

# About this report

This report is a human rights report of SK Telecom, published to report the status and performance of SK Telecom's human rights management,

#### Report basis and international guidelines referred to

This report has been prepared in compliance with the items and contents presented by the UN Guiding Principles Reporting Framework and the UN Global Compact.

#### Scope and Boundary of the Report

In this report, the expression 'SK Telecom' refers to an individual SK Telecom company that does not include subsidiaries subject to consolidation under the Korea International Financial Reporting Standards(K-IFRS). Unless otherwise indicated for general descriptions and information, data of overseas branches, subsidiaries, and investment companies of SK Telecom are excluded, and the contents of this report cover SK Telecom's supply chain. The geographic boundary of the report is the Republic of Korea, where the central place of business is located, and more than 99% of sales are generated. The temporal boundary is from January 1, 2021, to December 31, 2021. However, some qualitative activities may include content up to May 2022.

#### Global initiatives and partnerships

SK Telecom joined the UN Global Compact in 2007 to promote social ethics and the international environment in cooperation with UN organizations and companies and complies with ISO 26000, a management system standard on social responsibility.

SK Telecom is based on the human rights and labor policy in all its business operations and respects all employees' human rights, dignity, and fundamental rights. We publish the first human rights report in 2022 to inform SK Telecom's efforts and achievements on human rights and to enhance more sustainable values.

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- Human Rights Management TF

under Talent Division

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# HUMAN RIGHTS MANAGEMENT POLICY AND GOVERNANCE

**CEO Human Rights Policy Statement** 

Human Rights Policy

Human Rights Governance

Stakeholder Engagement

# **CEO Human Rights Policy Statement**



#### 1. Human Rights Statement

Under the SKMS principle, "For the company's continuous development, the company creates value for customers, employees, and shareholders, fulfills a key role in social and economic development, and makes contributions to the happiness of mankind", SK Telecom aims to accomplish its business goals while fulfilling its social responsibilities and code of conduct. The company's social responsibilities define its human rights duties towards customers, employees, suppliers, partners and the community.

SK Telecom, as a company that practices a high level of awareness of global citizenship, respects the basic rights of all stakeholders that it encounters through products, services, contracts, purchases, and other business activities.

SK Telecom declares its support for the human rights principles stated in the UN Universal Declaration Human Rights and the UN Guiding Principles on Business and Human Rights: Ruggie Framework and pledges to fulfill its human rights responsibilities. SK Telecom will make every effort to prevent human rights abuses in the course of business and also to avoid any abet or complicity in such abuses. Furthermore, the company will form transparent business structure to take measures and provide communication regarding responsible organization, operating structure, monitoring process and incidents under UNGC Human Rights / Labor Principles. SK Telecom will exercise due diligence to assure compliance with the policy within the whole supply chain as well as SK Telecom and its subsidiaries.

# **CEO Human Rights Policy Statement**

#### 2. Scope

SK Telecom respects for human rights in conducting all management activities of SK Telecom and its foreign corporations. This human rights policy statement applies to all stakeholders related to SK Telecom including its executives and employees and business partners transacting with SK Telecom under contract.

#### 3. Governance

SK Telecom has installed a T/F consisted of members from 8 departments including HR, Safety and Health, ER, SCM, Corporate Culture, Customer Value Innovation to develop the human rights management indicators of the company. Each department has systematically developed items that should be reviewed for human risk management including policy, organizational structure, education and performance, etc. As such, SK Telecom establishes KPI and performance management system related to human rights management activities and strives to reduce human rights risks and further strengthen its management levels consistently.

#### 4. Human rights risk management system

SK Telecom supports the principles of 'Protect, Respect, and Remedy" based on the UN Guiding Principles on Business and Human Rights: The Ruggie Framework). We also take concrete actions to identify and manage risks throughout our entire value chain, including SK Telecom, its subsidiaries and business partners under such principles.

#### 1) Risk identification: Human rights impact assessment

SK Telecom identifies major human rights issues based on global standards and its gap analysis. Specifically, human rights risks are identified by compiling data and materials collected from third-party assessment, stakeholder engagement channels, grievance handling channels. Also, we conduct a human rights survey of the executives and employees to identify potential risks.

#### 2) Risk improvement: Development of risk mitigation process

SK Telecom identifies major human rights issues that may occur during its business operation as well as the most vulnerable groups and review targets. We also perform due diligence on major issues identified to define their characteristics and severity of risk, and designate a dedicated organization to provide fundamental remedies and implement mitigation measures.

#### 5. Grievance-handling process

SK Telecom always keeps the channels of stakeholder communication open to prevent any human rights violations. We intend to ensure that all our stakeholders can freely share their opinions about our business practices and cases of inflicted damages, as well as violations of social responsibility, as a way to address them most effectively. If you have witnessed or experienced incidents of such violations, please inform the company through the appropriate channel.



https://www.sktelecom.com/manage/framework\_csrSend.do

After checking the veracity of the issues raised, we do our utmost to resolve them by ensuring that the relevant departments perform the necessary monitoring and due diligence. We then report the contents, handling process, and results of all the matters assessed and handled as material issues to the ESG Committee under the BOD, and reflect the outcomes in our business performance to prevent similar grievances from arising in the future.

# **CEO Human Rights Policy Statement**

#### 6. Basic principles

#### 1) Prohibition of forced labor

- Guarantee the employee's the right to work in freedom and resign by their own choice
- Guarantee the freedom of access and movement to rest facilities, factory, dormitory,
   etc. in the workplace
- Prohibition against the storage of ID card, passport, other original documents of employees
- Prohibition against employment and signing on a labor agreement on the condition of commission, debt, etc.

#### 2) Prohibition of child labor

- Prohibition of employment of children under the laws of country and region where the company operates
- Check the health condition of children and provide them with education opportunity upon detection of child labor
- Prohibition of deployment of underage employees to site that is hazardous to human health and safety or their assignment to dangerous task

#### 3) Compliance with working conditions

- Compliance with statutory limits on working hours of the region and country where the company operates
- Compliance with statutory limits on minimum wage of the region and country where the company operates
- Prohibition of forced overtime and provision of proper overtime compensation

#### 4) Humane treatment

- Prohibition of sexual harassment and bullying in the workplace
- Efforts to prevent sexual harassment and bullying in the workplace, protection of victims, provision of disciplinary actions and remedy
- Management of channels for reporting of inflicted damages

#### 5) Non-discrimination

- Zero tolerance against all discrimination activities
- Prevention of discrimination by gender, ethnicity, nationality, religion, disability, origin, sexual orientation and gender identity, political belief, social class, etc.
- Prohibition of discrimination against employment, transfer for duty/department, performance assessment and compensation, promotion, learning opportunity, use of maternity leave and assignment of work after return from maternity leave

#### 6) Freedom of association

- Guarantee the freedom of association and collective bargaining of employees
- Prohibition of discrimination and disadvantages against membership/nonmembership of labor union or carrying out activities in the union

#### 7) Employee safety and health

- Regular safety inspection and management to provide safe and hygienic working conditions to employees
- Placement of emergency preparedness manuals, installation of exit signs, and provision of regular evacuation training
- Regular health checkups for employees and provision of proper measures according to the result

#### 8) Personal information protection

- Demanding minimum personal information, recording and saving to comply with laws
- Consent to the collection, use, and destruction of personal information in stage
- Notification and fiduciary duty prior to saving information, and ability to freely delete information
- Optimal security system for preventing leaks, including data encryption
- Limited and responsible use of personal information for service/marketing purposes

#### 9) Responsible procurement

- Avoidance of human rights violations and environmental pollution during the process of production, distribution, procurement, and sales of raw materials, parts, devices and equipment, and finished goods
- Prohibition of conflict minerals minded in the Republic of Congo(DRC) and African countries in conflict such as tin, tantalum, tungsten, and gold mined
- Tracking and due diligence on the country of origin of raw materials, parts, and devices and equipment delivered, and monitoring on the inclusion of conflict minerals

#### 10) Community human rights protection

- Monitoring on direct/indirect impact on human rights and environment of business operations affecting the local community
- Collection of opinions from stakeholders of local community and their reflections

SK Telecom is committed to fulfilling its social responsibilities and pursuing the happiness of stakeholders and pledges to take the lead in advocating and complying with the Human Rights principles. Thank you.

May 2022





Salient Issues and Key Industry Issues

# **Human Rights Policy**

SK Telecom respects the fundamental rights of all stakeholders, including customers, employees, business partners, and local communities, and strives to become a company that practices human rights management through high-level global citizenship. To this end, we have publicly declared our commitment to human rights principles presented by the 'Universal Declaration of Human Rights,' 'UN Guiding Principles on Business and Human Rights(Ruggle Framework),' and 'The UN Global Compact's human rights and labor principles to fulfill our responsibilities related to respect for human rights. Based on these global human rights principles, SK Telecom stipulates five policies: 'Human Rights Policy Declaration,' 'Safety and Health Management Policy,' 'Code of Ethics,' 'Business Partner ESG Code of Conduct' and 'Stakeholder Engagement Policy,' and is dedicated to fulfilling its responsibilities in human rights management.

