

Toward a Net Zero Future

SK Telecom

2024 Climate-related Disclosures Report

About this Report

Joining in humanity's efforts to overcome the global challenge of climate risk, SK Telecom is implementing enterprise-wide climate change response strategies, which thus far include the creation of the 2050 Net Zero Roadmap and the publication of the 2023 SK Telecom Task Force on Climate-Related Financial Disclosures Report (2023 SK Telecom TCFD Report). SK Telecom is committed to transparently disclosing its approach to climate change response and the ensuing plans and achievements to all stakeholders. To this end, we are publishing this 2024 SK Telecom Climate-related Disclosures Report, which also maintains our compliance with the climate-related disclosure standards set by the Korea Sustainability Standards Board (KSSB) and the US Securities and Exchange Commission (SEC).

This report details the roles and responsibilities of the decision-making body and the management in our climate change response, our identification and assessment of climate-related risks and opportunities, the results of analysis of potential financial impact scenarios, risk management, and mid-to-long-term response metrics and targets.

Report Scope

This report pertains to environmental activities performed by the individual company of SK Telecom. The indicated metrics and targets address the greenhouse gas emissions of SK Telecom and its 15 key subsidiaries. Annotations were provided where needed.

Report Period

This report covers the period from January 1 to December 31, 2023. Some of the included data covers activities up to August 2024. SK Telecom issues its Climate-related Disclosures Report once a year, in the second half.

INTERACTIVE GUIDE

The 2024 SK Telecom Climate-related Disclosures Report is an interactive PDF document, intended to communicate a wide range of data in a way that is convenient to view.

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CEO message

“

We assure our valued stakeholders that we will fulfill our commitment to sustainability.

”



SK Telecom — is at the forefront of the climate change response.

This is Ryu Young-sang, CEO of SK Telecom.

Businesses around the world are faced with the critical task of responding to climate change. For companies, it's a matter of both survival and growth. Over the years, SK Telecom has made strenuous efforts in our climate change response and for sustainability. Last year, we issued the 2023 SK Telecom TCFD Report, and this 2024 SK Telecom Climate-related Disclosures Report aims to make our climate change response strategies and achievements even more transparent.

We analyze both the risks and opportunities posed by climate change in detail, so that we can fulfill our social and environmental responsibilities and achieve sustainable growth over the long term.

In our transition from a mobile communications company into a global AI company, we remain committed to achieving the target of net zero by 2050. Our climate change risk management system is becoming more and more advanced, and we are implementing mid-to-long-term climate change response strategies to reduce climate change risks across the mobile communications industry, all while searching for opportunities for growth through AI.

Responding to climate change is no longer a choice. For the sustainability of humanity and the planet, SK Telecom will create value for society through innovative technology and responsible management. That is the promise that each and every one of us at SK Telecom has made.

We ask our stakeholders for their continuing support, so that we can create a better future together.

Thank you.

President and CEO SK Telecom **Ryu Young-sang**

GOVERNANCE

SK Telecom's climate change response governance provides stakeholders with procedures for monitoring, managing, and controlling climate change risks and opportunities. The climate change response review system, a key component of this governance, consists of a decision-making body that reviews ESG strategies and achievements, as well as management that facilitates and supports key agendas. The roles and responsibilities of the employees of SK Telecom are clearly defined to provide stakeholders with reliable climate-related disclosures.

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Climate Change Response Governance

Roles and Responsibilities

As one of its environmental management targets is “Net Zero 2050,” SK Telecom has implemented a climate change response review system that allows it to actively respond to climate change through organic cooperation.

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

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

The ESG management led by the CEO and the CLO reviews key climate change issues, managing and supervising climate-related data and issues presented by working-level staff. The management provides practical support for the ESG Committee’s decision-making, and performs a final review of reports on climate-related disclosures and climate change response to support the transparent disclosure of climate change response activities to stakeholders.

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

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

Climate Change Response Review System



1) CLO: Chief Legal Officer

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

Roles and Responsibilities of Decision-making Bodies

Board of Directors

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

ESG Committee

Formed in 2021, the ESG Committee of SK Telecom performs a range of functions in ESG management, including the review of ESG management strategies, targets, and execution. The ESG Committee reviews and assesses ESG agendas concerning the environment, society, customers, information security, and other areas, and reviews the mandatory ESG disclosures made by SK Telecom. The management and working-level staff report to the ESG Committee on core climate change-related matters. The ESG Committee reviews these reports in the course of monitoring SK Telecom's progress toward net zero.

The ESG Committee Policy, enacted in 2021, prescribes the operations, powers, and job descriptions of the ESG Committee. Article 5 of the ESG Committee Policy specifies the powers of the ESG Committee and the items of ESG-related review it is to perform.

The ESG Committee is chaired by Independent Director Oh Haeyun, and includes the members Kim Junmo (independent director), Noh Mi Kyung (independent director), and Kang Jong Ryeol (executive director). Its organization reflects expertise and core capacities in the technology and business needed for progress in ESG management, safety, risk management, compliance, finance, accounting, information and communications technology, and AI.

Reporting Method and Frequency

In 2023, the ESG Committee held seven meetings and reviewed six key climate-related issues. These included ESG KPIs (such as carbon emissions indicators) for management and the entire company, as well as the company's net zero plans and progress. The ESG Committee is growing into its role as a council in support of SK Telecom's climate change response activities, and expanding the range of its roles and responsibilities in sustainable management.

Key Agendas of the ESG Committee

Meeting date	Key agendas	Attendance rate
1 st Meeting (April 19, 2023)	■ Appointment of chairperson (provisional) ■ 2023 ESG tasks and plans	100%
2 nd Meeting (May 24, 2023)	■ Corporate governance structure report (provisional) ■ 2022 social value creation performance	100%
3 rd Meeting (June 21, 2023)	■ Results and key details of materiality assessments in FY2022 Annual Report	100%
4 th Meeting (August 23, 2023)	■ 2023 business human rights plans and performance ■ 2023 personnel development plans and progress	100%
5 th Meeting (September 19, 2023)	■ ESG fund operation plans and progress ■ Net zero plans and their progress	75%
6 th Meeting (October 25, 2023)	■ Key details of SKT TCFD Report	100%
7 th Meeting (November 22, 2023)	■ 2023 ESG performance ■ 2023 ESG assessment plans and results	100%

