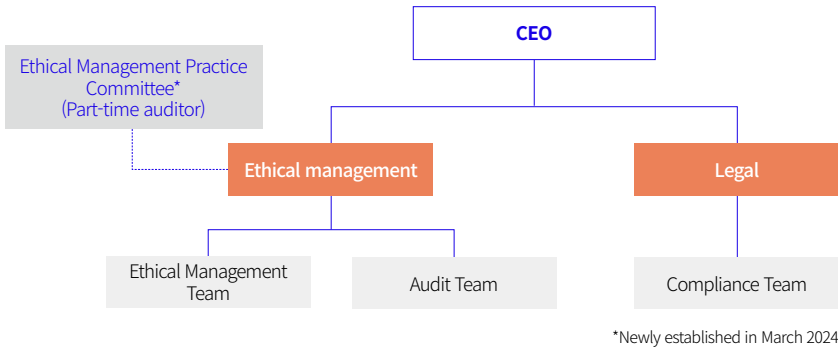
(as of December 31, 2023)

Ethics and Compliance

Governance

Roles and Responsibilities

To enhance the objectivity and fairness of in-house audit activities, we newly established the Ethical Management Practice Committee in March 2024. The committee consists of three members, including at least one expert in accounting or finance, to ensure expertise. The committee is scheduled to operate regularly, at least once per quarter, and may convene as needed. With the establishment of the Standards for Operating the Ethical Management Practice Committee, the committee’s composition, operation, functions, and authority, including the review and approval of in-house audit plans, audit activities, corrective actions for audit findings, and the management and supervision of creating an environment for ethical management practices to prevent unethical risks, have been stipulated. To ensure efficient operation, the Ethical Management Department acts as the secretary, and the committee holds the authority to approve the appointment and dismissal of the head of the in-house Audit Department, review and provide feedback on personnel evaluations, and consent to the appointment and dismissal of the head of the in-house Audit Department.



Formation and Operation of the Ethical Management Practice Committee

Classification		Description	
Ethical Management Practice Committee	Workforce composition	Part-time auditor, legal affairs, HR	
	Regulation name	Standards for Operating the Ethical Management Practice Committee	
	Roles specified in the regulation	Review and approval of in-house audit matters	
	Supervisory matters	- Review and approval of in-house audit plans - Review of the appropriateness of the organization, personnel, and budget of the in-house Audit Department and evaluation of their activities - Confirmation of corrective actions for in-house audit findings - Review and approval of the ethical management system operations/activities and non-financial risk assessments - Review and approval of personnel evaluations for the head of the in-house Audit Department - Consent to the appointment and dismissal of the head of the in-house Audit Department	
		Interval	
		At least once per quarter and as needed	
		[1st Quarter] - Report on 2024 ethical management practices and audit plan - Report/resolution on the operation and standards of the Ethical Management Practice Committee - Report on the activation plan for ethical management comm.	
	2024 report agendas	[2nd Quarter] - Report on the regular inspection of the internal control of the group - Report on the status check and improvement plans for business manner compliance	
		[3rd Quarter] - Report on the results of the first regular audit - Report on the effectiveness check and improvement plans for ethical management comm. in the first half of the year	
		[4th Quarter] - Report on the results of the second regular audit - Report on the results of the ethical management survey and evaluation of the ethical management system	
Responsible Organization	Department name	Ethical Management	
	Role	- Support for the Ethical Management Practice Committee (independent audit department) - Conduct group common diagnoses and self-audits - Report risk management activities to the Ethical Management Practice Committee - Investigate reports and improve processes - Operate ethical management policies and systems - Enhance ethical management education and the ethical management system	

Ethics and Compliance

Strategy

Ethics and Compliance Management System

Unethical and illegal corporate actions can damage brand value, lead to financial losses due to legal disputes, and cause social harm(social distrust, increased crime, etc.). Recognizing the importance of ethical management, we established a code of ethics and practice guidelines based on the SK Management System (SKMS), our group’s management philosophy and action principles. Our code of ethics and practice guidelines include policies and codes of conduct to evaluate, prevent, and improve anti-corruption risk factors (fair trade, safety, environment, improper solicitation, corruption, etc.) that may arise across all business operations. The scope of responsibility for ethical management covers all stakeholders associated with the company, such as customers, members, shareholders, society, etc. To strengthen our ethical management system, we introduced and operate the 3C (Code, Compliance, Consensus) ethical management system.

Code of Ethics and Practice Guidelines 

The 3 Elements (3C) of the Ethical Management System	Description
Code	Defines responsibilities towards stakeholders, including specific, codified guidelines for member behavior (Code of ethics, practice guidelines, implementation guides, etc.)
Compliance	Organizations and systems for ethics management practice (dedicated organizations, counseling/report investigation, audit on unethical behaviors, self-assessments, etc.)
Consensus	Forming a consensus among members on ethical management through systematic education (CEO messages, education programs, practice pledges, campaign activities, etc.)

Core Activities

Strengthening Ethics and Compliance Management

To raise members’ awareness of ethical management, we run various programs including ethical management communication activities, online education, self-discussion workshops, and member surveys. We also strive to promote an ethical management culture by creating and distributing content to prevent unethical behaviors for business partners. In addition to legally mandated education, we provide compliance training tailored to different job roles for our executives, leaders, and members.



Operating an in-house audit system

In response to the uncertainty of the business environment and diversification of business areas, we established a three-year mid-term audit plan covering all business areas(including subsidiaries). Audits are prioritized through risk pool management and regular risk assessments, with an annual risk reassessment to review audit plans and operate an ongoing risk management system. Regular audits are scheduled for 2024 in the wired and media business sectors to preemptively identify and respond to potential risks, thereby enhancing management efficiency.

Ethics and Compliance

Strategy

Core Activities

Implementation of Corruption Risk Assessment

We conduct corruption risk assessments including ongoing monitoring and regular inspections to achieve zero compliance risk, as well as address potential corruption risks in key business areas. Any significant risks that have been identified in the corruption risk assessment are tracked and managed through improvement recommendations, follow-up actions, and implementation checks until they are resolved.

Classification	Key Checkpoints	Countermeasures
Technical data checks	Fact-finding surveys on technical data requests/use	For members handling technical data Implement education on the prohibition of technical data requests/use
Fact-finding surveys on subcontractors	- Check transaction status and payment status by subcontract type - Check subcontract payment conditions	- Voluntary rectification of delayed subcontract payments - Timely public disclosure of subcontract payment conditions
Review of damage compensation clauses in terms and conditions	Legality check of damage compensation clauses in terms and conditions for major services, such as high-speed Internet	Enhancement of user benefit by terms and conditions revision

Reporting violations

We run internal and external channels for reporting unethical behaviors of our members(accepting bribes or entertainment, improper accounting, violations of the Improper Solicitation and Graft Act, and other corruption activities). These reporting channels are open to everyone, including members, business partners, customers, and shareholders; anyone can report misconduct either anonymously or with their name. Once reports are received, audits are conducted based on the type of violation, then followed by a convocation of an HR committee to take actions based on the investigation results. In accordance with whistleblower protection regulations, our in-house independent audit organization thoroughly protects the identity, statements, and provided materials of whistleblowers, thereby protecting them from any disadvantages or discrimination. A reward system for whistleblowers has also been established to further promote an ethical corporate culture.