#### Human Rights Management Policy Framework

Policy and Declaration	Target range	Contents	
Human Rights Policy Declaration	Employees, suppliers	SK Telecom has a transparent management structure for a responsible organization, operational structure, monitoring procedures, and incident actions and communication. SK Telecom has enacted and disclosed the Human Rights Policy Declaration based on these principles and systems. The policy includes the prohibition of forced labor, prohibition of child labor, observance of working conditions, humane treatment, non-discrimination, freedom of collective bargaining and association, safety and health of workers, protection of personal information, responsible procurement, and protection of human rights in the local community.	
Safety and Health Management Policy	Employees, suppliers	SK Telecom has stipulated a safety and health management policy that includes the 'zero major accident goal and five major action points' to declare its will for safety and health management inside and outside the company and is voluntarily implementing it. SK Telecom is concentrating on protecting the life and safety of customers, citizens, in-house employees, and partner companies by reflecting the safety and health management policy in all of the company's products, services, and activities. We also intend to enhance our safety and health management execution by setting the 'zero major accident goal' as a company-wide KPI and standardizing detailed implementation guidelines for the safety and health management system. In addition, this safety and health management policy requires not only employees but also stakeholders such as employees of partner companies to comply.	
Code of Ethics	Employees	SK Telecom enacted the Code of Ethics to play a critical role in social and economic development, practice corporate management that contributes to the happiness of humanity, and compete fairly following business ethics. SK Telecom has set the Code of Ethics as the basis for decision-making and behavior in all its business activities. The Code of Ethics includes customer value enhancement and customer-oriented management, attitude toward customers through customer information protection, the basic ethics of employees, including the creation of a sound corporate culture and fair work performance, responsibility for human-centered management and employees who pursue the safety and happiness of employees, responsibility of shareholders to enhance corporate value and protect shareholder rights, respect for human dignity and relationships with business partners that pursue shared growth and healthy culture, eco-friendly management, and SK Telecom's role in society through social contribution. For the correct interpretation and implementation of this Code of Ethics, we have enacted and operated the 'Ethical Management Practice Guidelines' and are currently implementing the 3rd revision revised on April 18, 2022.	
Business Partner ESG Code of Conduct	Suppliers, all business relationship partners	SK Telecom defines business partners' social responsibility compliance requirements per the Supplier ESG Code of Conduct. Business Partner includes all applicable employees, contractors, secondary business partners, and agents. We aim to avoid the financial, reputational, and business risks associated with our business partners and ultimately build sustainable partnerships by fulfilling our duty of care to our Business Partner ESG Code of Conduct along with our business principles. SK Telecom is implementing sustainable supply chain management as defined by SK Telecom by securing business sustainability based on this ESG Code of Conduct and applying it to secondary business partners.	
Stakeholder Engagement Policy	All stakeholders	Continuous participation and communication with internal and external stakeholders play a role in enhancing corporate sustainability. The stakeholder engagement policy applies to SK Telecom's business activities, including overseas subsidiaries, and targets all stakeholders interacting and communicating with the company. The purpose of this policy is to disclose SK Telecom's will to the outside transparently and to provide guidance from a company-wide perspective regarding stakeholder communication to relevant in-house organizations. Communication channels for each stakeholder are operated under the responsibility system managed and handled by individual departments. Major issues and the entire process are reported to the ESG Committee under the BOD. All stakeholders can freely participate in open channels, and the same is done at all business sites, including overseas branches and regional headquarters. SK Telecom has earned support and trust from external stakeholders by implementing this policy and is enhancing transparency and efficiency in management through stakeholder engagement.	

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## **Human Rights Governance**

To practice high-level global citizenship in all business activities, SK Telecom is implementing human rights management in all its business operation processes, such as products and services, contracts, purchases, and other business activities that internal and external stakeholders encounter in their daily life. SK Telecom's human rights management governance consists of 'BOD - Top management - Human Rights Management TF - Relevant departments.' Among them, the ESG Committee, a subcommittee of the BOD, is positioned as the highest decision-making body related to human rights. The CEO listens to reports on human rights issues and reviews the performance of decision-making and the management on major human rights issues. Human rights management task force is newly established under the CHRO(chief human resources officer), consisting of working-level managers from related departments. In addition, relevant departments such as ethical management, safety and health, information protection, SCM(Supply Chain Mgt.), ESG promotion, HR, and ER(Employee Relations) each derive human rights-related risk management and improvement tasks and monitor human rights-related tasks by issue.

#### Enhancement of responsibility and role in human rights management

SK Telecom has established and implemented SV KPIs that include ESG activities, including human rights management, environmental performance, and social contribution performance, based on the DBL management principle of pursuing and managing economic and social values at the same time. SK Telecom strives to implement practical human rights management by evaluating management's performance and reflecting it in compensation, SK Telecom is also reinforcing its role by changing the ownership of human rights management from the ESG organization to the HR organization to improve its expertise in human rights,

#### Promotion of the organization in charge of human rights management to a regular organization

To establish a management system for human rights management, we installed a human rights management TF under the CHRO and are establishing management indicators, conducting due diligence, and improving risks. We also intend to promote an organization in charge of human rights management to a regular organization In 2022.



#### **Human Rights Management TF Composition**

To establish human rights management indicators, SK Telecom has formed a task force team in 8 departments, including HR, safety and health, ER, SCM, corporate culture, ethical management, and customer value innovation to respond. For risk management, SK Telecom has systematized necessary items such as policies and organizational structure, education and performance for each department. SK Telecom has meticulously established and implemented KPIs and performance management systems for human rights management activities to improve human rights risks and management levels continuously.

#### **Human Rights Risk Management Governance**

In verifying the results of the human rights impact assessment, the Corporate Culture Center in charge of human rights assessment by SK Telecom's human rights policy and obligations, a formal committee within the BOD, and an entrusted third party are involved.

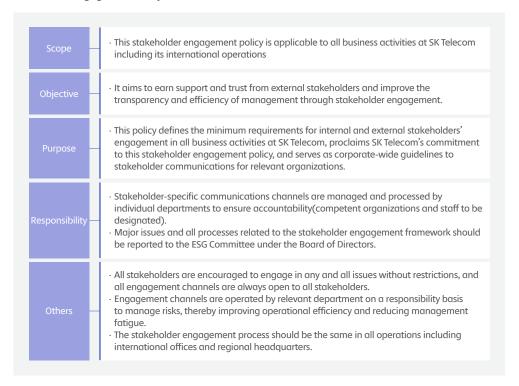
Salient Issues and

Key Industry Issues

# Stakeholder Engagement

SK Telecom divides the company's stakeholders in 2020 into customers, employees, business partners, local communities and NGOs, shareholders, and the government. The company seeks to gain trust and support by encouraging stakeholders' engagement while enhancing company management's transparency and efficiency. As part of its efforts to engage with stakeholders internally and externally, SK Telecom has prepared and published a stakeholder engagement and communication policy. The stakeholder engagement policy stipulates company-wide guidelines for stakeholder communication, including conditions for internal and external stakeholders' participation in management activities and a process for resolving problems when problems arise.

#### Stakeholder Engagement Policy



#### How to engage and communicate with stakeholders



Section

# HUMAN RIGHTS RISK MANAGEMENT SYSTEM

according to the management system

Human rights impact assessment to identify potential risks

Salient Issues and

Key Industry Issues

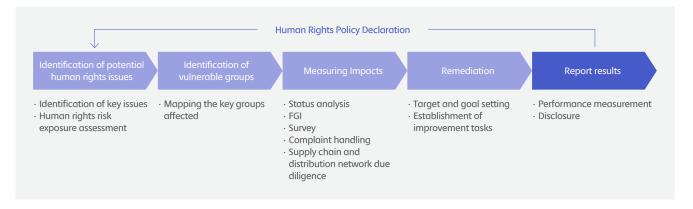
# Human Rights Risk Management System

#### Human rights risk management in the workplace

SK Telecom conducts a human rights impact assessment for all employees to systematically review the company's policies, procedures, and systems on human rights issues, identify risks, and come up with effective improvement measures. Human rights impact assessment, conducted based on a selfdeveloped checklist, helps the company to set goals and measure performance on human rights issues, enabling efficient responses to human rights issues. The evaluation also contributes to identifying potential human rights issues of the company and measuring the impact on vulnerable groups to derive improvement tasks.

Risk Management Scope — SK Telecom has been continuously managing human rights issues by introducing corporate-level human rights policies since 2012. The company is establishing a clear framework to enhance human rights for businesses and stakeholders, based on the UN Guiding Principles on Business and Human Rights(Ruggie Framework) centered on 'Protect, Respect, and Remedy,' When examining human rights risks, SK Telecom targets the entire value chain, including the company, subsidiaries, and business partners. In addition, this evaluation includes SK Telecom's direct business operations and due diligence on all subsidiaries, including joint ventures and business partners.

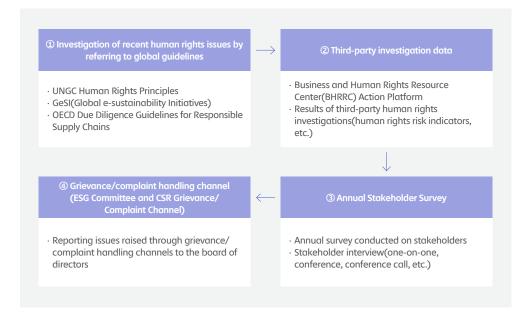
#### **Human Rights Risk Management System**



#### 1. Identification of potential human rights issues

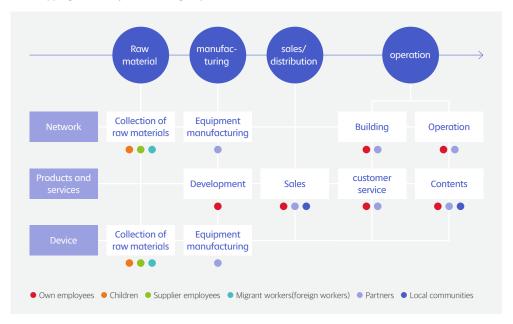
SK Telecom identifies major human rights risk factors based on global standards and SK Telecom's Gap Analysis, We identify human rights risks by combining third-party survey data, stakeholder engagement channels, and grievance mechanisms. In addition, we conduct human rights surveys among internal employees to identify potential risks.

SK Telecom conducts the following investigation and communication to identify potential human rights issues. We first investigate recent human rights issues related to global guidelines, such as the UNGC Human Rights Principles, the Global e-sustainability Initiatives(GeSI), and the OECD Due Diligence Guidelines for the supply chain in charge. We also review the Business and Human Rights Resource Center(BHRRC) Action Platform and third-party research materials that contain the results of third-party human rights surveys(human rights risk indicators, etc), Meanwhile, we also classify issues raised to the BOD through annual stakeholder interviews(one-on-one, conferences, conference calls, etc.), surveys, and grievance/complaint handling channels(ESG committee and CSR grievance/complaint channels) as risk factors.



