

New Door to the Future



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About This Report

Reporting Characteristics

SK Broadband has been publishing Sustainability Reports annually since 2021 to communicate with various stakeholders. This report is the third Sustainability Report published by SK Broadband, and it transparently discloses our key policies and performances related to ESG management. We will keep collecting stakeholder's feedback actively and reflecting it on our management with Sustainability Reports.

Reporting Principles

This report is following GRI (Global Reporting Initiative) Standards, the international guidelines on sustainability reporting. It complies with TCFD (Task Force on Climate-Related Financial Disclosure) and SASB (Sustainability Accounting Standards Board) standards and reflects contents from UN SDGs and UN Global Compact. Also, the financial information follows Korean International Financial Reporting Standards (K-IFRS).

Reporting Period

This report covers activities from January to December 2022, and for the main quantitative data, the three years of data from 2020 to 2022 are included to enhance the comparability. It contains some important information before 2022 and the first half of 2023 that can affect our stakeholders as well.

Reporting Scope

The reporting scope includes the major sustainable activities and achievements of our domestic operations, and it also covers contents and achievements of our subsidiaries. Some data with different reporting scope was indicated separately.

Third-Party Verification

We performed a third-party verification with an external agency to enhance the reliability and quality of the report. The result of this can be found on pages 139 to 141.

Additional Information

This report is available on SK Broadband website as well to increase the information accessibility for our stakeholders.



Cover Story

Based on our slogan "New Door to the Future", we presented our commitment to create a new world with our customers, society, and stakeholders by providing a new service beyond the existing framework.



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Reader's Guide

We added interactive functions as below to increase an information accessibility for readers and provide more abundant information.

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Together, to the future

In 2023, SK Broadband and SK Telecom were virtually reborn as one company that shares the future through chemical combination. Based on this, SK Broadband will pursue a sustainable strategy to provide the highest level of value to its customers.

T-B One body

Synergy

SK Broadband will create the best synergy to offer competitive quality and service in main areas such as wired/wireless communications, media, and enterprises by using our capabilities at our best under the keynote, “One body” with SK Telecom.

Transformation

We connected our customers to the world with communication technology for a long time with SK Telecom. And now, by utilizing AI technology, we are trying to provide a convenient and rich lifestyle for our customers. With “AI to everywhere” vision, we will create an AI world that anyone can easily experience anytime, anywhere.

Happiness

Our final goal is to create a happy world for everyone. The growth of the company will lead the members to be happy, and this will become fuel for the company to grow. With this, we will achieve sustainable growth to use our positive influence to our society and environment.



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CEO Message



“We will materialize ‘AI to Everywhere’ vision with AI Transformation in all services.”

Dear esteemed stakeholders,

Thank you for your unwavering interest and support in SK Broadband.

The year 2022 finally welcomed the end of the long and dark COVID-19 pandemic. However, the unstable economic situation continued due to sharp inflation, fluctuating currency, interest rate hikes, and other disruptive factors.

Amidst these mixed anticipations and concerns, SK Broadband decided to focus on new changes. Together with SK Telecom, we set a vision of “evolving into an AI Company” and established a “One body” organizational system to redefine all of our business areas. The organic collaboration and expanding synergies between the two companies resulted in success, and we achieved the highest record performance in our history with KRW 4.1563 trillion in sales and KRW 305.7 billion in operating profit last year. In particular, our flagship media business recorded the highest net increase in IPTV subscribers for the two consecutive year in 2021, once again proving its prestige in the industry. The enterprise business has also led our revenue growth with increased orders from medium and large clients and stable operation of the new IDC.

As we enter the year 2023, we aim to bond with SK Telecom under a more advanced “One body” system and achieve solid growth in our core businesses as well as a sustainable future through chemical combination. Thus, we have set specific goals as the following:

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CEO Message

Smart Growth Focused on Core Business

SK Broadband seeks after Value Play that focuses on our core areas, not simply an outward volumetric expansion. First, we will become a leader in the enterprise market through competitive advantages in service quality and speed that clients can truly feel and experience. In the media and IDC business, we will execute a Scale Up strategy that shakes up the competition system based on our synergies with SK Telecom. We also plan to strengthen our media content capabilities through exclusive content cooperation with wavve and joint fund management with the top 3 IPTV companies. Securing customers based on our largest data center site in Korea will also make this a fruitful year for the IDC business.

AI Transformation Across All Services

SK Broadband has always taken lead the new era by connecting our customers and the world via telecommunications and media. As a company that boldly challenges the tides of change with evolving technology, we launched the industry's first AI voice search service and set-top box, enriching our customers' daily lives. Furthermore, we plan to apply our newly established "AI to Everywhere" strategy in 2023 and implement AI transformation across all areas of our services. Our advanced AI media technology will not only deliver information but also be widely used in emotional conversations and personalized content delivery, advertising, and commerce, providing hyper-personalized services fully curated to customer needs. In addition, we will apply AI to the entire value chain to create a world of AI that anyone can easily experience anytime, anywhere.

Spread positive influence on the society and the environment

Our ultimate goal is to become a company that provides positive values for customers, society, and environment. We put the bases of all the management activities on 'ESG' to achieve this goal. First of all, we declared '2045 Net-Zero' to cope with climate change in environmental aspect. And in an effort to achieve this, we keep slimming down networks, converting low-power equipment, and developing and introducing clean technologies. Especially in 2023, as a part of RE100, we plan to install and operate solar power facilities in major base offices, and we will be actively utilizing our media capabilities to create

various contents such as environmental animations and documentaries. We are also working as an environmental influencer by promoting Seoul International Eco Film Festival and other eco-friendly campaigns.

In social aspects, SK Broadband is also striving to solve media-based community problems. From 2018, for six years, we are operating the adolescent happiness project (Blossom Youth Music Festival) to support the youth's dreams and happiness. Also, with local channel presses, we are spreading good influence by shedding a light on local pending issues and unprivileged communities and we plan to keep expanding the good function.

In this business environment changing rapidly, SK Broadband has been continuously thinking about how to increase our competitiveness and how to protect the future generations' well-being and happiness. The year of 2023 will be a year where we will be able to find countermeasures to these concerns. SK Broadband will create the best synergy effect with SK Telecom's 'One body' system, and we will continue to develop our company based on this. We ask for the stakeholders' warmest affections and encouragements on our journey to open a better tomorrow than today.

Park, Jin Hyo
CEO of SK Broadband



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SK Broadband Profile

Company Introduction

SK Broadband has led the telecommunication industry by commercializing ADSL for the first time in the world and providing the Pre-IPTV service for the first time in Korea. At the same time, we are leaping into a comprehensive media platform company by expanding the media content value chain and strengthening competitiveness via partnerships with excellent domestic and foreign companies. Furthermore, we keep challenging to go beyond the business limits by diversifying business models and discovering new businesses. We are now going to support customer's happiness and growth by setting our goal as an 'AI Company' starting with a hyper-personalized AI media service.

(As of the end of December 2022)	
Company name	SK Broadband
Headquarter	SK Namsan Green Building, 24, Toegyero, Jung-gu, Seoul, Republic of Korea
Date of establishment	September, 1997
Number of employees	2,608
Sales*	KRW 4.1621 trillion
Net profit*	KRW 0.2128 trillion
Total assets*	KRW 6.2455 trillion

* Based on separate financial statements

Business Scope

Our business consists of a media sector based on a comprehensive media business and a wired communication sector. The media sector is maintaining the increase of IPTV subscribers and the growing trend of content sales by raising competitive power with planning and producing of differentiated contents and by proceeding with a new business development for strengthening a customized media service. In the case of the wired communication sector, it provides a communication service by using electric communication facilities with internet connection lines and internet connection services based on the retained networks. Plus, it achieved 1st place of the Korean Standard – Service Quality Index (KS-SQI) high-speed internet sector for 8 consecutive years by being recognized for service quality and credibility such as high-speed internet. Besides, we keep expanding B2B businesses like the Internet Data Center (IDC) by focusing on the advancement of strategic communication infrastructure.

Media Business



IPTV(Internet Protocol Television)

It is an interactive service providing digital television service to consumers based on the Internet Protocol (IP). This convergence service of communication and broadcasting offers multimedia contents such as real-time broadcasting programs, VOD, data, voice, sound, and electric commerce and personalized services.

CATV(Community Antenna Television)

It is a business operating own local channels for providing TV services and strengthening regionality by delivering video and voice information via the HFC network which is available of broadband transmission that is different from the traditional TV reception scheme needed a television aerial.

Wired communication business



Internet

Our business offers internet connection circuits and internet connection services to customers based on our network so that customers can use various contents and additional services.

Telephone/Internet phone

This business transmits and receives voices in communication ranges indicated in Telecommunications Business Act by using electrical communication facilities or through Internet regardless of communication ranges. Also, it provides related additional services.

IDC(Internet Data Center)

As a facility collecting equipment such as Internet connection key servers in one place, it provides high density and high stability racks, uninterruptible power temperature and humidity control environments, security, operational agency services, and network circuits so that customer's fund can be operated smoothly.

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SK Broadband Profile

Domestic Network

Our headquarter is located at Toegye-ro, Jung-gu, Seoul, Republic of Korea, and we are providing nationwide services based on our headquarter. We are always trying hard to provide services beyond customers’ expectations to them smoothly based on a total of 148 domestic office buildings including 7 information centers and 51 office buildings in major regions of the whole country.

Headquarter	1
Office building	51
Information center	7
General office building	84
IDC	5
Total	148

Milestone

1990's	First challenge ahead of the times	2010's	Changes and innovations for customers’ welfare
June, 1997	Designated Hanaro Telecom as the second local telephone service provider by Ministry of Information Communication (MIC).	June, 2015	Merged as a subsidiary completely with comprehensive exchange of stocks with SK Telecom Co., Inc
September, 1997	Hanaro Telecom establishment registration	January, 2016	Launched a mobile video platform (OKSUSU)
April, 1999	Beginning of commercial services of high-speed internet and local telephone	June, 2017	Established Home&Service
		December, 2017	Established of SK Store
		January, 2018	Began the service, AI IPTV ‘B tv x NUGU’
		July, 2019	Achieved 5 million subscribers of B tv
		October, 2019	Launched an integrated service for kids, ‘ZEM Kids’
2000's	Successful DNA jumping over limits	2020's	New step to a media platform
February, 2000	Established of Internet Data Center (IDC)	April, 2020	Founded a merged corporation of SK Broadband and t-broad
December, 2002	Obtained a periodical communication business right for long-distance calls and international calls	November, 2020	Won Minister prize in a radio broadcasting technique field from the Ministry of Science and ICT
January, 2006	Founded integrated corporations, Hanaro Telecom and Thrunet	April, 2021	Opened ‘Channel 5’, the comprehensive entertainment channel of the subsidiary, Media S, Co., Inc.
March, 2008	The main stakeholder changed to SK Telecom.	November, 2021	Launched ‘Apple TV’ 4K for the first time in the country
September, 2008	Changed the company name (from ‘Hanaro Telecom’ to ‘SK Broadband’)	December, 2021	Provided high-speed Internet by using optical fiber cables connecting to radio networks for the first time in the world
January, 2009	Began a real-time IPTV broadcasting	April, 2023	The IPTV service was achieved 1st place for 13 consecutive years in a high speed Internet field of NCSI (National Customer Satisfaction Index).
		August, 2023	Designated Park, Jin Hyo as CEO

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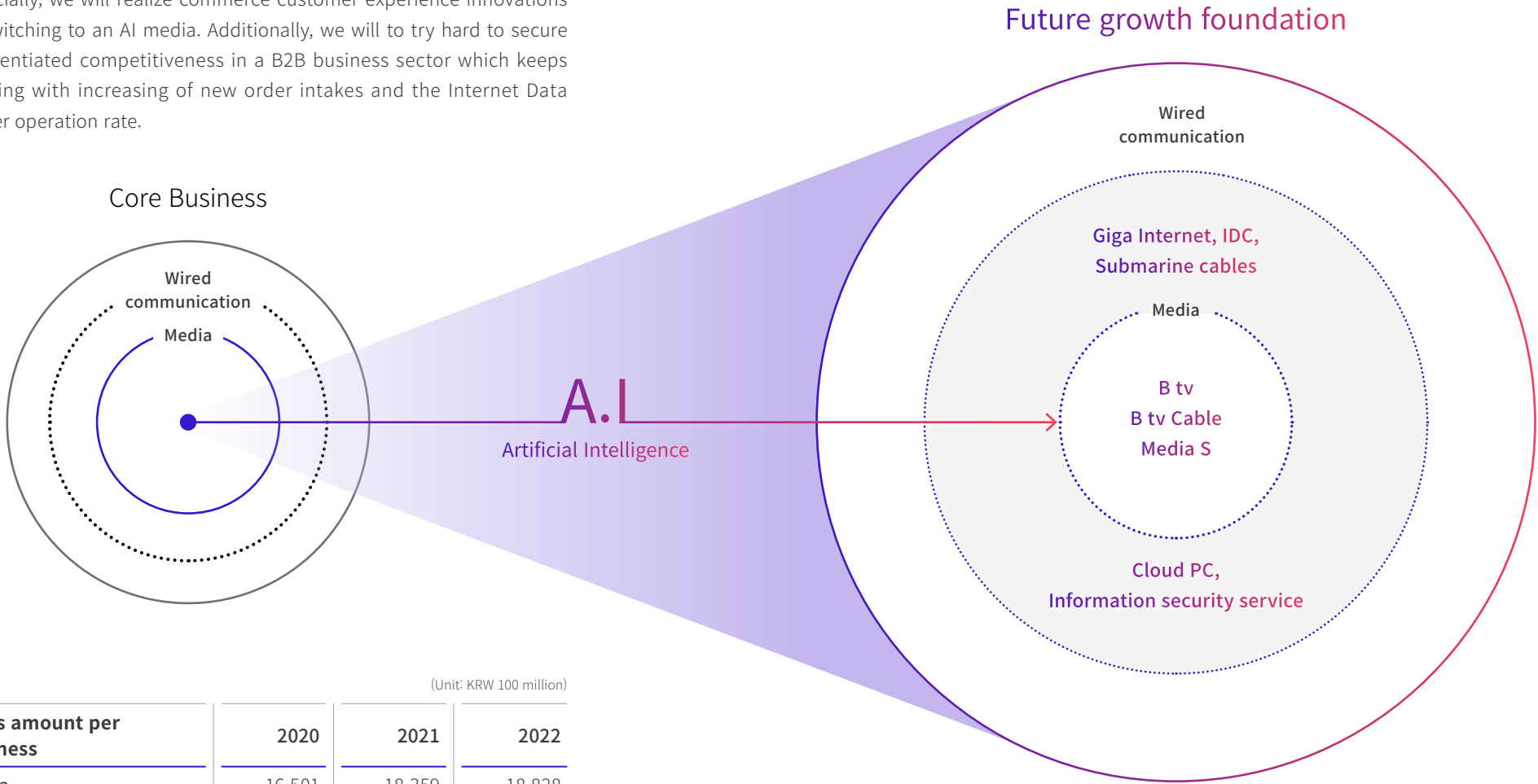
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Business and Brand

We are planning to show customer a synergy effect with SK Telecom based on media and wired communication services in 2023. We are going to add advanced AI technology to our main businesses, and especially, we will realize commerce customer experience innovations by switching to an AI media. Additionally, we will try hard to secure differentiated competitiveness in a B2B business sector which keeps growing with increasing of new order intakes and the Internet Data Center operation rate.



(Unit: KRW 100 million)

Sales amount per business	2020	2021	2022
Media	16,501	18,359	18,828
Wired communication	20,634	22,133	22,735
Total	37,135	40,492	41,563

*Consolidated financial standard

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Business and Brand

Media

B tv

‘B tv’ provides various contents such as real-time broadcasting programs, VOD services, games and applications with personalized IPTV services that offer customized contents by reflecting customers’ view preferences based on set-top boxes. ‘OCEAN’ is a subscription service that you can watch movies or dramas limitlessly. It provides the largest domestic contents for example, Hollywood major studio movies and new pieces of works released within recent 1 year. ‘ZEM’ is an integrated wired and wireless service brand for kids from infants to elementary school students. It provides customer-oriented learning methods fit to ages, levels, and characters of kids and strengthens its competitiveness. Also, ‘B tv Happy Senior’ is a service that every senior people can use it easily and conveniently since it consists of senior-type contents with a big font dedicated menu. We are providing the ‘Mobile B tv’ service that you can watch contents anywhere freely by considering of a fastest growing trend toward the number of the customers watching OTT with smartphones. B tv improves overall service quality continuously based on the AI technology and with using this, it strengthens competitiveness by reflecting hyper-personalized trends and forming various products fit to specific targets.



B tv Cable

In 2020, SK Broadband launched a CATV service, ‘B tv Cable’, by merging with t-broad. The B tv Cable provides video and audio information with a high-quality HFC (Hybrid Fiber/Coax) network¹⁾ that is available for broadband transmission. It is a service targeting reasonable consumers with a light fee and focusing on original functions of a broadcasting service by offering an easy and simple handling method for cable TV users who are not familiar with an interactive service. Also, it contributes to public value creation by operating the local channel strengthening regionality, in Seoul, Incheon, Gyeonggi, Cheonan, Sejong, Jeonjoo, Daegu, and Busan and by delivering local news lively such as disaster broadcasting, local weather information, safety enhancements for local residents, and election broadcasting. As such, the B tv Cable is expanding local coexistence values and good impacts with deep communications with local societies and locality implementations.

1) HFC (Hybrid Fiber/Coax): A hybrid network including optical cables and coaxial cables



Media S

Media S is a MPP (Multiple Program Provider) established by SK Broadband in April 2021. The company owns and operates 2 linear channels; ‘Channel S’, an entertainment/drama channel and ‘Channel S Plus’, a sub-channel which also provides various entertainment shows. Media S produces never-seen creative original contents through these channels and provides the audiences unprecedented joy and excitement. Although the competition in the media and entertainment industry intensifies each year, Media S will continuously hold firm to produce and secure eye-catching contents for consumers.

Channel S

Provides creative and novelty original contents adding a fun imagination with an entertainment dedicated channel for 2049 consumers

Channel S+PLUS

Provides content that every person can resonate and enjoy with original contents produced by Media S and local information/entertainment channels providing local societies connected contents

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Business and Brand

Wired communication

Giga Internet

It is a high-speed Internet service providing up to 10 Gbps speed so that you can enjoy large capacity videos without any interruption. We are providing various additional service integrated products according to customer's needs.

First, Giga Internet Wings provides both Giga WiFi and Wings so that you can use a WiFi service everywhere in your house quickly without any interruption. Wings is a device helping you use a WiFi service smoothly by expanding the WiFi signal to places where the signal doesn't reach in your house. Second, Remote Care Giga is an integrated product investigating treatment remotely for malfunctions, viruses, and malicious codes of PCs and smartphones. Also, it is performing an annual inspection visit. Third, Relaxed Giga for everyone is a service to protect your kids from accessing to harmful websites of PCs and smartphones. You can manage PC usage time such as gameplay time, get provided smartphone usage history statistics when using this service. Lastly, Power Vaccine Giga is a service providing the best vaccine domestically and automatic optimized functions per used device. We will keep improving the quality of above products and provide services which are stable and fit to customer's needs.



IDC

Due to the digitalization of industries which need of storing, treating, and distributing of lots of data, demands for IDC, the key foundation facility of hyper-connection era, keep being increased. From the beginning of the first IDC establishment in 2000, we are currently operating 5 centers in the capital city. We are accelerating to open centers newly built and promote the Asia data hub businesses to respond to social trends such as a high-density server increase and potential needs. For expanding of Data capacity, we secured about 100 MW level of lands, and proved a quality competitiveness by intaking order from Top 7 CSPs (Cloud Service Provider) internal and external of the country as a result of accumulating differentiated technologies and skills at the side of establishing. Furthermore, we are working hard to perform electricity usage improvement, stable operation, and serious disaster prevention risk management with a high-efficient cooling technology optimized to a center operation. We are planning to consolidate our position as a global provider covering environmental and social impacts through continuous performance improvement based on the increase of operation rate and cloud traffic.



Submarine Cable

After the COVID-19 pandemic, global traffic keeps increasing as a global content industry is growing fast and the consumption of non-face-to-face services such as a video meeting and online shopping is being increased drastically. We are maintaining a stable global communication network by using international submarine cables to accommodate a fast-growing global traffic smoothly. Additionally, demands for submarine cables are increasing as a digital data capacity was grown sharply in various areas such as AI, big data, IoT, and Cloud. And this brought about a result of expansion and installation of submarine cables. For responding to this, we started investing to 'SJC2 (South Asia to Japan Cable 2)', a submarine cable connecting Japan, Hongkong, Singapore, etc. Plus, we plan to construct a new submarine cable connecting Korea, Taiwan, Japan, and the US. Securing international submarine cable infrastructures means it works as a key role to exchange useful information and knowledge globally and support economic growth. So, our establishment strategy for submarine cables can respond to the global traffic increase of internal and external customers and strengthen global competitiveness with taking off to an Asia hub.



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Business and Brand

Wired communication

Cloud PC

A Cloud PC service is an essential solution for modern society corporate businesses which need a flexible non-face-to-face-oriented smart work environments according to social changes, for example, COVID-19 and telecommuting. We focused on these changes and commercialized a ‘Cloud X’ service based on a native original technology for the first time in domestic communication companies in 2020. Cloud PC has PC environments such as CPU, memory, disc, and operation system which are needed for businesses in the central Cloud server, so it offers a convenient remote and telecommuting environment. It keeps a strong security by preventing data leakage at the source sending only screen information of a virtual PC being operated at an actual central server. Since we developed a security technology independently based on a domestic DaaS (Desktop as a Service) original technology, we can accommodate national security standards flexibly. We are complying with various and high-level security standards, for example, we could acquire a security function certificate from the National Intelligence Service in 6 months which is the shortest period in the industry as a result of above. From now on, we are going to target smart work environment establishment demands of countries, public institutions, and general enterprises connected to government policies actively through strengthening cooperation with internal and external CSPs (Cloud Service Provider) and optimizing operation efficiency.



Swit

According to the changes in ways of working, business tools are evolving to focus more on collaborative productivity improvement than on communications. We are providing ‘Swit’, the Work OS collaborative tool for enterprises that connect the whole company by supporting communication, working management, goal setting, and streamlined interworking with external applications with following the evolution of a business tool. The main benefits of the Swit service are, first, it resolves productivity decrease due to perpetual application conversions by providing the most frequently used chatting and working management in one place for team collaborations. Second, it strengthens interoperability by supporting various external tools such as MS365 and Google Work Space and backbone system API connection. Third, it expands functions with ‘Groupware’ by offering scalability through plug-ins and connecting OKR (Objective Key Results) management/measurement and electronic approval. We are going to improve service functions continuously such as adding an AI function to Swit so that we can increase work efficiency for customers.



Information security service

Since cyber-attacks keep evolving day by day and are difficult to predict these days, we think the best way to block them is pre-emptive prevention. With this thought, we are providing an information security service fit to customer’s various needs. SODA (Security on Demand), the network security on demand, is a cyber security solution protecting enterprises safely from an internet menace. It offers services easily and quickly based on platforms. It can reduce service adoption costs and lead time because customers can apply and use necessary security functions such as blocking harmful accesses and ransomware and protecting personal information, and vaccines from a service market directly. Also, the DDoS Clean Zone service blocks attack traffic and allows normal traffic by DDoS blocking equipment established in a backbone network of SK Broadband when bandwidth DDoS attacks occur to prevent enormous damage of enterprises. We keep our competitiveness different from other enterprises based on DAPS (DDoS Auto Protection System), the patented DDoS automatic blocking technology and are protecting customer’s networks and information safer by advancing marketability such as securing 400G, the largest defensive capacity in the nation and automatizing DDoS attack history provision.



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Business and Brand

Wired communication

Webex

Webex is our collaboration solution providing various communication tools like phone calls, video meetings, and chats in a single platform that is needed for work. In this era, business environments become more flexible like an expansion of telecommuting due to COVID-19. So, we launched Webex in 2022 by collaborating with Cisco to target the related markets. Our customers can be provided telephone services for enterprise and Webex, a collaboration solution of Cisco with reasonable prices through Webex. We are using the One-Step system when we treat from product application receipts to service openings and malfunctions considering the customer's convenience. Additionally, space constraints disappear because customers can use an office phone call function with their smartphones without any necessity of remaining in the office to get an important call. By using these benefits of Webex, we are targeting not only mid-sized enterprises who want to establish wireless office environments with high demand for collaboration like telecommuting but also SOHO markets where outside businesses or movement occur frequently on business.



On Air/Ad

We are providing On-Air and On-Ad, communication tools for B2B customers' business growth based on the IPTV infrastructure and stable internet provision know-how. On-Air/Ad are the service broadcasting media contents needed for offices via B tv channel 800 and can be separated as an internal broadcasting, On-Air, targeting inside members of B2B customers and Digital Signage On-Ad that is proper to transmit advertisement/promotion contents targeting external customers. On-Air/Ad help you transmit contents and watch TV channels by using a SK Broadband IPTV set-top box without separate initial investment for servers or storages. And its strong points are 24/7 respondable hotlines and immediate barrier treatments with nationwide scale maintenance organizations. Customers can control each set-top box remotely via On-Air/Ad dedicated homepage and plan, transmit, and manage of schedule for contents. With templates provided by the dedicated homepage, customers can configure texts, images, and video layouts easily and establish screens that are suitable for their office environments. With these special benefits, On-Air/Ad are responsible for customer communications in various fields such as large companies, public institutions, franchise stores, hospitals, universities, resorts, and religious organizations.



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ESG Highlights

Greenhouse gas reduction
(compared to BAU)

26,104tCO₂eq



Employee's work-life balance
satisfaction

85.7points



Training hours

143.9hours per
employee



Personal information/Data
leakage

0cases



Renewable Energy
Consumption

20,540MWh



Top 10
SK Broadband
ESG Highlights



External customer
satisfaction evaluation

No.1 (NCSI, KS-SQI)



Social value creation

KRW **855.6** billion



Family-friendly company
certification maintained for

10years(2013~)



Whole IDC

ISO 45001
certification



Blossom Youth Music Festival
achieved

230,000views



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ESG Promotion System

With the vision of ‘a sustainable company based on ESG management that pursues the happiness of stakeholders’, we are carrying out projects according to goals and directions for each area of environment, society, and governance. We are conducting ESG per-formance management more efficiently by establishing 3-year promotion projects per area and by setting annual goals, and we are monitoring the fulfillment status of reaching goals. In the future, we plan to expand management responsibilities by supporting subsidiaries’ ESG information disclosure and improvement goal establishment. Also, we are going to provide more happiness to our stakeholders by integrating AI technology in the mid to long term.

Sustainable company based on ESG management that pursues the happiness of stakeholders

Goals/Directions	Initiative	Promotion project	UN SDGs
Eco-Friendly 2045 Net-Zero Promotion		- Implementation of RE100 (use of 100% renewable energy) - Carbon emission reduction with introduction/development of clean technology (Expansion of alternative energy use, energy efficiency equipment and solution establishment, expansion of eco-friendly product/service development)	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
	 Acting as an environmental influencer through media	Positive influence using platforms and contents	
Together with stakeholders Social Performance ↑10%/year		- The pursuit of work-life balance and work-family balance - Operation of Safety Accident Prevention Response System for Safe Workplaces	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION
		- Disclosure of application scope, strengthening control management - Strengthening member training	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
		Contributing to improving the quality of life of the vulnerable through services	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS
	 Partner/SE ecosystem support	Mutual growth, pursuing coexistence through the spread of ESG management culture	
Transparent Corp. Mgmt. Information Disclosure 100%		- Board structure/committee reorganization (independence/diversity/professionalism) - Mgmt. Reinforcement of process linkage (strategy/evaluation and compensation)	5 GENDER EQUALITY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
		Prevention of ethics/compliance/tax issues	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	 Disclosure of transparent corporate information	Integrated report/Web/ESG disclosure	

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SK DBL (Double Bottom Line) Management

We pursue SK Group’s DBL (Double Bottom Line) that considers not only economic values (EV) but also social values (SV). DBL is the basis for management activities that reflect the values of various stakeholders such as customers, employees, business partners, and local communities. We strive to create a harmonious society by solving social problems with the belief that everyone’s happiness achieves sustainable growth.

SK DBL Measurement Item

Social value measurement index consist of the indirect economic contribution performances measuring employment and tax payment contributing indirectly to the national economy via business activities, the environmental performances that the process of the company operation means positive and negative performances to the environment, the performances contributing to society with company’s products and services, and the social performances contributing to improving the life quality of members, business partners, and local communities. Details of each sector are being advanced by revising some measurement standards to meet the VBA standard, a global standard measurement system, and the created social value is managed by converted into a monetary value with a performance formula.

Classification of metrics		Details	
Indirect Economic Contribution Performance	Employment	Performance generated by providing stable jobs and earned income to internal employees	
	Dividend	Performance that contributed to enhancing shareholder value by redistributing profits generated from management activities to shareholders according to ownership stake	
	Tax payment	Performance that contributed to maintaining the country and developing people’s lives by paying taxes on profits generated from business activities	
Environmental Performance	Product/service	Performance of improving the degree of impact on the environment through products and services produced by the company	
	Process	Performance that occurred inside the company, such as the process of manufacturing products or the internal operation of the organization for the provision of services	
Social Performance	Product/service	Performance of improving the life quality of users through the products and services produced by the company	
	Process	Labor	Social performance creation effects throughout labor such as improving of the working environment by guaranteeing the basic rights of members (including employment performance of the underprivileged)
		Mutual growth	Achievements of support and win-win cooperation for small and medium enterprises, startups, and small businesses within the industrial ecosystem, including business partners
	Social contribution	Social contribution activities	Performance of social contribution projects directly planned/operated by the company or operated with partners
		Donation	Performance of donations to targets recognized as socially necessary, such as the underprivileged, non-profit organizations, and public institutions
		Volunteer	Performance of various volunteer activities such as member pro bono, talent donation, and hard work
		Governance*	

* Governance indicators are announced as non-monetary performance.

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SK DBL Measurement Result

Indirect Economic Contribution Performance

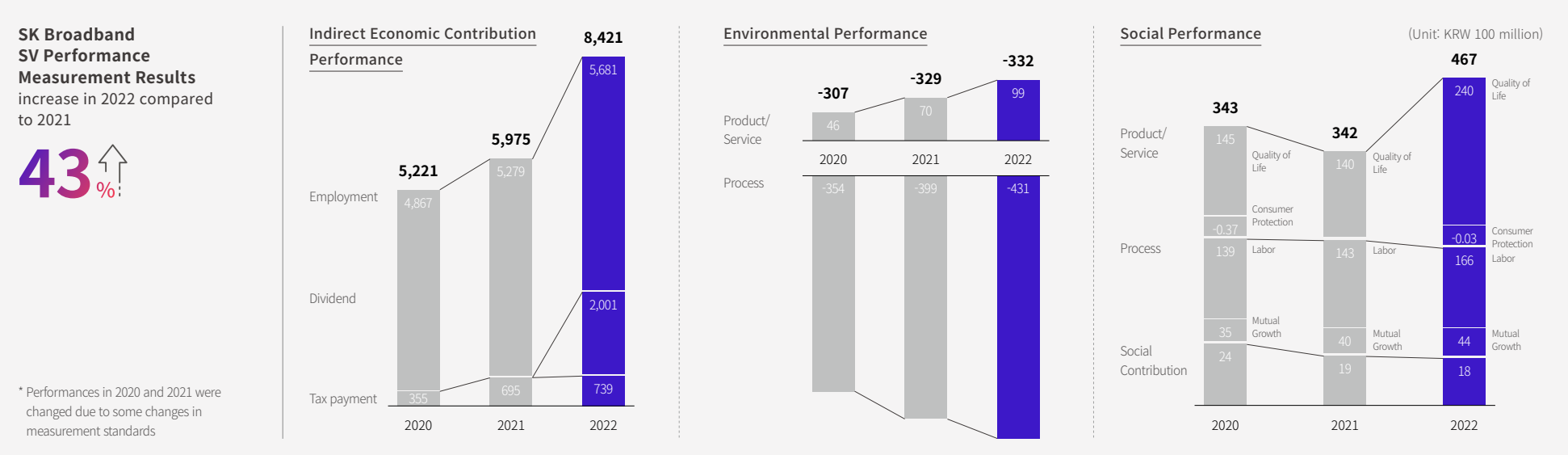
The indirect economic contribution performance is the result of contributed performance to the national economy with business activities indirectly, which consist of employment, dividends, and tax payment. Employment is the result of providing stable jobs to internal employees and paying earned income, while dividend is the result of contributing to the enhancement of shareholder value by redistributing profits generated from business activities to shareholders. Tax payment performance is the performance that a company has contributed to maintaining the country and improving people's lives by paying taxes on the profits generated through business activities. In 2022, we implemented a shareholder return policy via cash dividends for the first time since our foundation. In 2022, our indirect economic contribution performance increased by KRW 40.2 billion compared to the previous year due to employment expansion through continuous recruitment, dividend performance with cash dividends to shareholders increased by KRW 200.1 billion, and tax payment performance increased by KRW 4.4 billion compared to the previous year. A total of KRW 842.1 billion was measured for the year.

Environmental Performance

Environmental performance refers to the positive and negative impacts a company has on the environment during its business activities. Our environmental impact in the course of its business in 2022 was KRW -33.2 billion, which was mostly the result of the use of electric energy for business operations. Environmental improvement performance with products and services was increased by KRW 2.9 billion compared to the previous year due to the expansion of subscribers using low-power set-top boxes, etc. but the environmental process performance generated during corporate operation, such as greenhouse gas and waste, was expanded the decline compared to the previous year due to an increase in CO₂ emissions according to an increase in the operation rate of the IDC centers (Gasan and Ilsan 2 centers), which were additionally operated in 2021. Going forward, SK Broadband will continue to reduce its environmental impact through active carbon reduction activities, such as continuously expanding the use of renewable energy to achieve Net-Zero by 2045.

Social Performance

Social performance refers to the performance of contributing to society through the company's products and services, labor performance of improving the working environment of members, performance of win-win cooperation in the industrial ecosystem including business partners, and performance of direct contribution to society through social contribution activities. Our social performance in 2022 totaled KRW 46.7 billion. Among them, the social value created with products and services was KRW 9.9 billion compared to the previous year through new SV creation activities such as blocking voice phishing exploits and private repeaters. And labor and mutual growth increased by KRW 2.7 billion compared to the previous year due to family-friendly management such as the expansion of parental leave at subsidiaries and our reinforcement of small business market support activities. We will continue to strengthen its efforts to solve social problems and create various social values with this.



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Major Product & Service Social Value Measurement Formula

Index name	Measured value and formula	Related data	Primary data source
Energy saving performance via the distribution of low-power set-top boxes	Total KRW 5.46 billion (Set-top box active standby mode power consumption market average - Power consumption in active standby mode by our company's set-top box) X Monthly average active standby time X Unit price of electricity rate X Cumulative number of subscribers	• Set-top box active standby mode power consumption market average: 4.52W • Power consumption in active standby mode for each set-top box of our company: 1.3~4.5W, different by device model • Cumulative number of low-power set-top box subscribers: 4.04 million people • Unit price for electricity: KRW 130.2	• Active standby mode ¹⁾ Power consumption: Korea Energy Agency • Unit price for electricity: Korea Energy Agency 1) Active standby mode is a state in which a set-top box is connected and can be switched to another mode when receiving a remote control or an internal/external signal.
Reduction of greenhouse gas emissions with the distribution of low-power set-top boxes	Total KRW 2.1 billion (Set-top box active standby mode power consumption market average - Power consumption in active standby mode by our company's set-top box) X Monthly average active standby time X GHG conversion factor X SCC (Social Cost of Carbon) X Cumulative number of subscribers	• Active Standby Power Consumption Market Average: 4.52W • Power consumption in active standby mode for each set-top box of our company: 1.3~4.5W, different by device model • Cumulative number of low-power set-top box subscribers: 4.04 million people • SCC (Social Cost of Carbon) Value: KRW 108,540	• Active standby mode power consumption: Korea Energy Agency
Small business marketing competitiveness strengthening performance through B tv My Neighborhood Advertisement	Total KRW 0.83 billion B tv My Neighborhood Advertisement sales increase effect X Cumulative number of subscribers	• Sales increase effect through B tv My Neighborhood Advertisement: Average KRW 772,995 • Cumulative number of subscribers: 121 subscribers	• Sales increase effect through B tv My Neighborhood Advertisement: B tv My Neighborhood Advertisement customer survey (quantity)
Prevention performance of education computer network DDoS damage through black hole service	Total KRW 1.39 billion (Our black hole service DDoS blocking rate - Market average DDoS blocking rate) X Training data damage recovery cost X Cumulative number of subscribed lines	• Training data disaster recovery costs: About KRW 4.9 billion • Cumulative number of lines per month: 19 lines	• Training data disaster recovery costs: IBM Security Report
Prevention of financial damage by blocking private repeaters exploiting foreign voice phishing in advance	Total KRW 10.47 billion Amount of damage per voice phishing case X Number of voice phishing prevention cases (Number of voice phishing blocked communication cases X Financial fraud monetary damage rate X Illegal loan calls among voice spam rate X Voice phishing rate among financial fraud) X Contribution rate	• Damage per voice phishing incident: KRW 23 million • Number of voice phishing blocked communications: 110,000 cases • Financial fraud monetary damage rate: 3.3% • Illegal loan calls among voice spam rate: 79% • Voice phishing rate among financial fraud: 38.7% • Contribution rate: 41%	• Damage per voice phishing incident: National Police Agency • Financial fraud monetary damage rate: Korea Financial Consumer Protection Foundation • Illegal loan calls among voice spam rate: Korea Communications Commission • Voice phishing rate among financial fraud: Korea Financial Consumer Protection Foundation • Contribution rate: CSES
Performance of strengthening accessibility through welfare reduction and discount	Total KRW 4.86 billion In addition to the notification standard (basic livelihood security recipients), the amount of welfare reduction/exemption actual benefits for households with multiple children, silver customers aged 65 or older, and the lower income family	• High-speed Internet, cable broadcasting actual welfare reduction amount	• Internal data
Performance of strengthening accessibility through discounts for low-income class designated by the Office of Education	Total KRW 3.94 billion High-speed Internet and additional service actual reductions applied to low-income households designated by the Office of Education	• High-speed Internet, additional service actual reduction amount	• Internal data

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Index name	Measured value and formula	Related data	Primary data source
Competitiveness improvement performance with small business IPTV regional advertisements	Total KRW 0.21 billion (Average IPTV ad unit price – our small business ad unit price) X Number of ad views	- Our small business advertising unit price: KRW 3.75 per 15 seconds - Number of ad views (annual): 169.6 million views	Internal data
Performance of improving multicultural awareness through development and provision of multicultural contents	Total KRW 0.34 billion (Usage amount of 10-minute VOD for 3 IPTV companies - Unit price for using our multicultural content) X Number of views of multi-cultural content	- Unit price for using our multicultural content: KRW 0 - Cumulative views: 780,000 views	Internal data
Small business cost reduction performance by providing small business safe management pack	Total KRW 1.76 billion Small business store management costs with the safe management pack X Cumulative number of subscribers to the safe management pack	- Safe management pack market price: KRW 120,000 - Cumulative number of subscribers: Average 1,220 subscribers per month in 2022	Safety management pack market price: Based on 11th Street
Resource consumption reduction effect through AP recycling	Total KRW 0.48 billion Reduction in new equipment replacement consumption X Durability X Number of AP Repair units	- Reduced consumption of new equipment replacement: KRW 20,150/unit - Durability: 42.48% - Repair units: 55,700 units	Happy Green Net internal data
Resource consumption reduction effect through set-top box recycling	Total KRW 1.11 billion Reduction in new equipment replacement consumption X Durability X Number of set-top box repair units	- Reduced consumption of new equipment replacement: KRW 44,550/unit - Durability: 42.48% - Repair units: 58,566 units	Happy Green Net internal data
Cases subject to reporting by government agencies (more than 1,000 VoC cases)	Total KRW -2.57 million Subject to reporting by government agencies (more than 1,000 VoC cases) consumer damage compensation amount (-) measurement	1 consumer compensation case	Internal data

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Participation of Stakeholder

We define SK people, customers, business partners, shareholders and local communities as key stakeholders and operate various communication channels to identify stakeholders’ ESG needs. Material issues identified through appropriate communication channels for each stakeholder are shared with the CEO, management, and board of directors, and are reflected in management activities.

