



CONNECT TO THE FUTURE
TOGETHER, FOR HAPPINESS

2021 SK broadband Sustainability Report



About This Report

Since 2021, SK broadband has published our sustainability report with the aim of actively communicating with stakeholders. This 2nd report provides an honest and transparent account of our efforts and progress on our journey towards sustainable management.

Reporting Period and Boundary

The data in this report covers our operations and consequent achievements from January 1, 2021 through December 31, 2021. Some key parts of operations in early 2022 are also included in this report along with the recent three-year data of quantitative achievements for year-over-year trend analysis. And the main reporting boundary of this report is SK broadband's domestic business sites, and some of content and performance of our subsidiaries are also embodied.



Cover Story

The image of happy customers' daily lives using SK broadband's services shows our corporate identity, 'a company delivering happiness, joy, and fun to stakeholders.'

Reporting Principles

This report complies with the Core Option of Global Reporting Initiative Standards (GRI), an international reporting guideline, and also aligns with the indexes of Sustainability Accounting Standards Boards (SASB). In addition, we take into account other global initiatives including Task Force on Climate-related Financial Disclosures (TCFD) recommendations and UN Sustainable Development Goals (UN SDGs).

Data Assurance

To ensure reliability and quality of the report, the data in this report has been subject to third-party verification. And verification data is available in this report.

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Year in Review

Performance

Net increase in the no. of IPTV subscribers in 2021 Ranked

1st + 420,000 subscribers added

6.58 million subscribers to High-speed internet and 9 million subscribers to Pay Broadcasting

Sales in 2021

KRW **4.05** trillion **9.0** % increase

Hit a record high

Operating profit in 2021

KRW **275.6** billion **19.4** % increase

Raised shares of IPTV and High-speed internet High Tier



Social contributions

KRW **591.9** billion **14** % increase

Made remarkable progress in social value creation by creating more jobs and developing eco-friendly products

External Evaluation and Certification

Customer satisfaction evaluation
Achieved

the No.1 spot

Ranked 1st in the high-speed internet and IPTV sectors in National Customer Satisfaction Index (NCSI) and Korean Standard Service Quality Index (KS-SQI)

Won the
grand prize
at the 2021 Global Standard
Management Awards (KMR)



Won the grand prize in the innovative management sector of Global Standard Management Awards and received the commendation from the Minister of Trade, Industry and Energy at the 2021 Global Standard Management Awards

Selected as the
best company
and maintained the family-friendly company
certification in 2021

In recognition of the efforts in the 'work-life balance sector,' selected as the best company in 2021 by the Ministry of Employment and Labor, and maintained the certification for family-friendly company

ISO certification
obtained

Acquired ISO 14001 (Environmental Management system) and ISO 45001 (Occupational Health and Safety Management System)

Won the **1st place** in the first
publication category at KRCA

Ranked 1st in the category of first publication at Korean Readers' Choice Awards (KRCA) in recognition of the efforts to disclose our ESG management activities and non-financial data in a transparent manner for better communication with stakeholders

Won the Minister of Science and
ICT Award at the 22th

**Radio Broadcasting
Technology Award**

Received the award for wired and wireless PON Stick with ultra-low-latency and low-power

Business Expansion

'Channel S' opened

Jumped to No. 23 place in the Pay Broadcasting market

Home Entertainment platform

PlayZ launched

Rolled out the Korea's 1st OTT
Aggregator

Data center supply capacity expansion

2.5 times increased

Expanded its capacity from
36MW in 2020 to 92MW in 2021



Apple TV 4K launched

Collaborated with Apple for the first time
among domestic IPTV platform operators

Residential **EV charging** business in apartment complexes initiated

Embarked on the EV charging business in apartment buildings taking advantage of nationwide service infrastructure

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CEO Message

Dear esteemed stakeholders,
I deeply appreciate the encouragement
and support that you have shown to us.

In 2021, no one escaped from the vice-grip of the COVID-19 pandemic. These tough times made us contemplate what roles we can play as a leading player in the media industry, and at the same time, let us discover our potential out of the capabilities we have.

The COVID-19 pandemic will subside and we will return to normal in our daily life. However, we will see the digitalization in our everyday life and businesses intensify and non-face-to-face content gain more popularity. And I can say that SK broadband has shaped and driven this growth, which is evidenced by our remarkable achievements we made in 2021 amid the challenge triggered by the COVID-19. We attracted 6.58 million subscribers to High-speed Internet service and 9 million subscribers to Pay Broadcasting, hitting a record high, KRW 4.05 trillion in sales. On top of that, we ranked 1st in the net increase in IPTV subscribers while launching new products and services that meet the changing needs of customers, such as Apple TV 4K and B tv air, which are well received in the market. With the aim of expanding the scope of our portfolio, 'Media S' was opened.

Sales in 2021

KRW **4.05** trillion

CEO Message

In the B2B sector, we have doubled the DC business in size and scale, and hit a record high in winning contracts. Persistent communication with customers enabled us to upgrade our services, which resulted in the No.1 place in the categories of High-speed Internet and IPTV in the National Customer Satisfaction Index (NCSI) and Korean Standard Service Quality Index (KS-SQI). We also made constant efforts to contribute to the society, by the expansion of products and services that were capable of resolving social issues and creating decent jobs. As a result, we delivered KRW 591.9 billion worth of social value, a 14% increase from the previous year.

The year 2022 marks the 25th anniversary of SK broadband. Since the launch of the local phone service in 1997, we have continuously grown, keeping up with the fast-changing digital industry. As the telecommunications and media sectors are particularly sensitive to the changes, the businesses in the industries should swiftly respond to them. SK broadband has evolved through constant transformation and bold innovation for the last 25 years, and we keep the momentum by expanding our value chains. With our business know-how accumulated for 25 years, we will continue to move forward in 2022 along with our growth strategy as below.



We will selectively focus on the Core Biz based on our in-depth understanding of customers and markets. In terms of B2C, we will promote qualitative growth by raising the number of subscribers within urban coverage for high-speed services and providing tailored services optimized for each individual for IPTV. In the B2B sector, we will identify new demands such as overseas networks while reinforcing our competitive edge in the existing businesses to expand sales. Our aim is to pursue 'smart growth' based on the innovative distribution structure that suits the environment where non-face-to-face consumption is common practice.



Stronger partnership and collaboration will be pursued to step up our business competitiveness. Our capabilities and resources will be combined with the know-how and abilities of our domestic and overseas partners through partnerships to be more competitive. Based on the collaboration with wavve and three IPTV providers, we will expand original content, thereby equipping ourselves with content competitiveness. Taking advantage of our experience in exclusively launching Apple TV 4K set-top box in 2021, we will put spurs to establishing partnerships with global content providers, based on which we will expand the base of subscribers and make customers stay longer on our platform.

Social Value Creation

KRW **591.9** billion

Scaling up business in a short period of time is key in the new and growing business sector. In early 2022, SK broadband unveiled 'PlayZ,' an OTT Aggregator that will lead the OTT market in the future, in the domestic market. On the basis of this platform, we will lead the content market and solidify our dominance in the home screen sector. The global data center is one of our primary focuses. The launch of Gasan Data Center whose area is equivalent to 10 soccer fields in July 2021 has positioned us at a leading player in the domestic IDC operator within a short amount of time. Going forward, the growth will be accelerated through the reinforced coalition within the value chain. Furthermore, the EV charging business was commenced in 2021 as an ESG-oriented business to push back the frontiers of the value chain, capitalizing on our infra and network. SK broadband will accelerate our new business models and connect value chains in each sector.



In an effort to usher in a sustainable tomorrow, we will step up our ESG management. We have embarked on ESG management since 2021. The 1st publication of our sustainable report was the part of the effort. On top of that, we will plan to declare '2045 Net Zero' and come up with the detailed roadmap, thereby being part of the solution to social issues we are faced with in a more active manner. In 2022, we will embed the guidelines on ESG management into all facets of our business while setting the stage for ESG management so that all our employees can understand the direction and engage on this journey.



The key to business growth lies in work culture. With the purpose of reinventing ourselves as a more trusted and beloved company, we will create a corporate culture with One Team Sprit where employees put company-wide gains and customer value first rather than focusing on the achievement of the goal of the organization they belong to. In addition, to facilitate Bold Execution, we will make roles and duties for each job clear and motivate our employees while coming up with various ways of communication to narrow psychological distance among employees under the prolonged non-face-to-face circumstance. By doing so, we will become a workplace in pursuit of 'Fun & Together' where our employees enjoy their work to the fullest.

Going forward, SK broadband will go the extra mile to deliver sustainable growth and happiness that all our stakeholders and customers can actually sense. And all the efforts and progress will be disclosed in a transparent manner to ensure fairness in our business operations. I look forward to your constant interest and encouragement and I wish you and your family happiness and peace.

Thank you very much.

July 2022

CEO of SK broadband Choi Jin-hwan

Jinhwan Choi

Net Zero

2045

Company Profile

Company Overview

SK broadband has broadened the scope of our business portfolio into new areas more than Telecommunications and IPTV businesses beyond the era of High-speed internet, Pay broadcasting, and Media content. With the business expansion, we are going to position ourselves as ‘Media & Entertainment Platform Company’ in the B2C sector while establishing ourselves as ‘Digital & Network Infra Company’ in the B2B sector. On the basis of our key business models and newly launched business models, we will vault into a company that underpins customers’ happiness and growth by providing new opportunities for those engaging in the business ecosystem.

* As of the end of December 2021

Company Name	SK broadband
Address (Headquarters)	SK Namsan Green Bldg., 24, Toegye-ro, Jung-gu, Seoul, Korea
Date of Establishment	September, 1997
No. of Employees	2,527
Revenue ¹⁾	KRW 4.59 trillion
Net Profit ¹⁾	KRW 213.5 billion
Total Assets ¹⁾	KRW 5.97 trillion

1) On a separate basis

Business Scope

Our business largely consists of two sectors; the media business which is the foundation for the comprehensive media business and the wired telecommunications business. Despite the prolonged COVID-19 and the intensifying competition in the media market, we launched a variety of products that provided a stable network environment and delivered a higher level of customer convenience, which led to the remarkable progress of hitting 9 million in the no. of subscribers in the end of 2021. On top of that, we witnessed the increase in sales, which was attributed to the sharpened service competitiveness by unveiling content curation service based on the analysis of customers’ lifestyle through Big Data. In the wired telecommunications sector, we turned the crisis into opportunity, launching products that fit into the non-face-to-face era with relevant marketing strategies, which led to an increment in profitability. And the acquisition of the SK telink’s B2B business expanded the boundaries of our business portfolio. Our focus is also on new business model identification including the internet data center business to secure a future growth momentum.

Media Business



Internet Protocol Television (IPTV)

A two-way service that provides digital television service for consumers over Internet Protocol (IP) networks. A convergence service of telecommunications and broadcasting, providing real-time broadcasting programs, multimedia content, such as VOD, data, voice, sound, and e-commerce, and personalized services



Community Antenna Television (CATV)

A business operating a regional channel with the aim of providing better TV streaming services and improving regionality of broadcasting by offering video and audio information through the HFC network enabling broadband transmission unlike the conventional TV reception method requiring a television antenna

Wired Telecommunications Business



Internet

A business enabling customers to enjoy diverse additional services and content by giving them internet access lines and internet access based on the network owned by SK broadband



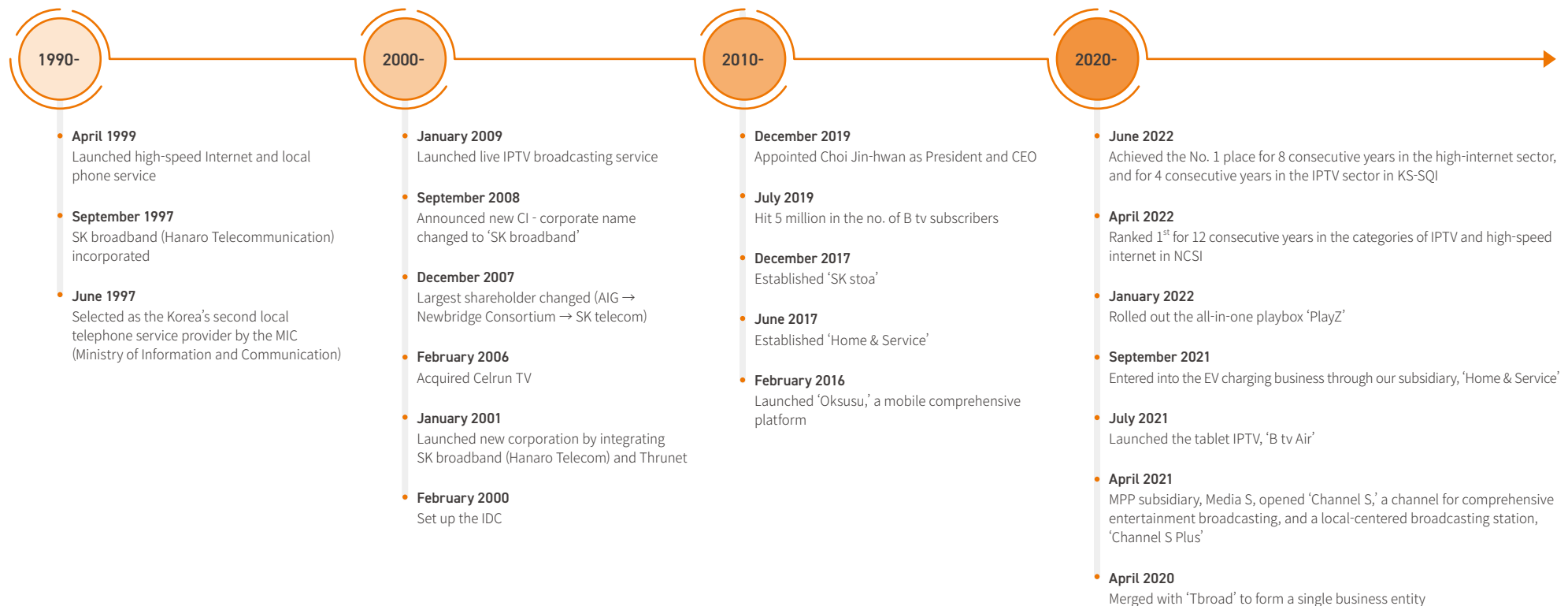
Telephone & VoIP

A business that transmits and receives voices utilizing telecommunications facilities within the communication range stipulated by the Telecommunications Business Act, or transmits and receives voices through the internet regardless of the communication range and provides related additional services



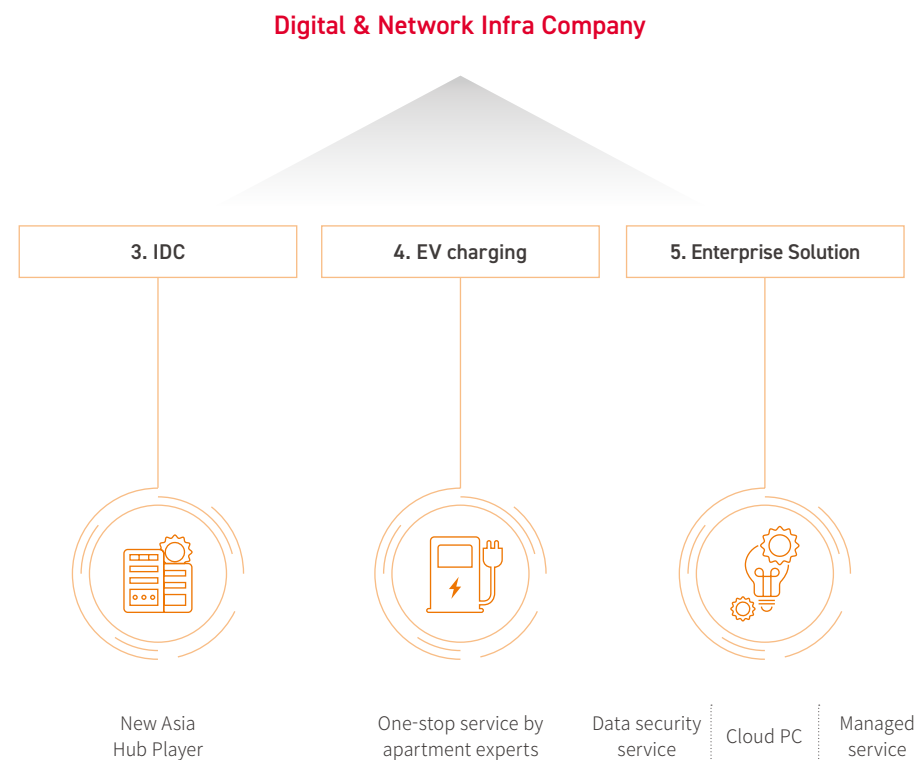
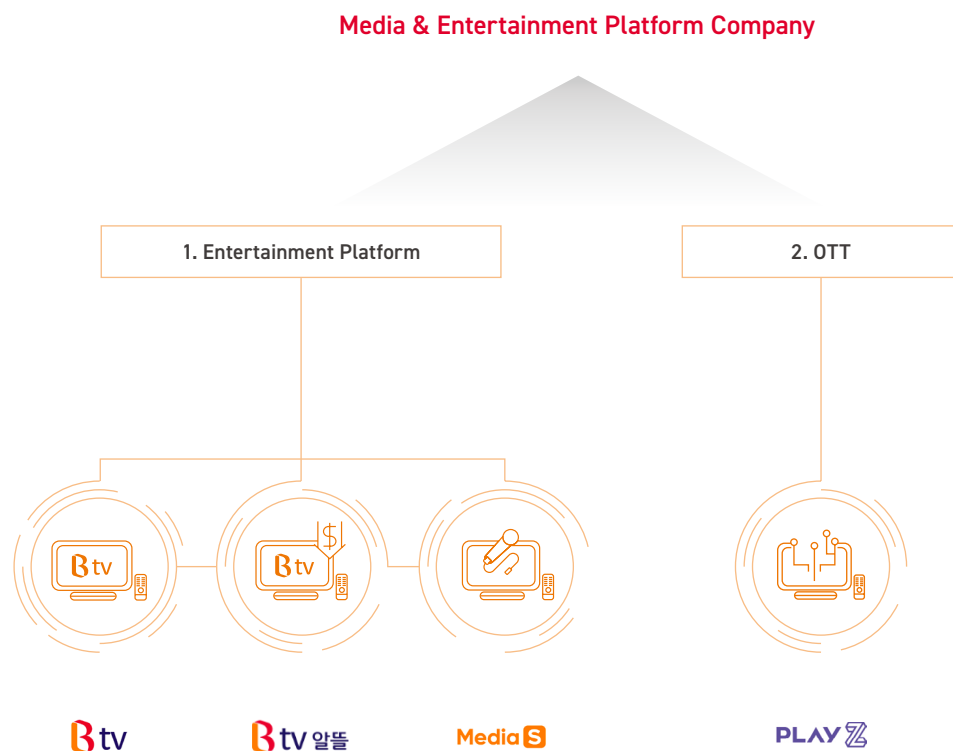
Internet Data Center (IDC)

A facility that brings together all the equipment such as servers which is the integral part of internet connection. It is a business providing high-density and high-stability racks, uninterrupted isothermal-isohumidity environment, security, operation agency and networks



Business & Brand

SK broadband expands our new business models based on existing business models and extends the customer relationship, thereby accompanying their happiness and growth. We are broadening the value chain through the expansion to the B2B business based on digital and network infrastructure beyond the B2C area of the media and entertainment platform.



Business & Brand

① Entertainment Platform



B tv

B tv is our representative IPTV streaming service that curates a wide selection of content according to various lifestyles of our customers. One of our outstanding services is ‘OCEAN’ that provides a total of 14,000 films including movies filmed by six global major studios and 900 American and British drama series. ‘ZEM KIDS,’ our brand for infants and kids, recommends a total of 80,000 contents by age, level and taste while ‘Ocean Senior’ brings together a variety of specialized contents for parents that belongs to the senior, which sets us apart from competitors. In addition to content curation, we have unveiled a variety of products using devices. B tv Air, launched in 2021, is a representative brand in the era of increasing personalization where people are staying longer at home due to the COVID-19. This service enables customers to enjoy IPTV on TV (B tv), smartphone (Mobile B tv) and tablet PC. In November 2021, we concluded an exclusive agreement with Apple to roll out B tv-mounted Apple TV 4K set-top box, which was a breath of fresh air in the industry. Apple TV 4K is Apple’s OTT streaming device which allows users to watch not only B tv content but also the content on the platforms of Apple TV+, WATCHA, Netflix, Disney+, Tving, Coupang Play and Amazon Prime Video.

B tv Alddeul (economical)

As Tbroad merged with SK broadband in 2020, the name of ‘Tbroad’ changed to ‘B tv Alddeul (economical).’ ‘B tv Alddeul (economical)’ is a cable TV service characterized by affordable price plans that appeal to rational consumers. It also features simple and convenient control and channel-type VOD promotional menu, thereby reinforcing the nature of broadcasting service, which allows users who are not familiar with cable TV to use the service in an easier manner. In addition, we provide products for each target, such as monthly subscription plan for movie, ‘Super Kids Monthly Subscription Plan,’ and ‘Senior Monthly Subscription Plan’ for senior citizens. In an effort to create social value in local communities, B tv operates a local channel, ‘B tv Town.’ The channel produces and delivers programs that cover the content of diverse regions including Seoul, Incheon, Gyeonggi, Cheonan, Sejong, Jeonju, Daegu, and Busan. The range of programs aired through this channel spans disaster broadcast, local weather information, broadcasting for local residents’ safety, and election broadcasting, thereby fully taking public responsibility as a broadcaster and meeting the economic, social and cultural needs of local residents.



Business & Brand

1 Entertainment Platform



Media S

The pay TV market has been restructured as the IPTV providers took over most of the Multiple System Operators(MSOs) through M&A. The competition among these media platforms to attract subscribers is getting fiercer, especially since there's been a growing demand for paid content after the COVID-19 pandemic. In response, following the merger with Tbroad, SK broadband has established a subsidiary company, Media S. Media S is a Multiple Program Provider(MPP), which operates 2 channels; 'Channel S', the channel dedicated to drama and entertainment show, and 'Channel S Plus', the sub-channel of 'Channel S'. Going forward, we plan to add in more channels of diverse genre to our portfolio, securing original content and generating additional profits through IP rights business.

Channel S

Entertainment channel for 2049 viewers providing novel and fun original content that allows viewers to stretch their imagination

Channel S+PLUS

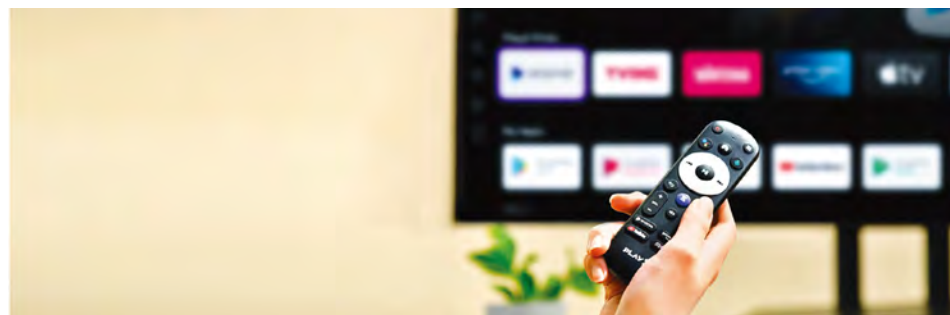
Subchannel of Channel S for regional information and variety shows, delivering original content produced by Media S and content related to local communities including regional information

2 OTT



PlayZ

More and more people are using OTT services than live broadcasting, and the OTT service are coming in various forms. This is an irreversible trend in the media platform sector. Taking advantage of the trend, SK broadband rolled out PlayZ, the platform for home entertainment in January 25, 2022. Home entertainment platform is already well-positioned, gaining popularity in the overseas market. Especially, it appeals to users in pursuit of smart and rational media consumption. 'PlayZ' largely consists of three services. The first one is about bringing together various and extensive OTT content as one combined service and providing personalized recommendations and management. The second one is the customized streaming service (FAST service) which collects customers' favorite content, thereby enabling users to watch TV programs in real time. The third one is to deliver diverse forms of content such as game, karaoke, and at-home workout programs, so that customers can enjoy leisure activities and self-management through a big screen. PlayZ satisfies three demands, 'time saving,' 'cost saving,' and 'self-development,' thereby providing a smart media life for users and securing media traffic. Based on this, we continue to create new business models.



Business & Brand

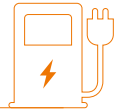
3 IDC



The COVID-19 has led to a growing number of OTT service users, and online classes and work-from-home have become a part of our life, which triggers a surge in data traffic worldwide. Against this backdrop, hyperscale data centers have been established nationwide, and SK broadband has been a driving force in the domestic IDC market. Especially with Gasan Data Center launched in July 2021, SK broadband has succeeded to secure tenants at full occupancy prior to the launch, which allows us to gain confidence and trust from the market. As of now, we are operating five data centers, and plan to expand the scale of business by 2025, which will lay the foundation for SK broadband to enter into global markets beyond the No.1 leading player in Korea. As the three countries (Singapore, Hong Kong, Japan) serving as Asia data hubs are reaching their limit for several reasons including saturation, political uncertainty, and earthquakes, it is expected that Korea will be the next destination for hub players. Taking this opportunity, SK broadband will redouble our effort to vault into New Asia Hub Player.



4 EV Charging



The global EV market is booming and expanding. Many countries will suspend the manufacturing of internal combustion engine vehicles from 2030, and the Korean government has set its target of spreading 1 million Electric Vehicles (EVs) by 2025. However, the biggest obstacle is the lack of EV chargers, so it is not convenient to charge EVs. SK has actively engaged in the EV value chain ranging from battery manufacturing to charging service at the group level. SK broadband has prepared the slow charging business as the next business model within this value chain. On the strength of the infrastructure for telecommunications and pay broadcasting as well as our human network, we are capable of installing EV chargers nationwide. And we are equipped with A/S personnel, so we have the capabilities to manage the whole process including application, installation, usage, payment, and follow-up management. It will be mandatory for a new building to set aside 5% of its parking area, and for an existing building to have 2% of its parking area for EV charger installation according to the government's policy, so it is projected for demand for EV chargers to be on the rapid increase.



Business & Brand



5 Enterprise Solution

Information Security Service

In recent years, as many people are working from home, we are seeing cybercrime aimed at trade secret on the increase. This phenomenon is projected to continue, and therefore, data security will come to prominence. SK broadband offers data security solution tailored to various needs of customers based on the analysis of customers' business environment using our own network. Our Security on Demand (SODA) is a platform-based security service that enables users to manage services that they want in an easier manner, such as data management or virus-blocking service within the system. It allows users to select the endpoint solution they want, such as security for networks including firewall or VPN, blocking harmful websites, or premium vaccines. It also changes the way of installation from the complicated method of establishing hardware to a simple method of downloading software, which allows users to significantly lesson costs and time taken to open after applying for the service. The DDoS Clean Zone service is a specialized solution that ultimately prevents DDoS attacks that attempt to paralyze the system and disrupt service by infected PCs. This is a more accurate and sophisticated blocking service compared to competitor services.

Cloud PC

In the post COVID-19 era, more and more companies are introducing working from home and operating an office hub, which gives rise to demand for Cloud PCs. In light of this, SK broadband has regarded Cloud PC service capitalizing on our stable network and data centers as a new growth engine in the B2B sector, and therefore sharpened our technology competitiveness to innovate our non-face-to-face infrastructure. Cloud PC is a service in which users can have access to the same virtual desktop including CPU, memory and OS, from the cloud. SK broadband's Cloud PC is invented based on our source technology, Desktop as a Service (DaaS) adopted as an ITU international standard. Our own developed technologies apply to the whole platform, which leads to reduced usage fees. And it boasts outstanding performance in terms of scalability, security, optimization, and customizing of client requirements, which makes it possible to have the upper hand in the market.

On the basis of these outstanding features, we have expanded our business securing references across from the whole B2B sectors with as followings: 1) demonstration project for 5G-Cloud-based government business network mobilization which is an integral part of the Korean Digital New Deal project, 2) separation of network of the public and financial institution and establishment of the environment for working from home, 3) smart work system establishment for companies, 4) and communal PC environment (computer education room) establishment for schools.

