

SK Telecom Risk Report 2024



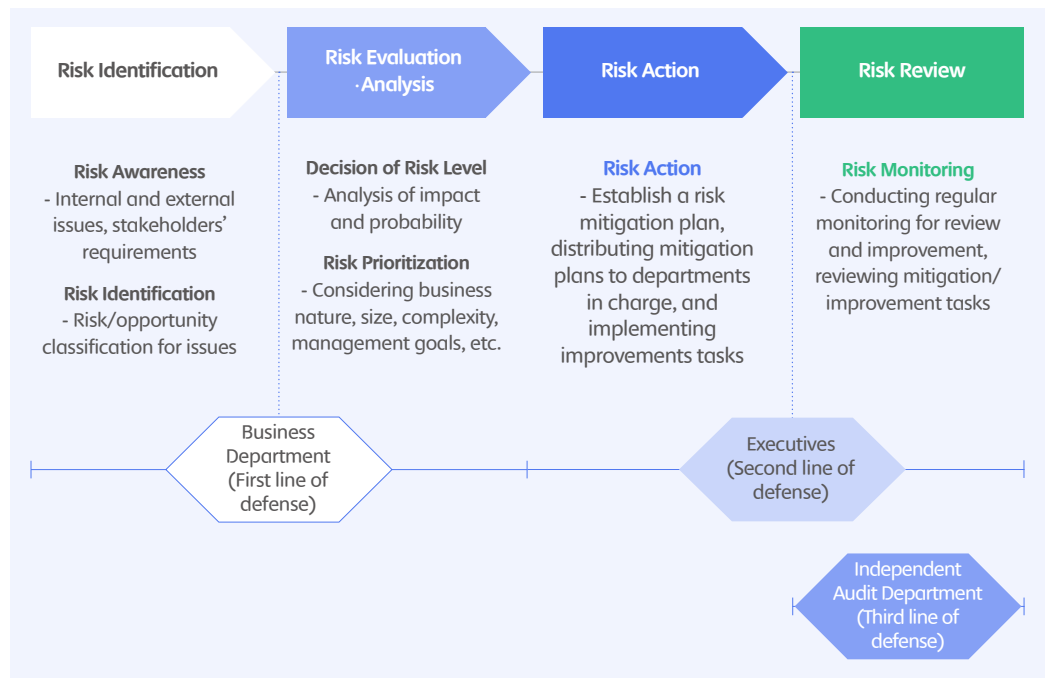
Company-wide Risk Management System

Framework

SK Telecom is establishing a company-wide Enterprise Risk Management (ERM) system to identify risks that may arise in the business environment in advance and respond efficiently to the identified risks. We formed a company-wide risk management working group (W/G) centered around our integrated risk management organization, involving business departments and ICT Family companies (subsidiaries), to regularly identify potential risks from various perspectives. Through these efforts, we are creating a risk management culture to improve the effectiveness of company-wide risk management and business strategy execution.

The Company-wide Risk Management Process

SK Telecom operates a company-wide risk management process to identify and effectively manage major risks affecting its business. This process involves key activities such as identification, evaluation and analysis, action, and review/monitoring, all of which are essential to business operations.



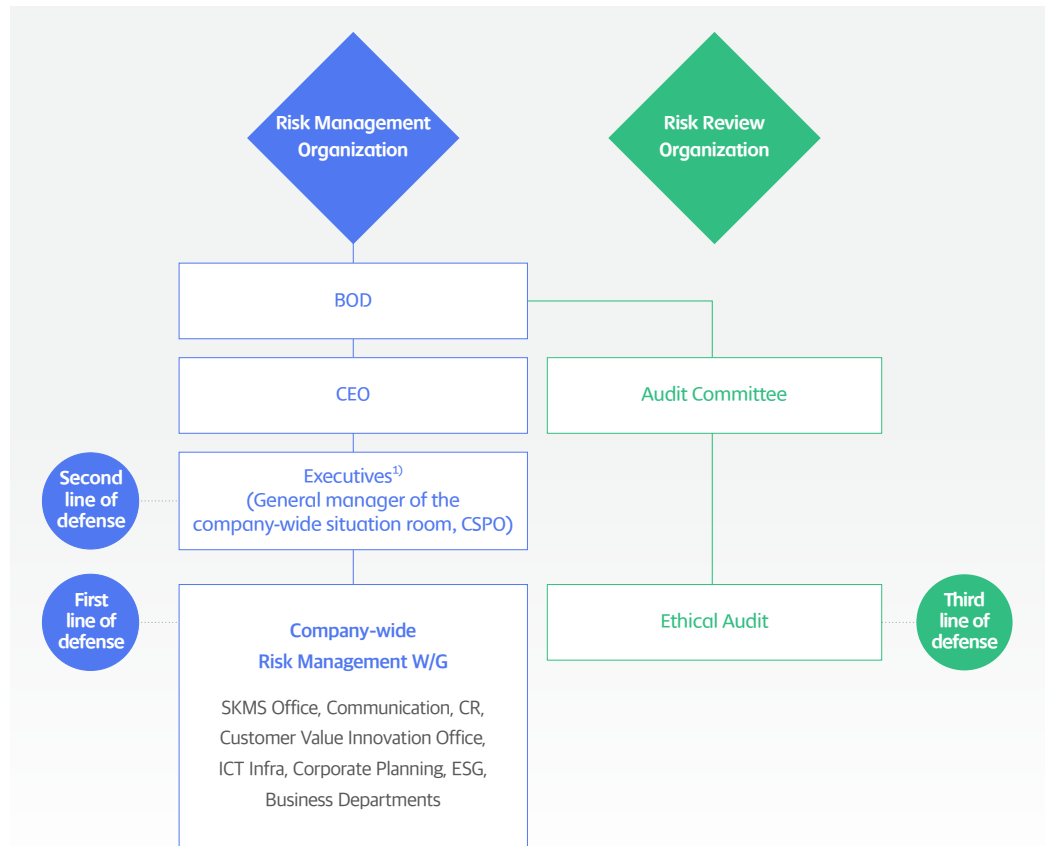
<p>⚠ Risk Identification</p> <p>We continuously monitor internal and external issues related to the organization's purpose and strategic direction, identifying risk factors by considering the influence of stakeholders.</p>	<p>🔍 Risk Evaluation and Analysis</p> <p>By analyzing identified risks and opportunities based on their impact and likelihood of occurrence, we determine risk priorities by considering risk levels, business nature, scale, complexity, and management goals.</p>
<p>🔧 Risk Action</p> <p>Based on the results of the risk evaluation, the business departments determine risk priorities and implement appropriate control measures to effectively mitigate and eliminate risks.</p>	<p>📄 Risk Review</p> <p>The business departments establish monitoring procedures for risk review and improvement and continuously observe them. They then submit key risk monitoring reports on a regular basis at least twice a year.</p>

Company-wide Risk Management System

1) CSPO, CGO, CSO, CFO, CLO, CCRO, CPRO, CHRO, SKMS Office

Risk Management Governance

To continuously monitor and enhance the effectiveness of the risk management system, SK Telecom has integrated the risk management system into the governance framework, considering risks when making decisions and setting strategic goals.



(1) Risk Owner (First line of defense)

SK Telecom operates a risk management working group consisting of managers from dedicated organizations in each business area. The risk management working group is responsible for identifying and mitigating key risks in each business department, and each working group member is accountable for managing operational risks within their respective areas. In addition, we do our best to ensure risk management at the company-wide level by quarterly reporting on key risk identification and mitigation actions to the CEO, CSPO, and committees under the Board of Directors. The SKMS Office, a department dedicated to the company-wide risk management working group, manages risk profiles, maps departments in charge of key risks, defines response measures by risk and oversees activities such as monitoring, risk awareness and dissemination, and response according to defined risk standards.



(2) Risk Monitoring and Supervision (Second line of defense)

The CSPO oversees company-wide risk management and operates a company-wide risk management response system and crisis response system at all times. In addition, when risks that significantly affect the organizations in the company and business operations arise, we convene a company-wide risk management working group to promote rapid response. The SKMS Office, a dedicated department of the risk management working group overseen by the CSPO, is responsible for auditing the compliance status of each business department, executive and employee with the defined risk standards and system.