Metrics and Targets

Implementation Roadmap

Targets	Zero violations of anti-corruption and ethical management policies, maintaining over 99% participation rate in ethical management education for members
Metrics	Participation rate in ethical management(anti-corruption and fair trade) education, number of violations of ethical regulations, number of violations of anti-corruption laws

2023	2024	2025
- Conduct intensive audits of anti-corruption violations - Implement customized ethics(anti-corruption) education programs by job group - Expand unethical behavior prevention education for business partners - Establish and disclose major guidelines on fair trade	- Strengthen customized compliance inspections and education for key departments(mandatory education for members of key departments) - Enhance and implement participatory education programs to encourage voluntary participation from members - Establish fair trade principles during transactions with business partners and competitors and publish them on the company website - Expand unethical behavior prevention education for business partners	- Develop and disclose a manual on voluntary compliance - Mandate unethical behavior prevention education for business partners - Enhance ethical management system and establish an environment for autonomous practice



Ethics and Compliance

Key Data

Ethical Education

Classification		Unit	2021	2022	2023
Ethical Management and Fair Trade Education	Hours of education per member	Hours	2.8	3.1	3.9
	Member completion rate	%	99.2	99.6	99.8
Online practice pledge		Persons	2,643	2,628	2,714

Anti-corruption regulatory violations

Classification		Unit	2021	2022	2023
Anti-bribery		Cases	0	0	0
General unfair trade practices		Cases	0	0	0
Improper joint actions		Cases	0	0	0
Labeling · advertising		Cases	0	0	0
Improper support and internal transactions		Cases	1	0	0
Subcontractor transactions		Cases	0	0	0

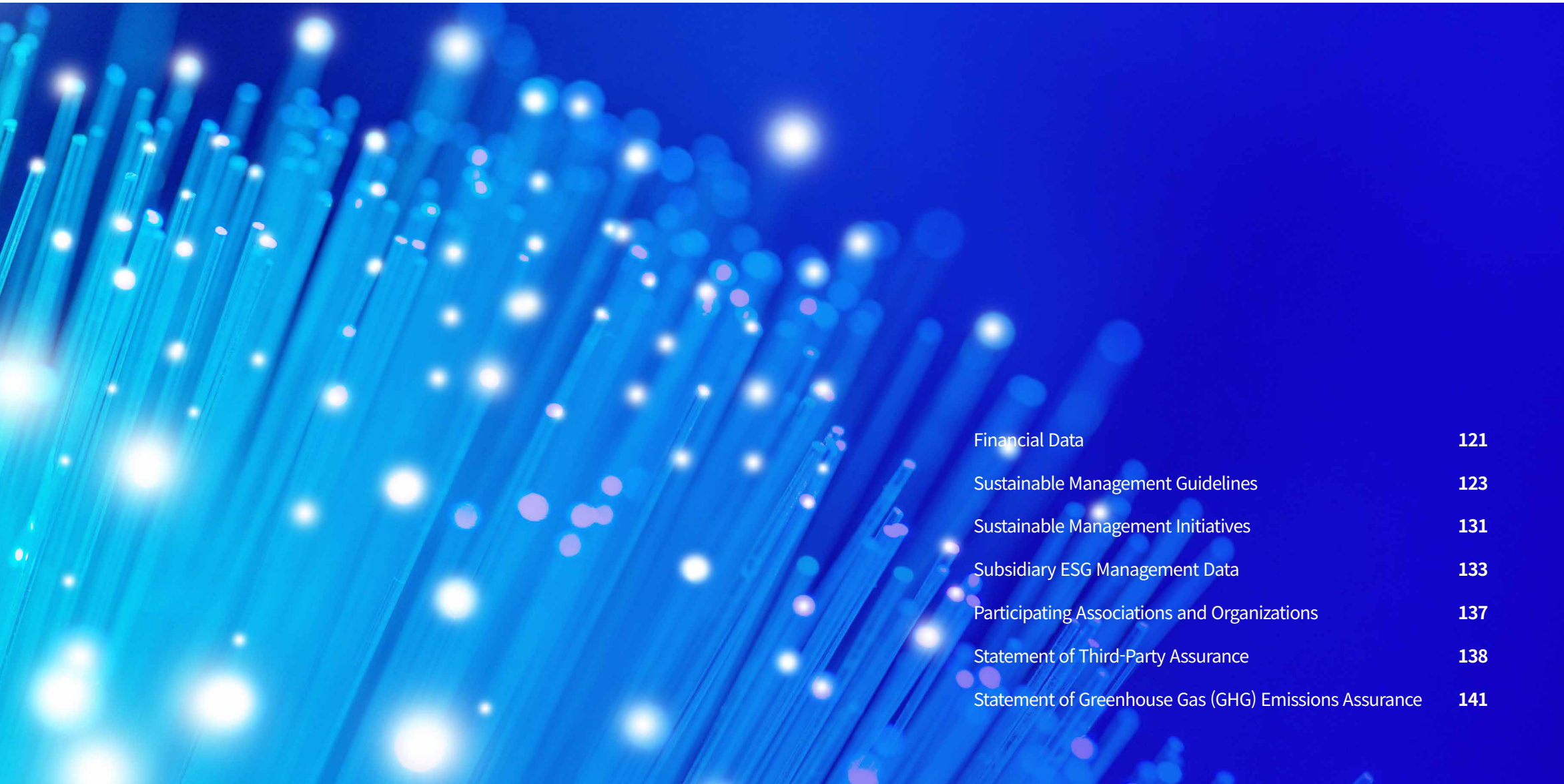
Reports and Measures

Classification		Unit	2021	2022	2023
Reporting and Consultations (per Stakeholder) ¹⁾	Total	Cases	53	49	76
	Members	Cases	12	13	20
	Business Partner	Cases	8	7	18
	Customers	Cases	33	29	38
Reporting and Consultations (by Report Type) ²⁾	Ethics consultations/ reports	Cases	12	12	33
	Customer complaints	Cases	33	27	33
	Subsidiary issues	Cases	35	29	68
	General work issues	Cases	8	10	10
Measures	Investigations (audits) ³⁾	Cases	12	12	33
	Transferred and handled by relevant department	Cases	41	37	43
Reports of Violations of Ethical Regulations	Total	Cases	4	2	4
	Negligence of duties	Cases	0	0	0
	Improper conduct at work	Cases	1	0	3
	Sexual harassment and workplace etiquette	Cases	3	2	1
	Improper conduct towards BPs	Cases	0	0	0
Actions Taken on Violations of Ethical Regulations ⁴⁾					
Total		Cases	5	2	4