Roles and Responsibilities of Management and Working-level Staff

Management

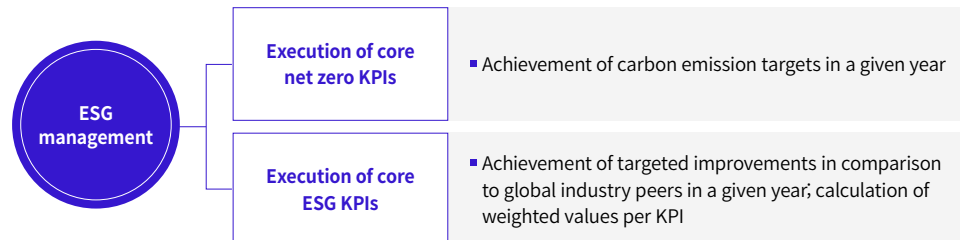
The CEO and CLO are the main executives responsible for SK Telecom's climate change response, and ultimately the company's sustainable growth. The two executives pay close attention to the requests of stakeholders, including customers, investors, and the government, to manage the risks and opportunities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

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

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

Remuneration for Climate-related Achievements

Recipient	Remuneration	KPIs
The management of SK Telecom	Monetary remuneration (incentives)	Execution of core net zero KPIs Execution of core ESG KPIs



Working-level Staff

The working-level staff of SK Telecom support the management in making major climate change response decisions. The relevant departments of SK Telecom plan climate change response strategies and projects, and work on tasks related to initiatives such as Net Zero 2050 and RE100. To keep stakeholders well-informed, the departments actively respond to requests for climate-related disclosures from authorities such as the KSSB¹⁾ and the SEC.²⁾

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

1) KSSB: Korea Sustainability Standards Board

2) SEC: U.S. Securities and Exchange Commission

Overview of Environmental Management Training

All SK Telecom employees complete online environmental management training once a year. On completion of the training, employees understand how SK Telecom affects different aspects of the environment, such as climate, water, waste, and biodiversity, and how the environment affects SK Telecom. During 2023, 88% of all SK Telecom staff completed environmental management training.

Training component	Details
Environmental management system and strategies	Company-wide environmental management targets and strategies
Climate change response	- Levels and targets of greenhouse gas emissions and energy consumption - Activities in climate change response and climate-related disclosure - Importance of improving energy efficiency, and a code of conduct for an energy-saving culture

STRATEGY

SK Telecom has formed strategies to manage its climate-related risks and opportunities. To achieve the target of Net Zero 2050, the influences of climate change on business are analyzed in advance, based on which a strategic response system is developed, and is then adjusted and implemented. Climate-related transition risks, physical risks, and opportunities are identified, and scenario analysis is performed to assess potential financial impacts. Efforts are made to minimize the impact of climate change on SK Telecom's operations and financial performance, and to seize new opportunities for sustainable growth. Complying with K-Taxonomy, SK Telecom actively adopts green finance standards and technology to engage in environmentally friendly management that aligns with changes in the world today. SK Telecom's climate change response strategy is evolving with the times.

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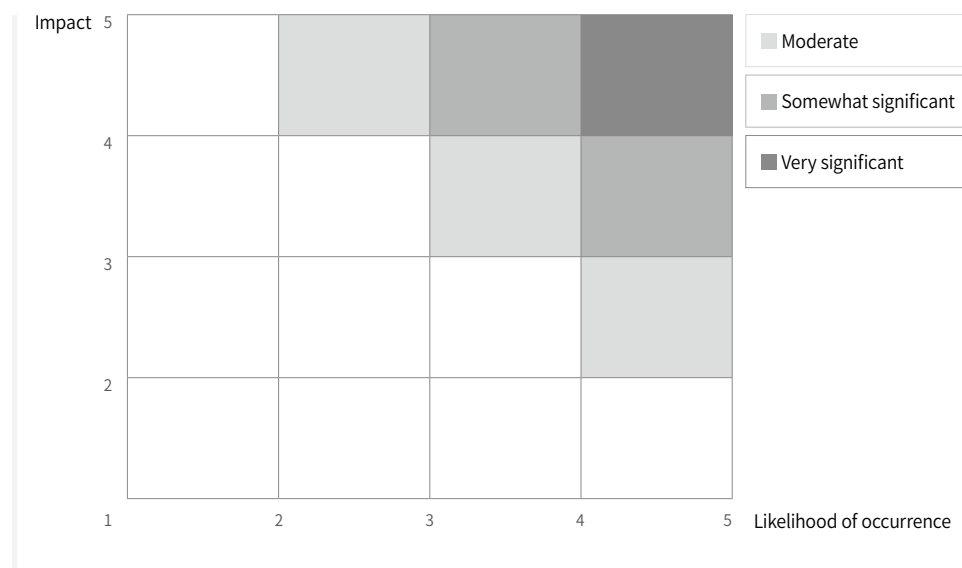
Overview of Materiality Assessment

A materiality assessment is an assessment performed to understand the key issues a company faces. Materiality assessments are designed to identify changes in short-term and mid-to-long-term risks, and in opportunities. SK Telecom uses materiality assessments to identify major climate-related issues that have a bearing on its business strategy, and to evolve its climate change response strategy accordingly. Final assessment results allow for an understanding of SK Telecom's current response to risks and opportunities, and serve as data in analyzing potential financial impacts and planning the response.

SK Telecom performed materiality assessments to identify risks and opportunities in the short term (up to one year), mid-term (one to five years), and long term (five years or more). The risks and opportunities indicated in the 2023 SK Telecom TCFD Report were updated, and a comprehensive materiality assessment of internal and external stakeholders was performed.

Materiality Assessment Process

Assessment Matrix



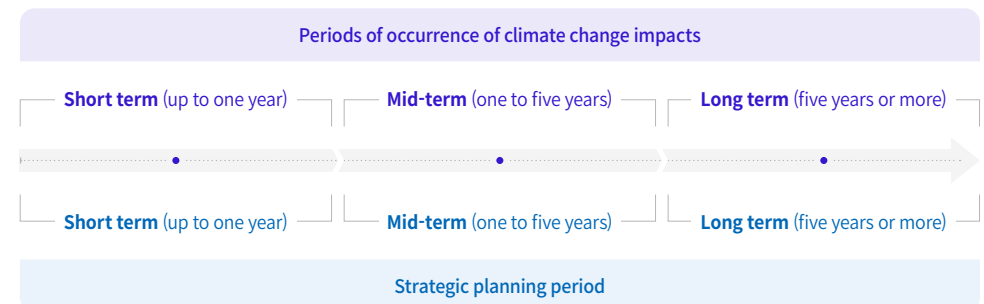
By comprehensively analyzing conditions such as changes in technology from advanced AI and changes in climate change-related policies around the world, the issues that can impact SK Telecom's business were identified. The factors in SK Telecom's climate-related materiality assessment are transition risks,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

Assessment Periods

The periods of materiality assessment observed by SK Telecom are short term (up to one year), mid-term (one to five years), and long term (five years or more).^{*} These materiality assessment periods were selected because they allow for an adequate forecast of the impacts of climate-related risks and opportunities.

The planning periods observed by SK Telecom in making strategic decisions follow the same pattern: short term (up to one year), mid-term (one to five years), and long term (five years or more). This reflects the connection between the periods for which strategic planning takes place and the periods in which the impacts of climate-related risks and opportunities can be manifested.