(3) Independent Audit (Third line of defense)

The Board of Directors supervises the company-wide risk management system and process through the audit committee. The audit committee, together with management, reviews the analysis of the company's risk types, and actions implemented to prioritize, manage or mitigate risks. When necessary, the audit committee conducts a review of the approach method to key risk types. In addition, the Ethical Audit, an internal audit department that supports the Audit Committee, evaluates the level of ethical management and internal controls at all company-wide business units and ICT Family companies on an annual basis and provides practical support to the Audit Committee in its role, including internal audit, establishment and operation of the ethics management system, selection and supervision of external auditors, and evaluation of the internal accounting management system.

Company-wide Risk Management System

An Organization Dedicated to Risk Management

BOD

In order to coordinate the various interests of stakeholders and approve management decisions, SK Telecom has a Board of Directors comprised of professionals with extensive expertise and practical experience in communications, media, security, AI, and the Cloud.

Risk Specialties of BOD

Classification	Directors	Risk Type			
		Strategic	Operational	Financial	Compliance/Legal
		Risks that affect the execution of business strategy or achievement of business objectives	Risks that arise from internal processes or systems, member incidents and accidents, etc.	Risks that arise from exchange rate, interest rate fluctuations, liquidity, credit, asset and liability management, etc.	Risks that are related to changes in industry and ESG regulations and policies, fair trade violations, corruption, and adequacy of accounting and ESG disclosure standards, etc.
Executive director	Young Sang Ryu	◆	◆	◆	
	Jong Ryeol Kang	◆	◆		◆
	Yang Seob Kim	◆	◆	◆	
Non-executive director	Sung Hyung Lee	◆	◆	◆	
Independent director	Yong Hak Kim	◆	◆		◆
	Seok Dong Kim	◆	◆	◆	◆
	Junmo Kim	◆	◆		
	Haeyun Oh	◆	◆		
	Mi Kyung Noh	◆	◆	◆	◆

Audit Committee

SK Telecom ensures independence by organizing the audit committee with all independent directors. In addition to financial and accounting experts, authorities in the fields of social networks, AI, and media participate as members of the audit committee, providing expert insight on business and organizational operations. In addition, the company operates a specialized support organization for the audit committee to ensure smooth and efficient task execution.

Experience and Qualifications of the Members of the Audit Committee

Name (Position)	Classification	Experience and Qualifications	Remarks
Seok Dong Kim (Chairperson)	Independent director	- Chairman, Financial Services Commission (2011~2013) - 8th First Vice Minister of Finance and Economy (2007~2008) - Vice Chairman, Financial Supervisory Commission (2006~2007) - Director, Financial Policy Bureau, Ministry of Finance and Economy (2004~2005) - Department Head of Supervisory Policy Division/Director of Supervisory Policy Division 1, Financial Supervisory Commission (2001~2003)	Accounting and financial expert (Experienced in financial institutions, government, securities-related organizations, etc.)
Yong Hak Kim (Member)	Independent director	- Professor Emeritus, Yonsei University (2020~present) - President of Yonsei University (2016~2020) - BK Planning Committee, Ministry of Education (2004 ~2005) - Member of the Presidential Commission on Policy Planning (1996~1997) - Professor of Sociology, Yonsei University (1987~2020)	Social network expert
Mi Kyung Noh (Member)	Independent director	- Hong Kong Asia Pacific Region Risk/Credit Risk Review Manager, HSBC (2017~2024) - Seoul Chief Risk Officer, HSBC (2010~2017) - Seoul, HR/Financial/Credit Analyst, Chase Manhattan (1988~1996)	Expert in global risk management
Haeyun Oh (Member)	Independent director	- Director, Artificial Intelligence Research Center, KAIST (2023~2024) - Vice Director, Artificial Intelligence Research Center, KAIST (2021~2023) - Civilian member, Presidential Committee on the 4th Industrial Revolution (2020~2022) - Director, Center for MARS Artificial Intelligence Research, KAIST (2018~present)	AI Expert

Company-wide Risk Management System

Risk Management Status and Plan

Supporting Department of Audit Committee

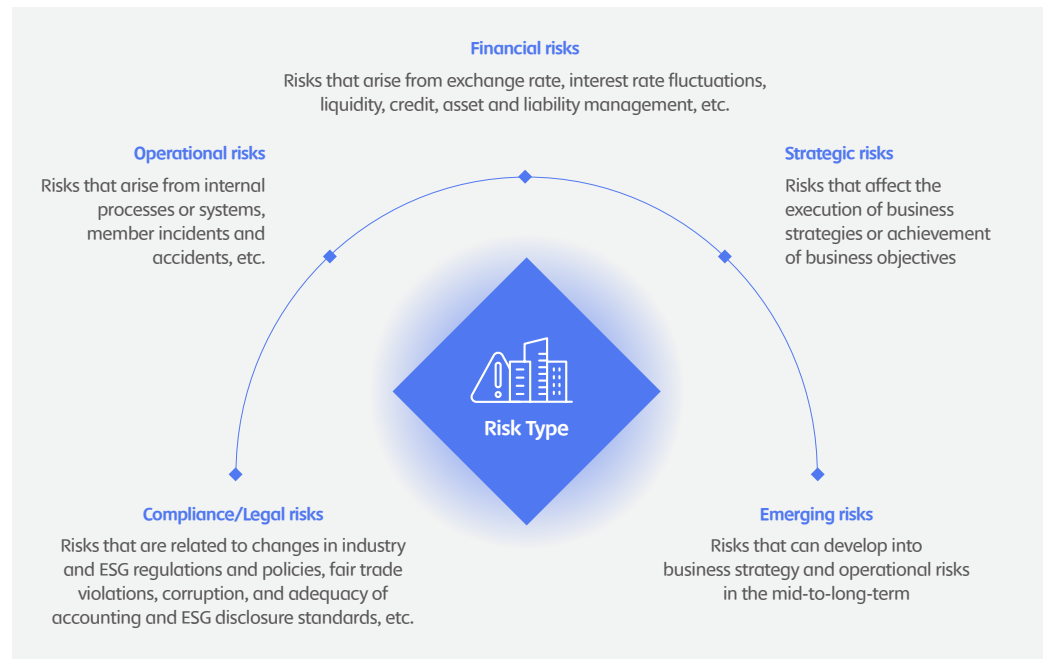
The Ethical Audit department within SK Telecom consists of two executives in charge, eight members of the Ethics Management Team who are responsible for establishing and operating the ethics management system, 10 members of the Audit Team who conduct internal audits, and four members of the Audit Support Team who assist the Audit Committee.

The establishment and reporting duties of the Ethical Audit department are specified in the Audit Committee Regulations. The department assists the Audit Committee by supervising the internal accounting management system, overseeing financial reporting, conducting fraud investigations, and reporting the results to the Audit Committee.

Risk Identification

SK Telecom classifies risks to holistically manage the various risks that may arise from financial and non-financial aspects.

Risk Type



Risk Evaluation, Analysis and Actions

SK Telecom identifies potential risks by regularly reviewing key risk factors at least twice a year. This process helps to identify financial and non-financial risks that may arise during management, enabling the company to proactively prevent and respond to them. We comprehensively review various risk factors resulting from the continuous volatility of the business environment when we discover new businesses (products, services, etc.) or conduct business and investment deliberations. In addition, we derive core risks based on the possibility of occurrence, impact, and material ESG issues identified in the company-wide risk pool, and establish mitigation actions for high-priority risks to proactively address their potential impacts.