#### 2. Identification of vulnerable groups

#### Risk mapping to identify vulnerable groups



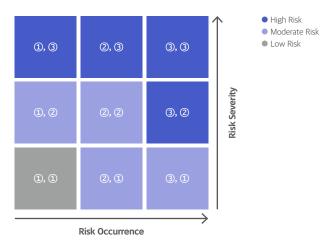
#### SK Telecom's definition of vulnerable groups

	Definition	Related groups
Internal employees	SK Telecom and its subsidiaries/joint ventures	SK Telecom, SK Square, SK Broadband, etc.
Children	Under 18 years old	SK Telecom, subsidiaries, JVs, and business partners
Supplier employees	Supplier employees working for Tier 1 and Tier 2 suppliers	Indigenous landowners in the construction of base stations, suppliers of raw materials for terminals and manufacturers of network equipment, etc.
Foreign workers	Foreign workers working for primary and secondary material suppliers	Raw material suppliers for terminals and network equipment manufacturers, etc.
Partners	Primary, secondary upper and lower-tier business partners	All business partners of SK Telecom's value chain
Community	General public	SK Telecom existing and potential customers

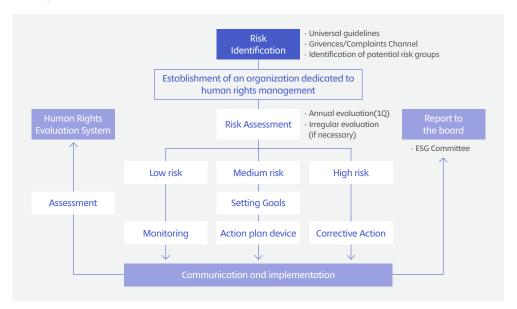
SK Telecom has structured the value chain to identify vulnerable groups and determines the possibility of human rights issues in each process. Accordingly, we identified vulnerable groups within categories such as networks, products and services, and devices. The vulnerable groups include internal employees of SK Telecom and its subsidiaries/joint ventures, minors under the age of 18, indigenous landowners in the construction of base stations, supplier employees, such as suppliers of raw materials for terminals and manufacturers of network equipment, foreign workers, such as suppliers of raw materials for terminals and manufacturers of network equipment, all business partners of SK Telecom's value chain, and SK Telecom's existing and potential customers. The company preemptively identifies major human rights issues related to vulnerable groups found in the risk mapping stage, analyzes the nature of the problems, and decides whether to conduct due diligence according to the level of risk. We are implementing 100% improvement measures for issues identified as a result of due diligence.

#### 3. Measurement Process of Human Rights Risk Impacts

Human rights risk impacts measurement consists of periodic evaluation based on an annual survey, including issues raised in grievance/ complaint handling channels, and non-periodic evaluations conducted when risk is identified. In this evaluation, the corporate culture center designates the organization in charge, and the risk level determined by considering the frequency and intensity of risk simultaneously becomes the standard for evaluation. Accordingly, if it is confirmed that the risk is high, immediate corrective action is taken. When the risk is identified as moderate, we devise a goal setting and implementation plan, and when the risk is confirmed as low, we respond with monitoring. The risk management standards for this measurement are based on the Human Rights Policy Declaration.



#### 4. Integration of evaluation results



SK Telecom is resolving human rights issues found in human rights risk assessment and human rights impact assessment through a global standard universal procedure. Human rights risks discovered are reported to the board of directors, shared internally to prevent the same problem from reoccurring, and we implement improvement measures according to the characteristics of the business site. We specifically set goals according to the degree of risk, devise monitoring and implementation plans, and prepare corrective actions to communicate and implement. We are upgrading our human rights evaluation system according to subsequent evaluations.

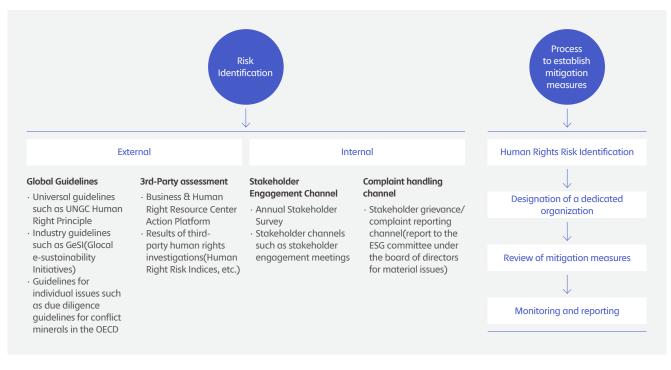
#### 5. Reporting and Disclosure

SK Telecom's human rights risk management process and results are shared with internal and external stakeholders through the annual report, human rights report, and website. Detailed information on SK Telecom's human rights policy is available on the webpage(https://www.sktelecom.com/en/view/csr/csr.do#go\_tab11), and detailed annual evaluation results are also provided in SK Telecom's Annual Report(https://www.sktelecom.com/manage/lib/persist.do). SK Telecom will take the lead in fulfilling its corporate social responsibilities, pursuing the happiness of stakeholders, and supporting and complying with human rights principles.

#### Establishment of a risk mitigation process

SK Telecom identifies human rights risks and prepares measures to mitigate them to prevent direct or indirect human rights violations in all its business activities. In particular, SK Telecom has designated an organization in charge of human rights issues identified through the human rights impact assessment to take remedies and mitigation measures. We are addressing human rights issues identified in the evaluation following the global standard grievance handling procedures. We are establishing mitigation measures based on universal guidelines such as the UNGC Human Right Principle, a global sustainability initiative, industry guidelines such as GeSI, and OECD due diligence guidelines. We also respect third-party survey data. Internally, we are responding by forming in-depth stakeholder engagement channels and upgrading our complaint handling channels. For mitigation measures after identifying human rights risks, SK Telecom continuously improves human rights risks by establishing improvement tasks centered on a dedicated organization, setting an implementation plan, and monitoring implementations, etc.

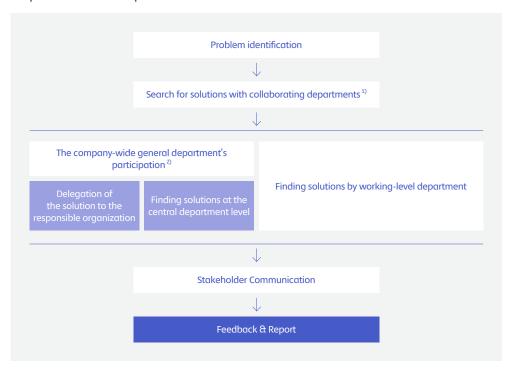
#### Process for identifying human rights risks and establishing mitigation measures



#### **Grievance mechanism**

To integrate stakeholder ESG grievances and complaints, SK Telecom operates an online channel for grievances and complaints related to issues such as labor, human rights, ethics, and the environment on the company website. Through the ESG grievance channel, the company immediately responds to and resolves opinions, damage cases, and violations of social responsibility presented by stakeholders on overall business activities. After examining whether the various opinions and contents of stakeholders received on this channel are valid or not, we are actively proceeding with resolution through monitoring and due diligence by the SK Telecom working-level department. In addition, we report to the ESG committee under the BOD the contents, process, and results of cases judged and taken as material issues related to ESG issues and actively reflect them in our management activities to prevent similar instances from occurring in the future.

#### The process to deal with a problem



#### (1)

#### Online channel

- Finding solutions with collaboration departments: The organization that first encounters the problem seeks a solution with the collaborating department. When it is impossible to derive a solution in terms of the urgency, importance, ripple effect, and resolution method of the received issue, the organization requests the company-wide department to participate in solving the problem.
- 2) The company-wide general department's participation: If it is determined that a solution is possible through additional R&C input and authority delegation, the solution is delegated to the organization in charge. When it is determined that a response from a company-wide perspective is necessary, the company-wide general department solves it directly.

# Risk management status in 2021, according to the management system

#### Identification and improvement of human rights issues in 2021

SK Telecom divided significant human rights issues in 2021 into 1) conflict minerals, 2) humane treatment, 3) safety and working hours of network operators, and 4) protection of personal information. SK Telecom identifies the risk level of major human rights issues through due diligence and establishes and implements remedies and mitigation measures.

- The average issue identification rate for conflict minerals, humane treatment, work hours and safety is 11.3%, and measures have been taken for all of them.
- 19.9% when calculating the existing mitigation measures item based on the reflection of new mitigation measures items(mental counselling, healing P/G)

Key Human Rights Issues	Vulnerable group	Review target	nature of issue	Risk level	Survey Scope	Issue identified <sup>1)</sup>	Measures Taken
Conflict Minerals	Supplier employees, Children	Raw material suppliers	Tin, tungsten, and tantalum used in electronic devices maintain disputes in the Congo DRC if they are products of Congo and neighboring countries, causing child labor exploitation during production.	Due diligence	100%	0%	100%
Humane treatment	Suppliers	Subsidiaries (SERVICE TOP, SERVICE ACE)	Protection of counselors exposed to customer's unfair words and actions(swear words, verbal abuse, intimidation, insults, sexual harassment, etc.) or unreasonable demands	Due diligence	78.6%	33.9 <sup>2)</sup>	100%
Working hours/ safety	Installation and operation operator	Subsidiary (SKons)	Compliance with working hours in the network operation process and resolution of safety issues that can result in physical harm	Due diligence	100%	0%	100%
Privacy	General public	Subsidiaries, partners	Protection of personal information and privacy, major human rights in the information age	Due diligence	100%	5.3%	100%
Working hours	Own employees	SK Telecom	Issues of forced labor, child labor, and rights violations in the working environment of employees	Preliminary caution	100%	0%	100%
Indigenous people's rights	Supplier employees	Local communities	Direct violations of indigenous peoples' rights, such as the use of land and property for business expansion	Preliminary caution			
Information accessibility	Children, general public	SK Telecom	Protection of universal access to information and content responsibility for children, etc.	Preliminary caution			

#### Human Rights Risk Assessment Status

Category	A. Percentage of total assessed in last three years(%)	B. Percentage of total assessed(column A) where risks have been n identified	C. Percentage of risk(column B) with nitigation or remediation process implemented
Own Operations(including Joint entures where the company has management control)	100	11.3	100
Contractors and Tier 1 Suppliers(Tier 1)	100	5.3	100
Joint Ventures (including 10% or more shares)	100	0	100

#### **Conflict Minerals**

Conflict minerals refer to four minerals - tin, tantal, tungsten, and gold - collected in ten conflict countries in Africa such as the Democratic Republic of the Congo. Causing human rights issues such as the spread of conflict and labor exploitation, the use of conflict minerals has become an important human rights issue in the telecommunications and electronic industries. SK Telecom recognizes human rights issues related to 3TG minerals and constantly monitors the inclusion of conflict minerals in materials, parts, equipment, etc., supplied to us. We conduct origin tracking and due diligence using the Conflict Minerals Reporting Template(CMRT) based on Responsible Business Alliance(RBA, formerly EICC), the Global e-Sustainability Initiative(GeSI), and Responsible Minerals Initiatives(RMI). The result of the supply chain due diligence in 2021 showed that SK Telecom did not directly purchase 3TG minerals and had no direct relationship with mines or smelters that processed these minerals. SK Telecom is continuously monitoring to maintain the goal of conflict-free minerals.