^{*} Consistent with the assessment times and periods suggested in climate-related disclosures draft of the KSSB



Overview of Materiality Assessment

Climate-related Risks and Opportunities

Drawing on the risks and opportunities detailed in the 2023 SK Telecom TCFD Report, SK Telecom updated the factors in this year's materiality assessment by incorporating the latest trends in AI and information and communications technology.

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

Materiality Assessments

Transition Risks

Classification	Risks	
Policies, laws, and regulations	① Increased price of greenhouse gas emissions credits	② Strengthening of emissions reporting obligations
	③ Changes to regulations relating to energy efficiency	④ Climate-related litigation
Technologies	⑤ Transition to low-carbon products and services	
	⑥ Cost of transitioning to or developing low-carbon AI technology	
Market	⑦ Loss of existing customers, and difficulty in acquiring new customers	⑧ Increased cost of electricity
Reputation	⑨ Increased negative perceptions among shareholders	⑩ Increased negative perceptions among the public
	⑪ Increase in collective actions by NGOs	

Physical Risks

Classification	Risks			
Acute	① Coastal floods	② Fluvial floods	③ Cyclones	④ Wildfires
Chronic	⑤ Extreme heat	⑥ Extreme cold	⑦ Heavy rains	⑧ Heavy snows
			⑨ Strong winds	

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

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

Opportunities

Classification	Opportunities	
Resource efficiency	① Efficient production and distribution processes	② Increased recycling
Energy sources	③ Use of low-emission energy sources	④ Participation in the carbon market
Products and services	⑤ Increased demand for energy-efficient services	⑥ Increased consumer preference
	⑦ Increased demand for communications services	⑧ Increased supply of AI-based solutions
	⑨ Installation and operation of AI data centers	
	⑩ Increased profits from the generation and sale of renewable energy	
Market	⑪ Leveraging of public sector incentives	

Results of Materiality Assessments

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

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

Major Climate-related Risks and Opportunities



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

Through PPAs¹⁾ and other means, SK Telecom will secure reliable sources of renewable energy to over the mid-to-long term reduce greenhouse gas emissions, cut energy costs and create revenue opportunities.

1) PPA: Power purchase agreement

Major Transition Risks

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

Major Physical Risks

- P③ Cyclones
- P④ Wildfires
- P⑦ Heavy rains

Major Opportunities

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

Results of Materiality Assessments

Identified Climate-related Risks

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

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

Results of Materiality Assessments

Identified Climate-related Opportunities

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

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

○ Moderate ○ Somewhat significant ● Very significant ✓ Potential financial impact factors

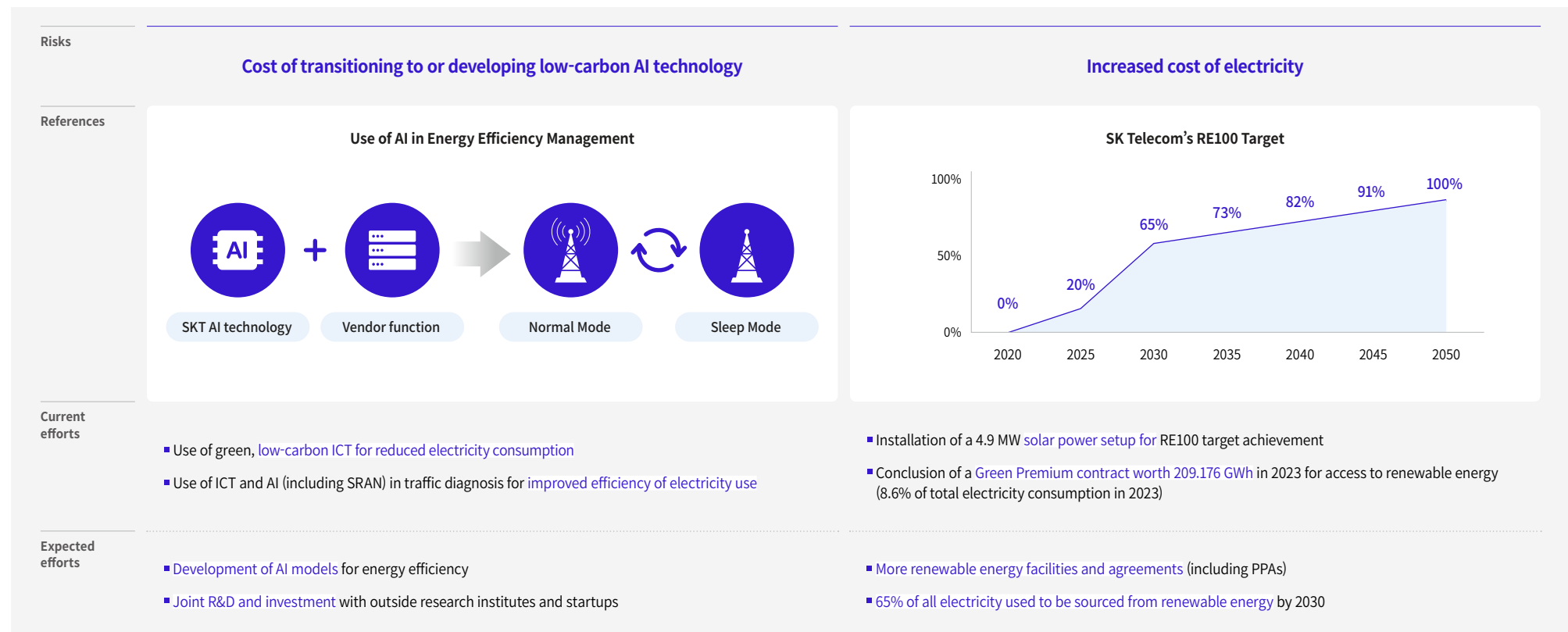
Strategy and Decision-Making

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

It remains compliant with the increasingly demanding climate-related disclosure regulation of the KSSB and SEC, and constantly monitors legal and regulatory requirements to mitigate climate-related litigation risks.