1) Risk exposure, impact classification
 ◆ High ◆ Middle ◆ Low

Key Risks and Mitigation Actions (2023–2024)

Classification	Key Risks ¹⁾	Mitigation Actions	ESG Material Issues
Strategic Risks	◆ Business Alliance (M&A), investment performance management	Establishment and implementation of business strategies through customer needs and demand forecasting, making business decisions, and monitoring technology and industrial environments	-
	◆ Finance Macroeconomic factors such as foreign exchange and interest risks	Periodic monitoring and response to financial trends such as exchange rates, interest rate fluctuations, liquidity, and credit assets	-

Risk Management Status and Plan

Classification	Key Risks	Mitigation Actions	ESG Material Issues
Strategic Risks	◆ Business Alliance (M&A), investment performance management	Establishment and implementation of business strategies through customer needs and demand forecasting, making business decisions, and monitoring technology and industrial environments	-
	◆ Finance Macroeconomic factors such as foreign exchange and interest risks	Periodic monitoring and response to financial trends such as exchange rates, interest rate fluctuations, liquidity, and credit assets	-
	◆ R&D Core technology development and innovation, patent management	Efforts to procure customers through innovative core technology development and to minimize legal risks through strategic patent management of key business technologies	Key #1. Diversification of customer experience Key #3. Service quality management and responsibility
	◆ ICT Family companies (Subsidiaries) Establishment of company-wide risk/ESG management system	Efforts to reduce, manage, and supervise subsidiary risks through ICT Family company risk education, establishment of a management system, and regular monitoring	Report #2. Enhancement of governance integrity and transparency
	◆ ESG Social value (SV) performance, stakeholder management and communication	Monitoring the impact of investment institutions based on ESG response status, monitoring stakeholder management and communication channels	-
	◆ Safety and Health Strengthening safety for workers and citizens as the postponement period of the Serious Accidents Punishment Act (SAPA) concludes	Monitoring and responding to safety and health impact factors for members and partners, managing serious industrial and public accidents	-
Operational Risks	◆ Members (HR) Welfare, labor-management relations, organizational culture, etc.	Company losses due to personal corruption, conflicts between members, incidents and accidents, work negligence, monitoring of other member misconduct, and raising awareness through regular training	Report #7. Recruiting and fostering talents
	◆ Information Security Cyber security, privacy systems, etc.	Enhancing the information security response system and conducting comprehensive training to raise employee awareness	-
	◆ Supply chain (business partners) Partner management, ESG evaluation	Establishment of a robust supply chain management system that includes the oversight of agencies and stores, addressing unfair trade practices, preferential treatment, and conflicts with partners, featuring regular monitoring, risk assessments, and actions based on supply chain ESG evaluations	Report #4. Sustainable supply chain selection and assessment Report #5. Strengthening of mutually beneficial cooperation activities
	◆ Environmental Efficiency Environmental management strategy/system and environmental efficiency management	Monitoring greenhouse gas emissions and developing reduction strategies, monitoring biodiversity and mitigating related risks, and striving to reduce resource usage	Key #2. Response to climate change (carbon neutrality) Report #1. Advancement of environmental management strategy and system Report #3. Strengthening of resource circulation system for circular economy
	◆ Service Quality Ensuring service quality, such as network	Checking network facilities to improve service quality, strengthening and monitoring system failure response training	Key #3. Service quality management and responsibility Report #6. Improvement of network quality
	◆ Customers Customer VoC, improvement of customer satisfaction, etc.	Improving service quality to reduce risks related to customer (group) behavior, customer information leakage, and large-scale complaints (service failures, computer errors), while raising member awareness through regular training	Key #1. Diversification of customer experience
	◆ BCM ²⁾ Crisis response system and response actions	Establishment of a crisis response system for damage to human life and facilities due to fires, typhoons, infectious diseases, etc., and internalization through simulation training	-
Compliance/ Legal Risks	◆ Regulatory changes Changes in government policies and regulations, etc.	Responding to strengthened regulations related to climate change, continuous monitoring of changes in accounting and ESG disclosure standards, training of managers, executives, and employees on regulatory changes	-
	◆ Compliance and Legal Issues resulting from the political and geographical location of Korea, etc.	Efforts to mitigate risks arising from geopolitical factors in Korea when pursuing global business initiatives.	-
Emerging Risks	◆ Geopolitical factors Issues resulting from the political and geographical location of Korea, etc.	Efforts to mitigate risks arising from geopolitical factors in Korea when pursuing global business initiatives.	-
	◆ Climate change Failure to respond to physical and transition risks, etc.	Monitoring technological and market changes due to climate change	Key #2. Response to climate change (carbon neutrality)

2) Business Continuity Management

Risk Management Status and Plan

Risk Sensitivity

SK Telecom evaluates financial and non-financial risks by analyzing sensitivity to apply and implement a comprehensive approach to risk management.

Scenario Analysis 1. Profits Before Tax Due to Exchange Rate Fluctuations

Exchange rate fluctuations occur when the fair value or future cash flows of financial products change, posing risks to the business operations of overseas consolidated companies. To address this, we periodically evaluate, manage, and report on exchange rate risks annually, analyzing their potential impact and preparing accordingly. SK Telecom’s major foreign currencies include USD and EUR, and we conducted a sensitivity analysis on the impact on profits before tax if the exchange rate of the functional currency for each foreign currency changes by 10% in 2023. We conducted the sensitivity analysis on monetary assets and liabilities denominated in foreign currencies other than the functional currency.

Status of Sensitivity Analysis on the Impact of Exchange Rate Fluctuations (Unit: KRW million)

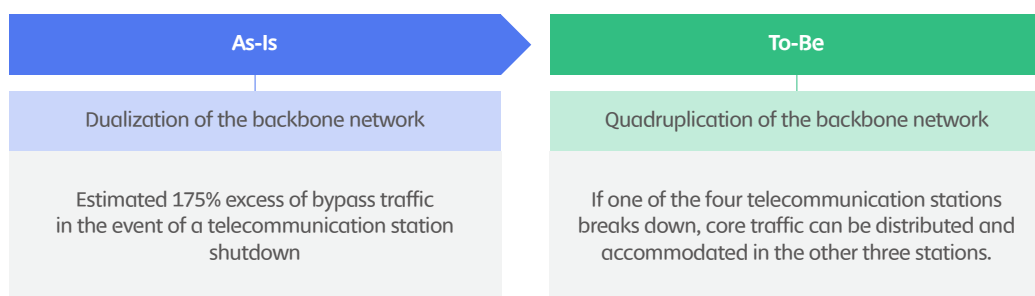
Currency	Effect on pre-tax profit		Effect on capital	
	If increased by 10%	If decreased by 10%	If increased by 10%	If decreased by 10%
USD	5,521	(5,521)	5,521	(5,521)
EUR	750	(750)	750	(750)
Others	34	(34)	34	(34)
Total	6,305	(6,305)	6,305	(6,305)

Scenario Analysis 2. Communication Disaster Response

SK Telecom provides services primarily through its communication network, which is constantly at risk of service interruptions due to disasters such as power failures, fires, floods, earthquakes, damage to telecommunication station buildings, and operator mistakes. Acknowledging the severity of network failures caused by natural disasters or operational errors, we have developed and implemented a communication disaster response strategy. This strategy considers network traffic at the telecommunication station level, actual traffic usage rates, and backup infrastructure to ensure continuity in case of a breakdown.

Since the Average Revenue Per User for wireless business of SK Telecom (ARPU)¹⁾ reaches KRW 30,210²⁾, the loss of subscribers in case of communications disaster may have a significant impact on sales. Accordingly, we are promoting various investment activities to strengthen our disaster-response capabilities in ways such as establishing redundancy and backup systems for services like common infrastructure systems³⁾. In particular, considering the 25% increase in demand for 5G Non-Standalone (NSA) mode and the 12.2% decrease in demand for 4G LTE from March 2023 to March 2024, we have made data capacity investments for 5G traffic distribution. Meanwhile, we have analyzed the sensitivity to failures at the telecommunication station building level to prepare for possible problems and actively respond to network infrastructure risks by considering the acceptable limits of inter-station traffic.

