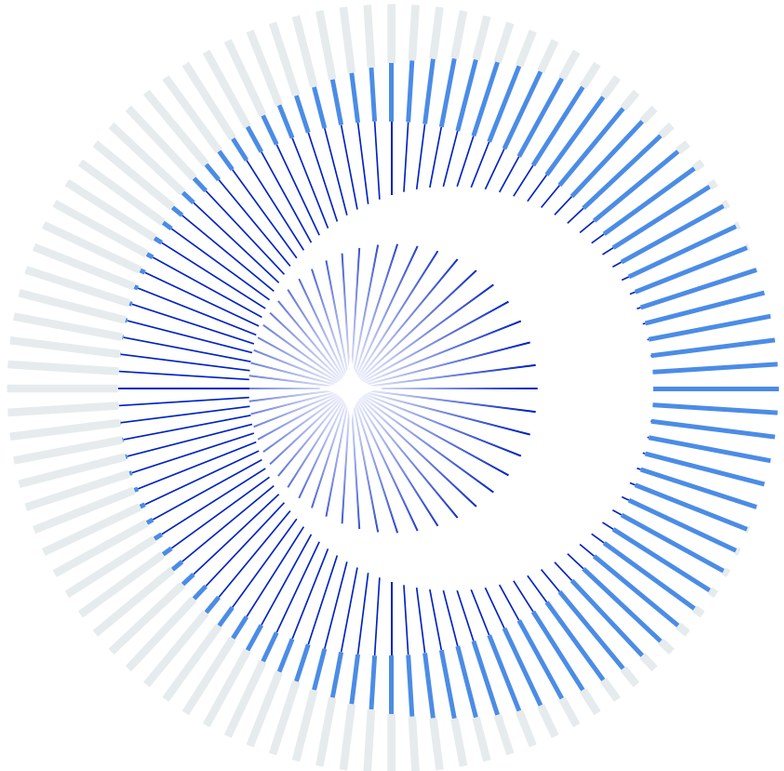
Annual Report 2024

SK telecom

DO THE GOOD AI



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Interactive PDF User Guide

This report has been produced in an interactive PDF format, and has been designed to allow navigation to relevant web pages for ease of understanding.

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Business Overview

CEO Message

Dear Shareholders, Greetings.
This is Young Sang Ryu, President and CEO of SK Telecom.

Since SK Telecom announced a new vision of transforming into an AI Company in November 2021, generative AI has taken the world by storm and the global technological environment surrounding AI has been developing at a rate that exceeds everyone's expectations. Generative AI has already begun its evolution into Agentic AI, and demand for AI infrastructure such as data centers and cloud is exploding. Amid these changes, SK Telecom was able to continue innovation and growth thanks to the unwavering support of shareholders. As CEO, I'd like to express my heart-felt gratitude to you.

2024, Laying the foundation for growth as an AI Company by focusing on Operational Improvements (OI) and AI

Against the backdrop of rising uncertainties in both the domestic and international business environment, SK Telecom focused on telecommunications and AI in 2024. We laid the foundation for AI business as our new growth engine and carried out OI activities across the company to save costs dramatically and strengthen core business fundamentals.

Thanks to the application of AI technology to our telecom business, MNO, Fixed, and Enterprise businesses achieved growth, and AI businesses started to generate profit. The number of subscribers to the world's first 5G service has now exceeded 75% of the total subscribers, and our MNO revenue continued an upward trend through diverse bundled price plans and roaming services. Broadband and pay tv services maintained steady growth driven by the increase in high ARPU customers. B2B businesses such as AI Cloud and AICC and the AI Data Center business also expanded significantly with double-digit growth.

As a result, consolidated revenue posted KRW 17.9 trillion in 2024. Thanks to active OI activities, operating profit grew for five consecutive years to over KRW 1.8 trillion. For the first time in 10 years, the operating profit margin exceeded 10%.

Under the AI Pyramid Strategy announced in 2023, SK Telecom has been accumulating AI business capabilities through self-reliance and cooperation. SK Telecom has made investments in domestic and foreign AI related companies totaling over KRW 600 billion and acquired more than 1,200 AI R&D personnel. The company has strengthened cooperation to create a global AI ecosystem through the Global Telco AI Alliance (GTAA)[1] and driven innovation in the telecommunications industry. The K-AI Alliance forged with innovative Korean startups has expanded further to support globalization of AI capabilities of Korean businesses.

1) Established in 2023 with Deutsche Telecom, e&, Singtel, and Softbank

Many business models related to AI will take shape in the future, but it is evident that we need to become a supplier of AI, not just a user of AI, to be able to make money. While we continue to utilize AI technology to improve the efficiency of our telecom business, we aim to generate profit with AI technology by becoming an AI supplier based on the accumulated experiences and capabilities.

In 2025, producing real AI outcomes through the establishment of a virtuous cycle of Operational Improvement (OI) and the evolution into the AI Pyramid 2.0

While we focused on cost saving through Operational Improvement (OI) efforts last year, we will expand and accelerate OI activities this year to strengthen fundamental competitiveness of the telecom business and secure financial resources for growth investments. To this end, we plan to introduce an Operational Improvement Management System (OIMS) to track and manage OI outcomes.

In the telecom business, we aim to develop differentiated competitiveness by optimizing operations from a holistic portfolio perspective. At the same time, we will strengthen key offerings such as bundled plans and family roaming while continuously exploring new growth drivers. For network investments, we will focus on enhancing customers' experience of service quality by considering both cost efficiency and quality competitiveness. In the long term, we plan to leverage AI technology to enable automated network operation, management, optimization, and recovery, driving network evolution and achieving a paradigm shift in investment strategies.

Part of resources secured through OI will be invested to accelerate AI transformation and digital transformation to create a virtuous cycle for additional cost saving. Outcomes of OI activities will lay the foundation for AI business growth and outcomes.

At the Mobile World Congress 2025 held in Barcelona, Spain, SK Telecom unveiled its AI Pyramid Strategy 2.0 that lays out concrete ways to monetize AI business as a supplier of AI. The strategy is to focus on selective business areas at each level of the AI Pyramid to produce substantial outcomes while maintaining the existing AI Pyramid approach of pursuing both self-reliance and cooperation.

Efforts to enhance corporate value

In October 2024, SK Telecom announced a corporate value-up plan including three key missions: improving Return On Equity (ROE), ensuring stable shareholder return, and increasing the AI portion of total revenue. Profits and cash generated from OI activities will be used to make investments for future growth and improve the financial structure, which will ultimately lead to greater shareholder return and maximization of corporate value.

SK Telecom remains committed to ESG management. We strive to achieve our ESG management vision of "DO THE GOOD AI" by applying AI to the environmental, social, and governance domains, thereby contributing to the creation of an AI world that has positive impacts on humanity in diverse areas as well as business. In this process, we will continue to strengthen communication with our shareholders and provide reliable information in a transparent manner.

Dear shareholders, SK Telecom takes pride in having advanced Korea's telecommunications industry to a world-leading level, contributing to national economic growth. Based on this strength, we will focus on creating new revenue and maximizing shareholder value by further advancing our AI businesses. In 2025, SK Telecom will demonstrate concrete results with AI and take the lead in establishing a Korean-style AI ecosystem.

We ask for your warm support and encouragement for SK Telecom's efforts and journey towards transformation through OI and AI.

Thank you.

President & CEO, SK Telecom
Young Sang Ryu

About Us

With its differentiated technological leadership, SK Telecom has driven the advancement of the ICT industry and is now evolving into a global AI company, connecting artificial intelligence to every corner of the world.

Centered on three key domains-AI Data Center (AI DC), AI B2B, and AI B2C-SK Telecom is actively advancing its AI Pyramid 2.0 strategy to expand its business and enter global markets, with the goal of leading the new era of AI.

Leveraging cutting-edge AI technologies and next-generation services, SK Telecom seeks to renew Korea and contribute to the well-being of humanity as a global AI leader.

Company Overview

Company Name	SK Telecom Co., Ltd.
Established	March 29, 1984
No. of Employees	5,493
No. of Subsidiaries	21
Head Office	65, Eulji-ro, Jung-gu, Seoul, SKT Tower (04539)
Company Website	Korean www.sktelecom.com English www.sktelecom.com/index_en.html

Investor Information

* As of December 31, 2024

Paid-in capital	KRW 30,493 million	
No. of shares issued	214,790,053 shares	
Listed stock exchange status	Korea Stock Exchange New York Stock Exchange	017670.KS (common stock) SKM (American Depositary Receipt)
Transfer agent	KB Kookmin Bank Securities Trading Agency	26, Gukjegeumyung-ro 8-gil, Yeongdeungpo-gu, Seoul T. 02-2073-8110 / F. 02-2073-8111
41th General Shareholders Meeting	March 26, 2025 (Wednesday) SKT Tower, 65 Eulji-ro, Jung-gu, Seoul (04539)	
Contact Information	Email: skt.ir@sk.com / T. 02-6100-2114	
Available Filings	Korean	Financial Supervisory Service electronic disclosure system (https://englishdart.fss.or.kr/ → Search for SK Telecom)) KRX (Korea Exchange) corporate disclosure channel (https://engkind.krx.co.kr/ → Search for SK Telecom))
	Englsih	New York Stock Exchange (www.sec.gov/edgar/searchedgar/companysearch.html → Company Name: SK Telecom)

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SK Telecom Affiliates

SK telecom

SK broadband | PS&Marketing | SK ons | SK stoa | SK telink

SERVICE TOP | SERVICE ACE | Home & service | SK broadband | Media S | 행복한울

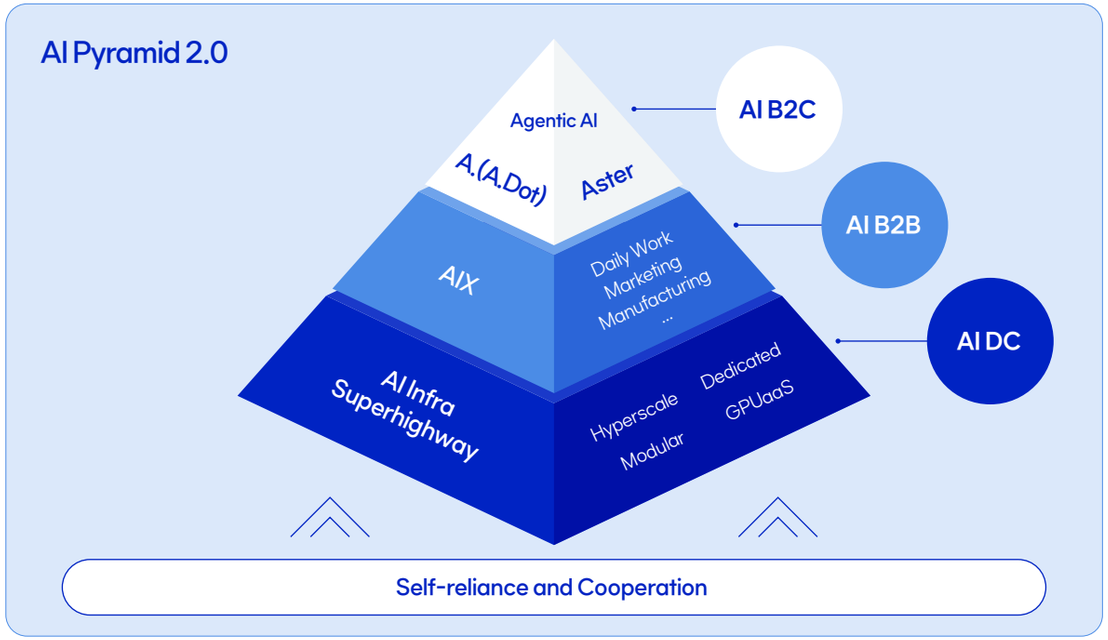
SK telecom Americas | Global AI Platform | SK Telecom Innovation Fund, L.P. | Atlas Investment

Business Overview

To leap forward as a global AI Company, SK Telecom has established the AI Pyramid 2.0 strategy. Under this framework, the company is pursuing both self-reliance and cooperation across three key business areas-AI DC, AI B2B, and AI B2C-with the goal of becoming a leading platform in the AI field.

The first layer of the AI Pyramid, AI Data Center (AI DC), embodies the company's AI Infra Superhighway strategy. Built on four core business model lineups, SK Telecom has established a structure that enables flexible responses to a wide range of customer needs.

The second layer, AI B2B, is focused on actively expanding into the AIX (AI Transformation) market. In the third layer, AI B2C, SK Telecom will further advance its personalized AI assistant, A. (A.Dot), and introduce its global AI agent, Aster (A*), to broaden the reach of its AI services both domestically and internationally.



AI DC

SK Telecom's AI Data Center is designed for deep learning and generative AI services that process and generate large volumes of data. In the global market, AI DCs are emerging as a key indicator of national AI competitiveness. To fulfill its role as essential infrastructure for the AI era in a demand-responsive manner, SK Telecom has established four business model lineups based on a la carte (customized offering). SK Telecom is actively developing its AI DC business to effectively serve as the Super Highway of AI infrastructure.

The subscription-based AI cloud service, GPUaaS (GPU-as-a-Service), allows users to subscribe to high-performance GPUs and utilize them for AI development and computation without the need for direct purchase. SK Telecom provides stable services by securing the latest GPU chips on a large scale, maintaining a power density approximately nine times higher than the domestic average, and operating its own AI data center infrastructure management (DCIM) system.

The Modular AI DC is a block-unit-type facility that offers a cost-effective solution for companies seeking to build data centers within a short time frame. SK Telecom, in partnership with specialized firms that possess mobile modular DC technology, provides data centers with high power efficiency at significantly lower costs. These centers can be constructed in approximately three months, offering a clear advantage in both speed and cost.

The Dedicated (customized) AI DC is a fully tailored solution designed, constructed, and operated according to the specific needs of a single customer. This integrated offering simultaneously addresses key bottlenecks in building AI data centers, including securing GPU chips, ensuring a stable power supply, constructing facilities, and operating systems.

The Hyperscale AI Data Center is designed to meet the demands of global big tech companies for ultra-large-scale, high-performance infrastructure. These data centers must satisfy requirements such as large-capacity processing, rapid construction, cost efficiency, and high-quality networking. SK Telecom plans to build AI data centers that meet these criteria at strategic domestic locations, and ultimately aims to become an AI data center hub in the Asia-Pacific region.

AI B2B

SK Telecom's AI B2B business helps enterprise clients transform their business operations more efficiently through the use of AI technology. With advancements in AI, rapid market growth is anticipated, and SK Telecom is promoting its B2B business in three main areas: (1) Enterprise AI, (2) AI Cloud, and (3) AI Use Cases.

Enterprise AI involves the development and provision of services such as generative AI, AI Contact Center (AICC), AI Vision (AI surveillance), and AI robots, utilizing SK Telecom's proprietary AI technologies.

AI Cloud combines the infrastructure of global cloud providers with SK Telecom's AI technologies to deliver Managed Service Provider (MSP) offerings. The company provides tailored services for cloud adoption-including migration,[1] operations management, and security solutions-aiming for sustained, high-level growth.

The AI Use Case business seeks to drive fundamental transformation (AI Transformation) in how companies operate by applying AI across a broad range of operations, from general document processing to manufacturing.

A. (A.Dot) Biz is a service designed to improve work efficiency by using AI to handle routine office tasks such as drafting reports, managing schedules, and retrieving information. A. (A.Dot) Biz Professional offers AI-powered functions that support specialized professional roles in areas such as legal, tax, HR, and PR. By applying AI to tasks requiring a high degree of expertise-such as legal texts and precedents searches, assisting with recruitment, and drafting press releases-the service maximizes job productivity.

Marketing AI drives significant innovation across marketing operations by automating customer consultations and enhancing the analysis of financial and market trends.

Manufacturing AI is a solution that simultaneously improves productivity and quality at manufacturing sites by leveraging Physical AI[2] technologies such as factory automation and digital twins. SK Telecom is collaborating with manufacturing affiliates within the SK Group to advance robotics and process optimization technologies.

SK Telecom plans to begin applying AI Use Case services to SK Group member companies in 2025 and subsequently expand and commercialize these services to external enterprises based on validated cases within the group.

AI B2C

The AI B2C business focuses on providing AI agent services[3] for individual customers, automating routine tasks and enhancing convenience in daily life through AI technology. SK Telecom aims to deliver agentic AI services that go beyond simple question-and-answer interactions by understanding user intent, reasoning independently, and taking autonomous action. The company is pursuing a two-track strategy with the domestic A. (A.Dot) and the global Aster (A*).

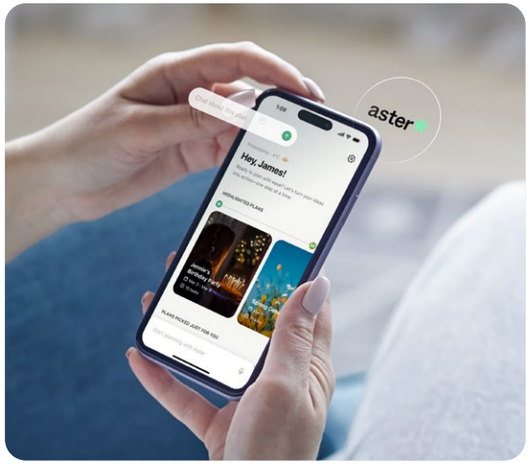
A. (A.Dot), launched by SK Telecom in September 2023, enables users to easily perform commonly used functions in daily life-such as managing schedules, recommending music, and recording and summarizing calls-through voice commands. It also offers personalized features based on each user's usage patterns. As of February 2025, A. (A.Dot) has become Korea's leading AI agent service, with approximately 9 million subscribers and 7.4 million monthly active users (MAU).

In addition to enhancing its call summary function, SK Telecom is continuously introducing new features to strengthen the competitiveness of the service. Going forward, the company plans to evolve A. (A.Dot) into a fully autonomous AI agent capable of completing tasks such as search, reservations, and information delivery based on users' behavioral patterns.

Furthermore, through partnerships with global AI companies, SK Telecom is enhancing the model performance and capabilities of A.(A.Dot). The company is also expanding its service domains beyond communication and media to include mobility, commerce, and other areas, with the goal of firmly establishing A.(A.Dot) as Korea's leading AI service.

Aster (A*) is an AI agent service designed for the global market. Following beta testing in North America beginning in March 2025, SK Telecom plans to officially launch the service in the second half of the year. To drive Aster's global expansion, SK Telecom will actively collaborate with international telecommunications companies-including the Global Telco AI Alliance (GTAA)-to explore opportunities for sharing customer bases and membership benefits, and will work closely with regional service providers.

1) The process of transitioning from one computer operating system to a superior or new one.
2) AI embedded in physical hardware such as robots or autonomous vehicles.
3) An autonomous intelligent system capable of performing specific tasks without human intervention.



Business Model

SK Telecom is positioning itself as a global AI leader by driving innovation across industries and everyday life through the three core pillars of its AI Pyramid 2.0 strategy: AI DC, AI B2B, and AI B2C. The company is committed to executing this strategy through ongoing efforts in self-reliance its proprietary AI technologies and service capabilities to build stronger customer relationships-as well as collaborating with global telecom operators and AI specialists. In parallel, SK Telecom is dedicated to generating social value by leveraging cutting-edge AI technologies and services, and aims to achieve sustainable growth through mutual prosperity with all stakeholders.

Capital Input

Financial
- Listed on the Korea Exchange and the New York Stock Exchange
- Pursuing a virtuous cycle between growth investment and shareholder returns
- Maximizing stakeholder value

Human
- Implementing diverse policies to attract and retain talent
- Leveraging core talent to drive business innovation and performance

Intellectual
- Utilizing the organization's intellectual property, know-how, and other knowledge-based intangible assets as core capital
- Creating collective intellectual value and enhancing efficiency through a shared ICT infrastructure ecosystem

Infrastructure
- Physical infrastructure assets for product manufacturing and service delivery
- Maintaining network stability and sustainability through efficient investment

Social
- Building strong, trust-based relationships with a wide range of stakeholders, including partners, local communities, government, customers, and NGOs
- Generating social value through ICT capabilities

Environment
- Providing ICT-based environmental solutions to minimize the environmental impact of nationwide network and office operations
- Seeking to improve the efficiency of environmental capital in delivering products and services

Value Creation Activities & Mid- to Long-term Strategy

AI DC

Subscription-based AI Cloud GPUaaS
- Securing the latest GPU chips on a large scale
- Achieving power density nearly nine times higher than the domestic DC average to maximize chip efficiency
- Easily and quickly optimizing GPU operations using ...

Modular AI DC
- Providing optimized services for customers requiring smaller capacity and rapid construction
- Collaborating with specialized partners possessing Korea's best mobile modular DC technology
- Enabling monetization in a short period through rapid construction

Dedicated AI DC
- Exclusive AI DC optimized for single clients
- Providing a customized all-in-one solution from design and construction to optimization, based on core competencies and partnerships

Hyperscale AI DC
- Planning to build the largest single AI DC with GPUs at major domestic hubs
- Aiming to become the APAC (Asia-Pacific) AI DC hub

AI B2B

AI B2B Business
- Providing various AI solutions such as AICC (customer center), AI Vision (AI surveillance), callbot/chatbot, and LLM

Advancing AI Cloud
- Pursuing continuous high growth by providing added value such as AI Cloud consulting and security solutions

Discovering AI Use Case
- Innovating SK Group's work processes with AI agents and commercializing them to generate B2B revenue
- A.(A.Dot) Biz, marketing AI, and manufacturing AI

AI B2C

A. (A.Dot)
- Korea's leading AI agent service with nearly nine million subscribers

Aster (A*)
- Launching a complete global AI agent based on telco capabilities, global expansion, and local service partnerships

Capital Output

Financial
- Establishing a foundation for sustainable growth through revenue and profit generation
- Contributing to GDP growth (indirect economic value)

Human
- Direct and indirect job creation
- Fostering ICT professionals and enhancing human capital

Intellectual
- Advancing technology and building an ecosystem through R&D
- Promoting social development by applying innovative technologies

Infrastructure
- Contributing to improved productivity for individual and corporate customers
- Leading the Fourth Industrial Revolution with core ICT and AI & digital infrastructure

Social
- Addressing social issues through shared infrastructure
- Improving the quality of life for members of society through products and services
- Providing ICT-based solutions for climate change response

Environment
- Reducing greenhouse gas emissions across society through ICT
- Providing ICT-based solutions to address climate change

Creating Economic Value

Financial Highlights & Outlook

2024 Financial Highlights

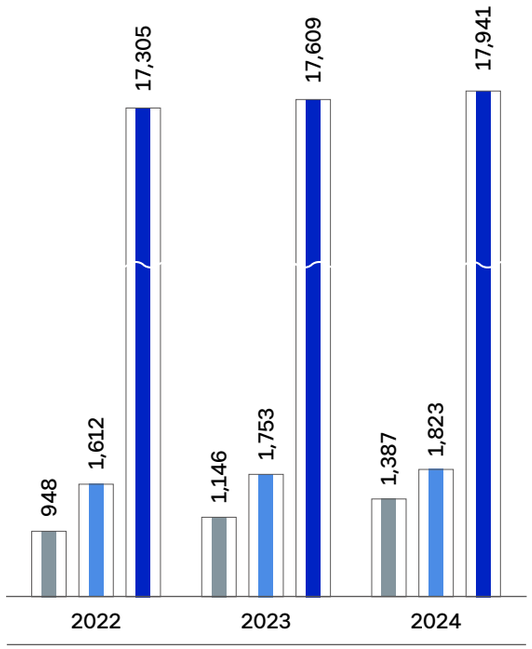
SK Telecom, as a growing AI company, has demonstrated visible results and secured growth momentum, embarking on a new 40-year journey with AI. The company restructured its previous five business groups into AI DC, AI B2B, and AI B2C in line with its AI Pyramid strategy and further clarified the execution strategies for the three areas to drive growth within each area and synergy between them. As a result, based on consolidated financial statements under Korean International Financial Reporting Standards (K-IFRS), SK Telecom recorded revenue of KRW 17,940.6 billion in 2024, a 1.9% increase from the previous year, and operating profit of KRW 1,823.4 billion, up 4% year-on-year.

2025 Outlook

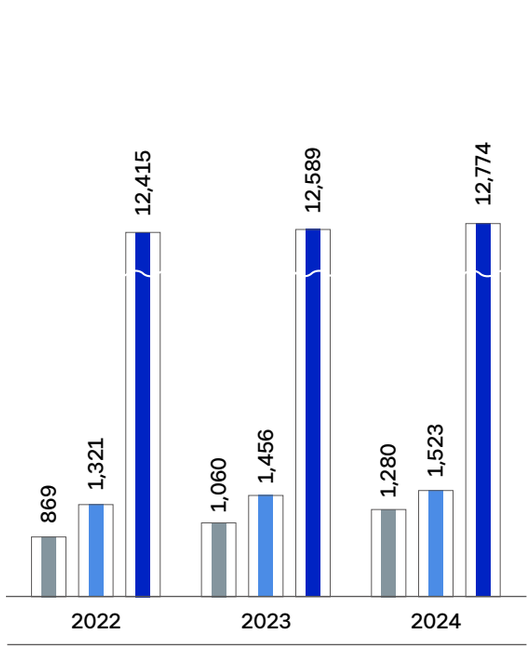
In 2025, SK Telecom will focus on expanding operational innovation across all areas to strengthen its core competitiveness. The company will also invest the resulting resources into AI Transformation (AT) to create a virtuous cycle of additional cost savings and AI business growth. While maintaining the self-enhancement and collaboration framework of the existing AI Pyramid, the AI Pyramid 2.0 strategy focuses on selection and concentration in the business domains of each layer to deliver tangible results. Through this strategy, SK Telecom aims to enhance profitability and drive new growth as an AI provider, thereby maximizing its corporate value.

Net Profit Operating Profit Operating Revenue

Performance on a Consolidated Basis (unit: KRW billion)

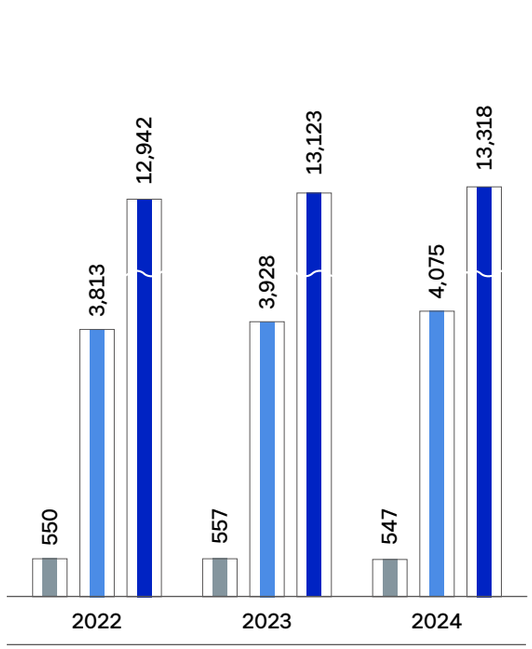


Performance on a Separate Basis (unit: KRW billion)



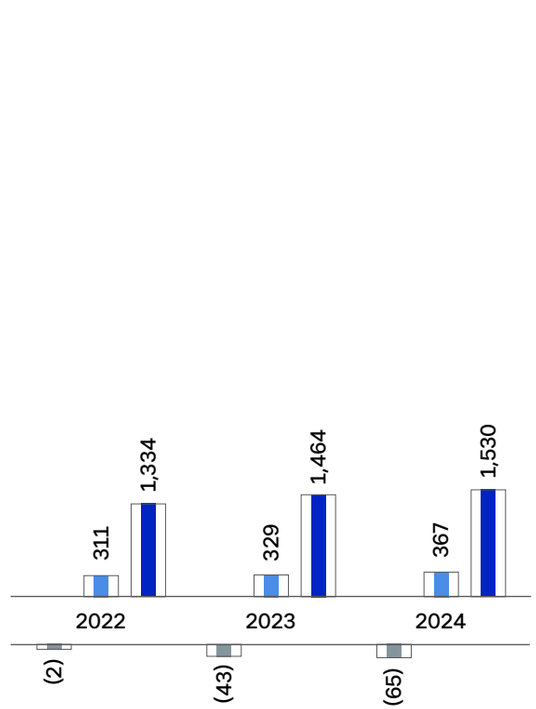
Other Businesses Wired Communication Business Wireless Telecom Business

Performance by Business (Revenue) (unit: KRW billion)



* Business performance by segment is presented on a non-adjusted basis.

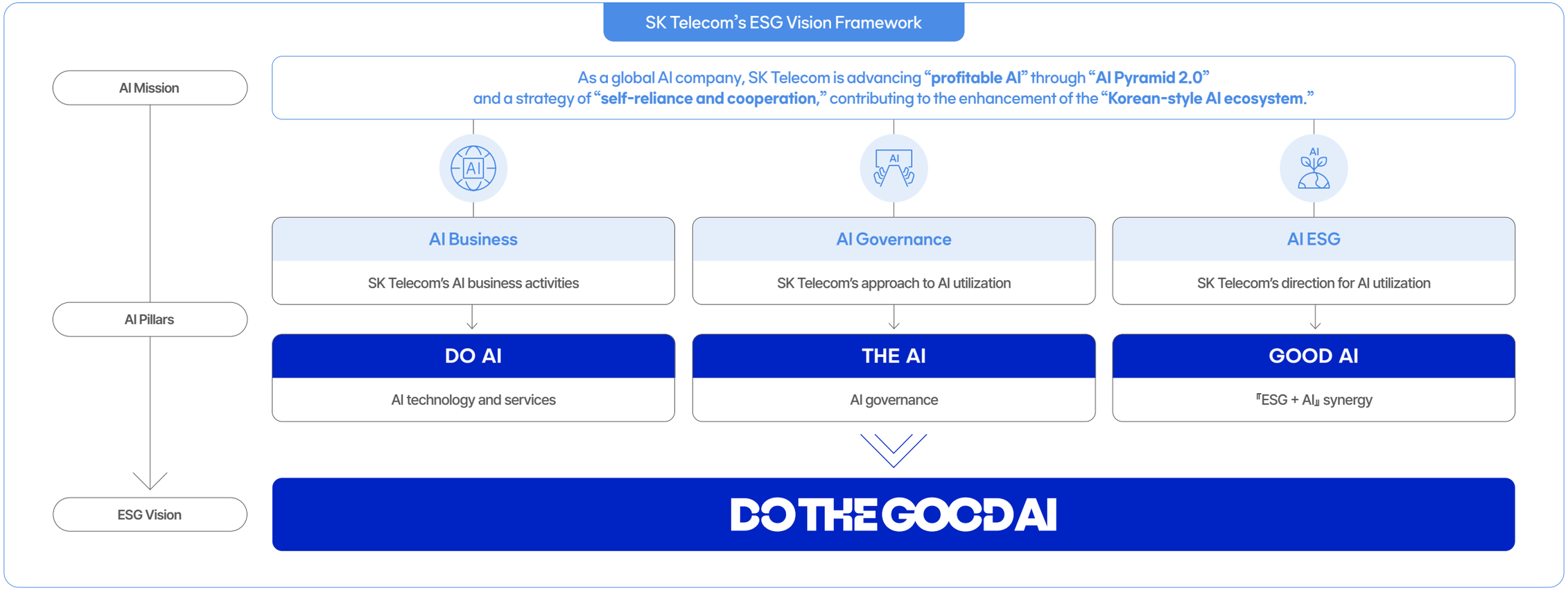
Performance by Business (Operating Profit) (unit: KRW billion)



ESG Overview

ESG Vision (DO THE GOOD AI)

SK Telecom's ESG vision is to grow together with customers and society by harnessing the synergy between AI and ESG. While maintaining its core leadership in ESG, the company seeks to generate synergy between AI and ESG, and to systematically manage ESG initiatives from a company-wide perspective, which contributes to its transformation into a global AI company. Beyond simply conducting business, SK Telecom is committed to driving positive change throughout society: by enhancing the competitiveness of telecommunications and technology through AI (DO AI); by ensuring trust and usability under transparent principles (THE AI); and by sustaining AI-driven ESG management (GOOD AI)—all in pursuit of realizing its "DO THE GOOD AI" vision.



ESG Governance

SK Telecom enhances sustainability by proactively sensing and optimally responding to ESG-related risks, thereby protecting corporate value (Value Protection). At the same time, by generating social value through AI-based ESG initiatives, the company fosters growth in its AI business and increases corporate value (Value Creation), contributing to Total Value Maximization. To this end, major ESG issues are discussed by the ESG Committee under the Board of Directors, the company's highest decision-making body. The ESG Office, acting as the enterprise-wide ESG control tower and cross-functional coordination body, ensures that ESG improvement initiatives are proactively pursued across the entire organization, based on key performance indicators (KPIs).

ESG Development Organization

In May 2008, SK Telecom established the ESG Committee as one of five subcommittees under the Board of Directors. Currently composed of four independent directors, the ESG Committee reviews and advises on the direction of sustainable management, its performance, and related external communications.

The ESG organization reports directly to the CEO, with the Head of the ESG Office overseeing all ESG-related operations. As the company-wide ESG control tower, the organization facilitates collaboration across departments. In addition, ESG-related agenda items are regularly discussed and shared within the executive-level council, reflecting the company's ongoing efforts to embed ESG into its management practices.

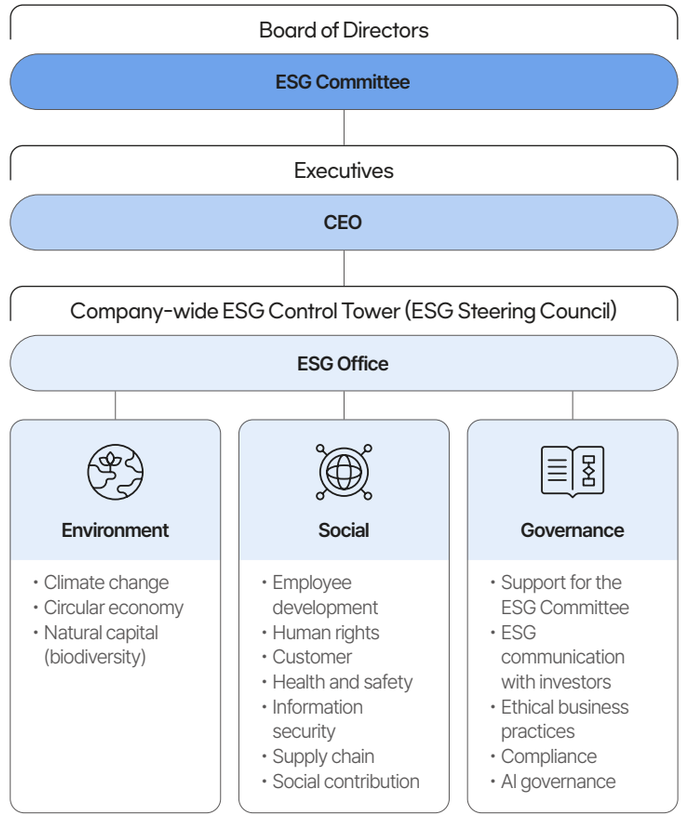
In 2024, the ESG Office strengthened its role as the enterprise-wide ESG control tower by generating synergy through a "One Team" approach with ICT family affiliates. The office not only continued its existing efforts—such as designing and managing ESG KPIs by department, measuring and delivering social value, and promoting ESG culture—but also worked closely with individual business units to establish and execute ESG strategies company-wide and to improve ESG management.

The ESG Office communicates the company's commitment to sustainable management through general meetings of shareholders, analyst seminars, press conferences, and CEO's ESG messages. It is also reinforcing RE100 implementation through the operation of a circular economy task force and the expansion of the renewable energy procurement portfolio, and is advancing efforts toward the "2050 Net Zero goal" by operating a company-wide climate task force and publishing climate disclosure reports.

In addition, SK Broadband and other ICT family companies are taking the lead in ESG management and driving various new initiatives to generate ESG synergy.

Quarterly ESG seminars are organized for ICT family companies to assess their ESG management level, identify necessary improvements, and implement joint efforts to embed ESG management.

Going forward, the ESG Office will continue to collaborate in an integrated manner with all organizations as the company-wide ESG control tower, leverage company-wide capabilities to promote AI-based ESG activities, enhance corporate value, and accelerate execution as a global AI company.



ESG Performance and External ESG Assessment

ESG Performance

SK Telecom is promoting "AI-driven ESG," a strategy optimized for an AI company, including expanding the application of AI-powered eco-friendly solutions (E), strengthening social value creation based on AI (S), and advancing AI governance (G).

Through eco-friendly solutions incorporating AI, SK Telecom is working to reduce energy consumption at base stations and servers through AI-powered traffic analysis and cooling optimization. AI automatically detects traffic loads and adjusts output to reduce power consumption without compromising service quality. This initiative is expected to reduce carbon emissions by approximately 60,000 tons (4% of total emissions) in the network sector.

In addition, SK Telecom is applying technologies that optimize cooling systems by collecting and analyzing temperature and humidity sensor data for AI modeling, alongside the replacement of cooling units with high-efficiency systems at its telecommunications facilities. By introducing seasonally and hourly adjustable dynamic control functions, the company aims to achieve an additional 30,000 tons of annual carbon reduction through efficient power management.

Furthermore, SK Telecom is actively working to create social value through AI technology Through various activities such as AI-based voice phishing prevention, AI-powered life care services, support for vulnerable groups, and efforts to bridge the digital divide, the company aims to improve the quality of life in local communities and create a social environment where everyone can benefit safely and conveniently from technology.

SK Telecom will continue to practice AI-centered ESG activities, building its distinctive competitiveness as a global AI company by enhancing corporate value and expanding social impact.

External ESG Assessment

SK Telecom's proactive ESG management efforts have been recognized with excellent results in domestic and international ESG assessment. In 2024, SK Telecom was selected for the DJSI World Index for the 16th year, one of only seven telecommunications companies worldwide. The company has also earned an AA rating in the MSCI ESG assessment since 2022 and an A rating in the KCGS assessment, further solidifying its status as Korea's leading ESG company.

ESG Performance and Plans

Environment
AI-powered eco-friendly solutions

E

- **AI-based Energy Saving**
  Improving energy efficiency of base stations and cooling systems; establishing an AI-powered data center
- **AI-Driven Net Zero**
  Using AI to offset emission increases

Social
AI technology-based social value creation

S

- **AI Care**
  AI-based care for vulnerable groups, narrowing the AI divide
- **AI Safety**
  AI voice phishing prevention, spam filtering, and AI life care

Governance
Strengthening the governance system

G

- **Enhancing AI governance and strengthening external communication**
  Reinforcing execution of the AI Pyramid strategy
- **Independent management centered on the Board of Directors**
  Equipped with AI expertise, Substantive roles of the five major committees

T·H·E·AI

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA — Included in the DJSI World Index for 16 years

MSCI ESG RATINGS AA — AA Rating

KCGS — Overall Grade A

SUSTINVEST A — A Rating

Awarded the Presidential Commendation for Excellence in Sustainable Management by the Government of Korea
Received the Minister of Health and Welfare Commendation for Contributions to Blood Donation and Blood Services

Special Report

Circular Economy

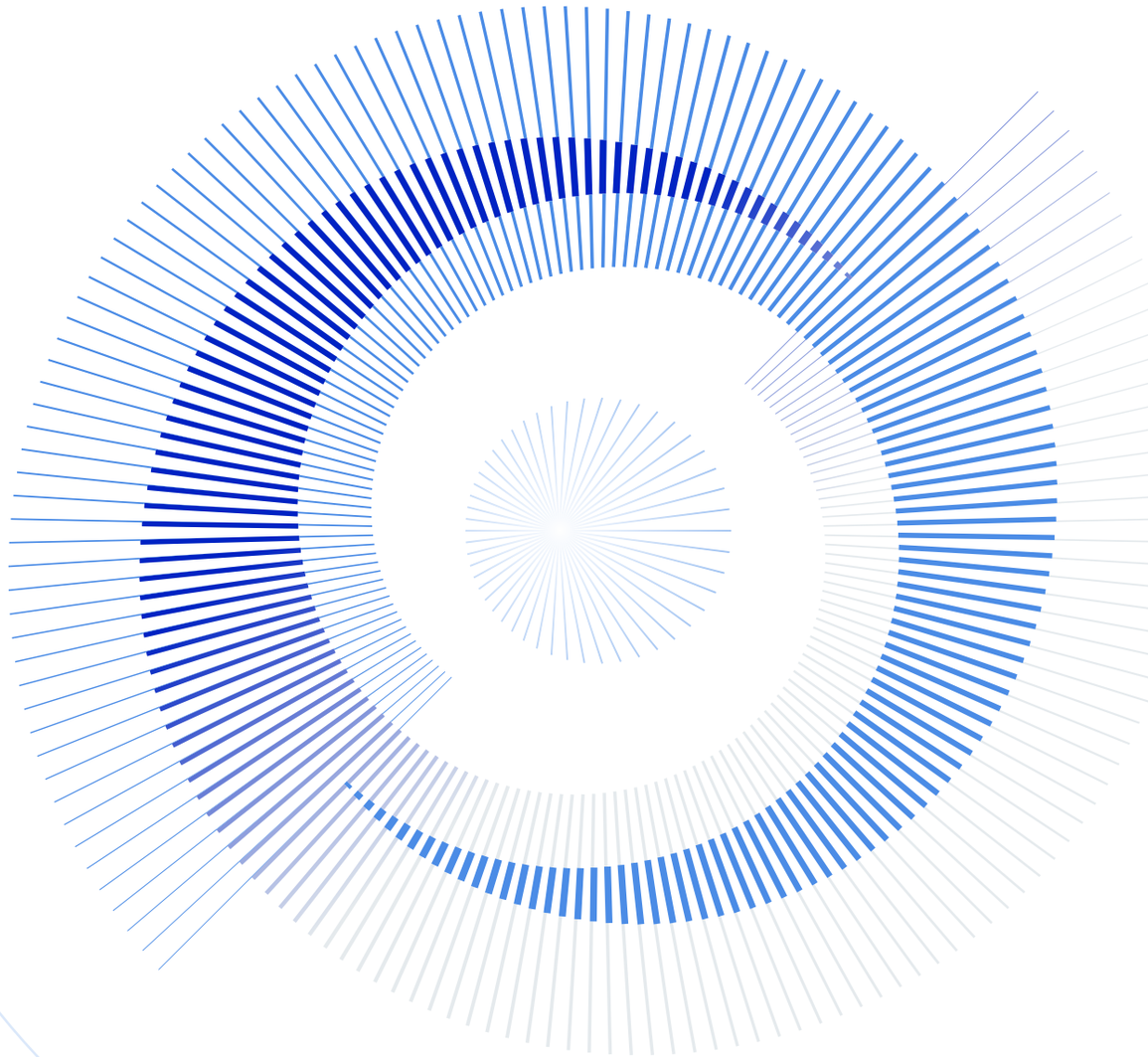
Enhancing the Circular Economy Framework through Change and Innovation

SK Telecom is advancing the company-wide circular economy strategy to secure sustainable competitiveness based on resource circulation.

This framework aims to fundamentally transform the company's operational structure by going beyond basic waste reduction or regulatory compliance.

By proactively responding to increasingly stringent global regulations on environment and resource use, and embedding circular economy processes across operations, SK Telecom is striving to achieve a balanced approach to operational efficiency and environmental responsibility.

Through these efforts, SK Telecom is reducing inefficiencies and resource waste in business operations and expanding the value of resource circulation, thereby establishing a foundation for sustainable growth.



Background

As global responses to environmental and resource crises gain momentum, the circular economy is becoming a key pillar of global regulations and industrial transformation. Major countries are emphasizing resource circulation across the entire lifecycle of production, consumption, and disposal, and are enacting mandatory laws related to resource recovery, product life extension, and increased recycling rates. This is not only a regulatory risk but also an opportunity for structural transformation to secure industrial competitiveness.

SK Telecom has proactively responded to these external environmental changes and risks by establishing the dedicated company-wide circular economy task force, "ECO-LOOP TF." ECO-LOOP TF is an inter-organizational collaboration system involving major business units and SK Broadband, overseeing the response to resource circulation risks and the overall execution framework.

The task force identifies risk factors and areas for improvement related to resource circulation, and incorporates tasks tailored to business characteristics into policies and implementation systems. Through the promotion of various initiatives such as resource recovery, recycling, and circular service design, the resource circulation process is improved. In addition, by working closely with individual organizations, a culture of practicing the circular economy is being established.

SK Telecom is advancing its circular economy strategy not merely as a risk management tool, but as a driver of core business competitiveness and long-term sustainability. By centering on dedicated governance, SK Telecom will enhance execution capabilities and drive both company-wide process innovation and operational efficiency.

Framework

SK Telecom's circular economy approach is built on a robust implementation framework in which clear governance, concrete strategies, and systematic risk management are organically interconnected and mutually reinforcing. These three core elements play a pivotal role in effectively achieving circular economy objectives and creating sustainable value.

Governance

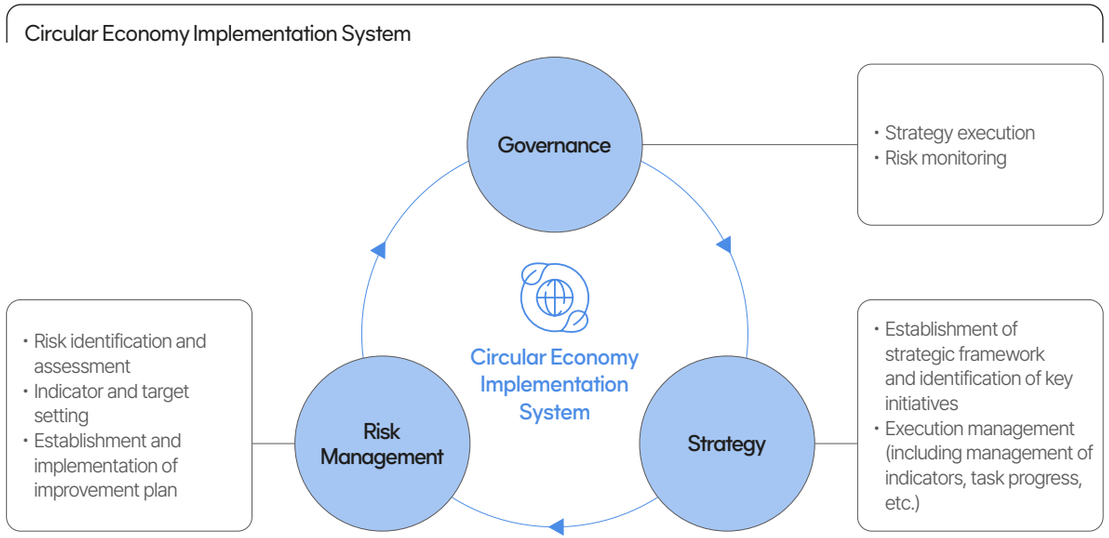
To strategically advance the circular economy, SK Telecom is establishing a clear governance structure. The dedicated governance body is responsible for implementing the circular economy strategy, continuously monitoring relevant regulations and risks, and facilitating the integration of internal ESG (environmental, social and governance) strategies with OI (operational improvement) activities.

Strategy

SK Telecom establishes a structured circular economy strategy and derives and implements key tasks based on it. Each task is designed to ensure practical execution, with performance indicators set to regularly track and manage progress, thereby enhancing the effectiveness of the strategy.

Risk Management

To ensure stable and effective execution of the circular economy strategy, SK Telecom operates a risk management system. potential risks across all circular economy activities are proactively identified and assessed, and risks are minimized by setting specific goals, planning improvements, and executing actions.



Governance

SK Telecom has established and operates the company-wide circular economy governance system. By assigning roles and responsibilities to each entity—decision-making bodies, promotion and execution organizations—and monitoring related regulations and risks, SK Telecom strengthens its management system by reflecting them in the strategic direction of the circular economy promotion.

Decision-Making Body

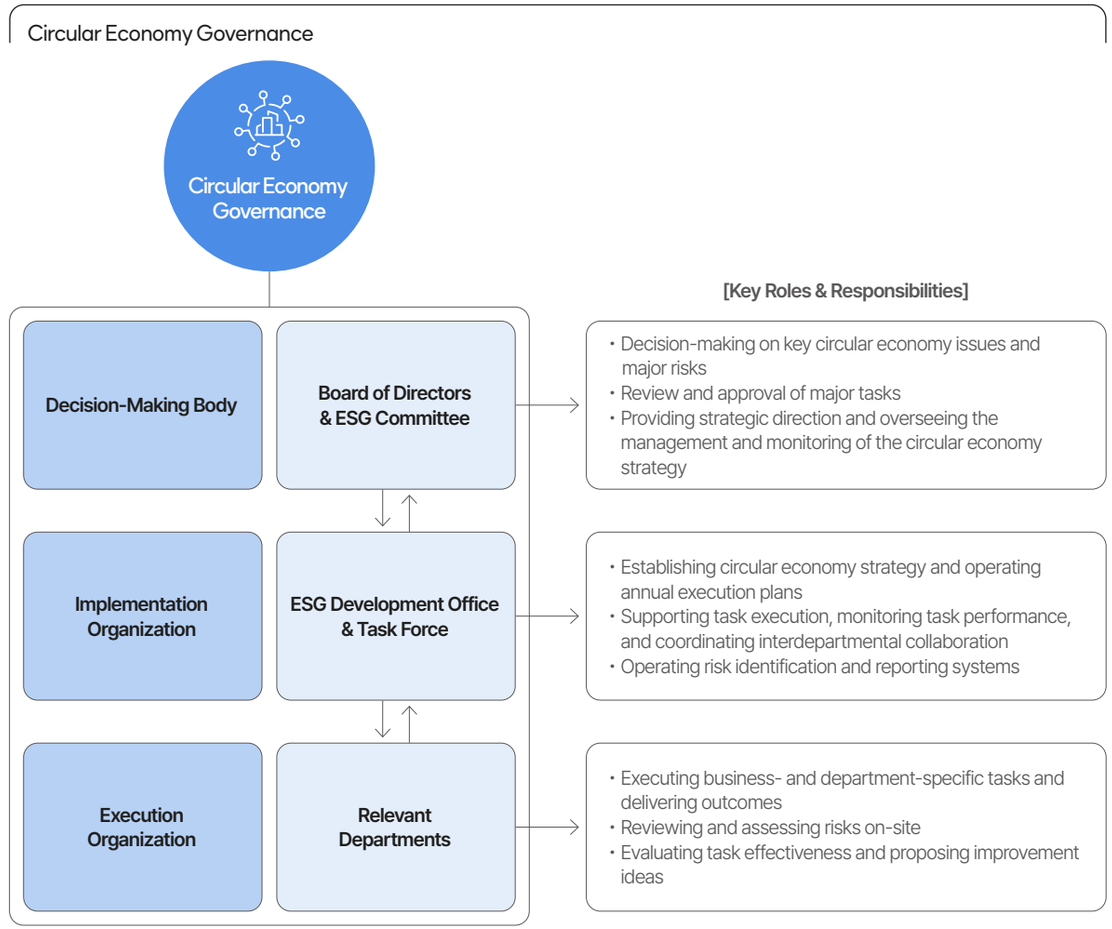
The board of directors and ESG Committee serve as the highest decision-making bodies for the circular economy strategy, reviewing and approving key issues and major tasks. They make strategic decisions on major risks and issues, set mid- to long-term directions, and monitor the performance of major tasks. The decision-making body plays a central role in overseeing and supervising the circular economy strategy.

Implementation Organization

The circular economy implementation organization consists of the ESG promotion office and task force. The implementation organization plans the circular economy strategy and functions as a control tower, leading organic collaboration among execution organizations. It supports inter-organizational collaboration and task execution, operates risk identification and reporting systems, manages task performance, and ensures alignment with company-wide strategy through internal activities such as resource saving and operational efficiency. In particular, the ECO-LOOP task force identifies and advances tasks tailored to business characteristics and organizational situations, managing key issues and risk factors.

Execution Organization

The circular economy execution organization consists of relevant departments and field organizations, which collaborate with the implementation organization to carry out circular economy tasks and deliver results. They identify risks that may arise during task execution, lead improvement activities, and continuously propose response measures and new task ideas, thereby strengthening the execution of the strategy. The execution organization collaborates with the implementation organization and provides specific performance data, serving as a key foundation for systematic evaluation and strategic advancement. In this way, the execution organization supports the systematic execution of the strategy.



Strategy

Policy

SK Telecom is proactively responding to the rapidly changing business environment and is committed to creating sustainable value by positioning the circular economy as a core driver of future growth and a central pillar of the company's sustainable management. In response to pressing challenges such as resource depletion, environmental crisis, and tightening global regulations, SK Telecom has established a new policy direction to lead the transition to a circular economy through technological innovation based on information and communications technology (ICT).

SK Telecom's approach to the circular economy aims to refine the flow of resources to simultaneously achieve resource efficiency and fundamental competitiveness. The company is driving sustainable change by pursuing operational innovation utilizing artificial intelligence (AI) and data technology, developing services that integrate circular value, building an ecosystem in collaboration with all stakeholders, and fostering a culture of voluntary participation.

Currently, the circular economy strategy is being implemented company-wide, and tangible outcomes are being achieved through implementation strategies tailored to the characteristics of each business area. Going forward, SK Telecom will continue to embed circular economy principles as a core element of overall management, maximize resource value, create new growth opportunities, and further strengthen the company's unique ESG management culture.

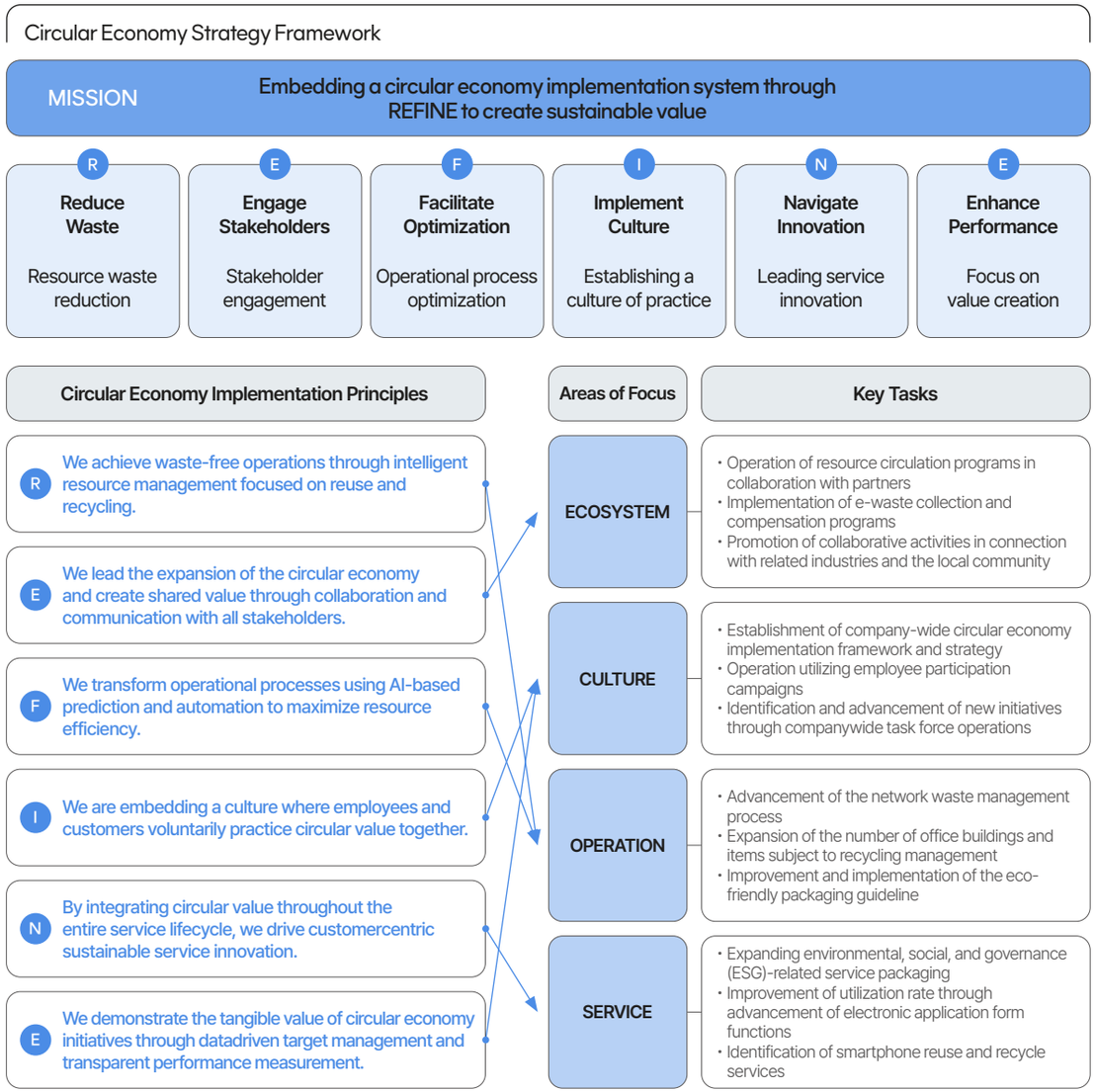
Strategy Framework

SK Telecom is advancing the companywide circular economy strategy, RE:FINE. The RE:FINE strategy combines "RE:", which encompasses key actions of the circular economy such as reuse, recycle, and reduce, with "Fine", signifying the refinement of overall operations. This reflects SK Telecom's commitment to improving resource flows and securing sustainable competitiveness through circularity. This approach goes beyond simple waste reduction, evolving into a multidimensional circular economy execution framework that includes company-wide operational innovation, collaboration with stakeholders, service improvement, and building a culture of execution.

By implementing the RE:FINE strategy, SK Telecom aims to drive the internalization of the circular economy execution framework, create sustainable value, and strengthen the company's fundamental competitiveness.

Implementation Principles

SK Telecom's RE:FINE strategy is an acronym for Reduce Waste, Engage Stakeholders, Facilitate Optimization, Implement Culture, Navigate Innovation, and Enhance Performance, representing six key implementation principles for advancing the circular economy. Each of these principles is systematically linked to four core areas—ecosystem, organizational culture, operation, and business—as well as to specific action items within each area.



Risk Management

Risk Management System

SK Telecom operates the following risk management process to effectively manage and minimize potential risks arising from circular economy activities.

In the risk identification and assessment stage, SK Telecom closely examines and identifies potential environmental changes and risks related to the circular economy that may arise from business activities, and evaluates their significance and impact.

For major identified risks, measurable key performance indicators and management goals are set to monitor company-wide progress. This ensures clarity in goal setting and transparency in progress management.

Based on the level and characteristics of the assessed risks, specific improvement plans are developed and implemented to mitigate risks. SK Telecom continuously reviews the impact of business operations and infrastructure on the circular economy and applies optimal improvement measures to minimize resource inefficiency and environmental burden.

Identified risks and improvement actions are regularly monitored and managed, and related implementation results are reported to management and the board of directors. If necessary, the level of risk management is strengthened through strategic decisionmaking.

Risk Management Process

Process	Key Action Plan
Risk identification and significance assessment	• Identification of key risks arising from environmental changes, such as laws and regulations, decline in recycling rates, and global trends • Categorization of risk items by business area, including network and office operations • Assessment of whether risks related to internal implementation organizations and suppliers are included
Indicator and target setting	• Establishment of targets for recycling rate, reuse volume, and waste generation • Formulation of annual and mid- to long-term targets for each indicator • Development of integrated indicators reflecting the entire value chain
Development and implementation of risk management plan	• Enhancing programs for waste reduction and recycling rate improvement • Enhancing the resource reuse system and expanding upcycling initiatives for each office building • Implementing action plans, such as identifying new items and solutions to increase recycling rates
Reporting implementation results and integrating circular economy strategy	• Regular reporting on circular economy indicators and risk response performance • Analysis of causes for unmet indicators and proposal of improvement measures • Readjustment of strategic tasks and incorporation of feedback into company-wide strategy • Promotion of internal culture through sharing with implementation organizations and stakeholders

Metrics and Targets

Mid- to Long-Term Goals

SK Telecom has launched the full-scale implementation of the circular economy RE:FINE strategy to secure resource circulation and ESG-based competitiveness.

In the short term, the company aims to establish an execution foundation and achieve key results by focusing on four strategic areas: collaboration with partners, employee engagement, operational advancement, and service transformation. In the mid- to long-term, SK Telecom plans to internalize each initiative into a company-wide system and apply circular economy principles throughout the entire value chain by expanding collaboration across industries and customer touchpoints.

SK Telecom will become a leading practitioner of the circular economy across the entire value chain, from internal organizations to external partners and customers, and will establish a new growth model through resource circulation.

Mid- to Long-Term Roadmap for the Circular Economy

	Short term (2025-2026) Establishing and expanding the implementation framework for the circular economy		Mid- to Long-term (After 2027) Full-scale realization of circular economy outcomes and establishment of a self-driven management system	
ECOSYSTEM Expansion of the circular economy ecosystem	Establishing a foundation for expanding the circular economy ecosystem	"Establishing a circular economy model in collaboration with partner companies and the local community" • Joint Selection of an integrated vendor by SK Telecom and SK Broadband to enhance waste management efficiency • Optimization of collection channels for end-of-life device recovery • Planning of collaborative activities in connection with related industries and the local community	Advancement of the resource circulation ecosystem	"Creating synergy through stronger partnerships with stakeholders" • Joint value creation and distribution through resource circulation in collaboration with partners • Strengthening cooperation with manufacturers to improve the device recycling rate
CULTURE Establishing a circular culture based on employee engagement and action	Embedding a circular culture based on employee engagement	"Fostering a culture of voluntary practice" • Establishment of a circular economy implementation framework and strategy • Advancement of key initiatives and identification of new projects through operation of a company-wide task force • Deployment of participatory circular economy campaigns (e.g., hand towel recycling)	Establishment of a circular culture based on voluntary practice	"Implementing a culture of practicing the circular economy in daily life" • Establishment of circular economy targets by department and operation of a performance management system • Continuous development of participatory circular economy campaigns
OPERATION Transition for resource efficiency and operational optimization	Resource efficiency enhancement and operational optimization	"Eliminating inefficiencies and minimizing resource waste across operations" • Expansion of network waste disclosure and standardization of management process • Establishment of SKT-style eco-friendly packaging guideline • Expansion of recycling management items within office buildings	AI-based resource management advancement and pursuit of zero waste	"Enhancing predictive management and proactive response through technology" • Utilizing legal and institutional frameworks such as the Circular Resource Certification System to reduce waste disposal. • Promoting the adoption of an AI-based system for predicting equipment lifespan and optimizing replacement cycles. • Establishing emission reduction targets by department and pursuing ZWTL (Zero Waste to Landfill) certification.
SERVICE Integrating circular value across the entire customer experience	Discovering customer experienceori-ented circular service models	"Promoting the development of eco-friendly services and products to enhance customer value" • Expansion of the USIM environmental, social and governance package and enhancement of secure compensation for used devices • Improvement of utilization rate through advancement of the electronic application form function • Simplification of document submission to government agencies using the PASS app	Expansion of the circular service portfolio	"Full-scale implementation of circular services that drive customer engagement and create value" • Discovering smartphone reuse and recycle services • Applying and expanding the eco-friendly packaging guideline to new products

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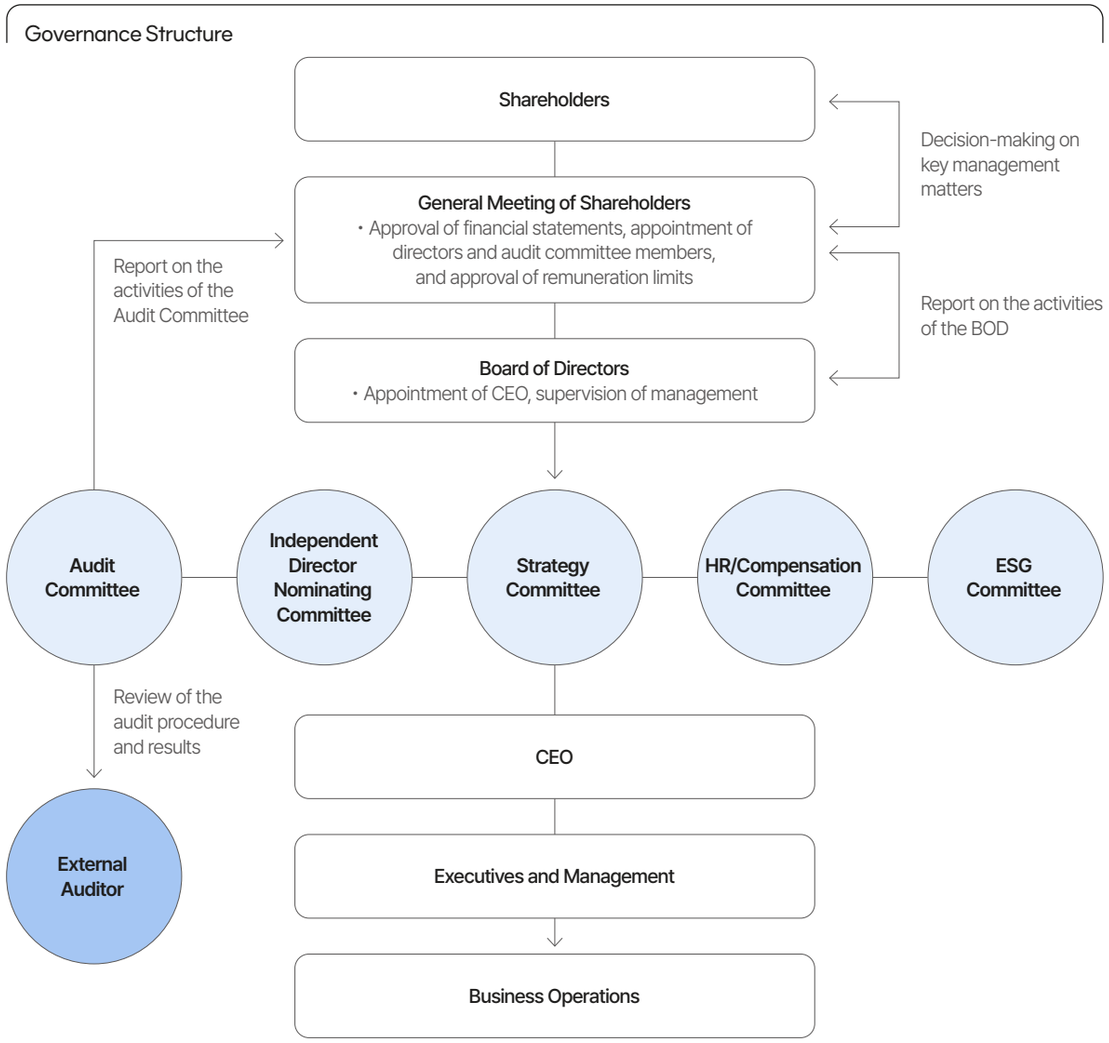
Corporate Governance

SK Telecom practices board-centered responsible management to protect shareholders' rights and enhance corporate value. Based on the corporate governance charter, SK Telecom has implemented a transparent and robust advanced governance structure. The company continues to uphold exemplary board operations by enhancing the independence, expertise, and diversity of the board, as well as by invigorating committee activities. In addition, SK Telecom increases shareholder value through shareholder-friendly management, including a shareholder return policy, and continuously builds trust with stakeholders, including shareholders.

Establishing a Board-Centered Advanced Governance Structure

At the 37th Annual General Meeting of Shareholders held in March 2021, SK Telecom revised its Articles of Incorporation to affirm its commitment to establishing a transparent and sound governance structure and to provide a legal basis for its Corporate Governance Charter. As of May 2021, SK Telecom adopted a global standard corporate governance structure centered on the board of directors to improve sustainable management. The governance structure was revised to include key elements such as the establishment of a management strategy committee. CEO and other executive directors and their performance is evaluated against Key Performance Indicators (KPIs). Each director assumes independent responsibility for decision-making in areas such as business strategy, investment, and HR through five specialized committees (Audit Accordingly, the Board of Directors serves as the highest decision-making body, responsible for appointing the CEO, determining compensation levels, and approving and evaluating business plans and key performance indicators (KPIs). The company reorganized its board committees into five specialized committees—Audit Committee, Independent Director Nominating Committee, Strategy Committee, HR/Compensation Committee, and ESG Committee—each with independent and professional expertise. Furthermore, SK Telecom publishes a Corporate Governance Report and ESG Report annually to enhance transparency and efficiency in corporate governance. To this end, the company actively engages with shareholders and stakeholders. It has also expanded outreach to shareholders by publishing an English version of the Corporate Governance Report.

SK Telecom's Corporate Governance Charter, revised in accordance with the Corporate Governance Best Practice Guidelines of the Korea Institute of Corporate Governance and Sustainability (KCGS), is publicly available in full on the company's website, as part of its ongoing effort to promote transparent and effective governance through open communication with both internal and external stakeholders.



Stock and Capital Structure

Shareholder Status

As of the end of December 2024, the total number of issued shares of SK Telecom is 214,790,053. As for the founder & founding family ownership, Chairman Chey Tae-won, the largest shareholder and CEO of SK Corporation, directly holds 303 shares of SK Telecom. Chairman Chey Tae-won's stake in SK Corporation is 17.90%, and SK Corporation's stake in SK Telecom is 30.57%. Additionally, the Korean government does not hold shares (Government Ownership) of SK Telecom. Moreover, SK Telecom, which pursues responsible management based on mid- to long-term performance, encourages its CEO and executives to hold stocks.

Types of Shares and Voting Rights

SK Telecom does not have a differential voting right system that grants multiple voting rights to specific stocks, and follows the principle of one voting right per share. There are a total of 1,903,711. treasury stocks with limited voting rights under the Commercial Act. As of December 31, 2024, there is a total of 212,886,342 shares with voting rights (99.11% of total issued shares).

Dividend Policy and Shareholder Return

SK Telecom seeks to enhance corporate value through cash dividends that reflect business performance and increased shareholder returns from a long-term perspective based on continuous growth. The company implements a capital allocation strategy aimed at balancing the use of additional free cash flow (FCF)—generated through performance innovation and operational improvement (OI)—across shareholder returns, growth investments, and financial structure enhancement.

SK Telecom's shareholder return is determined by comprehensively considering business performance, investment plans, financial status and prospects, and can provide money and stocks to shareholders in accordance with the Articles of Incorporation. It determines the cash dividends by comprehensively considering investment for the company's continuous future growth, annual business performance, and the status of its cash flow. When dividends are paid in stocks, if the company issues several types of stocks, the type of new stocks to be distributed can be determined by resolution at the general shareholders' meeting.

At the 37th general shareholders' meeting held in March 2021, SK Telecom amended the Articles of Incorporation in order to introduce quarterly dividends instead of existing interim dividends in line with the global trend of stable dividend payment, and has been paying quarterly dividends since the second quarter of 2021.

As of late April 2024, the company announced a new mid- to long-term dividend policy intending to allocate more than 50% of its consolidated adjusted net profit as shareholder returns, derived from controlling shareholder's net profit excluding one-time and non-recurring gains and losses, for fiscal years 2024 to 2026. Future dividend decisions will be made by the Board of Directors in accordance with this policy.

Considering the company's stock price and financial capability, SK Telecom continues to repurchase and cancel treasury stocks to enhance corporate value. From 2020 to 2021, the company bought back KRW 500 billion worth of treasury stocks. In May 2021, 8,685,568 shares(10.76% of the total issued shares) of previously acquired treasury stocks were cancelled. In 2023, SK Telecom repurchased shares worth KRW 300 billion and, in February 2024, canceled 4,043,091 shares, equivalent to 1.85% of total issued shares.

In the 2024 fiscal year, SK Telecom paid a total annual dividend of KRW 753.6 billion, with a dividend per share of KRW 3,540 and a dividend yield of 6.1%.

Shareholder Status (As of Dec. 31, 2024)

Classification	No. of Shares[1]	Percentage of total shares issued (%)
SK Inc.	65,668,397	30.57
National Pension Service	18,878,265	8.79
Institutional Investors and Other Shareholders	124,493,193	57.96
Kakao Investment Co., Ltd.	3,846,487	1.79
Treasury Shares[2]	1,903,711	0.89

1) The total number of issued shares has been changed from 72,060,143 (value per share: KRW 500) to 218,833,144 (value per share: KRW 100) through stock split and spin-off that took effect on October 28, 2021
2) The number of treasury stocks includes 54,032 treasury stocks acquired due to the occurrence of single shares as a result of the spin-off

Stock holdings by Executives[3] and Special Interest Group (As of Dec. 31, 2024)

	Name	Shares	Stock Options	Sum (Shares)
Executives of the Issuing Company	Young Sang Ryu	20,309	123,760	144,069
	Jong Ryeol Kang	8,823	35,098	43,921
	Yang Seob Kim	-	-	-
	Sung Hyung Lee	-	-	-
	Yong Hak Kim	4,923	-	4,923
	Seok Dong Kim	3,763	-	3,763
	Junmo Kim	3,763		3,763
	Haeyun Oh	2,316	-	2,316
	Mi Kyung Noh	978	-	978

3) It refers only to the stock holding status of registered executives

Types of Shares and Voting Rights (As of Dec. 31, 2024)

Classification	No. of shares issued (shares)	Ratio (%)
Common stock - Stocks with Voting Rights	212,886,342	99.11
Common Stock - Treasury Stocks	1,903,711	0.89
Preferred Stock	0	0
Sum	**214,790,053**	**100.00**

General Meeting of Shareholders

Management Supervision Function

At the 40th Annual General Meeting of Shareholders held on March 26, 2024, SK Telecom appointed Young Sang Ryu and Yang Seob Kim as Executive Directors, Sung Hyung Lee as a Non-Executive Director, and Mi Kyung Noh as an Independent Director and a member of the Audit Committee. In addition, resolutions were passed to approve the limit on directors' remuneration and to amend the executive compensation policy, thereby fulfilling the company's management supervision function.

Shareholder-Friendly Management

SK Telecom protects the rights of all shareholders in accordance with laws, the Articles of Incorporation, and other relevant regulations, and ensures fair and equitable treatment for all shareholders, including minority and foreign shareholders. As part of these efforts, the company has adopted a cumulative voting system to support the voting rights of minority shareholders who are not controlling shareholders. The company has also enhanced the convenience of exercising shareholder rights by introducing an electronic voting system. Furthermore, SK Telecom conducts regular general shareholders' meetings on the last Friday of March, a time when such meetings are typically held, to facilitate shareholder engagement.

Particularly, as a measure to significantly expand shareholder-friendly elements, SK Telecom provides detailed information on SK Telecom's major management achievements, business vision, financial status, etc. through the CEO shareholder letter sent every year. At the shareholders' meeting, the CEO and executive team present management plans and vision, followed by a Q&A session where shareholders can directly interact with the management.

In an effort to enhance communication with shareholders, SK Telecom introduced an online general meeting format for the 36th Annual General Meeting of Shareholders in 2020, enabling shareholders to attend remotely via live streaming on both PC and mobile devices. This format has been maintained through the 40th Annual General Meeting. To facilitate shareholder participation, the company announced the meetings through stock exchange disclosures and notices on its website, and encouraged participation by setting a pre-registration period.

Meanwhile, since March 2022, SK Telecom has replaced postal dividend notifications with online notifications to improve shareholders' convenience in checking their dividend information.

Board of Directors

Composition and Operations

SK Telecom's Board of Directors serves as the company's highest decision-making body, responsible for key business decisions and for balancing the diverse interests of stakeholders. Based on relevant laws and the Articles of Incorporation, the Board is entrusted by shareholders with the authority to make key decisions related to corporate management, and fulfills its responsibilities accordingly. The Board independently reviews the potential positive and negative impacts of the company's decisions on stakeholders to protect corporate value. It also deliberates and approves key investment plans, related-party transactions, issues involving conflicts of interest, compensation matters, and overall risk management. The Board and its committees deliberate on various agenda items, including business operations and strategic direction, and aim for optimal decision-making through in-depth discussion and collective insight to enhance corporate value. In 2024, a total of 17 board meetings were held, with a 100% attendance rate. SK Telecom recommends that all directors maintain a minimum attendance rate of 75%.

1) The Fair Trade Commission announced the status of corporate governance of large conglomerates in December 2024
2) Telecommunication Services (within the standards of GICS Level 1)

Characteristic of the BOD

Independence

- Ratio of Independent Directors: 62.5%.(The average is 51.1%[1] among domestic conglomerates)
- In accordance with the Commercial Act and other laws, the articles of incorporation specify the criteria for determining the independence and transparency of the Independent Directors
- Appointment of an Independent Director as the chairman of the BOD
- Appointment of Independent Directors as the chairmen of five committees

Expertise

- Establishment of a director election process for secure professional competence in the mobile communications industry[2]
- The BOD is composed of professionals with extensive expertise or practical experience in telecommunications, ICT, AI, compliance, and risk management
- Recommend and elect experts who can make up for the skills gap needed to the expertise of the BOD as candidates for directors
- Maintain the proportion of experienced directors in the mobile communication industry at a certain level
- 3 experts in the ICT field, 3 experts in the AI/Tech field out of 9 industry experts in the BOD

Efficiency

- Set the limit for the number of concurrent positions held by Independent Directors and auditors to maximum of two
- Establish and operate various committees to ensure that the roles and responsibilities of the BOD are conducted efficiently and professionally

Diversity

- Pursue diversity without discrimination based on gender, race, ethnicity, country, nationality, religion, or disability, etc

Independence and Conflicts of Interest Statement of BOD

Independence

Reasons for disqualification of independence of independent director in the articles of incorporation (in accordance with the laws and regulations such as the Commercial Act)

1. Directors, executive officers and employees engaged in the company's regular business, or directors, auditors, executive officers and employees who have been engaged in the company's business within the last two years
2. The largest shareholder him/herself, his/her spouse, and lineal ascendants and descendants
3. If the largest shareholder is a corporate body, the directors, auditors, executive officers and employees of that corporation
4. Spouses and lineal ascendants and descendants of directors, auditors and executive officers
5. Directors, auditors, executive officers and employees of the company's parent company or subsidiary
6. Directors, auditors, executive officers and employees of corporations that have important interests, such as transaction relationships, with the company
7. Directors, auditors, executive officers and employees of other companies whose directors, executive officers are directors, executive officers and employees of the company

Transparency

Standards for conflict of interest in the articles of incorporation

1. The same person and related person under the Fair Trade Act that governs a company that is in competition with the company
2. An executive or employee of a company that is in competitive relationship with the company or a company belonging to the same corporate group under the Fair Trade Act, or an executive or employee of them within the last 2 years
3. An executive or employee of a company who is the largest shareholder or second largest shareholder of a company that is in a competitive relationship with the company and a company belonging to the same business group under the Fair Trade Act, or an executive and employee of them within the last two years

Director Nomination Process

Expertise and Independence
Industry Background and Professional Track Record

→

Pool of Independent Director Candidates

Candidates must not fall under any disqualification for independence or conflict of interest as defined in Article 32-3 of SK Telecom's Articles of Incorporation.

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Independent Director Nominating Committee

Considers diversity in terms of gender, race/ethnicity, Nationality/country of origin or cultural background, and ensures non-discrimination.

←

Director Appointment Resolution at the General Meeting of Shareholders

Requires a majority of voting rights of attending shareholders and at least one-quarter of the total number of issued shares.

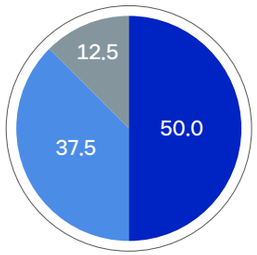
Independence of Independent Directors

Requirements[1]	Compliance Status
The director must not have been hired as an executive of the company within the previous year	●
During the current financial year, the director must not accept or have family members who receive monetary benefits exceeding $60,000 from the company, a parent company, or subsidiaries	●
The director must not be a family member of an individual employed by an executive of the company, a parent company, or subsidiaries	●
The director should not be an adviser, consultant, or member of the company's senior management and should be independent of the company providing advice and consulting	●
The director should not be related to significant customers or suppliers of the company	●
The director should not have a personal service agreement with the company or its senior management	●
The director should not be related to non-profit organizations that receive significant financial support from the company	●
The director should not be a partner or an employee conducting an external audit within the previous year	●
As determined by the Board, no conflict of interest had a result in a loss of independence (*According to the standards for conflicts of interest in SKT's Articles of Incorporation)	●

1) Criteria adapted from global governance standards such as S&P Global CSA and ICGN.

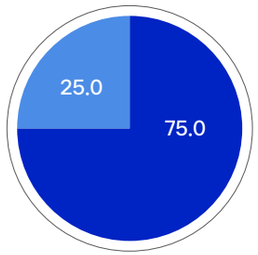
Board Composition

(Unit: %)



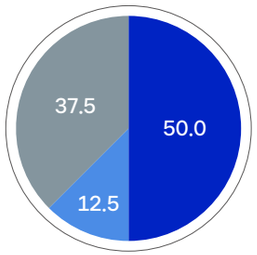
Professional Background

- Industry experience
- Research & Academia
- Legal



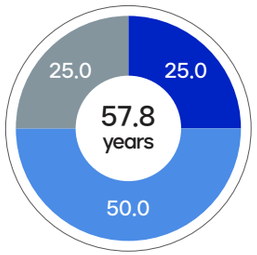
Gender

- Male
- Female



Tenure

- Less than 2 years
- 2 to less than 5 years
- 5 to less than 7 years



Age Group

- 41–50 years
- 51–60 years
- 61 years and above

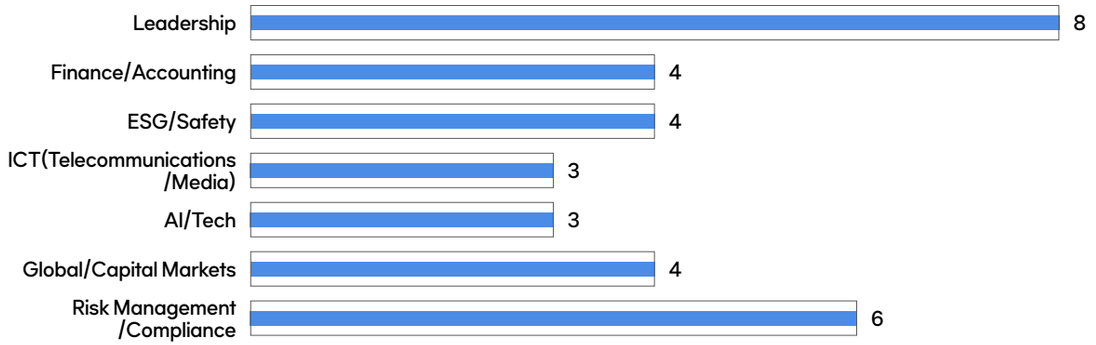
Disclosure of the Board Skills Matrix (BSM)

Stakeholders including shareholders and investors increasingly demand transparency regarding the expertise and diversity of the Board, the company's highest decisionmaking body. In response to these expectations and to strengthen governance transparency, SK Telecom has introduced the Board Skills Matrix (BSM) to disclose the capabilities, qualifications, and diversity of its directors. SK Telecom's BSM is tailored to reflect the company's unique characteristics and includes key competencies expected of board members: leadership; financial and accounting expertise for management oversight; ESG and safety-related competencies; ICT-related expertise in telecommunications and media; technological and business expertise to drive AI performance; global and capital market experience for M&A and investments; and risk management and compliance capabilities. By disclosing the BSM, SK Telecom helps stakeholders better understand the Board's overall capabilities while striving to form an optimal Board composition that maximizes AI performance and corporate value.

Evaluation of the BOD

SK Telecom conducts regular evaluations of its Board of Directors and board committees to enhance governance credibility and improve the efficiency of board operations. The evaluations are carried out annually by all board members and executives who attend board meetings, using both qualitative assessments and descriptive feedback across areas such as the composition, roles, and operations of the Board and its committees. The results of these evaluations are reported to and discussed by the Board and are utilized to further enhance the sophistication of SK Telecom's corporate governance.

Released BOD Board Skills Matrix (BSM)



Status of Training for Independent Directors

Date	Organizer	Participating Independent Directors	Training Summary
Mar. 26, 2024	Board Secretariat	Mi Kyung Noh	• Orientation for new independent director (2024 business plan and KPIs, AI company strategy, etc.)
Apr. 11, 2024	Board Secretariat	Mi Kyung Noh	• Orientation for new independent director (2024 CEO/inside director compensation, AI governance, 2023 financial results, new shareholder return policy, etc.)
May 23, 2024	Board Secretariat	Mi Kyung Noh	• Orientation for new independent director (2024 safety and health plan, audit committee duties, 2023 ethical management performance and 2024 plans)
Jun. 26, 2024	Board Secretariat	Yong Hak Kim, Seok Dong Kim, Junmo Kim, Haeyun Oh, Mi Kyung Noh	• Discussion based on 2023 board evaluation results
Jul. 24, 2024	Institute of Management and Economy		• U.S. policy changes and IMPACT outlook
Sep. 24, 2024	Compliance Office		• 2024 SK Telecom compliance training (case studies, behavioral guidelines, key aspects of anti-graft law)
Nov. 27, 2024	Samjong KPMG	Yong Hak Kim, Seok Dong Kim, Haeyun Oh, Mi Kyung Noh	• Accounting oversight strategies for the audit committee

Yong Hak Kim
Independent director, Chairman of the Board

Tenure	Mar. 2023-Mar. 2026 (First appointed in Mar. 2020)
Career Highlights	• B.A. in Sociology, Yonsei University • M.A. & Ph.D. in Sociology, University of Chicago • Current Honorary Professor, Yonsei University • Former President, Yonsei University • Former Planning Committee Member, BK Program, Ministry of Education • Former Member, Presidential Advisory Policy Planning Committee
Expertise	Social value creation, risk management
Committee	Strategy Committee, Audit Committee, HR/Compensation Committee, ESG Committee

Young Sang Ryu
Executive Director

Tenure	Mar. 2018-Mar. 2027
Career Highlights	• B.S. & M.S. in Industrial Engineering, Seoul National University • M.B.A., University of Washington • Current CEO, SK Telecom • Former Head of MNO Business, SK Telecom • Former Head of Corporate Center, SK Telecom • Former Head of Business Development, SK Inc. C&C • Former Head of Business Development Strategy Division, SK Telecom
Expertise	M&A and Business Development, Finance, Investment
Committee	Strategy Committee

Junmo Kim
Independent Director

Tenure	Mar. 2023-Mar. 2026
Career Highlights	• B.S. in Electrical Engineering, Seoul National University • M.S. & Ph.D. in Electrical Engineering and Computer Science, MIT • Current Associate Professor, Department of Electrical Engineering, KAIST • Former Assistant Professor, Department of Electrical Engineering, KAIST • Former Senior Researcher, Samsung Advanced Institute of Technology
Expertise	AI, Growth Strategy
Committee	Strategy Committee, HR/Compensation Committee, ESG Committee

Haeyun Oh
Independent Director

Tenure	Mar. 2023-Mar. 2026
Career Highlights	• B.S. in Mathematics, MIT • M.S. in Language and Information Technology, Carnegie Mellon University • Ph.D. in Electrical Engineering and Computer Science, MIT • Current Director, MARS AI Research Center, KAIST • Former Director, KAIST AI Institute • Former Professor, School of Computing, KAIST • Former Civilian Member, Presidential Committee on the Fourth Industrial f Revolution
Expertise	AI, Growth Strategy
Committee	Strategy Committee, Audit Committee, HR/Compensation Committee, ESG Committee

Mi Kyung Noh
Independent Director

Tenure	Mar. 2024-Mar. 2027
Career Highlights	• B.A. in English Literature, Yonsei University • M.B.A., Sogang University • Former Head of Risk/Credit Risk Review, Asia-Pacific, HSBC Hong Kong • Former EVP & Chief Risk Officer, HSBC Seoul • Former HR, Financial Management, and Credit Analyst, Chase Manhattan Bank Seoul
Expertise	Finance, Accounting, Risk Management
Committee	Strategy Committee, Audit Committee, Independent Director Nominating Committee, ESG Committee

Chang Bo Kim
Independent Director

Tenure	Mar. 2025-Mar. 2028
Career Highlights	• LL.B., Seoul National University • Current Attorney, DR&AJU LLC • Former Chief Judge, Seoul High Court • Former Presiding Judge, Seoul Central District Court • Former Deputy Director and Acting Director, National Court Administration
Expertise	Compliance, Risk Management
Committee	Strategy Committee, Audit Committee, Independent Director Nominating Committee

Dong Soo Kang
Non-Executive Director

Tenure	Mar. 2025-Mar. 2028
Career Highlights	• M.B.A., University of British Columbia, Canada • Current Head of PM Division, SK Inc. • Former Head of Portfolio Division, SK Innovation • Former Head of Solution & Platform Initiative, SK Energy
Expertise	Finance, Business Development, Corporate Strategy, Risk Management
Committee	Strategy Committee, Independent Director Nominating Committee, HR/Compensation Committee

Yang Seob Kim
Executive Director

Tenure	Mar. 2024-Mar. 2027
Career Highlights	• LL.B., Korea University • M.S. in Finance, University of Michigan, USA • Current Head of Corporate Planning Center CFO), SK Telecom • Former CFO, SK Innovation • Former Auditor, SK ON and SK Trading International
Expertise	Finance, Accounting, Risk Management
Committee	Strategy Committee

BOD Activities (2024)

Session	Date	Key Agenda
486th	Jan. 19, 2024	2023 KPI Performance Evaluation (Proposal)
		Q4 2023 Post-Reporting Items
487th	Jan. 25, 2024	Compensation for CEO (Proposal)
		Compensation for Executive Director Jong Ryeol Kang (Proposal)
		Disposal of Treasury Shares (Proposal)
488th	Feb. 2, 2024	40th Fiscal Year Financial Statements (Proposal)
		40th Fiscal Year Business Report (Proposal)
489th	Feb. 21, 2024	Status of Internal Accounting Control System Operation
		Convening the 40th Annual General Meeting of Shareholders (Proposal)
		2024 Company-wide KPI (Proposal)
		Donation to Korea Fencing Federation 2024 (Proposal)
		Internal Accounting Control System Operation Evaluation Results
490th	Mar. 26, 2024	Appointment of Board Chairman (Proposal)
		Appointment of CEO (Proposal)
		Appointment of Committee Members(Proposal)
		Appointment of Compliance Officer (Proposal)
		Amendment to Board Regulations (Proposal)
		Q2 2024 SK Inc. Transaction (Proposal)
		Donation to Promote Social Value(Proposal)
		Personal Credit Information Management & Protection Status Check Results
491st	Apr. 25, 2024	Q1 2024 Post-Reporting Items
		SUPEX Council Operating Expense Settlement Transaction (Proposal)
		Q1 Dividend (Proposal)
		Compensation for Executive Director Yang Seob Kim
		Disposal of Treasury Shares(Proposal)
492nd	May 23, 2024	Service Transaction with SK Inc. for MNO AI Platform Construction (Proposal)
		Service Transaction with SK E&S Co., Ltd. for In-house Knowledge Information Search AI Pilot Service (Proposal)
493rd	Jun. 27, 2024	Renewable Energy Power Purchase Agreement with SK E&S Co., Ltd. (Proposal)
		Lease Agreement for SK Muui Training Center with SK Innovation Co., Ltd. (Proposal)
		Q3 2024 SK Inc. Transaction (Proposal)
494th	Jul. 8, 2024	S Company Investment (Proposal)
495th	Jul. 25, 2024	H1 2024 Financial Closing Report
		Q2 Dividend (Proposal)
		CEO Compensation (Proposal)
		Jong Ryeol Kang Executive Director Compensation (Proposal)
		Yang Seob Kim Executive Director Compensation(Proposal)
		Q2 2024 Post-Reporting Items
		2024 Board Operation Budget and H1 Performance
496th	Aug. 22, 2024	Increased Donation to Korea Fencing Federation 2024 (Proposal)
		Private 5GX Construction/Operation Transaction with SK Siltron Co., Ltd. (Proposal)
497th	Sep. 26, 2024	KIF (Korea IT Fund) Maturity Extension Plan (Proposal)
		Q4 2024 SK Inc. Transaction (Proposal)
498th	Oct. 24, 2024	SUPEX Council Operating Expense Settlement Transaction (Proposal)
		mySUNI Contribution and Other Settlement Transaction with SK Innovation Co., Ltd. (Proposal)
		SK Academy/SK Economic Research Institute Operating Expense Settlement Transaction (Proposal)
		Q3 Dividend (Proposal)
		Q3 2024 Post-Reporting Items
		Corporate Value Enhancement Plan
499th	Nov. 13, 2024	SK Broadband Co., Ltd. Equity Acquisition (Proposal)
500th	Nov. 28, 2024	In-kind Donation of Video Recording Equipment to Sejong University
		Review of CEO Re-Appointment (Proposal)
		Results of SK AI Summit 2024 Implementation
501st	Dec. 4, 2024	2025 Organizational Restructuring and Executive Personnel Changes (Proposal)
502nd	Dec. 19, 2024	Issuance and Delegation of Electronic Short-term Bonds (Proposal)
		Procurement and Delegation of Long-term Borrowings (Proposal)
		2025 Settlement Transaction for Business Aircraft Operating Expenses (Proposal)
		2025 SK Finks Co., Ltd. Transaction (Proposal)
		2025 SK Innovation Co., Ltd. mySUNI Contribution and Other Settlement Transactions (Proposal)
		2025 SK Management & Economic Research Institute Operating Expense Settlement Transaction (Proposal)
		2025 SK Academy Operating Expense Settlement Transaction (Proposal)
		2025-2027 SK Inc. Indeungsan SUPEX Center Lease Agreement (Proposal)
		2025-2027 SK Forest Co., Ltd. Landscaping&Facility Management Service Transaction (Proposal)
		2025 SK Inc. AI B2B Business-Related Transaction (Proposal)
		2025 SK Inc. IT Integrated Purchasing Transaction (Proposal)
		Q1 2025 SK Inc. Transaction (Proposal)
		2025 Management Plan (Proposal)
		2025 Company-Wide KPI (Proposal)
		In-kind Donation of Astronomical Equipment due to Starhug Service Termination (Proposal)
		2025 Safety and Health Plan (Proposal)
		2024 Compliance Management Activities Progress and Action Plan

Committees Under the BOD

SK Telecom's Board of Directors operates five committees to carry out its responsibilities and roles in an efficient and professional manner. Each committee adheres to its respective regulations to ensure operational transparency. To guarantee independence, the proportion of independent directors on each committee is clearly specified in the committee charters.

Composition of Committees under the BOD

(As of Apr. 2025)

Committee	Chairperson	Members
Audit Committee	Director Mi Kyung Noh	Chair Yong Hak Kim, Director Haeyun Oh, Director Chang Bo Kim
Independent Director Nominating Committee	Director Chang Bo Kim	Director Mi Kyung Noh, Director Dong Soo Kang
Strategy Committee	Chair Yong Hak Kim	Director Young Sang Ryu, Director Junmo Kim, Director Haeyun Oh
HR/Compensation Committee	Director Haeyun Oh	Chair Yong Hak Kim, Director Junmo Kim, Director Dong Soo Kang
ESG Committee	Director Junmo Kim	Chair Yong Hak Kim, Director Haeyun Oh, Director Mi Kyung Noh

Audit Committee

The Audit Committee audits the company's accounting and operations, including the review of financial statements and their accompanying schedules, audit procedures and results reported by the external auditor, review of major company issues, and the operational status of the internal accounting control system as reported by the internal accounting manager and the external auditor. In accordance with relevant laws and the committee's regulations, the Audit Committee also deliberates and approves certain transactions such as private contracts exceeding a specified threshold with affiliates. It holds the authority to investigate the performance of directors' duties, inspect the company's business and asset status, request the cessation of unlawful acts, and call extraordinary general meetings of shareholders. The Audit Committee is required to report its evaluations and major activities to the general meeting of shareholders, and this information is disclosed through the business report.