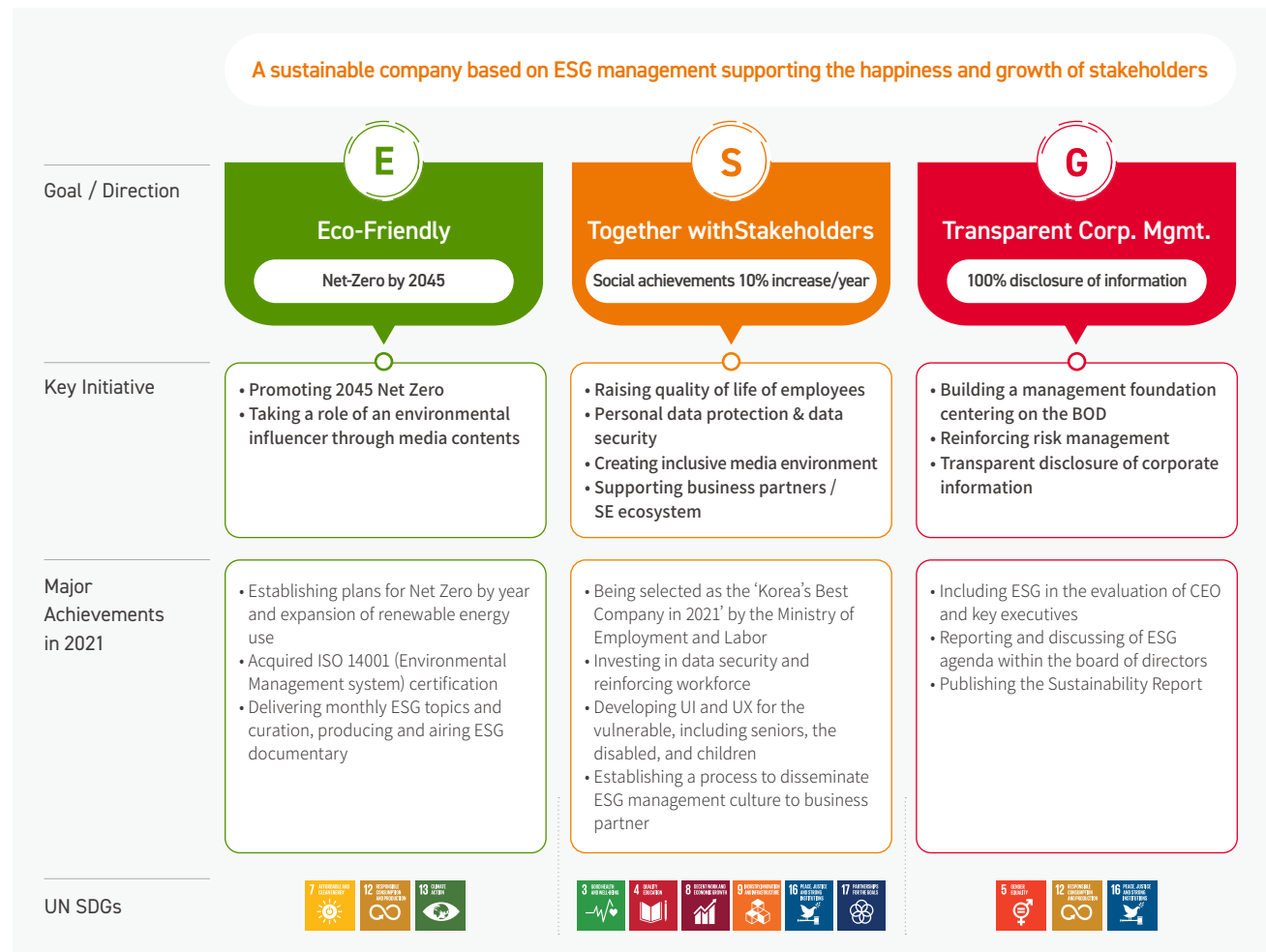
Managed Service

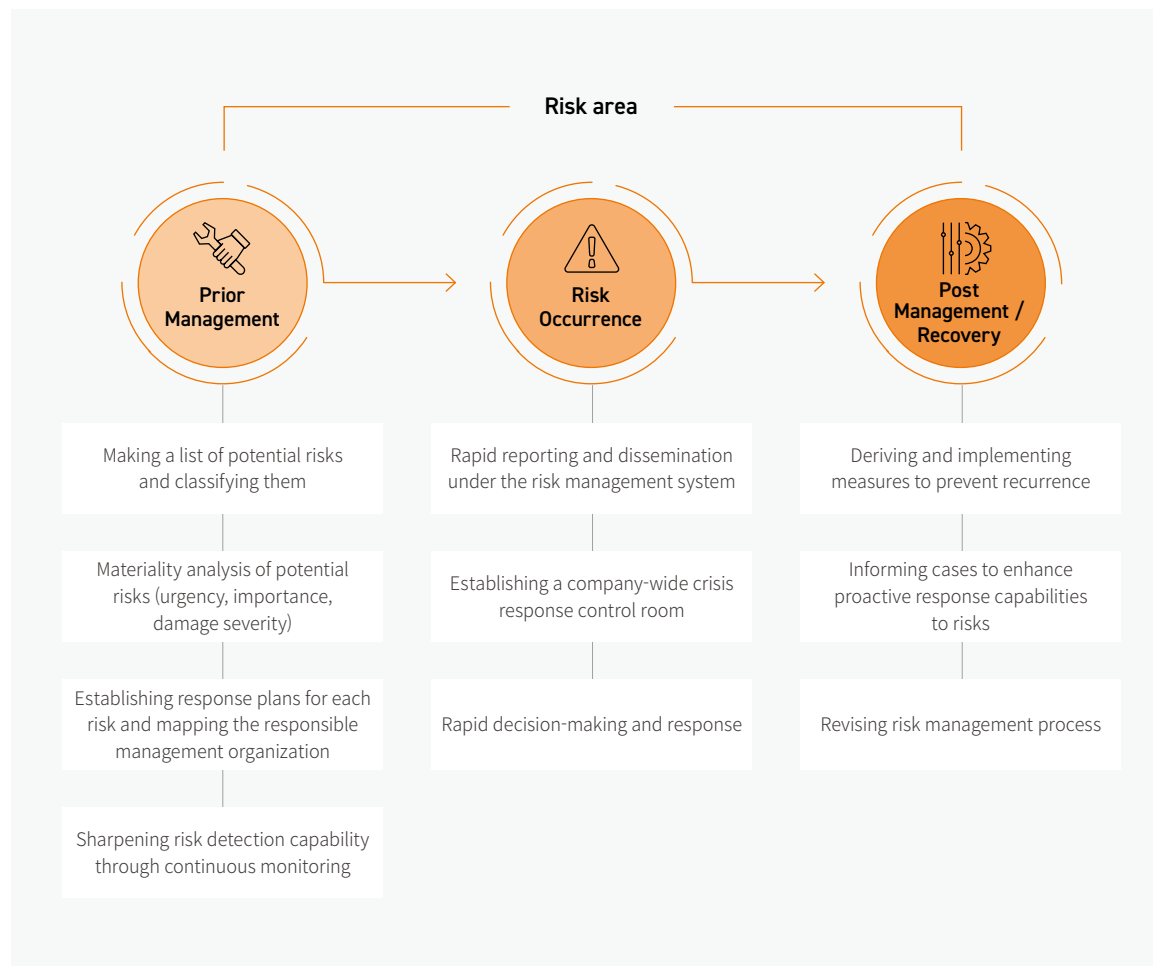
In the modern society, network infrastructure is a necessity for workplace but it comes with many burdens such as massive investment costs and human resources capable of addressing errors. To lift their burdens off, SK broadband provides Managed Service, which is a subscription service for various infrastructure and system management such as network, Wi-Fi, or LTE. This service allows users to reduce their burden of hiring experts and minimize Total Cost of Operation (TCO) since it furnishes an integrated service including control and maintenance through the 24/7 operation of the Managed Service Operation Center (MSOC). Furthermore, we are working on advancing this service to a cloud controller-based one, which will scale down operation costs more. In addition, we are expanding our IT Total Outsourcing (ITO) service that dispatches and manages operating personnel in order to improve work and cost efficiency of customers who operate a large-scale infrastructure such as a financial or securities firm.

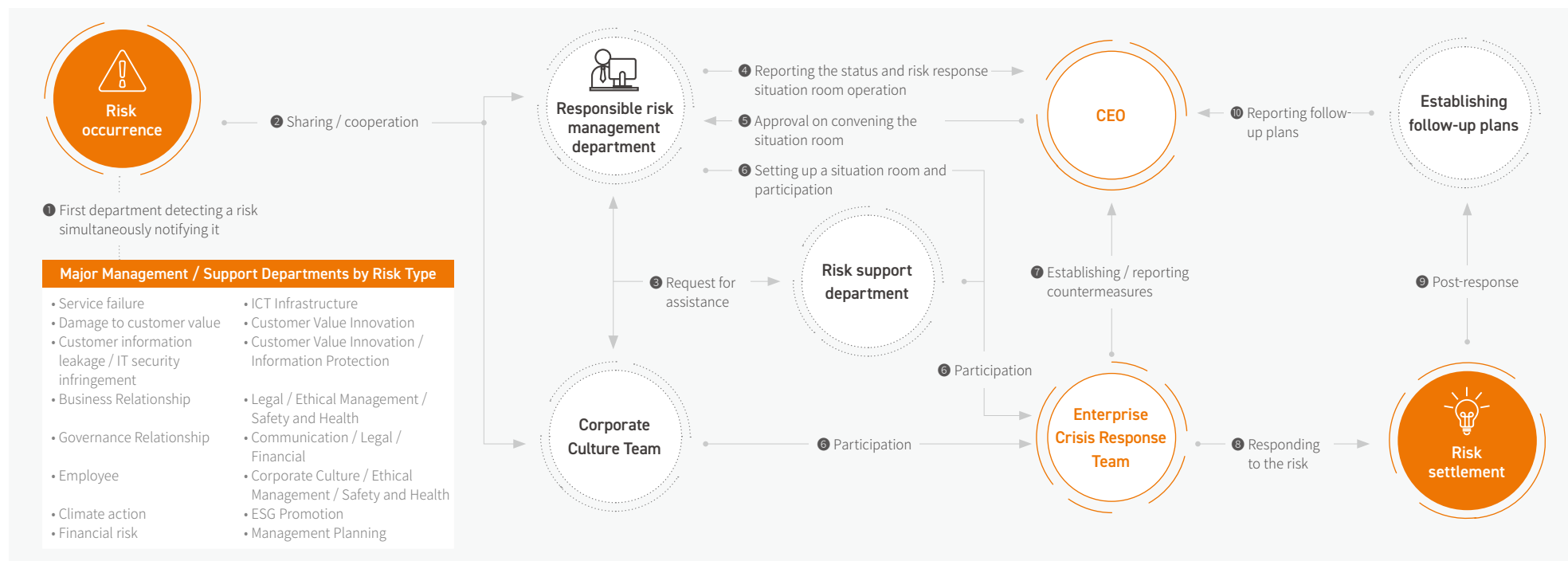
Sustainability Fundamental

ESG Strategy and System

SK Broadband made 2021 the first year of full-fledged ESG management and set goals for the environment, society, and governance. ESG stands for Environmental, Social, and Governance, which are non-financial factors of a company. In the past, companies were evaluated with only financial performances, but currently, investors and stakeholders measure non-financial performance as an evaluation of a company's sustainability. For our sustainable growth and future, we will disclose our non-financial performance on top of financial performance in a transparent manner to continue to communicate with our stakeholders.







Integrated Risk Management

Key Risk Identification and Response

SK broadband strains every nerve to identify potential risks in advance and respond to them. We divide key risks into financial and non-financial subcategories and manage them in detail.

Category	Risk	Risk Factors & Potential Impact	Mitigating Actions
Financial Risk	Market risk	- Foreign exchange risks arising from exchange fluctuations in assets and liabilities - Interest rate risks stemming from variable rate loan contracts	- Managing the risks through hedging transactions including derivative purchases when there is a need to avoid foreign exchange risks in terms of business transaction - Securing stability by fixing most of interest bearing assets at fixed interest rates
	Credit risk	Credit risks derived from counterparties failing to fulfill their duties of contract in transactions or investment activities	Checking the financial status of clients and counterparties on a regular basis, and setting credit limits on transaction after the evaluation of financial credit levels of them taking into account their transaction history and other elements
	Liquidity risk	Risks coming from the failure to make payments at the time of payment defined due to lack of funds. Liquidity risks have negative impacts on the financing plans of counterparties	Maintaining the appropriate level of cashable assets, and securing credit limit from financial institutions, thereby managing our liquidity, and flexibly operating funds within the credit limit
	Risk arising from the changing business environment	- Disappearing boundaries between wired and wireless, and telecommunication and broadcasting and intensified competition due to the digitalization of telecommunication technology and devices - Continuous increase of traffic owing to the growing high-resolution and large media content consumption - Accelerated media platform service competition with exclusive content due to growing consumption of paid content in the non-face-to-face service society	- Construction of submarine cables for quality stabilization of high-quality videos and large-capacity content - Enhancing the competitiveness through supplying our exclusive content and differentiated services - Establishing MPP subsidiary, 'Media S' - Launching Apple TV 4K set-top box with exclusive contract with Apple - Launching Korea's first OTT Aggregator 'PlayZ'

Category	Risk	Risk Factors & Potential Impact	Mitigating Actions
Non-financial Risk	Service failure	Major failures such as natural disasters, human errors, network service failures due to facility and asset defects, and IPTV transmission interruption	- Building submarine cables to respond to rising traffic and provide high-quality services - Separating the major telecommunication offices and making dual lines for common housing
	Damage to customer value	Giving compensations in case of insufficient response to customer complaints and grievances and growing possibility of civil litigation	- Conducting customer surveys and Voice of Customer (VOC) monitoring for customer communication - Promoting capacity building of customer contact channels
	Customer information leakage / IT security infringement	Having negative impact on corporate reputation and trust when customers' personal data is leaked to a third party or outside due to a hacking attack or lack of work ethics	- Having in pace security policy and guidelines based on the Act on Promotion of Information and Communications Network Utilization and Information Protection, etc., and the Personal Information Protection Act - Appointing Chief Information Protection Officer (CISO) and Chief Personal Information Protection Officer (CPO) and deliberating the mid- to long-term data security plan in the BOD - Maintaining ISO27001 and ISMS certification
	Business relationship	- Risks due to deteriorated ESG management capabilities of business partners - Damage caused by negative issues of business partners in the supply chain	- Establishing Business Partner ESG Code of Conduct - Implementing ethical management education for our employees and business partners
	Governance relationship	Having investigations by national institutions and related systems, policy risks	- Continuously identifying and responding to changes in domestic laws and government policies - Tightening the compliance through improving systems and processes for major weak points
	Employee	- Tightened obligations for occupational accidents, safety and health derived from the full-fledged enforcement of the Serious Accidents Punishment Act - Increased low efficiency due to the spread of the COVID-19 pandemic - Ethics and human rights violation risks	- Appointing Chief Safety Management Officer (CSPO) and enhancing a responsible organization (newly establishing the health management team) - Maintaining ISO45001 certification and reorganizing or revising safety and health management system, including the ones in business partners - Preemptively preventing infection through full-fledged working from home system - Setting focus areas of capacity building for employees and improving programs - Establishing ethical management based on three factors (Code of Conduct, Policy compliance, Consensus)
	Climate change and environmental risk	- The upward adjustment of NDC and full-fledged implementation of the Framework Act on Carbon Neutrality and Green Growth - Increased financial impact due to mandatory disclosure of GHG emissions data	- Declaring 2045 Net Zero - Increasing renewable energy usage to achieve RE100 (Green Premium contract) - Maintaining ISO14001 certification - Raising environmental investments such as replacing to high-efficiency equipment and developing eco-friendly equipment

1) Governance indicators are published as non-monetary performance

Value Creation and Distribution

Social Value Measurement and Performance

1 Indirect Economic Contribution Performance

The indirect economic contribution performance represents the contribution to the overall economy through corporate activities, comprising employment, dividends, and taxes. Through employment, we provide stable jobs and pay wages for our employees. And by paying taxes through business activities, we maintain the nation and contribute to advancing people's lives. Since 2021, we added 'performance of improving the quality of life of employees through welfare benefits' in measuring employment performance in accordance with the VBA standards, a global standard measurement system. Our indirect economic contribution performance in 2021 rose by KRW 41.3 billion year on year due to the acquisition of SK telink business and the expansion of hiring. Our higher operating income increased tax performance by KRW 34.1 billion to KRW 597.5 billion.

2 Environmental Performance

The environmental performance refers to both positive and negative impacts on the environment in the course of corporate business. The impact of SK broadband on the environment in 2021 was KRW (-)35.4 billion, which is the result of electricity use for business operations. The environmental performance through products and services rose by KRW 1 billion compared to the previous year due to increased subscribers to low-power set-top boxes. However, the environmental processing performance generated in the course of business operation, such as GHG and waste, was further reduced by the rise of CO₂ emissions derived from the merger with Tbroad and the addition of two new IDCs (Gasan Center, Ilsan2 Center). Going forward, SK broadband will continue to reduce our environmental impact by expanding renewable energy use and taking the lead in carbon mitigation efforts, thereby achieving 2045 Net Zero.

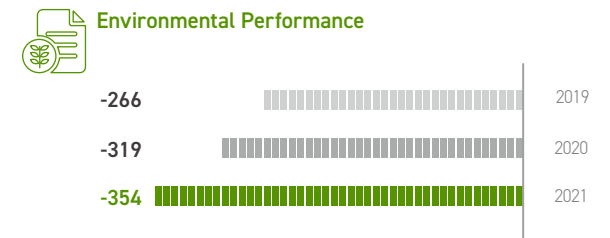
3 Social Performance

Social performance refers to the performance made to society through the company's products and services, the labor performance improving the employees' working environment, the win-win cooperation performance of the industrial ecosystem, including business partners, and the performance directly contributing to society through social contribution activities. In 2021, SK broadband generated a total of KRW 29.9 billion in social performance. Among them, the social value performance created through products and services was KRW 9.7 billion, and social contribution performance was KRW 1.9 billion. The labor and mutual growth performance was KRW 18.3 billion, grew up KRW 0.8 billion year on year, mainly due to the support for socio-economic enterprises and hiring of the vulnerable. We will continuously put our endeavors into resolving social issues, striving to create a variety of social values.

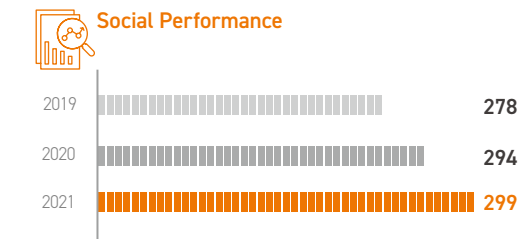
(Unit: KRW 100 million)



(Unit: KRW 100 million)



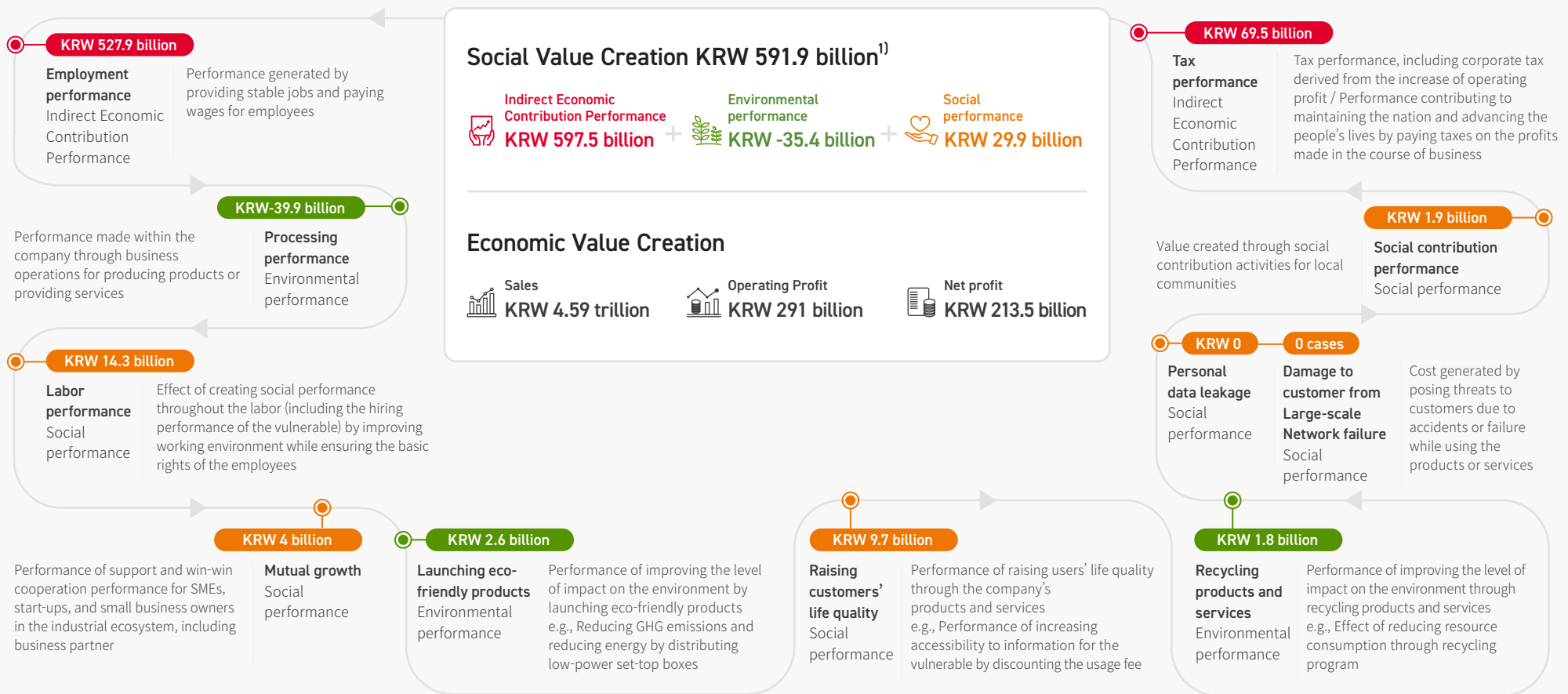
(Unit: KRW 100 million)



Value Creation and Distribution

Value Creation Model

SK broadband makes strenuous efforts to create social value for all our stakeholder, including not only customers but also employee, business partner, and the local community, in the course of business.



1) It is an aggregated amount rounding off to each performance figure.

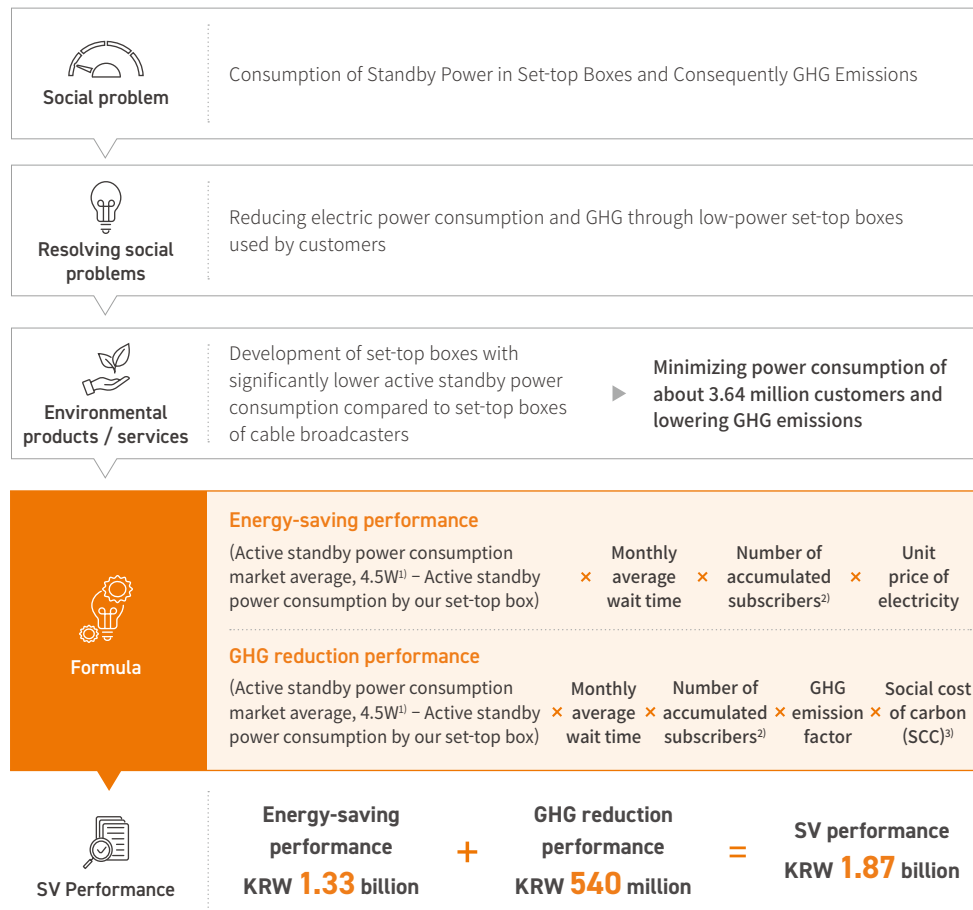
* The social value performance figure includes the performance of our affiliate, Home & Service as well as Happy Green Recycling, a contract company performing the telecommunications device service for SK broadband, which hires the vulnerable.

* Economic value creation is based on SK broadband's separate financial statements

Value Creation and Distribution

Examples of Value Creation Performance Calculation

Example 1) Energy and GHG reduction performance through SK broadband's low-power set-top box

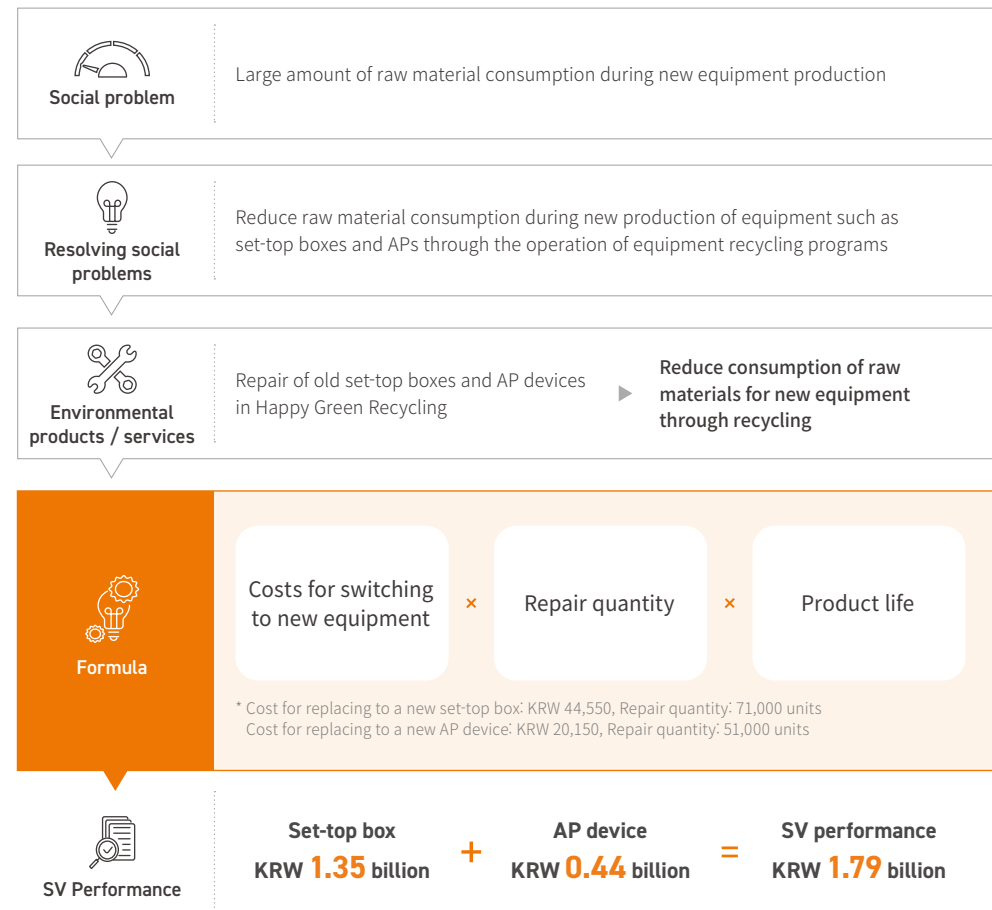


1) Source of the market average, 4.5W: Korea Energy Agency

2) Number of accumulated subscribers: 3640,000 for 9 low-power set-top boxes as of late 2021

3) Based on SK Group standard

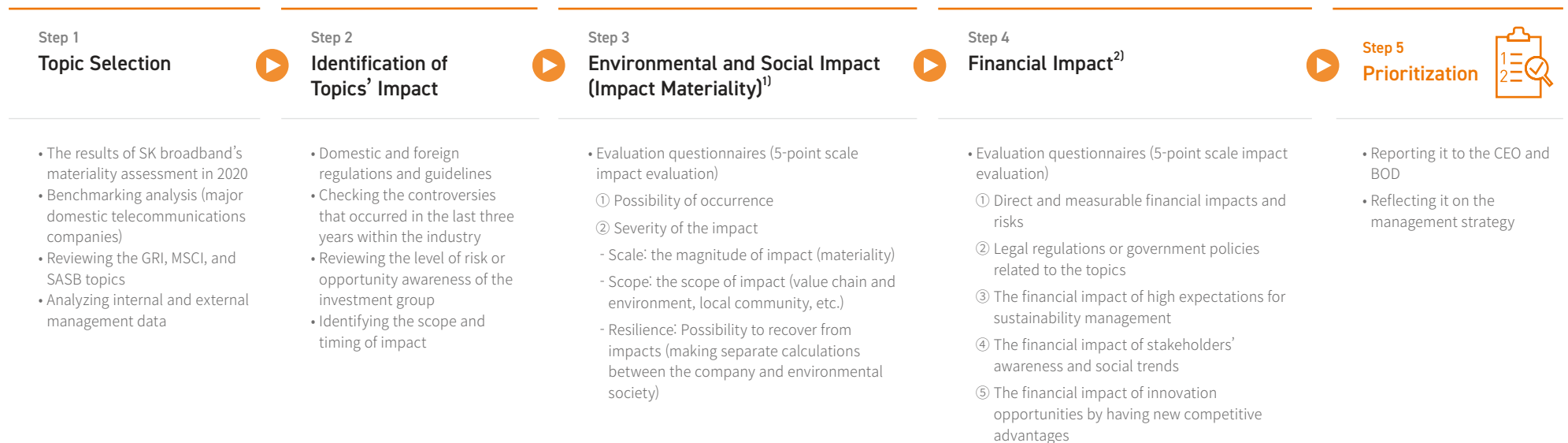
Example 2) Reduction of resource consumption performance through device recycling program



Double Materiality Assessment

Materiality assessment is the process of identifying grave ESG topics that should be considered first out of all ESG topics impacting the company's sustainability. In line with the trend of disseminating and advancing ESG, the way to assess materiality has been changing. In 2019, the EU announced the concept of double materiality through the Non-Financial Reporting Directive (NFRD) (later revised to the Corporate Sustainability Reporting Directive). Accordingly, GRI reorganized its plan to adopt double materiality and announced to make it mandatory to apply it from 2023. With an aim to apply the ESG's critical issues to management and corporate activities from a strategic point of view and to check the mutual impact among the environment, society, and the company, SK broadband adopted the concept of double materiality preemptively and selected material topics while reinforcing risk management on the salient topics. The double materiality assessment consists of an environmental and social impact assessment and a financial impact assessment.