Failure Response Strategy at the Telecommunication Station Level



1) Based on SK Telecom MNO profit and wireless subscribers (including 3G/LTE/5G and IoT)
 - Based on MNO profit: Includes voice and data profit (excluding subscription fees and connection profit), additional service profit, etc
 * Reflection of sales discounts (agreements and combined discounts, etc.).
 Excluding MVNO-related sales.
 - Based on wireless subscribers: quarterly average number of billing line subscribers among the statistics of subscribers from the Ministry of Science and ICT
 2) Based on the average amount of ARPU by quarter from 2022 to 2023 (2 years)
 3) Common-based systems: include authentication, DNS (IP address translation), essential operational tools (monitoring / service control and deployment)

Risk Management Status and Plan

Emerging Risks

At SK Telecom, we proactively identify potential long-term risks that could significantly impact our business and implement measures to mitigate these impacts.

Risk	Explanation	Impact	Mitigation Actions
Risk of rising costs due to rising energy prices	<p>Global energy crisis and rising electricity costs</p> <p>Energy bills in countries around the world, including Europe, the United States, and Japan, are rising rapidly amid the ongoing global energy crisis triggered by the Russia-Ukraine war. In Europe, electricity costs continue to rise during the war, with increases of 106.9% in Italy, 89.0% in the UK, 45.0% in Spain, 43.3% in Germany, and 25.6% in France (as of June 2022, compared to January 2021). As for Korea, the world's 8th largest energy consumer, many experts warn that a continuous increase in electricity bills is inevitable in the future, as Korea has only raised electricity bills by about 20% (as of November 2022, compared to January 2021), even though it relies on imports for about 94.8% of its energy consumption. In addition, according to the 2050 Carbon Neutrality Committee, the environmental costs resulting from the current reduction of greenhouse gases and to the transition to renewable energy (expanding to 21.6% in 2030 and 30.6% in 2036) are not appropriately reflected in the cost of electricity production, which is expected to stimulate future increases in electricity bills. Due to the nature of the industry, SK Telecom, with indirect energy consumption from electricity use accounting for 99% of its total energy consumption, is highly susceptible to financial losses due to rising electricity costs. Over the past three years, SK Telecom's electricity usage has increased by approximately 8%.</p> <p>Utilization of the network is increased due to the expansion of the ultra-large AI and mobility business</p> <p>The telecommunications industry is both a key industry and a regulated industry directly or indirectly controlled by the government. Network equipment is continuously increasing to provide a stable communication network supply, while services cannot be terminated arbitrarily, energy consumption is bound to continue to increase. Data traffic generated from domestic wireless networks is currently approaching 1 million TB, which is more than double the number compared to the first half of 2019 when 5G began to be serviced. In the future, as various life-friendly services using ultra-large AI are released and the mobility (robot, autonomous driving, UAM, etc.) business begins in earnest, network utilization is expected to increase rapidly, leading to an increase in infrastructure operating costs.</p>	<p>Higher operating costs due to higher power prices and increased network utilization</p> <p>SK Telecom's annual energy usage and greenhouse gas emissions are expected to continue to rise, thereby increasing the company's financial burden. As a result of analyzing the costs (including purchasing REC, etc.) to achieve 2050 Net Zero and 2050 RE100 in a way that meets the standards of SBTi, additional costs are expected to be around 167.3 billion won by 2030 and 840.8 billion won by 2050. However, these figures do not reflect the recent surge in energy prices, and higher carbon trading prices will result in a greater financial burden than expected. In addition, investment and operating costs will be invested to cover the increasing network traffic every year, and these costs are also expected to increase every year.</p>	<p>SK Telecom responds to rising energy prices and rising operating costs due to climate change by utilizing energy efficiency, investment in renewable energy, fuel conversion, and resource recycling.</p> <ul style="list-style-type: none"> ♦ Energy efficiency: Reduction of cooling energy usage by eliminating heat from main equipment and auxiliary equipment, integration of network equipment such as base stations and repeaters, replacement of old air conditioning equipment, and strengthening the management of office energy use based on network structure innovation and network slimming ♦ Fuel conversion: Promoting the introduction of electric vehicles from a mid-to-long-term perspective, and approving an external reduction project for 61 SK Rent-a-Car electric vehicles ♦ Investment in renewable energy: <ul style="list-style-type: none"> - Installation of self-consumption solar power plants on idle sites such as company buildings, rooftops of base stations, and parking lots across the country - Installation of 3.97 MW solar power generation facilities at 63 locations in 2021 and 102 locations in 2022 - Installation of a total of 4.6MW of solar power generation facilities by 2022, generating 3,459MWh. ♦ Resource recycling: Happy Habit Project Deployment (An eco-friendly platform business by SK Telecom that uses ICT to create a resource circulation ecosystem by encouraging customers and partners to participate in the use and recycling of reusable cups and containers, and promoting zero waste initiatives) ♦ Expansion of carbon credit business portfolio: Since 2018, we have been distributing Cookstoves to residents in underdeveloped countries in Southeast Asia, procuring carbon emissions credits (2.39 million tons by 2030) and additional projects.

Risk Management Status and Plan

- 1) CSIS (Center for Strategic and International Studies):
A conservative think tank specializing in diplomacy located in Washington, D.C., USA
- 2) EMP (Electro-Magnetic Pulse):
Electromagnetic waves generated during a nuclear attack permanently destroy electronic circuits and semiconductor devices

Risk	Explanation	Impact	Mitigation Actions
Geopolitical risks in the region where major business sites are located	<p>Increased uncertainty due to geopolitical risks</p> <p>According to the U.S. Central Bank (Fed), the global Geopolitical Risk Index (GPR) is at its highest level in history.</p> <p>Geopolitical risks heighten uncertainty about future prospects and are expected to have several negative impacts.</p> <p>Companies may postpone investment decisions and job creation, households might reduce consumption, and financial institutions could adopt more conservative lending practices. Additionally, there may be a preference for safe assets in the financial market and declines in stock market prices. Since the ceasefire of the Korean War in 1953, South Korea and North Korea have been confronted on the Korean Peninsula, and geopolitical risks such as North Korea's provocations such as ICBMs (intercontinental ballistic missiles) and North Korean nuclear weapons exist. Recently, North Korea-related risks have been closely tied to international security concerns, significantly impacting both the Korean economy and national security. For example, the Taiwan War Game Report by CSIS¹⁾ (The First Battle of the Next War) mentions a high possibility of conflict on the Korean Peninsula. This could be triggered by the intentions of the North Korean regime or by China's aim to divert the power of the United States and Japan during a potential China-Taiwan War. SK Telecom's headquarters and major business sites are located in Korea, and 99.91% of our sales are generated in Korea. If there is a conflict between North Korea and South Korea due to geopolitical factors, there is a risk that South Korea's communication infrastructure may be destroyed on a large scale and our business may be affected.</p>	<p>Possibility of Service Disruption Due to Destruction of Communication Infrastructure</p> <p>In the event of a war or disaster, there is a high possibility that infrastructure facilities such as power, communication, and major roads will be destroyed first to block the exchange of goods and information, and in that respect, the communications infrastructure operated by SK Telecom is also likely to be a major target of an attack. In the event of destruction of physical communication facilities due to local warfare or full-scale air raids, large-scale power outages due to the destruction of power facilities, network cyber hacking attacks or other unexpected events due to the special nature of war and disaster, business continuity may be damaged as the mobile communication service, which is SK Telecom's core business, cannot be provided locally or nationwide. In particular, if asymmetric weapons such as nuclear weapons or EMP²⁾ are used, there is a possibility that communication networks across the Korean Peninsula may be destroyed.</p>	<p>In the event of war or conflict caused by geopolitical instability, it is impossible to completely prevent disruption of the operation of communication facilities.</p> <p>However, we have implemented various preliminary preparations to make sure that we can respond as effectively as possible when a situation occurs.</p> <ul style="list-style-type: none"> ◆ Establishment of a wartime response system: In the event of a war or disaster, we operate a comprehensive situation room (establishing guidelines, etc.) to announce the situation to customers to respond to it, and perform the role of identifying and responding to system failures. ◆ Measures to protect service: In the event of damage to base stations and major telecommunication station buildings, we implement disaster roaming through other mobile communication service providers' networks, diversify communication stations, and establish a cyberattack response system ◆ Backup important data: We back up important data such as customer, financial, and HR information in a separate physical space to ensure business continuity in situations when servers and data are lost ◆ Regular training: We participate in the National Emergency Preparedness Training (Eulji Exercise) organized by the Korean government and in scenario exercises to reduce the impact and losses from new types of attacks or disasters.