Operational Status of the Audit Committee (2024)

Date	Key Agenda	Attendance Rate
Feb. 1, 2024	• 2024 External Auditor Service Provision Blanket Approval (Proposal) • 2024 1st Regular Business Audit Results	100%
Feb. 20, 2024	• Status of Internal Accounting Control System Operation • 2023 Fiscal Year Accounting Audit Results • 2023 Fiscal Year Internal Accounting Control System Audit Results • Ethical Management: 2023 Performance and 2024 Plan (Proposal) • Audit Committee Opinion on Internal Control Mechanisms (Proposal) • Internal Accounting Control System Operation Evaluation (Proposal) • Confirmation of Opinions on Agenda and Documents for the 40th Annual General Meeting of Shareholders (Proposal) • 40th Audit Report (Proposal) • 2024 Contract for Wired Customer Gift Provision (Proposal)	100%
Mar. 25, 2024	• 2023 1st Regular Audit Implementation Check Results • 2024 Optical Line Maintenance Service Transaction (Proposal) • 2024 Transmission Equipment Maintenance Service Transaction (Proposal) • 2024 Company Welfare Fund Contribution (Proposal) - Board Delegation Item • Real Estate Sublease Transaction with SK Broadband Co., Ltd. (Proposal) - Board Delegation Item	100%
Apr. 22, 2024	• Appointment of Chairman (Proposal) • 2023 PCAOB Audit Results	75%
May 22, 2024	• 2024 Management's Internal Accounting Control System Operation Evaluation Plan • 2024 Accounting Audit Plan	75%
Jun. 26, 2024	• 2023 Fiscal Year External Auditor Service Evaluation Results	100%
Jul. 24, 2024	• Ethical Management: 2024 H1 Performance and H2 Plan (Proposal) • 2024 Fiscal Year External Auditor Semi-annual Review Results • 2025-2027 Fiscal Year External Auditor Selection Plan	100%
Aug. 21, 2024	• 2024 Special Audit Results Report	100%
Sep. 25, 2024	• External Auditor Candidate Proposal Evaluation (Proposal) • 2023 2nd Regular Business Audit Implementation Review Results	100%
Oct. 23, 2024	• Selection of Next External Auditor (Proposal) • 2024 Ethics Management Program Operating Performance • 2024 Special Audit Recommendations Implementation Plan	100%
Nov. 27, 2024	• Internal Audit Department Head Performance Review Approval (Proposal) • Audit Committee's Accounting Oversight Plan • Status and Plan for Jangchung-dong Office Building	100%
Dec. 18, 2024	• 2024 Ethics Management Measurement System Results • 2024 Financial Reporting Internal Control Test Progress and Year-End Audit Plan • 2024 H2 Regular Business Audit Results • 2025 External Audit Agreement Approval (Proposal) • 2025 PS&M Co., Ltd. Transaction (Proposal) • 2025 SK Broadband Co., Ltd. Transaction (Proposal) • 2025 SK Hynix Inc. Goods/Services Transaction (Proposal) • 2025 One Store Co., Ltd. Service Transaction (Proposal) • 2025 SK Planet Co., Ltd. Goods/Services Transaction (Proposal) • 2025 Content Wave Co., Ltd. Goods/Services Transaction (Proposal) • 2025 Dreamus Company Co., Ltd. Goods/Services Transaction (Proposal) • 2025 Base Station Maintenance Service Transaction (Proposal) • 2025 Exchange Equipment Operation Support Service Transaction (Proposal) • 2025 Unpaid Consultations and Accounts Receivable Collection Delegation Service Transaction (Proposal) • 2025 Customer Contact Channel Operation Service Transaction (Proposal) • 2025 Happy Nare Co., Ltd. Goods Transaction (Proposal) • 2025 Wired/Wireless Infrastructure Construction Service Transaction (Proposal) • 2025 Authorized Retail Store Construction Service Transaction (Proposal) • 2025 Office Building Facility Improvement Construction Service Transaction (Proposal)	100%

Independent Director Nominating Committee

The Independent Director Nominating Committee is responsible for ensuring a fair and transparent nomination process for independent directors. It establishes a transparent framework for the appointment of independent directors and manages the nomination and selection process with accountability. The committee is composed of at least three directors, with a requirement that independent directors make up the majority. It recommends candidates who possess independence and professional expertise for appointments as independent directors.

Independent Director Nominating Committee Activities (2024)

Date	Key Agenda	Attendance Rate
Feb. 20, 2024	Recommendation of Independent Director Candidates for the 40th Annual General Meeting of Shareholders (Proposal)	100%
Jun. 26, 2024	Appointment of Committee Chairman (Proposal)	100%
	Direction for Building an Independent Director Candidate Pool	
Nov. 27, 2024	2025 Independent Director Candidate List (Proposal)	100%
Dec. 18, 2024	Recommendation of Independent Director Candidates to Serve on the Audit Committee (Proposal)	100%

Strategy Committee

The Strategy Committee plays a deliberative role in the company's mid- to long-term strategic direction, annual management plans, and the establishment and evaluation of company-wide key performance indicators (KPIs). The committee is composed of at least three directors, with a requirement that independent directors constitute the majority.

Strategy Committee activities (2024)

Date	Key Agenda	Attendance Rate
Feb. 15, 2024	2024 Company-Wide KPI (Proposal)	100%
Jul. 11, 2024	SKT-B Change & Innovation Direction	100%
	Wired/Wireless Integration Synergy	
Jul. 25, 2024	Appointment of Chairman (Proposal)	100%
	2024 Company-Wide KPI H1 Performance	
Sep. 26, 2024	A. (A-dot) Divergence	100%
Nov. 28, 2024	SKT Mid- to Long-Term Strategy Direction	100%
	2024 Tentative Evaluation of 2024 KPI Performance (Proposal)	
	2025 Management Plan (Proposal)	
	2025 Investment Plan (Proposal)	
	2025 Tentative Plan for 2025 Company-wide KPIs (Proposal)	

HR/Compensation Committee

The HR/Compensation Committee undertakes deliberations on executive appointments, including the reappointment and nomination of the CEO, and reviewing the remuneration of the CEO and executive directors. The committee is composed of at least three directors, excluding the CEO and executive directors, and is required to have a majority of independent directors.

HR/Compensation Committee Activities (2024)

Date	Key Agenda	Attendance Rate
Jan. 24, 2024	Compensation for CEO (Proposal)	100%
	Compensation for Executive Director Jong Ryeol Kang (Proposal)	
Apr. 22, 2024	Appointment of Chairman (Proposal)	75%
	Compensation for Executive Director Yang Seob Kim (Proposal)	
Jul. 24, 2024	Compensation for CEO (Proposal)	100%
	Compensation for Executive Director Jong Ryeol Kang (Proposal)	
	Compensation for Executive Director Yang Seob Kim (Proposal)	
Sep. 25, 2024	CEO Succession Plan and Candidate Pool (Proposal)	100%
Dec. 28, 2024	Compensation for CEO (Proposal)	100%

ESG Committee

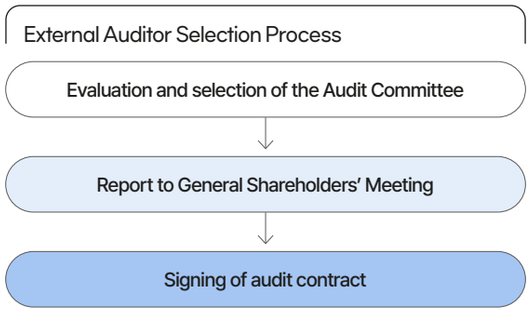
The ESG Committee deliberates on key ESG-related areas, including environmental, social, customer, and information security matters, ESG performance and strategy, mandatory ESG disclosures, and communication with ESG-related stakeholders. The committee plays a critical role in reinforcing the Board's responsibility for sustainable management and in enhancing long-term corporate value by continuously expanding discussions on key ESG issues. The committee is composed of at least three directors, with a requirement that independent directors constitute the majority.

ESG Committee Activities (2024)

Date	Key Agenda	Attendance Rate
Feb. 15, 2024	2024 Company-wide ESG KPI (Proposal)	100%
Apr. 22, 2024	Appointment of Chairman (Proposal)	75%
	2024 Social Value (SV) Joint Budget Operation Plan (Proposal)	
May 23, 2024	Corporate Governance Report (Proposal)	100%
	2023 Social Value Creation Results	
Jun. 26, 2024	Key Findings and Results of 2023 Annual Report Materiality Assessment	100%
Aug. 21, 2024	2024 Human Rights Management Performance and Plans	100%
	2024 Member Development Status and Plan	
Sep. 25, 2024	ESG Fund Operation Progress and Plan	100%
	Progress of Net Zero Initiatives	
Oct. 23, 2024	2024 Shared Growth across the Supply Chain/ESG Collaboration Performance and 2025 Direction	100%
	Progress on 2024 Customer Value Innovation and Direction for 2025 (incl. Information Security)	
Nov. 27, 2024	2024 ESG Performance and Plans	100%
	2024 ESG Evaluation Results and Plan	

External Auditor

SK Telecom's external auditor audits the company's financial statements and related schedules in accordance with principles of fairness and transparency. After the audit is completed, the Audit Committee evaluates the appropriateness of the audit results. In accordance with Article 10 of the Act on External Audit of Stock Companies, SK Telecom appoints the same external auditor for three consecutive fiscal years. For the 2024 fiscal year (41st term), SK Telecom appointed Ernst & Young Han Young as its external auditor. The firm issued an unqualified audit opinion with no additional findings.



Auditor's Opinions

Fiscal Year	Auditor	Auditor's Opinion	Emphasis	Key audit items
41st Term (Current)	EY Han Young	Unqualified	None	Revenue recognition period for wireless communication sales Impairment assessment of goodwill for the cash-generating unit in the wired communication business
40th Term	EY Han Young	Unqualified	None	Revenue recognition period for wireless communication sales Impairment assessment of goodwill for the cash-generating unit in the wired communication business
39th Term	EY Han Young	Unqualified	None	Revenue recognition period for wireless communication sales Impairment assessment of goodwill for the cash-generating unit in the wired communication business

Audit Service Contract Status

			Audit Contract Details		Actual Performance Details	
Fiscal Year	Auditor	Contents	Fee	Hours	Fee	Hours
41st Term (Current)	EY Han Young	Review of interim and quarterly financial statements Audit of separate financial statements Audit of consolidated financial statements Review of English-language financial statements and other audit services Audit of the internal control over financial reporting (ICFR)	KRW 2.88 billion	25,000 hours	KRW 2.88 billion	25,000 hours

Fair Performance Evaluation and Compensation

Evaluation of Management Performance[1)]

SK Telecom conducts comprehensive evaluations of its CEO and executives, considering both financial and non-financial achievements. Annual performance evaluations include self-assessments based on attendance at board and committee meetings, business and technical expertise, level of contribution, and active participation in board activities. The results of these evaluations are reflected in decisions regarding reappointment at the end of a director's term and in the recommendation process by the Independent Director Nominating Committee. Since 2019, ESG (SV) KPIs have been incorporated into the CEO's performance indicators. ESG strategic task outcomes are reported to and evaluated by the ESG Committee. ESG KPIs are also applied to the performance assessments of all executives, reinforcing accountability in ESG management. This approach aims to go beyond traditional non-financial performance areas such as social contribution and risk mitigation, driving business model innovation rooted in ESG management and ultimately enhancing long-term corporate value.

1) SK Telecom has implemented and enforces a clawback policy, under which performance-based compensation may be reclaimed in cases of unethical conduct, legal violations, financial losses caused by executives, or when such actions result in a negative impact on the company's mid- to long-term performance.

Remuneration of Management

SK Telecom's executive compensation is determined within the limits approved by the General Meeting of Shareholders, based on business performance and the roles undertaken. Directors' compensation and severance pay are granted following resolutions of the Board of Directors or the General Meeting of Shareholders. Compensation is determined through a comprehensive evaluation that reflects both quantitative metrics—such as corporate value, revenue, and operating profit—and qualitative indicators, including leadership in executing strategic initiatives and achieving management outcomes. The detailed structure is outlined as follows.

Salary

- Determined based on a comprehensive assessment of the individual's role, performance, and existing salary level.
- For the CEO, the base salary adjustment is initially determined within a 0–10% range based on the company's KPI evaluation. Final adjustments are made by the Board of Directors, taking into account changes in the business environment, external compensation competitiveness, and the CEO's role within the group.

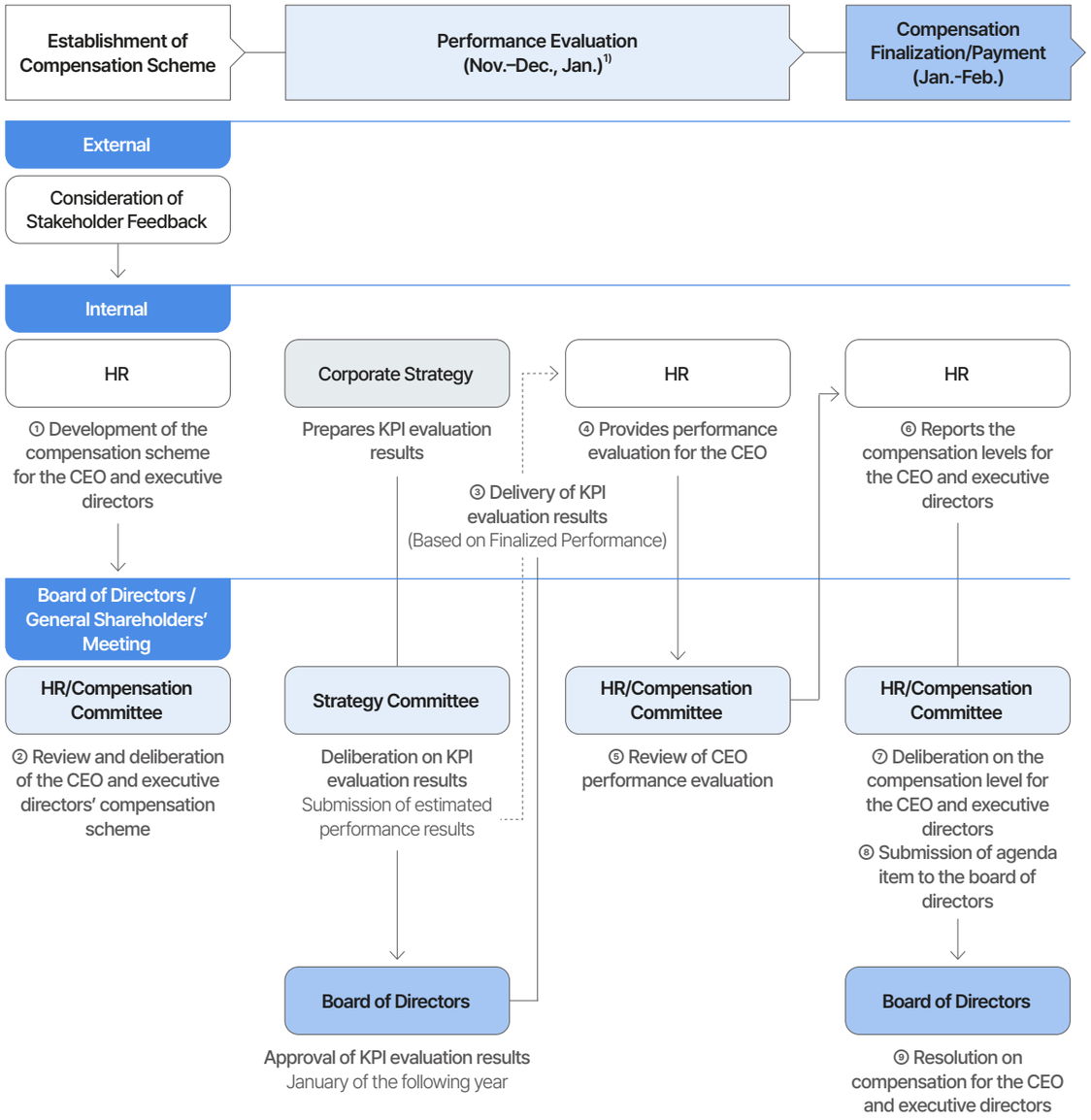
Short-Term Incentives (STI)

- Short-term incentives are determined based on a comprehensive assessment of both quantitative and qualitative performance, including corporate value, financial performance (revenue, operating profit, ROA/ROE, TSR, stock return, relative stock performance, and economic value added), ESG strategic initiatives, and leadership in achieving business outcomes.
- The CEO's short-term bonus consists of:
  - Target Incentive: 0–50% of base salary, based on company KPI evaluations
  - Value Incentive: 0–110% of base salary, based on financial performance and value creation outcomes Final adjustments are subject to approval by the Board of Directors.

Long-Term Incentives (LTI)

- To align the interests of executives and shareholders and reinforce the linkage between executive pay and corporate value growth, Performance Stock Units (PSUs) are granted. After a three-year vesting period, actual shares are awarded based on the relative performance of SK Telecom's share price compared to the KOSPI200 index.
- The CEO may receive long-term incentives of up to 300% of base salary in the form of stock, depending on corporate value growth. Final grants are subject to Board resolution on treasury stock disposal.

Determination Process of Director Compensation



1) The evaluation of executive directors is delegated to the CEO

Remuneration Payment for Directors

Category	Number	Total (KRW million)	Average Per Person (KRW million)
Registered Directors[2]	4[4]	4,998	1,666[5]
Independent Directors[3]	1	150	150
Audit Committee Members	4	633	158

CEO-Employee Remuneration Ratio (2024)

Total CEO Compensation (KRW million)	Average Employee Compensation (KRW million)	Ratio[6]
3,083	161	19.15

Stock Options for Executivevs

Grant Date	Recipient	Exercise Price (KRW)[7]	Shares Granted	Shares Forfeited	Remaining Shares	Period
Mar. 24, 2017	Jung Ho Park	57,562	67,320	67,320	0	Mar. 25, 2021-Mar. 24, 2024
	Subtotal		**67,320**	**67,320**	**0**	
Feb. 22, 2019	Sung Ho Ha	53,052	4,157	4,157	0	Feb. 23, 2021-Feb. 22, 2024
Feb. 22, 2019	Hyung Il Ha	53,052	4,749	4,749	0	Feb. 23, 2021-Feb. 22, 2024
	Subtotal		**8,906**	**8,906**	**0**	
Mar. 26, 2019	Young Sang Ryu	50,862	5,265	5,265	0	Mar. 27, 2021-Mar. 26, 2024
	Subtotal		**5,265**	**5,265**	**0**	

2) Excludes independent directors and audit committee members
3) Excludes audit committee members
4) The number of registered directors includes one non-executive director who served without compensation.
5) The average compensation per registered director excludes the non-executive director who served without compensation.
6) Calculated by dividing total CEO compensation by the average employee compensation
7) The intrinsic value of stock options is calculated based on the grant date, using the arithmetic average of the volume-weighted average prices over the 2-month, 1-month, and 1-week periods prior to the grant date. A maximum vesting period of five years is applied, with performance linkage and compensation alignment aimed at driving long-term corporate value creation.

Grant Date	Recipient	Price (KRW)	Granted shares	Cancelled shares	Remaining Shares	Period
Mar. 26, 2020	Jong Ryeol Kang	38,452	6,219	0	6,219	Mar. 27, 2023-Mar. 26, 2027
Mar. 26, 2020	Jung Ho Park	38,452	337,408	0	337,408	Mar. 27, 2023-Mar. 26, 2027
Mar. 26, 2020	Young Sang Ryu	38,452	7,145	0	7,145	Mar. 27, 2023-Mar. 26, 2027
Mar. 26, 2020	Poong Young Yoon	38,452	5,293	0	5,293	Mar. 27, 2023-Mar. 26, 2027
Mar. 26, 2020	Hyun Ah Lee	38,452	4,631	0	4,631	Mar. 27, 2023-Mar. 26, 2027
Mar. 26, 2020	Dong Hwan Jo	38,452	4,631	0	4,631	Mar. 27, 2023-Mar. 26, 2027
Mar. 26, 2020	Sung Ho Ha	38,452	5,028	0	5,028	Mar. 27, 2023-Mar. 26, 2027
Mar. 26, 2020	Hyung Il Ha	38,452	5,955	5,955	0	Mar. 27, 2023-Mar. 26, 2027
	Subtotal		**376,310**	**5,955**	**370,355**	
Mar. 25, 2021	Jong Ryeol Kang	50,276	7,136	0	7,136	Mar. 26, 2023-Mar. 25, 2026
Mar. 25, 2021	Byung Hoon Ryu	50,276	3,796	0	3,796	Mar. 26, 2023-Mar. 25, 2026
Mar. 25, 2021	Jae Seung Song	50,276	8,047	0	8,047	Mar. 26, 2023-Mar. 25, 2026
Mar. 25, 2021	Sang Gyu Shin	50,276	4,646	4,646	0	Mar. 26, 2023-Mar. 25, 2026
Mar. 25, 2021	Young Sang Ryu	50,276	18,190	0	18,190	Mar. 26, 2023-Mar. 25, 2026
Mar. 25, 2021	Poong Young Yoon	50,276	10,203	0	10,203	Mar. 26, 2023-Mar. 25, 2026
Mar. 25, 2021	Hyun Ah Lee	50,276	8,746	0	8,746	Mar. 26, 2023-Mar. 25, 2026
Mar. 25, 2021	Dong Hwan Jo	50,276	5,375	0	5,375	Mar. 26, 2023-Mar. 25, 2026
Mar. 25, 2021	Sung Ho Ha	50,276	5,830	0	5,830	Mar. 26, 2023-Mar. 25, 2026
Mar. 25, 2021	Hyung Il Ha	50,276	11,418	11,418	0	Mar. 26, 2023-Mar. 25, 2026
Mar. 25, 2021	Myung Jin Han	50,276	4,403	0	4,403	Mar. 26, 2023-Mar. 25, 2026
	Subtotal		**87,790**	**16,064**	**71,726**	
Mar. 25, 2022	Jong Ryeol Kang	56,860	21,743	0	21,743	Mar. 26, 2024-Mar. 25, 2027
Mar. 25, 2022	Jin Won Kim	56,860	10,629	0	10,629	Mar. 26, 2024-Mar. 25, 2027
Mar. 25, 2022	Hyun Seop Kim	56,860	7,086	0	7,086	Mar. 26, 2024-Mar. 25, 2027
Mar. 25, 2022	Yong Joo Park	56,860	10,334	0	10,334	Mar. 26, 2024-Mar. 25, 2027
Mar. 25, 2022	Jung Hwan Ahn	56,860	8,858	0	8,858	Mar. 26, 2024-Mar. 25, 2027
Mar. 25, 2022	Young Sang Ryu	56,860	295,275	196,850	98,425	Mar. 26, 2024-Mar. 25, 2027
Mar. 25, 2022	Hyun Ah Lee	56,860	12,884	12,884	0	Mar. 26, 2024-Mar. 25, 2027
Mar. 25, 2022	Bong Ho Lim	56,860	8,858	0	8,858	Mar. 26, 2024-Mar. 25, 2027
Mar. 25, 2022	Dong Hwan Jo	56,860	8,697	0	8,697	Mar. 26, 2024-Mar. 25, 2027
Mar. 25, 2022	Sung Ho Ha	56,860	9,341	0	9,341	Mar. 26, 2024-Mar. 25, 2027
Mar. 25, 2022	Myung Jin Han	56,860	11,274	0	11,274	Mar. 26, 2024-Mar. 25, 2027
	Subtotal		**404,979**	**209,734**	**195,245**	
Mar. 28, 2023	Jong Ryeol Kang	47,280	22,000	22,000	0	Mar. 29, 2025-Mar. 28, 2028
Mar. 28, 2023	Kyung Duk Kim	47,280	12,000	12,000	0	Mar. 29, 2025-Mar. 28, 2028
Mar. 28, 2023	Yong Hoon Kim	47,280	12,000	12,000	0	Mar. 29, 2025-Mar. 28, 2028
Mar. 28, 2023	Jin Won Kim	47,280	12,000	12,000	0	Mar. 29, 2025-Mar. 28, 2028
Mar. 28, 2023	Hyuk Kim	47,280	12,000	12,000	0	Mar. 29, 2025-Mar. 28, 2028
Mar. 28, 2023	Hyun Seop Kim	47,280	12,000	12,000	0	Mar. 29, 2025-Mar. 28, 2028
Mar. 28, 2023	Yong Joo Park	47,280	12,000	12,000	0	Mar. 29, 2025-Mar. 28, 2028
Mar. 28, 2023	Jung Hwan Ahn	47,280	12,000	12,000	0	Mar. 29, 2025-Mar. 28, 2028
Mar. 28, 2023	Hyun Ah Lee	47,280	12,000	12,000	0	Mar. 29, 2025-Mar. 28, 2028
Mar. 28, 2023	Bong Ho Lim	47,280	12,000	12,000	0	Mar. 29, 2025-Mar. 28, 2028
Mar. 28, 2023	Hyup Ki Jang	47,280	12,000	12,000	0	Mar. 29, 2025-Mar. 28, 2028
Mar. 28, 2023	Dong Hwan Jo	47,280	12,000	12,000	0	Mar. 29, 2025-Mar. 28, 2028
Mar. 28, 2023	Young Rok Jo	47,280	12,000	12,000	0	Mar. 29, 2025-Mar. 28, 2028
Mar. 28, 2023	Min Yong Ha	47,280	12,000	12,000	0	Mar. 29, 2025-Mar. 28, 2028
Mar. 28, 2023	Myung Jin Han	47,280	12,000	12,000	0	Mar. 29, 2025-Mar. 28, 2028
	Subtotal		**190,000**	**190,000**	**0**	

* As of December 31, 2023. Share counts and exercise prices reflect adjustments made due to the stock split on October 28, 2021, and the corporate spin-off on November 1, 2021.
** Includes stock options granted to non-registered executives.

Status of Individual Remuneration Paid to Directors and Executives

(Unit: KRW million)

Recipient	Total	Income	Amount	Results
Young Sang Ryu	3,083	Salary	1,400	• Compensation was determined within the 2024 director remuneration limit in accordance with the company's remuneration standards, based on the individual's role/position (CEO), leadership and expertise, contribution to the company, and management performance. • Role and Responsibilities: - Strengthened the foundation for AI business growth and promoted the transition to an AI company through global partnerships, while also improving profitability through structural enhancements in the MNO business. • A total annual base salary of KRW 1,400 million was allocated, and KRW 116.7 million (1/12 of the total) was paid monthly.
		Bonus	1,640	• Compensation was determined and paid in early 2024 based on the company's executive remuneration standards, considering the executive's role, position, leadership, and both quantitative metrics (such as 2023 revenue and operating profit) and qualitative metrics (such as leadership in strategic initiatives and value creation). • In 2023, leveraging synergies between SK Telecom and SK Broadband, the company achieved stable performance in fixed-line and wireless communications, and delivered solid growth in B2B enterprise areas such as data centers and cloud services. Consolidated revenue increased by 1.8% year-over-year to KRW 17.6 trillion, and consolidated operating profit rose by 8.8% to KRW 1.75 trillion. The implementation of the AI Pyramid strategy laid the foundation for SK Telecom's transformation into a Global AI Company. - A.(A.Dot), officially launched in September 2023, established itself as a market-leading AI communicator, achieving approximately 300% growth in cumulative users within one year of its beta launch. - SK Telecom advanced its Telco-specific LLM through internal innovation and strategic alliances and pursued monetization through global expansion. - Mobile revenue reached KRW 10.6 trillion, a 0.9% increase YoY, driven by over 15.5 million 5G subscribers; IPTV maintained its top position in net subscriber growth with 9.55 million users. - Data center revenue grew by 30.0% and cloud business revenue increased by 36.6% YoY, contributing to strong enterprise sector performance. - "T Universe" exceeded an annual GMV of KRW 1.3 trillion, solidifying its position as a leading domestic subscription service. - Through efforts in sustainable management such as AI-based eco-friendly ICT infrastructure, AI care and call services for the elderly living alone, and AI care for individuals with developmental disabilities, SK Telecom reinforced its position as a leading ESG company in Korea. - With improvements in service quality and AI-driven voice phishing/smishing prevention, SK Telecom achieved the longest consecutive first-place ranking in Korea's top three customer satisfaction indices (NCSI, KCSI, KS-SQI). ※ To reinforce its commitment to enhancing corporate value, SK Telecom operates a stock-based compensation program. In accordance with Article 342 of the Korean Commercial Act and upon Board approval, KRW 413.4 million of bonus was granted in the form of treasury shares through the "Shareholder Participation Program."
		Others	26	• Executive benefits and welfare, etc.
		Gains from stock option exercises	17	• Exercise of Stock Options Granted in 2019
Jong Ryeol Kang	5,194	Salary	700	• Compensation was determined within the 2024 director remuneration limit based on the company's remuneration standards, taking into account the individual's role, leadership, expertise, contributions to the company, and management performance. • Roles and Responsibilities: - Led the establishment of a company-wide health and safety management system, advanced the transition to AI-powered networks, and contributed to enhancing board expertise as an executive director of SK Telecom. • A total annual base salary of KRW 1,400 million was allocated, with KRW 58.3 million (1/12 of the total) paid monthly.
		Bonus	754	• Compensation was determined and paid in early 2024 based on the company's executive remuneration standards, considering both quantitative metrics (such as 2023 revenue and operating profit) and qualitative factors (such as leadership in strategic initiative execution and management performance), including the individual's role, responsibilities, and leadership. • In 2023, as CSPO and Head of ICT Infrastructure, the executive ensured safe infrastructure operations and strengthened technological competitiveness. As an executive director, they also supported decision-making on key management issues by participating in the Board's Strategy Committee and ESG Committee. - As CSPO, the executive led the establishment and implementation of a company-wide health and safety management system, enhanced serious accident prevention and compliance monitoring activities, and ensured stable infrastructure operations even in the face of disasters and emergencies, contributing to SK Telecom's record-setting first-place ranking across Korea's three major customer satisfaction indices (NCSI, KCSI, KS-SQI). - As Head of ICT Infrastructure, the executive strengthened quality competitiveness, responded to future technologies such as satellites and 6G through national R&D initiatives, facilitated collaboration between SK Telecom and SK Broadband infrastructure teams, and enhanced fundamental competitiveness through equipment efficiency and optimization. - The executive established long-term Net Zero targets and implemented systematic carbon reduction activities while strengthening ESG performance through the use of infrastructure assets and technologies to create social value. - As an executive director, they contributed to enhanced risk management—including serious accident prevention—and ESG advancement through participation in Board-level management issue decision-making. ※ To reinforce its commitment to enhancing corporate value, SK Telecom operates a stockbased compensation program. In accordance with Article 342 of the Korean Commercial Act and with the approval of the Board of Directors, KRW 152.0 million of bonus was granted in the form of treasury shares through the "Shareholder Participation Program."
		Others	13	• Executive benefits and welfare, etc.
		Retirement Benefit	3,727	In accordance with the executive severance payment policy, a total of KRW 3,727 million was paid, calculated by applying the sum of position-based payout rates to the monthly base salary of KRW 58.3 million over a service period of 250 months (21 years).

Ethical Management

Governance

Ethical Management System

In 2024, SK Telecom's Audit Committee, operating under the Board of Directors, held 12 meetings to oversee the company's ethical management. The Audit Committee Charter and Internal Audit Regulations clearly define the Committee's and the CEO's roles, ensuring a systematic approach to ethics management. SK Telecom operates a dedicated Internal Audit Office under the Audit Committee, which promotes ethical management practices. The committee supervises this office and holds the authority to appoint and evaluate the Chief Audit Executive, who is in charge of establishing ethical codes, planning and approving ethical management systems and leading company-wide efforts to foster an ethical culture. This organizational alignment under the direct supervision of the Audit Committee reinforces the professionalism and independence of SK Telecom's audit function.

Strategy

Ethical Management Strategy

To earn stakeholder trust and achieve sustainable growth, SK Telecom has established a company-wide ethical management system and implements compliance and integrity-focused management practices. The company maintains a Code of Conduct and a dedicated Internal Audit Office and provides continuous ethics training to prevent ethical risks and help employees uphold high ethical standards independently. In addition, SK Telecom strengthens its monitoring of unethical behavior via whistleblowing channels and the Ethical Management Portal. The company has also publicly declared its commitment to corporate social responsibility by announcing the "SK Telecom Anti-Corruption Policy" both internally and externally.

Code of Conduct (Code of Ethics, etc.)

SK Telecom has established a Code of Ethics that sets out fundamental principles and the company's ethical direction, guiding appropriate conduct and value-based decision-making across all business activities. It defines specific ethical standards for each stakeholder group, including customers, employees, shareholders, business partners, and society. In 2023, SK Telecom expanded the Code of Ethics to include its social responsibilities in the development and commercialization of artificial intelligence technologies. The Ethical Management Practice Guidelines, which consist of practical codes, principles, and detailed instructions, were established to help employees implement the Code of Ethics in their daily work. These guidelines are regularly updated in response to changes in the internal and external business environment.

Through timely revision of the Code of Ethics and Practice Guidelines, SK Telecom proactively prevents and manages unethical conduct, especially on socially sensitive issues. Additionally, the company publishes and continuously updates an explanatory guidebook that elaborates on the Practice Guidelines, based on real-life cases and relevant laws and regulations, to enhance employees' understanding and commitment to ethical management. The Code of Ethics and Practice Guidelines provide clear standards for all members of the organization—including executives, regular, and non-regular employees—and are strictly enforced under a Zero Tolerance policy for any violations.

Ethical Management Governance

Board of Directors

Audit Committee

Oversight of Ethical Management
- Approval of annual audit plans and review of audit results
- Consent for the appointment and dismissal of the head of Internal Audit Office's, and approval of performance evaluations
- Approval of the Internal Audit Office's budget and organizational structure

Internal Audit Office

Planning and Operation of the Ethical Management System Fostering an Ethical Culture
- Establishment of codes of ethics and related regulations
- Planning, execution, and reporting of internal audits and whistleblower investigations
- Design, operation, and enhancement of the ethical management execution framework
- Support for the Audit Committee

Framework of the Code of Conduct

All Employees

① Code of Conduct
- Ethical Management Practice Guidelines
- Commentary on the Ethical Management Practice Guidelines
- Ethics Pledge

② HR Regulations
- Recruitment, Evaluation, and Compensation Policies
- Detailed Anti-Discrimination Provisions

③ CP Guidelines
- Anti-Money Laundering and Insider Trading Prevention
- Anti-Monopoly and Anti-Competitive Practices Prevention

④ Customer Information Protection Policy
- Customer Information Protection Pledge and Practice Guidelines
- Internal Policy on Personal Data Protection

BP[1)]

⑤ Fair Trade Compliance Agreement
- Anti-Bribery and Customer Information Protection
- Compliance with SK Telecom-Level Social and Environmental Responsibilities

COMMITMENT

Universal Declaration of Human Rights (2004) | UNGC 10 Principles (2008) | Ruggie Guiding Principles on Business & Human Rights (2012)

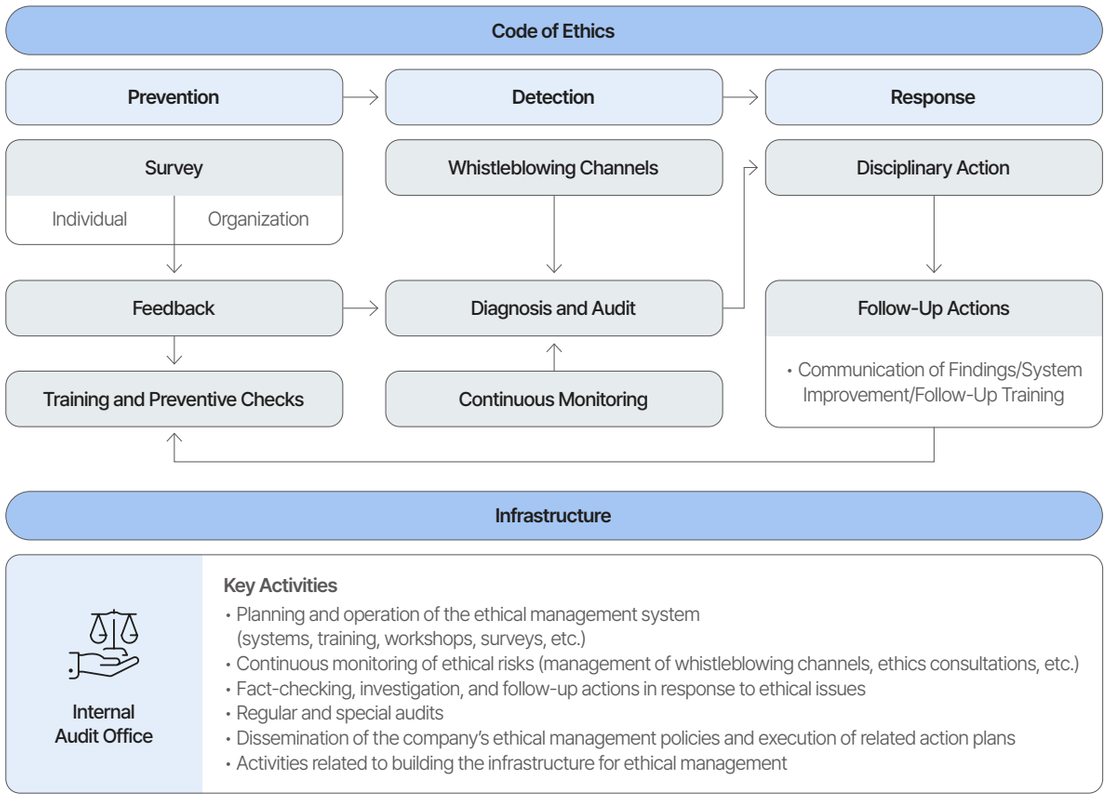
1) Business Partner

Strategy

Ethical Management Promotion Process

SK Telecom operates a three-step ethical management process based on its Code of Ethics: prevention, identification, and response. Employees build their capacity to prevent unethical behavior through ethics training and team-level Ethical Management Practice Workshops. The company has established a continuous monitoring system for unethical issues through the SK Group's integrated whistleblowing channel and SK Telecom's internal Ethical Management Portal, which includes an ethics consultation channel. Under the supervision of the Audit Committee, the CEO, and senior management, the company regularly reviews its ethical management performance and strives for continuous improvement of the process.

Ethical Management Promotion Process



Risk Management

Prevention

SK Telecom provides annual online training on ethical standards for all members of the organization—including executives, regular employees, contract workers, part-time staff, and dispatched employees, across the company and its subsidiaries. The training covers key topics such as workplace bullying and sexual harassment prevention, prohibition of abuse of power or monetary transactions with partners, conflicts of interest, and misuse of company assets. In addition, the company conducts in-depth, discussion-based offline training on ethical standards (Ethical Management Practice Workshops) focusing on real-life violation cases, led by team heads for all employees, including those at subsidiaries. Customized ethics training is also provided for newly appointed team leaders and new hires to emphasize the importance of ethical leadership and practical approaches to resolving ethical dilemmas in the workplace.

After each training session, SK Telecom conducts regular ethical management practice surveys to assess the current ethical climate and incorporate unit-level feedback to improve the ethical practice environment. Companywide survey analysis is used to identify and address areas for improvement, enabling the organization to proactively manage potential ethical risks.

SK Telecom requires all employees, including those of its subsidiaries, to submit an annual Ethics Compliance Pledge at the beginning of each year. The company also shares various misconduct cases, updates on whistleblowing channels, and whistleblower protection policy through its Ethics Practice Letter. Furthermore, SK Telecom extends ethics training and resources—such as manuals necessary for ethical practice—to its partners and invested companies, thereby continuously fostering a culture of ethical management throughout its business ecosystem.

Participation in Ethics Pledge and Ethical Training

	Unit	2022	2023	2024
Ethics Pledge	%	99.1	100.0	100.0
Online Ethical Training		95.5	96.3	95.6
Online Sexual Harassment Prevention Training		95.8	96.1	96.9
In-Depth, Discussion-Based Offline Ethical Training (Ethical Management Practice Workshop)		100.0	100.0	100.0

* Includes all employment types: executives, full-time, contract, part-time, and dispatched workers

Risk Management

Detection

SK Telecom operates a variety of online and offline whistleblowing and ethics consultation channels to ensure that all stakeholders can report and seek advice at any time. These include the SK Ethics Management website, SK Telecom's internal Ethical Management Portal, "Letter to HR," a dedicated female counselor for sexual harassment cases, and an anonymous bulletin board—all serving as avenues for addressing ethical concerns and reporting misconduct or corruption.

The company is committed to protecting whistleblowers under the "Act on the Protection of Public Interest Whistleblowers." Individuals who report violations of ethical standards or misconducts are entitled to confidentiality, personal protection, and safeguards against personnel disadvantages, as stipulated by law. Additionally, SK Telecom operates a separate protection program for whistleblowers and consultees to ensure that no harm comes to those who report, cooperate with investigations, or seek ethical guidance.

Three-Year Cycle Audits Across All Operations

To support the risk management efforts of the Board of Directors (Audit Committee) and management, SK Telecom's Internal Audit Office conducts regular audits of all organizational operations, including subsidiaries, in accordance with its principle of auditing all business areas on a three-year cycle. These audits assess compliance with ethical management, operational effectiveness and efficiency, and the adequacy of internal control and risk management systems. Audit results, including improvement items and implementation plans, are reported to the Audit Committee. Additionally, follow-up monitoring is conducted to ensure execution of improvement plans related to risk factors identified in previous audits, with findings also reported to the Audit Committee.

In 2024, special audits were conducted to assess expense execution and document security systems. Regular audits were also performed on the Global Solution Office—responsible for projects like the Personal AI Agent (PAA)—and the Global AI Platform Corporation, enhancing internal control levels and risk oversight in those areas. Core management functions such as HR, finance, and procurement undergo annual checklist-based self-assessments, and where risks or internal control weaknesses are identified, the Internal Audit Office conducts further audits and manages necessary improvements.

Operation Status of an Ethics Counseling Center in 2024 (Unit: Cases, %)

	Cases	Completed	Ratio
Ethics Consultations and Reports[1]	18	15	83.3
No Issues Found[2]	23	23	100.0
General Workplace Issues	52	52	100.0
Customer Complaints	164	164	100.0
Total	**257**	**254**	**98.8**

1) Ethics consultations and reports were investigated internally; other cases were referred to the relevant departments.
2) Investigations were not conducted in cases due to insufficient details or withdrawal of the report.

Audit Scope and Mid-to Long Term Audit Plan in 2024[1]

	2024	2025	2026	2027
Headquarters Audit Status and 3-Year Plan	Special audits on cost/ security, Global Solution Office	Two business divisions	Two business divisions	Three business divisions
Subsidiary Audit Status and 3-Year Plan	Special audits on cost/ security, Global AI Platform Corporation	Two subsidiaries	Two subsidiaries	Two subsidiaries
Headquarters & Subsidiaries	• Enterprise-wide management areas (HR, finance, procurement): annual self-checks are conducted, and additional audits or control measures are taken when issues are identified.			

1) Regular audits are conducted every three years for seven business divisions and six subsidiaries (based on the organization chart at the end of 2024)

Risk Management

Response

SK Telecom categorizes violations of ethical regulations by type and enforces strict disciplinary actions according to the severity of each case. When necessary, the company conducts additional verification and investigations to establish facts and takes appropriate action based on internal regulations. Compliance with ethical standards is incorporated into employees' KPIs and performance evaluations. In the event of a violation, the seriousness of the matter is reflected in performance assessments and affects the compensation system. If an employee is found to have violated ethical regulations, a Personnel Committee is convened to determine the level of disciplinary action based on the severity of the case. Disciplinary actions may include dismissal, suspension, salary reduction, or formal reprimand, each of which is linked to the evaluation system in accordance with relevant HR regulations, thereby affecting the employee's compensation level. If a partner company violates ethical regulations, a Procurement Review Committee is held to impose sanctions such as limiting transaction volumes or terminating contracts. All cases of ethical regulation violations and their outcomes are recorded and used to evaluate and improve SK Telecom's ethical management processes.

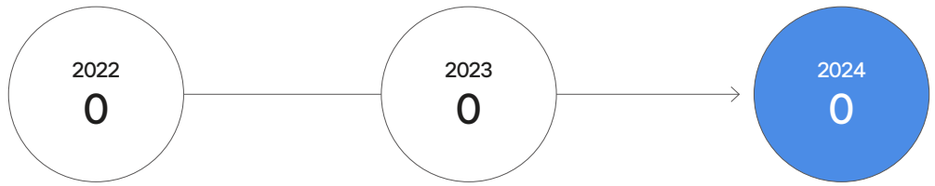
SK Telecom, through its CEO-signed Human Rights Policy Statement, emphasizes the prevention of workplace discrimination and harassment based on gender, race, religion, disability, origin, and other factors. The company strictly enforces a Zero Tolerance policy for any violations. The Ethical Management Practice Guidelines explicitly state that members must not engage in any actions that hinder healthy relationships or constitute workplace bullying. Ethical management training is provided to all employees—including executives, regular, contract, part-time, and dispatched workers across SK Telecom and its subsidiaries—to continuously raise awareness of and sensitivity to workplace discrimination and harassment.

Actions for Violation of the Code of Conduct in 2024[1] (Unit: Cases)

Category	Cases	Disciplinary Actions	Remediation Actions
Conflict of Interest	5	3 Major Disc.[2]/2 Minor	100%
Others	1	1 Major Disc.	100%
Anti-corruption/Bribery	2	1 Major Disc./1 Minor	100%
Total	**8**	**5 Major Disc./3 Minor**	

1) No violations were reported in relation to workplace discrimination, harassment, money laundering, or insider trading.
2) Disc.: Disciplinary Action

Workplace Discrimination & Harassment Violations



Metrics and Targets

Ethical Management Performance Indicators

	Performance		
Management Indicator (Initiative)	**2022**	**2023**	**2024**
Enhancement of Ethical Management System	Achieved "Leader" grade in SK Group's ethics management evaluation/ISO 37001 certified	Maintained "Leader" grade (92.6 points)	Maintained 'Leader' grade (93.4 points)
Governance Support System Upgrade	Granted Audit Committee the authority to consent appointments/dismissals of the Chief Audit Executive	Organized the Internal Audit Office under the Audit Committee	Established regular reporting system to the Audit Committee
Enhancement of Internal Audit Capabilities and Quality	Established dedicated department for ethical management and audit	Developed and executed 3-year mid-term audit plan	Expanded Internal Audit Office to 3 teams, 24 personnel

Mid- to Long-Term Goals of the Internal Audit Office

Prevention

2025 Goal

Solidifying Top-Level Ethical Management Standards in Korea

Enhancing the Effectiveness of Ethical Management Programs
- Develop and operate specialized programs to strengthen ethical awareness among leadership
- Strengthen communication efforts targeting vulnerable groups/departments based on survey results

Fostering a Culture of Leading by Example through Regular Monitoring of Executive Use of budget and Assets
- Reinforce ethical conduct by executives and foster a culture of continuous self-monitoring

Revision of the Commentary on the Ethical Management Practice Guidelines
- Provide detailed guidance on the use of budget and actual disciplinary cases
- Include guidance and real cases on dual employment and positions
- Highlight key ethical compliance practices and cautionary guidance

Mid- to Long-Term Goal (From 2026)

Building a Global Top-Level Ethical Management System

Enhancement of the Ethical Management System for All Stakeholders
- Continuously upgrade ethical standards to reflect the industry characteristics of a Global AI Company
- Strengthen ethical awareness among leadership and all employees through surveys, training, and workshops
- Provide ethics training support to business partners (BPs) and jointly elevate ethical management standards
- Adopt ethical criteria recognized by global rating agencies such as Ethisphere and MSCI

Detection

Strengthening Audit/Investigation Capabilities and Support Company-Wide Operational Efficiency

Enhancing Whistleblowing Investigation and Audit Capabilities
- Expand internal and external training opportunities for Internal Audit Office personnel

Improving responsiveness by shortening investigation timelines for reported cases
- Strengthen investigation capabilities and efficiency of the Internal Audit Office
- Upgrade a cooperation system with other departments

Continuing 3-Year Cycle Audits Across All Operations of SK Telecom
- Conduct audits of core businesses and subsidiaries to improve operational efficiency

Improving the Effectiveness of the Self-Check System
- Restructure risk assessment frameworks for headquarters and subsidiaries, with a focus on high-risk areas

Achieving Global Top-Tier Audit Capabilities and Audit Quality

Upgrading Ethical Governance Centered on the Audit Committee
- Reinforce the independence of the internal audit organization under the Audit Committee
- Strengthen expertise through expansion of audit personnel, increased internal and external training, and regular audits
- Establish prompt, fair, and objective investigations of whistleblower reports and institutionalize regular audits across all operations, including subsidiaries, on a three-year cycle
- Enhance subsidiary-level risk management systems through the institutionalization and advancement of self-check mechanisms

Compliance

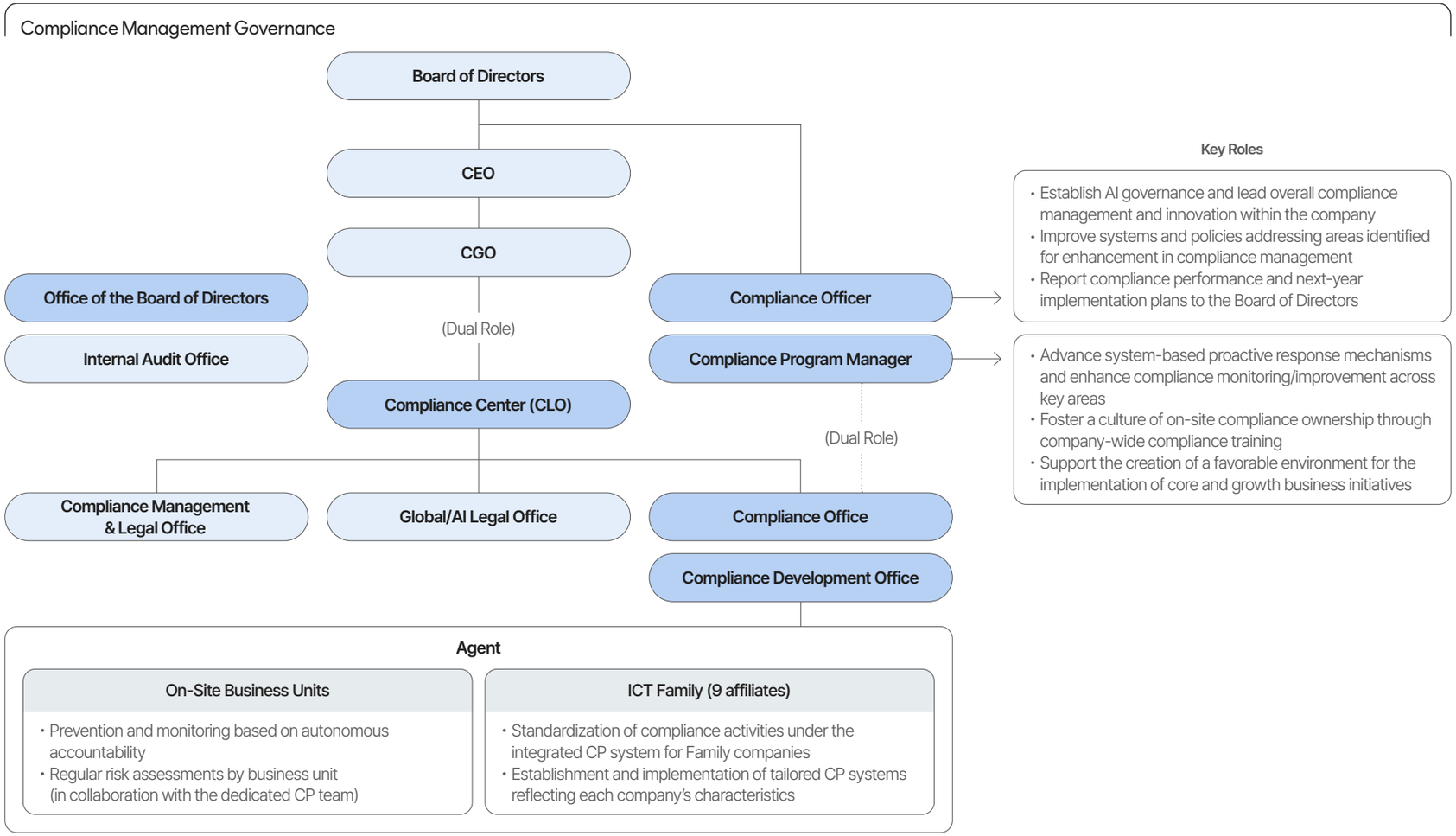
Governance

Roles of the Board of Directors and Management

Under the oversight of the Board of Directors and the Audit Committee, SK Telecom implements integrated compliance management across the ICT Family, leveraging the strong leadership of key top executives including the CEO and CGO (Chief Governance Officer), as well as organizational capabilities backed by top-tier expertise. In accordance with applicable laws such as the Commercial Act and the Fair Trade Act, the CLO has been appointed as the Compliance Officer with approval from the Board. In addition, the CEO has appointed a Compliance Program Manager (CPM), ensuring independent, expertise-based execution and continuously enhancing an effective compliance governance system.

Dedicated Compliance Organization

To drive compliance performance through a robust compliance governance system and close collaboration with on-site operations, SK Telecom has designated and operates "Agents" across 17 key business units and 9 affiliated Family companies, thereby reinforcing the effectiveness of its governance framework.



Strategy

SK Telecom's approach to compliance goes beyond passive adherence to laws or fair competition. It forms the foundation of corporate management by responding to all applicable laws, regulations, and market expectations, ensuring the trust of customers and society. Based on a systematic and advanced compliance policy, vision, and execution system, SK Telecom—together with the broader ICT Family—will continue to practice rigorous compliance management and evolve into a globally respected AI company.

Establishment and Advancement of the Compliance System

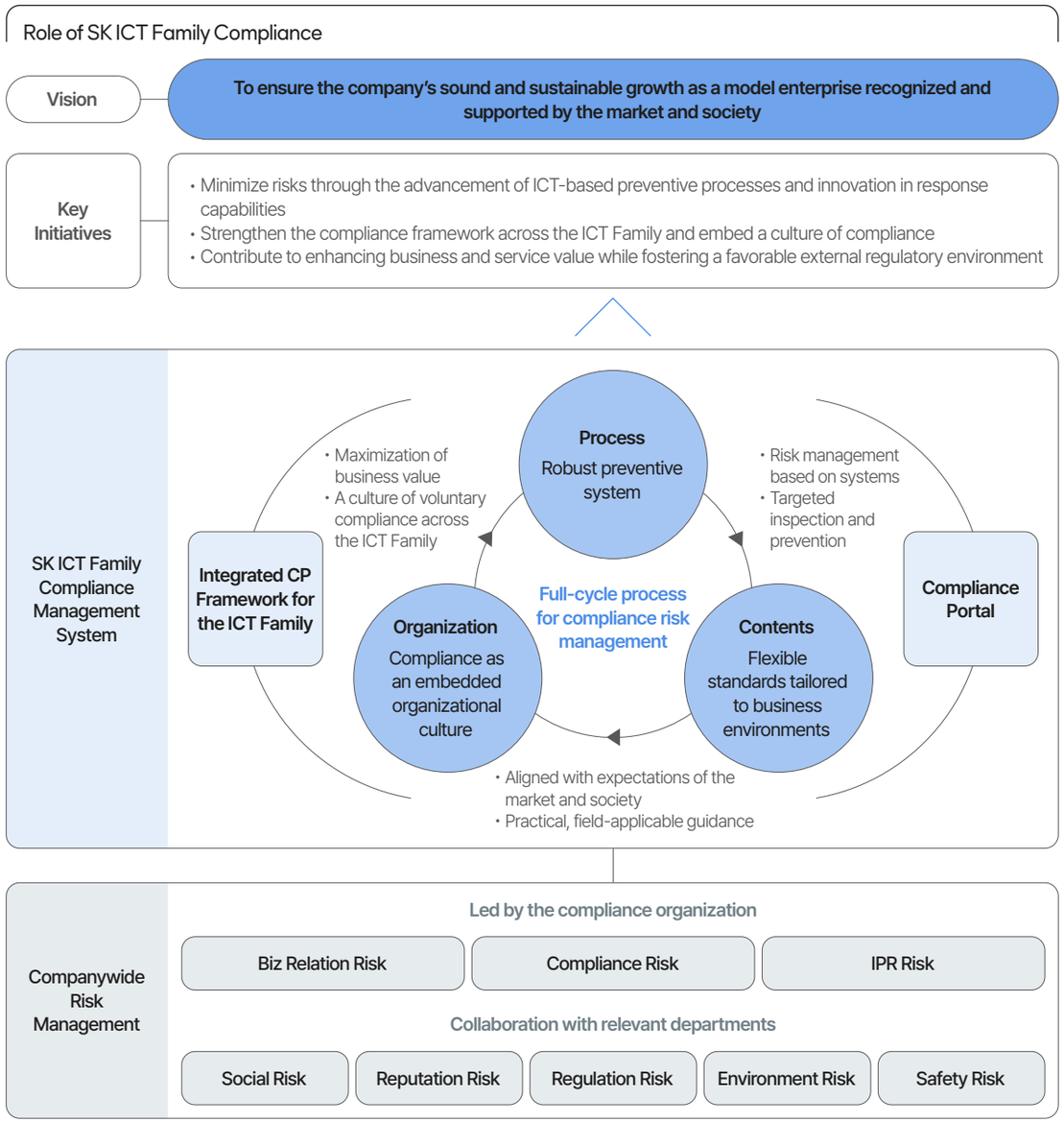
SK Telecom is driving its transformation into a Global AI Company through growth and innovation across diverse business areas within the ICT Family. Amid accelerating technological, regulatory, and competitive pressures, business relationships have become increasingly complex, making compliance a key element in ensuring business value and growth. Societal and regulatory expectations for compliance are also continuously rising. In response, SK Telecom is expanding its compliance framework beyond risk management to encompass broader legal control mechanisms that meet elevated social demands and corporate responsibility. Reflecting these developments, the company has reestablished a comprehensive, system-based compliance framework—including processes, content, and organizational operations—built on over two decades of achievements in its Fair Trade Compliance Program (CP).

Establishment and Advancement of the Compliance System

To optimally respond to changes in the business environment, SK Telecom is fully committed to achieving its compliance vision and continuously strengthening and refining its compliance framework. In particular, the company has redefined its compliance policies and vision to address expanding business boundaries in the AI era, deepening and broadening partner relationships, and rising expectations from society and regulatory authorities.

In terms of processes, the company will focus on upgrading technology-based systems, including AI, to proactively identify and prevent various risk factors. These system enhancements will be complemented by the continued implementation of effective inspections and preventive measures based on accumulated practical experience. As for compliance content—which serves as the foundation for policies and execution—it is continuously refined to ensure high usability among all members of the ICT Family, thereby maximizing realworld preventive effectiveness.

SK Telecom's compliance organization has already expanded to cover the entire ICT Family, adopting a unified yet business-specific operating model that supports a collective improvement in capability levels. As compliance capabilities have strengthened across the ICT Family, compliance has emerged as both a strategic enabler that drives business development and innovation, and a core management value embedded in the company's culture. This solidifies public trust in SK Telecom's compliance efforts and supports its evolution into a leading Global AI Company in the AI era.



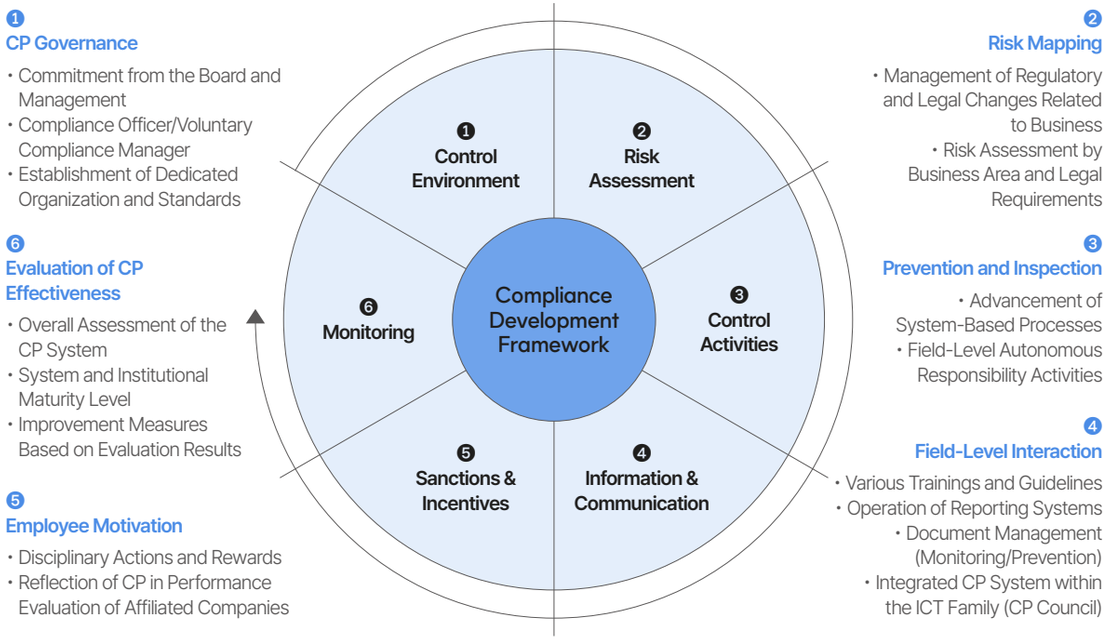
Strategy

Establishment of the CP (Compliance Program) Implementation Framework

SK Telecom's compliance implementation framework consists of six main categories. Key compliance activities include establishing a control environment centered on governance, conducting comprehensive risk assessments across the business, and conducting preemptive inspections of potential risk factors. The framework also involves information sharing and communication with operational units, interactive engagement through measures such as sanctions and incentives, and continuous evaluation of the overall effectiveness of compliance activities.

This implementation framework has been restructured to align the Group's standardized system with SK Telecom's specific management context and is simultaneously shared and utilized across ICT Family companies.

Compliance Development Framework



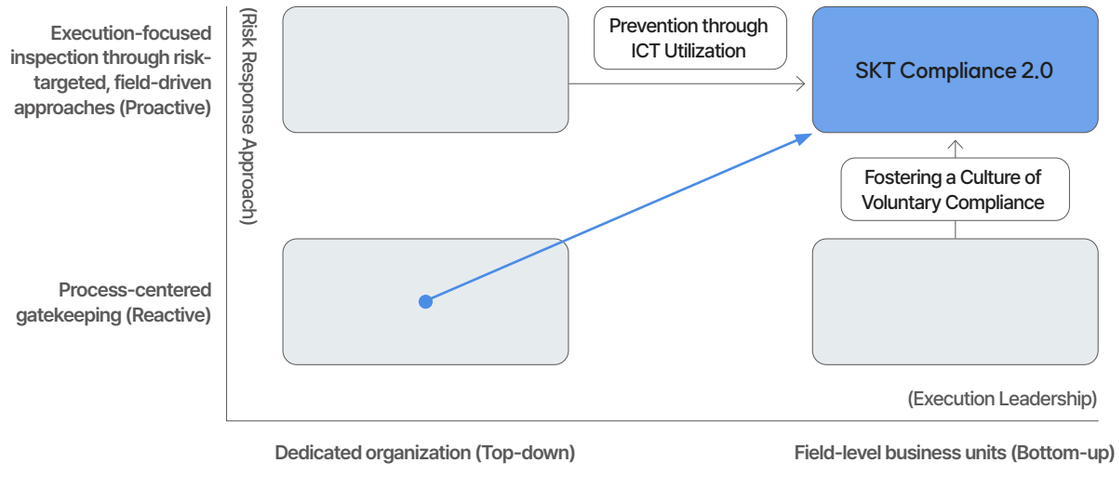
Advancement Direction of the CP Implementation Framework

At the core of compliance activities are the methodologies for risk prevention and response, as well as in the organizational entities responsible for execution. SK Telecom has continuously advanced its CP implementation framework along these two dimensions. While traditional risk prevention methods mainly relied on gatekeeping through established internal policies and procedures (Reactive), SK Telecom is now enhancing its proactive approach. This includes leveraging systems and ICT technologies to continuously detect potential threats (Proactive), and shifting conventional audit activities toward goal-driven, execution-oriented practices.

Furthermore, SK Telecom is transitioning the primary responsibility for compliance execution from dedicated departments to frontline units, where management risks actually arise. This shift is based on autonomous accountability at the operational level, allowing for more effective risk prevention. To accelerate this transformation, the company is striving to embed autonomous compliance as a core part of organizational culture.

The above-mentioned approach to risk response and the innovation of responsible parties represent the advancement of the compliance management system that SK Telecom pursues, and this is SK Telecom Compliance 2.0.

CP Direction for Advancing the CP Implementation Framework



Risk Management

Principles of Risk Management

Lifecycle-Based, Phased Risk Response

SK Telecom categorizes compliance risks into three phases—Potential Risk, Impending Risk, and Pending Risk—based on the stage of occurrence across both existing and new business operations. The company operates a differentiated risk management system tailored to each phase.

Potential Risk refers to latent threats, particularly in emerging growth areas such as AI or during innovation in existing businesses. SK Telecom focuses on early detection and response to these risks through system-based monitoring. For Impending Risk, which arises during the execution of ongoing operations, the company emphasizes on-site inspections that prioritize both the speed and depth of checks.

For Pending Risk—issues already raised by regulatory authorities or business partners—SK Telecom responds by mobilizing internal capabilities to minimize both financial and non-financial impacts on the company. This also involves close collaboration with various external stakeholders.

As such, SK Telecom's core risk management principles are founded on optimized prevention and response strategies tailored to the specific type and phase of compliance risks across its entire business operations.

Risk Management Measures by Stage

Potential Risk	Impending Risk	Pending Risk
→ Preventive actions	→ Ongoing project review	→ Issue and current matter response
Advancement of System-Based Risk Prevention Activities	**Improved inspection speed and depth**	**Methodology refinement to minimize impact**
• Identification of risks in emerging growth businesses such as AI • Advancement of technology-based monitoring and improvement systems	• Identification of risks in ongoing business operations • Focused response to high-risk business areas based on key themes	• Enhancement of one-stop external collaboration • Strengthening regulatory foresight and response capabilities • Development of specialized professionals by risk domain
→ Proposal of stable business and transaction structures	→ Suppression and mitigation of investigative risks and transitions	→ Minimization of financial and non-financial impacts

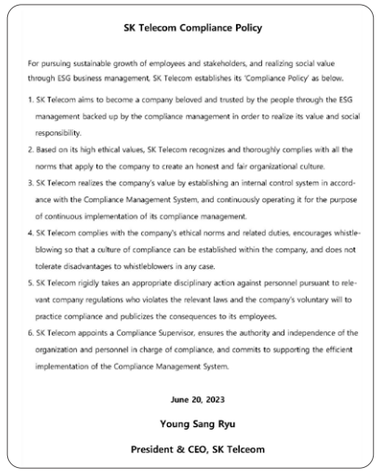
Internal Audit on Compliance Maturity and Risk Management

In addition to a phased risk-based approach, SK Telecom regularly inspects and evaluates the effectiveness of its compliance management system.

From April to May 2024, SK Telecom conducted a compliance level check and risk assessment across nine compliance domains, in collaboration with 15 relevant departments. The evaluation concluded that risks across 46 laws and 269 assessment items were being stably managed. Earlier, in June 2023, the CEO established and publicly announced the "Compliance Commitment Policy," clearly stating the company's compliance direction that meets market and social expectations—reinforcing compliance awareness among all employees.

Compliance Areas

Fair Trade	Telecommunica-tions Business	Human Resources and Labor
Partnerships	Information Security	Anti-Corruption
Intellectual Property Rights	Health and Safety	Corporate Governance



SK Telecom Compliance Policy

SK Telecom Compliance Policy

For pursuing sustainable growth of employees and stakeholders, and realizing social value through ESG business management, SK Telecom establishes its 'Compliance Policy' as below.

1. SK Telecom aims to become a company beloved and trusted by the people through the ESG management backed up by the compliance management in order to realize its value and social responsibility.
2. Based on its high ethical values, SK Telecom recognizes and thoroughly complies with all the norms that apply to the company to create an honest and fair organizational culture.
3. SK Telecom realizes the company's value by establishing an internal control system in accordance with the Compliance Management System, and continuously operating it for the purpose of continuous implementation of its compliance management.
4. SK Telecom complies with the company's ethical norms and related duties, encourages whistle-blowing so that a culture of compliance can be established within the company, and does not tolerate disadvantages to whistleblowers in any case.
5. SK Telecom rigidly takes an appropriate disciplinary action against personnel pursuant to relevant company regulations who violates the relevant laws and the company's voluntary will to practice compliance and publicizes the consequences to its employees.
6. SK Telecom appoints a Compliance Supervisor, ensures the authority and independence of the organization and personnel in charge of compliance, and commits to supporting the efficient implementation of the Compliance Management System.

June 20, 2023

Young Sang Ryu

President & CEO, SK Telcoom

Risk Assessment Results

Risk Management Items

269

Risk Management Coverage Rate

100%

Risk Management

Proactive Risk Management via Systematic Monitoring

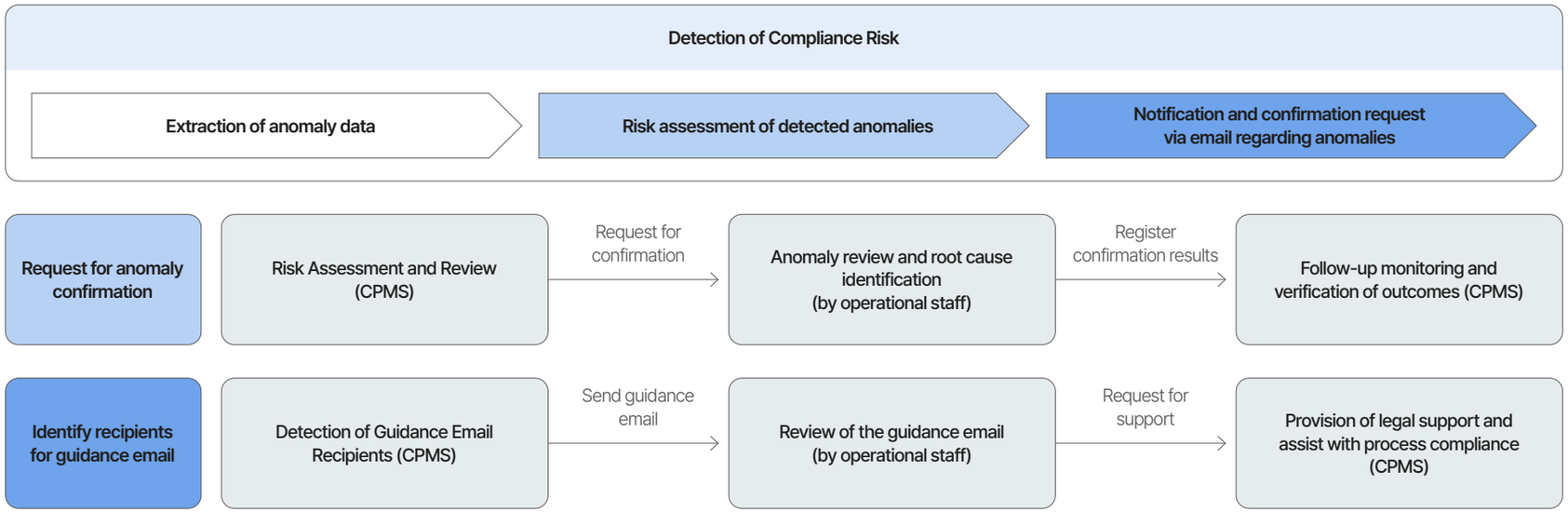
Development and Advancement of CPMS (Compliance Monitoring System)

As part of its policy to enhance system-based compliance prevention, SK Telecom developed and implemented the Compliance Monitoring System (CPMS) in 2023. Leveraging ICT technologies, CPMS enables real-time monitoring of various types of company's work system, detecting risk signals based on predefined anomaly detection scenarios and executing early-stage response processes.

In 2024, SK Telecom further advanced CPMS by stabilizing the system, enhancing anomaly detection scenarios, and applying AI-based risk pattern analysis. These efforts accelerated the transition to a "real-time compliance monitoring" risk management model. As a result, the company addressed 55 anomaly cases and provided 405 instances of guidance and instruction to onsite departments.

In addition, by expanding CPMS's data analysis scope and applying AI technologies, SK Telecom has significantly enhanced the effectiveness and efficiency of its real-time monitoring system. This advancement has led to broader monitoring coverage, improved functionality, and increased efficiency in risk filtering and analysis tasks-positioning the company as a model for AI-driven compliance technology enhancement.

CPMS Operation



Introduction of the AI Legal Agent Platform

In addition to CPMS, SK Telecom has established and operates various technology-based systems to enhance the accuracy and expertise of compliance-related tasks carried out by on-site personnel and dedicated staff. The company is currently running an integrated compliance management system called T Legalnet, which combines T Compliance Net, CPMS, T Governance Net, and IP Madang. To further improve review quality and operational efficiency, the company is expanding the functions of the AI Legal Agent to enhance productivity and drive fundamental transformation in compliance operations using AI technologies.

① The AI Contract Agent automatically generates draft versions of frequently used business contracts. It supports on-site personnel by improving work efficiency and professionalism, and helps legal teams maintain thorough risk control.
② AI Legal Review Agent assists legal teams by preventing oversight or misjudgment during reviews, ensuring meticulous legal assessments.
③ AI Terms/Advertising Review Agent serves as a pre-check tool using AI technology for terms and advertising—areas receiving growing regulatory attention. It is widely used by reviewers, advertising staff, and field marketing teams.

SK Telecom remains committed to continuously expanding and advancing these capabilities, further advancing compliance management processes through AI technologies.

Metrics and Targets

Key Achievements in 2024

Establishing and Spreading a Compliance Culture Across On-Site Units and Family Companies

In 2024, SK Telecom supported field-driven compliance self-assessments and internal accountability initiatives to foster a culture of autonomy and accountability among on-site units and Family companies. To enhance compliance awareness in the field, the company updated its compliance-related content, including regulatory trend briefs and detailed taskspecific guides and manuals. In particular, for significant legal changes such as the amendment of the E-Commerce Act, SK Telecom promptly conducted on-site inspections and provided guidance for relevant business units and Family companies. In addition, the company revised or newly established three internal compliance-related regulations in 2024. In June, SK Telecom developed its official Compliance Policy, which was shared both internally and on the company's website.

In September, the scope of compliance training was expanded to include the CEO and independent directors. The training content was also updated to reflect the newly established Group-wide compliance framework, achieving an organization-wide completion rate exceeding 95%.

Since 2021, SK Telecom has continuously implemented annual CP Tasks in accordance with the integrated CP framework shared with Family companies. In 2024, a total of 53 independent compliance execution tasks were carried out across 13 Family companies.

As a result, SK Telecom has implemented a total of 222 compliance execution tasks over the past four years, continuously strengthening its compliance management capabilities.

In addition, to foster a culture of autonomous compliance at the field level, the company worked with Family companies to swiftly address compliance-related issues and develop joint solutions. Customized, specialized training was also provided to meet the specific needs of on-site units. Starting in October, SK Telecom launched internal compliance promotion and campaign activities through in-house media channels to raise employee awareness.

2024 Compliance Task Execution Outcomes Across ICT Family Companies[1] (Total: 53 Tasks)

Task Type	Common Compliance Tasks	Company-Specific Tasks
No.	40	13
Examples	• Strengthening compliance response capabilities • Enhancing monitoring of inter-affiliate transactions • Reinforcing companyspecific compliance content • Business-related risk (BR Risk) management and other relevant efforts	• Responding to regulatory supervision and evaluations by agency for each company • Establishing review and assessment processes for specific types of transactions based on business characteristics • Developing safety and health prevention and response systems

1) Established and implemented across 13 SK ICT Family companies.

Creating an Environment for Becoming a Global AI Company

In 2024, SK Telecom implemented a range of compliance initiatives aimed at building a stable business structure and presenting solutions to minimize execution risks, thereby supporting its transformation into a Global AI Company.

Key actions included risk mitigation plans for major corporate projects related to critical telecommunications issues such as 28GHz spectrum, the Handset Distribution Act, and pricing plans. The company also collaborated with business units to address potential operational threats and supported the successful launch of new brand products and the revamp of T Membership 2.0. In response to evolving regulatory trends, such as changes in e-commerce legislation, SK Telecom provided inspection and service improvement guidance.

In accelerating the transition to an AI Company, the company minimized risk factors associated with the Sapeon merger, the establishment of AI business structures, and new brand launches. Additionally, it implemented brand protection and risk control measures for new products and services, and conducted more than 70 pre-validations through the development of a company-wide open-source management system.

These compliance achievements and capabilities are recognized as best practices within the SK Group and are actively shared across affiliates.

Enhancing External Reputation and Trust in Compliance

SK Telecom envisions its role in regulatory relationships not as a passive subject of regulation, but as a proactive partner in public value creation. In pursuit of this vision, since 2022, the company has worked closely with regulatory agencies—such as the National Police Agency and the Korean Intellectual Property Office—to prevent crimes like voice phishing and the misuse of telecom services, thereby minimizing customer harm and generating meaningful social impact through technical support. Moving forward, SK Telecom aims to further strengthen its position as a compliance-driven enterprise that collaborates with regulators to create shared public value.

SK Telecom's efforts and achievements in compliance have also been formally recognized. Following its acquisition of ISO 37001 certification for anti-bribery management in 2022, the company was awarded ISO 37301 certification in 2023 for its compliance management system across nine domains. It now holds both certifications concurrently. In 2024, SK Telecom secured the highest rating for the 12th consecutive year in the "Win-Win Growth Index" assessment, reinforcing its leadership as a company committed to mutual growth. Additionally, it earned top ratings in subcontracting fair trade agreement evaluations, ranked first in the Korea Consumer Agency's mobile telecom service survey, and received the highest grade in the Korea Communications Commission's 2024 user protection evaluation. The company also continues to perform at a high level in domestic and international ESG compliance assessments.

Metrics and Targets

Mid- to Long-Term Goals

Building on over two decades of accumulated experience and compliance capabilities, SK Telecom has embarked on a full-scale transition to "Compliance 2.0" since 2023, with the goal of becoming a model enterprise recognized and supported by both the market and society by 2026. Based on this vision, the company has established annual targets that are strategically aligned with its mid- to long-term goals, including milestones for 2025 and beyond.

In 2025, SK Telecom's compliance function will take the lead in executing the Global AI Company vision, while also reinforcing the fundamental competitiveness of its compliance management system to ensure the successful realization of the 2026 vision. The year 2025 has been designated as the "Year of Compliance System Maturity and Innovation."

Accordingly, in 2025, SK Telecom will continue to reinforce its System-driven compliance framework. AI and other advanced technologies will no longer serve merely as supportive tools but will become core instruments for driving compliance activities across the organization. Second, the company will fully accelerate efforts to spread a culture of autonomous compliance at the field level, conducting multidimensional, year-round cultural initiatives in close collaboration with frontline units. Finally, SK Telecom will enhance its response capabilities and systems to address diverse regulatory risks comprehensively. It will also play a central role in realizing "Profitable AI," thereby laying a solid foundation for the stable achievement of Compliance 2.0 by 2026.

	2025	2026
	"Completion and Expansion of the System"	"Achieving Compliance 2.0"
Enhancing the utilization of AI and technology → Advancing beyond innovation tasks to position compliance management innovation as a core mission	**Strengthening a system-based Compliance Program (CP)** • Continuously enhance compliance system functions and expand AI integration • Conduct effectiveness evaluations and risk mapping in 2025	**Elevating the CP operational framework** • Establish and implement CP standards aligned with market and societal expectations • Shift toward risk suppression and proactive response principles (from post-response to preemptive prevention through an "Early Kill" system)
Fully committed to promoting a compliance culture → Establishing a comprehensive compliance culture across field operations and the ICT Family	**Spreading a Culture of Field-Level Voluntary Compliance** • Develop and implement a plan to promote a culture of autonomy and accountability in the field (Q1) • Fully revamp field-oriented training and guideline systems (Q1) • Introduce effectiveness evaluations and risk mapping for Family companies	**Establishing a Field-Driven Compliance Culture** • Institutionalize risk management based on fieldlevel autonomy and responsibility • Fully renew the field-centric CP operational system • Achieve competency standardization and elevation across the ICT Family's compliance functions
Mobilizing full organizational capabilities to address key compliance issues → Achieving optimal outcomes through collaborative efforts with regulators and stakeholders (S/H)	**Successful Response to High-Risk Issues and Business Leadership** • Minimize the impact of key pending compliance issues • Advance and implement CP response capabilities • Support the activation of major growth businesses, including AI	**Achieving Zero Compliance Risk** • Reestablish trusted partnerships with regulators and stakeholders (S/H) • Continuously achieve zero occurrence of highimpact compliance issues • Enhance external credibility through initiatives such as the CP rating system

AI Governance

Governance

Responsibilities and Roles

SK Telecom has established an AI governance framework that aligns with its vision as a Global AI Company. Key AI governance issues are reported to the ESG Committee, the highest decision-making body, to ensure appropriate deliberation and decisions.

The AI governance review system involves decision-making bodies, executives, and working-level teams, each actively addresses key issues within their designated roles and responsibilities. At the board level, SK Telecom ensures optimal decision-making that accounts for both the risks and opportunities associated with AI, thereby reinforcing responsible management amid the growing societal impact of AI.

The primary decision-making bodies are the Board of Directors and the ESG Committee, which oversee and supervise AI governance strategy and implementation. The Board reviews and makes final decisions on critical AI governance issues, such as investments and business plans. The ESG Committee, under the Board, deliberates on the direction, outcomes, and risk response strategies for major internal AI services.

At the executive level, the CEO and the CGO (President of External Cooperation) take the lead in reviewing key AI governance issues and overseeing policies and matters presented by operational teams.

They also play a critical role in supporting the ESG Committee's decision-making and conduct the final review of the AI Governance Report to ensure transparency in disclosing AI governance activities to stakeholders. The executives integrate SK Telecom's proprietary AI governance principles—"T.H.E. AI"—into core decisions to ensure timely execution of strategy, while proactively identifying and managing related risks.

The working-level teams serve as the execution body for AI governance, supporting both decision-making bodies and executives. The AI Governance Taskforce and Red Team regularly report various AI-related issues to executives, implement reviewed tasks, and work to strengthen the governance framework. Additionally, an AI Governance Working Group—comprising AI business units and key support organizations—operates as part of the company-wide AI governance response system.

Through its AI governance review framework, SK Telecom operates a decision-making system to support the release of AI services across all layers of its AI Pyramid Strategy, ensuring that they meet trust and safety standards. Such a system represents a proactive adoption of AI management structures at a time when regulatory demands for AI are increasing globally. SK Telecom will continue striving to establish a globally top-tier AI governance framework.

AI Governance

Board of Directors	• Review and make final decisions on key AI governance issues (e.g., investment, strategic direction)
ESG Committee	• Deliberate on the direction and performance of each AI governance area • Evaluate AI service risks and discuss response strategies
CEO	• Review and report major issues • Support decision-making of the ESG Committee
CGO[1)]	• Oversee and supervise overall AI governance issues • Report major policy items related to AI governance
AI Governance Team	• Establish strategies and plans for AI governance implementation • Lead the establishment and management of internal AI governance systems
Customer Information Protection Team (Red-team)	• Conduct risk assessments and vulnerability detection for AI services • Check for compliance with trust, ethics, and regulations
AI Governance Working Group[2)]	• Respond to legislative, policy, and media issues related to AI governance • Develop cooperation strategies with key domestic and international organizations and institutions

1) CGO: Chief Governance Officer
2) AI Governance Working Group: A cross-functional body composed of SK Telecom's AI business units and relevant departments (Legal, Compliance, CR, PR)

Strategy

AI Governance Strategy Framework

While AI technology plays a critical role in driving innovation and creating new economic value, it also introduces significant responsibilities and risks. In response, SK Telecom has proactively established and operates an AI governance framework designed to safeguard its business, enhance customer value, and support global expansion.

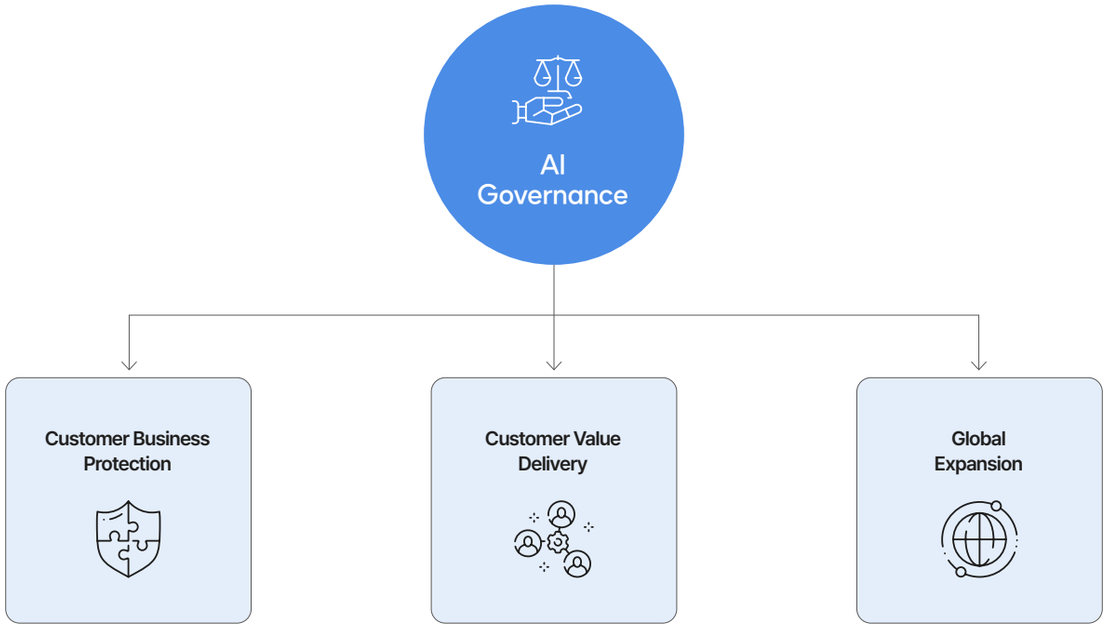
Protection of Customer Business

From the perspective of customer business protection, SK Telecom's AI governance ensures robust safeguards for corporate data and personal information. As AI systems become more advanced in prediction and decision-making, the company supports their responsible use by enhancing transparency and accountability, while actively working to eliminate bias in decision-making processes. Sufficient explanations and justifications are provided regarding how AI systems function and deliver outcomes, enabling decisionmakers within SK Telecom to fully understand and trust the systems.

Customer Value Delivery

To enhance customer value, SK Telecom emphasizes the effective use of AI to improve the customer experience. The AI governance framework focuses on leveraging customer data carefully to deliver personalized services while protecting personal privacy.

AI technologies also help secure a stable customer base and maintain long-term relationships, leading to stronger customer trust and higher brand value.



Global Expansion

To facilitate global expansion, SK Telecom's AI governance framework ensures compliance with diverse regulatory and legal requirements across countries and regions. The company adheres strictly to data protection laws and privacy policies in each jurisdiction, while also accounting for cultural and linguistic differences in the development and operation of its AI systems—enabling successful deployment of AI services in global markets.

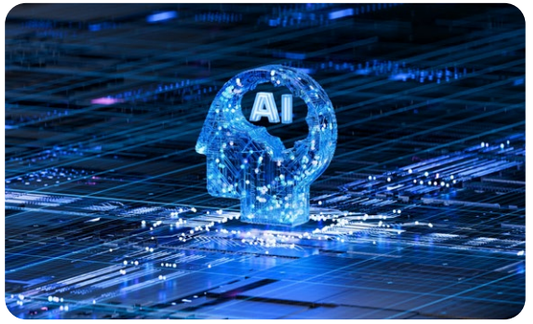
As part of these efforts, SK Telecom presented its AI governance framework at MWC 2025, gaining recognition and support. The company is also actively engaged in global discussions on sustainable AI, including participation in RAI (Responsible AI) initiatives to promote international collaboration.

Ultimately, SK Telecom's AI governance is designed to protect customer businesses, enhance customer value, and drive global expansion. The framework ensures the safety and transparency of AI technologies and supports the company's continuous growth and advancement. Beyond being a tool for innovation and business success, SK Telecom's AI governance also fulfills broader social responsibilities and plays a vital role in advancing sustainable development.

Strategy

SK Telecom's Basic AI Principles

In January 2024, SK Telecom formally introduced AI governance into its corporate management to ensure the reliability and safety of AI technologies. At the March shareholders' meeting, the company unveiled its AI governance principles, branded as "T.H.E. AI," which stands for "by Telco, for Humanity, with Ethics."



by Telco — Communication technology-based
for Humanity — For people, Toward people
with Ethics — Ethical value-oriented
AI

by Telco	for Humanity	with Ethics
T	H	E
Connectivity	Diversity and Inclusion	Transparent Decision-Making
Reliability	Well-being Enhancement	Ethical Responsibility

T · H · E · AI

T	by Telco — Communication technology-based	Connectivity	SK Telecom, as a telecommunications company,
		Reliability	Advances AI through interaction and international cooperation by leveraging its customer and stakeholder network.
H	for Humanity — For people, Toward people	Diversity and Inclusion	Prioritizes customer trust and safety by protecting users from potential AI-related risks and reinforcing reliability.
		Well-being Enhancement	Makes every effort to uphold and promote the values of diversity, equity, and fairness throughout the AI lifecycle.
E	with Ethics — Ethical value-oriented	Transparent Decision-Making	Promotes human welfare and societal progress through AI and spreads its positive impact.
		Ethical Responsibility	Ensures transparency by disclosing the basis and process of AI decision-making and continually improves information accuracy.
			Commits to responsible actions for human-centered AI and respects the right to know and self-determination regarding customers' personal data.

Risk Management

AI Governance Risk Management

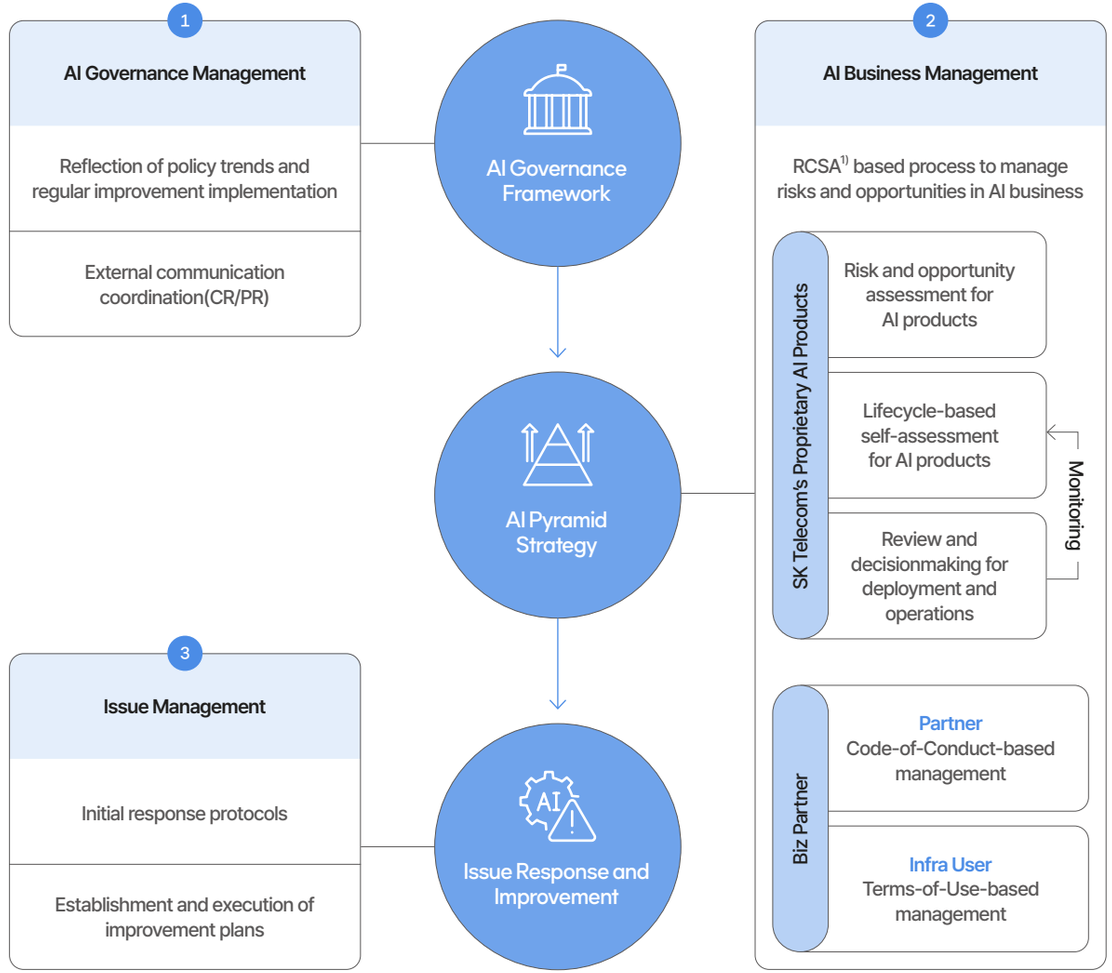
SK Telecom has established and operates a comprehensive management system to address the risks and opportunities associated with its AI business. AI governance risk management is structured into three main areas: AI governance framework management, AI business management, and issue management.

AI Governance Framework Management involves continuous monitoring and improvement of the overall governance system by tracking domestic and international regulations, policy developments, and technology trends. It also includes external communication with government and media on governance enhancements and internal initiatives such as employee training to disseminate improvements company-wide.

AI Business Management encompasses the management of AI products and business partners in alignment with the AI Pyramid Strategy. AI Product Management addresses the lifecycle risks and opportunities of AI services and businesses, including planning, risk and opportunity identification, self-assessment, review and decision-making, and deployment and operation. Business Partner Management focuses on areas like AIX and AI infrastructure, managing external partners and users who utilize SK Telecom's AI products.

Issue management is a structured process for promptly addressing service disruptions, major Voice of the Customer (VOC), and other critical incidents. The company implements early response measures, develops appropriate response and compensation plans for customers, regulatory agencies, and the media, and conducts root cause analyses to drive improvements.

In April 2024, SK Telecom obtained the ISO/IEC 42001 certification—the international standard for AI Management Systems. This achievement demonstrates global recognition of the company's capability to effectively manage AI-related risks by building and operating AI systems based on trust and safety. Going forward, SK Telecom will continue to leverage and manage AI technologies through its governance framework, delivering new value to customers and all stakeholders.



1) Risk and Control Self Assessment (RCSA): A method for organizations to self-identify, assess, and manage risks and controls, widely used across industries such as finance, tech, manufacturing, and healthcare.

Information Security

Information Security Innovation Plan (Announced by CEO on July 4, 2025)

On April 19, 2025, SK Telecom detected signs of a potential data breach involving certain USIM-related subscriber information, believed to have been caused by malicious code inserted by a hacker. In response, the company immediately isolated the suspected equipment and took necessary containment measures. The incident was reported to relevant authorities, including the Korea Internet & Security Agency (KISA), and the suspected personal data breach was officially reported to the Personal Information Protection Commission. To strengthen customer information protection, SK Telecom implemented additional safeguards, including an upgrade to its Fraud Detection System (FDS), free USIM replacements, automatic enrollment in the USIM protection service, and the introduction of a USIM reset solution. The company also launched a nationwide "on-site care service" for digitally vulnerable groups in remote areas. As of May 2025, a joint public-private investigation team is examining the cause and scope of the incident. No secondary damage has been identified so far. SK Telecom remains dedicated to strengthening its information security systems and preventing recurrence to ensure all customers can use its services with confidence.

Governance

Roles of the Board and Management

Under the supervision of the Board of Directors and the ESG Committee, SK Telecom has established a company-wide information security governance system led by the CEO, COO, CSPO, and other key senior executives to manage enterprise-wide information protection risks. In accordance with the amended Personal Information Protection Act of 2021 and other relevant laws, the company has appointed a Chief Information Security Officer (CISO), who also serves as the Chief Privacy Officer (CPO), to oversee all information security functions.

The CISO/CPO is a seasoned expert with over 20 years of experience in information security and IT, and is responsible for overseeing company-wide customer information protection through dedicated operational teams.

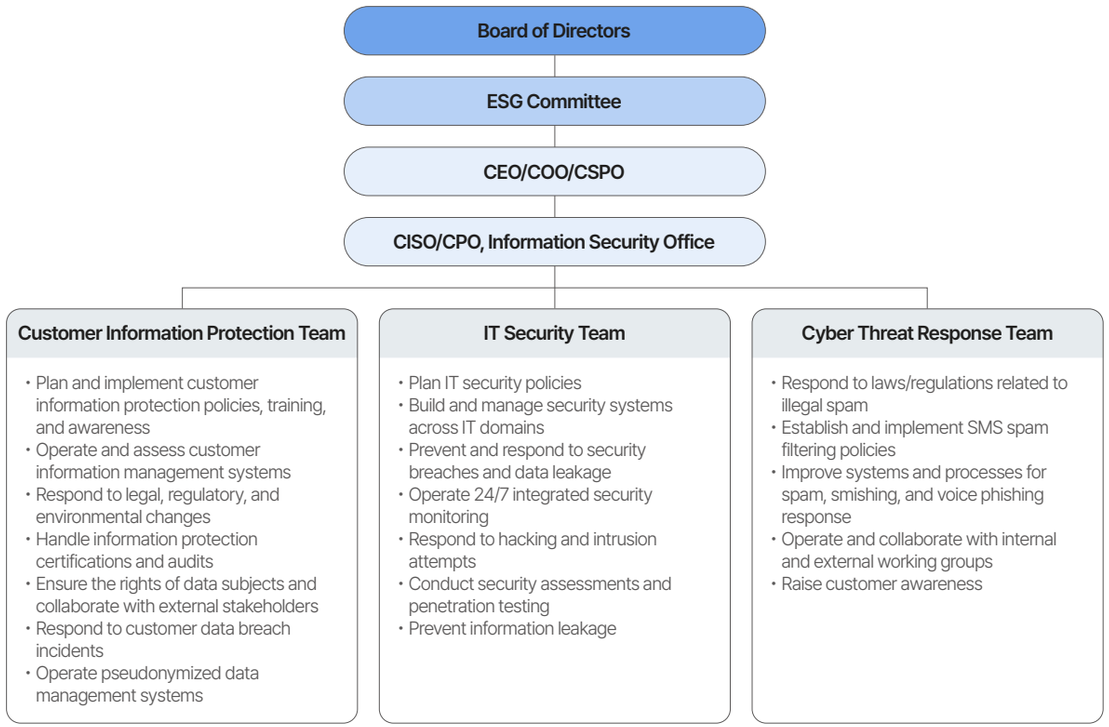
Based on an integrated governance framework for both information and personal data protection, SK Telecom operates a centralized monitoring center designed to prevent and respond to various cyber threats, including ransomware, supply chain attacks, and zero-day attacks.