Communication Channel and Expectation

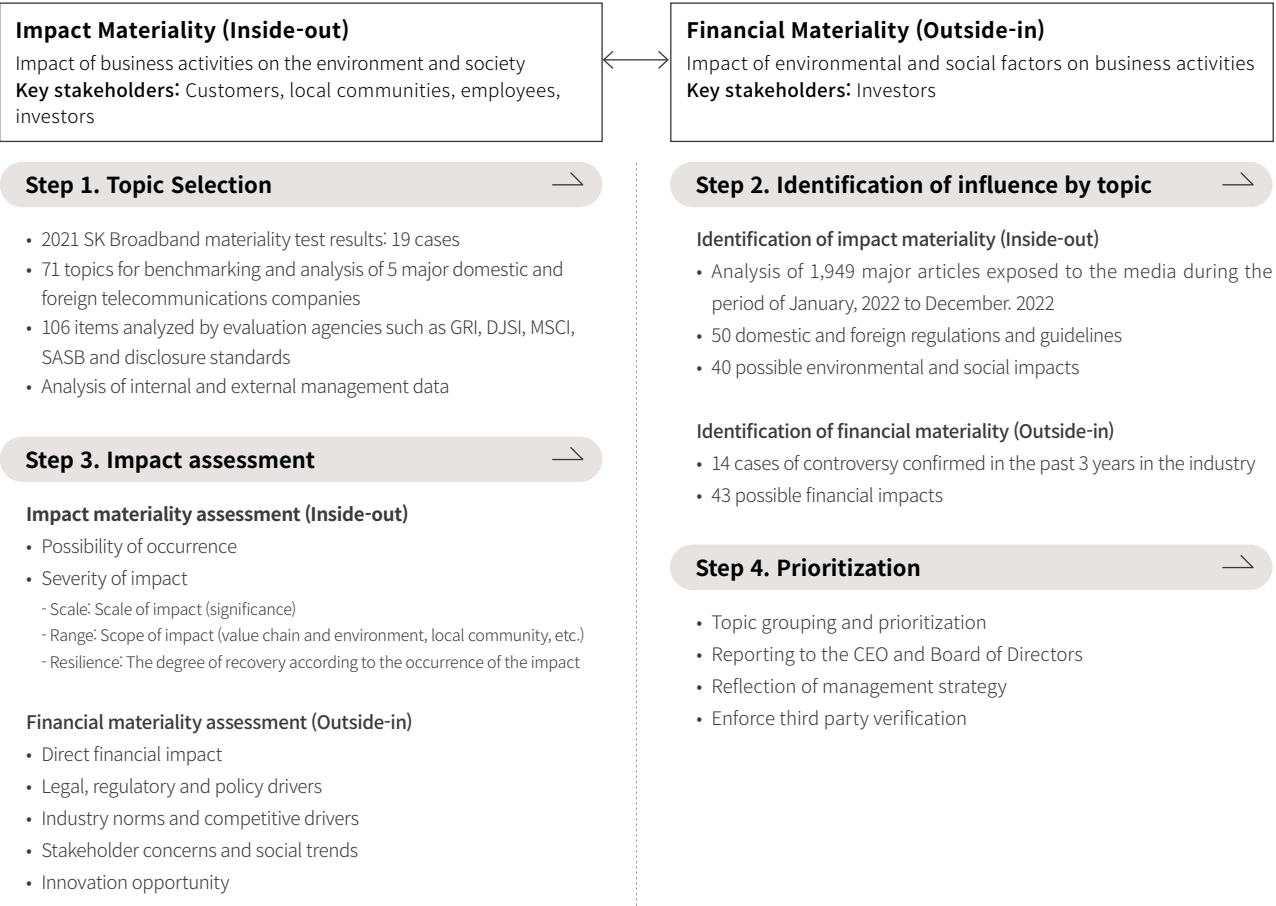
Stakeholder	Major Communication Channels and Cycles	Stakeholder Expectations in 2022	Reflection of Management Activities for 2022-2023
SK people 	• Labor-management council (quarterly) • Company intranet • Company news • Company workshop ‘Empathy Camp’ • CEO/unit town hall	• Reinforcing communication and collaboration • COVID-19 response and health care for employees • Enhancing work-life balance and wellness • Self-development and capacity building	• Implementation of various corporate culture programs (happiness/ team building/commendation programs, etc.) • Strengthening health programs such as monitoring COVID-19 confirmed cases, operating telecommuting, and visiting health counseling • Flexible work system, expansion of recommended holidays (1 → 2 times a month), improvement of in-house cafeteria menu • Diversification and expansion of training programs by job/position
Customer 	• Homepage and customer center (106) • Regular customer satisfaction survey • Customer Advisory Group • Social network service (blog, Instagram, YouTube)	• Securing various contents • Provide content tailored to you • Convenient and friendly contact service	• Provide customized contents via kids profile and supply of big brands • Home screen content recommendation and customized organization reinforcement • Reorganization of the ARS menu visible in the customer center and improvement of face-to-face service activities
Business partner 	• In-depth meeting • CEO Seminar • Mutual growth MBA	• Expansion of mutual growth programs • Share knowledge and information related to ESG business management	• Reestablishment of mutual growth policy and establishment of program expansion plan • Establishing a Business Partner Code of Conduct • Implementation of business partner ESG due diligence process and expansion of targets
Shareholder 	• Shareholders’ meeting • Quarterly earnings release conference call	• Continuous growth of the company • Realize shareholder benefits such as IPO and dividends	• 4 general meetings of shareholders (2 annual, 2 temporary) • Enhancing shareholder value through dividend payment • Strategic supporting for quarterly earnings release (mid to long-term growth strategy and vision presentation)
Community 	• Homepage and customer center (106) • Social media (blog, Instagram, YouTube) • Local Channel Review Committee	• Assistance in solving community problems • Reinforcement of intergenerational communication, local culture and history-related programs	• Support for solving social problems with local channel broadcasting • Production/organization of new programs dealing with intergenerational communication (Adding on Myself, Scholarship Talk Show, etc.) • Focusing on local culture/history through the ‘National Rediscovery’ program, introducing local long-established stores, producing/ organizing programs such as ‘Come See Me to the Traditional Market’, ‘Mannyeon Store’, etc.

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Double Materiality Assessment

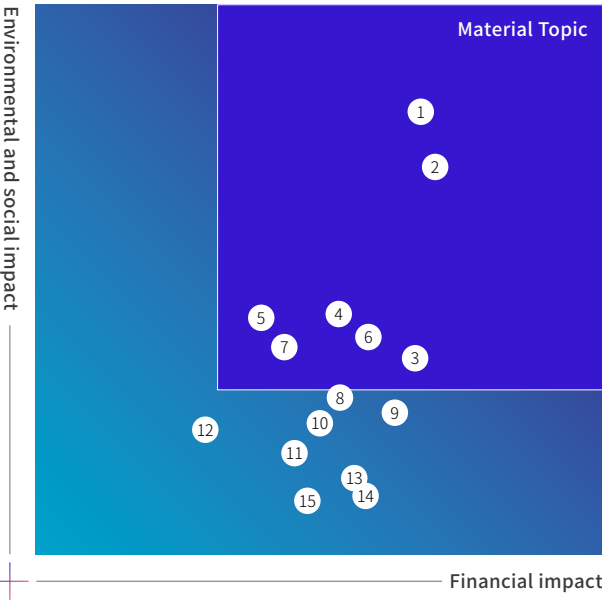
We conduct a materiality assessment to identify, report, and manage factors that stakeholders consider important in business activities. While the materiality assessment from the perspective of existing investors considers the financial risks that the environment and society pose to companies as important, the Global Sustainability Reporting Guideline GRI (Global Reporting Initiative) Standards and the EU Commission's CSRD (Corporate Sustainability Reporting Directive) requires consideration of issues that reflect the impact on the environment and society or that have a substantial impact on stakeholder evaluation or decision-making at the same time when selecting materiality issues. SK Broadband conducted an evaluation in accordance with the double materiality assessment guidelines and analyzed the results as follows.

Double Materiality Assessment Process



Material Topic

According to the results of the double materiality assessment, SK Broadband's material topics were Customer personal information and corporate information asset protection, and provision of high-quality and absolutely stable network services. SK Broadband identified the impact of each issue on our corporate value and financial performance, as well as the external environmental and social impact of management activities and products. When deriving the final priorities, it was considered to ensure that the results of the impact materiality test are not affected by the financial materiality test results. Key activities and achievements related to identified material topics are disclosed transparently.



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Double Materiality Assessment

Material Topic

●●● Very High ●●○ High ●○○ Medium					
Topic	Environmental and Social Impacts	Financial Impacts	Background	Response Activities	Goals
① Customer personal information and corporate information asset protection	●●●	●●●	Domestic and foreign personal information laws and cyber security issues act as a significant risk to business operations, and in the event of information protection infringement, there is a risk of resulting in secondary and third damage and increased social costs.	We maintain and expand certifications such as the ISMS information protection management system and ISO 27001 to strengthen cyber security in consideration of the importance of the topic to both the company and the environment and society. In addition, we are preemptively blocking infringement factors by upgrading our security solution technology and strengthening service security breach prevention.	Zero information leakage and security breach
② Provision of high-quality and absolutely stable network services	●●●	●●●	Considering the modern society's dependence on telecommunications infrastructure and the effect of creating economic value, it is essential to maintain a stable network quality, but if a failure occurs, the resulting additional damage can lead to huge losses for businesses.	In order to operate stable customer service, we established a service innovation organization since 2021 and made a response system and action process in response to network failures to continue systematic failure analysis and deriving improvement plans. Also, we are pursuing quality innovation using AI/DT technology to improve the quality of all areas of products and services.	Zero major network failures
③ Reinforcing new growth businesses	●●○	●●●	AI technology and IDC are the main players and key elements that have accelerated the 4th industrial revolution, providing opportunities for new markets.	SK Broadband is reinforcing new business discovery and investment to secure future competitiveness, and when selecting and executing new businesses, we ensure profitability and growth while making decisions in consideration of ESG factors.	Discovery of ESG-based new growth engines
④ Response to climate change	●●●	●●○	Climate change is a challenge that needs to be addressed through global participation, and the physical and transition risks that arise in the process of solving the problem cause financial losses to companies.	SK Broadband is making efforts to reduce climate change by setting RE100 and 2045 Net-Zero goals and making products and services used by customers eco-friendly.	Achieve Net-Zero and RE100 by 2045
⑤ Occupational safety and health	●●●	●○○	With the enforcement of the Serious Accident Punishment Act, stakeholders' interest in safety and health issues has grown. Health and safety is a fundamental right, and companies are obligated to protect their members from industrial accidents, diseases, and disasters.	SK Broadband removes risk factors that reduce work engagement and productivity of its members and business partners, and conducts preventive activities to prevent social costs from occurring due to compensation for accidents. By acquiring ISO 45001, a global safety and health management system certification, we maintain a safety management system to prevent serious accidents and occupational diseases by supporting health programs appropriate to the characteristics of each job.	Serious accident Zero
⑥ Customer-oriented management	●●○	●●●	Customers are key stakeholders with close relationships and influence in the entire management process of SK Broadband. Reflecting customer-centered values through continuous communication with customers can build trust and increase satisfaction.	SK Broadband is strengthening customer-customized media services to provide products and services that meet customer needs and expectations, and through the PLM (Product Lifecycle Management) process, it identifies and improves unsatisfactory factors that may result from new products in advance. In addition, the monthly 'customer value innovation meeting' is held to reflect customer centered values in decision-making at the key management level.	#1 in Customer Satisfaction
⑦ Mutual respect Labor-Management relations	●●○	●○○	A healthy labor-management relationship creates a working environment in which employees can focus by improving their immersion in work.	SK Broadband guarantees freedom of association and collective bargaining based on the law to create an organizational culture of mutual respect and sympathy. In addition, quarterly labor-management council meetings are held to discuss matters related to employee welfare promotion and to continuously communicate to promote the common interests of labor and management.	Work-Life Balance Satisfaction 89 points by 2030 Employee Engagement 76 points by 2030

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Our Strategy to Fulfill Sustainable Value #01

Sustainable Media

SK Broadband's Approach

①
'AI to Everywhere' for
Anyone, Anytime, Anywhere

②
Creating a Sustainable
Media Ecosystem '!PICK'

③
Realization of a Media Environment
Where Anyone Can Meet the World Evenly

Market conditions

The media is an industry that has been the first to respond to the trend of the times and has continued to change rapidly. From 1927, when the first radio broadcast began, to today's IPTV¹⁾, VOD²⁾, and OTT³⁾ services, it has developed in various forms along with the improvement of quality of life for nearly 100 years. In particular, with the advent of OTT services due to the development and spread of wired and wireless networks, a new paradigm for video services has begun. Demand soared to such an extent that 7 out of 10 people use OTT services⁴⁾, and the IPTV industry took advantage of this opportunity to forge partnerships with various OTTs, opening an era of home media where users can freely watch any video they want at any time. However, on the other hand, as content is produced and distributed around the global OTT, the problem of imbalance in the content ecosystem is emerging, and there is a growing voice that countermeasures are needed. In addition, artificial intelligence (AI) is also deeply permeating our lives, bringing about new changes every day. The media realm is no exception. Recently, media companies are actively using AI technology to provide customers with customized content that takes into account individual tastes and preferences, breaking away from one-sided viewing. And these services are expected to evolve into 'super-personalized customized services' according to the speed of technology competition in the industry. Therefore, only companies that have successfully implemented differentiated AI technology strategies will be able to lead the future media industry.

1) IPTV: Internet Protocol Television, an interactive television service provided using a high-speed internet network
2) VOD: Video On Demand, a video service that provides the video the user wants at the desired time through a communication network connection
3) OTT: Over The Top, a TV service that allows you to view media contents such as broadcast programs and movies through the Internet
4) Source: Korea Communications Commission '2022 Broadcast Media Usage Behavior Survey'

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'AI to Everywhere' for Anyone, Anytime, Anywhere

First in the industry

Launched the industry's first natural language voice search service and AI set-top box

Personalized AI media that knows me best

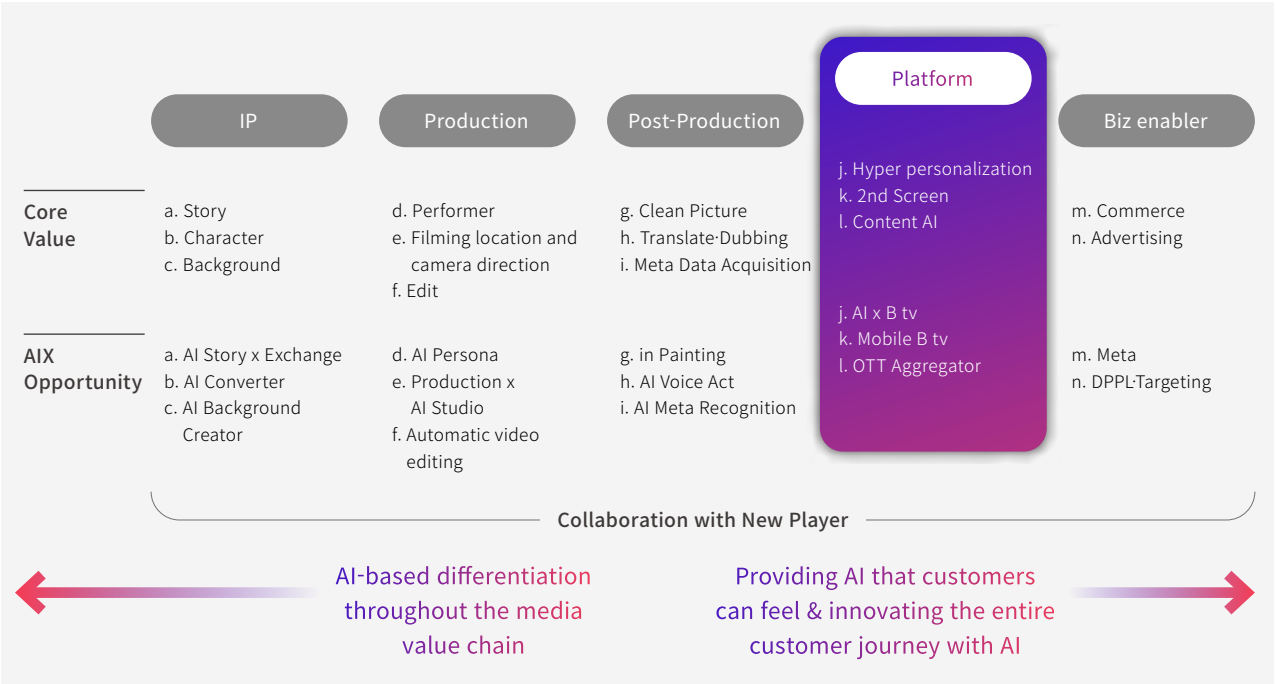
Mobile B tv

———— Together with SK Telecom, SK Broadband led the development of the times by connecting customers and the world through communication technology. And now, by connecting AI technology everywhere in the world, we want to realize the vision of 'AI to Everywhere' where anyone can easily experience AI anytime, anywhere. In order to lead the transition in this new era, the two companies plan to apply AI technology throughout the value chain and create groundbreaking changes in customer journeys. Among them, SK Broadband redefines one of its core businesses, the media sector, with AI, and established a strategy to leap forward as an 'AI media player'. Until now, SK Broadband's B tv was a platform that knew content well, but in the future, it will be newly upgraded to 'hyper-personalized AI media' that knows me well than I do.

B tv opened the era of AI media

In fact, our AI can be easily found around us now. In 2017, SK Broadband launched the industry's first natural language voice search service and introduced AI technology. And in 2018, we also launched the industry's first AI set-top box that finds and shows what you say. Through this collaboration with SK Telecom, we improved 'B tv NUGU', and provided convenience services that linked various external information such as weather, traffic, and shopping. As such, SK Broadband's AI technology has been rapidly evolving, but SK Broadband is not resting on its laurels and is constantly trying to introduce new AI technologies to meet the ever-rising expectations of customers.

AI x Media Universe Promotion Direction



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A hyper-personalized service that knows me well, B tv

B tv, which is commonly used by family members, had limitations in providing personalized service. To overcome this, SK Broadband plans to launch a service focused on individuals in earnest by linking B tv with mobile and SK Telecom's A.(A Dot)¹⁾. With this service, customers can enjoy content that reflects their individual tastes and interests with integrated ICT data for each individual when B tv is linked with SK Telecom's T ID. For example, when a

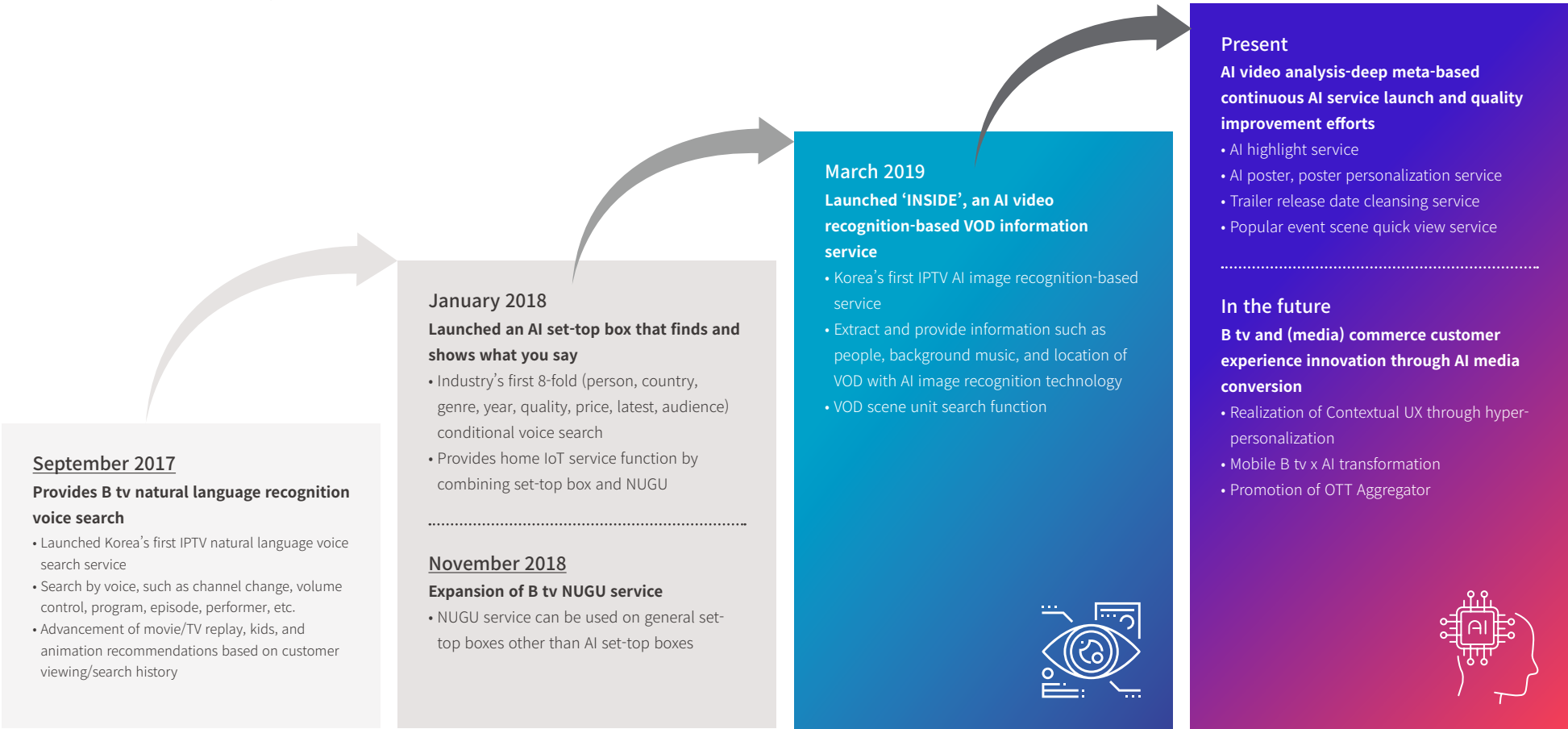
customer returns home after a hard day's work, the B tv set-top box can recommend content based on various criteria such as real-time or search history. We will focus on hyper-personalization to provide customers with a new type of AI experience that has never existed before.

Our mobile B tv is a service that allows you to enjoy content anytime, anywhere according to your personal preference by connecting four mobile devices to one B tv. After the launch of the service, the number of users has

steadily increased, effectively playing the role of a core auxiliary service. SK Broadband aims to increase customer convenience by applying advanced AI functions to Mobile B tv app and will be reborn as a 'personal AI media that knows me best'.

1) A.(A Dot): Korean-specific version service developed by SK Telecom in May 2022 based on Open AI's 'GPT-3 (175 billion parameters)'

Towards The AI Media Company



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SK Broadband's Approach ②

Creating a Sustainable Media Ecosystem '!PICK'

KRW 300 billion

Planning to create a joint fund for the three IPTV companies

Establishing a virtuous cycle structure

by securing various distribution lines and IP



———— In the past, people used to sit in front of the TV and wait for the airing time to watch a drama or entertainment program, but now that kind of look is a thing of the past. With the advent of OTT, many people can enjoy new viewing methods such as binge-watching, double-speed playback, and skipping. In addition, the OTT market has grown rapidly due to the increase in single-person households and the generalization of non-face-to-face daily life. Now, the heyday of OTT has opened. However, behind this general trend, there is an imbalance in the production and distribution of content centered on global OTT. This trend toward large-scale global OTT has resulted in production companies attracting large-scale capital investments to be selected from them, and actors' performance fees rising, resulting in production costs skyrocketing. Even if the content is successful worldwide through this process, the copyright of the work already belongs to OTT, so the result of success goes only to the OTT and actors, but not to the creator or production company that produced the content. that is the reality.

Reinforcing creators' rights through a virtuous cycle

!PICK is a brand created by the three IPTV companies in Korea, including SK Broadband, together, and was created to eliminate the side effects of large-scale OTT winner-takes-all and build a sustainable media ecosystem. !PICK has a process to determine whether to invest after looking at the contents and plans of the work, and when the investment is made, it is actively marketing. In addition, since creators, producers, and platforms share rights, there is a big difference with OTT that takes all rights from producers after investment. Based on the three IPTV companies, the cost of investing in content for a year is more than KRW 2 trillion. !PICK plans to create a joint fund worth KRW 300 billion and secure high-quality content. Through this, the viewing satisfaction of 35 million pay-broadcasting customers will be increased, and creators and production companies will be able to establish a virtuous cycle structure that secures stable financial resources, various distribution lines at home and abroad, and intellectual property (IP).

Above all, producers can freely enter the global market based on well-made IPs or establish additional revenue structures through new businesses. The status of K-content in the global market is increasing day by day. However, unfortunately, sufficient distribution is not achieved due to monopoly of rights. !PICK actively responds to these problems and aims to become an allied platform that helps even the domestic media industry to get out of the past problems. In 2022, !PICK was able to secure distribution rights for the movie by jointly supplying the movie 'Alien + Man' for the first time, and starting with this, we plan to expand to the drama area in the future. In addition, we will continue to provide generous support so that domestic OTT platforms such as Wavve and Tvingcan participate in !PICK.

1) SK Broadband, KT, LG U+

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SK Broadband's Approach ③

Realization of a Media Environment Where Anyone Can Meet the World Evenly

787 administrative districts

Completed building BcNs (as of 2022)

The only service in the industry

A VOD easy-to-view virtual channel service for seniors

———— Digital transformation in the media world enables people to enjoy various media anytime, anywhere. However, on the other hand, there are those who are underprivileged from the media who feel unfamiliar and difficult in this rapidly changing environment. Accordingly, SK Broadband is promoting various projects so that anyone can easily access and use information without any gap in media.

BcN project to bridge the media gap

Through the BcN¹⁾ business, SK Broadband provides high-speed Internet and IPTV services to rural areas with weak communication infrastructure. This project started in 2008 and has been expanding the target areas by increasing the Internet transmission speed and upgrading the service. By investing KRW 20 billion over three years from 2020, we have completed building BcNs in a total of 787 administrative districts as of 2022. We will continue to actively participate in the rural communication network advancement plan to bridge the media information gap between cities and rural areas.

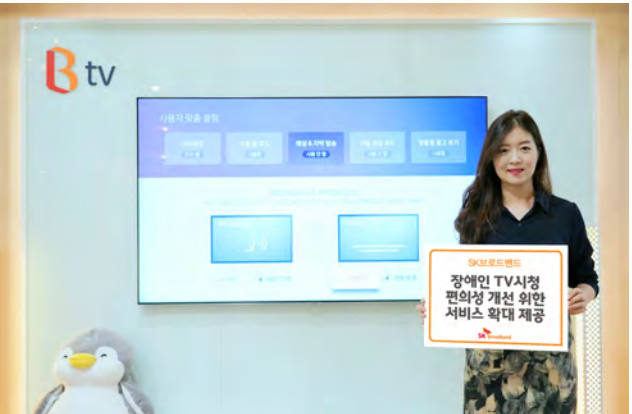
1) BcN: Broadband convergence Network

The easiest media for the elderly, 'B tv Happy Senior'

SK Broadband provides a variety of services so that the elderly can use digital media easily and conveniently. Among them, 'B tv Happy Senior' is the only service in the industry that has content for seniors in a dedicated menu with large letters and posters. Besides, we provide a VOD easy-to-view virtual channel service for seniors who watch in real time, and a monthly subscription service called 'OCEAN Senior', which allows seniors to enjoy movies or dramas that they prefer at an affordable price. Recently, in cooperation with the Seoul Digital Foundation, we are helping to improve the quality of life for seniors by organizing how to use smartphones, how to easily reserve KTX, and '5-minute classes anywhere' that can be usefully applied in real life for free.

Specialized service for the hearing-blind

SK Broadband's efforts to embrace the underprivileged in the media are continuing even for the disabled. We provide set-top boxes equipped with functions specialized for the hearing-blind, such as smart subtitles, voice guidances, and screen commentary broadcastings. In addition, we provide Korean subtitles for broadcasting and Korean movie VOD so that the elderly, including the hearing-impaired, can comfortably watch media. As such, SK Broadband will continue to develop warm services tailored to the eye level of the media-underprivileged so that anyone can meet the world evenly through media.



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Our Strategy to Fulfill Sustainable Value #02

IDC, Solution for Hyper-Connected Era

SK Broadband's Approach

- ①

Global-level IDC Infrastructure Establishment
- ②

IDC Focused on Eco-friendliness and Safety
- ③

'Submarine Cable', The Reason Why We Go to The Sea

Market conditions

The Internet Data Center (IDC¹⁾) has been developed based on state-of-the-art technology since the 1960s when the IT industry was born. And today, the digital transformation of businesses and public institutions is rapidly increasing, and the demand for IDC is skyrocketing. IDC is now in the limelight as a core infrastructure in the hyper-connected era leading the 4th industrial revolution. Then, in Korea, super-giant IDCs equipped with large-capacity servers and providing high-quality services appeared one after another. And now, the 'eco-friendly' factor that can enhance energy efficiency beyond scale and technology is emerging as a new competitive factor for IDC. For this reason, future IDCs must apply eco-friendly methods and technologies from design to operating systems. In addition, domestic IDC companies with excellent competitiveness need to pay attention to the global IDC market. In the global IDC market, which is expected to grow at an average annual rate of 13% by 2026²⁾, many major global companies are already eyeing Korea as a base for data centers in Asia. Accordingly, IDC companies need to make efforts to foster Korea as an Asian IDC hub based on excellent power supply and communication and network infrastructure.

1) IDC: Internet Data Center, a facility collecting data processing devices and communication facilities necessary for operating data connected to the Internet or computer network
2) Source: Market research firm 'Mordor Intelligence'

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SK Broadband's Approach ①

Global-level IDC Infrastructure Establishment

The largest IDC in Seoul

Gasan Center

CSP Top7 orders received

Planning to operate more than 9 IDCs

(As of 2030)



Seocho Center, which has walked together in the history of Korea's IT growth

———— We are operating 5 IDCs in major areas of the metropolitan area based on network infrastructure and professional manpower. Starting with the Seocho Center, where the domestic IT industry was born and growing, to the Gasan Center, which boasts the largest scale in the metropolitan area, SK Broadband has been striving to secure IDC competitiveness. In this era where the value of data is paramount, SK Broadband is continuously pursuing infrastructure innovation to contribute to the vitalization of customers' online services and to respond to rapidly growing demand.

Seocho Center with the growth of the domestic IT industry

Seocho Center is the first IDC of SK Broadband, which opened in 1999 on Teheran-ro, Seoul. At that time, Teheran-ro was taking off as the heart of Korea's IT industry, with many IT companies settling down. The Seocho Center has grown along with the domestic IT industry while ensuring accessibility to customers who have moved into Teheran-ro, and has secured customer trust based on stable operation for 24 years.



Gasan Center, the largest in Seoul

The largest Gasan Center in the metropolitan area

SK Broadband has been strengthening its capabilities by building IDCs in Ilsan and Bundang sequentially following the Seocho Center, and opened the Gasan Center, which boasts the largest scale in Seoul, in 2021. The Gasan Center is designed with a total floor area of about 69,000m², 10 floors above ground to 5 floors below ground, and can accommodate more than 100,000 servers with 46MW IT capacity. With such advantageous location conditions and excellent infrastructure, the Gasan Center completed pre-sales in a short time before opening, solidifying SK Broadband's status once again. SK Broadband is continuously upgrading its IDC infrastructure to safely protect customers' assets. To this end, SK Broadband has steadily developed its differentiated technology, such as fast lines and the realization of global-level communication network neutrality. With these efforts, we have won the achievement of winning domestic and overseas CSP¹⁾ Top7 orders in 2022, as well as global certifications such as ISO 27001²⁾, SOC1, 2³⁾, acquired PCI-DSS⁴⁾, etc.

IDC expansion strategy to prepare for future demand

In the era of hyper-connectivity, we plan to continuously expand IDCs to respond to the future demands of the IDC industry. By 2030, we plan to operate more than 9 IDCs by opening two more in the metropolitan area, including Yangju and Guro, and two more in Busan, Centum and Geumsa. SK Broadband plans to unveil Seoul's largest IDC once again beyond the current Gasan Center by securing the IT capacity of the Guro Center up to 75MW.

1) CSP: Cloud Service Provider
2) ISO 27001: As the most authoritative international standard information security certification, the scope of certification covers a total of 14 management areas, including information protection policy, communication/operation, access control, and response to information security incidents.
3) SOC1, 2: Certification to evaluate service stability and level of internal control
4) PCI-DSS: Data security standards, security international data security certification for personal and transaction information, etc.

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SK Broadband's Approach ②

IDC Focused on Eco-friendliness and Safety

———— Since IDC handles enormous amount of data, the biggest priority is to operate a stable server. It's also called as a 5-star server hotel because it requires reliable temperature and power supply for 24 hours all year round to prevent server from going down. In addition to these requirements, IDC with increased energy efficiency from an environmental perspective, can secure a competitive edge. With this in mind, SK Broadband optimized energy use from the planning stage and created an exhaustive solution that considers safety to install the systems.

Expansion on energy saving systems

When the construction of Gasan Center was being completed, SK Broadband has optimized the operation mode after checking environmental variables, and the



heat generated by the electric power facilities and the servers. In particular, application of seasonal machine facilities operating system increased energy savings. From 2022, we are building a DCIM¹⁾ implementing SK Telecom's energy saving systems 'BEMS (Building Energy Management System)' in Bundang Center. This system reflects a data-driven machine learning resulting from refrigerating machine and circulating pump, enabling a more efficient operation. In addition, by October 2023, we will complete the installation of 'liquid immersion cooling facilities' and conduct a test on commercial services in the expanded space of the Bundang Center. Liquid immersion cooling is a technology used to reduce energy use on the cooling device. This device has a high heat and high efficiency cooling effect and helps to maintain a low temperature improving performance on the equipment and blocking corrosion and oxidation. SK Broadband plans to expand and install equipment in the existing centers in Korea and new centers that will be built in the future after completing the safety review of liquid immersion cooling facilities that are built in Bundang Center by the first half of 2024.

Only prevention is the key to protect stable services and member's lives

SK Broadband has acquired ISO 45001, a global occupational health and safety management system certification, to foster a safe and pleasant IDC work environment. First of all, we provide stable service and establish the LOTO²⁾ system to protect the safety of the workers. Locks are placed in all systems which are necessary to be worked on and are only accessible to the operation officials to prevent man-made disaster in advance. Even if unexpected situation occurs, we have a process in place to quickly respond to the problems. Also, we have taken a thorough protective measures to prevent further spread of the problem. SK Broadband introduced 'Server Fire Cover' to all of the IDC for the first time in Korea in December 2022 to prevent the fire problems of lithium batteries which are essential for IDC operation. Due to the nature of the lithium batteries, once the fire breaks out, it quickly spreads to all batteries and gets out of control. Even if someone tries to suppress the fire with water, there might be a greater risk of getting an electric shock due to high-voltage wires. So there is no choice but to wait helplessly until the fire burns out.

These extreme system cuts off all the power needed to operate the server and brings down the services to all of the customers using the IDC. However, SK Broadband's server fire cover, that is made of glass fiber, will block and cover the server at the location where the fire broke off once the sensor detects any suspicious circumstances such as smoke or flames. As a result, we can minimize the damage even if a fire breaks out, since the fire will not spread to the other servers from the ignition point, and through this, we are able to provide a stable IDC service.

1) DCIM: Data Center Infrastructure Management, a solution that minimize data center operation cost and enable reliable asset management
2) LOTO: Lock Out Tag Out, measures to secure customer information through locks to prevent illegal access from the outside as well as the safety of our workers

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SK Broadband's Approach ③

‘Submarine Cable’, The Reason Why We Go to The Sea

———— Primary customers of IDC are global companies that distribute content globally, so when they have to decide on the IDC, they prioritize interoperability between the countries. Considering these characteristics, submarine cables can meet the needs of global customers since they can transmit high-capacity data at high speeds. Submarine cables can also respond to IDC's problem of high carbon and electricity consumption. It can not only utilize the electricity generated by tidal and wind power in the neighborhood, but it also has stronger information security and better efficiency in maintaining temperature compared to the land. However, submarine cables will have an impact on the marine ecosystem since submarine cables are artificial structures after all. As a countermeasure, SK Broadband conducted various marine impact assessments to prepare for appropriate countermeasures according to the results and continues to minimize the damage to the marine ecosystem caused by submarine cables.

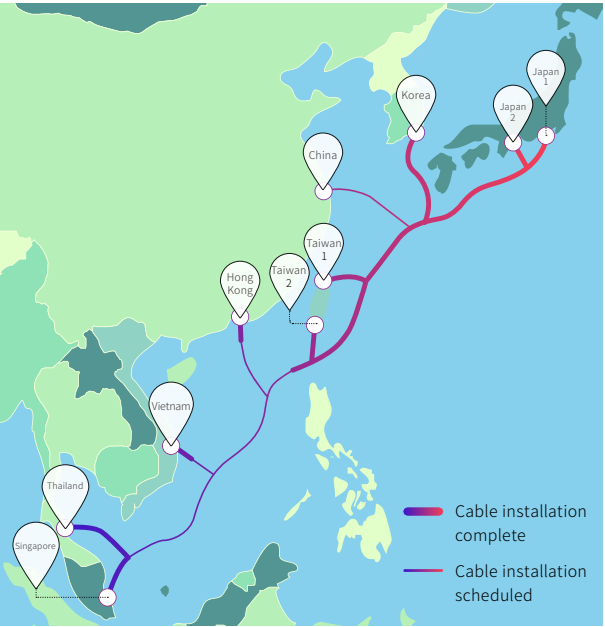
Jump into a new IDC in Asian Hub

SK Broadband is the only company in Korea that is participating in the “SJC2²⁾” project, an international submarine cable construction consortium that connects 8 Asian countries¹⁾. The submarine cable will have a total length of 10,500 km and will be completed in the second half of 2024. So far, 63.2% of construction is completed, and some of this cable is installed on a scale of 396.5km from the line of public waters of 1426, U-dong, Haeundae-gu, Busan to the exclusive economic zone (EEC) at the southern end of Jeju Island. In particular, SJC2 has been

installed to bypass the Asian-Pacific earthquake zone to ensure stable service quality even if natural disasters, such as earthquakes, happen. Through this project, SK Broadband will be able to secure a total of 16Tbps international submarine cable capacity. On top of this, two new IDCs will be constructed in Busan by 2026. Through this, we expect to provide a faster and more convenient content distribution service to domestic and international customers by mutually interlocking submarine cables with IDC. SK Broadband will become a new Asian hub IDC through the opening of SJC2 and Busan IDC.

- 1) Korea, Japan, China, Taiwan, Hong Kong, Vietnam, Thailand, Singapore
2) SJC2: Southeast-Asia Japan Cable 2

SJC2 submarine cable diagram that SK Broadband has participated



Marine Environment Impact Assessment

Category	Assessment target per field	Investigation items
Marine Chemistry	Busan Shore	Water temperature, salinity, pH, DO, DO saturation, total count of coliform group, solvent extraction oil, phenol, organic phosphorus, transparency, etc
	EEZ	Water temperature, salinity, pH, DO, DO saturation, transparency, SPM, Chl-a, COD, total count of coliform group, solvent extraction oil, etc.
Marine Sediment	Busan Shore	Grain size, pH, percentage of water content, ignition loss, AVS, COD, organic phosphorus, etc
	EEZ	Grain size, percentage of water content, ignition loss, TOC, CN, Al, As, Cd, Hg, Pb, Zn, etc.
Marine Ecosystem	Pelagic Ecosystem	Phytoplankton, zooplankton
	Benthic Ecosystem	Benthic animals of intertidal, benthic animals of subtidal
	Fish and Fisheries Resources	Fish eggs and larvae, marine fishes, Sales volume of Busan Eastern Fisheries Cooperative

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Our Strategy to Fulfill Sustainable Value #03

Top Priority Management Value, Customer Information Protection

SK Broadband's Approach

- ① Promotion of zero information leakage accidents
- ② Information protection culture that proactively responds to
- ③ Security technology to support business growth

Market conditions

The development of information and communication technology (ICT) and the convergence of technology and industry has opened a digital transformation era. Through this, we are able to use the service we want with a simple click. However, these conveniences also increased cyber-attacks targeting blind spots such as phishing and ransomware. As problems that threaten our daily lives frequently occur, such as the leakage of personal information, the demand for technologies that utilize safe data and strengthen information is increasing. Due to this trend, information security has become another important factor for companies to maintain a sustainable business. Therefore, companies need to gain competitiveness by raising awareness of information protection and having practical response capabilities.