Risk Management Status and Plan

Risk Review

SK Telecom has improved the efficiency and transparency of the operation of our company-wide risk management system through regular internal and external audits.

Internal Audit

Our Audit Committee approves the three-year business audit plan established by the Internal Audit Department. The Ethical Audit, the internal audit department, conducts business audits of all SK Telecom businesses and ICT Family companies to support business unit management improvement. The Audit Committee oversees SK Telecom's financial reporting and internal accounting control system.

Main Activities of the Audit Committee

Classification	Detailed Activities
Ethics Management Office	Ethical management performance and mid-term business audit plan
	Status of external disclosure of ethical management and results of evaluation
	Result of measuring ethical management level
Internal Audit	Evaluation of the operation status of the internal accounting management system
	Opinion of the Audit Committee on internal monitoring system
	Approval of personnel evaluation of the head of the internal audit department
	Approval of organization of internal audit department
	Audit report
	Plan for regular business audits for ICT Family companies
External Audit	Signing of an audit agreement with ICT Family companies
	Approval of the provision of services by external auditors
	Approval of external audit contract

SK Telecom has established a code of conduct and a dedicated organization to practice company-wide ethical management. By doing so, we focus on preventing ethical risks and strengthening autonomous ethical practices among our members. To strictly manage ethical risks, we conduct regular risk evaluations for all business areas and organizations at least twice a year, implementing risk mitigation and elimination measures based on the evaluation results.

We are also striving to take the lead in responding to the rapidly changing business environment and to practice compliance management to meet the needs of the industrial ecosystem and society. We systematically manage compliance risks by establishing a compliance management system at the company-wide level, including ICT Family companies, such as SKT ICT Family Compliance 2.0 and Compliance Management Portal (T-Compliance Net) to comply with fair trade and business-related laws and minimize risks involved in overall management activities.

Risk Management Status and Plan

Spreading Risk Management Culture

External Audit

Financial Audit

In accordance with Article 11(1) and (2) of the “Act on External Audit of Stock Companies,” Article 17 of its Enforcement Decree, and Articles 10 and 15(1) of the “Regulations on External Audit and Accounting,” SK Telecom has selected Ernst & Young Han Young Accounting Firm as its external auditor since the fiscal year 2022. The external auditors audit the company’s financial statements and supplementary statements based on fairness and transparency. After the audit is completed, the Audit Committee evaluates the appropriateness of the external audit results. For the 40th fiscal year, the audit opinion was “appropriate,” with no additional comments.

External Auditor’s Opinion

Fiscal year	Auditors	Auditor’s opinion	Emphasis etc.	Key audit points
40th	Ernst & Young Han Young	Appropriate	Not applicable	Period attribution of wireless communication sales, Period attribution of wireless communication sales, valuation of impairment of goodwill for cash-generating units in the wired telecommunications business
39th	Ernst & Young Han Young	Appropriate	Not applicable	Period attribution of wireless communications sales, Period attribution of wireless communication sales, valuation of impairment of goodwill for cash-generating units in the wired telecommunications business
38th	Samjeong Accounting Firm	Appropriate	Establishment of SK Square Co., Ltd. through spin-off and presentation of discontinued business in consolidated financial statements	Period attribution of wireless communication sales, valuation of impairment of goodwill for cash-generating units in the wired telecommunications business

Non-financial Audit

Every year, SK Group regularly monitors the internal control system, compliance, and investment performance related to the business operations of group companies and subsidiaries to identify and address significant risks at the group level. SK Telecom’s overall risk management process is inspected annually through the Korea Productivity Center, a third-party organization, under global standards such as ISO 31000. We analyzed significant processes through preliminary data review and on-site investigation, identified improvement tasks, and published a risk report.

Strengthening Risk Response Capabilities

SK Telecom is striving to establish and spread a risk management culture throughout the organization by strengthening the risk response capabilities of our members. We have created an environment that promotes quick reports and tips so that all members, including management and the board of directors, can have transparency and responsibility in regards to risks. Furthermore, we have improved members’ risk awareness by identifying risks with mid-to-long-term impacts and conducting regular preliminary education and simulation training. We provide various training programs such as risk inspection issue-based training, management inspection training for departments related to the compliance management system (ISO 37301), and compliance training at the request of the business departments so that members can recognize and practice the importance of ethics and compliance management. We incorporate adherence to ethics and compliance management, as well as the code of conduct, into our performance evaluations and compensation structures. Additionally, we are committed to internalizing a company-wide risk management culture by distributing ethics and compliance management guides and newsletters through our compliance management portal (T-Compliance Net). We continuously enhance our risk management practices by sharing analysis data collected through our risk management process with our members, ensuring they are well-informed and proactive in mitigating risks.

Independent Director Training

SK Telecom conducts various trainings for independent directors every year to strengthen the expertise and efficiency of the Board of Directors. In particular, we strive to achieve more effective risk management by including risk-related topics in the training content to improve the understanding of independent directors on the company-wide risk management system, status, and tasks.

Spreading Risk Management Culture

Training for Independent Directors

Status of Training for Independent Directors

Training date	Training provider	Key details of training	Independent directors in attendance
2023.03.28	Office of the BOD	- Training for new independent directors (Management plan, management strategy, KPI, etc. for 2023)	Haeyun Oh
2023.04.19	Office of the BOD	- Training for SK Telecom communication network - Discussion centered on the results of the board of directors' evaluation in 2022	Yong Hak Kim, Seok Dong Kim, Young Min Yoon, Junmo Kim, Haeyun Oh
2023.05.24	Person in charge of safety and health	- First aid training (CPR, etc.)	Yong Hak Kim, Seok Dong Kim, Young Min Yoon, Junmo Kim
2023.06.21	Office of the BOD	- Training for new independent directors (Ethical management performance in 2022 and mid-term business audit plan (draft) in 2023, accounting audit results in 2022)	Haeyun Oh
2023.06.22	Office of the BOD	- Training for new independent directors (Safety and health plan in 2023, remuneration of CEO and internal directors in 2023)	Haeyun Oh
2023.08.23	AI Service department	- Current status and future plans of A.dot	Yong Hak Kim, Seok Dong Kim, Young Min Yoon, Junmo Kim, Haeyun Oh
2023.09.20	Global AI business development manager	- Progress on Telco Alliance and LLM	Yong Hak Kim, Seok Dong Kim, Young Min Yoon, Junmo Kim, Haeyun Oh
2023.11.22	Person in charge of Infra Red, Person in charge of information protection	- Status of promoting customer and service protection	Yong Hak Kim, Seok Dong Kim, Young Min Yoon, Junmo Kim, Haeyun Oh

Compliance Training

SK Telecom regularly conducts various training to prevent risks and promote ESG management through compliance check activities in major compliance areas, and to improve systems and policies on matters requiring improvement.

Status of Training on Compliance

Training cycle	Details of training
Quarterly	Regular safety and health training for workers
Annually	Training on compliance for company-wide members
Annually	Online education for self-compliance in the telecommunications market
Annually	Open-source compliance training
At all times	Training on key issues related to business relationships (BR)

Ethical Management Training

To enhance our ethical management system, SK Telecom has established the code of ethics and ethical management practice guidelines as the standards for decision-making and behavior in all business activities. We strictly enforce a zero-tolerance policy for any violations. Additionally, we collect ethical practice pledges annually, provide ethics training, including sexual harassment prevention, and conduct ethical management workshops to foster ethical awareness among all employees.