In particular, for information security issues that have company-wide impact, the CISO and CPO are directly involved in the Corporate Crisis Response Task Force under the Board of Directors, where they receive reports on the matters and advice. Based on this advice, the CISO and CPO are required to report the outcomes of their actions to the Board.

Dedicated Information Security Function

SK Telecom's dedicated information security function include the Customer Information Protection Team, IT Security Team, and Cyber Threat Response Team. Each team is responsible for a specific domain: protecting customer personal information, securing internal IT systems, and responding to cyber threats, respectively.

Information Security Governance



Strategy

Information Security Management Process

SK Telecom applies and operates security systems and processes that exceed legal requirements across its network infrastructure, data, and service domains.

SK Telecom Information Security Policy

Prevention of Security Breaches

To counter cyber threats, SK Telecom operates a 24/7 integrated security monitoring center equipped with systems for detecting, analyzing, and blocking hacking attempts. The company also conducts system security assessments and penetration testing from a hacker's perspective to identify and eliminate vulnerabilities.

Advancing Information Security with a Zero Trust Model

Amid increasingly sophisticated external cyberattacks and rising risks of insider data leaks, SK Telecom is actively adopting a Zero Trust security model—built on the premise that threats can originate both externally and internally. This model emphasizes robust authentication, access control, continuous monitoring, and centralized policy management. By applying the Zero Trust approach to various systems, the company identifies areas for preemptive improvement and strengthens its overall information security posture.

Security Awareness Training

Each year, SK Telecom conducts annual security awareness training for all executives, employees, contractors, and dispatched employees from partner companies. This regular training enhances awareness of information security and personal information protection and fosters a culture of security-conscious work practices. Additionally, employees in high-risk roles, including personal data handlers, location information handlers, pseudonymized/anonymized data processors, and developers, receive specialized training to further enhance their security competencies.

Information Security Management Areas

Network Infrastructure Security

- Undergo annual national inspections for key telecommunications infrastructure such as mobile operations
- Maintain ISMS certification annually as part of the corporate information security compliance
- Perform both technical and administrative vulnerability assessments on key servers and network equipment

Data Security

- Obtain ISMS and ISMS-P certifications (Information Security and Personal Information Protection Management Systems certified by the Ministry of Science and ICT and the Personal Information Protection Commission)
- Encrypt critical data such as unique identifiers to minimize leakage risks
- Restrict and log server/DB access to pre-authorized personnel using access control solutions
- Apply up-to-date antivirus software, security patches, and network separation measures

Service Security

- Conduct security vulnerability checks, penetration tests, and mock drills for all new or modified services to maintain a secure service environment
- Deploy and operate access control systems such as firewalls and intrusion detection systems

2024 Specialized Information Security Training Status by Job Function

Job Function	Training Program	Completion Rate (Target/ Completed)
Personal Data Managers	Offline Specialized Privacy Training	100.0% (94/94)
Personal Data Managers (Vendors)	Offline Specialized Privacy Training	100.0% (33/33)
Location Information Handlers	Online Location Information Protection Training	100.0% (34/34)
Pseudonymized/ Anon ymized Data Handlers	Online/Offline Pseudonymized Data Training	100.0% (54/54)
SOC[1] Developers/ Operators[2]	Online Security Training[3]	99.5% (2,201/2,190)
Web/Mobile App Developers[2]	Online Security Training[4]	78.0% (2,111/1,647)

2024 Personal Information Protection and Cybersecurity Training Status

Training Program Title	Personal Information Protection and Information Security Training
Period	Apr. 29 – May 9
Method	Online training via SK Group's education platform (mySUNI)
Results	5,451 out of 5,606 participants completed the training (Completion Rate: 97.2%)

Completion Rate

97.2%

1) Conducted by the Customer Information Protection Center
2) Includes partner companies
3) Covers the Personal Information Protection Act, SK Telecom's security policies, work protocols/procedures
4) Includes the latest attack techniques and secure coding guidelines

Strategy

Personal Data Protection Process

SK Telecom complies with the Personal Information Protection Act and all related personal information laws. In accordance with these regulations, the company ensures that customers can easily access its privacy policy at any time via its official website.

Customer personal data collected by SK Telecom is used strictly for service delivery and quality improvement purposes. The company employs appropriate technical and administrative safeguards to ensure the secure management of this data in line with relevant legal standards.

Personal Data Collection

For service delivery, SK Telecom collects personal data only within the scope of the customer's prior consent (opt-in method). SK Telecom provides clear notice to all subscribers about the categories of data collected, the purpose of collection, and the retention period. Collected data is used strictly within the stated purposes, and any data that has fulfilled its purpose is promptly destroyed.

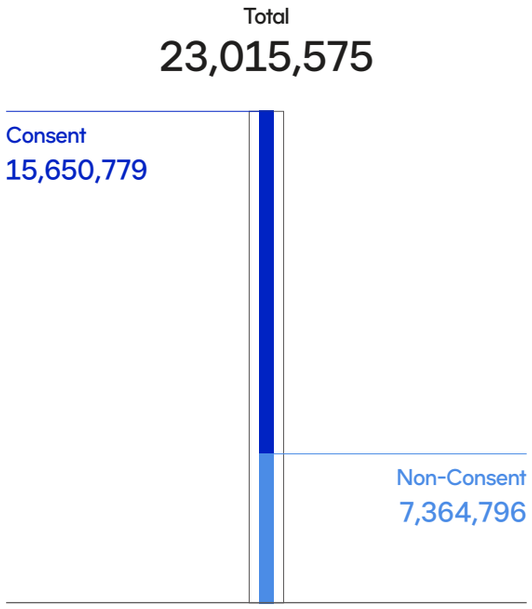
Disclosure of customer information to third parties occurs only with the customer's consent or in cases explicitly permitted by law. The use of personal data for any purposes beyond legal requirements or service transactions is strictly prohibited. When data processing is outsourced, SK Telecom discloses this information through its privacy policy.

Personal Information Protection Activities

- Strengthening integrated security monitoring and responses to emerging threats, enhancing simulated security training and diagnostics, and reinforcing security councils to continuously strengthen information security governance and monitoring systems.
- Operating systems for managing pseudonymized and anonymized data, and implementing safety measures in accordance with the Data 3 Laws to establish a sustainable personal data protection environment.
- Enhancing information and personal data protection management systems through ongoing certifications, audits, and cross-check activities involving ISMS, ISMS-P, and critical information infrastructure security inspections conducted by internal and external stakeholders.
- Building platforms and expanding related content to ensure data subject rights and enhance transparency in personal data processing.
- Continuously improving change management and education in information protection for key roles, such as leadership, developers, and operators, and providing security training programs to strengthen the cybersecurity capabilities of affiliated companies.
- Continuously upgrading security solutions to proactively respond to increasingly sophisticated and intelligent threats, and reinforcing investment and operations to swiftly address new security issues related to AI and public cloud.
- Strengthening remote diagnostics to preemptively detect and address information security issues, particularly in a contactless environment.
- Verifying the adequacy and effectiveness of technical security controls through regular and ad hoc penetration testing by internal and external security experts, and applying patches and operating security systems for identified vulnerabilities.

Status of Information and Advertising Consent[1)]

(As of Dec. 31, 2024/Unit: Persons)



1) Based on Currently Active and Suspended Mobile Services

Personal Information Protection Issue – Notification Details

- **Customer's ability to determine how their personal data is collected, used, retained, and processed**
  - Availability of opt-out
  - Opt-in consent required
  - Request access to data held by the company
  - Request data transfer to another service provider
  - Request data correction
  - Request data deletion
- **Nature of captured information**
- **Purpose of collected information**
- **Data retention period within company systems**
- **Methods of data protection**
- **Third-party disclosure policy (private and public entities)**

Strategy

Guaranteeing the User's Right to Self-control of Personal Information

SK Telecom regularly updates its privacy policy to reflect current practices and clearly inform users and legal guardians of their personal data rights and how to exercise them. Users can access, modify, or delete their personal information at any time through the "myT" page on the T world website or by contacting the 114 customer center. They may also request access to their data, and unless otherwise stipulated by law, request to suspend processing. Consent to collect and use personal data can be withdrawn by terminating a service agreement or deactivating membership.

Enhanced Personal Information Protection for Children and Adolescents

SK Telecom takes proactive measures to ensure children and adolescents can use services safely and responsibly. In compliance with relevant laws, when collecting and using personal data from children under the age of 14, the company obtains consent from their legal guardians. Additionally, if a guardian requests access, disclosure, or correction of the child's personal information, SK Telecom responds within the legally mandated timeframe.

Enhancing Information Protection in AI Services

As SK Telecom evolves into an AI Company, it prioritizes information security and has established and distributed AI Service Information Protection Guidelines. These guidelines aim to strengthen personal data protection within AI services and enhance the overall AI security posture.

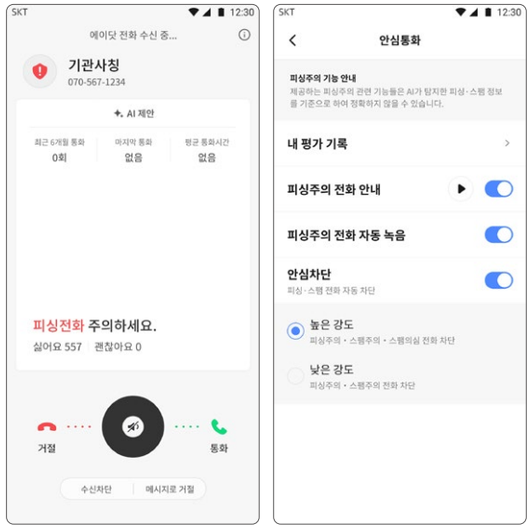
To prevent personal data from being included in training datasets, the company is implementing de-identification standards and operating relevant processes. In line with its AI Charter "THE AI," SK Telecom has also formed an AI Red Team Task Force within its information security function to assess and improve the security of AI systems.

Development of AI-Based Anti-Fraud Technologies

To provide secure telecom services, SK Telecom is developing various AI-powered security solutions. A flagship initiative is ScamVanguard, which connects telecom and financial data to detect and block potential voice phishing in real time, including suspending transfers or withdrawals. The system also uses AI to identify scam bait messages and phishing attempts via SMS and social media, tracking and blocking fraudulent activities and related resources and issuing user alerts.

Compliance with Government Data Requests

In accordance with the Telecommunications Business Act (Article 83) and the Protection of Communications Secrets Act (Article 13), SK Telecom provides data to government agencies as required by law. All responses are handled according to legal standards and reporting protocols, with biannual statistical reporting to the Ministry of Science and ICT. While cooperating within legal bounds, the company also performs internal assessments to identify and minimize any potential infringement of human rights associated with these disclosures.



ScamVanguard-Enabled A. (A.Dot) Call Interface

Risk Management

Information Security System Certifications

To uphold a reliable information security posture, SK Telecom has obtained both domestic and international security certifications. These include ISMS and ISMS-P for its information and personal data protection management systems, as well as the international standards ISO/IEC 27001, 27017, and 27018. The company ensures continued compliance through regular certification renewals.

ISMS Certification: Acquired and Renewed Annually

(Corporate Information Security Certification Program supervised by the Ministry of Science and ICT)

CERTIFICATE
OF
Information Security Management System

ISMS-P Certification: Acquired and Renewed Annually

(Corporate Personal Information Protection Certification Program supervised by the Personal Information Protection Commission)

CERTIFICATE OF
Personal Information & Information Security Management System

ISMS Certification: Acquired and Renewed Annually

(Corporate Information Security Certification Program supervised by the Ministry of Science and ICT)

CERTIFICATE
OF
Information Security Management System

Response to Cyber Financial Threats Targeting Customers

SK Telecom has established a dedicated unit to respond to emerging cyber threats. In addition to handling traditional security concerns such as system hacking and data breaches, the unit addresses social engineering crimes including smishing, voice phishing, and ransomware. The company leverages AI and other ICT technologies to effectively block scam calls, suspicious caller numbers, spam messages (text and voice), and smishing attempts—safeguarding customers' assets and data from cyber threats.

Strengthening Personal Data Protection in Partner Operations

To protect customer privacy and prevent data breaches, SK Telecom conducts regular, in-depth risk assessments of its partners. These include routine network inspections, data-driven targeted diagnostics, and audits of customer data handling processes. Training programs are also provided to raise data protection awareness among partner employees. The company performs sample and in-depth privacy audits across all partner networks, including distribution network, to identify and rectify potential blind spots. Since 2015, SK Telecom has conducted privacy audits at authorized retail store and remotely inspects approximately 10,000 customer data-handling PCs on a weekly basis. For objectivity and independence, all audits are carried out by third-party agencies such as SK Shieldus. In 2024, 167 risks identified through sampling audits were addressed with corrective actions.

Sampling Diagnosis of Customer Information Protection in Distribution Channels

2,680 cases

Sampling Diagnosis of Customer Information Protection in Distribution Channels (Unit: case)

Category	No. of Diagnoses	Cases with Identified Issues & Mitigation Measures	Remarks
Customer Information Protection Diagnosis in Distribution Channels[1]	2,680	167	Risk identification and improvement actions across distribution channels

1) A regular diagnosis conducted by listing all offline distribution channels and sampling stores by division for inspection.

Metrics and Targets

Information Security Management Metrics

Customer Information Leaks and DDoS Incidents

Category	Unit	2022	2023	2024
Customer Information Leakage	Cases	0	0	0
System Hacking		0	0	0
DDoS Infringement		0	0	0

In-Depth Assessment of Customer Information Protection in Distribution Channels

Category	Unit	2022	2023	2024
Inspection Coverage of Total Distribution Channels	%	100	100	100
No. of Security Issues Requiring Improvement	Cases	164	169	167
Mitigation Rate for Identified Security Issues	%	100	100	100
Short-Term Mitigation Measures Completed	Cases	164	169	167
Long-Term Mitigation Measures Completed		0	0	0

Response Status for Government Data Requests

Category		Unit	2022	2023	2024
Information Requests	Telecommunications Subscriber Information[1]	Cases	294,484	315,585	242,095
	Communication Records[2]		42,058	48,356	46,671
Information Provision	Telecommunications Subscriber Information		294,484	315,585	242,095
	Provision Rate	%	100	100	100
	Communication Records	Cases	42,058	48,356	46,671
	Provision Rate	%	100	100	100

1) Telecommunications Subscriber Information: Includes user's name, national ID number, address, phone number, ID, subscription and termination dates. Under the Telecommunications Business Act, courts, prosecutors, and investigative agencies may request this information for purposes such as criminal investigations, sentence execution, and trials.
2) Communication Records: Includes counterparty phone numbers and log records (date, time, etc.), classified as "communication records" under the Protection of Communications Secrets Act. Investigative agencies must submit an official request along with the reason for request, the relationship to the subscriber, the scope of needed data, and court approval.

Mid-to-Long-Term Information Security Goals

SK Telecom is committed to enhancing information security and strengthening its protection framework. To achieve this, the company promotes robust information and personal data protection practices, with specific annual goals set as outlined below.

Information Security – Annual Targets by Year

2025

Reorganize information security governance

- Expanded domestic certification coverage for information and personal data protection systems (mobile customer management, AI-related services, key platform areas)
- Annual security assessments of products, services, and outsourcing partners
- Information security inspections of distribution channels (Cumulative inspections completed: approx. 2,000 / 4,000 sites, 50%)
- External open service penetration testing (twice annually) and internal penetration testing (once)
- Malware response systems for servers (antivirus/EDR)

2026

Advance information security governance

- Maintenance of domestic certifications for information and personal data protection systems (mobile customer management, AI services, key platform areas)
- Annual security assessments of products/services/outsourcing partners
- Information security inspections of distribution channels (Cumulative inspections completed: approx. 4,000 / 4,000 sites, 100%)
- Regularized internal penetration testing and biannual external testing
- Establishment of SOAR (Security Orchestration, Automation, and Response) for integrated security monitoring

2027

Strengthen information security governance

- Continued maintenance of domestic certifications for information and personal data protection systems (mobile customer management, AI services, key platforms)
- Annual security assessments of products/services/outsourcing partners
- Expanded information security inspections of distribution channels (Completed annually for all sites: approx. 4,000 / 4,000 sites, 100%)
- Conducting external penetration tests twice a year and introducing a bug bounty program
- Establishment of an enterprise-wide IAM (Identity and Access Management) system

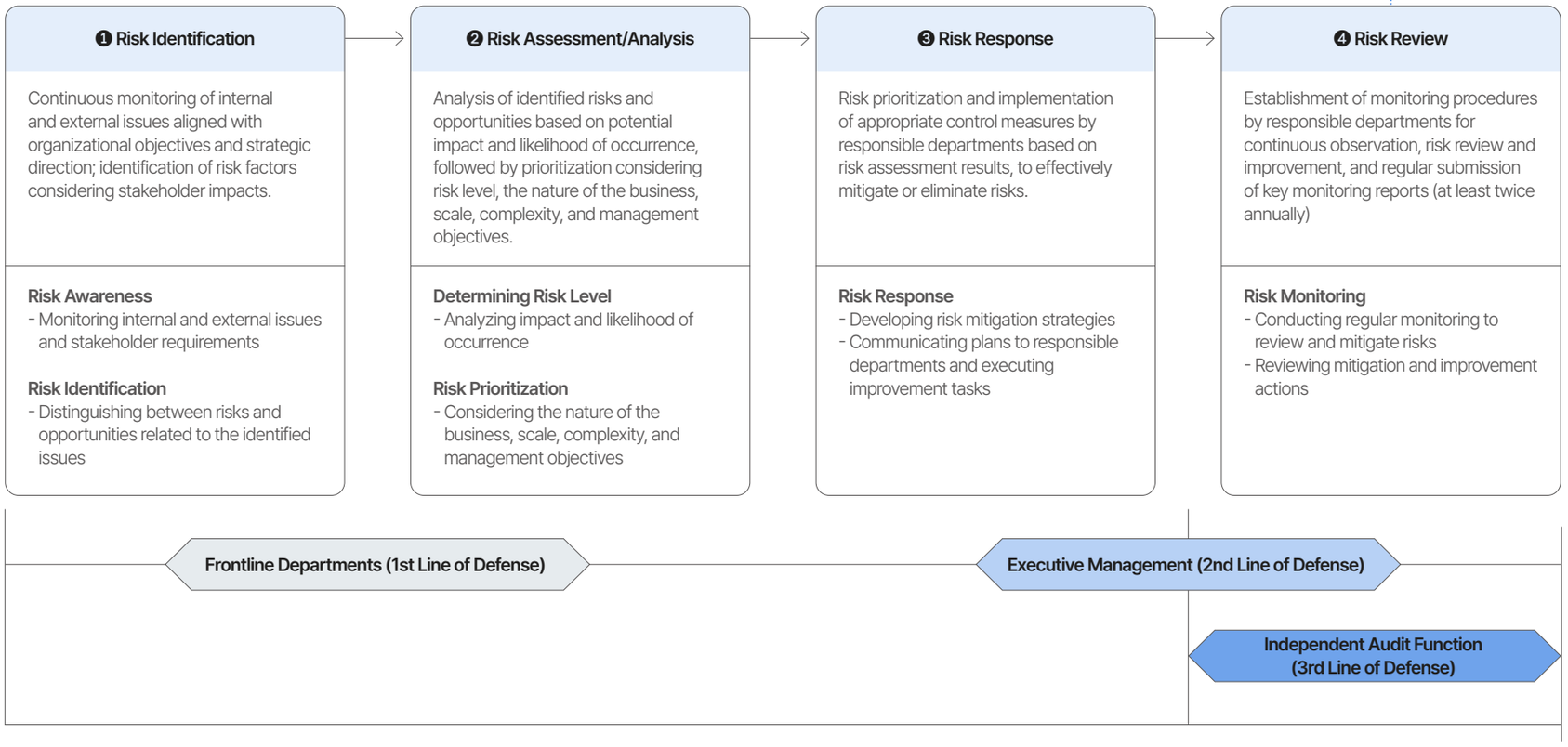
Risk Management

Enterprise Risk Management (ERM) System

SK Telecom has established an Enterprise Risk Management (ERM) system to proactively identify potential risks in its business environment and respond efficiently. At the center of this system is a dedicated risk management team, supported by a company-wide Risk Management Working Group (W/G) that includes business units and ICT Family subsidiaries. This group regularly evaluates potential risks from diverse perspectives, helping to cultivate a risk-aware corporate culture. These efforts enhance the effectiveness of enterprise-wide risk management and strengthen the alignment between risk oversight and business strategy execution.

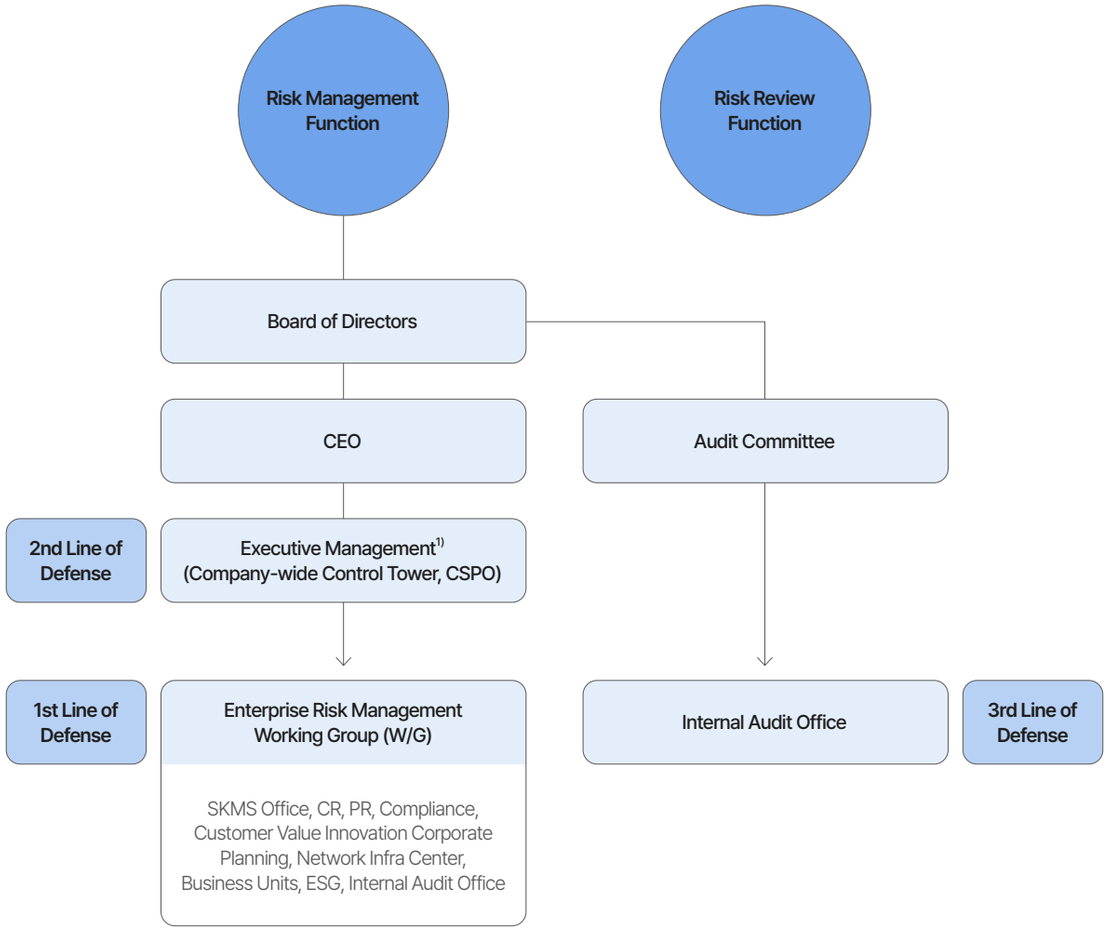
ERM Process

SK Telecom operates an company-wide risk management process to identify and effectively manage key risks that could impact its business. This process is structured around four essential activities critical to business operations.



Risk Management Governance

SK Telecom has integrated its risk management system into its governance framework to continuously monitor and enhance its effectiveness and takes risks into account when making decisions or setting strategic objectives.



1) CSPO, CGO, CFO, CSO, CR Center, PR Center, HR Center, SKMS Office

❶ Risk Owner (1st Line of Defense)

SK Telecom operates a Risk Management Working Group composed of heads from dedicated teams across business sectors. This group is responsible for identifying key risks and implementing mitigation measures within each business function, with each member accountable for managing the operational risks under their purview. To ensure company-wide risk oversight, key risks and corresponding mitigation actions are reported quarterly to the CSPO, CEO, and Board-level committees. SKMS Office, the department dedicated to the Enterprise Risk Management (ERM) Working Group, oversees risk profile management, maps key risks to responsible departments, defines response plans for each risk, and manages activities such as monitoring, risk recognition, communication, and response in accordance with established risk standards.

❷ Risk Monitoring and Oversight (2nd Line of Defense)

The CSPO oversees enterprise-wide risk management and continuously operates the company's risk response and crisis management systems. When a risk arises that significantly impacts internal operations or business activities, the CSPO convenes the Enterprise Risk Management (ERM) Working Group to initiate a swift response. SKMS Office, the dedicated department under the CSPO-led ERM Working Group, is responsible for auditing compliance with defined risk standards and systems across business units and employees. Additionally, Internal Audit Office conducts annual risk assessments for all internal departments and ICT Family companies, based on SK Telecom's corporate values and Code of Conduct. This team also fosters a risk-aware culture and monitors the effectiveness and efficiency of risk management activities while communicating information related to internal controls. SK Telecom annually reviews and validates its risk categories, appoints responsible executives and department heads for each risk area, and strengthens the effectiveness of risk management. Each executive is accountable for meeting objectives set in accordance with their area of risk.

❸ Independent Audit (3rd Line of Defense)

The Board of Directors oversees the company-wide risk management system and processes through the Audit Committee. The Audit Committee works with executive management to review the company's risk categories, assess risk prioritization, and evaluate risk management or mitigation actions. When necessary, the committee also reviews the approaches taken toward managing key risk types. Additionally, The Internal Audit Office provides practical support for the audit committee by conducting internal audits, overseeing financial reporting, and investigating fraud within the company, with all outcomes reported back to the committee.

Risk Management Dedicated Organization

Board of Directors

SK Telecom's Board is composed of experts with extensive knowledge and practical experience in telecommunications, media, security, AI, and cloud, to coordinate stakeholder interests and approve key management decisions.

Audit Committee

SK Telecom's Audit Committee is composed entirely of independent directors to ensure independence. The committee includes professionals in finance and accounting, as well as authorities in social networks, AI, and media, who provide expert insights on business and organizational operations. A dedicated support organization is in place to assist the committee in performing its duties effectively.

Audit Support Office

SK Telecom's Internal Audit Office comprises 24 members, including one senior executives and three team leaders. The office reports audit results and key issues annually to the Audit Committee. The dedicated Audit Support Team, established to ensure effective support for the Audit Committee, is composed of five members, including two certified professionals such as CPAs. The regulations of our Audit Committee stipulate the establishment of the Internal Audit Office, which serves as the internal audit department supporting the Audit Committee, as well as its reporting obligations. The Internal Audit Office provides practical support for the Audit Committee's functions, including supervision of the internal accounting management system, oversight of financial reporting, and investigation of irregularities, and reports the results to the Audit Committee.

Risk Management Status and Plans

Risk Identification

SK Telecom classifies risk items to comprehensively manage a wide range of potential financial and non-financial risks.

Board of Directors – Risk Expertise Areas

Category	Director	Risk Type			
		Strategic	Operational	Financial	Compliance/Legal
		Risks affecting business strategy execution or achievement of business objectives	Risks arising from internal processes, systems, or incidents involving personnel	Risks stemming from exchange rate and interest rate fluctuations, liquidity, credit, and asset/ liability management	Risks related to changes in industry/ ESG regulations and policies, violations of fair trade laws, corruption, and adequacy of accounting/ESG disclosure standards
Executive Director	Young Sang Ryu	●	●	●	
	Yang Sub Kim	●	●	●	●
Other Non-Executive Director	Dong Soo Kang	●	●	●	●
Independent	Yong Hak Kim	●	●		●
	Chang Bo Kim	●	●		●
	Junmo Kim	●	●		
	Haeyun Oh	●	●		
	Mi Kyung Noh	●	●	●	●

Risk Type

Strategic Risk	Risks that affect the execution of business strategies or the achievement of business objectives.
Operational Risk	Risks resulting from internal processes, systems, incidents or accidents involving personnel, as well as climate change response and biodiversity conservation.
Financial Risk	Risks arising from exchange rate and interest rate fluctuations, liquidity, credit, asset and liability management.
Compliance/ Legal Risk	Risks related to regulatory or policy changes in industry and ESG, violations of fair trade laws, corruption, and the appropriateness of accounting and ESG disclosure standards.
Potential Risk	Risks with the potential to develop into strategic or operational risks over the mid- to long-term.

Risk Assessment, Analysis, and Response

SK Telecom conducts regular reviews—at least twice a year—of major risk factors across financial and non-financial domains to proactively identify and mitigate potential risks across its operations. In response to the ongoing volatility of the business environment, the company thoroughly assesses risk factors when exploring new business opportunities (e.g. products and services), or reviewing business and investment plans. Identified risks from the enterprise risk pool are evaluated based on likelihood, impact, and ESG materiality to determine key risks. For those deemed high priority, mitigation measures are established in advance to minimize potential impacts. The SK Telecom Board of Directors supervises the effectiveness and efficiency of risk management activities, while also receiving and reviewing information related to internal control. SK Telecom annually reviews and verifies risk categories, and appoints responsible executives and department heads for each risk area to enhance the effectiveness of related risk management. Each executive is accountable for achieving objectives set based on the respective risk categories.

Key Risks and Mitigation Measures (2024)

● High ● Medium ● Low

Category	Key Risk		Mitigation Measures	Material ESG Issue
Strategic Risk	● Business	Alliance (M&A), Investment Performance Management	Establishment and execution of business strategies through forecasting customer needs and demand, business decision-making, and monitoring of technological and industrial environments	-
	● Financial	Foreign Exchange and Interest Rate Risks, Macroeconomic Factors	Regular monitoring and response to macroeconomic trends such as exchange rate fluctuations, interest rate changes, liquidity, and credit assets	-
	● R&D	Core Technology Development and Innovation, Patent Management	Efforts to secure customers through core technology development and innovation, and to reduce legal risks by managing core business-related patents	Report #1: Technological Innovation
	● ICT Family Companies (Subsidiaries)	Establishment of Company-Wide Risk and ESG Management Systems	Risk mitigation and supervision of subsidiaries through the establishment of risk and management systems for ICT Family companies (subsidiaries) and regular monitoring	Report #5: Strengthening Governance Integrity and Transparency
	● ESG	Social Value (SV) Performance, Stakeholder Management and Communication	Monitoring the influence of ESG performance on investors, and managing and communicating with stakeholders through dedicated channels	-
	● Occupational Health & Safety	Enhancing Workplace and Public Safety in Preparation for the Expiration of the Serious Accidents Punishment Act Grace Period	Monitoring safety and health impact factors related to employees and partners, responding to serious industrial/public accidents	Report #6: Occupational Health and Safety
Operational Risk	● HR	Employee Welfare, Labor Relations, Organizational Culture, and Related Areas	Monitoring individual misconduct, internal conflicts, incidents/accidents, negligence, and other legal violations by employees; raising awareness through regular training	Report #3: Talent Acquisition and Development
	● Information Security	Cybersecurity and Personal Data Protection Systems	Strengthening information security systems and enhancing employee awareness through education and training	Report #2: Information Security
	● Supply Chain (Business Partners)	Partner Management and ESG Assessment	Managing supply chain risks related to agency/retail transactions, unfair trade practices, and conflicts with partners; establishing sound supply chain governance; regularly monitoring and evaluating supply chain ESG performance and risks	-
	● Environmental Efficiency	Environmental Management Strategy/System and Environmental Efficiency Management	Responding to climate change by monitoring and reducing greenhouse gas emissions, mitigating related risks through biodiversity monitoring, and promoting resource use reduction.	Core Focus #3: Climate Change Response (Adaptation and Mitigation) Report #4: Building a Circular Economy Through Water and Waste Management
	● Service Quality	Ensuring Network and Service Reliability	Enhancing service quality through network equipment inspections, strengthened training for system failure response, and continuous monitoring.	Core Focus #1: Service Quality Management and Accountability
	● Customer	VOC and Customer Satisfaction Improvement	Improving service quality to reduce risks related to customer behavior, data breaches, and major complaints (e.g., service outages, system errors), while raising employee awareness through regular training.	Core Focus #2: Establishing Customer-Centric Management
	● Business Continuity Management (BCM)	Crisis Response System and Countermeasures	Establishing a crisis response system and internalizing preparedness through simulation drills for risks such as human and facility damage caused by fires, typhoons, and pandemics.	-
Compliance/ Legal Risk	● Regulatory Shifts	Changes in Government Policies and Regulations	Responding to strengthened climate-related regulations, continuously monitoring changes in accounting and ESG disclosure standards, and providing training for relevant personnel and employees on regulatory updates.	-
	● Compliance and Legal Affairs	Legal Violations and Related Issues	Establishing an audit monitoring system and implementing continuous monitoring to mitigate regulatory violations such as breaches of fair trade laws, accounting fraud, improper hospitality, and investigations or searches by government agencies.	Report #7: Ethical Management and Compliance
Potential Risk	● Geopolitical Factors	Potential Issues Related to South Korea's Geopolitical Context	Efforts to mitigate potential risks arising from South Korea's geopolitical factors when pursuing global business initiatives	-
	● Climate Change	Climate Change: Insufficient Response to Physical and Transitional Risks	Monitoring technological and market shifts driven by climate change	Core Focus #3: Climate Change Response (Adaptation and Mitigation)

Risk Sensitivity

SK Telecom takes a comprehensive approach to risk management by conducting sensitivity analyses to assess both financial and non-financial risks.

Scenario Analysis 1: Impact of Foreign Exchange Rate Fluctuations on Pre-tax Profit

Fluctuations in exchange rates can impact the fair value or future cash flows of financial instruments, posing operational risks for overseas subsidiaries. To manage this, SK Telecom regularly evaluates and reports on foreign exchange risks. In 2024, a sensitivity analysis was conducted to assess the impact of a 10% change in the exchange rates of major foreign currencies (e.g., USD, EUR) against the functional currency on pre-tax profit. This analysis focused on monetary assets and liabilities denominated in foreign currencies other than the functional currency.

Scenario Analysis 2: Telecommunications Disaster Response

SK Telecom provides services primarily through its telecommunications network, which makes it inherently vulnerable to service disruptions caused by power outages, fires, floods, earthquakes, facility damage, or operator errors. Recognizing the seriousness of such network failures, whether caused by natural disasters or operational issues, SK Telecom has developed disaster response strategies based on facility-specific network traffic levels, actual usage rates, and the availability of backup infrastructure in the event of a facility failure. Given that SK Telecom's average revenue per wireless subscriber (ARPU)[1] is KRW 29,616[2], customer churn due to a telecom disaster could significantly impact revenue.

To enhance its disaster response capabilities, SK Telecom is actively investing in service redundancy and backup systems[3], including shared infrastructure, to prepare for such emergencies. In particular, based on domestic telecom traffic analysis from January to December 2024, which showed an 11.5% increase in demand for 5G Non-Standalone (NSA) mode and a 14.8% decrease in demand for 4G LTE, the company has invested in expanding 5G data capacity to better distribute traffic. Additionally, SK Telecom has conducted sensitivity analyses on failures at the facility level and taken into account the traffic thresholds between facilities to actively manage infrastructure risks.

Impact of Exchange Rate Fluctuations (Unit: KRW million)

	Effect on Profit Before Tax		Effect on Capital	
Currency	10% Increase	10% Decrease	10% Increase	10% Decrease
USD	13,103	(13,103)	13,103	(13,103)
EUR	1,580	(1,580)	1,580	(1,580)
Others	49	(49)	49	(49)
Total	14,732	(14,732)	14,732	(14,732)

1) Based on SK Telecom's MNO revenue and wireless subscribers (including 3G/LTE/5G and IoT)
- MNO Revenue: Includes voice and data revenue (excluding subscription fees and interconnection revenue), and revenue from value-added services
* Reflects sales discounts (e.g., contractual and bundled discounts). Revenue from MVNOs is excluded
- Wireless Subscribers: Based on the quarterly average of billed subscriber lines from the Ministry of Science and ICT's subscriber statistics

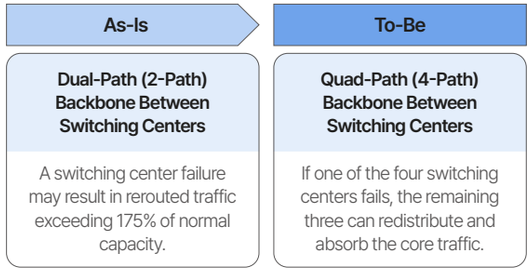
2) Based on the average quarterly ARPU over the past two years

3) Common Infrastructure Systems: Includes authentication, DNS (IP address resolution), and essential operational tools (monitoring/service control and deployment)

Scenario Analysis 3: Response to AI Regulation

Goldman Sachs Research projects that the global cloud services market will grow at an average annual rate of 22% from 2024 to 2030. Generative AI is expected to account for approximately USD 200–300 billion (KRW 267–400 trillion)[1] of total cloud spending. Reflecting this trend, SK Telecom's AI revenue rose 46% year-over-year, indicating continued strong demand in the AI sector.

National Switching Center-Level Failure Response Strategy



In response to growing global AI demand, the EU officially enacted the world's first AI regulatory legislation—the AI Act—in August 2024, and announced the AI Continent Action Plan in April 2025 to build large-scale AI computing infrastructure. Meanwhile, the second Trump administration in the U.S. revealed plans for USD 5 billion in AI infrastructure investments, and in Korea, AI-promoting regulations under the AI Framework Act are expected to be announced in the second half of 2025 to prevent industrial stagnation. As global markets accelerate the transition to AI services, both AI regulations and policy support for industrial development are expanding worldwide.

To proactively respond to global AI regulations and strengthen execution of its AI Pyramid Strategy, SK Telecom has established a dedicated AI governance framework. The company has developed an AI Governance Self-Assessment Checklist, an internal control process based on SKT's AI governance principles, to ensure safe and reliable AI service management. This system is currently under development and scheduled for official rollout to AI business unit members.

To proactively respond to AI industry regulations and market changes, we aim to become a Global AI Company by establishing a growth-oriented AI governance system and operating internal control processes.

1) Cloud revenues poised to reach $2 trillion by 2030 amid AI rollout

Emerging Risk

SK Telecom proactively identifies potential risks that are expected to have a significant long-term impact on its business and implements mitigation measures to reduce their effect on operations.

Risk	Description	Impact	Mitigation Measures
Cost Increase Due to Rising Energy Prices	**Global energy crisis and rising electricity generation costs** Amid the ongoing global energy crisis triggered by the Russia-Ukraine war, energy prices have surged significantly across countries such as those in Europe, the United States, and Japan. In Europe, while the UK experienced a 2.9% decrease, electricity rates rose sharply in other nations: 44.9% in Italy, 42.7% in France, 22.2% in Germany, and 4.9% in Spain, indicating continued increases in electricity costs during the course of the war (as of June 2024 compared to June 2021). South Korea, the world's eighth-largest energy consumer, relies on imports for approximately 93.6% of its energy consumption as of 2024. Nevertheless, electricity rates have only increased by around 31.5% during the same period, prompting many experts to warn that further electricity rate hikes are inevitable. According to the 2050 Carbon Neutrality Commission, the environmental costs associated with greenhouse gas reduction and the transition to renewable energy (targeted to reach 21.6% by 2030 and 30.6% by 2036) are not yet adequately reflected in electricity generation costs, which is expected to drive future electricity price increases. Given that 99% of SK Telecom's energy consumption is indirect electricity use, the company is highly vulnerable to financial losses resulting from rising electricity costs. Over the past three years, SK Telecom's electricity consumption has increased by approximately 6%. **Increased Network Utilization Driven by Growth in Hyper-scale AI and Mobility Businesses** As a key infrastructure industry subject to direct and indirect government regulation, the telecommunications sector must continuously expand its network infrastructure to ensure a stable supply of communication services. However, since services cannot be arbitrarily discontinued, energy consumption continues to rise structurally. Data traffic from domestic wireless services is approaching 1 million terabytes, more than doubling compared to the first half of 2019 when 5G service began. With the introduction of diverse, AI-powered lifestyle services and the full-scale rollout of mobility businesses (such as robotics, autonomous driving, and urban air mobility), network usage is expected to grow sharply, further increasing infrastructure operating costs.	**Increased operating costs due to rising electricity prices and increased network utilization** SK Telecom's annual energy consumption and greenhouse gas emissions are expected to continue increasing, leading to greater financial burdens for the company. According to an analysis based on methods aligned with the Science Based Targets initiative (SBTi), the additional costs required to achieve Net Zero by 2050 and RE100 by 2050 — including the purchase of Renewable Energy Certificates (RECs) — are estimated at approximately KRW 167.3 billion by 2030 and KRW 840.8 billion by 2050. However, these figures do not account for the recent surge in energy prices, meaning the actual financial burden may be higher, particularly if carbon credit prices also rise. In addition, the growing network traffic will necessitate continuous investments and operational expenditures, which are also expected to increase annually.	SK Telecom is responding to rising operational costs driven by energy price increases and climate change through energy efficiency improvements, investments in renewable energy, fuel switching, and resource recycling. • **Energy efficiency improvements:** Reducing cooling energy consumption by mitigating heat from core and auxiliary equipment; integrating network equipment such as base stations and repeaters; replacing outdated cooling systems; and enhancing energy management of office buildings through network structure innovation and streamlining. • **Fuel switching:** Promoting the adoption of electric vehicles from a mid- to long-term perspective; external reduction project approved for 61 electric vehicles operated by SK Rent-a-Car. • **Investments in renewable energy:** Installing self-consumption solar power systems on idle spaces such as rooftops and parking lots at office buildings and base stations nationwide. – As of 2023, 170 solar installations with a combined capacity of 4.9 MW were completed. – In 2024, these solar facilities generated 5,412 MWh of electricity. • **Resource recycling:** Reducing disposal costs by strengthening waste management for network infrastructure and pursuing increased revenue by selecting integrated T/B vendors for the sale of recyclable waste. • **Expansion of carbon credit project portfolio:** Since 2018, SK Telecom has distributed cookstoves to residents in underdeveloped countries in Southeast Asia to secure carbon credits and explore additional project opportunities.
Geopolitical Risks in Key Business Locations	**Increased uncertainty due to geopolitical risks** According to the U.S. Federal Reserve, the Global Geopolitical Risk Index (GPR) has reached its highest level in history. Rising geopolitical risks increase uncertainty about future outlooks, potentially leading to delayed corporate investment and hiring decisions, reduced household consumption, more conservative lending by financial institutions, a preference for safe-haven assets in financial markets, and declines in stock prices. On the Korean Peninsula, geopolitical tensions have persisted since the 1953 armistice, with ongoing threats such as North Korea's intercontinental ballistic missile (ICBM) launches and nuclear weapons program. Recently, North Korean risks have become increasingly intertwined with global security concerns, significantly impacting both South Korea's economy and national security. For instance, in its Taiwan war game report The First Battle of the Next War, the Center for Strategic and International Studies (CSIS)[1] noted that in the event of a China-Taiwan war, the Korean Peninsula could also become a conflict zone—either due to provocations from the North Korean regime or as a strategic move by China to disperse U.S. and Japanese military focus. SK Telecom's headquarters and major business sites are located in South Korea, and 99.91% of its revenue is generated domestically. If geopolitical tensions between North and South Korea were to escalate, there is a significant risk that South Korea's telecommunications infrastructure could suffer extensive damage, which would severely impact SK Telecom's business operations.	**Potential inability to provide services due to destruction of telecommunications infrastructure** In the event of war or disaster, core infrastructure such as power, telecommunications, and major roads is likely to be targeted first in an attempt to disrupt the flow of materials and information. As such, the telecommunications infrastructure operated by SK Telecom could become a primary target of attack. Physical destruction of telecommunications facilities due to local conflicts or full-scale airstrikes, large-scale power outages caused by damage to electrical systems, network cyberattacks, and other unexpected events arising from the nature of war and disasters may compromise SK Telecom's ability to provide its core mobile communication services—either partially or nationwide—thereby threatening business continuity. In particular, if asymmetric weapons such as nuclear devices or electromagnetic pulse (EMP)[2] attacks are used, there is a significant risk that telecommunications networks across the entire Korean Peninsula could be disrupted.	While it is impossible to completely prevent disruptions to telecommunications infrastructure in the event of war or conflict resulting from geopolitical instability, SK Telecom has implemented a range of proactive measures to ensure the most effective response when such situations arise. • **Establishment of wartime response systems:** Operating an integrated control center to communicate with customers and respond during wars or disasters; establishing response guidelines; and identifying and addressing system malfunctions. • **Service protection measures:** Implementing emergency roaming using networks of other telecom operators when base stations or major switching centers are damaged; diversifying switching centers; and establishing a cyberattack response system. • **Backups of critical data:** Backing up essential data — including customer, financial, and HR information — in separate physical locations to ensure business continuity in the event of server or data loss. • **Regular training exercises:** Participating in government-led national emergency drills (e.g., Ulchi Exercise) to simulate various scenarios and minimize the impact and damage from emerging types of attacks or disasters.

1) Center for Strategic and International Studies (CSIS): A conservative foreign policy think tank based in Washington, D.C., United States.
2) Electro-Magnetic Pulse (EMP):An electromagnetic pulse resulting from a nuclear explosion, which is capable of permanently disabling electronic circuits and semiconductor devices.

Risk Review

SK Telecom enhances the effectiveness and transparency of its enterprise risk management system through regular internal and external audits.

Internal Audit

SK Telecom operates a dedicated internal audit organization, the Internal Audit Office, to support the Audit Committee under the board of directors and management in their risk management activities. In accordance with the principle of a three-year rotational audit, the Internal Audit office conducts risk-based regular internal audits overing all management activities of SK Telecom and its ICT Family companies.

During audits, the Internal Audit Office assesses the design and operation of internal control for key functions of SK Telecom and ICT Family companies, and reviews the overall management activities, including material decision-making, risk management processes, and internal control by business unit. SK Telecom integrates internal control with the risk management process, and continuously advances the risk management system through thorough reviews during the audit process. Audit results, including improvement items and implementation plans, are reported to the audit committee, and the execution status of improvement plans for each identified risk factor is also continuously monitored and reported to the Audit Committee.

In addition, for management areas such as human resources, finance, and procurement, annual self-assessments based on checklists are conducted. For areas identified through self-assessment as requiring focused risk management or strengthening internal control, the Internal Audit Office undertakes additional audits and improvement management activities. The Internal Audit Office is organized directly under the Audit Committee, which supervises all Internal Audit Office's activities related to the risk management process through its rights to consent to the appointment and dismissal of the head of the Internal Audit Office, approve the Internal Audit Office work plan, and approve the budget and organizational structure.

SK Telecom has established a code of conduct and a dedicated organization to practice company-wide ethical management, focusing on the prevention of ethical risk and strengthening voluntary compliance among employees. Regular risk assessments are conducted at least twice a year across all business areas and organizations, and based on the results, risk mitigation and elimination measures are implemented to strictly manage company-wide ethical risk.

Furthermore, SK Telecom is committed to proactive compliance management to respond to the rapidly changing business environment and meet the demands of the industrial ecosystem and society. The company has established a company-wide compliance management system, including SKT ICT Family Compliance 2.0 and the compliance management portal (T-Compliance Net), to ensure fair trade, legal compliance, and minimization of risk throughout all management activities, including those of ICT Family companies, thereby systematically managing compliance risk.

External Audit

External Audit under the Act on External Audit of Stock Companies	External Audit by SK Group Audit Organization
SK Telecom periodically appoints external auditors in accordance with Article 11, Paragraphs 1 and 2 of the Act on External Audit of Stock Companies, Article 17 of its Enforcement Decree, and Articles 10 and 15(1) of the Regulations on External Audit and Accounting. The appointed auditors conduct annual external audits of the company. For the fiscal years 2022 through 2024, EY Hanyoung served as the external auditor, and beginning with the 2025 fiscal year, Samjong KPMG will take on the role. SK Telecom's external auditors conduct audits of the company's financial statements and accompanying schedules annually, based on principles of fairness and transparency, and submit the audit reports. The Audit Committee evaluates the appropriateness of the audit results. The audit opinion for the 41st fiscal year (January 1, 2024 – December 31, 2024) was "unqualified," with no additional findings.	The audit organization of SK Group conducts regular annual monitoring of internal control systems, compliance, and investment performance related to the operations of affiliates and subsidiaries, identifying key risks at the group level. SK Telecom is also subject to at least one on-site audit per year by the SK Group audit organization, which assesses the adequacy of risk management processes and regulatory compliance, reporting the results of internal control activities to the Board of Directors. SK Telecom integrates risk management processes into its internal control system and undergoes annual assessments of the overall process and its operational effectiveness by independent third-party institutions based on global risk management standards such as ISO 31000. These assessments involve a thorough analysis of the risk management process through document reviews and on-site inspections, identifying areas for improvement. Since 2024, SK Telecom has issued an annual "Risk Report" based on the assessment results.

Spreading a Risk Management Culture

SK Telecom is committed to fostering a company-wide risk management culture by strengthening employees' risk response capabilities. The company promotes an environment that encourages prompt reporting and whistleblowing to ensure transparency and accountability among all employees, including executives and board members. To improve risk awareness, SK Telecom identifies long-term strategic risks and regularly conducts preemptive training and simulation drills. The company also provides a variety of education programs to reinforce awareness and practice of ethical and compliance management. These include issue-based risk training, ISO 37301 compliance system training for relevant departments, and customized compliance training upon request from business units. Ethical and compliance performance is also factored into employee evaluations and rewards. Furthermore, through the T-Compliance Net portal, SK Telecom distributes ethics and compliance guidelines and newsletters to help embed a risk-aware culture across the organization. Risk analysis data gathered through risk management processes is shared with employees to continually refine risk management.

Risk Management Training

Training for Independent Directors

To strengthen the expertise and effectiveness of the Board, SK Telecom conducts annual training for independent directors, including sessions focused on risk-related topics. These programs aim to improve understanding of the company's enterprise risk management system, current risk status, and key challenges.

Compliance Training

SK Telecom conducts regular compliance training to support ESG management and prevent risks in key compliance areas. These sessions also aim to identify areas for improvement and inform future policy and system enhancements.

Ethical Management Training

To advance its ethical management framework, SK Telecom emphasizes the importance of the company's Code of Ethics and ethical guidelines as standards for decision-making and behavior, strictly enforcing a zero-tolerance policy for any violations. All employees are required to sign an annual ethics pledge, and receive training on topics such as sexual harassment prevention. Ethics workshops are also held to foster a culture of integrity throughout the organization.

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Environmental Management System and Strategy

Environmental Management Strategy

SK Telecom recognizes that environmental issues such as climate change are critical concerns for key stakeholders, including customers and investors, and are decisive factors in determining corporate value. In particular, SK Telecom is receiving specific requests from stakeholders, including institutional investors, to address the climate crisis. In response to these demands, the CEO announced the "Net Zero 2050" environmental management goal at the 2022 Annual General Meeting of Shareholders and pledged to pursue carbon reduction. Based on the newly established environmental management objectives, SK Telecom is making company-wide efforts to realize a green transition for the future. In addition, SK Telecom is promoting its environmental management activities through its website and social media channels to enhance awareness of its environmental management policy and environmental impact among both internal and external stakeholders.

SK Telecom environmental management policy

SK Telecom has established an environmental management strategy framework with the ultimate goal of achieving "Net Zero 2050," focusing on climate change response, advancement of the environmental management system, and fostering a green culture as key initiatives. In addition to addressing climate change through the management of greenhouse gas emissions and resource reduction, the company is proactively responding to environmental regulations to realize a circular economy. SK Telecom is committed to obtaining ISO 14001 certification for its environmental management system and are dedicated to the development of eco-friendly products and eco-friendly services. Furthermore, it has introduced Net Zero-related KPIs for all business unit managers, including the CEO and ESG executives. By setting KPIs for ESG activities, including climate change, the company evaluates performance and provide financial incentives based on results, thereby significantly enhancing implementation. SK Telecom is also actively promoting a variety of eco-friendly activities in which employees participate, such as turning off meeting room lights after use, deleting outdated emails, and water-saving campaigns in restrooms and shower rooms. These efforts are aimed at establishing and expanding a company-wide green culture.

1) Net Zero: Achieving a net emission of greenhouse gases that equals zero by balancing the amount emitted with the amount reduced.

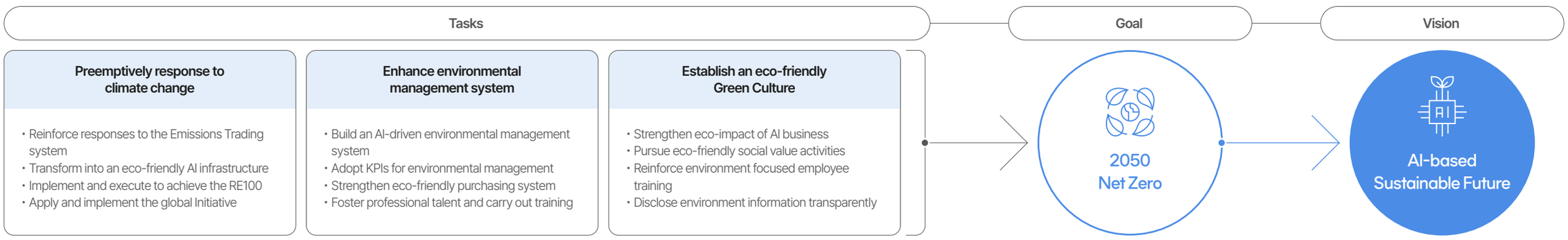
Environmental Management Training

SK Telecom conducts annual online environmental management training for all employees, including executives and staff members. The training covers various areas such as climate change, water use, waste, biodiversity and the circular economy educating employees on both the impact of the company's activities on the environment and the dependency of the company on environmental factors. In 2024, 88.1% of the targeted employees completed this training.

Key Topics of 2024 Environmental Management Training

- **SK Telecom's environmental management system and strategy**
- **Climate change response**
  - Current status and targets for the company's carbon emissions and energy consumption
  - Efforts to address climate change, along with external information disclosure and public disclosure activities
  - Emphasis on the importance of energy efficiency and a code of conduct to promote a culture of energy consumption reduction
  - Current status and management system for water use, waste and the circular economy

Environmental Management Strategy Framework



Climate Change Response

Governance

Climate Change Response Governance

Roles and Responsibilities

As one of its environmental management targets is "Net Zero 2050," SK Telecom has implemented a climate change response review system that allows it to respond more effectively to climate change through seamless collaboration.

The decision-making body, the management, and workinglevel staff participate in the climate change response review system, each fulfilling specific roles and responsibilities in actively responding to key climate change-related issues. Powers and duties in climate change response are clearly delegated by the ESG Committee, and sustainability-related risks and opportunities are managed and supervised for environmentally and socially responsible management.

The decision-making body is made up of the Board of Directors and the ESG Committee, and plays the important role of overseeing the climate change response strategies. The Board of Directors performs a final review of core climate-related matters, such as investment and business plans, and makes decisions accordingly. Operating under the Board of Directors, the ESG Committee reviews strategies, achievements, and disclosures in key areas of ESG management. The decision-making body performs a comprehensive review of climate change response-related risks and opportunities, and applies the findings of this review to future strategies.

The ESG management led by the CEO and the Head of ESG reviews key climate change issues, managing and supervising climate-related data and issues presented by working-level staff.

The management provides practical support for the ESG Committee's decision-making, and performs a final review of reports on climate-related disclosures and climate change response to support the transparent disclosure of climate change response activities to stakeholders.

Working-level staff are charged with executing the climate change response, and provide the necessary support to the decision-making body and the management. Members of the working-level staff report to the management on climate change-related issues as required by their job descriptions, and execute tasks that have been reviewed by the decision-making body and the management to meet SK Telecom's enterprise-wide environmental management targets.

SK Telecom uses its climate change response review system to clearly delegate roles across its organization. Staff are trained to ensure consistent cooperation and communication across the organization in the climate change response. Communication allows climate change risks and opportunities to be identified quickly, and then incorporated into SK Telecom's financial plans and management strategies toward sustainable growth. The company remains consistent in its internal communication on the climate change response. Externally, SK Telecom provides stakeholders with transparent and reliable data as part of its effective ESG management.

Climate Change Response Review System

Board of Directors	• Reviews core climate-related issues (including investment and business plans); final decision-making
ESG Committee	• Reviews ESG management strategies and achievements • Reviews ESG disclosures
CEO	• Reviews and reports on key issues • Supports the ESG Committee in decision-making
Head of ESG (Head of ESG Development Office)	• Manages and supervises all environmental management issues • Reports on ESG and climate change response agendas
Net Zero Development Team	• Forms climate change response strategies and plans • Oversees tasks for execution by the departments
Climate-related Disclosures Working Group[1)]	• Produces external communications on climate-related disclosures and regulation • Regular reports and execution of tasks

1) Climate-related Disclosures Working Group: A working group for climate change response made up of staff of related departments of SK Telecom and key subsidiaries

Governance

Roles and Responsibilities of Decision-making Bodies

Board of Directors

As the highest decision-making body of SK Telecom, the Board of Directors fulfills roles and responsibilities that are important to SK Telecom's long-term growth and sustainable management. With the ESG Committee, Audit Committee, Independent Director Nomination Committee, Strategy Committee, and HR/Compensation Committee operating under it, the Board of Directors discusses the relevant issues in depth, supplies strategic guidelines to be followed, and develops sustainable business models.

ESG Committee

Formed in 2021, the ESG Committee of SK Telecom performs a range of functions in ESG management, including the review of ESG management strategies, targets, and execution. The ESG Committee reviews and assesses ESG agendas concerning the environment, society, customers, information security, and other areas, and reviews the mandatory ESG disclosures made by SK Telecom. The management and working-level staff report to the ESG Committee on core climate change-related matters. The ESG Committee reviews these reports in the course of monitoring SK Telecom's progress toward net zero. The ESG Committee Policy, enacted in 2021, prescribes the operations, powers, and job descriptions of the ESG Committee. Article 5 of the ESG Committee Policy specifies the powers of the ESG Committee and the items of ESG-related review it is to perform. The ESG Committee organization reflects expertise and core capacities in the technology and business needed for progress in ESG management, safety, risk management, compliance, finance, accounting, information and communications technology, and AI.

Reporting Method and Frequency

In 2024, the ESG Committee held eight meetings and reviewed six climate-related issues : ESG KPIs (targets and results including carbon emission), Net Zero status and action plans and etc. The SK Telecom ESG Committee is expanding its roles and responsibilities for sustainable management including the operation of consultative bodies to support climate change response activities.

Status of ESG Committee Operations in 2024

Meeting date	Key agendas	Attendance rate
February 15, 2024	Company-wide ESG key performance indicators (provisional)	100%
April 22, 2024	Appointment of Committee chairperson (provisional)	75%
	2024 Joint social value budget operation plan (provisional)	
May 23, 2024	Corporate governance structure report (provisional)	100%
	2023 Social value creation performance	
June 26, 2024	2023 Annual Report materiality assessment Results and key details	100%
August 21, 2024	2024 Business human rights plans and performance	100%
	2024 Personnel development plans and progress	
September 25, 2024	ESG fund operation plans and progress	100%
	Net Zero progress	
October 23, 2024	Shared Growth across the Supply Chain/ ESG Collaboration Achievements and 2025 Strategic Direction	100%
	2024 Customer Value Innovation Progress and 2025 Strategic Direction	
November 27, 2024	2024 ESG plans and performance	100%
	2024 ESG Assessment plans and results	

Roles and Responsibilities of Management and Working-level Staff

Management

The CEO and Head of ESG are the main executives responsible for SK Telecom's climate change response, and ultimately the company's sustainable growth. The two executives pay close attention to the requests of stakeholders, including customers, investors, and the government, to manage the risks and opportunities that come with climate change.

As SK Telecom's highest decision-maker, the CEO monitors the steps taken to achieve the company's Net Zero 2050 target, receives reports on matters concerning climate change, such as climate change risk assessments and response strategies, and supports the ESG Committee in making important decisions.

Responsible for overseeing SK Telecom's ESG management, the Head of ESG comprehensively manages ESG activities, including climate change response. The Head of ESG maintains a management system that enables the departments and business units of SK Telecom to swiftly identify and respond to climate change risks and opportunities. The Head of ESG sees that effective climate change response takes place across the company, and promotes good communication between the management and the Board of Directors to allow SK Telecom to become competitive in its climate change response over the long term.

Working-level Staf

The working-level staff of SK Telecom support the management in making major climate change response decisions. The relevant departments of SK Telecom plan climate change response strategies and projects, and work on tasks related to initiatives such as Net Zero 2050 and RE100. To keep stakeholders well informed, the departments actively respond to requests for climate-related disclosures from authorities such as the KSSB[1] and the CDP[2].

SK Telecom's Climate-related Disclosures Working Group, made up of working-level staff of key subsidiaries and the relevant departments of SK Telecom, holds meetings at least once a month to identify climate change risks and opportunities and discuss potential financial impacts in order to improve SK Telecom's capacity to respond to climate change.

1) KSSB: Korea Sustainability Standards Board
2) CDP: Carbon Disclosure Project

Net Zero KPI

SK Telecom manages company-wide KPIs by incorporating targets aligned with the Net Zero pathway and improvement goals for the group's core ESG indicators, in order to strengthen momentum toward achieving '2050 Net Zero'. The ESG Committee approves the company-wide KPI targets and evaluation results related to ESG, including performance toward the Net Zero goal. These evaluation results are reflected in the incentives for the CEO and key executives.

Strategy

Overview of Materiality Assessment

A materiality assessment is an assessment performed to understand the key issues a company faces. The materiality assessment is designed to identify changes in short-term and mid-to-long-term risks, and in opportunities. SK Telecom uses the materiality assessment to identify major climate-related issues that have a bearing on its business strategy, and to evolve its climate change response strategy accordingly. Final assessment results allow for an understanding of SK Telecom's current response to risks and opportunities, and serve as data in analyzing potential financial impacts and planning the response. SK Telecom performed the materiality assessment to identify risks and opportunities in the short term (up to one year), mid-term (one to five years), and long term (five years or more). The risks and opportunities indicated in the 2023 SK Telecom TCFD Report were updated, and a comprehensive materiality assessment of internal and external stakeholders was performed.

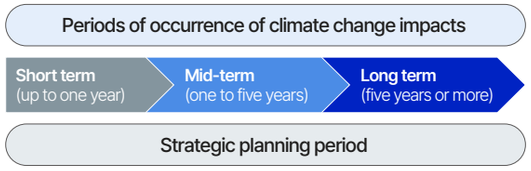
By comprehensively analyzing conditions such as technological advancements driven by AI and shifts in climate-related policies both domestically and globally, the issues that can impact SK Telecom's business were identified. The factors in SK Telecom's climate-related materiality assessment are transition risks, physical risks, and opportunities. Ten assessment categories include 31 risks and opportunities. This type of structured assessment increases SK Telecom's capacity to respond to climate change risks, and enables it to take advantage of new business opportunities brought about by climate change ahead of competitors to enjoy long-term growth. SK Telecom forms strategies to manage the risks and exploit the opportunities identified through materiality assessments.

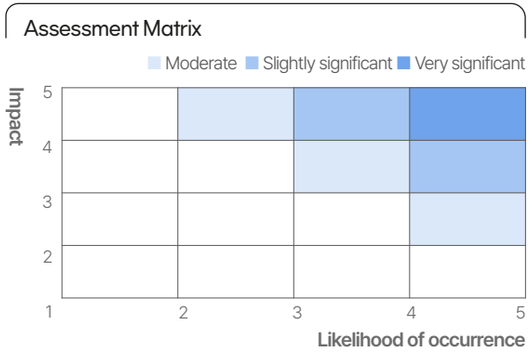
Materiality Assessment Process

Assessment Periods

The periods of materiality assessment observed by SK Telecom are short term (up to one year), mid-term (one to five years), and long term (five years or more).[1] These materiality assessment periods were selected because they allow for an adequate forecast of the impacts of climate-related risks and opportunities. The planning periods observed by SK Telecom in making strategic decisions follow the same pattern: short term (up to one year), mid-term (one to five years), and long term (five years or more). This reflects the connection between the periods for which strategic planning takes place and the periods in which the impacts of climate-related risks and opportunities can be manifested.

1) Consistent with the assessment times and periods suggested in climate-related disclosures draft of the KSSB





Climate-related Risks and Opportunities

SK Telecom updated the factors in this year's materiality assessment by incorporating the latest trends in AI and information and communications technology.

Assessment of transition risks was divided into the four categories of "policies, laws, and regulations," "technologies," "market," and "reputation," resulting in 11 risks being identified across the categories. The assessment reflects the latest developments in mobile communications. For example, the factor "IoT" was updated to "AI." "Increased cost of electricity," "changes to regulations relating to energy efficiency," and "increased price of greenhouse gas emissions credits," which were identified as material risks in last year's report, were also assessed this year to determine whether there was any change in the materiality assessment results.

Physical risks are factors that cause losses in assets and business activities from worsening climate change, and are divided into the categories of "chronic" and "acute." SK Telecom used the major risks identified by the MSCI Sustainability Institute as factors in its materiality assessment, and has been working to understand the potential impacts of those risks on SK Telecom's company buildings and communications assets located in Korea.

Opportunities were divided into the four categories of "resource efficiency," "energy sources," "products and services" and "market," resulting in 11 opportunities being identified across the categories. Among those 11, the opportunities involving AI are expected to provide value in the transition to a low-carbon society, and reflect recent changes in SK Telecom's business models.

Subjects of Materiality Assessment

Classification		Risks
Transition Risks	Policies, laws, and regulations	① Increased price of greenhouse gas emissions credits ② Strengthening of emissions reporting obligations ③ Changes to regulations relating to energy efficiency ④ Climate-related litigation
	Technologies	⑤ Transition to low-carbon products and services ⑥ Cost of transitioning to or developing low-carbon AI technology
	Market	⑦ Loss of existing customers, and difficulty in acquiring new customers ⑧ Increased cost of electricity
	Reputation	⑨ Increased negative perceptions among shareholders ⑩ Increased negative perceptions among the public ⑪ Increase in collective actions by NGOs
Physical Risks	Acute	① Coastal floods ② Fluvial floods ③ Cyclones ④ Wildfires
	Chronic	⑤ Extreme heat ⑥ Extreme cold ⑦ Heavy rains ⑧ Heavy snows ⑨ Strong winds
Opportunities	Resource efficiency	① Efficient production and distribution processes ② Increased recycling
	Energy sources	③ Use of low-emission energy sources ④ Participation in the carbon market
	Products and services	⑤ Increased demand for energy-efficient services ⑥ Increased consumer preference ⑦ Increased demand for communications services ⑧ Increased supply of AI-based solutions ⑨ Installation and operation of AI data centers ⑩ Increased profits from the generation and sale of renewable energy
	Market	⑪ Leveraging of public sector incentives

Strategy

Results of the Materiality Assessment

To identify climate-related risks and opportunities, SK Telecom performed the materiality assessment in which stakeholders responded to questions on the occurrence potential and impacts of the risks and opportunities. As in the previous year, the transition risk of "increased cost of electricity" and the physical risk of "cyclones" were identified as relatively important risks. "Installation and operation of AI data centers" was identified as an opportunity for the first time in 2024.

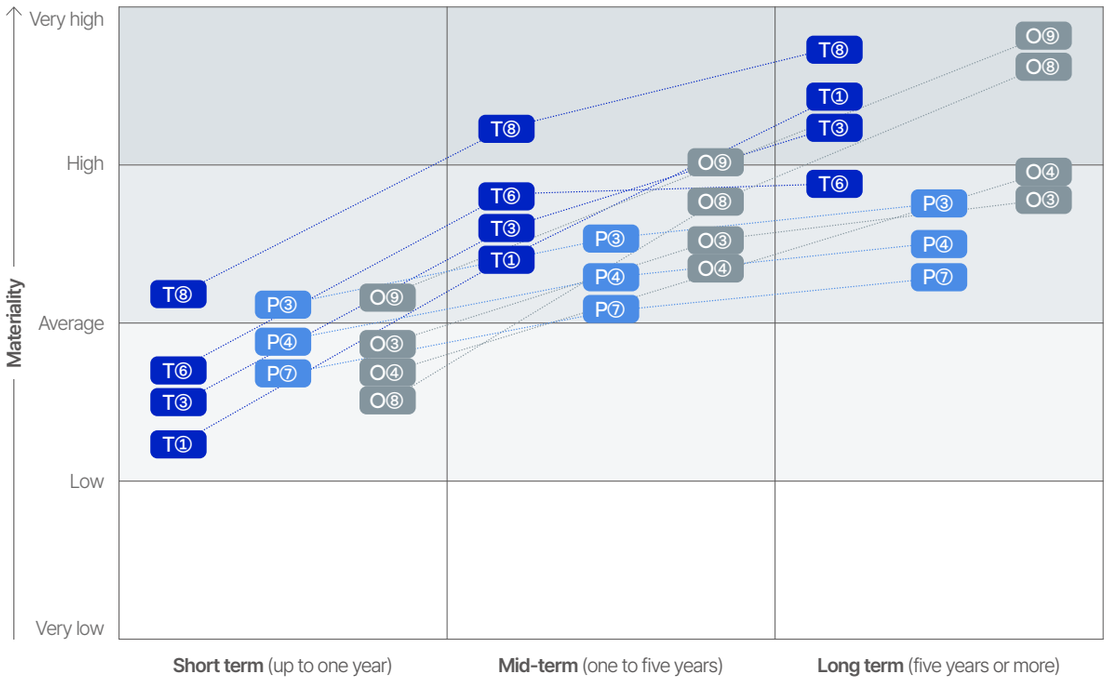
"Increased cost of electricity," "cost of transitioning to or developing low-carbon AI technology" and "changes to regulations relating to energy efficiency" were identified as major transition risks with a long term (five years or more) occurrence potential and strong short-term impacts. It was found that internal and external stakeholders of SK Telecom perceived the worsening climate change and SK Telecom's increasing involvement in AI business as likely to result in the strengthening of the relevant regulations over the long term, and increased costs from business expansions.

The acute physical risks of "cyclones" and "wildfires" and the chronic physical risk of "heavy rains" were identified as relatively important risks. However, SK Telecom's stakeholders were found to perceive the physical risks as lower than the transition risks and opportunities both in their occurrence potential and impacts, and to perceive "installation and operation of AI data centers" and "increased supply of AI-based solutions" as new opportunities.

Building and operating an AI data center and expanding AI-based solutions are seen as new opportunities for SK Telecom. Through PPAs[1] and other means, SK Telecom will secure reliable sources of renewable energy to over the mid-to-long term reduce greenhouse gas emissions, cut energy costs and create revenue opportunities.

1) PPA: Power Purchase Agreement

Major Climate-related Risks and Opportunities



Major Transition Risks

- T① Increased price of greenhouse gas emissions credits
- T③ Changes in regulations related to energy efficiency
- T⑥ Cost of transitioning to or developing low-carbon AI technology
- T⑧ Increased cost of electricity

Major Physical Risks

- P③ Cyclones
- P④ Wildfires
- P⑦ Heavy rains

Major Opportunities

- O③ Use of low-emission energy sources
- O④ Participation in the carbon market
- O⑧ Increased supply of AI-based solutions
- O⑨ Installation and operation of AI data centers

Strategy

Identified Climate-related Risks

SK Telecom perceives the climate-related risks and opportunities identified through the materiality assessments as unlikely to cause fundamental changes in its business models and value chain. Still, with the potential impacts of climate change mounting, SK Telecom is continuing to identify and analyze risks that can occur in the future. It understands that risks such as the increased price of greenhouse gas emissions credits and rising electricity cost are major transition risks, and is forming strategies and improving its capacity to manage risks over the long term as a response to such risks created by climate change.

○ Moderate ◎ Slightly significant ⦿ Very significant √ Potential financial impact factors

			Time frame				
Factor	Classification	Risks	Short term	Mid-term	Long term	Effects on business models and value chain	Current and planned response
Transition risks	Policies, laws, and regulations	① Increased price of greenhouse gas emissions credits √			○	• Cost of greenhouse gas emissions credit purchase and investment in greenhouse gas reduction technology • Increased cost from carbon tax	• Greenhouse gas emissions reduction planning • Early purchase of greenhouse gas emissions credits through price analysis
		② Strengthening of emissions reporting obligations				• Increased cost of emissions compliance • Fines and sanctions for non-reporting	• Analysis of trends in climate-related disclosure and regulation • Company-wide training in emissions reporting
		③ Changes to regulations relating to energy efficiency			○	• Increased infrastructure spending (upgrades and investment) • Increased cost of compliance with energy-related regulation and policies	• Introduction of energy-efficient facilities and fulfillment of compliance
		④ Climate-related litigation				• Increased legal costs and damages involved in litigations	• Monitoring of laws and compliance items
	Technologies	⑤ Transition to low-carbon products and services				• R&D spending for development of low-carbon products and services	• Development of low-carbon, high-efficiency 5G technology and 5G upgrade of existing product groups
		⑥ Cost of transitioning to or developing low-carbon AI technology		◎	○	• Increased cost of R&D and AI infrastructure due to low-carbon AI technology development	• Use of AI to advance the installation of low-carbon technology and infrastructure
	Market	⑦ Loss of existing customers, and difficulty in acquiring new customers				• Reduced revenue from loss of existing customers and changes in consumer preferences • Increased cost of raising capital and reduced investment	• Improved customer relations management and marketing innovation
		⑧ Increased cost of electricity √		⦿	○	• Higher costs due to increased electrical power costs • Investment in renewable energy and other alternative energies	• Increased use of renewable energy and increased energy efficiency
	Reputation	⑨ Increased negative perceptions among shareholders				• Falling share prices and corporate value from loss of shareholder trust • Increased cost of raising capital and reduced investment	• Increased transparency of communication and improved shareholder value
		⑩ Increased negative perceptions among the pu				• Tarnished brand image • Reduced market share and revenue	• Disclosure of achievements through sustainable management reports • Increased corporate social responsibility activities
		⑪ Increase in collective actions by NGOs			○	• Cessation of certain business activities • Increased cost of corporate social responsibility activities	• Meetings with NGOs for rapport in climate change response
Physical risks	Acute	① Coastal floods √				• Increased damage to assets (base stations) and increased cost of communications equipment repairs	• Upgrade of facilities (including reinforcement of antenna support lines) and standardization of equipment installation
		② Fluvial floods √				• Increased damage to assets (base stations) and increased cost of communications equipment repairs	• Upgrade of facilities (including equipment platforms) and standardization of equipment installation
		③ Cyclones √			○	• Increased damage to assets (base stations)	• Decentralization of core facilities and maintenance of a disaster recovery system
		④ Wildfires √				• Increased damage of assets (base stations) • Increased cost from service interruptions caused by communications failure	• Maintenance of communications quality through emergency restoration of damaged equipment • Prevention of wildfires caused by communications facilities catching on fire (firewall installation)
	Chronic	⑤ Extreme heat √				• Increased electricity consumption and energy cost	• Inspection and upgrading of cooling systems ahead of severe heat
		⑥ Extreme cold √				• Increased electricity consumption and energy cost	• Upgrade of facilities with large fluctuations in electricity consumption for increased energy efficiency
		⑦ Heavy rains √				• Increased electricity consumption and energy cost	• Use of preventive measures (including waterproof panels)
		⑧ Heavy snows √				• Increased electricity consumption and energy cost	• Maintenance of base station operation quality and emergency restorations in regions affected by heavy snows
		⑨ Strong winds √				• Increased electricity consumption and energy cost	• Joint operation of a disaster roaming service by the three largest mobile carriers

Strategy

Identified Climate-related Opportunities

SK Telecom performs the materiality assessment to identify climate change opportunities, especially new business opportunities involving AI. As a mobile communications service provider, SK Telecom is incorporating AI into its core businesses to grow into a global AI technology company. It is achieving competitive growth through low-power, high-efficiency technology, and sustainable growth through a wide range of climate change opportunities.

○ Moderate ◎ Slightly significant ⦿ Very significant √ Potential financial impact factors

			Time frame				
Factor	Classification	Opportunities	Short term	Mid-term	Long term	Effects on business models and value chain	Current and planned response
Opportunity	Resource efficiency	① Efficient production and distribution processes				• Lower production and distribution costs through increased efficiency of processes	• Acceleration of AI-enabled digital transformation
		② Increased recycling				• Reduced waste disposal costs through recycling	• Third-party verification of waste output • Expansion of recycling infrastructure
	Energy sources	③ Use of low-emission energy sources			○	• Reduced energy costs • Long-term availability of secure energy sources	• PUse of PPA, REC, and other renewable energies
		④ Participation in the carbon market			○	• Increased profits from CERs through greenhouse gas reduction activities • Reduced cost of compliance with carbon emissions regulation	• Monitoring and management of carbon emissions • Trade of carbon emissions credits
	Products and services	⑤ Increased demand for energy-efficient services			○	• Increased revenue from the provision of energy efficiency-related services	• Provision of energy-efficient services customized to energy usage patterns
		⑥ Increased consumer preference				• Improved corporate image through active response to climate change • Increased revenue from a long-term increase in market share	• Proactive climate change response and green corporate culture • Eco-friendly certification of products and services
		⑦ Increased demand for communications services			○	• Increased revenue from higher number of subscribers • Increased revenue from higher demand for climate change-related services	• Advancement of IoT, 5G, and AI technologies in conjunction with communications services
		⑧ Increased supply of AI-based solutions		○	○	• Operating profits through the supply of AI-enabled solutions	• Increased AI R&D funding • Provision of custom AI solutions
		⑨ Installation and operation of AI data centers		○	○	• Profit generation from the stable processing and storage of AI data	• Use of AI technology in data centers for energy consumption optimization
		⑩ Increased profits from the generation and sale of renewable energy				• Production and sale of renewable energy-generated electricity for profit	• Investment in renewable energy and transition to better fuels
	Market	⑪ Leveraging of public sector incentives				• Use of financial incentives and tax benefits offered by the government • Fundraising for reduced cost of initial investment	• Active participation in government-initiated public energy projects

Strategy

Impact on Strategy and Decision-making

SK Telecom makes a wide range of efforts in its response to the transition risks accompanying climate change, with the twin goals of mitigation and adaptation. SK Telecom observes its three major green strategies in pursuit of its Net Zero 2050 target.

Three Green Strategies for Achieving Net Zero

SK Telecom will achieve Net Zero by 2050 through the proactive implementation of three core green strategies: the Green Operation strategy, which reduces power consumption by 25% through low-carbon ICT technologies; the Green Energy strategy, which aims to achieve RE100 (Renewable Energy 100% Initiative); and the Green Forest strategy, which offsets residual greenhouse gas emissions through forest initiatives.

Green Operation

Green Operation is a direct reduction strategy that aims to decrease projected power consumption by 25% by 2050 through low-carbon ICT technology. This involves replacing outdated infrastructure and equipment that is either inefficient or no longer functional, and maximizing power efficiency through AI-based traffic diagnostics. In particular, Single-RAN technology enables the integration and operation of 3G and LTE equipment, resulting in reduced power consumption. Since its full-scale introduction in 2019, Single-RAN has been applied to base stations and repeaters in 78 cities nationwide, achieving approximately a 53% reduction in power consumption compared to previous levels.

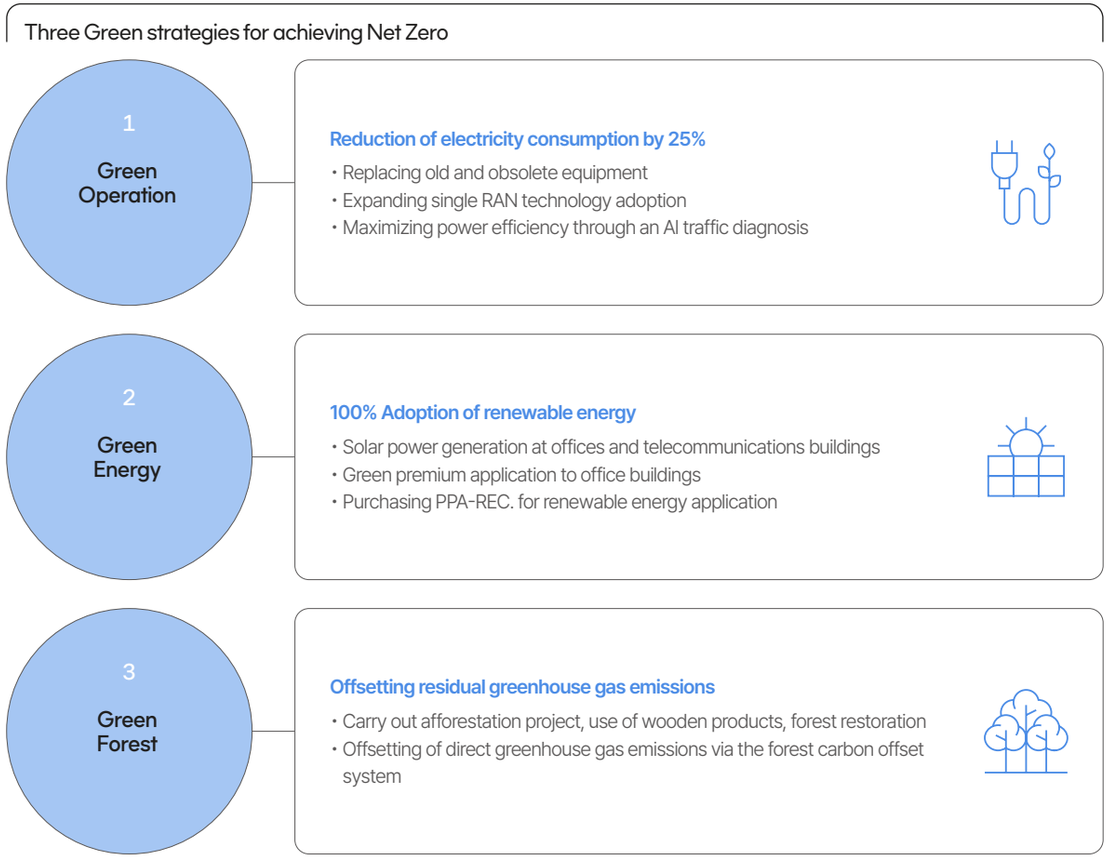
Green Energy

Green energy is a core strategy for achieving RE100 (Renewable Energy 100%). As electricity consumption accounts for 99% of SK Telecom's total greenhouse gas emissions, achieving the RE100 target is directly aligned with the path toward Net Zero. SK Telecom joined RE100 (Renewable Energy 100%) in 2020, and in 2021, submitted an implementation plan to increase the use of renewable energy to 65% by 2030 and 100% by 2050. SK Telecom has installed 4.9 MW of on-site generation facilities using solar power at its telecommunications centers and office buildings. In 2024, SK Telecom signed a green premium contract with Korea Electric Power Corporation to procure 232 GWh of renewable energy electricity. Additionally, in 2024, SK Telecom entered into a 50 MW PPA[1] with SK E&S, and continues to expand the proportion of renewable energy use through such initiatives.

1) PPA(Power Purchase Agreement): A contract in which a power producer and a power consumer trade electricity under certain conditions, such as period and price.

Green Forest

Green Forest is a strategy designed to offset greenhouse gas emissions that remain despite efforts to improve energy efficiency and use renewable energy, while preserving sustainable forest resources. SK Telecom is currently reviewing initiatives such as vegetation restoration utilizing forests, afforestation, reforestation, and the use of wood products. In addition, SK Telecom is conducting forest conservation activities, including the expansion of electronic billing.



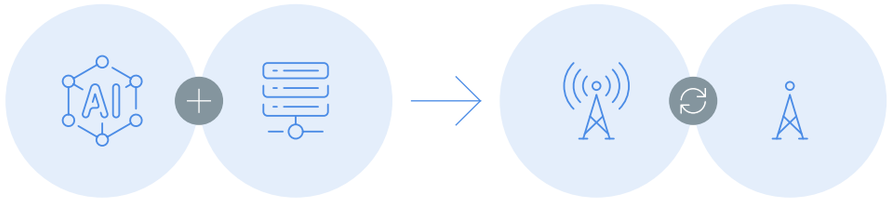
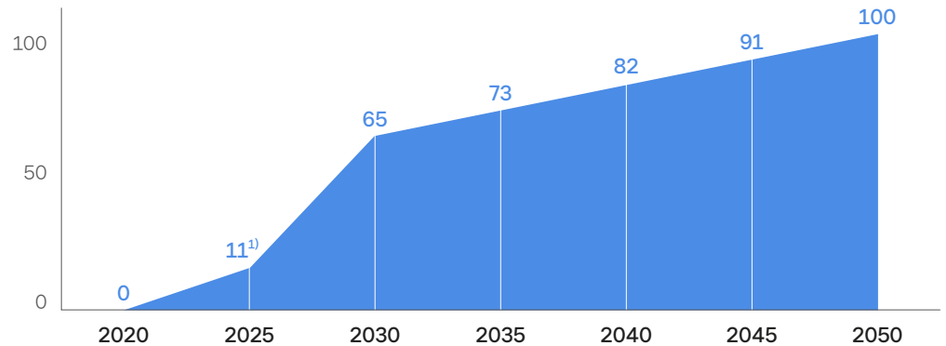
Strategy

SK Telecom's Response to Transition Risks

SK Telecom is proactively responding to climate-related disclosure regulation, such as KSSB (Korea Sustainability Standards Board), and has established a system to continuously monitor and comply with legal and regulatory obligations in order to mitigate the risk of climate-related litigation.

The cost of transitioning to or developing low-carbon AI technology is a major transition risk. SK Telecom uses green, lowcarbon information and communications technology to minimize energy consumption, uses technologies such as Single-RAN (radio access network) technology to improve its efficiency of electricity use, and researches and develops AI models for energy efficiency. In response to the risk of rising electricity costs, solar power-generating facilities with a cumulative capacity of 4.9 MW have been installed, and power purchase agreements are being used to minimize the risk of increasing electricity costs moving forward.

SK Telecom's Response to Transition Risks

	Cost of transitioning to or developing low-carbon AI technology	Increased cost of electricity
Risks		
Details	**Use of AI in Energy Efficiency Management**  	**SK Telecom's RE100 Target** (Unit: %) 
Current efforts	• Use of green, low-carbon ICT for reduced electricity consumption • Use of ICT and AI (including SRAN) in traffic diagnosis for improved efficiency of electricity use	• Installation of a 4.9 MW solar power setup for RE100 target achievement • Conclusion of a Green Premium contract worth 232GWh in 2024 for access to renewable energy (9.2% of total electricity consumption in 2024) • A 50MW PPA has been signed, with procurement scheduled for the second half of 2027.
Expected efforts	• Development of AI models for energy efficiency • Joint R&D and investment with outside research institutes and startups	• More renewable energy facilities and agreements (including PPAs) • 65% of all electricity used to be sourced from renewable energy by 2030

1) Considering the current conditions of the renewable energy market and restrictions of renewable energy system, including the limited supply of renewable energy in Korea, we have revised our 2025 target downward.

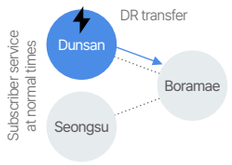
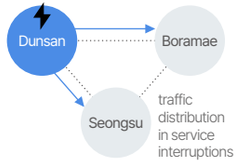
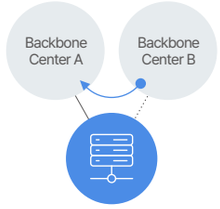
Strategy

SK Telecom's Response to Physical Risks

As a provider of communications services, SK Telecom must manage the wide-ranging physical risks to which its communications infrastructure across Korea is exposed. We have implemented a disaster recovery system which improves the safety of communications networks and duplicates core communications facilities for added security. Additionally, we jointly operate a disaster roaming service with the two other largest Korean mobile carriers to guarantee essential service in emergencies. These are just a few of the steps SK Telecom has taken to mitigate and adapt to physical risks.

As climate change intensifies, SK Telecom is working with the central government and local governments to improve its disaster response protocols, and is continuing its partnership with the two other largest Korean mobile carriers. The physical risks of climate change include wildfires, cyclones, and heavy rains. In the face of these threats, SK Telecom is making its communications equipment and other assets more durable through the application of automatic fire extinguishing systems, heat-blocking tape, and reinforced antenna support lines. Moving forward, SK Telecom's advanced response to climate change will see the installation of temporary communications networks, including a mobile base station that can be installed rapidly.

SK Telecom's Response to Physical Risks

Risks	Disaster Recovery System				Response to Acute and Chronic Physical Risks (Including Wildfires, Cyclones, and Heavy Rains)
	Voice and Subscriber Management Services	Switching and Backbone Centers	Data Services	Integrated Stations	
Details	DR system services all subscribers of communications centers affected by service interruptions 	Route diversification allows connection to other communications centers by a bypass route during service interruptions 	Service distribution, and distributed service of subscribers in service interruptions 	Two higher communications centers to be installed per integrated station  Integrated station with two higher communication centers	 Firewalls at Bases of Equipment Reinforcement of Antenna Support Lines Waterproof Panels
Current efforts	• Disaster recovery system for increased communications network safety • Multiplication of key networks' connection routes and core communications facilities • Common disaster roaming service among the three largest mobile carriers guarantees essential service in emergencies				• Automatic fire extinguishing systems and fire retardant/extinguishing sheets in power packs, mats and caps at bases of communications poles for the protection, from vegetation • Fire retardant cables, carbon fire barriers, heat-blocking tape, and heat-resistant coatings for heat and flame resistance • Reinforced antenna support lines, equipment raised on platforms, and waterproof panels as safety measures against floods
Expected efforts	• Improved disaster response protocols through cooperation with the government • Ongoing cooperation among the three largest Korean mobile carriers (task force)				• Advanced temporary communications networks– for example, quick-installation mobile base stations

Strategy

SK Telecom's Climate Change Opportunities

As part of its strategy for emissions reduction and RE100, in June of 2024, SK Telecom signed a PPA[1] with SK E&S for the purchase of renewable energy-generated electricity. Under the agreement, SK E&S will supply SK Telecom with electricity generated at its solar power plants with a cumulative capacity of 50 MW for 20 years, from July 2027 to June 2047. The PPA will enable SK Telecom to use approximately 64 GWh of renewable energy-generated electricity per year, which amounts to approximately 2.5% of the electricity used by SK Telecom in 2024.

By providing renewable energy-generated electricity at a fixed price for 20 years, the PPA will allow SK Telecom to avoid the risk of increasing electricity prices. PPAs are an effective means of keeping costs down in the face of rising electricity prices, and enable a long-term, stable source of renewable energy to be secured. For these benefits and more, SK Telecom is using PPAs as its main instrument in its RE100 endeavors. Other avenues SK Telecom is taking to reach its RE100 targets for 2050 include the Green Premium system and in-house solar power generation.

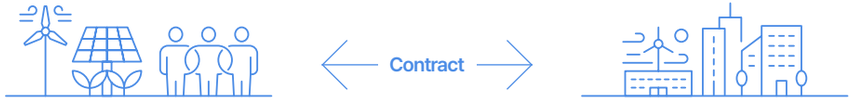
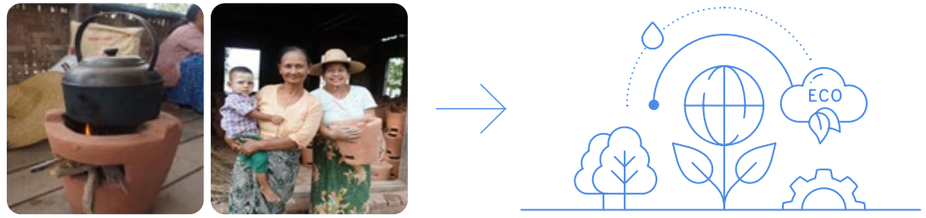
To earn carbon credits, SK Telecom has supplied the people of developing Southeast Asian countries with highefficiency cooking stoves since 2018. A high-efficiency cooking stove is a replacement for a lower efficiency conventional cooking apparatus, and reduces carbon emissions, the use of firewood, and cooking times.

SK Telecom acquired carbon credits worth 260,000 tCO_2e from the United Nations Framework Convention on Climate Change (UNFCCC) in 2021. SK Telecom expect to acquire carbon credits in the amount of 1,430,000tCO_2e by 2028. These carbon credits will be converted to Korean carbon credits, so they can be used more effectively to reach carbon reduction targets.

The UNFCCC has been converting all CDMs[2] to SDMs[3] since 2023. SK Telecom's cooking stove distribution project is also being reorganized into an SDM, and was approved by the governments of the beneficiary countries in June 2024 and is undergoing UN review.

1) PPA: Power Purchase Agreement
2) Clean development mechanism: A developed country can help developing countries to reduce greenhouse gas emissions and have the reductions certified by the UN to be put toward its greenhouse gas emissions reduction targets
3) Sustainable development mechanism: The carbon reduction framework to replace the clean development mechanism; its rules were confirmed at the 2021 UN Climate Change Conference in Glasgow (COP26)

SK Telecom's Current Status of Response to Climate Change Opportunities

	Reduced Emissions and Increased Economic Benefits from Renewable Energy Use: PPAs and RE100	Participation in the Carbon Market: Assisting Developing Countries in Greenhouse Gas Reduction
Risks		
Details	**How PPAs Work**  Renewable energy suppliers (SK E&S) — RE100 company (SKT)	
Current efforts	• Contracting with SK E&S to supply 50 MW of renewable-energy-generated electricity • Operation of solar power generation facilities totaling 4.9 MW at SK Telecom's buildings, base stations, and parking lots across Korea • Green Premium system: 120.125 GWh used in 2022, 209.176 GWh used in 2023, 232GWh used in 2024	• Assisting the people of developing Southeast Asian countries in reducing greenhouse gas emissions since 2018 • Acquiring carbon credits worth 260,000 tCO_2e in 2021 for reduced spending on carbon credit purchase
Expected efforts	• New PPAs for protection from rising electricity prices and reduced electricity spending	• Developing and implementing new greenhouse gas emissions reduction models

Strategy

Climate Scenarios Analysis

Transition Risk Scenarios

SK Telecom references scenarios developed by global authorities in assessing the risks present in the transition to a low-carbon society. The increased price of carbon credits, rising cost of electricity, and cost of RE100 activities were analyzed, and reliable data was used to identify and quantify potential financial impacts. SK Telecom strives to provide stakeholders with quantitative data on its net zero strategies and climate recovery activities. However, it is important to note that changes in climate policies and the very nature of hypotheses (scenarios) means that certain levels of uncertainty are involved.