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

SK Telecom's Response to Transition Risks

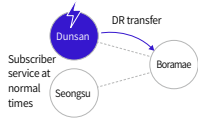
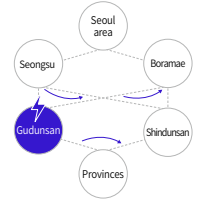
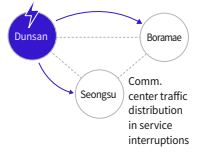
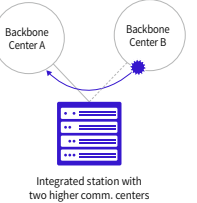


Strategy and Decision-Making

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

SK Telecom's Response to Physical Risks

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

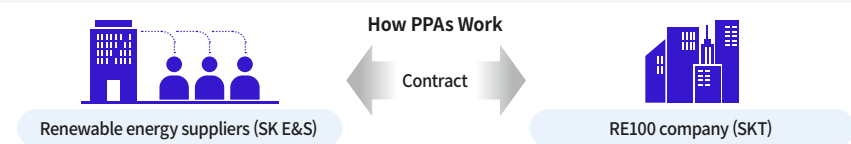
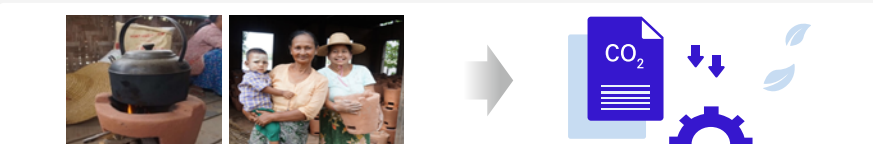
Risks	Disaster Recovery System				Response to Acute and Chronic Physical Risks (Including Wildfires, Cyclones, and Heavy Rains)		
References	Voice and Subscriber Management Services DR system services all subscribers of communications centers affected by service interruptions 	Switching and Backbone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

Strategy and Decision-Making

As part of its strategy for emissions reduction and RE100, in June of 2024, SK Telecom signed a PPA¹⁾ with SK E&S for the purchase of renewable energy-generated electricity. Under the agreement, SK E&S will supply SK Telecom with electricity generated at its solar power plants with a cumulative capacity of 50 MW for 20 years, from July 2027 to June 2047. The PPA will enable SK Telecom to use approximately 64 GWh of renewable energy-generated electricity per year, which amounts to approximately 2.6% of the electricity used by SK Telecom in 2023.

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

SK Telecom's Climate Change Opportunities

Risks	Reduced Emissions and Increased Economic Benefits from Renewable Energy Use: PPAs and RE100	Participation in the Carbon Market: Assisting Developing Countries in Greenhouse Gas Reduction
References	 How PPAs Work Renewable energy suppliers (SK E&S) → Contract → RE100 company (SKT)	
Current efforts	- Contracting with SK E&S to supply 50 MW of renewable-energy-generated electricity Operation of solar power generation facilities totaling 4.9 MW at SK Telecom's buildings, base stations, and parking lots across Korea - Green Premium system: 120.125 GWh used in 2022, 209.176 GWh used in 2023	- Assisting the people of developing Southeast Asian countries in reducing greenhouse gas emissions since 2018 - Acquiring carbon credits worth 260,000 tCO₂e in 2021 for reduced spending on carbon credit purchase
Expected efforts	New PPAs for protection from rising electricity prices and reduced electricity spending	Developing and implementing new greenhouse gas emissions reduction models for developing Southeast Asian countries

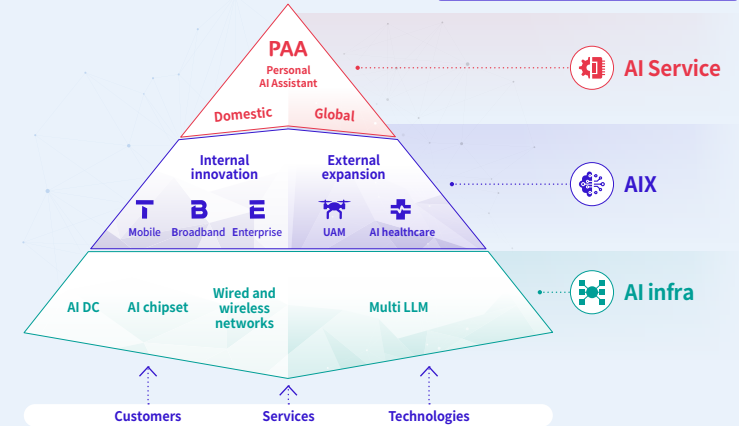
1) Power purchase agreement

2) Clean development mechanism: A developed country can help developing countries to reduce greenhouse gas emissions and have the reductions certified by the UN to be put toward its greenhouse gas emissions reduction targets

3) Sustainable development mechanism: The carbon reduction framework to replace the clean development mechanism; its rules were confirmed at the 2021 UN Climate Change Conference in Glasgow (COP26)

Road to Global AI Company

SK Telecom is an AI company that provides value to its customers through technology and services. Using its AI strategy pyramid consisting of AI infrastructure, AIX, and AI service, SK Telecom is growing to become a global AI company. The installation of AI infrastructure is a risk that increases SK Telecom's greenhouse gas emissions, but also is an important opportunity, as the demand for AI solutions and data centers is increasing. AIX and AI service are also opportunities for SK Telecom's growth as an AI company. Over the coming years, SK Telecom will integrate the AI capacities and solutions of the SK Group and its partners. By playing this central role, it will create an AI superhighway that establishes Korea as one of the AI G3.



AI Energy Management System

SK Telecom's AI energy management system (EMS), consisting of energy saving systems and energy engineering and solutions, is a one-stop energy efficiency service that optimizes energy consumption in buildings and factories through the assessment, design, and installation of energy facilities and energy operation consulting through the EMS platform. SK Telecom expects to see a continuous increase in business opportunities as demand for energy efficiency services rises with changes in the world increasing the number of businesses trading carbon credits, the cost of energy, and the importance of ESG management.

AI-enabled Process Energy Optimization

AI-enabled process energy optimization is a service that provides AI models for process energy optimization which reduce energy cost, improve quality, increase productivity, and meet other customer needs in industrial, commercial, and manufacturing processes through an AI platform. Customers can combine AI models for process optimization with the AI EMS to reduce costs through increased efficiency of energy facilities, process energy optimization, and process quality improvement.

SK Telecom's Climate Change Opportunities

Risks	Increased Demand for Energy Efficiency Services		Increased supply of AI-based solutions	
References	Country - Reduced national energy consumption - Reduced peak demand - Reduced CO₂ emissions Customers - Reduced energy cost - Increased convenience of energy management - Improved brand image SK Telecom - Energy efficiency business - Provision of xEMS services - BEMS/FEMS/LEMS		AI Platform - Energy efficiency models - Steel process optimization models - Chemical process optimization models - High-tech process optimization models Custom AI model packages for customer processes - Site A: Factory energy efficiency (Energy model, Optimization model 1) AI Platform - Site B: Facility process optimization (Energy model, Optimization model 2) AI Platform - Site C: Power generation process optimization (Energy model, Optimization model 3) AI Platform	
Current efforts	- AI EMS, for reduced greenhouse gas emissions and lower energy spending - Reduction of peak demand for electricity for increased stability of electricity supply		- AI-enabled process energy optimization and process quality improvement for different industries - Process energy optimization for increased efficiency and reduced energy cost	
Expected efforts	Energy optimization for 5G and subsequent generations of communications services		- Advanced low-carbon AI systems optimized for customer processes - Increased compatibility with operating systems on existing industrial sites	