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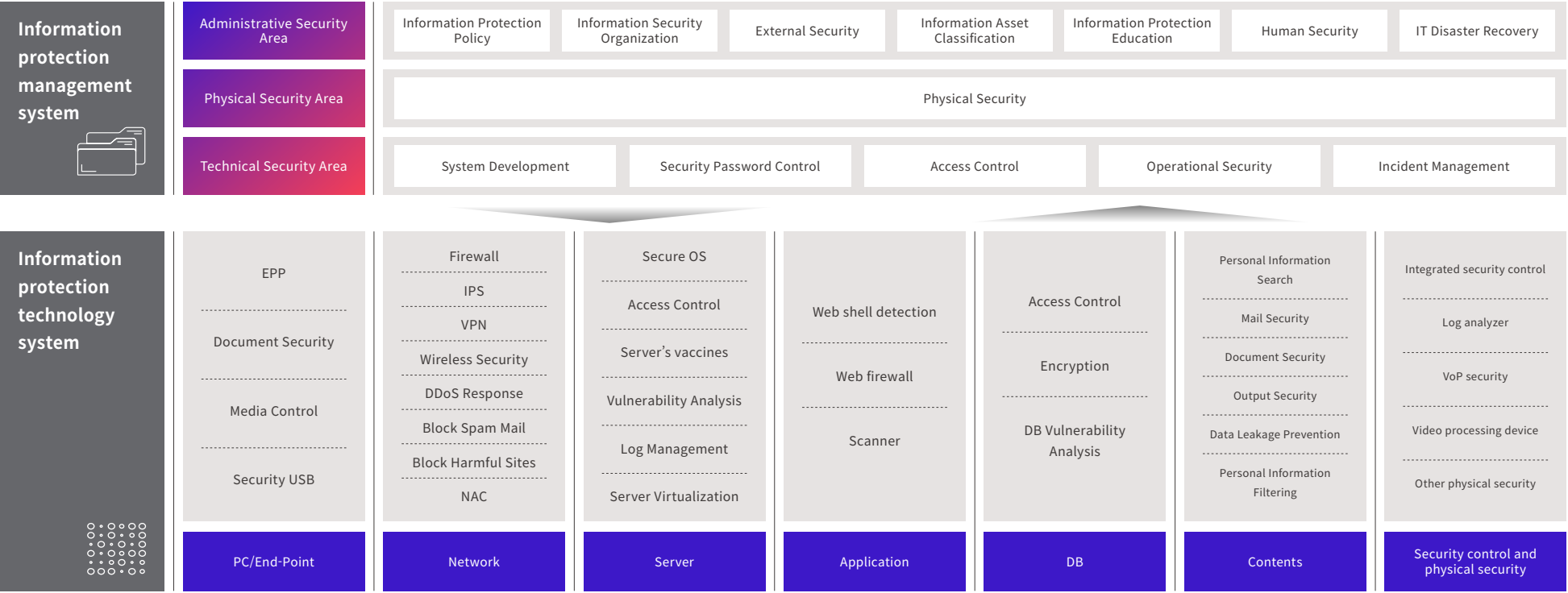
Promotion of Zero Information Leakage Accidents

———— We consider customer information protection as its top priority in corporate management and strive to establish a personal information protection management system and strengthen technological competitiveness. A chief information security officer (CISO) and a chief personal information protection officer (CPO) are appointed directly under the CEO, and each department is organized to professionally perform information security roles by function 24/7, 365 days. In addition, revisions to related laws, such as the Information and Communications Network Act and Personal Information Protection Act, are periodically checked and reflected in internal regulations and guidelines to be strictly followed.

Operation of information protection management system

SK Broadband has established and is operating an information protection management system. Based on this, the information system is stably operated to thoroughly protect information assets from internal and external threats. In addition, we have established an information protection and personal information protection management system in accordance with the ISMS certification standard, a nationally recognized information security management system, and have established a managerial, physical, and technical security system to continuously improve our customer information management capabilities.

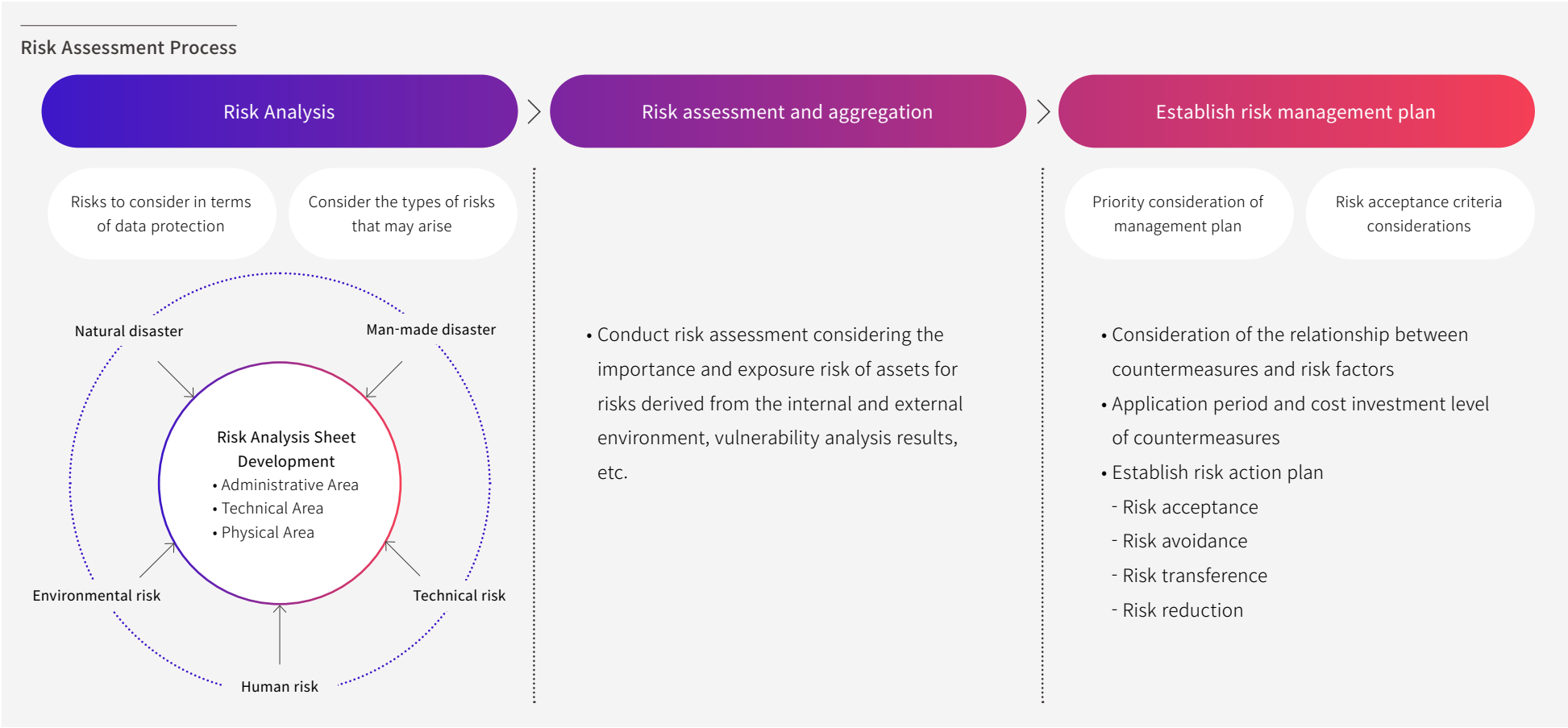
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Strengthen personal information management

SK Broadband has established a personal information processing policy that stipulates the basic principles of personal information processing, such as the collection, use, and provision of customer personal information, management and supervision for safe processing of personal information, and the rights of information subjects. Besides, this information is disclosed on the website so that it can be easily checked, and is regularly revised to keep the current status of personal information processing up to date. Also, regular security inspections, risk assessments, and occasional inspections (simulated hacking) are conducted every year to identify issues and, when problems are discovered, immediate improvement plans are prepared and implemented.



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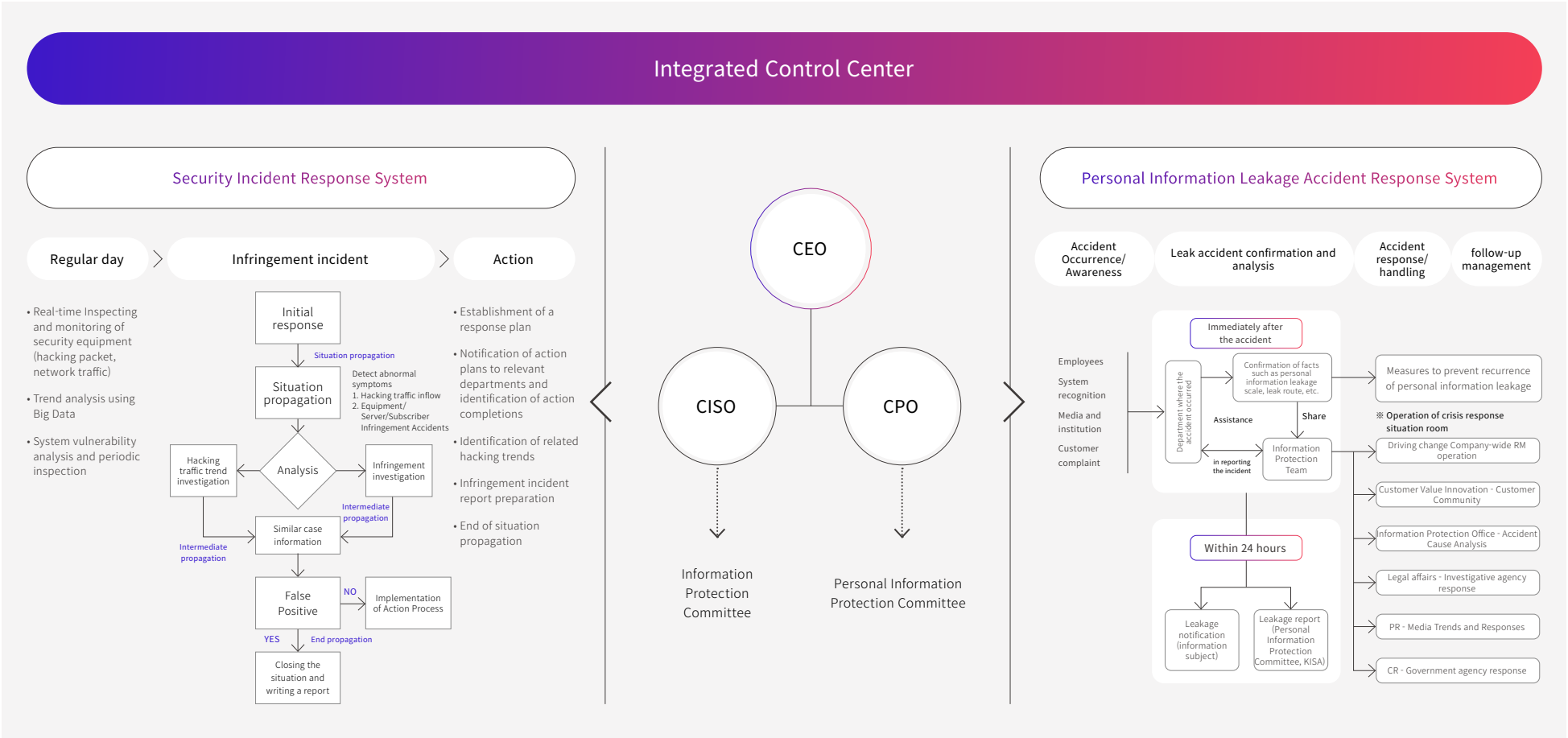
Prepare a response system for security incidents, infringement and information leakage

SK Broadband has selected customer personal information leakage as a company-wide material risk. Accordingly, we have established a personal information leakage response manual to promptly respond to personal information leakage incidents and minimize damage to customers, and are preparing based on a

company-wide risk management system. In addition, we operate an integrated security control center to constantly monitor signs of security incidents, and in case of security incidents, we cooperate with related organizations and external institutions to establish a response system to safely protect customer information.



SK Broadband security incident response system



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Information Protection Culture that Proactively Responds to

———— SK Broadband is conducting activities to raise awareness of information protection among members and organizations. For management, personal information protection activities at each organization level are set as key performance indicators (KPI) so they can be carried out independently and responsibly. Along with regular personal information protection and information protection education for members, we conduct self-security checks through internal solutions to encourage members to actively respond and practice information practice on their own.

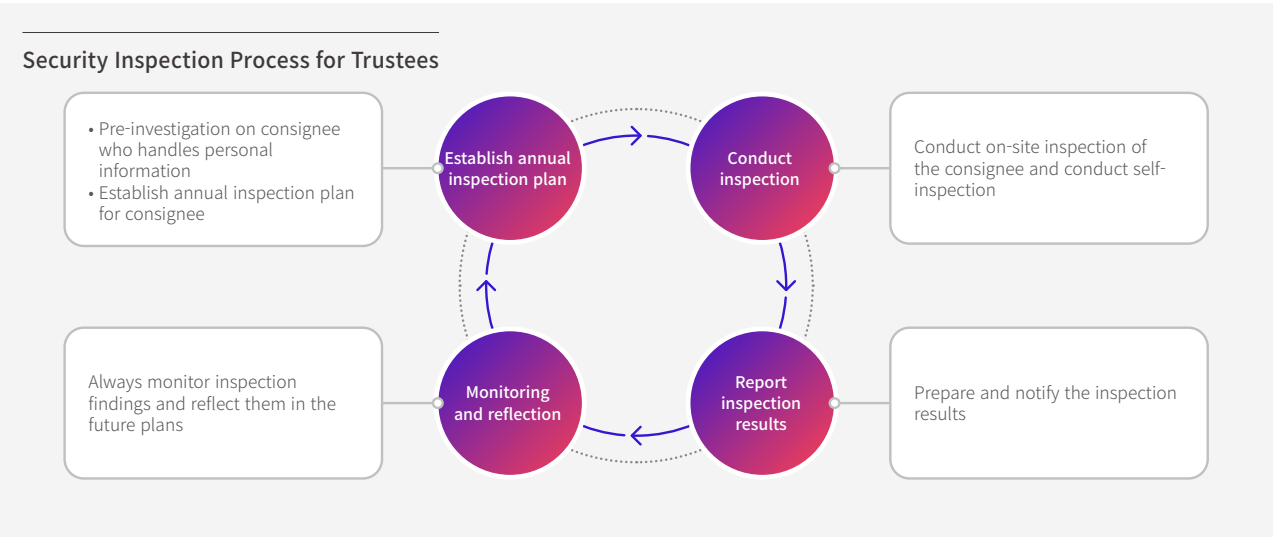
Internal self-security check 'Clean Day Campaign'

'Clean Day Campaign' is a company-wide internal security check activity conducted on the second week of each month. On this day, members use the personal information

detection solution by themselves to determine the amount of data that is stored on the PC and whether the file is used or not, and discard the unnecessary information. SK Broadband is currently expanding this campaign not only to the internal employees but also to the business partners in order to spread the self-enhancing information protection culture.

Strengthening the management of trustees' information protection

SK Broadband is strengthening its field-oriented management system to reduce information protection risks that may arise as trustee handles personal information. In addition to regular training for the trustee, we use the administrative, descriptive, and physical checklist to check on the status of processing personal information and compliance with the related rules and regulations at least once a year and we conduct our inspection activities as well. Immediate reformation is conducted if deficiencies are found during the process, and there is a penalty system on the contract to strengthen the trustees' awareness of the protection of customer information.



'DDoS Clean Zone' that preemptively disables large-scale DDoS attacks



Since 2019, SK Broadband has been providing the "DDoS¹⁾ Clean Zone" service that detects and defends DDoS attacks in real time. This service is designed to link or bypass traffic to SK Broadband's high-capacity DDoS clean zone when an external hacker attacks, preventing an overload on equipment capacity and disabling large-scale DDoS attacks. SK Broadband plans to steadily secure a competitive advantage by securing the largest response capacity in Korea, considering that response capacity is the most important factor in DDoS clean zone technology.

1) DDoS: Distributed Denial of Service, spreading an unspecified large number of malicious computing code on a specific Internet site, Zombie, which paralyzes the service system by mobilizing unsuppressed traffic

Blocked 110,000 voice phishing attempts



SK Broadband is actively engaged in preventing telephone financial frauds (voice phishing) based on ESG management with National Police Agency and the Korea Internet & Security Agency (KISA). Voice phishing often happens through using a SIM box that modulates and sends international internet phone number to domestic phone number that starts with the number 010. SK Broadband has a system that can identify and block such abusive cases so if a suspicious situation is recognized, we quickly provide the information to National Police Agency. These efforts have helped block approximately 110,000 voice phishing attempts as of 2022. In 2021, Financial Supervisory Service identified the amount of damage per voice phishing case is around KRW 23 million, and the performance of financial damage that has been prevented by us is estimated to be around KRW 10.47 billion. Voice phishing crime is developing every day, and it's important to prevent these crimes from happening. We will continue to devise countermeasures to block voice phishing in advance in the future to prevent innocent victims.

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Security Technology to Support Business Growth

———— We are focusing on not only privacy but also information protection competitiveness enforcement for enhancing customers' growth value. First of all, we achieved ISO 27001¹⁾ newly in the Gasan center and Bundang center from the IDC field as well as keeping the ISMS certification in 2022 to increase the customer's reliability. In the following year, we achieved PCI-DSS²⁾ and SOC2³⁾ certifications for the Gasan center and the SOC1³⁾ certification for the whole center additionally in 2023. In the security service area, we are leading the industry with technology competitiveness such as quantum crypto communication realization and the development of integrated security devices and Cloud PC solutions.

- 1) ISO 27001: The most prestigious global standard certification in the information security field.
- 2) PCI-DSS: Payment Card Industry - Data Security Standard is a global data security standard that sets necessary security requirements for the payment process of a card to protect the personal information and transaction information of the payment card owners securely.
- 3) SOC: Service Organization Controls, a global certification system issued when all requirements are satisfied after auditing if how much the service offerings and operation processes are managed appropriately and if they are reliable based on the Trust Service Principles and Criteria made by AICPA(American Institute of Certified Public Accountants) and CICA(Canadian Institute of Chartered Accountants).



Quantum crypto communication applied to the national convergence network for the first time in the world

We successfully applied the quantum crypto communication technology to the national convergence network for the first time in the world. The national convergence network is a national communication network that unites information communication networks operated separately from each government department since 2021 and is opened gradually. We were designated as the first business company in this industry and established a network. In this network connecting the 38 nationwide bases, we applied a quantum crypto communication technology to the communication network with 800km length, the longest one among the national convergence network Quantum crypto communication creates a quantum that can't be split anymore and creates an encryption key that can't be decoded to block hacking attempts and is estimated as the safest technology among the existing security technologies. We succeeded to create this technology with 10 years of effort as SK Group and proved a world-class technology through this business.

Self-developed integrated security equipment, the highest level 'EAL4' of the National Intelligence Service certification

We developed our own high-performance integrated security equipment. This equipment supports a VPN(virtual private network) function that you can use as an enterprise-only intranet and a firewall function that prevents invasion such as external hacking attacks. Especially, it's optimized for a Linux-based own OS multicore system environment and can support the functions and performances as much as possible. Based on this, we got the 'EAL4' certification, the highest

grade of the national common criteria (CC) from the National Intelligence Service. This certification is a guaranteed system of information protection product safety and credibility by the nation and the public institutions consider this as the important standard when establishing IT solutions. By achieving this certification, we can strengthen our credibility and competitiveness in the B2B security market.



Cloud X 2.0, security functional certification achievement from National Intelligence Service

SK Broadband developed Cloud X, the Cloud PC solution, based on the open source⁴⁾ technology. According to the customer needs, this solution is applied with an MSA⁵⁾ structure that you can offer customized provisions. Furthermore, Cloud X 2.0, the latest version, gets National Intelligence Service's security function certification and observes the national security requirements. SK Broadband proved our security technology and decided to offer Cloud X to the Onbook expansion provision business led by the government, Onbook is a laptop that you can work with following the security rules not only at an office but also even while telecommuting and business traveling for civil servants. Cloud X is based on the Linux base which is the same as the Cloud OS applied to Onbook. It has excellent compatibility and can respond to services promptly so it's expected to add user convenience.

4) Open Source: Opening it so that anyone can access and read the source codes or blueprints which is necessary for developing a software program.
5) MSA: Micro Service Architecture, a constructed structure that separated a huge application as smaller service units performing independent roles. It doesn't have any effect to other unit services when adding and expanding functions and is possible to prompt recovery of faults and flexibly customize

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Responding to the Climate Crisis through the Eyes of the Earth

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Market conditions

Today, we are having trouble with a vicious circle connecting to the serious disaster due to climate change occurring from human activities. To overcome this, the whole world made a climate goal¹⁾, of 1.5°C, and declared carbon neutrality by 2050 officially, but the potential that can be reached to the tipping point²⁾ as the time of the climate change goes faster recently. In this situation, the enterprise roles are shedding new light. Enterprises as a subject who carry out their social roles and fulfill responsibility have to encourage economic growth considering 'carbon neutrality' depending on the era's needs. In the future, only the enterprises that solve the problems such as climate change, disease, and polarization can be selected by customers and keep their leading position.

1) "Paris Agreement" was concluded to try to limit the temperature rise of the earth to 1.5°C by 195 countries at the 21st conference of the parties of UNFCCC held in France on December 12th, 2015.
2) Tipping Point: The point (temperature) that the ecosystem of the earth becomes impossible to recover as the temperature rises.

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Promise to Earth, 2045 Net-Zero

———— We target '2045 Net-Zero' for a sustainable future and are on the track to a trip to carbon neutrality. For this, we are expanding our investment to reduce greenhouse gas by registering RE100 and K-EV100 and working actively on energy efficiency by proceeding with infrastructure improvement in all industry fields. Besides, we are creating eco-friendly company cultures by conducting various campaigns in that members can participate voluntarily.

Achieved 2045 'RE100'

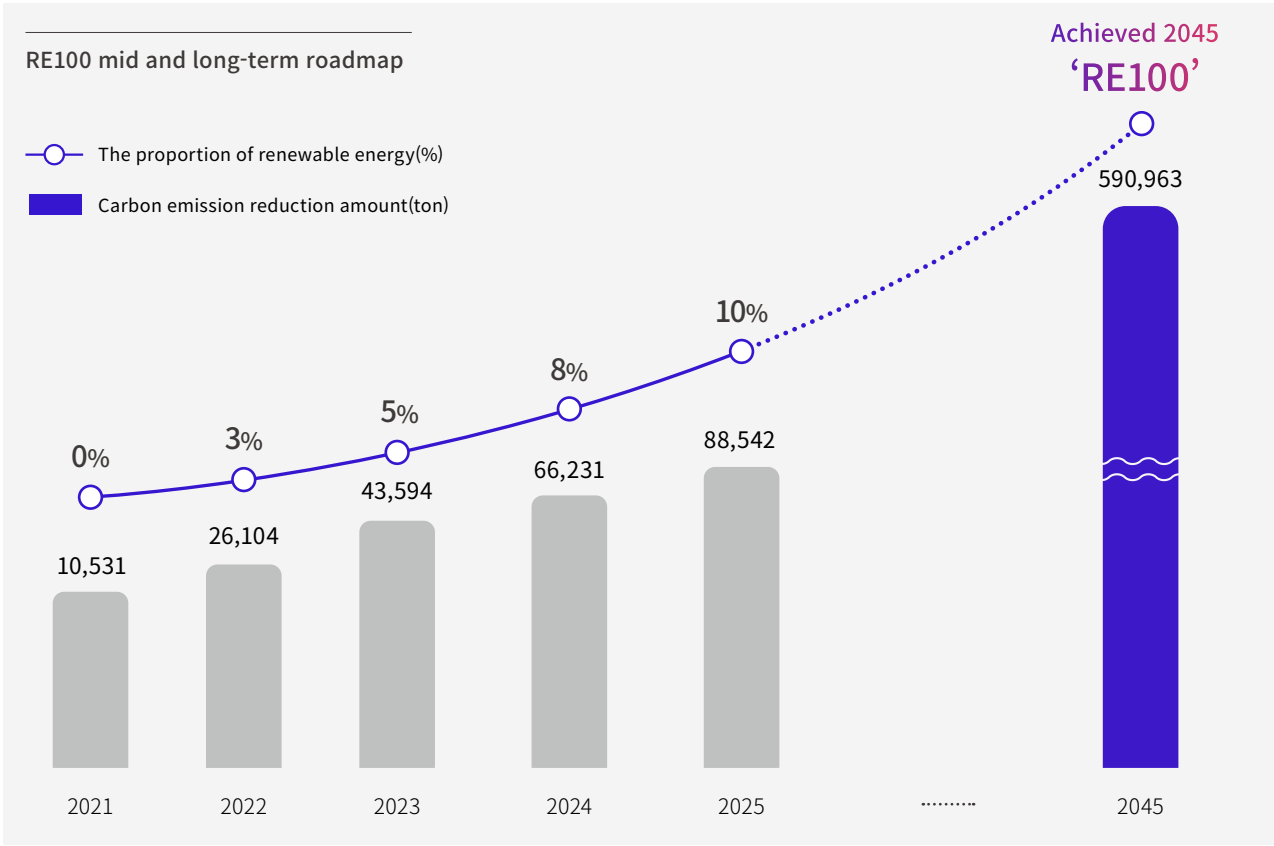
We judged energy conversion as very important in achieving Net-Zero and focused on renewable energy as a solution for this. We registered in RE100¹⁾ with 7 subsidiaries of SK

Group in November 2020 for the first time in the nation and started the project that transits all the energy used in SK Broadband to 100% renewable energy by 2045. The first step is the "Green Premium" contract, a renewable energy power purchase program concluded with KEPCO in 2021.

The Green Premium is a system issuing a "Renewable energy usage certificate" for an enterprise after paying additional fees to be recognized for the power usage produced by renewable energy such as the light of the sun and wind power. The additional fee paid by the enterprises would be spent to supply and spread renewable energy. We purchased 615MWh of electric power in 2021 and operated Yeosu Satellite Center as a 100% eco-friendly energy workplace. We are trying hard to activate renewable energy, for example, in 2022, we bought 20,300MWh of electric power increased 33 times compared to the previous year, and expanded the usage range to the nationwide major base office building in Seodaemun, Daejeon, and Daegu.

SK Broadband keeps proceeding lively with renewable energy expansion strategies that can respond to the environmental policy changes in 2023 as well. First, we get into our stride to use 39,500MWh of electric power as Green Premium and establish a sunlight generation facility. We are planning to establish sunlight generation facilities at 4 office buildings in Anseong, Daejeon, Daegu, and Gyeongnam. These facilities will be completed in the second half of 2023 and we estimate 138tCO₂eq of greenhouse gas per year will be reduced with them. We will install sunlight generation facilities in 6 office buildings by 2024 and at the same time, will lead the supply of renewable energy by using government policies such as the introduction of the third-party power purchase agreement (PPA) and the purchase of renewable energy certificate (REC).

1) RE100: 'Renewable Electricity 100' is a global campaign that claims to replace necessary electric power with renewable energy such as wind power or solar energy 100%. Global enterprises are participating voluntarily.



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Achieved 2030 K-EV 100

We registered in 'K-EV 100 (Korean zero emission vehicle conversion 100)' as a part of eco-friendly management. K-EV 100 is a campaign officially declaring and executing to convert vehicles owned by enterprises to zero-emission vehicles such as electric cars or hydrogen cars by 2030 run by the Ministry of Environment. We are going to convert 27.5% of the entire vehicles owned to zero-emission vehicles by 2023 and work on extensive diffusion of them gradually so that we can convert all the vehicles owned to zero-emission vehicles by 2030.

Energy efficiency with improving infrastructure

SK Broadband is promoting infrastructure energy efficiency vitality namely slimming down the current network, switching low-electricity equipment, and improving IDC electricity usage. We demolished worn-out equipment by reallocating lines based on low-consumption power equipment, achieved a slim network with maintenance cableways, saved power by establishing an outdoor unit of an air-conditioner Mist equipment, and made cooling efficiency by introducing an inverter-type cooler. By this, we could reduce 16% more of the carbon emission reduction amount in 2022 compared to the existing plan.

In 2023, we are going to perform Net-Zero by preparing solutions after adding new projects via integrated optical modules and server virtualization. Also, IDC with the most energy consumption is deducing projects that can improve energy efficiency by introducing SK Telecom's BEMS (Building Energy Management System), and it is proceeding with improvement activities such as cooler precooling application and high-efficiency cooling tower replacement. Thanks to this, in 2022, the standard electric power could be reduced by a total of 36,242MWh and the greenhouse gas emission could be reduced by a total of 16,650tCO₂eq. We will install 'liquid immersion cooling facilities' in IDC from 2023 expansively and plan to reduce energy via high-heat and high-efficiency cooling technology.

'Net-Zero life practice' that members could be a role model

We are opening a 'Net-Zero life practice' campaign since 2022. This campaign is an extension of the 'Go Go Challenge', the reducing campaign of disposable products completed successfully in 2021. It encourages employees to participate in the greenhouse gas reduction activity positively. At the same time, we open an office-dedicated Net-Zero life practice homepage and provide

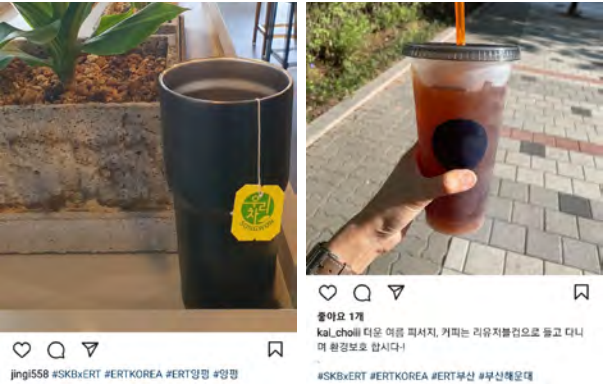
greenhouse gas reduction activity histories per member and quantitative numerical values such as greenhouse reduction amount and economic effect so that we can induce more positive participation with motivations. ERT(Entrepreneurship Round Table), launched in May 2022, is led by the Korea Chamber of Commerce & Industry and is an association that practices 'new entrepreneurship' by gathering 76 enterprises representative of the national economic industry. SK Group is proceeding with a campaign 'reducing carbon and recycling resources' as an ERT joint challenge for solving environmental problems and SK Broadband participates actively as a member of a group as well. One of the representative activities is an ERT challenge, 'avoiding using of disposable cups' which proceeded from October 7, 2022, to November 4th, 2022. At the time, SK Broadband promote in advance against internal broadcastings and head-office capital area company building for encouraging the participation of the employees and the participating employees uploaded proof pictures to the Net-Zero life practice event bulletin board after practicing not using disposable cups. We are going to take the lead in settling eco-friendly enterprise cultures with various internal and external efforts.

Communication office building energy efficiency



We made a contract of MOU for an energy efficiency business for building with the Seoul branch of KEPCO in July 2022. The purpose of this contract is to proceed with the energy efficiency of SK Broadband's communication office buildings, improving energy loss and inefficiency factors of the building, and reducing greenhouse gases and fine dust. SK Broadband sets the Seongbuk information center as the first target of the corresponding demonstration project and establishes the optimized high-efficiency energy facilities. As a result of this, we could reduce 15% of energy expansion. We will apply the energy efficiency businesses to the 62 nationwide communication office buildings broadly based on this demonstration project's performances.

The ERT challenge of 'Net-Zero life practice' led by the employees



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Introduction and Development of a Clean Technology to Our Daily Life

———— In the case of the media industry, various environmental problems occur in the process of using and discarding electric devices. Greenhouse gas occurs due to the resource consumption necessary for electric energy production and the air and underground water are polluted in the process of treating e-wastes. To respond to these kinds of problems, SK Broadband is focusing on introducing or developing a clean technology currently. The representative products that applied the clean technology are a set-top box and a remote control. These products help us practice eco-friendly in our daily life naturally by only using them and contribute to high-efficiency of energy and carbon emission reduction.



'Super capacitor' B tv remote control, developed by SK Broadband for the first time in the industry



'Smart3', the eco-friendly set-top box lowers standby power significantly

Eco-friendly B tv remote control development

We developed a lithium-ion rechargeable eco-friendly remote control which is not a battery-type for the first time among the domestic telecommunication company in 2021 and by the following year, developed the Super Capacitor remote control, a high-capacity saving energy rechargeable technology for the first time in the industry in 2022. For the charging method, its explosion and fire risks are low and battery lives and charging times are improved 10 times more than the previous ones since the titanium affiliation materials were used instead of existing carbon affiliation. In addition, the high-capacity energy-saving charging method can reduce not only 208tCO₂eq of carbon emission per year but also the number of waste batteries emitted enormously. It has the same effect as planting about 23,000 pine trees.¹⁾ The commercialized product of this remote control is made of the 'PCR ABS'²⁾ material which is recycled plastics that come from waste appliances and offers a plastic reduction effect. Like this, we are going to commercialize this supercapacitor remote control considering its stability and eco-friendly from the first quarter of 2024 after verifying its credibility from a specialized agency.

- 1) Pine tree which is 30-year-old in the central district can absorb 9.1 kg of CO₂ per year (Korea Forest Service & Korea Forest Research Institute)
- 2) PCR ABS: PCR is an abbreviation of 'Post-Consumer Recycled material' and means recycled materials made of dumped plastics by an end-user. ABS is an abbreviation of 'Acrylonitrile Butadiene Styrene' and is used for materials of various products since it is shock and heat resident than general plastics and can realize lots of shapes and colors.

Eco-friendly set-top box lowering standby power by 65%

We developed a low-power and low-carbon set-top box lowering standby power enormously. This set-top box can reduce standby power by 50% to 65% compared to the existing model. Based on these standards, we could achieve

to reduce 41,904MWh of the amount of electricity used and 19,251t CO₂eq of greenhouse gas emissions in 2022 with the eco-friendly set-top box. This is the same as planting about 2.12 million pine trees since one pine tree can absorb 9.1 kg of carbon per year (based on the Korea Forest Service).³⁾ SK Broadband is proceeding with obtaining a certification of 'Environmental Product Declaration (EPD)'⁴⁾ for the corresponding products in 2023 and we are going to focus on developing eco-friendly technologies and keep spreading eco-friendly products broadly.

- 3) Pine trees which are 30 years old in the central district can absorb 9.1 kg of CO₂ per year (Korea Forest Service & Korea Forest Research Institute)
- 4) Environmental Product Declaration (EPD): A certification system granted to a product indicating measured environmental impacts by Korea Environmental Industry and Technology Institute for all processes from collecting raw materials to production, distribution, consumption, and disuse

Integrated optical module technology that can reduce costs and carbon emissions

We developed optical communication technologies providing 1-10 giga high-speed internet as one piece of equipment by using integrated optical modules for the first ever in Korea. This technology doesn't need to install various units of equipment per speed so it can reduce investment costs and, at the same time, improve the efficiency of installation space by up to 60% compared to the previous one. Furthermore, it offers carbon emission reduction efficiency by decreasing the exothermic reaction of equipment and reducing power consumption by up to 50%. SK Broadband actively proceeds with commercializing an integrated optical module technology currently and provides high-speed internet service with high-quality and high capacity stably.

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SK Broadband's Approach ③

Good Influence
'Environment Influencer'



Media is a strong tool changing lots of people's behaviors and affect to a society. We are understanding this well, working as an environmental influencer spreading environmental problems to society via the specialized ability of media which is our major business, and looking for solutions. We are promoting eco-friendly campaigns lively with platforms such as B tv and mobile and drawing recognitions and social consensus of people on environmental problems with our own produced environmental contents.



The Sound of Your Heart Children's Environmental Adventures with Greenpeace

- ① Climate change occurs because of the Earth (9 minutes)
- ② I came down the glacier and met JoeSeok (10 minutes)
- ③ I'm sorry because I am a human (9 minutes)
- ④ The earth is sick because of us (9 minutes)
- ⑤ It's the late time when you think it was too late (8 minutes)
- ⑥ Vegetables save the planet (6 minutes)
- ⑦ Multi-use containers rather than separate collection (10 minutes)

Producing original contents focusing on environments

We are broadcasting our own ESG specialized contents, 'Countdown' on the B tv Cable every alternate Monday. This program encourages people to protect the environment naturally in daily life by introducing environmental problems such as resource recycling, energy saving, disposable product usage reduction, and local eco-friendly community introduction and solutions to solve these issues.

Also, we make animations for children to show them protecting environment is not difficult or complicated and help them understand that they can practice in daily life. A typical case of this is 'The Sound of Your Heart, an environmental adventure.' The animation conveys a total of 7 environmental themes in an interesting way using the 'The Sound of Your Heart' characters familiar to children. At the end of each episode, climate energy campaigner, broadcaster and environmental influencer 'Julian Quintart' of the 'Greenpeace', the global environmental protection organization, delivers various environmental protection methods that children can practice with their families along with environmental knowledge related to the climate crisis. And recently, it has become so popular that it recorded an average of over 15,000 views, surpassing the ratings of Japanese anime. In addition, SK Broadband plans to widely disseminate the importance of environmental issues and practice methods that can be easily understood by anyone by dealing with environmental issues in various contents to be produced in the future, such as the 'Together' animation series.

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Sponsored by Seoul International Eco Film Festival

SK Broadband is sponsoring the Seoul International Eco Film Festival for three consecutive years from 2021. The Seoul International Eco Film Festival is a festival held with the purpose of exploring the coexistence of the environment and humans with films and discussing alternatives and practices for the future. SK Broadband has been supporting publicity activities by utilizing its YouTube channel, 'B tv Lee Dong-jin's Piarchia', so that the film festival can be widely successful. In 2023, 44 excellent works from the 20th Seoul International Eco Film Festival will be screened for free on

B tv and mobile B tv, and photo zone events will be held at offline screening events to provide a place where customers can think about environmental issues together.

2023 The 20th Seoul International Eco Film Festival, Major Outstanding Films

'Nuclear Nomads', 'Zero Waste', 'Life time of Coal', 'Namaste Himalaya', 'Life & Life', 'Oil Machine', etc.



Promoting the 'Seanack' campaign via B tv

Promotion of 'Seanack', a campaign to save the sea

SK Broadband signed a business agreement with the Green Foundation and supports the promotion of eco-friendly campaigns. The result of the first collaboration was 'Seanack' campaign promotion support. Snack is a compound word of 'Sea' and 'Snack', and is a campaign that exchanges garbage collected from beaches for two months from July to August 2022 with snacks in the shape of various marine creatures. During this period, we delivered a Seanack campaign video to about 1,000 stores nationwide through 'On-Ad' after obtaining cooperation from major franchise customers in Korea. At the same time, through the 'B tv My Neighborhood Advertisement', free advertisements were provided for Gangwon-do, where actual Seanack activities were conducted, and SK Group member companies broadcast in-house broadcasts, providing active support. SK Broadband fully demonstrated its positive role as an 'environmental influencer' through this Seanack promotion activity, and will continue to actively utilize the media's capabilities to inform the public of the seriousness of environmental issues, improve awareness, and encourage participation.

1) On-Ad: B tv-based 'Digital Signage' solution that allows customers to freely expose content such as self-promotional videos, images, and text on the screen

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This is how the 'Blossom Youth Music Festival' was started

As promoting various social contribution activities continuously, we consider how we can have a more positive impact on society based on our capabilities and infrastructures. In the meantime, we came to see the youth problems and planned the Youth Happiness Project (currently the Blossom Youth Music Festival) with the question, "Will the youth in our society be happy?" We thought the 'communication' is important the most for the youth to grow up happily and healthy, so we shed light on youth problems from their perspective and considered ways to seek solutions together with society. So, we established an alliance to enhance the youth happiness by banding with EBS, Korea University, National Youth Policy Institute, Ministry of Education, and FNC Entertainment.