Analytical Subjects and Hypotheses

Transition risk	Reason for selection	Definition	Key hypotheses
Increased cost of electricity and RE100 activities	• Large-scale emission of greenhouse gas from electricity use • A major transition risk identified in climate-related materiality assessments	Increased cost of electricity resulting from stricter climate-related policies; additional costs resulting from RE100 activities	• Outlook on electricity prices in Korea based on NGFS scenarios • Increases in prices of different electricity • Reductions in electricity purchased from Korea Electric Power Corporation to achieve RE100 compliance • Additional costs resulting from different means of renewable energy use
Carbon emissions regulation	• A major transition risk identified in climaterelated materiality assessments	Purchase and sale of carbon credits	• Outlook on carbon credit prices in Korea based on IEA and NGFS scenarios • Emissions reduction through in-house efforts and RE100 compliance • Payment required for an increasing portion of carbon credits (15% in 2030, 30% in 2040, 50% in 2050) • Application of portion adjustment coefficient (90% by 2050)

Transition Scenarios

Issuer	Scenario		Reason for selection of scenario	Source
IEA[1]	STEPS (Stated Policies Scenario)	Reflects the current policies and targets of different countries, and progress in the private sector	• Basic scenario of IEA WEO • Quantitative data on carbon credit prices • Recommended by the TCFD and used widely around the world	WEO 2024[3]
	APS (Announced Pledges Scenario)	Hypothesizes the achievement of long-term emissions targets, as indicated in NDCs		
	NZE (Net Zero Emisson by 2050)	Hypothesizes entire world's energy sector's achievement of net zero by 2050, and average global warming of under 1.5 °C by 2100		
NGFS[2]	NDCs (Nationally Determined Contributions)	Hypothesizes every country voluntarily performs greenhouse gas reduction targets to fight climate change	• Observes a target of sub-1.5°C global warming or a similar target • Quantitative data on electricity prices	NGFS Phase4
	Below 2°C	Limits global warming to below 2 °C above pre-industrial levels by 2100		
	NZE2050 (Net Zero 2050)	Aims for net zero by 2050		

Analytical Process

Step 1. Selection of analytical subjects

- Increasing electricity prices and RE100 activities
- Carbon emissions regulation
- Review and confirmation of key hypotheses

Step 2. Scenario selection and data collection

- Review and selection of IEA and NGFS scenarios
- Data collected: Carbon credit prices, electricity prices

Step 3. Development of analytical models

- Development of models for an analysis of transition risks based on SK Telecom's Net Zero Roadmap
  - Estimation of future electricity demand
  - Setting of base electricity prices
  - Review of RE100 compliance plans
  - Estimation of demand for KEPCO-supplied electricity
  - Review of portion of carbon credits for purchase and adjustment coefficients
- Update of carbon credit prices and electricity prices

Step 4. Analysis of potential financial impacts

- Identification of minimum and maximum financial impacts under each scenario
- Review of analysis results and response mechanisms

1) International Energy Agency: Provides data on future energy systems, including data on carbon credit prices and greenhouse gas reduction costs, in line with the key scenarios
2) Network for Greening the Financial System: Provides data on the seven scenarios addressing trends in energy, products, and other conditions, including data on carbon credit prices and electricity prices, using the global change analysis model (GCAM), one of the comprehensive analysis models used
3) World Energy Outlook: An annual report issued by the IEA which provides energy outlooks for the different scenarios

Strategy

Potential Financial Impacts Resulting from Increasing Electricity Cost and RE100 Compliance

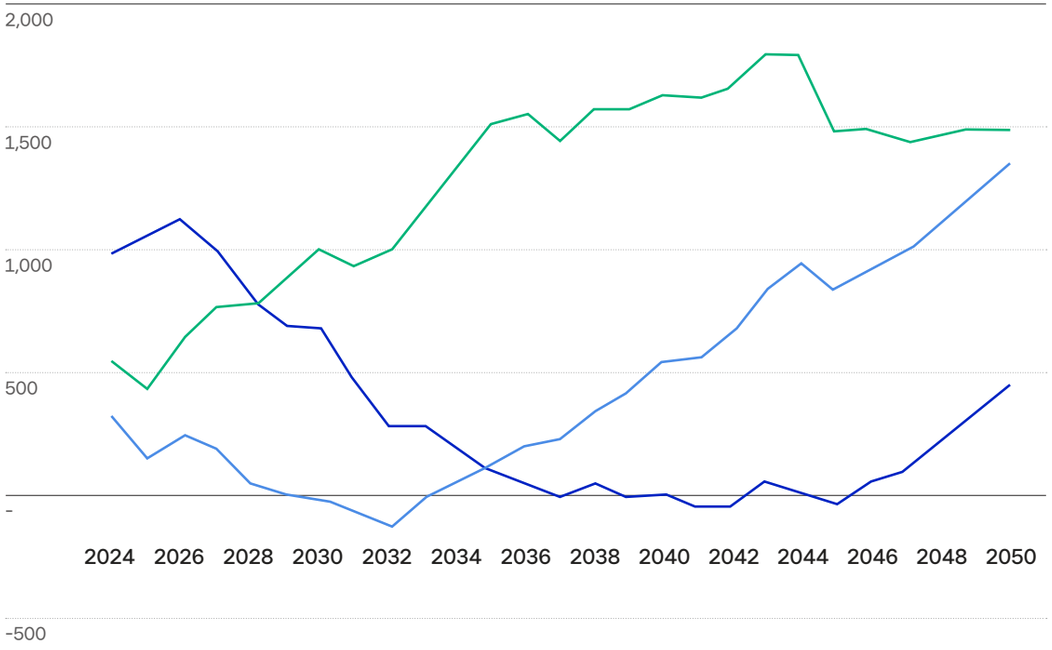
As a provider of communications services, most of the greenhouse gas emissions SK Telecom produces are from the use of electricity. SK Telecom acknowledges that additional electricity use can occur in the expansion of AI products and services. In estimating potential financial impacts, SK Telecom analyzed average increases in electricity cost in the past and various electricity cost outlooks, as well as additional costs related to different renewable energies as detailed in the NGFS scenarios.

The analysis found that between 2024 and 2050, financial impacts will on average range from KRW 32.8 billion (NDCs) to KRW 129.7 billion (NZE2050) annually based on the NGFS scenarios, and the highest annual average will be KRW 180.9 billion (NZE2050) in 2044. In response to these projected increases in electricity costs, SK Telecom is planning to invest in energy efficiency, analyze and optimize electricity consumption patterns, maximize renewable energy use, and diversify energy sources. These activities will be funded using internal reserve funds.

Estimation of Costs of Potential Financial Impacts Resulting from Increasing Electricity Cost and RE100 Compliance

Transition Risk	Scenario	Financial impact (Unit: KRW 100M)			Response	Funding method
		Annual average by 2050	Maximum	Minimum		
Increasing electricity cost	NDCs	328	1,114	-50	• Invest in increasing the energy efficiency of electricity consuming facilities • Analyze and optimize electricity consumption patterns • Increase the use of renewable energy and diversify energy sources	• Renewable energy PPAs using internal reserve funds • Execute response measures such as investing in improving energy efficiency of electricity-consuming facilities
	Below 2°C	448	1,360	-131		
	NZE2050	1,297	1,809	427		

Estimation of Costs of Potential Financial Impacts



Up to KRW 100 billion | Up to KRW 500 billion | Up to KRW 1 trillion | KRW 1 trillion and over

(Cumulative value per time frame, Unit: KRW)

Scenario	Short term (2024)	Mid-term (2025–2029)	Long term (2030–2050)
NDCs			
Below 2°C			
NZE2050			

Strategy

Potential Financial Impacts from Increasing Carbon Credit Prices

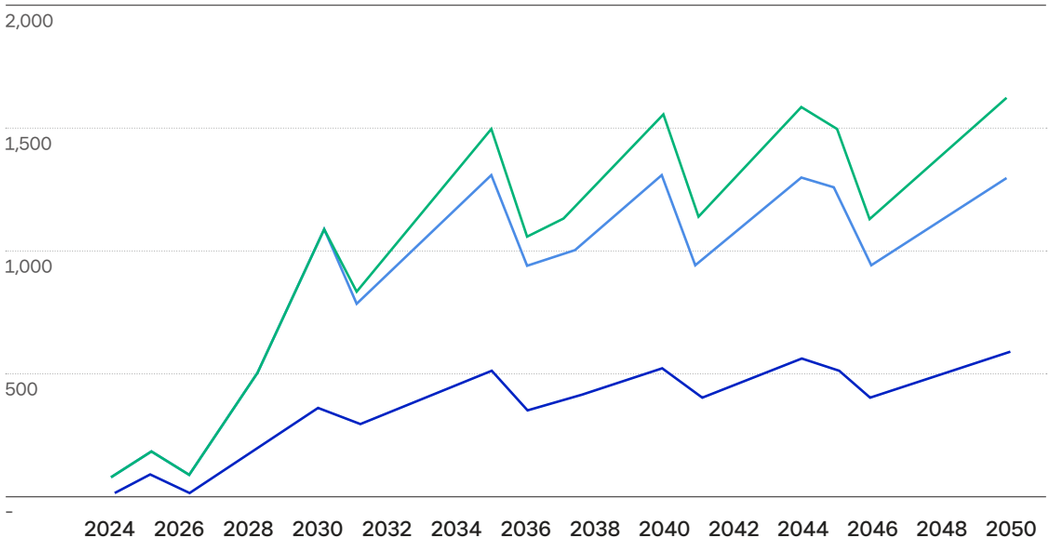
SK Telecom expects carbon credits to increase in price considering the Korean government's policy on greenhouse gas emissions regulation. Both Net Zero 2050 and RE100 are factors driving down greenhouse gas emissions, but the portion of carbon credits to be purchased will likely increase over the years, from 15% by 2030 to 30% by 2040 to 50% by 2050; this is applying a portion adjustment coefficient of 90% by 2050. Accordingly, SK Telecom calculated potential financial impacts by taking into account projected carbon credit prices in Korea and surplus carbon credits resulting from internal emissions reductions.

Calculations indicate that SK Telecom stands to enjoy earnings from the sale of carbon credits from its emissions reductions resulting from RE100 compliance from 2021 to 2050. It was found that between 2024 and 2050, financial impacts will on average range from KRW 35.4 billion (STEPS) to KRW 107 billion (NZE) annually based on the IEA scenarios, and the highest annual average was found to be KRW 164.2 billion (NZE) in 2050. In response to such projected increases in carbon credit prices, SK Telecom is planning to reduce greenhouse gas emissions, participate in PPAs, and actively ensure its compliance with RE100. Such activities will be funded using internal reserve funds.

Estimation of Benefits of Potential Financial Impacts from Increasing Carbon Credit Prices

Transition risk	Scenario	Financial impact (Unit: KRW 100M)			Response	Funding method
		Annual average by 2050	Maximum	Minimum		
Increasing carbon credit prices	STEPS	354	585	26	• Greenhouse gas emissions reduction for reduced purchase of carbon credits • Minimization of carbon credits-related costs through analysis and prediction of carbon credit prices	• Use of internal reserve funds for the acquisition of carbon reduction technology
	APS	926	1,359	67		
	NZE	1,070	1,642	69		

Estimation of Cost-Benefits of Potential Financial Impacts



Up to KRW 100 billion | Up to KRW 500 billion | Up to KRW 1 trillion | KRW 1 trillion and over

(Cumulative value per time frame, Unit: KRW)

Scenario	Short term (2024)	Mid-term (2025–2029)	Long term (2030–2050)
STEPS			
APS			
NZE			

Strategy

Physical Risk Scenarios

SK Telecom identified five chronic disasters and four acute disasters as the physical risks that can result from climate change, and analyzed the potential financial impacts that can result from those risks. The SSP[1] scenario of the Intergovernmental Panel on Climate Change is used in the analysis of physical risks, and physical risk analysis data supplied by the MSCI Sustainability Institute was used to develop in-house analysis models. Using the developed analysis models, risk levels and asset loss rates resulting from the occurrence of disasters were estimated, and estimations of cumulative damage of assets or operating losses were made to quantify the potential financial impacts.

Analysis models to estimate the occurrence and impacts of physical disasters are based on the severity of past disasters and the resulting losses. As such, significant discrepancies can be observed between past disasters and potential future disasters in occurrence and the resulting impacts. SK Telecom is planning for the worst possible financial impacts and building resilience against future developments in climate change.

1) SSP: Shared Socioeconomic Pathways

Analytical Subjects and Hypotheses

Physical risk	Disaster	Definition	Expected effects
Chronic	Extreme heat	Number of days in a year on which a wet-bulb temperature of 10 °C to 37 °C (critical point[2]) is exceeded	Losses in industrial activities resulting from the number of disaster days
	Extreme cold	Number of days in a year on which temperatures fall below 0 °C, or 10 °C	
	Heavy rains	Number of days in a year on which daily precipitation exceeds 20 mm, or 50 mm	
	Heavy snows	Number of days in a year on which daily snowfall exceeds 5 cm, or 20 cm	
	Strong winds	Number of days in a year on which wind speed exceeds 24.3 meters per second, or 27.8 meters per second	
Acute	Coastal floods	Determination of flood damage to assets based on global sea level rise models	Losses in asset value and business activities that reflect rising sea levels
	Fluvial floods		
	Cyclones	Identification of distribution of wind speeds at business sites based on past cyclone data	Losses in asset value that reflect regional calibration values
	Wildfires	Annual wildfire occurrence probabilities	Losses in asset value and business activities that reflect past wildfire statistics

Physical Scenarios

Issuer	Description of scenario[3]		Reason for selection of scenario	source
IPCC	SSP1-2.6	Hypothesizes the achievement of policy targets for a transition to a low-carbon industry (significant reduction in energy consumption and greenhouse emissions	Scenarios included in IPCC Sixth Assessment Report	IPCC AR6
	SSP2-4.5	Hypothesizes the achievement of current environmental and energy policy targets (low-carbon industry, manufacturing industry, and fossil fuel use continues at current standards, while reducing energy consumption and greenhouse gas emissions)		
	SSP3-7.0	Hypothesizes a slow transition to a low-carbon industry and renewable energy (small reduction in energy consumption and greenhouse gas emissions)		
	SSP5-8.5	A scenario in which fossil fuel use continues, with reduction policies bearing no real results (increased energy consumption and greenhouse gas emissions)		

2) MSCI uses two critical points to differentiate impacts caused by losses
3) SSP scenarios hypothesize energy consumption, greenhouse gas emissions, global policies, and other conditions in the future (reflecting socioeconomic factors such as population, economics, technology, lifestyles, and land use)

Analytical Process

Step 1. Selection of disasters for analysis

- Acute: Cyclones,coastal floods, fluvial floods, wildfires
- Chronic: Extreme heat, extreme cold, heavy rains, heavy snows, strong winds

Collecting Asset Information (Office building and communication equipment)

- All communications assets in Korea (including company buildings and communications infrastructure)
- Basic data: Names and types of assets, employee counts, areas
- Location data: Addresses, latitudes and longitudes
- Financial data: Book value, operating profits

Step 2. Selection of scenarios (IPPC SSP)

- IPCC SSP1-2.6, SSP2-4.5, SSP3-7.0, SSP5-8.5

Step 3. Development of analytical models

- Extraction and processing of MSCI data[4]
- Analysis of impacts on industries (based on GICS)
- Outlooks on SK Telecom's capital raising costs by year
- Application of risks and expected losses associated with individual disasters threatening company buildings and the communications infrastructure in Korea
- Application of weighted values applied by year and WACC

Step 4. Analysis of potential financial impacts

- Calculation of risks and losses in each scenario
  - Potential financial impacts on individual assets (company buildings and communications infrastructure)
  - Potential financial impacts of individual disasters (losses in assets and business activities)
- Review of analysis results and response mechanisms

4) Resolutions of physical risk analysis data range from 90 meters to 56 kilometers (varies by disaster)

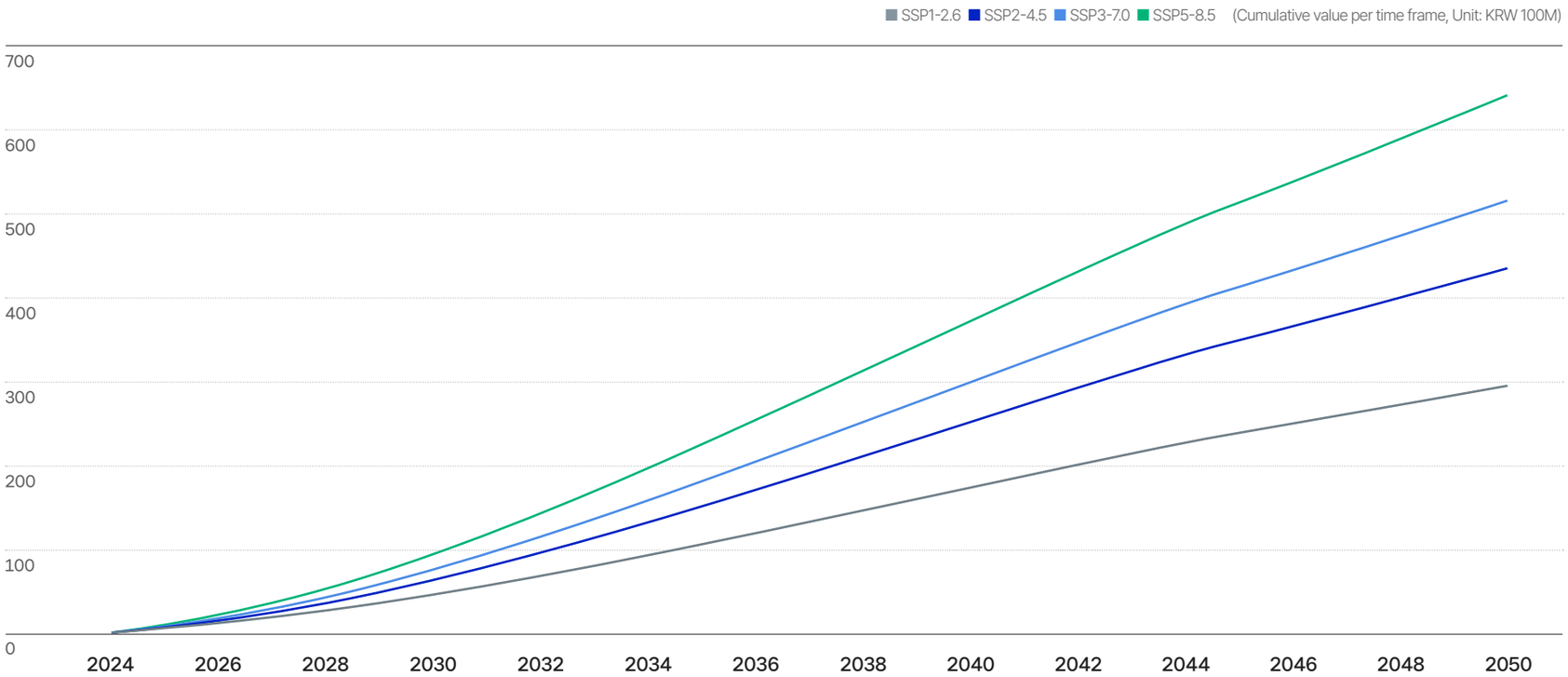
Strategy

SK Telecom identified nine physical risks. With those risks categorized as either chronic risks or acute risks, potential financial impacts of each risk in each scenario were analyzed. The cumulative financial impacts of all physical risks were found to increase as the scenario transitioned from low carbon (SSP1-2.6) to high carbon (SSP5-8.5).

With SSP1-2.6, the cumulative financial impacts expected by 2050 were measured at around KRW 30.2 billion, indicating that climate change at a lower speed can minimize financial impacts.

On the other hand, the greatly intensified climate change hypothesized in SSP5-8.5 will likely cause cumulative financial impacts of KRW 65.3 billion by 2050. This warns of the possibility of a rapid increase in financial impacts on businesses as climate change intensifies, and emphasizes the need for long-term preparations.

By accurately predicting the financial impacts that will be caused by physical risks, SK Telecom forms strategies for each scenario, including strategies for greater climate resilience and the dispersion of risks. The company is doing its best to ensure financial security is maintained and financial impacts minimized in high-carbon scenarios. Through these efforts, we are working to mitigate the negative financial impact in the event of a high carbon scenario and to maintain financial stability.



Assessment of Financial Impacts of Physical Risks

SK Telecom is continuously analyzing the physical risks present in business and their potential financial impacts. Last year, analytical models developed by OJEong Resilience Institute were used to assess the vulnerability of company assets to five acute disasters. The book value of the assets exposed to disasters was calculated, and the occurrence potential of disasters was predicted through modeling.

This year, in a more intensive approach, MSCI data was used to understand the real-world losses in assets exposed to the nine disasters that can occur by analyzing the potential financial impacts of cumulative asset damage and losses in business activities. As a provider of wireless communications services, SK Telecom operates a large amount of communications infrastructure that is located outdoors, so the book value of such communications infrastructure was taken into account in the analysis of physical risks. As a great deal of uncertainty involving a number of factors is present in the analysis of physical risks associated with assets, such as changes in analytical data and influences on climate change, SK Telecom remains attentive to potential variations in financial impact calculations caused by these factors.

Moving forward, SK Telecom will expand its analysis of physical risks to include all subsidiaries located around the world, and apply more advanced disclosure methodologies to timely climate-related disclosures.

Strategy

Potential Financial Impacts of Chronic Physical Risks

Chronic risks are climate phenomena that are the long-term effects of climate change. Using MSCI data, SK Telecom analyzed the chronic risks of extreme heat, extreme cold, heavy rains, heavy snows, and strong winds. Among those, extreme heat and heavy rains were the two climate phenomena linked to the severest financial impacts, which was calculated by totaling losses in assets and losses in business activities.

Cumulative financial impacts of extreme heat by 2050 were found to range from KRW 14.3 billion (SSP1-2.6) to KRW 31.5 billion (SSP5- 8.5), while cumulative financial impacts of heavy rains by 2050 were found to range from KRW 3.1 billion (SSP1-2.6) to KRW 6.2 billion (SSP5-8.5).

At below KRW 100 million over the short, medium, and long term, cumulative financial impacts of heavy snows were found to be minor.

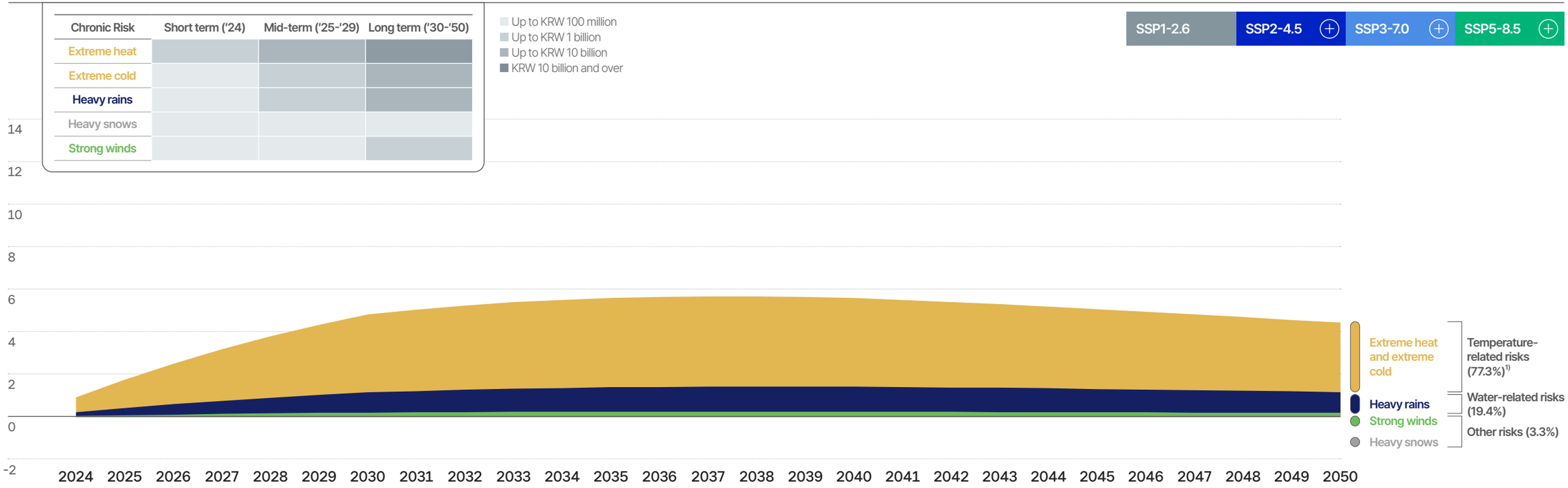
Accordingly, SK Telecom is forming a wide range of response plans to minimize the financial impacts of chronic physical risks.

For example, cooling systems will be inspected and upgraded and emergency backup power systems installed in preparation for extreme heat, and the joint disaster roaming service of the three largest mobile carriers will be upgraded and infrastructure decentralization and multibackup system installations will take place in preparation for heavy rains. These activities will be funded using internal reserve funds.

Estimation of Potential Financial Impacts of Chronic Physical Risks

(Cumulative value per time frame, Unit: KRW 100 million)

Chronic Risk	Short term ('24)	Mid-term ('25-'29)	Long term ('30-'50)
Extreme heat			
Extreme cold			
Heavy rains			
Heavy snows			
Strong winds			



1) "Temperature-related risks" reflects reductions in cumulative losses from extreme cold (reductions in losses from extreme cold, and in the cost of responses to extreme cold)

Strategy

Potential Financial Impacts of Acute Physical Risks

Acute risks are the short-term effects of climate change, such as natural disasters. Using MSCI data, SK Telecom analyzed the natural disasters of coastal floods, fluvial floods, cyclones, and wildfires. Of those, cyclones and fluvial floods were the two climate phenomena linked to the severest financial impacts, calculated by totaling losses in assets and losses in business activities.

Cumulative financial impacts of cyclones by 2050 were found to range from KRW 10.3 billion (SSP1-2.6) to KRW 23 billion (SSP5-8.5), while cumulative financial impacts of fluvial floods by 2050 were found to range from KRW 3 billion (SSP1-2.6) to KRW 6.6 billion (SSP5-8.5).

At below KRW 100 million over the short, medium, and long term, the cumulative financial impacts of wildfires were found to be minor.

Accordingly, SK Telecom is taking a wide range of measures to increase climate resilience and prepare for cyclones, including through upgrading windbreak facilities and disaster recovery systems, and installing alternative electricity supply networks.

By continuously monitoring communications infrastructure located around Korea for risks, SK Telecom can stably provide optimum communications services, while carrying out focused management and improvements such as electricity efficiency upgrades.

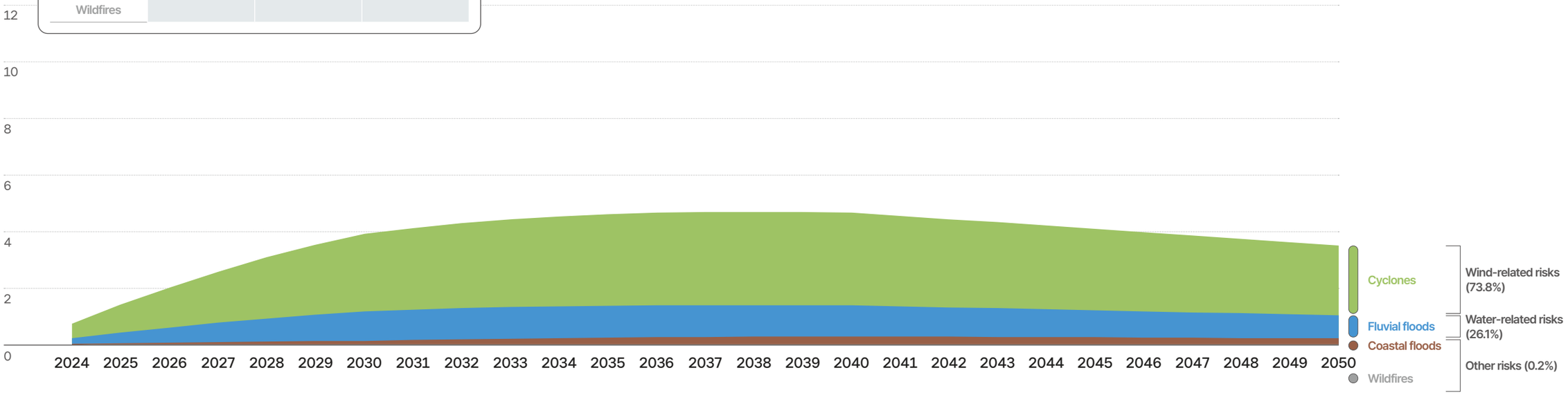
Estimation of Potential Financial Impacts of Acute Physical Risks

(Cumulative value per time frame, Unit: KRW 100 million)

Acute Risk	Short term ('24)	Mid-term ('25-'29)	Long term ('30-'50)
Coastal floods			
Fluvial floods			
Cyclones			
Wildfires			

Up to KRW 100 million
Up to KRW 1 billion
Up to KRW 10 billion
KRW 10 billion and over

SSP1-2.6 | SSP2-4.5 | SSP3-7.0 | SSP5-8.5



Risk Management

SK Telecom has developed a system for identifying, assessing, ranking in order of priority, and monitoring climate related risks and opportunities, and applies this to its comprehensive risk management system.

Processes and policies that enable the effective management of risks and opportunities identified through materiality assessments are implemented to closely analyze the effects of climate change, and an internal carbon pricing system that reflects climate-related risks is in place to ensure the effectiveness of SK Telecom's company wide response to climate-related risks and opportunities.

Company-Wide Risk Management System

Risk Management Processes and Policies

Recognizing that climate change risks can have serious impacts across its business, SK Telecom maintains a strategic response to climate change risks as a component of its comprehensive management. A company-wide, comprehensive risk management system has been implemented to respond to physical and transition risks associated with climate change, as well as risks in the domains of regulation, policy, and social responsibility.

SK Telecom is united in its understanding of climate change and in internalizing a culture of risk management. Climate change risk training and policy monitoring are taking place on a regular basis, with company-wide climate change response strategies being executed for sustainable growth.

Key Variables Used in Analysis

Input variables and parameters	Data source	Scope of business site
Energy consumption	Internally managed data	Parent company
Greenhouse gas emissions coefficients	Guidelines on the Reporting and Certification of Emissions for the Operation of the Carbon Credit System (Ministry of Environment)	Parent company
Industry trends	Sustainable management reports from other companies in the same industry, reports by research institutes	Parent company
Extreme weather data	MSCI (based on IPCC SSP scenarios)	Parent company
Value of physical assets	Book value of assets in statements on financial position	Parent company
Carbon prices	IEA scenarios, NGFS scenarios	Parent company

Scenarios Analysis

SK Telecom performs scenario analysis to enable a systematic response to the identified transition risk, physical risks, and opportunities associated with climate change. By allowing an advance understanding of potential financial impacts on business, scenario analysis contributes to improved climate resilience.

SK Telecom performs its climate scenario analysis based on reliable data supplied by global authorities, with Korean regulations related to carbon emissions and SK Telecom's conditions as a communications service provider incorporated into the analysis. Scenario analysis allows SK Telecom to prepare for the uncertainty brought about climate change, and understand the potential impacts of climate change in the coming years on its business and finances.

Financial analysis involves the use of statements on financial position and income statements for an in depth analysis of the impacts of risks, in which impacts on assets, liabilities, capital, and procurement, and changes in earnings and costs are fully understood. Analysis results are managed in conjunction with SK Telecom's company-wide risk management process, with the materiality of risks being determined through internal assessment.

These efforts allow SK Telecom to advance its risk management capacity, practice sustainable management, and grow to become a better company.

How Risk Analysis is Prioritized

In addition to climate change scenario analysis, SK Telecom's company-wide risk management involves studying past incidents that resulted in losses. In cases involving material financial impacts, such as long term climate-related impacts, potential change in regulation, and impacts on SK Telecom's reputation, SK Telecom digs deep in its analysis of risks and potential impacts.

Risk Monitoring Method

SK Telecom regularly identifies and assesses climaterelated risks to monitor for new risks and changes in potential impacts, and updates its response accordingly. In the management of climate-related risks, SK Telecom maintains a system for the management of core metrics that starts with workinglevel staff and extends to the management and the decision-making body. The ESG Committee of SK Telecom held seven meetings in 2023 and eight in 2024, at which ESG agendas were reported and deliberated on.

Risk Management

Opportunity Management Processes and Policies

Climate change brings not only risks but also opportunities, and SK Telecom actively identifies the various climate change opportunities and incorporates them into business strategy to achieve growth, which involves R&D, a proactive response to regulation, and other strategies aimed at increased competitiveness.

In managing climate-related opportunities, SK Telecom analyzes climate scenarios and the broader conditions to identify long-term high-growth areas. To respond to policy changes and gain an edge in the market through differentiation, SK Telecom acquires low-carbon technology, improves energy efficiency, and supplies AI solutions.

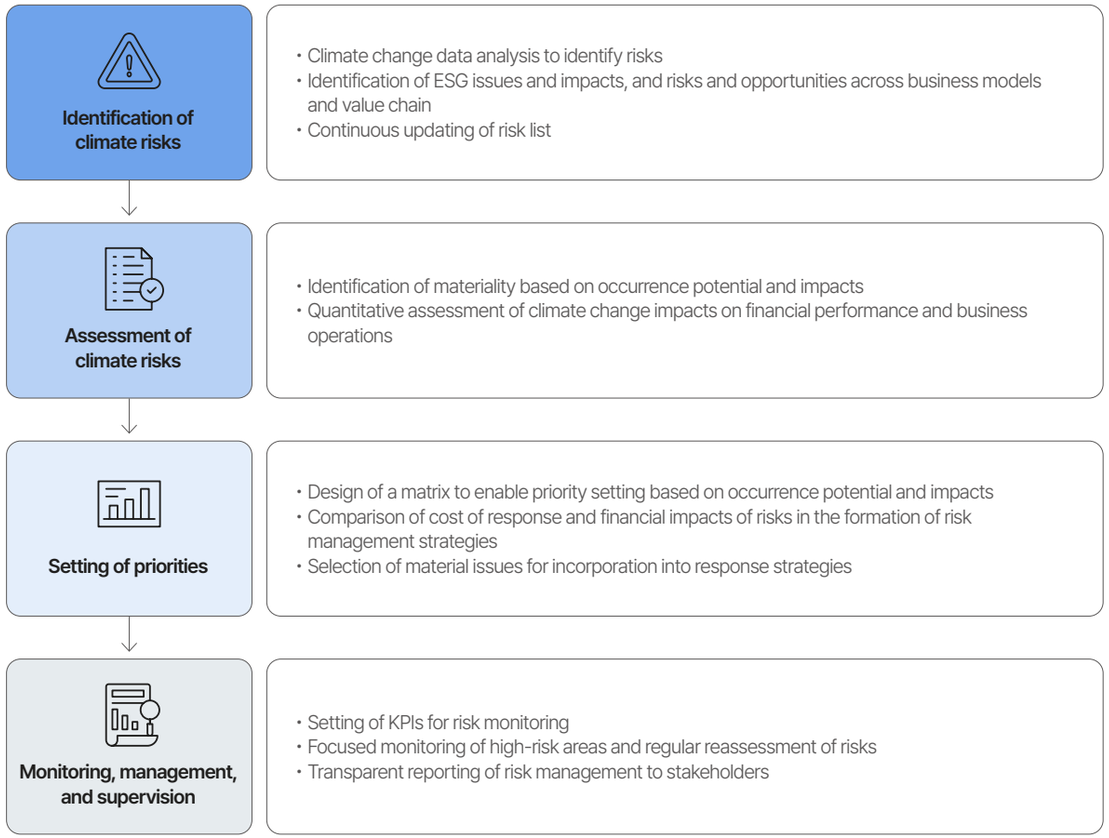
Climate change opportunities identified and incorporated into the business strategy are pursued across the company, with the ESG Committee and the management making the overarching decisions on how to respond to climate opportunities. Business strategies are formed through a company-wide structure that begins in the executing departments and extends to the ESG Committee.

Integration of Risk Management Processes Across the Company

SK Telecom takes a company-wide approach to the management of climate change risks. Potential impacts of climate change are systematically identified and analyzed, and the necessary response is devised. Notably, severity of climate change, regulatory changes, and market volatility are reflected in the analysis of the risks facing different departments and the analysis of potential financial impacts, and the findings of these analyses are incorporated into the business strategy. In this way, SK Telecom manages its short-term and mid-to-long-term climate risks.

Climate Change Management System

SK Telecom applies the following climate risk management system for the structured management of its climate change risks.



Risk Management

Internal Carbon Pricing System

Operation of the Internal Carbon Pricing System

In pursuing its short-term and mid-to-long-term targets toward Net Zero 2050, SK Telecom operates an internal carbon pricing system as a climate-related risk management tool. In their execution of existing and new projects, the key departments of SK Telecom incorporate internal carbon pricing into decisionmaking based on projected annual emissions and other data. This supports low-carbon investments and the development of highefficiency technology.

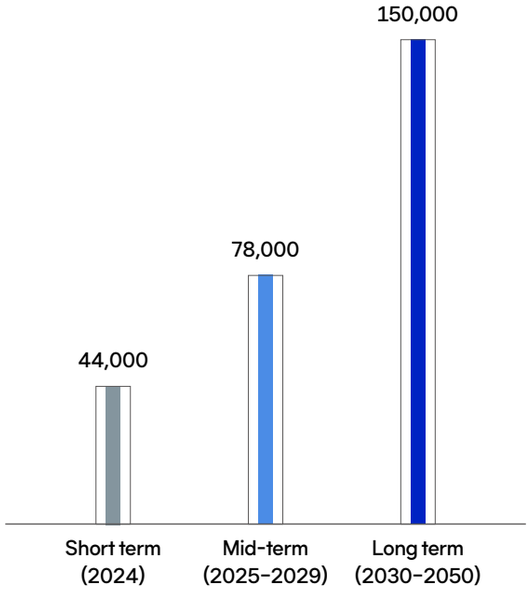
Scope of the Application of Internal Carbon Pricing

SK Telecom's internal carbon pricing is applied to all existing and new projects in which considerable greenhouse gas emissions are expected. All business units of SK Telecom that are engaged in activities toward in-house carbon reduction targets first perform a review of potential impacts and expected greenhouse gas emissions using the internal carbon pricing system as a way to continuously manage climate change risks.

Setting of Internal Carbon Prices

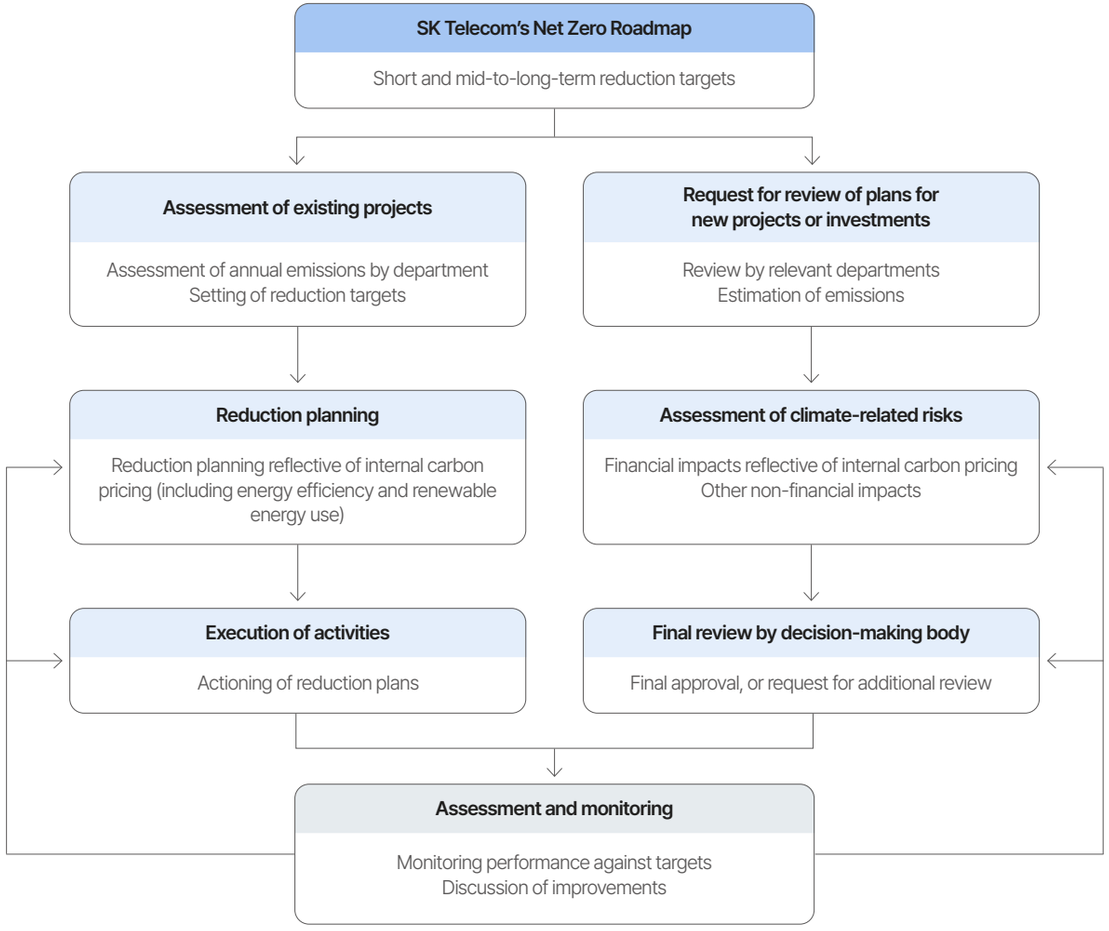
SK Telecom's internal carbon prices are set by referencing the NZE and APS scenarios of the International Energy Agency, which are then adjusted to reflect reduction targets and domestic market volatility.

Internal carbon price[1] (Unit: KRW per tCO_2e)



1) Indicated figures are the averages of internal carbon prices applied in the short-term, mid-term, and long-term periods defined by SK Telecom. SK Telecom's internal carbon prices can change to reflect SK Telecom's Net Zero 2050 targets and plans, and changes in domestic and international policies and markets. (Maximum value is KRW 188,000 in 2050)

Internal Carbon Pricing Process



Metrics and Targets

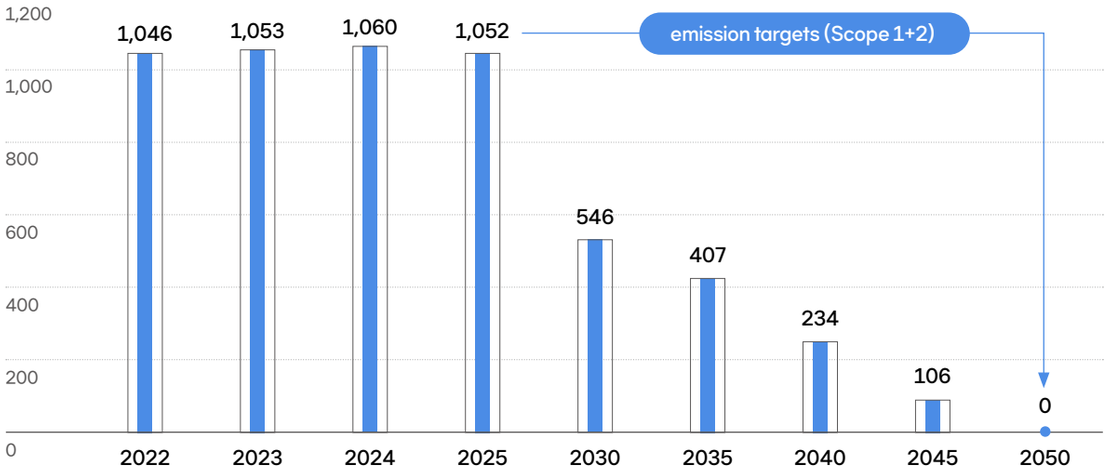
SK Telecom's Net Zero 2050 Target

Recognizing the global shift toward carbon neutrality, SK Telecom has set its Net Zero 2050 target and is working toward it through efforts such as systematically developing environmental management strategies and joining the RE100 initiative. 2030 compared to 2020, we will actively pursue annual carbon reduction initiatives. By 2050, we plan to achieve 'Zero (0)' for indirect emissions (Scope 2), which account for approximately 99% of total emissions, through our own energy consumption reduction activities and the use of renewable energy (RE100). For direct emissions (Scope 1), which represent about 1% of total emissions, we will achieve 'Zero (0)' through carbon offset measures such as afforestation projects. Through these efforts, we aim to achieve 2050 Net Zero for direct and indirect emissions (Scope 1+2). In addition, we plan to reduce other indirect emissions (Scope 3) by 66.9% by 2050 compared to 2020.

In 2024, SK Telecom's total location-based emissions amounted to 1.17 million tons, representing an increase of approximately 1.5% compared to 2023. This increase is attributable to higher electricity consumption and indirect emissions (Scope 2) resulting from the expansion of telecommunication equipment to ensure stable 5G service. The market-based emissions for 2024 reached approximately 1.06 million tons, marking only a 0.65% increase from 2023. The renewable energy usage ratio rose to 9.4%, up by 0.8% from 8.6% in 2023.

The emissions target for 2030 is set at 550,000 tons, representing a reduction of 510,000 tons compared to 1,060,000 tons in 2024. To achieve this, SK Telecom plans to minimize power consumption through energy efficiency initiatives such as the single RAN project, AI-based power saving, and 5G shared networks. In addition, SK Telecom will continuously increase the proportion of renewable energy used by expanding the use of green premium, entering into power purchase agreements (PPAs) contracts for external procurement of renewable energy, and utilizing in-house solar power generation facilities. SK Telecom is committed to achieving Net Zero by 2050 through proactive carbon reduction efforts each year. In line with the net zero implementation plan, SK Telecom will review annual reduction plans and further advance the net zero roadmap by establishing strategies to achieve the target in response to evolving climate change issues and market dynamics.

SK Telecom's Net Zero 2050 Roadmap (market-based) (Unit: 1,000 tCO_2e)



Greenhouse Gas Emissions Calculation

SK Telecom calculates, manages, and discloses greenhouse gas emissions in accordance with international standards and domestic regulations, distinguishing between location-based emissions and market-based emissions. Location-based emissions, as defined by Korea's ETS (Emission Trading Scheme) guidelines, include Scope 2 greenhouse gas emissions reported based on electricity usage from the national power grid, and serve as the basis for SK Telecom's compliance with the ETS. Market-based emissions, in accordance with the GHG Protocol (Greenhouse Gas Protocol), reflect Scope 2 greenhouse gas emissions that account for the purchase of renewable energy electricity through the green premium, and are used for setting and managing SK Telecom's 2050 Net Zero targets and performance. The difference between location-based emissions and market-based emissions lies in whether the reduction from renewable energy purchased via the green premium is recognized: location-based emissions do not recognize this reduction, while market-based emissions do. This report primarily discloses key data based on market-based emissions, and, when necessary, location-based emissions are disclosed with the label "location-based." The scope of SK Telecom's greenhouse gas emissions calculation includes all network emissions at the national network level, but does not include greenhouse gas emissions from subsidiaries or the supply chain. Greenhouse gas intensity is calculated by dividing total greenhouse gas emissions by SK Telecom's separate revenue standard.

1) The guidelines on the operation of GHG ETS (greenhouse gas emission trading scheme) (Notification No. 2025-28, Korean Ministry of Environment) and the verification guideline for GHG ETS (Notification No. 2024-169, Korean Ministry of Environment) based on ISO 14064-3.

Matters related to the Residual Mix Emission Factor

Recently, one NGO have raised concerns regarding the greenhouse gas reduction performance measurement methodology of the green premium scheme, emphasizing the necessity of applying the residual mix in accordance with international standards. However, due to the current lack of a residual mix calculation system and related data in Korea, alternative values such as the national average electricity emission factor are being used. It is expected that, as the system and data are improved in the future, a measurement methodology aligned with international standards can also be adopted. SK Telecom is committed to complying with government guidelines and is making continuous efforts to manage greenhouse gas reduction performance in a transparent and responsible manner.

Metrics and Targets

Scope 1, Scope 2 Emissions and Management Plan

In 2024, SK Telecom's location-based emissions amounted to 1,166,518 tCO_2e, representing an increase of approximately 1.5% compared to 2023. The market-based emissions, reflecting green premium purchases (232 GWh), reached 1,059,935 tCO_2e, 0.65% increase year-on-year. This increase was primarily due to higher electricity consumption and indirect emissions (Scope 2) resulting from the expansion of telecommunications equipment to ensure stable 5G service. SK Telecom will reduce greenhouse gas emissions going forward by improving energy efficiency and increasing the use of renewable energy.

SK Telecom recognizes that the transition to eco-friendly electricity is essential for achieving 2050 Net Zero, given that over 99% of its greenhouse gas emissions are attributable to electricity consumption. Accordingly, SK Telecom has established mid- to long-term renewable energy usage targets[2], taking into account the recommended standards of the RE100 campaign (Renewable Energy 100%). Furthermore, SK Telecom is concretizing the implementation of these targets by building an annual renewable energy procurement portfolio.

Regarding greenhouse gas emissions, more detailed indicators can be found in the environmental data section. The environmental data covers the status of greenhouse gas emissions, energy usage status, other indirect greenhouse gas emissions (Scope 3), and renewable energy usage status.

Scope 3 Emissions and Management Plan

SK Telecom also manages other indirect emissions (Scope 3). Scope 3 emissions refer to the range of greenhouse gas emissions across the value chain, including supply chain, transportation, product use, and disposal in business operations, and are divided into a total of 15 categories.

Calculations of Scope 3 emissions conform to ISO 14064-1:2018 and The Corporate Value Chain (Scope 3) Accounting and Reporting Standard of the WRI and WBCSD. Each year, SK Telecom discloses its emissions in the last three years, including the current year.

The main sources of SK Telecom's Scope 3 emissions are purchased goods and services (Category 1), capital goods (Category 2), and investments (Category 15). These make up 93.0% of SK Telecom's Scope 3 emissions (as of 2024). As purchased goods and services account for 62.1% of SK Telecom's Scope 3 emissions (as of 2024), supply chain management will be improved to reduce emissions.

SK Telecom's constant management of upstream and downstream activities resulted in a reduction in its 2024 Scope 3 emissions of 1.0% compared to 2023. SK Telecom will continue to transparently disclose its greenhouse gas emissions data by measuring Scope 3 emissions based on real activities data, and continuously improve the reliability of its disclosures through third-party verification.

Scope 1, Scope 2 Greenhouse Gas Emissions[3]

	Emissions	Unit	2022	2023	2024	Target
Location-based	Total GHG emissions	tCO_2e	1,101,340	1,149,240	1,166,518	1,265,795
	Scope 1		6,394	6.063	5,923	6,254
	Scope 2		1,094,967	1,143,195	1,160,614	1,259,541
Market-based	Total GHG emissions		1,046,153	1,053,142	1,059,935	1,142,187
	Scope 1		6,394	6,063	5,923	6,254
	Scope 2		1,039,780	1,047,097	1,054,031	1,135,933
	Renewable energy usage ratio	%	5.2	8.6	9.4	9.0

1) As of 2024, indirect emissions (Scope 2) account for approximately 99.5% (1,160,614 tCO_2e) of total emissions.
2) 65% by 2030, 82.5% by 2040, and 100% by 2050.
3) Total emissions might be different from the sum of direct and indirect emissions by applying the rule that emissions should be summed after truncating decimal places at the business site level.

Scope 3 Greenhouse Gas Emissions[6]

(Unit: tCO_2e)

	Upstream							Downstream		
Category	Purchased goods and services	Capital goods	Fuel- and energy-related activities	Waste generated in operations	Business travel	Employee commuting	Upstream leased assets	Franchises	Investments	Total
2022	1,925,932	922,967	471	218	962	3,522	12,979	54,095	400,883	3,322,029
2023	1,870,658	682,412	136,300[7]	456	3,519	6,362	16,388	79,986	441,212	3,237,292
2024	1,992,087	548,573	179,796	771	2,446	5,422	10,614	27,056	443,477	3,210,242
2024 Target										6,300,718

4) WRI: World Resource Institute
5) WBCSD: World Business Council for Sustainable Development
6) The above greenhouse gas emissions may differ by less than ±1 tCO_2e (tonnes of carbon dioxide equivalent) due to rounding for reporting as integers.
7) From 2023, category greenhouse gas emissions have increased as emissions from the raw material production stage of electricity used have been additionally calculated.

Metrics and Targets

Greenhouse Gas Reduction Efforts

SK Telecom is undertaking a wide range of initiatives to reduce greenhouse gas emissions and energy consumption, including the integration of network equipment, development and adoption of high-efficiency communication equipment, replacement of outdated cooling systems, adjustment of heating and cooling in office buildings, and increasing the proportion of eco-friendly vehicles for business use. In addition, SK Telecom has actively participated in greenhouse gas reduction efforts, becoming the first in Korea to have its methodology for greenhouse gas reduction technology in the telecommunications sector recognized by the government. As approximately 99% of emissions stem from electricity usage, SK Telecom is expanding investments in various reduction technologies such as energy efficiency improvement and the introduction of renewable energy to reduce electricity consumption. Furthermore, SK Telecom became the first in Korea to join RE100 and undergoes annual assessments of its implementation status through the CDP (Carbon Disclosure Project). The company plans to transition 100% of its electricity consumption to renewable energy by 2050.

1) As of 2024, 44.7% of the company vehicles (217 units) are electrified. And 95 electric charging station are installed across 16 office buildings.

Carbon Credit Procurement

SK Telecom has been distributing cookstoves to residents in underdeveloped countries in Southeast Asia since 2018 to secure carbon credits. In 2021, SK Telecom was certified for 260,000 tons of carbon credits by the UNFCCC (United Nations Framework Convention on Climate Change). Moving forward, SK Telecom plans to continue the project until 2030 to secure additional carbon credits. In collaboration with SK Rent-a-Car, SK Telecom has been conducting a greenhouse gas reduction demonstration project for SK Rent-a-Car's electric vehicles in Jeju Island since 2020. In 2023, this initiative was expanded nationwide, and the external greenhouse gas emission reduction project utilizing electric vehicles received final approval from the Ministry of Environment. This project involves calculating and certifying the greenhouse gas reduction amount for 280,000 electric vehicles that SK Rent-a-Car plans to purchase and operate according to the K-EV100 roadmap. The project period is ten years from the date of approval, until 2033, and the expected greenhouse gas reduction amount to be secured by both companies during this period is approximately 390,000 tons. This initiative is an ICT-based reduction project that installs OBD (on-board diagnostics) devices to transmit total driving distance and cumulative battery charging data from SK Rent-a-Car's electric vehicles. It utilizes SK Telecom's dedicated IoT communication network based on Cat.M1 monitoring technology to quantify the greenhouse gas reduction amount compared to internal combustion engine vehicles.

Energy Consumption Reduction

SK Telecom is actively implementing energy consumption reduction through a range of initiatives, including the expansion of renewable energy facilities, to establish a future-oriented energy industry ecosystem. Energy usage is calculated based on 42 major business sites, excluding subsidiaries and the supply chain. Management is conducted in accordance with the domestic ETS emissions calculation and reporting guidelines, and figures are aggregated based on energy usage statements provided by energy partners. Energy intensity is calculated by dividing total energy consumption by separate standard revenue. Achievements in energy savings, such as the use of natural ventilation cooling systems and renewable energy generation, are compiled based on actual measurement data and renewable energy purchase performance. To reduce energy consumption, SK Telecom has implemented measures such as reducing cooling energy usage by dissipating heat from main and auxiliary equipment, integrating network equipment including base stations and repeaters, and replacing outdated cooling devices. Additionally, the company is strengthening energy usage management in office buildings through network structure innovation and network streamlining, jointly developing and managing energy efficiencyrelated indicators with equipment manufacturers, and continuing research and development on new energy-saving technologies such as immersion cooling. In addition, the three major telecommunications companies—SK Telecom, KT, and LG Uplus—are each building communication networks in low-population-density areas such as rural and fishing villages, and are jointly utilizing each other's networks to provide 5G services even in regions where they have not directly constructed networks. This shared network construction reduces redundant infrastructure investment and directly contributes to the reduction of power usage and greenhouse gas emissions.

SK Telecom is continuously implementing a variety of energy consumption reduction initiatives. However, the telecommunications sector is a key industry that underpins the national economy and is subject to both direct and indirect government regulations, making the ongoing expansion of network equipment essential to ensure stable network supply. Furthermore, due to the nature of the service, it is difficult to arbitrarily suspend equipment operations, resulting in a structural limitation where energy consumption steadily increases. In particular, following the introduction of 5G service, energy consumption has risen as 5G equipment was rapidly deployed within a short period to provide stable quality and coverage. As a result of these factors, energy consumption in 2024 increased by 1.5% compared to the previous year.

Expansion of Renewable Energy Use

SK Telecom has installed a 4.9MW self-consumption solar power plant on unused spaces such as rooftops and parking lots of offices and base stations nationwide to utilize green electricity, generating 5,412MWh in 2024. In addition, following 120.1GWh in 2022 and 209.2GWh in 2023, SK Telecom signed a green premium contract with Korea Electric Power Corporation in 2024 to procure 232GWh of renewable energy. This accounts for 9.2% of the company's total electricity consumption in 2024. Considering the current lack of policy support and the underdeveloped market conditions for renewable energy procurement in Korea, the green premium is currently assessed as the most cost-effective RE100 (renewable energy 100%) implementation method compared to other options such as PPA (power purchase agreement) and REC (renewable energy certificate). SK Telecom will continue to monitor policy and market developments and will combine various implementation methods, including PPA and REC, to successfully achieve its RE100 commitment.

SK Telecom entered into a 50MW renewable energy power purchase agreement (PPA) with SKI E&S in June 2024, and plans to receive approximately 64GWh of renewable energy annually for 20 years from July 2027 to June 2047. SK Telecom intends to strengthen various partnerships for sustainable energy transition and is pursuing the expansion of additional PPA contracts. However, there are challenges due to uncertainties in the domestic energy market, as well as a shortage of renewable energy supply. In addition, the current PPA system only allows contracts for high-voltage electricity, which restricts SK Telecom's low-voltage communication equipment installed nationwide from entering into PPA contracts. Accordingly, SK Telecom is requesting improvements to the PPA system from the government, Korea Electric Power Corporation, and Korea Power Exchange so that the scope of eligible PPA loads can be expanded to include low-voltage load.

Natural Capital : Biodiversity, Water and Waste Management

Governance

Natural Capital Conservation System

SK Telecom recognizes the conservation of natural capital as a critical risk. Various risks related to natural capital conservation reviewed within the organization are integrated into the company's broader risk management process and prioritized through the materiality assessment process. The materiality assessment process proceeds in the following order: internal and external environment analysis, issue identification and pooling, materiality assessment, and derivation of key reporting issues.

In addition, SK Telecom reports to the Head of ESG when risks and opportunities related to natural capital conservation are identified. The impact and materiality assessment results of these risks and opportunities on the company are considered in setting organizational performance targets, implementation and performance monitoring, and in making decisions regarding the execution of key action plans.

For issues deemed immaterial, the Head of ESG makes decisions directly. For material issues, the Head of ESG reports to the CEO on an asneeded basis. The CEO makes decisions on material issues and, in the case of critical issues, reports to the Board of Directors and the ESG Committee to request a resolution.

Decision-Making Process for Natural Capital Conservation[1)]

ESG Committee Decision-making on natural capital risks and opportunities for key issues	• Decision-making regarding natural capital risk and opportunity that have a significant impact on SK Telecom.
CEO Decision-making on material natural capital risks and opportunities	• Decision-making to address risk and opportunity factors related to the natural capital conservation • For critical issues that have a significant impact on business and finance, reports are submitted to the ESG Committee
Head of ESG (Head of ESG Development Office) Review and decision-making regarding natural capital risks and opportunities	• If natural capital conservation risk and opportunity factors have a significant impact on SK Telecom, they are reported to the CEO. • If the impact is not significant, decisions are made on the direction of response.
Relevant Departments (e.g., ESG and Infrastructure) Identification and assessment of natural capital risks and opportunities	• Monitoring of natural capital conservation risk and opportunity factors • Analysis of the impact of identified natural capital conservation risks and opportunities on SK Telecom through materiality assessment

1) Ad-hoc reporting through channels such as monthly ESG report submissions to the management.

Strategy

Natural Capital Conservation Policy

SK Telecom implements environmental policies based on the Net Positive Impact principle (investment and activities aimed at the conservation, restoration, and enhancement of natural capital). To conserve natural capital, SK Telecom has participated in the Korea Business Council for Sustainable Development (KBCSD) since 2007, and is also a member of the Business and Biodiversity Platform (BNBP), established in 2016 by KBCSD and the Ministry of Environment. Furthermore, SK Telecom utilizes ICT technology in its policies for the conservation of natural capital.

Natural Capital Conservation Policy

Deforestation Prevention Policy

SK Telecom is establishing deforestation prevention and forest expansion policies to mitigate climate change. Wildfires caused by climate change represent not only a significant climate-related risk with potential financial impacts in the short, medium, and long term, but also pose a serious threat to natural capital conservation. Recently, large-scale wildfires have increasingly caused direct damage to SK Telecom's telecommunications equipment.

SK Telecom is establishing an emergency communication network for early wildfire monitoring in collaboration with local governments and the Korea Forest Service, and is building a mobile wireless system with the National Fire Agency to prepare for network disruptions caused by the complete destruction of base stations. In addition, SK Telecom is preparing new afforestation projects. One of the three main pillars of the green strategy for achieving carbon neutrality by 2050 is the Green Forest. This is an afforestation project strategy designed to offset residual greenhouse gas emissions that cannot be eliminated through energy efficiency improvement and the use of renewable energy. SK Telecom will implement policies to offset greenhouse gas emissions and conserve forests through the forest carbon offset system.

Deforestation Prevention Policy

Natural Capital Conservation Activities

SK Telecom reviews appropriate mitigation measures based on the identified risks and materiality. If its base stations are required to be located in areas such as ecological and landscape conservation areas, wildlife protection areas, or UNESCO world heritage sites, SK Telecom either relocates the installation to surrounding areas or utilizes existing facilities within the area to minimize the impact of its infrastructure on the region.

In the construction and operation phases, the company is reviewing and applying new methods and materials to minimize the risk of wildfires and damage to surrounding areas caused by its infrastructure. For example, SK Telecom is applying fireresistant materials and installing fire suppression systems, particularly for base stations and facilities located in mountainous regions. In addition, it is developing and implementing construction methods that relocate externally exposed components inside the infrastructure.

SK Telecom is jointly implementing a 5G shared network project with the other two major telecommunications companies and the Ministry of Science and ICT. Through the 5G shared network project, SK Telecom is reducing redundant investment and repeated construction/ maintenance of mobile communication infrastructure in rural and forest areas, thereby contributing to the conservation of natural capital and minimizing forest degradation.

SK Telecom is developing and implementing measures to increase the resource recycling rate even during the dismantling phase. For example, SK Telecom recycles waste antenna equipment to produce camouflage screens and collects and repairs waste cable drums for resupply and reuse by optical cable manufacturers. Through these efforts, in 2024, approximately 35 tons of plastic generated from waste antennas were recycled, and 3,488 wooden cable drums (average weight: 51kg) were reused an average of two times.

Biodiversity Conservation

As part of eco-friendly social contribution activities, on March 31, the anniversary of its founding, more than 110 executives of SK Telecom created the "Forest of Books" on a 450m^2 (approximately 135 pyeong) site within Seoul Forest. In the "Forest of Books," SK Telecom planted 280 Abeliophyllum distichum (Mi-seon-na-mu, IUCN Red-list : EN) and 210 Hosta yingeri S.B.Jones (Heuk-san-do-bi-bi-chu, IUCN Red-list : LC), both endangered plant species (nationally protected species), as part of population protection and habitat conservation efforts. In addition, a total of 3,416 trees, including Oriental arborvitae, Mountain hydrangea and Korean mock orange, were planted. Environmental cleanup activities, were also conducted in the designated area within Seoul Forest. These initiatives reflect SK Telecom's commitment to ESG management through ecosystem preservation and plant habitat protection.

Electronic Billing and Mobile Membership Services

By switching from paper to electronic billing, SK Telecom has significantly reduced paper waste and minimized the risk of personal information leakage. As of the end of 2024, the adoption rate of electronic billing has reached approximately 94% of all customers, showing a continuous upward trend since the introduction of appbased billing in 2010. In addition, SK Telecom has contributed to the reduction of carbon emissions by fully replacing plastic cards previously issued to T Membership subscribers with mobile eco cards.

Mobile Membership Usage Status

	Unit	2020	2021	2022	2023	2024
T Membership Mobile Card Issuance Rate (New)	%	99	99	99	99	99
T Membership Mobile Card Issuance (New)	Case	1,499,922	1,063,984	870,201	840,253	781,958
T Membership Plastic Card Issuance (New)		1,248	559	1,082	670	531
T Membership Mobile Card Issuance Rate (Cumulative)	%	70	71	72	73	74
T Membership Mobile Card Issuance (Cumulative)	Case	10,063,031	10,159,147	10,224,496	10,199,719	10,364,271
T Membership Plastic Card Issuance (Cumulative)		4,247,897	4,094,700	3,959,532	3,839,580	3,605,356

Risk Management

Natural Capital Conservation Risk Assessment

To provide telecommunications services, SK Telecom builds and operates its network infrastructure in line with the phases of design, construction, operation, and decommissioning. Throughout this process, SK Telecom adapts and applies the LEAP framework[1] of the TNFD[2] (Taskforce on Nature-related Financial Disclosures) to its own circumstances in order to conserve natural capital and prevent deforestation.

At the design stage, SK Telecom analyzes the value chain to assess the locations where its infrastructure will be installed and the activities conducted at those sites, with a focus on natural capital conservation and prevention of deforestation. If the company's activities or infrastructure locations are determined to have high significance and impact in terms of natural capital conservation and prevention of deforestation, SK Telecom reviews and implements mitigation measures that help preserve natural capital and prevent deforestation while minimizing any negative impact on customer service quality.

1) "Locate, Evaluate, Assess, Prepare" is an approach used by the TNFD(Taskforce on Nature-related Financial Disclosures) for generating and assessing nature-related financial information for each company.
2) The Taskforce on Nature-related Financial Disclosures (TNFD) is a global environmental consortium in which governments and institutions from various countries participate to prevent nature loss and restore ecosystems. It supports companies in disclosing nature-related financial information.

Natural capital conservation risk assessment process

Design

Identification of the value chain

- **Identification of organizational activity scope**
  - Classification according to direct operations, adjacent areas to direct operations, upstream, and downstream

Selection of priority areas

- **Identification of relevant biomes and ecosystems**
  - Ecosystem services and assets related to organizational processes
- **Selection of priority areas**
  - Ecosystem conservation status
  - Importance of natural capital
  - Water stress
  - Areas where the organization has potential dependencies and impacts

Establishment

Identification of dependencies and impacts

- **Identification of dependency and impact**
  - Utilizing the ENCORE tool (Exploring Natural Capital Opportunities, Risks and Exposure) to assess the level of dependency and impact for relevant sectors as high, medium, or low.

Risk and opportunity identification and assessment

- **Risk and opportunity analysis**
- **(Future) scenario analysis**

Operation

Targets setting

- **Identification of target items**
- **Selection of indicators for setting quantitative targets**
- **Establishment of baseline and target setting**

Demolition

Mitigation measures

- **Implementation of mitigation measures to achieve targets**
  - Avoidance
  - Reduction
  - Restoration and regeneration
  - Transformation

Monitoring and verification

- **Monitoring, reporting, and review process**

Example of Risk Assessment for Natural Capital Conservation

SK Telecom activities	Activity location (administrative district)	Site assessment: Ecological landscape conservation area status	Site assessment: Wildlife protection area status	Regional characteristics / dependency / impact	Materiality and risk assessment results	Mitigate measures
Provision of 5G service in the Namsan area of Seoul	Yejang-dong, Jung-gu, Seoul, South Korea	O	X	Namsan pine forest area characterized by a developed Quercus mongolica community	High	Conservation area avoidance facility
Provision of 5G service in the Donggang area	Mitan-myeon, Pyeongchang-gun, Gangwon Province, South Korea	O	X	Habitat of endangered species such as otters and musk deer	High	5G shared network
Aging antenna replacement project	Nationwide	X	X	Waste generation due to replacement antennas	Medium	Waste recycling
Seoul Subway City Hall Station platform 5G quality enhancement	Seosomun-ro, Jung-gu, Seoul, South Korea	X	X	Installation of equipment within urban facilities (no impact)	Low	-

Metrics and Targets

Water ·Waste Managerment

Water Use

According to the industry classification provided by ENCORE[1], SK Telecom falls under the wireless telecommunications activities sector, which is identified as having a relatively low impact in the area of volume of water use. In practice, none of the facilities operated by SK Telecom directly use water for product manufacturing; rather, water is primarily used for the daily needs of office employees and for building heating and cooling systems.

SK Telecom manages water usage at the company-wide level by incorporating water consumption into the environmental objectives of its environmental management system (International Organization for Standardization, ISO 14001) to ensure systematic water efficiency management and reduction in usage. Water consumption is calculated monthly for each of the 27 office buildings based on water utility bills, and the results are consolidated by the company's central department to be managed on a monthly and annual basis. Data from subsidiaries and suppliers are excluded from the calculation. Water intensity is calculated by dividing the total water consumption by a separate standard revenue figure.

SK Telecom manages water use internally based on the following definitions, referencing the Carbon Disclosure Project (CDP)'s "Technical Note on Water Accounting." Water withdrawal is defined as the sum of municipal water supply (third party source) provided by regional water suppliers to each office building and groundwater extracted at each site. Water discharge refers to the amount released into the sewage system (third party destination) from each office building, which, in most cases, is equivalent to the water withdrawal. However, at certain sites, the volume of water lost through evaporation, such as from cooling towers, is separately measured and excluded from the discharge amount. Water use is considered equivalent to water withdrawal[2], while water consumption is calculated as "water withdrawal minus water discharge."

In 2024, water withdrawal amounted to 710,778 m^3, representing a 5.3% increase compared to the previous year, which is attributed to an increase in the number of employees working at the office building. However, the rate of increase in water withdrawal slightly declined from 5.4% in 2023. This improvement is the result of various efforts, including the adjustment of water supply, wastewater discharge, and evaporation volume for optimized operation of building cooling towers, as well as the installation of water-saving valves in restrooms and shower facilities.

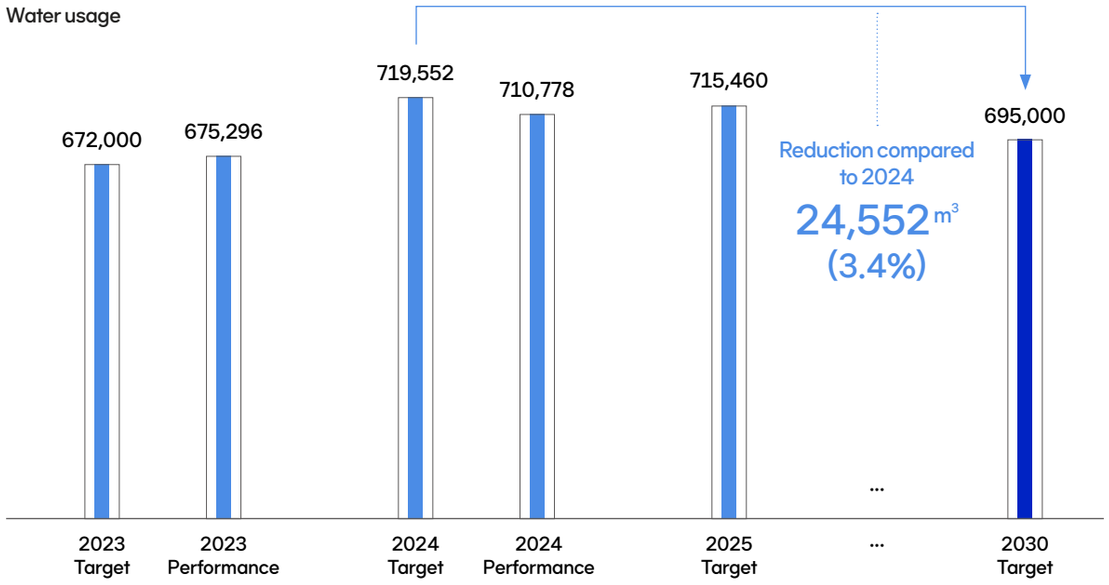
In addition, SK Telecom has planned a water reduction campaign for employees and conducted promotional activities to raise awareness of the importance of water reduction. SK Telecom has also installed gray water facilities (water recycling facilities) at five locations, including the T-Tower headquarters. Furthermore, separate rainwater collection facilities have been installed, enabling the recycling of approximately 2 tons of rainwater annually for cleaning and maintenance purposes.

SK Telecom undergoes third-party verification to monitor water usage. In 2024, the annual water discharge volume is 683,731 m^3, and the water consumption is 27,047 m^3. The majority of water consumption is attributed to water used in cooling towers for air conditioning.

SK Telecom has set a management target to reverse the trend of water consumption from 2025, aiming to reduce it to 695,000 m^3 by 2030, which represents approximately a 3.4% decrease compared to the 2024 target.

1) ENCORE(Exploring Natural Capital Opportunities, Risks and Exposure): This tool was developed through a collaboration of global organizations such as Global Canopy, UNEP FI(United Nations Environment Programme Finance Initiative), and UNEPWCMC(United Nations Environment Programme World Conservation Monitoring Centre) to analyze the dependence and impact of economic activities by industry sector on natural capital
2) All municipal water and groundwater withdrawn by SK Telecom are classified as fresh water, which is immediately available for use and is utilized for domestic water and heating and cooling water within office buildings. Accordingly, water withdrawal and water consumption are treated as equivalent

Water Use Reduction Target Through 2030 (Unit:: m^3)



Metrics and Targets

Waste and Recycling

SK Telecom is classified under the wireless telecommunications services sector according to the industry classification of Environmental and Climate Opportunities and Risks Evaluation (ENCORE), and is identified as having a low level of impact in the solid waste area. Currently, none of SK Telecom's facilities are used for product manufacturing; instead, they are primarily used as offices, research centers, sports facilities, and training centers to support the provision of telecommunications services.

SK Telecom recognizes the importance of waste management and is continuously striving to reduce emissions based on data-driven approaches. SK Telecom is certified under ISO 14001, the international standard for environmental management systems and manages waste under this environmental management system. SK Telecom has established and operates a consistent company-wide management framework by documenting the environmental management manual, SK Telecom headquarters environmental management manual, and waste management guidelines. Performance is aggregated and analyzed monthly for each office building. In addition, SK Telecom conducts thirdparty verification annually by having an external organization verifies the accuracy of the data of the aggregated results and perform on-site inspections. The company's central management department leads annual performance reviews, sets targets for the following year, and discusses improvement measures.

In response to the growing importance of the circular economy, Recognizing the growing importance of the circular economy, SK Telecom has begun tracking and managing network infrastructure waste as part of its 2024 performance reporting. SK Telecom classifies network infrastructure equipment as obsolete when it is no longer in use due to service termination, the end of its lifespan, or malfunction. Subsequently, through a sales process, the equipment is either reused externally, dismantled for recycling, or processed as waste.

In 2024, the total waste generated by SK Telecom amounted to 4,399 tons. Of this, network infrastructure waste accounted for 3,224 tons, while waste generated from office buildings was 1,175 tons. Since SK Telecom's waste is processed through transportation/treatment companies or the resource circulation departments of local governments, the final disposal forms and methods are not traceable. However, based on estimates from the waste statistics yearbook, the quantities processed by method are as follows: 3,616 tons through recycling, 236 tons through landfilling, 390 tons through incineration, and 158 tons through unknown treatment methods.

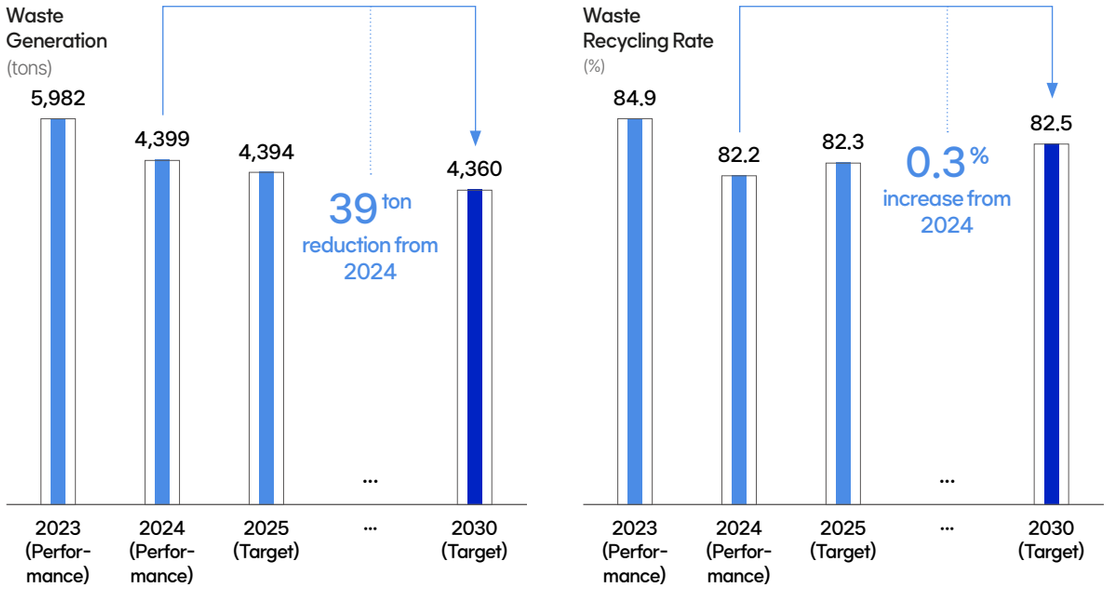
SK Telecom is undertaking a range of initiatives to reduce waste emissions and increase the recycling rate. Since 2021, SK Telecom has continuously introduced and expanded the use of food waste processors to minimize food waste. In 2024, SK Telecom allocated a budget of approximately KRW 62 million[1)] to operate 15 food waste processors across 12 office buildings. As a result, food waste emissions decreased from 236 tons in 2022 to 186 tons in 2023, and further to 54 tons in 2024.

1) Annual rental cost for 15 food waste processors

SK Telecom implements a two-stage waste separation process at its office buildings to reduce waste emissions and landfill volume while increasing the recycling rate. First, both general waste bins and bins for recyclable materials are placed in offices, encouraging employees to voluntarily separate and dispose of recyclable materials. Subsequently, waste management personnel at each office building conduct a secondary sorting process to identify additional recyclable materials from general waste and collect recyclable materials by type for final disposal.

The annual waste emissions performance and targets represent the combined waste generated from 27 offices nationwide and 4 infrastructure headquarters. SK Telecom will continuously reduce waste emissions starting in 2025, aiming to decrease the total to 4,360 tons by 2030. In addition, SK Telecom will steadily increase the waste recycling rate, with a goal of reaching 82.5% by 2030. However, the volume of network infrastructure waste may fluctuate depending on government regulation, permit approvals, and midto long-term network operation strategies, such as infrastructure construction or dismantling related to the launch or termination of new services.

Target Setting for Waste Generation and Recycling Rates Through 2030



Employees

Governance

Role of the Board of Directors and Management

SK Telecom places its people at the core of strategic execution in pursuit of becoming a Global AI Company. To this end, under the leadership of the CEO, the head of the HR Center has been appointed as the CHRO (Chief Human Resources Officer) to oversee talent development and recruitment, and is responsible for reviewing and making decisions on key matters. The board of directors and management have identified talent development aligned with business strategy, establishment of a leadership system and change management program to achieve the company's vision, and the creation of a culture and ecosystem oriented toward becoming an AI company as key priorities, and are actively supporting these initiatives. Through these efforts, SK Telecom is strengthening human resources governance by linking the growth of its members to the organization's competitiveness.

Dedicated Organizations

SK Telecom recognizes the importance of human resources as a key driver for sustainable growth and operates three dedicated departments—HR Department, ER Department, and Competency Development Department—for effective human resource management. Each department carries out systematic human resource management and supports the achievement of organizational goals through close collaboration. The HR Department is responsible for establishing and implementing organizationwide human resource management strategies, including recruitment, performance evaluation, compensation, and workforce planning.

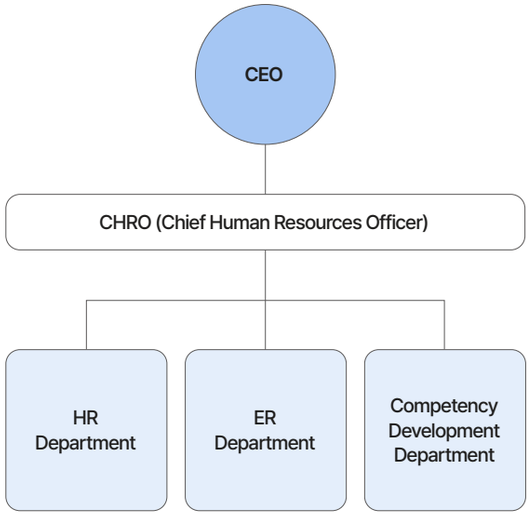
The ER Department is dedicated to fostering smooth communication among members and cultivating a positive organizational culture. By operating the labor-management council and ensuring compliance with labor regulations, SK Telecom creates a sound and stable working environment. The Competency Development Department designs and operates various training programs to enhance job-related competencies and leadership development, supporting both individual growth and the overall strengthening of organizational capabilities.

SK Telecom will continue to make every effort to ensure that human resources remain the core driver of corporate growth through continuous system improvement and proactive investment.

Labor-Management Relations

SK Telecom operates a union shop system in which employees within the scope of the collective agreement are automatically enrolled in the labor union upon joining the company. The company also extends the provisions of the collective agreement to non-union members. SK Telecom determines wage increase rates and strives to improve working conditions through wage negotiation and collective bargaining between labor and management. In accordance with the fundamental principles of mutual cooperation and respect, the company and the labor union conduct annual wage negotiations and biennial collective bargaining, and also hold quarterly labor-management council meetings. As of May 2025, there have been no cases of non-compliance.

Governance Structure for Employees



Key Responsibilities of Dedicated Organizations

HR Department (Human Resource)	• Systematic operation of the recruitment process for talent acquisition • Establishment of an objective and fair evaluation and compensation system based on performance and capabilities • Development of strategic workforce planning and efficient workforce allocation • Securing an optimal organizational structure and leadership aligned with the company's strategy
ER Department (Employee Relations)	• Operation and support of various channels to facilitate communication among employees • Development and implementation of programs to foster a mutually respectful organizational culture • Creation of work management systems and workplace environments that enhance employee engagement and performance • Establishment of sound labor-management relations through regular collective bargaining and operation of the labor-management council
Competency Development Department (Talent development)	• Analysis of required competencies by job function and development of customized training programs • Implementation of training programs, workshops, coaching, and mentoring to enhance AI and global competencies • Operation of leadership development programs to foster future core talent • Strengthening and transfer of competencies through internal and external collaboration

Strategy

Talent Development Linked to Business Strategy

SK Telecom has established and implemented development directions and policies linked to business strategies to ensure that talent essential for achieving tangible results in each business area is effectively nurtured. In particular, SK Telecom is continuously operating AI competency enhancement programs for employees to realize its vision of becoming a Global AI Company.

Starting in 2024, SK Telecom is running an "AI literacy" program to enable all employees, including part-time and contractual employees, to systematically develop AI competencies and respond to change. Through this program, employees are supported in utilizing AI in their work to enhance operational efficiency. In 2024, approximately 3,100 employees participated in offline practical training, and 90% of those who completed AI training responded that the use of generative AI increases productivity and efficiency in their work, while 96% indicated that they are applying generative AI across various work areas such as document creation, data analysis, and coding.

In addition, SK Telecom is operating AI project-based learning (PBL) programs that are linked to organizational tasks, allowing employees to work with actual data and systems to drive real business innovation.

Beginning in 2025, SK Telecom is implementing an intensive training program to cultivate AI development professionals. Selected employees will receive step-by-step training to build their expertise, from applying AI to services to building AI models, with the goal of doubling the number of AI development professionals compared to the current level.

In addition, the company supports the growth of AI developers through a master's degree program in the AI field (OJD, On the Job Degree). To date, a total of 125 members have participated in the OJD program, and 39 have successfully obtained their master's degrees.

Furthermore, by participating in SK Group's AI-based data analysis and modeling certification exam, a total of 43 members have been certified since 2023, thereby verifying their capabilities in machine learning, deep learning modeling, and data analysis.

The company has also operated a Employee Resource Groups called Study-mate Program to encourage members to take the initiative in learning and quickly develop their technical skills. In 2024, approximately 500 members voluntarily formed 68 study groups to learn about various topics, including the development of AI applications linked with large language models (LLM) and implementation projects for retrievalaugmented generation (RAG[1]).

1) RAG(Retrieval-Augmented Generation): A technology that enables large language models (LLM) to reference a reliable external knowledge base, in addition to their training data sources, in order to address their limitations.

SK, together with external developers, operates a technology blog and community platform called DEVOCEAN. Through this platform, SK Group selects subject matter experts in each field to serve as connectors for both internal and external activities, such as creating technical content and delivering seminar presentations. In 2025, SK will launch DEVOCEAN OpenLab, an open study program, enabling members to autonomously form study groups and engage in collaborative learning with both internal and external participants. This initiative provides a forum to explore the latest trends in artificial intelligence technology development, artificial intelligence product planning, and the use of AI tools, enabling the realization of innovative ideas.

In addition, SK Telecom is systematically implementing initiatives to strengthen the global competencies of its members. SK Telecom has established foundational training programs for all employees, including respect for diversity, to facilitate effective collaboration with global partners. For members of global business organizations, specialized training courses are provided to further enhance professional capabilities. Going forward, SK Telecom plans to foster global experts who will lead new overseas businesses.

Participants in the 2024 offline AI training program

Approximately **3,100** people

Generative AI utilization rate among employees who completed AI training

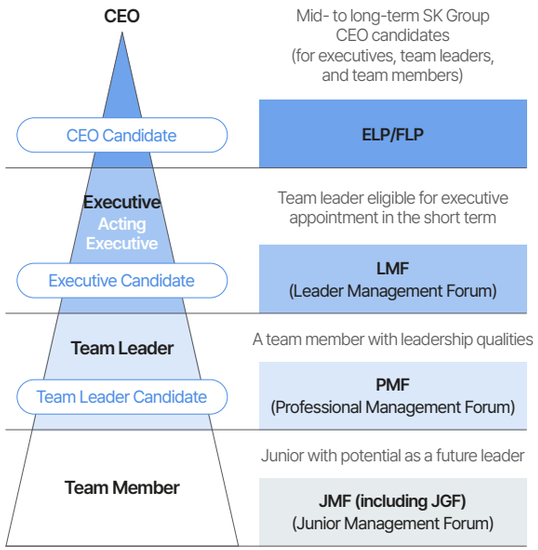
96%

Strategy

Establishing a Leadership System to Achieve the Vision

SK Telecom is comprehensively promoting key talent development, promotion-focused training by job grade, and organizational change management based on a company-wide leadership pipeline system. Key talent, identified as future leaders who will drive the transition to a global AI company, are systematically nurtured through a three-stage program: JMF(Junior), PMF(Professional), and LMF(Leader). In 2024, a total of 271 individuals participated in the program, achieving a 0% turnover rate (compared to the total turnover rate of 1.5%), demonstrating strong performance in retention. In 2025, SK Telecom will continue to foster talent according to group-specific growth objectives with emphasis on the SUPEX Spirit, core competencies, and leadership.

2025 SKT Core Talent System



Promotion training is conducted for A-band candidates through a self-leadership program, and after appointment to leadership positions, new team leaders and executives are supported in their role transitions via a year-round onboarding program. In particular, new team leaders receive not only initial leadership training but also customized organizational management education based on leadership assessments along with a Reboot Camp in the second half of the year, enabling them to reflect on their leadership and enhance execution capabilities through peer learning. Furthermore, to address changes brought by the AI environment, leadership workshops and AI literacy programs are provided for all team leaders. Through practical scenariobased exercises and tailored coaching, the organization is supported in utilizing AI more effectively. These initiatives are extended to executives as well, ensuring year-round support for leadership insights essential in the AI era.

From the perspective of company-wide change management, SKMS, the group's management philosophy, has been promoted through CEO Townhall meetings and team-level Can Meetings. In addition, hierarchical training programs for executives, team leaders, and team members, as well as year-round Boom Up programs, have been implemented to ensure that SKMS is naturally integrated into employees' daily routines. As a result, in the 2024 group-led Culture Survey, the SKMS understanding score reached 80.1 points, an increase of 6.4 points compared to the previous year.

Creating AI Company-oriented Culture and Ecosystem

SK Telecom is implementing a variety of approaches to ensure that all leaders and employees across the company deeply resonate with the vision of becoming a "Global AI Company" and can seamlessly integrate generative AI into their daily work.

Since 2024, approximately 500 AI Frontiers, who lead innovation in AI-based work practices, have been selected and developed. Through two weeks of project-based learning, they have identified practical application cases that drive business model transformation, playing a key role in spreading a culture of AI utilization throughout the organization.

In addition, the company held an "AI Challenge" where members developed AI-powered services, resulting in over 40 innovative ideas to enhance customer experience and transform work practices. Fourteen teams advanced to the finals in a hackathon format and developed prototypes.

Furthermore, SK Telecom has actively fostered a culture of AI utilization by hosting the "Gen-AI Art Challenge" three times for all employees, producing images themed around the vision of a "Global AI Company" and the company's 40th anniversary. The company has also implemented various programs, such as the "AI Community," where members share cases of productivity improvement through AI application, to further promote a culture befitting an "AI Company."

Launched in 2021, the AI-based Learning Curator SAM has evolved into a generative AI learning agent that supports real-time access to internal and external educational content and learning through generative AI and conversational interfaces. SAM now enables personalized learning and growth for employees. This case, recognized as an exemplary application of AI technology in talent development, was shared by Human Resource Development (HRD)–related associations and has been benchmarked by numerous domestic companies, thereby enhancing the company's image as an AI company.

SK Telecom is striving to foster an AI ecosystem that creates synergy and develops capabilities by strengthening not only internal but also external collaboration. Since 2017, the SK AI Summit has been held annually, and in 2024, it was expanded into a Global AI Summit hosted by SK under the theme 'AI Together, AI Tomorrow'. By presenting and exhibiting 162 AI-related items, SK Group is expanding its influence in the global AI industry. Through the SK AI Summit, SK Group presented its current and future vision for AI to approximately 20,000 participants and provided a platform for business synergy with global AI companies such as Microsoft, NVIDIA, and OpenAI.

In this way, SK Telecom continues to promote its AI vision both internally and externally, building an ecosystem that drives a virtuous cycle of nurturing outstanding talent and creating new business opportunities.

Strategy

Mentoring Program

SK Telecom implements a variety of coaching and mentoring programs through company-wide team leader workshops and team leader candidate training, such as the ILP (Ignite Leader Program). In particular, SK Telecom supports team leaders in fulfilling their leadership roles through the LCP(Leader as Coach Program), an intensive coaching program for all team leaders. This program provides a structured coaching process, skills development, peer-to-peer pairing coaching, and expert feedback.

In addition, SK Telecom operates a cultural coaching program with senior foreign national employees as mentors to support foreign employees hired through the Global Junior Talent program in adapting to Korean corporate culture. This program helps participants learn about adapting to Korean companies, improving Korean language proficiency, overcoming challenges, and learning SK Telecom's unique corporate culture and work practices.

Retirement Transition Support

SK Telecom provides an outplacement program, special retirement leave, and employee welfare benefits such as telecommunications fee support, health checkups, and family event support to members approaching retirement, enabling them to systematically plan for a new chapter after retirement. The outplacement program, for which the company covers all expenses, is conducted in partnership with three specialized educational institutions in the relevant fields. Through processes such as one-on-one customized consulting—including self-assessment, career planning, financial planning, and life counseling—in addition to education on reemployment and entrepreneurship, job and business placement services, and post-career management, SK Telecom offers concrete action plans to facilitate successful career transitions. In addition, SK Telecom operates the Next Career leave system as a paid leave program for long-term employees with over 25 years of service or those aged 50 and above, allowing them to prepare for a new career with sufficient time and support. Next Career leave participants are also provided with entrepreneurship support programs similar to those offered to employees approaching retirement.

Retirement Support Program

- **Career transition/start-up support program:** Financial support of up to KRW 3 million per person
- **Mobile service fee:** Mobile phone charges supported for three years
- **Special retirement leave:** One month of paid leave available starting three months prior to the retirement date
- **Congratulatory and condolence events:** Provision of congratulatory and condolence items under the same standards as current employees for three years
- **Health check-ups:** Access to health check-ups at contracted rates at the same medical institutions as current employees for three years
- **Retirement ceremony:** Retirement ceremonies organized at the business unit level (including bouquets, plaques of appreciation, etc.), with a plaque of merit presented in the name of the CEO

Fair Performance Evaluation

SK Telecom conducts performance evaluation based on fair procedures to assess the achievements and competency levels of its members. For performance evaluation, SK Telecom utilizes a performance management system to register individual KPIs (key performance indicators) linked to the company and team KPIs, and leaders conduct agile conversations and ongoing reviews of performance. For competency evaluation, reviews are conducted focusing on job-specific expertise. The results of these evaluations are finalized through sufficient discussion and debate in talent review sessions for each organization. The confirmed evaluation results are used for compensation, promotion, and selection of key talent. To enhance transparency and fairness, SK Telecom implements 360-degree feedback so that not only leaders but also colleagues who work together can provide input throughout the entire evaluation process. In 2024, 99% of all employees (excluding those on external secondment) received performance evaluation in accordance with SK Telecom's performance evaluation system.

Employee Shareholder Participation Program

SK Telecom operates a shareholder participation program that allows employees, who are the main drivers of the Financial Story, to voluntarily contribute to the enhancement of corporate value by choosing to receive their performance bonuses in company shares. Employees can select the number of shares they wish to receive within the scope of their performance bonus. Since its introduction in 2021, approximately 30–40% of employees have consistently participated each year. Participating employees are expected to share in the results of the company's long-term growth as both employees and shareholders.

Work System

DYWT Optional Work System

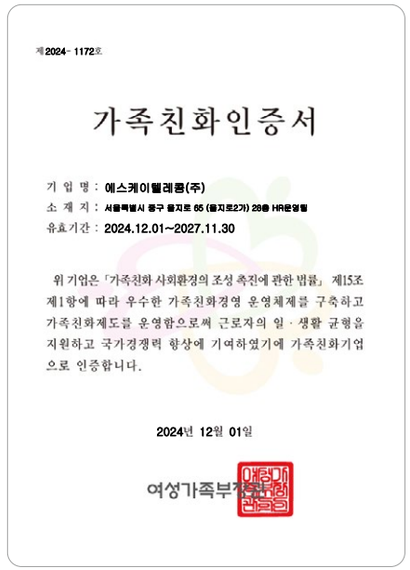
SK Telecom has reviewed the introduction of a selective work hour system, a type of flexible work arrangement, and since April 2018 has operated its own unique work culture and attendance management system called DYWT(Design Your Work & Time). DYWT is a monthly selective work hour system that enables employees to autonomously plan and manage their daily work schedules, including start and end times, within the prescribed monthly working hours. In addition, SK Telecom enables employees to choose their own optimal work locations by offering a remote work system and operating Sphere, dedicated workspaces for focused tasks located in various existing company buildings. We are striving to build a cloud-based work environment that provides the same level of support as the main office when working from home, and we are distributing non-face-to-face work guidelines to help employees focus more on their work. By granting employees the autonomy to choose their working hours and locations based on their work situations and personal schedules, SK Telecom has achieved positive outcomes such as increased job satisfaction, enhanced work engagement, and a reduction in total working hours.

Strategy

Fostering a Happy and Collaborative Organizational Culture

SK Telecom is actively driving changes in organizational culture by setting three key directions: “communication and participation,” “horizontal relationships,” and “sharing and collaboration.” To promote communication and participation, SK Telecom regularly holds town hall meetings, transitioning from top-down communication to interactive dialogue, where major management issues are shared and employees' opinions are collected. In addition, SK Telecom has consistently operated the “Corporate Culture Opener program” program, which consists of “Sharing Cider” for purpose-based information sharing, “Happiness Participation Cider” for anonymous feedback and suggestions, and “Zero Cider” for resolving inconveniences in company life. This program contributes to transparent disclosure in the communication process and ensures strict anonymity, thereby facilitating horizontal information sharing and open communication between the company and its employees.

To foster horizontal relationships, all members, including executives, are addressed with the honorific suffix “-nim” without distinction of rank, and we are working to promote a more flexible organizational culture by streamlining the executive rank structure, including unifying the positions of Executive Vice President, Senior Vice President, and Vice President. These efforts aim to promote a flexible organizational culture. The internal job posting system, which allows members to proactively take on roles they aspire to based on their expertise, competencies, and career vision, is also part of these initiatives.


제2024-1172호

가족친화인증서

기 업 명 : 에스케이텔레콤(주)
소 재 지 : 서울특별시 중구 을지로 65 (을지로2가) 28층 HR운영팀
유효기간 : 2024.12.01~2027.11.30

위 기업은 「가족친화 사회환경의 조성 촉진에 관한 법률」 제15조 제1항에 따라 우수한 가족친화경영 운영체계를 구축하고 가족친화제도를 운영함으로써 근로자의 일 · 생활 균형을 지원하고 국가경쟁력 향상에 기여하였기에 가족친화기업으로 인증합니다.

2024년 12월 01일

여성가족부장관

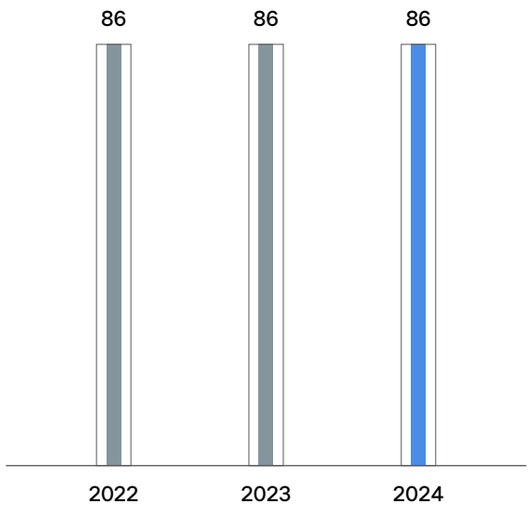
Family-Friendly Certification

Risk Management

Employee Engagement

SK Telecom continues to innovate its corporate culture to help employees pursue happiness in both work and personal life. Various initiatives are being implemented to ensure that employees stay motivated and fulfilled at work without stress, thereby promoting a positive perception both inside and outside the company. As part of these efforts, SK Telecom conducts an annual employee engagement survey at the end of September to measure "sense of belonging as a member, pursuit of happiness through work", and "pursuit of happiness for stakeholders." In the 2024 employee engagement survey, 61% of employees responded, and the employee engagement score reached a high level of 86 points. (2024 Target: 86 point)

Employee Engagement (Unit: Points)



Metrics and Targets

Status of Employee Training

	Unit	2022	2023	2024
Investment inTraining per Employee	KRW million	3.2	2.9	3.2
Average Annual Training Hours per Employee	hours	63	64	59.4 (63.7)[1]
Annual No. of Training Programs Offered	programs	11,904	13,885	12,520
Annual No. of Participants in Training Programs	persons	590,969	883,235	789,880

1) From 2024, training hours per person, including non-regular workers (part-time and contractual employees), have slightly decreased. The figures in parentheses represent training hours excluding non-regular workers.