#### **Conflict Minerals Management**

Category	2019	2020	2021	
Conflict minerals used by SK Telecom	0	0	0	
Mitigation measures	Continuous monitoring of the use of conflict minerals at major operations			

#### **Humane treatment**

SK Telecom is well aware that customer service counselors of its subsidiaries are exposed to constant emotional labor risks during customer consultation. Thus, SK Telecom is operating a counselor protection system with its subsidiaries to manage the protection/treatment of customer service counselors. In addition, we have implemented a staff protection program which allows customer service representatives to ask to be excused(warn) and end the call or escalate the case to the supervisor if they are exposed to unfair language or behavior or unreasonable demands. For the psychological stability of counselors, we conduct mental health examinations at least twice a year to investigate job stress and implement 100% mitigation measures for high-risk groups for intensive management.

#### Mind Care Program Diagnosis/Counseling Status

Classification	n of partner companies	2019	2020	2021
	Number of people who participated in diagnosis (persons)	2,708(61.6%)	2,255(75.8%)	1,736(63.9%)
	Mitigation measures - Individual counseling(persons)	129	130	247
Serviceace	Mitigation measures - group counseling(persons)	571	9	22
	Mitigation measures - psychological advice(persons)			12
	Mitigation measures - Healing P/G(persons)			476
	Number of people who participated in diagnosis (persons)	3,638(100%)	2,963(82%)	2,911(91%)
	Mitigation measures - Individual counseling(persons)	724	784	643
	Mitigation measures - group counseling(persons)	1,450	312	267
	Mitigation measures - psychological advice(persons)			64
	Mitigation measures - Healing P/G(persons)			273

#### Safety and working hours for network operation workers

SK Telecom manages working hours in network construction and operation to prevent human rights violations due to excessive work. Thus, SK Telecom manages employees' working hours and prevents overtime by institutionalizing the prior permission of the team leader, registration of the working status in the attendance management system, etc., when employees work on holidays/at night. Accordingly, SKons, a network operating subsidiary of SK Telecom, is gradually reducing working hours per person to 43.9 hours per week in 2021 through innovations in on-site work methods.

#### Safety and working hours for network operation workers

	2018	2019	2020	2021
Working hours per person(hours/week)	50.8	46.6	44.5	43.9
Mitigation measures	The prior permission working status through the		nd mandatory registrat ment system for Holida	

#### Privacy

SK Telecom conducts sampling diagnosis and in-depth diagnosis of distribution channel customer information security for all business partners including the distribution channel to identify potentially overlooked risks and take corrective measures accordingly. SK Telecom performed 100% of the distribution network customer information security audits through 'SK Shielders,' a third-party external organization to secure objectivity and independence, and took measures to improve 66 cases(5.3%) of risks derived through sampling and diagnosis.

#### Sampling diagnosis of Customer Information Security Level in the Distribution Channel (2021)

Category	Number of diagnoses	Improvements and number of mitigation measures	Remarks
Diagnosis of customer information in the distribution channel	1,250	66	Risk identification of blind spots in the distribution channel diagnosis and measures to improve it

#### In-depth diagnosis of the Customer Information Security Level in the Distribution Channel

Classification of partner companies	Unit	2019	2020	2021
Inspection ratio to the entire distribution channel	%	100	100	100
Cases requiring improved security measure	Case	196	108	66
Rate of corrective measures taken	%	100	100	100
Short-term measures taken	Case	196	108	66
Long-term measures taken	Case	0	0	0

(Unit: Number of Responses(%))

**202(20.8)** 

**127(13.1)** 

**275(28.3)** 

# Human rights impact assessment to identify potential risks

SK Telecom conducted a human rights survey on all its employees to understand the status of human rights management and to derive potential human rights risks. The survey was structured around identifying employees' awareness of the importance to human rights issues, human rights risk management systems, and human rights experiences, and the survey was conducted through external online to ensure anonymity. The results suggested that they found workplace sexual harassment and bullying to be the most important issues, and they also put an emphasis on personal information management. Based on the human rights survey results, SK Telecom will do its best to make the lives of employees happier by proactively responding to human rights issues that may arise.

#### **Human Rights Impact Assessment Participation Status**

Gender Male **858(88.2)** Female 114(11.7) Other • 1(0.1) Age group 50's or above **403(41.4)** 40's **368(37.8)** 30's 173(17.8) 20's **29(3.0) Position** Team members **846(86.9)** Team leader 117(12.0) Acting positions **10(1.0)** 

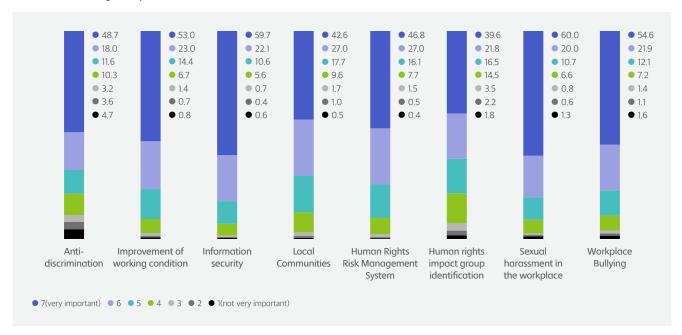


#### Identifying issues by Human Rights Impact Assessment

Category	Contents	Assessment issues				
	Discrimination-related issues that SK Telecom must manage	Discrimination on the basis of gender, race, nationality, age, sexual minority, university of origin, region of origin, disability, regular and non-regular employees     Discrimination in recruitment process, job/department transfer, performance evaluation and compensation, promotion, educational opportunity, use of maternity and parental leave, assignment and execution of duties upon return to maternity and parental leave				
Human rights	Issues related to the working condition that SK Telecom must manage	Employees' working hour management     Reduced working hours for pregnant women     Employee health management     Employee safety training     Industrial accident management     Stress and mental health management				
issues	Information security issues that SK Telecom must manage	Agreement procedures for collection/use/destruction of employees' personal information     Agreement procedures for collection/use/destruction of customer personal information     Legal use of personal information     Ensure operational stability of company security programs and monitor risk of personal information leakage     Managing personal information leakage cases and remediation				
	Impact on local communities that SK Telecom must manage	Aggravating factors directly affecting local communities and workers (base stations/repeaters, etc.)     Lack of communication with local community stakeholders				
Human Rights Risk Management	SK Telecom's need to operate its human rights risk management system	Human rights issue reporting channel     Counseling process for employees' concerns, complaints, grievances, and conflicts     Appropriate remedies for employees' concerns, complaints, grievances, and conflicts     Regular inspection to identify human rights risks     Collecting and reflecting opinions of external stakeholders such as customers and local communities				
	Groups that SK Telecom needs to manage of human rights in its business operation process	<ul> <li>Children</li> <li>Senior</li> <li>Wigrant workers</li> <li>Women</li> <li>The poor</li> <li>Community residents</li> <li>LGBTI people</li> </ul>				
	SK Telecom's need to manage sexual harassment in the workplace	Verbal sexual harassment Physical sexual harassment(touch, etc.) Visual Sexual Harassment(Stare, etc.) Forcing an uncomfortable situation at workplace or staff dinner				
Human rights- related worker experience	SK Telecom's need to manage Workplace Bullying	Isolating(exclusion, alienation, or isolation from work or meetings)     Unnecessary contact after working hours and forcing overtime     Unfavorable transfer assignment or forced departmental change     Talkdown     Forced drinking or smoking     Abusive language     Inappropriate calling     Excessive work orders     Restrictions on the use of vacation or sick leave     Forced participation in dinners, social gatherings, etc.				

#### **Results of Human Rights Impact Assessment**

(Unit: %)



The human rights impact assessment on all 973 SK Telecom employees evaluated human rights issues affecting the company's business activities on a scale from 1(not very important) to 7(very important). The evaluation checked on items such as anti-discrimination, improvement of working condition, information security, local community, human rights risk management system, identification of groups affected by human rights risks, sexual harassment in the workplace, and bullying in the workplace. SK Telecom employees responded that information protection, workplace sexual harassment, and workplace bullying were the most important issue that needs to be managed. Regarding information security, the importance was high in the order of agreement procedure when using customer personal information, legal use of personal information, and management of personal information leakage cases. Sexual harassment in the workplace was the most critical area selected by employees. The opinion was that intensive management was necessary in the order of physical sexual harassment, verbal sexual harassment, and forcing an uncomfortable situations. About bullying in the workplace, abusive language, social exclusion, and intentional disruption of work were identified to be needed the most intensive management. In addition, discrimination based on gender, age, disability, performance evaluation and

compensation, promotion, and hiring process and the health of employees were confirmed to be highly important. The importance of the local community was lower than other areas. The groups SK telecom need to manage of human rights issues in the value chain were identified to be the elderly, children, and women.

#### Human rights issues by group

SK Telecom divided groups according to the characteristics of internal employees and identified human rights issues for each group through the results of Human rights impact assessment. Through this, SK Telecom was able to understand the human rights issues of internal stakeholders in detail and approached them in practical ways to improve them. Human rights issues for each group identified as a result of the human rights impact assessment will be shared with relevant departments to establish improvement tasks for individual issues.

Category	Gen	der		A	ge			Position	1	Manage-
	Female	Male	20's	30's	40's	50's or above	Acting positions	Team leader	Team members	ment status
Discrimination	•		•				•	•		
Working condition			•			•	•	•		
Information security	•	•					•	•	•	
Local communities							•			
Risk Management System	•									
Sexual harassment in the workplace	•					•	•	•		
Bullying in the workplace	•					•	•			

# SALIENT ISSUES AND KEY INDUSTRY ISSUES

As a global ICT operator, SK Telecom considers it essential to focus on human rights risks, the material of this industry.

SK Telecom, expanding into the direct and indirect social influence that can affect ICT business as well as human rights violations that may occur in the production process of products and services, is reviewing and considering human rights violations.

To realize human rights management, SK Telecom is setting standards to identify and manage human rights issues that may arise to stakeholders, such as safety and health, freedom of association and collective bargaining, respect for diversity and prohibition of discrimination, privacy protection, respect for workers and protection from harassment. SK Telecom is doing its best by conducting various activities, such as establishing a system centered on KPIs by human rights issues, policies and plans, and operating programs accordingly, to ensure that all business sites and partners respect the dignity and value as human beings and pursue happiness.



# Safety and Health

SK Telecom shares its commitment to safety and health management with employees and suppliers and demands them to comply with and practice the safety and health management system by establishing the safety and health management policy with the goal of 'zero major accidents' to protect the lives of customers and citizens, employees and workers. Centering on its organization dedicated to safety and health, SK Telecom is actively practicing continuous safety accident prevention activities and providing a safe and healthy workplace environment, such as setting an annual safety and health plan, checking and improving harmful and risk factors, installing a process for responding to major disasters and conducting mock training, preparing and improving procedures for listening to workers' opinions, and implementing safety and health education for all employees, etc.