Alliance connecting the happiness of youth

Co-host: EBS, FNC Entertainment, National Youth Policy Institute

Sponsorship/Cooperation: Ministry of Education, Korea University, Yonsei University, National Police Agency (from 2023) FNC, National Youth Policy Institute, Korean Foundation for International Cultural Exchange (Ministry of Culture, Sports and Tourism)

The Blossom Alliance's first business is the 'Blossom Youth Video Festival'. The Blossom Youth Video Festival is a public interest activity that helps the youth think about social issues such as school violence and generational conflict and find solutions in the process of producing videos. Many videos were released from 2018 to 2022, and 106 of them were widely spread via B tv and B tv Cable. Other than this, it is used as educational materials in the public sector, such as Edunet of the Ministry of Education and Seoul Lifelong Learning Portal.

We are positioned as a company that recognizes the importance of social contribution activities for the youth and proves it with practices through the 4-year Blossom Youth Video Festival. Based on this successful hosting experience, from 2022, the 'Blossom Youth Music Festival' was newly created to have a greater impact and expand the base. We would like to convey the troubles and pains of teenagers to the world with music created by teenagers, instead of videos, and provide opportunities to find happiness through this.

The Blossom Youth Music Festival is to spread the meaning of happiness that youth want with 'music', and anyone under the age of 19 can participate regardless of genre, including popular songs, classical music, and Korean traditional music. In 2022, a total of 30 teams participated in the contest from August 30th to October 10th with the theme of 'Happiness that youth want'. After a double preliminary screening, the final 8 teams advanced to the finals and showed off their creativity and singing skills beyond expectations. Through this music festival, the youth brought out the stories in their hearts that could not be easily conveyed to the world. The youth of this era were going through their own growing pains by carrying worries such as academic works, friendships, family conflicts, school violence, and future dreams and our society could realize what happiness the youth truly want via the reverberant lyrics finally.

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Here are some of our achievements with young people over 5 years

The Blossom Youth Video Festival (2018~2021)



577

the total of entries

106

the total of award-winning works

spread to media channels used as materials for a public education institutions.

The Blossom Youth Music Festival (2022)



30

participating teams

8

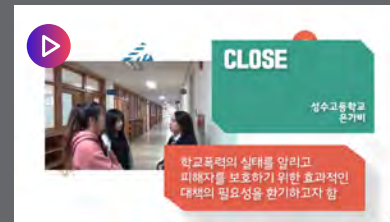
teams in the finalist

released albums celebrating for new songs

The 'Blossom' in the name of video festivals and music festivals means that 'society blossoms with the youth's attentions and passions.' By following the meaning of the name, the youth show their talents with various videos and songs made by themselves and deliver messages to society during the last 5 years.

Blossom Youth Video Festival award-winning works in history

The first subject of 2018
'Local society safety' and 'local economy activation'



The Grand Prize

<CLOSE: near = it's almost to = shut>, Eun Ga-bi (SeongSu High School)



The Grand Prize

<Soraepo, On a cruise today as well>, Oasis (Yonsei University)



The second subject of 2019
Prevention idea for school violence



Minister of Education Award

<Don't hesitate>, Scene Stealer (Dongduk Girls' High School)



The third subject of 2020
STOP Section(school violence, teenagers suicide), Go Section(the school of hope)



Minister of Education Award

<To all the little foxes in the world>, conterste (Daejeon Shinil Girls' High School)



The fourth subject of 2021
The youth's happiness made by our hands



Minister of Education Award

<Online>, Let Me Grab It (Korean International School HCMC)



Minister of Gender Equality and Family Award

<Letter>, Ra bia (Daegu Hyehwa Girls' High School)



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What is the meaning of happiness to young people?

The ranking wasn't a matter for the youth participating to the Blossom Youth Music Festival. Even if they competed passionately, the youth worked together in the competition and realized that the real happiness was participating in the opportunity to share each other's stories and sympathize with it instead of winning from the competition and getting recognized.

Participant / Emotional Jisu(Maeng Ji-su) Grand Prize The participating song <Happiness>

'While getting treatment and resting because of vocal cord nodules during practicing of a performance, I was looking for an opportunity that I could challenge and found out the Blossom Youth Music Festival. When I interviewed my friends to make a song, I realized that most of people find happiness while sharing small things with others.'



Participating team / Run2u / Grand Prize The Participating Song <Only one: The Happiness of Everyone>

'There are so many people who like music and want to get a job in this industry. I hope we can have more opportunities for them to participate in contests such as the Blossom Youth Music Festival.'



Participating team / Two Snipes Grand Prize The Participating Song <Friday Night>

'I wanted to show the desire of teenagers to fill their deficiencies with happiness through music. We were able to convey our feelings through participation in the music festival, and it was a meaningful experience that would greatly help us our future music activities.'



Participating team Baek Han-um of 'Sound' / Grand Prize The Participating Song <Just a little bit>

'We considered what the small happiness that the youth can feel is while making a song and our song 'Just a little bit' came out finally. With this song, I hope not only our generation but all the generation could feel something and relax.'



Participating team Jeong Hee-seo of 'Little Sound' / Excellence Award The Participating Song <Smile>

'The word 'Smile' came up when I heard that the subject of this contest is 'Happiness of the youth'. I would like to console people who are suffering from their own pain in this era by reflecting our stories to the lyrics.'



Participant / Yoon Eun-hye Participation Award The Participating Song <Turtle's liberation>

'We described a student as a turtle to express students oppressed from freedom. I would like to deliver the message of freedom that we can set us free and let them know that we can feel happy with even very small things near us.'



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SK Broadband will be with you until the day all teenagers become happy

We asked the teenagers about 'happiness' via the Blossom Youth Music Festival and they responded to our question with the lyrics sincerely. The award-winning songs including the teenager's talents and passions were released via various domestic music platforms such as FLO, Melon, Bugs, Naver, and VIBE on December 12, 2022 and came to the world. We are trying hard to increase the number of participants in 2023. We plan to promote it widely until before a summer vacation after completing pre-project phases and expand contest areas to the transcription method to overcome the limitation of the existing method of participating with own music. Also, in this Music Festival, music professional agencies such as FNC Entertainment and FLO would participate as operators so we are expecting that the quality of

performances, music, and anniversary album releases would be improved. In addition, FNC Entertainment will offer vocal and performance training to the participants of the Music Festival to help them keep improving their skills after the festival.

We think it is a matter to support teenagers to show their potential and deliver messages to society via these kinds of music festivals. Also, we hope adults and society can listen to what they say and encourage their dreams and challenges. SK Broadband will keep offering opportunities so that society can understand what real happiness means that teenagers want.



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ESG Key Areas and Response

Core area	Main indicators for management	Targets in 2022 → Performance results		Mid and long-term targets (Targeting year)	Progress
Environmental Management	- Emission of greenhouse gas - Reduction of greenhouse gas - Percentage of renewable energy use	Reduction by 24,740tCO₂eq in 2022	→ Reduction by 26,104tCO₂eq, achieved 106% on the target reduction rate	Accomplish Net-Zero (by 2045)	1
		Increase the use of renewable energy	→ The share of renewable energy in total electricity consumption increased to 2.41%		
Human Rights Management	- Number of breaches of human rights regulations - Hours on human rights training	Execute an in-depth evaluation of human rights impact (due diligence for human rights)	→ Due diligence completed	Raise awareness of human rights and aim for zero violation of human rights laws	2
Talent Management	Training hours per employee	mySUNI study hours (200 hours for leaders, 100 hours for members)	→ 122 hours for leaders and 114 hours for members	Expansion of employee participation in training - 200 hours for leaders and 100 hours for members (by 2024)	3
		Step-by-step expansion of data competency for leaders and key talented members	→ Level 1. 295 people, Level 2. 209 people, Level 3. 5 people		
		Implement offline post-COVID-19 workshop for all employees (once a year)	→ Implementation a total of 75 times, 93% of the employees participated.		
Work and Life Balance	Satisfaction level of work and life balance	Implement happiness programs	→ Implemented happiness program every month	Maintain 80% or over of the satisfaction level of employees for work-life balance	3
		Implement team-building program	→ Implemented for 73 teams		
		Recommend remote work and execute a trial run of the introduction of a base office	→ Increase of 2.1%p on the satisfaction level of work and life balance and 1.8 points increase in the level of employees' concentration		
		Experience and expand on culture of collective intelligence	→ Employees' participation of 34.9%		
Health and Safety	- LTIR - Incidence of occupational disease - Participation rate of health management programs	Certification of ISO 45001 for headquarters and 5 IDC sites	→ Completed follow-up evaluation for the headquarters (0 case of non-conformity) and new acquisition of 5 IDC centers	- Zero occurrences of serious disasters - Increase of employees participation rate in health management programs by 300% (by 2025)	4
		Advancement of a comprehensive safety management system	→ Strengthened the mobile functions and real-time management of on-site safety measures, etc.		
Business Partner	ESG evaluation participation rate	Pledge of compliance with ESG code of conduct for all business partners	→ 100% completed	Execute ESG diagnosis evaluation for all critical business partners by 100% (by 2024)	1
		Executed ESG diagnosis evaluation as a trial for core business partners (5 companies)	→ 100% completed		
		Established incentive plans to expand participation in ESG diagnosis/improvement measures for business partners	→ Executed additional points for the execution of regular evaluations, supported mutual growth fund, etc.		
Information Protection and Privacy	- Certification rate for external information security - Activities for initiatives of information security - Number of leaks/hacking of information and infringement of personal information	Zero cases of information leak and hacking	→ Zero incidents	- Zero case on leaks/hacking of information and infringement of personal information - Consolidation of the top-tier security level within the industry (by 2023) - Become a leading company in the security innovation within the industry (by 2025)	2

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Core area	Main indicators for management	Targets in 2022 → Performance results		Mid and long-term targets (Targeting year)	Progress
Network Quality	- Number of large-scale malfunctions of communication by operating - VoC(Voice of Customer) rate regarding quality	Provided of services without stopping by expanding the cable dualization for shared housings	→ Completed it for 9.36 million shared houses	Zero incidents of large-scale communication malfunction	3
		Improved WiFi speed and coverage	→ Introduction of about 2,000 sets of Wi-Fi6E-based APs with ultra-low latency and high-speed data transmission		
		Replacing obsolete facilities and equipment in telecommunication stations	→ Completed replacement of a total of 4,867 units of equipment such as UPS and air conditioners, etc.		
Customer Value Innovation	Customer satisfaction survey result	Providing insight on service/process improvement based on customer surveys reflecting business trends	→ Maintaining 1st place in external evaluations of customer satisfaction	1st place in an internal and external evaluation of customer satisfaction by reinforcing communication with customers	4
		Reinforcement of VoC management system by strengthening communication with customers in advance	→ Achieved ‘very good’ level in user protection evaluation		
Social Contribution	Number of beneficiaries of social distribution programs	Implementation of health-sharing happy senior events	→ 4,800 people participated in the events	30% of a participation rate of volunteering work of employees (in 2025)	2
		Planning a music festival to promote the happiness of youth	→ There were a total of 30 beneficiaries, and 230,000 views were achieved for the results		
		Strengthen the capacity of citizen production groups and operate contests to support the production of good creators.	→ A total of 484 training sessions were conducted at the Media Creation Support Centers (391 times at National Media Center Council, and 93 times at Viewers Media Foundation)		
		Activities such as support for the vulnerable groups in the region and support for victims of disasters	→ 100 employees volunteered for such activities		
Support for Social Enterprise Ecosystem	Number of beneficiaries of the program for creating an ecosystem for social enterprises	Establishment of policies to support social enterprises through linkage of business models	→ Support for 95 companies	Support for 140 social enterprises (in the year 2025)	2
Board of Directors	Reporting frequency on ESG agenda	Reporting ESG agenda to the board of directors	→ Reports and votes on 3 cases	Advancement of composition and operation of the board of directors (in the year 2025)	1
Ethics and Compliance	- Training hours and completion rate on ethical management and fair trade - Number of violations of anti-corruption	Adding a risk evaluation for corruption in the self-inspection items and carrying out intensive inspections	→ Internal inspection and training on practices of unfair cartel and agency laws	Zero-violation for anti-corruption	3
		Expanded the risk inspection about fair trade and related training	→ Reinforced a compliance training on a company-wide basis		
		Expanded the target for training to business partners	→ Provided training to 266 companies		
		2.5 hours of ethics training per member	→ achieved 3.1 hours		
ESG-based Decision Making	Performance on process operation for decision-making based on ESG	100% of the ESG Impact Form is submitted and reviewed in advance in relation to the agenda subject to resolution by the Investment Deliberation Committee and the Board of Directors	→ Completed reviews of all 7 cases presented to the Investment Deliberation Committee	Application of ESG-based decision-making process to all businesses (by 2024)	1
		Designing a plan to mitigate ESG risks among business proposals and checking related effects	→ Operating a review on ‘ESG Impact’ among the items reviewed by the Investment Deliberation Committee		

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1) Market-based including Scope 2’s greenhouse gas emissions reflecting the purchase of the produced electric power (green premium) via renewable energy in 2022
2) Location-based including greenhouse gas emissions reported as Scope 2 according to electric power use of the national electrical grid standards under the domestic emission trading system

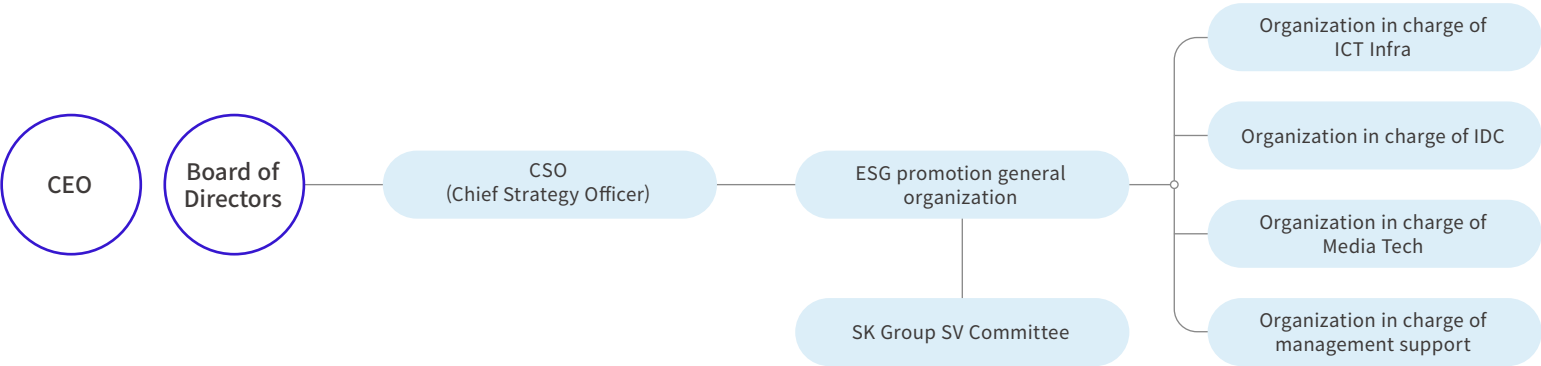
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- ☑ Monitor implementation levels and performances by the chief executive officer and board of directors as the top manager of environmental management including climate change
- ☑ Implement roadmap for environmental management focusing on the ESG promotion general organization (energy efficiency management, equipment replacement, clean technology development, etc.)



Main Activity

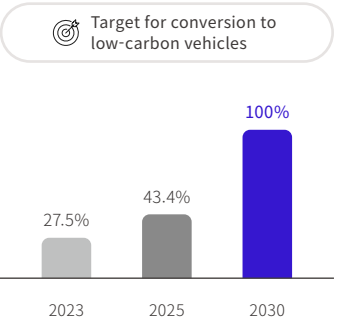
Development of eco-friendly products Station equipment such as set-top boxes, modems, and routers consumes standby power even when it doesn't use electronic products. We provide a low-power set-top box with low standby power to reduce electricity consumption when using station equipment. Our set-top box uses 3 to 4 times lower power consumption in standby mode compared to the existing set-top boxes of other companies. We plan to promote the acquisition of Environmental Product Declaration (EPD) certification from the Korea Environmental Industry and Technology Institute, a certification that quantitatively indicates the environmental impact of the entire business process, including raw material collection, production, distribution, use, and disposal related to products and services to improve the environmental aspects of our products and services, in 2023. Another example of the company's development is the industry's first rechargeable Super Capacitor remote control, technology for a high-capacity energy storage. Since the product is made by using recycled plastic from discarded home appliances, it reduces waste and, as well as, carbon emissions by 208tCO₂eq per year. After the reliability of the supercapacitor remote control has been verified by a professional organization, SK Broadband plans to commercialize the product in full scale from 2024. In addition, we developed optical communication technology, providing 1 to 10-gigabit high-speed Internet using integrated optical modules for the first time in Korea. This technology does not require the installation of redundant equipment, reducing heat dissipation and reducing power consumption by up to 50%.

Efficient operation of communication equipment SK Broadband is improving the efficiency of communication equipment operation to reduce greenhouse gas emissions and energy consumption. Our main activities include network slimming, conversion to low-power equipment, power saving, and improvements on IDC PUE. Through these activities, a total of 36,242MWh of electricity was reduced in 2022, and a total of 16,650 tons of greenhouse gas emissions were reduced. In addition, an MOU was signed with the Seoul headquarters of Korea Electric Power Corporation (KEPCO) from 2022 to promote a project for energy efficiency of the communication station. We analyze the pattern of energy use of the station and build optimized high-efficiency facilities based on the analysis to strive to reduce greenhouse gases and fine dust. In addition, we are pursuing a BEMS (Building Energy Management System) business with SK Telecom to improve on efficiency of energy use in IDC (Internet Data Center), requiring high-power consumption. We are working on applying pre-cooling for freezers and replacing equipment with the high-efficiency cooling towers. In addition, it plans to review the application of a cooling method using a liquid chiller, which reduces power consumption by immersing the server in liquid refrigerant, to introduce it on a pilot basis to one IDC office building, and then gradually to expand the application.

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Main Activity

Use of renewable energy Due to the nature of the business it is operating, 99% of emission greenhouse gas related to SK Broadband come from electricity use. In order to expand the use of renewable energy, SK Broadband declared the implementation of RE100 and is making efforts to accelerate the transition to use of eco-friendly energy. For this purpose, in 2022, 2% of total electricity (20,300MWh) was purchased as a green premium. In 2023, the company is pushing ahead with the expansion of its own facilities, such as building solar power generation facilities in a total of four office buildings in Daejeon and Daegu. In addition, the company plans to expand the installation of solar power generation facilities to six office buildings by 2024.

Expansion of eco-friendly culture SK Broadband is expanding its role as an environmental influencer by actively utilizing its expertise in media, which is the company's key business. 'Countdown', an ESG-specific content produced by SK Broadband, is being aired every other Monday to introduce environmental issues related to daily life and solutions to them. Through collaboration with the global environmental protection organization 'Greenpeace,' the company produced animated movies for children with a total of 7 environmental themes. SK Broadband also sponsors the Seoul International Eco Film Festival. SK Broadband screened 44 films selected as outstanding works of the 2023 festival for free on B tv and mobile B tv. The company, together with the Korea Green Foundation, implemented the 'Seanack' campaign in which garbage collected from beaches is exchanged for snacks in the shape of various marine creatures.

Activities of environmental management To encourage the active participation of its employees, SK Broadband is implementing the 'Practice Net-Zero in Life Campaign.' The employees of the company voluntarily participate in the campaign to practice environmental protection in their daily lives, such as separate collection of trash for recycling, reducing the use of disposable products, and using public transportation. SK Broadband is building a monitoring system so that employees of the company can register and quantify their participation in the campaign on the website for practice of environmental protection in daily life. In addition, in order to strengthen the awareness of environmental management, the company encourages its employees to take environment-related educational contents through an online education platform. In 2022, the average course hours of the education related to environment per employee is 3.1 hours. As one of the ways to practice ESG, the company created a paperless environment by reducing 61,000 printed pages in the first half of 2022 alone. By converting 55,000 postal billing customers to electronic billing, the company expects to reduce costs by KRW 300 million and reduce greenhouse gas emissions by about 700 tons per year. Furthermore, by gradually replacing the vehicles owned by the company with low-carbon vehicles with low carbon emissions, the company will achieve its 100% conversion target by 2030 in line with the government's initiative, the K-EV100 conversion plan.



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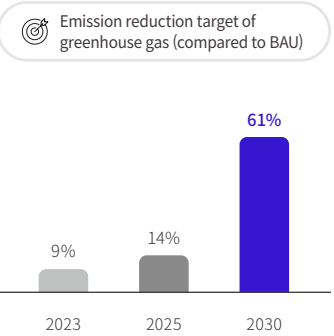
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Key Performance Data

Greenhouse gas		Unit	2020	2021	2022
Emission of greenhouse gas ¹⁾	Total emission (Scope 1+2) ²⁾	tCO ₂ eq	337,966	370,190	394,403
	Emission intensity	tCO ₂ eq/sales (KRW billion)	91.02	91.20	94.76
Direct greenhouse gas (Scope 1)	Direct emission	tCO ₂ eq	1,458	1,825	2,270
	Stationary combustion	tCO ₂ eq	961	1,264	1,574
	Mobile combustion	tCO ₂ eq	497	560	696
Indirect greenhouse gas (Scope 2)	Indirect emission	tCO ₂ eq	336,542	368,404	392,169
	Electricity	tCO ₂ eq	336,503	368,341	392,102
	Steam	tCO ₂ eq	40	63	68
Other indirect greenhouse gas (Scope 3)	Other indirect emission	tCO ₂ eq	-	1,594,889	1,375,563
	1. Purchased goods and services	tCO ₂ eq	-	568,065	402,318
	2. Capital goods	tCO ₂ eq	-	678,855	692,237
	3. Fuel- and energy-related activities	tCO ₂ eq	-	210	14,631
	4. Upstream transportation and distribution	tCO ₂ eq	-	13,901 ⁴⁾	13,639
	5. Waste generated in operations	tCO ₂ eq	-	71	29
	6. Business travel	tCO ₂ eq	-	134	457
	7. Employee commuting	tCO ₂ eq	-	715	1,528
	11. Use of sold products	tCO ₂ eq	-	329,109	247,412
	12. End-of-life treatment of sold products	tCO ₂ eq	-	27	24
Increase and decrease of greenhouse gas ³⁾	Amount of increase or decrease	tCO ₂ eq	56,796	32,224	24,213

1) Based on a greenhouse gas bill

2) For the sum of 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.'

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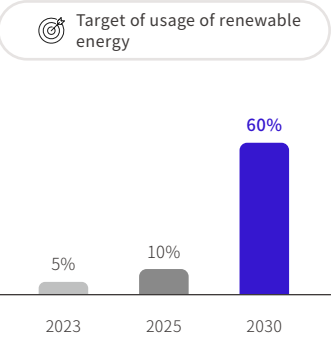
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Key Performance Data

Energy			2020	2021	2022
General energy	Total consumption of general energy (Direct+Indirect) ¹⁾	GJ	6,921,000	7,694,000	8,193,000
	Total consumption Intensity	GJ/sales(KRW billion)	1,864	1,896	1,968
	Consumption of direct energy source	GJ	25,440	31,128	37,767
	LNG	GJ	15,912	17,161	17,760
	Gasoline	GJ	6,481	7,412	9,097
	Diesel	GJ	2,953	6,452	10,794
	LPG	GJ	94	59	86
	Kerosene	GJ	22	44	30
	Consumption of indirect energy source	GJ	6,929,874	7,698,989	8,195,577
	Electricity	GJ	6,928,518	7,696,987	8,193,489
	Steam	GJ	1,356	2,002	2,088
	Total consumption of renewable energy	MWh	52	662	20,540
Renewable energy	Self-generated electricity	MWh	52	47	240
	Solar power	MWh	52	47	240
	Wind power	MWh	0	0	0
	Others (Hydroelectricity and biomass)	MWh	0	0	0
	External procurement	MWh	0	615	20,300
	Green premium	MWh	0	615	20,300
	REC purchase	MWh	0	0	0
	Third party PPA	MWh	0	0	0
	Total electricity consumption ²⁾	MWh	721,773	801,816	853,728
	Ratio of renewable energy used ³⁾	%	0.01	0.08	2.41



1) For the sum of energy consumption, 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) Total power consumption is the sum of power consumption from indirect energy sources and renewable energy generation.

3) Total renewable energy consumption/total electricity consumption X 100

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Key Performance Data

Water ¹⁾			2020	2021	2022
Withdrawal	Total water withdrawal	ton	320,210	371,921	420,915
	Industrial water	ton	0	0	0
	Municipal water	ton	320,210	371,921	420,915
	Groundwater	ton	0	0	0
	Others (rainwater, etc.)	ton	0	0	0
	Total water withdrawal from water stress areas ²⁾	ton	219,397	238,427	270,895
Use and recycling	Water withdrawal intensity	ton/sales (KRW billion)	86.24	91.63	101.13
	Total water use	ton	320,210	371,921	420,915
	Recycled water	ton	0	0	0
	Ratio of recycled water	%	0	0	0

1) Data related to water is based on company buildings subject to environmental information disclosure (Due to the merger with t-broad, the number of company buildings subject to environmental information disclosure were increased from 2021).

2) High and Extremely high regions based on Water Risk Atlas (WRI, World Resources Institute)

Waste ³⁾			2020	2021	2022
Waste generation	Total waste generation ⁴⁾	ton	1,966	2,854	2,531
	Waste generation intensity	ton/sales (KRW billion)	0.53	0.70	0.61
	Total cost	KRW thousand	165,633	287,682	260,427
	Recycling from waste	ton	892	1,436	1,278
	Ratio of waste recycled	%	45.4	50.3	50.5
	General waste	ton	1,778	2,510	2,289
	Designated waste	ton	187	344	242

3) Waste data is aggregated based on assets such as cables and communication equipment such as set-top boxes, and office buildings subject to disclosure of environmental information.

4) Total generated waste = General waste + Designated waste

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Human Rights Management

Policy and Strategy

SK Broadband is conducting its business matters based on human rights policies, linked with international guidelines, such as UN's 'The Universal Declaration of Human Rights,' 'UN Guiding Principles on Business and Human Rights,' and 'International Labor Organization Declaration.' With CEO's Declaration of Human Rights as medium, the company made its declaration of leadership for human rights, which is essential for 'maximizing the happiness of employees and stakeholders,' deemed as the value of corporate management of the company. In addition, in its guidelines for implementation of corporate management regarding human rights, it mentions matters of basic principles per field of human rights, a system of corporate management regarding human rights, means of relief, in-depth evaluation of human rights impact, etc., of which all members (including those who of subsidiaries and contract workers) and all interested parties in business relation, provides education thereof, and disseminates such contents. Every year, the company conducts an in-depth evaluation of human rights impact in accordance with the relevant implementation guidelines and reports the results to the company's top management, and the results are reflected on strategies regarding the human rights management.



Basic principles of declaration of corporate management of human rights

1. Prohibition of employment/ business discrimination and compliance with working conditions	2. Guarantee of freedom of association and collective bargaining	3. Prohibition of forced labor	4. Prohibition of child labor and measures to protect minors
5. Creating a safe working environment	6. Responsible management of a supply chain	7. Information protection	8. Protection of human rights of local residents
9. Ensuring environmental rights	10. Protection of customers	11. Humane treatment	12. Efforts for remedies

Goals

Roadmap	Raising human rights awareness and zero violation of human rights laws
2023	- Establishment of regulations on comprehensive human rights violations (Unification of regulations on harassment and sexual harassment in the workplace) - Management on mitigation of human rights risks for the vulnerable groups - Implementation of separate education for human rights in addition to legally compulsory education
2025	Expansion of the education of human rights to business partners

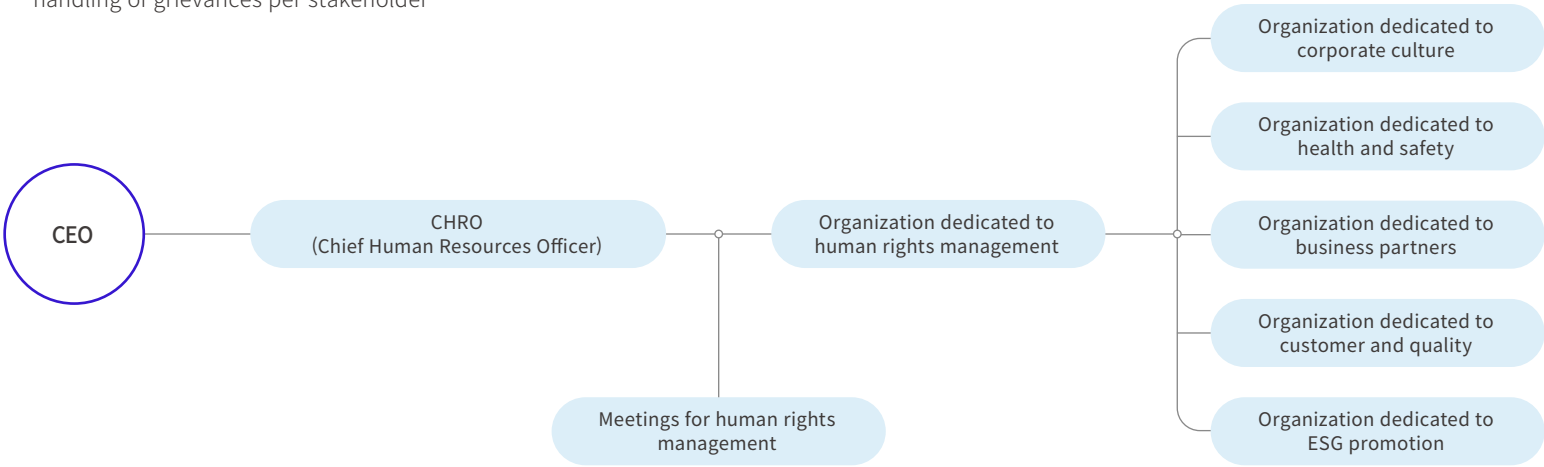
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Governance

- ☑ Top management manages the implementation level of strategies of the corporate management regarding human rights, focusing on the results of the evaluation of human rights impact.
- ☑ Centering on the organization in charge of human rights management, implementation of human rights management and handling of grievances per stakeholder



Main Activity

Process of human rights relief In order to resolve human rights violations that may occur in the course of performing job duties, SK Broadband is operating a human rights relief process. Violent language, assault, sexual harassment, bullying, exclusion from work, and instructions for fulfilling personal duties within the company can be reported through online and offline channels. The company guarantees the anonymity of informants and actively protects them from being disadvantaged or discriminated against. Within 3 business days of receiving a report, the company initiates an investigation, promptly handles such reports through the investigation process within 7 business days, implements follow-up measures, such as personnel measures and institutional improvements, if necessary, and establishes measures to prevent recurrence.



Education and campaign for human rights For all employees of the company, it provides human rights education, compulsory by law, such as education to prevent sexual harassment and to raise awareness of the disabled. In 2023, the company plans to provide a separate session of human rights training to all employees with lectures by CHRO (Chief Human Resources Officer) in addition to legally compulsory training.

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Main Activity

Human rights assessment SK Broadband conducts an evaluation of human rights impact every year to identify the level of awareness for human rights and the tasks for improvement. Through the results of the evaluation, the company prevents risks of human rights violations by identifying the impact that may have on the human rights of internal and external stakeholders, such as the human rights management system, employment, labor rights, industrial safety, supply chain, and local residents. In particular, the evaluation of human rights impact in 2022 was conducted via an external professional institute to enhance the expertise of the evaluation and to ensure objectivity and fairness. A total of 189 indicators were constructed based on the ‘Guidelines for Human Rights Management, and Check List’ of the National Human Rights Commission of Korea and the ‘Guiding Principles on Business and Human Rights’ of the United Nations. The company provided education on this to its employees, followed by the company’s self-evaluation, on-site due diligence, and expert evaluation, and the final results were reported to the Human Rights Management Committee. During the evaluation, the level of implementation for each indicator, the severity of potential impacts on human rights, and the possibility of occurrence were used as criteria, and, a total of 7 improvement tasks were identified and implemented according to the roadmap, in 2022.

Process of human rights assessment



Check-up items for human rights

1. Establishment of a management system for human rights	2. No discrimination in employment	3. Guarantee of freedom of association and collective bargaining	4. Prohibition of forced labor
5. Prohibition of child labor	6. Ensuring industrial safety	7. Responsible management of a supply chain	8. Protection of human rights of local residents
9. Ensuring environmental rights	10. Protection of customer rights	11. Human rights protection in the workplace	

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Human Rights Management



Main Activity

Tasks for improvements and performance			Implementation period	Progress
Establishment of a management system for human rights	Declaration of polities for human rights respect	Securing accessibility by modifying the homepage design so that internal/external stakeholders can easily access it	short term	
	Regular execution of human rights assessment	Establishment of implementation guidelines for human rights management, including action plans regarding an evaluation of human rights impact, etc.	short term	
	Necessary measures to systematize the human rights management	Forming a company-wide consensus on human rights management and human rights protection by expanding human rights training for all employees	short term	
		Composition and operation of the Human Rights Management Committee while securing objectiveness	mid term	
Human rights protection in the workplace	Prevention of bullying in workplace	Advancement of the process to monitor workplace bullying, such as preparing preventive measures through regular factual surveys	short term	
	Prohibition of sexual harassment in the workplace	When investigating a sexual harassment case, strengthening confidentiality of informants and victims by requiring documents such as a confidentiality agreement	short term	
		Enhancement of expertise through professional training with an external expert for sexual harassment investigators	short term	

Key Performance Data

Report and handling		Unit	2020	2021	2022
Number of human rights report		Case	4	5	2
Number of human rights handling ¹⁾		Case	4	5	2
Number of breach of human rights regulations	Number of violations	Case	0	0	0
	Penalty	KRW million	0	0	0
	Fines	KRW million	0	0	0
	Number of monetary sanctions	Case	0	0	0
	Non-monetary sanction	Case	0	0	0

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

Human rights education			Unit	2020	2021	2022
Total	Education hours per employee	Minute		180	185	187
Education for prevention of sexual harassment	Education hours per employee	Minute		84	65	73
	Completion rate	%		99.3	99.7	99.2
Education for improvement on awareness of the disabled	Education hours per employee	Minute		61	89	67
	Completion rate	%		98.1	99.3	99.6
Education for bullying in the workplace	Education hours per employee	Minute		35	31	47
	Completion rate	%		98.6	99.0	99.4

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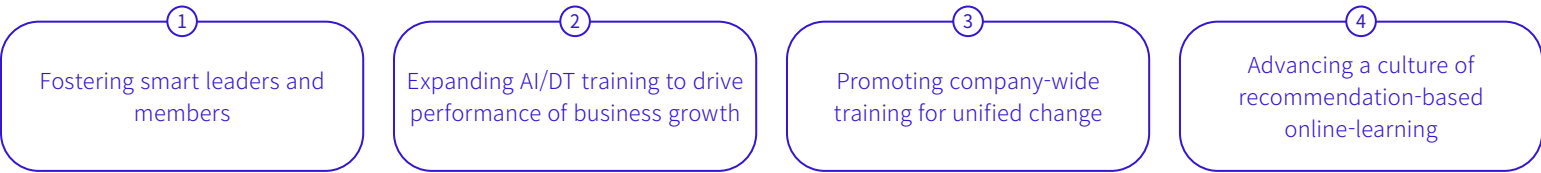
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Talent Management



Policy and Strategy

SK Broadband complies with the domestic Labor Standards Act and implements talent management based on global principles, such as the one of UNGC. In addition, it monitors wages and working conditions so that there is no gap for reasons, such as gender, age, employment type, and disability. In order to meet the company's rapidly changing business environment and to maintain the company's efficiency and productivity, the company establishes a leadership pipeline (key talent - team leader - executive) and a strategy to systematically strengthen capabilities. By continuously advancing the strategy, it is implementing a personnel strategy without gaps. In 2023, the company plans to expand AI/DT education through the AI Academy, which will promote the sharing of learning contents along with the exchange of capabilities between SK Broadband and SK Telecom.



Goals

Roadmap	Reinforcement of customized competency per business of employees
2023	- Recommendation of appropriate mySUNI learning hours (200 hours for leaders and key talents, 100 hours for members) and improvement of learning content level - Expansion of capabilities regarding AI targeting leaders and key talent (60% of leaders, 90% of key talent) - Execution of company-wide training for unified change
2024	- Recommendation of appropriate mySUNI learning hours (200 hours for leaders and key talents, 100 hours for members) and development and provision of contents to improve required competencies for each job - Step-by-step expansion of capabilities regarding data targeting leaders and key talent (90% of leaders, 100% of key talent) - Provision of programs for job duty, leadership, and organizational development tailored to each organization

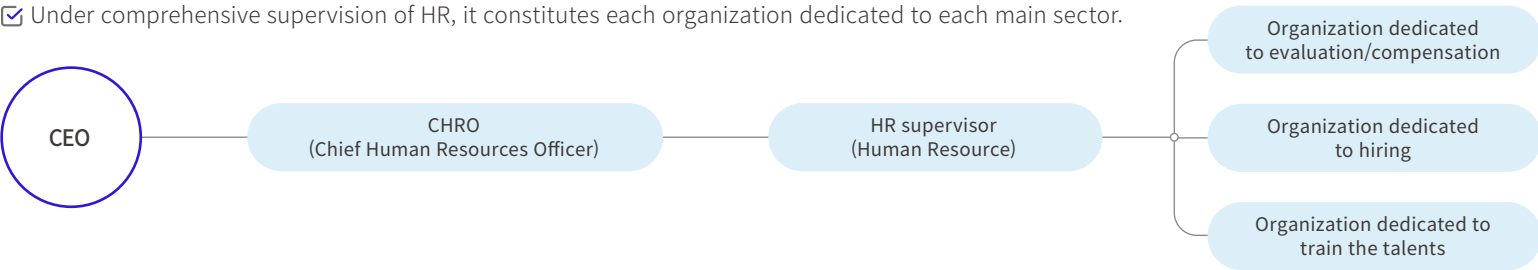
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Talent Management

Governance

- ☑ The company's top management is the final decision-maker for each talent management sector, reviewing and approving agendas related to talent development.
- ☑ Under comprehensive supervision of HR, it constitutes each organization dedicated to each main sector.



Main Activity

Fair hiring procedure SK Broadband complies with the Fair Hiring Procedure Act and provides fair opportunities to applicants who meet the qualifications for each job posting. At the end of each year, the company makes internal recruitment or hiring decisions based on the manpower demand identified based on the management plan. In 2022, the company expanded career recruitment centered on growth businesses such as media, development, IDC, and B2B consulting, and in the case of new hires, differentiated selection by job function was conducted to strengthen competency verification of the company. The company's website transparently discloses the recruitment process for new recruits, interns for permanent jobs, and experienced workers.

Reinforcement of competency of employees Based on the creation of a voluntary learning culture of employees, SK Broadband encourages educational activities to develop core competencies using mySUNI, an online education platform for the SK Group. To nurture next-generation leaders, the company is participating in the Hyper Leadership Program (HLP) and Future Leadership Program (FLP) conducted by the SK Group. In addition, six months prior to retirement, the company provides practical help to the company's retirees by supporting a start-up program or separate training for retirees. In addition, SK Broadband prepares various competency development programs and policies for its employees to encourage them to learn job skills and highly skilled techniques. In addition, the company has made efforts to create decent jobs and was selected as the 'Korea Best Company' by the Ministry of Employment and Labor in 2021 in recognition of these contributions.

Main educational program	Contents	Performance
Empathy Camp	As a face-to-face camp, providing opportunities for communication among employees, sharing the company's situation, and providing education about social environment that surrounds the corporate	A total of 75 camps were held annually, with 93% participation of all employees (2,173 out of 2,345 participants)
Support for a special degree	Support for related degrees targeting the pool of leaders and prospective leaders	Yonsei University's master's program at Graduate School of Information (7 graduates, 2 students enrolled as of 2022)
Support for professional qualification	Support for learning expenses related to certification acquisition	Support costs for off-site training: KRW 92 million Number of benefiting employees: 325 people
Education to strengthen data competency	Introduction and operation of D/T leveling to strengthen employees' data capabilities	Lv.1: 295 people Lv.2: 209 people Lv.3: 5 people
mySUNI	SK Group's online education platform	122 hours for leaders and 114 hours for members

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Talent Management



Main Activity

Fair performance evaluation and compensation At SK Broadband, performance management is carried out on a task-by-task basis. Tasks are registered directly in the system by team members and confirmed through the leader’s approval, and can be registered at any time of the year. It is operated in a system that allows members’ self-review and leader’s feedback. Based on the task, all members receive a performance evaluation at the end of each year from leaders and colleagues. The company attempts to operate a fair and reasonable evaluation system by operating a petition process (which is a procedure for raising objections to the given results) to improve the acceptance of evaluation by the evaluated. In addition, the company periodically reviews the fairness/distribution/information/interaction of the evaluation process to improve the performance compensation system. The results of the evaluation are used for annual salary increases and incentive payments based on performance according to the ‘evaluation→compensation matrix’ structure agreed upon between labor and management. In addition, SK Broadband is putting efforts to practice ESG management by reflecting ESG factors in KPI evaluation for each organization. Compensation linked to corporate value is also implemented, such as paying compensation in conjunction with long-term performance targets for executives and treasury stocks for employees of the company.