1) Excluding reports and consultations related to subsidiaries; data for 2021-2022 has been recalculated and corrected due to changes in internal standards
2) Data for 2021-2022 has been recalculated and corrected due to changes in internal standards
3) Data for 2021-2022 has been recalculated and corrected due to changes in internal standards
4) Based on the disciplined individuals (2 individuals for 1 report received in 2021)



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Financial Data

Summary of Consolidated Financial Data

27th period (As of Dec. 31, 2023)

26th period (As of Dec. 31, 2022)

25th period (As of Dec. 31, 2021)

(Unit: KRW 1 million)

Classification	27th Period	26th Period	25th Period
Current assets	1,388,965	1,348,305	1,252,935
Trade and other trade receivables	551,813	569,580	503,194
Cash and cash equivalents	354,161	367,994	407,657
Inventory	14,911	20,835	24,248
Other current assets	468,080	389,896	317,836
Non-current assets	5,084,443	4,945,627	4,744,905
Long-term trade and other trade receivables	82,577	81,678	85,477
Tangible assets	3,310,745	3,116,379	3,127,579
Intangible assets	709,146	740,734	790,473
Other non-current assets	981,975	1,006,836	741,376
Total assets	6,473,408	6,293,932	5,997,840
Current liabilities	1,388,317	1,707,805	1,433,800
Non-current liabilities	1,971,849	1,465,648	1,696,357
Total liabilities	3,360,166	3,173,453	3,130,157
Equity capital	2,010,227	2,010,227	2,007,266
Other paid-up capital	667,054	657,707	645,732
Retained earnings	443,731	454,534	205,575
Other components of equity	-7,770	-1,989	9,110
Total capital	3,113,242	3,120,479	2,867,683

27th period (January 1, 2023 to December 31, 2023)

26th period (January 1, 2022 to December 31, 2022)

25th period (January 1, 2021 to December 31, 2021)

(Unit: KRW 1 million)

Classification	27th Period	26th Period	25th Period
Operating revenue	4,274,747	4,155,822	4,049,156
Operating profit	313,665	309,092	275,585
Consolidated net profit from continuing operations	206,517	219,867	198,268
Net profit from discontinued operations after tax	-3,627	-2,564	-
Consolidated net profit of current team	202,890	217,303	198,268
Net profit attributable to parent company shares	202,890	217,303	198,268
Net income per share (KRW)	506	544	497
Number of companies included in the consolidation	2	2	2

Financial Data

Summary of Separate Financial Data

27th period (As of Dec. 31, 2023)

26th period (As of Dec. 31, 2022)

25th period (As of Dec. 31, 2021)

(Unit: KRW 1 million)

Classification	27th Period	26th Period	25th Period
Current assets	1,342,047	1,298,735	1,208,535
Trade and other trade receivables	537,717	555,299	496,047
Cash and cash equivalents	322,592	348,286	373,823
Inventory	13,984	18,279	23,481
Other current assets	467,754	376,871	315,184
Non-current assets	5,100,564	4,946,749	4,762,970
Long-term trade and other trade receivables	80,319	79,605	83,021
Tangible assets	3,305,687	3,110,868	3,120,761
Intangible assets	692,560	723,408	778,587
Other non-current assets	1,021,998	1,032,868	780,601
Total assets	6,442,611	6,245,484	5,971,505
Current liabilities	1,376,697	1,694,852	1,410,823
Non-current liabilities	1,946,459	1,440,097	1,681,014
Total liabilities	3,323,156	3,134,949	3,091,837
Equity capital	2,010,227	2,010,227	2,007,266
Other paid-up capital	667,054	657,707	645,732
Retained earnings	449,944	444,591	217,560
Other components of equity	-7,770	-1,990	9,110
Total capital	3,119,455	3,110,535	2,879,668

27th period (January 1, 2023 to December 31, 2023)

26th period (January 1, 2022 to December 31, 2022)

25th period (January 1, 2021 to December 31, 2021)

(Unit: KRW 1 million)

Classification	27th Period	26th Period	25th Period
Operating revenue	4,281,932	4,162,093	4,058,997
Operating profit	320,341	304,417	291,028
Net income	213,905	212,816	213,468
Net income per share (KRW)	534	533	536

Sustainable Management Guidelines

TCFD Index

Classification	Item	CDP-related Questionnaire ¹⁾	Page
Governance	a. Describe the Board’s oversight of climate-related risks and opportunities.	4.1.2	57
	b. Describe management’s role in assessing and managing climate-related risks and opportunities.	4.3, 4.3.1	57
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, mid, and long terms.	2.1, 3.1, 3.1.1, 3.6, 3.6.1	58~59
	b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	3.1.1, 3.6.1, 5.1.1, 5.1.2, 5.2, 5.3.1, 5.3.2	60~62
	c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	5.1, 5.1.1, 5.1.2	60~67
Risk Management	a. Describe the organization’s processes for identifying and assessing climate-related risks.	2.2.1, 2.2.2	68~69
	b. Describe the organization’s processes for managing climate-related risks.	2.2.1, 2.2.2	68~69
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	2.2.1, 2.2.2	19~20, 68~69
Metrics and Targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	7.52, 7.54, 7.54.1, 7.54.2	22, 70
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions and the related risks.	7.6, 7.7, 7.8, 7.8.1	71
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	7.53, 7.53.1, 7.53.2, 7.54, 7.54.1, 7.54.2	70

1) Matched according to the 2024 CDP Questionnaire

Sustainable Management Guidelines

GRI Contents Index

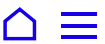
Statement of use	For the reporting period from January 1, 2023, to December 31, 2023, the GRI Standards 2021 are applied and reported
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	Not Applicable