In addition, for employee health management, SK Telecom operates a system to protect female employees, such as annual health checkups and vaccination expenses, 100% support for employees' own medical expenses, health leave, shortened work during pregnancy, and parental leave while also striving to manage the mental health of employees through various emotional management programs such as individual psychological counseling.

#### Employees' occupational safety and health management

Category	Details	Unit	2019	2020	2021
	Lost Time Incident Rate(LTIR)	per 200,000 working hours	0%	0%	0%
Employee occupational safety	Lost Time Incident Rate(LTIR) by Employee Type - Employees of SKT and partner companies	per 200,000 working hours	0%	0%	0%
	Number of Lost Time Incidents(LTI) - Employees of SKT and partner companies	case	0	0	0
	Employee death rate	%	0	0	0
	Number of employee deaths (belonging to industrial accidents)	case	0	0	0
Employee health	Employee Occupational Illness Frequency Rate(OIFR)	per 200,000 working hours	0%	0%	0%
	Number of Employee Occupational Illness	case	0	0	0

#### Safety and health management indicators

Issue	Key stakeholders		ders	Management status	Management standards
	Employees	Supply chain	Customers		
Safety and Health Management	•			Setting annual safety and health management plan and getting board approval     Establishing safety and health management policy and company-wide sharing	· BOD's approval
Organization and operation of safety and health organization	•			Establishing a basic safety plan and organizing a management organization     Appointing safety and health manager and supervisor accoding to safety management regulations	Status of a dedicate organization     Appropriateness of safety and health manager and supervisor appointment
Safety and Health budget	•			Establishing safety and health budget plan     Budget execution according to the safety and health budget plan	Checking the establishment of a safety and health budget plan     Analyzing safety and health execution performance
Safety and Health Training Management	•			3 hours/quarter for office workers, 6 hours/quarter for non-office workers, 16 hours/year for supervisor     8 hours for new hires, 1 hour for daily workers     6 hours/2 years for safety and health manager for new education, 6 hours for maintenance, 24 hours for safety/health manager for first education, 24 hours/2 years thereafter	· Managing training completion status
Risk Assessment and Management	•	•		Implementing regular/frequent risk assessments     Number of improvement cases of harmful and risk factors discovered after a risk assessment     Frequent/regular safety inspection	Status of regular/frequent risk assessment     Status of harmful/risk factor improvement     Status of safety inspections at each business site
Listening to employees' Opinions	•			Operating Occupational Safety and Health Committee for each workplace(once a quarter)	Occupational safety and health committee operation result
Establishment of emergency response procedures	•			Checking/replenishing the manual for response to major disasters(once semi-annually)     Conducting mock training in preparation for major disasters at least once a year	Material disaster response manual enactment/ revision     Status of mock training practice at each business site
Implementation inspection	•			Diagnosing and improving the appropriate implementation of the safety and health management system(once semi-annually) Analyzing the cause of industrial accidents and evaluating the results of the implementation of improvement measures to prevent recurrence(in case of occurrence) Monitoring the implementation of safety and health administrative disposition(improvement/correction order), improvement and reporting measures(if it occurs)	Implementation check and improvement status     Establishing improvement measures in case of disaster and implementation check     Checking the implementation status of the relevant department when an improvement/correction order is issued
Safety assurance	•	•		Occupational accident rate =(number of injured/wage workers) × 100     LTIR = Number of labor loss industrial accidents/(Number of employees × 50 weeks/year × 40 hours/week) × 200,000	· Annual performance calculation
Health check-up	•			Support for examination expenses once a year     Consignment to the contracted specialized examination institution(employees can select the institution)     Special health checkups for night workers	Health checkup rate trend and average management     Review on the scope of examination items     Examination satisfaction trend and average management

# Freedom of Association and Collective Bargaining

SK Telecom guarantees workers' right to collective bargaining, right to organize, and right to collective action under ILO Convention Nos. 87 and 98 and domestic labor laws. All employees have the right to form, join and organize labor unions of their own choice and to bargain collectively with organizations on their behalf. The company respects these rights and effectively informs employees that they are free to participate in workers' organizations of their own choice without any negative consequences or retaliation from the company. SK Telecom and its suppliers shall not interfere in any way with the establishment, function, operation, or collective agreement of workers' organizations or collective bargaining.

When freedom of association and the right to collective bargaining are restricted by law, the company allows its employees to elect their own representatives freely. The company ensures that no union member, employees representative, or any employee involved in the organization of workers will be discriminated against, harassed, intimidated, or retaliated against because of being a member of a union or participating in the organization of workers' representatives or workers, and guarantees worker representatives to meet their members at their workplaces.

SK Telecom is operating a union shop system in which employees within the scope of union membership automatically join the union when they join the company according to the collective agreement and extends and applies the collective agreement to employees outside the scope of union membership. SK Telecom sets the rate of wage increase through labor-management wage negotiations and seeks to improve the working conditions of its employees. Following the basic principle of mutual cooperation and respect between the company and the labor union, SK Telecom conducts wage negotiations every year and collective bargaining every two years and holds quarterly labor-management councils. As of April 2022, there are no cases of non-compliance.

 The collective agreement concluded with the majority union is extended to all eligible members of the union

#### Freedom of Association Management

Issue	Key	stakehol	ders	Management status	Management standards	
	employees	Supply chain	Customers			
Right to collective bargaining	•			<ul> <li>Quarterly labor-management council (4 times a year)</li> <li>Wage negotiation every year, collective agreement every 2 years</li> </ul>	Proper implementation of the labor-management council, wages and collective bargaining in progress	
Right to organize	•			Proceeding to unify the procedure for window negotiation when signing a	Managing the progress of the window negotiation	
Right to collective action	•			collective agreement - Guaranteeing industrial action under a collective agreement	unification process Management of labor union's annual industrial action	

#### Labor union membership

	Unit	2019	2020	2021
Number of employees eligible for labor union membership	Persons	2,940	2,911	2,670
Labor union members		2,612	2,591	2,453
Labor union membership rate		88.8	89.0	91.8
Collective bargaining application rate <sup>1)</sup>	% ——	100	100	100

#### Work-life balance

#### Working hours management

SK Telecom abides by the statutory working hours, and employees' overtime hours shall not exceed the statutory hours stipulated in the relevant laws and regulations. In regions with no applicable law defining working hours per week and overtime, the supplier shall work with the following: According to the International Labor Organization(ILO) policy, the normal working hours per week are 8 hours per day or 48 hours per week in principle. SA8000:2008(Social Responsibility Requirements) As specified in Article 4, Paragraph 7, overtime hours according to this policy shall not exceed 12 hours per week, and at least one day off shall be provided after 6 consecutive days of work. Overtime should be compensated by applying an additional rate. SK Telecom and its suppliers shall grant workers the right to paid leave.

SK Telecom is operating a four-week optional work system that allows its employees to plan/execute work hours more flexibly on their own initiative and is taking the lead in improving the work-life balance of its employees through the Happy Friday system twice a month, which allows full-day off by adjusting working hours.

#### Fair remuneration

SK Telecom sets wages above the minimum and living wage and operates a competitive compensation policy that matches high labor productivity. SK Telecom pays remuneration regularly along with a pay stub and accurately calculates and pays wages for work that exceeds the prescribed working hours. Suppliers pay their employees fair and reasonable compensation. 'Reasonable remuneration' means the amount sufficient to maintain a stable standard of living and meets at least the minimum legal and industry minimum standards. Based on the fair evaluation, SK Telecom continues to provide fair compensation for its employees' contributions and efforts through reasonable incentives to employees who need additional compensation.

#### **Employee working condition management indicators**

Issues	Key	stakehol	ders	Management status	Management standards
	employees	Supply chain	Customers		
Compensation  Welfare and benefits	•				Review of Wages and Welfare  Adequacy  - The appropriateness of the ordinary wage/average wage range  - The payment of additional wages for overtime/holiday/night work  - The wages at least at the minimum level or above
				Flexible work hour system in place (working hours set by an individual in 2 week/4 week)	Management of average working hours per week
Working hours	•			Reduced working hours during pregnancy/childcare period	Status and work hours of shortened work during pregnancy/childcare
				Leader-employee agreement for overtime	Status and trend of overtime work
				30 minutes over 4 hours, 1 hour over 8 hours 30-minute break every 4 hours	Review of leave hour adequacy - Status of leave use trend - Guarantee of leave use

## Respect for diversity and non-discrimination

SK Telecom and its suppliers should not engage in or support discrimination on such grounds as race, color, age, veterans, gender identity, sexual orientation, pregnancy, ethnicity, disability, religion, political opinion, union membership, national origin, indigenous status, disease, HIV/AIDS status, social origin, marital status and union conditions such as membership in recruitment, employment period, compensation, educational opportunities, promotion, contract termination, and retirement procedures. SK Telecom and its suppliers provide equal opportunities and treatment regardless of the diversity of employees or employment types.

- \* Gender wage ratio: average female salary / average male wage
- Achieved 3.22% compared to the target of 3.1% employment rate for the disabled in 2021 with a total of 174 people(52 people with mild symptoms and 7 people with severe symptoms from SK Telecom, and 54 people with severe symptoms from Happyhanool) when reflecting twice the number of severely disabled people(based on the Employment Promotion and Vocational Rehabilitation Act for the Disabled)
- STEM: Employees who use their knowledge of science, technology, engineering, and mathematics in their work
- Happyhanool: Service business and standard workplaces for the disabled, such as business support service/car wash business/bath/massage and other body parts management service

#### Management Indicators for Respect for Diversity and Non-Discrimination

Issue	Key	stakehol	ders	Management status	Management standards	
	employees	Supply chain	Customers			
				Exclusion of Gender Side Discrimination Factors  - Prohibiting discrimination on grounds unrelated to job performance  - Providing equal wages for men and women for equal value work  - Prohibiting discrimination during system operation such as transfer/location/promotion/retirement  - Not using marriage/pregnancy/childbirth as a reason for retirement  - Conducting related education for all employees	Talent Pipeline Management - Proportion of women in total & by position/title, and job group	
Gender Equality	•			Preparing/implementing a preemptive system for maternity protection and workfamily balance  - Operating support systems beyond related laws(maternity leave, parental leave, restrictions on overtime work, etc.)  - Expanding support related to marriage, pregnancy, or childbirth  - Operating convenience facilities for maternity protection in the workplace  - Reflecting women's opinions when carrying out maternity protection support projects  - Operating in-house daycare center  - Activating 'Happy Friday,' an autonomous time utilization system  - Implementing various support programs such as childbirth celebrations, congratulations and condolences, support for children's education and children's camps	Maternity protection and work- family balance support system - Female Retirement Rate - Period and rate of use of maternity/parental leave, etc Happy Friday usage rate - Company's other efforts	
Working environments for Minorities such as disabled people	•			Eradicating irrational treatment/discrimination against persons with disabilities and multicultural employees - Creating an 'environment' to demonstrate each employee's ability fully - Creating a 'culture' of working together through awareness-raising education - Creating an environment where employees can work together happily	- Employment rate of persons with disabilities - Ratio of multicultural employees (the foreign employment rate) - Review of efforts to improve the Minority working environment	
Employees Survey	•			Employees survey by subject and item related to anti-discrimination	- Cumulative trend management through an annual evaluation	

SK Telecom provides various systems and opportunities to identify and eradicate unreasonable treatment and discrimination that employees experience due to culture, gender, minority status, and age through culture surveys, target surveys, etc. SK Telecom also respects the diverse religious and cultural rights of its employees and seeks to create a corporate culture through the voices of employees of various ages and classes and to provide equal opportunities for evaluation and compensation. SK Telecom transparently discloses the remuneration status of all employees through quarterly, semiannual, and business reports. In principle, there is no wage discrimination based on gender within the same position for male and female salaries. The difference in the total amount and average wage per person is due to the average length of service for male and female employees.