Key Performance Data

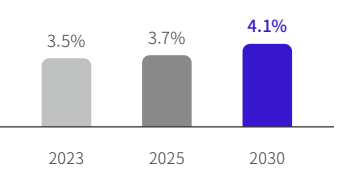
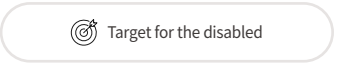
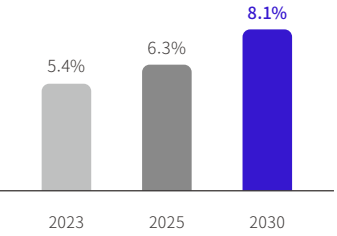
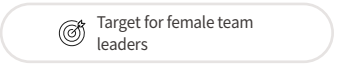
Employees ¹⁾		Unit	2020	2021	2022
Number of employees		Person	2,415	2,527	2,608
By age	Under 30	Person(%)	192(8)	203(8)	204(8)
	Over 30~Under 50	Person(%)	1,639(68)	1,585(63)	1,469(56)
	Over 50	Person(%)	584(24)	739(29)	935(36)
By position	Executives	Person(%)	45(2)	45(2)	51(2)
	Team leaders	Person(%)	190(8)	209(8)	238(9)
	Non-managers	Person(%)	2,180(90)	2,273(90)	2,319(89)
By contract type	Permanent ²⁾	Person(%)	2,291(95)	2,398(95)	2,466(95)
	Contract worker	Person(%)	124(5)	129(5)	142(5)
Foreign workers		Person	0	0	0

1) Baseline of a public announcement of a business report
2) Non-registered executives are included in the permanent workers.

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Key Performance Data

Diversity			2020	2021	2022
Gender balance	Male	Person(%)	2,053(85)	2,130(84)	2,154(83)
	Female	Person(%)	362(15)	397(16)	454(17)
	Female permanent workers	Person(%)	285(12)	312(13)	345(14)
	Female contract workers	Person(%)	77(21)	85(21)	107(24)
	Female executives	Person(%)	2(4.4)	1(2.2)	2(3.9)
	Female team leaders	Person(%)	9(4.7) ²⁾	11(5.3)	14(5.9)
	Females in departments with sales	Person(%)	228(17)	264(19)	324(16)
Disability ¹⁾			52(3.1)	56(3.4)	63(4.0)
Patriots and veterans			74(3.1)	74(2.9)	74(2.9)
Foreigners			0	0	0

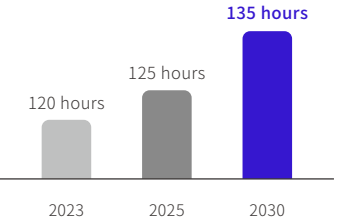
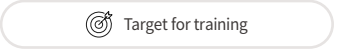
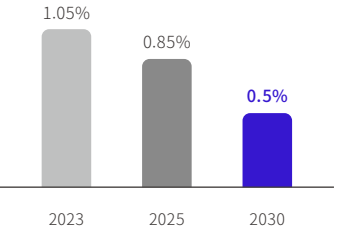
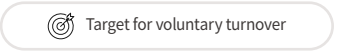
1) Based on the number of full-time workers (excluding registered executives, dispatched employees, and new recruits less than 16 days at work), the number of people with disabilities is the actual number of people, and the percentage is weighed more heavily on those with severe disabilities.
2) Corrected data in 2020 due to simple numerical error

Recruit			2020	2021	2022
Number of new hires			120	194	364
By gender	Male	Person	61	76	151
	Female	Person(%)	59(49)	118(61)	213(59)
	Female permanent workers	Person	18	41	46
	Female contract workers	Person	41	77	167
By age	Under 30	Person	-	-	182
	Over 30~Under 50	Person	-	-	162
	Over 50	Person	-	-	20
By career	New hires	Person	97	135	285
	Experience	Person	12	59	79
	Young interns converted to permanent position	Person(%)	26(48)	29(52)	21(54)

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Key Performance Data

Turnover (retirement)			2020	2021	2022
Turnover	Total turnover	Person(%)	75(3.1)	140(5.5)	184(7.1)
	Male	Person	42	58	75
	Female	Person	33	82	109
	Under 30	Person	-	-	94
	Over 30~Under 50	Person	-	-	61
	Over 50	Person	-	-	29
	Permanent workers	Person(%)	22(1.0)	42(1.8)	46(1.9)
Reasons for turnover	Voluntary turnover	Person(%)	18(0.7)	34(1.3)	29(1.1)
	Non-voluntary turnover	Person	57	106	155
Continuous service	Total average years of service	Year	14.0	14.1	14.5
	Male	Year	15.2	15.4	16.0
	Female	Year	7.4	7.3	7.0
Training and education			2020	2021	2022
Programs	Participation in a separate job-related education ¹⁾	Person	338	578	724
	Participation in the leadership education	Person	363	363	380
	Participation in the female leadership education	Person	-	3	0
	Number of training courses operated per employee	Course	0.317	0.301	0.304
	Total of training courses operated per employee	Course	758	777	794
	Total participants in training courses	Person	2,391	2,578	2,608
	Employees' satisfaction	Score	4.46	4.69	4.73
Training hours	Total training hours	Hour	225,320	311,003	375,205
	Hours for online training	Hour	174,067	230,730	277,994
	Hours for offline training	Hour	51,254	80,272	97,211
	Training hours per employee	Hour	93.3	123.1	143.9
Training cost	Total training cost	KRW thousand	6,260,654	6,604,644	7,517,899
	Training cost per employee	KRW thousand	2,592	2,613	2,883

1) Participants in external training and participants of paid course in mySUNI
2) Based on survey respondents on satisfaction among total training course participants since 2020, 5 out of 5 points.

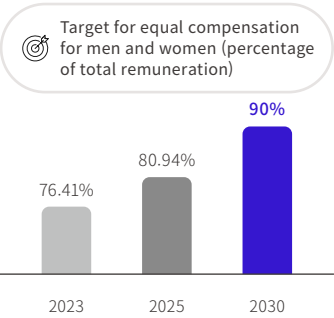
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 Target for a performance evaluation for employees

Continuously achieving **100%** of the performance evaluation rate



Key Performance Data

Performance evaluation			2020	2021	2022
Total	Number of objects	Person	2,169	2,253	2,287
	Evaluated employees	Person	2,169	2,253	2,287
	Evaluation rate	%	100	100	100
Performance evaluation method	Multi-dimensional evaluation implementation rate	%	100	100	100
	Target management implementation rate	%	100	100	100
Long-term incentives	Eligible	Person	-	2,396	2,477
	Number of the eligible	Person	-	2,392	2,471
	Payment rate of long-term incentives	%	-	99.8	99.8

Compensation ¹⁾			2020	2021	2022
Median pay	Total median pay	KRW thousand	89,259	108,032	114,302
	Male	KRW thousand	96,055	114,557	121,363
	Female	KRW thousand	54,856	71,972	77,334
Equal pay ²⁾	All employees	%	70	68	68
	Executives	%	36	78	69
	Manager (basic salary)	%	94	90	94
	Manager (basic salary+incentives)	%	92	88	94
	Non-manager	%	73	70	71
Compensation rate	Salary level of the highest-paid person compared to the median salaries of all employees ³⁾	Times	-	-	11

1) Based on the business report, from 2021 data, the revised disclosure format system in July 2021 is reflected.
2) Excluding contract workers and those who quit through the year, there is a difference in wages due to the difference in years of service between men and women.
3) Salary of the highest-paid person / The median of salaries of all employees excluding the highest-paid person

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Work and Life Balance

Policy and Strategy

In order to establish a corporate culture filled with happiness and pleasure, SK Broadband continues to improve the working environment and operates various work-life balance support programs. Innovation of the working environment and improvement of employee welfare contribute to the stability of life and the improvement of the quality of life of its employees. Also it is expected to draw employees’ innovative thinking, flexibility, and motivation for work. In addition, the company guarantees and supports the freedom of assembly and association guaranteed by domestic laws and the International Labor Organization (ILO).

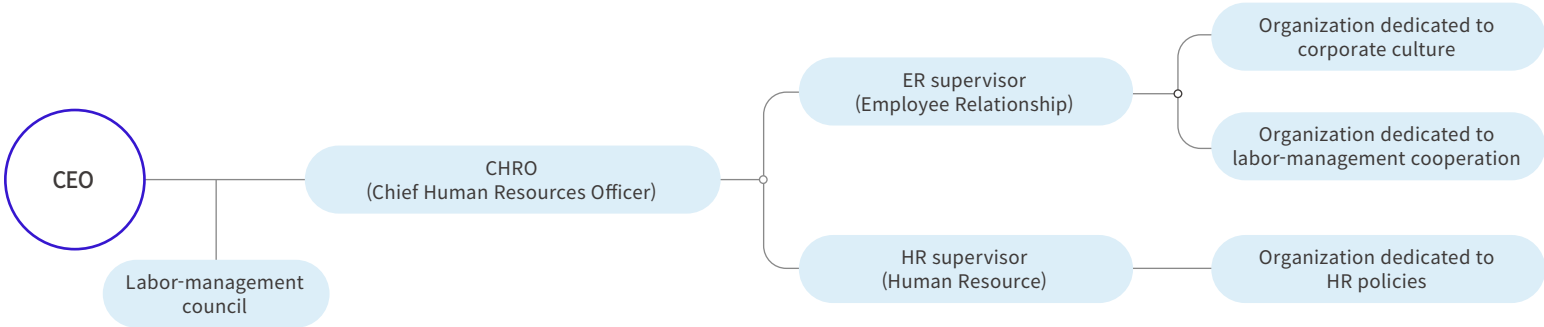


Goals

Roadmap	Maintaining 80% or over of the satisfaction level of employees for work-life balance
2023	- Establishing flexible work arrangements by regularizing work-at-home - Expanding the family events for employees and programs for a happy working environment - Expanding healing and well-being spaces for employees inside the company - Increasing immersion in work by spreading the culture of self-directed work
2025	- Establishing a culture that works as ‘Work Anywhere’ and maintains work-life balance - Advancing work-life balance support tailored to the life cycle of each member

Governance

- ☑ The company’s top management reviews action plans and performance for employees work-life balance.
- ☑ It operates the responsible organization for each major department.
- ☑ Through the operation of labor-management council, the company shares its vision and handles employees’ grievances.



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Main Activity

Flexible working environment SK Broadband seeks to improve the ways of working and continues to change to a working system that emphasizes self-discipline. Each member can select the working environment such as Individual Focus Room, Project Room and customized office space depending on the need for collaboration or the nature of the task. Through the Staggered Hours and the Selective Working Hour System, the company provides the flexibility to design working hours under personal responsibility. In addition, it maintains collaborative productivity and efficiency through the operation of the Life ON program.

Welfare system with practical effects SK Broadband strives to improve satisfaction in the family life of employees beyond the working environment. The company is expanding the programs for its family care and the promotion of a good family-relationship targeting employees in the process of pregnancy and parenting. It also maintains the “Best Family-Friendly Management” certification by supporting work-life balance through Life Cycle Specific Services such as family health management, housing stability support and congratulations & condolences allowance. We-Fresh Day, which used to be the third Friday of the month, has been extended to a bi-weekly program, hence effectively making four-day work weeks every two weeks. In addition, the company supports members’ in-house club activities, hobbies, and leisure life, and provides services such as sharing business vehicles for employees’ commuting and weekend leisure.

Survey on employee satisfaction & immersion Every year, SK Broadband identifies employees’ satisfaction with work-life balance and level of immersion, and reflects the opinions to improve the company’s welfare system. In 2022, the company ran monthly Happiness Programs and implemented team-building programs for 73 teams to enhance members’ sense of fellowship and happiness with the company. Through activities like these, members’ work-life balance satisfaction increased by 2.1%p compared to 2021. Another survey of employees work immersion is used to measure the level of sense of belonging and accomplishment, and to build a healthy working culture. 34.9% of its employees participated in the collective intelligence program to enhance collaboration and belonging, and thanks to such efforts, their immersion in 2022 increased by 1.8 points compared to 2021.

Cooperation between the labor and management SK Broadband guarantees the rights of workers in all of its workplaces. If the status and working conditions of employees change due to business reasons, labor and management actively communicate and discuss in advance.

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Key Performance Data

Flexible work arrangements	Unit	2020	2021	2022
Participation rate of flexible work arrangements	%	100	100	100

Childbirth and parental leave			Unit	2020	2021	2022
Childbirth leave	Female (permanent workers)	Person		7	9	7
Parental leave	Male	Person		16	14	17
	Female	Person		8	7	14
Employees who returned after taking parental leave	Return rate ¹⁾	%		100	95	92
	Male	Person		15	12	16
	Female	Person		13	9	8
Expected employees who returned after taking parental leave	Male	Person		15	13	16
	Female	Person		13	9	10
Employees who worked 12 months or more after returning	Working rate ²⁾	%		92	93	86
	Male	Person		8	13	10
	Female	Person		14	13	14
Expected employees who worked 12 months or more after returning	Male	Person		10	15	14
	Female	Person		14	13	14

1) Employees return to work after childcare leave / employees expected to return to work
2) Employees working 12 months or more after returning to work / employees expected to work for 12 months or more after returning to work

Welfare	Unit	2020	2021	2022
Welfare benefit ³⁾	KRW million	18,456	21,031 ⁴⁾	23,524
Welfare benefit compared to sales	%	0.50	0.52 ⁴⁾	0.57

3) Welfare benefit: Welfare pension for employees, school expenses for children, support for medical expenses, selective welfare benefits, etc.
4) Corrected data in 2021 due to simple numerical error

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Key Performance Data

Support of family life	Unit	2020	2021	2022
Medical fee support	Person	1,962	2,147 ¹⁾	2,245
Cancer support	Person	15	12	10
Children's tuition support	Person	2,106	2,442	2,518
Disabled child support	Person	23	25	22
Daycare center support	Person	24	27	23
Family events support	Person	419	528	639
Family CARE ²⁾	Person	1,155	1,244	963

1) 2021 data revised due to application of changed standards for medical expense support
2) Events to invite employees' children, gifts for Children's Day, celebrations for children entering elementary school, gifts to encourage children of test takers for a college admission test, etc.

Re-fresh program	Unit	2020	2021	2022
Long-term re-fresh leave ³⁾	Person	57	67	220
B- Happy Car ⁴⁾	Person	-	241	1,455

3) Based on users from data in 2021 (based on those who are qualified for the program until 2020)
4) Service provided from November 2021 (accumulation of the duplicate)

Work-life Balance Satisfaction	Unit	2020	2021	2022
Employees	Total	-	83.6	85.7
	Male	-	84.8	86.5
	Female	-	72.9	79.2

Work immersion	Unit	2020	2021	2022
Employees	Total	71.6	70.5	72.3
	Male	72.5	71.4	73.1
	Female	63.1	62.8	66.1

Labor union	Unit	2020	2021	2022
Labor union	Target	1,925	2,006	2,033
	Members	1,613	1,744	1,832
	Ratio of labor union membership	83.8	86.9	90.1
Rate of coverage for collective bargaining	%	100	100	100

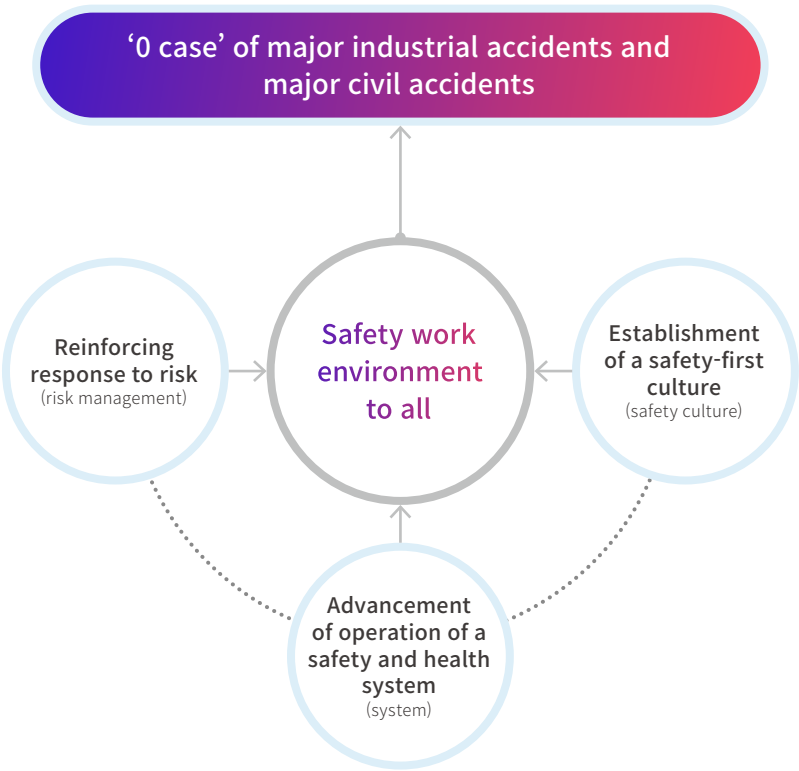
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Health and Safety

Policy and Strategy

SK Broadband is preparing a safety and health management policy based on the inspection items for establishing and implementing a system for safety and health management stipulated in the Enforcement Decree of the Act on the Punishment of Serious Accidents, etc. In addition, the company prioritizes the safety of its stakeholders, including its employees and sub-contractors/service workers/consignment workers. In 2022, the company established a sub-categorized management system in consideration of the company's business nature, and expanded the designation of safety and health managers and the deployment of safety managers at workplaces. After acquiring ISO 45001, a global safety and health management system certification, the company completed follow-up examination and expanded the scope of the certification to five sites of IDC. In addition, the company prevents occupational diseases by supporting emotional and physical health programs customized to the nature of jobs, such as office work and remote work to improve health of its employees. In addition, in order to strengthen responsibility for safety and health, the company establishes a safety and health management system to prevent serious accidents, links key quantitative performance to performance evaluation and compensation for executives, and reports safety and health plans to the board of directors every year.



Management policy on safety and health

SK Broadband (hereinafter referred to as the 'Company') recognizes that safety and health activities are a core corporate value, and puts the safety of employees and stakeholders first by establishing a desirable safety and health culture for the company.

- 1 The company's top management recognizes that safety and health activities are the top priority in all management activities.
- 2 The company and its employees establish and implement a systematic plan for continuous elimination of risk factors and accident prevention within the workplace.
- 3 The company and its employees observe and practice the basics and principles of safety and health to make a healthy and safe workplace a part of life.
- 4 The company and its employees aim for a safety culture in which safety and health of the company is considered as the top priority and can be practiced.

The company secures the safety and health of its customers, employees, and workers based on the company's management policy for safety and health, and achieves the goal of zero serious accidents through active participation and practice by the parties involved.

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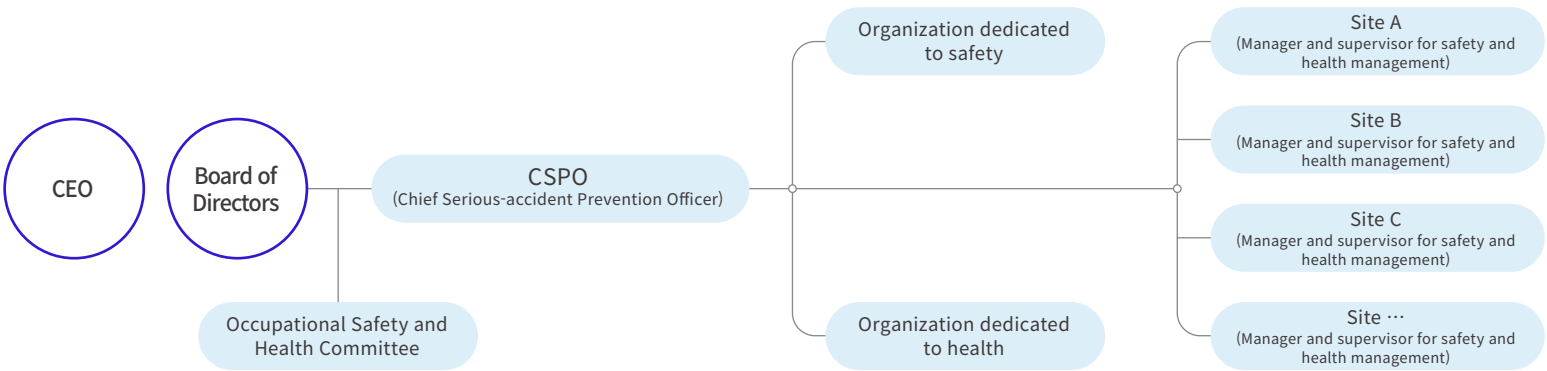
Health and Safety

Goals

Roadmap of safety management	Maintaining zero case of serious disasters
2023	• Strengthening the company's training system for internal safety experts by upgrading the company's education system (leveling-up the training by inviting external experts for the company's safety and health-related leaders (including executives of business partners))
2024	• Prevention of near-miss accidents by employees/business partners (Establishment of 「company-wide standard guidelines for safety work」)
Roadmap of employees' health	Maintaining zero incidence of occupational diseases and achieving a 300% increase in employee participation in health care programs
2023	• Operation of health programs based on health data of employees (health examinations, health surveys, operation of smoking cessation clinics, etc.)
2025	• Advancement of health care management based on benchmarking of best practices

Governance

- ☑ The board of directors and top management of the company review and approve safety and health management policies and safety and health plans.
- ☑ Under the supervision of the company-wide safety and health management (CSPO), a separate organization for safety/health is formed to play the role of a control tower.
- ☑ Completed the appointment of a manager and supervisor for safety and health per site.
- ☑ Sharing related issues and grievances through the Occupational Safety and Health Committee



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Main Activity

Reinforcement of Safety Management With a regular inspection of safety implementation semiannually, SK Broadband has improved hazardous and risky factors on site. Via a regular risk assessment, it conducted 2,951 times of regular and spot checks for the office work environment of employees and sites of sub-contractors, service companies, and consignment companies within stations, IDC, etc. It has constantly improved risky factors identified. In 2022, some need for improvement for prevention of falling at an equipment hatch was recognized. Thus, it established and implemented countermeasures for prevention, such as marking of the equipment hatch area and weight, etc. It distributed safety protocols, check lists, and personal protection equipment. To react to occurrence of a fire, flood, power outage, earthquake, disaster, and serious disaster, it established a systematic process and enhanced its safety competency by executing a semiannual drill for emergency situation with an assumption of various situations.

Activity to reinforce core safety

Improvement on work on a telephone pole for a subsidiary, Home and Service	• As it is necessary to reinforce safety of working at a high level, expanded introduction of vehicles for cherry picking • Promotion of investment in re-installation of equipment in other areas where work with a vehicles for cherry picking is impossible due to surrounding environmental factors such as slopes or alleys
Monitoring system for a single worker for a night shift by utilizing smart watch	• Distribution of smart watches to 8 workplaces where one person works alone for a night shift, taking into account the need for quick emergency measures in case of emergency during night shift. • When an abnormal heart rate occurs or SOS is requested by an employee, a warning alarm is issued to the designated manager and an emergency contact system is established. • A mock training for emergency response was conducted. (Spot checks are in progress.)

Support for healthy enhancement Regardless of the type of employment, SK Broadband operates various health support programs for all employees. Recently, the company has established an employee health data management system, and it identifies and separately manages those who have been diagnosed with a disease or those requiring attention to their health. In addition, it has prepared appropriate countermeasures for employees who have been confirmed with COVID-19. The company is distributing glucose with table salt to prevent exhaustion of outdoor workers during the hot season to prevent diseases. It also produced a video on safety rules for preventing disasters from heat waves and typhoons in the summer, and provided complex gas concentration meters for workers working in confined spaces. The company also provides a musculoskeletal disease prevention program for office workers. A psychological counseling program was implemented to help employees relieve stress or psychological difficulties related to work, and in 2022, a total of 75 employees (419 sessions) participated. In 2023, it is planned to provide a challenge program for healthy life (exercise, diet, stretching, etc.) to employees. The company will advance the level of health and safety management to meet the expected health level of its employees.

Education and campaign for health and safety To improve employees’ safety awareness and strengthen their expertise, SK broadband is conducting company-wide occupational safety and health training for all employees. By utilizing the company’s online education platform, the company is attempting to expand the accessibility of the company’s employees to such training, and through surveys, it is checking the direction of safety and health management and supplementing the system. The company has established a safety and health activity reward system so that employees can actively participate in improving risk factors in the workplace. The company held a video contest on safety and health for family love and conducted a campaign to share the safety and health practice declaration.

Management of health and safety for business partners SK Broadband conducted 164 safety and health performance evaluations for its business partners, which are subcontractors. 8 out of 81 companies were identified as having insufficient safety management. By guiding and assisting improvement measures for inadequacies, the company zeroed out the business partners that appeared to be inferior in the evaluation. The company holds regular consultative groups for each business site once a month to listen to business partners.

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 Safety targets for employees

Accomplishment of continuous **Zero**ing out of the number of serious accidents & number of accidents inducing loss in working hours of employees & number of occupational accidents

Key Performance Data

Occupational accident of employees			2020	2021	2022
Employees	Total working hours	Hour	4,830,000	5,054,000	5,216,000
	Number of permanent workers	Person	2,415	2,527	2,608
	Ratio of workers covered by an occupational health and safety management system	%	100	100	100
Work-related injuries	Number of fatalities	Case	0	0	0
	Fatality rate	%	0	0	0
	Severity rate ¹⁾	‰	0	0	0
	LTI	Case	2	2	0
	LTIR ²⁾	Per 200,000 working hours	0.083	0.079	0
	TRI	Case	2	2	0
	TRIR	Per 200,000 working hours	0.083	0.079	0
	Number of serious disasters ³⁾	Case	0	0	0
	Number of industrial accidents	Case	2	2	0
	Industrial accident rate	%	0.08	0.08	0
Work-related ill health	Number of fatalities	Case	0	0	0
	Fatality rate	%	0	0	0
	LTI	Case	0	0	0
	LTIR	Per 200,000 working hours	0	0	0
	TRI	Case	0	0	0
	TRIR	Per 200,000 working hours	0	0	0
	Number of occupational illness	Case	0	0	0
	OIFR ⁴⁾	Per 200,000 working hours	0	0	0

1) Severity rate: Total number of foregone working days/Total working hours X 1,000
2) Lost time incident rate (LTIR): Occurrence of lost time over a day/Total working hours X 200,000
3) A serious accident refers to an accident in which more than one person has died, an accident in which two or more people are injured at the same time requiring three months or more of medical treatment, and an accident in which more than ten people are injured or have occupational diseases at the same time.
4) Occupation illness frequency rate (OIFR): Number of occupational illness/Total working hours X 200,000

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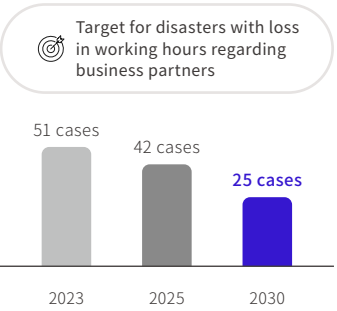
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Key Performance Data

Occupational accident of business partners		Unit	2020	2021	2022
Business partners (subsidiaries + business partners)	Total working hours	Hour	24,290,000	26,908,000	26,652,000
	Number of permanent workers	Person	12,145	13,454	13,326
Injury	Number of fatalities	Case	0	0	0
	Fatality rate	%	0	0	0
	LTI	Case	42	63	51
	LTIR	Per 200,000 working hours	0.35	0.47	0.38
	TRI		42	65	55
	TRIR	Per 200,000 working hours	0.35	0.48	0.41
Disease	Number of fatalities	Case	0	0	0
	Fatality rate	%	0	0	0
	LTI	Case	0	0	0
	LTIR	Per 200,000 working hours	0	0	0
	TRI	Case	0	0	0
	TRIR	Per 200,000 working hours	0	0	0

Hazardous and risky factors ¹⁾		Unit	2020	2021	2022
Identification		Case	186	180	183
Action	Total	Case	186	180	183
	Elimination	Case	83	79	79
	Replacement	Case	43	39	39
	Under control	Case	60	62	65

1) Since 2020, SK Broadband has been conducting risk assessments for all business sites, classifying risk levels into three stages (Critical, Major, Minor) and managing them accordingly.

- After implementing improvement activities for risk factors, if the risk level of the Critical/Major level is reclassified as Minor, it is classified as Elimination.
- After carrying out improvement activities for risk factors, if the risk level of the Major level is again classified as Major, it is classified as a Replacement.
- After carrying out improvement activities for risk factors, if the risk level of the Critical level is reclassified to Major, it is classified as Under Control.

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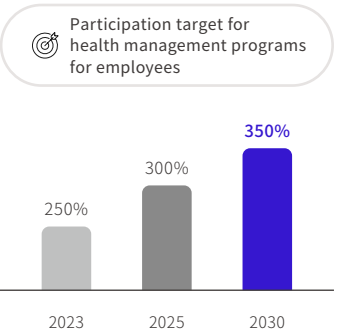
Key Performance Data

Health and safety education			2020	2021	2022
Participation in education	Number of participants	Person	2,415	2,527	2,425
	Completion rate	%	100	100	100
Training hours	Training hours	Hour	28,980	30,324	58,200
	Training hours per employee	Hour	12	12	24
Training cost	Training cost	KRW	38,640,000	40,432,000	38,800,000 ¹⁾
	Training cost per employee	KRW	16,000	16,000	16,000

1) Cost reduction by using mySUNi since 2023

Health and safety regulation violation		2020	2021	2022
Number of violation	Case	0	0	0
Penalty	KRW million	0	0	0
Fines	KRW million	0	0	0
Non-monetary sanction	Case	0	0	0

Support of Health	Unit	2020	2021	2022
Health checkup	Person	2,320	2,403	2,460
Medical fee support	Person	1,962	1,972	2,140
Vaccination support	Person	1,252	776	623
Smoking cessation clinic	Person	24	21	12
Operation of spring-time healthy walk	Person	0	237	350
Support for club activities	Person	1,010	949	1,112
Programs to encourage employees to use stairs	Person	-	156	1,374



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Business Partner

Policy and Strategy

SK Broadband has and manages policies and systems to strengthen the company’s competitiveness in the industry and to realize happy companionship that grows together with business partners. In order to strengthen the company’s ESG management for business partners, the company established an ESG code of conduct for business partners that focuses on environment, health and safety, labor and human rights, and ethics. Currently, it provides the code of conduct to business partners along with the CSR practice agreement, and compliance with the ESG code of conduct is mandated within the contract. After comprehensively evaluating the strategic importance and transaction size between business partners and the company, it categorizes the business partners into priority management targets and general management targets, and ESG diagnostic evaluations are conducted once a year focusing on the business partners under priority management. Based on the results of the evaluation, the company is strengthening its support in the business and ESG aspects of its business partners to help them grow. In addition, the CSO (Chief Strategy Officer) manages and oversees all aspects of mutual growth between the company and the business partners and support for business partners as the chief in the control of it.

Goals

Roadmap of ESG assessment	ESG assessment of 50 companies that are critical business partners (2024)
2023	- Identifying and reviewing issues grasped in 2022 (assisting in the order of medium-risk partners and low-risk partners to make progress) - Expanding the subject of ESG assessment of the business partners to 45 business partners (the scope of ESG assessment covering 90% of critical business partners) - Providing assistance to high-risk partners to make progress (on/offline training, ESG self-diagnosis checklist, guidelines and consulting, etc.)
2024	100% implementation of ESG diagnostic assessments for critical business partners

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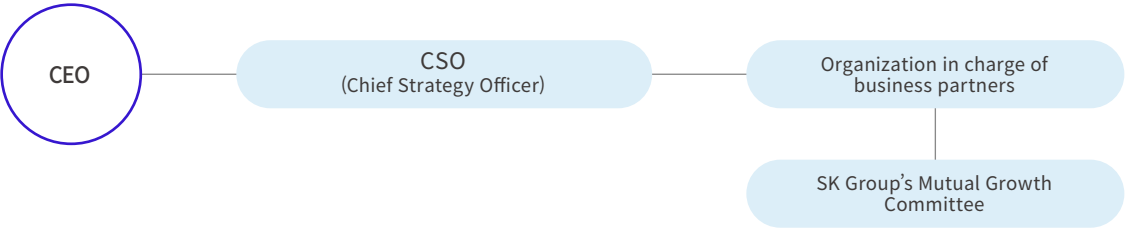
Business Partner

Goals

Roadmap of mutual growth		Advancement of mutual growth programs in 2022	Establishment of mutual growth program system in 2023	Expansion of targets for mutual growth programs in 2025
Enhancing win-win cooperation	Finance	• Composition of mutual growth fund • Immediate payment	• Composition of mutual growth fund • Immediate payment • Opening and expanding the scope of application of an online mall for mutual growth	• Constant support for mutual growth fund • Immediate payment (Pre-payment for holidays) • Advancement of the online mall for mutual growth
	Technology	• Festival for suggestions of mutual growth (When selected, on condition of purchase) • Development with an option to purchase	• Festival for suggestions of mutual growth (When selected, on condition of purchase) • Development with an option to purchase • Support for patent	• Festival for suggestions of mutual growth (When selected, on condition of purchase) • Development with an option to purchase • Support for patent
	Communication	• In-depth meetings with business partners • Mutual Growth Pride Awards • Happiness Talk • Mutual Growth Happiness Camp	• In-depth meetings with business partners • Mutual Growth Pride Awards • Happiness Talk • Mutual Growth Happiness Camp • Collaboration for Mutual Growth Day	• In-depth meetings with business partners • Mutual Growth Pride Awards • Happiness Talk • Mutual Growth Happiness Camp • Collaboration for Mutual Growth Day
Sharpening competitiveness of business partners	Education	• CEO seminar for mutual growth • Mutual growth MBA	• CEO seminar for mutual growth • Mutual growth MBA • Mutual growth academy (on/offline)	• Constant CEO seminar for mutual growth (Expansion, such as offline Yi-cheon forum, etc.) • Mutual growth academy (on/offline) • Support for online education centers (mySUNi, etc.)
	Biz	• Purchase consulting • Job fair	• Purchase consulting • Job fair • Support for domestic and foreign exhibits • One-point consulting	• Purchase consulting • Job fair (Support for full-time online recruitment) • Support for domestic and foreign exhibits • One-point consulting

Governance

- ☑ Top management plays the role of reviewing ESG diagnosis results for business partners and approving mutual growth strategies
- ☑ The organization in charge of the task conducts ESG diagnosis and evaluation, and develops and operates a mutual growth program.



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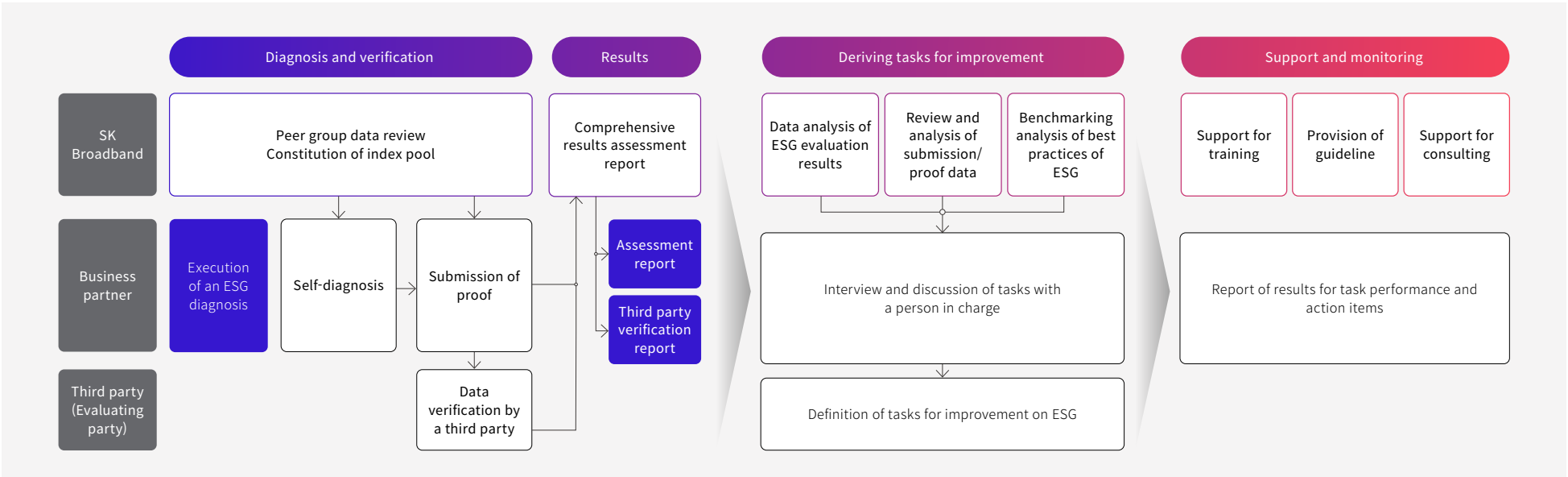
Main Activity

Pledge in advance In order to ensure a happy companionship between the company and all business partners, SK Broadband obliges the business partners to sign a CSR practice agreement and an ESG code of conduct at the time of contract signing. In particular, by linking these pledges with the electronic contract system, the company makes it official that the business partners officially agree to comply with ESG policies, and the pledge ratio is maintained at 100% every year.

Diagnosis of management condition In order to manage future soundness, SK Broadband conducts an annual diagnosis of the business partners' business conditions together with a credit rating agency. The finance and quality of the relevant business partners are comprehensively diagnosed, and the results of the diagnosis are used when determining whether or not to maintain the contract.

ESG diagnosis evaluation To identify and improve potential risks in the supply chain, SK Broadband conducts an ESG diagnosis evaluation once a year. The final five companies were selected for evaluation in 2022, taking into account the strategic importance and transaction size between the company and its business partners. Considering the industry characteristics of the selected business partners, evaluation items were formed and weighted by environment, society, and governance structure. As a result of the ESG diagnostic evaluation conducted in 2022, all five business partners were classified as medium risk. Regarding the companies concerned, the overall social and corporate governance areas, including the area of health and safety, target management in the social area, and contribution to the local community, were identified as major areas requiring improvement. Based on the diagnosis results for each company, SK Broadband provided support for each task and requested mitigation measures and improvement measures for the identified risk factors, and the first improvement plan action rate is 100%.

Overall process and implementation plan for ESG management of business partner companies



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Main Activity

Evaluation report of 2022 ESG diagnosis

Category	High-risk	Mid-risk	Low-risk	Request of 1st improvement → Completion rate of improvements	Request of 2nd improvement ¹⁾
Overall	0 company	5 companies	0 company	26 items → 100%	63 items
- Environment	0 company	3 companies	0 company	3 items → 100%	2 items
- Social	0 company	5 companies	0 company	16 items → 100%	32 items
- Governance	1 company	4 companies	0 company	7 items → 100%	29 items

1) Whether or not action items are applied for the second improvement plan will be confirmed during the ESG diagnosis evaluation in 2023.

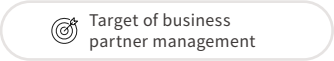
Mutual growth SK Broadband is continuously advancing its mutual growth programs in terms of finance, technology, education, and communication. In 2023, the company opened the ‘Mutual Growth Online Mall’ as part of a new mutual growth program. The mutual growth online mall is provided for business partners’ management stability and win-win cooperation between the business partners and the company. Through this, not only primary business partners, but also secondary business partners can purchase services that are essential to business management at online special prices. SK Broadband promises to continuously develop and upgrade support programs for the business partner companies, expand the scope of application for these programs, and strengthen the win-win cooperation system with the business partners.