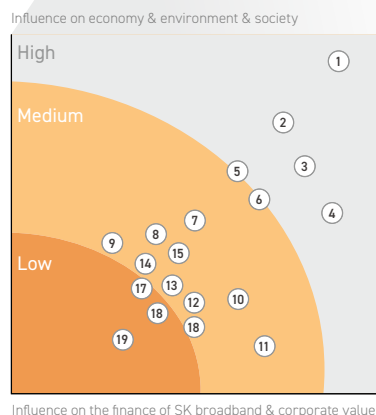
Double Materiality Assessment Process



1) Environmental and social impact (impact materiality): the impact of corporate activities on the environment and society from the perspective of 'inside-out'

2) Financial impact (Financial materiality): the impact of environmental and social factors on the corporate activities from the perspective of 'outside-in'

Double Materiality Assessment Results



Topic	Background	Page
① Protection of corporate information assets and customers' personal data	As digital transformation accelerates due to technological advances such as 5G and Cloud PC, cybercrimes and consequent damage have increased accordingly. Customer data leakage cases are continuously witnessed in society. Therefore, the security awareness of the company is even more significant.	86-89, 118
② Provision of high-quality and absolutely stable network service	Telecommunication is the fundamental infrastructure to sustain society. Therefore, accidents related to network interruption can easily lead to secondary and tertiary damages. Against this backdrop, stable provision of products and services and efforts to improve quality are the fastest ways to earn customers' trust.	90-91, 119
③ Advancement of safety and health	Stakeholders have a growing interest in a safe working environment and healthy working life owing to the enforcement of the Serious Accidents Punishment Act and the COVID-19 pandemic. Major institutional investors have declared that they will actively engage in companies with safety and health and environmental risks.	73-78
④ Enhancing new growth businesses	Companies prepare for new future businesses in response to the rapidly changing business environment and stakeholder expectations. SK broadband continues sustainable growth in both the financial and non-financial sectors through endless innovation, capitalizing on our competitive advantage and new businesses in consideration of the environment and society.	31-33
⑤ Tightening compliance	There is a growing number of laws and regulations that companies must abide by in relation to fair trade, anti-corruption, environment, and safety. Violation of the law is a significant loss of corporate value and trust. Stakeholders request us to familiarize ourselves with laws and regulations closely related to the operation, review them in detail, and conduct compliance activities.	102-104
⑥ Improving telecommunication and media accessibility	Everyone has the right to access media and information, regardless of whether they are physically disabled or restricted due to particular circumstances. Ensuring media access and empowering people to use it can resolve inequality and create a better quality of life.	42-47
⑦ Sharpening competitiveness and ESG Capabilities of business partners	Business partners are the companions of business activities. Therefore, identifying and managing ESG risks of business partners have become also critical in responsible management. In addition, enhancing the competitiveness and value of the business partners through mutual respect, cooperation, transparent transaction, and support is an essential requirement for building a sustainable business ecosystem.	82-85
⑧ Energy saving	Various facilities and assets operated by telecommunications & media companies consume a lot of energy, including electricity. Therefore, saving energy and expanding renewable energy can reduce the environmental impact and give new opportunities by investing in various technologies.	35-36, 56-58
⑨ Improving customer happiness and customer satisfaction management	Customers have been the key stakeholder of a company. Currently, customers are changing to demand and act on corporate responsibilities related to various social issues. If a company cannot manage the company's responsible management and reputation, including the quality of products and services, the company will not be chosen by customers.	39-41

Topic	Background		Page
⑩	Ethics and integrity	If individuals' or organizations' ethical judgment is unstable due to the lack of an ethical mindset, a company's existence can become weak. Therefore, companies should keep the trust of stakeholders by strengthening their anti-corruption mindset and having strong sanctions on misconduct against fair trade, anti-competitive behavior, and consumer deception.	102-104
⑪	Transparent governance	Sound governance serves as the foundation for sustainable growth, determining responsible and correct growth strategies. Through a constructive governance structure that harmonizes checks and cooperation, companies should maximize corporate and shareholder value and secure transparent leadership by disclosing the decision-making process.	98-101
⑫	Participating in resolving local community issues	A company should minimize the negative impact on the local community and raise the positive impact, aiming for co-prosperity. For a company, it is necessary to create a good impact. To this end, companies should resolve social problems in the region and contribute to regional revitalization.	92-97
⑬	Response to climate crisis	The climate crisis may lead to unexpected financial damage to businesses reputation and assets. If companies do not prepare the transition plan in line with the global commitments, their corporate value will decline with loss of competitive advantage.	34-37, 56-61, 112-117
⑭	Waste and Circular economy	There are active discussions around the establishment of a circular economy in the product lifecycle (manufacturing, distribution, use, and disposal) in order to prevent wastage of resources and minimize the ecosystem. Considerable electric waste generation also becomes a social issue. Therefore, it is required for a company to make active efforts to prevent massive use or damage of resources and reuse resources and expand recycling.	59-61, 119
⑮	Reduction of GHG emissions	There are collective efforts in the world to reduce GHG emissions that raise the temperature of the Earth. Companies should have a responsibility as a main source of emissions.	34-37, 56-58
⑯	Stakeholder engagement	As the corporate purpose has expanded to maximize stakeholder value, the capability to discover expectations and pain points through active communication with each stakeholder group, reflect them in corporate strategies, and resolve them in business activities is more significant.	110-111
⑰	Diversity and human rights management	Securing diversity leads to innovation and problem solving by presenting diverse opinions. The prerequisite for this is an attitude that respects human rights without discrimination against age, gender, race, environment, and rank.	79-81
⑱	Labor-Management relationship	Respecting the right of employees and active communication between the labor and the management enhance the unity among employees while forming a productive labor-management relationship.	72
⑲	Growth and happiness of employees	Employees are precious assets of a company. Securing competitive human resources and developing capacity ensures a future while creating a competitive edge. Besides, a corporate culture, where both work and life, and both company and family are cared, is the starting point of employee management.	49-52, 62-72

Sustainable Future Story

#1. Era of Great Transformation, toward New Future 29

#2. 'Customer' at the Heart of Everything 38

#3. Enjoy Work and Grow Together 48

Sustainable Future Story #1 Era of Transition, towards a New Future

SK broadband marking the 25th anniversary

SK broadband celebrates the 25th anniversary of our foundation in 2022. 25 years ago, we started with a local phone business and began to grow through high-speed internet and corporate leased line services. Since then, we have expanded our business model to IPTV, accelerating the growth. Currently, we take this infrastructure as a stepping stone for continuing the value chain with media content. We have made bold and strategic innovations, such as launching the world's first high-speed internet and introducing Korea's first IPTV, for the last 25 years. Thanks to the endeavors, we have grown into Korea's renowned media platform company having 9 million subscribers (pay broadcasting subscribers as of 2021) with revenues of around KRW 4 trillion.

Revenue
About KRW **4** trillion

No. of pay Broadcasting
Subscribers
9 million

The world has transformed much faster than we expected. Particularly during the COVID-19 pandemic, the future has come earlier. School is out of the classroom, and work is out of the office. People gather more online than offline, and increasingly spend more time on mobile and digital. After the Industrial Revolution and the advent of mobile phones, the COVID-19 pandemic has ushered in the so-called 'era of great transformation.' Historically, in the midst of sudden changes, companies have continued innovation to grow further while companies that stick to the previous way of working fall behind. Taking this time of great transformation as an opportunity, SK broadband has been seeking a value chain based on the existing network and digital infrastructure. SK broadband's leap toward the future has already begun.

25 years is a long but short time for a company to grow. For a human age, the age of 25 is a youthful time of life, expecting a bright and promising future with great hope. SK broadband, 25 years old, has passed through Version 1.0 focusing on the telephone and high-speed internet business, Version 2.0 with paid broadcasting businesses such as IPTV and CATV, and Version 2.5 with VOD added with advertisement and home shopping business models. Currently, we are preparing for Version 3.0 that would be completely different, concentrating on reinforcing new growth engines. We are actively pushing back the frontiers of our business scope that leads to the expansion of our value chain capitalizing on PlayZ, home-charging for EVs and internet data centers. By doing so, we will take a leap towards 'More than Telco / IPTV Company'.

More than Telco / IPTV

- Home entertainment platform
- Internet data center (IDC)
- EV charging infrastructure for apartment complex

Prepare SK broadband Version 3.0

Media contents

- VOD
- Advertisement/home shopping

Version 2.5
(2011~)

Version 2.0
(2009~)

- Pay Broadcasting

- IPTV
- CATV

Version 1.0
(1999~)

- Network infrastructure

- High-speed internet
- Corporate Internet Leased Lines

New Growth Driver Opening Up a New Future



1. For Everyday Happiness, PlayZ

Growth of OTT Market

The most prominent change that the pandemic has brought about in the media sector is the growth of the OTT market. Over the past two years, the market has rapidly grown and the OTT platforms are diversifying. This gives viewers a wide range of choices and they spend more time on OTT services. But at the same time, a wide range of options makes viewers spend more time on searching and choosing content. As content is scattered all around OTT platforms, viewers have to pay more to subscribe to several OTT services. According to surveys, each family in the United States, where OTT service is already common, uses four OTT platforms, and a family in Korea uses more than two platforms on average as of the end of 2021. And people cannot be satisfied with watching Marvel characters on a hand- and notebook-sized screen anymore.

PlayZ Launched

'Can't we put all the OTT platforms together and enjoy them in a big TV screen?' People thought, and that's the beginning of the home entertainment platform, OTT Aggregator. This market is already hot and growing overseas. The OTT Aggregation created by viewers' needs is not only a product reflecting media industry trends but a strong business model for TV by serving as an advertisement devise.

We judge that the OTT Aggregator is the end point of evolution of the media platform, and we launched PlayZ that puts seven OTT services, about 30 FAST (Free Ad-Supported Streaming TV) channels, about 7,000 free VODs, games, and karaoke together in January 2022. PlayZ is a platform that allows viewers to quickly search for content they want to watch on a TV screen and enjoy it conveniently on an OTT platform they choose. Integrated search function allows viewers to use any OTT services without accessing individual ones, and when searching for content, viewers can know the service provider and price.

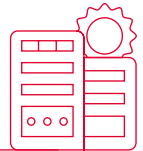
OTT and Entertainment Integrated

With PlayZ, viewers can enjoy more than 30 free streaming channels, music, karaoke, and at-home workout programs as well as OTT content. In particular, about 20 video game applications that use a TV screen are provided, and a dedicated application is offered to utilize a smartphone as a game pad. With this, viewers can take entertainment home with a big TV screen. PlayZ, which satisfies all three needs of 'time saving,' 'cost saving,' and 'self-development,' is the first platform that has been tried in Korea and a business model driven by SK broadband's innovative spirit. PlayZ is an all-in-one platform service targeting the MZ generation, which has a strong need to enjoy various types of media content conveniently, and is expected to be a new growth engine in our media business sector.

All-in-one Play box 'PlayZ'



New Growth Driver Opening Up a New Future



▶ 2. Data Center, Supporting Corporates' Digital Growth

New Opportunities, Data Center

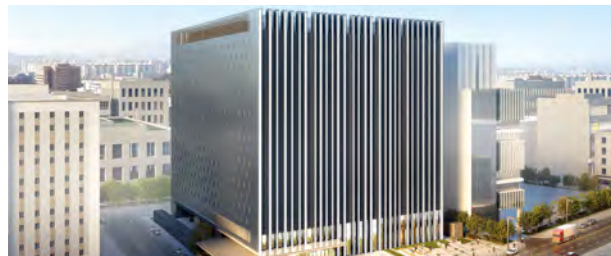
Data traffic in Asia has been increasing by more than 33% on average every year as the global digital consumption is accelerating due to the pandemic. The market of data hub in Asian region is expected to grow rapidly from about KRW 10 trillion in 2020 to about KRW 17.5 trillion in 2030. Meanwhile, Singapore, Hong Kong, and Japan, which account for 71% of Asia's international traffic, are no longer able to expand their business due to saturation, political instability, and earthquakes, so data centers are being built in major data consuming regions including Korea, Malaysia, Indonesia, and the Philippines.

We consider this changing landscape as an opportunity not to be lost. As the three Asian countries of data hubs reach its limit, alternatives to them are required. Korea, widely dubbed as Asia's technology and innovation, currently stands at only 3% at the global data center market. This means there is huge room to grow. Given that 90% of the new demand is centered around Cloud Service Providers (CSPs), the current market situation is a great opportunity for SK broadband who understands CSPs' needs.

Successful Opening of Gasan Data Center

Opened in July 2021, the Gasan Data Center built on area equivalent to 10 soccer fields has proved its potential by securing tenants at nearly full occupancy in a short period of time. The success is attributed to our experience of accurately identifying the needs of customers, providing customized services, and operating ICT businesses. It has significantly changed our status in the domestic data center market. Although we are a latecomer in the market, it is rapidly growing by being equipped with 2.5 times of production capacity compared with one year before. And it has won global CSPs' trust through collaboration. We started with three data centers in 2020, and now operate five as of 2021. We have plans to add three more centers by 2025 to preemptively meet the demand in the domestic market.

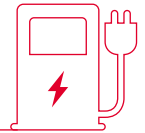
Gasan Data Center



New Asia Hub Player

SK broadband is gaining momentum with our expertise in data center and we are ready to expand our business into the global market. We believe our capacity to respond global demands, fast time-to-market and trust gained by hyperscalers not only allow us to foster Korea as the next data hub, but also enable us to seize opportunities to become a global player. To this end, we respond to the increase in global traffic caused by the COVID-19 and improve the quality of the international network to provide high-quality customer service by establishing submarine cables connecting nine Southeast Asian cities in seven countries of Korea, Japan, Hong Kong, Taiwan, Vietnam, Thailand and Singapore. Based on the geographical stability and the potential to expand, we are making efforts to be the New Asia Hub Player beyond the nation's No. 1 data center operator.

New Growth Driver Opening Up a New Future



▶ 3. EV Home Charging: Making Life Easier

Burgeoning EV Market

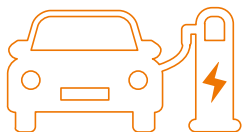
The EV market is growing rapidly around the world, and the domestic market is expected to grow from 200,000 units as of 2021 to 5 times by 2025. The Korean government aims to supply 1 million EVs by 2025, and plans to increase the number of EV chargers, an essential factor for the EV industry, to 500,000 by 2025. The Ministry of Environment and the Seoul Metropolitan Government are offering a subsidy for installing a charger. And the Eco-friendly Automobile Act is in place beginning January 2022 to make it mandatory for new buildings to use at least 5% of parking space and for already built buildings to use at least 2% for EV charging. Survey results show that EV drivers prefer to charge their cars at home. Chargers are expected to be installed mainly at residential areas including apartments. And given the electric capacity of apartments, slow chargers are expected to be chosen than fast chargers. Currently, many companies are jumping into keen competition as EV Charger Providers. As the EV charging service evolves into a life-friendly service because of the government's policies, users will increasingly find reliable brands. 92,000 slow chargers and 15,000 fast chargers had been distributed until the year 2021, which was 50% of the number of EVs. But failure to repair broken facilities and lack of supply in apartment buildings are pointed out as problem. Accordingly, the Ministry of Environment and the Seoul Metropolitan Government are closely checking charger providers' capabilities to respond to failure issues when selecting a provider.

EV Charging Service by Apartment Experts

We have seen an opportunity in the apartment EV charging business for our strong understanding of the environment of apartment facilities with more than 20 years of experience, professional manpower capable of one-stop-services, and high trust gained by external parties. While 73% of EV charger users reside in apartments, the current penetration rate of slow chargers is as small as 0.5%, causing inconvenience. We judge that we would enter the apartment more smoothly than our competitors as we have broadcasting and telecommunications infrastructure installing and maintaining capabilities.

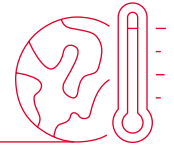
We also have penetrated into 97% apartment complexes nationwide with our pay broadcasting infrastructure and human network in place. And we have 24/7 call centers for one-stop-services to respond to inquiries about charger installation contract, installation, use, payment and post-sales management. As a result, we were successively selected as an EV charger provider for the Seoul Metropolitan Government's subsidy project despite preparation in a fairly short period of time, and 1,504 socket-type 3kW chargers were installed at apartment buildings across Seoul in 2021. We aim to install 17,000 chargers nationwide in 2022, and plan to take up a 25% market share of the apartment charger market or installation of 150,000 charging units by 2026.

Korean Government's Goal of Distributing EVs and Chargers



Item	2021	2050 (target)
EV	200,000 units	1 million units
EV Charger	60,000 units	500,000 units

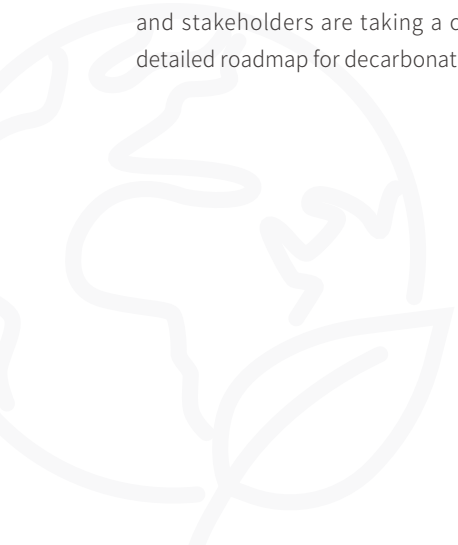
Journey Towards 2045 Net Zero



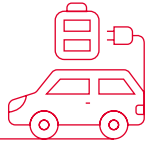
1. Net Zero, the Demand of the Times

The global community is suffering from natural disasters indeed. Climate crisis has entailed sea level rise triggered by melting glaciers, and flooding in low-lying areas.

Currently, there is only one option remained to resolve climate crisis. That is to curb carbon emissions. The leading countries in the world have presented their roadmaps to mitigate net carbon emissions since the Paris Agreement took effect. Accordingly, Net Zero to realize zero net emissions, has become the task of the era. Net Zero refers to an offset status to make emissions and absorptions even. Korea also joined these global efforts by announcing the 2050 carbon neutrality plan in 2020. To achieve Net Zero transition requires companies to take responsibility and play their part. Net Zero is a must, not an option. Investors and stakeholders are taking a closer look at the companies' detailed roadmap for decarbonation to evaluate companies.



Journey Towards 2045 Net Zero



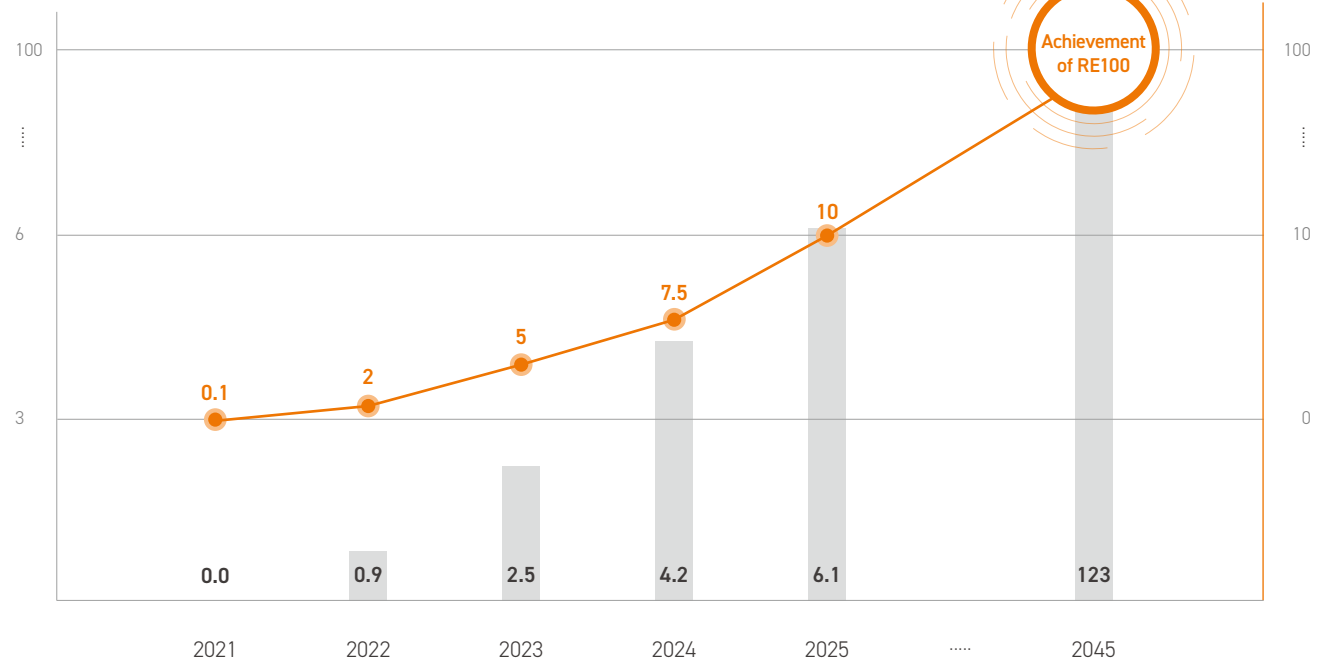
2. Joining RE100 & K-EV100

SK broadband has declared our plan for 2045 Net Zero in 2021. Before the declaration, we became the member of RE100 (Renewable Energy 100%). RE100 is a global initiative that brings together voluntary companies making a commitment to transition to 100% renewable energy use. 99% of the GHG generated by SK broadband is derived from an indirect emission source, electricity consumption, and RE100 is our key task for achieving Net Zero.

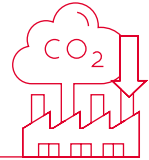
To this end, SK broadband concluded a 'Green Premium' agreement, which is the renewable electricity purchase project driven by the Korean Electric Power Corporation (KEPCO). In accordance with the agreement, we have used the renewable energy purchased to power Yeosu Satellite Center, thereby switching to the 100% eco-friendly energy-powered business site. In 2022, we expanded the scope of eco-friendly energy consumption to base offices nationwide (Seodaemun, Daejeon, and Daegu office), resulting in the increase in renewable energy usage by 33 times to 20,300MWh year on year. We also consider installing additional solar power facilities in IDC and offices with an aim to generate and use in-house renewable energy. As part of the effort, we joined K-EV100 adopted by the Ministry of Environment in 2021, which aims to provide private companies with funds for EV purchase and EV charging infrastructure installation. K-EV100 is a collaboration program in which companies that proclaimed their 100% conversion to EVs or hydrogen vehicles by 2030 are engaged. SK broadband plans to convert about 23.4% of corporate vehicles to EVs or hydrogen vehicles by the end of 2022, and 100% by 2030.

RE100 Road map

Volume of GHG emission reduction
(10,000 ton)



Journey Towards 2045 Net Zero



▶ 3. Reduction of GHG Emissions from Equipment and Devices

Replacement of Old Equipment and Improvement of Power Efficiency

We reduce carbon emissions by replacing the old public switched telephone network (PSTN) with new equipment as the old one consumes a lot of electricity. We plan to replace the entire 41 by 2024, and it is expected to annually save 15,978MWh of electricity when all 41 are removed. The IP backbone network (large-scale network), which has growing usage due to the increase in internet traffic, was also significantly improved in power consumption through the replacement. The newly introduced equipment has reduced power consumption by up to 63%, with higher processing capacity by 2.5 times compared to the old one. It makes the effect of reducing GHG emissions by about 914 tons (electricity about 1,989MWh) over the past three years between 2019 and 2021.

We are also in the progress of improving the power efficiency of the internet data center (IDC), where electricity consumption is concentrated. By analyzing old air conditioners, we overhaul and replace them while regularly conducting pipe maintenance work for cold water heat exchange facilities (air conditioners and freezers). For the new IDC, we review the lower PUE¹⁾ from the design stage to build it with high efficiency and smartly control electricity by customers. On top of that, we make efforts to raise the energy efficiency of telecommunications companies. From 2022, we will conduct energy diagnosis on a few business sites in Seoul in collaboration with Korea Electric Power Corporation. After identifying energy efficiency and conducting on-site due diligence, we will carry out the activities to increase energy efficiency, such as replacing high-efficiency equipment accordingly. Through these efforts, we will continue to mitigate GHG emissions.

1) PUE: an abbreviation of 'power usage effectiveness.' It is a power efficiency index, which is a value obtained by dividing the total amount of electricity used in the data center by the amount of electricity used by IT equipment.



Eco-friendly Devices for Customers

SK broadband launched a low-power set-top box, which is the lowest power level product in Korea based on power consumption in active-standby mode. The newly developed set-top box has lowered the standby electricity to 50 to 65% compared to other models by boldly adopting the system semiconductors from Amlogic, a U.S. Company. Through this, as much as 4.9MWh of energy a year was saved in 2021 alone. The GHG emissions were reduced by 22,849tCO₂eq. If one low-power set-top box is used for one month, the GHG emissions are the same as GHG emissions from 10km driving of a vehicle (140g of GHG is emitted per 1 km of gasoline vehicle). As we advance, we will continue to expand the development and sales of a variety of eco-friendly products in addition to set-top boxes.

Issuance of Green Bonds

SK broadband successfully made our debut in the SRI bond (socially responsible investment bond, ESG bond) market by issuing 10-year green bonds worth KRW 50 billion on the foundation of solid credit in January 2022. This resulted from being recognized for the environmental improvement effect of annually reducing 1,388 tons of GHG emissions through investment in switching the outdated medium and HFC network¹⁾ with FTTH network²⁾ within the public cable maintenance area.

1) HFC network: abbreviation for 'Hybrid Fiber Coax,' and it is mainly made of optical and copper cables

2) FTTH network: abbreviation for 'Fiber To The Home.' It only uses optical fiber cables to homes. The quality and speed is outstanding and it is relatively not affected by external factors compared to HFC network.

Journey Towards 2045 Net Zero



4. Media's Role as an Environmental Influencer

Special Section for ESG

We acknowledge the positive influence of the media. Therefore, we are willing to become an 'environmental influencer' widely publicizing the environmental issues and seeking solutions together. As part of that, we have sponsored the 'Seoul International Eco Film Festival' hosted by the Korea Green Foundation with the theme of environment for two consecutive years from 2021. Understanding the purpose of the event that induces active action for the environment through movies, we introduce outstanding content of the festival through B tv and mobile B tv for our customers, preparing the venue to contemplate together for finding solutions. Besides, we are operating the ESG special section with the ESG theme of the month in 2022. Celebrating 'World Water Day' in March and 'International Mother Earth Day' in April, we recommended video content related to water and energy saving. Through the operation of this special section, we will be a part of changing the public's awareness.

Not only the role of an environmental influencer through curation, but we also produced 'Countdown,' an ESG documentary that shows in-depth social issues and aired through local channels. 'Countdown' is a documentary produced by B tv for a sustainable future, highlighting the natural environment and neighbors that have been overlooked in a rapidly changing era. It intends to bring public interest and participation, which is in line with the management philosophy of SK broadband, practicing ESG management. With the 'Countdown' documentary, we introduced easy ways to practice environmental protection and raise awareness of environmental issues with the themes of recycling resources, saving energy, reducing the use of single-use products, and introducing local eco-friendly communities.

Net Zero Practice Campaign

In addition to publicizing the environmental issues, our employees are also participating in environmental protection campaigns voluntarily. These include the 'Net Zero Practice Campaign' as well as the 'Go Go Challenge' to reduce disposables aiming at creating an eco-friendly corporate culture in the company. We opened a corporate website dedicated to the campaigns to measure the actual effect. When employees directly enter the GHG reduction activities they practiced, the economic impact of GHG reduction is automatically calculated and displayed on the screen. Assuming the role of an 'environmental influencer' using our strength, media, we will continue to make our positive impact while contributing to increasing the social consensus and raising the awareness of the public on environmental issues.

To celebrate 'International Mother Earth Day' in April, pop-up window for ESG Campaign



Seoul International Eco Film Festival (2021, 2022)



Main page of Net Zero Practice Campaign



Sustainable Future Story #2 'Customer' at the Heart of Everything

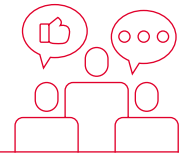


External Customer Satisfaction Survey

1st place



For More Than Expectation, Never stop Communication



▶ 1. Customer Survey and Management Reflection

Communication with Customers & Voice of Customer

As we prioritize the customer experience above all and used customer needs to guide every facet of operations, all strategic decisions are made based on communication with customers. To build deeper and wider relationships with customers, we always listen to the Voice of Customer (VOC) and make various efforts to increase customer value. On this account, SK broadband ranked the first in categories of IPTV and high-speed internet for 12 consecutive years in the '2022 National Customer Satisfaction Index' organized by the Korea Productivity Center, and topped the first place in the high-speed internet category for 8 consecutive years and the IPTV category for 4 consecutive years in the '2021 Korean Standard Service Quality Index (KS-SQI),' organized by the Korean Standards Association. Prioritizing customer satisfaction in management, we hold a so-called 'customer value innovation meeting' once a quarter organized by the CEO and attended by key executives to diagnose and monitor issues for customers and derive insights for better customer experience. We regularly listen to customers and reflect their voice in our decision making through regular Customer Satisfaction Index (CSI) surveys, customer focus group interviews (FGI), and VOC trends surveys.

Efforts for Customer-centered Management

We carry out the Product Lifecycle Management (PLM) process to identify customer needs in advance and to prevent possible compliance risks and customer inconvenience before launching a new product or service. The Customer Value Innovation Department in charge of customer satisfaction reviews whether there are any factors that cause customer dissatisfaction in terms of convenience, quality and safety in a product or promotion planned by product development teams before releasing the product. In addition, we organized the customer adviser group in 2014 to directly listen to customers, and we have run 'Fandom Squad¹⁾' to find ways to improve products and services at the perspectives of our junior employees with brand-new views and collective intelligence. Through the squad's activities, we could get new ideas in finding better ways to search, make decisions, and applied these findings in improving mobile B tv usage experience and viewing experience of seniors in our business.