#### Male-Female Salary Difference

(As of December 31, 2021)

	Unit	Non-managers	Managers	Executives
Base salary	%	0.86	0.94	1.05
Base salary + other cash incentives	%	0.87	0.96	1.00

#### Diversity

		Unit	2019	2020	2021
	Ratio of female employees(No.)		18.7(998)	19.3(1,023)	22.9(1,252)
	Ratio of female managers(No.)	_	7.4(40)	8.0(51)	8.5(58)
	Ratio of female junior managers(No.)	_	11.0(308)	11.1(275)	11.2(287)
Female talent	Ratio of female executives(No.)	%	8(7)	8(7)	8(7)
	Ratio of female managers of profit generating departments(No.)		9(16)	9(30)	9.4(27)
	Female STEM <sup>1)</sup> Ratio(No.)			19(186)	24(248)
Special Employment and Minorities	Employment of the disabled	-	64	62	59
	- Happyhanool <sup>2)</sup>	Persons	48	53	54
	Employment of veterans	_	161	170	168

#### Non-discrimination on access to information

Foci

SK Telecom is trying various approaches to bridge the digital divide that can limit citizenship and political participation in the information society. SK Telecom is working hard to reduce discrimination in information access through measures such as 1) fee reduction for the vulnerable, 2) improving accessibility through education, and 3) expanding the network for universal information access.

# Employee protection and harassment prevention

#### Humane treatment

SK Telecom and its suppliers create and maintain an environment that treats all their employees with dignity and respect, We do not engage in any form of violent intimidation, sexual exploitation or abuse, verbal or psychological harassment, or abuse. Also, we do not tolerate harsh or inhumane treatment, coercion or physical punishment, nor do we commit similar threats.

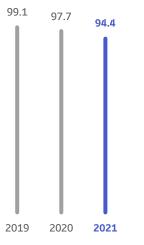
SK Telecom manages sexual harassment and workplace harassment issues in company-wide risk management. SK Telecom separates and addresses issues related to sexual ethics violations such as sexual harassment and discrimination against employees, conflict issues between members/leaders/ company, and major disasters, occupational accidents, and social scandals(assault, etc.) regarding incidents/accidents among employees. For partner companies, issues include violence, sexual harassment, and legal disputes, etc., due to changes in the business environment.

Regarding human rights violations, SK Telecom operates various channels to provide consultation. Employees report cases of human rights violations on channels such as 'My Counselor,' 'Letter to HR,' a female counselor in charge of sexual harassment consultation, intranet channels, and anonymous bulletin boards, and the company takes appropriate follow-up processing thereof. Employees who report on these channels may request 'confidentiality,' 'personal protection measures,' 'personnel measures,' protective measures,' and 'prohibition of disadvantageous measures,' SK Telecom operates a separate counseling and whistleblower protection program to prevent disadvantages to counselors, whistleblowers, and investigation cooperators.

SK Telecom blocks discrimination and harassment in the workplace by specifying the 'Human Rights Statement.' SK Telecom strictly prohibits discrimination or harassment based on gender, race, religion, disability, origin, etc., as well as any acts such as private requests or instructions that hinder forming healthy relationships. We respond to violations on a zero-tolerance principle. SK Telecom conducts systematic training every year to raise employees' awareness and reduce the likelihood of discrimination and harassment in the workplace.

- 1) "Child labor" means as defined in ILO-IPEC and Article 32 of the United Nations Convention on the Rights of the Child(UNCRC).
- 2) "Dangerous work" means as defined in Article 182. 3d of the ILO Convention and Article 190, paragraph 3 of the ILO Recommendation.
- 3) "Individual development" means as described in the United Nations Convention on the Rights of the





#### Prohibition of child labor

SK Telecom prohibits child labor<sup>1)</sup> at any stage of production and, in principle, hires those older than the minimum age for employment under the law. In areas where the Labor Standards Act, which defines the minimum age for employment by law, does not exist, SK Telecom employs those above the age of completion of compulsory education, or 16 years of age or older(or 15 years of age in countries where educational facilities are not sufficiently developed) according to international treaties. SK Telecom does not hire minors under the age of 18 for dangerous work<sup>2)</sup> or work that does not conform to personal development<sup>3</sup>, SK Telecom hires minors only for safe and non-hazardous work in areas where the Labor Standards Act does not exist, which defines working hours and working conditions for minors under 18. We specifically prohibit those under 18 from hazardous machinery, equipment and tools, work involving manual work, heavy load transport, or work in unhealthy environments. We do not engage young workers in work involving hazardous materials, chemicals, process temperatures, noise levels or healthdamaging vibrations, and also restrict them from under harsh conditions such as long hours(more than 8 hours/3 days), night work, or work unreasonably limited to the instructions of the employer.

#### Prohibition of forced labor

SK Telecom and its suppliers strictly prohibit coercive or secured or forced labor, slavery, or human trafficking of any kind. Workers are free to leave the workplace and terminate the employment contract upon giving due notice. All recruitment is voluntary. Suppliers shall not require workers to deposit money, withhold payments, impose debts on workers as a condition of employment, or hand over government-issued identification, passports, or work permits. The suppliers guarantee freedom of employee's movement at business sites, rest areas, and dormitories. All employers have defined terms of employment and an employment contract signed by both employer and employee. One copy of the original employment contract is handed out to the employee, and the employment contract contains at least the following items.

- 1) Working hours according to wages
- 2) Overtime allowance and compensation for working outside of regular working hours
- 3) Payment method and cycle
- 4) Holidays and vacations

### **Privacy Protection**

#### **Privacy Policy**

SK Telecom values protecting customers' personal information and always does its best to protect customers' personal information. SK Telecom complies with all relevant personal information laws, including the Act on Promotion of Information and Communications Network Utilization and Information Protection and the Personal Information Protection Act. SK Telecom has established SK Telecom's "Personal Information Processing Policy" under relevant laws and discloses it on its website(privacy. sktelecom.com) to help customers conveniently browse it anytime. To enhance the brand value of SK Telecom based on customer trust, the 'SK Telecom Customer Information Protection Policy' is implemented based on the following five principles. Through these, SK Telecom manages the risk of personal information leakage, forgery, falsification, and violation of laws in advance and manages it to serve as a basis for decision-making when conducting business using personal information.

#### **Privacy Principles**

Principles	Contents
Principle of Minimum Collection	We shall inform customers of the minimum information suitable for business purposes and obtain their consent.
Principle of safekeeping	We shall safely store and manage customers' personal information from internal and external access.
Principle of In-Purpose Use	We shall use and provide personal information only for the purposes consented to by the customer.
Principle of external management enhancement	We shall protect the personal information provided to the outside by enhancing the management of external companies such as consigned companies and affiliated companies.
Principle of Timely Destruction	We must adequately classify and destroy personal information that has been withdrawn, revoked, or expired.

#### **Privacy Governance**

SK Telecom enhances social responsibility and sustainability by reflecting the importance of information security in its system and thoroughly managing it. In line with the revision of related laws such as the Information and Communications Network Act in 2021, SK Telecom is building and operating unified information protection and personal information protection governance by assigning the chief information security officer(CISO) and Chief Privacy Officer(CPO) under the supervision of the board of directors.

#### **Privacy Activities**

SK Telecom is actively responding to information security issues as cyber security issues have intensified recently. We identify 'personal information protection' as a critical management issue. We are implementing measures such as identifying and removing potential risk factors in advance, strengthening the information protection system and the distribution network and subsidiary status inspection. We also conduct personal information protection training for all employees to promote information protection and the awareness and culture of personal information protection and to enhance information protection practice skills. SK Telecom applies and operates the latest and best security systems and processes beyond the scope stipulated by the law in its N/W infrastructure, data, and service areas, respectively. SK Telecom is also implementing security control and information security breach prevention to respond to cyber security threats. We implement various technical/administrative protection measures, such as preparing a system to protect customer information through the Privacy Center more safely.

#### Personal information protection management indicators

Issue	Key	stakehol	ders	Management status	Management standards	
	employees	Supply chain	Customers			
Personal information security policy	•		•	Policy review according to laws and regulations, linkage with related institutional policies, and changes in the organization's internal and external environment(once a year)     Relevant history management when enacting/revisioning	History management when enacting/ revisioning	
Personal Information Risk Management Process		• • •		Checking the status of information protection and personal	Company-wide security level check  · ISMS-P authentication performance/ maintenance check  · Improvement measures  · Number of measures	
	•		•	information management  - Target: SKT company-wide, distribution network, subsidiaries, and investment companies  - Cycle: Once a year  - Performance details: Establishing a diagnosis plan and diagnosing the inspection status	Distribution network inspection  Offline inspection rate  - Number of offline diagnosed stores  - Number of violation stores(violation rate)  - Number of stores with measures taken	
					Subsidiary and investment company inspection - Percentage of performing security inspections for subsidiaries and investment companies	
Council for personal information security	•		•	Operating CISO and working-level council for information protection and personal information protection	CISO Council operation  Operating the council at least once a year	
Number of leaks of customer personal information			•	Number of incidents of leakage of customer personal information	Annual number of customer personal information leakage incidents	
Education on Personal Information security	•			Training on personal information protection and cyber security     Spreading awareness and culture of information protection/ personal information protection and improving information protection practices with all employees	Education participation rate(number of participants against all employees)	

## **Supply Chain Management**

SK Telecom has set and operated supply chain management policies and procedures for the sustainable supply chain management. The company collaborates with partner companies in the overall business operation, including network device development and distribution, network infrastructure construction and operation, and platform content development and provision, providing information on responsibilities and warranties for products and services to stakeholders. We are also continuously reviewing and mitigating risk factors in the value chain of the supply chain to enhance our ability to identify opportunities. SK Telecom is enhancing its future competitiveness by managing the value chain of its supply chain.