General Disclosures			
GRI Standards	Disclosures		Page
GRI 2: General Disclosures 2021	2-1	Organization details	6
	2-2	Entities included in the organization’s sustainability reports	144
	2-3	Reporting period, frequency, and contact points	144
	2-4	Restatements of information	Indicated on each page
	2-5	External assurance	138~140
	2-6	Activities, value chain, and other business relationships	7~11
	2-7	Employees	80
	2-8	Workers who are not employees	80
	2-9	Governance structure and composition	112
	2-10	Nomination and selection of the highest governance body	112
	2-11	Chair of the highest governance body	112
	2-12	Role of the highest governance body in overseeing the management of impacts	112
	2-13	Delegation of responsibility for managing impacts	113~114
	2-14	Role of the highest governance body in sustainability reports	17
	2-15	Conflicts of interest	112~114
	2-16	Communication of critical concerns	114
	2-17	Collective knowledge of the highest governance body	113
	2-18	Evaluation of the performance of the highest governance body	114
	2-19	Remuneration policies	114
	2-20	Processes to determine remuneration	114
	2-21	Annual total compensation ratio	82
	2-22	Statement on sustainable development strategy	4~5
	2-23	Policy commitments	107, 117
	2-24	Internalizing policy commitments	108~109, 117~118
	2-25	Processes to remediate negative impacts	19-21
	2-26	Mechanisms for seeking advice and raising concerns	109, 118
	2-27	Compliance with laws and regulations	110, 119
	2-28	Membership associations	137
	2-29	Approach to shareholder engagement	27
	2-30	Collective bargaining agreements	86

Sustainable Management Guidelines

GRI Contents Index

Material Topics			
GRI Standards	Disclosures		Page
GRI 3: Material Topics 2021	3-1	Processes to determine material topics	28
	3-2	List of material topics	29
Network Quality Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	32~37
Non-GRI	-	-	-
Customer Privacy and Corporate Information Asset Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	38~47
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	46
Customer Trust and Satisfaction Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	48~56
Non-GRI	-	-	-
Climate Change and Energy Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	52~72
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	58~62
GRI 302: Energy	302-1	Energy consumption within the organization	72
	302-2	Energy consumption outside of the organization	71
	302-3	Energy intensity	72
	302-4	Reduction of energy consumption	72
	302-5	Reductions in energy requirements of products and services	72
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	71
	305-2	Indirect (Scope 2) GHG emissions	71
	305-3	Other indirect (Scope 3) GHG emissions	71
	305-4	GHG emissions intensity	71
	305-5	Reduction of GHG emissions	71
	305-6	Emissions of ozone-depleting substances (ODS)	Not Applicable
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	75



Sustainable Management Guidelines

GRI Contents Index

Material Topics			
GRI Standards	Disclosures		Page
New Growth Businesses (AI)			
GRI 3: Material Topics 2021	3-3	Management of material topics	13~15
Non-GRI	-	-	-
Talent Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	78~86
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	80~81
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	84
	401-3	Parental leave	85
	404-1	Average hours of education per employee	81
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	79
	404-3	Percentage of employees receiving regular performance and career development reviews	82
Health and Safety			
GRI 3: Material Topics 2021	3-3	Management of material topics	92~98
GRI 403: Occupational Health and Safety 2016	403-1	Occupational Health and Safety (OHS) management system	92
	403-2	Hazard identification, risk assessment, and incident investigation	93
	403-3	Occupational health services	94
	403-4	Worker participation, consultation, and communication on OHS	94
	403-5	Worker training on OHS	94
	403-6	Promotion of worker health	94
	403-7	Prevention and mitigation of OHS impacts directly linked with business relationships	93~94
	403-8	Workers covered by the OHS management system	92~94
	403-9	Work-related injuries	96~97
	403-10	Work-related diseases	96~97

Sustainable Management Guidelines

GRI Contents Index

Material Topics				
GRI Standards		Disclosures		Page
Supply Chain Management (SCM)				
GRI 3: Material Topics 2021	3-3	Management of material topics		87~91
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria		91
	308-2	Negative environmental impacts of the supply chain and actions taken		91
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria		91
	414-2	Negative social impacts of the supply chain and actions taken		91
Ethics and Compliance				
GRI 3: Material Topics 2021	3-3	Management of material topics		116~119
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption		118
	205-2	Communication and training about anti-corruption policies and procedures		117
	205-3	Confirmed incidents of corruption and actions taken		119
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		119
Media and Content Diversity Management				
GRI 3: Material Topics 2021	3-3	Management of material topics		54
Non-GRI	-	-		-

Sustainable Management Guidelines

GRI Contents Index

Non-Material Topics			
GRI Standards	Disclosures		Page
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	6, 121~122
	201-3	Defined benefit plan obligations and other retirement plans	Confidentiality constraints
	201-4	Financial assistance received from the government	Confidentiality constraints
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	91
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	74
	303-2	Management of water discharge-related impacts	74
	303-3	Water withdrawal	76
	303-4	Water discharge	76
	303-5	Water consumption	76
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	74
	306-2	Management of significant waste-related impacts	74
	306-3	Waste generated	76
	306-4	Waste diverted from disposal	76
	306-5	Waste directed to disposal	76
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	84
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	81, 112
	405-2	Ratio of basic salary and remuneration of women to men	82
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	110, 119
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	84
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	108~109
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	108~109
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	100~102
GRI 415: Public Policy 2016	415-1	Political contributions	103

Sustainable Management Guidelines

SASB (Telecommunication Services)

Sustainability Disclosure Topics & Accounting Metrics			
Classification	Item	Code	Status
Environmental Footprint of Operations	(1) Total energy consumed	TC-TL-130a.1	(1) 8,810TJ (2) 99.97% (3) 4.33%
	(2) Percentage of grid electricity		
	(3) Percentage of renewable energy		
Data Privacy	Description of policies and practices relating to behavioral advertising and customer privacy	TC-TL-220a.1	In accordance with the Personal Information Protection Act, SK broadband publishes our “Privacy Policy” on our website. This policy states that customer personal information is collected with the consent of subscribers, used only within the specified purposes, and provided to third-party organizations based on selective consent from customers. Additionally, SK broadband conducts personal information protection education for our members at least once a year. For subcontracted partners where personal information is entrusted, the company conducts online/offline education and onsite/online inspections to strengthen personal information risk management. • Personal information protection education and inspection for business partners - Online personal information protection completed by 11,708 people (100%) - 784 on-site personal information protection inspections
	Number of customers whose information is used for secondary purposes	TC-TL-220a.2	6,966,307 cases (3,899,519 cases of consent to receiving information/advertisements, 3,066,788 cases of non-consent)
	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	TC-TL-220a.3	KRW 0
	(1) Number of law enforcement requests for customer information (2) Number of customers whose information was requested (3) Percentage resulting in disclosure	TC-TL-220a.4	• Communication data ¹⁾ - Number of submissions: 14,078 cases, Number of customer disclosures: 25,800 cases, Disclosure rate: 100% • Communication verification data ²⁾ - Number of submissions: 3,370 cases, Number of customer disclosures: 6,306 cases, Disclosure rate: 100% In accordance with the Telecommunications Business Act [Article 83 (3)] and the Protection of Communications Secrets Act (Articles 2 and 13), SK broadband cooperates with government agency requests and provides relevant data based on legal standards and methods.
Data Security	(1) Number of data breaches (2) Percentage involving personally Identifiable Information (PII) (3) Number of customers affected	TC-TL-230a.1	(1) 0 cases (2) 0% (3) 0 persons
	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	TC-TL-230a.2	SK broadband has established and complies with security policies and guidelines based on the Act on Promotion of Information and Communications Network Utilization and Information Protection and the Personal Information Protection Act. To enhance external credibility and transparency, the company utilizes third-party organizations to verify overall information security investments, personnel reinforcement, and activities. Additionally, SK broadband has acquired and maintains Personal Information & Information Security Management System (ISMS-P) certification, Information Security Management System (ISMS) certification, and ISO27001 certification from external organizations.