Mid- to Long-Term Goal for Employee Development

2025

AI development professionals training and AI competency enhancement for all employees

- Increase the number of AI development professionals by 1.5 times
- Strengthen AI utilization competency for all employees
- Train 500 AI Frontier specialists for team-level AI use

2026

Cultivate top-tier AI professionals and daily integration of AI in all employees' work

- Foster AI development professionals (double the current number)
- Enhance work productivity for all employees through the use of AI
- Establish a work culture that utilizes AI through AI Frontier

Safety and Health

Governance

Role of the Board of Directors and Management

SK Telecom has strengthened the board of directors' overall management function for occupational health and safety and appointed a Chief Serious Accident Prevention Officer (CSPO) in 2021 to fulfill its obligations to ensure occupational health and safety and to systematically promote serious accident prevention activities.

The CSPO submits and discusses the annual occupational health and safety plan with the board of directors, which covers key matters such as organization, personnel, and budget related to occupational health and safety along with the overall implementation of obligations under the serious accidents punishment act and the Occupational Safety and Health Act.

Safety and Health Organization

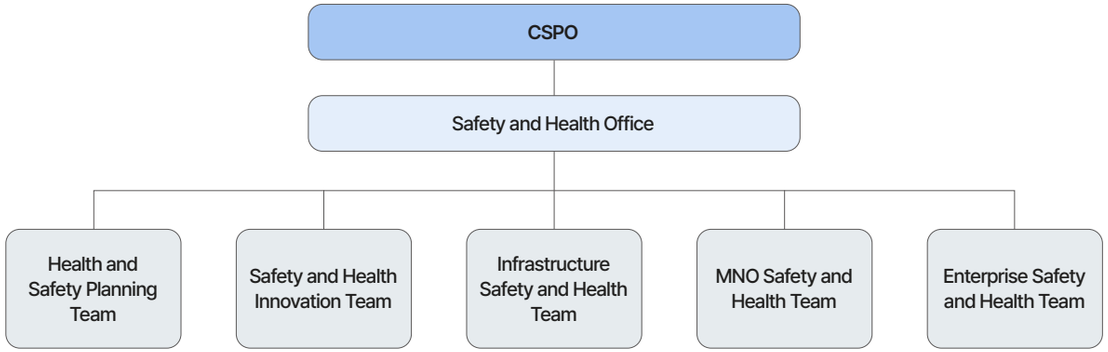
Under the CSPO, a dedicated safety and health organization has been established to support the organic and efficient execution of safety and health management tasks.

The dedicated safety and health organization serves as both the company-wide control tower and the management unit for each business division, thereby strengthening the execution of safety and health initiatives. The organization actively implements accident prevention activities, including the execution of annual safety and health plans, inspection and improvement of hazardous and risk factors, establishment of a serious accident response process, and the development and enhancement of procedures for gathering and addressing employee feedback.

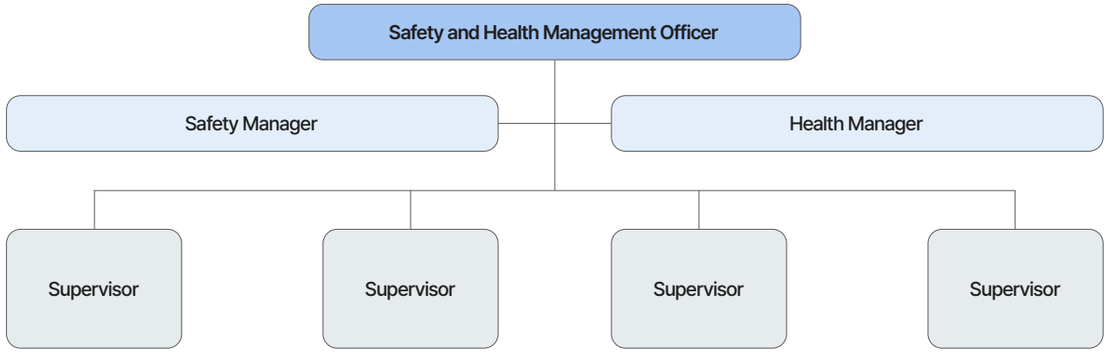
Safety and Health Management System

At all SK Telecom workplaces, an occupational safety and health management system is operated in accordance with the Occupational Safety and Health Act, taking into account the size and operational characteristics of each site. The occupational safety and health management system at each workplace is composed of an occupational safety and health manager responsible for oversight and direction, as well as safety managers and health managers who are specialized staff in safety and health. In addition, each department designates a supervisor to ensure thorough occupational safety and health management at all sites.

Safety and Health Governance



Workplace Safety and Health Management System



Strategy

Health and Safety Management Policy

SK Telecom consistently communicates its commitment to occupational health and safety management, pledging to protect the lives and safety of stakeholders—including customers, citizens, employees, and partner company personnel—in all business activities. SK Telecom is making continuous efforts to ensure occupational health and safety and prevent serious accidents through close cooperation between labor and management. In particular, SK Telecom has formalized its occupational health and safety management policy, which is structured around the zero serious accident target and five key action items, and conducts a joint labor-management signature every year to reaffirm the commitment of both labor and management as principal agents of occupational health and safety. Furthermore, to enhance the effectiveness of the occupational health and safety management policy, SK Telecom and the management of its ICT family companies incorporate occupational health and safety management objectives into their KPI systems. In addition, SK Telecom establishes quantitative and qualitative targets for each occupational health and safety indicator and continuously strives to achieve and improve these targets.

Health and safety management policy

SK Telecom Co., Ltd. (hereinafter referred to as the 'Company') recognizes that protecting the lives and safety of customers, citizens, members[1], and workers[2] is a top priority, and labor and management shall cooperate together to faithfully implement the safety and health management system and continuous accident prevention activities, and must implement the following.

1. The Company management shall continuously expresses our commitment to safety and health management, and labor and management faithfully implement it together.
2. The company shall establish management standards by reflecting the requirements of safety and health-related laws and regulations in the safety and health management system, and fulfill its responsibilities and obligations in management activities.
3. The company shall identify harmful and dangerous factors in its products, facilities, and services, make continuous improvement efforts according to priorities, and do its best to provide necessary resources in a timely manner.
4. The company shall actively guarantee and create an environment for communication, voluntary consultation, and participation with stakeholders in order to maintain and promote the safety and health of stakeholders, such as customers, citizens, members, and workers, and to prevent accidents.
5. The company shall provide continuous education and training and learning considering the eye level of its members and workers to enhance safety awareness and create an organizational culture in which safety is internalized.

Based on this safety and health management policy, the company shall secure the safety and health of stakeholders such as customers, citizens, members, and workers, and achieve the goal of zero serious incidents through mutual participation and cooperation between labor and management.

December 26, 2024

Jean Hwanhee, Labor Union Chairman

Ryu Junghwan, CSPO

[1] Members: Permanent and temporary employees of SK Telecom
[2] Members: Workers of SK affiliates/sponsors under the Non-concluded contracts with SK Telecom, such as subcontracting, service, and consignment

Health and Safety Management Policy

Health and Safety Management System

SK Telecom operates a comprehensive occupational health and safety management system based on the recognition that protecting the lives and safety of stakeholders—including customers, citizens, employees, and partner company workers—is the highest management priority. Reflecting the 15 requirements stipulated in the Enforcement Decree of the Serious Accidents Punishment Act, which has been in effect since 2022, SK Telecom has established and implemented an occupational health and safety management system comprising management infrastructure, serious accident prevention activities, and implementation monitoring and risk management. Going forward, SK Telecom will continue to advance its occupational health and safety management system in response to changes in the business environment and relevant laws.

Health and Safety Management System

Enforcement decree of the Serious Accidents Punishment Act

Measures for the establishment and implementation of the occupational health and safety management system

Article 4 (9 provisions)
Article 10 (1 provision)

Measures required to fulfill obligations under occupational safety and health laws and regulations

Article 5 (4 provisions)
Article 13 (1 provision)

SK Telecom Health and Safety Management System

Management Infrastructure

- **Occupational health and safety management policy and regulations**
  1. Establishment and dissemination of the occupational health and safety management policy (Article 4, Item 1)
- **Occupational health and safety organization, personnel, and budget**
  2. Establishment of a dedicated occupational health and safety organization (Article 4, Item 2)
  3. Allocation and execution of the occupational health and safety budget (Article 4, Item 4)
  4. Appointment and empowerment of the occupational health and safety manager (Article 4, Item 5)
  5. Assignment of specialized personnel (Article 4, Item 6)

Serious Accident Prevention Activities

- **Enhancement of employees' occupational health and safety mindset**
  6. Inspection of occupational health and safety training implementation (Article 5, Paragraph 2, Subparagraph 3)
  7. Establishment of measures in case of non-implementation of training (Article 5, Paragraph 2, Subparagraph 4)
- **Employee engagement**
  8. Procedures for listening to employee opinions and making improvements (Article 4, Item 7)
- **Identification and improvement of hazardous and risk factors**
  9. Identification and improvement of hazardous and risk factors (Article 4, Item 3)
  10. Measures for public-use facilities (Item 10)
- **Enhancement of occupational health and safety standards for related suppliers**
  11. Improvement of qualified supplier evaluation criteria and procedures (Article 4, Item 9)

Implementation Inspection·Risk Mgmt.

- **Implementation inspection and recordkeeping**
  12. Inspection of compliance with statutory obligations (Article 5, Paragraph 2, Subparagraph 1)
  13. Establishment of measures in case of non-compliance (Article 5, Paragraph 2, Subparagraph 2)
  14. Written recordkeeping of implementation matters (Article 13)
- **Serious accident response system**
  15. Establishment of a serious accident response process (Article 4, Item 8)

Strategy

Enhancing Health and Safety Mindset

Implementation of Safety Training

SK Telecom requires all employees to complete annual mandatory safety training to prevent workplace accidents and raise safety awareness. In addition, SK Telecom closely monitors the safety training status of each partner company and, upon request, provides training materials and venues to partner companies as part of its commitment to safety-first management.

Safety Experience Center: "SKT Family Safe T Center" Opens

In October 2023, SK Telecom opened the safety experience center, "SKT Family Safe T Center," at the Busa office in Daejeon to enhance the safety awareness of employees, SK ICT family companies, and partner companies, prevent workplace accidents, and promote a safety culture. By integrating the latest ICT such as virtual reality (VR) and augmented reality (AR), SK Telecom has established an immersive experience space that offers a total of 26 training programs, ranging from specialized telecommunications construction training such as aerial work platforms and rooftop work environments, to electrical safety and everyday safety topics including emergency descent devices. The center meets the safety and health education standards of Korea Occupational Safety and Health Agency (KOSHA) and has received official government recognition as a private safety experience center. Training is available for all levels, from managers to field workers, and a total of 7,290 participants completed the program between its opening and December 2024.

Employee Health Management

Health Screening and Vaccination Programs

SK Telecom operates a comprehensive support system for early detection and management of diseases through health screening for employees. The company provides regular comprehensive health screening programs for employees and their families, and in 2024, introduced a "selective health screening" program, which focuses on intensive examinations on a biennial basis to offer more in-depth support. This approach enhances opportunities for early disease detection, and in 2025, SK Telecom will support employees in checking their health status through basic examinations. In 2024, a total of 5,366 employees participated in health screening, encouraged through internal intranet and email notifications. In accordance with the Occupational Safety and Health Act, SK Telecom conducts special health screening for night shift workers, and from 2024, has expanded the scope to include irregular night shift employees. A total of 299 employees underwent special health screening in 2024, and based on the results, individualized health management guidelines were provided via email to promote worker health. In addition, to prevent infectious diseases among employees, SK Telecom supported influenza and hepatitis B vaccinations, with a total of 1,922 employees receiving vaccinations. In 2025, the company plans to expand support to include shingles vaccinations.

Establishment of Infectious Disease Response System

SK Telecom has proactively implemented preventive and quarantine measures to prioritize the health of its members during the spread of COVID-19. The company established infectious disease response guidelines to maintain a constant state of readiness, and secured and distributed quarantine supplies such as masks, protective suits, goggles, disinfectants, and self-diagnosis kits in advance. Building on this experience, SK Telecom has established a systematic infectious disease response process to enable swift and preemptive action in the event of future pandemics.

Support for Physical and Mental Health Management

SK Telecom is fully committed to supporting the health and emotional well-being of its members through a variety of programs. The company operates "Actium," a fitness facility within its headquarters, and "Forest of Mind," a psychological counseling program, to provide comprehensive support for both physical fitness and mental health management. Each floor is equipped with single-occupancy refresh zones, enabling members to recover from fatigue and manage their physical condition during breaks. In addition, SK Telecom offers in-house massage services under the "Healthcare" program, in collaboration with its own standard workplace for persons with disabilities, "Haengbok Hanul," together with nail art services employing individuals with hearing impairments. Notably, the healthcare service is well received, as it not only supports health management for members but also contributes to the promotion of employment for persons with disabilities, thus contributing to a virtuous cycle of social impact.

Status of Safety Training

Date of Training	Training Content	Training Hours
Regular Safety Training	Topics include industrial safety and accident prevention	Office workers: 3 hours/quarter; Non-office workers: 6 hours/quarter
Safety Training upon Recruitment	Topics include the Occupational Safety and Health Act and general safety management	8 hours upon hiring
Supervisor Training	Topics include workplace hazards, risks, and accident prevention measures	16 hours per year
Job Training	Safety and health management supervisor job training	6 hours every 2 years
	Safety and health manager job training	Initial 34 hours, then 24 hours every 2 years

Employee Health Management Program

Category	Content	Unit	Operational Performance 2022	2023	2024
Forest of Mind (Personal Professional Counseling)	• Operated through an external professional counseling provider • Operation of 3,600 counselors at 1,100 centers nationwide, providing counseling services year-round, 365 days a year	Persons	177	179	217
		Times	1,158	1,059	1,122
Healthcare (In-house massage service)	• Massage services provided in collaboration with Happyhanool, SKT's designated standard workplace for persons with disabilities • Simultaneously pursuing employee health management and the social virtuous cycle of promoting employment for persons with disabilities	Times	10,465	13,961	15,811

Strategy

Building Safer Industrial Sites with AI

Participation in the International Safety & Health Exhibition

SK Telecom participated in Korea's largest "International Safety & Health Exhibition," hosted by the Korea Occupational Safety and Health Agency, in both 2023 and 2024, to showcase and promote safety and health-related products and services utilizing AI and IoT technologies to contribute to the development of safer industrial sites. Together with SK Telecom ICT family companies, SK Telecom exhibited safety and healthrelated products and services incorporating AI and IoT technologies, presenting a total of 12 items in two categories: video recognition AI and intelligent safety technology. The exhibition included hands-on experiences such as AI drone-based tower inspections, IoT manholes, and mobile video surveillance solutions, which attracted significant interest and positive feedback from visitors. In addition, at the "Telecommunications Industry Safety and Health Win-Win Cooperation Forum" held at KINTEX on July 2, 2024, SK Telecom presented its cases of win-win cooperation activities in safety and health, earning an excellence award.

Configuration of the "AI Industrial Safety Package"

AI Safety Solution

Integrated Control Platform			
Video Surveillance	AR·VR Safety Training	Worker Safety Management	Environment and Facility Monitoring
• AI-powered CCTV • Body camera • Drone control • Patrol/surveillance • Robot	• VR safety training • AR manual • VR joint training • AR safety inspection	• Smart safety sensor • Worker location tracking • Heavy equipment access control • Intelligent evacuation • Smart airbag • Emergency fire extinguishing device • Smart band • Smart escape	• flame and smoke detector • gas sensor • wind direction and speed meter • fine dust meter • vibration and tilt detection • leakage and spill detection

AI Infra + AI Computing (GPU) | Public Cloud | 5GX

Launch of AI Industrial Safety Package

SK Telecom has launched the "AI industrial safety package," leveraging expertise and accumulated technology gained from experience in industrial sites to develop solutions optimized for customer requirements.

The "AI Industrial Safety Package" provides a range of solutions utilizing SK Telecom's AI technology, including AI video surveillance, worker safety management, AR/VR safety training, and environmental and facility monitoring. By systematically and cost-effectively establishing safety management systems tailored to the unique characteristics and requirements of each industry sector—such as manufacturing, construction, and the public sector—SK Telecom is accumulating a diverse portfolio of successful cases.

SK Telecom will continue to provide customized solutions applicable to various industries by developing and innovating technologies that leverage AI and ICT to prevent accidents in industrial sites and enable swift response.

Adoption Cases by Domestic Companies

- **Domestic high-tech manufacturer:**
  After the implementation of an AI video surveillance solution, a leading domestic high-tech manufacturing company achieved an 84% reduction in total incident response time, including incident recognition, initial response, and follow-up actions, compared to previous levels. Specifically, fire incidents are detected within 10 seconds, and incidents such as falls or intrusions are identified within 3 seconds.
- **Domestic EV charger maintenance provider:**
  A domestic EV charger maintenance company introduced AR/VR safety training, resulting in approximately an 80% reduction in inspection training time

Recipient of the Prime Minister's Award at the Korea Safety Awards

SK Telecom has been awarded the Prime Minister's Award at the Korea Safety Awards, the nation's most prestigious safety award hosted by the National Fire Agency and organized by the Korea Safety Certification Institute, Korea Fire Institute, and Korea Fire Safety Institute. SK Telecom received high recognition for its AI CCTV systems installed across its nationwide office buildings.

AI CCTV is a technology that applies advanced AI capabilities to CCTV systems, enabling the detection of incidents such as unauthorized intrusions, worker falls, and factory fires, and promptly notifying managers to secure the golden time for initial response. This technology has been implemented at SK Telecom's offices nationwide and is utilized to ensure occupational health and safety for both employees and partner company workers.

SK Telecom will expand AI-based smart safety environments and continue to promote sustainable occupational health and safety initiatives.

SK Telecom was honored with the Prime Minister's Award at the Korea Safety Awards.

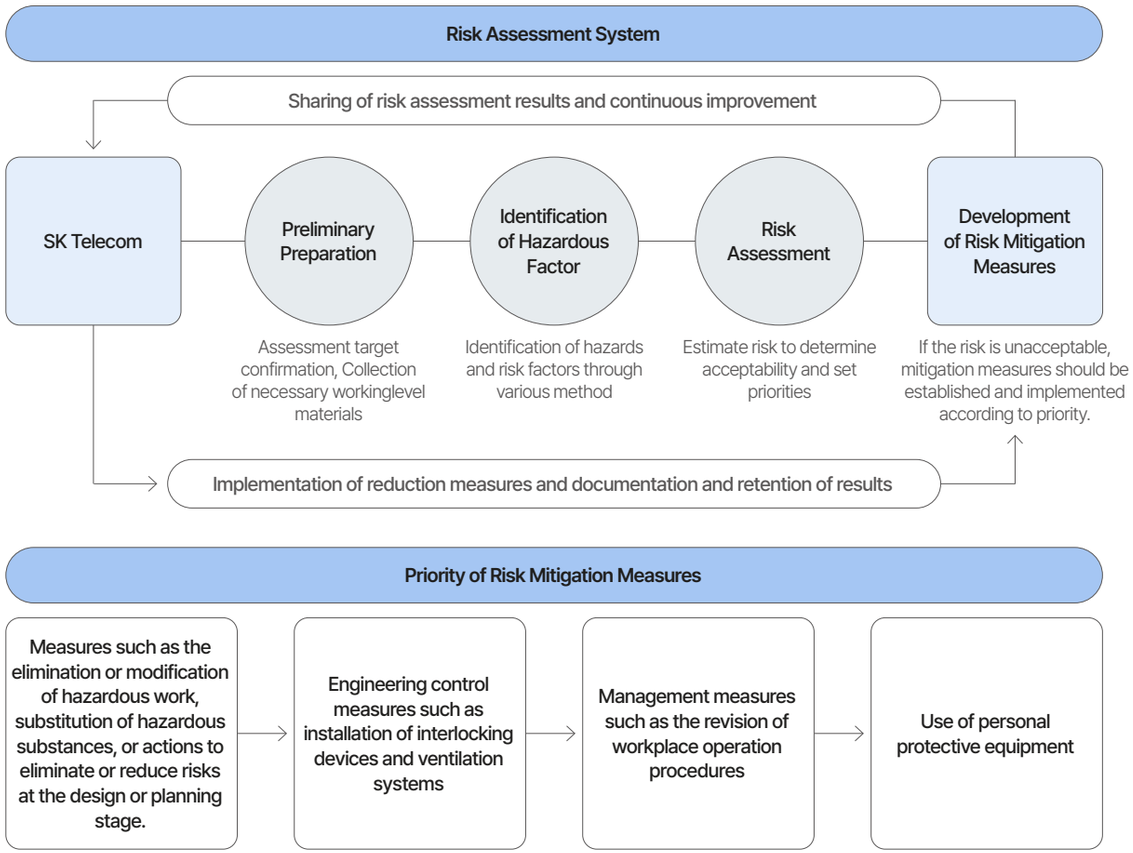
AI CCTV

Risk Management

Workplace Risk Assessment

SK Telecom proactively identifies and manages hazardous and risk factors at its workplaces in accordance with Article 36 (Risk Assessment) of the Occupational Safety and Health Act. Each year, SK Telecom independently conducts risk assessment at its workplaces by determining the likelihood and severity of injuries or illnesses based on the hazardous and risk factors present at each site, and by establishing mitigation measures. Through these efforts, SK Telecom creates a safe and pleasant working environment and contributes to the reduction of industrial accidents.

Risk Assessment System and Activities



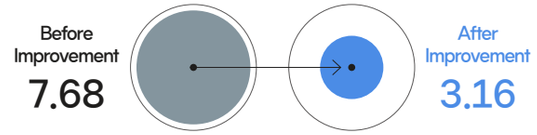
Improvement and Recurrence Prevention Measures

In 2024, SK Telecom conducted risk assessments across all nationwide office buildings, ICT infrastructure communication facilities and equipment, enterprise information and communication construction sites, and all customer stores. Hazardous and risk factors were identified at each site, and improvement and recurrence prevention measures were implemented for those classified as risk grades C2 to C4, with priorities set accordingly. Notably, the company completed risk assessments for 200,000 communication facilities nationwide, a process that began in 2020, identifying 59,000 risk factors and eliminating 44,000 of them through improvement measures. In 2025, SK Telecom plans to continue risk assessments and ongoing improvement activities for more than 10,000 additional communication facilities. In addition, it performs annual comprehensive inspections and implement improvement measures for office buildings, agencies, project sites, and manufactured products.

Evaluation of Effectiveness of Corrective Measures

For each corrective action implemented following the risk assessment, an effectiveness evaluation is conducted to verify whether the corrective action has actually eliminated or reduced the relevant risk factor. If the results are insufficient, supplementary actions are taken. As a result of these effectiveness evaluations, the occupational health and safety risk level in 2024 decreased from 7.68 before the implementation of corrective actions to 3.16 after implementation.

Health and Safety Risk



Risk Level Classification[1)]

Rating	Level of Risk	Management Standard	Assessment Criterion	Action item
C4 (Very High Risk)	16-20	Not Permitted	• There is a relatively high likelihood that the identified risk factors could lead to a serious industrial accident or fatal loss.	• Agenda setting and review by the safety and health committee • Immediate improvement
C3 (High Risk)	10-15		• Although there is a possibility that the identified risk factors could lead to a serious industrial accident or severe injury, the likelihood of occurrence is relatively low. However, it is necessary to review safety measures before commencing work.	• Establish safety measures before commencing work and implement accordingly • Supplement by installing safety facilities and other improvements within six months
C2 (Moderate Risk)	7-9		• The probability of occurrence and the magnitude of loss are low, as the condition is relatively sound with only minor damage. • It is a level that can be sufficiently prevented through routine management, but continuous monitoring is required.	• Routine safety management and continuous monitoring • Supplementation through establishment of a mid-term plan
C1 (Low Risk)	1-6	Permitted	• No risk factors or risks are at an acceptable leve	• Routine safety management

1) The level of risk is calculated by multiplying likelihood (1–5) by severity (1–4).

Risk Management

Safe Environment Inspection

Regular Safety Inspection of Facilities and Equipment

SK Telecom conducts regular safety inspections of building facilities, architectural structures, electrical systems, fire protection equipment, HVAC systems, and other sanitation facilities, as well as air quality measurement, to ensure that all business sites are maintained in a safe and healthy condition.

Occupational Disease Management

SK Telecom conducts mandatory annual health screenings for all employees to ensure early detection and prevention of occupational diseases and industrial accidents. Given the nature of SK Telecom's business, which involves frequent outdoor work such as base station maintenance, heat stroke during periods of extreme heat has been designated as a key area of focus. To prevent occupational diseases, SK Telecom has issued a prevention and response guideline and equipped workplaces with medications for the prevention and treatment of heat stroke. In addition, SK Telecom has implemented an occupational health and safety management system tailored to the characteristics of each business site, enabling prompt action in the event of heat stroke or other occupational diseases. Furthermore, SK Telecom supports a variety of programs, including the "Forest of Mind" initiative, to promote voluntary health improvement and emotional well-being among employees. Despite these preventive measures, if an occupational disease or industrial accident occurs, SK Telecom conducts an industrial safety risk assessment to analyze the root cause and eliminate it fundamentally, thereby preventing recurrence.

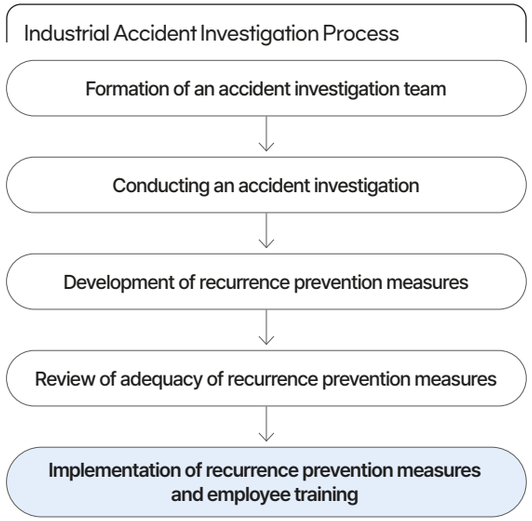
Establishment of Accident Response Process

Industrial Accident Investigation Process

SK Telecom conducts cause investigations and implements improvement measures when industrial accidents such as occupational diseases, illnesses, injuries, or safety accidents occur. In addition, SK Telecom establishes and implements recurrence prevention measures to address the root causes, and reviews the adequacy of these measures through effectiveness evaluation. For the established recurrence prevention measures, company-wide dissemination training is conducted to ensure that all members properly understand the issues and are committed to preventing recurrence.

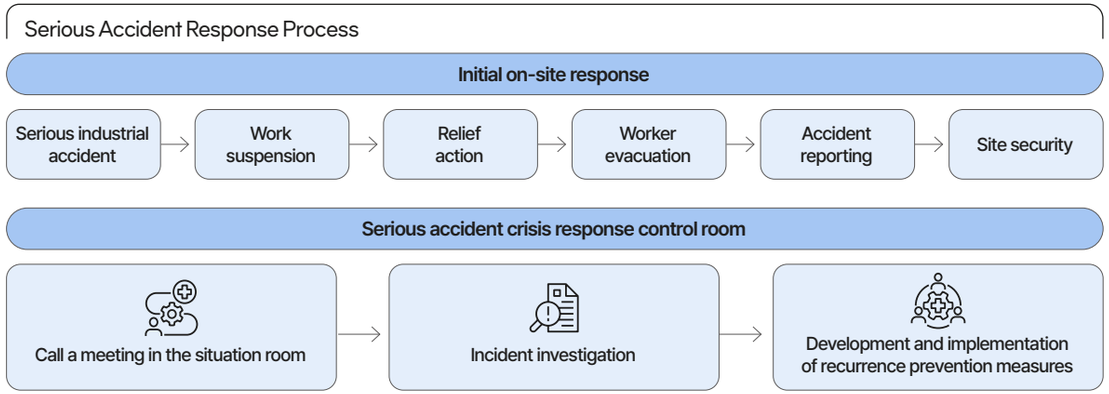
Serious Accident Response Process

SK Telecom has established situation-specific and stakeholder-specific action guidelines for scenarios where a serious accident occurs or there is an imminent risk of occurrence, including work suspension, relief measures, and prevention of further damage. To ensure the safety of human life and prevent the spread of damage through prompt response and recovery, The company operates a unified crisis response process, including a preliminary situation room and a control room for serious accident response, activated at each stage of an incident. SK Telecom conducts serious accident simulation drills based on various crisis scenarios to enhance the crisis response capabilities of both employees and partner company personnel. In 2024, a total of 181 serious accident simulation drills were conducted at business sites nationwide, and 61 first aid training sessions were provided to 1,900 employees, their families, and partner company personnel, further strengthening crisis response capabilities.



Operation of the Industrial Safety and Health Committee

In accordance with Article 24 of the Occupational Safety and Health Act (Occupational Safety and Health Committee), SK Telecom operates an Industrial Safety and Health Committee composed of labor and management representatives to deliberate and make decisions on key matters related to workplace safety and health. The committee holds regular quarterly meetings at business sites with over 100 employees performing on-site duties. Through these meetings, it deliberates and makes decisions on matters necessary to maintain and promote the safety and health of SK Telecom personnel. In 2024, a total of 11 business sites conducted one meeting per quarter. Additionally, in accordance with Article 75 of the Act (Special Provisions on the Composition and Operation of Safety and Health Councils and Related Bodies), 10 other sites operated labor-management councils—serving as substitutes for the Industrial Safety and Health Committee—on a bi-monthly basis. Topics addressed in these meetings included the review and approval of safety and health management regulations, the 2024 safety and health plan, and the safety and health training plan.



Risk Management

Enhancing Occupational Health and Safety Standards for Suppliers and Partners

Supplier Occupational Health and Safety Assessment

SK Telecom conducts supplier occupational health and safety assessments to fairly select suppliers with the minimum capabilities necessary to comply with occupational health and safety activities and guidance. Since the second half of 2023, SK Telecom has strengthened the effectiveness of these assessments by engaging an external professional organization to conduct the supplier occupational health and safety assessment.

Creating a Safe Working Environment for Partner Companies

SK Telecom promotes a safe working environment for its partners by collecting and reflecting their suggestions for improving occupational safety and health through regular consultative bodies and an anonymous bulletin board. In 2024, a total of 166 suggestions were received via the feedback channel, and 100% of these suggestions were resolved. To further motivate partner employees to practice a safety culture, SK Telecom selected 101 outstanding partners and 760 employees for year-round rewards. In 2024, SK Telecom participated in the large and small business occupational safety and health cooperation program, organized by the Ministry of Employment and Labor, together with 10 small partners, making various efforts to enhance the occupational safety and health capabilities of its partners. As a result of these efforts, SK Telecom became the only telecommunications company selected for two consecutive years as an excellent company for occupational safety and health cooperation by the Ministry of Employment and Labor.

Labor Rights Risk Management

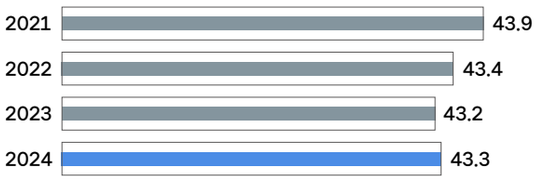
Safety and Working Hours of Network Operation Personnel

SK Telecom manages labor rights risks such as safety incidents and working hours that may arise during network construction and operation tasks, including IT work and physical maintenance for network maintenance. SK On & S (SKons), a subsidiary responsible for mobile communication ICT infrastructure operation, has established a company-wide occupational health and safety management system with the goal of achieving "zero industrial accidents," actively responding to such labor rights risks. To ensure the safety of network operation personnel, SK Telecom enhances safety execution through various safety activities, including obtaining ISO 45001 (Occupational Health and Safety Management Systems) certification, operating a company-wide safety management committee, and implementing on-site safety days, while also promoting improvement in employees' safety awareness. In 2023, SK Telecom established the "SKT Family Safe T Center," a safety experience training center, to provide occupational health and safety training and to foster and spread a safety culture, thereby protecting stakeholders, including employees. In addition, SK Telecom is focusing on the proactive identification and improvement of internal and external safety risks by standardizing work processes based on the occupational health and safety management system, internalizing safety capabilities, and improving the occupational health and safety system for contracted business.

SK Telecom is also taking the lead in establishing a safetyfirst culture through various initiatives such as producing safety videos involving employees and their families, issuing safety essentials letters, and promoting employees' right to stop work when safety is not ensured. In support of both work-life balance and a safe working environment, a detailed overtime management dashboard has been implemented on the internal website. This enables both leaders and employees to jointly monitor and comply with legally mandated working hours. The system allows for monthly, annual, quarterly, and organizational-level overtime tracking, as well as year-on-year trend analysis, thereby strengthening attendance and work-hour management. To further enhance oversight, prior approval from the department head is required for holiday or nighttime work. Additionally, when an individual exceeds the standard of 3.5 hours of overtime per week, SMS alerts are sent simultaneously to both the employee and their manager. This not only raises awareness about overtime but also helps prevent an unequal distribution of workload among employees.

Safety and Working Hours of Network Operation Personnel

Working Hours per Employee (Unit: hours/week)



Mitigation Measures

- Operation of the Safe T Center safety experience center, acquisition of ISO 45001 certification, and implementation of the right to stop work
- Analysis of working hours trends by organization and individual, expansion of Family Day, and enhancement of individual productivity through AI and digital transformation

Protection Measures for Customer Service Advisors

There has been a growing societal trend of problematic behavior from certain customers toward service workers and emotional laborers. In response, SK Telecom operates a comprehensive protection system for its customer service advisors, who are on the front lines of customer interaction. If a customer service advisor is subjected to inappropriate behavior such as sexual harassment, verbal abuse, or unreasonable demands, the advisor is empowered to warn the customer and terminate the call or escalate the issue to a supervisor for resolution. Since October 2023, SK Telecom has implemented a stronger response protocol, which includes restricting access to the customer center for a certain period for customers who repeatedly engage in problematic behavior. This ensures a healthy and safe working environment for advisors, enabling them to deliver high-quality service. To reduce advisor fatigue from high call volumes, SK Telecom has optimized its call connection process and resource allocation to evenly distribute incoming calls, thereby minimizing prolonged call durations. Additionally, a variety of welfare programs are in place to support the physical and mental well-being of advisors. These include the "Mind Care" program, which provides mental health assessments and recovery support, and the presence of on-site "Health Keepers" who offer physical care during work hours. These initiatives give employees moments of rest and recovery, actively managing both psychological and physical stress. Through these protective and wellness programs, customer service advisors are able to take pride in their roles and offer professional, empathetic service. Ultimately, this commitment to care and professionalism builds a virtuous cycle—fostering customer loyalty and reinforcing SK Telecom's brand trust.

Metrics and Targets

Status of Occupational Safety and Health for Employees

SK Telecom regards the protection of the lives and safety of its customers, the public, employees, and workers of partner companies as its highest priority and a core guiding principle in all actions.

Accordingly, with the goal of achieving zero serious accidents, SK Telecom is applying and implementing a strengthened safety and health management system not only for its own employees but also for its ICT family companies and partner companies. Based on this enhanced framework, the company is actively working to create a safe working environment for all.

		Unit	2022	2023	2024
Employee Safety	Employee Lost Time Incident Rate (LTIR)[1]	Per 200,000 Working Hours (%)	0	0	0
	Supplier Lost Time Incident Rate (LTIR)		3.48	1.50	0.75
	Lost Time Incident Rate (LTIR) of Employees and Suppliers		2.86	1.23	0.63
	No. of Employee Lost Time Incident (LTI)	No. of Cases	0	0	0
	No. of Supplier[2] Lost Time Incident (LTI)		9	4	2
	Lost Time Incident of Employees and Suppliers		9	4	2
	Employee Death Rate	%	0	0	0
	No. of Employee Deaths (Categorized as Industrial Accidents)	No. of Cases	0	0	0
Employee Health	Employee Occupational Illness Frequency Rate (OIFR)[3]	Per 200,000 Working Hours (%)	0	0	0
	No. of Employee Occupational Illnesses	No. of Cases	0	0	0

1) Lost Time Incidents Rate
2) Including internal and external partners
3) Occupational Illness Frequency Rate

Health and Safety Targets

SK Telecom has established and is implementing a longterm roadmap and key occupational health and safety action plans to continuously achieve the serious accident zero target. In particular, for 2025, SK Telecom plans to strengthen capabilities, investment, and systems to overcome the unique challenges of safety management in the telecommunications industry and achieve its goals. The company calculates and manages quantitative evaluation indicators such as Lost Time Incident Rate (LTIR) and Occupational Illness Frequency Rate (OIFR) annually. All incident rate indicators are managed with the goal of achieving zero, and it is actively implementing occupational health and safety prevention activities to this end.

Achieved Three Consecutive Years of Zero Incidents (Unit: %)

LTIR (Lost Time Incident Rate)

OIFR (Occupational Illness Frequency Rate)

Action Plan for Sustained Achievement of Serious Accident Zero

2025

Elimination of risk factors / Internalization of autonomous safety management

- Improved safety devices at 12,000 telecommunications facilities (cumulative 147,000 / total target 200,000)
- Conducted safety experience training for high-risk workers among partner suppliers (4,000 participants planned for 2025; since the program's launch in September 2023, cumulative participation has reached 10,000)
- Enhanced effectiveness of implementation inspection for the safety and health management system (evaluation weighting: implementation 40 points + thoroughness 60 points, an increase of 10 points compared to the previous year)

2026

Elimination of Risk Factors / Advancement of Autonomous Safety Management

- Improved safety devices at 100,000 telecommunications facilities (cumulative 157,000 / total target 200,000)
- Expansion of safety management capabilities for subcontractors involved in general construction, in addition to high-risk projects (one safety experience training every two years)
- Strengthening the effectiveness of occupational safety and health management system implementation inspections (ongoing) (enhanced detailed evaluation criteria for each workplace)

2027

Elimination of risk factors / Continuous maintenance of autonomous safety management

- Improvement of safety devices at 10,000 telecommunications facilities (cumulative 167,000 / total 200,000)
- Maintenance of related subcontractor competency levels (linked with safety experience training)
- Enhancement of the effectiveness of safety and health management system implementation inspection (ongoing)

Sustained achievement of serious accident ZERO

Human Rights Management

Governance

Roles of the Board of Directors and Management

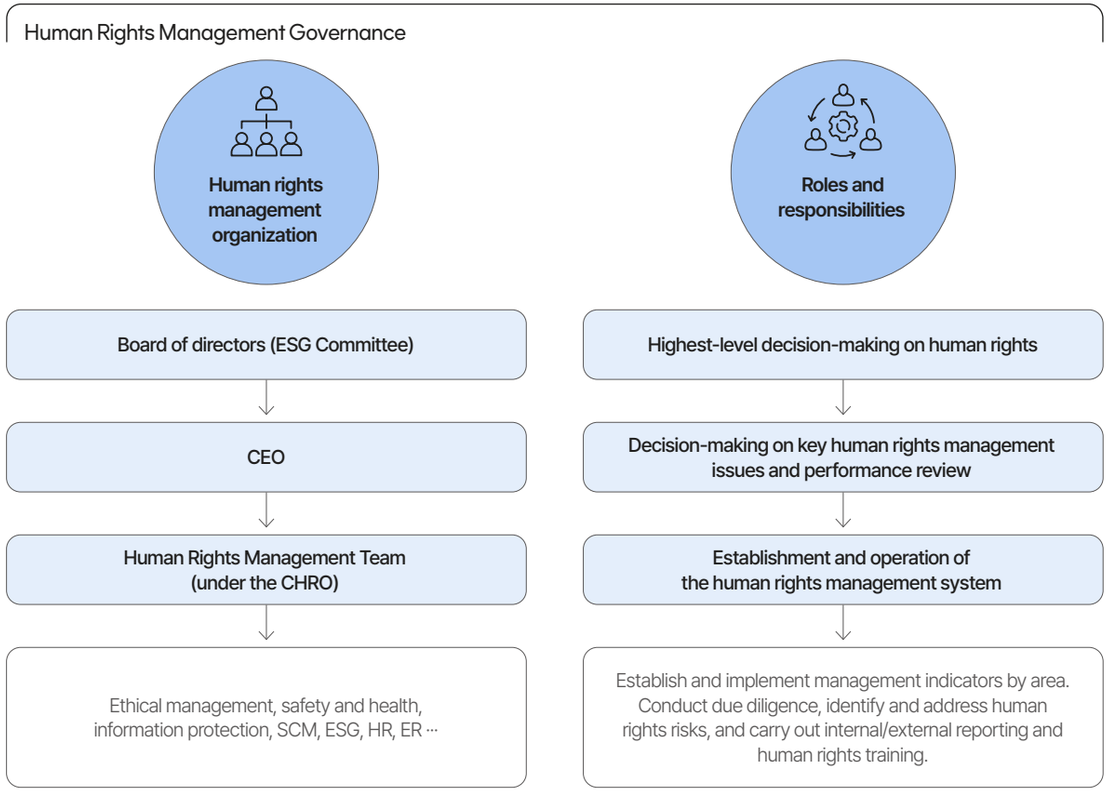
SK Telecom respects the fundamental human rights of all stakeholders encountered not only through its members but also through products and services, contracts, procurement, and other business activities. The human rights management governance of SK Telecom is composed of the board of directors, executive management, a dedicated human rights management department, and relevant departments. The board of directors and its board subcommittee, the ESG Committee, serve as the highest decisionmaking bodies for human rights matters, deliberating and resolving key ESG-related agenda items. The CEO receives reports on human rights issues, makes decisions on major matters related to human rights, and reviews the performance of human rights management.

Dedicated Human Rights Management Organization

The human rights management team, operating under the Chief Human Resources Officer (CHRO), is dedicated to advancing human rights management. The team collaborates with related departments such as ethical management, occupational health and safety, information security, supply chain management (SCM), ESG, HR, and ER to manage human rights-related risk management, identify areas for improvement, and monitor human rights issues across various topics.

Strengthening Human Rights Responsibilities and Roles

SK Telecom pursues and manages both economic value and social value based on the double bottom line (DBL) management principle. The company establishes and implements ESG KPIs that encompass ESG activities, environmental performance, and social contribution, including human rights management. SK Telecom evaluates management's performance against these indicators and reflects the results in compensation in an effort to achieve substantive human rights management. Furthermore, to enhance expertise in the human rights area, SK Telecom has strengthened responsibility and roles by transferring ownership of human rights management from the ESG organization to the HR organization.



Strategy

Human Rights Management Policy

SK Telecom is committed to building a sustainable future together with all stakeholders. SK Telecom respects the rights of diverse stakeholders, including customers, employees, business partners, and local communities, and practices human rights management based on a strong sense of global citizenship. In order to fulfill its responsibility to respect and protect human rights, SK Telecom has publicly expressed its support for key international human rights standards, including the Universal Declaration of Human Rights (UDHR), the UN Guiding Principles on Business and Human Rights (Ruggie Framework), and the human rights and labor principles of the United Nations Global Compact (UNGC). Based on global human rights principles, SK Telecom has established and strengthened its human rights management system through five key policies: the human rights policy declaration, occupational health and safety management policy, code of ethics, ESG code of conduct for business partners, and stakeholder engagement policy. Grounded in these principles and systems, SK Telecom has enacted and disclosed the CEO human rights policy statement encompassing the prohibition of forced labor, prohibition of child labor, compliance with working conditions, humane treatment, prohibition of discrimination, freedom of association, and worker health and safety.

Non-Discrimination and Respect for Diversity

Non-Discrimination

SK Telecom prohibits discrimination in recruitment based on personal characteristics that are not relevant to job performance. When providing opportunities for promotion, compensation, and training to all members, SK Telecom ensures fair and equitable opportunities without discrimination for reasons other than individual competence and objective performance. Since 2019, SK Telecom has operated "Happyhanool," a standard workplace for persons with disabilities, to create jobs where persons with disabilities can work happily. In recognition of SK Telecom's ongoing efforts to foster a non-discriminatory organizational culture, the company received the Family-friendly Certification Presidential Award in 2018 and was selected as a Korea's Outstanding Job Creator in 2021.

Parental Leave

SK Telecom actively implements support policies to alleviate the burden of childbirth and parenting for its employees. The company has established an institutional foundation for work-life balance by operating a system that allows both male and female employees to take up to two years of parental leave. In addition, SK Telecom offers a reduced working hours system for the entire pregnancy period, as well as various leave and absence programs that can be utilized during key periods of childbirth and parenting, such as prenatal check-up leave, maternity leave, school admission childcare leave, and parental leave. Furthermore, the company supports a range of programs to assist with childcare, including the implementation of a flexible work arrangement, operation of an on-site childcare center and mother protection room, provision of congratulatory gifts for childbirth, child education support, and support for children's camp programs.

Respect for Diversity

SK Telecom is actively recruiting female talent with the goal of respect for diversity among employees and the expansion of women's social participation. In 2024, the ratio of female employees reached 23.1%, an increase of 1.5 percentage points compared to 21.6% in 2023, while the ratio of female managers rose to 12.7%, up 0.9 percentage points from the previous year. Notably, the proportion of women in new and experienced hires recorded a high level of 55.4%. In addition, SK Telecom adheres to the equal pay principle, ensuring equal compensation for the same positions regardless of gender and prohibiting wage discrimination. The company also conducts annual monitoring of the gender pay gap.

Ratio of female employees

23.1%

Ratio of female new and experienced hires

55.4%

Strategy

Human Rights Impact Assessment Results

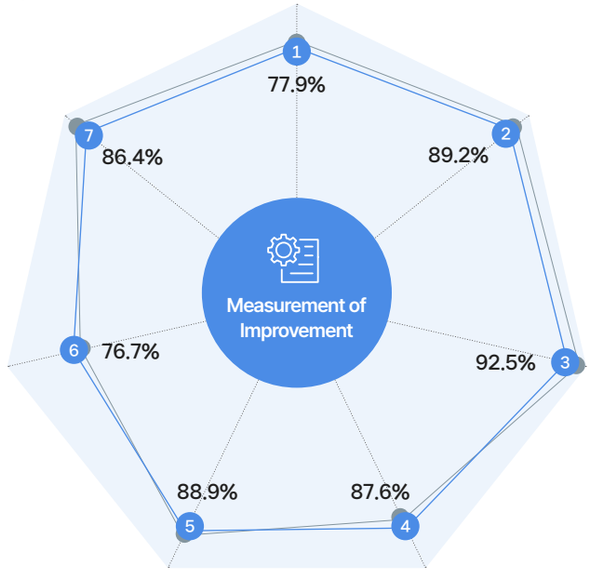
SK Telecom has assessed human rights issues across all employees and vulnerable groups to identify potential risks requiring priority management. In addition, SK Telecom implemented mitigation measures and improvement actions for potential human rights risks identified in last year's Human Rights Impact Assessment, and measured the risk improvement level.

Human Rights Impact Assessment Results

Human Rights Impact Assessment Target	Method	Area	Improvement rate (GAP[1])	Improvement tasks
Employee, workplace, and vulnerable group	Survey	Discrimination	1.2%	• Strictly prohibits discrimination and workplace harassment by explicitly stating the Human Right Statement • Adheres to the principle of equal pay for equal work without any discrimination
		Improvement of working environment	1.0%	• Working hours and working time management • Provision of well-being programs to enhance employee happiness • Operation of the Design Your Work & Time system
		Employee and customer information protection	1.1%	• Conducted information protection and cybersecurity training • Established AI principles • Expanded "ZEM," a service dedicated to children
		Local community	-1.1%	• Prevention of deforestation and forest policy management • Expansion of communication services in vulnerable areas (such as mountainous regions, islands, and remote villages)
		Human rights risk management system	0.5%	• Enhancement of accessibility to the grievance mechanism • Regular implementation and advancement of the Human Rights Impact Assessment
		Identification of human rights-impacted groups	-0.4%	• Classification of vulnerable groups such as partner company workers, foreign nationals, and persons with disabilities and implementation of human rights impact assessments
		Inhumane treatment	1.8%	• Conducted online training for sexual harassment prevention • Regularly carried out surveys on ethical management practices

1) GAP(%p) = (Proportion of "high importance" in the 2024 survey) – (Proportion of "high importance" in the 2025 survey)

Measurement of Improvement



Category	Survey Results 2024	Survey Results 2025	Improvement Ratio (%p)[1] GAP
1 Discrimination issues	79.1	77.9	1.2
2 Improvement of working environment	90.2	89.2	1.0
3 Protection of member/customer information	93.6	92.5	1.1
4 Impact on local community	86.6	87.6	-1.0
5 Human rights risk management system	89.4	88.9	0.5
6 Identification of human rights impact groups	76.3	76.7	-0.4
7 Inhumane treatment	88.2	86.4	1.8

1) GAP(%p) =(2024 ratio) – (2025 ratio)

Strategy

Grievance Mechanism

SK Telecom operates an online channel via its corporate website to receive grievances and complaints related to labor, human rights, ethics, and other issues, in order to comprehensively gather feedback from stakeholders. Through the ESG grievance channel, SK Telecom promptly responds to opinions, reports of damages, and cases of social responsibility violations related to all business activities raised by stakeholders. Following fact-checking, the relevant departments at SK Telecom actively address the submitted opinions and information through monitoring and due diligence. In addition, for cases deemed significant ESG issues, the details, handling process, and outcomes are reported to the ESG Committee under the board of directors, and the company proactively reflects these matters in its management activities to prevent recurrence of similar cases in the future.

Online Grievance Channel

SK Telecom operates an ethics counseling and reporting center composed of various online and offline channels, including in-person counseling and written correspondence, to ensure that all stakeholders can report and seek advice at any time. Platforms such as the ethics management portal, Letter to HR, dedicated female counselors for sexual harassment, intranet channels, and anonymous bulletin boards serve as both reporting channels for misconduct and corruption along with consultation channels for a wide range of ethical issues faced by stakeholders. In accordance with the law, whistleblowers may request a confidentiality guarantee, personal protection measures, personnel measures, protection measures, and prohibition of disadvantageous measures. SK Telecom is committed to protecting whistleblowers who report unfair practices or misconduct that violate the code of ethics, in accordance with the Act on the Protection of Public Interest Whistleblowers. A separate counselor and reporter protection program is in place to safeguard the identities and reports of informants and counselors, ensuring that no disadvantages occur to counselors, reporters, or those cooperating with investigations.

Reporting and Improvement Measures

SK Telecom has completed processing and improvement measures for 254 out of 257 cases (98.8%) received through reporting and consultation channels in 2024. Most cases pertained to customer complaints and routine business issues. Disciplinary actions were taken for eight cases that violated the code of ethics. Among the disciplinary cases, there were no human rights violation issues such as discriminatory behavior or harassment, nor were there any violations related to money laundering or insider trading. Specifically, the disciplinary actions included five cases of breach of duty of diligence, one case of violation of mutual respect, and two cases of misuse of company assets. During the disciplinary process, SK Telecom implemented confidentiality and personal safety protections for whistleblowers and cooperators, enforced the prohibition of retaliation, and carried out a monitoring procedure by the relevant departments.

SK Telecom is enhancing the level of ethics practice among the company and its members through annual ethics training and department-specific ethics workshops aimed at preventing unethical conduct. During the ethics training and workshops, case studies of reports and disciplinary actions are adapted and utilized, demonstrating a strong commitment to both prevention and recurrence mitigation.

2024 Ethics Counseling Center Operations Status (Unit: case, %)

Classification	Cases	Completed Cases	Processing Rate
Ethics counseling and reporting[1]	18	15	83.3
No issues[2]	23	23	100.0
Routine business issues	52	52	100.0
Customer complaints	164	164	100.0
Total	**257**	**254**	**98.8**

1) For cases related to ethics counseling and whistleblowing, an internal investigation is conducted; for other matters, the case is transferred to the relevant department.
2) Investigations are not conducted if the whistleblowing content is insufficient or if the report is withdrawn.

Actions Taken for Violations of the Code of Ethics in 2024[3]

Classification	Cases	Disciplinary Action
Violation of the duty of diligence in the workplace	5	Severe (3) / Minor (2)
Violation of mutual respect	1	Severe (1)
Misuse of company assets	2	Severe (1) / Minor (1)
Total	**8**	**Severe (5) / Minor (3)**

3) There have been no violations related to discrimination, harassment, money laundering, or insider trading.

Risk Management

Human Rights Risk Management System

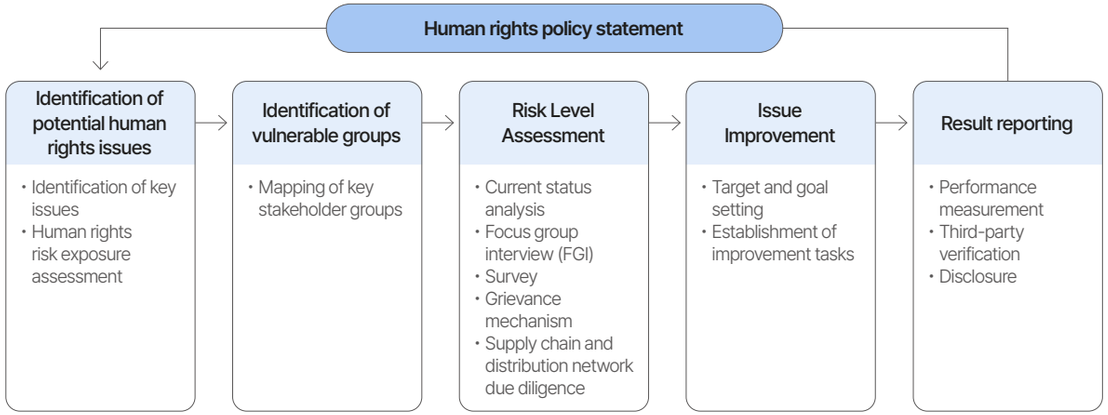
Since 2012, SK Telecom has implemented a human rights policy at the corporate level and has continuously managed human rights issues. The company has established a clear framework to enhance the human rights of both the company and stakeholders, based on the UN Guiding Principles on Business and Human Rights (Ruggie Framework), which centers on the principles of protect, respect, and remedy.

SK Telecom Human Rights Report

SK Telecom conducts human rights risk assessments across the entire value chain, including headquarters, subsidiaries, and business partners. This process encompasses not only SK Telecom's direct business operations but also due diligence for all subsidiaries, including joint ventures and business partners. Furthermore, SK Telecom identifies and reviews risks prior to initiating new business relationships such as acquisitions, mergers, or joint ventures.

The human rights risk management system is being implemented based on the Human Rights Impact Assessment. By identifying the company's potential human rights issues and measuring their impact on vulnerable groups, SK Telecom efficiently responds to human rights issues through the derivation of improvement tasks and the establishment of targets. For further details, please refer to the SK Telecom human rights report.

Risk Management Process



Human Rights Impact Assessment Process

SK Telecom carries out a Human Rights Impact Assessment annually to identify the current status of human rights management and to determine potential human rights risks. Beginning with an employee survey in 2022, SK Telecom expanded the scope of the Human Rights Impact Assessment in 2023 to include joint ventures. In 2025, SK Telecom conducted a Human Rights Impact Assessment for vulnerable groups identified by the company, including persons with disabilities, business partners, and migrant workers. The Human Rights Impact Assessment is carried out by an external professional organization to ensure objective and independent results, and surveys are conducted online externally to guarantee anonymity. The assessment indicators are selected based on international human rights standards, such as the UN Guiding Principles on Business and Human Rights, Corporate Human Rights Benchmark (CHRB), OECD Guidelines for Multinational Enterprises, and ILO Guidelines, while reflecting industry and organizational characteristics.

The Human Rights Impact Assessment is structured around the identification of materiality based on human rights issues, the human rights risk management system, and the necessity of managing human rights experiences. For companies establishing new business relationships and joint ventures, the assessment is conducted using a checklist consisting of 51 indicators grouped into 23 sub-areas across 9 categories. Compliance with the human rights management policy and detailed operational guidelines is verified through supporting documentation. If risks are identified through the Human Rights Impact Assessment, improvement measures are developed and implemented. The results of the Human Rights Impact Assessment are reported annually to the ESG Committee.

Status of Human Rights Risk Assessment

Category	A. Sites assessed over the past 3 years (%)	B. Sites with identified risks (%)	C. Areas with mitigation/ improvement applied (out of risk-identified areas) (%)
Own business activities (including joint ventures in which the company has management control)	100	7.7[1)]	100
Contractor and tier 1 supplier	100	16.1	100
Joint venture (including equity stakes of 10% or more)[2)]	100	0	100

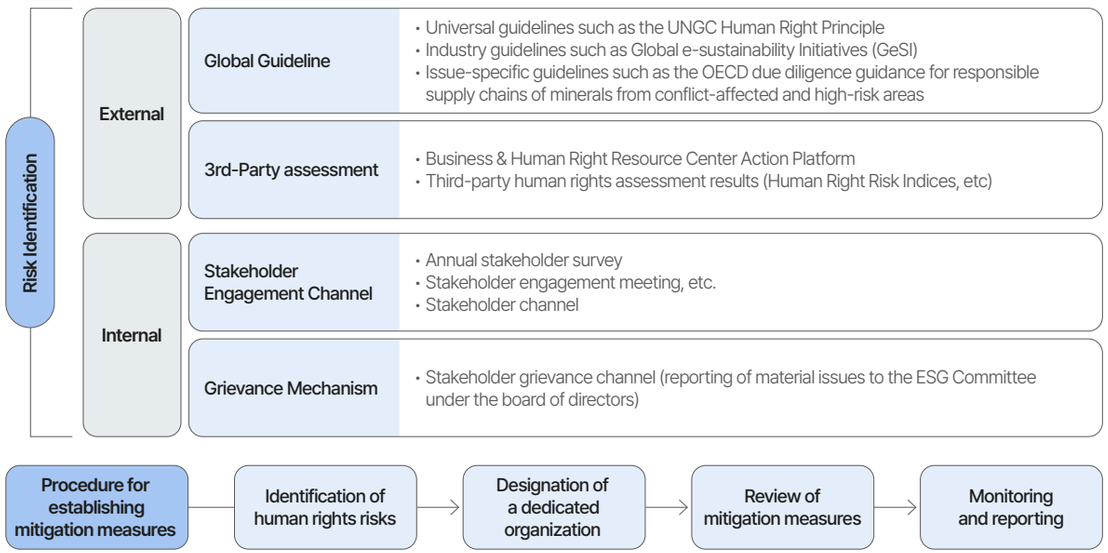
1) The proportion of worksites, among a total of 13, where the average ratio of high materiality by area in the Human Rights Impact Assessment exceeds 80%
2) The proportion of companies classified as high-risk in the human rights area among supply chain ESG assessment targets and ICT family companies

Risk Management

Risk Mitigation Process

SK Telecom has established measures to identify and mitigate human rights risk to ensure that no direct or indirect human rights violations occur throughout its business operations. In particular, human rights issues identified through the Human Rights Impact Assessment are managed by designating a dedicated organization to ensure that remediation and mitigation actions are implemented. Human rights issues discovered during the assessment are resolved based on the grievance mechanism standard procedure in accordance with global standard practices. Universal guidelines such as the UNGC Human Rights Principle (United Nations Global Compact Human Rights Principle), global sustainability initiatives, industry guidelines such as GeSI (Global United Nations Global Compact (UNGC) Human Rights Principle, global sustainability initiatives, industry guidelines such as the Global e-Sustainability Initiative (GeSI), and Organisation for Economic Co-operation and Development (OECD) due diligence are also referenced. Based on the guidelines, the company is establishing mitigation measures and also respecting third-party assessment data. Internally, we are forming in-depth stakeholder engagement channels and enhancing its grievance mechanism to ensure effective response. After identifying human rights risks, SK Telecom establishes improvement tasks and implementation plans through a dedicated organization, and continuously promotes the improvement of human rights risk by monitoring the implementation status.

Procedure for the Identification and Establishment of Mitigation Measures for Human Rights Risk



Metrics and Targets

Area	Indicator	Current Level	Target Level	Target year	Detailed Action Plan
Safety/health	No. of serious accidents	0 cases	0 cases	2030 (long-term)	Internalization of the autonomous safety management system by advancing the safety and health management process and strengthening execution capabilities
	Occupational injury rate	0%	0%		
	Lost time injury rate	0%	0%		
Health/3 basic labor rights	Health screening participation rate	90% (3-year average)	93%	2025 (short-term)	Encouragement of medical checkups for employees who have not been screened during the year and improvement of checkup centers/programs
	Special/night shift worker health checkup	100% (3-year average)	100%	2030 (long-term)	One-on-One guidance for employees who have not undergone medical checkups during the year and expanded additional support for those with abnormal findings
Respect for diversity and prohibition of discrimination	Average wage level by gender (women-to-men ratio)	86%	90%	2030 (long-term)	Expansion of female executive/leader development and reflection of the increasing trend in the number of retirees (primarily male)
			87%	2027 (mid-term)	Strengthening systems and fostering a corporate culture that supports work-life balance for female employees
Privacy protection	Offline store violation rate / violation action rate	6% / 100%	3% / 100%	2030 (long-term)	Focused management of stores with high violation frequency
			4% / 100%	2027 (mid-term)	Strengthening the personal information risk management process in the distribution network
Supply chain management	High-risk ratio in human rights management	Diagnostic system under development	Within 5%	2030 (long-term)	Pursuing zero high-risk BPs while implementing strategic L/H/C that takes into account management intervention concerns
			Within 10%	2027 (mid-term)	Minimizing the proportion of high-risk BPs through focused L/H/C on the supply chain
Dissemination of the human rights management system	Expansion of the human rights management system across ICT family companies	SKT, SKB Execution	Expansion to all family companies	2030 (long-term)	Dissemination of human rights management best practices across all Family companies
			50% of family companies	2025 (short-term)	Advancement of the human rights management system and transfer of processes, focusing on major Family companies

Customer-Centric Management

Governance

Customer Rights Protection Promotion System

SK Telecom is enhancing customers' daily lives by providing differentiated services and satisfying experiences from the customer's perspective, utilizing AI-based new technologies and content. In addition, based on the customer rights protection policy, SK Telecom has designated a customer rights protection manager and a responsible department under the CEO to effectively manage potential risks in business activities, such as customer unfairness and product and service safety. These efforts have enabled SK Telecom to steadily build customer trust.

Internal Control System

SK Telecom has established an internal control system to ensure that customer complaints are efficiently shared within the company, enabling not only prompt post-resolution but also effective preventive actions. This system includes a communication structure among the department in charge of customer rights protection, the customer complaint handling team, and each business unit. It also encompasses the definition of roles and responsibilities (R&R) and evaluation mechanisms within business units to prevent complaints in advance.

Customer Complaint Handling Organization

SK Telecom operates a variety of grievance channels to enhance the accessibility of customer complaint submissions, ensure prompt resolution of received customer complaints, and prevent recurrence through root cause analysis. The grievance channels are broadly categorized into in-person and remote channels. In-person channels include branches and agencies, while remote channels consist of the customer center on the website and the mobile app.

Customer Rights Protection Governance

CEO	• Publicly announces customer rights protection policy both internally and externally to proactively prevent customer complaints and ensure prompt resolution, while monitoring the effectiveness of the customer rights protection system
Customer Rights Protection Manager	• Established a system to manage customer complaints from a neutral standpoint • Built an internal control system for continuous monitoring, evaluation, and reporting of customer complaint management performance • Conducted training programs to enhance all employees' awareness and mindset regarding customer complaint management • Set technical requirements and reported improvements and recommendations to the CEO • Conducted regular reviews to maintain and improve an effective customer rights protection system
Department of customer rights protection	• Proactive prevention and resolution of customer complaints, system improvement, and operation of IT systems • Company-wide management of customer complaints received through contact channels and from thirdparty organizations such as the Korea Consumer Agency, as well as other customer complaints

Grievance handling channels and methods

Grievance channels	Submission Methods
In-Person Channels (Authorized Dealers, Branches)	Visit SK Telecom official authorized dealers and branches
Remote Channels (Customer Center)	Without an area code, please call 114 (toll-free) or 080-011-6000 (toll-free), or 1599-0011 (paid) without an area code.
Website (Online and Mobile)	Online: Customer support is available on the SK Telecom service website (http://www.tworld.co.kr). → Customer feedback submission channel Mobile: Customer support is available on the SK Telecom service website (m.tworld.co.kr). → Email inquiry submission channel
Mobile App	Access the SK Telecom website-exclusive app (Mobile T World).
Post	Mailing of registered mail, content-certified mail, etc. (recipient: SK Telecom headquarters)
Social Media	Access to SK Telecom's official social networking service accounts (Twitter, Facebook, Instagram)
Fax	After the initial inquiry to the customer center, if submission of supporting documents or other materials is required, please use the fax mailbox designated for each customer center.

Strategy

Customer Experience Enhancement

Customer Service Improvement

SK Telecom places top priority on delivering customer-centric value and continues to drive company-wide service innovation to enhance customer satisfaction. Since 1997, the "Customer Value Innovation Council," which has been continuously operated, serves as a core executive body for customer-centric management. Approximately 120 key executives, including the CEOs of SK Telecom and SK Broadband, participate in this council.

In this meeting, the customer feedback is directly collected, serving as a basis for in-depth discussions on service quality improvement and innovation strategies. The focus extends beyond resolving customer complaints to sharing proactive insights that reflect market changes and customer trends, with an emphasis on deriving forward-looking strategies for customer experience innovation.

Through these continuous and systematic discussions, SK Telecom is constantly striving to deliver differentiated satisfaction across all areas that shape the customer experience —including products and services, network quality, customer service centers, and distribution channels.

Customer Value Innovation

SK Telecom's efforts to drive customer value innovation that customers can tangibly experience are being implemented across all aspects of customer service. In 2024, SK Telecom revamped T World to help customers better understand and select rate plans, and to make it easier for customers to access information that is often overlooked. Improvements were made to information, user interface, comparison features, and search results for major rate plans. In addition, after introducing voice rate guidance and sign language consultation infrastructure for customers with disabilities who may face difficulties using the customer center, SK Telecom has continued to maintain these services.

SK Telecom is actively responding to cyber threats such as voice phishing, which have become significant social issues, by collaborating with the Integrated Reporting and Response Center for Telecommunication Financial Fraud of the Korean National Police Agency. SK Telecom operates a hotline customer service channel staffed with professional consultants to support customers who have suffered damages. Additionally, SK Telecom has newly introduced services to block spam and smishing, including international call voice guidance messages, blocking of Rich Communication Services (RCS) spam messages, and notification services for phishing text messages. SK Telecom continues to leverage technology to minimize customer damage, such as blocking international outgoing spam and phishing, and providing on-site relief for victims of malicious app installations related to voice phishing.

By continuously pursuing customer-centric innovation activities, SK Telecom once again ranked No. 1 in the mobile telecommunications sector in 2024 across Korea's three major customer satisfaction surveys—the National Customer Satisfaction Index (NCSI), the Korea Customer Satisfaction Index (KCSI), and the Korean Standard-Service Quality Index (KSSQI)—demonstrating unwavering trust and high satisfaction from its customers. Notably, in the NCSI survey, SK Telecom became the first company in the telecommunications industry to surpass a score of 80, positioning itself as a leading example of customer experience innovation.

National Customer Satisfaction Index (NCSI, KCSI)

Ranked No. 1 for 27 consecutive years

AI-driven innovations at customer touchpoints—such as the advancement of AI-based consultation systems and improvements in the call connection process—have significantly contributed to enhancing customer satisfaction. These efforts have led SK Telecom to consistently maintain the No. 1 position in the mobile telecommunications sector in customer service satisfaction surveys (KS-CQI, KSQI). Moving forward, SK Telecom will continue to elevate the level of customer experience through sophisticated service design powered by AI technology.

Customer Satisfaction Index (CSI)[1]

	2022	2023	2024	Note
NCSI (KPC)	79	79	80	Ranked 1st for 27 consecutive years
KCSI (KMAC)	86.3	87.0	86.9	Ranked 1st for 27 consecutive years
KS-SQI (KSA)	75.8	75.9	75.9	Ranked 1st for 25 consecutive years
Evaluation of User Protection Performance (Korea Communications Commission)	Outstanding	Outstanding	Outstanding	
SK Telecom's Regular CSI Results[2]	80	80	81	

1) Based on a 100-point scale
2) The annual average score of SK Telecom's own customer satisfaction index (CSI) assessment, which is conducted twice a year (in the first and second half).

Strategy

Customer Experience Enhancement Program

Customized Services

Segmented Services

- Providing segmented services tailored to diverse customer needs for a positive experience
- Upgrading the ZEM product (e.g., iOS support) and seasonal marketing campaigns (e.g., new school year, Family Month) targeting children aged 12 and under and their parents
- "0" segment marketing targeting youth (ages 13–34), reflecting trends through advertisements, promotions, T1 fan meetings, and lifestyle-based benefit programs (e.g., 0 Day, free data, discounts on performances and exhibitions)
- Operating the long-term customer benefit program "special T" for SK Telecom users, which provides: data benefits on subscription anniversaries for customers with over 5 years of service; event benefits for customers with over 10 years of service (including discounts on performances and exhibitions, private picnics, and invitations to ICT experience centers); and T Membership VIP upgrade benefits for customers with over 30 years of service.

Diversification of Service Offerings

- Diversified pricing plans to meet the various data usage needs of 5G customers (Compact, Compact Plus, Premium)
- Introduction of a "data recharge system" that allows users of plans such as Compact, Compact Plus, Basic, and Slim to purchase additional data at a lower cost
- Offering "Wavve & Data" discounts to 5G plan users to reduce the burden of OTT service usage

Provision of Services for Children and Youth

- **Dedicated Services for Child Protection**
  - Operation of the "ZEM App", a specialized service for children under 12 who are new to smartphones, designed to help them develop healthy usage habits. The app comes pre-installed on SK Telecom's exclusive ZEM phone and other affordable smartphones with enhanced child safety features.
  - Through the ZEM App, parents can access various safety features for free, including smartphone usage time control, app usage management, real-time location tracking, prevention of "smombie" behavior (using smartphones while walking), and harmful website blocking.
  - If the child is an SK Telecom subscriber, parents can download and use the ZEM App for free regardless of their own mobile carrier, and children can use the app without incurring data charges.
  - The ZEM iOS app has been launched to enable seamless parental control across different smartphone operating systems.
- **Services Supporting Healthy Smartphone Use**
  - A variety of free value-added services are provided to prevent smartphone addiction and exposure to harmful content among teens.
  - The "T Youth Safety Pack" allows legal guardians to manage their child's smartphone use by blocking harmful content and setting usage limits.
  - Features also include real-time location tracking of the child and automatic screening of messages that may indicate school bullying, which are then forwarded to the guardian.
  - The service homepage "T World" (http://www.tworld.co.kr) provides guides and content aimed at preventing smartphone addiction and cyberbullying.
- **Rate Plans Designed to Protect Children and Teenagers**
  - Child and youth plans are designed to prevent excessive charges by blocking data usage or reducing speeds once the basic data allowance is used up, and by disabling video or additional calls once their respective allowances are exhausted.
  - For plans without built-in restrictions, the "Child Usage Notification Service" alerts legal guardians in real-time if excess charges occur.
  - The "0 Teen 5G" plan for teenagers includes free default add-on services such as T Harmful Content Blocking, T Youth Safety Service, International Call Blocking, and Overseas SMS Blocking, helping prevent harmful content exposure and unexpected international charges.
  - The "T Data Gift" service is set by default to restrict data gifting to registered family members only for users under 19, preventing misuse in situations such as school bullying.
  - Internet service plans also include add-on services that block malware, viruses, and harmful websites, ensuring a safer online environment for young users.

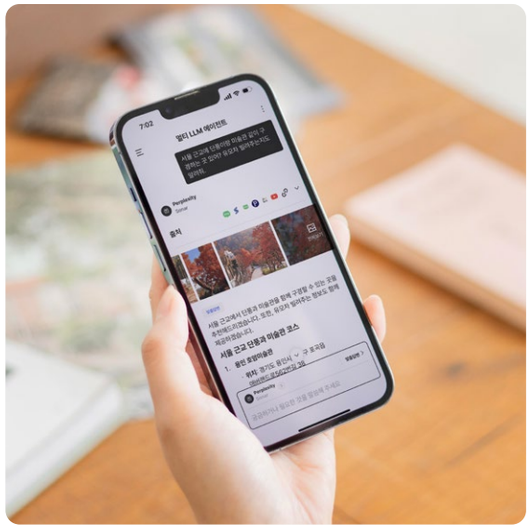
Strategy

Diversifying Customer Experience

AI Personal Assistant “A. (A.Dot)”

A. (A.Dot), the AI agent service of SK Telecom, was launched in May 2022 and had over 9 million subscribers as of March 2025.

This is an AI agent service that leverages telco-based information to gain deeper insights into users, assisting with managing schedules and tasks in customers’ daily lives, searching for necessary information, and further supporting tasks such as making reservations and purchasing goods for customer convenience.



A.(A.Dot) is accessible not only on mobile devices but also via the web. Together with SK Telecom’s large language model (LLM) A.X, it integrates and provides a range of leading global AI models, including ChatGPT, Perplexity, Claude, Gemini, and Liner. This enables the delivery of accurate and comprehensive AI search functions tailored to users’ needs.

In addition, A. (A.Dot) Call, one of the most closely integrated services with daily life, not only summarizes call content using AI but also provides optimized personalized services through analysis with inference models and integration with various scheduling platforms such as Google and Outlook.

A. (A.Dot) has expanded its capabilities into the media domain as well, offering optimized content search results on B tv by accurately understanding users’ conversational intent and context. Additionally, it provides AI-powered roaming and plan consultation services for mobile network operator (MNO) customers, delivering recommendations based on customerrelated data.

Going forward, the ecosystem will be expanded through various partnerships, enabling the agent experience to seamlessly connect across all aspects of daily life—including mobile devices, PCs, homes, and automobiles—so that users can enjoy uninterrupted connectivity anytime and anywhere.

AI Subscription Commerce Platform “T Universe”

T Universe is a subscription commerce service that offers a wide range of subscription products to the entire public, regardless of mobile line subscription.

In 2024, SK Telecom launched new offerings such as T Universe Netflix and T Universe Pass Shopping Gmarket, thereby completing and providing a unique product lineup that spans from OTT services to shopping and daily life. Through the Subscription 2.0 Project, the company has completely revamped the customer UX and also released a dedicated T Universe app. The upgraded service enables sophisticated customer analysis by integrating accumulated data with AI technology, and based on this, SK Telecom has expanded personalized product recommendations and offerings. Customers can now receive tailored subscription product recommendations in T Universe, subscribe to them, and conveniently manage all their subscriptions in one place.

In 2025, to strengthen AI synergy, the company plans to launch subscription products for major generative AI services such as ChatGPT, and additionally introduce subscription products in collaboration with A.(A. Dot). Furthermore, SK Telecom will implement an AI subscription advisor[1] (tentative name) to provide more personalized support to customers based on AI.

1) AI subscription advisor (tentative name): A system that offers tailored guidance to help users make the most of their subscription products.

Service Accessibility

SK Telecom is making various efforts to maximize accessibility to mobile communication services, focusing on 5G by expanding its subscriber base and integrating services. Enhancing service accessibility not only increases customer satisfaction and positively impacts revenue generation in the mobile communications sector, but also contributes to strengthening customer loyalty to the SK Telecom brand. Representative indicators of mobile-based service accessibility include the proportion and number of LTE and 5G subscribers. Since the world’s first commercial launch of 5G service in April 2019, the subscriber base has grown significantly with the introduction of various products and services and the activation of the 5G ecosystem. As of the end of 2024, the number of 5G subscribers reached approximately 16.92 million. Additionally, the combined proportion of LTE and 5G subscribers[2] stood at 100.3%[3] of total handset subscribers, marking a 1.5 percentage point increase from the previous year.

2) Starting in 2023, following a change in the subscription statistics format by the Ministry of Science and ICT, the figures reflect only mobile phone users, excluding IoT and tablet devices.
3) Also beginning in 2023, as a result of revised statistical criteria by the Ministry of Science and ICT, total subscribers are now based solely on handset subscriptions.

Strategy

Network Reliability and Stability

SK Telecom is focusing on network investment and technological advancement to ensure the reliability and stability of its communication services, thereby maintaining stable network quality and wide coverage. Aiming for "Zero Major Outages," the company has incorporated absolute safe operation and communication service stability into its KPIs to enable more proactive network management. As of 2024, SK Telecom's annual wireless communication capacity stands at 48.08 million lines, which is 135% of the total number of subscribers—including Mobile Virtual Network Operator (MVNO) users—amounting to 33.38 million.

Data Traffic Processing

SK Telecom responds flexibly to changes in data traffic by leveraging demand forecasting and monitoring based on comprehensive analysis of annual processed data. In 2021, SK Telecom commercialized a 5G core that simultaneously supports standalone (SA) and non-standalone (NSA) modes, establishing a foundation for agile adaptation to technological changes. The company has also successfully developed next-generation cloud-based 5G data equipment. Through these efforts, SK Telecom has secured the necessary traffic capacity to provide stable customer service. In 2024, the annual processed data traffic is expected to reach approximately 5.49 million terabytes, representing a 6% increase compared to 2023 and continuing a strong upward trend.

Leading the Way in Telecommunication Technology

SK Telecom acquired technologies such as 5 Band CA (Carrier Aggregation) and 4T4R (4-antenna technology) in 2016 and became the first in Korea to commercialize LTE-A Pro service with speeds of 500Mbps. In 2017, the company provided LTE services with speeds approaching 900Mbps. Continuing its LTE advancement, SK Telecom launched LTE Cat.M1 in 2018.

Since the world's first commercialization of 5G in April 2019, the company was recognized for leading both initial commercialization and technological advancement, such as providing 5G services to the southernmost Ieodo Ocean Research Station in 2020, and received the top award in the 5G commercialization category at the 5G World Awards. In 2021, by applying data transmission speed technology that combines 5G and LTE (long-term evolution), quantum cryptography communication, and intelligent traffic control technology, the company was also honored with the "Best Operator" award at the Global Telecoms Awards.

5G Service Speed

Category		Unit	SK Telecom	Domestic Carrier Average
5G Transmission Speed	Download	Mbps	1,064.54	1,025.52
	Upload		98.64	90.12
Connection Time	Download	ms	25.03	31.90
	Upload		24.47	31.90

In 2022, SK Telecom applied Single RAN, the world's first 3G·4G integrated equipment, to its own network and introduced infrastructure technology that considers ecofriendly factors, such as AI-based low-power network design. In 2023, SK Telecom developed an AI solution capable of wireless network quality management, root cause analysis of quality degradation, and recommendation of improvement measures, and applied it to its commercial network.

In 2024, by leveraging AI technology, SK Telecom is enhancing perceived customer quality and network operational efficiency through 3D spatial network analysis and communication facility safety diagnostics. At the same time, the company continues to drive technological innovation by integrating telecommunications and AI across various industries, including the demonstration of autonomous robots powered by Telco-Edge AI technology.

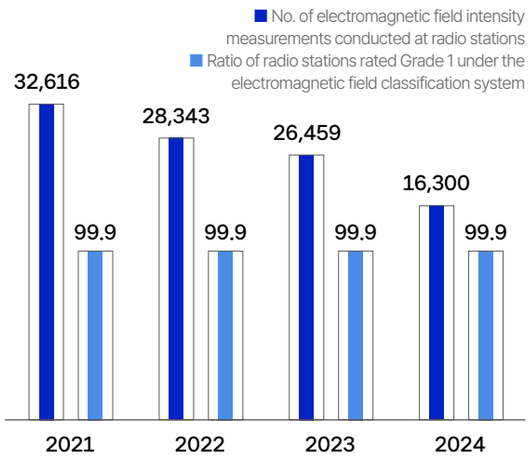
Thanks to bold investments and continuous efforts to improve performance for 5G network quality enhancement, the company achieved first place in key indicators such as transmission speed and connection time—considered the most important metrics in the 2024 5G quality assessment by the Ministry of Science and ICT.

SK Telecom plans to lead the evolution of future telecommunications infrastructure by proactively adopting next-generation network technologies, going beyond the advancement of 5G. In addition, SK Telecom will apply artificial intelligence technology to both wired and wireless networks, further developing them into AI networks that deliver superior quality and new value.

Electromagnetic Waves

SK Telecom has diligently fulfilled its obligations and responsibilities for measuring electromagnetic field strength every year since the mandatory measurement of electromagnetic waves was introduced in June 2007, striving to ensure customer safety. More than 99.9% of SK Telecom's wireless stations have achieved grade 1 under the electromagnetic field grading system. In 2024, SK Telecom conducted electromagnetic field strength measurements for a total of 16,300 wireless stations, and the results showed that the actual electromagnetic field strength of these stations was on average less than 10% of the human safety standard. Furthermore, SK Telecom contributed 50% of the total research funding of KRW 1.5 billion to support the research project on the effects of electromagnetic waves on the human body conducted by The Korean Institute of Electromagnetic Engineering and Science from 2019 to 2024.

Electromagnetic Field Intensity Measurements at Radio Stations (Unit: Cases, %)



Strategy

Establishment of Disaster Recovery System

SK Telecom is advancing its disaster recovery system in response to the increasing importance of strengthening stability across the telecommunications industry, which has emerged as a significant social issue. The disaster recovery system is designed to ensure service continuity for customers by reinforcing redundancy and backup architecture, even in disaster situations such as power outages, fires, flooding, earthquakes, or prolonged service interruptions caused by internal operator errors. SK Telecom continuously assesses vulnerabilities in the disaster recovery system and implements protective measures and ongoing investments to ensure stable service based on the assessment results.

Inducted into the ICT Hall of Fame for CDMA Commercialization

In June 2024, SK Telecom was honored as the first Korean company to have been selected for the Institute of Electrical and Electronics Engineers (IEEE) Milestone, often referred to as the Nobel Prize in the global ICT sector, for its achievements in Code Division Multiple Access (CDMA) commercialization. In the 1990s, SK Telecom, the Electronics and Telecommunications Research Institute (ETRI), Samsung Electronics, and LG Electronics jointly responded to the surging demand for mobile communications by commercializing the world's first CDMA digital mobile communication system, which increased call capacity by more than ten times compared to the existing analog method. This achievement enabled the Republic of Korea to rapidly emerge as a global leader in the mobile communications industry. SK Telecom will continue to pioneer the upcoming era of artificial intelligence with the same spirit of creativity, challenge, and collaboration that drove the successful public-private partnership for the commercialization of CDMA.

Enhancement of Wired and Wireless Network Service Quality

SK Telecom's mobile communication service quality is recognized as one of the highest in the world in terms of coverage and data speed. With a sustained commitment to network investment and technology development, SK Telecom maintains stable network quality and extensive coverage. In addition, SK Telecom flexibly responds to data traffic based on demand forecasting and monitoring, which are derived from comprehensive annual data analysis. By developing 5G core that supports both SA and NSA modes, as well as next-generation cloud-based 5G data equipment, SK Telecom secures the necessary traffic capacity and provides reliable services to customers.

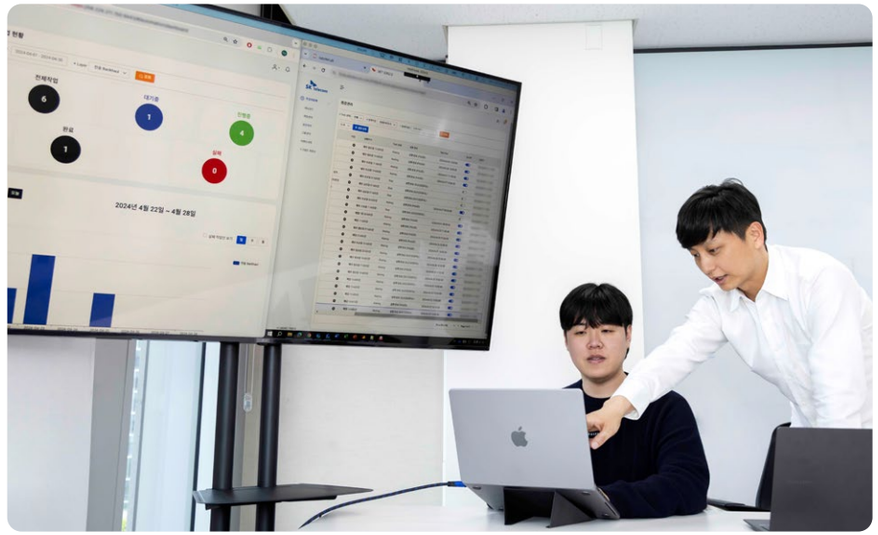
In 2024, by integrating telecommunications and AI technologies, SK Telecom enhanced customer-perceived quality and network operational efficiency through the development of DNA technology for analyzing network conditions in three-dimensional spaces such as building interiors, roads, and subways, as well as AI-based base station intelligence technology. The company also developed and commercialized the AI orchestrator, which automates the operation and management of wired networks, and commercialized fiber sensing technology for AI-based monitoring of wired network status. Thanks to bold investments and continuous performance improvement efforts to enhance network quality, SK Telecom achieved first place in key indicators such as transmission speed and connection time—the most important metrics in the 5G quality assessment by the Ministry of Science and ICT in 2024. Furthermore, its achievements have been recognized across various domains, including the Korea Broadcasting Technology Awards, Leading Light, Network X, and Glotel Awards.

IEEE Milestone Designation

First Korean Company Selected

The Ministry of Science and ICT 5G Quality Assessment (Including Transmission Speed and Connection Time)

No. 1



Risk Management

Customer Rights Protection and Infringement Prevention

SK Telecom places the highest priority on customer rights protection and is committed to achieving "zero customer rights infringement" by proactively preventing potential risks. SK Telecom incorporates issues related to customer rights into company-wide risk management, establishing a robust response system. In the event of an issue, SK Telecom ensures immediate reporting to the board of directors and the CEO, enabling prompt corrective action.

Based on customer consultation records and external agency complaints, SK Telecom conducts risk assessment by analyzing VOC(Voice of Customer) to evaluate the potential for customer rights infringement in areas such as call quality, spam and smishing, billing, and customer benefits. The company actively implements improvement measures to protect customer rights and prevent infringement, deriving these measures from the assessment results. Such improvement actions include on-site visits to stabilize call quality and advance notification to prevent bill shock.

In 2024, a total of 8,736 customer complaints were received through both internal and external channels. Excluding 2,190 cases for which SK Telecom was not responsible, such as customer recognition errors or issues unrelated to SK Telecom, 6,546 cases were addressed, resulting in the resolution of 74.9% of all received cases.

After the completion of improvement measures, SK Telecom utilizes the VOC big data analysis system, customer satisfaction survey, and happy call to analyze the effectiveness of the implemented improvements. If the results indicate that the improvement measures are insufficient, additional supplementary actions are taken accordingly.

In 2024, analysis of the effectiveness of system and product improvements for subscription services and the implementation of the FDS (fraud detection system) for billing agency operations confirmed that customer complaints decreased by 9% and 5% year-on-year in each respective area.

Systematic Network Outage Response

SK Telecom has established an emergency network outage recovery system to minimize public inconvenience and the social and economic impact caused by network outages. As part of this effort, SK Telecom intensively monitors abnormal signs through a network anomaly detection system and strengthens response activities for emergency recovery in the event of an outage. In addition, to prevent outages caused by network defects, SK Telecom conducts regular system inspections to enhance network reliability and operates a system that allows for pre-testing when expanding hardware or modifying software. SK Telecom is also committed to preventing human error through a work control system.

To enhance network stability, SK Telecom has established multiple primary network access routes and critical communication facilities. Additionally, it operates the network by separating it across different layers and regions to prevent errors occurring in one location from spreading to others. Since 2020, SK Telecom has implemented a disaster roaming system among the three major mobile carriers, ensuring the maintenance of essential services even in emergencies and preparing for unforeseen situations. During periods of high network traffic, such as holidays, year-end and New Year's seasons, and large-scale events, the company implements "special communication measures" to provide stable communication services.

By 2024, SK Telecom will establish and enhance a joint response process for network disruptions through close collaboration among the three major telecommunications companies. In response to the increase in disaster recovery lines and subscribers, it plans to expand capacity and advance its systems. Beginning with the advancement of SK Telecom's existing DDoS attack prevention system, the company plans to leverage big data and artificial intelligence analysis techniques to further automate network operations and strengthen its response capabilities by 2025. In addition, the company will continuously pursue capacity expansion and system upgrades to handle surges in traffic during emergencies. Through these efforts, SK Telecom aims to operate its network with stability and achieve zero major disruptions.

Number of Network Failures (Unit: Cases)

Number of Major Telecommunications Failures[1)]

1) A disruption at the "Alert" level of a telecommunication disaster declared by the Ministry of Science and ICT, or a disruption of equivalent or greater severity.

Metrics and Targets

Mid- to Long-Term Goals for Customer Rights Protection

2025	2026	2027
Sustained Achievement of Zero Customer Rights Infringement		
• Maintain top position in user protection assessment • Reduction in VOC (voice of customer) - Reduce customer protection control board (CPCB) by more than 10% - Improve two VOC-generating service processes • Support for socially disadvantaged groups - Gradual expansion of support for socially vulnerable groups, including debt relief in disaster-affected areas, discounts for persons with disabilities, and tiered support for recipients of basic livelihood security benefits (Type 1: self-reliant youth)	• Maintain top position in user protection assessment - Identify and implement at least one improvement case to eliminate user inconvenience • Reduction in VOC - Reduce CPCB by more than 20% - Improve at least three VOC-generating service processes - Conduct 100% pre-inspections for major service events (launch/change/termination) • Support for socially disadvantaged groups - Gradual expansion of support for socially vulnerable groups, including debt relief in disaster-affected areas, discounts for persons with disabilities, and tiered support for recipients of basic livelihood security benefits (Type 2: single-parent families)	• Maintain top position in user protection assessment - Identify and share more than two additional best practices in customer protection • Reduction in VOC - Achieve the industry's lowest CPCB level (over 30% reduction) - Improve more than three VOC-generating service processes • Support for socially disadvantaged groups - Gradual expansion of support for socially vulnerable groups, including debt relief in disaster-affected areas, discounts for persons with disabilities, and tiered support for recipients of basic livelihood security benefits (Type 3: North Korean defectors)

Supply Chain Management

Governance

Roles of the Board of Directors and Executives

SK Telecom reports on the plans and implementation outcomes of supply chain sustainability management activities, including ESG programs for the supply chain, to the ESG Committee under the board of directors. These activities are continuously improved through deliberation and oversight of key matters.

The ESG Committee discusses the strategic direction and performance and incorporates them into management activities in key ESG areas such as the environmental area, social area, customer, human rights management, information security, and supply chain management, as well as mandatory ESG disclosure and ESG stakeholder communication. The committee is composed of at least three directors, with a requirement that the majority be independent directors.

The executives operates a company-wide Procurement Review Committee once a month, in which key executives participate to systematically review and deliberate on major issues related to fair trade and shared growth, as well as to regularly assess win-win growth with suppliers.

Dedicated Supply Chain Management Organization

SK Telecom established the SCM Shared Growth planning team in 2003, dedicated to supply chain management, shared growth, and mutual cooperation. Since its public commitment to win-win growth management both internally and externally, SK Telecom has implemented a variety of shared growth programs.

The Compliance Collaboration Team is responsible for continuously monitoring risks related to fair trade arising from transactions with suppliers and prompt responses to major issues related to fair trade.

Key Responsibilities of the Dedicated Organizations

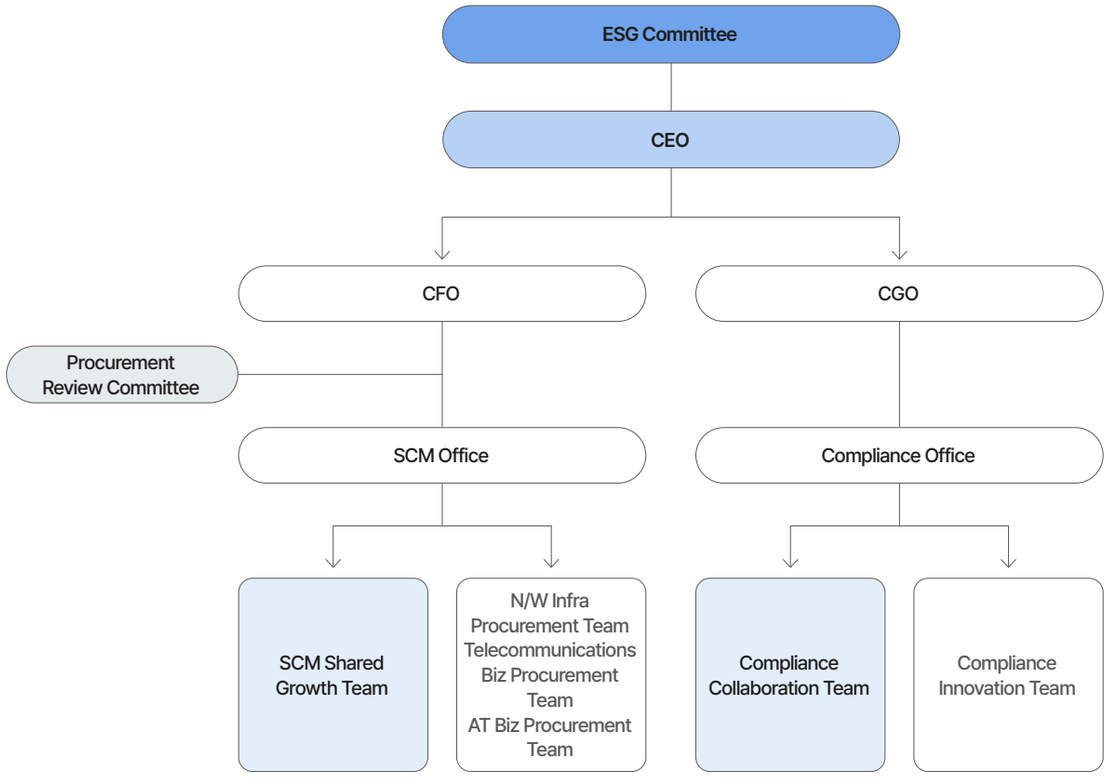
SCM Shared Growth Team

- Establishment and implementation of shared growth strategies
- Communication activities for business partners
- Company-wide promotion of a shared growth culture

Compliance Collaboration Team

- Operation and advancement of the company-wide compliance monitoring system
- Identification and implementation of innovative items for compliance operations
- Monitoring and analysis of trends in fair trade laws and regulations

Supply Chain Management Governance



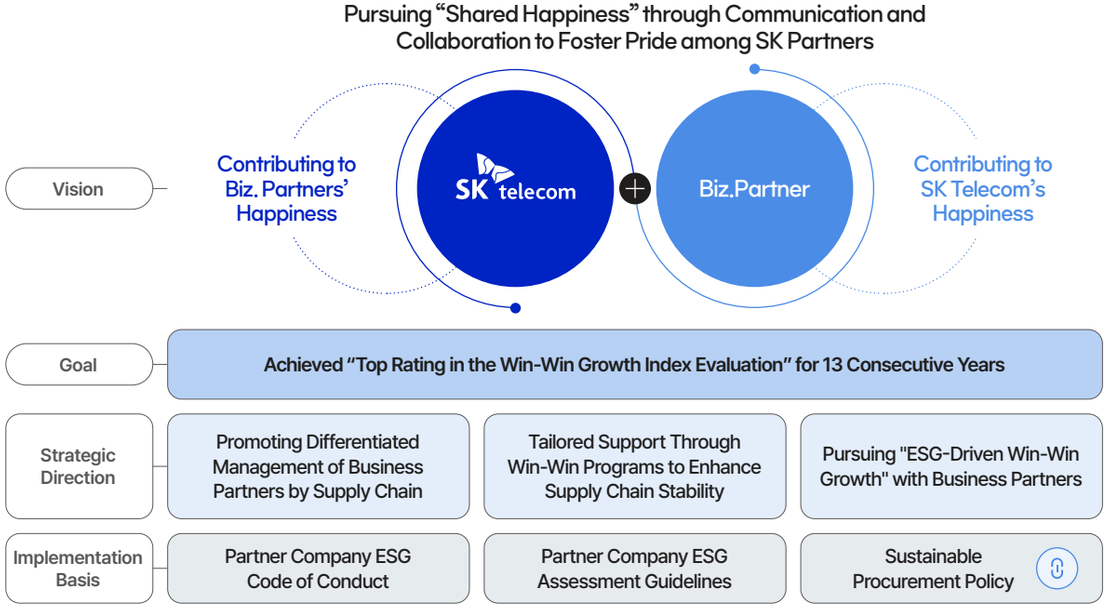
Strategy

Sustainable Supply Chain Management

SK Telecom pursues sustainable supply chain management by focusing on ESG risk management for its partners, based on a supplier ESG policy that includes the ESG code of conduct. When engaging with partners, SK Telecom screens for ESG risk to proactively prevent supply chain risk. The company is also enhancing ESG risk identification, assessment, and evaluation processes to support the improvement of ESG standards across the entire supply chain. In addition, SK Telecom provides capacity-building programs in areas such as technology, finance, and education, and continuously expands communication and collaboration to achieve shared growth with its partners.