Road to Global AI Company

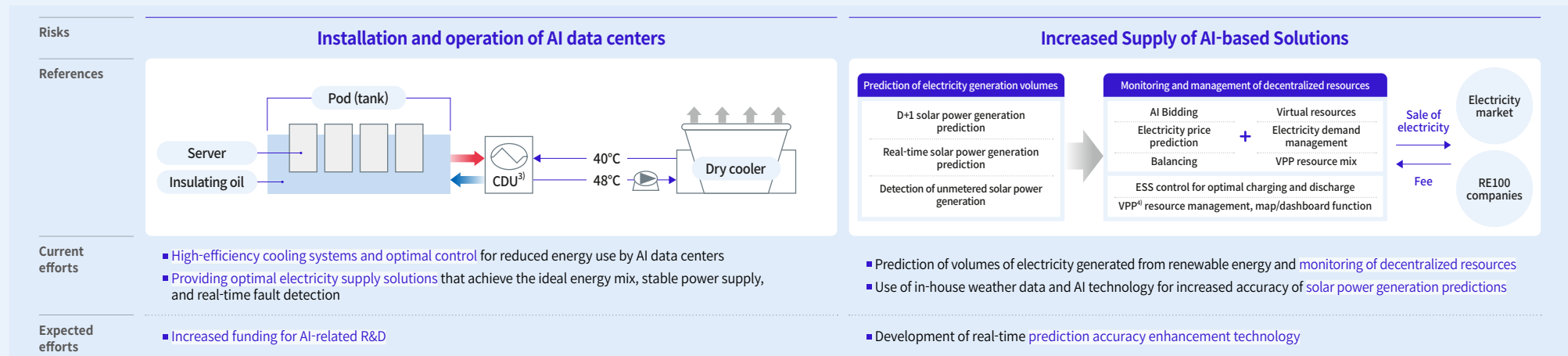
AI Data Center (DC) Energy Solutions

As the power needs of hyper-scale AI DCs¹⁾ in the AI era are increasing, so is the need for the stability and optimization of the energy mix, due to regulation and the limitations of the energy infrastructure. SK Telecom provides energy solutions that enable the installation and operation of AI DCs through power supply optimization and cost minimization, stable and uninterruptible power supply, and real-time monitoring and failure-guarding of electrical facilities.

SK Telecom's independently developed and validated liquid cooling technology, consistent with the fourth- and fifth-generation cooling solutions being used today, reduces the cost of electricity in server cooling, and its AI-enabled cooling system optimization technology combines with DCIM²⁾ to automate cooling operations.

SK Telecom validates its AI DC energy solutions at its own data centers, and offers its scientifically proven energy efficiency solutions to the market to promote energy saving.

SK Telecom's Climate Change Opportunities



1) DC: Data center

2) DCIM: Data center infrastructure management

3) CDU: Coolant distribution unit

4) VPP: Virtual power plant

AI Renewable Energy Solutions

SK Telecom develops AI green energy solutions to help the SK Group achieve its carbon neutrality targets, and in turn is building its competitiveness in the renewable energy business. The benefits SK Telecom's AI green energy solutions provide include accurate prediction of renewable energy levels, monitoring and management of dispersed resources, and profit maximization.

A number of SK Group subsidiaries are engaged in small-scale electricity brokerage using solar power plants, and with reforms of the electricity market underway, they need a technology that predicts how much solar power they can produce in real time. Using its own environmental data and AI technology, SK Telecom addresses limits concerning time and space in weather forecasts to increase the accuracy of solar power generation predictions. Unmetered solar power plants, and solar power plants not registered with the Korea Power Exchange, can be detected and their power generation levels estimated to provide accurate power generation predictions that can improve their profitability.

Climate Scenarios Analysis

Transition Risk Scenarios

SK Telecom references scenarios developed by global authorities in assessing the risks present in the transition to a low-carbon society. The increased price of carbon credits, rising cost of electricity, and cost of RE100 activities were analyzed, and reliable data was used to identify and quantify potential financial impacts.

SK Telecom strives to provide stakeholders with quantitative data on its net zero strategies and climate recovery activities. However, it is important to note that changes in climate policies and the very nature of hypotheses (scenarios) means that certain levels of uncertainty are involved.

Analytical Subjects and Hypotheses

Transition risk	Reason for selection for analysis	Definition	Key hypotheses
Increased cost of electricity and RE100 activities	- Large-scale emission of greenhouse gas from electricity use - A major transition risk identified in climate-related materiality assessments	Increased cost of electricity resulting from stricter climate-related policies; additional costs resulting from RE100 activities	- Outlook on electricity prices in Korea based on NGFS scenarios - Increases in prices of different electricity from 2020 to 2023 - Reductions in electricity purchased from Korea Electric Power Corporation to achieve RE100 compliance - Additional costs resulting from different means of renewable energy use
Carbon emissions regulation	A major transition risk identified in climate-related materiality assessments	Purchase and sale of carbon credits	- Outlook on carbon credit prices in Korea based on IEA and NGFS scenarios - Emissions reduction through in-house efforts and RE100 compliance - Payment required for an increasing portion of carbon credits (15% in 2030, 30% in 2040, 50% in 2050) - Application of portion adjustment coefficient (90% by 2050)

Transition Scenarios

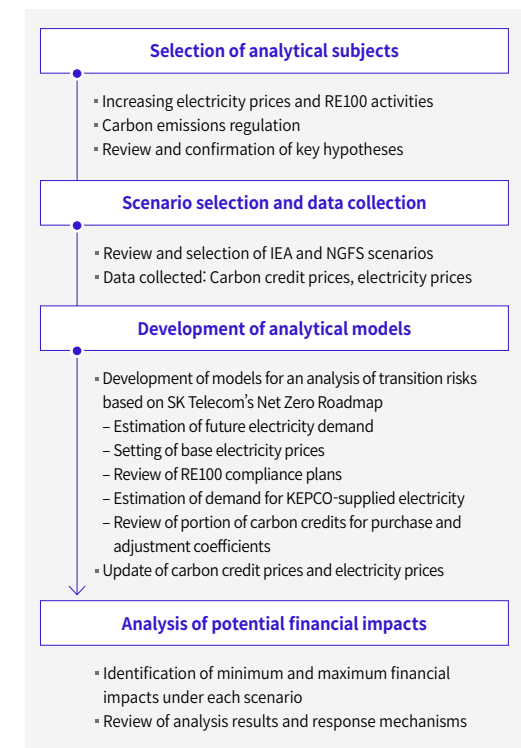
Issuer	Scenario		Reason for selection of scenario	Source
IEA ¹⁾	STEPS (Stated Policies Scenario)	Reflects the current policies and targets of different countries, and progress in the private sector		
	APS (Announced Pledges Scenario)	Hypothesizes the achievement of long-term emissions targets, as indicated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