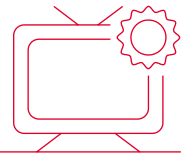
1) Fandom Squad: A program for identifying the room to improve in products and services with the perspective of junior employees



Fandom Squad



For More Than Expectation, Never stop Communication



▶ 2. Quality Improvement Activities

Providing Best Network Environment

We operate a task force between the headquarters and regional groups to provide the best network experience to our customers. In 2021, about 40 tasks were picked based on detailed analysis on quality issues, and the responsibility for each task has been clarified to step up the ability to execute. In order to improve the quality of the high-speed internet, we have also introduced a sensory quality index, used Big Data, and monitored the Online Buzz and quality-related inquiries to better detect abnormalities in advance. In order to improve IPTV quality, we have introduced a platform that can check the log of a customer to exactly pin down the moment of inconvenience and replaced set-top boxes with upgraded ones. In addition, we have reinforced the organic infrastructure to secure stability as the online learning and working from home have become common since the COVID-19 pandemic hit the world. As a result, inquiries related to high-speed internet quality in 2021 decreased by about 18% compared to 2020, and inquiries related to IPTV quality dropped by about 13%. In addition, 35,900 Wi-Fi terminals of old models and 121,000 old adapters were replaced in 2021 to improve network quality.

Responding to Surging International Network Traffic Preemptively

Internet traffic is exploding as overseas OTT media service providers have launched their services in Korea. We're making efforts to build a system to proactively respond to the surging traffic. The PoP (Point of Presence) in Los Angeles and Seattle have been upgraded from gigabytes to terabytes, and 10-gigabyte lines have been changed and expanded to 100-gigabyte lines to improve international network quality. In addition, we have expanded PoPs in Japan and Hong Kong which connect North America and Asia, and in Singapore which connects Europe and Asia before the international network traffic grows too rapidly. This has significantly improved the traffic quality of the international network toward North America and Europe. As a result, SK broadband's overall international network line capacity has increased 3.6 times compared to 2018 as of the end of 2021, and plans to expand up to 6 times by the end of 2022.

Submarine Cable System Installation

The Southeast-Asia Japan Cable 2 (SJC2) submarine cable connecting 10 regions in seven Asian countries of Korea, China, Japan, Taiwan, Singapore, Thailand and Vietnam will be laid and started to operate beginning 2023. Once the submarine cable system is installed, the quality of 8K, 4K and UHD video and large-capacity digital content including the metaverse, AR and VR will be stabilized. By sending data overseas through our own cable, we will be able to lay the foundation for attracting large global operators, leasing lines, and initiating the Content Delivery Network (CDN) business.



Meanwhile, we also had to take into account that field service managers' visit to homes is non-negotiable. For the safety of customers and field service managers, we have operated COVID-19 response team since the beginning of the COVID-19 outbreak to proactively respond to possible infection and virus spread. In order to minimize the impact of labor shortage in customer support caused by the COVID-19 and maintain customer service quality, we send devices via courier delivery to customers for simple replacement including remote control.



Pursuing employees' happiness



Anyone, Anywhere



1. Digital & Media Inclusion

B tv Happy Senior

As we enter an aging society, seniors are also becoming more media-friendly. Considering the needs and lifestyles of senior customer, we provide large letters and large posters tailored to them from the Happy Senior menu. SK broadband is the only IPTV service provider that offers the service for senior and is strengthening content and services for them. Customized content for seniors is organized with easy menu names to provide intuitive access, and we offer a [Happy Senior] virtual channel on the channel No. 69 so that seniors who are familiar with real-time channels can experience VOD without barriers. We also provide content that allows seniors to easily learn how to use smartphones and kiosks to narrow the digital divide. In 2022, we signed a business agreement on content with the Seoul Digital Foundation to provide 32 copies of the digital education content for seniors including 'Everywhere 5-minute Class' produced by the foundation for free. In recognition of such differentiated efforts, 'Happy Senior' won the grand prize for three consecutive years in the category of senior content of the 2021 National Service Awards hosted by the Institute for Industrial Policy Studies, a subsidiary of the Ministry of Trade, Industry and Energy. Happy Senior will continue to listen to the needs of seniors and try to help them enjoy a pleasant daily life through a television.

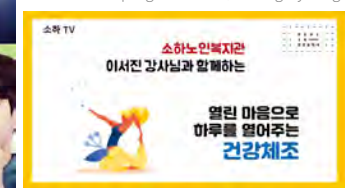
On Air/On Ad

As senior centers were closed due to the prolonged pandemic, there were many restrictions on seniors' participation in various activities and social programs. The senior centers themselves had a lot of difficulties in operating their educational programs without contact. Accordingly, we have provided a broadcasting solution On Air/On Ad service that was originally developed for enterprises but adjusted for senior centers to support not only real-time broadcast but also pre-recorded video transmission and real-time subtitle through IPTV. Senior centers using this service can provide various educational programs in real time through B tv channel No. 800 to seniors who have registered in advance, and can organize and broadcast recorded videos at the designated time. We conducted a pilot project of the On Air/On Ad service at senior centers in Gunpo, Gyeonggi-do; Soha, Gwangmyeong; and Paldal, Suwon in 2021 and will continue to expand service area by making up for insufficiency based on the satisfaction survey results of social workers and seniors.

Dedicated senior menu, 'B tv Happy Senior'



Senior center program (Soha, Gwangmyeong)



Anyone, Anywhere



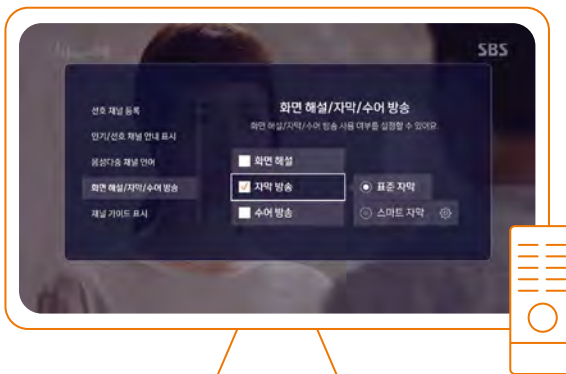
1. Digital & Media Inclusion

Development of Set-top Box Function for the visually and hearing impaired

People who are visually/hearing impaired are the most vulnerable group in enjoying media. We feel responsible for lowering barriers for them and constantly research 'good technology' that increases the convenience of people with impairment. We've recently developed specialized functions in a set-top box for them, such as smart subtitles¹⁾, voice guidance for channel changes and program information, and voice commentary. We will continue to make every effort to improve the comfortable IPTV viewing environment for people with impairment.

1) Smart subtitles: Subtitles that can be selected as desired by the user, such as adjusting the size of subtitles, changing the font color and background color, setting the background of subtitles from transparent, translucent to opaque, and changing the position of subtitles

Smart subtitles



Increasing Access to Media and Communications for Vulnerable Groups

We're making various efforts to bridge the digital divide for the vulnerable groups in media and telecommunications. First of all, we've implemented the Broadband convergence Network (BcN) project in rural areas where access to media and telecommunications is limited since 2008. The telecommunication network improvement project (Digital New deal) has been added to the BcN project since 2020 in farming and fishing villages. For two years of 2020 and 2021, the BcN project had been carried out in 280 farming and fishing villages, and the communication network improvement project (Digital New deal) had been done in 314 villages.

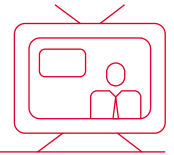
In addition, we offer a fare discount for various service including high-speed internet, telephone and IPTV to economically vulnerable groups so that there are no members of society who are alienated from media and telecommunication services because of the cost. KRW 16.4 billion of discount was offered to the disabled, low-income families, and basic pensioners in 2021.

Welfare Discount Offered in 2021

* CATV, Discount for resold service excluded

Families of multiple children / seniors	KRW 6,898 million
Persons with disabilities	KRW 7,534 million
Low-income families	KRW 359 million
Men of national merit, patriots	KRW 116 million
Recipients of basic livelihood security program	KRW 1,499 million
Others	KRW 5 million
Total	KRW 16,410 million

Anyone, Anywhere



1. Digital & Media Inclusion

T live caster

We've modified the SK Telecom's industrial field-based control solution 'T live caster,' which transmits images taken by smartphones and flying drones over the wireless network, as a broadcasting solution optimized for live production environment. With the solution, smartphones can transmit full HD quality video, and cameras at a reporting site can be remotely controlled from the broadcasting station's studio control room. Notably, the broadcasting solution enables personal mobile devices to deliver live news from a place where huge broadcasting vehicles cannot enter, and ordinary citizens can easily participate in broadcast production. Therefore, news on the site of earthquakes or major accidents can be delivered quickly and accurately without time constraints and costs. In the event of a local disaster that is usually in the broadcasting blind spot, T live caster can deliver necessary information to local residents without missing.

2nd, 3rd Media Creation Contest

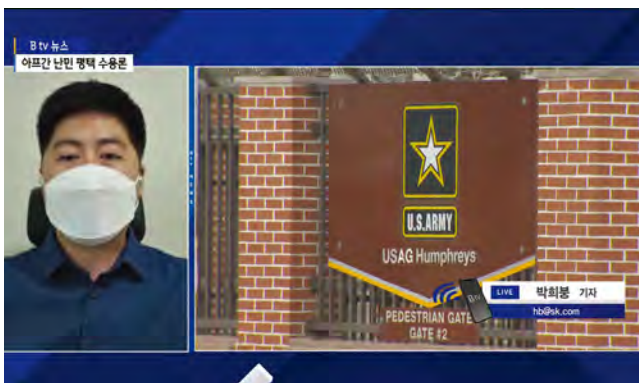


Media Creation Support Center

The Media Creation Support Centers established in 10 regions across the country in 2020 are designed to coexist with local communities and encourage citizens to participate in media for them to communicate with local communities and directly participate in solving community issues. The centers support media education, carry out content creation supporting projects, cultivate instructors to create a media ecosystem among citizens, build networks, and distribute content for local residents. Residents can freely use recording rooms, studios, and filming equipment.

The centers also hold a video contest, the Media Creation Contest, to strengthen the locality of broadcasting. The second contest was held under the title of 'Our Neighborhood Television' in the first half of 2021 to invite proposals in three areas: environment, region, and people, and the third contest 'Homemade, My Neighborhood Content' was held in the second half of the year.

News broadcast using live solution 'T Live Caster'



First half of 2021 < Our Neighborhood Television > :
106 works submitted, 15 teams awarded

Second half of 2021 < Homemade, My Neighborhood Content > :
72 proposals submitted, 5 proposals awarded

Anyone, Anywhere



2. Expanding the Role of Media

B tv ZEM KIDS

Childcare and Education contents | Content for kids in the IPTV market has become more critical in terms of education as well as entertainment in a time of COVID-19. As a result, IPTV has emerged as an alternative to childcare and education as the number of video lectures at kindergartens, schools, and academies increases. We've periodically expanded kids' content even before COVID-19, and in 2020, it has strengthened its educational content for infants and elementary school students by launching the kids brand 'B tv ZEM KIDS.' The kids-only service, ZEM KIDS, provides educational and safe content and recommends right content based on a child's age, level and tendency from about total of 80,000 pieces. Notably, IPTV's role as a learning assistant was strengthened by launching customized home-schooling service named 'Today's Learning,' in 2021 which allows students to schedule study routines for 30 minutes a day. Today's Learning is the first IPTV service in Korea to provide daily learning by age and level to kids from 1 to 13 years old. Content and a curriculum supervised by home-schooling experts is recommended every day on the first page of ZEM KIDS.

In order to develop study habits and increase motivation to study, we pay attention to the composition of TV-based learning flow. We have a plan to launch artificial intelligence-based English education service that enables viewers to communicate with 3D characters in English, and a 3D-based natural science education service in which viewers can explore various places such as dinosaur villages and underwater villages.

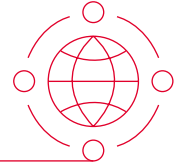
Safety of digital content | We are also aware of the importance of children's access to safe digital content, and have established and operated policies such as content curation and UI. We only offer VODs that have been reviewed and approved by the Korea Communications Commission and adult content is not shown accidentally when searching for VODs. And if the viewer's level is set at Children safe level in B tv menu, a password is required for watching or purchasing content higher than the set level. While ZEM KIDS is on, the B tv safe setting is automatically applied, which requires a password when moving to the B tv home or real-time broadcasting to make sure that kids watch safe content.



- 1) B tv ZEM KIDS 'Main page'
- 2) B tv ZEM KIDS 'Today's Learning'
- 3) B tv ZEM KIDS 'Free contents'



Anyone, Anywhere



▶ 2. Expanding the Role of Media

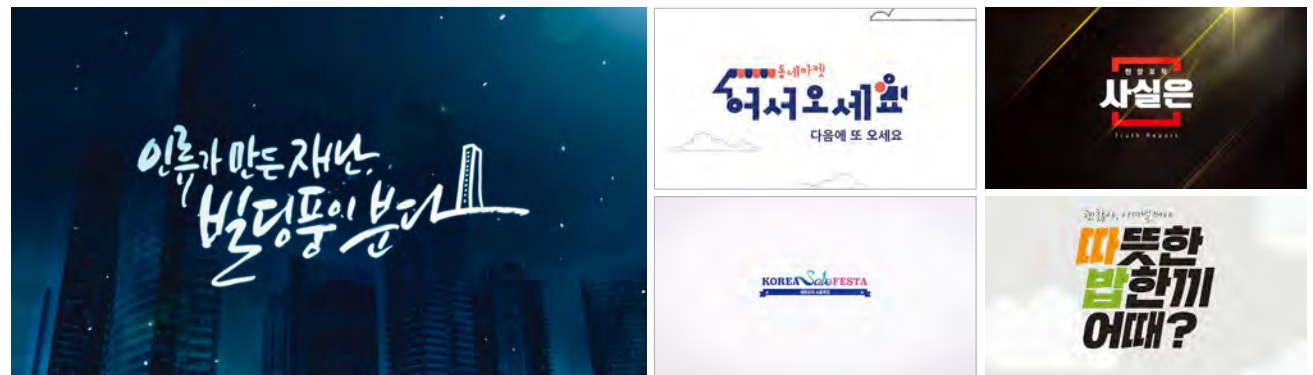
Social Value Creation by Operating Local Channels

What we pursue is not just profitability as a media company. We do pay our attention to and reflect the voices of the marginalized in the media environment. In particular, we make at least one cable TV channel air local content while investing the profits generated from the cable TV business in the facilities of local broadcasting stations, thereby contributing to giving vitality to local communities. Taking advantage of our capabilities to produce programs and operate the IPTV business, we are producing and distributing large-scale content for local broadcasting. Our efforts are also being made to boost local communities. Traditional markets and local small business owners have served as a backbone of local economies, however they have suffered economic difficulties due to the boom in online economy and local resident outflow. In recent years, the prolonged-COVID-19 is aggravating the difficulty. Against this backdrop, SK broadband has lent support to local residents' economic activities through our local channels and network.

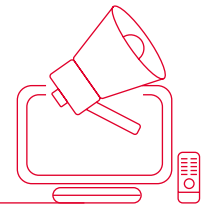
Regional Commerce Broadcasting Service | Being given the special demonstration case of 'Broadcasting for commerce through System Operator's Regional Channel,' we broadcast for commerce through our regional channels. This service is about promoting and selling the products of local SMEs and small business owners tailored to viewers through system operator's local channels during the sales promotion events held by the government and local governments. In

partnerships with NAVER LIVE Commerce, and 11 Street, we have helped small business owners and farmers expand their sales route. The small business owners in areas subject to the special demonstration case are entitled to the support of being aired, so they can pioneer an online sales route and also promote their products through broadcasting. In addition, local governments are also allowed to seize opportunities to sell local products to other regions through E-commerce broadcasting through local channels. 'Korea Companion Sales,' the first broadcasting for E-commerce following the designation of the special demonstration case, consists of 18 episodes dealing with 50 products which were aired 1,597 times (reruns included), which was followed by 10 local broadcast programs for E-commerce (463 times aired with reruns included) including Incheon extravaganza for regional specialties for the Chuseok holidays, online exhibition for excellent goods of Daejeon and Daegu traditional markets, Daegu traditional markets' sales event in association with Daegu Korea Sale FESTA, and Hwaseong Sale FESTA for farm produce in association with Gyeonggi Korea Sale FESTA. In recent years, we have produced and aired programs such as <Shall I treat you to a warm meal?>, <Welcome to Local Supermarket>, that deliver the story of a variety of stores that took an economy recession. Through these activities, we have given vitality to local economies that are struggling due to the lack of promotion, thereby helping them to return to their normal. Going forward, SK broadband will fulfill our duties as local channels that go hand in hand with local communities.

Our programs dedicated to regional content and small business owners



Anyone, Anywhere



2. Expanding the Role of Media

B tv Local Advertisement

SK broadband launched 'B tv Local Advertisement', an advertising platform in which local small businesses can promote their stores through TV advertisements in 2021, particularly for local small business owners suffering from the COVID-19 pandemic. We also considerably cut the costs to lower the entry barrier for TV advertisements, which were perceived as an exclusive to large or medium-sized companies. The service can be used from KRW 100,000 (excluding VAT), a far lower price than local advertisements that generally cost millions of won. Unlike existing TV advertisements targeting relatively large areas such as cities and districts, 'B tv Local Advertisement' allows airing the ad at a 'dong' level. We have also prepared a solution for small business owners who cannot afford to produce advertisements to create their own advertisement content. With our solution, advertisers can easily create advertisements by selecting one frame suitable for the industry and atmosphere and inserting text and images with more than 230 templates (206 for 15 seconds, 28 for 30 seconds). The 'B tv Local Advertisement' is aired in the Q tone period (local ad time) of 87 B tv broadcasting channels. Advertisers can check when, how many times, and how their ads were aired through the advertisement report on the B tv Local Advertisement homepage. After the termination of the advertisement, a comprehensive report is provided. We will diversify advertisement production solutions and segment regional advertisement targets, thereby raising our services' competitive edge. At the same time, we plan to collaborate with local governments, merchant associations, and traditional market commerce companies to promote traditional markets online and offline, and we will actively support small business owners, young entrepreneurs, and social enterprises in their promotion activities.

Image of 'B tv Local Advertisement'



4th Awards ceremony of 'Blossom Youth Film Festival'



Blossom Youth Film Festival

'Blossom Youth Film Festival' is a social contribution alliance model co-hosted by SK broadband, EBS, Yonsei University, and the National Youth Policy Institute and co-sponsored by the Ministry of Education and the Ministry of Gender Equality and Family since 2018. The film festival, one of our representative social value creation projects, encourages adolescents to think over the way of addressing social problems such as school violence and generational conflicts.

Despite the current situation amid the COVID-19 pandemic, the 2021 Blossom Youth Film Festival under the theme of 'Youth Happiness' saw a significantly increased number of applications that have interests in social problems. A total of 1,000 students from 114 schools in and outside Korea took part in the festival and showed 185 films, which is an increase by 46 schools and 78 works. In the end, 34 films were awarded, and 'Online,' in the form of a music video by the Korean International School in Ho Chi Minh City, Vietnam, won the Minister of Education Award. The winning films from the festival are aired through B tv and are being used as educational materials in the public sector, such as the Ministry of Education's Edunet and the Seoul Lifelong Learning Portal. Going forward, we will continue to pay attention to youth and strive for their happiness using the media, going hand in hand with diverse organizations in our society.

Corporate culture is required to keep pace with those changes to become a foundation for our employees to enjoy their job and grow.



123.1



83.6 points

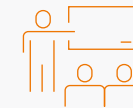


The Era of On-tact Culture

Customers are at the heart of a company and what constitutes a company is Employees. Therefore, the growth of a company depends on the communication level among employees and organizational satisfaction. A company can grow only when its employees are happy, which makes it a must to strive to strike the work-life balance and create a safe workplace with an aim of safeguarding the happiness of employees. Corporate culture refers to the manifestation of values gathered by employees who have a common goal, which serves as a driving force in achieving the company's vision and mission.

In the aftermath of the COVID-19, corporate culture was needed to be transformed. With the essential vision of the company remaining intact, collaboration methods and communication tools among members have evolved. What is so-called 'On-tact' corporate culture is required. As non-face-to-face culture has been solidified owing to the COVID-19 pandemic, invisible distance between colleagues has gained its significance. With an aim to get closer to each other with physical distance is kept, SK broadband promoted the advancement in three aspects of 'work culture,' 'people' and 'work environment' in 2021. In the aspect of 'work culture,' we have made unwavering efforts to create an organizational culture where people enjoy working together with colleagues under the catchphrase of 'Fun & Together,' while securing and sharpening competencies to expand our business regarding the aspect of 'people.' Given 'work environment,' we contemplated the work environment suitable for the era of Work Anywhere. In the process of addressing those three tasks, we are seeking to become a good fellow worker community where we support the happiness and growth of our employees.

Advancement of Our Corporate Culture in 2021



Work Culture
Fun & Together



People
Capability & Talent



Work environment
Work Anywhere

Fun & Together Program, 'Walking Together in Spring'



Fun & Together Program, 'Metaverse Team Building'



Fun & Together Program 'Finding Team Strengths'



We have a corporate culture in which employees enhance their community spirit through various programs under the catchphrase 'Fun & Together.' With an aim of strengthening the sense of belonging and promoting pride of employees working from home due to the COVID-19 pandemic, a number of non-face-to-face programs were newly planned to support communication and cooperation among employees in 2021. The programs are categorized into 'Fun' and 'Together' parts. In Fun part, the programs are designed for fun with colleagues and family, including Walking Together in Spring, Celebrating elementary school entrance and Children's Day, and Cheering up students who will take the College Scholastic Ability Test. Together part is composed of the programs to create a foundation for collaboration, such as 'We-Help Day,' a collective intelligence program through which organizations or individuals put their heads together and find an answer to addresses issues registered as Help Agenda, and 'Be ONE Bonus' to express gratitude to colleagues. Among them, non-face-to-face programs in the COVID-19 pandemic and We-Help Day have garnered good responses for its excellency in revitalizing collective intelligence. As the growing number of employees are looking for the programs to participate with team or colleagues to elevate their sense of belonging and fellowship in non-face-to-face working situations, the demand for 'Fun & Together' program is higher than ever, which will lead to more diverse programs.

Category	Implementation	Program Title	Content
Fun programs designed for having fun with colleagues and family	Mar.	Celebrating elementary school entrance	Sending gifts and cards
	Apr.	Walking Together in Spring	Taking a walk around the office building with fellow workers
		Finding Spring	Sharing memories about spring in daily life
		An Acrostic Poem with the Theme of Parents’ Day.	Event to write a comment of four-line poem about Parents’ Day
	May.	Happy Children’s Day	Sending gifts and cards
		Thank-you Letter on Children’s Day,	Sharing Photos and letters on Children’s Day
	Jul.	Healing event ‘Summer, Please’	Sharing summer vacation plans
		Happy Lounge Renewal	Online communication platform
	Aug.	Wise Cooking Life	Sharing cooking recipes which were enjoyed during working from home
	Sep.	Book Presents for Extensive Reading	Giving a present of favorite book to colleagues
Nov.	Cheering up task-taker of College Scholastic Ability Test (CSAT)	Sending gifts and cards	
Monthly	Going Up and Down	Health care program used the stairs in office buildings	
	Sparing Moment for Stretching	Watching self-produced stretching video and doing exercise	
Together programs to create a foundation for collaboration	Mar.	Live quiz event	Live quiz shows on We-fresh day
	Apr.	1 st Talk with CEO	Sharing management status and live quiz show
	May.	Our Ways of Working, Code of Conduct (CoC)	Holding an event to establish and spread six ways of working
	Jul.	2 nd Talk with CEO	Sharing financial story and live quiz show
	Aug.	Our Ways of Working, #Implementation	Quiz event to spread and disseminate our ways of working
	Dec.	Talent Show in a Short Form	Sharing hobbies with colleagues in a short form
		Be ONE Bonus (quarterly)	Expressing gratitude to colleagues with points
	Regularly	We-Help Day (monthly)	Collective intelligence activation program
Team Together (quarterly)		Online teamwork building program	

* The colored part is only Face-to-Face programs

Capability & Talent

SK broadband puts 'people,' or employees first in leaping towards Version 3.0 (More than Telco/IPTV). Therefore, we are committed to building our employees' capacity while revamping our educational system that meets the demands of a new age. Efforts are being made to secure experts at an opportune time in the key business areas required for our business growth and expansion. As part of the effort, we have ramped up the branding for recruitment, taking the advantage of the format of short form, a communication method of MZ generation, for the purpose of becoming 'the best company employees want to work for.' We aim to encourage employees to work delightfully with a more rational and fair evaluation and compensation system.

With a view to reinforce internal capacity building, we have flexible amoeba organizations which concentrated on customer and implementation. We have operated squad by generation to make the best use of the collective intelligence of diverse employees on the field, titled 'Fandom Squad' to identify ideas on product and service improvement from the perspective of junior employees and 'Legend Squad' to accumulate the know-how of senior employees. Against the difficulties of face-to-face education due to COVID-19, we have provided a variety of training to foster the abilities of employees, including AI/DT, ESG, Global, Leadership, and BM Design, through the online learning platform of SK Group, mySUNI, together with non-face-to-face programs such as 'Team Leader, What Are You Doing?,' knowledge sharing program of leaders and 'Jumping Concert' where employees give lectures on their know-how, all of which aim to foster talents suitable for the digital era. In 2022, a new DNA (Data Next-Normal Analysis) Academy course will be newly established to fortify data utilization capabilities. And at the same time, we furnish mySUNI learning curation service while setting up the target educational hours at 100 hours for employees and 200 hours for leaders so that we can constantly help them sharpen their job skills and capabilities. By doing so, we aim to position ourselves as the 'Icon of leading corporate culture' and 'the best company employees want to work for in the media and communication industry.'

'Legend Squad' - the know-how of senior employees.

'Fandom Squad' - the perspective of junior employees



'Team Leader, What Are You Doing?' - Knowledge sharing program of leaders



Work Anywhere

In the aftermath of COVID-19, the work environment has been drastically transformed. Against this backdrop, we immediately set response guidelines to minimize the damages to our employees caused by COVID-19. Since the early days of COVID-19, a situation room has been operated with step-by-step countermeasures and efforts to avoid the spread of infectious diseases. We have paid close attention to sanitation management, providing education on prevention rules of COVID-19 and personal hygiene products such as masks with keeping the distance from each other. Meetings were converted to non-face-to-face meetings while employees started to work from home. We have presented specific guidelines for telecommuting to improve the work efficiency of the new way of working. As the growing number of employees are working from home, the concept of the office has evolved. The cloud system has enabled working anywhere with a PC. Consequently, the way of business has changed in a direction where non-face-to-face meeting tools are utilized in reporting and decision-making process.



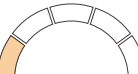
Experiencing such reformation, we decided to redefine the concept of 'workplace.' Even after the COVID-19 pandemic, working from home will be operated on a regular basis since we believe that the office is not necessary to work. Regular working from home system, smart office, and the free choice of workplace put in place since 2018 with a view to creating a horizontal and harmonious collaboration culture have resulted in the idle space which will be turned into a 'multi-purpose welfare space' where we recreate the happiness and communication. The value chain is expected to extend to new business models such as smart offices built on accumulated experience and know-how in workspace innovation.



ESG REPORT

ESG Key Areas and Response	54
Environmental Data	56
Social Data	62
Governance Data	98



Key Areas	Key Achievements in 2021 and 2022	Major Management Indicators	Mid- to Long-term Objectives (Target Year)	Progress
Climate action and environmental resource management	• Declaring Net Zero and RE100 by 2045 • Setting mid- to long-term tasks such as transition to renewable energy and replacement of assets and facilities • Obtaining ISO14001 (Environmental Management) certification and establishing eco-friendly culture both inside and outside the company	• GHG emissions • GHG reduction • Ratio of renewable energy	• Accomplishment of Net Zero (2045)	
Capacity building of employees	• Reinforcing capabilities in broadcasting and media, enhancing On-tact education (training hours per person in 2021: 123.1) • Participating in ‘Women in Leadership Program’ • Selected as 2021 Korea’s Best Recruitment Agencies by the Ministry of Employment and Labor	• Training hours per person	• Extended training hours - 200 hours for leaders and 100 hours for employees (2023)	
Work-life balance	• Surveying on work-life balance satisfaction (83.6% in 2021) • Expanding happy family life programs • Maintaining the certification of Best Family Friendly Management by the Ministry of Gender Equality and Family	• Work-life balance satisfaction	• Maintaining 80% of work-life balance satisfaction	
Safety and health	• Enacting health and safety policies and systems for employees and business partners • New organization dedicated to safety and health • Acquiring ISO45001 (Safety and health management) certification • New mental health care programs for employees	• LTIR • Incidence of occupational disease • Participation rate in health care programs	• Zero serious accidents • 300% increased participation rate in health management programs (2025)	
Human rights	• Making public human rights declaration and installing reporting channels for human rights violation • Conducting human rights impact assessment	• No. of violations of human rights regulations • Training hours on human rights	• Embedding awareness of human rights into corporate culture and zero violation of human rights regulations	
Business partner	• Establishing ESG code of conduct encompassing environment, safety & health, labor & human rights and ethics to be applied to all business partners • Giving additional point to the company with ESG certification on regular evaluation • Building a process to examine business partners’ ESG	• Participation rate in ESG assessment	• Accomplishment of ESG inspection on 100% of critical tier 1 business partners (2024)	
Protection on corporate data and customers Information	• Appointing CISO and establishing mid- to long-term plans along with detailed tasks regarding information protection • Participating in internal and external initiatives - SK ICT Summit, National Core Technology Security Academy of Korea, Voice Phishing Prevention Council • Expanding the analysis scope of security threat and enhancing effectiveness - Building big data-based system to detect information leakage (BIOS, Brain Insight On Secure)	• External certification rate of information security • Activities regarding information security initiatives • No. of violations in information leakage, hacking and personal information protection	• Zero violations in information leakage, hacking and personal information protection • Consolidating top-tier position regarding security level in the same industry (2023) • Leading innovative data protection (2025)	

Key Areas	Key Achievements in 2021 and 2022	Major Management Indicators	Mid- to Long-term Objectives (Target Year)	Progress
Network quality	• New Organization to promote service innovation and monthly meeting led by CEO • Promoting investment in submarine cable business and separating central offices from optical network units • Ranked 1st in external customer satisfaction evaluation (NCSI, KS-SQI) in 2021, zero large-scale network failure	• No. of network failures • Rate of VOC (Voice of Customer) of quality	• Zero large-scale network failure	
Contribution to local community and social enterprise ecosystem	• Social contribution programs for seniors, youth, small business owners and local residents • Supporting promotion and advertisement for SE (41 enterprises)	• No. of beneficiaries of social contribution, and programs to create SE ecosystem	• Increase in beneficiaries of social contribution program and 30% of employee's participation rate in volunteer activities (2025) • Supporting 140 social economy enterprises (2025)	
Board of Director	• Introducing electronic voting system • Reporting and Discussing ESG agenda to the BOD	• Report period of ESG agendas	• Advancing the BOD operation (2025)	
Ethics and compliance	• Revising Code of Ethics/Practice Guidance for employees and establishing fair trade principles • New organization in charge of fair trade and inspecting contract process • Additional anti-corruption training for executives and business partners	• Training hours and completion rate of ethical management and fair trade • No. of violations in anti-corruption regulations	• Zero violations in anti-corruption regulations	
ESG-based decision-making	• Establishing ESG impact review process in case of major decision-making (entry into new businesses, investment exceeding budget by 10%, foundation of subsidiaries, etc.)	• Operation performance of ESG-based decision-making process	• Application of ESG-based decision-making process to all businesses areas (2024)	

Environmental Data

Action on Climate Change

Policy

Recognizing the significance of global climate crisis, SK broadband has established the 2045 Net Zero plan based on BAU¹⁾ emissions calculation with our major management strategies reflected in for the purpose of realizing the Paris Climate Agreement. The roadmap was set considering influenceable renewable energy policies and the government's tightened NDC target on top of 1.5°C scenario pathways in the ICT sector presented by SBTi which sets and verifies GHG reduction targets on the ground of scientific evidence. In our business structure, 99% of GHGs are caused by using electricity, an indirect source of emissions, which made us to join RE100 which stands for Renewable Energy 100% to accomplish the Net Zero plan. In 2021, the BOD had final deliberation on the plans and estimated costs for the direct and indirect reduction while the ESG consultative body attended by the CEO and key executives quarterly reviews reported issues.