Appendix

Major Experiences and Core Competencies of the Board of Directors

Yong Hak Kim (1953, male)

Independent director, Chairman of the BOD



First appointed	March, 2020
Recommended by	Independent Director Nominating Committee
Field of activities (responsibility)	<ul style="list-style-type: none"> • Audit Committee • Independent Director Nominating Committee • Compensation Committee • Strategy Committee
Major Experience	<ul style="list-style-type: none"> • Former President, Yonsei University • Former BK Planning Committee, Ministry of Education • Former Professor of Sociology, Yonsei University
Key Skills	• Leadership, ESG/Safety, Risk management/Compliance

Seok Dong Kim (1953, male)

Independent director



First appointed	March, 2019
Recommended by	Independent Director Nominating Committee
Field of activities (responsibility)	<ul style="list-style-type: none"> • Audit Committee • Compensation Committee • Strategy Committee
Major Experience	<ul style="list-style-type: none"> • Chairman, Jipyeong Institute of Humanities & Society • Former Chairman, Financial Services Commission • Former First Vice Minister, Finance and Economy • Former Vice Chairman, Financial Supervisory Commission
Key Skills	• Leadership, Finance/Accounting, Global/Capital Market, Risk management/Compliance

Junmo Kim (1976, male)

Independent director



First appointed	March, 2020
Recommended by	Independent Director Nominating Committee
Field of activities (responsibility)	<ul style="list-style-type: none"> • Independent Director Nominating Committee • Strategy Committee • ESG Committee
Major Experience	<ul style="list-style-type: none"> • Associate Professor, School of Electrical and Electronic Engineering, KAIST • Former Assistant Professor, School of Electrical and Electronic Engineering, KAIST • Former Senior Researcher, Samsung Advanced Institute of Technology
Key Skills	• Leadership, ICT (communication/media), AI/Tech

Appendix

Haeyun Oh (1974, female)

Independent director



First appointed	March, 2023
Recommended by	Independent Director Nominating Committee
Field of activities (responsibility)	<ul style="list-style-type: none"> • Audit Committee • Strategy Committee • ESG Committee
Major Experience	<ul style="list-style-type: none"> • Director, KAIST Center for MARS Artificial Intelligence Research • Professor of Computing, KAIST • Former President, KAIST Artificial Intelligence Research Institute • Former Civilian Committee Member, the Presidential Committee on the 4th Industrial Revolution
Key Skills	<ul style="list-style-type: none"> • Leadership, ICT (communication/media), AI/Tech

Mi Kyung Noh (1965, female)

Independent director



First appointed	March, 2024
Recommended by	Independent Director Nominating Committee
Field of activities (responsibility)	<ul style="list-style-type: none"> • Audit Committee • Compensation Committee • Strategy Committee • ESG Committee
Major Experience	<ul style="list-style-type: none"> • Former Regional Head of Credit Risk Review, Asia Pacific Risk, HSBC Hongkong • Former EVP & Chief Risk Officer of Korea, HSBC Seoul • Former HR/Financial/Credit Analyst, Chase Manhattan Seoul
Key Skills	<ul style="list-style-type: none"> • Leadership, Finance/Accounting, Global/Capital Market, Risk management/Compliance

Young Sang Ryu (1970, male)

Executive director



First appointed	March, 2018
Recommended by	BOD
Field of activities (responsibility)	<ul style="list-style-type: none"> • CEO of SK Telecom • Strategy Committee
Major Experience	<ul style="list-style-type: none"> • Former President of MNO, SK Telecom • Former Head of the SK Telecom Corporate Center • Former EVP of Business Development Group, SK C&C • Former SVP of Business Development Office, SK Telecom
Key Skills	<ul style="list-style-type: none"> • Leadership, Finance/Accounting, ICT (communication/media), AI/Tech

Appendix

Jong Ryeol Kang (1964, male)

Executive director



First appointed	March, 2022
Recommended by	BOD
Field of activities (responsibility)	<ul style="list-style-type: none"> · Head of ICT Infra (CSPO), SK Telecom · Strategy Committee · ESG Committee
Major Experience	<ul style="list-style-type: none"> · Former Director of ICT Infra Center, SK Telecom · Former Head of the Corporate Culture Division, SK Telecom
Key Skills	· Leadership, ESG/Safety, ICT (communication/media), AI/Tech

Yang Seob Kim (1966, male)

Executive director



First appointed	March, 2024
Recommended by	BOD
Field of activities (responsibility)	<ul style="list-style-type: none"> · SK Telecom Corporate Planning Manager (CFO) · Strategy Committee
Major Experience	· Former Vice President (CFO), Head of Finance, SK Innovation
Key Skills	· Leadership, Finance/Accounting, Global/Capital Market, Risk management/Compliance

Sung Hyung Lee (1965, male)

Non-executive director



First appointed	March, 2024
Recommended by	BOD
Field of activities (responsibility)	<ul style="list-style-type: none"> · Independent Director Nominating Committee · Compensation Committee · Strategy Committee
Major Experience	<ul style="list-style-type: none"> · Chief Financial Officer (CFO), SK Co., Ltd. · Former Vice President, Head of Finance, SK Co., Ltd. · Former non-executive directors, SKC, SK E&C and others
Key Skills	· Leadership, Finance/Accounting, Global/Capital Market, Risk management/Compliance

Appendix

1) Redefined the risk issue 'Leap to a Global AI Company (redefinition of Core Biz.)' in 2023

2023/24 SK Telecom Risk Pool

Risk Area	Risk Name	Risk Description
Strategic	Creating synergy based on AI pyramid strategy ¹⁾	<ul style="list-style-type: none"> Promoting innovation in all areas of industry and life through self-reliance and cooperation in three major areas, AI service, AIX, and AI infrastructure.
	Building a global AI ecosystem (strengthening hyper-collaboration-based capabilities) ¹⁾	<ul style="list-style-type: none"> Promoting partnerships with top global tech companies and cooperation between member companies of the ICT Committee of the SK Group Procuring competitiveness and creating synergy through the T-B combination strategy between, SK Telecom, a wireless communication service provider, and SK Broadband, a wired communication service provider
	Strengthening governance soundness and transparency	<ul style="list-style-type: none"> Ensuring the independence, expertise, efficiency, and transparency of the Board of Directors Changes in major executives' performance and compensation policies (e.g., granting of stock options) Director appointment process
	Enhancing shareholder value	<ul style="list-style-type: none"> Shareholder return policies such as dividends and share buybacks Efforts to enhance corporate value
	Creating Social Value	<ul style="list-style-type: none"> Promoting Double Bottom Line Environmental and social value of business (profit and loss analysis) Social impact of Telecommunication
	Expanding community participation	<ul style="list-style-type: none"> Employees' volunteer activities (Pro Bono volunteer Group, Happy Community volunteer Group, etc.) Development and investment activities through active participation in the local Community
	Promotion of strategic social contribution activities linked to business	<ul style="list-style-type: none"> Reducing communication expenses for vulnerable groups, bridging the digital divide, supporting startups in the ICT sector, etc. Social contribution activities that reflect industry characteristics, such as technology opening and ICT-based
	Activating stakeholder participation and communication	<ul style="list-style-type: none"> Channel operations and expansion activities for close communication with stakeholders
	Social impact management of radio frequency	<ul style="list-style-type: none"> Monitoring and managing the impacts of radio frequency emissions on the human body (frequencies that pose a risk to human health) <ul style="list-style-type: none"> Minimizing radio frequency emissions in accordance with regulatory agency guidelines and maintaining safe levels. Efforts to minimize radio emissions through the development and introduction of new technologies Public disclosure of information on frequency emissions
	Spread of safety and health management	<ul style="list-style-type: none"> Occupational safety, health management system and risk management processes Operation of programs to promote a safety culture among members and partners Support for health programs and wellness activities for members
	Selection and evaluation of sustainable supply chain	<ul style="list-style-type: none"> Evaluation and improvement activities for supply chain human rights, environmental and social impacts, corruption, and fair trade issues. Responsibility for partner companies Expanding regular risk assessment and strengthening management for key partners
	Strengthening win-win cooperation activities	<ul style="list-style-type: none"> Promoting shared growth oriented toward an open cooperation model Support programs for partner organizations, including the mutual growth fund and the academy. Supporting technology and promoting joint R&D drive for startups, ventures, and partners
	Deterioration of business operations due to infectious viruses, etc.	<ul style="list-style-type: none"> Negative impact on business, financial condition, and operating results due to the potential recurrence of widespread infectious diseases.
	Organizational reorganization, spin-off, merger and acquisition (M&A)	<ul style="list-style-type: none"> Risks that may arise from spin-offs, new acquisitions, joint ventures, other strategic alternatives, or the failure to complete or integrate organizational reorganizations.
	Low growth potential for wireless communication service business	<ul style="list-style-type: none"> Difficulty in maintaining the high penetration rate of wireless communication services and subscriber growth rate in Korea
	Default	<ul style="list-style-type: none"> Default may occur if specific financial and other covenants are not complied with according to the terms of the debt instruments
	Financing	<ul style="list-style-type: none"> Possibility of additional financing to meet the capital expenditure requirements and debt service obligations
Foreign exchange risk	<ul style="list-style-type: none"> Changes in the value of the Korean Won against the dollar and other major foreign currencies may have a significant impact on operating performance, market value, etc. 	
Operational	Advancement of integrated risk management system	<ul style="list-style-type: none"> Risk management strategy and risk governance Key risk response measures and processes Ministry of Science and ICT, Korea Communications Commission. Monitoring and preemptive response to changes in laws of regulatory agencies such as the Fair Trade Commission
	Improvement of network quality	<ul style="list-style-type: none"> Ensuring a competitive advantage in both the scale and quality of network operation. Expanding 5G coverage and improving network quality
	Service quality management and responsibility	<ul style="list-style-type: none"> Strengthening the monitoring system to improve network stability Strengthening capabilities to ensure network survivability in the event of a failure and improving resilience to failure
	Diversifying customer experience (AI-based technology and service innovation)	<ul style="list-style-type: none"> Efforts to enhance customer satisfaction by improving convenience Initiatives to strengthen the competitiveness of differentiated products and services Enhancing brand loyalty through active customer participation and communication
	Privacy	<ul style="list-style-type: none"> Strengthening privacy policies (minimizing personal data collection) Privacy protection governance Addressing issues related to changes in regulatory agencies' personal information policies Expanding the use of pseudonymized information to protect personal data Enhancing personal information protection within the distribution network