1) International Energy Agency: Provides data on future energy systems, including data on carbon credit prices and greenhouse gas reduction costs, in line with the key scenarios

2) Network for Greening the Financial System: Provides data on the seven scenarios addressing trends in energy, products, and other conditions, including data on carbon credit prices and electricity prices, using the global change analysis model (GCAM), one of the comprehensive analysis models used

3) World Energy Outlook: An annual report issued by the IEA which provides energy outlooks for the different scenarios

Analytical Process



Climate Scenarios Analysis

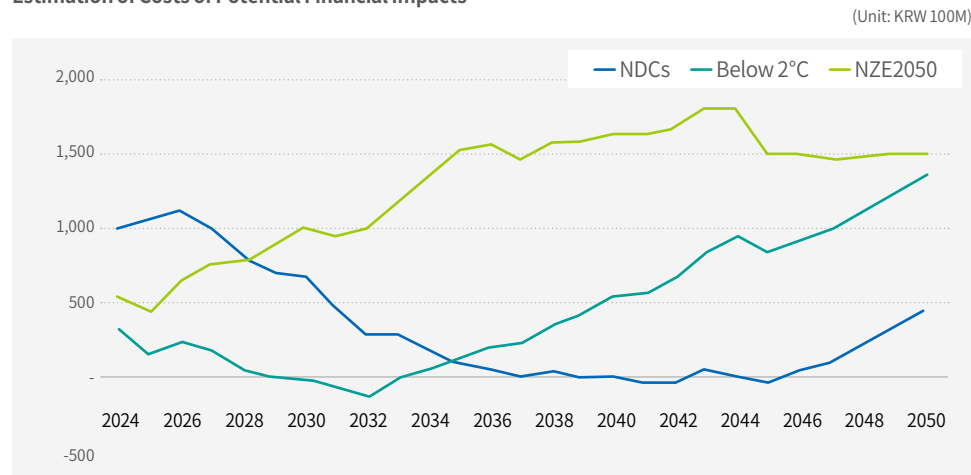
As a provider of communications services, most of the greenhouse gas emissions SK Telecom produces are from the use of electricity. SK Telecom acknowledges that additional electricity use can occur in the expansion of AI products and services. In estimating potential financial impacts, SK Telecom analyzed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

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

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

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

Estimation of Costs of Potential Financial Impacts



(Cumulative value per time frame, Unit: KRW)

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

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

Climate Scenarios Analysis

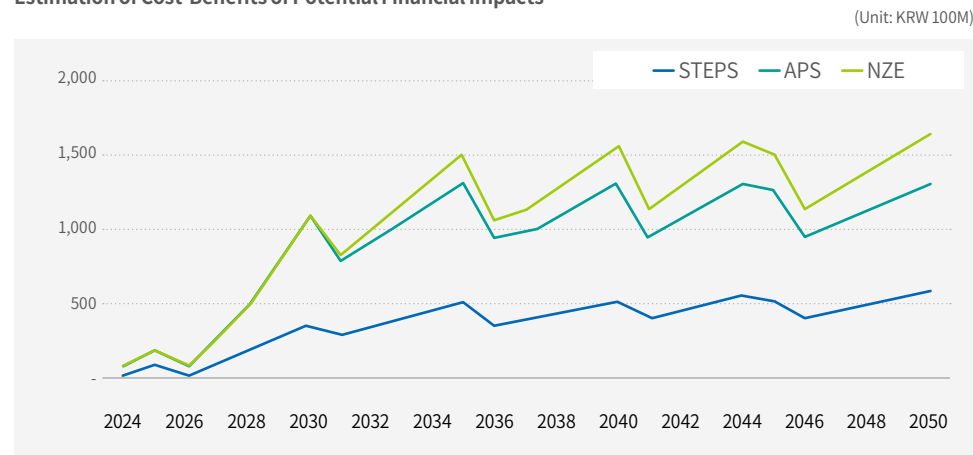
SK Telecom expects carbon credits to increase in price considering the Korean government's policy on greenhouse gas emissions regulation. Both Net Zero 2050 and RE100 are factors driving down greenhouse gas emissions, but the portion of carbon credits to be purchased will likely increase over the years,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

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

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

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

Estimation of Cost-Benefits of Potential Financial Impacts



(Cumulative value per time frame, Unit: KRW)

Scenario	Short term (2024)	Mid-term (2025-2029)	Long term (2030-2050)
STEPS	Up to KRW 10 billion	Up to KRW 100 billion	Up to KRW 1 trillion
APS	Up to KRW 10 billion	Up to KRW 100 billion	KRW 1 trillion and over
NZE	Up to KRW 10 billion	Up to KRW 100 billion	KRW 1 trillion and over

Climate Scenarios Analysis

Physical Risk Scenarios

SK Telecom identified five chronic disasters and four acute disasters as the physical risks that can result from climate change, and analyzed the potential financial impacts that can result from those risks. The SSP¹⁾ scenario of the Intergovernmental Panel on Climate Change is used in the analysis of physical risks, and physical risk analysis data supplied by the MSCI Sustainability Institute was used to develop in-house analysis models. Using the developed analysis models, risk levels and asset loss rates resulting from the occurrence of disasters were estimated, and estimations of cumulative damage of assets or operating losses were made to quantify the potential financial impacts.

Analytical Subjects and Hypotheses

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

Physical Scenarios

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

1) SSP: Shared Socioeconomic Pathways

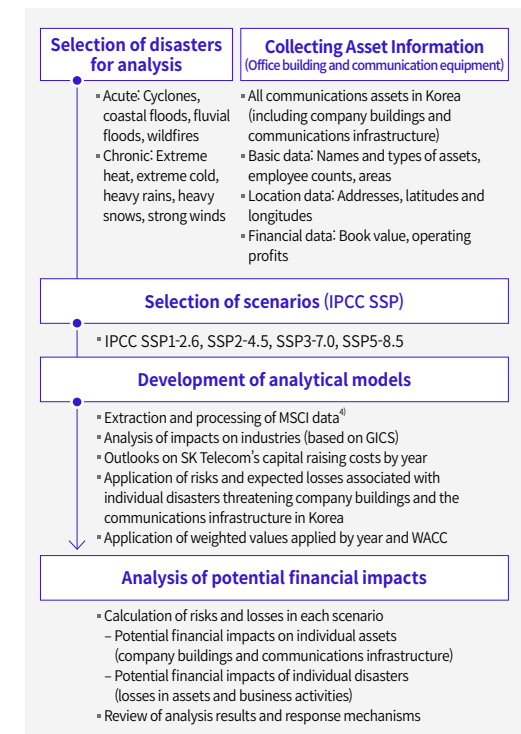
2) MSCI uses two critical points to differentiate impacts caused by losses