1) BAU: Business As Usual

Goals

Net Zero by 2045			
Year of target establishment	2021	Base year	2020
Target range	All domestic business sites of SK broadband	Emissions in base year	337,966tCO ₂ eq
Target year	2045 (to achieve zero net GHGs)	Target and measures to reduce GHGs in 2022 compared to BAU	24,700tCO ₂ eq - Purchase of renewable energy: 9,300tCO ₂ eq - Upgrading network equipment: 15,400tCO ₂ eq
Target Scope	Scope 1, Scope 2		

Initiative and Performance

Use of Renewable Energy RE100 initiative is a critical strategy to achieve Net Zero. In 2021, the Yeosu Satellite Center was operated using the power generated by renewable energy purchased through Green Premium in which we can have influence on various areas by means of investment in the use and distribution of renewable energy. In 2022, we signed a contract to purchase 20,300MWh, which is similar to the annual amount of electricity used by 4,200 households in a family of four. Besides, we are seeking for additional procurement methods such as purchase of Renewable Energy Certificate (REC) and Power Purchase Agreement (PPA).

Upgrade of Outdated Equipment We are reducing our carbon footprint by upgrading old worn-out and inefficient equipment. For example, we are replacing and dismantling outdated Public Switched Telephone Network (PSTN), which has been dwindling due to the spread of mobile and Internet telephones. The upgrade has mitigated carbon emissions by approximately 4,209tCO₂eq by 2021 with the plan to remove remained 20 PSTNs by 2024. The replacement of backbone network (large-scale connection network), which are witnessing a rise in use due to the growing Internet traffic, has brought up to 63% of reduction in electricity consumption compared to the past, with 2.5 times increased processing capacity. We also developed a set-top box that uses less power than the currently used one.

Environmental Data

Action on Climate Change

Key Performance Data

GHG		Unit	2019	2020	2021
GHG emissions ¹⁾	Total emissions (Scope 1+2) ²⁾	tCO ₂ eq	281,170	337,966	370,190
	GHG emissions intensity	tCO ₂ eq / sales (KRW billion)	88.45	91.02	91.20
Direct emissions (Scope 1)	Direct emissions	tCO ₂ eq	1,577	1,458	1,825
	Stationary combustion	tCO ₂ eq	1,140	961	1,264
	Mobile combustion	tCO ₂ eq	437	497	560
Indirect emissions (Scope 2)	Indirect emissions	tCO ₂ eq	279,617	336,542	368,404
	Electricity	tCO ₂ eq	279,585	336,503	368,341
	Steam	tCO ₂ eq	32	40	63
Change of GHG emissions ³⁾	Volume of change ⁴⁾	tCO ₂ eq	8,322	56,796	32,224

1) Based on GHG emissions statement
2) There may be a difference between the total GHG emissions and the combined direct / indirect GHG emissions since we applied the government's figures after rounding down the figures of each business unit when combining figures of each item
3) GHGs in current business year – GHGs in the previous year (Scope 1+2)
4) Increase in GHGs due to the merger with Tbroad

Environmental Data

Action on Climate Change

Key Performance Data

Energy		Unit	2019	2020	2021
General energy	Total energy consumption (Direct+Indirect energy) ¹⁾	GJ	5,759,000	6,921,000	7,694,000
	Total energy consumption intensity	GJ / sales (KRW billion)	1,812	1,864	1,896
	Direct energy consumption	GJ	27,829	25,440	31,128
	City gas (LNG)	GJ	18,597	15,912	17,161
	Gasoline	GJ	5,556	6,481	7,412
	Diesel	GJ	3,532	2,953	6,452
	LPG	GJ	144	94	59
	Kerosene	GJ	46	22	44
	Indirect energy consumption	GJ	5,757,701	6,929,874	7,698,989
	Electricity	GJ	5,756,596	6,928,518	7,696,987
	Steam	GJ	1,105	1,356	2,002
Renewable energy	Total renewable energy consumption	MWh	55	52	662
	Self-generation	MWh	55	52	47
	Solar	MWh	55	52	47
	Wind	MWh	0	0	0
	Others (waterpower, biomass, etc.)	MWh	0	0	0
	Total Renewable energy purchase	MWh	0	0	615
	Green Premium	MWh	0	0	615
	Renewable Energy Certificate (REC)	MWh	0	0	0
	Third party PPA	MWh	0	0	0
	Total electricity consumption ²⁾	MWh	599,700	721,773	802,431
	Ratio of renewable energy used ³⁾	%	0.01	0.01	0.1

1) Total energy consumption may differ from the combined consumption of each energy source because we applied the government's figures after rounding down the figures of each business unit when combining figures of each item

2) Total electricity consumption is the sum of electricity consumption in indirect energy consumption and generation by renewable energy

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

Environmental Data

Environmental Resource Management

Policy

SK broadband, a media platform company, has no manufacturing processes or business sites that discharge environmental pollutants having a negative impact on water and air. Although we do not operate a monitoring system for environmental pollutants, we strive to realize environmentally responsible management to minimize environmental impact while complying with related laws and regulations. We have acquired ISO14001, an international environmental management system certification, with constant improvement going on, abiding by the relevant standard requirements. Aiming to promoting eco-friendly management and satisfying the people's right to know, the information on the discharge and usage of environmental pollutants and environmental management status centered on major office buildings have been made public on the environmental information disclosure system supervised by the Korea Environmental Industry and Technology Institute.

Goals

Reducing environmental pollution and zero violation of environmental regulations

2022	Disclosing our environmental policy on the website	2023	Advancing waste management at the company-wide (expansion of recycling, reuse, etc.)
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Initiative and Performance

Resource Management The water consumption is calculated based on the water bill. Since there is no water withdrawal other than municipal water, the amount of water withdrawal is identical with that of water consumption. Waste is managed by a certified company entrusted with waste treatment while we are devising ways to reduce water usage and waste generation with a series of campaigns. We started the eco-friendly program 'Go-Go Challenge' initiated by the Ministry of Environment in January 2021, in which employee promises to reduce the use of plastics and disposable products and nominates the next participant. In 2022, the challenge was developed into a more expanded concept, the 'Net Practice Campaign' that enable employees to monitor the amount of carbon emissions decreased by their environmental behaviors by registering resource saving activities on intranet such as separating recyclable waste and reducing the use of disposable products and paper. By means of e-invoices sending out through text messages or e-mails, we are saving papers used to be consumed in the form of postal bills. As of 2021, 3.68 million users, or 84.1% of all subscribers have used electronic bill, an increase of 1.8%p compared to that of 2020, with constant increase every year. Taking advantages of e-invoices, we are reducing approximately 700 tons of GHG per year, which is equivalent to protecting 110,000 30-years-old pine trees.¹⁾

* Since we do not own other pollutant discharge facilities, activities and data related to air and water pollution are not separately managed.

1) Based on the average amount of carbon absorbed by pine trees in the middle part of the nation, data source: National Institute of Forest Science 2019

Environmental Data

Environmental Resource Management

Initiative and Performance

Eco-Friendly Technology & Education We are actively developing and investing in set-top boxes, Internet Data Centers (IDC) and other facilities. In 2022, the development of low-power set-top box followed by eco-friendly rechargeable remote control that does not need any batteries is expected to result in less waste generation. Our employees are provided with environmental education content on climate crisis and carbon neutrality through video education platform of SK Group, 'mySUNI'. As deteriorating global climate crisis gives rise to the interest in the environment, the average educational hours per employee increased to 4 hours in 2021. In addition, we set up the environmental learning hours at 8 hours to ensure that our employees comply with the ISO14001 environmental management, and maintain internal examiners' eligibility and expertise. And we also train them on risk management, environmental performance evaluation and monitoring.

Key Performance Data

Water ¹⁾		Unit	2019	2020	2021
Withdrawal	Total water withdrawal	ton	304,992	320,210	371,921
	Industrial water	ton	0	0	0
	Municipal water	ton	304,992	320,210	371,921
	Ground Water	ton	0	0	0
	Others (rainwater, etc.)	ton	0	0	0
	Total water withdrawal in regions with High Water Stress ²⁾	ton	212,462	219,397	238,427
	Water withdrawal intensity	ton / sales (KRW billion)	95.95	86.24	91.63
Consumption	Total water consumption	ton	304,992	320,210	371,921
	Total water recycled	ton	0	0	0
	Ratio of water recycled	%	0	0	0

1) Water data based on the buildings subject to environmental data disclosure (The buildings subject to environmental data were increased from 2021 when merged with Tboard)

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

Environmental Data

Environmental Resource Management

Key Performance Data

Waste ¹⁾		Unit	2019	2020	2021
Waste generation	Total waste generation ²⁾	ton	2,486	1,966	2,854
	Waste generation intensity	ton / sales (KRW billion)	0.78	0.53	0.71
	Total cost	KRW 1000	174,211	165,633	287,682
	General waste	ton	2,286	1,778	2,510
	Designated waste	ton	200	187	344
	Recyclable waste	ton	1,374	892	1,436
	Ratio of waste recycled	%	55.3	45.4	50.3

1) Waste data is aggregated based on telecommunications equipment assets such as cables and set-top boxes and office buildings subject to environmental information disclosure
2) Total waste generation = General waste + Designated waste

Environmental Education ¹⁾		Unit	2019	2020	2021
Education hours	Education hours	Hour	-	-	10,204
	Education hours per person	Hour	-	-	4

1) Data has been managed from 2021

Violations of Environmental Laws		Unit	2019	2020	2021
No. of violations	Case		0	0	0
Penalty	KRW million		0	0	0
Fines	KRW million		0	0	0

Social Data

Talent Development

Policy

SK broadband has established personnel regulations and employment rules in compliance with domestic laws and the principles that prohibit discrimination against gender, age, race, ethnicity, religion, and educational background and promote diversity. Detailed guidelines are revised as needed through discussion between labor and management. With the vision of 'A systematic cultivation of smart leaders and members to lead company-wide growth,' SK broadband supports employees to grow into the Most Valuable Convergence Professionals (MVPs) in their field, concentrating on four key areas. In 2021, emphasis was put on developing competency for the broadcasting and media sector and advancing 'on-tact' education, and it gave way to the areas such as data, the work culture, and recommendation-based learning in 2022, aiming to ensure prompt response to the rapidly changing business and external environment.

- | | | | | | | | |
|---|-------------------------------------|---|--|---|--|---|--|
| 1 | Nurturing Smart leaders and members | 2 | Developing competency in data utilization and analysis | 3 | Promoting company-wide training to improve the work culture after the COVID-19 | 4 | Advancing recommendation-based online learning culture |
|---|-------------------------------------|---|--|---|--|---|--|

Goals

Boosting employee participation in education

2022		2023	
	- Recommended training hours on mySUNI (200 hours for leaders, 100 hours for employees) - Gradual expansion of training on data capacity building for leaders and key talents (leaders 30%, key talents 90%) - Annual offline workshop on post-COVID-19 with all employees attended		- Recommended training hours on mySUNI (200 hours for leaders and key talents, 100 hours for employees) and upgraded educational content - Gradual expansion of training on data capacity building for leaders and key talents (leaders 55%, key talents 100%) - Providing customized job · leadership · organizational development programs for each division

Initiative and Performance

Recruitment SK broadband seeks for talented people who (1) create values that customers want (2) are equipped with the essential competencies in a global business environment and (3) are proactive and enterprising. Our talent recruitment plan is set on the basis of the strategic recruitment that employs workforce in line with our goals and major tasks and the results of demand survey for jobs that require regular staffing at least once a year. In the process, we identify the right talent for the company through various stages such as the written examination (SKCT), presentations, and group discussions. Aiming to fulfill our social responsibilities by providing decent and stable jobs to minority groups, we have a separate recruitment process where the disabled and people with national merit are eligible to apply. For fair and transparent recruitment, we are publishing the entire processes on our website.

Social Data

Talent Development

Initiative and Performance

Nurturing MVP We are establishing a step-by-step training plan to define image of qualified employee for the company and realize the mid- to long-term goal of human resource development along with extended training hours and greater investment in enhancing competitiveness. In this regard, we provide specialized training programs for each position and class to nurture human resources who can take prompt response to the fast-evolving business environment, operating mid- to long-term degree courses, global capacity building courses and advanced courses for telecommunications technology certification where next-generation smart leaders of media platform companies are trained. Leveraging our video education platform 'mySUNI,' we are creating a recommendation-based online learning culture together with annual class and certification system in 2022, to fortify data utilization and analysis capabilities. We actively support book purchase, external educational programs, and lectures addressed by external experts to improve individual learning capabilities of our employees. Besides, our employees are guaranteed stable living after their retirement through our retirement support training programs conducted during 80 working hours per month. The training includes programs regarding career planning, job placement, re-employment and business start-up.

We are fostering female talents with the participation in the Women in Leadership Program (WLP), a joint women's leadership program of SK Group, which was designed to boost the competency, qualifications, and expertise required as leaders in hopes of raising the ratio of female leaders. In 2021, three of our outstanding female talents participated followed by continuous involvement which will result in increased proportion of female leaders. In recognition of our efforts to create quality jobs by providing various development programs and policies to reinforce employees' capabilities and refinement of skills, we were selected as '2021 Korea's Best Recruitment Agencies' by the Ministry of Employment and Labor in 2021.

Fair Performance Evaluation and Compensation Fair and reasonable performance evaluation motivates employees and plays a major role in achieving the goal of cultivating MVPs. Performance evaluation is divided into organizational and individual sectors. Under the philosophy that individual performance is gathered to become the organizational performance, the performance evaluation has a 'Cascade' structure which make all team members receive the same score in organizational performance evaluation, while Individual contributions are determined in consideration of individual performance and colleague evaluation results in achieving organizational performance. Performance evaluation results are reflected in annual salary and incentive and serve as a standard to appoint and train key talents. Specially, we formed the Talent Group (composed by key talents) system, where the talent pool is managed by quarterly reviews and leaders are selected within the group.

Treasury Stock For the purpose of long-term growth, enhancement of corporate value, and successful IPO, we are paying treasury stock to our executives and employees over the three years since 2021, expecting stronger ownership of employees as shareholders of the company which will eventually lead to the increase in the value of SK Broadband.

Social Data

Talent Development

Key Performance Data

Employees ¹⁾		Unit	2019	2020	2021
No. of employees		Person	1,803	2,415	2,527
By age	Under 30	Person (%)	162(9)	192(8)	203(8)
	30-49	Person (%)	1,265(70)	1,639(68)	1,585(63)
	50 or over	Person (%)	376(21)	584(24)	739(29)
By position	Executives	Person (%)	42(2)	45(2)	45(2)
	Managers	Person (%)	146(8)	190(8)	209(8)
	Non-managerial employees	Person (%)	1,615(90)	2,180(90)	2,273(90)
By contract type	Regular worker ²⁾	Person (%)	1,717(95)	2,291(95)	2,398(95)
	Non-regular worker	Person (%)	86(5)	124(5)	129(5)

1) Based on the Annual Report

2) Unregistered executives included

Diversity		Unit	2019	2020	2021
Gender balance	Male employees	Person (%)	1,542(86)	2,053(85)	2,130(84)
	Female employees	Person (%)	261(14)	362(15)	397(16)
	Female regular employees	Person (%)	208(12)	285(12)	312 (13)
	Female non-regular employees	Person (%)	53(20)	77(21)	85(21)
	Female executive members	Person (%)	1(2.4)	2(4.4)	1(2.2)
	Female team leaders	Person (%)	6(4.1)	9(4.4)	11(5.3)
	Female employees of profit-generating departments	Person (%)	169(17)	228(17)	264(19)
The disabled ¹⁾		Person (%)	38(2.6)	52(3.1)	56(3.4)
Employees with national merit		Person (%)	75(4.1)	74(3.1)	74(2.9)
Foreign employees		Person	0	0	0

1) Based on the No. of full-time workers (registered executives, dispatched workers, and employees joining the company within 16 days excluded), the No. of the disabled means the actual number while the ratio is calculated at an additional rate of employees with severe disability.

Social Data

Talent Development

Key Performance Data

Recruitment		Unit	2019	2020	2021
No. of new hires		Person	152	120	194
By gender	Male	Person	70	61	76
	Female	Person (%)	82(54)	59(49)	118(61)
	Female regular employees	Person	28	18	41
	Female non-regular employees	Person	54	41	77
By career	New hires	Person	122	97	135
	Career	Person	26	12	59
	Young interns converted to regular position	Person (%)	23(79)	26(48)	29(52)
Turnover (retirement) ¹⁾		Unit	2019	2020	2021
Leavers	No. of leavers	Person (%)	56(3.1)	75(3.1)	140(5.5)
	Male	Person	27	42	58
	Female	Person	29	33	82
	Regular employees	Person (%)	14(0.8)	22(1.0)	42(1.8)
Reason for turnover	Voluntary leavers	Person (%)	12(0.7)	18(0.7)	34(1.3)
	Involuntary leavers	Person	44	57	106
Length of service	Average length of service	Year	13.6	14.0	14.1
	Male	Year	14.8	15.2	15.4
	Female	Year	6.4	7.4	7.3

1) Different standard was applied from the 2020 Sustainability Report (data including non-regular employees)

Social Data

Talent Development

Key Performance Data

Training and Education		Unit	2019	2020	2021
Programs	Participants in job training ¹⁾	Person	431	338	578
	Participants in leadership training	Person	272	363	363
	Participants in women's leadership training	Person	-	-	3
	No. of training programs per employee	Course	0.156	0.317	0.301
	Total training programs ²⁾	Course	236	758	777
	Total participants in training programs	Person	1,511	2,391	2,578
Satisfaction	Employees' satisfaction ³⁾	Score	-	4.46	4.69
Hour	Total training hours	Hour	74,019	225,320	311,003
	On-line training hours	Hour	3,175	174,067	230,730
	Offline training hours	Hour	70,844	51,254	80,272
	Training hours per employee	Hour	41.2	93.3	123.1
Cost	Total cost	KRW 1,000	3,309,948	6,260,654	6,604,644
	Educational cost per employee	KRW 1,000	1,842	2,592	2,613

1) Participants in external training and paid courses on mySUNI

2) Different standard was applied from the 2020 Sustainability Report (external training excluded)

3) Based on the response of the total training course participants after 2020, on a five-point scale

Social Data

Talent Development

Key Performance Data

Evaluation		Unit	2019	2020	2021
Performance evaluation ¹⁾	Target of evaluation	Person	1,567	2,169	2,253
	Evaluated employees	Person	1,567	2,169	2,253
	Evaluation rate	%	100	100	100
	Participation rate in multi-faceted Performance evaluation	%	100	100	100
	Target management rate	%	100	100	100
	Rate of employees subject to long-term incentive	%	-	-	95

1) Excluding executives and non-regular employees

Compensation ¹⁾		Unit	2019	2020	2021
Median pay	Total Median pay	KRW 1,000	104,458	89,259	108,032
	Male	KRW 1,000	113,129	96,055	144,557
	Female	KRW 1,000	57,658	54,856	71,972
Equal pay ²⁾	All employees	%	66	70	68
	Executives	%	66	36	78
	Managers (basic salary)	%	96	94	90
	Managers (basic salary + incentives)	%	93	92	88
	Non-managerial employees	%	69	73	70

1) Based on the Annual Report, the revised disclosure format in July 2021 was applied from data in 2021

2) In calculation of equal pay, non-regular workers and leavers are excluded and there is a difference in salary due to the difference in years of service between male and female employees

Social Data

Work-Life Balance

Policy

SK broadband pursues ‘Fun & Together Corporate Culture’ of which ultimate goal is safeguarding happiness of employees as work and life are closely interconnected.

Since improving the quality of life of employees contributes to achieving the business goals, we set our policy direction for (1) work environment for immersion, (2) supporting happy family life and (3) Re-fresh leisure. We are making unwavering efforts to create a corporate culture in which the company and its employees can grow together and all benefit from while freedom of association and collective bargaining are guaranteed based on laws and regulations. At regular labor-management council meetings where agreements and regulations are enacted and revised based on mutual respect, we identify difficulties and put our heads together to seek for solutions.

- 1

Designing work environment for immersion
Creating a flexible work environment to secure work-life balance, work efficiency and productivity
- 2

Supporting happy family life
Striking balance between work and family by easing the burden of childbirth and childcare
- 3

Supporting Re-fresh leisure
Establishing culture in which employees can enjoy leisure and vacation to be recharged and work with passion and pleasant

Goals

Maintaining 80% or more of employees' satisfaction on work-life balance			
2023	• Invigorating flexible work time system with regular telecommuting	2025	• Establishing 'Work Anywhere' culture to strike work-life balance
	• Expanding programs to take care of employees' family members and to strengthen family relationship		• Advancing supports customized to each employee's life cycle to secure work-life balance
	• Creating a space for healing and well-being of employees		
	• New playground at in-house daycare center		

Work-Life Balance

Flexi-time System Breaking away from the standardized work system, we are implementing flexi-time system that allows employees to design their own working hours depending on individual conditions. With the introduction of flexible working hour system encompassing adjusted time for office attendance and monthly selective working hours, employees can control their working hours that is suitable for their life style. We set core time to promote cooperation among employees along with 'Life-on' system that PCs are automatically turned off after working hours, all of which contributed to increase the quality of employees' life and work efficiency.

Re-fresh Programs To prevent excessive work stress and burnout syndrome in advance, we guarantee and recommend appropriate rest and leisure activities for our employees. We have a We-fresh day, a recommended day off system, every other Friday of the month and encourage employees to take long-term refresh leave, special leave and personal leave the day before and after holidays or on holidays interspersed with workdays. We are subsidizing expenses for internal hobby club activities and welfare cards and providing support for recreation facilities and B-Happy Cars (business vehicle sharing for commuting and weekend leisure activities), thereby ensuring sufficient recharging and leisure activities.

Survey On Employees' Immersion in Work We conduct a survey on employees' immersion in work once a year to monitor 'sense of belonging and self-esteem as an employee,' and 'sense of rewarding and fulfilling for work.' Based on the results, we will devise improvement plans and push forward supportive policies and system step-by-step.

Social Data

Work-Life Balance

Key Performance Data

Flexible working system		Unit	2019	2020	2021
Participation rate in the flexible working system		%	100	100	100

Childbirth and Childcare		Unit	2019	2020	2021
Childbirth leave	Female (regular worker)	Person	9	7	9
Childcare leave	Male	Person	11	16	14
	Female	Person	15	8	7
Return to work after childcare leave	Return rate ¹⁾	%	100	100	95
	Male	Person	10	15	12
	Female	Person	14	13	9
Employees expected to return to work after childcare leave	Male	Person	10	15	13
	Female	Person	14	13	9
Employees working 12 months or more after returning to work	Working rate ²⁾	%	95	92	93
	Male	Person	15	8	13
	Female	Person	5	14	13
Employees expected to work for 12 months or more after returning to work	Male	Person	15	10	15
	Female	Person	6	14	13

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 Benefits		Unit	2019	2020	2021
Welfare expense ¹⁾		KRW million	16,936	18,456	20,693
Welfare expense compared to sales		%	0.52	0.50	0.49

1) Welfare: welfare expense is used for welfare pension, tuition for children, support for medical expense, and selective welfare

Social Data

Work-Life Balance

Key Performance Data

Family Support for Employees		Unit	2019	2020	2021
Medical fee support		Person	1,582	1,962	1,972
Cancer support		Person	11	15	12
Tuition support		Person	1,838	2,106	2,442
Disabled child support		Person	19	23	25
Daycare center support		Person	28	24	27
Celebratory or condolatory money support		Person	349	419	528
Family CARE ¹⁾		Person	730	1,155	1,244

1) Inviting a child to workplace and sending gift for Happy Children's Day, elementary school entrance and students who take CSAT

Re-fresh Programs		Unit	2019	2020	2021
Long-term refresh leave ¹⁾		Person	104	57	67
B-Happy Car ²⁾		No. of usage	-	-	241

1) Based on user data in 2021 (based on target data until 2020)

2) Providing service from November 2021 (duplicate accumulation)

Work-life Balance Satisfaction		Unit	2019	2020	2021
Employees	Total	%	-	-	83.6
	Male	%	-	-	84.8
	Female	%	-	-	72.9

Social Data

Work-Life Balance

Key Performance Data

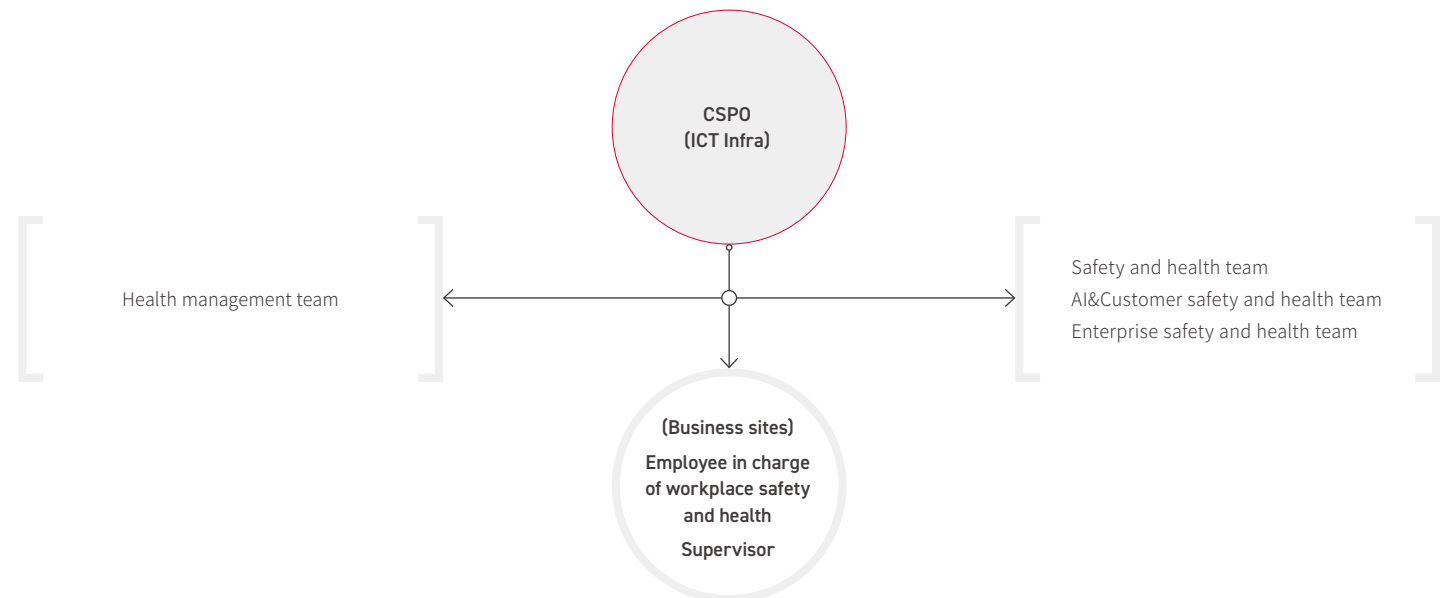
Employees' immersion in work		Unit	2019	2020	2021
Employees	Total	Score	76.2	71.6	70.5
	Male	Score	76.9	72.5	71.4
	Female	Score	69.8	63.1	62.8
Labor union		Unit	2019	2020	2021
Labor union	Target	Person	1,431	1,925	2,006
	Members	Person	1,318	1,613	1,744
	Ratio of labor union membership	%	92.1	83.8	86.9
Collective bargaining application rate		%	100	100	100

Social Data

Safety and Health

Policy

In 2021, SK broadband established a management system and policy to promote the safety and health of employees and business partners, including contractors and service consignment business. The BOD reviews annual regulations and plans of industrial safety and health while the Industrial Safety and Health Committee composed of members from both labor and management side is sharing major issues and coming up with improvement plans on a quarterly basis. Pursuing sound safety and health management system, a CSPO (Chief Serious-accident Prevention Officer) was appointed to steer four dedicated organizations and workforce in charge of safety and health management. Furthermore, a health management team newly established in 2022, is making the ceaseless effort to polish health management programs taking care of the mental (emotional) and physical health of employees, along with customized programs to prevent occupational diseases depending on duties in and outside of the office. We subdivide management areas by the business group such as infrastructure, media, and B2B to operate a safety management system characterized to the features of each business, thereby making sure of safety and health of our employees and partners. Aiming to sharpen the management system, we have been renewing ISO45001, a global safety and health management system certification, while the safety issues of employees are reflected in the performance evaluation of the management leadership and the CEO in connection with the compensation system.