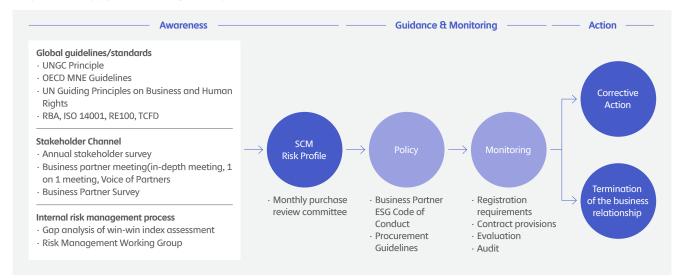
#### **Policy**

SK Telecom defines social responsibility compliance requirements for suppliers following the Supplier ESG Code of Conduct. At the beginning of every year, SK Telecom makes it compulsory for all its business partners to sign the 'Partner ESG Code of Conduct pledge' focusing on the core ESG risk management areas and for suppliers to make online pledges through the purchasing system for the 'supplier's pledge of ethical practice.' SK Telecom provides the 'Supplier ESG Code of Conduct' to its suppliers and encourages all its business partners and secondary business partners with whom it enters into contractual relationships to adhere to these principles. "Business Partners" within the ESG Code of Conduct refers to all business partners, including employees, contractors, secondary business partners and agents.

We have reflected the UNGC principles in our supplier code of conduct in our supply chain guidelines. We refer to the recommendations of the Global e-Sustainability initiative, the Joint Audit Cooperation(JAC) guidelines of GeSI, along with the International Labor Organization(ILO) key conventions. We prevent business risks related to business partners in advance through regular monitoring by requiring suppliers to comply with their obligations in principle during the contracting process.

SK Telecom's business partners do not discriminate in any form against stakeholders, including customers, employees, and community members, on the grounds of race, ethnicity, religion, gender, disability, etc., in all regions where it conducts business. In addition, our business partners are committed to maintaining optimal working conditions for our workers, complying with working hours, guaranteeing a minimum wage, and prohibiting child and forced labor.

#### Responsible supply chain management process



#### 2021 supply chain purchase analysis

Supplier classification	on	No. of suppliers	Portion of purchase (%)
	Total registered	1,189	100
	Equipment(network and infrastructure)	153	31
Tier 1 Supplier	Services(software and solution development)	781	44
	Goods	108	5
	Construction	147	20
Critical supplier	Tier 1	160	88
	Non-Tier 1	52	5

SK Telecom designates its key suppliers by comprehensively considering their business impact and transaction dependence, such as 1) relevance and reliability their core business, 2) high level of transaction value, 3) impossibility of replacing their proprietary technologies, etc. Accordingly, as of 2021, out of a total of 1,189 registered partner companies, 212 companies were designated as core suppliers. Among them, 160 were selected as Tier 1 key suppliers and 52 as Non-Tier 1 core suppliers.

#### Risk management

Preliminary screening of supply chain risk — SK Telecom requires newly registered partners to sign the 'Partner ESG Code of Conduct Compliance Pledge', an official document requesting suppliers' compliance with and consent to supply chain ESG policies and to comply with the requirements of SK Telecom's supply chain policy in written contracts. SK Telecom also requests its secondary suppliers to implement the Code of Conduct 100% across contracts and business practices. According to the screening results, suppliers that do not meet the criteria cannot be registered as new suppliers, and the business relationship gets terminated. SK Telecom registers new suppliers through its prescreening based on ESG factors such as human rights, environment, ethics, and society and is steadily increasing the rate of ESG diagnosis in the supply chain.

#### Risk Management Indicators of Supply Chain Human Rights

Issue	Key	stakehol	ders	Management status	Management standards	
	employees	Supply chain	Customers			
Human rights		•			Checking human rights policy implementation (forced/prohibited child labor, etc.)     Checking employment contract writing practice     Ratio of female workers, etc.	
Labor		•		Selecting evaluation targets in consideration of transaction size and strategic importance among suppliers     Implementing supply	Compliance with statutory wage and 4 major insurance provisions     Checking on conducting education for human resource development     Checking on having a procedure for collecting opinions for handling grievances, etc.	
Safety/Health		•		chain ESG diagnosis Conducting on- site verification for suppliers evaluated as low in the diagnosis	Checking on having an industrial accident/disease prevention management system     Safety/health education and training     Safety/health prevention facilities and equipment, etc.	
Ethical management		•		and supporting improvement measures	Checking on having an ethical management policy     Checking on implementing ethical management training     Checking on having a channel for reporting ethical issues, etc.	
Information protection		•			Checking on having a privacy policy     Checking on practicing personal information protection monitoring, etc.	

#### Supply chain ESG evaluation(pre-screening)

Type of supplier	2019	2020	2021	Remarks
Number of newly registered suppliers	568	336	325	Service/
Number of screenings in human rights, environment, ethics and society	568	336	325	Construction/ Equipment/
Rate of preliminary screening(%)	100	100	100	Product Supplier

Identifying and analyzing major risks in the supply chain — SK Telecom preemptively identifies significant risks in the supply chain every year through surveys, meetings, and risk management working groups. Risk factors identified through the survey are reflected in the risk gap analysis and risk mapping for each supplier group and are thoroughly reviewed by the 'Purchase Deliberation Committee' every month. SK Telecom classifies major risks from a supply chain perspective into economic and social risks and reflects them in the supply chain sustainability process. Major risks are reflected in the 'Business Partner ESG Code of Conduct' and the 'BP Ethical Practice Agreement' and are applied 100% to future supplier diagnosis. In 2021, risk identification and analysis were conducted for all tier 1 suppliers(1,189 companies) and non-tier suppliers(52 companies), and if there is a partner company identified as exposed to "High Risk", SK Telecom will conduct an audit through visit survey or third-party survey data to prevent the possible risk.

#### 2021 Supply Chain Risk Identification and Analysis Results

Key risk	factors			Assessed Sourcing Gr	oup	High-Risk Ratio	
			Risk Level	Assessed Group	Ratio(Number of Companies)	Ratio(Number of Companies)	
	Overall	Overall Risks	-	-	100%(1,189)	0%(0)	
	Economic	Violation of ethical and anti-corruption principles in the contracting process	High	All suppliers	100%(1,189)	0%(0)	
Tier 1	risks	Collusion and unfair practices	High	All suppliers	100%(1,189)	0%(0)	
TICL I	Social risks	Violation of ILO standards and reasonable labor practices(compliance with work hours, wage payment, and other labor rights)	Moderate	Service/construction supplier	78%(928)	0%(0)	
		Conflict minerals	Low	Equipment supplier	13%(153)	0%(0)	
Non-Tier	1	Overall Risks	-	Subcontractor	100%(52)	0%(0)	



#### Win-win Growth with Business Partners

SK Telecom pursues win-win growth with business partners to create a sound ICT industrial ecosystem and sustainable values. To this end, SK Telecom established a department dedicated to win-win growth and cooperation for the first time in the industry in 2003, proclaiming its will to promote win-win management actively.

SK Telecom concludes fair trade agreements with around 150 partners annually. This proves SK Telecom's will for happy shared growth by preventing unfair transactions such as forcing low unit prices on suppliers or demanding delivery on a tight schedule.

SK Telecom's plans and performance for win-win growth activities are reported to the ESG committee of the BOD, and significant issues are being reviewed. The ESG Committee is the final decision-making body for sustainability management within SK Telecom, established to practice global-level socially responsible management. In addition, we operate a Company-wide Purchase Review Committee once a month to periodically check the systematic practice of shared growth and win-win growth with partner companies. The Purchase Review Committee is attended by key executives to discuss major issues related to fair trade and win-win growth and check detail activities. The legal compliance organization also supports business partners' fair trade risk management and major issues. We also operate various systems to listen to the voices of our partners regarding shared growth.

#### **Collecting Supplier Opinions**

SK Telecom conducts the 'Partner Happiness Survey' on critical items such as business relationships and decision-making in the course of transactions and collaboration, receives opinions anonymously, and provides feedback to relevant business departments to reflect the results in the shared growth policy. In addition, through 'in-depth meetings with partners,' we collect opinions on contracts with SK Telecom and win-win growth activities through informal one-on-one meetings with the voices of the field and reflect them in our policies. Meanwhile, We held the 'non-face-to-face win-win growth CEO forum' and introduced the digital industry prospects in the post-corona era to the CEOs of partner companies who participated in the event, etc., to help them with their corporate management. We also conducted the 'Happy Camp for Shared Growth' non-face-to-face, seeking ways to communicate honestly and practically with suppliers suffering from COVID-19.

# ICT industry human rights management

#### **Artificial Intelligence Human Rights Respect**

With the recent rapid development of artificial intelligence technology, Al is being applied and spread in various industries such as manufacturing, medical care, and education. Along with this rapid spread, social problems such as the misuse of AI due to technological limitations, invasion of privacy, and data bias are also emerging. Countries worldwide, major international organizations, and big tech companies recognize the importance of AI ethics and announce principles for creating ethical AI one after another. Accordingly, SK Telecom is developing technologies to prevent the misuse of AI technology through its slogan of 'Human-Centered Al.' SK Telecom's goal is to create a 'happy world where humans and Al coexist'; for this purpose, we have prepared and declared seven AI values.

#### SK Telecom AI Pursuit Value



#### We pursue social value.

SK Telecom will strive to create social value for the public by utilizing AI.



#### We value human safety and life.

SK Telecom will check and respond to foreseeable risks from design to deployment to make a safe AI.



#### We develop reliable and stable technology.

SK Telecom knows how important the stability of telecommunication services is and will create AI services responsibly to ensure users trust and use them anytime, anywhere.



#### Privacy

#### We oppose social discrimination and embrace diverse opinions.

SK Telecom will carefully manage AI to ensure that it does not unfairly discriminate based on gender, religion, nationality, race, etc., or be biased toward specific values.

We protect personal information and user privacy.



#### We will do our best to help improve users' understanding.

SK Telecom will make steady efforts to develop technologies that users understand and embrace AI



SK Telecom will strictly comply with the laws related to protecting users' personal information and privacy in collecting and processing data for AI and faithfully carry out technical/administrative protective measures to establish a safe data management environment.