Activities for mutual growth			Performance in 2022
Enhancing win-win cooperation	Finance	• Constitution of mutual growth fund	• A program through which SK Broadband supports its business partners by depositing funds in a financial institution, creating a fund through this, and allowing the partners, composed of small and medium-sized businesses, to obtain a loan at a low interest rate to purchase equipment and to operate their business. • By investing KRW 500 million, it is operated.
		• Immediate payment	
	Technology	• Festival for suggestions of mutual growth	• Not held due to COVID-19
	Communication	• In-depth meetings with business partners	• Not held due to COVID-19
• Mutual Growth Pride Awards		• A program to delivery a gift and heart full of gratitude and respect to business partners • In 2022, 3 partner companies won the Challenger Award. • For the winners of the award, various benefits are provided with a certification plaque for top performance, gift cards from SK, a chance for international training sessions for employees of partner companies in 2023, preferential rights for an ESG loan program without any interest, etc.	
Sharpening competitiveness of business partners	Education	• Academy for mutual growth	• Operation of seminars to share know-how with the business partners regarding the business management strategies, finance, human resources, etc. • In 2022, by operating an integrated course of a CEO seminar with MBA courses for mutual growth, 30 people from 10 companies participated in the programs.
		• CEO seminar (offline)	
	Biz	• Job fair	• Via online (Through a website of Saram-in – Possible to apply at all times) • 5 partner companies participated and 3 were hired.

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Achievement of maintaining the execution rate of **100%** for an ESG diagnosis evaluation for critical business partner companies

Key Performance Data

Status of business partners	Unit	2020	2021	2022
Total	Company	726	782	738
Business partners with a diagnosis of management status	Company	587	648	622
Critical business partners ¹⁾	Company	-	50	50

1) Based on the scale of transaction and strategic significance

ESG evaluation	Unit	2020	2021	2022
Pledge of compliance with ESG code of conduct for business partners ²⁾	Number of business partners with compliance pledge	-	-	738
	Rate of compliance pledge	-	-	100
ESG evaluation ³⁾	Number of evaluations	-	-	5
	Evaluation rate	-	-	10

2) Since the ESG code of conduct for business partners was newly enacted in 2022, signing for a compliance pledge has been implemented

3) A rate of critical business partners with an ESG diagnosis evaluation

Purchase ⁴⁾	Unit	2020	2021	2022
Total purchase amount	KRW billion	1,034	1,437	1,334
Purchase for construction and services	KRW billion	591	785	681
Purchase for equipment and mechanical materials	KRW billion	443	652	653

4) Based on the contract amount concluded in the current year

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Information Protection and Privacy

Policy and Strategy

Based on the company-wide guidelines for the information protection policy and personal information protection, SK broadband safely manages the information assets of the company and customers, and strengthens its business competitiveness by complying with relevant laws and regulations. By carrying out tasks derived according to the company's mid to long-term information protection plan, the company is advancing its information protection management system. With various efforts, such as constant reinforcement of security policies and operation of a stable system, the company received a diagnosis of its status of security based on a total number of 243 inspection items for the three areas of an inspection for certification of a management system of ISMS information protection, that are ISP, IDC, and CATV services, in 2022. Based on the diagnosis, the company has successfully maintained the certification. In addition, the company has enhanced its system stability by acquiring a new certification of ISO 27001, which is an international standard for a management system of information protection, regarding Gasan IDC, following its Bundang IDC. In 2023, it plans to expand its field of certification of information protection to ISMS-P, etc., to advance its management system and secure its credibility from customers.



Goals

Roadmap	Zeroing out the number of leak/hacking of information and infringement of personal information
2023	• By acquiring an ISMS-P certification, consolidation of the top-tier security level of personal information within the industry • Sophistication of a detection system for security threat based on big data
2025	• Detection of a security threat and automation of response • Prolonging training hours for personal information protection and information security per employees (3 hours) • Reinforcing of internal and external initiative activities and leading security innovation within the industry

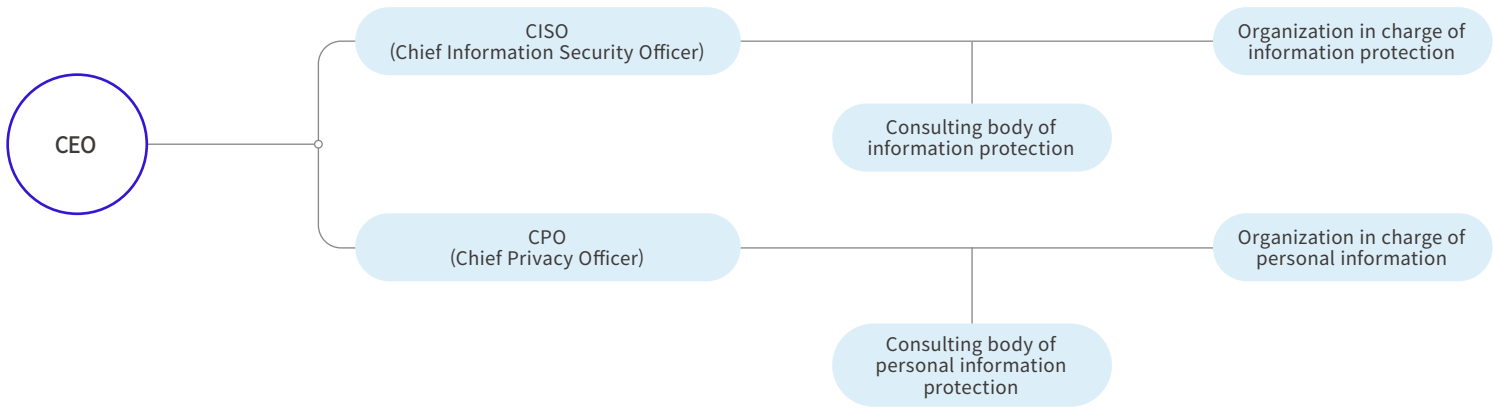
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Governance

- ☑ Dualization of roles of the top management by CISO and CPO, enactment/revision of relevant policies, and review of an implementation level of an activity plan
- ☑ The organization in charge will carry out activities in accordance with a management process.



Main Activity

Management process of personal information To provide services, SK Broadband collects and utilizes personal information within the extent of prior consent of a customer, an information subject. While collecting personal information, in accordance with relevant laws and regulations, it notifies a customer of items of personal information to be collected, purpose of the collection, duration of storage thereof, etc. Through technical and managerial protective measures, the collected personal information is safely managed. In case of fulfilling the utilization purpose as notified during the collection of the personal information or expiration of the duration for utilization and storage, through a safety method as stipulated under the relevant laws and regulations, the information is promptly destroyed. Along with Personal Information Protection Act, SK Broadband complies with all laws in relation with personal information. It discloses its policies of handling personal information on the website of SK Broadband so that any one can read and review them.

Advancement of technological competency of security solution To react to cyber security infringement, SK Broadband operates DDoS Clean Zone. DDoS Clean Zone is a service to block attack traffic in case of a DDoS attack. It delivers normal traffic to a customer's network and takes measures to prevent such attack from interfering with the Internet service of the customer simultaneously. It has secured a defense capacity of 400G, which is the largest in Korea, and secured its competitive advantage for its security products by advancing its commercial values by automating provision of history information of DDoS attacks.

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Main Activity

Prevention of service security infringement SK Broadband strives to maintain service security to preemptively block security infringement factors and minimize damage of personal information infringement. In 2022, the company established a security monitoring and analysis system for centralized traffic based on big data to focus on protecting customers and networks, and secured the foundation for open security control through automation and efficiency. The company conducts mock drills for security at least once a year, and has established a system that can preemptively respond to DDoS and abnormal traffic and detect vulnerabilities early. In particular, the company maintains service quality for the international network by detecting the IP of the attack source for IoT terminal equipment in advance and providing patch service for IoT devices targeting customers who cause DDoS. To prevent security infringement and damage accidents from occurring, the company is making efforts to prevent infringement accidents by executing simulated hacking on CATV broadcasting services, checking security-related issues, and improving them.

2022 Special point

Prevention of voice phishing



Together with the National Police Agency and Korea Internet & Security Agency (KISA), SK Broadband is conducting activities to prevent voice phishing in advance. Through the task of identifying cases of voice phishing caused by exploiting SIM boxes, the company is blocking private relays altogether. Instead of conducting on-site crackdowns after an incident, the company switched to a method of collectively blocking voice phishing attempts within the network, which resulted in preventing 110,000 voice phishing attempts in 2022 alone. SK Broadband calculated social values, generated from such activities, and the following is the calculation thereof.

Performance of prevention of financial damage
= (Average damage amount of voice phishing) x (Number of prevention of voice phishing) x (Contribution level)
= (Average damage amount of voice phishing)¹⁾ x (Number of blocked communication for voice phishing x Ratio of financial damage via financial fraud²⁾ x Ratio of illegal loans among spam calls³⁾ x Ratio of voice phishing among all financial fraud) x (Contribution level)⁴⁾
= (KRW 23 million) x (110 thousand cases) x (3.3%) x (79%) x (38.7%) x (41%)
= KRW 10,465,413,057

1) Average damage amount of voice phishing: National Police Agency (Relieve amount by Financial Supervisory Service)
2) Ratio of financial damage via financial fraud: Korea Financial Consumers Protection Foundation
3) Ratio of illegal loans among spam calls: Korea Communications Commission
4) Contribution level: Center for Social Value Enhancement Studies

Expansion of culture of information protection Through various online/offline education and event activities related to personal information protection for employees and business partners, SK Broadband is striving to enhance its capacity and spread a culture of personal information protection. On the second week of every month, the company holds a company-wide campaign called 'Personal Information Clean Day', and conducts self-inspection activities on information protection. In the case of organizations that handle personal information, the company is making efforts to spread a culture of personal information protection and raises awareness by including elements of personal information in the organization performance evaluation. In addition to this, the company provides customized on-site training and coaching for sales agencies to reduce information protection risks, and supports system improvements to strengthen self-management there. In 2022, it implemented 410 times of sampling diagnosis of sales agencies and corrective actions for it accordingly. In addition, the company is actively participating in the company's internal and external initiatives, such as participating in industrial security conferences hosted by the National Academy of Technology and Science and presenting topics on cloud security.

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Information Protection and Privacy

 Target of information security

Constantly achieving a target of **Zero** accident in relation with information protection and personal information protection

Key Performance Data

Infringement	Unit	2020	2021	2022
Number of accidents	Case	0	0	0
Penalty and fines	KRW	0	0	0

Training		Unit	2020	2021	2022
Education for personal information protection	Education hours per employee	Hour	1	1	1
	Completion rate	%	100	100	100
Education for information security	Education hours per employee	Hour	1	2.5	1
	Completion rate	%	99	99	99
Education for a management system for information protection	Education hours per working-level employee	Hour	1	1	1
Training of personal information for business partners	Total number of participants	Person	13,342	13,853	11,685
	Number of participants completed online training	Person	10,316	11,520	10,665
	Number of participants completed offline training	Person	3,026	2,333	1,020

Receipt of information and advertisement	Unit	2020	2021	2022
Number of customers agreed	Person	2,813,509	3,317,550	3,718,049
Agreement rate	%	44	51	55

Diagnosis and action		Unit	2020	2021	2022
SK Broadband	Diagnosis and inspction ¹⁾	Time	1	1	1
	Action	Time	24	21	25
Business Partner	Diagnosis and inspction ²⁾	Time	321	411	710
	Action ³⁾	Time	11	21	32

1) Based on an inspection for ISMS certification
2) Based on an on-site inspection
3) Limited to infringement cases with a level of high risk (Grade 1 to 2)

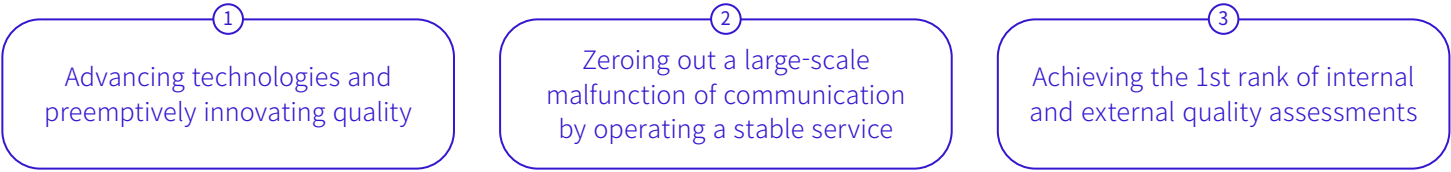
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Network Quality[↗]

Policy and Strategy

SK Broadband is working hard to provide a high-quality network and maintain trouble-free and stable services. In order to ensure absolutely stable operation centered on a service innovation organization, newly established in 2021, the company is managing services with KPI (Key Performance Indicator). Regarding overall service quality, monthly meetings are held under the supervision of the CEO, and meetings on stable operation (to minimize network breakdowns) in which company-wide operating organizations participate are also held. Through active investment in network, the company is enabling preemptive response to increasing traffic, and has established a system for rapid recovery of communication network and public support while pretending to have a disaster.



Goals

Roadmap	Zeroing the occurrence of a large-scale communication malfunction and maintaining the 1st rank of external quality assessments
2024	• Completing of installation of international submarine cables and opening of service (second half of the year)
2025	• Expansion of high-quality and high-capacity Internet service with ultrahigh speed by utilizing an integrated optical module • Coexisting with small and medium sized enterprises and securing technical competency through continued participation in national projects • Maintaining the 1st rank in customer satisfaction through customer analysis with AI/DT

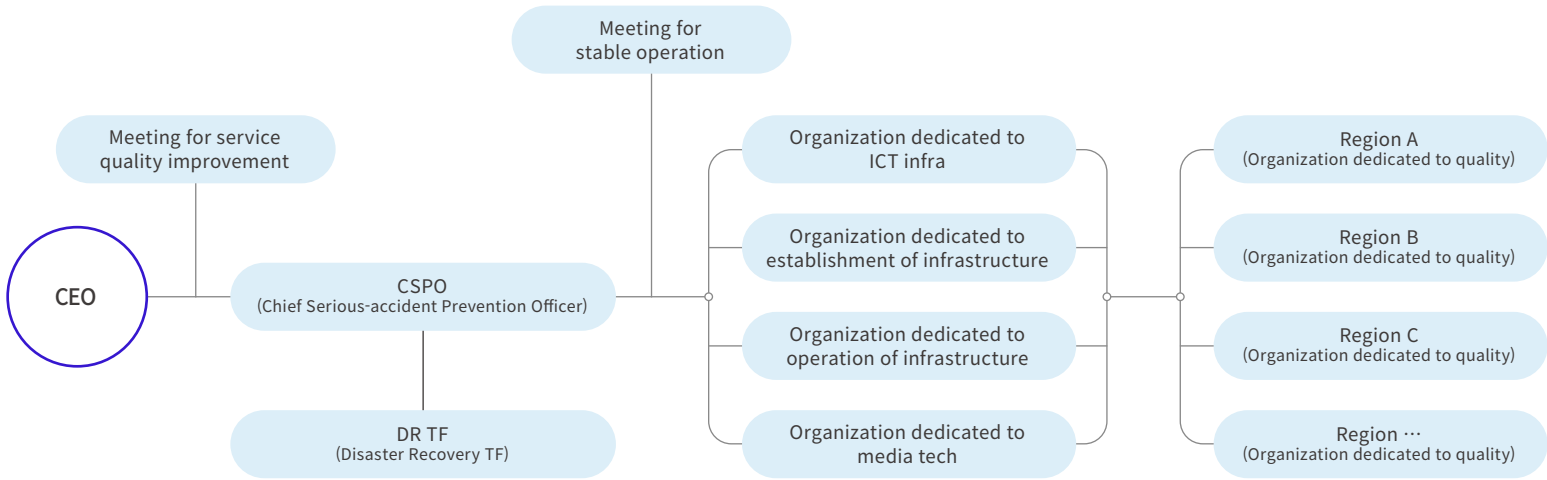
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Network Quality [↗]

Governance

- ☑ Meeting on service quality improvement hosted by the CEO and participation of key executives network quality management centering on the meeting of stable operation
- ☑ Service level management for the network by appointing a responsible organization for each area and organizing a dedicated organization for each regional station



Main Activity

Establishment of international submarine cable In order to preemptively respond to the explosive increase in traffic as the use of OTT, short-form video platforms, and active usage of SNS, SK Broadband is continuously expanding its capacity for international network. To provide the best quality as an Internet Service Provider (ISP), in 2022, the main systems of network bases in LA and Seattle, USA, were upgraded from gigabit (Gbps) level to tera (Tbps) level. The company also lifted up its capacity in Japan and Hong Kong and installed a new network hub in Singapore. Through this, SK Broadband secured its capacity for international network by 6,300 Gbps. In 2024, the company plans to open the SJC2 (Southeast-Asia Japan Cable 2) submarine cable connecting 10 regions in 8 countries in Asia. With a total length of 10,500km, 360,000 people can watch ultra-high definition (UHD) video at the same time, and more than 280 movies of 4GB each can be transmitted per second through the cable. Based on this competitiveness, SK Broadband can provide high-quality services to both individual and corporate customers and can expand into additional business models.

Management of quality data In order to identify customer inconveniences in advance and respond promptly, SK Broadband applies AI/DT technology to the quality of all areas, starting with large network equipment, customer terminals, and Wi-Fi, in four aspects (quality of experience, equipment quality, media quality, and in-home quality). In 2022, the company promoted work on quality improvement, such as taking preemptive measures before receiving customer complaints by utilizing quality information (Link Speed, Link Flap, etc.) on Wi-Fi. Furthermore, the company plans to introduce a Wi-Fi6E-based AP capable of ultra-low latency and high-speed data transmission on a pilot basis in 2022 and commercialize it in 2023 to further improve the quality of Wi-Fi speed, experienced by customers.

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Main Activity

Stable operation of services Through the AAR (After Action Review) conducted during the monthly meetings for stable operation, SK Broadband is striving to make improvements on inadequacies that occur during service failures and strengthen the failure handling process. Through this, compared to 2021, failures for communication equipment were improved by 19.4% and failures with optical lines were improved by 4.1%. In order to prevent large-scale failures, the company continuously conducts periodic tests on redundant equipment, so breakdowns can be prevented. In addition, the company has improved quality by improving the network structure and optimizing operation for cable TV, which is relatively vulnerable to failures. In 2022, for 9.36 million households in apartment houses, dualization of cables was completed. In addition, it completed the replacement of a total of 4,867 outdated equipment, such as UPS power supplies and air conditioners for communication stations, to prevent the risk of failure in advance. In 2023, too, the company will continue to carry out work for breakdowns through dualization of apartment houses and equipment improvement, and dualization of services in preparation for disasters at the station level.

2022 Special point

Strengthening the DR (Disaster Recovery) system



As a telecommunications and media operator, SK Broadband has a sense of responsibility in providing and operating stable services. SK Broadband formed a DR TF from October 2022 to prepare for social and national losses in all possible cases and to quickly recover from such losses, conducted regular inspections of major equipment and processes, and strengthened the response system.

DR TF Leader	CSPO(Chief Serious-accident Prevention Officer)
Target of attendance	Top management in charge of infrastructure and services of SK Broadband and its family companies
Purpose	In case of fire, war, etc., inspection of the recovery system for physical damage in the station unit
Range	All areas including infrastructure for wired communication and media, data center, in-house IT, customer service, etc.
Major inspection items	① Bypass in case of damage in a station ② Impact on customer experience in case of bypassing ③ Possibility of dualization amount stations for a physical system and back-up system for bypassing ④ Whether to secure power stability inside of a station

Enhancement of a customer's experience about quality In order to improve the quality experienced by customers, SK Broadband has improved the quality of terminals and Wi-Fi equipment functions that are constantly being queried. In 2022, the company advanced the tool function for customer diagnosis so that the cause of the failure could be precisely identified, and the failure could be dealt with quickly in the field. Furthermore, in the case of B tv, the company's representative product, a separate group is operated for organic collaboration between development and operation organizations. Through this, the company dramatically shortens the time it takes to start the set-top box and the time it takes to switch channels, and distributes improved firmware to the set-top box, its flagship product, to improve the quality of video experience, thereby increasing the quality experienced by customers.

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Network Quality[↗]

 Network quality target

Accomplishment of **Zero**ing out the incidents of large-scale network malfunction

Key Performance Data

Network quality		Unit	2020	2021	2022
Number of incidents of large-scale network malfunction ¹⁾		Case	1	0	1
Violation of law	Violation	Case	0	0	0
	Financial sanction	KRW Thousand	0	0	0
	Non-monetary sanction	Case	0	0	0
Voluntary violation of regulations		Case	0	0	0

1) Error related to the subject of user notification pursuant to the Enforcement Decree of the Telecommunications Business Act amended in 2019 or error of equal magnitude or greater

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Customer Value Innovation

Policy and Strategy

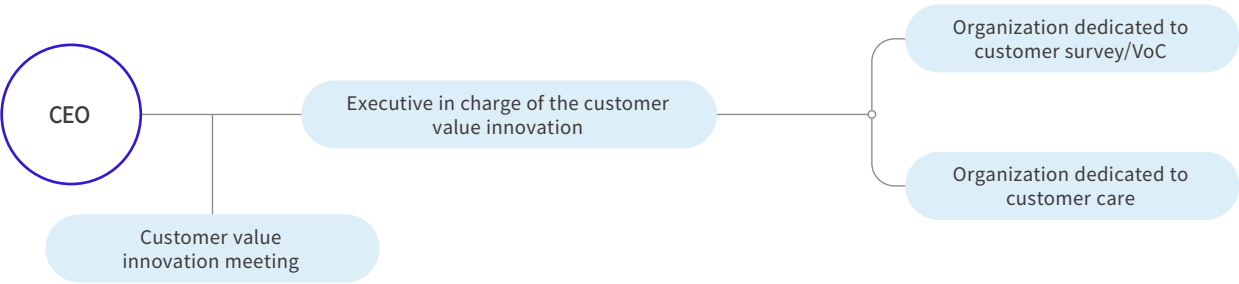
SK Broadband concentrates on communicating with customers to fulfill customer-centered management. Through a monthly meeting so called ‘customer value innovation meeting’ hosted by CEO with all key executives, it diagnoses and monitors business overviews thoroughly to improve its customer experience. It also attentively listens and pays attention to the voice of customers through a CSI (Customer Satisfaction Index) survey conducted bi-annually, customer FGI (Focus Group Interview), and a trend survey of VoC (Voice of Customer). Before releasing a new product or service, a process called PLM (Product Lifecycle Management) must be passed in order to identify the point of VoC occurrence and prevent potential customer risk elements. Furthermore, to enhance the accessibility to communication and media of vulnerable groups, the company has constantly attempted to figure out means for support in various aspects per group.



Roadmap	Achieving the 1st place in an external evaluation of customer satisfaction through reinforcing communication with customers
2023	• Deriving Pain Points of customers and expanding the range of customer surveys from data-oriented analysis • Expanding operations of customer advisory groups to extract ideas for improvements on product, services, and processes • Systematically integrating collection, analysis, and management of VoC
2025	• Introducing the machine learning technology based on AI to expand the positive customer experience

Governance

- ☒ Execution of status diagnosis, monitoring, and analysis of performance during a monthly ‘customer value innovation meeting’ hosted by the CEO
- ☒ Implementation of a customer management program under the supervision of an executive in charge of the customer value innovation



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Customer Value Innovation ↗

Main Activity

Attentive listening to VoC Not only a regular customer survey, SK Broadband also conducts a target survey to listen to the voice of customers for a specific service. In 2022, it listened to the voice of customers and reflected them on the activities of business management by analyzing user patterns of media with reflection of industrial trends and studying customer experience of new services. Furthermore, by operating Fandom Squad to derive an idea for improvement on services and products from the perspective of junior members (Generation MZ), it preemptively diagnosed potential inconvenience of customers, and developed and implemented new tasks, such as improvements on text messages of customers, simplification of the process of moving/transferring, etc. Since 2014, it has operated a customer advisory group to check response of customers quickly and make improvements thereof. In 2023, to reflect needs and trends of rapidly increasing household with only 1 or 2 people and to listen to voices of various customers, it had a new recruit of 27 people for its customer advisory group per type of household. It separately operates an advisory group with 14 people for ‘cable advisory group’ to learn about complaints and needs of customers regarding products related to cable TV. It is possible to make an inquiry via its website, 106 (customer service center), and an answer will be given within 24 hours after submitting an inquiry. In case of repetitive or urgent VoC (Voice of Customer), it is to be shared during a ‘customer value innovation meeting.’ Measures for improvements will be addressed during the meeting and reflected on activities of business management.

Innovation of customer experience based on digitalization SK Broadband has continuously carried out activities for innovation of customer experience linked with digital technology. Based on a data analysis of behavioral patterns of customers, it has improved on customer services, such as B tv. Especially, in case of the customer service center, it introduced the visual ARS (Automatic Response System) service on cell phones in 2017 and implemented specialized screens for specific target users in need, such as the elderly and foreigners. In August 2022, with a full-scale renovation of UI/UX, it greatly improved on customer convenience and enhanced the usage rate of self-service. In addition, the company aims to apply AI to the entire counseling areas in 2023 to increase the digital experience of customers in the vulnerable groups, including hearing-impaired people who have difficulty using voice ARS. In the future, it plans to advance customer experience by promoting AI Assist for the customer counseling using STT (Speech to Text) & TA (Text Analysis).

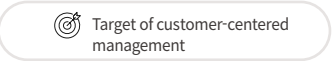
Expansion of accessibility of vulnerable groups SK Broadband is expanding its research and support programs for services for the vulnerable groups who have limitations in communication and media use due to region, disability, and economic circumstances. It continues to develop specialized functions, dedicated for the hearing-blind (smart subtitles, voice guidance, broadcasting with screen commentary, etc.) and provide them in the set-top box. In addition, reflecting the needs and lifestyle of the seniors, the company has prepared a menu dedicated to seniors, ‘Happy Senior,’ uses intuitive and easy names for the menu, and has large fonts to improve the accessibility of seniors’ media services. To enhance service accessibility in rural areas, the company is promoting BcN (Broadband convergence Network) and rural communication network advancement projects. Over the past three years, the company has invested KRW 20 billion, and based on the accumulated data, as of 2022, BcN projects have been completed for 344 places whereas rural communication network advancement projects have been done for 443 places. The company provides discounts on fees to the economically vulnerable group. As of 2022, the total amount of discounts and exemptions for high-speed Internet, telephone, IPTV, etc. is KRW 10.43 billion. For multi-child/aged households, the amount of support is KRW 4.531 billion. KRW 4.63 billion for the disabled, KRW 230 million for the low-income class, KRW 74 million for national merit and patriots, KRW 963 million for recipients of basic living, KRW 2 million for others.

Protection of children and juvenile SK Broadband hopes that children and teenagers can safely and soundly use content. For this reason, the company has established and operated policies for content curation and user interface (UI), separately. In the case of VOD content, only content that has been reviewed by the Korea Communications Commission is presented. Adult content is not appearing in areas that can be accidentally searched through while browsing through VOD products. A function that can restrict viewing according to the screening rating set is implemented and applied. If a user sets the parental level in the B tv menu, all users must enter a password to watch any content with a level higher than the parental level. In the case of advertisements, the company provides a function to control the exposure of commercial advertisements by time and customer, so that the youth protection time can be avoided, and only advertisements without restrictions on viewing by youth may appear. Even when viewers watch kids and animation content, the company protects children by limiting exposure to advertisements harmful to young people.

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Customer Value Innovation ↗



Maintaining the **1st** rank in external survey of customer satisfaction

Key Performance Data

Customer satisfaction		Unit	2020	2021	2022
NCSI ¹⁾	Ultrahigh speed Internet	Rank	1	1	1
	IPTV	Rank	1	1	1
KS-SQI ²⁾	Ultrahigh speed Internet	Rank	1	1	1
	IPTV	Rank	1	1	1
Work assessment of user protection		Rank	Very excellent	Excellent	Very excellent
Results of regular CSI ³⁾	Ultrahigh speed Internet	Point	80	80	80
	IPTV	Point	79	80	81

1) Based on 2023, as a result of NCSI (National Customer Satisfaction Index), the 1st rank in IPTV and high-speed Internet for 13 consecutive years
2) As of 2022, in the KS-SQI (Korean Standard Service Quality Index), the 1st place in the high-speed Internet category for 8 consecutive years and the 1st place in the IPTV category for 4 consecutive years
3) Annual average score as the results of the internal CSI evaluation of SK Broadband, which is to be conducted twice a year (for the first and second half of the year)

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Social Contribution

Policy and Strategy

Based on cooperation with various authorities, such as NGO, governments, media institutes, etc., SK Broadband established a system to promote social contribution to “Solve issues of a community based on media.” Activities for social contribution are executed based on three social issues, such as senior society, youth education, gaps in the community. Far beyond a role of a simple supporter, it implements the company’s capabilities to solve such social issues and takes an approach to make a new model out of it.

Direction	Solving social issues of the area based on media			
Social Issue	Aging population - Deepening estrangement of senior citizen - Physical/mental issues	Problems in education site for youth - Decline of happiness level of the youth - School violence, etc.	Disparities in local community - Gap of technology and information - Financial difficulties of the community	Participation and contribution of employees in resolving local community issues
Goal	• Happiness of senior citizen	• Happiness of the youth	• Happiness of the community	
Major policies	• Health of senior citizen	• Support based on cooperation with major authorities (NGO, government, media institute, universities, etc.)	• Support via local media	• Voluntary activities of employees
Partnership	• 13 social welfare councils for the south of Gyeonggi Province * Suwon City Social Welfare Council: Operation of General Office	• EBS Media • LOVE FNC • National Youth Policy Institute • Sport-related institute, etc.	• Medic Center Councils all over the country • View Media Foundation • Traditional Market Merchants' Association in Gyeonggi • Jeollabuk Business Agency • An-yang Central Market Merchants' Association • San-bon Traditional Market Merchants' Association • Gun-po Yeok-jeon Market Merchants' Association	• Happy Narae • Happy Alliance • Korea Social Enterprise Promotion Agency • Hope Bridge Korea Disaster Relief Association • Korea Red Cross • The Happiness Foundation, etc.
UN SDGs	  			 

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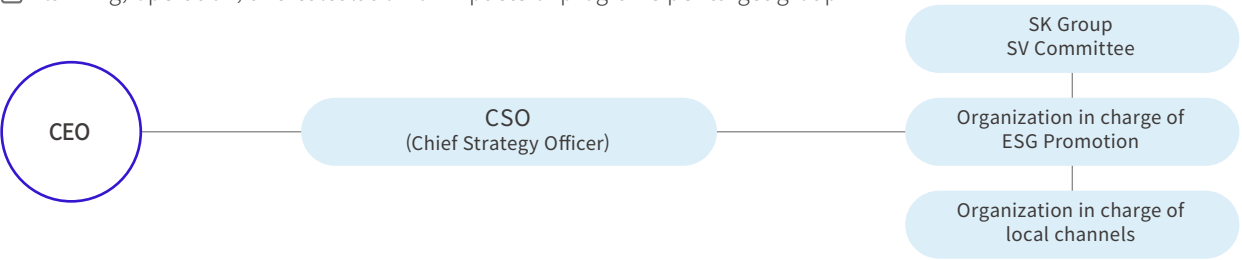
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Goals

Roadmap	Increase of beneficiaries of the happiness program per vulnerable social group and expansion of value creation	
	2023	2025
Senior	• Expansion of support for seniors in the vulnerable social group • Long-term (5 months) support for the elderly in the vulnerable groups in Suwon area	• 200 beneficiaries of Senior Happiness Program • Settlement of projects to support the vulnerable senior citizens while linked with support for the area • Constant production of contents for Senior Care
Youth	• By establishing MOU between SK Broadband and LOVE FNC, establishment of a long and middle term cooperation system to enhance happiness of the youth • Reinforcement of content quality via recorded broadcasting and production of a special episode of a music festival through the local channel	• Based on performance of projects for the happiness of the youth, production of contents for broadcasting with significant influence on the society • Attraction of co-hosting institutes with great social influence besides media and entertainment
Community	• Support for media education for local residents • Expansion of video contest for sympathy of social values • Extraction of social issues of the local community and mitigation thereof via in-depth interviews	• Program scheduling of media contents of the local residents with excellent quality for B tv and local channels • 19,000 times of broadcasting of happiness programs for the local community • In-depth interviews and reports of community issues (Reinforcement of social monitoring function)
Employees Participation	• Expansion of in-person volunteering activities • Extraction and expansion of activities to support vulnerable groups in the area • Continuation of support for services of the public against disasters • Expanded implementation of blood donation • Continuation of volunteering work linked to employees with professional capabilities	• 30% of a participation rate of volunteering work of employees • Expansion of activities to support vulnerable groups in the community • Reinforcement of support for services of the public against disasters • Continuation of blood donation • Expansion of volunteering work linked to employees with professional capabilities

Governance

- ☒ Final approval process and monitoring of CEO and CSO for an execution plan of community program
- ☒ Planning, operation, and calculation of impacts of programs per target group

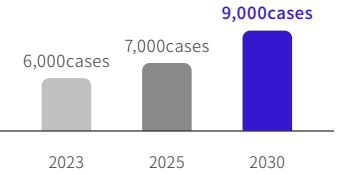


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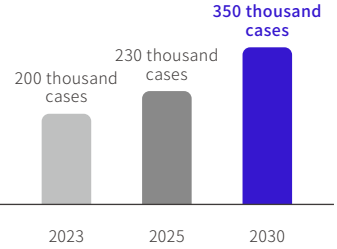
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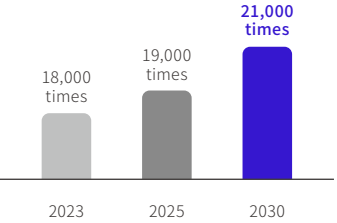
 Beneficiary target of the senior happiness program



 Expansion target of the youth happiness program



 Broadcasting target of the community happiness program



Main Activity

Social Distribution Program SK Broadband has recognized major weaknesses per core interested party of social contribution and, continuously extracted and expanded programs to resolve them based on media capabilities that SK Broadband possesses. In addition, by measuring and monitoring operational performance of programs regularly, it checks effectiveness and needs for improvements and reflects them on a plan for the following year.

Category	Implementation Results
Senior	For the happiness of seniors exhausted by COVID-19, the ‘Health-Sharing Happy Senior Project’ was implemented together with 30 welfare centers in Gyeonggi-do to provide ‘healthy special meals (food trucks)’ and ‘entertainment and pleasure (healthy gymnastics)’ together. While running a total of 60 programs, it provided health exercises and special meals to 4,800 seniors. In addition, in order to provide health and joy to as many senior customers as possible, health gymnastics was produced as video content, and any B tv customers who want to watch it can watch it for free of charge.
Youth	The company held ‘Blossom Youth Music Festival,’ a music contest for youth to promote the happiness of the youth and to help solving social issues through music. In total, 30 teams participated in the preliminary round, and 8 teams made to the final. In order to spread sympathy on social value and expand the ecosystem thereof, the stories and music of participating youth teams were published on the YouTube channel of SOVAC, the largest private social value ESG platform in Korea, since 2019. As of 2022, the video recorded 230,000 views, and the award-winning songs were published on FLO. In addition, SK Broadband broadcast the final of male and female students from middle and high schools of the ‘19th Taebaek Mountain National Handball Competition’ through the local channel to expand the base of unpopular youth sports and promote balanced development thereof. It was broadcast through the channel, and was watched by about 100,000 viewers.
Small business owners/ Local residents	Program scheduling of local promotional channels Through the local channel, the company produces and broadcasts various contents for small businesses and local residents to spread good influence. In order to revitalize the local business of small business owners, the company produced and aired about 17,800 contents to promote local small businesses, revitalize the local economy, and support the tourism industry. Through this, the company expanded its scope by directly supporting sales channels to local small businesses far beyond just supporting publicity through content. In July 2022, SK Broadband produced the ‘Lee Won-il’s Meal Kit Combat (Daegu Episode)’ program to help traditional market merchants produce meal kits, and helped connection with commerce, and recorded about KRW 14 million in sales for small business owners. The total programs produced by the company to revitalize the local economy in 2022 include 23 sales support with sales channels, 353 public relations support, and 5 broadcasting campaigns.
	Preemptive report of community issues Through area-based news reports, the company preemptively discovers and reports local issues to take the lead in resolving social issues in the region. To solve social problems, the company planned and broadcast a total of 102 reports in 2022. In particular, for three months from January 2022, an in-depth report was conducted pointing out the poor working environment of delivery riders in Daegu. This case is a representative case that has affected the safety of local residents and the improvement of the working environment. After the report, Daegu City and the Daegu Branch of the National Delivery Riders Association signed an agreement, and a review was conducted to improve the riders’ working environment. After that, Daegu City established a total budget of KRW 400 million for the safety of delivery riders, subsidized the cost of signing up for ‘Daegu-type Delivery Rider Safety Insurance’, and provided safety training and safety supplies to delivery riders.
	Media education and expansion It carries out media education and holds video contests for local residents. Firstly, along with the Viewer Media Foundation and the Council of National Media Center, the company operates a total of 10 of Media Creation Support Centers to provide local residents with training on how to use recording studios, shooting studios, and filming equipment and content creation. 484 sessions of the media education were carried out in 2022. Secondly, since 2020, the company has been holding a media creation contest to discover diverse and creative content containing the voices of the local community, targeting local residents every year. It is held twice a year, in the first and second half of a year. Until now, a total of 226 episodes were received and 24 of them won awards. From the contest in 2023, it is planned to expand its genres to soap opera, movies, and so on, so the local residents may have better access to the content with a bit more familiarity.

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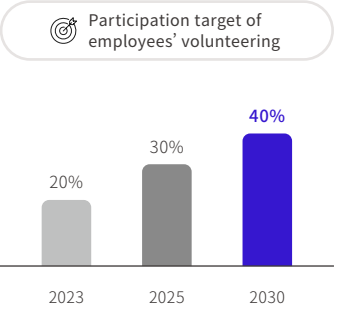
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Social Contribution



Main Activity

Social Distribution Program

Category	Implementation Results
Employees Participation	With participation of the employees, the company has carried out various social contribution activities. In order to help children who are at risk of undernourishment, a lunchbox matching donation campaign was conducted through social media, and a total of 272 lunchboxes were provided, while basic daily necessities packages were delivered to about 200 children. In order to overcome the decrease in the number of blood donors and blood supply shortages caused by the prolonged COVID-19, the company conducted a blood donation campaign with employees. In addition, in order to help neighbors of vulnerable groups suffering from the severe cold in winter and to fulfill their social responsibility, employees voluntarily conducted a donation campaign and donated a total of KRW 56 million to 3 places of social welfare facilities with the company's support to the donation.
Others	To support relief from the earthquake in Turkey in February 2023, a 50% reduction in rates was provided for all international calls originating from Korea and receiving in Turkey for two months from February to March 2023.