Social Data

Safety and Health

Goals

Zero serious disaster

2022	• Acquiring ISO45001 certification for 6 business sites (including 5 IDC business sites plus existing 1 business site at the headquarter) • Advancing integrated safety management system¹⁾ with enhanced mobile functions and real-time on-site safety measures etc.)	2023	• Reinforcing the internal safety expert training system by upgrading the health education system
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1) Integrated safety management system: A system that integrates and operates the safety management system of SK broadband's entire business.

Zero occupational diseases and 300% increased participation in health management programs¹⁾

2023	• Operating health program based on data of employees' health condition	2025	• Advancing inspection on working environment • Benchmarking other companies to incorporate improvement point in our health care management
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1) (Cumulative number of participants in health support system yearly X 100) / total number of employees

Initiative and Performance

Risk Assessments In accordance with the Occupational Safety and Health Act, risks and harmful factors are identified, managed, and eliminated beforehand. We conduct annual risk assessment and inspection by external agency to examine harmful and risk factors on business sites once every half year. We conduct initial, regular, and occasional risk assessments to business partners including contractors and service consignment business. The evaluation is initiated with document review and on-site inspection followed by the assessment on the incidence of injuries or diseases and materiality to estimate severity of risks, on which improvement measures are established. In 2021, we identified 180 harmful and dangerous factors such as falls, electric shock, and fire / explosion to provide personal protection equipment together with safety guidelines and education for capacity building of employees to inspect and control harmful and risk factors. Annual safety inspection has been conducted to scrutinize hazardous environments such as electric power, firefighting, and information and telecommunications construction work. Beside, we engage employees in participatory programs including Occupational Safety and Health Committee for each business site, regular meetings of Safety and Health Councils and the operation of safety and health bulletin boards. We will provide guidelines on safety and health along with on-site audits, and regular safety and health evaluations, putting the safety and health issues first.

Social Data

Safety and Health

Initiative and Performance

Emergency Drills We implement constant emergency drills to be equipped with the ability to make prompt response and cope with a crisis, thereby internalizing emergency management. Each business site establishes various emergency response scenarios assuming disaster situations such as fire, earthquake and the serious industrial disaster of business partners, operating a situation room under the supervision of CSPO. In a simulation training implemented once a half year, the on-site response team and the disaster prevention organization jointly conduct primary measures such as evacuation and informing the situation under the leadership of the business site manager and supervisor. In 2022, emergency drills were conducted assuming the situation of serious industrial disaster of business partners and the occurrence of occupational diseases at the headquarters through which employees and business partners clearly understand the duties and roles in case of emergency with further consolidated mutual cooperation system.

Health Support Welfare Programs We strive to create a safe and healthy workplace where various health support welfare programs are taking care of physical and mental health of all employees regardless of contract type. We subsidize health management expenses such as health checkups, vaccinations, and medical expenses, in the preparation of data-oriented health management program to establish the culture of self-initiated and continuous health management. We have explored working environment of 16 business sites across the country, measuring air quality, noise, illuminance, temperature and humidity to root out hazardous factors in advance. Space for health management and physical training were prepared in the workplace. For employees working outside, we have placed salted glucose tablets and detector of harmful gases, while office workers are urged to spare moments for healthy stretch to prevent musculoskeletal disorders. We have surveyed on harmful factors and operated health management programs such as the walking program and a quit-smoking clinic as well as the psychological counseling program 'Maeum Talk Talk' which has been operated from 2022 to provide counseling for personal and organizational concerns, thereby helping employees with psychological stability. We are taking preemptive measures for the health and safety of our employees, by operating a dedicated organization in response to the re-spread of COVID-19, producing guidelines reflecting government regulations and conducting full scale telecommuting.

Social Data

Safety and Health

Key Performance Data

Occupational Accident		Unit	2019	2020	2021
Employees	Total working hours	Hour	3,606,000	4,830,000	5,054,000
	Regular employees	Person	1,803	2,415	2,527
	Serious disaster ¹⁾	Case	0	0	0
	Industrial accidents	Case	0	2	2
	Cases with fatalities	Case	0	0	0
	Fatality rate	%	0	0	0
	LTI	Case	0	2	2
	LTIR ²⁾	Per 200,000 working hours	0	0.083	0.079
	Occupational illness	Case	0	0	0
	OIFR ³⁾	Per 200,000 working hours	0	0	0
	Occupational accident rate	%	0	0.08	0.08
	Severity rate ⁴⁾	‰	0	0.03	0.02
Business partners	Total working hours	Hour	21,808,000	24,290,000	26,908,000
	Fatality rate ⁵⁾	%	0	0	0
	LTI	Case	39	42	63
	LTIR	Per 200,000 working hours	0.36	0.35	0.47

1) A serious disaster refers to accidents with one or more fatalities, two or more injured workers requiring at least three months of medical treatment or ten or more injured or occupationally ill workers

2) Lost Time Injury Rate (LTIR): Lost time for more than one day / total working hours X 200,000

3) Occupational Illness Frequency Rate (OIFR): No. occurrence of occupational illness / total working hours X 200,000

4) Severity rate: No. of lost days / total working hours per year

5) Zero industrial accidents with fatalities of business partners for 3 years

Social Data

Safety and Health

Key Performance Data

Hazardous and Harmful Factors ¹⁾		Unit	2019	2020	2021
Identification		Case	-	186	180
Measures	Total	Case	-	186	180
	Elimination	Case	-	83	79
	Replacement	Case	-	43	39
	Control	Case	-	60	62

1) SK broadband has been conducting risk assessment at all business sites since 2020 to manage the risks by classifying into 3 levels (Critical, Major, Minor).
- The risk factor is considered to be eliminated when the critical / major level of risk is classified into minor after improvement activities
- The risk factor is considered to be replaced when the major level of risk is classified into major after improvement activities
- The risk factor is considered to be controlled when the critical level of risk is classified into major after improvement activities

Safety and Health Education		Unit	2019	2020	2021
Participation in education	Participants	Person	-	2,415	2,527
	Completion rate	%	-	100	100
Training hours	Training hours	Hour	-	28,980	30,324
	Training hours per person	Hour	-	12	12
Educational expenses	Educational expenses	KRW	-	38,640,000	40,432,000
	Educational expenses per person	KRW	-	16,000	16,000

Violations of Safety and Health Laws		Unit	2019	2020	2021
No. of violations		Case	0	0	0
Penalty		KRW million	0	0	0
Fines		KRW million	0	0	0

Social Data

Safety and Health

Key Performance Data

Health Support	Unit	2019	2020	2021
Health checkups	Person	1,690	2,320	2,403
Medical expenses	Person	1,582	1,962	1,972
Vaccination	Person	466	1,252	776
Quit-smoking clinic	Person	0	24	21
Walking program in spring	Person	1,098	0	237
Support for hobby clubs	Person	921	1,010	949
Programs to encourage employees to use stairs	Person	-	-	156
Healthy stretching programs	Person	-	-	474

Social Data

Human rights

Policy

SK broadband declared human rights management in June 2021 to fulfill social responsibility and respect basic human rights and dignity, setting ‘maximizing the happiness of employees and all stakeholders’ as the core value of corporate management. We endorse the human rights principles of the UN Universal Declaration of Human Rights and the Implementation Principles for Business and Human Rights and the International Labor Organization (ILO) Declaration, which are incorporated in our detailed guidelines for human rights management to be embedded into corporate culture. The policy applies to all business sites and employees, being shared with customers and business partners engaged in our business activities. Guidelines on the prevention of sexual and workplace harassment have been formulated while stricter measures are taken with zero tolerance principle. Based on the guidelines, we are monitoring three major management areas (human rights of employees and business partners in the workplace, protection of personal data, and social responsibility) and advancing the due diligence process for substantial human rights protection. When complaints regarding human rights issues are coming in through internal and external reporting channels, the human rights department designates departments responsible for, depending on the risk, to ask a corrective action plan and its implementation which will be constantly inspected.

Detailed Operational Guidelines

1. Human rights of employees and business partners in the workplace

- Banning all forms of discrimination in employment conditions such as employment, wages, and promotion on the grounds of gender, age, academic background, religion, disability, origin, etc. and ensuring equal pay.
- Complying with statutory working hours and laws pertaining to health and safety in the workplace
- Ensuring the right to form, join and engage in labor unions
- Prohibiting labor against free will such as forced labor, human trafficking and child labor

2. Customer data protection

- Minimizing personal information required for request, record, and storage for service provision
- Implementing the duty of caution and prior notice on information storage
- Establishing and maintaining a sufficient security system to prevent information leakage
- Fulfilling Responsibilities for the use of personal data in terms of service and marketing

3. Social Responsibility

- Ensuring equal level of access to services regardless of class or disability
- Taking Responsibility in distributing information for the protection of minors such as children and adolescents
- Rejecting malicious use of technology, electronic equipment, and data
- Eradicating technology misuse such as wiretapping and hacking

Social Data

Human rights

Goals

Raising human rights awareness and zero violation of human rights laws					
2022	• Intensive human rights impact assessment (due diligence conducted on human rights)		2023	• Enacting comprehensive regulations on human rights violation (unitary regulations on workplace and sexual harassment prevention) • Priority control of human rights violation against the vulnerable • Additional training apart from compulsory education	
			2025	• Expanding human rights education for business partners	

Initiative and Performance

Human Rights Impact Assessment In 2021, the corporate human rights impact assessment conducted revealed the areas where complementary measures are needed. We declared human rights management with the enactment of human rights policy, while receiving reports on potential human rights issues through stakeholder engagement channels stipulated in the declaration. The roles and responsibilities of the department and person in charge of human rights impact assessment are defined in the human rights management regulations. In 2022, we will enforce an intensive human rights impact assessment to rigorously review policies and regulations, conducting due diligence and group interviews with vulnerable groups. Besides, we plan to develop a checklist for human rights impact assessment while expanding human rights due diligence to prevent the risk of human rights.

Remedies for Human Rights Violation In pursuit of substantial human rights management, human rights-related grievances reported are being handled in accordance with the due process. Reports can be made via online and offline channels while investigations are initiated within three business days to be completed within seven business days, thereby guaranteeing prompt grievance handling. Ensuring fairness in professional investigations, we make the best use of consulting from external experts and deliver the progress of investigation in which we are surely maintaining the confidentiality of personal information of victim and prohibiting disadvantages and retaliation. Depending on the severity of the issue, the Personnel and Disciplinary Committee is held to deliberate and take measures to prevent recurrence followed by a close monitoring.

Social Data

Human rights

Key Performance Data

Reporting and Handling		Unit	2019	2020	2021
No. of reports regarding human rights abuse		Case	2	4	5
No. of reports handled regarding human rights abuse		Case	2	4	5
Violation of human rights laws	No. of violations	Case	0	0	0
	Penalty	KRW million	0	0	0
	Fines	KRW million	0	0	0

1) Announcing deliberation results of Personnel and Disciplinary Committee

Education		Unit	2019	2020	2021
Total	Training hours per employee	Minute	168	180	185
Sexual harassment prevention	Training hours per employee	Minute	80	84	65
	Completion rate	%	99.6	99.3	99.7
Raised awareness of the disabled	Training hours per employee	Minute	67	61	89
	Completion rate	%	97.7	98.1	99.3
Workplace bully prevention	Training hours per employee	Minute	21	35	31
	Completion rate	%	98.2	98.6	99.0

Social Data

Business Partners

Policy

SK broadband is putting into action strategies and policies for creating a sustainable industrial ecosystem where we are happily going hand in hand with our business partners. With an aim of preventing unexpected fraudulent issues, we established the ESG Code of Conduct for Business Partners which serves as a set of standards in valuation. The ESG Code of Conduct stipulates specified duties and responsibilities in four key areas: environment, health / safety, labor / human rights, and ethics. Since 2022, business partners in need of priority control are selected to be properly managed considering the strategic importance and transaction size. Based on the results of annual ESG risk assessment and due diligence, we are giving assistance to high-risk business partners to make progress. We are implementing mutual growth strategy with a view to reinforce the win-win cooperation system and competitiveness of our business partners. The Chief Strategy Officer (CSO) manages and supervises such supportive actions, and the results are always shared with the management leadership.

Goals

ESG assessment of 50 partners in critical tier 1 (in 2024)

2022	• Confirming business partners' pledge to comply with ESG Code of Conduct • Conducting a pilot ESG assessment for 5 business partners • Devising incentives to promote business partners' participation in ESG assessment / improvement	2023	• Reviewing the progress of ESG management to grasp issues in 2022 • Expanding scope of ESG assessment to 30 business partners • Providing assistance to high-risk partners to make progress (online / offline training, ESG self-checklist, guidelines and consulting etc.)	2024	• Expanding scope of ESG assessment to 50 business partners
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Social Data

Business Partners

Goals

Category		Advancement of mutual growth program in 2022	Establishment of mutual growth system in 2023
Enhancing win-win cooperation system	Finance	• Raising mutual growth fund • Immediate payment	• Raising mutual growth fund • Immediate payment
	Technology	• Proposal Festival for Mutual Growth (with purchase strings attached when the proposal is accepted) • Development with purchase strings attached	• Proposal Festival for Mutual Growth (with purchase strings attached when the proposal is accepted) • Development with purchase strings attached • Supporting patent acquisition
	Communication	• In-depth meeting with business partners • Mutual Growth Pride Awards • Happy Talk • Mutual Growth Happiness Camp	• In-depth meeting with business partners • Mutual Growth Pride Awards • Happy Talk • Mutual Growth Happiness Camp • Mutual Growth Collabo. Day
Sharpening competitiveness of business partners	Education	• CEO seminar on mutual growth • Mutual Growth MBA	• CEO Seminar on mutual growth • Mutual Growth MBA • Mutual Growth Academy (on/offline)
	Biz	• Purchase consultation • Job fair	• Purchase consultation • Job fair • Supporting exhibitions at home and abroad • One-point consulting

Initiative and Performance

Prior Screening Entering into new partnerships with SK broadband, business partners must undergo prior screening where comprehensive evaluation is conducted on ESG-based sustainability, finance, and quality. The implementation rate of prior screening, which is linked to the electronic contract system, is always maintained at 100%. ESG factors are evaluated mainly in the areas of the environment, human rights, and ethics. We oblige business partners to agree and comply with our ESG policy stated in our official document, ‘CSR Practice Consent Form’ and ‘Pledge to Comply with ESG Code of Conduct’ and to abide by what are required as a partner company specified in written contract. Depending on the result of the prior screening, the contractual relationship is terminated.

Social Data

Business Partners

Initiative and Performance

Regular Evaluation We conduct a regular evaluation once a year in accordance with the due process which enables our business partners to maintain the best quality while identifying and managing potential ESG risks. Regular evaluation items encompass management (ESG, ethical management), cost (price competitiveness), technology (technical competency), quality (quality), delivery (compliance with due date), responsiveness (business response), etc., with the main evaluation point of (1) economic feasibility, (2) ESG, and (3) quality. ESG evaluation focuses on the acquisition of internationally recognized ESG certification including ISO, eco-friendly technology and safety management capabilities, ethics, and anti-corruption.

Programs for Mutual Growth We are operating mutual growth programs by which a win-win cooperation system and the competitiveness of our business partners are polished and boosted. The program has been subdivided into multi-faceted areas of finance, technology, education, business, and communication, which is followed by continuous advancement. Although some programs were not able to proceed due to the re-spread of COVID-19, we will set the plan that complies with government policies and company's guidelines to resume diverse programs as soon as possible.

Category		Mutual growth programs	Performance
Enhancing win-win cooperation system	Finance	Mutual growth fund	• SK broadband deposits capital with financial institutions to raise fund which supports the small and medium-sized business partners with low-interest loans for facility purchase / operational expenses • Investing KRW 500 million in fund operation
		Immediate payment	• A program for early payment to facilitate cash flow of small and medium-sized business partners • Advance payment in cash before Lunar New Year and Chuseok
	Technology	Proposal Festival for Mutual Growth	• Not able to proceed due to the COVID-19
	Communication	In-depth meeting with business partners	• Not able to proceed due to the COVID-19
		Mutual Growth Pride Awards	• A program to deliver gifts of appreciation and respect to business partners • In 2021, 3 partners won the Challenger Award • Award-winning companies receive a variety of benefits including the plaque of best partner certification, SK gift card, overseas training for staff in business partners in 2022, and preferential condition in using interest-free ESG loans
Sharpening competitiveness of business partners	Education	CEO seminar on mutual growth	• Seminar to share management know-how with business partners such as management strategy, finance, and human resources • In 2021, 13 people from 5 companies participated in the integrated course of CEO seminar and MBA
		Mutual Growth MBA	• Training program for middle managers in business business partners • In 2021, 13 people from 5 companies participated in the integrated course of CEO Seminar and MBA
	Biz	Job fair	• Not able to proceed due to the COVID-19

Social Data

Business Partners

Key Performance Data

Business partners		Unit	2019	2020	2021
Total		Company	415	312	423
Tier 1		Company	-	-	361
Critical Tier 1 ¹⁾		Company	-	-	50
New business partners		Company	-	-	172

1) Based on the strategic importance and transaction size.

ESG assessment		Unit	2019	2020	2021
Prior Screening	No. of prior screening	Company	415	312	423
	Implementation rate of prior screening	Company (%)	100	100	100
Regular	No. of regular evaluations conducted	Case	415	312	423
	Ratio of business partners receiving ESG certification ¹⁾	Case (%)	-	243(78)	423(100)

1) Assessment was initiated in 2020, and expanded to all business partners in 2021

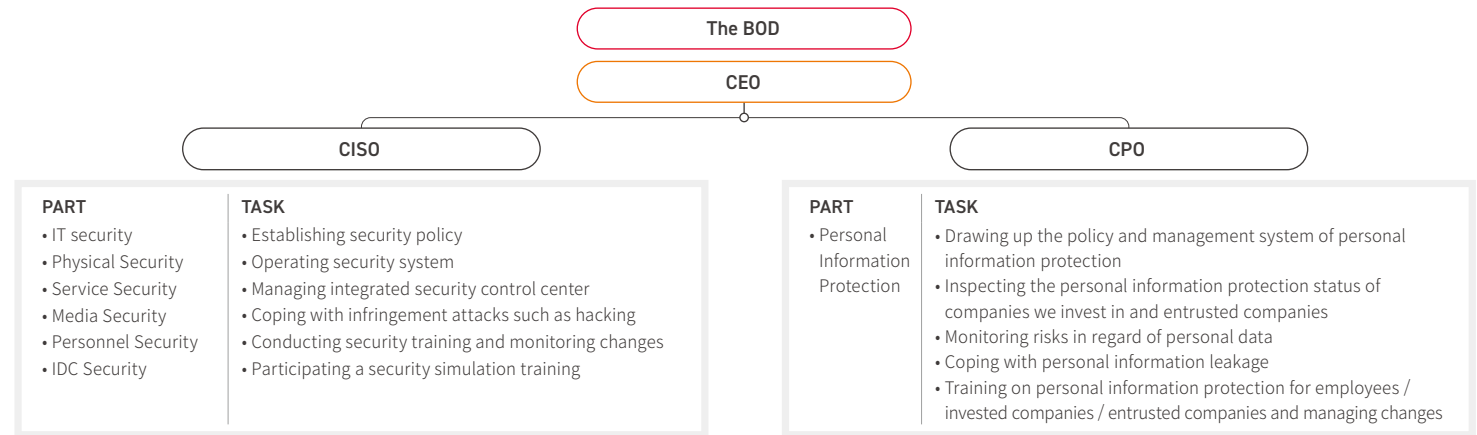
Purchase		Unit	2019	2020	2021
Total amount of purchase		KRW billion	1,243	1,020	1,407
Amount of construction and service purchased		KRW billion	639	577	678
Amount of equipment and materials purchased		KRW billion	604	444	729

Social Data

Corporate Data and Customer Information

Policy

As the spread of COVID-19 and advanced technologies have brought about the growing amount of data, data management is gaining its significance in securing sustainability for media platform companies. Against this backdrop, SK broadband aims to enhance corporate competitiveness and win customer's trust with proper data management. We have enacted, amended, and complied with the security policies and guidelines in accordance with laws and regulations, making public the personal information protection policy which includes the use of customer information and relevant measures on our website where our customers can find effortlessly. The BOD, the highest decision-making body, has deliberated our mid-to long-term information protection plan for 2021 followed by complementary measures devised from annual security trends analysis. Chief Information Security Officer (CISO) and Personal Information Protection Officer (CPO) have been appointed under the direct control of the CEO, while the departments in charge are playing their key roles by function to ensure seamless security 24/7.



Goals

Zero information leakage / hacking and violation of personal information protection

	2023	2025
	- Acquiring ISMS-P certification to consolidate our top-tier position regarding personal information security in the same industry - Refining Big Data-based security risk detection system	- Automating detection and response regarding security threat - Extending training hours per employee on personal information protection and information security to 3 hours - Boosting participation in internal and external initiatives and taking the lead in security innovation within the same industry

Social Data

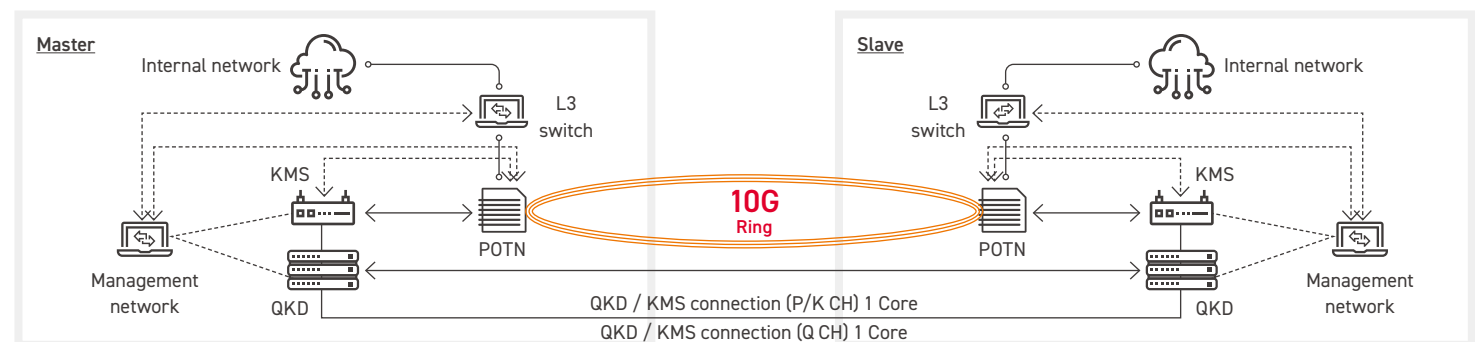
Corporate Data and Customer Information

Initiative and Performance

Acquiring and Maintaining Certification We have acquired and maintained ISMS and ISO27001, external information security certifications to ensure objectivity in terms of evaluation of our information security infrastructure. Passing the assessment on 16 categories in the establishment and operation of management system and 64 categories in the requirements for protection measures regarding the areas of Internet Service Provider (ISP), Internet Data Center (IDC), and Cable television (CATV), we have obtained ISMS certification. IDC center located in Bundang has acquired ISO27001, the international standard for information security management system, which is a clear manifestation of our outstanding security recognized at home and abroad.

Advancing Security Technologies SK broadband is working on the construction of quantum cryptography communication system to ensure information security and the prevention of infringement. Advanced technologies have led to the advent of quantum computers capable of processing large amounts of information simultaneously, which is likely to come with more intensive cyber attacks. Developed countries are already equipped with quantum cryptography communication networks in preparation for intense hacking attacks. Quantum cryptographic communication refers to a technology which harnesses no-cloning theorem to safely exchange and distribute secret keys between senders and receivers and detects decryption of encrypted information and wiretapping. Since 2020, SK broadband has been participating in the pilot project of the quantum cryptography infrastructure as part of the digital new deal project propelled by the Ministry of Science and ICT and the Korea Intelligent Information Society Promotion Agency. In cooperation with IDQ, the world's No. 1 quantum cryptography communication company, we have built a quantum cryptography communication pilot network where excellent innovative technologies were converged under the leadership of SK telecom. As a result, we were given the first position in national projects for three consecutive years, which are used in the leased line services for national public institutions and medical and automobile industries to contribute to the prevention of information security breaches in society.

Structure of Quantum Cryptography Communication



* POTN (Packet Optical Transport Network), QKD (Quantum Key Distributor), KMS (Key Management System)

Social Data

Corporate Data and Customer Information

Initiative and Performance

Fortifying Training and Inspection We fortify training and inspection with a view to improving the security level of our employees and business partners. The vulnerable areas are identified through regular and self-security inspections conducted twice a year, while annual training has been conducted regarding information security and personal information protection with case-oriented contents. For companies entrusted with personal information, we pay close attention to discovering vulnerabilities through on-site inspections, at least once a year, followed by complementary measures. Employees in investment and entrusted companies are also provided with training utilizing our own content to familiarize themselves with possible cases and preventive measures by type of personal information.

Participating in Internal and External Initiatives SK broadband is actively participating in information protection initiatives in response to security threats in and outside the company, raising security awareness throughout the industrial ecosystem. At the SK ICT Summit in 2021, we presented and exhibited Korea's first 'DDos Clean Zone,' which was designed and developed on our own and demonstrated big data-based internal information leakage monitoring system and application examples at the 2021 Industrial Security Conference held by the National Core Technology Security Academy of Korea. Since 2021, we have participated in the public-private consultative body with the goal of voice phishing prevention to stop voice phishing at home and abroad.

Key Performance Data

Infringement		Unit	2019	2020	2021
No. of incidents		Case	0	0	0
Penalty and fines		KRW	0	0	0
Training		Unit	2019	2020	2021
Training on personal information protection	Training hours per employee	Hour	1	1	1
	Complete rate	%	98	100	100
Training on information security	Training hours per employee	Hour	1	1	2.5
	Complete rate	%	96	99	99
Training on information management system	Training hours per working-level employee	Hour	1	1	1
Personal information training for business partners	Total no. of participants	Person	14,061	13,342	13,853
	No. of participants in on-line training	Person	7,946	10,316	11,520
	No. of participants in off-line training	Person	6,115	3,026	2,333

Social Data

Corporate Data and Customer Information

Key Performance Data

Receiving information and advertisements		Unit	2019	2020	2021
No. of customers agreed ¹⁾		Person	1,891,813	2,813,509	3,317,550
Agreement rate		%	41	44	51

1) CATV data was included since 2020 after the merger

Inspection and measures		Unit	2019	2020	2021
SK broadband	Inspection and evaluation ¹⁾	Times	1	1	1
	Measures taken	Times	26	24	21
Business partners	Inspection and evaluation ²⁾	Times	-	321	411
	Measures taken ³⁾	Times	-	11	21

1) Based on ISMS certification assessment standards
2) Based on on-site inspection standards
3) Limited cases of grades 1-2 violations (with high-risk) such as CMS and concurrent business operation

Social Data

Network Quality

Policy

SK broadband strives to provide excellent quality of the network, maintaining stable service without disturbance for ensuring convenience for our customers. To this end, we are advancing technologies with personnel and material investment in a consistent manner. In 2021, a service innovation organization was established while absolute stability is guaranteed in operation with Key Performance Indicators (KPI) introduced. By classifying risks into three grades depending on the impact on service, a company-wide response, reporting, and dissemination system has been established with emergency response training. Under the agenda of service quality improvement, the CEO presides over monthly meetings on top of stable operation meetings (minimization of network failures) attended by all the organizations responsible for the network operation. Aiming to make a preemptive response to the growing overseas traffic, we are investing in submarine cables adding to the preparation of materials and expenses to support the public and plans for prompt network restoration in case of disasters.

Goals

Zero network failure, no. 1 in external quality evaluation

2022	• Providing uninterrupted service by expanding dual line system for apartment housing • Improving wi-fi speed and coverage - Test operation of Wi-Fi6E based AP with ultra-low latency and high-speed data transmission • Upgrading outdated facilities and equipment in the communications central office	2023	• Completing the construction of international submarine cable to open service (in the second half)
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Initiative and Performance

Innovative Quality Control The launch of high-definition contents and new services have given rise to 30% of increase in traffic every year which led to the strategy to expand and upgrade network trunks with the construction of our own international submarine cables that connect seven Asian countries (10 bases) with an aim of opening service in the second half of 2023. With a view to preventing customers' inconvenience in advance and prepare a system capable of prompt response to issues, we are making progress by analyzing data quality ranging from large network equipment to customers' mobile and Wi-Fi in four aspects (quality experience, equipment quality, media quality, In-house quality), harnessing AI / DT technology. Securing an exceptional competitive edge in Internet connection speed and stability, which are closely related to the quality experience of customer, the giga internet coverage has been expanded to 98.6% with continuous quality improvement in Wi-Fi speed. Wi-Fi6E based AP with ultra-low latency and high-speed data transmission is scheduled to be introduced for test operation in 2022.