As supply chain-related regulations are being strengthened both domestically and internationally, SK Telecom recognizes the need to expand and evolve its collaborative relationships. Accordingly, SK Telecom has set the following as key strategic directions of its supply chain management for 2025: "differentiated management of business partners," "mutual cooperation to enhance supply chain stability," and "establishment of ESG practices among business partners." Through these initiatives, SK Telecom aims to build a sustainable and stable supply chain and grow as a Global AI Company.

Sustainable Supply Chain Management Strategy



ESG Policy for Suppliers

SK Telecom is implementing sustainable supply chain management, including ESG risk management for partners, based on a supply chain policy encompassing labor and human rights, health and safety, environmental management, anti-corruption, fair trade, and information security. To manage ESG risks among partners, SK Telecom has established the Supplier ESG Code of Conduct, which requires agreement and commitment prior to any transactions. This code outlines requirements for social responsibility based on global standards and frameworks such as the International Labour Organization (ILO) International Labor Standards, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights (UNGPs), and urges partner companies to comply with them in practice.

In addition, based on SK Group's "ESG Assessment Guidelines for Suppliers Guidelines," SK Telecom has designated various ESG risks that may arise in the process of collaboration with partners—tailored to the characteristics of its business—as key management areas. ESG risks identified in key partner companies are managed through a structured process that includes self-assessment by the partner company, third-party evaluation, third-party due diligence, improvement plan development, and ongoing monitoring. Depending on the results of the ESG assessments, SK Telecom provides ESG-focused training and consulting to support the continuous prevention and improvement of ESG risks among partner companies. Furthermore, the company actively listens to partners' opinions and needs to develop necessary ESG programs on an ongoing basis.

In addition, SK Telecom classifies and manages its partners by type, taking into account the scale and continuity of transactions, the nature of the goods or services traded, and their strategic importance. Considering external conditions and relevant guidelines, the company continuously develops ESG assessment indicators, methodologies, and assessment cycles tailored to each partner type. By applying differentiated approaches based on transaction type and industry, SK Telecom promotes the gradual improvement of ESG standards among its partners.

Strategy

SK Telecom's "Supplier ESG Code of Conduct"

SK Telecom's Supplier ESG Code of Conduct is based on the principles of the UN Global Compact (UNGC), the OECD Guidelines for Multinational Enterprises, and the Joint Audit Cooperation (JAC) guidelines from GeSI. All partners are required to submit a "Supplier ESG Code of Conduct Compliance Pledge" annually via the online procurement management system at the beginning of the year. This approach establishes a cyclical ESG management system that raises awareness and drives continuous improvement in compliance with the code. By adhering to the ESG Code of Conduct, partners proactively respond to internal and external environmental changes alongside SK Telecom, enhancing the sustainability of the entire supply chain.

Purpose of the ESG Code of Conduct

The Supplier ESG Code of Conduct was established to promote ESG management across all partners within the value chain and to build a sustainable supply chain. SK Telecom expects all partners not only to comply thoroughly with relevant laws and regulations covered by the Code but also to implement the highest standards of ESG practices in areas such as labor and human rights, health and safety, environment, ethics, and management systems. Through adherence to the ESG Code of Conduct, partners are encouraged to build a longterm, sustainable partnership with SK Telecom and grow into socially respected enterprises.

Scope of Implementation

The Supplier ESG Code of Conduct applies to all partners and their employees. Partners are required to comply with the Code in all business activities conducted with SK Telecom. Moreover, the Code calls for strict compliance not only in partners' own operations but also in transactions with third-party subcontractors. If a partner fails to comply with the Code, SK Telecom may request corrective actions.

Roles and Responsibilities of Partners

SK Telecom, or a third-party assessment agency commissioned by SK Telecom, may audit and verify partners' compliance with the Code within the bounds of applicable laws. Supplier ESG Code of Conduct – Key Details, SK Telecom may request corrective or remedial actions to address identified risks. Partners are expected to conduct regular selfassessments and take necessary corrective or mitigating measures for any non-compliance or issues identified during on-site evaluations.

Supplier ESG Code of Conduct – Key Details

Labor & Human Rights	Prohibition of forced labor and child labor, compliance with working hours, fair wages and benefits, humane treatment, prohibition of discrimination/harassment, freedom of association
Health & Safety	Establishment of a health and safety management system, industrial safety, accident and disease management, machine/equipment safety, hazard identification and mitigation, health and safety communication
Environmental Management	Environmental goals and performance tracking, eco-friendly products/services, climate change response, pollution and waste control, natural capital management, biodiversity, chemical substance management, and compliance with environmental regulations
Ethical Management	Business integrity, fair competition, personal data protection, anti-corruption, protection of whistleblowers and intellectual property, responsible sourcing of minerals, legal compliance
Management Systems	Implementation of management systems, compliance with legal and external requirements, risk assessment, training and communication, information management, grievance mechanisms, and subcontractor management

ESG Code of Conduct Compliance Pledge

Supply Chain Anti-Corruption Policy and Audit

The "Supplier ESG Code of Conduct Compliance Pledge" and the "Supplier Ethics Practice Pledge" represent a shared commitment between SK Telecom and its partners to uphold ethical management and fulfill corporate social responsibilities while fostering a culture of fair and transparent transactions. The Supplier Ethics Practice Pledge outlines prohibitions against offering or receiving bribes, entertainment, or conveniences; engaging in unfair trade practices; exaggerated or false advertising; and collusion. It also prohibits unauthorized use or disclosure of customer information, violations related to the protection of whistleblowers and retaliation, and the use of conflict minerals or non-responsibly sourced minerals.

In addition, to promote anti-corruption practices among partners and conduct fair audits, SK Telecom has established supply chain anti-corruption requirements as part of its internal "Procurement Management Regulations." In cases of anti-corruption violations by partners, SK Telecom's Procurement Review Committee deliberates on potential sanctions, verifies the facts, allows for explanations, and issues final decisions on disciplinary actions. According to the results of supply chain anti-corruption audits, there were no sanctions imposed in 2024.

Strategy

Win-Win Growth with Partners

SK Telecom has actively pursued shared growth with its partners to foster a healthy ICT industry ecosystem and create sustainable value. In 2024, the company conducted the 2023 Win-Win Growth Index assessment, overseen by the Korea Commission for Corporate Partnership (KCCP) and the Fair Trade Commission, targeting 125 partner companies under fair trade agreements. As a result, SK Telecom was rated "Excellent" for the 12th consecutive year among 224 major domestic corporations, reaffirming its leadership in establishing a culture of fair trade and sincere collaboration with its partners. To further accelerate supply chain ESG initiatives, SK Telecom also provides partner training, on-site support for corrective actions, and various capability-building programs.

Three Key Tasks for Win-Win Growth

Building on the foundation of mutual trust and a fair trade culture, SK Telecom aims to expand collaboration with its partners to respond to changing environments and realize sustainable win-win growth. To this end, the company has defined three key tasks to achieve by 2025 and is actively pursuing them. SK Telecom signs fair trade agreements with approximately 125 partners annually to lead the establishment of a fair trade culture. It has also extended its win-win growth programs from primary to secondary suppliers, supporting overall partner competitiveness. Additionally, support programs are offered to startups without existing business relationships, contributing to the growth of the startup ecosystem. These programs span various areas including new technology development, business commercialization support, competitiveness enhancement, and market development assistance.

Support for Partner Technology Development and Protection

To support technology development by external developers—including partners and startups—in areas such as 5G, AI services, and the metaverse, SK Telecom operates a technology development support program. This includes free licensing and transfer of SK Telecom's patents, as well as provision of technical infrastructure. Moreover, the company supports systematic protection of partners' technologies through free services such as technology escrow, trade secret certification, technology protection consulting, and patent application support.

Financial Support Programs for Partners

To help ensure stable financial operations for its partners, SK Telecom has continuously operated financial support programs. These include the Win-Win Growth Fund, which lowers loan interest rates using interest income from deposits, and the Shared Growth Loan program for partners with excellent ESG performance. Additionally, SK Telecom expedites payment of subcontract fees faster than industry norms to enhance financial stability for its partners.

Participation Status in Supplier Capability Building Programs

(Unit: No. of Suppliers)

	2024	
	Suppliers	Target
No. of suppliers participating in capability building programs[1]	282	118
No. of suppliers participating in ESG capability building programs[2]	348	-
No. of Tier 1 significant suppliers participating in overall programs	170 companies (87%)[3]	-

1) Capacity-building programs essential for supplier organizations and employees, including mobile communication technology, AI, and business/economics
2) Required and recommended programs for sustainability, such as workplace bullying prevention, sexual harassment prevention, and ESG practice
3) Based on 2024 data: among 196 total significant suppliers, 170 Tier 1 suppliers received capacity-building support (87%)

Status of the Three Key Shared Growth Initiatives

① Establishing a Fair and Transparent Transaction Environment
Continued implementation of key recommendations from the Fair Trade Commission—such as contract execution, supplier selection and management, internal review committees, and document retention and issuance—while strengthening internal compliance practices. Completed for Tier 1 suppliers by 2023.

② Expanded Support for Win-Win Cooperation Expansion of shared growth programs from Tier 1 to Tier 2 suppliers by 2024. By 2025, both quantitative and qualitative support for Tier 2 suppliers will be elevated to the level of Tier 1 programs.

③ Strengthening Supplier Competitiveness through Collaborative Projects Support for joint development of next-generation technologies (e.g., 5G, AI), ESG dissemination, and future-oriented initiatives. Implemented for Tier 1 suppliers by 2023; expanded to Tier 2 suppliers by 2024, with full completion targeted by 2025.

Support for Technology Development and Protection

(Unit: Cases)

	Cases
Support for Technology Development Infrastructure (including SKT Open API)	2,355
Support for Intellectual Property (Filing Fees, Free Transfers)	510
Technical Document Escrow Program	111
Trade Secret Original Certificate Service	349
Total	**3,325**

Financial Support for Partners

(Unit: Cases, KRW 100 million)

	Cases	Amount Supported	Note
Shared Growth Fund Loan Support	86	859	-
Early Payment of Subcontract Fees	972	-	Payments were made an average of 6.6 days earlier than the standard 60-day contract period

Strategy

Support for Supplier Capability Enhancement Programs

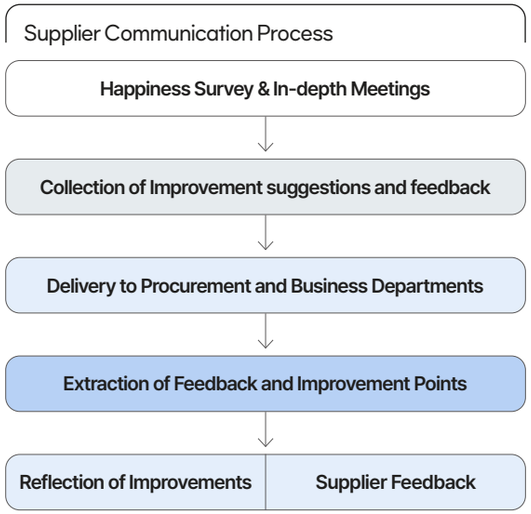
SK Telecom offers various training programs for the employees of its partners to strengthen the business competitiveness and ESG implementation capabilities of its partners. The programs include statutory courses, general ESG courses, technology capability development courses. In 2024, a total of 32,173 participants completed the training.

Total Number of Participants in the 2024 Supplier Capability Enhancement Program

32,173

Supplier Communication Process

SK Telecom gathers feedback and improvement requests from partners through both online and offline channels and reflects them in its business and procurement processes.



Status of Supplier Capability Enhancement Program

Category	Training Course	No. of Participants
Statutory Courses	• Ethics training (sexual harassment prevention, disability awareness, workplace bullying prevention) • Training on the Serious Accidents Punishment Act to promote a safety and health culture • Information security training to protect data and prevent information leaks	25,831
General ESG Courses	• ESG fundamentals, Carbon neutrality, Sustainability (SV Story, ZERO carbon campaign) • ESG practices & business models strategy	1,420
Tech Capability development Courses	• ChatGPT, Generative AI, DT, 5G Tech, IT Security • Metaverse, Server Virtualization, Cloud Computing, Python Basics	3,865
Other General Courses	• Economic outlook, 4th Industrial Revolution, Business Insights, ICT Trends	1,057

Supplier Communication Channels

To reflect field-level feedback related to shared growth in actual policies, SK Telecom operates various communication channels involving partners, including indepth meetings, Voice of Partners sessions, partner surveys, and the SCM Mailbox.

Supplier Happiness Survey

SK Telecom conducts anonymous surveys with supplier representatives on key topics such as business relationships, communication, and decision-making during transactions. The results are used to gather feedback and improve shared growth policies.

Supplier In-depth Meetings

One-on-one meetings are held with suppliers to freely share opinions on field-level issues related to contract execution and shared growth activities, which are then reflected in internal policies.

SCM Suggestion System[1)]

SK Telecom collects and reflects supplier suggestions for improvement through the SCM Suggestion System (OPEN2U), which covers procurement-related tasks (e.g., orders, contracts, and deliveries).

1) In 2024: 22 suggestions received, 22 processed (100% completion)

2024 Supplier ESG Risk Management: Implementation and Outcomes

In 2022, SK Telecom conducted ESG assessments for 200 suppliers selected based on its Tier 1 priority management criteria. A total of 66 ESG evaluation indicators were customized and applied across all ESG domains, optimized for the characteristics of transaction (contract) item categories related to SK Telecom's telecommunications services—such as equipment, construction, services, and materials.

In 2023, the company established an ESG risk management plan and conducted assessments on 150 partners. It enhanced the processes and programs that were lacking in the initial 2022 round. Furthermore, it standardized the evaluation indicators across all SK Group affiliates, requiring assessment based on all 66 ESG indicators. As a result, the number of high-risk partners increased to 36 in 2023, compared to 7 in 2022. As in 2022, SK Telecom provided reeducation and consulting for high-risk partners. By the end of 2023, the number of high-risk partners decreased to 13, achieving an improvement rate of 64%.

In 2024, SK Telecom redefined and redesigned all 66 ESG evaluation indicators from 2023[2)] to better align with the characteristics of the telecommunications industry. Based on the revised indicators, assessments were conducted on 118 partner companies, and consulting support was provided to 19 high-risk partners, successfully reducing the number of high-risk companies to four (3%). SK Telecom will continue to identify key partners based on its experience in ESG assessments, improvement processes, and program operations, striving to ensure that all business partners enhance sustainability together with the company.

2) Re-definition/Redesign: Based on the 2023 evaluation results, improvement areas were identified in items less relevant to the telecommunications industry, such as "eco-friendly product development and management," "waste measurement, management, and reduction efforts," "hazardous chemical measurement and control," and "internal audit operations" for workplaces with fewer than 50 employees.

Strategy

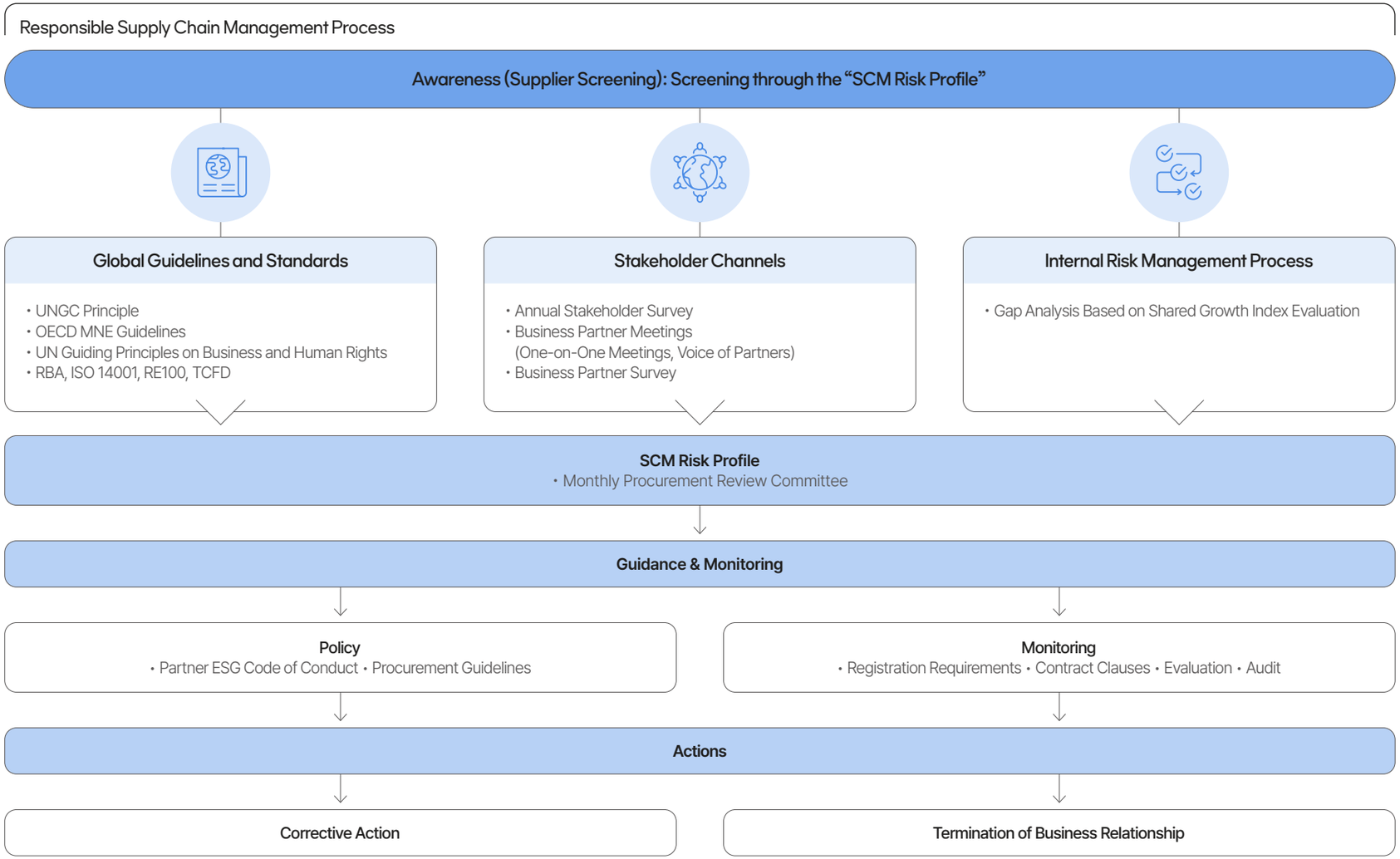
Responsible Supply Chain Management Program

Supplier ESG Risk Management Process and Roadmap

SK Telecom evaluates the overall ESG status of its supply chain through various methods such as document reviews, self-assessments, and on-site audits targeting its registered partners. Based on key areas for improvement, the company systematically manages partner ESG risks. In particular, for partners identified as needing support through risk assessments and evaluation results, SK Telecom requires the establishment of corrective action plans to improve ESG performance and operates a program that provides regular feedback and monitoring.

Since 2022, SK Telecom has implemented an upgraded "ESG Risk In-Depth Diagnosis Program" to enhance its existing ESG assessment approach. In 2023, the new program was applied primarily to key partners with high transaction importance and volume, designated as ESG priority management partners. Based on the results of the in-depth assessments, SK Telecom provided customized improvement support, including targeted training and on-site consulting to enhance suppliers' ESG performance levels.

In 2024, the company further laid the groundwork for synergy in the ESG assessment framework by collaborating with its ICT affiliates SK Inc. C&C and SK Broadband. Starting in 2025, SK Telecom plans to establish a proactive ESG risk prevention process by sharing ESG assessment data for overlapping suppliers on an ongoing basis.



Strategy

Establishment of ESG Standards in the Procurement Process and Pre-Screening[1] of the Supply Chain

SK Telecom identifies ESG risks defined in its Supplier ESG Code of Conduct and incorporates them into contractual agreements during the procurement process. At the supplier selection and contract signing stage, a minimum ESG evaluation weight of 3% can be applied. Suppliers that fail to meet SK Telecom's minimum ESG requirements may be subject to reduced transaction volumes or exclusion from contracts.

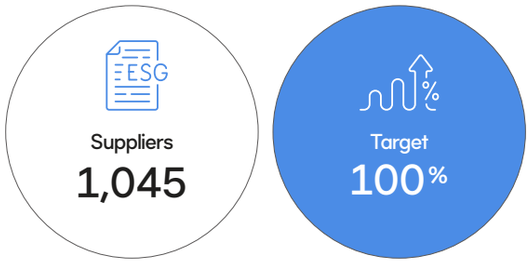
Before initiating any transactions, SK Telecom collects a Supplier Ethics Pledge and an Information Security Agreement through its electronic contract system (OPEN2U). In addition, a 100% pre-screening is conducted based on the Supplier ESG Code of Conduct to manage ESG risks. This pre-screening evaluates ESG elements such as labor and human rights, health and safety, environment, ethics, and management systems, along with business relevance. The evaluation methodology also considers national, industry, and product-related risks. Particularly in terms of business relevance, the screening assesses a supplier's capability to support SK Telecom's strategic initiatives, such as network expansion and AI infrastructure development. Moreover, suppliers are classified by transaction type, and the risk level of their industry is reviewed to identify potential ESG risks.

1) Countries and regions vulnerable to ESG risks—such as child labor—are identified and managed through supplier ESG screening.

In addition, SK Telecom applies strict standards related to labor, health, and safety in all transactions with suppliers. Eligible suppliers must undergo qualification assessments and self-assessments (via checklists), and those that fall below the required threshold are excluded from contracts. Suppliers receiving unsatisfactory evaluations are required to remediate deficiencies within six months. In 2024, SK Telecom conducted 100% pre-screening of all newly registered and existing partner companies with ongoing transactions. To ensure a 100% prescreening rate, the company continues to enhance its financial and non-financial risk assessment criteria and process in alignment with international ESG standards.

2024 Supplier ESG Evaluation and Pre-Screening

Supplier ESG Code of Conduct Compliance: Status and Target



Note: Includes suppliers of equipment, construction, software/solutions, and materials.

Supplier Pre-Screening Criteria

Category	Identified Issues
ESG Factors	Labor & Human Rights, Health & Safety, Environment, Ethics, Management Systems
Business Relevance	Consideration of SK Telecom's business characteristics, including network expansion and infrastructure development for AI services
Country Risk	Political, social, economic, and legal risks associated with the country where the supplier operates
Product Risk	Risks that may arise during the production, distribution, and use of the product
Industry Risk	Risks due to industry-specific characteristics such as labor conditions, energy consumption, and resource intensity

Identified Issues by Supplier Transaction Category – Pre-Screening

		Identified Issues						
		ESG Factors						
Category	Item	E	S	G	Business Relevance	Country Risk	Product Risk	Industry Risk
Equipment	Base Stations, Repeaters, Switches, Rectifiers, etc. for 5G wireless services	High	Low	Medium	○	○	○	○
Construction	Field work for safe installation of equipment and facilities for 5G wireless services	High	Medium	Medium	○			○
Software/ IT Services	Systems and services for customer data, billing, monitoring, and control in 5G networks	High	Low	Medium	○			○
Materials	General telecom-related goods such as laptops, monitors, etc.	High	Low	Medium	○	○	○	○

Strategy

Procurement Strategies to Enhance Supply Chain Sustainability

SK Telecom prioritizes and implements five key procurement strategies to manage and strengthen supply chain sustainability: enhancing fundamental procurement competitiveness by improving the procurement structure based on the Total Cost Ownership (TCO) perspective; increasing cost-effectiveness through zero-base review of cost components; optimizing and improving procurement processes to be more business-friendly; managing procurement risks preemptively and fostering a fair trade environment; and expanding joint development and supporting overseas exports. To effectively implement these strategies, SK Telecom conducts regular training each year for procurement personnel on policy and program updates related to supply chain sustainability.

Since 2009, SK Telecom has independently developed and operated an electronic procurement system to ensure fair and transparent transactions with its partners. Procurement management regulations are established within internal company policies to strictly control the procedures and standards followed by both the procurement and requesting departments. Violations are subject to disciplinary actions, resulting in disadvantages for individuals and departments. In addition, to ensure fair transactions, the company maintains procedural security across all stages—from bidding announcements, on-site evaluations, proposal and technical assessments to pricing evaluations. Additionally, procurement and accounting systems are integrated to comply with International Financial Reporting Standards (IFRS).

In accordance with the procurement management regulations, SK Telecom strives to preemptively eliminate environmental risk factors from the initial stages of purchasing raw and subsidiary materials and equipment. When selecting items, the company gives priority to eco-friendly products that contribute to resource conservation and reduce environmental pollution, unless there are specific reasons to choose otherwise among products or services with the same function. When purchasing equipment, suppliers are required to provide long-term (at least 3 to 10 years) electricity usage data, which is factored into evaluation from a TCO perspective to favor low-power solutions. As part of efforts to reduce carbon emissions, SK Telecom began introducing passive component equipment in 2018 to replace conventional active components. Since 2021, the company has also built and operated solar power systems at key facilities and buildings to further its carbon neutrality initiatives.

Supply Chain Status

SK Telecom designates a group of significant suppliers by comprehensively considering factors such as their connection to the company's core business or infrastructure investments, transaction volume, and irreplaceability in areas involving proprietary technologies. As of 2024, out of 1,045 total suppliers, 113 companies were classified as Tier 1 significant suppliers based on transaction scale and continuity. Additionally, five second- and third-tier suppliers with no direct transactions were categorized as Non-Tier 1 significant suppliers.

Procurement Personnel Training Program

Procurement Expert Development

Training Curriculum
- Strengthening procurement capabilities of newly assigned personnel
- Bidding methods, evaluation criteria, and Best/Worst Practices

Conducted annually in the 3rd week of January

ESG Workshop

Training Curriculum
- Domestic and global ESG trends and SCM implementation directions/results
- Improvement initiatives or new action items

Conducted as needed

2024 Supply Chain Status

Supplier Classification		No. of Suppliers	Share of Purchases (%)
Tier 1 Suppliers	Total Registered	1,045	100
	Equipment (Network and Infrastructure)	139	14
	Construction	95	20
	Services (Software and Solution Development)	746	56
	Materials	65	10
Significant Suppliers	Tier 1	113	89
	Non-Tier 1	5	-

Strategy

Supply Chain ESG Assessment

SK Telecom evaluates ESG risks within its supply chain based on its Supplier ESG Code of Conduct. The proportion of registered suppliers subject to document-based or on-site audits serves as a core indicator of the company's ESG evaluation efforts. To ensure objectivity, fairness, and reliability—and to identify actual ESG risks—SK Telecom utilizes diverse evaluation methods. These include written assessments using ESG indicators and platforms developed by specialized system integration companies, benchmarking global standards such as DJSI, MSCI, GRI, K-ESG, IBC, WFE, EcoVadis, and RBA. The company also delegates second-party verifications to local branches of global evaluation and consulting firms. Additionally, third-party independent ESG institutions are contracted to conduct on-site audits and document verifications for ESG areas such as Scope 3 emissions and ISO certifications via ESG platforms.

Through its ESG assessment process, SK Telecom aims to strengthen relationships with suppliers and build a more sustainable supply chain. In 2024, SK Telecom conducted written evaluations for 100% of its 1,045 Tier-1 supplier.

Suppliers that do not meet SK Telecom's ESG criteria are informed of potential consequences, such as reduced order volumes or contract termination. Each year, SK Telecom also selects top-performing suppliers for separate Fair Trade Agreements and offers various incentives, including free participation in shared growth programs and Provision of free ESG assessment services. Notably, top-rated suppliers receive special support such as financial assistance, with KRW 100 million planned for distribution to seven selected suppliers by 2025.

Supply Chain ESG Assessment (by Assessment Type)

		2024	
Supplier Classification		**No. of Suppliers**	**Purchase Share (%)**
Tier 1	Total number of suppliers assessed via desk assessments/ on-site assessments	1,045	100
	Total number of significant suppliers assessed via desk assessments/on-site assessments	113	89
Non-Tier 1	Total number of significant suppliers assessed via desk assessments/on-site assessments	5	-

In-Depth ESG Risk Assessments in the Supply Chain

To advance ESG risk management within its supply chain, SK Telecom conducted two pilot improvement tests for supplier evaluations in 2021. Since 2022, the company has implemented a newly developed in-depth ESG risk assessment program for key suppliers. Suppliers are categorized by type with tailored evaluation criteria applied to each category. ESG risks are monitored through both regular and ad hoc assessments. The company promotes voluntary compliance by suppliers and verifies data through a dedicated ESG diagnosis platform. This platform offers complimentary in-depth diagnostics and consulting services, allowing suppliers to understand the relative weighting of ESG evaluation criteria for their industry sector and benchmark their performance against peers. In addition, SK Telecom provides a range of training programs for employees and suppliers to enhance their understanding of ESG trends, risk identification and mitigation, and implementation strategies. A "Best Practice Guide" is also provided to help suppliers set and act on their ESG improvement goals. For high-risk suppliers, SK Telecom offers intensive on-site consulting to drive annual performance improvements. Furthermore, the company provides ESG-related training to internal stakeholders, including procurement staff, to provide ongoing support for suppliers in implementing ESG practices and managing risks.

Continuation and Enhancement of ESG Training

Course	Details
Eco-friendly Bro: ZERO Carbon Footprint by Hwang Dae-ri × Julien	Practical ways to address the climate crisis in everyday life
Carbon Neutrality: Leaving a Sustainable Planet	Understanding carbon neutrality policies, systems, and directions
Understanding ESG	Grasping the global ESG back ground and objectives
Global Companies' SV Stories: Patagonia, Lush, Unilever	Strategies for sustainable management and creating social value through ESG practices

New ESG Training Programs

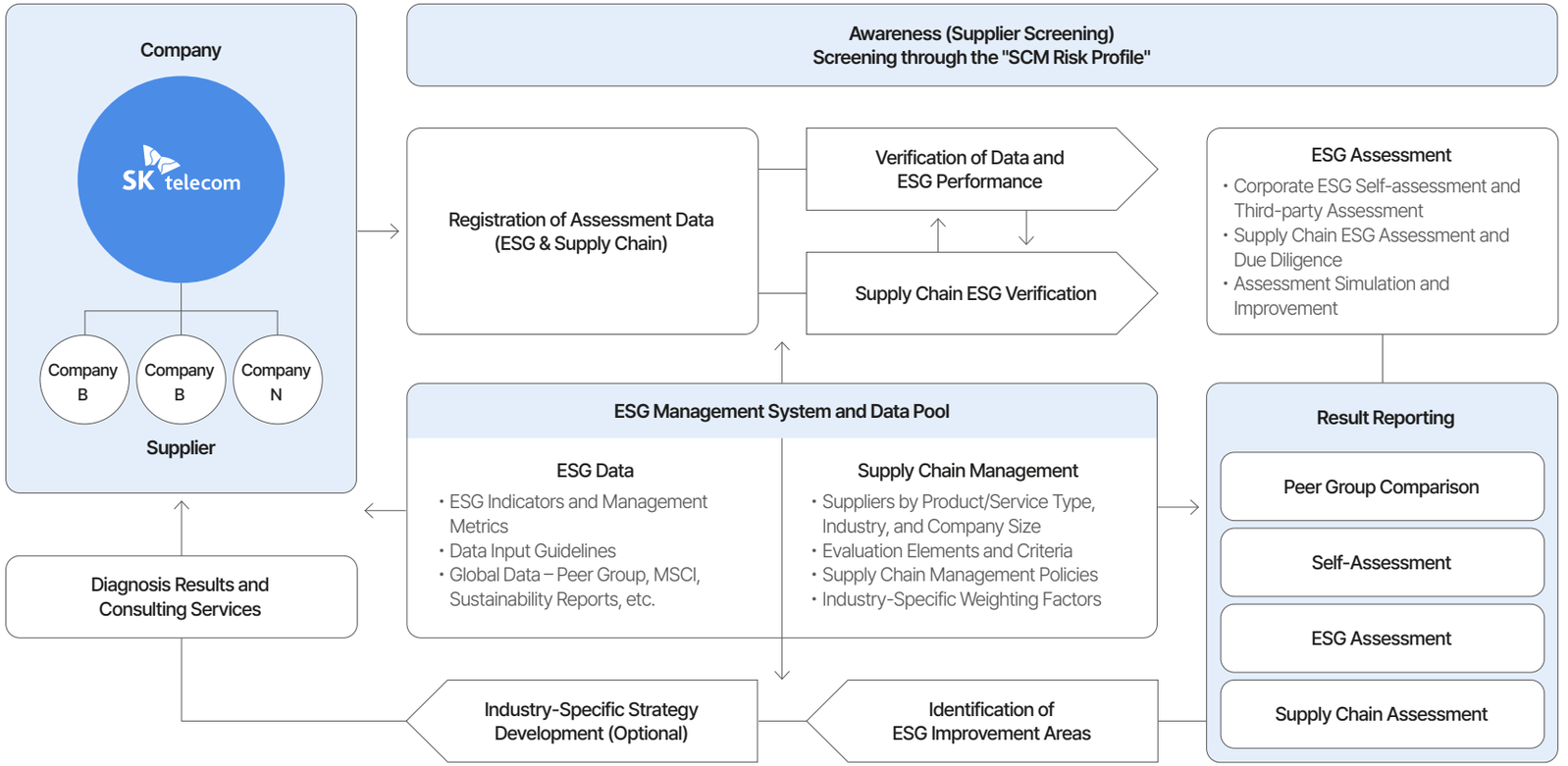
Course	Details
ESG, the Trend of Business Models	Practical ESG management strategies based on real-world ESG cases
Dr. Moon Sung-hoo's ESG Implementation Strategy	Understanding what and how to prepare for ESG
ESG: Everyone Should Know and Use Easily	Practical methods and key requirements for utilizing ESG effectively

Risk Management

Supply Chain ESG Assessment Framework

Supplier ESG Assessment and Evaluation

"Suppliers conduct a self-assessment by category via the ESG assessment platform, followed by verification of the supplier registration data."



Global Guidelines and Standards

"On-site consulting is prioritized for high-risk ESG suppliers, and improvement support programs are jointly provided, reflecting the needs of Tier 1 suppliers."

Training (Online/Offline)

- [Working-level Staff] SK Telecom Shared Growth Academy – Basic and Advanced ESG Courses
- [Executives] Group Shared Growth Academy, SK Telecom CEO Forum, etc.
- [Employees] SK Telecom Shared Growth Academy – ESG Practice Training
  - Topics include Ethical Management, Sexual Harassment Prevention, Workplace Bullying Prevention, and Information Security

Guide

- Supplier ESG Self-Assessment Checklist
  - Covers ethics, labor-management relations, safety, and internal regulations

Consulting

- On-site Consulting for High-Risk Suppliers
- Support for ISO Certifications through Linkage with Industrial Innovation

Risk Management

Identifying and Analyzing Key Risks in the Supply Chain

SK Telecom proactively manages key risks in the supply chain through regular annual surveys of its suppliers—including the Shared Growth Perception Survey and the Business Partner Survey—as well as in-depth meetings with partners, Voice of Partners (VoP) sessions, partner surveys, and risk management working groups. Risks identified through these activities are incorporated into risk gap analysis and risk mapping by supplier group, and are reviewed during quarterly procurement performance evaluation and improvement meetings. Major supply chain risks are categorized into economic, social, and environmental risks and integrated into the company's sustainable supply chain management process. These risks are also reflected in the Supplier ESG Code of Conduct and the Supplier Ethics Pledge to ensure 100% application in future supplier assessments. For high-risk suppliers, SK Telecom conducts audits through site visits or third-party assessments to prevent potential risks in advance.

Corrective Actions and Incentives

Based on supplier risk assessment results, SK Telecom requires underperforming suppliers to establish corrective action plans and implement them to enhance ESG performance. These suppliers are subject to targeted management. This includes a review of the feasibility of their improvement plans, support for necessary resources, and expert consultation when needed to improve ESG performance in a timely manner. The results are categorized and analyzed by area of improvement and are reflected in the company's supply chain prescreening, ESG risk assessment, and support policy development processes. Support for corrective actions and ESG performance improvements is provided either remotely or through on-site visits. In 2024, no suppliers were subject to disciplinary action based on the assessment results.

Meanwhile, suppliers with excellent assessment results receive various incentives, such as ESG financial support, capability enhancement programs, and risk mitigation programs. Capability enhancement includes free transfers of technology and patents, support and protection programs through open collaboration, the Shared Growth Academy, and CEO seminars for suppliers. Risk mitigation programs include shared growth agreements, procurement policy guidance and compliance support, price adjustments, financial assistance, and welfare support for partner companies.

Results of supplier risk assessment and status of corrective action support (Unit: Companies, %)

	2024	
Supplier Classification	No. of Suppliers	Target
Number of suppliers assessed with substantial actual and potential negative impacts	4	-
Ratio of suppliers with substantial actual and potential negative impacts with agreed corrective action and improvement plan	100	100
Number of suppliers with substantial actual/potential negative impacts that were terminated	4	-
Total number of suppliers supported in corrective action plan implementation	4	4
Ratio of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	100	100

Metrics and Targets

Supply Chain Management

2025	2027	2030
Advancing ESG Management Systems for Suppliers • Expand ESG assessments to key suppliers: achieve 100% diagnostic coverage • Strengthen consulting for high-risk suppliers: maintain high-risk supplier ratio below 3% of total • Introduce industry-specific ESG indicators	**Operating a Top-Tier Domestic Supply Chain ESG Management System** • Expand ESG consulting coverage: from high-risk to mid-risk key suppliers • Operate ESG Level-Up program: foster ESG experts by industry sector • Enhance ESG indicators reflecting global trends	**Pursuing a Globally Top-Tier Supply Chain ESG Management System** • Implement self-driven ESG enhancement programs for each supplier • Promote global top-tier business models (B/M)

Win-Win Cooperation

Maintain Top Rating in Shared Growth Index Evaluation

Local Community

Governance

SK Telecom operates an implementation framework for social contribution to create social value through its ICT capabilities.

The Board of Directors and ESG Committee play a key role in reviewing the direction, performance, and external communication strategies of the company's responsible management efforts. Social contribution outcomes are reported regularly to the ESG Committee. In 2024, updates were shared on topics such as the progress and plans for ESG fund management and outcomes related to supply chain collaboration and ESG partnerships.

The ESG Development Office, which reports directly to the CEO, serves as the dedicated organization for social contribution initiatives. It sets the company-wide direction and implements activities aligned with six strategic initiatives, tailored to the unique characteristics of the telecommunications industry.

Social Contribution Implementation Framework

Agenda Items Reported to the ESG Committee

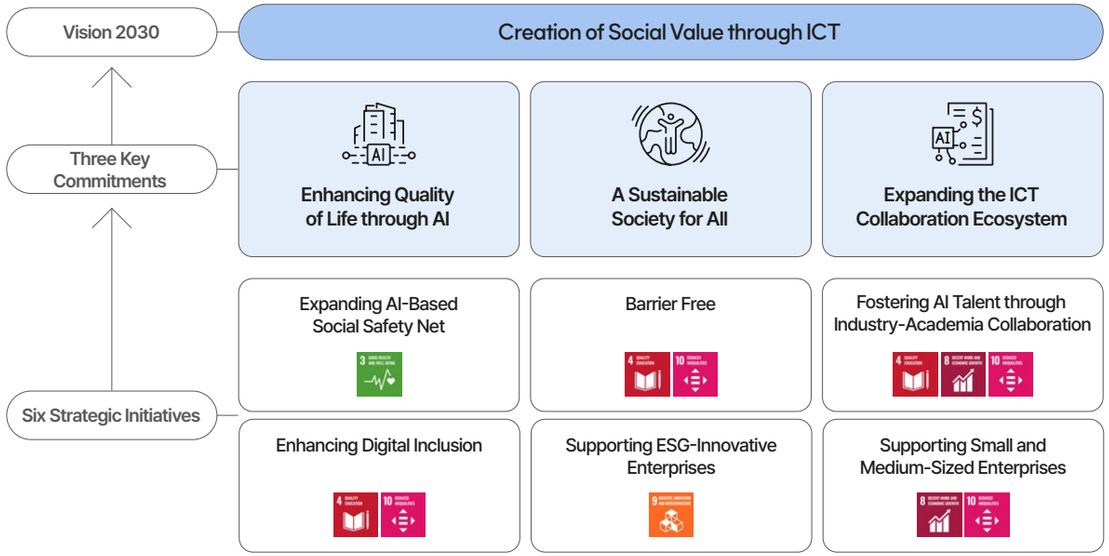
Date	Agenda	Status
Apr. 22, 2024	Review of 2024 SV Joint Budget Plan	Reviewed
May 23, 2024	Review of 2023 SV Creation Performance	Reviewed
Sep. 25, 2024	ESG Review of ESG Fund Management Progress and Plan	Reviewed
Oct. 23, 2024	Review of 2024 Shared Growth across the Supply Chain/ESG Partnership Performance and 2025 Direction	Reviewed

Strategy

As ICT-driven digital life rapidly expands across all aspects of daily living, the digital divide among marginalized groups has deepened, while issues such as personal data breaches and cybercrime have emerged. In this context, the role of ICT companies as social safety net providers has become increasingly important. In response, SK Telecom—now evolving into an AI Company—has established a social contribution strategy based on the vision of "Creating Social Value through ICT by 2030."

Through a wide range of initiatives across three core areas—Enhancing Quality of Life through AI, Building a Sustainable Society for All, and Expanding the ICT Collaboration Ecosystem—SK Telecom contributes to the advancement of a sustainable society. By generating social value on par with economic value, the company strives to foster mutual growth for both business and society.

Social Contribution Strategy

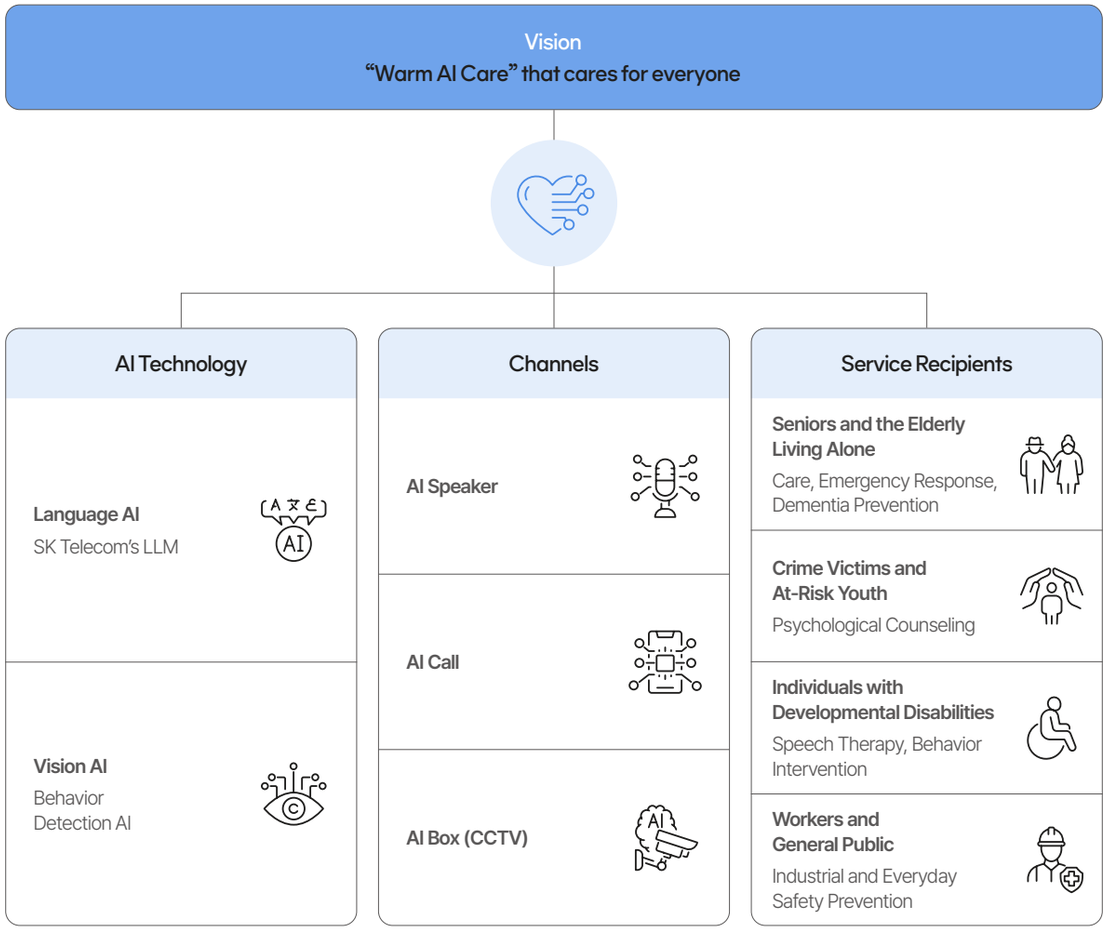


Strategy

Expanding AI-Based Social Safety Net

Warmhearted AI Care for Everyone

SK Telecom is committed to building a "warmhearted AI Care" system that looks after everyone by expanding AI-based social safety nets. The company's AI Care services are underpinned by its proprietary technologies—Language AI based on large language models (LLMs) and Vision AI for behavior detection. Based on these technologies, SK Telecom provides a range of services through AI speakers, AI calls, and AI-integrated CCTV systems. These services include care, emergency response, and dementia prevention for elderly and isolated seniors; psychological counseling services for crime victims and at-risk youth; intervention for challenging behaviors in individuals with developmental disabilities; and preventive safety measures for workers and the general public in industrial and everyday settings. Through these AI Care services, SK Telecom aims to generate meaningful social impact and value.



Elderly Care Services Using AI Speakers

To address the societal challenges brought by an aging population, SK Telecom is expanding its social safety net by offering AI care services that support elderly individuals living alone and middle-aged people at risk of isolation, while also helping to alleviate loneliness and prevent dementia.

Since April 2019, SK Telecom has partnered with local governments and the social enterprise Happy Connect)[1] to provide "AI Care" services for seniors. The Happy Connect AI Care Center monitors data collected through SK Telecom's AI speakers. If any irregularities are detected, the center provides real-time 24/7 integrated monitoring services, including welfare check calls, in-person visits, psychological counseling support, and emergency SOS alerts linked to the 119 rescue system. This service is implemented in collaboration with municipalities, public institutions, health centers, and dementia support centers across the country.

1) Happy Connect is a social enterprise founded by SK Group that collaborates with SK Telecom to operate IT-based support programs for socially vulnerable groups.

Strategy

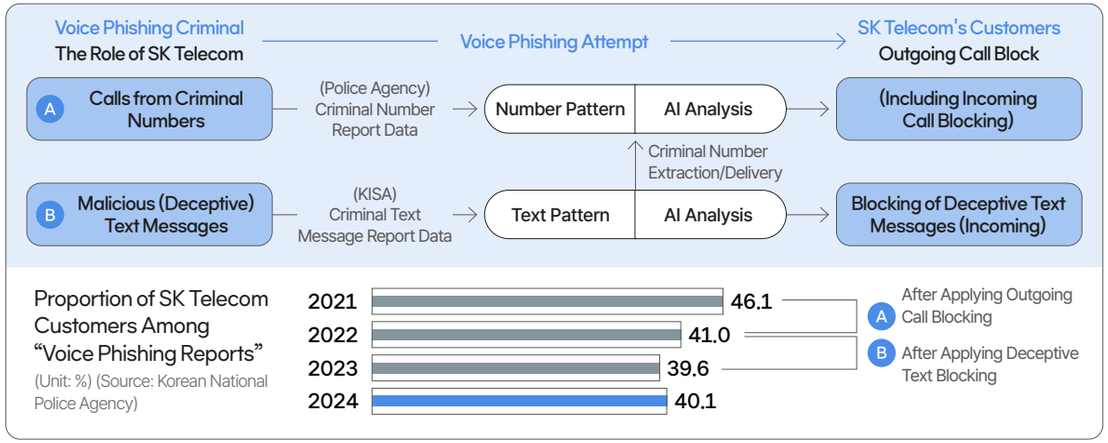
AI Call Service for the Safety of Vulnerable Groups

Since 2021, SK Telecom has been providing AI-based call services to check in on and prevent social isolation and solitary deaths among elderly individuals living alone or those at risk of isolation. In collaboration with local governments and the Korea Foundation for the Prevention of Loneliness in the Elderly, the AI calls provide routine check-ins and lifestyle/health guidance based on various conversation scenarios. These services are also provided to elderly individuals who have experienced abuse. In 2024, SK Telecom completed the integration of LLMs into its A. (A.Dot) platform, enabling more natural and engaging conversations. Additionally, in partnership with the social enterprise Happy Connect, SK Telecom operates the AI Care Center, which offers specialized AI-based monitoring services for isolated individuals. The center also supports seniors with services like hospital escort services and welfare support.

Preventing Cyber Financial Crimes

Since its founding, the telecom industry has been a backbone of public safety infrastructure, providing essential emergency services like 112 and 119. SK Telecom has leveraged its ICT capabilities to combat cyber threats, establishing the "Cyber Threat Response Team" in 2021 and collaborating through a company-wide task force and an executive council. In 2024, SK Telecom and IBK Industrial Bank jointly developed an AI-based voice phishing detection system. The A. (A.Dot) phone app now includes real-time call blocking for suspicious numbers and an "AI phishing message alert" feature to enhance user protection. The company also received the Security Award at the Global Telecom Awards 2024 for its "ScamVanguard" technology, and collaborated with Shinhan Card on fraud detection systems. It has also partnered with KakaoBank, the Miral Welfare Foundation, and the Gyeonggi Nambu Police Agency to deliver AI-driven voice phishing prevention education. SK Telecom continues to enhance its AI capabilities and expand external partnerships.

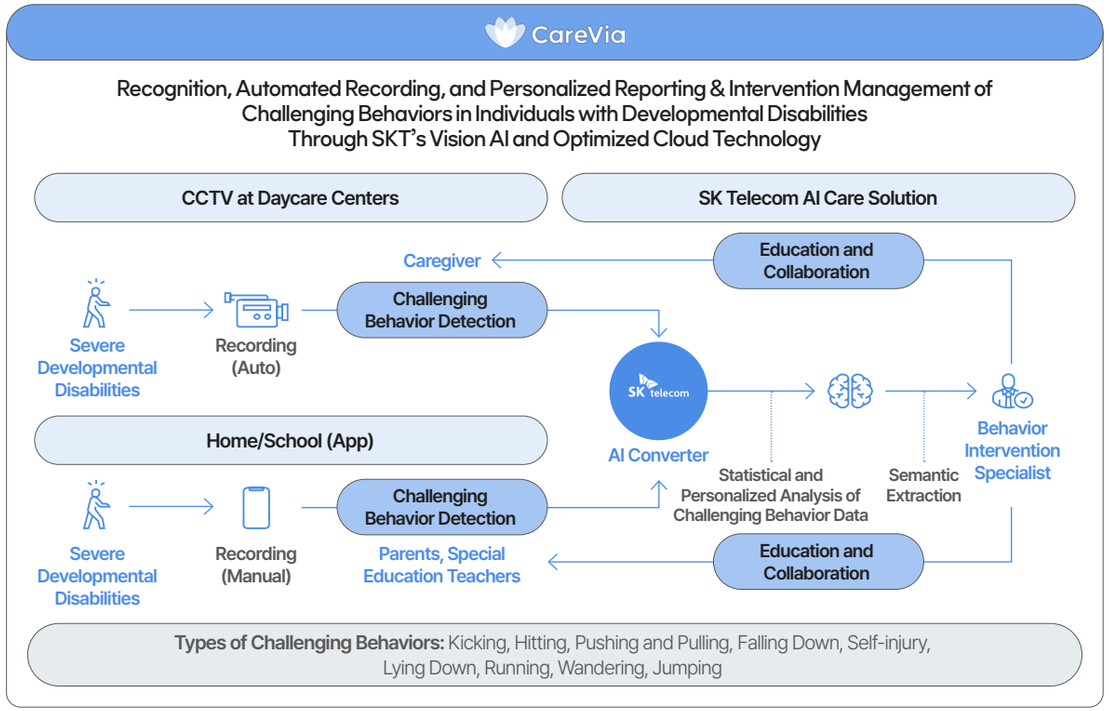
Trend of SK Telecom Customers among All Voice Phishing Victims



CareVia: From Support for Individuals with Developmental Disabilities to Universal Care

Since 2021, SK Telecom has been offering "CareVia," the world's first care service using Vision AI technology to support individuals with severe developmental disabilities. As of Q1 2025, CareVia is used in 12 care facilities in collaboration with cities like Seoul and Daejeon. Vision AI detects and records challenging behaviors of individuals with profound disabilities, generating personalized reports and intervention plans via an AI platform, setting a new standard in care.

Driven by the belief that "AI that supports people with disabilities can support everyone," SK Telecom also operates Life Care services using Vision AI. These services detect and respond to incidents in real time across various environments. Vision AI is already deployed in stairwells, elevators, and parking lots at SK Telecom's headquarters to ensure employee safety, and it is being expanded to public spaces, such as elevators in Seoul Housing & Communities Corporation's rental apartments, to serve the broader community.



Strategy

Preventing Traffic Accidents

In response to the growing adoption of 5G and increased interest in mobility, SK Telecom contributes to traffic accident prevention by providing real-time sudden stop and accident alerts through its TMAP navigation service. To address traffic congestion and related social issues, the company combines big data—extracted from traffic volume and unexpected incidents—with AI technology to develop and offer traffic signal optimization solutions that reduce vehicle travel time.

Nationwide Earthquake Detection Network

SK Telecom has partnered with the Korea Meteorological Administration (KMA) and Kyungpook National University to establish an "Earthquake Detection Sensor Network" that integrates with the national earthquake monitoring and alert system. Sensors have been installed at over 8,000 locations, including SK base stations, retail stores, post offices, fire stations, and coast guard offices nationwide. In collaboration with KMA, SK Telecom is conducting advanced earthquake analysis to enable faster and more precise alerts. When combined with data from KMA's 371 observation stations, this network functions as an auxiliary monitoring system, enabling ultrahigh-resolution intensity mapping and contributing to earlier warnings. Additionally, it is evolving into a comprehensive building safety solution by detecting vibrations from various sources to help protect human lives and critical infrastructure.

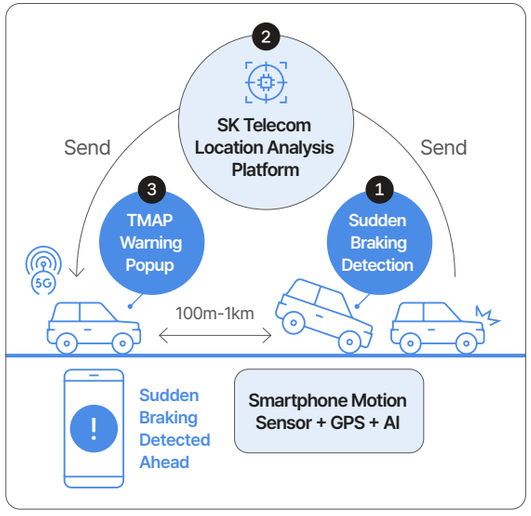
Subway Congestion Information Service

SK Telecom provides real-time subway congestion information for Seoul Metro Lines 1–9, the Shinbundang Line, and the Airport Railroad. Using telecommunications big data and AI technology, congestion levels are displayed in four colors—green, yellow, orange, and red—on the A. (A.Dot) app, station information map, and train information display system on the platform. This free service supports safe and convenient subway use.

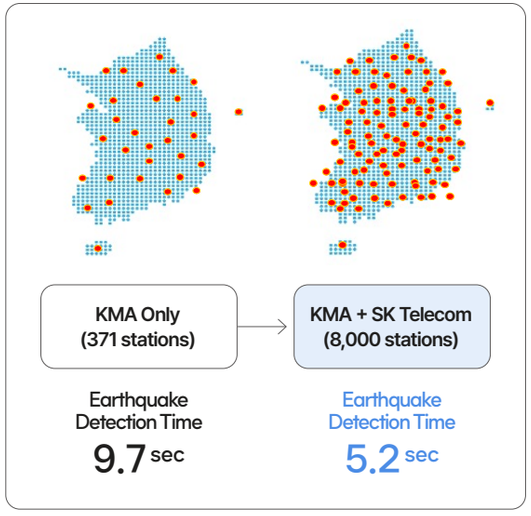
Disaster Alert Messaging Service for Public Safety

As extreme weather events such as wildfires, heavy rain, and typhoons become more frequent, public concern and attention around disasters is growing nationwide. In response, SK Telecom collaborates closely with government agencies, local governments, other telecom providers, and MVNOs to ensure that citizens can receive accurate and timely emergency alerts through SK Telecom's network infrastructure—regardless of their mobile service provider. The company is developing advanced disaster messaging technology that allows alerts to be issued based on administrative units (as precise as individual neighborhoods), and is working to expand this capability nationwide.

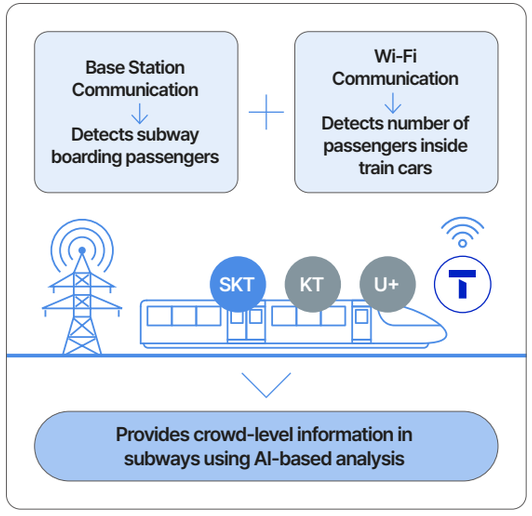
Highway Accident Detection and Alerts



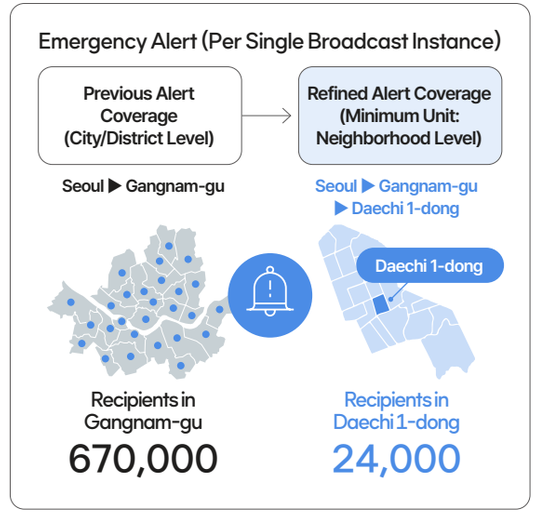
Earthquake Detection Sensor Network



Subway Congestion Information Service



Refined Emergency Text Alert System



Strategy

Enhancing Digital Inclusion

Program to Bridge the Digital Divide

SK Telecom operates a variety of ICT education programs to bridge the information gap for vulnerable groups. To increase interest in and understanding of ICT among youth with disabilities, the company has been conducting annual AI and software education programs and competitions. Since 2019, SK Telecom has been running the "Happy AI Coding School" to strengthen the ICT, digital, and AI competencies of students with disabilities across the country and to provide them with opportunities for academic and career exploration.

Since 2023, SK Telecom has expanded its educational programs to include youth in under-resourced regions and diversified its curriculum to help students develop practical AI application skills. By 2024, the company had provided training to 6,186 students across 361 special education schools (or classes) and schools in underserved areas. These efforts aim to enhance AI competencies among marginalized youth and reduce the AI divide, thereby fostering a positive ripple effect in local communities.

The "Happy AI Coding Challenge," a digital education initiative for youth with disabilities that began in 1999, celebrated its 25th anniversary in 2024. Recognized externally with honors such as the Disability Human Rights Award, the program has gained significant credibility. In response to the AI revolution, the 2024 edition evolved into a generative AI-focused event, transforming the competition into a festival that moves beyond the evaluation of coding and AI application skills.

Tariff discount for the vulnerable

SK Telecom provides tariff discount benefits to ease the financial burden of telecommunications services for the vulnerable and to enhance their access to information services. In 2024, the total amount of discounts offered to persons with disabilities, low-income households, and basic pension recipients increased by 8.6% from the previous year, reaching KRW 577.9 billion.

Expanding Telecommunications Services in Underserved Areas

To enhance nationwide service accessibility, SK Telecom is working with the Ministry of Science and ICT and the other two major telecom providers to build a shared 5G network in rural areas. The company continues to expand its network coverage to serve residents in regions with limited connectivity, such as mountainous areas, remote islands, and isolated villages. This initiative received global recognition, winning the "5G Industry Partnership Award" at the 2021 MWC Global Mobile (GLOMO) Awards.

ICT Education Participation for Bridging the Digital Divide (Unit: No. of person)

Program	2022	2023	2024
Happy AI Coding Challenge	98	104	104
Happy AI Coding School	238	1,635	3,257
FLY AI Challenger	47	119	135

Tariff discount Status (Unit: KRW million)

Classification	2022	2023	2024
Disabled	140,380	140,514	140,054
Low-Income	170,129	180,575	191,104
National Merit	13,744	14,113	14,306
Basic Pensioners	191,779	211,791	229,923
Others	1,994	2,307	2,563
Total	**510,826**	**549,300**	**577,950**

Installation Status in Underserved Telecom Service Areas (Unit: Sites)

Network Type	Area Type	2022	2023	2024
5G	Remote Mountain Areas	1,275	1,298	1,073
	Hiking Trails	2,581	2,661	1,175
	Island Regions	89	90	36
LTE	Remote Mountain Areas	201	202	487
	Hiking Trails	251	262	212
	Island Regions	12	12	6

Strategy

Barrier-Free

As SK Telecom transitions into an "AI Company," it is promoting the "Barrier-Free AI" initiative, which leverages AI capabilities to improve the quality of life for persons with disabilities and support job creation. The company is applying AI in various ways to assist youth with sensory impairments (visual or hearing) and psychological difficulties. SK Telecom remains committed to ensuring that AI can be beneficial to everyone, regardless of ability.

AI-Based Visual Assistance Services "Sullivan Plus," "Sullivan A," "Sullivan Finder"

Since 2021, SK Telecom and the social venture Tuat have jointly developed various AI-powered services aimed at improving the quality of life for people with visual impairments. These efforts have yielded notable results: in 2022, "Sullivan Plus X NUGU," co-developed by the two companies, was selected as the "Best Use of Mobile for Accessibility & Inclusion" at the MWC GLOMO Awards. In 2023, the AI solution "Sullivan A" won the CES Innovation Award at the Consumer Electronics Show (CES). In 2024, "Sullivan Finder," developed to support outdoor activities for the visually impaired, again won the same GLOMO Awards category.

These achievements were made possible through the combination of Tuat's proprietary neural network models and SK Telecom's AI technology, enabling visually impaired users to experience a sense of self-efficacy and impact. In 2023, SK Telecom integrated its multimodal AI—alongside existing voice and facial recognition technologies—into the services, enabling users to better perceive their surroundings. This multimodal AI is trained to recognize and describe objects and environments in a way that is accessible to people with visual impairments. It has learned from around 1 billion images and their detailed descriptions to deliver accurate and specific information.

SK Telecom and Tuat are also co-developing a wearable device, "Sullivan Eye," to make these services easier to use and more accessible. Sullivan Eye incorporates key features from Sullivan Plus, such as image description and document recognition, and adds navigation support, thereby enhancing the quality of life for visually impaired individuals.

"SonNuri Ring"

The "SonNuri Ring," meaning "drawing the world with your hands," is a caller ringback tone service designed to help customers with hearing impairments communicate more effectively. When someone calls a subscriber to this service, they hear a voice message that says, "This is a mobile phone of a hearing-impaired customer. Please contact via text message. Thank you." This free service is available through Mobile T World, retail stores, and customer service centers. It is an example of user-centered service development that listens to the needs of hearing-impaired mobile users and translates them into a practical solution.

"AI Billing Guide by Voice"

Launched in September 2023 as part of SK Telecom's barrier-free initiatives, the "AI Billing Guide by Voice" aims to provide a more convenient telecommunications experience for visually impaired and elderly customers. In this service, an AI agent calls customers each month to verbally explain their billing details, including total charges, mobile service fees, device installment payments, and additional service charges. More than 60,000 customers now use this free, phone-based service every month to access their billing information easily—without the risk of missing or losing a paper or digital bill.

"VoiceView"

The "VoiceView" feature in the A. (A.Dot) phone app utilizes SK Telecom's AI to convert voice into text and vice versa, enabling seamless text-based communication for users who face challenges with voice calls. Available since 2021, the service allows callers to send messages as text, which are then converted to AI-generated speech for the recipient. The recipient's spoken responses are in turn transcribed into text and displayed in a chat window. This makes it easier for individuals with hearing or speech impairments to communicate over the phone.

Remote and Anonymous Psychological Counseling via "Metaforest"

"Metaforest" is a psychological counseling platform launched by YATAV Entertainment in 2022. It enables real-time interaction between counselors and clients using avatars that reflect facial expressions, allowing users—such as teenagers facing psychological difficulties—to receive counseling without showing their faces. In 2024, SK Telecom partnered with YATAV to enhance the precision of these avatar expressions. By applying its Face Expression Tracking AI technology, SK Telecom enabled the recognition of 478 facial feature points for detailed expression extraction. The use of blendshape techniques further enabled the rendering of subtle facial movements into a wide range of real-time avatar expressions. This enables counselors to observe subtle facial movements—such as eyebrow shifts, blinking, and the position of the corners of the mouth—allowing for a more precise psychological assessment. The immersive counseling environment improves access to mental health services, especially for children and teens dealing with psychological difficulties.

Thanks to this innovative approach and its impact, SK Telecom and YATAV were jointly awarded the "Best Mobile Innovation for Enhancing the Lives of Children and Young People" at the 2025 MWC GLOMO Awards.

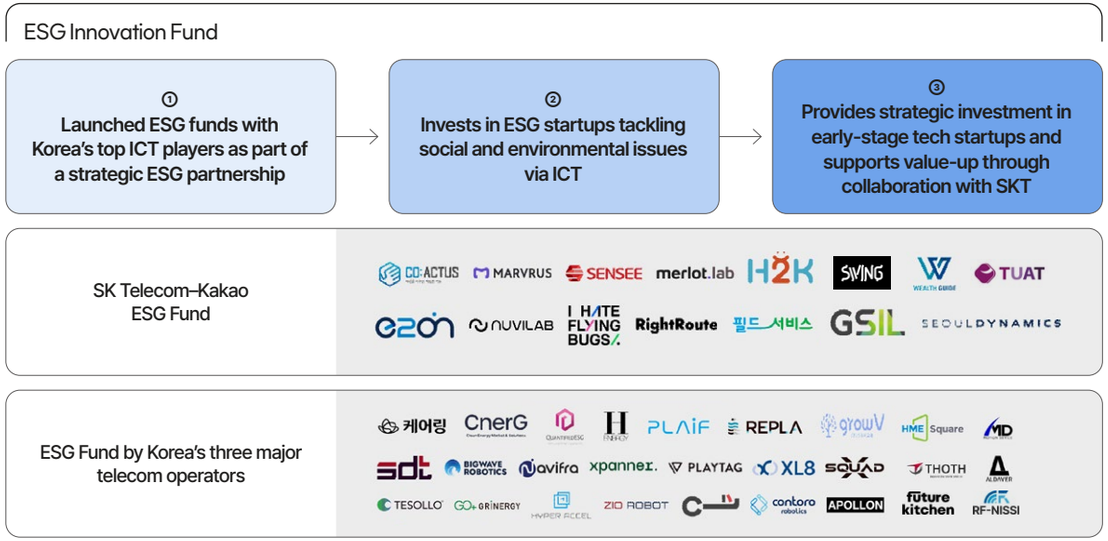
Strategy

Supporting Innovative Startups

Establishing ESG Funds

SK Telecom pursues both social and environmental value as well as financial performance. To support the sustainable growth of innovative startups, the company established the KRW 20.8 billion "SK Telecom–Kakao ESG Fund" in 2021, followed by the KRW 40 billion "ESG Fund by Korea's three major telecom operators" in 2022. These ESG funds target startups that tackle pressing social and environmental issues through innovative ICT technologies, including AI. By actively leveraging these funds as a catalyst, SK Telecom aims to foster a virtuous cycle where ESG-driven startups create positive social impact. As of the end of March 2025, the SK Telecom–Kakao ESG Fund has invested in 15 companies, while the ESG Fund by Korea's three major telecom operators has made investments in 27 companies.

Over the past 11 years, SK Telecom has implemented accelerator programs and open collaboration projects for startups. Building on these efforts, the company established ESG funds, creating a virtuous cycle that supports the entire startup growth lifecycle —from discovery and acceleration to investment and scale-up. Through this holistic approach, SK Telecom strives to achieve two key outcomes in the ESG space, which presents a wide range of societal challenges: enabling the sustainable growth of innovative startups and contributing to the resolution of social and environmental issues.



Fostering Innovative Startups Specializing in AI and ESG

SK Telecom operates the "ESG Korea" program to discover and support ESG-driven startups through tailored, systematic acceleration—spanning goal setting, service development, market entry, and global expansion. The accelerator program for the ESG-driven startups is conducted in collaboration with 27 partners, including leading players in Korea and abroad—such as global companies, domestic educational institutions and investment firms specializing in social entrepreneurship, and universities—along with SK Group affiliates such as SK Innovation, SK Square, SK hynix, and SK Networks.

In 2024, SK Telecom selected 20 startups tackling key social issues—such as senior care, recycling, eco-friendly energy, and disability inclusion—and provided six months of mentoring and various forms of support. As a result, these startups were selected for major government contests and support programs, secured five investment deals during the program, and established 11 business partnerships with SK Telecom and other SK affiliates.

In addition, since 2023, SK Telecom has launched the "AI Startup Accelerator" program in partnership with Hana Financial Group, focusing on the growth and business integration of AI startups.

Through this program, SK Telecom has selected innovative startups based on AI technology and provided intensive support for product and service development, launch, and stable market entry. In 2024, 15 AI startups were selected for a six-month accelerator program, which led to 16 collaborative projects with 10 of the participating teams. Moving forward, the program will continue to expand with the aim of not only discovering and nurturing AI startups but also promoting their growth through business collaboration.

Since the inception of its startup acceleration initiative in 2013, SK Telecom has discovered and supported the growth of a total of 484 startups. As of December 2024, the combined corporate value of the 185 startups that disclosed their valuations exceeded KRW 8.4 trillion. As a result of this process, a total of nine companies emerged as unicorns, pre-unicorns, and baby unicorns, and several of these startups have received prestigious awards, including the CES Innovation Awards and the MWC GLOMO Awards.

Strategy

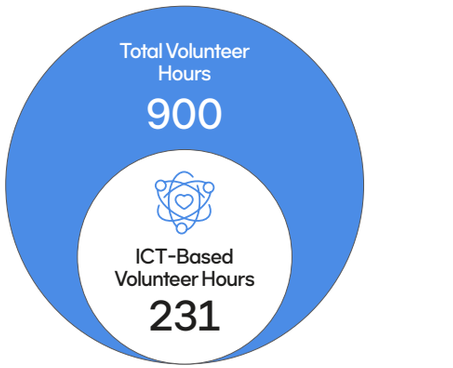
Building a Giving Society

ICT-Based Volunteering and Donations

SK Telecom actively contributes to solving social issues through volunteer work and donation activities. This includes participating in usability tests of services offered by social enterprises and providing ongoing sponsorship through both cash and in-kind donations.

In 2019, SK Telecom collaborated with the Korean Red Cross to develop the official blood donation app "Red Connect." The app integrates blood test results into the national healthcare big data platform, offering health management services and the ability to track donated blood, which has contributed to increasing re-donation rates. To further support blood donation efforts, SK Telecom also provides its Rich Communication Services (RCS) messaging platform free of charge to the Korean Red Cross for promotional use. Every year, SK Telecom and its ICT Family companies organize blood donation campaigns involving their employees. In 2024, a total of 1,230 employees participated in the SK ICT Family Blood Donation Relay Campaign, helping to alleviate the national blood supply shortage.

Ratio of Skilled Employee Volunteering[1)]



1) Ratio of Skilled Volunteering: Volunteer hours from ICT volunteering and pro bono programs / Total volunteer hours

Charitable Spending by Donation Type (Unit: KRW million)

Cash Donations	In-kind Donations[1)]	Monetary Value of Employee Volunteer Hours During Working Hours
13,207	15,252	72

1) In-kind Donations: Goods, services, projects, or products equivalent to monetary value
* In accordance with SK Telecom's anti-corruption policy, donations and sponsorships for political purposes are avoided.

Supporting Small and Medium-sized Enterprises

SK Telecom is leveraging the strength of its customer benefit platform, T Membership, which boasts 6 million monthly active users (MAU), to foster shared growth with small business operators. Through its flagship program "T Day," which offers substantial discounts on selected days in collaboration with franchise headquarters, the company provides practical support in boosting sales at franchise stores. The company also provides marketing communications support such as posting discount pages on the T Membership app, sending MMS and app push notifications to target customers with high purchase intent, and producing content for blogs and online communities. In 2024 alone, the number of purchases made at franchise stores through T Day reached 8.28 million, generating KRW 143.2 billion in sales. Customers received total discount benefits amounting to KRW 64.1 billion, of which SK Telecom directly contributed KRW 13.4 billion.

SK Telecom also operates a tailored benefit program for small businesses called "Open Membership" by appealing to customers who are willing to spend on social value. Open Membership consists of two key initiatives: "Good Consumption," which supports small enterprises such as social enterprises and social ventures, and "Open Bakery," which provides marketing support to local bakeries. In 2024, SK Telecom provided KRW 180 million in support to 12 businesses through Good Consumption, and KRW 120 million to over 60 local bakeries nationwide through Open Bakery.

Since April 2020, SK Telecom has been supporting small and medium-sized businesses nationwide through "T Deal," a big data-based SMS marketing service. T Deal sends text messages that connect potential customers—those with a high likelihood of purchasing—to a dedicated online page where they can browse product information and complete their purchases. Small business owners on the platform can receive free access to high-impact marketing resources such as discount coupons, targeted promotional messages, banners, and special promotions. As of Q1 2025, small businesses account for 98% of all sellers on T Deal, contributing to 90% of the platform's total sales.

Strategy

AI Talent Development through Industry-Academia Collaboration

Operation of AI Fellowship to Foster Practical Talents

SK Telecom operates the "SKT AI Fellowship" program to develop practical AI talent by enabling university students to directly work on real-world technical challenges and receive comprehensive support and mentoring. The program shares SK Telecom's technical development expertise and provides students—especially those with limited hands-on experience—with opportunities to work on live projects and grow professionally.

In 2024, SK Telecom provided data and assets to support 44 students, who participated in 15 field projects over five months, experiencing the full cycle from project design to development. Throughout this process, they received close mentoring from experienced developers to aid their development as practical AI professionals. Through the SKT AI Fellowship, students contributed to real technologies used in SK Telecom and SK ICT Family services, filed five patents, and submitted or presented papers at major domestic and international conferences. The program received a satisfaction score exceeding 4.75 out of 5. Additionally, in 2024, SK Telecom launched the "SKT AI Fellowship Alumni" program, offering over 130 former participants from the past six years a platform to share expertise and build a strong professional network.

Nurturing Core Practical AI Talent Based on AI Technologies

Since 2022, SK Telecom has been leading the development of next-generation AI talent through the K-Digital Platform & Training initiative[1]. At its Boramae headquarters in Seoul, the company operates the "AI Tech Lab," a space designed for talent development for digital convergence that showcases and allows hands-on interaction with SK Telecom's AI and related technologies. SK Telecom also runs the "FLY AI Challenger" program, which provides opportunities for youth to acquire practical AI skills. The program has trained a growing number of AI specialists each year: 47 participants in both the 1st (2022) and 2nd (2023) cohorts, followed by 68, 67, 68, and 62 participants in the 3rd to 6th cohorts respectively in 2023–2024. Going forward, SK Telecom plans to continue opening and sharing its infrastructure and technologies with local communities. By offering up-to-date, practical, and customized training, the company aims to foster AI talent that benefits society, contributing to a virtuous cycle of skilled workforce development and a robust AI ecosystem.

1) K-Digital Platform & Training: A program that develops and operates digital education curricula for youth, while building exhibition and hands-on experience spaces aimed at cultivating talent in digital and emerging technologies

AI Curriculum for Developing Future Experts

To foster professionals who will lead in the AI era, SK Telecom collaborates with leading domestic universities to support talent development. In 2024, the company launched a regular semester course at the Department of Electrical and Computer Engineering, Seoul National University. The course featured SKT's proprietary AI technologies and commercialization cases, delivered by senior leaders including executives and team heads. Students also received one-on-one mentoring from in-house experts and career counseling sessions tailored to AI job paths at SK Telecom.

As part of the program, students were invited to SK Telecom headquarters for the "SK Telecom Tour," which included a visit to the Future Technology Experience Center T.um and a session called "Dialogue with Professionals," where students could explore SK Telecom's business vision and ask questions about their career paths. The "SKT AI Curriculum" received a satisfaction score of over 4.6 out of 5, contributing significantly to expanding students' AI knowledge, hands-on experience, and career exploration.

Risk Management

SK Telecom conducts annual assessments of stakeholder impact to identify the potential effects of its business activities on local communities and other stakeholders. The findings are incorporated into the company's mid-to-long-term sustainability strategy and stakeholder engagement plans. These assessments are carried out through tailored communication channels—such as surveys, interviews, and forums—based on each stakeholder group's characteristics. SK Telecom collects and analyzes expectations, concerns, and needs, and reports the findings to executives and the Board of Directors.

Stakeholder Surveys and Dialogue Sessions

Community Survey

(Regular)
- Conduct an annual survey of local communities, local governments, and NGOs.

(Ad-hoc)
- Continuously collect feedback and views from stakeholders involved in social value enhancement projects.
- Refine, improve, and advance stakeholder engagement strategies based on survey findings.

Dialogue Sessions

- Engage in regular meetings with stakeholders to gather direct feedback on communication channels and engagement strategies, and to identify current issues, potential risks, and stakeholder needs.
- Conduct regular dialogue sessions with local governments and community stakeholders to discuss topics such as the adoption of AI technologies in public education, capacity building and improvement strategies for vulnerable stakeholder groups

Metrics and Targets

	Social Contribution Activities	2024 Performance	2025 Target	2026 Target	2027 Target
Sustainable Society	Barrier-Free (No. of SK Telecom AI API Uses in Sullivan Service)	3,830,000 uses	4,000,000 uses	4,200,000 uses	4,500,000 uses
	Discover and Support Innovative Startups Focused on AI and ESG	Fostered 35 startups through the AI Startup Accelerator and ESG Korea	Foster 30 startups and facilitate 5 business collaborations through the accelerator program	Foster 30 startups and facilitate 10 business collaborations through the accelerator program	Foster 30 startups and facilitate 15 business collaborations through the accelerator program
Sustainable Life	Happy AI Coding Challenge	104 participants	110 participants	120 participants	130 participants
	Happy AI Coding School	3,257 participants	3,270 participants	3,280 participants	3,300 participants
Sustainable Partnership	FLY AI Challenger	135 participants	140 participants	145 participants	150 participants

APPENDIX

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Double Materiality Assessment

Double Materiality Assessment Process

SK Telecom conducts a materiality assessment annually, with the participation of internal and external stakeholders to identify and prioritize key ESG topics. The selected material issues are finalized through Board review and approval, as well as independent third-party verification. A structured response process is in place to address each identified issue.

SK Telecom's materiality assessment process is aligned with the guidance provided by the Global Reporting Initiative (GRI) Standards, the International Sustainability Standards Board (ISSB), and the European Sustainability Reporting Standards (ESRS) in determining reportable topics and structuring report content.

The concept of "materiality" is categorized into two dimensions: financial impact on the company and its value chain, and environmental & social impact. Through this lens, potential ESG-related risks and opportunities are identified. The assessment is also integrated into SK Telecom's enterprise risk management framework, which covers ESG factors. Material risks and opportunities are continuously monitored for their impact on the company's long-term sustainability.

Application of Double Materiality

	Environmental & Social Materiality	Financial Materiality
International Standards & Evaluation Indicators	• Analysis of GRI Standards, ISO 26000, UN SDGs, and UNGC indicators • Review of ESG disclosure requirements from external stakeholders such as government agencies and civil organizations	• Application of key investor indicator requirements (such as CSA [DJSI], MSCI, CDP, etc.) • Review of relevance and impact of TCFD and SASB frameworks
Benchmarking & Media Analysis	• Analysis of disclosures and initiatives by global leaders and industry peers • Media analysis to identify articles with potential indirect impact - Assessment of environmental and social issue influence on corporate reputation, brand, and social value	SK Telecom Business Strategy & Media Analysis • Analysis of SK Telecom's ESG strategies and business portfolio • Media coverage review to identify issues with potential financial impact - Consideration of financial relevance for shareholders and investors
Stakeholder Engagement	• Identification of environmental and social issues impacted by SK Telecom's business activities - Stakeholder analysis by type: financial institutions, regulators, distributors, and others • Identification of stakeholder expectations and concerns regarding the impact of business activities on ESG issues	Stakeholder Engagement • Identification of ESG issues that may affect SK Telecom's financial performance - Analysis by impact type: risk/opportunity, cost/revenue/risk • Reflection of stakeholder (e.g., shareholders) expectations and concerns regarding the impact of non-financial activities

Double Materiality Assessment Process

Step 1. Issue Pool Formation through Internal and External Environment Analysis

- **Issue Pool Development**
  - Develop an issue pool based on international standards (e.g., European Sustainability Reporting Standards (ESRS)), evaluation indicators, media analysis, and business strategy review

Step 2. Materiality Assessment of Issues

- **Application of Double Materiality**
  - Assess materiality of 23 ESG issues from both Financial and Environmental & Social perspectives

Step 3. Issue Characterization Analysis

- **IRO (Impact, Risk, Opportunity) Analysis**
  - Identify IRO factors (positive/negative impacts, risks, and opportunities) for each issue
  - Collect stakeholder insights through internal and external focus group interviews

Step 4. Identification and Management of Key Issues

- **Prioritization of Issues**
  - Finalize the prioritization of material topics (Select 3 key issues and 7 reporting issues)
- **Key Issue Management and Reporting**
  - Report to and gain approval from the ESG Committee; integrate key issues into major management decisions
  - Disclose performance and plans for each issue, including management direction and mid-to-long-term actions

Results of Double Materiality Assessment

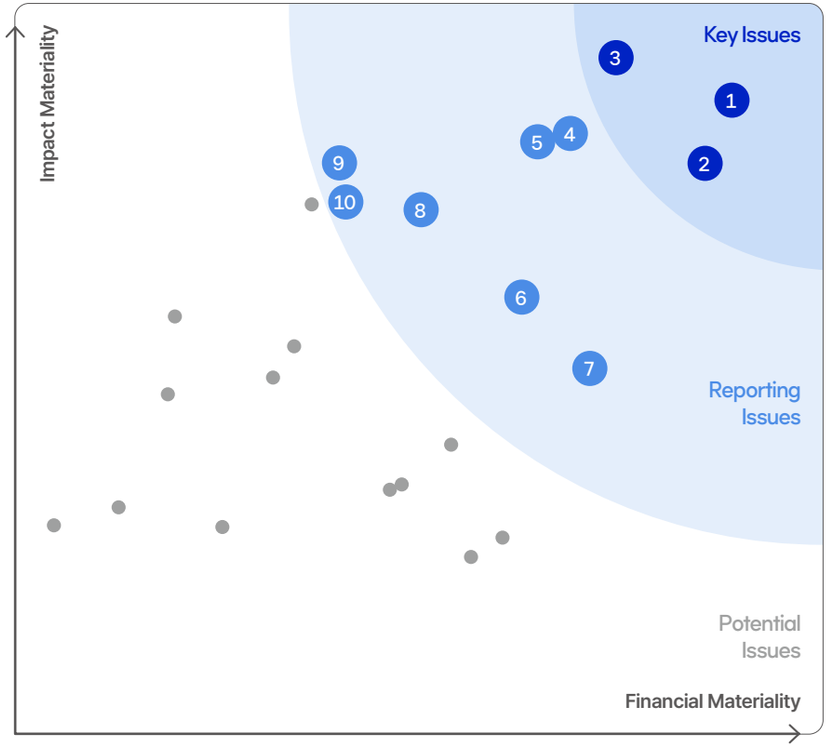
Strengthening External Stakeholder Engagement

- **Step 1-2**
  Regular operation of communication channels with external stakeholders such as suppliers, customers, and investors, incorporating feedback from the materiality assessment.
- **Step 3**
  Conduct surveys with internal and external stakeholders, incorporating materiality assessments and ESG feedback from major investment institutions such as DJSI and MSCI.
- **Collect opinions through media analysis and incorporate them into the materiality assessment (as of January to December 2024).**

Double Materiality Assessment Results

The materiality assessment prioritized 36 issues, from which 3 key issues and 7 reporting issues were derived. In 2024, technology innovation, information security enhancement, expansion of health and safety management as well as ethical management and compliance were newly designated as material issues. Meanwhile, issues such as the advancement of the environmental management strategy and system, sustainable supply chain selection and assessment, strengthening of mutually beneficial cooperation activities, and network quality improvement were excluded from the list.

Double Materiality Assessment Matrix



Materiality Assessment Result

Materiality of Each Issue by Analytical Method ● High ◑ Medium ○ Low

Rank	Issue	Importance		Nature of Impact		Stakeholders						Pages
		Impact	Financial	Positive	Negative	Employees	Customers	Partners	Government	Local Communities	Shareholders	
1	Service Quality Management & Accountability	● (71.47)	● (81.51)	●	●	●	●	●		●		117-120, 146-147, 195
2	Customer-Centric Management	● (75.48)	● (68.96)	●	●		●	●		●	●	113-120, 146-147
3	Climate Change Response	● (64.42)	● (79.06)	●	●		●	●	●	●		67-87, 146-147, 185-187
4	Technology Innovation*	● (68.04)	● (63.81)	◐	○		●	●		●	●	7-9, 148
5	Information Security Enhancement*	● (66.58)	● (60.38)	●	●	●	●	●			●	51-55, 148
6	Talent Acquisition & Development	● (50.59)	● (58.82)	◐	◐	●				●		94-98, 148, 180-181, 183
7	Circular Economy based on Water and Waste management	◐ (42.76)	● (66.63)	◐	◐				●	●		14-19, 91-92, 149, 187-188
8	Enhancement of Governance Soundness and Transparency	● (59.70)	● (47.48)	◐	●	●					●	21-33, 149
9	Health & Safety Management*	● (64.57)	◐ (38.15)	◐	◐	●		●				99-106, 149
10	Ethical Management & Compliance*	● (60.76)	◐ (38.47)	◐	●	●			●			34-38, 40-45

* Newly included issues

Key Issues

Analysis of Material Issues for Corporate Value Creation

Cate-gory	Material Issue	Risk/Opportunity Identification	Business Cases	Impact on business	Business Strategy (Response Measures)	Mid-to-Long-Term Plan	Key Achievements	Executive Compensation		
								Corporate Value	Stock price linked	ESG
New Issue	1 Service Quality Management & Accountability	• Establishing a stable foundation for telecommunications business through reliable network quality management and operations - Ensure a robust quality monitoring system and promote quality improvement activities - Strengthen the Risk Management (RM) system to prevent service disruptions • Minimize service downtime by establishing a prompt response and recovery system in case of disruptions - Minimize customer dissatisfaction and compensation issues resulting from service outages	• In the event of system failures, disasters, or accidents, network disruptions can severely impact customers' daily lives and cause substantial financial loss to the company - Customers (external stakeholders): May suffer from communication service inaccessibility - Company (internal business impact): Financial compensation may be required for downtime • Service quality degradation may result in customer dissatisfaction and potential churn - Company (internal business impact): Customer churn may lead to revenue loss and increased retention costs to maintain market share	• Cost • Revenue • Risk	• Strengthen stable operations to ensure service continuity amid increasing quality sensitivity, service expansion, network complexity, and large-scale disruptions/ disasters - Inspect and enhance the Disaster Recovery (DR) system and establish protection measures - Build a work control system and reinforce training on operational principles - Conduct comprehensive network stability diagnostics and improvements, including AI-based monitoring and sensing - Establish a collaborative response system for disruptions and disasters in partnership with other companies and the government	• (By 2030) Achieve zero major outages through absolutely stable operations	• Stability Enhancement: Disaster Recovery (DR) task force established; risk diagnostics and inspections for service disruptions implemented - Completed identification and resolution of all potential risks for 2024 (100%) • Work Process Improvement: Reviewed operational principles and identified mid-to-longterm improvement tasks, analyzed and improved work tools - 49 tasks identified and currently under improvement • Expansion of AI-Assisted Infrastructure: Expanded adoption of AI technologies for rapid diagnosis and analysis of service disruptions across Telco infrastructure	• 1.8% increase in consolidated revenue, 8.8% increase in consolidated operating profit - Executive compensation is determined based on role and responsibility, leadership and expertise, contribution to the company, and management performance, in accordance with the board's remuneration policy.		Zero Major Outages
Issue Adjust-ment	2 Establishment of Customer-Centric Management	• Customer churn due to declining satisfaction and the spread of negative public sentiment • Securing new markets and maximizing existing customer satisfaction through the expansion of AI-based services	• Increasing need to enhance customer service systems to improve customer satisfaction • Growing investment of human and financial capital to continuously develop and identify new growth drivers for expanding AI/ICTbased services	• Cost • Risk	• Expansion of AI-based customer service systems - Customer service platform - Deployment of AI-powered personalized recommendation systems • Development and enhancement of systems to prevent telecommunications fraud • Education programs and affordable plans for digitally vulnerable populations • Operation of a service improvement system based on customer feedback	• Implementation of human-like AI consultations - Understanding and processing diverse customer requests using LLM/LAM technologies • Provision of AI-driven personalized customer consultation services - Optimal matching of service channels and representatives based on customer analysis and prediction	• Expansion of AI consultation services - Launch of next-generation call bots (June 2024) and chatbots (January 2025) capable of handling high-speed transactions • Provision of AI-powered customer service based on advanced AI technologies - Launch of AI knowledge search service for quick response to customer inquiries (October 2024) - Automation of post-consultation tasks (summarization and organization of consultation outcomes) for faster response times (December 2024) • 460,000 cases of voice phishing blocked • Cumulative total of 288,000 subscribers to affordable plans for vulnerable groups • Cumulative total of 6,186 beneficiaries of digital education programs		• Customer relationship innovation through AI services • Service scale-up through the evolution of A.(Aidot) • Expansion of revenue and operating profit driven by digital transformation • GMV (Gross Merchandise Value) creation through AI/DT-based initiatives	
Main-tained from previous year	3 Climate Change Response (Adaptation & Mitigation)	• Analysis of physical climate risks—such as wildfires, landslides, and heavy rainfall—based on RCP scenarios - Developed the "SKT Physical Climate Risk Map" and established corresponding response strategies • Efforts to assess the impact of various social and economic changes through analysis based on SSP scenarios	• Increased operating costs for key infrastructure such as base stations, potentially undermining price competitiveness - Potential for network disruptions due to damage or loss of wired/wireless communication facilities and equipment nationwide in the event of natural disasters • Strengthening of climate-related regulations and continued rise in carbon trading prices	• Cost • Risk	• 25% reduction in electricity consumption - Replacement of aging equipment - Expansion of Single RAN implementation within internal networks - Broader application of AI-based advanced cooling and low-power design solutions • 100% adoption of renewable energy - On-site solar power generation at office buildings and telecom centers - Renewable energy adoption through Power Purchase Agreements (PPA)	• Greenhouse Gas Emissions - 47.7% reduction by 2030* - Net-zero by 2050 * Compared to 2020 levels • Renewable Energy Usage Ratio - (By 2030) 65% - (By 2050) 100% • Acquisition of domestic and international carbon credits	• Energy efficiency improvements in buildings and telecom equipment, and replacement with high-efficiency devices (e.g., Single RAN, advanced power-saving systems, and 5G shared network) → Reduction of 220,536 tCO_2e • RE100: Purchase of 232 GWh through Green Premium and generation of 5.4 GWh via solar power		- ESG ratings from external evaluations (capital markets) - Strengthened ESG and climate change communications with key stakeholders	1.06 million tons of carbon emissions

Key Issues

Analysis of Material Issues from External Stakeholders' Perspective

Category	Material Issue	Value Chain (Scope of Impact, %)	Stakeholder	Impact Type	External Stakeholder Relevance and Materiality	Output Metric	Impact Assessment	Impact Metric
New Issue	1 **Service Quality Management & Accountability**	Product/Service (100%)	Environment, Society, Customers (End Users)	Positive/ Negative (Neutral)	**[Prevention of Financial Losses to External Stakeholders from System Failures]** • Reduction of potential financial losses in various industries that rely on network-based servicesduring network communication disruptions • Service interruptions in voice and data communications may lead to user inconvenience due to the unavailability of related services **[Mitigation of Customer Damage and Losses through Disaster and Safety Prevention Systems]** • AI-based earthquake detection and classification • Enhanced accuracy of emergency alert messages • Prevention of traffic accidents	**[Ensuring System Stability]** • Preventing subscriber and potential customer churn through communication disaster response strategies and operations - Establishment of network traffic monitoring, traffic utilization management, and backup infrastructure for central offices **[Establishment of Disaster and Safety Prevention Systems]** • Mitigating customer damage and losses through the implementation of various disaster and accident prevention systems - Advancement of AI-based earthquake detection/classification, refinement of emergency alert messaging, and enhancement of traffic accident prevention services	• Social costs incurred due to network disruptions • Creation of social value through the advancement of disaster and safety response systems	**[Ensuring System Stability]** • Revenue impact due to subscriber churn caused by communication disasters - Average Revenue Per User (ARPU) for SKT wireless subscribers: KRW 29,616 **[Establishment of Disaster and Safety Prevention Systems]** • AI analysis for earthquake detection and classification - Public willingness to pay (WTP) for enhanced earthquake detection systems, based on total number of households in Korea: social value (SV) of KRW 38.9 billion • Refinement of emergency alert messaging - Mass customer alert delivery and improved targeting of emergency messages - WTP by wireless communication service users for refined alert systems: SV of KRW 157.8 billion • Prevention of traffic accidents: Provision of sudden stop alerts via TMAP - Utilization rate of sudden stop alerts and value of real-time traffic safety alerts in preventing accidents: SV of KRW 57.5 billion and environmental value (EV) of KRW 29.0 billion
Issue Adjustment	2 **Establishment of Customer-Centric Management**	Product/Service (100%)	Environment, Society, Customers (End Users), External Stakeholders	Positive/ Negative (Neutral)	• Promotion of diverse AI/ICT business initiatives to enhance differentiated customer service satisfaction • Establishment of an ICT collaborative ecosystem - Pursuit of mutual growth through AI/ICT technology integration and support in collaboration with startups and partners • Expansion of AI-based social safety nets and support for vulnerable groups - Provision of "AI Care/Call Services" to alleviate loneliness among elderly living alone and connect to emergency services (119) in urgent situations	• Technology support partners • Systemization of AI quality management	• Generation of Social Costs	**[Shared Growth]** • Startup discovery and incubation: Supported 484 startups since 2013 (with a combined valuation of KRW 8.4 trillion; as of March 2025, based on 217 disclosed companies) • Support for technology co-development and market expansion with partners: Created social value (SV) worth KRW 95.9 billion **[AI Care/Call Service]** • As of 2024, service provided to 42,000 households and 1,130 emergency rescues conducted → SV creation of KRW 13.2 billion **[Application of AI Quality Management System]** • Cost savings through prevention of service disruptions via proactive issue detection: Early detection of service failures, number of major VOCs (Voice of Customers), number of safety/ethical incidents, etc. → Estimated cost prevented per incident
Maintained from previous year	3 **Climate Change Response (Adaptation & Mitigation)**	Product/Service (100%)	Environment, Society, Customers (End Users), External Stakeholders	Positive/ Negative (Neutral)	• Strengthening demands – for greenhouse gas (GHG) emissions reduction and decarbonization-related investments • Expanding investment activities – in ecofriendly energy for climate change response • Contributing positively – to local communities and industry by building resource circulation ecosystems near business sites	• Volume of GHG emissions reduced • Investment in eco-friendly energy • Acquisition of carbon credits	• Generation of social costs	**[GHG Emissions Reduction]** • Energy efficiency improvements: 221,000 tons reduced **[Renewable Energy Procurement Costs]** • Green Premium purchases: KRW 2.33 billion **[Cookstove Project in Least Developed Countries]** • Carbon credits secured: 260,000 tons (cumulative) • Social value: KRW 123.7 billion accumulated over five years since 2020

Focus Group Interview

Q. We would appreciate your insights on the impacts, risks, and opportunities related to SK Telecom's material issues, as well as the company's current response strategies.