Key Performance Data

Social investment			2020	2021	2022
Social investment amount	Cash	KRW million	673	1,475	1,357
	Indirect	KRW million	1,566	190	165
Policy donation amount	Political contribution	KRW million	0	0	0

Volunteering activity			2020	2021	2022
Employees	Volunteering hours per employee ¹⁾	Hour	0.5	0.2	0.2
	Volunteering participation rate ²⁾	%	8.3	5.2	3.8
	Calculated amount based on volunteering hours	KRW million	60	36	54
	Rate of professional volunteers	%	3.6	1.4	0.8

1) Modification of volunteering hours by reflecting the missing data of blood donation in 2020 and 2021
2) Modification of volunteering participation rates by reflecting the missing data of blood donation in 2020 and 2021

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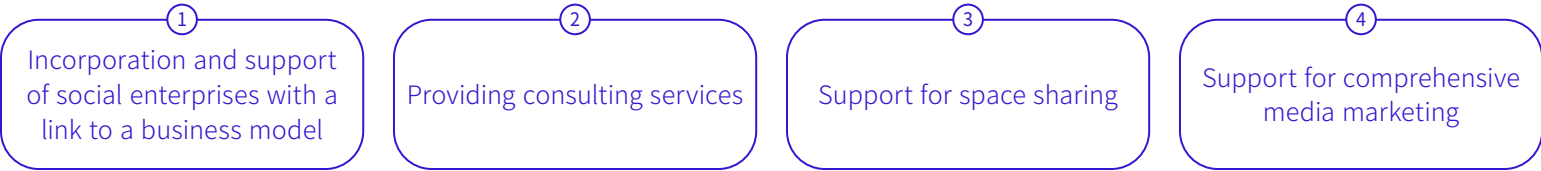
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Policy and Strategy

SK Broadband preferentially selects social enterprises that contribute to resolving social issues through business and provides various support to them using tangible and intangible resources. When selecting social enterprises, the company considers the positive impact that the telecommunications and media industries have on the environment and society, as well as connectivity with SK Broadband's business. Among them, 'Happy Green Net', a social enterprise that SK Broadband has supported since 2011 to create healthy jobs for the disabled, is a representative business applied with a social enterprise model. Happy Green Net is carrying out SK Broadband's terminal recycling and delivery consignment services, and is involved in activities for resource recycling and circulation and operational efficiency of the company. In addition to this, SK Broadband has continuously put efforts to discover social enterprises that are capable of having business application. In 2022, the company recruited and selected social enterprises that wanted to participate in crowdfunding together with the Korea Social Enterprise Promotion Agency. In addition, the company provided IR consulting to the selected companies and provided mentoring to establish long-term growth strategies and attract investments. In 2023, the company participates in ESG Korea¹⁾ hosted by SK Telecom as an alliance, seeking ESG startups that have the potential to have a link with its business. For the selected companies, the company provides Korea's best ESG-specific curriculum and Biz infrastructure, etc. SK Broadband will continue to expand activities to discover and support social enterprises that can be linked with the company's business through cooperative networks with external organizations.

1) Alliance to support challenges and performance of start-up companies to solve ESG issues



Goals

Roadmap	Support for 140 social enterprises (in year 2025)
2023	• To support the self-reliance of social enterprises, operation of a local community vitalization program • Support for the creation of a virtuous circle of the social enterprises ecosystem and establishment of cooperative networks with specialized support organizations
2025	• Discovery of social enterprises companies related to the telecommunications/media industry and expansion of support • Reinforcement of a support system for the creation of a virtuous circle of the social enterprises ecosystem

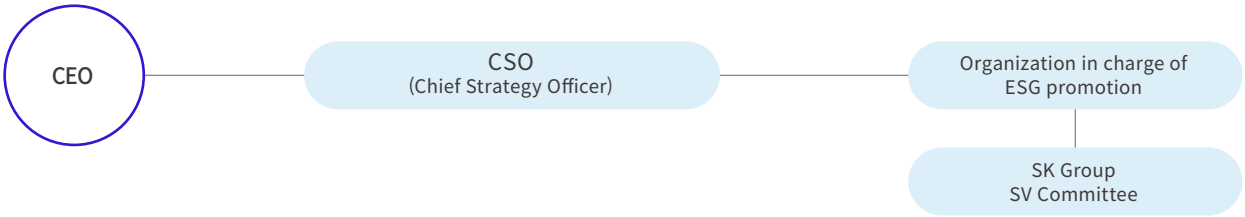
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Support for Social Enterprise Ecosystem

Governance

- ☑ Final approval process and monitoring of CEO and CSO for an execution plan of support program for social enterprises
- ☑ Planning, operation, and calculation of impacts of programs



Main Activity

Support of social enterprises Depending on the direction of support, SK Broadband is implementing multi-aspect support for various social enterprises.

Category	Support Activity		Performance for Social Value
Incorporation and support of social enterprises with a link to a business model	Happy Green Net	It is a company established by SK Broadband to directly employ the socially vulnerable and run a rental terminal recycling business. Currently, it supports the self-reliance of the company through terminal recycling and delivery consignment service contracts.	• Performance in resolving environmental issues by recycling terminals (reduction of waste) - Total KRW 1.59 billion (Set-top boxes KRW 1.11 billion, routers KRW 480 million) - Calculation formula: (Reduced consumption amount for replacement with new equipment) x (Number of recycled terminals) x (life span) • Contribution to the income increase of producer organizations of the underprivileged through service support - Total KRW 3.32 billion - Calculation formula: (Service amount) x (Industry value added rate of 43.4%) • Performance in employment of vulnerable groups such as the disabled - Performance in creating employment for the disabled for services of the company: 39 people
	Holding an impact IR for socioeconomic enterprises	Discovery of social enterprises that can be linked to the business of the company and holding an impact IR by hosting the event jointly with the Korea Social Enterprise Promotion Agency	• Selected a total of 10 social enterprises, including SM Planet Co., Ltd., a social enterprise that develops smart phones for the visually impaired and provides education on them, and held impact IR.
	Support for providing the lobby of the district office of Dunsan, Daejeon	Support for free rental of ‘Sweet Brothers’, a coffee shop as a social cooperative association for self-reliance of the youth at risk	• Performance of win-win cooperation and mutual growth - KRW 10 million in total - Calculation formula: (Amount of support for free rental) x (Industry value-added rate of 33.90%)
Support for space sharing	Support for the lobby of Gasan IDC	Through collaboration with Geumcheon District Office and Geumcheon Jobs Co., Ltd., support for coffee shops that employ seniors in the local community.	• Performance of win-win cooperation and mutual growth - KRW 70 million in total - Calculation formula: (Amount of support for free rental) x (Industry value-added rate of 33.90%)

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Main Activity

Support of social enterprises

Category	Support Activity		Performance for Social Value
Providing consulting services	Pro Bono activities	Support for social enterprises through professional volunteers of SK Pro Bono in relation with intellectual property rights, tax and law, finance, marketing, etc.	• Performance of win-win cooperation and mutual growth - KRW 51.78 million in total - Calculation formula: (Unit price per pro bono activity) x (Billable hours) x (Number of people) • Beneficiary - Participating employees: 21 people - The number of supported companies: 74 companies
Support for comprehensive media marketing	Promotion of social enterprises and support for advertisement	Production and organization of social enterprise promotion programs and support for 'B tv My Town advertisement' and 'B tv Cable' advertisement exposure without any charge	• Cost of programs for free support - KRW 2.1 million in total • Beneficiary - The number of social enterprises with the advertisement support: 5 companies - Support of KRW 300 thousand per month per social enterprise without any charge

2022 Special point

Operation of senior happiness programs through collaboration with social enterprises



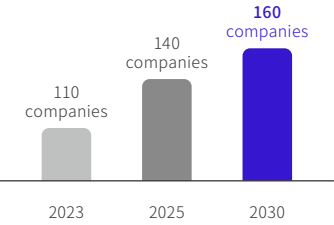
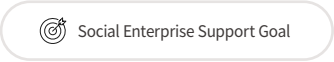
In 2023, SK Broadband planned a special program for May, which is considered the month of family. Located in Jongno-gu, Seoul, the Hollywood Theater is owned by the social enterprise 'Theater Selling Memories.' After acquiring the theater in 2009, the company has been realizing senior cultural welfare by providing movies tickets to seniors aged 55 or older at a low price of KRW 2,000 for over 10 years. In addition, the theater has been designated as a theater exclusively for art films and introduces hidden independent and art films from Korea and other countries. SK Broadband, which is the only IPTV service company in Korea to operate Happy Senior, a theater for seniors only, prepared a special service to promote happiness of the seniors in cooperation with Hollywood Theater.

- The company carefully selects dozens of foreign masterpieces popular with seniors and provides subtitles that are twice as large.
- When subscribing to the OCEAN senior monthly subscription product at B tv Happy Senior, Starbucks coupons, free Hollywood Theater tickets, and theater store discount coupons are presented free of charge.
- Operation of programs to strengthen digital competencies of the senior
 - (1) Professional instructors teach how to use the B tv AI set-top box and a remote control, operated by voice recognition, and it is possible to experience it on the theater stage in person.
 - (2) Two digital coaches are placed at the kiosk at the Hollywood Theater's snack bar, the experience zone is operated, and discount coupons for movies and drinks are presented when purchasing products at the kiosk terminal.
- Sing-along program with performances by famous singers
- Provision of educational services necessary for senior life, such as health gymnastics, famous lecturers, and so on.

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Support for Social Enterprise Ecosystem



Key Performance Data

Social enterprises support		Unit	2020	2021	2022
Social enterprises operation ¹⁾	Support of social enterprises	Case	1	1	14
	Amount of social value creation ²⁾	KRW	2,892,937,555	3,356,504,821	3,325,028,418
Space sharing	Support of social enterprises	Case	1	1	2
	Supported amount ³⁾	KRW	30,000,000	30,000,000	232,035,812
Consulting support	Support of social enterprises	Case	69	30	74
	Supported amount ⁴⁾	KRW	56,261,484	35,040,052	51,780,330
Performance of support of marketing based on media	Support of social enterprises	Case	-	9	5
	Supported amount ⁵⁾	KRW	-	61,200,000	2,100,000

1) Performance of support of social enterprises: Happy Green Net, purchase of goods from social enterprises, IR events for social enterprises, etc.
2) Purchase amount (service cost) X Value-added rate of the target company for purchase
3) Market price of annual rent
4) Unit price per pro bono activity X hour X the number of people
5) Cost of free support program

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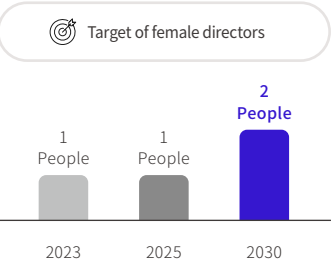
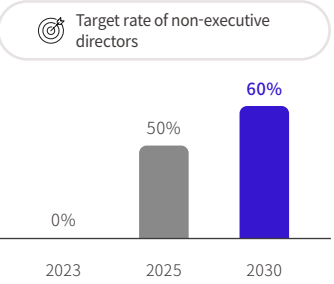
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Board of Directors



Policy and Strategy

SK Broadband is establishing a transparent and healthy governance structure centered on the Board of Directors. The Board of Directors, the highest decision-making body of the company, makes reasonable management judgments and appoints auditors in accordance with relevant laws, articles of incorporation and regulations, and the auditors play the role of monitoring and supervision. And we enhance the independence by separating the Chairman of the Board of Directors from the CEO.

Independence	Diversity and Expertise
Independence is enhanced through separating the Chairman of the Board of Directors from the CEO.	- The company prohibits discrimination based on gender, race, ethnicity, religion, and nationality when appointing directors. - The Board of Directors is composed of experts in management, finance/banking, and industry (based on GICS level). - The company is enhancing its expertise through periodic in-house training.

Board of Directors of SK Broadband

Category	Name	Gender	Title and Career	Appointment Date
Chairman of Board of Directors (Other non-executive directors)	Ryu, Young Sang	Male	* Master of Industrial Engineering, Seoul National University * MBA, University of Washington * President of SK Broadband * (Current) President of SK Telecom	Aug 31, 2023 ~
Executive Director (CEO)	Park, Jin Hyo	Male	* Master of Information & Communication Engineering, Korea University * President of SK Shieldus * (Current) President of SK Broadband	Aug 31, 2023 ~
Executive Director	Choi, Seung Won	Male	* Master's degree in Electronic Computer Engineering, Korea University * Head of SK Telecom's Core Infra Division * (Current) Head of ICT Infra and CSPO of SK Broadband	Mar 30, 2022 ~
	Park, Jong Suk	Male	* Bachelor's degree in International Economics, Seoul National University * Head of Management Planning Group of SK Telecom * (Current) Head of Corporate Planning and CFO of SK Broadband	Jan 12, 2023 ~
Other non-executive directors	Han, Myung Jin	Male	* Bachelor's degree in Business Administration, Korea University * Head of SK Telecom MNO Marketing Group * (Current) Chief Strategy Officer (CSO) of SK Telecom	Mar 30, 2023 ~
	Kim, Chong Gook	Male	* Bachelor's degree in Economics, Yonsei University * University of Southern California, MBA * Head of Management Planning Office, Advanced Materials Industry Headquarters, Taekwang Industry * (Current) Head of Management Planning Office, Petrochemical Business Headquarters, Taekwang Industry	Mar 30, 2022 ~
	Kim, Mi Jung	Female	* Bachelor's degree in Business Administration, Seoul Women's University * Head of Mirae Asset Daewoo Investment & Finance Division 1 * (Current) Representative of Mirae Asset Securities Corporate Finance Division	Mar 30, 2023 ~

*As of Aug 31, 2023

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Board of Directors



Main Activity

Shareholder-friendly management To enhance shareholder value and guarantee equal rights and interests to all shareholders, the company pursues shareholder-friendly management. Regarding the general meeting of shareholders, the company notifies the date, place and purpose of the meeting in writing or electronically two weeks prior to the convocation of the general meeting in accordance with the Commercial Act and the Articles of Incorporation. In addition, the company has introduced an electronic voting system to encourage shareholders to actively exercise their voting rights. For the first time since the company's founding in 2022, the board of directors decided on a cash dividend and paid it in 2023, thereby implementing shareholder return. For the purpose of enhancing shareholder value from a long-term perspective, the company will continue its return policy to its shareholders in consideration of business performance, investment plans, financial status, and internal and external economic conditions.

Evaluation and compensation The basic salary of directors is determined by comprehensively reflecting their duties, expertise, and contributions to the company within the limit of director remuneration. Incentives for directors are paid based on a comprehensive evaluation of the company's quantitative evaluation results, such as sales and operating profit, and qualitative evaluation results, such as achievement of strategic goals and leadership. In the case of executive directors, ESG factors such as ESG management improvement, Net-Zero promotion plan, and social value creation are included in the evaluation index to evaluate the achievement of goals once a year. From 2023, ESG factors for each director are included in the performance evaluation of the entire management executives and reflected in the evaluation and remuneration of them. The amount of individual remuneration paid to directors with a remuneration amount of KRW 500 million or more and the calculation method thereof are transparently disclosed through the business report. Moreover, the company establishes long-term incentive policies for executives and pays such incentives accordingly.

Key Performance Data

BOD Operation			2020	2021	2022
Convocation	Number of convocation	Times	10	8	9
	Agenda for reports	Case	2	6	4
Report and resolution	Agenda for resolution	Case	28	19	21
	In favor	Case	131	96	102
Opinion to agenda	Against	Case	0	0	0
	Abstention	Case	1	0	0
	Absence	Case	6	12	14

Status of shareholders	Number of shares	Ratio
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⁾	1,569,898	0.39%

1) Excluding treasury stock

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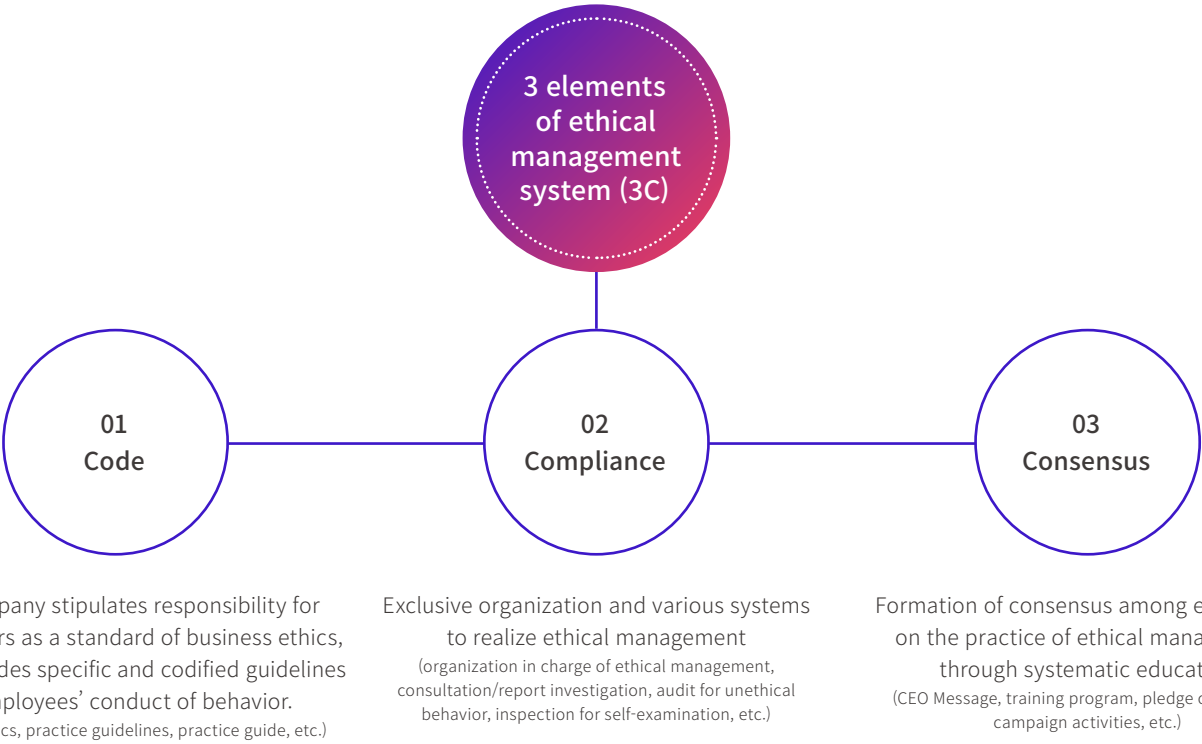
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Ethics and Compliance



Policy and Strategy

SK Broadband defines the 3 elements (3C) of the ethical management system and internalizes the company's ethical management under the management and supervision of the CEO and key executives. Based on the SK Management System (SKMS), SK's management philosophy, the code of ethics established is aimed at creating value for both internal and external stakeholders, including customers, employees, shareholders, business partners, and society. Through the ethical management practice guidelines, the company presents detailed guidelines for issues requiring ethical decision-making, such as matters in relation with money and valuables and entertainment, conflicts of interest, unfair joint actions, and the operation of the ethics counseling center. Based on these behavioral guidelines, the company operates various systems for self-inspection for ethical management. In addition, through education and campaigns held at least once a year, the company continuously strives to raise the ethical awareness of all employees, including executives and contract workers. Through action activities for ethical management centered on prevention, risk diagnosis, and process improvement, the company is strengthening its management efficiency. Moreover, it plans to carry out periodic inspections sequentially, prioritizing major businesses in consideration of the likelihood and impact of risks in the future.



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Ethics and Compliance



Goals

Roadmap	Zero-Violation for anti-corruption
2023	• Execution of audits focused on anti-corruption violations • Implementation of ethics (anti-corruption) training programs customized for each job category • Expanded implementation of unethical behavior prevention training for business partners • Enactment and disclosure of major guidelines for fair trade
2024	• Compliance inspection and reinforced training sessions customized for each major department (mandatory training for members of major departments) • Reinforced implementation of training programs to induce voluntary participation of members • Expanded implementation of unethical behavior prevention training for business partners • Enactment of fair trade principles and disclosure thereof on its website when dealing with business partners and competitors
2025	• Enactment and disclosure of a handbook for voluntary compliance with Compliance • Implementation of mandatory courses for unethical behavior prevention for business partners • Advancement of the management system for the ethical business management and establishment of an environment for autonomous practice

Governance

- ☒ The company's CEO and CSO finalize and monitor company-wide ethical management strategies, such as ethical standards and behavioral standards.
- ☒ The company's program is dually operated by dividing it into ethics organization and compliance organization, and the organization in charge of ethical management is operated as an organization directly under the CEO to maintain its independence.



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Ethics and Compliance



Main Activity

Inspection and evaluation against of risk of corruption SK Broadband conducts regular inspections and regular monitoring of major business areas to prevent the risk of corruption. Significant risks, identified in the corruption risk assessment, are continuously supplemented by the company to prevent recurrence, through the process of warning for improvement, follow-up measures, and implementation inspections. In the future, it plans to constantly monitor internal and external ethical risks according to changes in the business environment and the need to respond to issues.

Category	Main content of inspections	Responsive action
Inspection of current status related to public institution bidding	• Conducting interviews for members in charge of bidding for public institutions and inspecting actual conditions such as the current status of provision of related services	• By conducting interviews for members in charge of bidding for public institutions, execution of training in relation with unfair joint actions • Reinforcement of the legal review process when participating in bidding for public institutions
Prior inspection for compliance with Fair Agency Transactions Act	• Conducting interviews with relevant personnel and assessment of contracts/policies in advance • Investigation of compliance with Fair Agency Transactions Act and inspection of possible anti-corruption risks	• Reinforcement of the pre-legal review process in case of major policy changes to maintain compliance with relevant laws
Preliminary inspection of compliance with laws related to privacy information	• Inspection of usage of unidentified personal information and inspection of consent process	• Reinforcement of periodic destruction of unidentifiable information • Reinforcement of notices related to the collection of behavioral information for users

Operation of internal audit system SK Broadband’s internal audit organization establishes an annual audit plan based on a separate corruption risk assessment, reports it to the auditor, receives approval, and conducts the audit accordingly. In the future, the company plans to carry out detailed risk diagnosis for all of SK Broadband’s business fields as well as its subsidiaries on a three-year cycle.

Internalization of ethics and compliance management The company implements various ethics programs such as autonomous discussion and member surveys, and produces and distributes contents to improve the accessibility of company members to ethical management information. In addition, the company is strengthening communication channels at all times to practice prevention-oriented ethical management. In addition to statutory compulsory training, the company also conducts online compliance training for all executives, leaders and members, and sends ethical management practice letters to all employees to raise employees’ awareness and interest. In addition, unethical behavior prevention training contents were distributed to 266 of the company’s business partners.

Whistle-blowing for violations The company operates internal and external channels so that members can report unethical behaviors such as accepting money and valuables, entertainment, poor accounting handling, and violation of Improper Solicitation and Graft Act. Through these reporting channels, anyone who encounters or witnesses misconduct, including employees, business partners, customers, and shareholders, can report it. The received reports are audited by the internal independent audit organization for each violation, and then the HR Committee is convened to take action according to the results of the investigation. In order to facilitate such reporting, the company is operating a compensation system for whistleblowers and strictly complies with the security and whistleblower protection regulations for identity, statement, and provided data in accordance with the protection regulations.

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Ethics and Compliance



Target of ethical education for employees

Maintaining a participation rate of **99%** or more in training on ethical management (anti-corruption and fair trade)



Internalization target for ethical management

Internalization target for ethical management
Achieving **zero** number of code of ethics violations

Key Performance Data

Ethical education			2020	2021	2022
Education for ethical management and fair trade	Education hours per employee	Hour	2	2.8	3.1
	Completion rate	%	99.3	99.2	99.6
Online practice pledge			2,533	2,643	2,628

Report and action			2020	2021	2022
Report and counseling (by stakeholder) ¹⁾	Total	Case	52	52	60
	Employee	Case	10	11	14
	Business Partner	Case	4	8	8
	Customer	Case	38	33	38
Report and counseling (by report type)	Ethical counseling/report	Case	10	11	12
	Customer complaint	Case	36	33	38
	Subsidiary's issue	Case	26	35	29
	Simple field issue	Case	6	8	10
Action	Investigation (Audit)	Case	16	16	16
	Handover to relevant departments	Case	42	41	48
Reports on breaches of the Code of Ethics	Total	Case	4	4	2
	Work negligence	Case	0	0	0
	Bribery	Case	0	0	0
	Sexual harassment and workplace etiquette	Case	3	3	2
	Work regulation violation	Case	1	1	0
Measures taken on breaches of Code of Ethics ²⁾			4	5	2

1) Excluding reports and consultations on subsidiaries
2) Based on persons subject to disciplinary action (2 persons subject to disciplinary action for 1 report filed in 2021)

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Compliance target

Achieving **Zero** violation of the Anti-Corruption Act

Key Performance Data

Violation of anti-corruption		Unit	2020	2021	2022
Violation case	Anti-corruption	Case	0	0	0
	General unfair trade practices	Case	1	0	0
	Unfair joint action	Case	0	0	0
	Marketing-advertisement	Case	0	0	0
	Unfair assistance and internal trade	Case	0	1	0
	Subcontracting transactions	Case	0	0	0

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ESG-based Decision Making



Policy and Strategy

In order to strengthen management’s responsibility for ESG management, SK Broadband reflects ESG factors in the performance evaluation and compensation of the executives, such as improving ESG management, promoting Net-Zero, and creating social values. Compensation according to the evaluation of the executives is determined according to the level of achievement of the target within the limits of directors’ remuneration approved at the general shareholders’ meeting. In addition, the company actively considers risks and opportunities from an ESG perspective in decision-making processes that are critical to business operations. Based on ESG, the company operates investment review standards, and final decisions are made by the investment review committee and Board of Directors, where key executives participate. In case of acquisition or sale of shares, in case of acquisition or transfer of business and assets exceeding KRW 5 billion in transaction volume, in case of change in equity structure such as capital increase or IPO, or in case of change in capital structure such as purchase or disposal of treasury stock, and in case of changes in governance, such as the establishment, capital increase, and sale of subsidiaries, it is determined according to the company’s decision-making process.

ESG-based investment review standards

① Expected effects of social value creation	Quantitative and qualitative effect analysis from the perspective of social value expected to be created after investment, in the course of operation, or by the product/service of the investment target company		
	Environment	Social	Governance
	Product/Service • Resource consumption, pollution	Product/Service • Public interest increase, health and safety, etc	* Indicators for governance are under study and review for measurement
	Process • Resource consumption, pollution, etc	Consumer Protection • Safety, quality, etc	
		Labor • Employment of the underprivileged, etc	
Mutual Growth • Fair trade, win-win cooperation support, etc			
Social Contribution • Volunteer activities, donation, etc			
② ESG Checklist	Evaluation items for a target company of investment		
	Environment	Social	Governance
	• Use of eco-friendly energy • Eco-friendly business • Risk of environmental pollution	• Consumer protection • Inequality related to human rights • Mutual growth	• Violation related to accounting regulations • Evaluation of potential risks, such as violation of law and order

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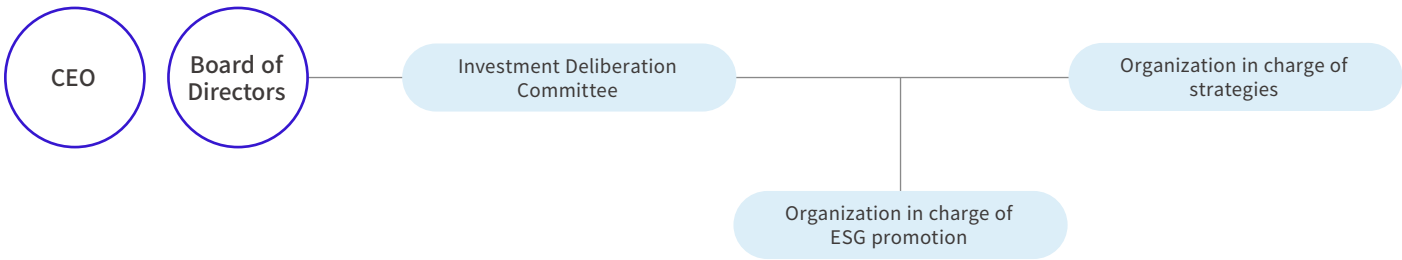
ESG-based Decision Making

Goals

Roadmap	Advancement of ESG integrated decision-making process
2023	• Reflect ESG factors in all executive performance assessments
2024	• Strengthening the application of the ESG Impact Form throughout the entire business process
2025	• Post verification of ESG Impact (Board of Directors)

Governance

- ✓ Final approval after reviewing the investment plan by the Investment Deliberation Committee and Board of Directors
- ✓ Create the ESG Check list after establishing a business plan from the organization in charge of strategy



Main Activity

Evaluation and compensation of management based on ESG Since 2018, in order to strengthen the ESG-based decision-making process, SK Broadband has been evaluating the management's performance which not only includes financial performances such as sales and operating profit, but it also includes non-financial factors as well. The evaluation is conducted once a year, and in particular, starting from 2023, we plan to include ESG-related factors in the performance evaluation of all management and reflect them in remuneration. Key evaluation items include ESG management improvement, Net-Zero promotion plan, and social value creation, and the assessment will be based on the degree of achievement of the goals.

ESG-based investment deliberation In order to consider the risk opportunities from an ESG perspective when making investment decisions, SK Broadband operates ESG Impact within the items that are reviewed by the Investment Deliberation Committee. In 2022, seven cases that have been submitted to the investment deliberation committee have been reviewed through ESG Impact and been reflected in our decision making process.

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26th Term End of December 2022
25th Term End of December 2021
24th Term End of December 2020

	(Unit: KRW million)		
Category	26th Term	25th Term	24th Term
[Current assets]	1,348,305	1,252,935	1,225,333
· Trade accounts and notes receivables and other receivables	569,580	503,194	503,581
· Cash and cashable assets	367,994	407,657	199,058
· Inventory assets	20,835	24,248	7,898
· Other current assets, etc.	389,896	317,836	514,796
[Non-current assets]	4,945,627	4,744,905	4,578,260
· Long-term trade receivables and other receivables	81,678	85,476	46,506
· Tangible assets	3,116,379	3,127,579	3,170,144
· Intangible asset	740,734	790,473	808,066
· Other non-current assets, etc.	1,003,837	741,376	553,544
Total assets	6,293,932	5,997,840	5,803,593
[Current liabilities]	1,707,805	1,433,800	1,306,828
[Non-current liabilities]	1,465,648	1,696,357	1,852,328
Total liabilities	3,173,453	3,130,157	3,159,156
[Capital]	2,010,227	2,007,266	2,007,266
[Other paid-in capital]	657,707	645,732	636,489
[Retained earnings]	454,534	205,575	-5,703
[Other components of equity]	-1,989	9,110	6,385
Total equity	3,120,479	2,867,683	2,644,437
Term	(2022.01.01 ~ 2022.12.31)	(2021.01.01 ~ 2021.12.31)	(2020.01.01 ~ 2020.12.31)
Operating revenue	4,156,326	4,049,156	3,713,469
Operating profit	305,717	275,585	230,856
Continued operating consolidated net profit	217,303	198,268	140,592
After-tax operating profit	-	-	22,922
Consolidated net income for the current term	217,303	198,268	163,513
Net profit of a controlling company's share	217,303	198,268	163,513
Earnings per share (KRW)	544	497	447
Number of companies included in the connection	2	2	1

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26th Term End of December 2022
25th Term End of December 2021
24th Term End of December 2020

	(Unit: KRW million)		
Category	26th Term	25th Term	24th Term
[Current assets]	1,298,735	1,208,535	1,179,743
· Trade accounts and notes receivables and other receivables	555,299	496,047	494,230
· Cash and cashable assets	348,286	373,823	170,676
· Inventory assets	18,279	23,481	7,196
· Other current assets, etc.	376,871	315,184	507,641
[Non-current assets]	4,946,749	4,762,969	4,586,064
· Long-term trade receivables and other receivables	79,605	83,021	42,601
· Tangible assets	3,110,868	3,120,761	3,160,513
· Intangible asset	723,408	778,587	803,829
· Other non-current assets, etc.	1,032,868	780,600	579,121
Total assets	6,245,484	5,971,505	5,765,808
[Current liabilities]	1,694,852	1,410,823	1,279,133
[Non-current liabilities]	1,440,097	1,681,014	1,840,357
Total liabilities	3,134,949	3,091,837	3,119,489
[Capital]	2,010,227	2,007,266	2,007,266
[Other paid-in capital]	657,707	645,732	636,489
[Retained earnings]	444,591	217,560	-3,822
[Other components of equity]	-1,989	9,110	6,385
Total equity	3,110,535	2,879,668	2,646,318
Evaluation method of investment shares in subsidiary relationships and joint enterprises	Cost method	Cost method	Cost method
Term	(2022.01.01 ~ 2022.12.31)	(2021.01.01 ~ 2021.12.31)	(2020.01.01 ~ 2020.12.31)
Operating revenue	4,162,093	4,058,997	3,713,021
Operating profit	304,417	291,027	234,612
Current profit	212,816	213,468	150,694
Earnings per share (KRW)	533	536	412

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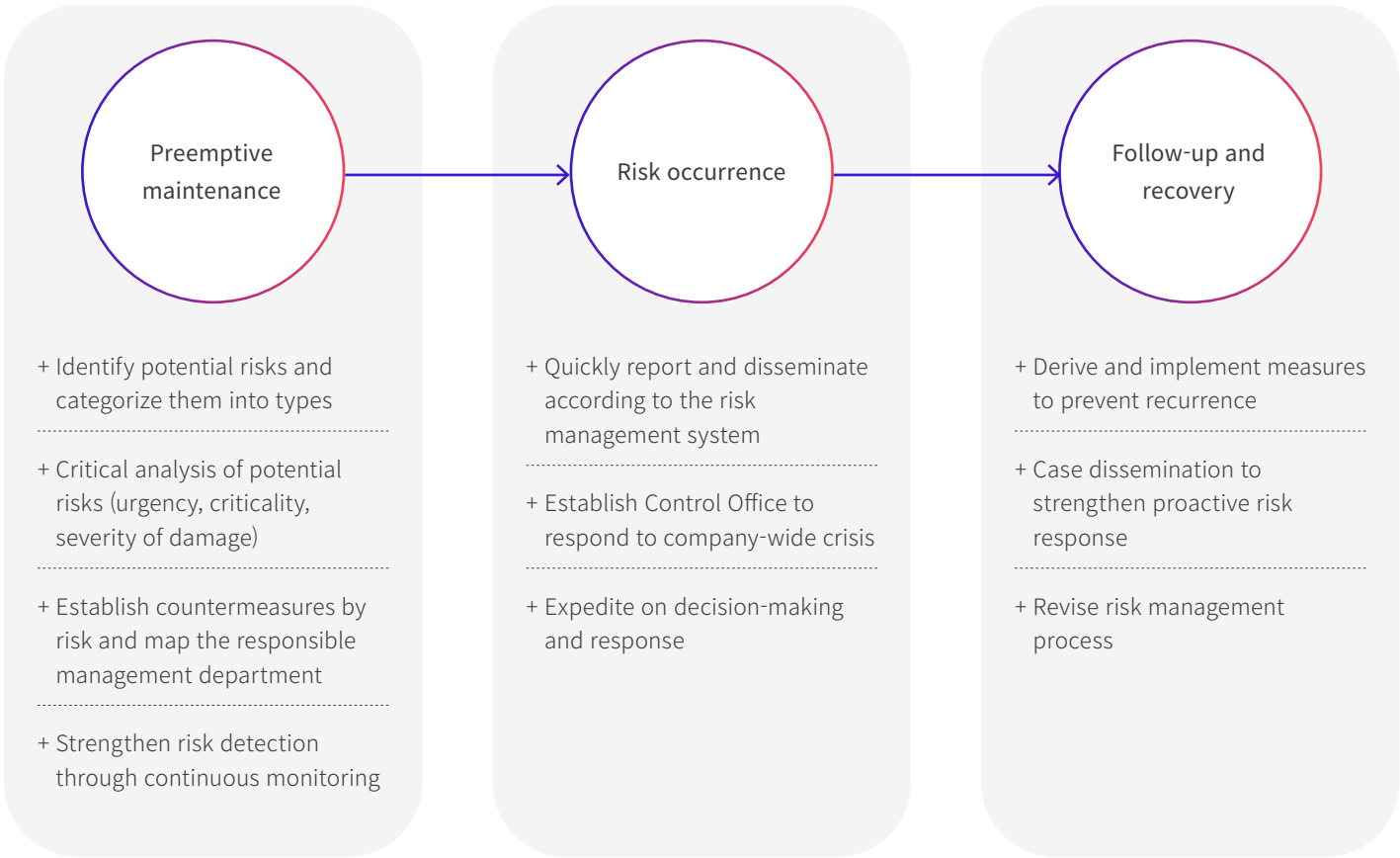
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Risk Management Process

Risk can act as a hindrance to a company’s goal achievement. Due to the recent increase in uncertainty in the overall business environment, the importance of risk management for companies is becoming more prominent. To minimize potential risks to the organization and ensure stability, SK Broadband has established an company-wide risk management strategy and is promoting integrated risk management that encompasses financial and non-financial risks. By identifying potential risk factors and analyzing their importance, we proactively identify key risks classified per subdivided sector. The department responsible for risk management continues to closely monitor risks and utilizes manuals, and reporting and response systems to efficiently handle detected risks. In addition, we are preventing risk recurrence through follow-up management and case sharing.

Risk Management System Chart



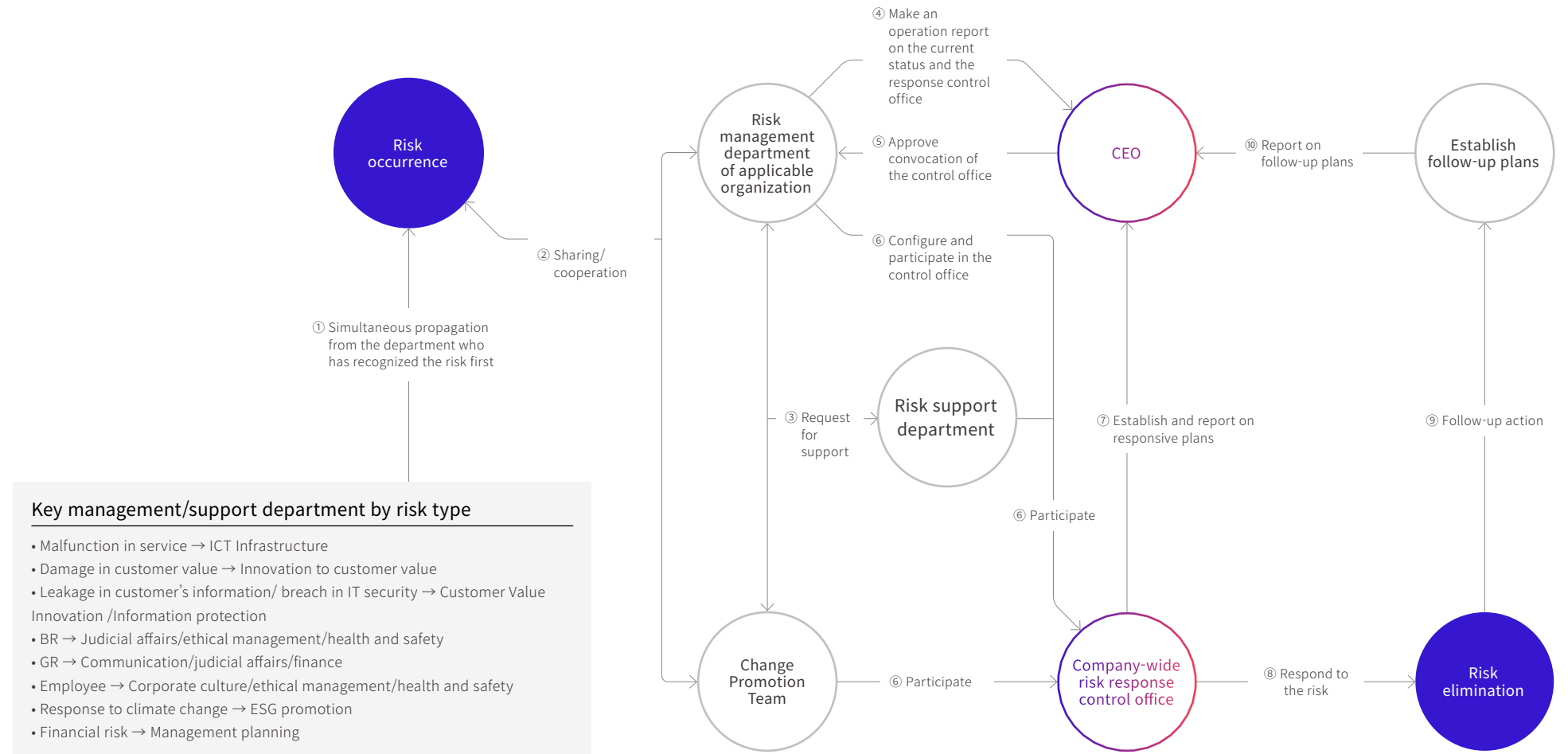
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Risk Response Process

Major management departments continue to monitor each risk according to the type. Risks that have been detected are simultaneously shared with the related departments (risk management department of applicable organization) and general department (Change Promotion Team) and is disseminated to the risk support team. A report is made to the CEO after consultation with the general department, and if needed the company-wide crisis response situation center will be built to respond to the risk. When the risk occurrence situation comes to an end, we strive to improve the response system by eliminating potential risk factors and establishing future plans to prepare for similar cases in the future. In addition, depending on the situation, a cooperative system is being established with the SHE (Safety·Health·Environment) management organization at the SK Group level.