Social Data

Network Quality

Initiative and Performance

Stable Service Operation Network failures have been subdivided into types and risks to establish pre- and post-failure response systems and processes to take action based on the failures classification standards. We maintain optimal recovery capabilities by drawing up crisis response scenarios and conducting practical emergency drills at least once a month. The AAR (After Action Review) process analyzes and improves even minor risk factors to prevent major failures. AAR is implemented within the monthly stable operation meetings, of which results are reflected in the operation process to be applied throughout the company. Recent examples of improvement include expanding the power supply capacity of the communication central office, reviewing and applying the plan to enable the instant use of emergency power generation vehicles, upgrading recovery guidelines in case of disasters such as forest fires, and reforming the MMS method to inform customers in case of service interruption, to name a few. With these efforts, the communication equipment failure rate has been improved by 50% and by 23% for optical fiber failures compared to 2018. While pushing ahead the expansion of a dual system for the communications central office completed in 2021, dual line system for apartment housing has been gradually expanded year by year to provide uninterrupted services. We have been equipped with 'special communication measures' for a disorder that can possibly occur, particularly in situations where communication traffic may suddenly rise due to holidays or large-scale events such as World Cup to provide equal service quality.

Key Performance Data

Customer satisfaction		Unit	2019	2020	2021
NCSI ¹⁾	High-speed internet	Ranking	1	1	1
	IPTV	Ranking	1	1	1
KS-SQI ²⁾	High-speed internet	Ranking	1	1	1
	IPTV	Ranking	1	1	1

1) Ranked 1st in the high-speed internet and IPTV sectors for 12 consecutive years in National Customer Satisfaction Index (NCSI) as of 2022

2) Ranked 1st in the high-speed internet sector for 8 consecutive years and in the IPTV sector for 4 consecutive years in Korean Standard Service Quality Index (KS-SQI) as of 2022

Network failures		Unit	2019	2020	2021
No. of major failures ¹⁾		Case	0	1	0
Violation of regulations		Case	0	0	0

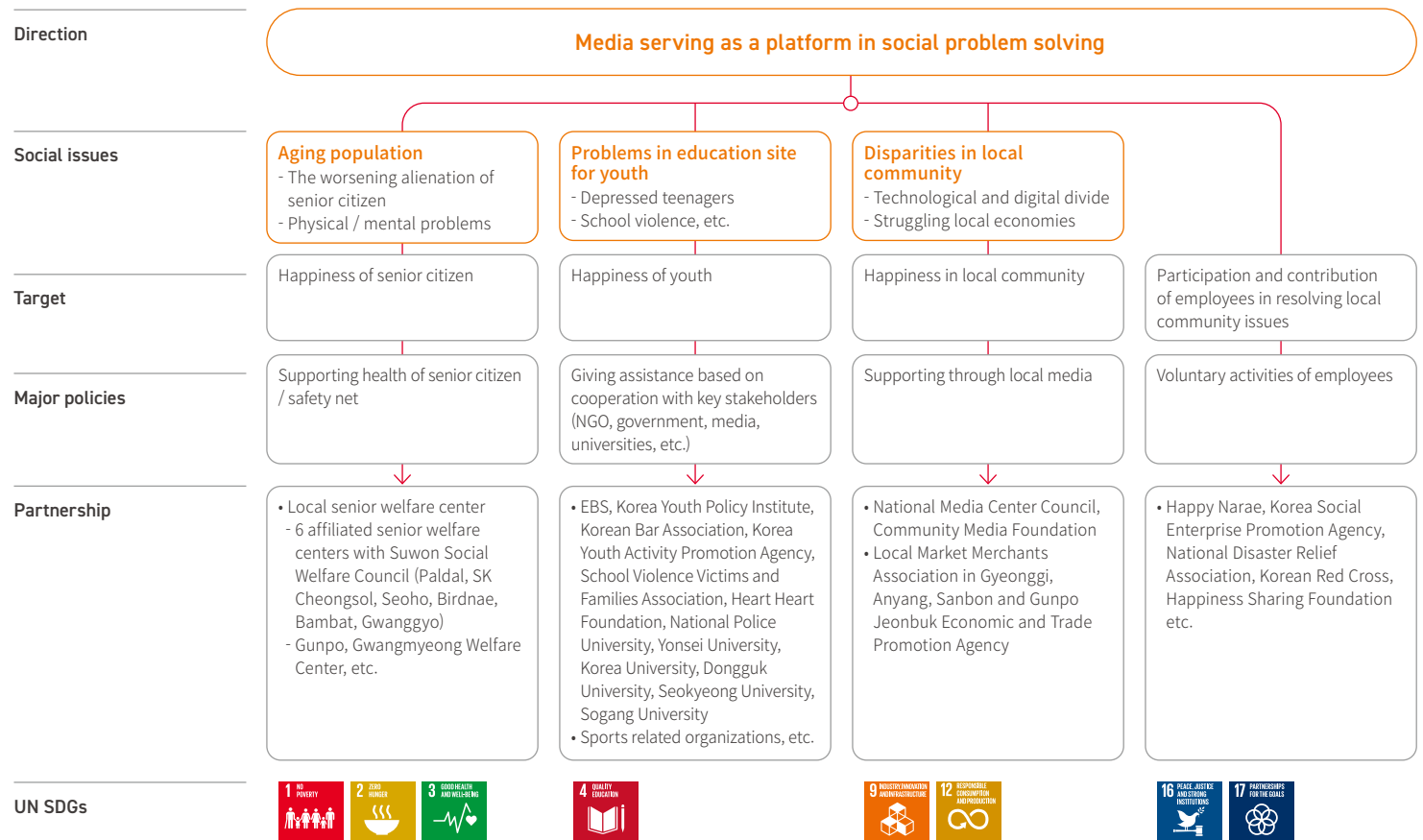
1) Notification subject disorder or disorder that is the equivalent level of it or above in accordance with the Enforcement Decree of the Telecommunications Business Act revised in 2019

Social Data

Social Contribution

Policy

Dreaming of a society where media serves as a platform on which social problems are addressed to make everyone happy, SK broadband is building a new model in which our business characteristics and capabilities are grafted onto social issues such as an aging population, youth education, and disparities in the local community. In this regard, we have created a strong partnership with various institutions in the hope of problem-solving.



Social Data

Social Contribution

Goals

3,000 beneficiaries of Senior Happiness Program (in 2025)

2023	• Expanding support for senior citizens from vulnerable group • Media education for senior citizens • Producing and sharing senior care contents	2025	• Consolidating support projects for senior citizens from vulnerable group in connection with local resources • Nurturing new seniors citizens good at digital media utilization • Continuing production of senior Care contents
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600 beneficiaries of Youth Happiness Program and 5 cases of contribution in government policy (accumulated by 2025)

2023	• Promoting media-based business for happiness of youth • Pushing ahead with supportive projects for the underprivileged together with youth • Supporting sports activities for youth	2025	• Promoting contribution in government policy based on performance of Youth Happiness Program • Expanding activities engaging youth • Broadening partnerships leveraging media • Expanding youth sports programs
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Broadcasting Community Happiness Program 19,000 times (in 2025) & addressing social problems through preemptive discovery and reporting of local community issues

2023	• Supporting media education for local residents • Expanding video contest for sharing social values • Resolving local community issues through preemptive discovery and in-depth coverage	2025	• Adding local residents' excellent media content to B tv and local channels' program schedules • Reinforcing social surveillance function and in-depth coverage
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30% of employee participation in volunteering (in 2025)

2023	• Expanding supportive activities for the underprivileged in the region • Reinforcing disaster relief support to the public • Continuing blood donation campaign • Expanding non-face-to-face volunteering	2025	• Developing volunteer work in connection with the expertise of employees
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Social Data

Social Contribution

Initiative and Performance

Social Contribution Programs Our social contribution programs have been operated, centering on seniors, youth, small business owners, and local residents. In this respect, we regularly hold an expert forum for social change (Blossom Forum) to collect opinions from experts in various fields and reinforce social responsibility activities. Going forward, we will spare no effort to build a model to induce the participation of beneficiaries, the company-wide efforts, and multilateral cooperation based on our media capabilities.

Category	Social contribution program	Performance
Senior citizen	Support for the old living alone	'A Meal Sharing On-Tact Project' provides lunch boxes to the underprivileged experiencing difficulties in having meals since welfare facilities stopped free-meal distribution due to COVID-19. The lunch boxes are made by small-sized local restaurants or social enterprises suffering from decreased sales owing to COVID-19. Through this win-win model project, which increased sales of local restaurants while providing a meal to the vulnerable, about 46,000 lunch boxes were delivered in 2021.
	Education with B tv On-Air	We have run a business that provides non-face-to-face educational programs (information and health contents for each region) to senior citizens using digital signage, a feature of the media solution 'B tv On-Air.' In 2021, we have witnessed the effectiveness of the program through a pilot project at three welfare centers. Going forward, the partnership will be expanded to welfare centers, local governments, and silver hall, thereby offering more educational opportunities for senior citizens.
	Project for happy and healthy senior citizens	With the assistance of 13 Social Welfare Councils in Gyeonggi-do, the Federation of Food Truck Micro Enterprise, and the High Condition Movement Headquarters, 30 senior welfare centers in Gyeonggi-do have been provided with special health meals (food distribution vehicles) and health gymnastics since May 2022 in pursuit of happiness of senior citizens having a hard time due to the COVID-19 pandemic.
Youth	Blossom Youth Film Festival	Blossom Youth Film Festival is the social contribution alliance model co-hosted by SK broadband (company), EBS (media), Yonsei University (university), and the Korea Youth Policy Institute (national research institute) and sponsored by the Ministry of Education and Gender Equality and Family. The film festival encourages teenagers to contemplate social issues such as violence and generational conflict and find solutions themselves. In 2021, under the theme of 'Happiness of Youth,' over 1,000 students from 114 domestic and foreign schools participated, submitting a total of 185 films, among which awarded films are being used as educational materials in the public sector, such as Edunet operated by the Ministry of Education and Lifelong Learning Portal in Seoul.
Small business / local residents	Media education for local residents	Local residents can use recording rooms, studios, and filming equipment along with education on content creation in 10 media creation support centers, a cooperative model promoted by SK broadband, Community Media Foundation and the National Media Center Council. With the objective of developing local broadcasting and citizen-centered content, a total of 150 training was conducted in 2021.
	Revitalization of small / local business	We produce content with a view to promote local small business, revitalize regional economy and tourism industry which has been broadcasted on local cable channels, programs to invigorate local economy includes 'Welcome to Local Supermarket', 'Shall I treat you to a warm meal' 'Having a meal at the market' on top of promotion of local festivals and job information for youth which were aired approximately 17,000 times.
	Media creation contest for local residents	SK broadband has held an annual media creation contest for local residents since 2020 as part of the 'media creation support center' projects established to realize the locality in broadcasting and revitalize the production of content by local residents. In 2021, we held the media creation contest, 'Our Neighborhood TV,' under the theme of 'environment, region, and people' in which a total of 106 video projects (including 41 related to the environment) were submitted from all over the country, including Seoul, Cheonan, and Daegu. The 15 awarded contents were featured on SK broadband's local channel 'B tv Town.'

Social Data

Social Contribution

Category	Social contribution program	Performance
Small business / local residents	Resolving local community issues through preemptive discovery and reporting	Local channels deliver useful community news to residents through local-based news coverage. Beyond simple delivery, we are encouraging people and having a positive impact on by means of in-depth coverage over local community issues. For example, we reported on a sheltered workshop at Dobong-gu, Seoul where 20 people with severe disabilities have produced quality-guaranteed masks, an apparent demonstration of the decent job creation for the disabled. After the report, a rush of orders from local governments nationwide has led to positive results, including a 1,200% increase in sales and a 130% increase in wages for the disabled.
Employees participation	Lunch box delivery	The COVID-19 pandemic made a vacancy in delivering a lunch box to undernourished children in Seo-gu, Daegu. With the voluntary participation of the employees, a total of 13 employees were gathered, 8 from SK broadband and 5 from Home & Service, with only 6 participants expected.
	Blood donation	We have campaigned for annual blood donation of employees of SK ICT Family companies (SK broadband, SK telecom, etc.) to overcome the challenges of reduced blood donors and the shortage of blood supply caused by the prolonged COVID-19. In 2021, more than 100 employees participated in working from home.
	Others	We donated 93,700 coal briquettes purchased with the money raised from our employees through 'Briquettes Sharing' event jointly held by employees and the company. The local volunteer group 'Happiness Patrol' have conducted annual volunteer activity of displaying Korean flags at the Daejeon National Cemetery.

Key Performance Data

Social investment		Unit	2019	2020	2021
Amount of social investments	Cash	KRW million	211	673	1,475
	Indirect	KRW million	250	1,566	190
Political contribution	Political donation	KRW million	0	0	0

Volunteer work		Unit	2019	2020	2021
Employees	Volunteer work hours per employee	Hour	0.6	0.3	0.1
	Participation rate in volunteer work	%	10	4.6	2.7
	Amount calculated based on volunteer work hours	KRW million	12	60	36
	Rate of professional volunteer work	%	0.7	3.6	1.4

Supporting Social Economy Ecosystem

SK broadband supports the creation of social economy ecosystems where social enterprises and cooperatives provide innovative solutions with a creative approach to social problems. Among various social problems, our support policies have mainly gone to the underprivileged to stand on their own feet with specific directions of (1) supporting the operation of social enterprise, (2) sharing infrastructure, (3) providing consulting, and (4) media marketing. Looking ahead, we plan to create our unique program as a media platform by seeking various ways to graft our tangible and intangible assets onto the social economy ecosystem.

Supporting 140 social enterprises (in 2025)

2023 • Operating local community revitalization programs to support independence of social enterprise • Creating virtuous cycle of social economy ecosystem in cooperation with specialized supportive organizations	2025 • Identifying social enterprises in the telecommunications & media industry • Strengthening support system for virtuous cycle of social economy ecosystem
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We search for social enterprises in need of assistance according to the support policy direction. Performance will be converted into social value through indexing process and systematically managed.

Category	Social contribution program	Performance
Supporting operation of social enterprise	‘Happy Green Recycling’	We run social enterprise with rental device recycling business by directly employing the vulnerable. Currently, we support its independence by entrusting with mobile recycling and delivery business.
Sharing infrastructure	Sharing the lobby floor of Dunsan central office in Daejeon	We have rented out the first floor of Dunsan central office in Daejeon for free to the social cooperative cafe ‘Dal-O.’
	Sharing the lobby floor of Gasan Data Center	We have built a cafeteria on the first floor of Gasan Data Center in collaboration with Geumcheon-gu Office and Geumcheon Job Co., Ltd. to create jobs for local senior citizens from February 2022.
Providing consulting	Pro Bono activities	We also provide consulting and education support regarding proposal review, application of intellectual property rights, tax and legal advice, financial education, and marketing and promoting strategy for SMEs having difficulty to access due to expertise and expenses through SK Pro Bono professional voluntary service.
Media marketing	Free advertisement and promotion for social enterprises	We are producing programs to promote social enterprises having difficulties in securing the market (‘Happy Companion,’ etc.) in local channels. Given social enterprises struggling from promoting their business, we are supporting free advertisement on ‘B tv Local Advertisement’ and ‘B tv Aldeul (economical) Advertisement’ with 9 benefitted enterprises in 2021.

Social Data

Supporting Social Economy Ecosystem

Key Performance Data

Social investment		Unit	2019	2020	2021
Supporting operation of social enterprise ¹⁾	Supported social enterprise	Case	1	1	1
	Amount of social value creation ²⁾	KRW	2,549,152,700	2,892,937,555	3,356,504,821
Sharing infrastructure	Supported social enterprise	Case	1	1	1
	Supported amount ³⁾	KRW	30,000,000	30,000,000	30,000,000
Providing consulting	Supported social enterprise	Case	31	69	30
	Supported amount ⁴⁾	KRW	3,517,240	56,261,484	35,040,052
Achievements of media-based marketing	Supported social enterprise	Case	-	-	9
	Supported amount ⁵⁾	KRW	-	-	61,200,000

1) Performance of 'Happy Green Recycling'

2) Purchased amount (service cost) X rate of added value according to the type of subject company

3) Annual rental fee

4) Unit price by pro bono activity X time X no. of people

5) Cost of free supported programs=

Governance Data

Board of Directors (BOD)

Policy

SK broadband establishes a sound governance structure to create a sustainable company. The Board of Directors (BOD) endeavors to be devoted to its supervisory role over management and to make resolutions from a long-term perspective that represents the interests of all stakeholders. Operation of the BOD, including the matters regarding the appointment of directors, resolutions, and committees, complies with the relevant laws, articles of incorporation, and the BOD operation regulations, and differences between the BOD resolutions and best practices are made public through the website.

Independence and Efficiency	As an unlisted company, SK broadband is not obligated to appoint non-executive directors. However, we established an independent governance structure by appointing non-executive directors. We have specified the qualifications of directors within the BOD regulations to avoid conflicts of interest between stakeholders. Appointment and re-appointment of directors are determined by the general shareholders' meeting, which underpins our BOD with supervision and balance.
Diversity and Expertise	We appoint directors who have experience and knowledge in the related industry such as telecommunications and media (based on GICS category), and are equipped with expertise in business management, economy and finance. In addition, our director appointment process is conducted without discrimination based on gender, race, ethnicity, religion, and nationality to ensure diversity. We also provide regular in-house training for the appointed directors and invite external experts upon request.
ESG Discussions	To effectively respond to ESG risks and opportunities that have a significant impact, the BOD regularly holds meetings with the CEO and Executive directors to discuss issues on ESG management, including key strategies of ESG management, mid-to long-term plans, budget details, ESG performance measurement and disclosure, and communication with stakeholders.

BOD Composition

*As of June 30, 2022

Category	Name	Gender	Position and major career background	Expertise ¹⁾	Appointed date ²⁾
CEO	Choi Jin-hwan	Male	(Former) President and CEO of SK shieldus (Current) President and CEO of SK broadband, BOD Chair	M&A, Management Strategy, Finance	Dec 19, 2019
Executive director	Choi Seung-won	Male	(Former) Core Infra director of SK telecom (Current) Head of ICT Infra and CSPO of SK broadband	Information Tech, Communication Service	March 30, 2022
Other non-executive director	Ryu Young-sang	Male	(Former) Project development head of SK C&C (Current) President and CEO of SK telecom	M&A, Business development, Communication Service	March 27, 2019
	Han Myung-jin	Male	(Former) MNO marketing group head of SK telecom (Current) Head of Corporate Strategy of SK telecom	Strategy, Communication Service	May 26, 2022
	Ahn Sung-cheol	Male	(Former) Associate executive director of Comprehensive Finance Headquarters in Mirae Asset Securities (Current) Associate executive director of IB division 1 PE department in Mirae Asset Securities	Finance, Investment	March 26, 2021
	Kim Chong-gook	Male	(Former) Management planning director of Taekwang Industrial (Current) Executive director of Oil Business Headquarters Management Planning division in Taekwang Industrial	Business development, Strategy	March 30, 2022

1) Expertise is based on GICS Level 1 standards

2) The tenure lasts until the end of the 3rd general shareholders' meeting held after taking office.

Governance Data

Board of Directors (BOD)

Target

Advancement of BOD Composition and Operation

2022	• Reporting ESG-related agenda items to the BOD (Company-wide ESG management performance and improvement plans)	2025 (IPO Align)	• Establishing the ESG Committee • Providing education on ESG for the BOD • Appointing non-executive directors and female directors • Revising the articles of BOD incorporation and operating regulations, enacting corporate governance charter
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Initiative and Performance

2021 BOD Composed of industry experienced, business and finance experts, the BOD makes key decisions on pending issues. For board directors to carry out active board activities, they are subscribed to a separate liability insurance. Regular BOD meetings are held once a quarter and temporary BOD is convened when necessary. In 2021, a total of eight BOD meetings were held, and decisions were made on agenda items for the general shareholders' meeting, management, finance, and ESG following the deliberation. The key ESG agendas encompassed our safety and health plan, mid-to long-term information security strategy and plan, and the 2045 Net Zero plan, remuneration system enhancement, and the publication of the first sustainability report for communication with stakeholders was reported. The average tenure of the 2021 BOD was 2 years and the attendance rate stood at 93.8%

Evaluation and Remuneration Executive directors are comprehensively evaluated based on financial indicators such as sales and operating profit, and management leadership roles and job performance such as practice of strategic tasks and finding new businesses. Remuneration is determined according to the evaluation at the general shareholders' meeting every year, and remuneration of directors of KRW 500 million or more is disclosed in our business reports. Remuneration is decided by connecting ESG performance according to responsibilities and roles, such as carbon reduction, customer satisfaction, and member safety. Remuneration is not paid to other non-executive directors.

Shareholder Value Enhancement We grant all shareholders one vote per share on all shares issued so that they can exercise the same voting rights. In particular, electronic voting system is implemented when convening a general shareholders' meeting and agenda items and an audit report are notified in advance.

Governance Data

Board of Directors (BOD)

Initiative and Performance

ESG Agenda Item	Category	Date	Major Decisions / Contents of Report
Safety and health plan	Resolution	April 22, 2021	2021 SK broadband safety and health plan – Safety and health management policy (core value and direction of practice) – Establishing a safety and health organization (personnel and roles) – Budget and facility status regarding safety and health – 2020 implications and main activity plan for 2021
Publication of sustainability report	Report	July 21, 2021	First publication of 2021 sustainability report – Result of stakeholder materiality assessment – ESG strategy and system – SASB, TCFD based disclosure
Information security strategy	Report	July 21, 2021	2021 Information security strategy and mid-to long-term plan – Information security status (organization and 2020 key performances) – Information security vision / goals and strategies – Short-, mid-, and long-term key tasks
Improvement of compensation system	Report	November 25, 2021	Report on improvement of compensation system – Compensation system and financial resources calculation criteria – Assessment-linked compensation payment criteria (including ESG factors in management performance evaluation)
Net Zero plan	Report	November 25, 2021	2045 Net Zero plan – SK Group Net Zero progress – SK broadband carbon emission status and prospect – Net Zero implementation and achievement status – SK broadband Net Zero reduction plan and required costs – Future plan (optimizing RE100 portfolio)
Safety and health plan	Resolution	February 07, 2022	2022 SK broadband safety and health plan – Safety and health management policy (core value and direction of practice) – Establishing a safety and health organization (personnel and roles) – Budget and facility status regarding safety and health – Performances of 2021 and main activity plan for 2022

Key Performance Data

BOD Operation		Unit	2019	2020	2021
Meetings	No. of board meetings convened	Time	8	10	8
Reports and resolutions	Reported agendas	Case	2	2	6
	Resolutions	Case	23	28	19
Opinions on agenda	Favor	Number	142	131	96
	Against	Number	6	0	0
	Abstention	Number	0	1	0
	Not participated	Number	13	6	12

Governance Data

Board of Directors (BOD)

Key Performance Data

Shareholder status	No. of shares	Rate
SK telecom	298,460,212	74.34%
Taekwang Industrial	67,352,565	16.78%
MADW Tiger	32,190,779	8.02%
Minority shareholders ¹⁾	613,098	0.15%

1) Treasury stocks excluded

Governance Data

Ethics and Compliance

Policy

Ethical responsibility and compliance are our core values in all business sites and business activities. Therefore, we established the Code of Ethics/ Practice Guidance that all our employees should abide by, and disclose them on our website. In order to ensure compliance with fair trade regulations, we newly organized a department dedicated to fair trade in 2021, and established and disclosed fair trade principles regarding customers, business partners and competitors. The CEO conducts thorough management and supervision of overall ethical management and the department in charge for ethical business, which is directly under the CEO, constantly shares the ethical policies, activities, and results to the CEO and key management. To internalize active ethical management, SK broadband defines and practices the three factors of ethical management system (3C).

Three factors of ethical management system (3C)	Code of Conduct	- Establishing the Code of Ethics/Practice Guidance based on SK Management System (SKMS) - Code of Ethics: Defining and stipulating responsibilities for customers, employees, shareholders, stakeholders and society as criteria for the employees' actions and value judgement - Practice Guidance: Standards to be observed by employees to properly understand and put into action the Code of Ethics, indicating matters such as bribes, conflict of interest, wrongful and unfair practices, and operation of the ethics counseling center
	Policy compliance	- Operating the dedicated organization and policy to realize ethical management - Inspecting the dedicated ethical management department, operating the counseling and reporting process, conducting audits on unethical behavior, and ensuring compliance
	Consensus	- Creating consensus among employees on practicing ethical management through systematic education - Delivering CEO messages regularly, carrying out activities such as ethical education, oath of practice, conducting campaigns including fair trade and anti-corruption

Goals

Zero breach of anti-corruption

2022	• Adding self-evaluation of corruption-related risk factors and intensive inspections • Inspecting fair trade risks and providing expanded education • Expanding eligibility of education to business partners • Conducting 2.5 hours of ethical education per employee	2023	• Performing intensive audits on anti-corruption breach cases • Offering customized ethics (anti-corruption) education programs for each position • Establishing and disclosing the four guidelines on fair trade
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Governance Data

Ethics and Compliance

Initiative and Performance

Ethics and Fair trade TASK To raise our employees' awareness on anti-corruption, we select and implement the 'ethics and fair trade TASK.' In order to monitor ethical management and check the compliance with fair trade regulations, we conduct a diagnosis of management, special inspection, and CSA(Control Self Assessment) every year, and in 2022, we plan to carry out more intensive inspections by raising the standards for corruption risk assessment. Improvement recommendations, follow-up measures and implementation check will be carried out for issues found during inspection, and will be continuously checked to improve the problem and prevent recurrence. In addition, we also conduct process improvements for relevant departments after choosing key issues regarding fair trade every year. In 2021, we reviewed and improved the process of subcontracts and agency contracts made with our business partners and agencies. As such, we continuously conduct monitoring in order to prevent the possibility of our employees' breach of fair trade regulations and laws during their work.

Ethics Reporting and Counseling We operate a reporting and counseling channel where employees can report unethical business conduct, violation of laws, and other irregularities. Reports can be made via e-mail or the ethics counseling center, and when we recognize an unethical behavior, an audit on the issue will be carried out by our independent audit organization, and measures will be taken according to the results of the Personnel Committee. The details on the protection of reporters or whistleblowers and prohibition of retaliatory action are stipulated in the Article 17 of Practice Guidance and in order to promote reporting, we implement a compensation system for those who report an unethical behavior.

Ethical Culture Internalization Rather than reactive responding after an issue occurs, we build a consensus by raising the awareness of the significance of ethical management as a preemptive prevention measure among employees. We provide online and offline education on anti-corruption, by selecting a key subject regarding anti-corruption, to all employees including contract workers. Also, we provide content on fair trade education for all employees and also furnish separate fair trade law education for relevant departments. Anti-corruption education is conducted once a year for the management, and in 2021, a letter regarding the Fair Trade Act amendments was distributed, and specially, the CEO gave a lecture on ethics and anti-corruption. In addition, we send out ethical practice letters regularly, conduct ethical management surveys for level diagnosis, and implement oath of employees. And violation cases are shared through the internal ethical management bulletin board. Meanwhile, to spread the ethical management culture to all areas of business activities, we also conduct anti-corruption education for the employees of business partners.

Key Performance Data

Ethics Education		Unit	2019	2020	2021
Education on ethics and fair trade	Hours of education per employee	Hour	1.7	2	2.8
	Ratio of employees who completed education	%	99.1	99.3	99.2
Online oath of practice		Person	1,903	2,533	2,643

Ethics and Compliance

Reporting and Measures Taken		Unit	2019	2020	2021
Reporting and counseling (by stakeholder) ¹⁾	Total	Case	43	52	52
	Employees	Case	14	10	11
	Business partners	Case	5	4	8
	Customers	Case	24	38	33
Reporting and counseling (by type of report)	Ethical counseling / report	Case	15	10	11
	Customer complaint	Case	21	36	33
	Issue of subsidiaries	Case	40	26	35
	Simple issue related to cooperative work	Case	7	6	8
Measures taken	Investigation (audit)	Case	20	16	16
	Transfer process to relevant department	Case	28	42	41
Reports on breaches of the Code of Ethics	Total	Case	4	4	4
	Negligence of duty	Case	1	0	0
	Bribery	Case	1	0	0
	Sexual harassment and workplace etiquette	Case	2	3	3
	Violating work regulations	Case	0	1	1
Measures taken on breaches of Code of Ethics ²⁾	Total	Case	4	4	5 ³⁾

3) Sexual harassment and workplace etiquette violation (two cases of work suspension, two cases of salary cut), violations of work regulations (one case of advice to resign)

Violation of anti-corruption regulations		Unit	2019	2020	2021
Anti-corruption	No. of violations	Case	0	0	0
General unfair trade practices	No. of violations	Case	0	1	0
Unfair common action	No. of violations	Case	2	0	0
Representation and advertising	No. of violations	Case	0	0	0
Unfair assistance and internal trade	No. of violations	Case	0	0	1
Subcontracting transactions	No. of violations	Case	0	0	0

Governance Data

ESG-based Decision Making

Policy

SK broadband considers sustainability in terms of ESG as well as financial profitability and growth potential when it comes to critical decision making such as entering a new business, executing more than 10% of investment budget, or founding a new subsidiary. When an issue for deliberation and resolution occurs, it is proposed by the Investment Deliberation Committee¹⁾ and goes through the executive organization, the management, and the BOD for final implementation. The executive organization sets up the business plan, verifies the investment profit and loss, and fills out the ESG Impact Form. The management will discuss the potential financial impact and growth, and suggest plans to avoid risks and improvements. The BOD²⁾, the final decision-making body, examines the business plan and ESG Impact Form, and grants the final approval. ESG-based decision making is a strategic factor for sustainable management. For the purpose of strengthening expertise and responsibility of our CEO and key management, we reflect ESG factors in their evaluation.

1) Matters subject to proposal by the Investment Deliberation Committee: BOD resolutions, supply and demand for content over KRW 2 billion, new businesses over KRW 1 billion, etc.
2) Matters subject to BOD resolution: Executing more than 10% of annual investment budget, establishing a subsidiary, asset change of more than 2.5% of equity

Goals

Advancement of ESG Integrated Decision-Making Process					
2022	- Submitting ESG Impact Form on agenda items for the Investment Deliberation Committee and the BOD in advance and reviewing them - Coming up with ESG risk mitigation methods within business plans and checking related effects - Revising ESG Impact Form (frequently)	2024	- Ensuring the application of ESG Impact Form across the entire business process - Reflecting ESG factors in all management evaluations	2025	Post hoc test for ESG Impact (BOD)

Initiative and Performance

ESG Impact Form ESG Impact Form categorizes ESG issues into eight areas and is the standard for identifying risks and opportunities in the decision making process. The factors included are revised based on the ESG guidelines and trends, industrial issues.