1) User information such as name, resident registration number (social security number), address, phone number, ID, and subscription and cancellation dates can be requested when required for criminal investigations, sentence executions, or trials by courts, prosecutors, and investigative agencies under the Telecommunications Business Act

2) Information such as the other party’s subscriber number and log records (date, time, etc.) are classified as “communication confirmation data” under the Protection of Communications Secrets Act. Investigative agencies must submit an official request (including the reason for the request, relevance to the subscriber, and scope of necessary data) along with court authorization

Sustainable Management Guidelines

SASB (Telecommunication Services)

Sustainability Disclosure Topics & Accounting Metrics

Classification	Item	Code	Status
Product End-of life Management	(1) Materials recovered through take-back programs	TC-TL-440a.1	(1) 2,610,176 (majority of devices are set-top boxes, routers, etc.) (2) 50.7% (3) 35.5% (4) No resources were landfilled as recovered devices that are difficult to reuse were sold to recycling companies.
	(2) Percentage of recovered materials that were reused		
	(3) Percentage of recovered materials that were recycled		
	(4) Percentage of recovered materials that were landfilled		
Competitive Behavior & Open Internet	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	TC-TL-520a.1	SK broadband has no cases of violating anti-competitive behavior regulations in 2023.
	(1) Average actual sustained download speed of owned and commercially associated content	TC-TL-520a.2	SK broadband does not disclose download speed data separately categorized by content type (owned by the company, commercially associated, and non-associated). However, there is no difference in download speeds based on content type.
	(2) Average actual sustained download speed of non-associated content		
Managing Systemic Risks from Technology Disruptions	Description of risks and opportunities associated with neutrality, paid peering, zero rating, and related practices	TC-TL-520a.3	SK broadband complies with the “Guidelines on Net Neutrality and Internet Traffic Management” of the Ministry of Science and ICT.
	(1) Average frequency of system interruption	TC-TL-550a.1	To ensure stable service operation, SK broadband operates its network from a customer-centric perspective at all stages. In 2023, there were a total of three major communication outages: two were caused by external factors (facility damage, etc.) and one was due to a software distribution error. SK broadband has established response manuals for each type of potential outage to minimize customer inconvenience and quickly restore service. Additionally, through the operation of the after-action review (AAR) process, we continuously identify and address improvement measures to prevent the recurrence of major failures.
	(2) Average duration of customer interruption		
	Discussion of systems to provide unimpeded service during service interruptions	TC-TL-550a.2	SK broadband has established and operates an emergency recovery system to minimize the service impact caused by network failures. Furthermore, we proactively respond to and manage risks in each area by improving structures through network duplexing and dualization.

Activity Metric

Item	Code	Status
Number of wireless subscribers	TC-TL-000.A	SK broadband does not operate a wireless communication business.
Number of wired subscribers	TC-TL-000.B	3,464,124 persons
Number of broadband subscribers	TC-TL-000.C	6,925,798 persons
Network traffic	TC-TL-000.D	71.8 Petabytes/day



Sustainable Management Initiatives

2023 Participation Initiatives

UN SDGs(UN Sustainable Development Targets)		
UN SDGs	SK broadband Activities	Report Pages
 Good Health and Well-being	- Established disaster and major accident response processes for fire, flood, power outages, earthquakes, etc., and conducted emergency drills - Implemented health and safety culture activities for business partners (Level Up health and safety education for executives, etc.) - Established the member health data management system and managed individuals with abnormal findings based on examination results, as well as those who need to be monitored for health concerns - Operated psychological counseling programs to resolve job stress and psychological difficulties - Operated the “Safety Net Program” a volunteer program providing meals to undernourished elderly people and seniors living alone	36, 93~94, 100
 Quality Education	- Provided quality educational content for infants and elementary school students through the kids’ brand “ZEM” - Provided ChatGPT-based service “Real Live English Conversation” offering personalized, free English conversation practice - Planned and produced kids’ science education animations in collaboration with KAIST, and made them available free of charge - Enhanced learning support capabilities through the personalized homeschooling service “Today’s Study” which helps establish study routines - Conducted media education and supported content creation activities for local residents through Media Creation Support Centers	14, 75, 101
 Gender Equality	- Provided equal opportunities through blind hiring for new employees (over 75% of new female hires in 2023) - Expanded the proportion of females in the internal leadership pool and managed the promotion rate to team leader positions - Continued to pursue the external recruitment of female executives	78-85
 Decent Work and Economic Growth	- Operated local channel programs aimed at revitalizing the local economy - Provided quality education for talent development - Provided education for key competency development through SK Group’s online education platform mySUNI, based on a culture of voluntary learning among members - Conducted AI Literacy (Generative AI) education for all members to nurture AI talent - Established and operated programs to support work-life (family) balance - Implemented family care and family relationship enhancement programs for members who are pregnant or raising children - Provided sufficient rest time for members through “We-fresh Day” (biweekly Friday day off) - Enhanced work hour flexibility by allowing members to design their own working hours - Support for social enterprises - Strategically selected and supported social enterprises that contribute to solving social problems through business, utilizing tangible and intangible resources - Provided the “B tv Neighborhood Advertising” platform service to strengthen the marketing capabilities of local small business owners - Provided advertising services at reasonable prices by lowering the entry barriers for TV advertising and offering solutions for creating ads directly	79, 83~84, 100~102, 104~105
 Industry, Innovation, and Infrastructure	- Provided a stable communication environment by expanding communication infrastructure (building international submarine cables, improving cable TV network structures, establishing service dualization, etc.) - Responded to cyber security threats through the DDoS Clean Zone service - Conducted preventive activities against voice phishing by collectively blocking illegal repeaters	34~36, 42~43



Sustainable Management Initiatives

2023 Participation Initiatives

UN SDGs(UN Sustainable Development Targets)