	Internal Members	External Experts
Service Quality Management & Accountability	Service quality is a core aspect of the telecommunications industry and a key indicator of competitiveness. SK Telecom regards service quality as a fundamental component of its business. Across the industry, companies are striving to maintain basic quality standards to prevent declines in customer trust due to service deterioration. In particular, communication disruptions during disasters are directly linked to public safety. To strengthen its crisis response capabilities, SK Telecom has established redundancy for transmission lines and key network centers, and has signed "disaster roaming" agreements that allow the use of other carriers' base stations in case of repeater failures. In addition, the company is actively leveraging AI technology to optimize network quality and enhance user convenience.	The service quality of major telecommunications providers, including SK Telecom, has now reached a stable level where customers experience minimal discomfort. In this environment, the focus has shifted from continuous service quality improvement to advancing maintenance and management systems that prioritize the stability of core infrastructure and operational efficiency. If the "basic level" of quality expected by customers cannot be consistently provided, this may lead to a decline in trust, customer churn, damage to brand value, and even financial losses. Therefore, systematic monitoring and risk-preventive quality management strategies are not only essential for customer satisfaction but also serve as strategic measures to minimize non-financial risks and achieve sustainable management.
Establishment of Customer-Centric Management	SK Telecom has adopted customer-centric management as a core value and applies it throughout the organization. In particular, the introduction of the AI Contact Center (AICC) is guided by the principle of achieving optimal synergy between AI and human agents. While AI technology plays a transformative role in various areas of customer service, SK Telecom also recognizes the importance of human interaction for services that are difficult to replace with AI and to ensure accessibility for vulnerable groups. The company aims to build a customer service environment where the capabilities of AI and humans complement each other. As customer needs become increasingly complex and diverse, SK Telecom views the limitations of single-company service provision as a new opportunity for growth. In response, the company is expanding various strategic partnerships—including subscription services—and continuously developing differentiated new offerings that exceed customer expectations to maximize customer satisfaction.	SK Telecom must also proactively transform the inherent risks of AI technology into new opportunities, leveraging its differentiated technological capabilities. By enabling customers to experience tangible benefits rather than inconveniences through AI in their daily lives, SK Telecom can position itself as a leading AI brand. Furthermore, as consumer preference grows for companies and products that embody social responsibility, SK Telecom sees an opportunity to strengthen its commitment to social value in connection with real customer experiences, actively communicate these efforts, and thereby enhance both customer satisfaction and revenue potential.
Climate Change Response	SK Telecom recognizes climate change response as a strategic priority directly linked to the company's sustainable growth, and as a core concern for key stakeholders including customers and investors. From a risk perspective, rising electricity costs and the implementation of emissions trading schemes are seen as factors that could directly affect operating profits. To mitigate environmental impact, SK Telecom is working to introduce high-efficiency energy equipment and expand the use of clean energy. On the other hand, the company views opportunities related to climate change response as lying primarily in its products and services. For instance, SK Telecom has been actively investing in climate tech, including the development of AI-based carbon neutrality platforms such as "LITMUS."	AI-integrated services lie at the center of both risks and opportunities associated with climate change. While infrastructure expansion and the proliferation of AI services could lead to increased power consumption and greenhouse gas emissions, they also present an opportunity to enhance energy efficiency through network optimization and resource efficiency. The scaling of AIbased solutions, coupled with the growing adoption of renewable energy, is expected to create new business opportunities for SK Telecom. However, with the increasing frequency of natural disasters such as wildfires, it is anticipated that proactive measures will be necessary to ensure stable service delivery.

Reporting Issue

No.	Issue	Context	Our Approach	Activities	Long-Term Target	Linked KPI
4	Technology Innovation	Technological innovation is a key driver of corporate competitiveness and serves as the foundation for sustainable growth in a rapidly evolving market environment. New technologies enhance the quality of products and services, revolutionize customer experiences, and maximize operational efficiency—ultimately improving overall productivity and profitability. Moreover, technological innovation not only advances existing businesses but also enables the transition to future growth areas, playing a pivotal role in securing a leading position in the market. Leading global companies are making bold investments in R&D to gain a competitive edge and are focusing on internalizing capabilities in AI, data, and cloudbased technologies.	SK Telecom is advancing technological innovation across three core business areas—AI Data Center (AI DC), AI B2B, and AI B2C—based on its AI Pyramid 2.0 strategy. In each area, the company is accelerating infrastructure- and platform-driven innovations to generate tangible business outcomes. In the AI DC sector, SK Telecom is responding to customer demand and enhancing competitiveness through GPUaaS (GPU-as-a-Service), a subscription-based AI cloud solution, and various AI data center models (Modular, Dedicated, Hyperscale). In the B2B space, the company is developing a wide range of services to improve operational efficiency for enterprise customers. Meanwhile, in the B2C area, SK Telecom is focusing on enhancing agentic AI services to improve everyday convenience, such as A. (A dot) and Aster.	• AI DC - Maximizing the performance of the latest GPUs with Korea's highest power density and proprietary AI operation solutions - Development of Modular AI DC, Dedicated AI DC, and Hyperscale AI DC models • AI B2B - Provision of diverse AI solutions - Advancement of AI Cloud capabilities - Identification and development of AI use cases • AI B2C - A. (A dot): Korea's leading AI B2C service with nearly 9 million subscribers - Launch of Aster (A*) as a complete global AI agent, leveraging Telco capabilities and global expansion through local service partnerships	Leap Toward Becoming a Global AI Company	Implementation of the AI Pyramid 2.0 Strategy
5	Information Security Enhancement	In the digital environment, information security is a core foundation of corporate management that protects customer trust and ensures business sustainability. As cyber threats grow increasingly sophisticated, companies must establish comprehensive security strategies, reinforce internal controls, and upgrade security infrastructure to safeguard sensitive data. Systematic management and investment across the entire information security framework are essential business practices. To build a sustainable digital ecosystem, companies are recognizing information security as a key pillar of future competitiveness and are intensifying investments in security governance and cyber resilience.	SK Telecom recognizes information security as a strategic asset essential for building customer trust and delivering stable services. The company maintains international and domestic information security certifications, including ISO/IEC 27001, ISMS, and ISMS-P. To strengthen cybersecurity and personal data protection, SK Telecom operates dedicated security teams, utilizes AI-based detection systems, and manages security for its partners.	• AI-Based Threat Detection and Blocking - Enhancing detection and blocking systems using AI technologies to counter emerging cybercrimes • Personal Data Protection System - Strictly managing the entire lifecycle of personal data—collection, use, storage, and disposal—based on customer consent, with protection measures exceeding legal requirements • Security Audits and Management for Partners - Conducting regular security inspections and training for distribution networks, agencies, and partners to continuously assess and maintain security across the supply chain • • Strengthening Cyber Threat Response Teams and Systems - Operating specialized teams and reinforcing security policies to counter social engineering-based cybercrimes	Advancement of Information Security and Personal Data Protection Systems & Establishment of AIBased Management Framework	Expansion of domestic certification scope and maintenance of international certifications for information and personal data protection systems
6	Talent Acquisition and Development	Talent, as the driving force behind organizational innovation and performance, is a company's most valuable asset. From recruitment processes aimed at securing top talent to development initiatives that enhance employee capabilities, the entire spectrum of human capital development is essential for corporate growth. Globally, companies striving for sustainable growth clearly recognize the importance of talent. They are competing to attract outstanding individuals and are making significant investments in nurturing and developing the talent they have acquired.	To align with its business strategy, SK Telecom has established talent development policies aimed at cultivating competencies required to deliver tangible outcomes in each business domain. In particular, the company is committed to developing top-tier talent with core competencies in AI, digital transformation (DT), and service planning and development—key to realizing its vision of becoming a "Global AI Company." SK Telecom also runs leader-driven organizational development programs and promotes a self-directed learning culture through SAM (Smart-learning Assistant Manager), an AI-based learning curator that delivers personalized and curated learning content.	• Talent Development Aligned with Business Strategy - Running continuous programs to enhance employees' AI literacy and global competencies in pursuit of the "Global AI Company" vision - Establishing and supporting a comprehensive AI Literacy Development System - Offering "AI Basic" and "AI Advanced" courses - Supporting the growth of AI development experts through "AI Market Top" and "On-the-Job Degree (OJD)" master's degree programs	Fostering AI talent across all employees and developing experts for global business operations	Operation of change management programs based on a company-wide leadership pipeline

No.	Issue	Context	Our Approach	Activities	Long-Term Target	Linked KPI
7	Circular Economy based on Water and Waste management	With the global shift toward a circular economy to combat climate change and protect the environment, corporate responsibility throughout the entire product lifecycle is becoming increasingly emphasized. In Korea, the implementation of the "Act on the Promotion of Transition to a Circular Economy Society" starting in January 2024 has positioned resource circulation as a key component of corporate environmental policy. In response, companies are moving away from the traditional linear structure of production-consumption-disposal toward a circular model of production-consumption-regeneration, actively engaging in various resource circulation efforts.	SK Telecom is responding to increasingly stringent global environmental regulations and intensifying resource crises by enhancing its governance and strategic systems. To this end, the company has established a dedicated organization for circular economy initiatives under its ESG Development Office and formed a task force to identify resource-related risks and improvement tasks, which are then incorporated into its broader climate response strategies. Through the implementation of its circular economy strategy "RE:FINE," SK Telecom aims to improve resource efficiency and secure long-term sustainable competitiveness.	• **Operation of ECOLOOP Task Force and ESG Development Office** - Supporting execution of circular economy initiatives, monitoring performance, and coordinating cross-departmental collaboration - Operating a system for identifying and reporting resource circulation risks • **Enhancing Resource Circulation through the 'RE:FINE' Strategy** - Improving the efficiency of mobile device collection channels and increasing recovery rates - Running participatory circular economy campaigns such as hand towel recycling - Expanding disclosure of network waste and standardizing management processes - Expanding the USIM ESG package and strengthening the safe buyback program for used devices	Internalizing environmental management through water reduction and zero waste initiatives	Improving circular economy task implementation rate and advancing risk response systems
8	Enhancement of Governance Integrity and Transparency	As ESG has emerged as a key non-financial indicator influencing shareholder and investor decision-making, there is growing demand for sound and transparent corporate governance. In the Korean government's ongoing "Value-up Program" aimed at enhancing corporate value, opaque governance structures have been cited as a major cause of undervaluation in the domestic stock market, further highlighting the importance of governance. In response to these changes, companies are proactively improving their governance by reinforcing board accountability, audit independence, and shareholder rights protection.	SK Telecom has been working to enhance the soundness and transparency of its governance by operating a board-centered governance system. In March 2021, the company amended its Articles of Incorporation to formally declare its commitment and implementation plan for sound and transparent governance. In May 2022, it revised its Corporate Governance Charter to establish a legal foundation for its governance efforts. SK Telecom has also disclosed the Governance Charter and continues to expand communication and engagement with internal and external stakeholders regarding governance. Moving forward, the company will continue to protect shareholder rights and enhance corporate value through the foundation of sound and transparent governance.	• **In March 2021, SK Telecom announced its commitment to establishing sound corporate governance** • **In May 2021, the company began strengthening board-centered management and modernizing its governance in line with global standards** - Reorganized the board structure and revised the Corporate Governance Charter * Aligned with the Korea ESG Standards Institute's Corporate Governance Best Practice Guidelines	Establishing a board-centered structure for responsible management and optimal decision-making	Increasing stakeholder trust in SK Telecom's corporate governance
9	Expanding Occupational Health and Safety Management	The health and safety of employees are fundamental to a company's sustainable growth. As such, systematic health and safety management—covering industrial accident prevention, a pleasant working environment, and responses to health risks—is an essential element of corporate management. Recognizing this, many telecommunications companies are elevating health and safety from regulatory compliance to a core component of ESG management and corporate culture. These efforts include implementing company-wide safety systems, assessing safety risks across the supply chain, and operating mental health and well-being programs.	SK Telecom operates a globally aligned safety and health management system based on the belief that protecting the lives and safety of all stakeholders—including customers, employees, and partner company workers—is the most important responsibility of corporate management. To this end, the company has appointed a Chief Safety and Health Management Officer (CSPO), runs safety and health systems tailored to each business site through a dedicated organization, and promotes employee health support programs.	• **Establishment and Execution of Company-wide Occupational Health and Safety (OHS) System** - Appointed a Chief Safety & Public Officer (CSPO) and established a dedicated organization - Conducted simulation drills across all business sites to respond to serious industrial accidents - Achieved 100% integration of feedback from safety evaluations and improvements for subcontractors - Operated safety awareness programs and training initiatives • **Employee Health Promotion and Enhanced Welfare** - Provided regular health checkups, vaccinations, psychological counseling, and rest areas - Improved work-life balance through working hours management and "Family Day" initiatives	Sustaining zero serious industrial accidents	Proactively identifying and addressing hazardous factors at worksites
10	Promoting Ethical Management and Compliance	Ethical responsibility and compliance are core elements that determine a company's sustainability and trust. Therefore, fair decision-making, transparent governance, and thorough adherence to laws and regulations are fundamental principles of corporate management and essential requirements in the global market. In response, global companies are establishing ethical management and compliance systems as key components of their management frameworks, internalizing ethical awareness across the organization, and strengthening internal controls and risk response capabilities. These efforts include operating codes of conduct that align with international standards, implementing anti-corruption and whistleblower protection systems, and assessing ethical risks throughout the supply chain—all contributing to long-term trust and enhanced corporate value.	To continuously grow with stakeholder trust, SK Telecom has established a company-wide ethical management system and is building an integrated compliance framework that meets evolving environments and regulatory expectations to proactively prevent management risks. In the area of compliance, the company has introduced the Compliance & Prevention Management System (CPMS) based on the "ICT Family Compliance 2.0" initiative, and operates a proactive prevention system that detects anomalies through continuous monitoring of enterprise systems. Additionally, through advanced risk response mechanisms such as the compliance portal and insider trading prevention measures, SK Telecom is reinforcing both business reliability and ESG-based management.	• **Advancement of Ethical Management System** - Operated a three-step ethical management process (Prevention – Detection – Response) - Enforced a Zero Tolerance policy for violations - Established an ethics-dedicated organization under the direct supervision of the Audit Committee - Promoted a culture of ethical conduct through training, campaigns, and reporting/consultation channels • **Provided regular health checkups, vaccinations, psychological counseling, and rest areas** - Establishment of the ICT family compliance 2.0 system and expansion to affiliates - Introduction of the compliance risk monitoring system (CPMS), implementation of a pre-review system, and application of AI-based document risk detection technology - Provision of customized training for each organization and creation of an autonomous compliance environment	Eliminating ethical risks	Establishing and enforcing a code of conduct system

Stakeholder Engagement

Communication Status and Key Issues by Stakeholder Group

In accordance with the SK Management System (SKMS) revised by SK Group in 2016, SK Telecom aims not only to create economic value that contributes to economic development, but also to pursue the happiness of humanity by ensuring stakeholder satisfaction and creating social value. In March 2017, SK Telecom incorporated SKMS into its Articles of Incorporation, and in February 2018, the company reaffirmed this commitment by including it in its Corporate Governance Charter. Furthermore, in 2020, the Articles of Incorporation were updated to explicitly define the company's stakeholders—customers, employees, business partners, local communities and NGOs, shareholders, and government—and to emphasize the pursuit of stakeholder happiness.

In 2024, SK Telecom revised its Stakeholder Engagement Policy comprehensively and publicly declared its commitment to promoting stakeholder participation and enhancing transparency and efficiency in management. The revised policy, based on the AA1000 Stakeholder Engagement Standard (AA1000 SES), outlines company-wide guidelines for stakeholder communication, including principles and frameworks for implementing engagement strategies, processes for stakeholder identification and impact assessment, procedures for review and improvement, and grievance resolution mechanisms. Through this policy update, SK Telecom will continue its efforts to advance stakeholder engagement and communication practices, and to strengthen stakeholder capabilities.

Moving forward, SK Telecom will continue to elevate its communication channels and increase the frequency of engagement with both potential and key stakeholders in alignment with its Double Bottom Line (DBL) management principle, which considers not only economic value but also the social value created through corporate operations as key performance outcomes.

Stakeholder Engagement Policy

Scope	• This Stakeholder Engagement Policy applies equally to all stakeholders and local communities involved in SK Telecom's business operations and supply chains, including overseas subsidiaries.
Purpose	• By establishing and disclosing participation and communication requirements for internal and external stakeholders in SK Telecom's management activities, the company expresses its firm commitment to stakeholder engagement and provides company-wide guidance to relevant internal departments.
Objective	• The goal is to enhance transparency and efficiency in management and to earn stakeholder support and trust through active stakeholder engagement and communication.
Responsibility	• Communication channels and engagement methods for each stakeholder group are overseen by the company-wide stakeholder management department and operated under the responsibility of each corresponding department (with designated responsible organizations and personnel). • Policies and key issues related to stakeholder engagement are reported to the ESG Committee under the Board of Directors.
Issue Management	• If any potential or actual negative impacts are identified through stakeholder engagement, measures to mitigate or eliminate such impacts will be established and proactively implemented. • The results of stakeholder complaints or grievance handling are tracked and disclosed both internally and externally to improve transparency. • Capability-building programs are operated to strengthen stakeholders' participation capacity and improve access to relevant information.

Stakeholder Engagement Policy

Stakeholder Engagement and Communication on Material Issues

1 Employees

Communication Channels
- Labor union (labor union website)
- "Cider" bulletin board (internal intranet)
- Health and Safety Story (internal intranet)

Topics of Communication
- HR-related issues such as changes in the business environment and wage negotiations

2 Business Partners

Communication Channels
- Partner meetings
- Partner surveys

Topics of Communication
- Issues related to win-win cooperation such as fair contracts and unfair trade practices

3 Government

Communication Channels
- Regular meetings and forums

Topics of Communication
- Issues related to telecommunications regulatory policies, business opportunities, and risks

4 Media

Communication Channels
- Press briefings
- Press release distribution

Topics of Communication
- Corporate promotion, business introductions and new business strategies, and transparent information disclosure

8 Shareholders

Communication Channels
- Corporate Day
- Annual General Meeting (held once a year)
- Quarterly earnings announcements and Non-Deal Roadshows (NDRs)

Topics of Communication
- Issues related to stock and dividend fluctuations, business environment changes, performance, and shareholder meetings

7 Customers

Communication Channels
- T World (online customer center), customer service center
- Social media channels such as blogs and Facebook
- Year-round meetings and events

Topics of Communication
- Inquiries, suggestions, and other feedback regarding products and services

6 NGOs & Local Communities

Communication Channels
- Biannual meetings with NGOs

Topics of Communication
- Issues such as consumer complaints, telecom pricing policies, and environmental protection

5 Associations

Communication Channels
- Regular meetings and seminars with associations
- Ad-hoc meetings

Topics of Communication
- Issues including initiative dissemination, climate change, and ICT industry regulations

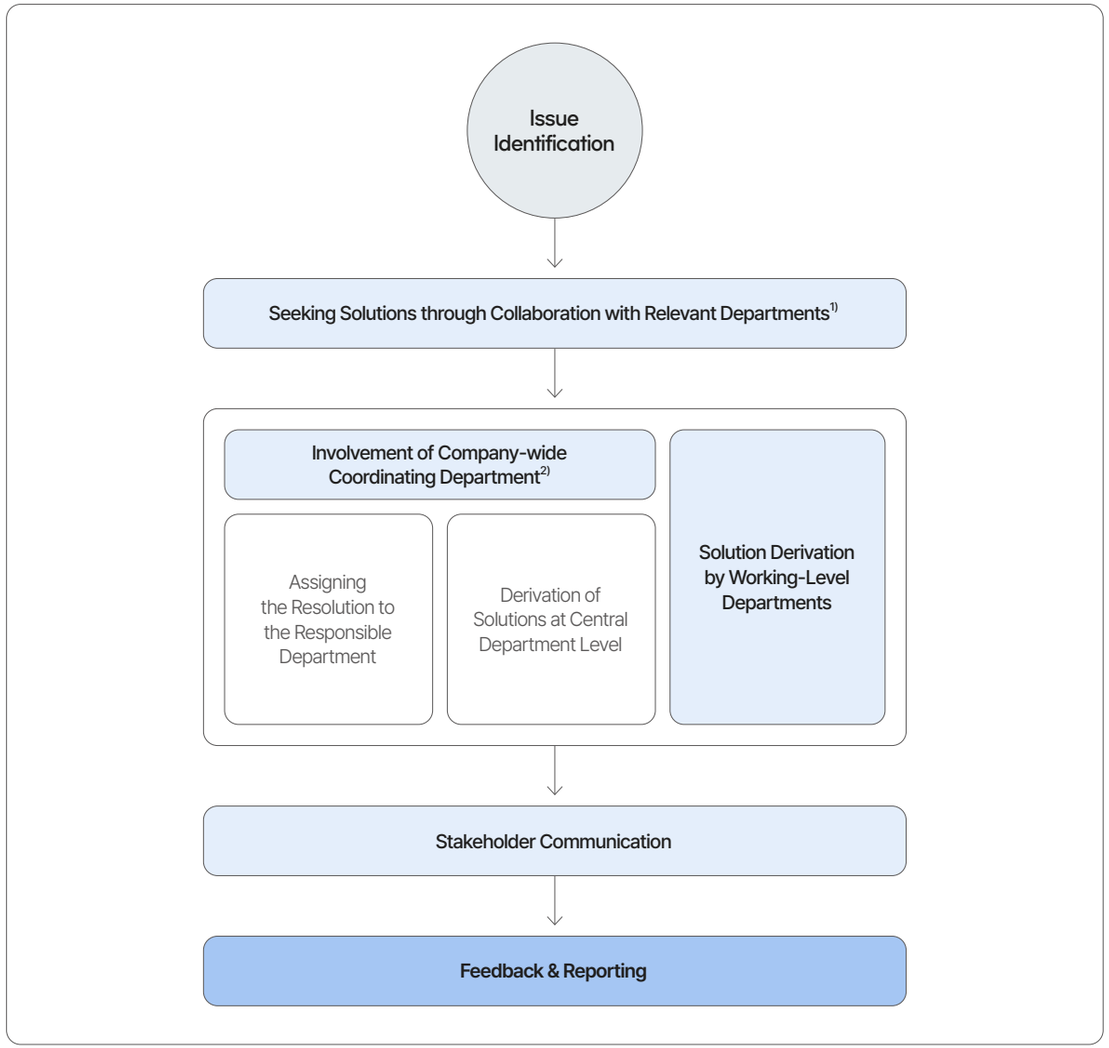
Stakeholder Engagement Program

SK Telecom operates stakeholder engagement programs to build stakeholder trust and support, while enhancing transparency and efficiency in management. These programs apply equally to all stakeholders and local communities affected by SK Telecom's business activities—including those of overseas subsidiaries, local business operations, and partner companies. SK Telecom's stakeholder engagement program consists of stakeholder impact assessments, operation of communication channels, support for capacity building, regular surveys and stakeholder meetings, as well as grievance handling and monitoring.

Stakeholder Impact Assessment (Including Local Communities)	To identify the potential impact of corporate activities on local stakeholders, including communities, and to reflect these insights in the company's mid- to long-term sustainability management and stakeholder engagement strategies, SK Telecom conducts annual stakeholder impact assessments through surveys, interviews, and stakeholder meetings.
Operation of Stakeholder Communication Channels and Engagement	SK Telecom has established clear communication channels based on the characteristics and needs of each stakeholder group to ensure efficient and close engagement. Information received through these channels is promptly relayed to relevant departments for timely response.
Stakeholder Capacity Building	To enhance stakeholder communication and engagement capabilities, as well as improve access to information, SK Telecom operates ontinuous online and offline channels for engagement and capacity building. These channels provide stakeholders with updates on business activities that may affect them, information on potential conflicts of interest, as well as education on communication channels and participation methods.
Stakeholder Surveys and Meetings	To gather insights on stakeholders' understanding of the engagement policy and directions for improvement, and to incorporate these into the stakeholder engagement strategy and the company's mid- to long-term sustainability strategy, SK Telecom conducts regular and ad-hoc surveys and meetings with diverse stakeholders, including local communities.
Grievance Handling and Monitoring	Grievance handling processes are in place for key areas such as business operations, ethical management, customer support, and industrial safety. Submitted issues are addressed by the company's central coordination body and responsible departments. Post-resolution monitoring procedures are also implemented to track and manage material issues that may affect stakeholders.

Stakeholder Engagement Program

Issue Resolution Process



1) Seeking Solutions through Collaboration with Relevant Departments: If the department initially handling the issue determines that it is unable to resolve the issue—based on urgency, significance, impact, or complexity—it requests the involvement of the company-wide coordinating department.
2) Involvement of Company-wide Coordinating Department: If the issue is deemed solvable with additional resources and delegated authority, the resolution is assigned back to the responsible department. However, if a company-wide response is required, the central department addresses the issue directly.

Financial Statements

41st Fiscal Year: As of December 31, 2024
40th Fiscal Year: As of December 31, 2023
39th Fiscal Year: As of December 31, 2022

Consolidated Statement of Financial Position

Consolidated Statement of Financial Position

(Unit: KRW million)

		41st	40th	39th
Assets	Current Assets	7,476,682	6,585,602	7,219,196
	Cash and Cash Equivalents	2,023,721	1,454,978	1,882,291
	Short-term Financial Instruments	323,890	294,934	237,230
	Trade Receivables	1,989,306	1,978,532	1,970,611
	Short-term Loans	65,205	78,129	78,590
	Other Receivables	369,192	344,350	479,781
	Contract Assets	90,385	89,934	83,058
	Accrued Revenue	4,242	4,295	1,732
	Advance Payments	38,656	51,804	56,475
	Prepaid Expenses	1,945,610	1,953,769	1,974,315
	Current Income Tax Assets	21	161	415
	Current Derivative Financial Assets	119,500	8,974	168,527
	Inventories	209,783	179,809	166,355
	Assets Held for Sale	174,839	10,515	6,377
	Other Current Assets	122,332	135,418	113,439

		41st	40th	39th
Assets	Non-Current Assets	23,038,573	23,533,625	24,089,036
	Long-term Financial Instruments	373	375	375
	Long-term Investment Assets	1,877,922	1,679,384	1,410,736
	Investments in Affiliates and Joint Ventures	2,341,827	1,915,012	1,889,289
	Investment Properties	26,611	34,812	25,137
	Tangible Assets	12,617,394	13,006,196	13,322,492
	Goodwill	2,072,493	2,075,009	2,075,009
	Intangible Assets	2,194,871	2,861,137	3,324,910
	Long-term Contract Assets	46,352	39,837	49,163
	Long-term Loans	34,446	30,455	26,973
	Long-term Receivables	173,252	312,531	373,951
	Long-term Prepaid Expenses	1,108,406	1,086,107	1,073,422
	Long-term Deposits	155,875	156,863	167,411
	Derivative Financial Assets	221,608	139,560	152,633
	Deferred Tax Assets	-	11,609	6,860
	Defined Benefit Assets	154,329	170,737	175,748
	Other Non-Current Assets	12,814	14,001	14,927
	Total Assets	30,515,255	30,119,227	31,308,232

Consolidated Statement of Financial Position

(Unit: KRW million)

		41st	40th	39th
Liabilities and Equity	**Current Liabilities**	**9,224,278**	**6,993,980**	**8,046,541**
	Trade Payables	126,508	139,876	89,255
	Accounts Payable	2,798,978	1,913,006	2,427,906
	Withholdings	928,679	802,506	803,555
	Contract Liabilities	168,194	155,576	172,348
	Accrued Expenses	1,522,750	1,439,786	1,505,549
	Current Income Tax Liabilities	243,564	142,496	112,358
	Current Provisions	50,016	38,255	39,683
	Short-term Borrowings	100,000	-	142,998
	Current Portion of Bonds and Long-term Borrowings	2,460,109	1,621,844	1,967,586
	Current Portion of Long-term Accounts Payable	367,765	367,770	398,874
	Lease Liabilities	351,363	372,826	386,429
	Liabilities Held for Sale	106,352	39	-
	Non-Current Liabilities	**9,463,343**	**10,896,848**	**11,106,525**
	Debentures	6,363,646	7,106,299	6,524,095
	Long-term Borrowings	203,125	315,578	668,125
	Long-term Accounts Payable	539,955	892,683	1,239,467
	Long-term Accrued Expenses	271	956	1,160
	Long-term Lease Liabilities	1,286,588	1,238,607	1,395,628
	Long-term Contract Liabilities	61,512	56,917	61,574
	Defined Benefit Liabilities	2,086	-	61
	Derivative Financial Liabilities	3,437	305,088	302,593
	Non-Current Provisions	70,044	83,169	79,415
	Deferred Tax Liabilities	851,200	832,236	763,766
	Other Non-Current Liabilities	81,479	65,315	70,641
	Total Liabilities	**18,687,621**	**17,890,828**	**19,153,066**

		41st	40th	39th
Equity	**Equity Attributable to Owners of the Parent Company**	**11,698,627**	**11,389,046**	**11,318,320**
	Share Capital	30,493	30,493	30,493
	Capital Surplus and Others	(11,954,936)	(11,828,644)	(11,567,117)
	Retained Earnings	22,976,127	22,799,981	22,463,711
	Reserves	646,943	387,216	391,233
	Non-controlling Interests	129,007	839,353	836,876
	Total Shareholders' Equity	**11,827,634**	**12,228,399**	**12,155,196**
Total Liabilities and Shareholder's Equity		**30,515,255**	**30,119,227**	**31,308,262**

Consolidated Income Statements

(Unit: KRW million)

	41st	40th	39th
Operating Revenue	**17,940,609**	**17,608,511**	**17,304,973**
Operating Expenses	**16,117,200**	**15,855,307**	**15,692,903**
Employee-related Expenses	2,725,765	2,488,245	2,449,813
Commissions	5,564,289	5,549,899	5,518,786
Depreciation and amortization	3,560,374	3,614,766	3,621,325
Network interconnection	692,881	678,459	715,285
Leased lines	265,518	275,477	268,426
Advertising	186,340	235,769	252,402
Rent	136,753	142,356	143,747
Cost of goods sold	1,326,159	1,266,357	1,268,124
Others	1,659,121	1,603,979	1,454,995
Operating Profit (Loss)	**1,823,409**	**1,753,204**	**1,612,070**
Financial Income	**355,035**	**248,376**	**179,838**
Finance Costs	**605,919**	**527,401**	**456,327**
Gain Relating to Investments in Subsidiaries, Associates and Joint Ventures, Net	**321,787**	**10,928**	**(81,707)**
Other Non-operating Income	**72,288**	**50,366**	**55,898**
Other Non-operating Expenses	**204,835**	**47,294**	**73,620**
Profit Before Income Tax	**1,761,765**	**1,488,179**	**1,236,152**
Income Tax Expense	**374,670**	**342,242**	**288,321**
Profit (Loss) for the Year	**1,387,095**	**1,145,937**	**947,831**
Attributable to:			
Owners of the Parent Company	1,250,155	1,093,611	912,400
Non-controlling Interests	136,940	52,326	35,431
Earnings Per Share			
Basic Earnings Per Share (in won)	5,780	4,954	4,118
Basic Earnings Per Share - Continuing Operations (in won)	5,765	4,950	4,116

Consolidated Statement of Comprehensive Income

(Unit: KRW million)

	41st	40th	39th
Profit for the Year	**1,387,095**	**1,145,937**	**947,831**
Other comprehensive income (Loss)	**160,776**	**(23,967)**	**(306,226)**
Items That Will Never Be Reclassified to Profit or Loss	(14,652)	(16,989)	(420,968)
Remeasurement of Defined Benefit Liabilities	(25,905)	1,853	70,885
Valuation Gain on Financial Assets at Fair Value Through Other Comprehensive Income	11,253	(18,842)	(491,853)
Items Reclassified as Profit or Loss During the Follow-up Periods	175,428	(6,978)	114,742
Net Change in Other Comprehensive Income (Loss) of Investments in Associates and Joint Ventures	132,581	9,225	119,707
Net Change in Unrealized Fair Value of Derivatives	(6,573)	(17,460)	(21,366)
Foreign Currency Translation Differences for Overseas Operations	49,420	1,257	16,401
Total Comprehensive Income (Loss) for the Year	**1,547,871**	**1,121,970**	**641,605**
Total Comprehensive Income (Loss) Attributable to:			
Owners of the Parent Company	1,409,090	1,072,785	601,193
Non-controlling Interests	138,781	49,185	40,412

Consolidated Statement of Changes in Equity

(Unit: KRW million)

	Equity						
	Controlling Interest of Parent Company						
	Share Capital	Capital Surplus	Retained Earnings	Reserves	Sub-total	Non-Controlling Interest	Total Equity
Jan. 1, 2022 (Basic Capital)	30,493	(11,623,726)	22,437,341	735,238	11,579,346	755,792	12,335,138
Comprehensive Income (Loss)	-	-	945,198	(344,005)	601,193	40,412	641,605
Profit (Loss) for the Year	-	-	912,400	-	912,400	35,431	947,831
Other Comprehensive Income (Loss)	-	-	32,798	(344,005)	(311,207)	4,981	(306,226)
Annual Dividends	-	-	(361,186)	-	(361,186)	-	(361,186)
Interim Dividends	-	-	(542,876)	-	(542,876)	-	(542,876)
Stock Option	-	72,261	-	-	72,261	-	72,261
Interest on Hybrid Bonds	-	-	(14,766)	-	(14,766)	-	(14,766)
Redemption of Hybrid Securities	-	-	-	-	-	-	-
Issuance of Hybrid Securities	-	-	-	-	-	-	-
Acquisition and Disposal of Treasury Shares	-	-	-	-	-	-	-
Treasury Stock Transactions	-	(2,683)	-	-	(2,683)	-	(2,683)
Retirement of Treasury Share	-	-	-	-	-	-	-
Changes in Scope of Consolidation	-	-	-	-	-	-	-
Changes in Ownership in Subsidiaries	-	(12,969)	-	-	(12,969)	40,672	27,703
Capital Increase (Decrease)	-	56,609	(918,828)	-	(862,219)	40,672	(821,547)
Dec. 31, 2022 (End of Term Capital)	30,493	(11,567,117)	22,463,711	391,233	11,318,320	836,876	12,155,196
Jan. 1, 2023 (Basic Capital)	30,493	(11,567,117)	22,463,711	391,233	11,318,320	836,876	12,155,196
Comprehensive Income (Loss)	-	-	1,076,802	(4,017)	1,072,785	49,185	1,121,970
Profit (Loss) for the Year	-	-	1,093,611	-	1,093,611	52,326	1,145,937
Other Comprehensive Income (Loss)	-	-	(16,809)	(4,017)	(20,826)	(3,141)	(23,967)
Transactions with Owners	-	(261,527)	(740,532)	-	(1,002,059)	(46,708)	(1,048,767)
Annual Dividends	-	-	(180,967)	-	(180,967)	(50,557)	(231,524)
Interim Dividends	-	-	(542,282)	-	(542,282)	-	(542,282)
Stock Option	-	7,157	-	-	7,157	10,463	17,620
Interest on Hybrid Bonds	-	-	(17,283)	-	(17,283)	-	(17,283)
Redemption of Hybrid Securities	-	(400,000)	-	-	(400,000)	-	(400,000)

Consolidated Statement of Changes in Equity

(Unit: KRW million)

	Equity						
	Controlling Interest of Parent Company						
	Share Capital	Capital Surplus	Retained Earnings	Reserves	Sub-total	Non-Controlling Interest	Total Equity
Issuance of Hybrid Securities	-	398,509	-	-	398,509	-	398,509
Acquisition and Disposal of Treasury Shares	-	-	-	-	-	-	-
Treasury Stock Transactions	-	(265,120)	-	-	(265,120)	-	(265,120)
Retirement of Treasury Shares	-	-	-	-	-	-	-
Change in Scope of Consolidation	-	-	-	-	-	-	-
Changes in Ownership in Subsidiaries	-	(2,073)	-	-	(2,073)	(6,614)	(8,687)
Capital Increase (Decrease)	-	-	-	(4,017)	-	-	-
Dec. 31, 2023 (End of Term Capital)	30,493	(11,828,644)	22,799,981	387,216	11,389,046	839,353	12,228,399
Jan. 1, 2024 (Basic Capital)	30,493	(11,828,644)	22,799,981	387,216	11,389,046	839,353	12,228,399
Comprehensive Income (Loss)	-	-	1,149,363	259,727	1,409,090	138,781	1,547,871
Profit (Loss) for the Year	-	-	1,250,155	-	1,250,155	136,940	1,387,095
Other Comprehensive Income (Loss)	-	-	(100,792)	259,727	158,935	1,841	160,776
Transactions with Owners	-	(126,292)	(973,217)	-	(1,099,509)	(849,127)	(1,948,636)
Annual Dividend	-	-	(223,335)	-	(223,335)	(50,927)	(274,262)
Interim Dividend	-	-	(530,082)	-	(530,082)	-	(530,082)
Stock Option	-	5,173	-	-	5,173	402	5,575
Interest on Hybrid Bonds	-	-	(19,800)	-	(19,800)	-	(19,800)
Redemption of Hybrid Securities	-	-	-	-	-	-	-
Issuance of Hybrid Securities	-	-	-	-	-	-	-
Acquisition and Disposal of Treasury Shares	-	9,154	-	-	9,154	-	9,154
Treasury Stock Transactions	-	-	-	-	-	-	-
Retirement of Treasury Shares	-	200,000	(200,000)	-	-	-	-
Change in Scope of Consolidation	-	-	-	-	-	(902)	(902)
Changes in Ownership in Subsidiaries	-	(340,619)	-	-	(340,619)	(797,700)	(1,138,319)
Capital Increase (Decrease)	-	-	-	259,727	-	-	-
Dec. 31, 2024 (End of Term Capital)	30,493	(11,954,936)	22,976,127	646,943	11,698,627	129,007	11,827,634

Consolidated Statement of Cash Flow

(Unit: KRW million)

	41st	40th	39th
Cash flows from operating activities	**5,087,285**	**4,947,205**	**5,159,317**
Cash generated from operating activities	5,591,495	5,418,112	5,785,375
Profit for the year	1,387,095	1,145,937	947,831
Adjustments for income and expenses	4,313,213	4,546,338	4,719,438
Changes in assets and liabilities related to operating activities	(108,813)	(274,163)	118,106
Interest received	74,787	60,134	52,163
Dividends received	43,536	50,899	16,388
Interest paid	(356,081)	(341,488)	(259,719)
Income tax paid	(266,452)	(240,452)	(434,890)
Cash flows from investing activities	**(2,711,827)**	**(3,352,905)**	**(2,807,795)**
Cash inflows from investing activities	362,262	272,578	1,229,923
Decrease in short-term financial instruments, net	-	-	264,693
Decrease in short-term investment securities, net	-	-	5,010
Collection of short-term loans	131,823	136,242	123,700
Decrease in long-term financial instruments	-	-	330,032
Proceeds from disposals of long-term investment securities	51,741	100,817	104,190
Proceeds from disposals of investments in associates and joint ventures	77,974	4,950	342,645
Proceeds from disposals of non-current assets held for sale	13,031	1,353	20,136
Proceeds from disposals of property and equipment	47,078	12,900	15,792
Proceeds from disposals of intangible assets	32,685	4,428	10,993
Collection of long-term loans	1,680	1,547	1,134
Decrease in deposits	5,758	5,922	10,056
Cash inflows from derivative transactions	492	1,452	1,542
Receipt of government grants	-	2,967	-
Cash outflows for investing activities	(3,074,089)	(3,625,483)	(4,037,718)
Increase in short-term financial instruments, net	26,581	51,421	-
Increase in short-term loans	110,810	130,041	127,263
Increase in long-term loans	14,118	11,602	11,724
Increase in long-term financial instruments	-	-	330,032
Acquisitions of long-term investment securities	222,568	324,997	436,753
Outflows from derivative transactions	112,903	-	-
Acquisition of investments in associates and joint ventures	8,014	17,656	11,065
Acquisitions of property and equipment	2,487,360	2,973,882	2,908,287
Acquisition of intangible assets	71,856	106,761	138,136
Increase in deposits	15,525	6,848	12,146
Cash decrease due to exclusion from consolidation	4,354	2,275	-
Cash outflow for business combinations, net	-	-	62,312
Cash flows from financing activities	**(1,809,853)**	**(2,020,990)**	**(1,349,882)**
Cash inflows from financing activities	1,552,192	2,416,817	1,802,041
Issuance of debentures	1,236,475	1,785,108	1,200,122
Proceeds from long-term borrowings	200,000	49,950	440,000
Proceeds from short-term borrowings, net	100,000	-	130,000
Issuance of hybrid securities	-	398,509	-
Cash inflows from settlement of derivatives	-	183,090	768
Transactions with non-controlling shareholders	15,717	160	31,151
Cash outflows for financing activities	(3,362,045)	(4,437,807)	(3,151,923)
Repayments of short-term borrowings, net	-	142,998	-
Repayments of long-term payables - othe	369,150	400,245	400,245
Repayments of debentures	1,235,750	1,869,190	1,390,000
Repayment of long-term borrowings	402,500	125,000	41,471
Redemption of hybrid securities	-	400,000	-
Payments of dividends	804,317	773,806	904,020
Transactions with non-controlling shareholders	19,800	17,283	14,766
Repayments of lease liabilities	381,347	402,465	401,054
Acquisition of treasury shares	15,788	285,487	-
Cash outflows resulting from spin-off	133,393	21,333	367
Net increase (decrease) in cash and cash equivalents	**565,605**	**(426,690)**	**1,001,640**
Cash and cash equivalents at beginning of the year	**1,454,978**	**1,882,291**	**872,731**
Effects of exchange rate changes on cash and cash equivalents	**26,124**	**(623)**	**7,920**
Cash and cash equivalents included in assets held for sale	**(22,986)**	**-**	**-**
Cash and cash equivalents at end of the year	**2,023,721**	**1,454,978**	**1,882,291**

Tax Policy

SK Telecom aims to adhere to both the spirit and letter of tax laws and regulations in the countries where it operates and faithfully fulfills its tax liability stipulated in the applicable laws to contribute to its economic development. Accordingly, SK Telecom has defined the direction of our tax management and compliance principle to reach this goal more effectively

Tax Management Principles

1 Compliance with Tax Laws	• SK Telecom complies with the spirit and the letter of all applicable tax laws and regulations of each country that pertain to our business operations and faithfully fulfills our responsibilities by accurately estimating the tax liability and timely paying all of the taxes.
2 Tax authorities cooperation	• SK Telecom cooperates closely with tax authorities based on mutual trust to strengthen national competitiveness through progressive revision of the tax system and related regulations and procedures. Furthermore, we monitor advanced taxation systems at home and abroad and propose amendments to the relevant tax laws to reduce the cost of cooperating with society and strengthen the rationality of the taxation system.
3 Ensuring Transaction Transparency	• SK Telecom fully discloses the tax information to stakeholders as part of the efforts to ensure transaction transparency. It also reports the taxes per item stipulated in the applicable tax laws through an independent accounting firm to protect stakeholders by appropriately applying and interpreting the relevant laws.
4 Adherence to the Arm's Length Principle	• SK Telecom applies an appropriate procedure and reasonable price to all related-party transactions. Likewise, SK Telecom sustains the business and investment structure by complying with all relevant tax laws and regulations and the arm's length principles to prevent transfer pricing issues.
5 Fulfillment of International Tax Obligations	• SK Telecom is faithfully fulfilling its tax obligations in international transactions. SK Telecom will not conduct transactions solely for tax avoidance by utilizing taxation structures without commercial substance, such as transferring profits to countries with low tax rates or operating in a tax haven.

Compliance Principles

1 Risk Management	• SK Telecom identifies compliance with tax-related laws and principles as the top priority of tax risk management to prevent tax risks that may arise from business activities. • To manage tax risks, SK Telecom establishes and amends the tax policy based on the review and approval of the ESG Committee under the Board of Directors, and policy adjustment is disclosed in its annual report.
2 Management Organization	• SK Telecom has a tax department within its organization which monitors and prevents any tax compliance risks that can arise in the process of business pursuit. The tax management department assesses and manages all types of tax risks, and fully mobilizes both internal and external expertise and resources to ensure compliance.
3 Processes	• For compliance within rigorous tax risk assessment and management both home and abroad, SK Telecom has introduced a tax compliance process as the following: - Document and file all tax report data, supporting evidence, major tax management data - Incorporate all the revisions of tax laws into the Company's tax compliance scheme and implement the changes - Monitor risks by analyzing internal/external business environment, business structures and transactions - Analyze financial/non-financial impact of risks - Collect experts' opinions on material issues when necessary and make the final decision based on them

Effective Tax Rate

In 2024, SK Telecom's consolidated earnings before tax was KRW 1,761.8 billion, with a nominal tax charge of KRW 450.8 billion, resulting in a nominal tax rate of 25.59%. The actual tax paid was KRW 374.7 billion, resulting in an effective tax rate of 21.27%. The effective tax rate in 2024 was 4.32%p lower than the nominal tax rate, the main reasons for which include the effects stemming from tax-exempt income, nondeductible expenses, and tax deductions and exemptions. This result is also attributable to changes in deferred income tax that are not feasible, refunded income taxes from past periods, and the effect of tax rate fluctuations.

Category	Unit	2022	2023	2024
Earnings Before Tax[2]	KRW million	1,236,152	1,488,179	1,761,765
Nominal Taxes[1]		329,580	382,517	450,819
Adjustments[1]		(41,259)	(40,275)	(76,149)
Income Tax Paid[2]		288,321	342,242	374,670
Effective Tax Rate	%	23.32	23.00	21.27
Cash Tax Paid	KRW million	196,636	231,667	266,611
Cash Tax Rate (Cash Tax Paid/Earnings Before Tax)	%	15.91	15.57	15.13

Adjustments[1]	Unit	2022	2023	2024
Tax Exempt Income	KRW million	(14,969)	(3,091)	(9,843)
Non-Deductible Payment		24,679	15,725	15,216
Tax Deductions and Exemptions		(10,300)	(64,829)	(26,204)
Changes in Deferred Corporate Tax That Cannot Be Made		21,057	14,354	(37,958)
Effects of Changes in Tax Rates		(42,307)	3,444	980
Refund of Corporate Tax in Past, etc.		(19,419)	(5,878)	(18,340)

1) Includes both continuing and discontinued operations (2022)
2) Continuing operations only

Tax Information by Business Location[3]

(Unit: KRW million)

Region	Operator Name	Major Business	Revenue	Profit before Income Tax	Income Tax Accrued (Current Year)	Income Tax Paid[5]
Korea[4]	SK Telecom Co., Ltd.	Fixed and Mobile Telecommunication Business	17,924,069	1,761,722	243,508	374,539
USA	SK Telecom Americas, Inc.	Information Collection and Consulting Business	13,662	(393)	-	10
China	SK Telecom China Holdings Co., Ltd.	Investment Business	2,878	436	56	121
Total			**17,940,609**	**1,761,765**	**243,564**	**374,670**

3) According to SK Telecom's 2024 annual business report, 99.9% of revenue was generated in Korea, with the remaining 0.1% from other countries (USA, China, etc.)
4) Includes SKT Co. Lt(Headquarters) and all domestic subsidiaries
5) Income tax paid according to K-IFRS

Internal Accounting Control System[6]

SK Telecom, listed in Korea and the United States, is subject to the internal accounting provisions of Korea's Act on External Audit of Stock Companies and the US 'Sarbanes - Oxley Act(SOX Act)'. It secures the reliability of its separate and consolidated financial statements by operating an internal accounting control system for each area that takes into account the size of SK Telecom and its major consolidated subsidiaries. The company's management, external auditors, and the audit committee independently assess the adequacy of the internal control system and report and disclose the results.

- The company's management annually conducts self-evaluations to improve the internal accounting control system and reports the results to the audit committee, the board of directors, and the shareholders' meeting.
- External auditors perform independent verification audits on the company's internal accounting control system and report to the audit committee.
- The audit committee independently assesses and decides on the operational status of the company's internal accounting and reports the results to the board of directors.

To practically operate the internal accounting control system, SK Telecom has divided it into three areas: Entity Level Control(ELC), Transaction Level Control(TLC), and Information Technology General Control(ITGC). It maintains a Risk Control Matrix(RCM) that describes methods to identify potential risks in each area and manage and evaluate control activities. This Risk Control Matrix is updated annually to reflect changes in the external environment and business operations, serving as a benchmark for management's self-assessment. Management's self-assessment is conducted through design evaluations and bi-annual operational assessments. Any deficiencies identified during the self-assessment and auditing processes are rectified in collaboration with the dedicated internal accounting evaluation department and external auditors.

6) SK Telecom operates a separate "Dedicated Organization for the Management and Evaluation of Internal Accounting Control System" and "Independent Support Organization of the Audit Committee"

Management's Discussion & Analysis

The Management's Discussion & Analysis ('MD&A') is provided to enable readers to assess the results of operations and financial condition for the fiscal year ending December 31, 2024, compared to the preceding year. The MD&A section should be read in conjunction with our audited consolidated financial statements included in this annual report. Unless otherwise specified, all amounts are presented on a consolidated basis and are based on our audited consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by Korea. All amounts are in Korean won ('KRW'). All references to 'we,' 'us' or 'our' shall mean SK Telecom Co., Ltd. and, unless the context otherwise requires, its consolidated subsidiaries. References to 'SK Telecom' shall mean SK Telecom Co., Ltd., but shall not include its consolidated subsidiaries.

This MD&A section contains 'forward-looking statements,' as defined in the U.S. Securities Exchange Act of 1934, as amended, that are based on our current expectations, assumptions, estimates and projections about us and our industry. The forward-looking statements are subject to various risks and uncertainties. We caution that reliance on any forward-looking statement involves risks and uncertainties, and that although we believe that the assumptions on which our forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could be incorrect. Risks and uncertainties associated with our business are more fully described in our latest annual report on Form 20-F and other filings with the U.S. Securities and Exchange Commission.

In light of these and other uncertainties, it should not be concluded that we will necessarily achieve any plans and objectives or projected financial results referred to in any of the forward-looking statements. We do not undertake to release the results of any revisions of these forward-looking statements to reflect future events or circumstances.

1. 2024 Overview

In the wireless telecommunications business that has transitioned to the current 5G network, we have launched innovative products and services that meet the changing preferences and needs of our customers, thus enabling us to maintain our position as a leader in the wireless services industry.

While maintaining our leading position in the domestic wireless telecommunication services market, we aim to continue to develop our next-generation growth businesses in IoT solutions, cloud computing, data centers, smart factory solutions, subscription services, AI B2C services, AI B2B services, advertising and curated shopping services and other innovative products and services, as well as to actively integrate AI technology generally into, and create synergies among, our various businesses. We also plan to further utilize AI technology and our big data analysis capabilities to develop and commercialize new products and services that are tailored to our customers' evolving needs, as well as incorporate AI capabilities directly into many of the products and services we offer. In addition, we will continue to maintain and enhance our 5G network (including through the development and implementation of an advanced version of 5G technology with higher data transmission speed and efficiency, which we refer to as '5G-Advanced' technology) to explore unique product and service creation measures tailored to evolving customer needs. Our operations are reported in three segments: 1) cellular services, 2) fixed-line telecommunication services and 3) other businesses.

Cellular Services

We offer wireless voice and data transmission services, sell wireless devices and provide IoT solutions, cloud services, smart factory solutions, subscription services, advertising and curated shopping services, AI B2C services and AI B2B services through our cellular services segment. Our wireless voice and data transmission services are offered through our backbone networks that collectively can be accessed by substantially all of the Korean population. We maintained our leadership position in the wireless sector in 2024 with 22.7 million mobile phone subscribers (excluding subscribers of mobile virtual network operators ('MVNOs') that lease our networks) as of December 31, 2024.

Our share of the Korean wireless market based on the number of mobile phone subscribers (excluding subscribers of MVNOs) was approximately 48.7% as of December 31, 2024, compared to 48.4% as of December 31, 2023. The Korean wireless telecommunications industry is considered to have reached its maturation stage with more than a 100% penetration rate. However, with continued advancements in network related technology, there are further opportunities to expand market size and revenue of our cellular services through increasing the quality of cellular services we provide to our subscribers. By continuing to be innovative in developing core competencies, we have firmly established our position as the market leader in the wireless telecommunications sector.

Through innovative 5G services that provide subscribers differentiated experiences, we will seek to maintain our business leadership in the wireless service market. We also plan to promote the proliferation of 5G services by offering services and content specialized for the 5G environment, such as hands-on experience services and e-sports. Furthermore, we will continue to utilize AI technology to analyze the needs of our customers and provide products and services that fulfill these needs.

In 2024, our cellular services segment revenue was KRW 13.32 trillion, representing 74.2% of our consolidated operating revenue.

Fixed-line Telecommunication Services

We offer fixed-line telephone, broadband Internet and advanced media platform services (including IPTV and cable TV services) and business communications services through our fixed-line telecommunication services segment. Our fixed-line telecommunication services are provided by our subsidiary, SK Broadband.

As of December 31, 2024, we had approximately 3.4 million fixed-line telephone subscribers (including subscribers to VoIP services of SK Broadband), approximately 7.2 million broadband Internet access subscribers and approximately 9.6 million pay TV subscribers, with market shares of 15.8%, 28.9% and 26.3% (of the overall pay TV market including IPTV, cable TV and satellite TV), respectively, based on the number of subscribers.

As part of our initiative to be the leading next-generation platform provider, we provide an advanced media platform with various media content and service offerings. We currently offer IPTV services under the brand name 'B tv' with access to 272 live high definition channels depending on the subscription service as of December 31, 2024, as well as pay-per-view and subscription-based video-on-demand services providing a wide range of media content, including recent box office movie releases, popular U.S. and other foreign TV shows and various children's TV programs. We also offer 'B tv UHD,' an ultra-high definition IPTV service whose resolution is four times as high as the standard high definition broadcasting service in the IPTV industry.

In addition, in May 2024, we began to offer access to the over-the-top content offerings of Netflix through our IPTV set-top boxes at a bundled discount with our IPTV subscriptions. Since the Tbroad merger, we also offer cable TV services under the 'B tv Cable' brand with access to as many as 226 channels.

In 2024, our fixed-line telecommunication services segment revenue was KRW 4.08 trillion, representing 22.7% of our consolidated operating revenue.

Other Businesses

We strive to continually diversify our products and services and develop new businesses that we believe are complementary to our existing products and services, which we include in our other businesses segment. We operate a T-commerce network, 'SK stoa', through our consolidated subsidiary SK Stoa, which offers a broad assortment of goods and services through pre-recorded television programming. The goods and services promoted on SK stoa's T-commerce programming can be purchased through telephone orders, SK stoa's mobile application or online open marketplace, or a virtual application appearing on the television screen using the viewer's remote controller.

Prior to the completion of the disposal transactions described below, we also offered online portal services under our 'Nate' brand name through our former subsidiary NATE Communications Corporation, and online corporate employment benefits management and training services for Korean businesses and public institutions through our former indirect subsidiary SK M&Service.

In December 2024, as part of our efforts to increase our operational efficiency and re-balance our business areas, we entered into agreements with Samgu Inc. and its affiliates to dispose of our 100% equity interest in NATE Communications Corporation and a 70% equity interest in SK M&Service, as well as our interest in a former non-consolidated associate. The disposals of NATE Communications Corporation and SK M&Service were completed in January 2025 and February 2025, respectively. The disposal of F&U Credit Information is expected to be completed within the first half of 2025.

In 2024, our other businesses segment revenue was KRW 0.55 trillion, representing 3.0% of our consolidated operating revenue.

2. Executive Summary

In our cellular services segment, we earn revenue principally from our wireless voice and data transmission services through monthly plan-based fees, usage charges for outgoing voice calls, usage charges for wireless data services and value-added service fees paid by our wireless subscribers as well as interconnection fees paid to us by other telecommunications operators for use of our wireless network by their customers and subscribers. We also derive revenue from sales of wireless devices by PS&Marketing. Other sources of revenue include revenue from other miscellaneous cellular services and our new services and products utilizing our AI and digital infrastructure capabilities and our telecommunications platforms, including a broad range of IoT solutions, cloud services, smart factory solutions, subscription services, advertising and curated shopping services, AI B2C services and AI B2B services.

In our fixed-line telecommunication services segment, we earn revenue principally from our fixed-line telephone services and broadband Internet services and advanced media platform services (including IPTV and cable TV services) through monthly plan-based fees and usage charges as well as interconnection fees paid to us by other telecommunications operators for the use of our fixed-line network by their customers and subscribers, and advertising fees paid to us by businesses that advertise their products and services on our advanced media platforms.

In our others segment, we principally earn revenue from the T-commerce business of SK Stoa, which derives revenue through third-party seller fees earned (including commissions) for transactions in which it acts as a selling agent on SK stoa, its T-commerce network. Prior to the completion of the disposal transactions described above, we also derived revenue from online portal services under our 'Nate' brand name through our former subsidiary NATE Communications Corporation, and online corporate employment benefits management and training services for Korean businesses and public institutions through our former indirect subsidiary SK M&Service.

The following selected consolidated financial information has been derived from, and should be read in conjunction with, the audited consolidated financial statements included in this annual report.

Our operating revenue increased by 1.9% from KRW 17.609 trillion in 2023 to KRW 17.941 trillion in 2024. This was primarily due to increases in the number of SK Telecom's 5G wireless subscribers and SK Broadband's IPTV subscribers, as well as growth in our B2B business. Our operating expenses increased by 1.7% from KRW 15.855 trillion in 2023 to KRW 16.117 trillion in 2024. This was primarily due to increases in labor costs, cost of goods sold and other operating expenses. As the increase in operating revenue outpaced the increase in operating expenses, operating profit in 2024 amounted to KRW 1.823 trillion, representing an increase of 4.0%, while the EBITDA margin was 30.8%, a decrease of 0.5%p, and operating margin was 10.2%, an increase of 0.2%p. Profit for the year in 2024 was KRW 1.387 trillion, a 21.0% increase from KRW 1.146 trillion in 2023.

Total assets increased by 1.3% to KRW 30.515 trillion as of December 31, 2024 from KRW 30.119 trillion as of December 31, 2023. Total liabilities increased by 4.5% to KRW 18.688 trillion as of December 31, 2024 from KRW 17.891 trillion as of December 31, 2023.

Total equity was KRW 11.828 trillion as of December 31, 2024, representing a 3.3% year-on-year decrease. Our debt-to-equity ratio as of December 31, 2024 was 77.2%, compared to 74.0% as of December 31, 2023.

3. Revenue

Our operating revenue increased by 1.9% from KRW 17.609 trillion in 2023 to KRW 17.941 trillion in 2024. The increase was primarily due to increases in the number of SK Telecom's 5G wireless subscribers and SK Broadband's IPTV subscribers, as well as growth in our B2B business.

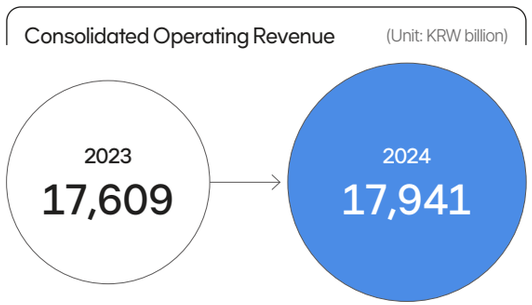
Subscribers & Market Share

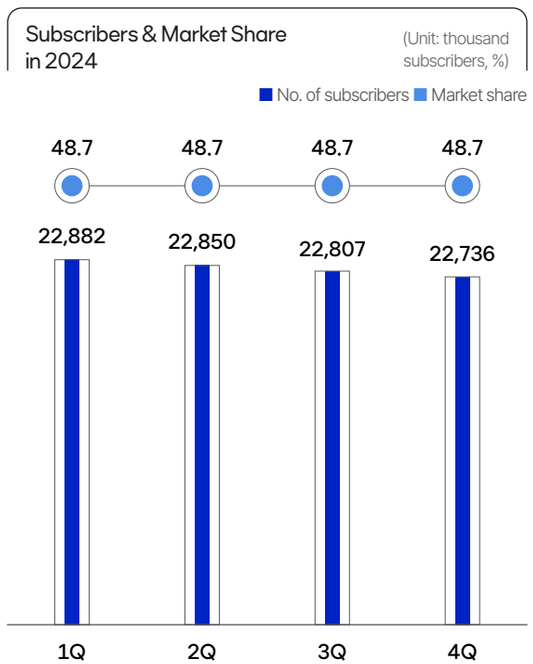
The total number of mobile phone subscribers in Korea was approximately 56.2 million as of December 31, 2024 with a mobile phone penetration rate of 109.7%. SK Telecom ended the year 2024 with approximately 22.7 million mobile phone subscribers (excluding subscribers of MVNOs that lease SK Telecom's networks). SK Telecom's wireless market share based on the number of mobile phone subscribers (excluding subscribers of MVNOs) increased by 0.3%p to 48.7% as of December 31, 2024 from 48.4% as of December 31, 2023. The number of SK Telecom's 5G mobile phone subscribers reached 16.9 million as of December 31, 2024, while the number of its LTE and other mobile subscribers reached 5.8 million as of December 31, 2024, in each case excluding subscribers of MVNOs that lease SK Telecom's networks.

Selected Financial Information (Consolidated, Unit: KRW billion)

		2024	2023	Change
Statement of Income Data	Operating revenue	17,941	17,609	1.9%
	EBITDA[1]	5,518	5,503	0.3%
	Operating expenses	16,117	15,855	1.7%
	Operating profit	1,823	1,753	4.0%
	Profit for the year	1,387	1,146	21.0%
Statement of Financial Position Data	Total assets	30,515	30,119	1.3%
	Cash & marketable securities[2]	2,348	1,750	34.2%
	Total liabilities	18,688	17,891	4.5%
	Interest-bearing financial debt[3]	9,127	9,044	0.9%
	Total equity	11,828	12,228	(3.3)%
Financial Ratios (%)	EBITDA margin	30.8	31.3	(0.5)%p
	Operating margin	10.2	10.0	0.2%p
	Net margin	7.7	6.5	1.2%p
	Debt-to-equity ratio[4]	77.2	74.0	3.2%p

1) EBITDA = Operating profit + Depreciation and amortization + R&D-related depreciation within R&D expense
2) Cash & marketable securities = Cash & cash equivalents + Marketable securities + Short-term financial instruments
3) Interest-bearing financial debt = Short-term borrowings + Current portion of long-term debt + Debentures + Long-term borrowings
4) Debt-to-equity ratio = Interest-bearing financial debt/Total equity





ARPU

SK Telecom's average monthly revenue per subscriber excluding MVNO subscribers leasing SK Telecom's networks ('ARPU') decreased by 1.7% to KRW 29,355 in 2024 from KRW 29,874 in 2023. SK Telecom's average monthly revenue per subscriber including such MVNO subscribers ('ARPU including MVNO') decreased by 0.8% to KRW 27,658 in 2024 from KRW 27,887 in 2023. The decrease in ARPU in 2024 was primarily due to an increase in subscriptions for secondary mobile phones and non-mobile phone devices, from which SK Telecom generally derives lower revenue per subscriber, which effect was offset in part by an increase in the number of subscribers that subscribe to SK Telecom's 5G subscription plans, which are relatively higher-priced compared to other types of wireless subscription plans. The decrease in ARPU including MVNO in 2024 was primarily due to an increase in the number of MVNO subscribers from whom SK Telecom derives lower ARPU.

Subsidiaries

The consolidated revenue of SK Broadband, which is mostly generated from its fixed-line telecommunication and media services, increased by 3.1% to KRW 4.409 trillion in 2024 from KRW 4.275 trillion in 2023, primarily due to [the growth of SK Broadband's media businesses resulting from an increase in the number of IPTV subscribers and the growth of its B2B business primarily focused on new data centers.

PS&Marketing's revenue, which is mostly derived from sales of handsets, increased by 2.1% to KRW 1.382 trillion in 2024 from KRW 1.353 trillion in 2023, primarily due to [increases in commission revenue and handset sales revenue

ARPU in 2024 (Unit: KRW)

Statement of Income (Consolidated, Unit: KRW billion)

	2024	% of Revenue	2023	% of Revenue
Operating revenue	**17,941**	**100.0%**	**17,609**	**100.0%**
Operating expenses	**16,117**	**89.8%**	**15,855**	**90.0%**
Labor[1]	2,726	15.2%	2,488	14.1%
Commissions[2]	5,564	31.0%	5,550	31.5%
Depreciation and amortization[3]	3,560	19.8%	3,615	20.5%
Network interconnection	693	3.9%	678	3.9%
Leased line	266	1.5%	275	1.6%
Advertising	186	1.0%	236	1.3%
Rent	137	0.8%	142	0.8%
Cost of goods sold	1,326	7.4%	1,266	7.2%
Others	1,659	9.2%	1,604	9.1%
Operating profit	**1,823**	**10.2%**	**1,753**	**10.0%**
Finance income	355	2.0%	248	1.4%
Finance costs	606	3.4%	527	3.0%
Gain (loss) relating to investments in subsidiaries, associates and joint ventures, net	322	1.8%	11	0.1%
Other non-operating income	72	0.4%	50	0.3%
Other non-operating expenses	205	1.1%	47	0.3%
Profit before income tax	**1,762**	**9.8%**	**1,488**	**8.5%**
Income tax expense	375	2.1%	342	1.9%
Profit for the year	**1,387**	**7.7%**	**1,146**	**6.5%**
EBITDA[4]	**5,518**	**30.8%**	**5,503**	**31.3%**

1) Labor cost = Salaries + Provisions for defined benefit liabilities
2) Includes marketing commissions and other commissions
3) Excludes R&D-related depreciation
4) EBITDA = Operating profit + Depreciation and amortization + R&D-related depreciation within R&D expense

Operating Expense

Our operating expense for 2024 amounted to KRW 16.117 trillion, representing a 1.7% increase from KRW 15.855 trillion in 2023. Such increase was primarily due to a 9.6% increase in labor costs, a 4.7% increase in cost of goods sold and a 3.4% increase in other operating expenses. The increase in labor costs was primarily due to our one-time implementation of a voluntary retirement program and a general increase in the base salary of our employees. The increase in cost of goods sold was primarily due to increases in sales of merchandise under our T Universe subscription program and solutions businesses to our enterprise customers. The increase in other operating expenses was primarily due to an increase in impairment loss on property and equipment and intangible assets related to the replacement of outdated equipment and our recognition of the expected amount of certain administrative fine provisionally announced by the Korea Fair Trade Commission in March 2025, as well as an increase in utilities, mainly reflecting an increase in electricity prices.

Operating Expense (Unit: KRW billion)

	2024	2023
Labor	2,726	2,488
Commission	5,564	5,550
Depreciation and amortization	3,560	3,615
Network interconnection	693	678
Leased lines	266	275
Advertising	186	236
Rent	137	142
Cost of goods sold	1,326	1,266
Others	1,659	1,604
Total	**16,117**	**15,855**

Operating Profit and EBITDA

Our operating profit increased by 4.0% to KRW 1.823 trillion in 2024 as the increase in our operating revenue outpaced the increase in our operating expenses in 2024. Our EBITDA margin decreased by 0.5%p to 30.8% in 2024, while operating margin increased by 0.2%p to 10.2% in 2024.

Non-Operating Income and Expenses

Our finance income increased by 43.1% to KRW 355 billion in 2024 from KRW 248 billion in 2023, primarily due to a 65.2% increase in gain relating to financial instruments at fair value through profit or loss to KRW 190 billion in 2024 from KRW 115 billion in 2023, primarily relating to the appreciation of the fair value of our equity investments in Joby Aviation Inc. and Anthropic PBC. The effect of such increase was enhanced by a 24.3% increase in interest income to KRW 87 billion in 2024 from KRW 70 billion in 2023, which mainly reflected an increase in the average volume of our interest-earning financial assets.

Our finance costs increased by 15.0% to KRW 606 billion in 2024 from KRW 527 billion in 2023, primarily due to a significant increase in loss relating to financial instruments at fair value through profit or loss to KRW 133 billion in 2024 from KRW 50 billion in 2023, primarily relating to forward transaction loss from our investment in Penguin Solutions Inc. The effect of such increase was enhanced by a 3.3% increase in interest expense to KRW 403 billion in 2024 from KRW 390 billion in 2023, which mainly reflected our refinancing of maturing debt at higher interest rates in recent years, as the market interest rates were generally higher in more recent periods compared to earlier periods over the past few years. The impact of such increases was partially offset by a decrease in loss on sale of accounts receivable – other related to our sale of accounts receivable for handset installment payments to KRW 35 billion in 2024 from KRW 65 billion in 2023.

Other non-operating income increased by 44.0% to KRW 72 billion in 2024 from KRW 50 billion in 2023, primarily due to the gain on disposal of property and equipment and intangible assets we recognized in 2024 relating to certain ancillary properties.

Our non-operating expenses significantly increased to KRW 205 billion in 2024 from KRW 47 billion in 2023, primarily due to an increase in loss on impairment of property and equipment and intangible assets.

Our gains related to investments in subsidiaries, associates and joint ventures significantly increased to KRW 322 billion in 2024 from KRW 11 billion in 2023, primarily due to the reclassification of our equity interest in SAPEON Korea Inc. from a consolidated subsidiary to an associate, following its merger with and into Rebellions, Inc. during 2024.

Income Tax

Income tax expense increased by 9.6% to KRW 375 billion in 2024 from KRW 342 billion in 2023 primarily due to an 18.4% increase in profit before income tax to KRW 1.762 trillion in 2024 from KRW 1.488 trillion in 2023. Our effective tax rate in 2024 decreased to 21.3% from 23.0% in 2023.

Profit for the Year

Principally as a result of the factors discussed above, our profit for the year increased by 21.0% to KRW 1.387 trillion in 2024 from KRW 1.146 trillion in 2023. Net margin was 7.7% in 2024 compared to 6.5% in 2023.

4. Financial Structure

Current Assets

We had current assets of KRW 7.477 trillion as of December 31, 2024, representing a 13.5% year-on-year increase from KRW 6.586 trillion as of December 31, 2023. Our cash and marketable securities (including short-term financial instruments) increased by 34.2% to KRW 2.348 trillion as of December 31, 2024 from KRW 1.750 trillion as of December 31, 2023, primarily due to an increase in cash and cash equivalents. Our accounts receivable (trade and other) increased by 1.5% to KRW 2.358 trillion as of December 31, 2024 from KRW 2.323 trillion as of December 31, 2023.

Current Assets (Unit: KRW billion)

	2024	2023
Cash & Marketable Securities	2,348	1,750
Accounts Receivable (trade and other)	2,358	2,323
Short-term Loans	65	78
Inventories	210	180
Other Current Assets	2,496	2,255
Total	**7,477**	**6,586**

Non-current Assets

As of December 31, 2024, our non-current assets decreased by 2.1% from KRW 23.534 trillion as of December 31, 2023, to KRW 23.039 trillion, primarily due to decreases in intangible assets and property and equipment. Our intangible assets decreased by 23.3% to KRW 2.195 trillion as of December 31, 2024 from KRW 2.861 trillion as of December 31, 2023, primarily due to a decrease in the carrying amount of our frequency usage rights. Our property and equipment decreased by 3.0% to KRW 12.617 trillion as of December 31, 2024 from KRW 13.006 trillion as of December 31, 2023, primarily due to decreases in machinery, other property and equipment, and construction-inprogress.

Non-current Assets (Unit: KRW billion)

	2024	2023
Property and Equipment	12,617	13,006
Intangible Assets	2,195	2,861
Investment Assets	4,247	3,630
Other Non-Current Assets	3,980	4,037
Total	**23,039**	**23,534**

Liabilities

We had KRW 18.688 trillion of total liabilities as of December 31, 2024, representing a 4.5% increase from KRW 17.891 trillion of total liabilities as of December 31, 2023. This increase was primarily due to increases in accounts payable – other and current portion of long-term debt, net. Our total interest-bearing financial debt increased by 0.9% to KRW 9.127 trillion as of December 31, 2024 from KRW 9.044 trillion as of December 31, 2023, mainly due to increases in current portion of long-term debt and short-term borrowings, which were substantially offset by decreases in debentures and long-term borrowings. Our debt-to-equity ratio as of December 31, 2024 was 77.2%, compared to 74.0% as of December 31, 2023.

Interest-Bearing Financial Debt (Unit: KRW billion)

	2024	2023
Short-term Borrowings	100	-
Current Portion of Long-term Debt	2,460	1,622
Debentures (excluding current portion)	6,364	7,106
Long-term Borrowings (excluding current portion)	203	316
Total	**9,127**	**9,044**

Equity

Our total equity as of December 31, 2024 amounted to KRW 11.828 trillion, which decreased by 3.3% from December 31, 2023, primarily due to a decrease in noncontrolling interests.

Equity (Unit: KRW billion)

	2024	2023
Share Capital	30	30
Capital Surplus (Deficit) and Others	(11,955)	(11,829)
Retained Earnings	22,976	22,800
Reserves	647	387
Non-controlling interests	129	839
Total	**11,828**	**12,228**

5. Capital Expenditures (Separate Basis)

SK Telecom spent approximately KRW 1.54 trillion on capital expenditures in 2024, compared to KRW 1.74 trillion for capital expenditures in 2023, each on a separate basis. Of the total amount spent in 2024, SK Telecom spent approximately KRW 1.26 trillion, or 81.8% on establishing and enhancing wireless networks, while SK Telecom spent KRW 0.28 trillion on other investments, including development of new products and information technology systems and equipment upgrades.

Non-consolidated Statement of Financial Position

Non-consolidated Statement of Financial Position

(Unit: KRW million)

		41th	40th	39th
Assets	Current Assets	5,242,405	4,703,844	5,498,460
	Cash and cash equivalents	1,165,158	631,066	1,217,504
	Short-term financial instruments	79,000	186,364	169,829
	Account receivable - trade	1,508,893	1,495,617	1,425,695
	Short-term loans	55,577	68,806	70,043
	Account receivable - other	390,243	343,036	435,096
	Accrued revenue	2,243	2,643	1,168
	Contract assets	5,275	9,228	12,100
	Advance payment	34,553	37,863	47,168
	Prepaid expenses	1,802,742	1,828,646	1,908,987
	Security deposit	67,521	72,479	63,516
	Derivative financial assets	80,650	-	123,999
	Inventories, net	38,982	28,096	23,355
	Assets held for sale	11,568	-	-

		41th	40th	39th
Assets	Non-Current Assets	19,343,221	20,292,088	20,933,661
	Long-term financial instruments	354	354	354
	Long-term investment securities	1,418,465	1,426,290	1,155,188
	Investments in subsidiaries and associates	4,899,558	4,670,568	4,621,807
	Property and equipment, net	8,515,225	9,076,459	9,519,663
	Investment property	35,462	46,080	52,023
	Goodwill	1,306,236	1,306,236	1,306,236
	Intangible assets	1,683,018	2,250,829	2,693,400
	Long-term loans	490	119	194
	Long-term accounts receivable	239,008	308,868	377,858
	Long-term contract assets	13,301	12,385	20,998
	Long-term prepaid expenses	894,226	898,754	935,710
	Long-term guarantee deposits	85,939	91,220	92,019
	Long-term derivative financial assets	148,172	118,533	126,737
	Defined benefit assets	103,518	85,144	31,225
	Other non-current assets	249	249	249
	Total assets	24,585,626	24,995,932	26,432,121

Non-consolidated Statement of Financial Position

(Unit: KRW million)

		41th	40th	39th
Liabilities	**Current Liabilities**	**6,240,886**	**5,505,470**	**6,236,135**
	Account payables	1,543,989	1,794,997	2,334,484
	Contract liabilities	76,682	59,814	80,654
	Withholdings	717,547	608,352	604,681
	Accrued expenses	996,204	911,460	871,095
	Current tax liabilities	172,008	133,543	82,554
	Short-term Provisions	40,710	31,313	31,651
	Short-term borrowings	-	-	100,000
	Current bonds and long-term borrowings	1,930,070	1,249,516	1,383,097
	Lease liabilities	308,141	341,075	337,320
	Current long-term account payables	367,765	367,770	398,874
	Short-term derivative financial liabilities	78,467	-	-
	Other current liabilities	9,303	7,630	11,725
	Non-Current Liabilities	**7,383,886**	**9,054,369**	**9,812,604**
	Debentures	4,955,124	5,807,423	5,705,873
	Long-term borrowings	200,000	250,000	640,000
	Long-term account payables	539,955	892,683	1,239,467
	Long-term contract liabilities	1,528	4,398	12,745
	Derivative financial liabilities	3,437	295,876	302,593
	Long-term lease liabilities	850,311	885,470	1,041,991
	Non-current liabilities	60,395	69,791	65,754
	Deferred tax liabilities	717,278	801,995	754,321
	Other non-current liabilities	55,858	46,733	49,860
	Total Liabilities	**13,624,772**	**14,559,839**	**16,048,739**

		41th	40th	39th
Equity	Share capital	30,493	30,493	30,493
	Capital surplus and others	(4,551,820)	(4,766,147)	(4,506,693)
	Retained earnings	15,273,451	15,032,473	14,691,461
	Reserves	208,730	139,274	168,121
	Total Shareholders' Equity	**10,960,854**	**10,436,093**	**10,383,382**
Total Liabilities and Shareholder's Equity		**24,585,626**	**24,995,932**	**26,432,121**

Non-consolidated Statement of Income

(Unit: KRW million)

	41th	40th	39th
Operating revenue	**12,774,060**	**12,589,220**	**12,414,588**
Operating expense	**11,250,885**	**11,133,350**	**11,093,457**
Labor cost	1,139,968	943,924	992,964
Commissions	4,773,925	4,831,879	4,792,121
Depreciation and amortization	2,645,850	2,698,436	2,693,630
Network interconnection	463,783	490,114	532,621
Leased lines	193,896	189,059	191,212
Advertising	136,723	174,403	161,294
Rent	122,499	127,182	121,067
Cost of goods sold	600,190	548,155	544,286
Other operating expense	1,174,051	1,130,198	1,064,262
Operating income (loss)	**1,523,175**	**1,455,870**	**1,321,131**
Finance income	**513,884**	**342,646**	**134,965**
Finance cost	**485,535**	**441,390**	**387,606**
Other non-operating income	**51,855**	**40,844**	**45,162**
Other non-operating expense	**141,478**	**24,019**	**29,005**
Gain (loss) related to investments in subsidiaries, associates and joint ventures	**15,183**	**(19,012)**	**61,603**
Profit before income tax	**1,477,084**	**1,354,939**	**1,146,250**
Corporate tax	**196,600**	**295,189**	**276,760**
Net profit for the term	**1,280,484**	**1,059,750**	**869,490**
Earnings per share			
Basic earnings per share (in won)	5,923	4,798	3,921
Diluted earnings per share (in won)	5,907	4,794	3,919

Non-consolidated Statement of Comprehensive Income

(Unit: KRW million)

	41th	40th	39th
Annual profit	**1,280,484**	**1,059,750**	**869,490**
Other Inclusive gains and losses	**3,167**	**(7,053)**	**(499,714)**
Items not reclassified as a profit or loss during the follow-up periods	7,888	4,435	(485,922)
Remeasurement factors of defined benefit systems	(5,771)	43,656	(4,899)
Valuation loss on financial assets at fair value through other comprehensive income	13,659	(39,221)	(481,023)
Items reclassified as profit or loss during the follow-up periods	(4,721)	(11,488)	(13,792)
Net change in unrealized fair value of derivatives	(4,721)	(11,488)	(13,792)
Total inclusive gains and losses for the term	**1,283,651**	**1,052,697**	**369,776**

Statement of Changes in Equity

(Unit: KRW million)

	Equity									
		Other Paid up Capital								
	Share Capital	Capital Excess Equity of Par Value	Treasury Stock	Hybrid Bond	Stock Options	Others	Total	Retained Earnings	Reserves	Total Equity
January 1, 2022 (basic capital)	30,493	1,771,000	(57,314)	398,759	47,166	(6,735,882)	(4,576,271)	14,770,618	638,016	10,862,856
Total Comprehensive Income	-	-	-	-	-	-	-	839,671	(469,895)	369,776
Annual profit	-	-	-	-	-	-	-	869,490		869,490
Other comprehensive income	-	-	-	-	-	-	-	(29,819)	(469,895)	(499,714)
Transactions with owners recognized directly in equity	-	-	20,612	-	(45,105)	94,071	69,578	(918,828)	-	(849,250)
Annual dividends	-	-	-	-	-	-	-	(361,186)	-	(361,186)
Interim dividends	-	-	-	-	-	-	-	(542,876)	-	(542,876)
Stock option	-	-	-	-	47,129	25,132	72,261	-	-	72,261
Interest on hybrid bonds	-	-	-	-	-	-	-	(14,766)	-	(14,766)
Redemption of hybrid securities	-	-	-	-	-	-	-	-	-	-
Issuance of hybrid securities	-	-	-	-	-	-	-	-	-	-
Acquisition and disposal of treasury shares	-	-	-	-	-	-	-	-	-	-
Treasury stock transactions	-	-	20,612	-	(92,234)	68,939	(2,683)	-	-	(2,683)
Retirement of treasury shares	-	-	-	-	-	-	-	-	-	-
December 31, 2022 (end of term capital)	30,493	1,771,000	(36,702)	398,759	2,061	(6,641,811)	(4,506,693)	14,691,461	168,121	10,383,382
January 1, 2022 (basic capital)	30,493	1,771,000	(36,702)	398,759	2,061	(6,641,811)	(4,506,693)	14,691,461	168,121	10,383,382
Total Comprehensive Income	-	-	-	-	-	-	-	1,081,544	(28,847)	1,052,697
Profit (loss) for the year	-	-	-	-	-	-	-	1,059,750	-	1,059,750
Other comprehensive income (loss)	-	-	-	-	-	-	-	21,794	(28,847)	(7,053)
Transactions with owners recognized directly in equity	-	-	(265,279)	(250)	7,757	(1,682)	(259,454)	(740,532)	-	(999,986)
Annual dividends	-	-	-	-	-	-	-	(180,967)	-	(180,967)
Interim dividends	-	-	-	-	-	-	-	(542,282)	-	(542,282)
Stock option	-	-	-	-	7,757	(600)	7,157	-	-	7,157
Interest on hybrid bonds	-	-	-	-	-	-	-	(17,283)	-	(17,283)
Redemption of hybrid securities	-	-	-	(398,759)	-	(1,241)	(400,000)	-	-	(400,000)

Statement of Changes in Equity

(Unit: KRW million)

	Equity									
		Other Paid up Capital								
	Share Capital	Capital Excess Equity of Par Value	Treasury Stock	Hybrid Bond	Stock Options	Others	Total	Retained Earnings	Reserves	Total Equity
Issuance of hybrid securities	-	-	-	398,509	-	-	398,509	-	-	398,509
Acquisition and Disposal of treasury shares	-	-	-	-	-	-	-	-	-	
Treasury stock transactions	-	-	(265,279)	-	-	159	(265,120)	-	-	(265,120)
Retirement of treasury shares	-	-	-	-	-	-	-	-	-	
December 31, 2023 (end of term capital)	30,493	1,771,000	(301,981)	398,509	9,818	(6,643,493)	(4,766,147)	15,032,473	139,274	10,436,093
January 1, 2024 (basic capital)	30,493	1,771,000	(301,981)	398,509	9,818	(6,643,493)	(4,766,147)	15,032,473	139,274	10,436,093
Total comprehensive income	-	-	-	-	-	-	-	1,214,195	69,456	1,283,651
Profit (loss) for the year	-	-	-	-	-	-	-	1,280,484	-	1,280,484
Other comprehensive income (loss)	-	-	-	-	-	-	-	(66,289)	69,456	3,167
Transactions with owners recognized directly in equity	-	-	209,019	-	4,680	628	214,327	(973,217)	-	(758,890)
Annual dividends	-	-	-	-	-	-	-	(223,335)	-	(223,335)
Interim dividends	-	-	-	-	-	-	-	(530,082)	-	(530,082)
Stock option	-	-	-	-	4,680	493	5,173	-	-	5,173
Interest on hybrid bonds	-	-	-	-	-	-	-	(19,800)	-	(19,800)
Redemption of hybrid securities	-	-	-	-	-	-	-	-	-	-
Issuance of hybrid securities	-	-	-	-	-	-	-	-	-	-
Acquisition and disposal of treasury shares	-	-	9,019	-	-	135	9,154	-	-	9,154
Treasury stock transactions	-	-		-	-	-	-	-	-	-
Retirement of treasury shares	-	-	200,000	-	-	-	200,000	(200,000)	-	-
December 31, 2024 (end of term capital)	30,493	1,771,000	(92,962)	398,509	14,498	(6,642,865)	(4,551,820)	15,273,451	208,730	10,960,854

Non-consolidated Statement of Cash Flow

(Unit: KRW million)

	41th	40th	39th
Cash flows from operating activities	**4,188,933**	**4,008,340**	**4,072,281**
Cash generated from operating activities	4,473,471	4,245,570	4,554,517
Net Profit for the term	1,280,484	1,059,750	869,490
Adjustments for income and expenses	3,093,252	3,334,194	3,470,169
Changes in assets and liabilities related to operating activities	99,735	(148,374)	214,858
Interest received	36,833	32,673	31,516
Dividends received	216,886	208,026	50,927
Interest paid	(293,944)	(283,654)	(220,723)
Income tax paid	(244,313)	(194,275)	(343,956)
Cash flows from investing activities	**(1,802,028)**	**(2,371,006)**	**(1,964,831)**
Cash inflows from investing activities	415,759	185,310	1,120,368
Decrease in short-term financial instruments	109,738	-	201,376
Collection of short-term loans	121,314	126,398	115,121
Decrease in long-term financial instruments	-	-	330,032
Proceeds from disposals of long-term investment securities	36,171	17,939	55,114
Proceeds from disposal of investments in associates and joint ventures	80,691	26,819	382,114
Disposal of Non-current Assets Held for Sale	-	-	20,136
Proceeds from disposals of property and equipment	43,052	9,731	12,795
Proceeds from disposals of intangible assets	24,793	4,423	3,680
Cash outflows for investing activities	(2,217,787)	(2,556,316)	(3,085,199)
Increase in short-term financial instruments	-	11,115	-
Increase in short-term loans	108,326	125,072	122,506
Increase in long-term financial instruments	-	-	330,032
Acquisitions of long-term investment securities	1,145	284,509	372,672
Cash outflows from derivative transactions	112,903	-	-
Acquisition of investments in associates and joint ventures	285,604	90,355	93,215
Acquisition of property and equipment	1,676,884	1,977,806	2,074,860
Acquisition of intangible assets	32,925	67,459	91,914

	41th	40th	39th
Cash flows from financing activities	**(1,852,974)**	**(2,223,771)**	**(1,048,738)**
Cash inflows from financing activities	897,143	1,465,694	1,591,588
Proceeds from short-term borrowings	-	-	100,000
Proceeds from long-term borrowings	200,000	-	440,000
Issuance of debentures	697,143	941,185	1,050,820
Cash inflows due to transaction of derivative products	-	126,000	768
Issuance of hybrid securities	-	398,509	-
Cash outflows from financing activities	(2,750,117)	(3,689,465)	(2,640,326)
Proceeds from short-term borrowings	-	100,000	-
Proceeds from long-term borrowings	390,000	100,000	7,096
Repayments of long-term payables	369,150	400,245	400,245
Repayments of debentures	860,000	1,309,000	970,000
Payments of dividends	753,390	723,215	904,020
Redemption of hybrid securities	-	400,000	-
Interest on hybrid bonds	19,800	17,283	14,766
Repayments of lease liabilities	341,989	354,235	344,199
Repurchase of treasury stock	15,788	285,487	-
Net increase (decrease) in cash and cash equivalents	**533,931**	**(586,437)**	**1,058,712**
Cash and cash equivalents at beginning of the year	**631,066**	**1,217,504**	**158,823**
Effects of exchange rate changes on cash and cash equivalents	**161**	**(1)**	**(31)**
Cash and cash equivalents at end of the year	**1,165,158**	**631,066**	**1,217,504**

Independent Auditor's Report

To the Shareholders and the Board of Directors of SK Telecom Co., Ltd.

Audit Opinion

We have audited the consolidated financial statements of SK Telecom Co., Ltd. and its subsidiaries (collectively referred to as the "Group"). The consolidated financial statements comprise the consolidated statements of financial position as of December 31, 2024 and December 31, 2023, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity, and the consolidated statements of cash flows for the respective years then ended, along with the accompanying notes including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2024 and 2023, and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (KIFRS).

We have also audited the Group's internal control over financial reporting as of December 31, 2024, based on the "Conceptual Framework for the Design and Operation of Internal Accounting Control Systems" announced by the Committee for Internal Control over Financial Reporting in Korea. In our audit report dated March 10, 2025, we expressed an unqualified opinion.

Basis for Opinion

We conducted our audit in accordance with the Korean Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our audit report. We are independent of the Group in accordance with the ethical requirements of the Republic of Korea relevant to our audit of the consolidated financial statements and have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters.

a. Timing of Revenue Recognition for Wireless Telecommunications Services

As described in Notes 3(21) and 4(2) to the consolidated financial statements, the telecommunications business operated by the Group involves a high volume of customer transactions, and revenue is recognized through a complex IT (information technology) system. Transactions such as new subscriptions, cancellations, and plan changes occur throughout the year. Accordingly, we identified the timing of revenue recognition for wireless telecommunications services as a key audit matter. The amount of revenue recognized during the year is KRW 10,401,565 million.

The primary audit procedures we performed with respect to the timing of revenue recognition for wireless telecommunications services are as follows:

- We inspected key contract terms to assess whether the Group's revenue recognition policies are in compliance with K-IFRS No. 1115.
- We tested internal controls related to the timing of revenue recognition for wireless telecommunications services.
- We selected samples to assess the appropriateness of the timing of revenue recognition, re-performed pro rata calculations based on rate plans, and reconciled them with billing information.

b. Impairment Assessment of Goodwill Allocated to the Cash-Generating Unit for the Wireline Telecommunications Business

As described in Notes 3(10) and 15 to the consolidated financial statements, the Group performs an annual impairment assessment of goodwill acquired through business combinations, comparing the recoverable amount with the carrying amount regardless of whether there is any indication of impairment. The carrying amount of goodwill allocated to the cash-generating unit for the wireline telecommunications business in the consolidated financial statements is KRW 764,082 million.

The Group performed an impairment assessment of goodwill allocated to the relevant cash-generating unit by comparing its carrying amount with its value in use based on discounted cash flow projections. Key assumptions such as projected future revenue, perpetual growth rate, and discount rate, which significantly impact the calculation of value in use, inherently involve uncertainty and are subject to executives' judgment. Accordingly, we identified the impairment assessment of goodwill allocated to the wireline telecommunications business cash-generating unit, which involves significant executives' judgment, as a key audit matter.

The primary audit procedures we performed with respect to the impairment assessment of goodwill allocated to the wireline telecommunications business cash-generating unit are as follows:

- We evaluated the objectivity and qualifications of external experts engaged by executives.
- We involved our internal valuation specialists to assess the appropriateness of the valuation methodology and the assumptions used.
- We performed sensitivity analyses of the discount rate and perpetual growth rate to evaluate the impact of changes in key assumptions on executives' impairment assessment.
- We compared the projected future cash flows to the business plans approved by executives to assess their reasonableness.
- We performed retrospective analysis comparing prior-year projections with actual cash flows.

Responsibilities of Executives and Those Charged with Governance for the Consolidated Financial Statements

Executives are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with K-IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, executives are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations.

Those charged with governance are responsible for overseeing the financial reporting process of the Group

Responsibilities of the Auditor for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by executives.
- Conclude on the appropriateness of executives' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and assess whether the statements faithfully represent the underlying transactions and events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner responsible for the audit that forms the basis of this auditor's report is Jungho Yoo.

EY Hanyoung
Chief Executive Officer: Yongkeun Park

March 10, 2025

This report is effective as of the date of the auditor's report. Accordingly, events or circumstances that may significantly affect the Group's consolidated financial statements attached hereto may occur between the date of this report and the time it is reviewed, which could result in modifications to this auditor's report.

Non-Financial Statements

Non-Financial Management Discussion & Analysis

Reporting Standards and Principles for Non-Financial Statements

This Non-Financial Management Discussion & Analysis (MD&A) has been prepared to provide executives' analysis and perspectives on key non-financial performance during the reporting period from January 1 to December 31, 2024, in areas such as human capital, social capital, and environmental capital. This non-financial MD&A adheres to the following international reporting standards and principles:

1. GRI Standards, the sustainability reporting standards of the Global Reporting Initiative (GRI)

GRI provides internationally recognized topics and disclosures that enable stakeholders to understand an organization's performance from economic, social, and environmental perspectives. It requires organizations to determine reporting topics based on their relevance to stakeholders and their impact across economic, social, and environmental dimensions. GRI places particular emphasis on the Double Materiality Assessment, which considers not only how external environmental and social factors affect a company's financial value, but also how the company's business activities impact the environment and society. For details on the Double Materiality Assessment in accordance with GRI requirements, please refer to pp.144–145.

2. AA1000 by Accountability

The AA1000 series provides frameworks and principles for identifying, prioritizing, and addressing sustainability issues relevant to an organization. The information in this report has been assured by an independent third-party organization in accordance with AA1000AS (Assurance Standard) V3. For the third-party assurance statement from the verification body, please refer to p.189.

Reference Standards

1. UNGC COP

UN Global Compact Communication on Progress: A guideline for member organizations of the UNGC to report on their adherence to the 10 principles of the UN Global Compact.

2. ISO 26000

An international standard for responsible management systems published in November 2010 by the International Organization for Standardization (ISO).

3. CDSB Reporting Framework

A carbon disclosure framework released in September 2010 by the Climate Disclosure Standards Board (CDSB), which standardizes the reporting of climate-related information.

4. SASB - Telecommunication Standards

Core issues and key performance indicators for the telecommunications industry released in April 2014 by the U.S. Sustainability Accounting Standards Board (SASB).

5. TCFD

Task Force on Climate-related Financial Disclosures: A task force focused on the disclosure of climate-related financial risks and opportunities.

Data Scope

Unless otherwise stated, the non-financial information presented in this Non-Financial Management Discussion & Analysis pertains exclusively to SK Telecom, excluding subsidiaries and the supply chain. As over 99% of SK Telecom's revenue is generated in Korea, the data coverage included satisfies the 99% revenue threshold. This aligns with the scope of revenue recognition under the separate financial statements of SK Telecom, the parent company, in accordance with Korean International Financial Reporting Standards (KIFRS). Environmental data—including energy consumption, GHG emissions (Scopes 1, 2, and 3), waste, and water usage—as well as social data—such as employment status, talent development, and social contribution—are based on SK Telecom's 27 major business sites, including base stations, repeaters, and central network facilities.

Social Value Creation

SK Telecom pursues a Double Bottom Line (DBL) management approach, which aims to create both economic value and social value, based on SK Management System (SKMS), the management philosophy of the SK Group. To systematically manage DBL management performance, SK Telecom has been measuring the outcomes of social value creation in monetary terms since 2018, in accordance with SK Group's Social Value (SV) measurement methodology. Social value generated across all business activities—including product development, operations and production, sales, human resources management, business partner collaboration, and corporate social responsibility (CSR) programs—is measured, with objective and conservative standards applied to enhance reliability.

In 2024, SK Telecom generated a total of KRW 2.8908 trillion in social value. This represents a 4.5% increase compared to 2023, marking the seventh consecutive year of growth in social value creation since SK Telecom began systematically measuring social value in 2018. To enhance stakeholders' understanding and trust in social value measurement, SK Telecom annually discloses the measurement results and the calculation formulas for key product and service indicators through the SK Telecom Newsroom (https://news.sktelecom.com/) channel.

SV Mesurement Areas[1)]

Indirect Economic Contribution

The value contributed indirectly to the economy through corporate activities
- Employment: salary, employee benefits, etc.
- Dividend: amount of dividend distributed to shareholders
- Tax payment: national tax, local tax

Environmental Performance

Products and Services
- Positive value of environmental impact created through the development, production, and sale of eco-friendly products and services (e.g., reduction of pollutant emissions, resource reduction, etc.)

Process
- Negative value of environmental impact resulting from products and the production process (e.g., GHG and other pollutants emissions

Social Performance

Products and Services
- Value created by improving the quality of life for consumers through the provision of products and services

Labor and Shared Growth
- Value generated from improving labor conditions and engaging in shared growth activities

Social Contribution
- Value created through CSR activities, including donations and community contribution programs

1) Governance indicators are scheduled to be disclosed as non-financial performance metrics (e.g., stock exchange disclosures and key ESG indicators).