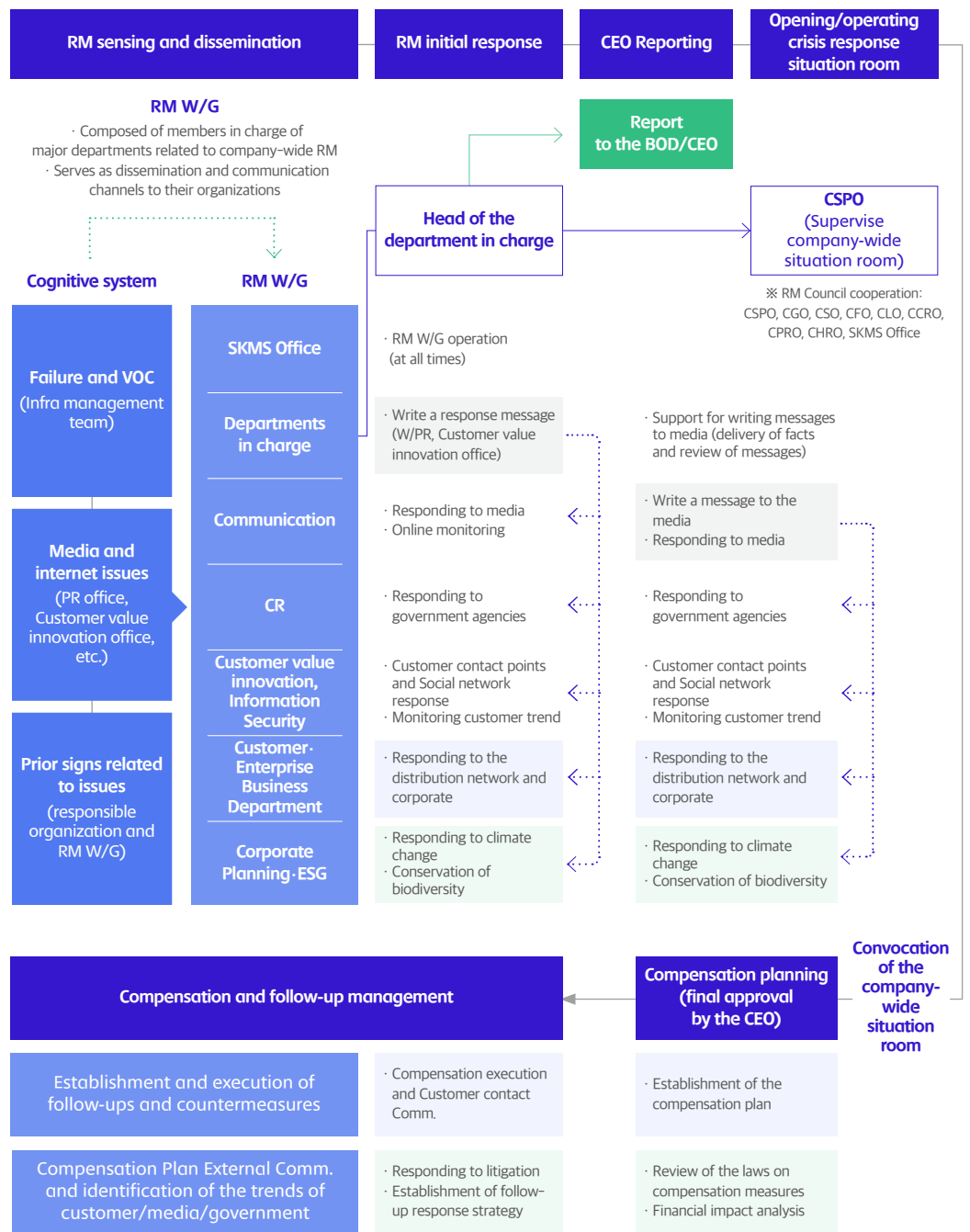
Appendix

Risk Area	Risk Name	Risk Description	
Operational	Creating synergy based on AI pyramid strategy	<ul style="list-style-type: none"> Promoting innovation in all areas of industry and life through self-reliance and cooperation in three major areas, AI service, AIX, and AI infrastructure. 	
	Cyber Security	<ul style="list-style-type: none"> Strengthening IT security system Conducting security incident prevention and response activities Strengthening system operation management and information security training 	
	Cyber-crime prevention (blocking cyberattacks at the source)	<ul style="list-style-type: none"> Development and operation of filtering systems for voice phishing, AI-based spam, and smishing. Strengthening customer protection by blocking the incoming and outgoing voice phishing on the network 	
	Establishment of customer-oriented management	<ul style="list-style-type: none"> Efforts to enhance capabilities in resolving customer pain points (VoC management and response system) Systematic customer management based on a CS (customer complaint collection and analysis) system Providing customized services, including improving the quality of service at customer contact points Continuous monitoring of customer status through customer communication channels and program operations 	
	Practicing human rights management	<ul style="list-style-type: none"> Human rights protection policy and due diligence Human rights risk management Activities to prevent damage to human rights violations within the scope of the business, such as the operation of the grievance resolution system 	
	Procuring and training talented individuals	<ul style="list-style-type: none"> Employment status Long-term performance evaluation and compensation system, salary Job security Job competency training program, career development program (CDP), ROI of training investments Operation of retiree support training and programs 	
	Diversity and inclusion	<ul style="list-style-type: none"> Efforts to eliminate gender discrimination (salary gap, etc.) Creating a culture of diversity and inclusion (gender, disability, race, nationality, etc.) 	
	Evaluation of fair performance and compensation	<ul style="list-style-type: none"> Implementation of fair performance evaluations and appropriate compensation 	
	Improvement of organizational culture	<ul style="list-style-type: none"> Organizational culture innovation activities (communication and participation, horizontal relationships, sharing and collaboration) 	
	Promoting work-life balance and welfare benefits	<ul style="list-style-type: none"> Guarantee of work-life balance for employees Expansion of financial and non-financial benefits provided to members and their families 	
	Ensuring labor practices	<ul style="list-style-type: none"> Various cooperation matters for establishing and maintaining sound labor management relations, notification period and consultation procedures in case of major issues, operation of the labor management council, etc. Establishment and operation of labor unions, collective bargaining and conclusion of collective agreements, legitimate right to collective action, guarantee of labor standards law 	
	Operation and activation of supply chain communication channels	<ul style="list-style-type: none"> Establishment of channel operation and feedback process for communication with partner companies 	
	Advancement of environmental management strategies and systems	<ul style="list-style-type: none"> Setting mid-to-long-term strategic tasks and step-by-step goals for environmental management Enhancing performance management through environmental activities and KPIs 	
	Response to climate change (carbon neutrality)	<ul style="list-style-type: none"> Identifying and evaluating climate change risks and opportunities Efforts to respond to climate change through greenhouse gas management activities 	
	Expanding eco-friendly services and technology development	<ul style="list-style-type: none"> Expansion of investment in eco-friendly products and services, high-efficiency energy, and eco-friendly energy Providing environmental solutions based on ICT technology Improving energy efficiency 	
	Strengthening resource circulation system for circular economy	<ul style="list-style-type: none"> Efforts to reduce resources and improve efficiency in the design, transportation, recovery, and disposal stages of products 	
	Water resource and waste management	<ul style="list-style-type: none"> Use of water and resources and discharge of waste Resource recycling 	
	Conservation of biodiversity	<ul style="list-style-type: none"> Policies and activities for preserving ecosystems and biodiversity in both protected areas and regions with high biodiversity value outside of protected areas 	
	Compliance & Legal	Compliance with ethical management guidelines	<ul style="list-style-type: none"> Strengthening anti-corruption and ethical management policies Corruption risk analysis and internal audits Anti-corruption education (online and offline ethics management training) Handling and results of reports and consultations at the ethics counseling and reporting center
		Compliance adherence	<ul style="list-style-type: none"> Status of sanctions related to regulatory violations (business suspension, fines, etc.) Monitoring and proactive response to regulatory changes by authorities such as the Ministry of Science and ICT, the Korea Communications Commission, and the Korea Fair Trade Commission
Geopolitical	Korea risk (Economy)	<ul style="list-style-type: none"> Possible risks that may arise from unfavorable financial and economic conditions in Korea Economic risks due to widespread infectious diseases, Russia's invasion of Ukraine, instability in the global financial market, fluctuations in oil and raw material prices, etc. 	
	Korea risk (North Korea)	<ul style="list-style-type: none"> Possible security risks that may arise from relations with North Korea Increased security concerns due to North Korea's nuclear weapons and ballistic missile programs, etc. 	

Appendix

- Detailed report
- Report
- Dissemination of situation
- Message dissemination

Risk Management Dissemination System



Appendix

Auditor's Opinion

Internal Audit

Audit Report of the Audit Committee

As the audit committee of SK Telecom Co., Ltd., we conducted an audit of the company's accounting and business operations for the 40th fiscal year, covering the period from January 1, 2023, to December 31, 2023. We hereby present our findings as follows.

1. Overview of Audit Methods