UN SDGs	SK broadband Activities	Report Pages
 Reduced Inequality	- Enhanced communication accessibility in vulnerable areas (Promoted BcN and advanced communication network projects in farming and fishing areas) - Implemented set-top box features specialized for people with visual and hearing impairments (smart subtitles, voice guidance, audio description services, etc.) - Provided Korean subtitle services using voice recognition AI technology to bridge the content consumption gap for digitally marginalized groups - Enhanced media accessibility for seniors by offering the “Happy Senior” menu in an era of the aging population	51~52
 Climate Action	- First to join RE100 in Korea and set Net Zero 2045 as the goal - Developed clean technologies to make customer equipment eco-friendly - Developed and distributed low-power set-top boxes that obtained low-carbon product certification - Developed a rechargeable remote control that reduces carbon emissions to one-tenth compared to battery-operated remote controls - Improved the efficiency of equipment and facilities - Developed Korea’s first optical communication technology that offers 1 to 10 Gbps high-speed Internet with a single device using integrated optical modules - Reduced power consumption by installing mist devices on outdoor cooling units and introducing inverter-type air conditioners - Acted as an agent of environmental change - Produced the children’s environmental animation “Sound of Heart with Greenpeace: Children’s Environmental Adventure” - Sponsored the Seoul International Eco Film Festival for four consecutive years since 2021	57~76

UNGC(UN Global Compact)

The UNGC is a voluntary initiative based on commitments to implement 10 principles in the areas of human rights, labor, environment, and anti-corruption. SK broadband continues to uphold our social responsibility therein since our pledge of declaration and commitment in 2021.

Ten Principles of UNGC		Report Pages
Human Rights	① Businesses should support and respect the protection of internationally proclaimed human rights.	107~110
	② Businesses should make sure that they are not complicit in human rights abuses.	107~110
Labor	③ Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	83, 86
	④ Businesses should uphold the elimination of all forms of forced and compulsory labor.	107
	⑤ Businesses should uphold the effective abolition of child labor.	107
	⑥ Businesses should uphold the elimination of discrimination with respect to employment and occupation.	107
Environment	⑦ Businesses should support a precautionary approach to environmental challenges.	57~76
	⑧ Businesses should undertake initiatives to promote greater environmental responsibility.	57~76
	⑨ Businesses should encourage the development and diffusion of environmentally friendly technologies.	57~76
Anti-bribery	⑩ Businesses should work against corruption in all its forms, including extortion and bribery.	116~119



Subsidiary ESG Management Data

Home & Service

Environment

Greenhouse Gas (GHG)

Classification	Unit	2022	2023
Total emissions (Scope 1 + Scope 2)	tCO ₂ eq	14,271	14,529
Direct (Scope 1) GHG emissions	tCO ₂ eq	10,981	12,290
Indirect (Scope 2) GHG emissions	tCO ₂ eq	3,289	2,239

Energy

Classification	Unit	2022	2023
Total general energy consumption (Direct + Indirect)	GJ	231,846	229,101
Direct energy consumption	GJ	163,110	182,306
Indirect energy consumption	GJ	68,736	46,795
Total renewable energy consumption	MWh	0	0

Water

Classification	Unit	2022	2023
Total water consumption	m ³	15,109	15,290

Waste

Classification	Unit	2022	2023
Total generated	ton	590	715
Household waste	ton	140	169
Other waste	ton	450	547
Total recycled	ton	0	0

Environmental Law Violations

Classification	Unit	2022	2023
Number of environmental law violations	Cases	0	0
Total amount of fines/penalties	KRW 1 million	0	0

Social

General Member Information

Classification	Unit	2022	2023
Total members	Persons	4,989	5,443
Domestic	Persons	4,989	5,443
Overseas	Persons	0	0
By gender	Male	4,231	4,680
	Female	Persons (%)	758(15.2)
	Regular employees	Persons (%)	722(14.8)
	Non-regular employees	Persons	36
By employment type	Regular employees	Persons	4,868
	Non-regular employees	Persons	121

Recruitment

Classification	Unit	2022	2023
Total new hires	Persons	183	657
By gender	Male	Persons	114
	Female	Persons (%)	69(37.7)
By employment type	Regular employees	Persons	95
	Non-regular employees	Persons	88

Diversity

Classification	Unit	2022	2023
Persons with disabilities	Persons	132	145
Persons of National Merit and Veterans	Persons	123	126
Foreigners	Persons	1	1

Maternity and Childcare

Classification	Unit	2022	2023
Percentage of employees who returned to work after parental leave	%	91	97



Subsidiary ESG Management Data

Home & Service

Social

Turnover (Retirement)

Classification	Unit	2022	2023
Total number of retirees	Persons	159	223
Total number of non-regular retirees	Persons	37	80
Total number of regular retirees	Persons	122	143
Total retirement rate	%	3.2	4.1
Voluntary retirement rate	%	1.9	2.1

Education

Classification	Unit	2022	2023
Hours of education	Total hours of education	Hours	194,848
	Hours of online education	Hours	121,230
	Hours of offline education	Hours	73,618
Education costs	Total education costs	KRW 1,000	1,766,670
	Educational costs per member	KRW 1,000	354

Business Partner Status

Classification	Unit	2022	2023
Total number of business partners	Partners	838	1,445
Number of key business partners	Partners	9	10

Purchase Amount

Classification	Unit	2022	2023
Total purchase amount	KRW 100 million	649.5	824.0
Purchase amount of key business partners	KRW 100 million	23.0	31.4

Accident Rate

Classification	Unit	2022	2023
Accident Rate	%	0.661	0.790

Personal Information Protection/Information Protection Education

Classification	Unit	2022	2023
Hours of education per member	Hours	1	1
Education participation rate	%	99.4	99.4

Information Security Breach

Classification	Unit	2022	2023
Number of accidents	Cases	0	0
Fines and penalties	KRW	0	0

Social Investment

Classification	Unit	2022	2023
Social investment amount	Cash donation	KRW 1,000	0
			0

Governance

Ethics Education

Classification	Unit	2022	2023
Ethical trade and fair trade education completion rate	%	99.5	99.8
Sexual harassment prevention education completion rate	%	98.8	99.9

Violations of anti-competitive behavior regulations

Classification	Unit	2022	2023
Number of violations of anti-competitive behavior regulations	Cases	0	0
Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	KRW	0	0



Subsidiary ESG Management Data

Media S

Environment

Greenhouse Gas (GHG)

Classification	Unit	2022	2023
Total emissions (Scope 1 + Scope 2)	tCO ₂ eq	17.3	21.0
Direct (Scope 1) GHG emissions	tCO ₂ eq	7.0	7.2
Indirect (Scope 2) GHG emissions	tCO ₂ eq	10.3	13.9

Energy

Classification	Unit	2022	2023
Total general energy consumption (Direct + Indirect)	GJ	319	396
Direct energy consumption	GJ	103	107
Indirect energy consumption	GJ	216	289
Total renewable energy consumption	MWh	0	0