3) SSP scenarios hypothesize energy consumption, greenhouse gas emissions, global policies, and other conditions in the future (reflecting socioeconomic factors such as population, economics, technology, lifestyles, and land use)

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

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

Analytical Process

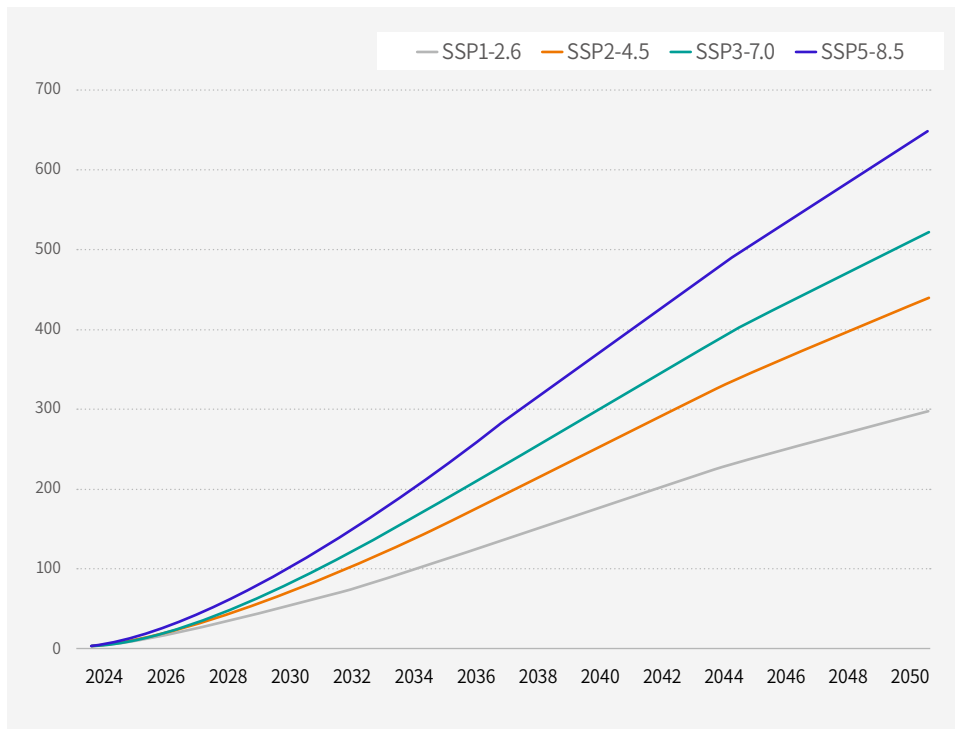


Climate Scenarios Analysis

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

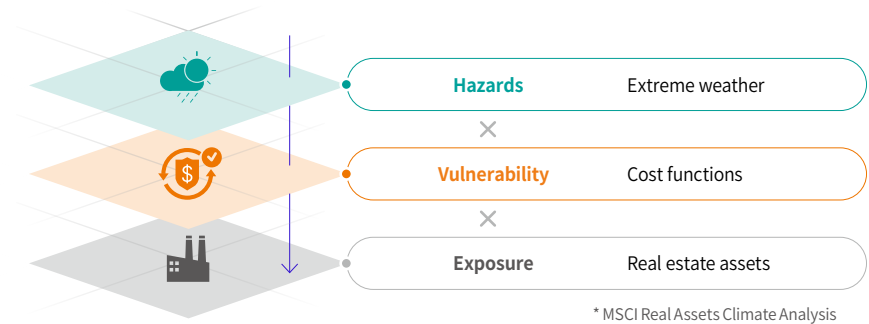
With SSP1-2.6, the cumulative financial impacts expected by 2050 were measured at around KRW 30.2 billion, indicating that climate change at a lower speed can minimize financial impacts. On the other hand, the greatly intensified climate change hypothesized in SSP5-8.5 will likely cause cumulative financial impacts of KRW 65.3 billion by 2050. This warns of the possibility of a rapid increase in financial impacts on businesses as climate change intensifies, and emphasizes the need for long-term preparations.

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



By accurately predicting the financial impacts that will be caused by physical risks, SK Telecom forms strategies for each scenario, including strategies for greater climate resilience and the dispersion of risks. The company is doing its best to ensure financial security is maintained and financial impacts minimized in high-carbon scenarios.

Assessment of Financial Impacts of Physical Risks



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

This year, in a more intensive approach, MSCI data was used to understand the real-world losses in assets exposed to the nine disasters that can occur by analyzing the potential financial impacts of cumulative asset damage and losses in business activities. As a provider of wireless communications services, SK Telecom operates a large amount of communications infrastructure that is located outdoors, so the book value of such communications infrastructure was taken into account in the analysis of physical risks. As a great deal of uncertainty involving a number of factors is present in the analysis of physical risks associated with assets, such as changes in analytical data and influences on climate change, SK Telecom remains vigilant of the variations this can cause in calculations of financial impacts. Moving forward, SK Telecom will expand its analysis of physical risks to include all subsidiaries located around the world, and apply more advanced disclosure methodologies to timely climate-related disclosures.

Climate Scenarios Analysis

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

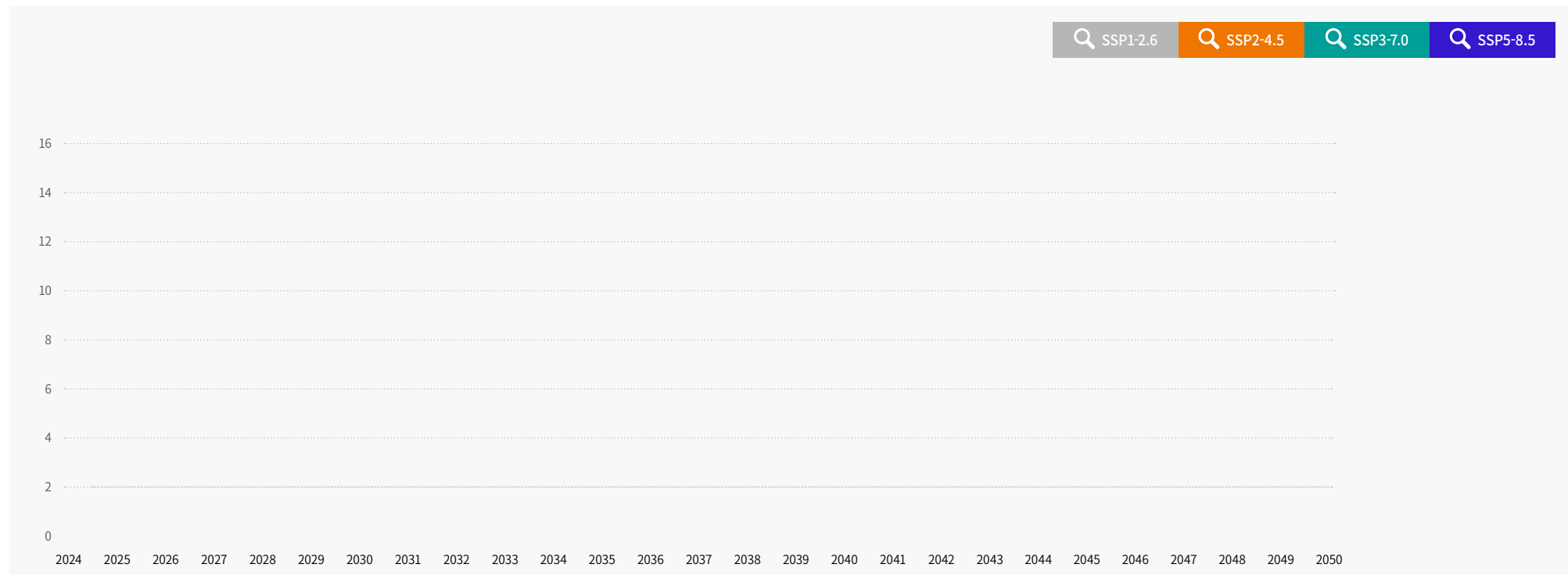
Cumulative financial impacts of extreme heat by 2050 were found to range from KRW 14.3 billion (SSP1-2.6) to KRW 31.5 billion (SSP5-8.5), while cumulative financial impacts of heavy rains by 2050 were found to range from KRW 3.1 billion (SSP1-2.6) to KRW 6.2 billion (SSP5-8.5).