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Key Risk and Response

Category	Risk	Risk Factors & Potential Impact	Mitigating Actions
Financial Risk	Market Risk	• Foreign exchange risk related to changes in exchange rates of recognized assets and liabilities • Interest rate risk arising from entering into a floating rate loan contract	• If it is deemed necessary to avoid foreign exchange risk in business transactions, foreign exchange risk is managed through currency forward transactions, etc. • In order to minimize the risk of interest rate fluctuations, the company conducts the most favorable financing method by reviewing various methods such as refinancing, renewal of existing borrowings, alternative financing and risk hedging
	Credit Risk	• Credit risk that arises when a customer or counterparty fails to comply with the obligations under the terms of the contract in normal trading and investment activities	• Periodically, considering the financial status, past experience and other factors of customers and counterparties, the company evaluates their financial creditworthiness and sets credit limits for each customer and counterparty.
	Liquidity Risk	• Risks that adversely affect the counterparty’s financing plan, etc. due to temporary lack of funds and failure to fulfill payment obligations at the designated payment time	• Maintaining sufficient cash and cash equivalents and maintaining financial capacity flexibly through active business activities within the appropriately agreed credit limits
	Risk for Changes in Business Environment	• Digitization of communication technologies and devices has resulted in the disappearance of boundaries between wired and wireless, communication and broadcasting, and intensified competition. • Continued increase in traffic volume due to increased consumption of high-quality and large-capacity media contents • Accelerating competition for media platform services centered on independent content as consumption of personalized content increases • Traffic growth centered on Big tech such as AI and DC demand from CSP operators	• Reinforcing fundamental competitiveness by securing strategic infrastructure • Responding to the market and strengthening competitiveness by preemptively securing data center capacity • Reinforcing competitiveness through independent content supply and differentiated services • Advancement of customer-tailored services through the active introduction of AI services
Non-Financial Risk	Service Malfunction	• Catastrophic failures such as network service breakdowns due to natural disasters, human errors, facility and asset abnormalities, and interruption of IPTV/CATV transmission	• Implementation of a service quality improvement meeting hosted by the CEO and a stable operation meeting attended by company-wide operating organizations • Construction of submarine cables, expansion of network base capacity in major overseas cities, and installation of additional new bases • Completion of dualization of major telecommunications stations and continuous promotion of dualization of wiring in shared housing • Replacement of outdated facilities such as UPS and air conditioners of telecommunications offices
	Damage of Customer Value	• Increased possibility of occurrence of compensation payment and civil complaint litigation in the case of inadequate response to customer complaints and civil complaints	• Implementation of customer research and VoC (Voice of Customer) monitoring for customer communication • Checking and improving responses to customers through the operation of a customer advisory group • Carrying out activities to strengthen the capabilities of customer contact channels

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Key Risk and Response



Category	Risk	Risk Factors & Potential Impact	Mitigating Actions
Non-Financial Risk	Customer Information Leakage/IT Security Breach	When customer personal information is leaked to a third party or outside due to hacking attacks or lack of work ethics, it negatively affects trust and reputation of the company.	- Appointment of CISO (Chief Information Security Officer) and CPO (Chief Privacy Officer) - Implementation of tasks derived according to the mid to long-term information protection plan - ISO 27001, ISMS certification maintenance and certification scope expansion plan to ISMS-P - Establishment of a centralized traffic security monitoring/analysis system based on big data
	Business Relationship	- Risks due to decline in business partner ESG management capabilities - Damage caused by negative issues arising from business partners in the supply chain	- Provision of CSR practice agreement and business partner ESG code of conduct and compliance within the contract - ESG diagnostic evaluation for 5 business partners - Ethical management training for employees and business partners - Fair trade training for relevant departments related to subcontracting
	Governance Relationship	Investigation by government agencies and related institutional and policy risks	- The company continuously identifies and responds to changes in domestic laws and government policies - Reinforcement of compliance by improving systems and processes for major weak points - Implementation of compliance training for all executives and employees
	Employee	- Reinforcement of obligations for industrial accidents and health and safety through full-scale enforcement of the Severe Accident Punishment Act - Ethics and human rights violation risks	- Appointment of CSPO (Chief Serious-accident Prevention Officer) and strengthening of the dedicated organization - Maintenance of ISO 45001 certification and establishment/revision of health and safety management system including business partners - Establishment and revision of the Business and Human Rights Declaration and Implementation Guidelines - Reinforcement of professional training for employees suitable to the business environment - Establishment of ethical management based on three elements (Code, Compliance, Consensus)
	Climate Change and Environmental Risk	- NDC adjustment to the upper level and full-scale implementation of the ‘Framework Act on Carbon Neutrality and Green Growth to Response to the Climate Crisis’ - Increased financial impact through mandatory disclosure of greenhouse gas emissions	2045 Net-Zero Achievement Declaration and establishment of 2045 Net-Zero Achievement Roadmap, considering SBTi’s ICT sector 1.5°C scenario - RE100 Declaration and acceleration of eco-friendly energy transition - Maintenance of ISO 14001 certification - Increased investment in clean technology and environment, such as replacing high-efficiency equipment and developing eco-friendly equipment

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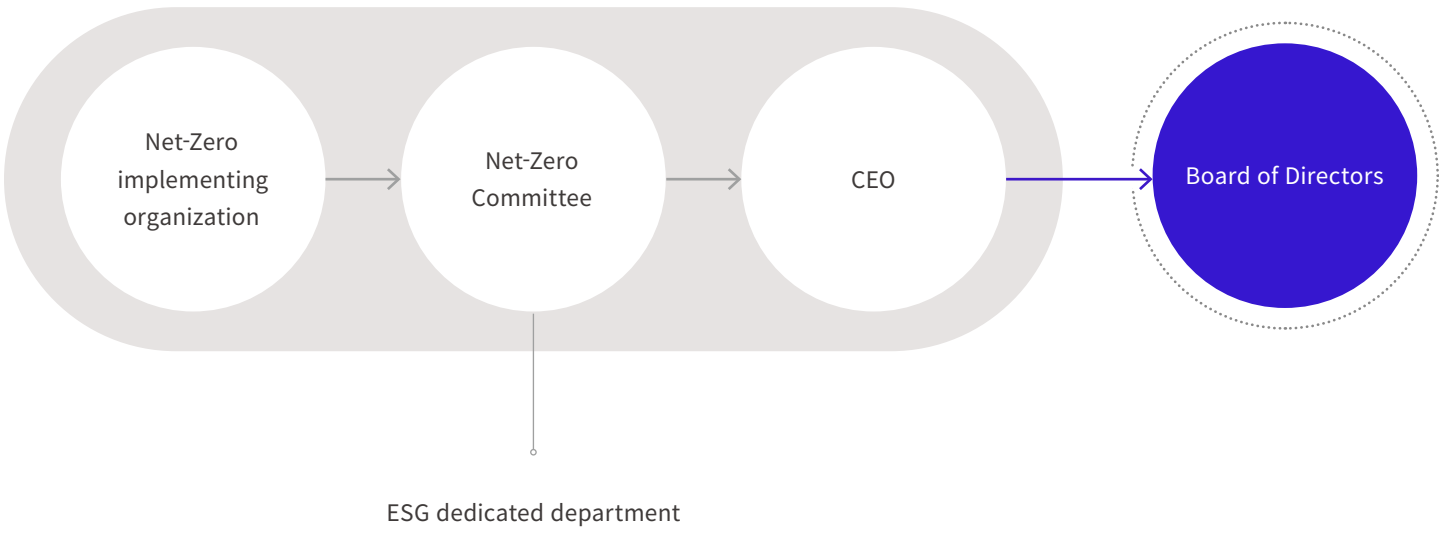


Governance

- a) Describe the board's oversight of climate-related risks and opportunities
- b) Describe management's role in assessing and managing climate-related risks and opportunities

The CEO, who is responsible for climate change response, takes an active part in decision-making on the company's major agenda. SK Broadband is considering the financial impact of climate change, which is considered an issue requiring strategic decision-making in terms of investment and expenditure to respond to risks. In 2021, the company compared and analyzed the expected costs of greenhouse gas reduction scenarios and reported the results to the CEO. Based on this, a goal of achieving Net-Zero by 2045 has been established. Also, this was reported to the Board of Directors and acquired its final approval. Executives of major Net-Zero implementing organizations operate a quarterly 'Net-Zero Committee' to share and discuss progress and plans for each organization, such as energy efficiency projects for power efficiency and solar power generation facility construction. Related issues are frequently reported to the CEO and key executives through the ESG dedicated department for review. In order to strengthen responsibility for climate-related issues, such as the performance of the Net-Zero implementation plan, performance evaluation and compensation for the CEO and key executives are reflected in this performance. In addition, based on ESG-based investment review standards, the Investment Review Committee and the Board of Directors are making decisions on new businesses and major investments considering ESG factors.

Decision-Making Process



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Strategy

- a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term
- b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning
- c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

SK Broadband is reviewing the risks and opportunities of climate change from various aspects, including policies and laws, technology, market, reputation, and acute and chronic impacts. On this basis, the company manages its impact on enterprise value and financial impact. Due to the nature of the company's business, it is essential to secure additional communication and network equipment for service stability, which causes an increase in greenhouse gas emissions, so the company is carefully identifying risks, opportunities, and financial impacts.

+ Risk

Category	Type	Content	Corporate Value and Financial Impact
Transition Risk			
Short-Term (1~3 years)	Policy and Laws	• Raising the national greenhouse gas reduction targets and enacting the Framework Act on Carbon Neutrality and Green Growth • Implementing the 3rd planning period for the greenhouse gas emissions trading system • Reinforcement of reporting obligations for scope 3 emissions	• Increase in the proportion of paid allocation and increase in the price of emission rights • Increase in the possibility of unexpected litigation expenses due to strengthened legal regulations • Increase in management costs such as supply chain environmental performance evaluation and incentives
	Market	• Behavior change of stakeholders • Volatility increase of price of renewable energy source	• Growing stakeholder demand for minimizing the impact of climate change compared to a short-term point • Increasing energy costs due to unstable supply and demand for renewable energy sources and increased demand
Mid-Term (3~10 years)	Technology	• Replacing existing products and services while transitioning to low-carbon technologies • Uncertainty about performance against R&D investment	• Increased replacement investment costs for less energy-efficient equipment • Financial loss due to low R&D investment return
	Reputation	• Changes in preference for companies according to the level of response to climate change • Increased demand for carbon reduction in the telecommunications and data industries	• Failure to respond to market changes leads to reduced demand and revenue for products and services • Leakage of experts due to decline in corporate value
Long-Term (10 years or more)			

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Strategy + Risk

Category	Type	Content	Corporate Value and Financial Impact
Physical Risk			
Mid-Term (3~10 years)	Acute	Intensification of abnormal weather phenomena such as forest fires, typhoons, torrential rains, and heat waves	- Additional expenses incurred due to costs for damage prevention and recovery - Compensation costs for consumer damage due to network outages - Decreased operational efficiency due to threats to employee safety - Decreased profits due to damage to the supply chain caused by abnormal weather events
Long-Term (10 years or more)	Chronic	- Periodic temperature rise - Increase in areas with water scarcity	Increased cost of facility and equipment operation

* Increase in carbon cost due to policy risk

SK Broadband is aware of the financial risks arising from the trading system of emission rights and has quantitatively analyzed it. From the 3rd planning period of the emission trading system, which starts in 2021, the paid allocation ratio rose up to 10%. Therefore, additional emission rights had to be purchased according to the lack of quotas, which resulted in emission debt. The emission debt for 2022 is KRW 350 million. To curb the increase in additional debt costs, SK Broadband introduced high-efficiency equipment and expanded the installation of solar panels to increase the use of renewable energy. In addition, IDC (Seocho and Ilsan) replaced the cooling system with high-efficiency, low-power equipment for the first time in the telecommunications industry. These projects are recognized as ‘internal reduction projects’ by the Ministry of Environment and will be reflected on the calculation of the emission rights for the next five-year plan for greenhouse gas reduction.

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Strategy

+ Opportunity

Category	Type	Content	Corporate Value and Financial Impact
Short-Term (1~3 years)	Products & Services and Market	• Growing stakeholder demand for eco-friendly infrastructure • Developing new products and services through R&D innovation • Government cooperation and incentive programs	• Securing a competitive edge and increasing profits with sustainable growth strategies • Stable financing by establishing partnerships with the government and issuing green bonds • Reducing processing costs by reducing power consumption and waste generation through the development of low-power set-top boxes and Cloud technology
	Resource Efficiency	• Maximization of energy efficiency • Vitalization of recycling/reuse system	
Mid-Term (3~10 years)	Energy Source	• Use of renewable energy • Establishment of a cooperative network among stakeholders	• Reducing the burden of rising fossil fuel prices • Reducing costs through stable renewable energy supply • Increasing corporate value and increasing investor preference by reducing greenhouse gas emissions • Reducing operating costs through preemptive expansion of low-carbon facilities

* New products & services, and market opportunities

SK Broadband is launching low-power products with clean technology applied. By introducing Amlogic’s system semiconductor, which has been difficult to try so far due to its high implementation difficulty, the company has developed a low-power set-top box with 3 to 4 times lower standby power than existing models. In addition, in order to reduce the generation of waste batteries, the company has completed the development of a supercapacitor rechargeable remote control using high-capacity energy storage technology, and aims to commercialize it in 2024.

+ Strategies including the 1.5°C scenarios

In 2021, SK Broadband declared a goal of ‘2045 Net-Zero’ according to the 1.5°C transition scenario (IEA NZE 2050) of the International Energy Agency (IEA), and established a roadmap to achieve it. Targets related to Net-Zero have been set to meet the level of decarbonization required to keep global temperatures below 1.5°C above pre-industrial levels. In addition, in order to reduce indirect emission sources (electricity), which account for more than 99% of all greenhouse gas emissions, the company not only improves the energy efficiency of facilities, but also replaces 100% of energy sources with renewable energy through RE100 membership. In this regard, the company anticipates that risks will arise due to the continuous increase in electricity unit price and the increase in operating costs related to power supply through PPA and REC. Therefore, in order to respond to this risk, the company is looking for ways to build additional solar power generation facilities such as IDC and office buildings for self-renewable energy production and use, and plans to implement them.

In addition, focusing on the regions where major IDCs are located, risks and financial impacts that may occur in the region due to climate change were analyzed using the RCP 8.5 scenario and the ‘Climate Change Prospect Report’ data provided by the Korea Meteorological Administration. Based on this analysis, the company established countermeasures for major risks. In the metropolitan area, such as Seoul and Gyeonggi, where equipment and facilities are currently concentrated, it is expected that the frequency and intensity of abnormal high temperatures and continuous temperature rises due to climate change will increase. As a result, the risk of increasing cooling costs to lower the temperature of IDC’s server room is expected to increase. In order to efficiently maintain the temperature of the IDC and major communication equipment, SK Broadband is introducing a high-efficiency cooling system and establishing a business site selection process that considers physical risk situations from a long-term perspective.

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Risk Management

- a) Describe the organization’s processes for identifying and assessing climate-related risks
- b) Describe the organization’s processes for managing climate-related risks
- c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management

SK Broadband has a Comprehensive Risk Management process to prevent risks that could lead to a decline in corporate value. Based on this, the company integrates existing financial risks and ESG-based non-financial risks to identify, evaluate and manage the impact of risks.

+ Risk Type

Financial Risk		Non-Financial Risk	
• Market	• Liquidity	• Service error	• Customer Value
• Credit	• Management Environment	• Business Relationship	• Governance Relationship
		• Employees	• Climate change and environment

+ Risk Management Process

Identification	Evaluation	Management
• Analysis of issues from climate change	• Risk/opportunity assessment	• Establishment of a risk mitigation plan
• Recognition of needs of stakeholders	• Recognition of severe risks	• Report to executives and Board of Directors
		• Monitoring and aftermath verification (plan)

- ① **Issue screening and reporting cycle:** Regarding ESG issues including environmental issues, the company regularly monitors stakeholder demands such as domestic and international policy trends and global initiatives. Issues identified by the risk management organization and ESG department are regularly reported to the CEO and management.
- ② **Selection standards of issues:** Issues are classified as risks or opportunities according to TCFD classification and internal indicators and are subject to materiality assessment. The materiality assessment is conducted from the perspectives of financial and corporate value impacts and environmental and social impacts, and external experts secure expertise and objectivity in the evaluation.
- ③ **Measures according to risk classification:** For risks classified as high risk, the company develops a mitigation (action) plan. The department dedicated to analyzing risk and opportunity factors for climate change (ESG department) presents detailed risk mitigation strategies and action plans through the ‘Net-Zero Committee’ and reports them to the CEO and key executives. The progress of such actions is continuously monitored, and a follow-up impact verification is also planned.
- ④ **Integration to the company-wide risk management:** SK Broadband integrates and manages financial and non-financial risks. Among them, risks related to climate change are one of the non-financial risks and are integrated and managed in company-wide risk management. The Change Promotion Team is in charge of company-wide risk management and organically collaborates with key management/support departments for each risk type.

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Merics and Targets

- a) Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process
- b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks
- c) Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets

The company declared Net-Zero in 2021, and since then, it has been working to achieve its greenhouse gas reduction target. Since the use of renewable energy accounts for a large portion of the reduction of greenhouse gas emissions due to the nature of the company’s business, the company has put lots of efforts to convert to renewable energy by purchasing green premiums and building our own solar power facilities.

Achievement of 2045 Net-Zero

Year of goal establishment	Scope of Net-Zero	Target year	Target Scope	Baseline year
2021	All domestic business sites of SK Broadband	2045 (Achieving Net-Zero greenhouse gas emissions)	Scope 1, Scope 2	2020

SK Broadband emits 99% of its greenhouse gas emissions through electricity use, and manages the ratio of energy and power consumption and renewable energy use. In addition, indicators related to greenhouse gas emissions, water use, and waste discharge are regularly measured and managed by the company as key indicators for evaluating climate change risks and opportunities. From 2022, the company has received verification of Scope 3 emissions within the calculable range through a third-party organization, and planned to continuously manage and disclose this at the company level.

GHG emissions		Unit	2020	2021	2022
Greenhouse gas	Total emission(Scope 1+2)	tCO ₂ eq	337,966	370,190	394,403
	Emission intensity	tCO ₂ eq/sales (KRW billion)	91.02	91.20	94.76
	Direct emission(Scope 1)	tCO ₂ eq	1,458	1,825	2,270
	Indirect emission(Scope 2)	tCO ₂ eq	336,542	368,404	392,169
	Other indirect emission(Scope 3)	tCO ₂ eq	-	1,594,889	1,375,563
Energy	Total energy consumption	GJ	6,921,000	7,694,000	8,193,000
	Total consumption intensity	GJ/Sales (KRW billion)	1,864	1,896	1,968
	Percentage of renewable energy use ¹⁾	%	0.01	0.08	2.41

1) Percentage of renewable energy use: Total renewable energy consumption/total power consumption X 100

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SK Broadband discloses indicators corresponding to the Telecommunication Services business area in the report in accordance with the industry standards of the Sustainability Accounting Standards Board (SASB).

Topic	Accounting metric	Code	2022 Content and Performance
Environmental Footprint of Operations	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	TC-TL-130a.1	(1) 8,193,000GJ (2) 99.97% (3) 2.41%
	Description of policies and practices relating to advertising and customer privacy	TC-TL-220a.1	In accordance with the Personal Information Protection Act, SK Broadband discloses the ‘Personal Information Handling Policy’ on its website. (Collection of customer’s personal information under the consent of the subscriber and use of it only within the scope of the specified purpose, provision of information based on the customer’s selective consent when providing personal information to a third party, etc.) In addition, personal information training is conducted for employees at least once a year, and personal information risk management is being strengthened through online/offline training and on-site/online inspections for business partners whose personal information is entrusted. • Personal information training and inspection for business partners - 10,665 people completed online training on personal information protection (100%) - 710 times of on-site personal information inspections
	Number of customers whose information is used for secondary purposes	TC-TL-220a.2	6,814,084 cases (3,718,049 cases of agreement to receive information and advertisements, 3,096,035 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
Data Privacy	(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 submission: 12,224 cases, Provided by Customers: 27,350 cases, Provision Rate: 100% • Confirmation data of communication facts ²⁾ - Number of submission: 1,654 cases, Provided by Customers: 3,106 cases, Provision Rate: 100% In accordance with the Telecommunications Business (Article 83 Paragraph 3) and Protection of Communications Secrets Act (Articles 2 and 13), SK Broadband cooperates in providing related data in accordance with the statutory standards and methods when requesting data from government agencies.
	(1) Number of data breaches (2) percentage involving personally identifiable information (PII) (3) number of customers affected	TC-TL-230a.1	(1) 0 case (2) 0% (3) 0 person
Data Security	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	TC-TL-230a.2	The company establishes and complies with security policies and guidelines based on the Information and Communications Network Act and the Personal Information Protection Act. In addition, in order to enhance the company’s external reliability and transparency, third-party organizations are used to verify information security investment, human resource reinforcement, and overall information protection activities. In addition, the company has acquired and maintained information security management system (ISMS) certification and ISO 27001 from external organizations.

1) In relation to the user’s name, resident registration number, address, phone number, ID, signing-up and termination date, in accordance with the Telecommunications Business Act, courts, prosecutors, and investigative agencies may request communication data when necessary for criminal investigation, execution of sentence, trial, etc.

2) The other party’s user number and log records (date, time, etc.) are classified as ‘communication confirmation data’ under the Protection of Communications Secrets Act. The investigative agency must make a request after obtaining permission from the court along with an official document (including the reason for the request, relevance to the user and the scope of necessary data).

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Topic	Accounting metric	Code	2022 Content and Performance
Product End-of life Management	(1) Materials recovered through take back programs, percentage of recovered materials that were (2) reused, (3) recycled, and (4) landfilled	TC-TL-440a.1	(1) 2,451,094 (Main terminals: Set-top box, router, etc.) (2) 50% (3) 49% (4) Among the recovered resources, terminals that are difficult to reuse are sold to recycling companies, and none are subject to landfill.
	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	TC-TL-520a.1	SK Broadband has no violations of unfair competition laws in 2022.
Competitive Behavior & Open Internet	Average actual sustained download speed of (1) owned and commercially-associated content and (2) non-associated content	TC-TL-520a.2	SK Broadband does not disclose download speed data separately categorized by content type (internally produced, commercial, relevance). However, there is no difference in download speed for each content.
	Description of risks and opportunities associated with net neutrality, paid peering, zero rating, and related practices	TC-TL-520a.3	SK Broadband complies with the ‘Guidelines for Network Neutrality and Internet Traffic Management’ of the Ministry of Science and ICT.
Managing Systemic Risks from Technology Disruptions	(1) System average interruption frequency and (2) customer average interruption duration	TC-TL-550a.1	For stable service operation, at every stage, SK broadband operates the network from a customer-centered perspective AAR (After Action Review). There is only one major communication failure that occurred in 2022 through various preemptive risk management activities such as process establishment and new equipment introduction. The cause of the occurrence was a cable disconnection that occurred during local government construction, and the company responded quickly to this and completed the restoration.
	Discussion of systems to provide unimpeded service during service interruptions	TC-TL-550a.2	By strengthening investment for stable service operation, SK Broadband has completed the dualization of large telecommunications offices and is expanding the target of dualization to apartment houses. In addition, in order to minimize the impact of breakdowns, the company continues to promote cable routing and traffic distribution. For service interruption, the company strengthened the MMS guidance process to protect users. In addition, the company is advancing its AI/DT-based quality management system so that it can check for service abnormalities in advance.
Activity Metric	Number of wireless subscribers	TC-TL-000.A	SK Broadband is not involved in in wireless communication business.
	Number of wireline subscribers	TC-TL-000.B	3,674,110 people
	Number of broadband subscribers	TC-TL-000.C	6,703,811 people
	Network traffic	TC-TL-000.D	67.7Petabytes/day

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	2-2	Entities included in the organization’s sustainability reporting	8
	2-3	Reporting period, frequency and contact point	2
	2-4	Restatements of information	Annotate if necessary
	2-5	External assurance	138
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GRI 201: Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	120~125
	302-1	Energy consumption within the organization	57
GRI 302: Energy	302-2	Energy consumption outside of the organization	Disclose a Scope 3 emissions
	302-3	Energy intensity	57
	302-4	Reduction of energy consumption	54
	302-5	Reductions in energy requirements of products and services	54
	305-1	Direct (Scope 1) GHG emissions	56
GRI 305: Emission	305-2	Energy indirect (Scope 2) GHG emissions	56
	305-3	Other indirect (Scope 3) GHG emissions	56
	305-4	GHG emissions intensity	56
	305-5	Reduction of GHG emissions	56
	305-6	Emissions of ozone-depleting substances (ODS)	N/A
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Other topics

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	306-4	Waste diverted from disposal	58
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Sustainability Management Initiatives

Participation and Target Initiatives

SK Broadband is participating in various global initiatives related to sustainable management. Through this, the company forms partnerships with government agencies, NGOs, and local communities. Through this, the company quickly identifies issues and trends related to industry and sustainability management, and then transparently shares the implementation results with stakeholders. In addition to the initiatives currently subscribed to, the company is planning to participate in initiatives that can steadily improve sustainability. Initiatives related to SK Broadband and SASB Telecommunication’s Material Topic are prioritized over other things, and the company makes the final decision whether or not to participate in consideration of the international influence and reliability of the initiative.

2022 Participation Initiatives

RE100(Renewable Electricity 100%) RE100 is a global initiative that aims to get 100% of the electricity businesses need from renewable sources by 2050. SK Broadband announced its membership in RE100 in November 2020. To achieve the implementation plan for this, in 2022, it purchased green premiums equivalent to about 2% (20,300MWh) of total electricity. In 2023, the company is pushing ahead with the expansion of its own facilities, such as building solar power generation facilities in a total of four office buildings in Daejeon and Daegu. In addition, the company plans to expand the installation of solar power generation facilities to six office buildings by 2024.

K-EV100 The K-EV100 is a Korean initiative to convert owned or leased vehicles into zero-emission vehicles by 2030. To achieve this goal, SK Broadband established plans to convert 134 units (43.4%) by 2025 and 309 units (100%) by 2030. The company invested KRW 49 million by 2022 and achieved a conversion rate of 3.5%. It is true that there were difficulties in securing electric vehicles due to the shortage of semiconductors for vehicles that occurred after COVID-19, but the company is accelerating to achieve the goal of 100% conversion by 2030.

CDP CDP is a global carbon information disclosure initiative that provides sectoral assessments of climate change, water resources, and forest resources through information disclosure requests for corporate environmental management. Through the CDP, global companies can transparently disclose climate change opportunities, risk factors, and scores to investors, so that the performance of low-carbon management can be recognized externally. Originally, the initiative was intended for listed companies, but SK Broadband voluntarily participated in the CDP evaluation in 2022 and plans to continue participating in 2023.

UNGC(UN Global Compact) UNGC is an international agreement for voluntary social responsibility to support and participate in the 10 principles in the fields of human rights, labor, environment, and anti-corruption. Since SK Broadband joined the agreement and declared its support in 2021, it has continued its efforts to practice social responsibility.

10 principles of UNGC		Page
Human rights	① Businesses should support and respect the protection of internationally proclaimed human rights; and	59~62
	② make sure that they are not complicit in human rights abuses.	59~62
Labor	③ Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	69, 72
	④ the elimination of all forms of forced and compulsory labour;	59
	⑤ the effective abolition of child labour; and	59
	⑥ the elimination of discrimination in respect of employment and occupation.	59
Environment	⑦ Businesses should support a precautionary approach to environmental challenges;	53~58
	⑧ undertake initiatives to promote greater environmental responsibility; and	53~58
	⑨ encourage the development and diffusion of environmentally friendly technologies.	53~58
Anti-corruption	⑩ Businesses should work against corruption in all its forms, including extortion and bribery.	106~110

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2022 Participation Initiatives

UN SDGs (UN Sustainable Development Goals) The UN SDGs consist of the largest common goals of the international community established to solve universal social issues of mankind, climate change issues, and social issues, and there are a total of 17 common goals. In order to participate in the achievement of the UN SDGs, SK Broadband is developing various activities that can contribute in connection with the goals, and monitoring the performance of these activities.

SDGs	Activities related to SK Broadband	Report page
 Good health and well-being	- Establishment of response process and implementation of emergency response drills in case of fire, flood, power outage, earthquake disaster, or major disaster - Establishment of a health data management system for members, and based on the results of the checkup, separately management of those with suspected findings and members with health concerns. - Implementation of a psychological counseling program that can resolve job stress or psychological difficulties - By implementing the “Health Sharing Happy Senior Project”, provision of “healthy special meals (food truck)” and “fun and pleasure (healthy gymnastics)” for seniors.	75, 97
 Quality education	- Through the kids brand ‘ZEM’, provision of educational contents with good quality for infants and elementary school students. - Based on a total of 80,000 contents, provision of 365 days of customized education service according to the age, level, and inclination of the viewer - Strengthening the capacity of the helper for learning through ‘Today’s Learning’, a customized home schooling service that sets the study routine - Providing bilateral (interactive) educational contents based on artificial intelligence (AI) and augmented reality (AR) - Implementation of media education and content creation support activities for local residents through the Media Creation Support Center	28, 93
 Gender equality	- Provision of equal opportunities through blind recruitment of new employees (more than 80% of new recruits in 2022 are women) - Increase the proportion of women in the in-house leader pool and management of the proportion of team leaders to be promoted - Continuous promotion of external recruitment of female executives	59~68
 Decent work and economic growth	- Operation of regionally customized channel programs for the purpose of revitalizing the local economy - Provision of education with good quality for talent development - Providing education to develop core competencies by utilizing mySUNI, SK Group’s online education platform based on employees’ voluntary learning culture - Participation in SK Group’s training programs to nurture the next-generation leaders - Establishment of a support system and operation of programs that can balance work and family - Operation of a family care program targeting employees in the process of pregnancy and parenting and expansion of enhancement programs for family relationship - We-fresh Day (business closing of every other Friday) provides sufficient rest time to employees - Improving work time flexibility by designing one’s own working hours - Support activity for social enterprises - The company strategically selects social enterprises that contribute to solving social issues through business and supports them using tangible and intangible resources. - Reinforcement of small business marketing capabilities by providing ‘B tv My Town Advertising’ platform service for local small businesses - Provision of advertising services at reasonable rates that lower the entry barrier for TV advertising and a solution that enables direct advertising production	63~72, 99~102, 95~98
 Industry, innovation and infrastructure	- Provision of the stable communication environment through expansion of communication infrastructure (establishment of international submarine cable, improvement of cable TV network structure, service dualization, etc.) - Response to cyber security breach by providing DDoS Clean Zone service - Implementation of prevention activities against voice phishing by collectively blocking private repeaters	33~38, 84~87, 88~91

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Sustainability Management Initiatives

Participation and Target Initiatives

2022 Participation Initiatives

UN SDGs (UN Sustainable Development Goals)

SDGs	Activities related to SK Broadband	Report page
 Reduced inequalities	- Improving awareness of multiculturalism through the development and provision of multicultural contents - Expanding accessibility to vulnerable areas (by promoting BcN and rural communication network advancement projects) - Implementation of set-top box functions specialized for the visually and hearing impaired (smart subtitles, voice guidance, screen commentary broadcasting, etc.) - Improvement of media accessibility for seniors by providing 'Happy Senior', a senior-only menu according to the aging population	92~94
 Climate action	- Joining RE100 for the first time in Korea and promotion of Net-Zero by 2045 - Use of renewable energy in major office buildings across the country through purchases of green premium (Seoul Seodaemun, Daejeon, Daegu, etc.) - Promotion of gradual expansion of photovoltaic power generation facilities - New installation in 4 office buildings in 2023 and a plan to expand to 6 office buildings by 2024 - Development of clean technology for eco-friendliness of customer equipment - In 2021, it developed the first lithium-ion rechargeable eco-friendly remote control among domestic telecommunications companies, followed by the development of the industry's first rechargeable 'Super Capacitor' remote control with high-capacity energy storage technology in 2022. - Development of a low-power, low-carbon set-top box that reduces standby power by 50-65% compared to existing models - Realization of higher efficiency for equipment and facilities - Development of optical communication technology that provides 1 to 10 gigabit high-speed Internet with one device by utilizing an integrated optical module for the first time in Korea - Removal of old equipment by rerouting cables centering on low-power consumption equipment - Network slimming through aerial cable maintenance, etc. - Power saving by building a outdoor unit mist device for cooling and cooling efficiency through the introduction of an inverter type air conditioner, etc. - Acting as an influencer for the environment - Content specialized in self-produced ESG under the theme of the environment is aired on B tv every other week. - Production of environmental animation for children, 'Sound of the Heart with Greenpeace, the episode of Children's Environmental Adventures' - Sponsoring the Seoul International Eco Film Festival for 3 consecutive years from 2021 - By signing business agreements with environment-related foundations, supporting eco-friendly campaign promotion through On-Ad	39~44, 53~58

Participation Target Initiatives

SBTi(Science Based Targets Initiative) SBTi (Science-Based Targets Initiative) is an initiative that presents carbon reduction target standards for companies to achieve the Paris Climate Agreement and monitors their performance. SK Broadband seeks to secure momentum to achieve the 2045 Net-Zero roadmap by promoting joining SBTi in 2025.

ZWTL(Zero Waste to Landfill) ZWTL (Zero Waste to Landfill) is a certification promoted by UL, a global environment and safety certification organization. The agency assigns Platinum (recycling rate 100%), Gold (95-99%), and Silver (90-94%) grades to companies based on the ratio of recycling waste generated from the company's business sites into usable resources. SK Broadband is considering joining the ZWTL to reduce waste and achieve a circular economy.

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Industry Specific Indicator

Telecommunication Services

Reflecting the changes and demands of major external stakeholders, SK Broadband separately selects industry-specific indicators for each area of environment/society/governance and manages and discloses them. In the future, the company will eliminate industrial risks related to the company and secure the trust of stakeholders by continuously supplementing matters that need improvement and disclosing them transparently.

Core indicators	Detailed items	Status
Product Environment Efficiency	• Percentage of products recovered and reused through product recollection programs: (1) reused products, (2) recycled products (3) landfill products	(1) 50% (2) 49% (3) Among the recovered resources, terminals that are difficult to reuse are sold to recycling companies, and none are subject to landfill.
	• Measurement of the average download speed of content (1) Company-owned or commercially relevant content (2) Unrelated content	SK Broadband does not disclose download speed data separately categorized by content type (internally produced, commercial, relevance). However, there is no difference in download speed for each content.
	• Detailed description of business-related risks and opportunities (network neutrality, paid peering, zero rating, etc.)	SK Broadband complies with the ‘Guidelines for Network Neutrality and Internet Traffic Management’ of the Ministry of Science and ICT.
Communication Accessibility	• Operation of direct or fully owned subsidiaries in emerging markets.	SK Broadband does not operate directly or fully owned subsidiaries in emerging markets.
	• Ownership shares in local business operator	SK Broadband does not hold any ownership shares in local regional business operators.
	• Provision of services for the vulnerable groups	The company is increasing service accessibility for seniors by providing ‘Happy Senior’, a senior-only menu with intuitive and easy-to-understand menu names and large letters on B tv, and providing welfare benefits.
	(1) Elderly	
	(2) Children	The company provides high-quality educational content through ‘ZEM’, and is carrying out activities to strengthen the safety of the company’s service to prevent viewers from being indiscriminately exposed to harmful content.
	(3) Disabled	The company continues to develop and provide functions specific to the hearing-blind impaired to set-top boxes, and strengthens service accessibility through welfare reduction and discounts.
	(4) Underprivileged Family	Targeting the recipients of the basic livelihood security fund and the low-income class, the company strengthens service accessibility by providing welfare reduction/exemption discounts.
	(5) Rural and Isolated Area	To enhance service accessibility in rural areas, the company is promoting BcN (Broadband convergence Network) and rural communication network advancement projects.
	• Participation in philanthropic activities that explicitly support communication accessibility in developing countries	SK Broadband does not participate in philanthropic activities that explicitly support communication accessibility in developing countries.
	• Communication accessibility or strategy implementation goals of Digital Divide	Based on cooperation with various stakeholders, SK Broadband establishes and implements goals for the happiness of seniors and youth and bridging the gap in local communities.

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Industry Specific Indicator

Telecommunication Services

Core indicators	Detailed items	Status
Product/Service Safety	• (1) Average system down frequency, (2) Average system down duration per customer;	For stable service operation, at every stage, SK broadband operates the network from a customer-centered perspective AAR (After Action Review). There is only one major communication failure that occurred in 2022 through various preemptive risk management activities such as process establishment and new equipment introduction. The cause of the occurrence was a cable disconnection that occurred during local government construction, and the company responded quickly to this and completed the restoration..
	• Discussion for sustainable service provision during the service suspension period (risk factor, damage scale setting, recovery measures, future plans, etc.)	By strengthening investment for stable service operation, SK Broadband has completed the dualization of large telecommunications offices and is expanding the target of dualization to apartment houses. In addition, in order to minimize the impact of breakdowns, the company continues to promote cable routing and traffic distribution. For service interruption, the company strengthened the MMS guidance process to protect users. In addition, the company is advancing its AI/DT-based quality management system so that it can check for service abnormalities in advance.
Privacy Protection and Corporate Data Security	• Number of customer personal information used for indirect purposes	6,814,084 cases (3,718,049 cases of agreement to receive information and advertisements, 3,096,035 cases of non-consent)
	• The total amount of monetary losses incurred as a result of legal proceedings related to the protection of customer personal information	KRW 0
	• (1) Number of customer information requests from law enforcement agencies, (2) Number of customers requesting information, and (3) Percentage of disclosure results	Communication Data ¹⁾ - Submitted Cases: 12,224 cases, Provided by Customers: 27,350 cases, Provision Rate: 100% Confirmation data of communication facts ²⁾ - Number of submission: 1,654 cases, Provided by Customers: 3,106 cases, Provision Rate: 100% In accordance with the Telecommunications Business (Article 83 Paragraph 3) and Protection of Communications Secrets Act (Articles 2 and 13), SK Broadband cooperates in providing related data in accordance with the statutory standards and methods when requesting data from government agencies.
	• (1) Number of data breaches, (2) Percentage of personally identifiable information (PII) involved, and (3) Number of customers affected	(1) 0 case (2) 0% (3) 0 person
Labor Custom	• Offering employee stock options	SK Broadband does not offer options for employee share ownership.
	• Variable performance-based compensation	Based on the task performed, SK Broadband conducts performance evaluation for employees once a year at the end of each year, and the results of the evaluation are used for annual salary increases and performance bonus payments.
Anti-Corruption Management	• (1) Allegations of bribery or corruption, (2) Total amount of monetary losses incurred as a result of legal proceedings involving anti-competitive practices	SK Broadband has no violations of unfair competition and anti-corruption laws in 2022.

1) In relation to the user’s name, resident registration number, address, phone number, ID, signing-up and termination date, in accordance with the Telecommunications Business Act, courts, prosecutors, and investigative agencies may request communication data when necessary for criminal investigation, execution of sentence, trial, etc.

2) The other party’s user number and log records (date, time, etc.) are classified as ‘communication confirmation data’ under the Protection of Communications Secrets Act. The investigative agency must make a request after obtaining permission from the court along with an official document (including the reason for the request, relevance to the user and the scope of necessary data).

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Membership Status

Korea Intelligent IoT Association

Korea Exchange

Korea Information &
Communication Contractors
Association

Korea Association for ICT
Promotion

Korea Enterprises Federation

Korea Cable TV Association

Korea IT Leaders Forum

Korea Radio Promotion
Association

Telecommunications Technology
Association

Korea Online Privacy Association

Korea Internet Service Promotion
Association

Smart Media Industrial Promotion
Association

Korea IPTV Broadcasting
Association

Korea Engineering & Consulting
Association

Korean Standards Association

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To readers of SK broadband Sustainability Report 2022

Introduction

Korea Management Registrar (KMR) was commissioned by SK broadband to conduct an independent assurance of its Sustainability Report 2022 (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 302 : Energy
 - GRI 305 : Emissions
 - GRI 402 : Labor/Management Relations
 - GRI 403 : Occupational Health and Safety
 - GRI 407 : Freedom of Association and Collective Bargaining
 - GRI 418 : Customer Privacy

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

KMR’s Approach

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

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

Limitations and Recommendations

KMR’s assurance engagement is based on the assumption that the data and information provided by SK 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.

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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 2023 Seoul, Korea

E. J. Hwang