Indirect Economic Contribution

KRW 2.0547 trillion

+2.3%, +KRW 46.9 billion YoY

Environmental Performance

△ KRW 125.3 billion

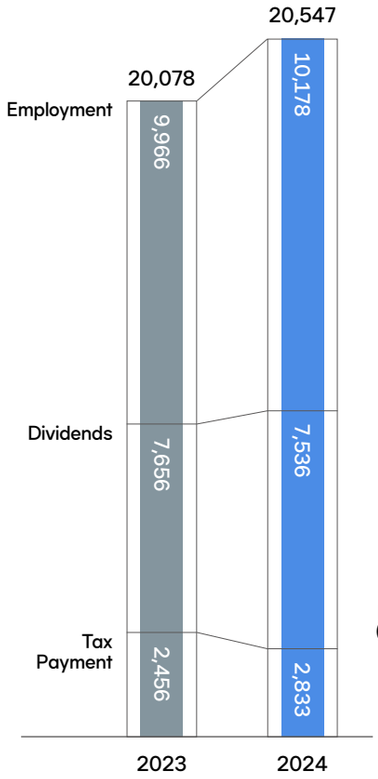
△6.5%, △KRW 7.3 billion YoY

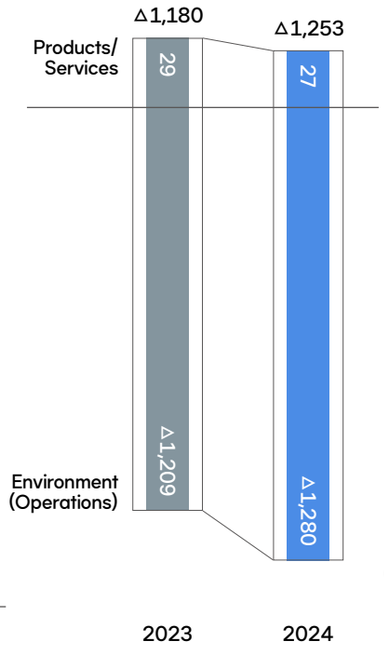
Social Performance

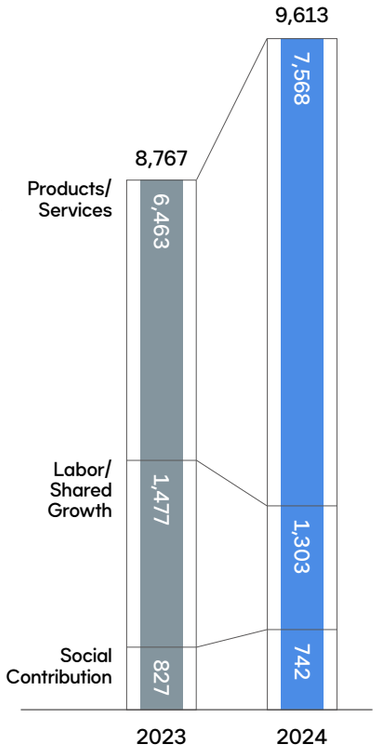
KRW 961.3 billion

+12.5%, +KRW 84.6 billion YoY

(Unit: KRW 100 million)







Social Value Measurement Results (Unit: KRW 100 million)

		2023	2024	Change
Indirect Economic Contribution	Employment	9,966	10,178	212
	Dividends	7,656	7,536	-120
	Taxes	2,456	2,833	377
	Subtotal	**20,078**	**20,547**	**469**
Environmental Performance	Products/Services	29	27	-2
	Environmental Process (Total Amount)	-1,209	-1,280	-71
	Subtotal	**-1,180**	**-1,253**	**-73**
Social Performance	Products/Services	6,463	7,568	1,105
	Labor	343	341	-2
	Shared Growth	1,134	962	-172
	Social Contribution Activities	681	609	-72
	Donations	146	133	-13
	Volunteer Work	1	0.4	-0.6
	Subtotal	**8,767**	**9,613**	**846**
Total		**27,665**	**28,908**	**1,243**

Performance by Measurement Area

Indirect Economic Contribution

The indirect economic contribution amounted to KRW 2.0547 trillion, an increase of KRW 46.9 billion compared to the previous year. Driven by solid business performance, employment and tax payments increased, while dividends slightly decreased due to the retirement of treasury shares.

Environmental Performance

Environmental performance recorded a decrease of KRW 125.3 billion year-on-year. Despite continued infrastructure investment to meet market demand, SK Telecom is working to improve environmental process performance through the integration and upgrade of 3G and LTE network equipment (single RAN technology), AI-based network design, and the adoption of cooling and low-power designs.

Social Performance

Social performance amounted to KRW 961.3 billion, up KRW 84.6 billion compared to the previous year. This growth reflects new performance in products and services in AI- and ICT-based social safety net areas, resulting in an expanded scope of social value measurement.

New Examples of Social Value Measurement

① False Roaming Call Blocking (Prevention of voice phishing damage)

SK Telecom prevents voice phishing by blocking calls through the "False Roaming Call Blocking" feature. When overseas criminal organizations manipulate the caller ID to appear as a family member or acquaintance, and the subscriber is actually located in Korea, the system detects it as a potential crime and blocks the call.

② AI call technology for mutual conversion between text and voice, "VoiceView" (Improving daily convenience for people with hearing/speech impairments)

SK Telecom improves the daily convenience of people with hearing or speech impairments through the "VoiceView" service, which uses AI technology to convert speech to text and vice versa, enabling smooth communication in challenging situations.

Social Data

Total Employment Status

The total number of employees, consisting of executives, permanent and non-permanent (contractors) employees under employment contracts, was determined by excluding personnel from subsidiaries and affiliates.

No. of Employees

(as of December 31, 2024)

		Unit	2022	2023	2024
Total No. of Executives and Employees[1]		Persons	5,413	5,579	5,493[6]
By Employment Type	Permanent Workers		5,143	5,280	5,153
	Contract Workers		270	299	340
	Agency Workers		223	232	230
By Gender[2]	Male		4,304	4,377	4,226
	Female		1,109	1,202	1,267
By Age	Under 30		395	434	436
	Over 30 - Under 50		3,205	3,134	3,142
	Over 50		1,813	2,011	1,915
Overseas Employment	Expatriates		17	18	15
	Locally-hired Employees[3]		27	28	47
	Total No. of Overseas Employees		44	46	62
	Total No. of Overseas Managers		17	18	16
	Total No. of Local Managers[4]		6	6	5
	Percentage of Local Managers[5]	%	35.0	33.0	31.3

		Unit	2022	2023	2024
Unemployed Workers	Agency Workers	Persons	223	232	230
	Trainees				
	Service Contractors		1,198	1,143	1,147
	Home Workers				
	Interns				
	Self-Employed				
	Subcontractors				

1) Aligned with business report standards; dispatched workers excluded
2) LGBTQ+ (Lesbian, Gay, Bisexual, Transgender, Queer, Intersex): 0 cases
3) Employment status by overseas business site (including locals and contract workers): U.S. 21 / China 7 / Japan 9 / Malaysia 7 / Others 3
4) Local managers are personnel granted authority equivalent to assistant general manager or above
5) Percentage of local managers = Number of local managers / Total number of managers at overseas sites
6) Among a total of 5,493 employees (617 managers), number of non-Korean employees by nationality (managers): U.S. 9 / China 6 / Canada 4 (1) / Others 22

Hiring and Turnover

The number of new hiring by age and gender includes only those directly employed by SK Telecom, either as permanent or non-permanent(contractors), excluding employees and executives belonging to affiliates and subsidiaries. Although new hires decreased compared to the previous year, the hiring rate of women and individuals under 30 continues to increase, considering solutions to youth unemployment and expanding diversity.

The number of retirees has shown an overall declining trend over the past three years. However, in 2024, the total number of retirees temporarily increased due to the implementation of the Next Career Program. The number of voluntary resignations decreased compared to 2023. SK Telecom plans to maintain an appropriate level of human resources suitable for a successful transition to a Global AI Company, while also expanding diversity to establish a competitive human resources structure.

Recruitment and Turnover[1)]

		Unit	2022	2023	2024
Total no. of new employees		No. of Persons	540	427	379
By Gender	Male		288	177	169
	Female		252	250	210
By Age Group	Under 30		211	218	223
	Over 30 - Under 50		293	189	124
	Over 50		36	20	32
Total Turnover			120	77	337
By Gender	Male		100	62	312
	Female		20	15	25
By Age	Under 30		8	3	3
	Over 30 - Under 50		72	45	40
	Over 50		40	29	294
Voluntary Turnover[2)]			89	51	42
Voluntary Turnover Rate[3)]		%	1.6	0.9	0.8
Internal Announcement Rate for Candidate			25.3	41.3	72.0

1) Errors identified in the calculation of previous years' data have been corrected.
2) Employees who left due to retirement, disciplinary action, or death are excluded from the category of voluntary leavers.
3) Voluntary turnover rate: (Number of voluntary leavers in the evaluation year / Total number of employees in the evaluation year) x 100

Employee Salaries

SK Telecom transparently discloses the overall remuneration status of all its employees through quarterly, semi-annual, and annual business reports. The differences in total and average salary amounts between genders are attributable to the average tenure of employees, ensuring no gender wage discrimination within the same position.

Gender Wage Ratio[4)]

(as of December 31, 2024)

	Unit	Non-Management	Management	Executive
Base Salary	%	88.1	97.9	98.7
Base Salary + Other Cash Incentives		89.1	97.9	92.3

4) Gender pay ratio: Average female salary / average male salary

Diversity

		Unit	2022	2023	2024
Female Talent	Ratio of Female (Persons)	(%) Person	20.5 (1,109)	21.6 (1,200)	23.1 (1,267)
	Ratio of Total Female Managers (Persons)		11.1 (331)	11.8 (319)	12.7 (333)
	Ratio of Female Middle Managers (Persons)		9.8 (56)	9.8 (55)	10.7 (54)
	Ratio of Female Junior Managers (Persons)[5)]		11.6 (268)	12.4 (254)	13.4 (268)
	Ratio of Female Executives (Persons)		7.0 (7)	8.8 (10)	9.0 (11)
	Ratio of Female Managers in Revenue Generating Departments (Persons)		11.5 (33)	11.6 (33)	10.7 (26)
	Ratio of Female STEM[6)] (Persons)		29.1 (276)	31.1 (424)	28.4 (393)
Special Employment and Minorities	Employment of the disabled[7)]		53	50	52
	Happyhanool[8)]		59	62	67
	Employment of Patriots and Veterans		167	171	170

5) 2023 data has been revised due to errors in the calculation of previous years' data.
6) STEM refers to employees who utilize knowledge in science, technology, engineering and mathematics in their work.
7) When applying the double-counting rule for persons with severe disabilities (in accordance with the Act on the Employment Promotion and Vocational Rehabilitation of Persons with Disabilities), the total number is 189 (46 persons with mild disabilities and 6 with severe disabilities at SK Telecom, and 3 with mild disabilities and 64 with severe disabilities at Happyhanool). As a result, the 2024 employment rate of persons with disabilities reached 3.5%, exceeding the target of 3.1%.
8) Happyhanool is a standard workplace for persons with disabilities, providing business support services, automobile washing, massage and nail services, and other service operations.

Maternity and Parental Leave[1)]

		Unit	2022	2023	2024
No. of Maternity Leave Users[2)]	Total	No. of Persons	150	134	141
	Female		45	34	46
	Male		105	100	95
Return Rate after Maternity Leave		%	98	100	99.3
No. of Parental Leave Users	Total	No. of Persons	94	109	128
	Female		63	73	84
	Male		31	36	44
Parental Leave Usage Rate[3)]	Total	%	16.7	19.4	25.1
	Female		68.5	71.2	75.0
	Male		1.9	3.3	7.7
Return Rate after Parental Leave[4)]		%	98.9	99.1	93.0
Resignation Rate within 12 Months after Return[5)]			1.1	1.8	2.3

1) Applies to regular employees and contract employees, and includes users whose periods of maternity leave or parental leave overlap within the year, regardless of the number of days.
2) Number of users of maternity leave and paternity leave.
3) Employees who took parental leave within one year after childbirth in the relevant year / Employees with a child under one year old in the relevant year
4) Number of employees who returned to work after parental leave among those who used parental leave in the relevant year.
5) Number of employees who resigned within 12 months after returning from parental leave among those who used parental leave in the relevant year / Number of employees who used parental leave in the relevant year.

Psychological Satisfaction Survey

Company	Item	Unit	2022	2023	2024
Service Ace	Response Rate	%	93.7 (180/264)	72.7 (213/293)	69.6 (126/181)
	Positive Rate for Mental Health Aid		98.9	98.1	98.4
	Program Satisfaction		99.4	99.5	98.4
Service Top	Response Rate		93.7 (685/731)	95.3 (475/498)	97.3 (468/481)
	Positive Rate for Mental Health Aid		98.0	94.2	94.2
	Program Satisfaction		98.2	94.9	94.9

Mind Care Program Diagnosis/Counseling Status

Company		Unit	2022	2023	2024
Service Ace	Diagnostic Participation (Percentage of Total)	No. of Persons	1,891 (70.5%)	1,784 (65.2%)	2,000 (77.3%)
	Mitigation Measure - Individual Counseling		318	350	258
	Mitigation Measure - Group Counseling		9	18	17
	Mitigation Measure - Psychological Consultation		16	17	16
	Mitigation Measure - Healing Program		353	510	752
Service Top	Diagnostic Participation (Percentage of Total)		2,545 (91.0%)	2,622 (93.0%)	2,617 (100%)
	Mitigation Measure - Individual Counseling		551	668	596
	Mitigation Measure - Group Counseling		631	767	358
	Mitigation Measure - Psychological Consultation		92	39	84
	Mitigation Measure - Healing Programs		719	374	170

Labor-Management Relations

SK Telecom actively protects the freedom of association of its employees in accordance with ILO Conventions No. 87 and 98, and domestic labor laws. Employees at SK Telecom voluntarily form and join labor unions based on their free will. As of the end of 2024, the labor union ratio among eligible employees stood at 94.6%.

The company and the labor union are committed to improving working conditions to a reasonable level, taking into account business performance, in a spirit of mutual respect and cooperation. In the case of corporate mergers, splits, and other managerial changes, sufficient preliminary consultations are conducted with the labor union in accordance with the employment stability agreement and collective bargaining agreement signed between the parties.

Labor Union Membership Status

	Unit	2022	2023	2024
Employees Eligible for Labor Union Membership	No. of Persons	2,644	2,630	2,541
Labor Union Members		2,484	2,478	2,405
Labor Union Membership Rate (Eligible Employee Basis)	%	93.9	94.2	94.6
Collective Bargaining Coverage Rate[1)]		100.0	100.0	100.0

1) The collective agreement concluded with the labor union is also extended to members who are not unionized.

Occupational Safety and Health Status

SK Telecom recognizes protecting the life and safety of customers, citizens, employees, and suppliers as its highest value and fundamental principle of action. Accordingly, the company demands strict adherence to an enhanced safety management system not only by its employees but also by ICT family companies and suppliers, aiming for zero major accidents. SK Telecom is also making every effort to create a safe working environment.

Occupational Safety and Health Status

		Unit	2022	2023	2024
Employee Safety	Employee Lost Time Incident Rate (LTIR)[1]	Per 200,000 Working Hours (%)	0	0	0
	Supplier Lost Time Incident Rate (LTIR)		3.48	1.50	0.75
	Lost Time Incident Rate (LTIR) of Employees and Suppliers		2.86	1.23	0.63
	No. of Employee Lost Time Incident (LTI)	No. of Cases	0	0	0
	No. of Supplier[2] Lost Time Incident (LTI)		9	4	2
	Lost Time Incident of Employees and Suppliers		9	4	2
	Employee Death Rate	%	0	0	0
	No. of Employee Deaths (Categorized as Industrial Accidents)	No. of Cases	0	0	0
Employee Health	Employee Occupational Illness Frequency Rate (OIFR)[3]	Per 200,000 Working Hours (%)	0	0	0
	No. of Employee Occupational Illnesses	No. of Cases	0	0	0

1) Lost Time Incidents Rate
2) Including internal and external partners
3) Occupational Illness Frequency Rate

R&D Investment Status[4]

	Unit	2022	2023	2024
R&D Expenses[5]	KRW billion	628.3	649.2	662.1
R&D Staff[6]	Persons	1,360	1,404	1,438

4) Increase in R&D-type investment: AI infrastructure, strategic partnership (equity investment) with global AI data center solution provider (Penguin Solutions).
5) R&D expenses include pure R&D costs (network infrastructure, marketing infrastructure, and new growth businesses), R&D-type investments (equity investments in AI businesses and devices), growth business investments (CAPEX, OPEX), and organizational expenses.
6) Increase in workforce for AI services, such as acquiring professionals to accelerate AI transformation

Online Service Users and Related Revenue Status

	Unit	2021	2022	2023	2024	2024 Target
Proportion of Online Service Users[7]	%	70.0	71.0	73.0	75.0	74.0
Proportion of Online Revenues[8]		36.0	39.0	43.0	45.0	44.0

7) Users of online marketing platforms (such as T World and T Direct) and online value-added services
8) The total sum of direct and indirect online revenue, including telecommunication fees, service usage fees, and revenue inflow generated through marketing related to online marketing platforms and online value-added services

Employee Happiness and Well-Being Programs

Type	Main Programs and Guidelines
Creating a Healthy Work Environment	• Twice daily measurement of an automatic temperature and humidity control system, Management of dust and CO_2 levels through the operation of air conditioners and exhaust fans, and bulk ventilation before work hours management of lighting and noise standards • Provision and expansion plans for ergonomically designed workspaces within the office building (adjustable-height desks, transformable chairs, open standing meeting rooms, etc.)
Workplace Stress Management[1]	• Operation of the "Mind Forest" employee psychological counseling service program (providing support for work stress, difficulties, health, personal counseling, etc.) • Operation of the Actium Mental Health Program (mental health newsletters, health lectures, laughter exercise, healing yoga, etc.) • Healthcare massage services, nail care services
Physical Fitness and Training[1]	• Operation of the "Actium," an in-house fitness space for employees, and provision of massage service "Healthcare" to support and manage employee fitness • Operation of a physical and mental training room within the office building
Flexible Working Hours[1]	• Operation of a flexible work system allowing self-determined start and end times (Flexible Time) • Introduction of a selective work system (registering flexible work hours within monthly standard working hours and concentrated work)
Work from Home and Focused Workspaces	• Operation of a Work from home system to enable employees to choose a workspace that best supports concentration
Part-Time Working Options[1]	• Operation of part-time working options for reasons such as family care, personal care, retirement preparation, and personal development

Type	Main Programs and Guidelines
Childcare and Child Education	• Operation of an in-house daycare, breastfeeding facilities, and a variety of child-rearing support programs, including financial support for children's education (kindergarten through university) and support for children's camps
Maternity Leave[1]	• Reduced working hours during pregnancy: 6 hours of work per day throughout the pregnancy • Maternity leave: 90 days around childbirth, 120 days in case of twins, with 10 days of fully paid leave for spouses
Parental Leave[1]	• Available for all male/female employees with children under 8 years old or in the second grade of elementary school or lower - Up to 2 years[2] (1 year of statutory parental leave + 1 year of paid parental leave) ※ An additional 6 months of statutory parental leave may be used if certain conditions are met > All major employee welfare programs, including medical benefits, are maintained throughout the entire period of parental leave. For the additional 1 year beyond statutory parental leave, the company grants paid parental leave up to the statutory limit. > Automatic conversion to parental leave: At the end of maternity leave, employees can automatically transition to parental leave without a separate application process • School enrollment care leave: 90-day leave provided once per year for employees with children entering elementary school
Employee and Family Care Program	• In addition to parental leave, a personal and family care program is operated to allow employees to care for family members in the event of illness or accident without career interruption[1] • In particular, a startup support program is available to assist employees in pursuing a second career after retirement, offering professional coaching, consulting, and Next Career leave
Refresh Leave Program for Long Service	• Employees are granted long-term leave of 10 to 30 days every five years after joining the company, enabling them to take sufficient time for rest and rejuvenation

1) Applicable to all employees, including executives, full-time and part-time employees, and contractors.
2) For contract employees, only a one-year application is permitted.

Transparent Participation in Public Policy and Execution of Association Fees

SK Telecom is enhancing its fair trading system based on the 'SK Compliance System Guidelines' provided by the SK Group, which delineate responsibilities for ethical management and fair trading. Alongside this, SK Telecom is committed to preventing misconduct related to political contributions and to fulfilling its role as a responsible corporate citizen.

In order to comply with the domestic Political Fund Act and prevent corruption related to political funds, we do not provide political and election funds and lobbying funds to specific political parties and political organizations. However, the company regularly supports politically neutral organizations that contribute to the public interest and transparently discloses the details and scale of these expenditures on an annual basis. Since February 2017, SK Telecom has implemented a pre-approval process through board resolution for donations exceeding KRW 1 billion, enhancing the fairness in the execution of these donations.

Policy-Related Expenditure Status

	Unit	2022	2023	2024
Total Political Contributions	KRW million	0	0	0
Total Lobbying Funds		0	0	0
Total Association Fees for Relevant Institutions		609	670	1,356
Others		0	0	0

Top 5 Expenditures on Association Fees for Relevant Institutions in 2024

Association Name	Unit	Status	Amount
The Federation of Korean Industries	KRW million (rounded to the nearest KRW million)	Member	541
KTOA (Korea Telecommunications Operators Association)		Vice Chair	200
KAIT (Korea Association for ICT Promotion)		Chair	200
Seoul Chamber of Commerce and Industry		Presidential Group	174
The National Academy of Engineering of Korea		Member	100

2024 List of Major Contributions

Program Name	Amount (KRW)	Organization
Sponsorship of the Korea Fencing Federation	3,055,000,000	Korea Fencing Federation
Implementation of ESG Project	3,000,000,000	Happy Connect Foundation
Support for Social Value Research	900,000,000	CSES (Center for Social value Enhancement Studies)
Support for International Academic Exchange and Research	900,000,000	Chey Institute for Advanced Studies
2024 Year-End Donation for Neighbors in Need	900,000,000	Community Chest of Korea
Sponsorship of the Barun ICT Research Center	620,000,000	Yonsei University
Sponsorship of Scholarship Program	556,000,000	Korea Foundation for Advanced Studies
Support for Foundation Projects	400,000,000	SK Happiness Foundation
Sponsorship of Korea Youth Counseling and Welfare Institute	300,000,000	Korea Youth Counseling and Welfare Institute
Round-Up Matching Fund Donation	160,000,000	Korea Association on Intellectual & Developmental Disabilities, etc.
2024 Contribution to the Win-Win Cooperation Fund for Rural and Fishing Villages	145,000,000	Korea Foundation for Cooperation of Large & Small Business, Rural Affairs
Sponsorship of Scholarship Program	100,000,000	KJ Choi Foundation
Support for Legal Research Development Project	50,000,000	Seoul National University Development Fund
Sponsorship of the 2024 UN Youth Environment Assembly	30,000,000	EcoNow
Sponsorship of the Korean War Veterans Memorial Project	30,000,000	Korea-US Alliance Foundation
Operating Expenses for the Commission for Shared Growth	30,000,000	Korea Foundation for Cooperation of Large & Small Business, Rural Affairs
Sponsorship of Information Vulnerable Class Support Project	30,000,000	korea welfare info-commuications association
Sponsorship of Scholarship Program	20,000,000	ICT Polytech Institute of Korea
Sponsorship of the Culture and Arts Programs	10,000,000	Korea Mecenat Association

Environmental Data

Location-based Greenhouse Gas Emissions[1)]

Category	Unit	2021	2022	2023	2024	2024 Target
Total GHG Emissions	tCO_2e	1,051,380	1,101,340	1,149,240	1,166,518	1,265,795
Direct GHG Emissions		6,286	6,394	6,063	5,923	6,254
Stationary Combustion		4,351	4,448	4,143	4,352	
Mobile Combustion		1,935	1,947	1,920	1,571	
Indirect GHG Emissions		1,045,114	1,094,967	1,143,195	1,160,614	1,259,541
Electricity (location-based)		1,044,583	1,094,388	1,142,609	1,160,016	
Steam		531	579	586	598	
GHG Intensity[2)]	tCO_2e/ KRW billion	86.9	88.7	91.3	91.3	
Direct	tCO_2e	0.5	0.5	0.5	0.5	
Indirect		86.4	88.2	90.8	90.9	

1) Location-based GHG emissions: Emissions are calculated in accordance with the guidelines on reporting and verification of emissions under the GHG emissions trading scheme ("Guidelines on Reporting and Verification of Emissions under the Greenhouse Gas Emissions Trading Scheme (Ministry of Environment Notice No. 2025-28)"). Please refer to p.191 of the greenhouse gas emissions verification statement.
2) GHG intensity is calculated based on the amount of greenhouse gas emissions per KRW 1 billion in separate revenue.

Market-based Greenhouse Gas Emissions[3)]

Category	Unit	2021	2022	2023	2024	2024 Target
Total GHG Emissions	tCO_2e	1,030,910	1,046,153	1,053,142	1,059,935	1,142,187
Direct GHG Emissions		6,286	6,394	6,063	5,923	6,254
Indirect GHG Emissions		1,024,624	1,039,780	1,047,097	1,054,031	1,135,933
GHG Intensity[4)]	tCO_2e/ KRW billion	85.2	84.3	83.7	83.0	

3) Market-based emissions: In accordance with the Greenhouse Gas Protocol, emissions for 2024 have been calculated by recognizing the amount of renewable energy electricity purchased through the green premium as a reduction. Please refer to p.191 of the greenhouse gas emissions verification statement.
4) Greenhouse gas intensity is calculated based on the amount of greenhouse gas emissions per KRW 1 billion in separate revenue.

Energy Use Status (TJ)

Category	Unit	2021	2022	2023	2024	2024 Target
Total Energy Consumption	TJ	21,952.6	22,995.3	23,997.3	24,379.4	26,431.7
Direct Energy Consumption		106.8	111.1	104.8	102.8	
Natural Gas		56.9	64.9	58.7	60.2	
Diesel		8.9	5.4	4.7	8.9	
Indoor Kerosene		15.0	11.9	11.5	9.1	
Jet Fuel Kerosene		4.0	5.0	4.0	3.4	
Gasoline		20.3	22.0	23.2	19.3	
LPG		1.6	1.9	2.8	1.9	
Indirect Energy Consumption		21,845.8	22,884.2	23,892.6	24,276.6	
Electricity		21,831.1	22,868.7	23,876.3	24,259.6	
Steam		14.8	15.5	16.3	17.0	
Energy Intensity[5)]	TJ/KRW billion	1.81	1.85	1.91	1.91	
Direct		0.01	0.01	0.01	0.01	
Indirect		1.81	1.84	1.90	1.90	

5) Energy intensity is calculated based on energy consumption per KRW 1 billion in separate revenue.

* The total amount of greenhouse gas emissions and energy consumption may differ from the sum of direct and indirect values and the sum by energy source, due to the application of the government's site-level rounding and aggregation standards.
** The calculation standards for greenhouse gas emissions and energy consumption follow the methodology set forth in the guidelines on reporting and verification of emissions under the greenhouse gas emissions trading scheme. Please refer to the emissions verification statement on pages 191-192.

Energy Usage Status (MWh)

Category	Unit	2021	2022	2023	2024	2024 Target
Total Energy Consumption	MWh	2,310,273	2,420,773	2,526,147	2,563,710	2,780,755
Direct[1]		29,661	30,853	29,102	28,559	
Indirect Electricity[2]		2,276,511	2,385,616	2,492,531	2,530,422	
Indirect Steam[1]		4,101	4,304	4,515	4,728	
Energy Intensity	MWh/ KRW billion	191	195	200	201	
Location-Based Scope 2 Electricity Consumption	MWh	2,275,650	2,382,157	2,487,119	2,525,010	

1) The values for direct energy consumption and indirect steam consumption have been converted using the conversion factor of 0.2777778 MWh/GJ.
2) Indirect electricity consumption includes both location-based electricity consumption and on-site solar power generation.

Greenhouse Gas Reduction Status

Category			Unit	2021	2022	2023	2024	2024 Target
Total Reduction			tCO_2e	34,135	186,400	272,489	329,336	320,396
Energy Efficiency Improvement	Office Buildings	Replacement with High-Efficiency Equipment		1,862	1,895	1,143	1,143	
	Telecommunications Equipment	Single RAN Project		11,380	28,632	28,629	28,629	
		Power Saving		N/E[3]	58,859	57,481	63,818	
		5G Shared Network		-	21,835	60,723	78,044	
		Replacement with High-Efficiency Equipment		N/E	18,096	25,928	48,903	
Renewable Energy	Office Buildings	Green Premium		20,490	55,187	96,098	106,583	
		Solar Power		240	511	208	182	
	Telecommunications Equipment	Solar Power		155	1,078	2,278	2,034	
Others	Others			N/E	1	3	0	

3) N/E: Not Estimated

Renewable Energy Usage Status (MWh)

Category	Unit	2021	2022	2023	2024	2024 Target
Total Renewable Energy Consumption	MWh	45,461	123,584	214,587	237,412	250,267
Green Premium[4]		44,600	120,125	209,176	232,000	
Solar Panels on Buildings[5]		522	1,112	453	396	
Solar Power for Telecommunication Systems[6]		338	2,346	4,958	5,016	
Total Non-Renewable Energy Consumption		2,265,673	2,300,648	2,316,971	2,331,710	
Total Power Consumption		2,276,511	2,385,616	2,492,531	2,530,422	
Renewable Energy Ratio	%	2.0	5.2	8.6	9.4	9.0

4) Green Premium applied in 27 office buildings
5) Power generated by solar panels installed on some office buildings
6) Power generated by solar panels for operating infrastructure equipment in telecommunications stations

Renewable Energy Usage Status (TJ)

Category	Unit	2021	2022	2023	2024	2024 Target
Total Renewable Energy Consumption	TJ	436	1,186	2,060	2,279	2,403
Green Premium		428	1,153	2,008	2,227	
Solar Panels on Buildings		5	11	4	4	
Solar Power for Telecommunication Systems		3	23	48	48	
Total Non-Renewable Energy Consumption		21,750	22,086	22,243	22,384	
Total Power Consumption		21,855	22,902	23,928	24,292	
Renewable Energy Ratio	%	2.0	5.2	8.6	9.4	

* The conversion was based on the country-specific calorific values and emission factors for each fuel type, applying 9.6 terajoules per gigawatt-hour (9.6 TJ/GWh) for electricity consumption.

Other indirect GHG emission (Scope 3)

Category	Unit	2021	2022[1]	2023	2024	2024 Target
Total scope 3 GHG emissions	tCO_2e	4,384,495	3,322,029	3,237,292	3,210,242	6,300,718
1. Purchased Goods and Services		2,543,897	1,925,932	1,870,658	1,992,087	
2. Capital Goods		1,186,700	922,967	682,412	548,573	
3. Fuel and Energy Consumed		455	471	136,300[2]	179,796	
5. Wastes		461	218	456	771	
6. Business Trips		1,411	962	3,519	2,446	
7. Commuting		9,015	3,522	6,362	5,422	
8. Rental Property		13,058	12,979	16,388	10,614	
14. Merchants		81,013	54,095	79,986	27,056	
15. Investments		548,485	400,883	441,212	443,477	
Scope 3 GHG Intensity[3]	tCO_2e/ KRW billion	362.3	267.6	257.1	251.3	

1) In 2022, the emissions calculation methodology was expanded to include actual activity data from seven companies under Category 1 and 21 companies under Category 15, resulting in a decrease in GHG emissions compared to 2021.
2) From 2023, emissions from the raw material production stage of purchased electricity have been additionally calculated. Accordingly, GHG emissions in the relevant category have increased.
3) Scope 3 GHG intensity is calculated based on GHG emissions per KRW 1 billion in revenue, according to a separate standard.

Water Usage Status and Intensity

Category	Unit	2021	2022	2023	2024	2024 Target
Water Withdrawal[4] (=Water Usage)	m^3	604,870	640,831	675,296	710,778	719,552
Municipal Water		591,396	599,741	631,570	669,496	
Groundwater		13,474	41,090	43,726	41,282	
Water Discharge				652,262	683,731	695,008
Sewage[5]				652,262	683,731	
Water Consumption (=Water Withdrawal - Water Discharge)				23,034	27,047	24,544
Water Use Intensity (=Water Usage/Sales)	m^3/KRW million	50.0	51.6	53.6	55.6	
Data Coverage[6]	%	100	100	100	100	

5) Wastewater discharge for general office buildings is calculated as follows:
- Wastewater discharge = municipal water use + groundwater use
  However, for the four office buildings eligible for wastewater fee reduction (Busan Data Center, Jeonju, Daejeon Busan, Gwangju Usan), the calculation is as follows:
- Wastewater discharge = municipal water use + groundwater use - cooling tower input (separately measured)

6) Survey and aggregation were conducted for 27 SK Telecom office buildings.

Waste[1] and Recycling (By Source and Type)

Category	Emission Source	Category	Unit	2021	2022	2023	2024	2024 Target
Total Waste Discharged	Total		ton	5,554	4,112	5,982	4,399	5,216
		General		4,003	3,342	4,886	3,689	
		Hazardous		1,551	770	1,096	711	
	Headquarters			1,740	1,229	1,229	1,175	
		General		1,210	1,200	1,187	1,149	
		Hazardous		530	29	42	26	
	Network Infrastructure			3,814	2,883	4,753[2]	3,224	
		General		2,793	2,142	3,699	2,540	
		Hazardous		1,021	741	1,054	685	
Waste Intensity[3]			ton/ KRW billion	0.46	0.33	0.48	0.34	
Data Coverage[4]			%	100	100	100	100	

1) All waste is 100% treated through outsourcing.
2) The increase is attributable to the concentrated removal of equipment from discontinued services (2G and 3G).
3) Waste generation intensity is calculated based on waste emissions per KRW 1 billion revenue, according to a separate standard.
4) Based on the survey and aggregation of data from 27 SK Telecom office buildings and 4 infrastructure headquarters.

Waste and Recycling[2] (By Treatment Types[5])

Category	Treatment Types		Unit	2021	2022	2023	2024	2024 Target
Total Waste Discharged			ton	5,554	4,112	5,982	4,399	5,216
	Recycled/Reused			3,859	2,991	5,078	3,616	3,948
	Disposed			1,694	1,120	904	784	1,268
		Landfilled		617	105	110	236	
		Incinerated with Energy Recovery		250	187	194	390	
		With Unknown Disposal Method		826	828	600	158	
Recycling Rate (=Recycled/Total Waste Generation)			%	69.5	72.7	84.9	82.2	75.7

5) Based on the nationwide waste generation and treatment status from the resource circulation information system, estimates have been made.

Waste and Recycling (Electronic Waste only) – Details on waste electrical and electronic equipment[6]

Category	Unit	2021	2022	2023	2024
Electronic Waste	ton	1,254	497	969	1,433
Recycling Rate (Reused, Resold, Recycled)[7]	%	91.2	94.1	99.5	99.6
Other Disposal Rate (Disposed, Landfilled)		8.8	5.9	0.5	0.4

6) Waste from network infrastructure classified as "industrial waste electrical and electronic equipment" is disposed of through sale or consignment in accordance with relevant regulations.
7) Estimations are based on national statistical data from the "National Waste Generation and Treatment Status" in the Resource Circulation Information System

Total Environmental Cost

Category		Unit	2022	2023	2024
Total Environmental Cost	Total	KRW million	2,414	1,493	2,078
	Energy Saving and Climate Change Response Cost		2,128	1,189	1,809
	Waste Disposal/Recycling Service		242	232	198
	Charges & Taxes		44	72	70
			0.4	0.3	0.6

Other Environmental Data

Category		Unit	2021	2022	2023	2024	2024 Target
Training for Members	Training Completion Rate	%	70.8	81.5	88.0	88.1	88.0

Independent Assurance Opinion Statement

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

Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the "Assurer") was requested to verify the SK Telecom Annual Report 2024 (hereinafter referred to as the "Report"). The Assurer is independent of SK Telecom and has no major operational financial interest other than the assurance. This assurance opinion statement is intended to provide information related to the assurance of the SK Telecom report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any purpose other than the purpose of publication. This assurance opinion statement was prepared based on the information presented by SK Telecom and the assurance was carried out under the assumption that presented the information and data were complete and accurate.

SK Telecom is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to SK Telecom only.

The Assurer is responsible for providing SK Telecom management with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of SK Telecom. The Assurer shall not bear any other responsibility, including legal responsibility, to any third party other than SK Telecom in providing the assurance opinion and shall not be liable to any other purpose, purpose or stakeholders related thereto for which the assurance opinion may be used.

Scope

The scope of engagement agreed upon with SK Telecom includes the following:

- Reporting contents during the period from January 1st to December 31st 2024 included in the report, some data included the first half of 2025.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of material assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- In Accordance with the four principles of AA1000 AccountAbility in the report, based on the type of Sustainability Assurance based on AA1000AS v3 and if applicable, the reliability of the sustainability performance information contained in the report.

The following contents were not included in the scope of assurance.

- Financial information in Appendix.
- Index items related to other international standards and initiatives other than the GRI.
- Other related additional information such as the website, business annual report.

Assurance Level and Type

The assurance levels and types are as follows;

- Moderate level based on AA1000 AS and Type 1 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018 in the report.)

Description and sources of disclosures covered

Based on the scope and methodology of assurance applied, the assurer reviewed the following Disclosures based on the sampling of information and data provided by SK Telecom.

[Universal Standards]

2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)

[Topic Standards]

205-1~3, 302-1~5, 303-1~5, 305-1~7, 306-1~5, 401-1~3, 403-1~10, 404-1~3, 418-1

Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities;

- A top-level review of issues raised by external parties that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- Discussion with managers and staffs on organization's approach to stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Review of the system for sustainability management strategy process and implementation
- Review of materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures where available
- An assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the SK Telecom HQ (SK T tower) to confirm the data collection processes, record management practices.

Limitations and approach used to mitigate limitations

The Assurer performed limited verification for a limited period based on the data provided by the reporting organization. It implies that no significant errors were found during the verification process, and that there are limitations related to the inevitable risks that may exist. The Assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Competency and Independence

BSI (British Standards Institution) is a leading global standards and assessment body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with SK Telecom. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

Opinion Statement

The assurer was carried out by a team of sustainability report assurors in accordance with the AA1000 Assurance Standard v3. Assurer planned and performed this part of our work to obtain the necessary information and explanations assurer considered to provide sufficient evidence that SK Telecom's description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI standards were fairly stated.

On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environmental performance indicators are accurate and are supported by robust internal control processes.

Conclusions

The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). The detailed reviews against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards are set out below.

Inclusivity: Stakeholder Engagement and Opinion

SK Telecom defined employees, business partners, government, media, shareholders, customers, NGOs & local communities, and industry associations as a Key Stakeholder Groups. In order to collect opinions by each stakeholder group in the context of sustainability, operated the stakeholder engagement process. SK Telecom conducted a review of the stakeholder engagement process at the governance level in order to reflect the major issues derived through the stakeholder engagement process in sustainability strategy and goals. SK Telecom disclosed the results related to the process in the Report.

Materiality: Identification and reporting of material sustainability topics

SK Telecom implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. In the materiality assessment, SK Telecom conducted the analysis of global sustainability reporting or assessment standards, and analyzed international disclosure standards and evaluation indicators, benchmarking the same industry, and analyzing major regulatory issues to derive the impact and financial materiality. SK Telecom derived 3 key issues and 7 reporting issues through the relevant process, and disclosed GRI topic standards disclosures related to material issues in the Report.

Responsiveness: Responding to material sustainability topics and related impacts

SK Telecom operated a management process for material issues in the context of sustainability derived from the materiality assessment. SK Telecom established mid- to long-term sustainability plans and goals in according to the management methodology established to effectively reflect the expectations of key stakeholders. SK Telecom reviewed through major management organizations, disclosed the process including policy, indicator, activity and response performance on material issues in the Report.

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

SK Telecom identified the scope and extent of the impacts to the organization and key stakeholders in the context of the sustainability of the material issues reported. SK Telecom established sustainability strategies and objectives based on the analysis results of major impacts, including risks and opportunities for material issues at the governance level, disclosed mid- to long-term plans and strategic system in the Report.

Recommendations and Opportunity for improvement

The assurer will provide the following comments to the extent that they do not affect the result of assurance;

- It may be effective to advance the sustainability performance indicator management system of the subsidiary and expand the scope of data collection in responding to the requirements of the consolidated disclosure system.
- It may be helpful to balance of reporting by identifying negative impacts associated with important sustainability context-level issues and disclosing relevant management systems, mid- to long-term strategies, and directions.

GRI-reporting

SK Telecom provided us with their self declaration of compliance within GRI Standards. Based on our review, we confirm that social responsibility and sustainable development indicators with reference to the GRI Index. The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the Universal Standards and Topic Standards Indicators based on the data provided by SK Telecom. The sector standard was not applied.

Issue Date: 23/06/2025
For and on behalf of BSI (British Standards Institution):

BSI representative

Jungwoo Lee,
Lead Assurer, LCSAP

Seonghwan Lim,
Managing Director of BSI Korea

BSI Group Korea Limited: 29, Insa-dong 5-gil, Jongno-gu, Seoul, South Korea
Hold Statement Number: SRA 748825

AA1000 Licensed Report 000-4/V3-VW8K4 bsi.

Greenhouse Gas Emissions Assurance Statement (Scope 1+2)

Introduction

DNV Business Assurance Korea Ltd. (“DNV”) was commissioned by SK Telecom Co., Ltd. (here after “Company”) to verify the Company’s Greenhouse Gas Inventory Report for the calendar year 2024 (“the report”) based upon a reasonable level of assurance. Company is responsible for the preparation of the GHG emissions data on the basis set out within the guidelines on the operation of GHG emission trading scheme (“ETS) (Notification No. 2025-28 of Ministry of Environment)’ based on ISO14064-1. Our responsibility in performing this work is to the management of Company only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this assurance statement.

Objectives and Scope of verification

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

- Organizational boundary: Domestic business sites of Company (incl. infrastructure for telecommunication)
- Reporting boundary: Direct emissions (Scope 1 emissions) and Energy indirect emissions (Scope 2 emissions)
- Reporting period: 2024.01.01-2024.12.31

Verification Approach

The verification has been conducted by DNV in March 2025 and performed in accordance with the verification principles and tasks outlined in the guidelines on the operation of GHG ETS (Notification No. 2025-28, Korean Ministry of Environment) and the verification guideline for GHG ETS (Notification No. 2024-169, Korean Ministry of Environment) based on ISO 14064-3. We planned and concluded our work to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level. As part of the verification process;

- We have reviewed the report for the calendar year 2024
- We have reviewed and verified the process to generate, aggregate and report the emissions data

Conclusions

Based on the verification conducted, the information related to the GHG statement has been properly calculated and reported.

- DNV represents “unmodified” opinion on Greenhouse Gas Emissions.

Greenhouse Gas Emission in 2024[1)] (Unit: ton CO_2eq)

Company	Direct emissions (Scope 2)	Indirect emissions (Scope 2)	Total emissions
KOREA (Location-based)[2)]	5,923	1,160,614	1,166,518
KOREA (Market-based)[3)]		1,054,031	1,059,935

1) Total emissions might be different from the sum of direct and indirect emissions by applying the rule that emissions should be summed after truncating decimal places at the business site level.
2) The location-based method reflects Scope 2 GHG emissions associated with electricity consumption from the national grid, as determined under GHG ETS.
3) The market-based method is applied in accordance with the GHG Protocol, incorporating the company’s Scope 2 GHG emissions based on renewable electricity purchased through the 2024 Green Premium program. Due to the absence of a government-published residual mix emission factor as defined by the GHG Protocol, the emission factor from GHG ETS has been used.

June 2025
Seoul, Korea

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

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

Greenhouse Gas Emissions Assurance Statement (Scope 3)

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by SK Telecom Co., Ltd. ("Company") to perform third party verification for the Company's Greenhouse Gas Statement. The Company is responsible for the preparation of the GHG statement on the basis set out within 'WRI/WBCSD GHG Protocol: A Corporate Accounting and Reporting Standard ', 'The Corporate Value Chain (Scope 3) Accounting and Reporting Standard', 'IPCC Guidelines: 2006'. The Company has full responsibility of the GHG statement. According to terms of contract, DNV expressly disclaims any liability or co-responsibility for any decisions a 3rd party may make based on the verification opinion.

Objective and Scope of Verification

The objective of the verification is to present an independent verification opinion on the company's GHG statement, and the scope of verification is as follows;

- Organizational Boundary: Domestic business sites of SK Telecom
- Reporting Boundary: Scope 3 (Other Indirect emissions – Category 1, 2, 3, 5, 6, 7, 8, 14, 15)
- Reporting Period: 2024.01.01-2024.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the 'ISO 14064-3:2019', based upon a Limited Level of assurance. DNV planned and concluded our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level. As part of the verification process, we have reviewed as follows;

- Adequacy of GHG data control, collection and emission calculation and report process
- The GHG inventory is based on measurements and has inherent limitations that may arise from the process of calculating, estimating, and finalizing the reported data.

Conclusions

Based on the verification, there is no evidence that the GHG statement is not materially correct and is not a fair representation of GHG data and information.

- DNV represents "unmodified" opinion on Greenhouse Gas Emissions.

Other indirect emissions (Scope 3) (Unit: ton CO_2 equivalent)

Reporting year	Upstream	Downstream	Total emissions
2024	2,739,710	470,533	3,210,242

※ In order to report the GHG emissions as an integer, the rounded number might be different from the number on the calculation tool with ± 1 tCO_2e.

2025. 6. 19

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

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

Environmental Management System Certificate

IQNET kfq Korean Foundation for Quality

CERTIFICATE

Certificate Number: EAC-0770000

SK Telecom Co., Ltd.

• Headoffice : SK T-Tower, Euljiro 65, Jung-gu, Seoul, Korea (Zip code : 04539)

• Site : REFER TO 'APPENDIX'

Korean Foundation for Quality certifies that the above organization has complied with the following standard requirements.

ISO 14001:2015/KS I ISO 14001:2015

Scope of certification

• 1. Telecommunication Business and Service
2. Solution Development and Service Operation
3. Energy Saving Business

Registration Date 2023-10-25
Initial Certification Date 2022-09-27

Expiration Date 2026-10-24
Revision Date 2023-10-17

CERTIFIED kfq MANAGEMENT SYSTEM

KAB-EC-01

KFQ has been accredited in respect of ISO 14001 covered by the KAB (Accreditation Certificate Number KAB-EC-01)

Ji Young Song

Ji Young Song
President & CEO of KFQ

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GRI Standard Index

Statement of Use	SK Telecom, as the reporting organization, reports information for the period from January 1, 2024 to December 31, 2024 in accordance with the GRI Standards 2021.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	SK Telecom, as the reporting organization, does not apply the GRI Sector Standards corresponding to GICS or other industry classification systems, as they have not been issued as of the publication date.

General Disclosures

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	2-2 List of Companies Included in the Sustainability Report	207	
	2-3 Reporting Period, Frequency, and Contact Point	207	
	2-4 Restatement of Information	179	Total Employment Status Revision based on the business report
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	2-9 Governance Structure and Composition	26	
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	2-21 Annual Total Compensation Ratio	31	
	2-22 Statement on Sustainable Growth Strategy	4-5	
	2-23 Policy Commitment	108	
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	2-25 Process to Mitigate Negative Impacts	56-62	
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	2-28 Membership Associations (Initiatives)	184	
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GRI 3: Material Topics 2021	3-3 Management of material topics	117-120, 146-147	
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	TC-TL-550a.2	197	
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GRI 3: Material Topics 2021	3-3 Management of material topics	113-120, 146-147	
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Material Topic 3. Climate Change Response (Adaptation and Mitigation)			
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	302-4 Reduction in energy consumption	87, 186	
	302-5 Reduction in energy requirements of products and services	186	
GRI 305: Emissions 2016	305-1 Direct greenhouse gas (GHG) emissions (Scope 1)	85-86, 185	
	305-2 Indirect GHG emissions (Scope 2)	85-86, 185	
	305-3 Other indirect GHG emissions (Scope 3)	86-87, 187	
	305-4 GHG emissions intensity	185	
	305-5 Reduction in GHG emissions	186	
	305-6 Emissions of ozone depleting substances (ODS)	Not applicable	Not applicable. Due to the nature of the industry, there are no emissions of ozone-depleting substances or associated environmental impacts.
	305-7 NOx, SOx, and other significant air emissions	Not applicable	

GRI Standard 2021	Indicators	Page	Note
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	401-3 Parental leave	181	
GRI 404: Training and Education 2016	404-1 Average training hours per employee	98	
	404-2 Employee capacity building and transition support program	94-96	
	404-3 Percentage of employees receiving regular performance evaluation and career development review	96	

Material Topics

GRI Standard 2021	Indicators	Page	Note
Material Topic 7. Establishing a Circular Economy Through Water Resources and Waste Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	14-19, 150	
GRI 303: Water and Effluents 2018	303-1 Interaction with water as a shared resource	91	
	303-2 Management of impacts related to water discharge		Due to the nature of the industry, the impact of effluent is minimal, and there are no separate effluent quality management standards in place.
	303-3 Water withdrawal	187	
	303-4 Water discharge		
	303-5 Water consumption		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	92	
	306-2 Management of significant waste-related impacts		
	306-3 Waste generation	188	
	306-4 Waste recycling	188	
	306-5 Waste treatment method	188	
Material Topic 8. Enhancement of Governance Soundness and Transparency			
GRI 3: Material Topics 2021	3-3 Management of material topics	21-33, 150	
NON-GRI	No related topic standard		
Material Topic 9. Expansion of Occupational Health and Safety Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	100-106, 150	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	99-100	
	403-2 Occupational health and safety management system	103-105	
	403-3 Occupational health services	101	
	403-4 Worker participation, consultation, and communication on occupational health and safety	99-104	
	403-5 Worker occupational health and safety training	101	
	403-6 Worker health promotion	101	
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly related to business relationships	100	
	403-8 Workers covered by an occupational health and safety management system	100-101	
	403-9 Work-related injuries	106	
	403-10 Work-related ill health	106	
Material Topic 10. Ethical Management and Compliance			
GRI 3: Material Topics 2021	3-3 Management of material topics	34-38, 40-45, 150	
GRI 205: Anti-corruption 2016	205-1 Assessment of corruption risks	36	
	205-2 Communication and training about anti-corruption policies and procedures	35	
	205-3 Confirmed incidents of corruption and actions taken	37	

Sustainability Accounting Standards Board (SASB)

SK Telecom recognizes the importance of corporate sustainability and its impact on stakeholders and strives to ensure that its management indicators—including those related to the environment, information security, business ethics, circular economy, and risk management—align with international sustainability standards. The company also aims to manage and fully disclose both qualitative and quantitative indicators indicators for each item in accordance with Sustainability Accounting Standards Board (SASB) recommendations so that stakeholders can accurately understand its sustainability-related activities. SASB metrics are reviewed and approved by the board of directors and executives before disclosure, and for indicators that do not yet meet SASB standards, the company plans to set achievement targets and continuously improve them through further review.

Activity Metrics

(as of December 31, 2024)

Activity Metric	Category	Unit of measure	Code	Status	Page
Wireless Subscribers	Quantitative Metric	No. of Persons (Subscribers)	TC-TL-000.A	Number of wireless subscribers: 22.7 million	162
Wired Subscribers			TC-TL-000.B	SKIncluding SK Broadband and SK Telink voice over internet protocol (VoIP) service subscribers: 3.4 million	163
Broadband Subscribers			TC-TL-000.C	High-speed internet subscribers: approximately 7.2 million, paid TV subscribers: approximately 9.6 million	163
Network Traffic		Petabytes	TC-TL-000.D	Annual wireless communication lines: 48.08 million, annual processed data traffic: 5.49 million TB	117

Sustainability Disclosure Topics and Accounting Metrics

(as of December 31, 2024)

Topic	Accounting Metric	Category	Unit of measure	Code	Status	Page
Operational Emissions	(1) total energy consumption, (2) grid electricity ratio, (3) renewable energy ratio	Quantitative Metric	GJ/%	TC-TL-130a.1	Total energy consumption 24,379.4 TJ	185
Customer Information Protection	Advertising activities and retention policy and activities related to customers' personal information	Qualitative Metric	n/a	TC-TL-220a.1	2024 personal information protection training completed by 5,451 employees	51
	Number of customers whose information was collected for secondary use	Quantitative Metric	No. of Persons (Customers)	TC-TL-220a.2	Total 23,015,575 (consent: 15,650,779 / non-consent: 7,364,796)	52
	Financial loss (such as administrative fine) due to violation of customer information protection regulations		KRW	TC-TL-220a.3	Not applicable	-
	Customer information related (1) number of legal sanctions, (2) number of customers whose information was requested, (3) disclosure ratio		cases/%	TC-TL-220a.4	Government agency communication data request: 242,095 cases, communication verification data request: 46,671 cases	55
Information Security	(1) number of information security violations, (2) personally identifiable information (PII) security violation ratio, (3) number of affected customers	Quantitative Metric	cases/%	TC-TL-230a.1		-
	Management approach to identifying and addressing information security risks, including the use of third-party information security standards	Qualitative Metric	n/a	TC-TL-230a.2	In accordance with the Personal Information Protection Act, the "Privacy Policy" is publicly disclosed on the company website (customer personal data is collected based on prior opt-in consent and used only within the scope of specified purposes; when providing personal information to third parties, data is shared based on the customer's optional consent).	52
Waste Management	(1) ecycled resources through the resource recovery program, (2) resource reuse rate, (3) recycling rate, (4) landfill rate	Quantitative Metric	ton, weight, percentage	TC-TL-440a.1	recycling rate 82.2%	188
Fair Competition and net Neutrality	Financial loss (including administrative fines) resulting from regulatory violation related to unfair competition	Quantitative Metric	KRW	TC-TL-520a.1		Refer to business report page 432
	(1) Proprietary content and commercially related content, (2) Average download speed of unrelated content		Mbps	TC-TL-520a.2	Download speed data broken down by content type(proprietary, commercial, non-affiliate) is not disclosed. However, no differentiation is made in download speeds based on content type.	117
	Description of risks and opportunities related to net neutrality, paid peering, and zero rating	Qualitative Metric	n/a	TC-TL-520a.3	SK Telecom complies with the Ministry of Science and ICT's guideline on net neutrality and internet traffic management.	-
Management of Systemic Risk Caused by Technological Disruption	(1) System Average Interruption Duration, (2) System Average Interruption Frequency, (3) Customer Average Interruption Duration	Quantitative Metric	Customer Frequency per Case, Duration	TC-TL-550a.1	Number of major communication failures: 0 cases	119
	A system designed to ensure normal service operation and provision in preparation for service interruption and similar situations.	Qualitative Metric	n/a	TC-TL-550a.2	SK Telecom is establishing an emergency recovery system to minimize the inconvenience to the public and the social and economic impact caused by network disruptions. SK Telecom is also implementing an enterprise risk management (ERM) system to proactively identify potential risks in the business environment and to respond efficiently to identified risks.	56-62, 119

Task Force on Climate-related Financial Disclosures (TCFD)

Due to the increasing frequency of abnormal climate events, climate risks arising within industries are also growing. In response, SK Telecom aims to transparently disclose its preparedness for financial risks—an issue of concern for key stakeholders—by proactively managing the potential financial risks triggered by climate change. In line with the TCFD recommendations, SK Telecom discloses its climate-related response activities across four key areas: governance, strategy, risk management, and metrics and targets. The company strives to address not only the recommended disclosures of the TCFD but also its sector-specific guidance. For areas identified as needing improvement, SK Telecom plans to establish clear goals and continuously enhance its disclosures through additional review and refinement.

To this end, SK Telecom regularly monitors climate-related risks and opportunities through the ESG Committee and the responsible department (ESG Development Office). The risks and opportunities related to climate change are examined from multiple perspectives, considering various aspects such as "policy and law, technology, market, reputation, and acute and chronic impacts The identified climate-related risks and opportunities, along with corresponding response plans, are reviewed and approved by the board and executives, and are systematically disclosed in accordance with the TCFD framework. In 2024, SK Telecom published a standalone climate disclosure report.

TCFD Recommended Disclosures		Page	CDP Mapping
Governance	a) Oversight of the Board of Directors Description of the board's oversight of climate-related risks and opportunities	65-66	Module 4
	b) Role of Executives Description of executives' role in assessing and managing climate-related risks and opportunities	65-66	
Strategy	a) Climate-Related Risks and Opportunities over the Short, Medium, and Long Term Climate-related risks and opportunities identified by the organization over the short, medium, and long term	67-70	Module 3 & 5
	b) Impact of Climate-Related Risks and Opportunities Description of the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning	71-74	
	c) Resilience under Climate Scenarios Description of the organization's strategy for responding under climate scenarios, including a scenario of 2°C or lower	75-81	
Risk Management	a) Processes for Identifying and Assessing Risks Description of the organization's processes for identifying and assessing climate-related risks	67-68	Module 2
	b) Risk Management Processes Description of the organization's processes for managing climate-related risks	82-83	
	c) Integration into Enterprise Risk Management Description of how climate-related risk identification, assessment, and management are integrated into the organization's enterprise risk management (ERM) system	56-60	
Metrics & Targets	a) Metrics for Assessing Climate-Related Risks and Opportunities Description of the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management processes	84-85	Module 7
	b) Greenhouse Gas Emissions Disclosure of Scope 1, Scope 2, and Scope 3 greenhouse gas emissions, along with a description of the associated risks	85-86	
	c) Targets for Managing Climate-Related Risks and Opportunities Description of the organization's targets for managing climate-related risks and opportunities, including progress toward achieving those targets	85-86	

Stakeholder Engagement for Climate Change Response

Framework Indicator		SKT Status & Actions
Policy & Commitment	1) Make a public commitment to conduct all climate-related lobbying activities in alignment with the global goal of limiting temperature rise to 1.5°C above pre-industrial levels	SK Telecom implements all climate change response activities, including climate-related donations and sponsorships, in alignment with the national greenhouse gas reduction targets (NDC) and the Paris Agreement. In 2021, SK Telecom established a Net Zero target based on the Science Based Targets initiative (SBTi[1]), and in 2022, formally declared its commitment to achieving "2050 Net Zero" at the 38th Annual General Meeting of Shareholders. The company measures greenhouse gas emissions both within and beyond its organizational boundaries annually and aims to achieve full Net Zero by 2050 through active annual carbon reduction efforts, starting with a 47.7% reduction in direct and indirect emissions (Scope 1+2) and a 22.3% reduction in other indirect emissions (Scope 3) by 2030 compared to 2020 levels.
	2) Apply the scope of climate-related lobbying commitment to all subsidiaries, business areas, and operational jurisdictions.	The climate-related donation and sponsorship policy of SK Telecom applies uniformly across all jurisdictions where its domestic and overseas subsidiaries operate, including South Korea, where over 99% of the company's revenue is generated.
	3) Publicly commit to taking measures to ensure that affiliated associations and coalitions conduct climate-related lobbying in alignment with the goal of limiting global temperature rise to 1.5°C above pre-industrial levels.	SK Telecom, as a member of associations and organizations related to the mobile telecommunications industry, supports all climate change response activities of each institution, including climate-related donations and sponsorships, to support alignment with the nationally determined contribution (NDC) for greenhouse gas reduction and the Paris Agreement.
Governance	4) Assign board-level responsibility for the oversight of the approach to and activities related to climate-related lobbying.	SK Telecom established the ESG committee in 2021 as an independent body under the board of directors, composed of four independent directors. The ESG committee serves as the highest decision-making body, receiving reports on key climate change issues from executives and operational staff and making decisions accordingly. The ESG committee regularly reviews the direction and performance reports for major ESG-related areas, and is responsible for supervising and monitoring Net Zero implementation status, major disclosure items including climate-related donations and sponsorships, and other key matters.
	5) Assign executives–level responsibility for the day-to-day implementation of climate-related lobbying policy and activities.	SK Telecom's CEO and Head of ESG, as key executives responsible for responding to climate change, manage major issues including climate-related lobbying and sponsorships. The CEO receives regular reports on the progress of the 2050 Net Zero goals, climate risk assessments, and responses, and supports the ESG Committee in discussing and making appropriate decisions on key issues. The Head of ESG oversees ESG-related operations, ensuring that related businesses and organizations can respond effectively and manage integratively. In addition, when material risks and opportunities arising from climate change are identified, they are immediately reported to the CEO for prompt decision-making.
	6) Establish an annual monitoring and review process to ensure that all direct and indirect climate-related lobbying activities across all regions align with the goal of limiting global temperature rise to 1.5°C above pre-industrial levels.	SK Telecom implements all climate change response activities, including climate-related donations and sponsorships, in alignment with the NDC and the Paris Agreement. The ESG committee reviews major issues and deliberates on monitoring results every month, and whether all direct and indirect climaterelated donations and sponsorships are aligned with the goal of limiting global temperature rise to 1.5°C above pre-industrial levels is also included as a key agenda item.
	7) Establish a process for engaging relevant stakeholders in the development and review of climate-related lobbying policies, positions, and activities.	SK Telecom actively communicates with both internal and external stakeholders regarding potential risks and opportunities arising from climate change, including policies and activities related to climate-related donations and sponsorships. The company also conducts policy monitoring and tracks trends in the domestic and global telecommunications industry. In particular, SK Telecom identifies climate-related risks and opportunities that may have a significant impact, and implements a materiality assessment process and management system to establish a framework for financial impact analysis and response.
	8) Establish a clear framework to address any misalignment between the climate lobbying positions of associations or coalitions to which the company belongs and the goal of limiting global temperature rise to 1.5°C above pre-industrial levels.	SK Telecom manages the implementation status of its Net Zero strategy—including policies and activities related to climate-related donations and sponsorships—as well as the impacts of climate change through an enterprise-wide risk management and execution system. In relation to climate-related donations and sponsorships, if the goals of an association or organization to which the company belongs are not aligned with the NDC or the Paris Agreement, the company maintains a policy to consider its role, status, and level of involvement in the organization, and may take actions such as issuing an official statement on goal-setting and implementation, requesting the formation of meetings or consultative bodies, prohibiting donations and sponsorships, or withdrawing from the organization.
	9) Publish a detailed annual review report covering the company's assessment of and actions taken to ensure alignment with the 1.5°C goal in the following areas: (a) the company's own climate-related lobbying activities; (b) the climate-related lobbying activities of associations, coalitions, or civil society organizations to which the company belongs or provides support.	SK Telecom reviews whether its climate-related donation and sponsorship policy aligns with the NDC and the Paris Agreement. The same monitoring procedure is applied not only to SK Telecom's own activities but also to those of associations and organizations to which the company belongs. As a result of this monitoring, SK Telecom has not identified any climate-related donation or sponsorship activities—either by the company or by its affiliated associations and organizations—that are inconsistent with the NDC or the Paris Agreement.

1) SBTi (Science Based Targets initiative): A global initiative that conducts the establishment and monitoring of science-based reduction targets to achieve the 1.5°C goal set by the Paris Agreement

Framework Indicator		SKT Status & Actions
Governance	10) Recognize and disclose any misalignment between the company's climate change lobbying activities—and those of any association, alliance, or funded civil society organization to which it belongs—and the target to limit global temperature rise to 1.5°C above pre-industrial levels, along with the actions taken in response	SK Telecom has not identified any misalignments between its climate-related donation and sponsorship, lobbying activities and those of the associations or organizations it belongs to, in relation to the goals of the NDC and the Paris Agreement.
	11) Form or join a coalition that engages in lobbying activities to support the goal of limiting global temperature rise to 1.5°C above pre-industrial levels	The Global System for Mobile Communications Association (GSMA) declared its participation in the SBTi in 2019 to achieve the 1.5°C target set by the Paris Agreement, and SK Telecom has publicly expressed its commitment to fulfilling the Paris Agreement through joint participation. SK Telecom is actively participating in associations and initiatives that support the achievement of the Paris Agreement, including becoming the first Korean company to join RE100 in 2020 and establishing its own SBTi-based Net Zero goal in 2021.
Specific Disclosures	12) Disclose membership, support, and participation in associations and alliances engaged in climate-related lobbying activities across all regions	SK Telecom reviews its climate-related donation, sponsorship, and lobbying policies for alignment with the Nationally Determined Contribution and the Paris Agreement, and applies the same monitoring process to its direct activities as well as the activities of associations and organizations to which it belongs. The results of our monitoring are transparently disclosed in our Annual Report.
	13) Disclose the following information for each association or coalition: (a) Annual expenditures; (b) Associations or coalitions in which the company holds a board seat or plays an active role in climate-related committees or other activities	SK Telecom publicly discloses the names and characteristics of the associations and organizations to which it belongs, as well as its status and role within them, along with information on annual expenditures. None of these associations or organizations to which SK Telecom belongs serve on its board of directors, nor do they participate directly in committees or other activities related to climate change.
	14) Provide comprehensive disclosure to external stakeholders on: (a) the impact of the company's climate lobbying on supporting or challenging public climate policy; and (b) the impact on the implementation of the company's climate strategy	SK Telecom considers all climate change response activities, including climate-related donations, sponsorships, and lobbying, to contribute to the achievement of the Nationally NDC when implementing the SBTi-based Net Zero goal established in 2021 and the '2050 Net Zero' roadmap. This policy is a fundamental principle for SK Telecom's three green strategies (Green Operation, Green Energy, and Green Forest), which are aimed at reducing direct and indirect emissions (Scope 1+2) by 47.7% and other indirect emissions (Scope 3) by 22.3% compared to 2020 by 2030, and contribute to realizing full Net Zero by 2050 through active carbon reduction every year.

Association Joined	Issues and Topics	SK Telecom's Role and Involvement	Status	FY 2024 Total Expenditures
Happiness Connect Foundation	• Established by the SK Group's Happiness Sharing Foundation, this public interest corporation participates in climate change response through initiatives such as used IT device recycling and plastic-free recycling projects, and reinvests in job creation and public interest projects.	• Expanding the scope of eco-friendly projects by contributing funds to the Foundation (broadening the scope of resource circulation to include food container circulation, recycling collection, etc.) • Building a foundation for SKT's AI-linked eco-friendly platform (enhancing B2B/B2C engagement through system (app/web) advancement, and improving efficiency in separation and sorting through Vision AI) • Discovering experience-based events and programs for employees and stakeholders (promoting collaboration with internal organizations such as labor union programs, and partnering with large corporate programs)	Sponsor	KRW 3 billion

United Nations Global Compact (UNGC)

The United Nations urges companies to support the ten principles of the United Nations Global Compact (UNGC), which encompass human rights, environment, labor, and anti-corruption, and to contribute to the UN's development agenda through comprehensive efforts that include the Sustainable Development Goals (SDGs). As a founding member of the Korean Association of the UNGC, an organization under the United Nations, SK Telecom became the first of Korea's four major conglomerates to join the UNGC in 2007. Since then, SK Telecom has complied with the ten principles of the UNGC and has supported the United Nations development agenda, including the SDGs, in a comprehensive manner. In particular, in April 2013, SK Telecom publicly declared its support for the human rights principles set forth in the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights (Ruggie Framework) of the United Nations Human Rights Council, and the CEO made a formal commitment to fulfill responsibilities related to respect for human rights. Going forward, SK Telecom will continue to address domestic and global social issues and promote global ESG trends through various activities that support and comply with the principles of the UNGC.

UNGC ACTIVITIES

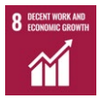
Associations and Initiatives	Date of Membership	Purpose and Note
UNGC HQ	May 2007	Enhancement of SK Telecom's ESG system and improvement of domestic and global ESG reputation through participation in global ESG initiatives
UNGC Korea Network	Sep. 2007	
UNGC LEAD	Jan. 2011	

Criteria for UNGC Advanced Level			Page
Implementation of the Ten Principles of the UNGC in Strategy and Operations	Criterion 1	Efforts to integrate the Ten Principles of the United Nations Global Compact (UNGC) into organizational	207
	Criterion 2	Implementation of the Ten Principles of the United Nations Global Compact (UNGC) within the value	34-38
Robust Human Rights Management Policy and Procedure	Criterion 3	Commitment, strategies, and policies for the promotion of human rights	107-112
	Criterion 4	Effective management systems to integrate human rights principles into business and management processes	
	Criterion 5	Monitoring and evaluation mechanisms to ensure compliance with human rights principles in business and management processes	
Robust Labor Management Policy and Procedure	Criterion 6	Commitment, strategy, and policy for labor	93-98, 179-184
	Criterion 7	An effective management system to reflect labor principles within business and management procedures	
	Criterion 8	Monitoring and evaluation mechanism to ensure compliance with labor principles within business and management procedures	
Robust Environmental Management Policy and Procedure	Criterion 9	Commitment, strategies, and policies for the promotion of environmental responsibility	64-92, 185-188
	Criterion 10	Effective management systems to integrate environmental principles into business and management processes	
	Criterion 11	Monitoring and evaluation mechanisms to ensure compliance with environmental principles in business and management processes	

Criteria for UNGC Advanced Level			Page
Robust Anti-Corruption Policy and Procedure	Criterion 12	Commitment, strategy, and policy regarding anti-corruption	34-45
	Criterion 13	An effective management system to reflect anti-corruption principles in business and management procedures	
	Criterion 14	Monitoring and evaluation mechanism to ensure compliance with anticorruption principles within business and management procedures	
Activities Supporting the Achievement of the UN's Comprehensive Goals and Resolution of Issues	Criterion 15	Contribution to the achievement of UN goals and resolution of related issues through core business activities	133-141
	Criterion 16	Strategic social investment and charitable activities for the achievement of UN goals and resolution of related issues	
	Criterion 17	Public engagement and communication for the achievement of UN goals and resolution of related issues	142, 184
	Criterion 18	Partnerships and participation in external initiatives for the achievement of UN goals and resolution of related issues	207
Sustainability Governance and Leadership	Criterion 19	CEO commitment and leadership in sustainability	4-5
	Criterion 20	Adoption and oversight of sustainability agenda by the board of directors	29
	Criterion 21	Stakeholder engagement	151-153

UN Sustainable Development Goals (SDGs)

In September 2015, the United Nations established the Sustainable Development Goals (SDGs), comprising 17 goals and 169 detailed targets across the economic, environmental, and social sectors, through the participation of 193 member states and world leaders. SK Telecom supports the UN SDGs and has designated seven key goals as priority areas, aligning them with its future value creation strategy, the Double Bottom Line (DBL). By pursuing and implementing goals that consider not only financial impact but also social impact, SK Telecom aims to create sustainable value for humanity.

			Double Bottom Line (DBL)		
Goal	SDG Context	SK Telecom's Contributions	Social Impact	Business Impact	Mid-to-Long-Term Goals
	Ensure healthy lives and promote well-being for all at all ages 3.7 Ensure universal access to healthcare services	• Provision of personalized AI speaker-based care services to support isolated seniors and middle-aged individuals living alone, and to prevent solitary deaths • Deliver AI call services in which AI acts as a counselor, calling care recipients to check on their well-being and health, and help prevent solitary deaths	• Improvement of welfare and care blind spots for the elderly through accessible approaches • Contribution to the reinforcement of a new AIbased social safety net through the provision of customized services tailored to individual needs	• Reduction of workload of care services for local governments and welfare institutions, enabling them to focus more on on-site support	• Expansion of care services beyond emergency response and dementia prevention for vulnerable populations, to include speech therapy and behavioral interventions for individuals with developmental disabilities, as well as proactive safety measures for both industrial and everyday settings targeting workers and the general public
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all 4.4 Enhance ICT skills of seniors and youth 4.5 Provide equal access to education for vulnerable groups including persons with disabilities and indigenous peoples	• Operation of the "Happiness AI Coding School" and host coding challenges to provide software education for youth with disabilities • Run the "SKT AI Fellowship" program to share in-house technological expertise and development experience with university students • Offer the "SKT AI Curriculum," which includes AI-focused lectures and mentoring by professionals, to foster outstanding talent in the field of AI	• Creation of social and national value through AI competency development and professional talent cultivation based on a digital convergence training platform • Discovery of talent and enhancement of well-being among youth with disabilities through software education • Support for students with limited practical experience to grow by participating in real-world projects through the SKT AI Fellowship program	• Enhancement of customer experience and brand value through educational opportunities and experiential services related to innovative technology	• Expansion of positive impact through bridging the digital divide for digitally vulnerable groups and sharing capabilities in advanced AI and ICT fields • Participation of 3,300 individuals in the Happy Coding School by 2027
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all 8.3 Encourage creative and innovative policies for job creation and promote the growth of small and medium-sized enterprises (SMEs)	• Promotion of co-prosperity marketing partnerships with small businesses through programs such as T Day and Open Membership • Support the growth of outstanding ICT startups—particularly in 5G and AI—that address diverse social issues (e.g., ESG Korea, AI Startup Accelerator) • Provide stable business operation support through seminars, mentoring, and infrastructure such as office space, while fostering growth through open collaboration with startups	• Contribution to revitalizing local commercial districts and supporting small business participation in online commerce • Support for addressing diverse social issues by providing startup accelerator programs focused on solving social challenges	• Strengthening of customer loyalty through the membership program • Establishment of a virtuous cycle development system in the startup ecosystem through support for ESG innovation startups and engagement in fund investment and business collaboration • Acceleration of startup growth and enhancement of business competitiveness through open collaboration linking startups with SK Telecom's business	• Identification of continuous small business support programs • Fostering of 30 startups through the accelerator program and facilitate 15 business collaborations by 2027
	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation 9.1 Supporting human wellbeing and economic development by building sustainable, high-quality infrastructure that provides reasonable and equitable access for all	• Development of network slicing technology to provide customized 5G networks tailored to specific applications and services • Continuation of technological innovation by integrating telecommunications and AI across various industries, including 3D spatial network analysis and telco-edge AI–based autonomous robot demonstrations using AI technologies	• Improvement of telecommunications services and network quality to establish a high-quality network infrastructure • Provision of differentiated customer experiences through a range of 5G-based services	• Creation of new business opportunities based on core infrastructures such as 5G and AI, including artificial intelligence data center (AIDC), artificial intelligence businessto-business (AIB2B), and artificial intelligence business-to-consumer (AIB2C).	• Securing of sustained leadership in 5G and proactively adopting next-generation network technology.

Goal	SDG Context	SK Telecom's Contributions	Double Bottom Line (DBL)		Mid-to-Long-Term Goals
			Social Impact	Business Impact	
	Make cities and human settlements inclusive, safe, resilient and sustainable 11.7 Formation of safe and pleasant cities for women, children, the elderly, and persons with disabilities 11.A Strengthening economic, social, and environmental connectivity between urban and rural areas through regional development planning	• Establishment of a social safety net to protect the safety and lives of the public in emergency situations such as infectious diseases (COVID-19) and natural disasters (wildfires, typhoons, heavy rain, earthquakes) through the dispatch of disaster alert messages • Enhancement of public earthquake disaster safety by building an "Earthquake Observation Network" in cooperation with public institutions, utilizing the company's base stations and distribution networks • Support for the adaptation of individuals with severe developmental disabilities to community life by implementing a Vision AI-based system for automatic detection and recording of challenging behaviors in residential care facilities	• Minimization of disaster-related damage for the general public by sending disaster alert messages at the base station level, including subscribers of other carriers • Utilization of infrastructure to provide natural disaster prediction and detection services to enhance public safety and minimize damage • Improvement of the quality of life for individuals with developmental disabilities and their families, while reducing the burden of care	• Promotion of various value-added services that can be linked to disaster text messaging through collaboration with the government and local municipalities • Enhancement of IoT business competitiveness through ongoing collaboration with government agencies such as the Korea Meteorological Administration and system advancement • Enhancement of Vision AI competitiveness by accumulating data on self-harm and harmful behavior involving individuals with developmental disabilities	• Contribution to expansion of social safety nets to protect the safety and lives of the public in various disaster situations • Support for inter-agency cooperation measures such as establishing government response protocols in the event of earthquakes • Expansion of Vision AI-based care services beyond persons with disabilities to include seniors, children, and the general public
	Take urgent action to combat climate change and its impacts 13.2 Integrate climate change measures into national policies and strategies for implementation	• Declared the 2050 net zero target and obtained approval for the science-based greenhouse gas reduction target from the SBTi(Science Based Targets initiative). • Minimization of greenhouse gas emissions increase applying single RAN technology (integration and upgrade of 3G and LTE equipment) and AI-based power saving technology. • Contribution to the achievement of the NDC(Nationally Determined Contributions) by expanding ICT-based high-efficiency low-carbon energy management technology, including building energy management system (BEMS), factory energy management system (FEMS), and lighting energy management system (LEMS).	• Contribution to the reduction of greenhouse gas emissions by participating in greenhouse gas reduction projects and initiatives	• Expansion of market opportunities for ICT based energy and environmental solutions	• Achievement of Net Zero 2050 and 47.7% reduction in emissions (Scope 1+2) by 2030 compared to 2020 levels
	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development 17.16 Strengthen global partnerships among diverse stakeholders by sharing knowledge, expertise, technology, and financial resources	[UN Global Compact] • Founding membership in the Korea Association, the local network of the UN Global Compact (UNGC) • Attendance at the 2024 general assembly of the UNGC • Participation in the "climate action" goal, one of the Forward Faster action areas of the UNGC	• Establishment of the status and influence of an ESG leading company among Korean companies within the UNGC Network(United Nations Global Compact Network)	• Establishment of a cooperation framework based on ESG (environmental, social and governance) in collaboration with global partners	• Selection as a member of the UNGC(United Nations Global Compact) LEAD Group and established and implemented a collaborative system in five SDG(sustainable development goals) areas
		• Joining the Task Force on Climate-related Financial Disclosures (TCFD) to address climate change • Joining the Taskforce on Nature-related Financial Disclosures (TNFD) to protect biodiversity • Participation in the climate crisis adaptation council led by the national climate crisis adaptation center • Participation in the biodiversity platform in collaboration with the ministry of environment and founding companies of the Korea Business Council for Sustainable Development (KBCSD) • Announcement of a biodiversity protection declaration and a no deforestation declaration	• Enhancement of environmentally friendly internal and external activities • Contribution to the enhancement of biodiversity initiatives, which have recently gained increased importance	• Expansion of new business opportunities through environmentally friendly activities aimed at reducing carbon emissions	• Publication of the 2030 TNFD report

Service Stability Report

SK Telecom is committed to the stable provision of wireless communication services and is making diverse efforts in operating its wireless communication network, including the application of appropriate technological elements, securing a robust management process and system, and more. SK Telecom is also making proactive and substantial investments to achieve these objectives.

1. General Efforts and Investments to Ensure Stability

Service Stability Management System

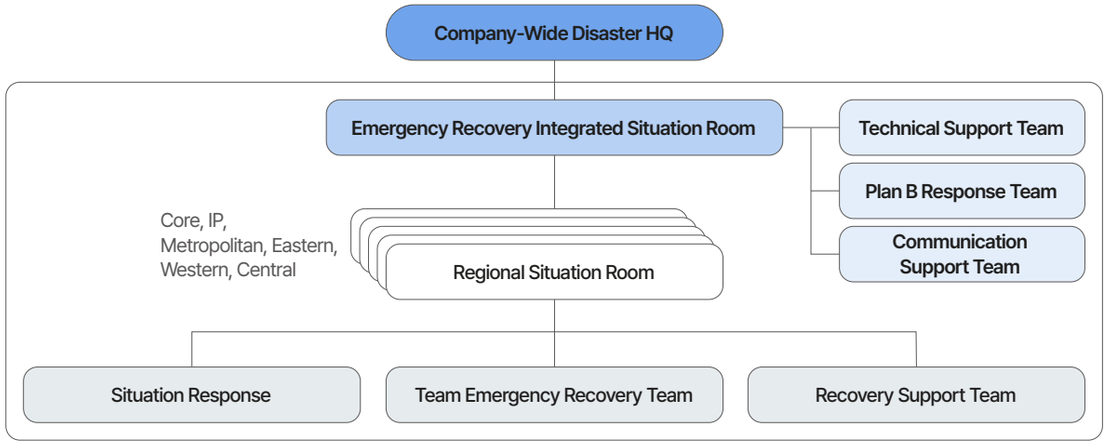
SK Telecom has established a service stability management system and maintains a crisis response system to ensure systematic and prompt action in the event of a telecommunications disaster. When an actual disaster occurs, SK Telecom transitions to the crisis response system according to the disaster response phase and responds systematically based on the roles of each organization.

Under the crisis response system, SK Telecom comprehensively and systematically manages disaster situations, and carries out prompt recovery and support for disasters through the provision of necessary material, human, and technical assistance for emergency restoration.

The regional situation room conducts inspections of actual damage and secures the necessary human and material resources for recovery, enabling swift and accurate restoration of disruptions. At the same time, it communicates the status of disruptions and recovery progress to the emergency recovery integrated situation room, thereby supporting clear assessment and decisionmaking in disaster situations.

The Integrated Emergency Recovery Situation Room serves as the control tower for disaster response, monitoring the status of damage and recovery, and ensuring a comprehensive response by coordinating with related organizations.

Emergency Recovery System



In addition, SK Telecom operates an integrated network control center 24 hours a day to enable proactive risk response, monitor service quality, and ensure a rapid recovery system in the event of disruptions. The integrated network control center manages and supervises daily operations, and during holidays or large-scale events, special communication measures are implemented to monitor network quality. In 2024, special communication measures were put in place for major holidays such as Lunar New Year and Chuseok, as well as for large-scale events including rallies in Yeouido and Gwanghwamun, the Yeouido Fireworks Festival, and Halloween. Temporary facilities were installed, and proactive traffic monitoring and service quality inspections were also conducted.

Disaster Preparedness Activities for Stable Network Operation

Management of Critical Telecommunications Facilities

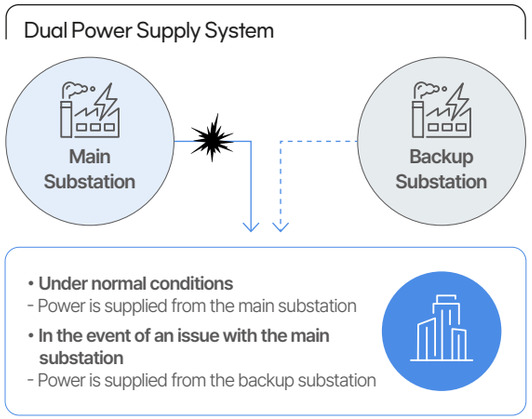
SK Telecom manages critical telecommunications facilities in accordance with the facility classification standards set by the Ministry of Science and ICT. SK Telecom conducts regular safety inspections through safety management status checks and systematically manages the results. In particular, SK Telecom implements access and security management within telecommunications facilities using CCTV, conducts fire protection equipment inspection to prevent fire, and takes protective measures for facility entry manholes and other key infrastructure.

Network Redundancy and Dual Network Architecture

To enhance the reliability of its network infrastructure, SK Telecom is establishing dual and diversified configurations for its core backbone networks. In addition, to prevent the spread of failures from a single central office to subordinate central offices, SK Telecom is implementing the dualization of upper-level central offices for critical communication facilities. For newly designated critical communication facilities, dualization of upper-level central offices is being completed within the same year. In 2024, SK Telecom successfully completed the dualization process for upper-level central offices at 12 newly designated sites.

Securing Stability of Power Supply

Ensuring stable power supply is essential for the reliable operation of communication facilities. Accordingly, SK Telecom has dualized the power supply network for 12 critical communication facilities classified as grade A or B, so that each facility receives power from separate substations. This enables uninterrupted wireless communication services even if an issue arises at one substation. Furthermore, all critical communication facilities are equipped with batteries and generators to secure at least three hours of backup power in preparation for potential outages.

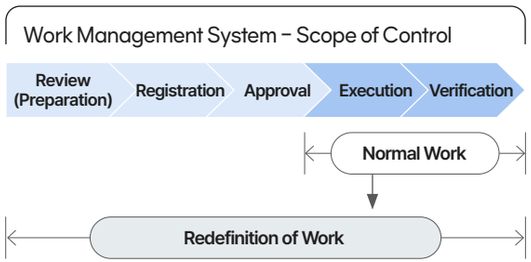


Securing a Work Management System

Network systems frequently require various tasks due to operational requirements and the addition of new features. If clear work rules and thorough management/control processes for these network tasks are lacking, there is a significant risk of compromising service stability as a result of task execution. Accordingly, SK Telecom has redefined the standard work process for executing and verifying tasks, establishing a systematic management and control process that includes task review (preparation), registration, approval, execution, and verification. By implementing a work management system, SK Telecom is able to proactively prevent failures caused by tasks and maintain service stability.

Through the work management system, SK Telecom manages and controls all aspects of each task, including task details, personnel, and schedules, from the planning stage to completion. During the planning phase, all relevant organizations participate to collaboratively review and share the potential impacts and risks associated with each task. This approach is designed to ensure service stability throughout the execution of operations.

In addition, by applying and enforcing strict operational principles, SK Telecom rigorously excludes any tasks that do not comply with established standards and guidelines. Hazardous commands are predefined to prevent operators from executing them arbitrarily, and to prevent human error, all commands used in operations must be prevalidated and approved before execution. Unapproved commands cannot be executed under any circumstances. Furthermore, when a new package is released, SK Telecom ensures its application to actual service equipment only after thorough pre-verification using test equipment established within the company.



Work execution under the control of the work management system
(Expansion, control, and management of the scope of work from the review to the confirmation stage)

Safety Management for Natural Disasters

Damage to wireless communication networks caused by natural disasters such as typhoons, wildfires, and heavy rainfall occurs every year, and the scale and severity of such damage are increasing due to climate change. SK Telecom is establishing countermeasures to minimize the impact of natural disasters and is making every effort to restore services as quickly as possible after ensuring the safety of workers in the event of an incident.

In preparation for wireless communication network disruptions caused by typhoons and storm-related disasters that occur annually, SK Telecom has equipped each critical communication facility with flood prevention equipment such as flood barriers and water pumps. To address potential power outages, the company has also secured generators and storage batteries. Furthermore, when typhoons or heavy rainfall are forecasted, SK Telecom conducts internal safety inspections to proactively address facilities vulnerable to disruptions. During periods of natural disasters, we implement intensive monitoring to ensure rapid recovery in the event of any network failures.

Recently, earthquakes have been occurring more frequently on the Korean Peninsula. Although there have been no direct cases of damage to SK Telecom caused by earthquakes so far, we have established and implemented various countermeasures to prepare for such events. Seismic inspections of our buildings are conducted regularly in accordance with the Building Management Act, and communication equipment within the buildings is installed with certified seismic-resistant equipment. Additionally, anchor brackets are installed on the floors to secure racks, thereby preventing rack collapse due to vibrations. As a result, SK Telecom is able to maintain wireless communication services even in the event of earthquakes of a certain magnitude.

Due to the frequent occurrence of large-scale wildfires on the Korean Peninsula during the spring season—caused by dry weather and strong winds—the extent of the damage has been gradually increasing. In the event of a major wildfire, there is a risk of widespread wireless communication service outages resulting from the direct burning of company facilities and disruption of power supply networks by Korea Electric Power Corporation (KEPCO). To minimize such damage, SK Telecom is making proactive efforts. This includes expanding the use of fire-resistant and flame-retardant materials in facilities such as repeaters and lines. For critical communication facilities, communication lines connected to upper-tier stations have been dualized, ensuring the continued operation of wireless communication services even if one of the lines is damaged.

Measures to Prevent the Spread of Network Failures

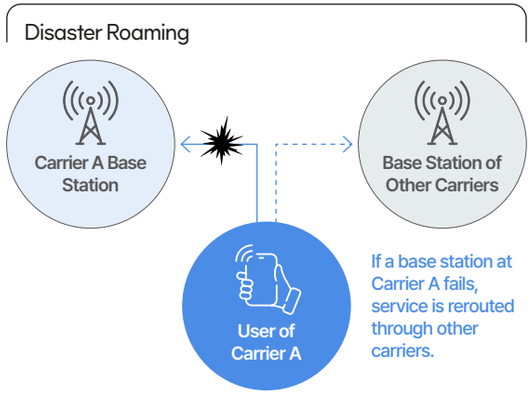
In network-based services, if incorrect information is executed on one network, it may affect other networks as well. SK Telecom is implementing network segment separation to prevent such errors from propagating and spreading to other networks. By separating routing domains, specifying static routes, and applying filtering policies to divide the internet network, subscriber network, and backbone network, SK Telecom ensures isolation between each network. The same technology is applied to group and regional segments, fundamentally blocking the transmission of network errors from one segment to another.

Measures to Respond to Sudden Traffic Surges

During major sporting events such as the World Cup or the Olympics, festivals like cherry blossom or fireworks festivals, and periods such as year-end, New Year's holidays, and national holidays, there are sudden surges in traffic in specific areas, unlike normal times. Even during these traffic surges, SK Telecom establishes special communication measures to ensure seamless wireless communication services for users. As of 2024, SK Telecom has implemented a total of eight special communication measures for events such as the Lunar New Year and Chuseok holidays, Yeouido Cherry Blossom Festival, Yeouido Fireworks Festival, Halloween Festival, year-end and New Year's events, and rallies in Yeouido and Gwanghwamun. These measures include enhanced traffic monitoring, deployment and operation of temporary facilities such as mobile base stations and power supply vehicles, and dispatching maintenance personnel to the field for monitoring and recovery activities.

Joint Response Among Telecom Operators

To minimize customer inconvenience caused by service disruptions, SK Telecom maintains close cooperative relationships among mobile network operators and continue to collaborate on the development of various systems. A representative example of such cooperation is disaster roaming. Disaster roaming is a system in which, if failures occur at repeaters or base stations in a specific area and SK Telecom subscribers are unable to access wireless communication, SK Telecom provides wireless communication services to our subscribers by rerouting through repeaters and base stations of other operators. To this end, mobile network operators have established a disaster roaming system through discussions on the application of the disaster roaming process and securing sufficient capacity. In response to the requirements of the Ministry of Science and ICT, the company has also increased capacity and shortened the application time.



In addition, while SK Telecom uses SK Broadband's internet network for internet connectivity, it has completed agreements with other telecom providers to allow the use of their internet networks in the event of an issue with SK Broadband's network. Redundant inter-company internet connectivity has been fully established.

To enhance network service stability and quality, as well as to expand coverage, SK Telecom invested a total of KRW 2.39 trillion over the course of 2024 in both wired and wireless networks, including SK Broadband's wired services.

Compliance with Laws and Regulations

SK Telecom strictly complies with laws and regulations established by the government to ensure the stability of network services in preparation for communication disasters caused by natural or social disasters. In accordance with the Framework Act on Broadcasting and Communications Development, the company submitted its 2024 Broadcasting and Communications Disaster Management Plan to the Ministry of Science and ICT in September 2023 and designated a total of 221 facilities as critical communication infrastructure. Based on the 2024 disaster management plan, SK Telecom is carrying out activities throughout the year to ensure the stability of communication services, including power supply redundancy, internal safety inspections, and simulation drills according to the classification of each critical facility.

In accordance with the Framework Act on the Management of Disasters and Safety, SK Telecom manages four major office buildings (Seongsu, Dunsan, Boramae, Bundang) that house its core facilities as national critical infrastructure. To protect these facilities from disasters such as fires and floods, SK Telecom established preventive measures and rapid recovery plans, which were submitted to the Ministry of Science and ICT in March 2024. In October, the company submitted implementation evidence to verify whether the plans outlined in the protection strategy had been carried out. Additionally, in compliance with the Telecommunications Business Act, the Fire Services Act, and the Building Management Act, SK Telecom conducts activities such as fire safety equipment inspections and drills, as well as seismic safety inspections of buildings, strictly adhering to all relevant regulations to maintain stable communication services.

2. Internal Training Implementation and Support to Ensure Stability

Training and Support Details

SK Telecom conducts various training programs and drills to enhance employees' disaster response capabilities and actively supports these training efforts at the company level.

In 2024, a total of 23 disaster response personnel for critical communication facilities completed a telecommunications disaster-related training program through training institutions designated by the Ministry of Science and ICT. This training is required for newly appointed personnel each year, as well as for those whose last training was completed more than two years prior.

Separate from the legally mandated training for designated disaster personnel, SK Telecom also conducts a variety of internal training programs. These internal trainings are held across different infrastructure areas and cover various subjects such as new technologies, fault prevention and recovery, and system functionalities. Training is also provided to new employees and those with role changes, helping them easily acquire foundational knowledge of the complex network infrastructure. As of 2024, a total of 93 training sessions of various scales were held at the Bundang office alone, more than 33 sessions were conducted at the Dunsan office, and dozens of sessions were carried out at switching centers such as Boramae and Seongsu.

In addition, for the 12 facilities rated Grade A or B, it is mandatory to conduct joint simulation drills with relevant agencies once every two years, in accordance with legal requirements. Accordingly, in 2024, SK Telecom carried out disaster response drills in collaboration with related organizations such as KEPCO and the fire department, ensuring that employees are well-versed in response procedures and action guidelines in the event of a disaster. Beyond joint drills with external agencies, SK Telecom also conducted a total of 20 internal simulation drills covering various scenarios such as transmission network failures, exchange equipment malfunctions, power outages, and failures during the rainy season or typhoons. These drills were used to thoroughly assess the effectiveness of the response process and clarify individual roles within the team.

This Service Stability Report has been prepared in accordance with Article 32-10 of the Telecommunications Business Act concerning the obligation of key telecommunications operators to ensure service stability.

About This Report

You can download this report as a PDF file from the SK Telecom website (https://www.sktelecom.com/en/esg/lib/persist.do).

This report is the Integrated Annual Report of SK Telecom and has been prepared for investors and stakeholders to provide an overview of SK Telecom's annual performance. This report contains not only SK Telecom's financial performance, but also a comprehensive Value Creation Story including our future prospects, non-financial performance, and efforts to enhance the underlying value. SK Telecom's Board of Directors granted final approval for this report in June 2025.

Grounds for This Report's Creation, and Referenced International Guidelines

This report follows the "in accordance with" requirements of the Global Reporting Initiative (GRI) Standards for sustainability reporting. It also references the International Sustainability Standards Board (ISSB) S1 (General Requirements for Disclosure of Sustainability-related Financial Information), S2 (Climate-related Disclosures), and the European Sustainability Reporting Standards (ESRS). SK Telecom joined the UN Global Compact, the world's largest corporate citizenship initiative under the UN for corporate social responsibility and sustainability improvement, in 2007, and we support the implementation of the 10 principles in the fields of human rights, labor, environment and anti-corruption and the achievement of the Sustainable Development Goals (SDGs).

Scope and Boundaries of the Report

The term "SK Telecom" in this report refers to the standalone entity, excluding its subsidiaries that are subject to consolidated financial statements in accordance with the Korean International Financial Reporting Standards (K-IFRS). Financial data have been prepared on a consolidated basis, with the application of K-IFRS 16 standards starting from 2019. Non-financial data, such as those related to the environment and society, have been prepared on a standalone basis for SK Telecom. Unless otherwise stated, general descriptions and information exclude data from SK Telecom's overseas branches, subsidiaries, and investee companies. Where previously reported data have changed due to the spinoff in November 2021, such changes are noted separately. However, where financial or operational control, business influence, or ripple effects of SK Telecom may significantly impact stakeholder judgment, the relevant data have been included with separate notation. The geographical scope of reporting is the Republic of Korea, where the company's main business sites are located and over 99% of revenue is generated. The reporting period covers January 1, 2024 to December 31, 2024. However, some qualitative activities may include information up to May 2025. If previously reported data required attention due to changes, the data have been recalculated using 2024 as the base year. The reporting cycle is annual, and the previous report was published in June 2024 under the title "SK Telecom Annual Report 2023."

Third-Party Verification and Forward-Looking Information

The financial information presented in this report has been prepared following audits conducted by an independent accounting firm. Third-Party Assurance and Forward-Looking Information The financial information in this report was prepared following an audit by an independent accounting firm. Non-financial information was assured by an independent professional organization to ensure the credibility of the report (pp. 189–190). Additionally, a separate verification of greenhouse gas data was conducted (pp. 191–192). This report contains forward-looking statements concerning the financial condition and operating performance of SK Telecom and its subsidiaries, as well as plans and goals of its executives. Despite third-party assurance, actual performance may differ from the forward-looking statements presented or implied due to political, economic, or circumstantial uncertainties surrounding business operations.

International Initiatives and Partnerships

SK Telecom has been an active participant in the UN Global Compact (UNGC) since 2007, an initiative launched by UN agencies and businesses to promote social ethics and improve the global environment. The company also complies with ISO 26000, a management system standard for social responsibility, and participates in the Carbon Disclosure Project (CDP).

Forward-Looking Statement Notice

This report contains "forward-looking statements" regarding SK Telecom and the industry in which it operates, based on current expectations, assumptions, estimates, and projections. These forward-looking statements inherently involve risks and uncertainties. Although the assumptions on which these statements are based are expected to be reasonable, they may prove to be inaccurate, and as a result, the forward-looking statements based on such assumptions may also be inaccurate.

Forward-looking statements include forecasts, projections, estimates, and other statements about the future. Such statements may include terms such as "may," "will," "expects," "anticipates," "plans," "aims," "seeks," "predicts," "projects," "estimates," "potential," "continues," "pursue," "goal," "strategy," or "scheduled."

In particular, the forward-looking statements in this report include not only environmental goals such as greenhouse gas emission reduction and management of energy and water consumption, but also external ESG commitments and business operation strategies. However, actual performance may differ from expectations due to a variety of risks and uncertainties, including geopolitical events, political and economic conditions, changes in tax and legislative policies, environmental regulations, operational disruptions, effectiveness of internal controls, and government investigations or litigation.

SK Telecom has prepared these statements based on timely and reasonable information and assumptions. However, considering the aforementioned risk, uncertainty, and other potential uncertainties, SK Telecom may not fully achieve the plans, objectives, and strategies included in the forward-looking statements.

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