Water

Classification	Unit	2022	2023
Total water consumption	m ³	38	43

Waste

Classification	Unit	2022	2023
Total generated	ton	0.9	1.1
Total recycled	ton	0	0

Environmental Law Violations

Classification	Unit	2022	2023
Number of environmental law violations	Cases	0	0
Total amount of fines/penalties	KRW 1 million	0	0

Social

General Member Information

Classification	Unit	2022	2023
Total members	Persons	33	36
Domestic	Persons	33	36
Overseas	Persons	0	0
By gender	Male	18	17
	Female	Persons (%)	15(45.5)
	Regular employees	Persons (%)	10(38.5)
	Non-regular employees	Persons	5
By employment type	Regular employees	Persons	26
	Non-regular employees	Persons	7

Recruitment

Classification	Unit	2022	2023
Total new hires	Persons	12	6
By gender	Male	Persons	6
	Female	Persons (%)	6(50)
By employment type	Regular employees	Persons	7
	Non-regular employees	Persons	5

Diversity

Classification	Unit	2022	2023
Persons with disabilities	Persons	0	0
Persons of National Merit and Veterans	Persons	1	1
Foreigners	Persons	0	0

Maternity and Childcare

Classification	Unit	2022	2023
Percentage of employees who returned to work after parental leave	%	0	100



Subsidiary ESG Management Data

Media S

Social

Turnover (Retirement)

Classification		Unit	2022	2023
Total number of retirees		Persons	2	5
Total number of non-regular retirees		Persons	2	2
Total number of regular retirees		Persons	0	3
Average monthly rate of retirement rate		%	0.5	1.2
Voluntary retirement rate		%	0	8.3

Education

Classification		Unit	2022	2023
Hours of education	Total hours of education	Hours	164	179
	Hours of online education	Hours	164	179
	Hours of offline education	Hours	0	0
Educational costs	Total education costs	KRW 1,000	760	825
	Educational costs per member	KRW 1,000	23	23

Business Partner Status

Classification		Unit	2022	2023
Total number of business partners		Partners	99	118
Number of key business partners		Partners	15	19

Purchase Amount

Classification		Unit	2022	2023
Total purchase amount		KRW 100 million	471.6	425.7
Purchase amount of key business partners		KRW 100 million	48.0	38.9

Accident Rate

Classification		Unit	2022	2023
Accident Rate		%	0	0

Personal Information Protection/Information Protection Education

Classification		Unit	2022	2023
Hours of education per member		Hours	2	2
Education participation rate		%	100	100

Information Security Breach

Classification		Unit	2022	2023
Number of accidents		Cases	0	0
Fines and penalties		KRW	0	0

Social Investment

Classification		Unit	2022	2023
Social investment amount	Cash donation	KRW 1,000	390	0

Governance

Ethics Education

Classification		Unit	2022	2023
Ethical trade and fair trade education completion rate		%	100	100
Sexual harassment prevention education completion rate		%	100	100

Violation of Anti-competitive Behavior Regulations

Classification		Unit	2022	2023
Number of violations of anti-competitive behavior regulations		Cases	0	0
Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations		KRW	0	0

Participating Associations and Organizations

Korea Intelligent IoT Association	Korea Exchange	Korea Information & Communication Contractors Association	Korea Association for ICT Promotion
Korea Cable TV Association	Korea Communications User Protect Association	Korea Radio Promotion Association	Korea Standards Association
Korea Internet & Security Agency	Digital Media Industrial Promotion Association (DMPA)	Korea IPTV Broadcasting Association (KIBA)	Korea Online Privacy Association
Korea Telecommunications Operators Association			

Statement of Third-Party Assurance

To readers of 2023 SK broadband Sustainability Report

Introduction

Korea Management Registrar (KMR) was commissioned by SK broadband to conduct an independent assurance of its 2023 Sustainability Report (the “Report”). The data and its presentation in the Report is the sole responsibility of the management of SK broadband. KMR’s responsibility is to perform an assurance engagement as agreed upon in our agreement with SK broadband and issue an assurance statement.

Scope and Standards

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

Confirmation that the Report was prepared in accordance with GRI standards 2021 was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process.

- **GRI Sustainability Reporting Standards 2021**

- **Universal standards**

- **Topic specific standards**

- GRI 201 : Economic Performance
- GRI 205 : Anti-Corruption
- GRI 206 : Anti-competitive Behavior
- GRI 302 : Energy
- GRI 305 : Emissions
- GRI 308 : Supplier Environmental Assessment

- GRI 401 : Employment
- GRI 403 : Occupational Health and Safety
- GRI 404 : Training and Education
- GRI 414 : Supplier Social Assessment
- GRI 418 : Customer Privacy

As for the reporting boundary, the engagement excludes the data and information of SK broadband’ partners, suppliers and any third parties.

Statement of Third-Party Assurance

KMR's Approach

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

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

Limitations and Recommendations

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

Conclusion and Opinion

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

Inclusivity

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

Statement of Third-Party Assurance

Materiality

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

Responsiveness

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

Impact

SK broadband identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

Reliability of Specific Sustainability Performance Information

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

Competence and Independence

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

June 2024 Seoul, Korea



SRV1000
Sustainability Committee Assurance



AA1000
Licensed Report
000-129/V3-RDZ21

CEO

E. J. Hwang



Statement of Greenhouse Gas (GHG) Emissions Assurance

Introduction

DNV Business Assurance Korea Ltd. (“DNV”) was commissioned by SK broadband Co., Ltd. (here after “Company”) to verify the Company’s Greenhouse Gas Inventory Report for the calendar year 2023 (“the report”) based upon a reasonable level of assurance. Company is responsible for the preparation of the GHG emissions data on the basis set out within the guidelines on the operation of GHG emission trading scheme (“ETS”) (Notification No. 2023-221 of Ministry of Environment)’ based on ISO14064-1. Our responsibility in performing this work is to the management of Company only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this assurance statement.