For the accounting audit, we reviewed the financial statements and supplementary documents, received reports on the audit procedures and results from external auditors, and requested additional reviews of the company's key issues, receiving comprehensive reports in return. To ensure the reliability of financial information, we obtained and reviewed reports on the operation status of the internal accounting management system from both the internal accounting manager and external auditors. For the performance audit, we attended board of directors' meetings and other significant meetings, received reports on business operations from the management, reviewed documents related to important business activities, and obtained reports on the audit plan and results from the executive in charge of ethical management.

2. Audit Results

A. Matters related to financial position statement and profit and loss statement

The separate and consolidated financial statements and income statements appropriately present the company's financial status and business performance in accordance with laws and articles of incorporation.

B. Matters related to the statement of appropriation of retained earnings

The statement of appropriation of retained earnings conforms to laws and articles of incorporation and is prepared appropriately in light of the company's financial status and other circumstances.

C. Matters related to the changes in equity, cash flow statements, and notes

The separate and consolidated changes in equity, cash flow statements, and notes appropriately represent the company's assets and profit and loss status in accordance with laws and articles of incorporation.

D. Matters related to business reports

The business report appropriately presents the company's situation in accordance with laws and articles of incorporation.

February 20, 2024
Audit Committee of SK Telecom Co., Ltd.

Chairperson Seok Dong 

Member Yong Hak  Member Young Min  Member Haeyun 

Appendix

Audit Committee's Opinion on Internal Monitoring System

1. Overview of the internal monitoring system

A. The internal monitoring system and its functions are as follows.

- ◆ BOD: Supervises the performance of directors' duties.
Consists of a total of eight directors, including two internal directors, one other non-executive director, and five independent directors.
- ◆ Audit Committee: Audit the performance of directors' duties
Consists of four independent directors.
- ◆ Internal audit department: Audit each department or work within the company.
For this, we conduct regular audits, special audits, and report investigations

B. Appointment of members of the audit committee

- ◆ We have established an audit committee in accordance with Article 542-11(1) of the Commercial Act, and appoint members of the audit committee in accordance with Article 542-11(2) to (4) and Article 542-12 of the same Act.

2. Operation of the internal monitoring system

- A. The audit committee receives reports on financial accounting and internal control matters through regular meetings with external auditors, appoints external auditors, and receives reports on the operation status of the internal accounting management system from the internal accounting manager.
- B. The audit committee prepares and manages an evaluation report on the operation status of the internal accounting management system and reports it to the Board of Directors.
- C. The internal audit department conducts comprehensive audits of each department within the company to ensure compliance with regulations and procedures. Additionally, it aims to enhance the efficiency and effectiveness of management activities by identifying areas of inefficiency and recommending improvement measures.

3. Evaluation opinion of the Audit Committee on the operation status of the internal monitoring system

- ◆ In the opinion of this Audit Committee, the internal monitoring system of SK Telecom Co., Ltd. for the fiscal year ending December 31, 2023 is operating effectively.

February 20, 2024
Audit Committee of SK Telecom Co., Ltd.

Chairperson Seok Dong 

Member Yong Hak  Member Young Min  Member Haeyun 

Appendix

External Audit

Management's Annual Report on Internal Control over Financial Reporting

To Shareholders, the Board of Directors and Audit Committee of SK Telecom Co., Ltd.

We, as the Chief Executive Officer ("CEO") and Internal Control over Financial Reporting ("ICFR") Officer of SK Telecom Co., Ltd. and its subsidiaries (the "Group"), assessed the status of the design and operation of the Group's ICFR for the year ending December 31, 2023.

The Group's management including the CEO and ICFR Officer is responsible for designing and operating ICFR. We, as the CEO and ICFR Officer (collectively, "We", "Our" or "Us"), evaluated whether the ICFR has been appropriately designed and is effectively operating to prevent and detect error or fraud which may cause material misstatement of the financial statements to ensure preparation and disclosure of reliable financial information.

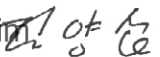
We used the 'Conceptual Framework for Designing and Operating Internal Control over Financial Reporting' established by the Operating Committee of Internal Control over Financial Reporting in Korea (the "ICFR Committee") as the criteria for design and operation of the Group's ICFR. We also conducted an evaluation of ICFR based on the 'Management Guideline for Evaluating and Reporting Effectiveness of Internal Control over Financial Reporting' established by the ICFR Committee.

Based on our assessment of ICFR operation, we concluded that the Group's ICFR has been appropriately designed and is operating effectively in all material respects as of December 31, 2023, in accordance with the 'Conceptual Framework for Designing and Operating Internal Control over Financial Reporting'.

We certify that this report does not contain any untrue statement of a fact, or omit to state a fact necessary to be presented herein. We also certify that this report does not contain or present any statements which might cause material misunderstandings of the readers, and we have reviewed and verified this report with sufficient care.

February 20, 2024

CEO Young Sang R 

Internal Control over Financial Reporting Officer Yang Seob K 

Report on the annual activities

SK Telecom reports financial and non-financial risks and response activities through disclosure channels such as our website, sustainability reports, business reports, and audit reports.

Website	Ethical Management
	Compliance
Reports	Sustainability Report
	Business Report
	Audit Report