#### We are not satisfied with the present but constantly

SK Telecom will continue to work hard to innovate AI technologies and services by actively introducing new technologies and accepting user feedback.

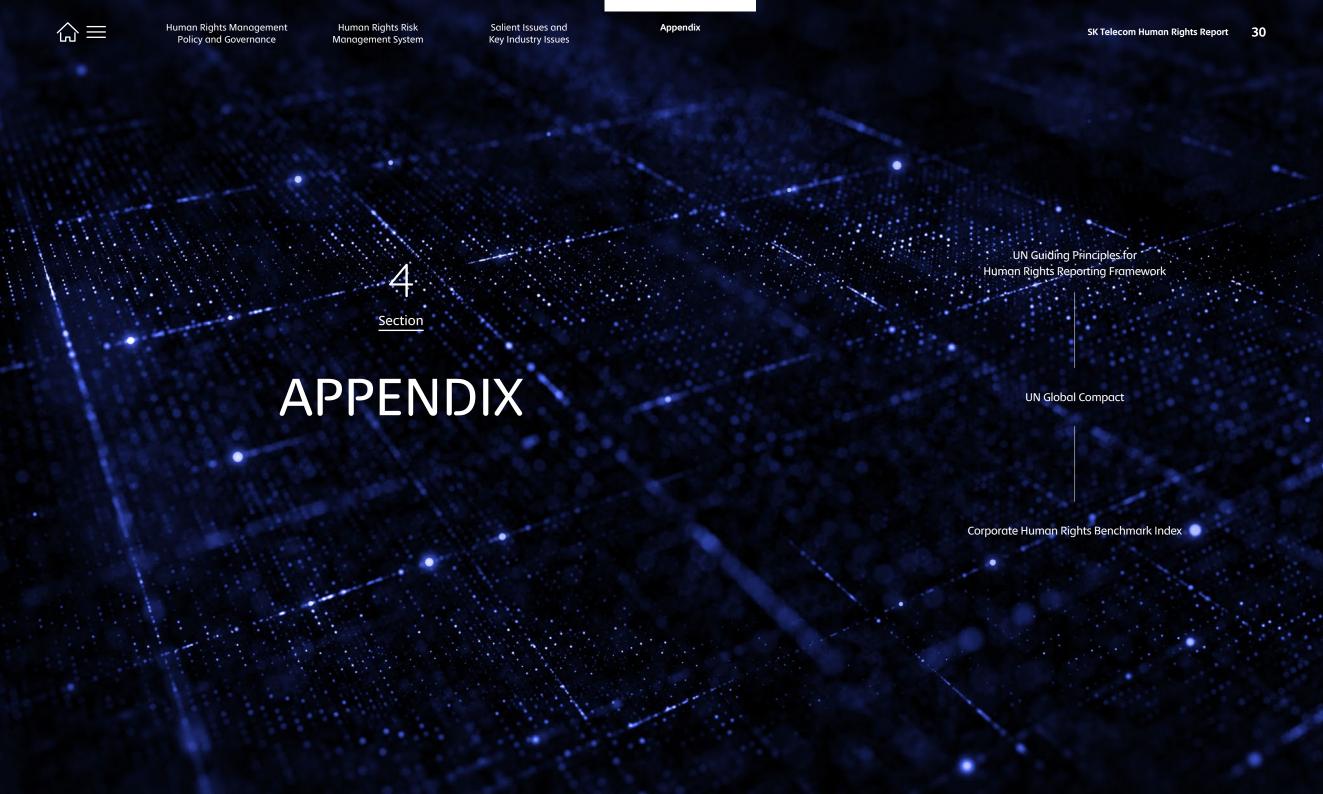
#### Online child protection

SK Telecom and its suppliers are making various efforts to ensure that children and adolescents can use the company's services safely and soundly in an on-data-oriented communication service environment, 'ZEM,' an exclusive service for children, is an app service that develops good habits for children under the age of 12 who use smartphones for the first time. Parents connected to their children can use various safety features for free through ZEM. 'T Youth Safety Pack' includes safety devices to prevent teens' smartphone addiction and exposure to harmful content. We also include measures to protect children and adolescents when designing our rate plans. We protect families' privacy and help children use the Internet safely by providing a plan that includes additional services to block malicious codes, viruses, and harmful sites when providing our internet service.

#### Acquisition of land and assets

SK Telecom and its suppliers should also consult with the local community to select their business sites or install antennas or other equipment. Most of SK Telecom's business is conducted in Korea, and the risk of infringement of the rights of indigenous peoples is relatively low. However, we are working to prevent potential violations of indigenous rights that may arise while constructing our base stations and network infrastructure. We have established channels such as the customer center to receive and respond promptly to cases of violations of residents' safety and other rights due to electromagnetic waves from our domestic business sites, base stations, and network infrastructure.

Issues	Key stakeholders				Management status
	employees	Supply chain	Customers	Local communities	
Harmful content			•		Preventing exposure to harmful contents by operating children-only app services and youth safety service
Smartphone addiction and cyberbullying			•		Providing service guides and content to prevent smartphone addiction and cyberbullying
Acquisition of land and assets				•	Proceeding consultation with the local community     Operating channels to receive human rights violation cases of local residents



# UN Guiding Principles for Human Rights Reporting Framework

Category	Reporting Principles	Details	Reporting Status
Carray and a few years at few brongs wights	A1. Human rights policy	Disclosure of SK Telecom's will to respect human rights to the public	p. 4~6, 7
Governance for respect for human rights	A2. Internalizing respect for human rights	Efforts to internalize SK Telecom's will to respect human rights	p. 4~6, 7
	B1. List of major human rights issues	Major human rights issues related to business activities	p. 14~16, 20~30
W D	B2. Identification of key human rights issues	How to select major human rights issues	p. 11~16
Key Reporting Areas	B3. Major Human Rights Management Areas	Regions with major human rights issues and how to select regions	p. 11~16
	B4. Potential Human Rights Issues	Major and potential human rights issues	p. 14~16, 20~30
	C1. Detailed policies for major human rights issues	Detailed policies for major human rights issues	p. 4~6, 7
	C2. Stakeholder Engagement	Stakeholder Engagement by Major Human Rights Issues	p. 9
Name and the state of the state	C3. Impact Assessment	Identification of key ongoing human rights issues	p. 11~18
Management of major human rights issues	C4. Response to human rights issues	Reflection of decision-making processes and activities on major human rights issues	p. 8~9, 11~18, 20~30
	C5. Performance evaluation	Effectiveness of actions to address key human rights issues	p. 14~18
	C6. After-sales support	Follow-up support activities for human rights-related victims	p. 14~18, 20~30

# **UN Global Compact**

UNGC ADVANCED CRITERIA			Cross Reference / Direct Answer in this report	Location in Annual Report 2022
Fulfillment of the UNGC's	Criterion 1	Commitment to integrate the UNGC 10 principles into business function and units	p. 2	Appendix > About This Report
Ten Principles in Strategy and Operation	Criterion 2	Practicing the UNGC 10 principles across the value chain	p. 4-6	Sustainability Management > Governance > Ethical Management
	Criterion 3	Human rights commitment, strategy, and policy	p. 4-6	Sustainability Management > Society > Human Right Management
Definite Human Rights Policy	Criterion 4	Effective management system to incorporate the human rights principles into business and management procedures	p. 4-6, 8, 20-30	Sustainability Management > Society > Human Right Management
and Procedure	Criterion 5	Monitoring and evaluation mechanism to ensure compliance with the human right principles in business and management procedures	p. 11-14	Sustainability Management > Society > Human Right Management
Definite Labor Policy	Criterion 6	Labor commitment, strategy, and policy	p. 4-6	Sustainability Management > Society > Human Right Management Appendix > Social Data
and Procedure	Criterion 7	Effective management system to incorporate the labor principles into business and management procedures	p. 4-6, 8, 20-30	Appendix > Social Data
	Criterion 8	mechanism to ensure compliance with the labor principles in business and management procedures	p. 11-14	Evolution of New SKT > Stakeholder Engagement
	Criterion 9	Environment commitment, strategy, and policy	-	Sustainability Management > Environment > Environmental Management Evolution of New SKT > Social Value Creation Appendix > Environmental Data
Definite Environmental Policy and Procedure	Criterion 10	Effective management to incorporate the environmental principles into business and management procedures	-	Sustainability Management > Environment > Environmental Management Evolution of New SKT > Social Value Creation Appendix > Environmental Data
	Criterion 11	Monitoring and evaluation mechanism to ensure compliance with the environmental principles in business and management procedures	-	Sustainability Management > Environment > Environmental Management Evolution of New SKT > Social Value Creation Appendix > Environmental Data
	Criterion 12	Anti-corruption commitment, strategy, and policy	-	Sustainability Management > Governance > Ethical Management
Definite Ethics and Compliance	Criterion 13	Effective management system to incorporate the anti-corruption principles into business and management procedures	-	Sustainability Management > Governance > Ethical Management
Policy and Procedure	Criterion 14	Monitoring and evaluation mechanism to ensure compliance with the anticorruption principles in business and management procedures	-	Sustainability Management > Governance > Ethical Management
	Criterion 15	Contribution through key businesses to help achieve the UN objectives and goals	-	Sustainability Management > Society > Social Contributions Appendix > Social Data
Activities to Support Broader and More Comprehensive UN Objectives and Goals	Criterion 16	Strategic community investment and charity work to help achieve the UN objectives and goals	-	Sustainability Management > Society > Social Contributions Appendix > Social Data Appendix > UN Sustainable Development Goals(SDGs)
	Criterion 17	Public engagement and communication to help achieve the UN objectives and goals	p. 9	Appendix > UN Sustainable Development Goals(SDGs)
	Criterion 18	Partnerships and external initiatives to help achieve the UN objectives and goals	p. 2	Appendix > About This Report
	Criterion 19	CEO's sustainability commitment and leadership	p. 4-6	Business Overview > CEO Message
Governance and Leadership for Sustainability	Criterion 20	Board of Directors' selection and oversight of sustainability agenda items	P. 8	Sustainability Management > Governance > Board Committees > ESG Committee
Sastantability	Criterion 21	Stakeholder engagement	p. 9	Evolution of New SKT > Stakeholder Engagement

# Corporate Human Rights Benchmark Index

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	A.1.3.a	Commitment to respect human rights particularly relevant to the sector: Responsible sourcing of minerals	p. 4-6
Governance	A.1.3.b	Commitment to respect human rights particularly relevant to the sector: Vulnerable groups	p. 4-6
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