Environment	Resource consumption	- Energy consumption - Raw material consumption	- Water consumption - Compliance with the changes in laws, regulations and policies
	Environmental pollution	- GHG emissions - Air and water pollutant discharge - Waste	- Land use and biodiversity - Abidance by the changes in laws, regulations and policies

Governance Data

ESG-based Decision Making

Initiative and Performance

ESG Impact Form

Social	Consumer protection	• Quality of products and services • Consumer safety	• Customer data protection
	Labor	• Quality of employees' life • Safety and health	• Employment diversity • Foster talent
	Mutual growth	• Fair trade • Cooperation	• Responsible procurement • Safety and health of business partners
	Solving social issues	• Creating social value of products and services	
	Stakeholders	• Complaints made by stakeholders • Planning to operate communication channels	
Governance	Compliance	• Checking violation factors of laws, regulations and order	

New Biz. Strategy SK broadband is promoting new businesses that can create social value. We are making every effort to measure the value level by constantly monitoring the ESG factors considered in the process.

Service	Overview	Creating social value
Apartment-type EV charging business	Installing plug-in chargers and implementing assistance business	Mitigating GHG emissions, reducing city noise pollution
Cloud PC	Service that implements a personal computer environment to the central server so that employees can use the same work environment anywhere, regardless of the access device	Reducing waste, reinforcing information security
Low power set-top box	Developing a set-top box that decreases the level of power consumption to 1/3 – 1/4 compared to the previous set-top boxes	Cutting down on energy consumption, reducing GHG emissions
Develop cloud-based IPTV UI	Improving speed and performance without having to replace the set-top box by developing cloud-based IPTV UI	Lessening waste

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Financial Data

25th Period End of December 202124th Period End of December 202023rd Period End of December 2019

(Unit: KRW million)

Summary of Consolidated Statements of Financial Position

Category	25 th Period	24 th Period	23 rd Period
Current assets	1,252,935	1,225,333	894,272
Trade and other accounts receivable	503,194	503,581	397,077
Cash and cash equivalents	407,657	199,058	95,396
Inventories	24,248	7,898	9,498
Other current assets	317,836	514,796	392,301
Non-current assets	4,744,905	4,578,260	3,756,036
Long-term trade and other accounts receivable	85,476	46,506	50,104
Tangible assets	3,127,579	3,170,144	2,918,131
Intangible assets	790,473	808,066	256,622
Other non-current assets	741,376	553,544	531,179
Total assets	5,997,840	5,803,593	4,650,308
Current liabilities	1,433,800	1,306,828	1,331,686
Non-current liabilities	1,696,357	1,852,328	1,696,726
Total liabilities	3,130,157	3,159,156	3,028,412
Issued capital	2,007,266	2,007,266	1,492,301
Other paid-in capital	645,732	636,489	291,803
Retained earnings	205,575	-5,703	-166,577
Other components of equity	9,110	6,385	4,369
Total equity	2,867,683	2,644,437	1,621,896
Period	(2021.01.01 ~ 2021.12.31)	(2020.01.01 ~ 2020.12.31)	(2019.01.01 ~ 2019.12.31)
Sales	4,049,156	3,713,469	3,167,851
Operating income	275,585	230,856	145,014
Profit and loss from continuing operations	198,268	140,592	57,636
Profit and loss from discontinued operations	-	22,922	3,847
Consolidated net profit	198,268	163,513	61,482
Net income from holding company	198,268	163,513	61,482
Net income per share (KRW)	497	447	206

Financial Data

25th Period End of December 202124th Period End of December 202023rd Period End of December 2019

(Unit: KRW million)

Separate Financial Statements

Category	25 th Period	24 th Period	23 rd Period
Current assets	1,208,535	1,179,743	814,948
Trade and other accounts receivable	496,047	494,230	396,315
Cash and cash equivalents	384,323	170,676	72,914
Inventories	23,481	7,196	8,870
Other current assets	304,684	507,641	336,849
Non-current assets	4,762,969	4,586,064	3,750,784
Long-term trade and other accounts receivable	83,021	42,601	40,065
Tangible assets	3,120,761	3,160,513	2,906,810
Intangible assets	778,587	803,829	251,703
Other non-current assets	780,600	579,121	552,206
Total assets	5,971,505	5,765,808	4,565,732
Current liabilities	1,410,823	1,279,133	1,255,372
Non-current liabilities	1,681,014	1,840,357	1,675,111
Total liabilities	3,091,837	3,119,489	2,930,483
Issued capital	2,007,266	2,007,266	1,492,301
Other paid-in capital	645,732	636,489	291,802
Retained earnings	217,560	-3,822	-153,223
Other components of equity	9,110	6,385	4,369
Total equity	2,879,668	2,646,318	1,635,250
Period	(2021.01.01 ~ 2021.12.31)	(2020.01.01 ~ 2020.12.31)	(2019.01.01 ~ 2019.12.31)
Sales	4,058,997	3,713,021	3,170,691
Operating income	291,027	234,612	131,461
Profit and loss from continuing operations	213,468	150,694	44,729
Profit and loss from discontinued operations	-	-	2,971
Consolidated net profit	213,468	150,694	47,701
Net income per share (KRW)	536	412	160

Communication with Stakeholders

Communication with Stakeholders

SK broadband defines employees, customers, business partners, shareholders, and the local community as the five main stakeholders that have mutual influence on business activities. In order to provide differentiated value to the stakeholders who contribute to creating economic and social values, we operate a communication channel fit for their characteristics, and reflect important issues by sharing them at management meetings.

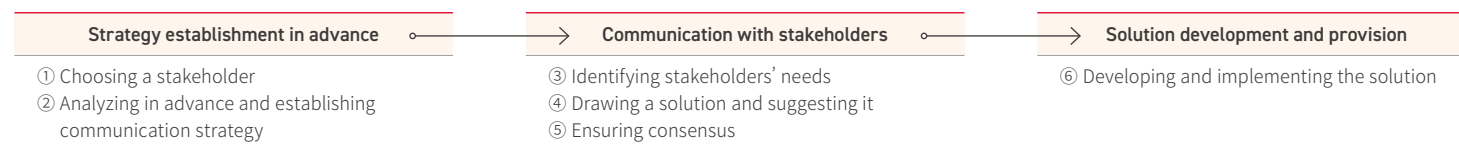
Category	Inside-out Impact (SK broadband → Stakeholder)	Outside-in Impact (Stakeholder → SK broadband)
Employee	• Providing jobs and payment • Supporting capacity development • Providing safe and healthy work environment	• Creating corporate value by implementing management activities • Excellent company of labor-management cooperation
Customer	• Providing excellent products and services • Supporting media use to the vulnerable	• Ensuring financial stability • Positive company reputation and credibility
Business Partner	• Supporting co-prosperity in finance and education • Assisting ESG risk factors in advance	• Providing high-quality products and services
Shareholder	• Creating sustainable corporate value	• Long-term investment
Local community	• Strengthening environmental responsibility • Contributing to resolving social problems based on core capabilities	• Positive company reputation and credibility

Communication with Stakeholders

Communication with Stakeholders

Stakeholder	Main Communication Channel	2021 Stakeholders' Expectations	Reflect on Management Activities
Employee	- Labor-management consultation (once a quarter) - Company intranet - Company news - Gonggam Camp	- Safety against COVID-19 - Strengthening sense of belonging and communication cooperation - Self-development and capacity building	- Operating telecommuting and flexible work hours - Implement contact-free program to build Fun & Together work culture - Reinforcing contact-free education through my SUNI, SK Group education portal
Customer	- Customer center (106) - Regular customer satisfaction survey - Customer advisory group - Social media (blog, Instagram, YouTube)	- Securing a variety of contents - Providing customized contents	- Securing abundant contents focused on monthly movie service OCEAN - Establishing system for customer spending details and target-based recommendation to strengthen curation
Business Partner	- In-depth meetings - CEO seminar - Mutual growth MBA	- Expand Mutual growth programs - Sharing knowledge information related to ESG management	- Re-establishing Mutual growth policies and establishing expansion of programs - Reviewing ESG due diligence process of business partners
Shareholder	- General shareholders' meeting - Presentation of business performance (quarterly) - Conference call	- Continuous growth of company - Materializing shareholder benefits such as IPO and dividends	- Holding stable general shareholders' meetings (3 times a year) - Presenting mid-to long-term growth strategy and vision
Local Community	- Blossom Forum - Homepage and customer center (106) - Social media (blog, Instagram, YouTube)	- Improving awareness on school violence through media - Supporting local community problem solving	- Producing educational videos for preventing school violence and promoting them - Supporting social problems through local broadcasting

In addition, SK broadband plans to operate a separate process to grasp the needs related to ESG and establish trust relations with stakeholders when promoting major businesses. We selected one B2B project stakeholder as a trial operation in 2021, identified the ESG needs, and confirmed the direction of which the project should move forward. In 2022, we expanded the scope of our business to B2C and operated the regarding process on a trial basis, based on which, we are going to come up with solutions capable of creating social value (SV) and economic value (EV). And we are planning to apply the communication process with stakeholders in all B2B and B2C businesses in 2023.



TCFD

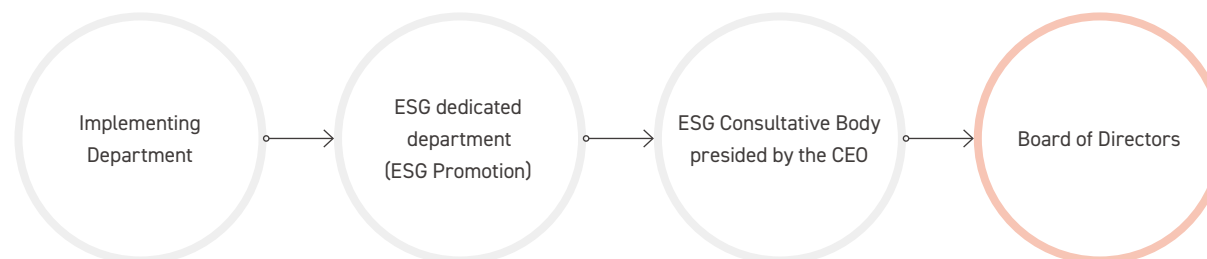
Governance

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.

SK broadband enhances sustainability by considering climate impact in all business activities. In the second half of 2021, we reported the '2045 Net Zero plan' to the BOD, and the CEO and key management, who are in charge of responding to climate change, hold quarterly ESG consultative meetings to identify the changes and trends as well as regulations. In 2022, the Steering Committee, which includes executives and team leaders of each organization, will be operated quarterly to strengthen company-wide energy efficiency and management. And, when an emergent issue when an emergent issue related to climate change occurs, the ESG dedicated department (ESG Promotion) and key Net Zero implementing department will brief the details to the CEO and key management. Along with this, in order to strengthen the responsibility and practice regarding climate change, we are reflecting the Net Zero implementation plan performance to the CEO and key management evaluations and remuneration. We also included the sustainability factor in the decision-making process on new businesses or main investments, to identify and manage climate change risks and opportunities.

Decision-making Process



TCFD

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 categorizes the climate change risks and opportunities as below based on the timing of when they can impact the business activities and performances.

Risk

Category	Type	Details	Corporate Value and Financial Impact
Transition Risk			
Short-term (0-3 years)	Policy and Legal	- Revising the national GHG reduction target upwards, enacting Framework Act on Carbon Neutrality and Green Growth - Implementing 3rd plan period of GHG emission trading scheme - Strengthening reporting duties for Scope 3 emissions	- Increase of paid allocation proportion and price of emission permits - Increase in possibility of unforeseen litigation cost due to tightened legal regulations
Mid-term (3-10 years)	Market	- Change in stakeholder behavior - Price fluctuation increase of renewable energy	- Increase in need from stakeholders to minimize climate change impact compared to short-term - Rising energy costs due to unstable supply and demand for renewable energy sources
	Technology	- Replacing existing products and services by transition to low carbon technology - Uncertainty of performance versus R&D investment	- Investment cost increase in replacing less energy-efficient equipment - Financial loss due to low R&D investment return
Long-term (more than 10 years)	Reputation	- Change of preference according to climate change response level - Increase in need to reduce carbon regarding telecommunications and data industry	- Failing to respond to market change will lead to decrease in need for products and services and profits - Leakage of professional personnel due to corporate value decline
Physical Risk			
Short and Mid-term (0-10 years)	Acute	Abnormal weather intensification such as forest fires, typhoons, heavy rains and heat waves	- Expenditure added for damage prevention and recovery - Customer compensation costs due to network interruption - Operation efficiency decrease according to employee safety threats - Decrease in revenue due to supply chain damage caused by abnormal weather conditions
Long-term (more than 10 years)	Chronic	- Periodic rise of temperature - Increase in water shortage areas	Operation cost increase for facility and equipment

TCFD

Strategy

Opportunity

Category	Type	Details	Corporate Value and Financial Impact
Short-term (0-3 years)	Product, service and market	• Increase in stakeholders' need regarding eco-friendly infrastructure • Developing new products and services through R&D innovation • Cooperating with the government and operating an incentives system	• Increasing profit and securing competitive advantage through sustainable growth strategy • Stabilizing finance through establishing partnership with government and issuing green bonds • Reducing waste and emissions through development of low power set-top box and Cloud technology
	Resource efficiency	• Maximizing energy efficiency • Facilitating recycle/reuse system	
Mid-term (3-10 years)	Energy resource	• Using renewable energy • Establishing cooperation network among stakeholders	• Reducing burden on increasing cost of fossil fuel • Reducing expense with stable renewable energy supply • Increasing corporate value and investor preference due to GHG emission reduction performance • Reducing operation costs through preemptive expansion of low-carbon facilities

Resilience

As the global temperature rises above 1.5°C compared to industrialization, the climate of the Korean peninsula, where SK broadband's business is located, will also change a lot. According to the high-carbon scenario published in the 6th report of the 2021 Intergovernmental Panel on Climate Change, heat waves and heavy rain occur much more frequently than in the low-carbon scenario. Carrying out strategic activities with establishing the Net Zero roadmap, transitioning to renewable energy, and investing in eco-friendly technology based on SBTi's ICT sector 1.5°C scenario, SK broadband is developing and upgrading our resilience plan to maintain the global temperature at the low-carbon scenario or even at lower levels. We plan to disclose the contents of resilience for each scenario to our stakeholders and receive their feedback to further refine the contents.

SK broadband Resilience Plan	• Achieving 2045 Net Zero and RE100 Goals (transition to renewable energy, replacing old equipment, minimizing carbon offset) • Reorganizing organizational structure to respond to climate change and strengthening professional personnel • Developing new products and services through R&D innovation • Participating in global initiatives and communities • Strengthening ability to respond to network interruptions caused by natural disasters • Data, communications, and media facility management strategy according to extreme climate change (energy efficiency, heat control, prevention of heavy rain and typhoon damage, etc.)
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TCFD

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 risk management strategy that can prevent the risks that could lead to a decrease in corporate value in advance. We integrate the traditional financial risks and ESG-based non-financial risks to identify, evaluate and manage the severe impact.

Type of Risk	Financial Risk		Non-financial Risk	
	• Market • Credit	• Liquidity • Business environment	• Customer information leakage / IT security infringement • Service failure • Business Relationship • Employees	• Customer value • Governance Relationship • Climate change and environment risk
Risk Management Process	Identifying	Evaluating	Managing	
	• Analyzing climate change issue • Understanding stakeholders' needs	• Evaluating risks and opportunities • Identifying severe risk	• Establishing risk mitigation plan • Reporting to management and the BOD • Monitoring and post hoc testing (planned)	

- ① **Issue selecting and reporting period:** Policies, regulations, and new technologies are periodically checked, and issues are selected through comprehensive consideration of stakeholders' needs, such as customers and business partners. The selected issues are regularly reported to the CEO and management by the risk management and ESG department.
- ② **Issue selection criteria:** Issues are classified as risks or opportunities and materiality is tested using TCFD type classification and internal measurement indicators. This is conducted from the perspective of financial and corporate value impacts and environmental and social impacts, and sometimes it is assisted by external experts to secure high level of expertise and objectivity.
- ③ **Measures according to risk classification:** When classified as high risk, a separate plan (measure) for mitigation is established. Specific strategies for risk mitigation or improvement plans are presented by the ESG consultative body led by the CEO, and final review and approval are carried out by the BOD. We frequently monitor the implementation process and plan to conduct post hoc testing in the future.
- ④ **Integration into risk management of the entire company:** SK broadband classifies the financial and non-financial management, and environmental risks, including climate change, are selected as non-financial risks. The overall risk management of the entire company oversees the company-wide crisis response situation room, and when climate change-related issues occur and are detected, the ESG Promotion will report it through the ESG consultative body. In addition, the implementation process is monitored, and the follow-up action results will be reported to the BOD and CEO.

TCFD

Metrics and Targets

- a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
- 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 organization to manage climate-related risks and opportunities and performance against targets.

SK broadband does not have any facilities that directly manufacture products, thus 99% of the GHG emissions is from electricity use. As the key indicators for 2045 Net Zero, established in 2021, we manage the GHG emissions (Scope 1, 2), energy and electricity use, and renewable energy use rate, and also we transparently disclose the management of water and waste data in our sustainability report. In addition, we have set the calculation methods and criteria for categories that are calculable among the 15 categories of the GHG Protocol Corporate Value Chain (Scope 3) Standard presented by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), and in the second half of 2022, we plan to receive verification on this process by a third-party external agency.

Category		Unit	2019	2020	2021
GHG	Total emissions (Scope 1, 2)	tCO ₂ eq	281,170	337,966	370,190
	Emissions intensity	tCO ₂ eq / sales (KRW billion)	88.67	91.02	91.20
	Direct emissions (Scope 1)	tCO ₂ eq	1,577	1,458	1,825
	Indirect emissions (Scope 2)	tCO ₂ eq	279,617	336,542	368,404
Energy	Total consumption	GJ	5,759,000	6,921,000	7,694,000
	Total consumption intensity	GJ / sales (KRW billion)	1,816	1,864	1,896
	Rate of renewable energy use	%	0.01	0.01	0.1

TCFD

Metrics and Targets

SK broadband declared the 2045 Net Zero in support of the Paris Agreement on climate change, which is an agreement to phase out GHG emissions so that the average global temperature does not rise by more than 2°C compared to the pre-industrial level. RE100 is an important task in achieving this goal. In 2022, we conducted external purchase through the Green Premium for transition into renewable energy, and we are also carrying out plans to replace old equipment and develop eco-friendly technology. In addition, we plan to share the process of achieving our goals through various channels including sustainable management reports, and will continue our efforts to respond to climate change by collecting the opinions from stakeholders.

Achieving 2045 Net Zero

Goal established	2021
Net Zero target range	All domestic business sites of SK broadband
Target year	2045 (Achieve Net Zero GHG emission)
Scope	Scope 1, Scope 2
Base year	2020

SASB

Telecommunication

Topic	Accounting metric	Code	2021 Details and Performance
Environmental Footprint of Operations	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	TC-TL-130a.1	(1) 7,694,000GJ (2) 99.99% (3) 0.1%
	Description of policies and practices relating to advertising and customer privacy	TC-TL-220a.1	SK broadband uploads the 'personal data processing policy' on our website (regarding the collection of customer personal information under the subscriber's consent and using it only within the stated purpose, and provision of personal information to a third party based on customer's selective consent), according to the Personal Information Protection Act. We also carry out personal information education at least once a year, and strengthen personal data risk management of personal data consigned partners by providing online and offline education and conducting site inspections. • Personal information education for business partners - 2,333 persons completed the offline education (100%), 11,520 persons completed the online education (95.9%)
Data Privacy	Number of customers whose information is used for secondary purposes	TC-TL-220a.2	6,450,319 cases (Regarding receipt of information and advertisement, 3,317,550 agreed / 3,132,769 disagreed)
	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	TC-TL-220a.3	KRW 0
	(1) Number of law enforcement requests for customer information, (2) number of customers whose information was requested, (3) percentage resulting in disclosure	TC-TL-220a.4	• Communication data ¹⁾ - No. of submitted cases : 10,035 cases, No. of cases provided to customers : 21,118 cases, provision rate : 100% • Communication fact check data ²⁾ - No. of submitted cases : 2,109 cases, No. of cases provided to customers : 3,825 cases, provision rate : 100% In accordance with Telecommunications Business Act (Article 83 paragraph3)) and Protection of Communications Secrets Act (Article 2 and 13), SK broadband cooperates in the provision of relevant data upon request from a government institution, complying with the legal provision standards and methods.
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	TC-TL-230a.1	(1) 0 cases (2) 0% (3) 0 persons
	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	TC-TL-230a.2	We established our security policy and guidelines based on the Information and Communications Network Act and Personal Information Protection Act, and we verify the contents of information protection investment, personnel reinforcement, information protection activities through third-party institutions to enhance external credibility and transparency. Also, we have obtained and maintained the ISO27001, a certification for information security management system (ISMS).

SASB

Telecommunication

Topic	Accounting metric	Code	2021 Details 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) No. of devices 2,463,326 (Key devices: set-top box, router, etc.) (2) 52% (3) 47% (4) Devices difficult to reuse among recovered materials are sold to recycling companies
Competitive Behavior & Open Internet	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	TC-TL-520a.1	In 2021, SK broadband received a correction order and a fine of KRW 3.198 billion from the Fair Trade Commission for violating the Fair Trade Act (unfair support practice), but administrative litigation for the administrative disposition is currently being progressed.
	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 the download speed data by type of content (company-owned, commercial, relevance). However, we also do not differentiate 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 on Net 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, SK broadband operates our networks from a customer-centered perspective at all stages. Through various preemptive risk management activities, such as establishing AAR (After Action Review) process and installing new equipment, there were no cases of serious communication breakdowns in 2022.
	Discussion of systems to provide unimpeded service during service interruptions	TC-TL-550a.2	By strengthening investment for stable service operation, SK broadband completed the dualization of large telecommunication stations, and expands the eligibility of dualization to include apartment buildings. In addition, in case of service interruption, we reinforced the MMS notification process to protect our users, and we are also upgrading our AI/DT-based quality management system.
Activity Metrics	Number of wireless subscribers	TC-TL-000.A	SK broadband is not in the wireless communication business.
	Number of wireline subscribers	TC-TL-000.B	3,774,039 persons
	Number of broadband subscribers	TC-TL-000.C	6,580,698 persons
	Network traffic	TC-TL-000.D	59.6 petabytes per day

- 1) User's name, resident registration number, address, phone number, ID, the dates of registration and cancellation, and if needed for criminal investigation, punishment execution or trial, communication data are requested in accordance with the Telecommunications Business Act
- 2) The other party's subscriber number and log-in records (date, time, etc.) are subject to 'communication data for fact confirmation' pursuant to the Protection of Communications Secrets Act. The investigative authorities can request for these data after receiving a request official letter (including the reason for the request, the relationship with the subscriber, and the scope of necessary data) and the court's permission

Initiatives We Joined in 2021

K-EV100 K-EV100 is an initiative accelerating the transition to non-polluting vehicles such as EVs or hydrogen vehicles by 2030. To reach this target, we have set up the target of converting 92 in 2023 and 123 vehicles in 2025. As of 2021, the conversion rate stood at 3.4% with KRW 25 million invested in the transition.

The Ten Principles of the UN Global Compact		Page
Human Rights	① Businesses should support and respect the protection of internationally proclaimed human rights; and	79-81
	② make sure that they are not complicit in human rights abuses.	79-81
Labour	③ Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	72, 79
	④ the elimination of all forms of forced and compulsory labour;	79
	⑤ the effective abolition of child labour; and	79
	⑥ the elimination of discrimination in respect of employment and occupation.	62, 79
Environment	⑦ Businesses should support a precautionary approach to environmental challenges;	56-61
	⑧ undertake initiatives to promote greater environmental responsibility; and	56-61
	⑨ encourage the development and diffusion of environmentally friendly technologies.	56-61
Anti-corruption	⑩ Businesses should work against corruption in all its forms, including extortion and bribery.	102-104

Sustainable Management Initiatives

UN SDGs(UN Sustainable Development Goals) UN Sustainable Development Goals (UN SDGs) consists of 17 goals that the global community should accomplish to resolve the humanity's universal issues, climate change issues, and economic and societal issues. SK broadband has selected the areas of focus among 17 goals and monitored our progress.

SDGs	Our Activities
① End poverty	• Providing meal boxes through 'One Meal Sharing Ontact Project' for the vulnerable having difficulty of having one meal due to the suspension of welfare facilities
③ Good health and well-being	• Establishing employee safety-related policies and goals (fatal accident prevention), launching a dedicated organization, upgrading prevention programs • Formulating occupational health management policies, creating a dedicated organization, operating related programs (for body, mental, health)
④ Quality education	• Assisting senior citizens in watching senior content and remote learning through 'On-Air' • Launching 'B tv ZEM KIDS,' our brand for kinds and reinforcing the educational content for infants and elementary school students • Providing media education for local residents and helping them create content through our Media Creation Centers
⑤ Gender equality	• Hiring more than 50% of female employees and favoring them when converting contract workers to regular ones • Raising the ratio of female employees within the talent pool for leaders and managing the ratio of female workers promoted to team leaders • Constantly recruiting female executives from outside
⑧ Economic growth and decent work	• Operating local channels with the aim of revitalizing local economies • Providing quality education to nurture local talents • Drawing up policies to support work-life balance and conducting promotional activities • Lending support to social enterprises • Launching 'B tv Local Advertisement' for local small business owners
⑩ Reduced inequalities	• Developing and providing multicultural content and raising the awareness • Realizing the set-top box optimized for the visually and hearing-impaired

Sustainable Management Initiatives

SDGs	Our Activities
13 Climate Action	• Joining RE100 for the first time in Korea and promoting 2045 Net Zero • Using entirely renewable energy in major offices nationwide through green premium purchase (Seoul Seodaemun, Daejeon, Daegu, etc.) • Selecting partners for EV charging business with Home&Service and expanding the charging infrastructure • Carrying out climate change response activities through making rental equipment for customers eco-friendly - Reducing resource consumption through recycling AP and set-top box - Launching the set-top box with the lowest power consumption level in Korea (based on the power consumption in active standby mode registered in the efficiency management system of the Korea Energy Agency) • Implementing climate change response activities through making office building, equipment, network, and assets efficient - Replacing HFC network with FTTH network, an energy-efficient data communication network - Increasing green energy use in data centers - Making efforts to reduce power consumption of network equipment - Joining K-EV100 • Assuming the role of an environmental influencer - Producing and airing B tv, B tv Alddeul (economical) broadcasting content - Conducting 'Go Go Challenge,' an eco-friendly campaign to reduce the use of plastic and disposable products - Operation of Net Zero Practice Campaign

Initiatives to Join

CDP CDP is a global carbon information disclosure initiative to release data on the corporate strategies and risk management capabilities on climate action, water, forest resources, and many more, targeting major companies in the world. A lot of stakeholders recognize the CDP as a reliable indicator. CDP originally targets listed companies, but SK broadband considers voluntary participation. By taking part in the 2022 evaluation, we will disclose our efforts for climate action to stakeholders in a transparent manner and reflect the world's highest level of environmental responsibility in our management.

Science Based Targets Initiative (SBTi) The Science Based Targets Initiative supports and verifies a company's GHG reduction plan based on science in line with the global temperature rise limits of 2 degrees or 1.5 degrees. SBTi draws attention from investors and stakeholders, gaining attention for reducing regulatory response costs, improving future profits, and sharpening competitiveness. We plan to join SBTi in 2025 to advance the 2045 Net Zero strategy we have established.

Zero Waste to Landfill (ZWTL) ZWTL is a certification promoted by UL, a global certification body in the US. It calculates the recycling rate by excluding non-recyclable wastes from the total waste generated at business sites every year. The initiative classifies the rate into Platinum (recycling rate at 100%), Gold (95%-99%), and Silver (90-94%). As part of our efforts to lessen environmental pollution, we consider joining ZWTL to increase resource circulation capacity and reduce our impact on soil and living organisms.

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Membership Status

*As of June 2022

Korea Intelligent IoT Association	Korea Association for ICT Promotion	Korea IT Leaders Forum
Korea Online Privacy Association	Korea IPTV Broadcasting Association	Korea Exchange
Korea Enterprises Federation	Korea Radio Promotion Association	Korea Internet Service Promotion Association
Korea Engineering & Consulting Association	Korea Information & Communication Contractors Association	Korea Cable TV Association
Telecommunications Technology Association	Smart Media Industrial Promotion Association	Korean Standards Association

Third-Party Assurance Statement

To readers of SKbroadband sustainability Report 2021

Introduction

Korea Management Registrar (KMR) was commissioned by SKbroadband to conduct an independent assurance of its SUSTAINABILITY Report 2021 (the “Report”). The data and its presentation in the Report is the sole responsibility of the management of SKbroadband. KMR’s responsibility is to perform an assurance engagement as agreed upon in our agreement with SKbroadband and issue an assurance statement.

Scope and Standards

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

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

- **GRI Sustainability Reporting Standards**
- **Universal standards**
- **Topic Specific Standards**
 - Management approach
 - GRI 205: Anti-Corruption
 - GRI 302: Energy
 - GRI 303: Water
 - GRI 305: Emissions
 - GRI 306: Effluents and Waste
 - GRI 403: Occupational Health and Safety
 - GRI 413: Local Communities
 - GRI 418: Customer Privacy
 - GRI 419: Socioeconomic Compliance

Third-Party Assurance Statement

As for the reporting boundary, the engagement excludes the data and information of SKbroadband' 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 SKbroadband 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 SKbroadband on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the Core Option of the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

Inclusivity

SKbroadband 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.

Third-Party Assurance Statement

Materiality

SKbroadband 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

SKbroadband 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 SKbroadband actions.

Impact

SKbroadband 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 SKbroadband and did not provide any services to SKbroadband that could compromise the independence of our work.

July 2022 Seoul, Korea
CEO



SRV1000
Sustainability Committee Assurance



E. J. Hwang