Scope of Assurance

The purpose of this verification is to present an independent verification opinion on the company’s greenhouse gas emissions, and the scope of verification is as follows;

- Organizational boundary: Domestic business sites of SK broadband (incl. infrastructure for telecommunication)
- Reporting boundary: Direct emissions (Scope 1 emissions) and Energy indirect emissions (Scope 2 emissions)
- Reporting period: 2023.01.01 ~2023.12.31

Verification Approach

The verification has been conducted by DNV in March 2023 and performed in accordance with the verification principles and tasks outlined in the guidelines on the operation of GHG ETS (Notification No.2023-221, Korean Ministry of Environment) and the verification guideline for GHG ETS (Notification No. 2021-112, Korean Ministry of Environment). We planned and performed our work to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a reasonable verification opinion concerning the completeness of the emission inventory as well as the reported emission figures in ton CO₂ equivalent. As part of the verification process;

- We have reviewed the GHG emissions and energy consumption report for the calendar year 2023
- We have reviewed and verified the process to generate, aggregate and report the emissions data

GHG Emissions (Scope 1 & 2) for Yr 2023

Division	Direct emissions (Scope1)	Energy indirect emissions (Scope2)	Total emissions
KOREA (Location-based)*	1,917	421,752	423,633

* The ‘Location-based’ emissions are GHG emissions reported as Scope 2 based of local-grid under GHG ETS.
※ In order to report the GHG emissions as an integer, the rounded number on the verification opinion might be different from the number on the calculation tool with ± 1 tCO₂.

This Assurance Opinion is valid as of the date of the issuance. Please note that this Assurance Opinion would be revised if any material discrepancy which may impact the Greenhouse Gas Emissions of the Airport is subsequently brought to our attention.

Conclusions

As a result of the work described above, in our opinion nothing has come to our attention that would cause us to believe that the GHG emissions set out in Company’s report are not fairly stated. The GHG emissions of Company for the year 2023 were confirmed as below;

31st May 2024
Seoul, Korea

Lee, Jang Sup
Country Representative
DNV Business Assurance Korea Ltd.

(Unit: ton CO₂ equivalent)

Statement of Greenhouse Gas (GHG) Emissions Assurance

Introduction

DNV Business Assurance Korea Ltd. (“DNV”) was commissioned by SK broadband Co., Ltd. (“Company”) to perform third party verification for the Company’s Greenhouse Gas Inventory Report (“the report”) in the calendar year 2023. The Company is responsible for the preparation of the GHG emissions data on the basis set out within the WRI/WBCSD’s “The Corporate Value Chain (Scope 3) Accounting and Reporting Standard” and the principles set out in ISO 14064-1:2018. Our responsibility in performing this work is to the management of the Company only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this assurance opinion.

Scope of Assurance

The purpose of this verification is to present an independent verification opinion on the company’s greenhouse gas emissions, and the scope of verification is as follows;

- Organizational boundary: Domestic business sites of SK broadband
- Reporting boundary: Other indirect emissions (Scope 3)
- Reporting categories: 10 Categories (C 1, 2, 3, 4, 5, 6, 7, 11, 12, 15)
- Reporting period: 2023.01.01 ~2023.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the ‘ISO 14064-3:2019’, based upon a limited level of assurance. We planned and performed our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level, concerning the completeness of the emission inventory as well as the reported emission figures in ton CO₂ equivalent. As part of the verification process, we have reviewed as follows;

- Process to generate, aggregate and report the emissions data
- The data and information supporting the report were based on historical in nature. These may include partially hypothetical and projected data and information (refer to the report for details)

Conclusions

Based on the process and procedures conducted, there is no evidence that the GHG statement is not materially correct and is not a fair representation of GHG data and information;

- DNV presents an ‘Unmodified’ opinion on Greenhouse Gas Emissions

19th June 2024



Lee, Jang Sup

Country Representative
DNV Business Assurance Korea Ltd.

Other indirect emissions (Scope 3) for Yr 2023

(Unit: ton CO₂ equivalent)

Reporting year	Upstream	Downstream	Total emissions
2023	1,056,624	274,202	1,330,826

※ In order to report the GHG emissions as an integer, the rounded number on the verification opinion might be different from the number on the calculation tool with ± 1 tCO₂.

Statement of Greenhouse Gas (GHG) Emissions Assurance

Other indirect emissions (Scope 3) of SK broadband for Yr 2023

(Unit: ton CO₂eq)

Category	Emissions from Upstream	Emissions from Downstream	Total emissions
1. Purchased goods and services	233,831	-	233,831
2. Capital goods	756,668	-	756,668
3. Fuel- and energy-related activities	48,118	-	48,118
4. Upstream Transportation and Distribution	15,602	-	15,602
5. Waste generated in operations	261	-	261
6. Business travel	823	-	823
7. Employee commuting	1,320	-	1,320
11. Use of Sold Products	-	271,919	271,919
12 End-of-Life Treatment of Sold Products	-	23	23
15. Investments	-	2,260	2,260
Total	1,056,624	274,202	1,330,826

※ In order to report the GHG emissions as an integer, the rounded number on the statement might be different from the number on the calculation tool with ± 1 tCO₂eq.

This Assurance Opinion is valid as of the date of the issuance. Please note that this Assurance Opinion would be revised if any material discrepancy which may impact the Greenhouse Gas Emissions of the Company is subsequently brought to our attention.

Conclusion

Thank you for taking the time to read SK broadband's fourth Sustainability Report. We have published Sustainability Reports annually since 2021 to share our ESG activities and achievements with stakeholders. We will continue to publish and use Sustainability Reports as a communications channel with stakeholders to transparently disclose our ESG management status, performance, and plans.

About This Report

Reporting Principles

This report was prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021, the international reporting guideline for sustainability management. Moreover, it considered "IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information" and "IFRS S2 Climate-related Disclosures" published by the International Sustainability Standards Board (ISSB). It complies with the Task Force on Climate-Related Financial Disclosure (TCFD) and Sustainability Accounting Standards Board (SASB) standards and reflects the contents of the UN Sustainable Development Targets (SDGs) and the UN Global Compact. Financial data follows the Korean International Financial Reporting Standards (K-IFRS).

Reporting Period

This report covers major sustainable management activities and achievements from January to December 2023. Quantitative data is provided for the three years from 2021 to 2023 for better comparability. For significant information that may impact stakeholders, we also included content from before 2023 and the first half of 2024.

Reporting Scope

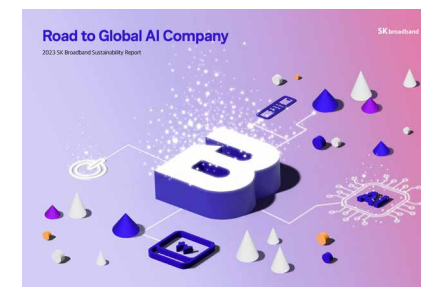
This Sustainability Report primarily covers our domestic business operations and some of our subsidiaries, Home & Service and Media S. Data with different boundaries and scopes are separately indicated.

Report Assurance

To enhance the reliability, completeness, and quality of this report, we obtained third-party assurance from the Korea Management Registrar (KMR), an independent verification body; the results of this verification are included on pages 138-140.

Cover Story

The cover shows the visualization of our efforts to provide differentiated services through AI Transformation across business operations in order to advance as a Global AI Company.



This report is published in both Korean and English versions and can be viewed or downloaded as a PDF file from our website.

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