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

Accordingly, SK Telecom is forming a wide range of response plans to minimize the financial impacts of chronic physical risks. For example, cooling systems will be inspected and upgraded and emergency backup power systems installed in preparation for extreme heat, and the joint disaster roaming service of the three largest mobile carriers will be upgraded and infrastructure decentralization and multi-backup system installations will take place in preparation for heavy rains. These activities will be funded using internal reserve funds.

Estimation of Potential Financial Impacts of Chronic Physical Risks

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



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

Climate Scenarios Analysis

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

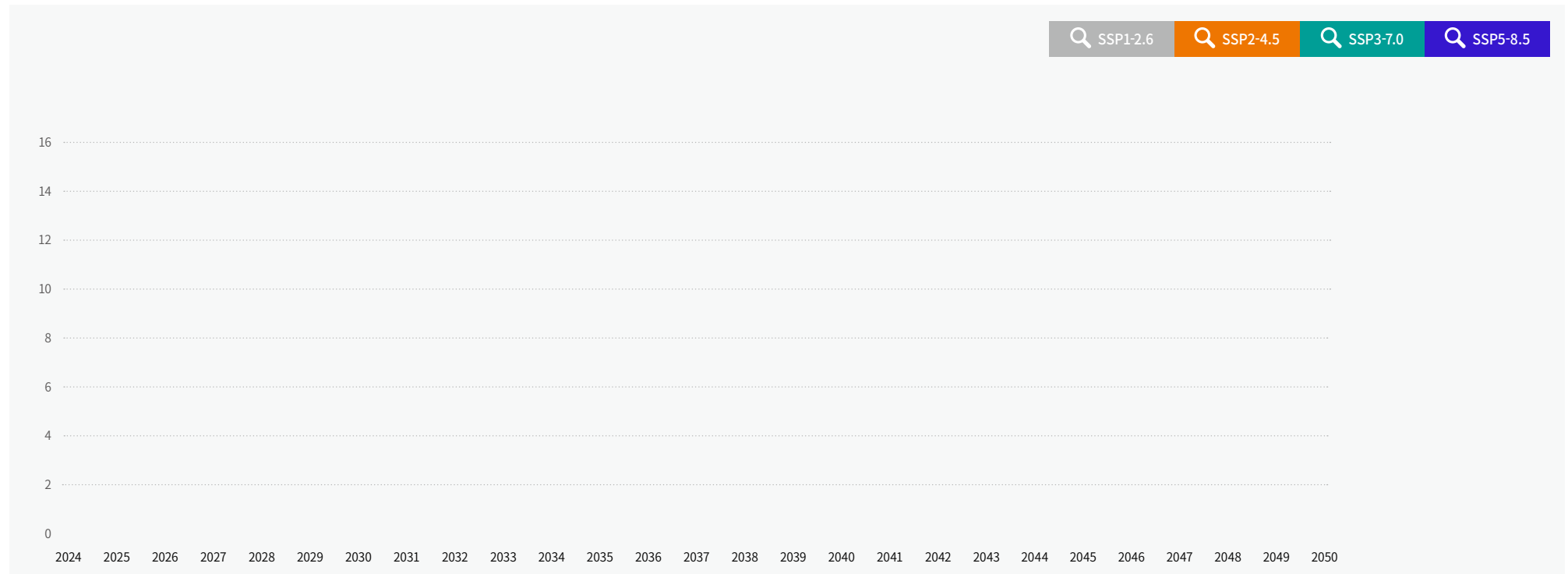
Cumulative financial impacts of cyclones by 2050 were found to range from KRW 10.3 billion (SSP1-2.6) to KRW 23 billion (SSP5-8.5), while cumulative financial impacts of fluvial floods by 2050 were found to range from KRW 3 billion (SSP1-2.6) to KRW 6.6 billion (SSP5-8.5).

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

Accordingly, SK Telecom is taking a wide range of measures to increase climate resilience and prepare for cyclones, including through upgrading windbreak facilities and disaster recovery systems, and installing alternative electricity supply networks. By continuously monitoring communications infrastructure located around Korea for risks, SK Telecom can stably provide optimum communications services, while carrying out focused management and improvements such as electricity efficiency upgrades.

Estimation of Potential Financial Impacts of Acute Physical Risks

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



Climate Scenarios Analysis

Financial Conditions Resulting from Physical Risks

To minimize financial losses from natural disasters, SK Telecom analyzes the losses associated with each physical risk. “Expenses and losses incurred” by SK Telecom from physical risks are detailed in its income statements. “Capitalized costs and fees” of SK Telecom are detailed in its statements of financial position. SK Telecom’s spending on recovery from natural disasters decreased from KRW 2,590 million in 2022 to KRW 2,350 million in 2023, a reduction of about KRW 240 million. At the same time, the insurance payments SK Telecom collected for natural disasters decreased from KRW 1,110 million in 2022 to KRW 230 million in 2023, a reduction of about KRW 880 million.

Costs of Recovery from Natural Disasters in 2022

(Unit: KRW 100M)

Category	Coastal floods	Fluvial floods	Cyclones	Wildfires	Extreme heat	Extreme cold	Heavy rains	Heavy snows	Strong winds	Total
Income statement (expenses and losses incurred)	-	-	1.5	-	-	-	1.1	-	-	2.6
Statement of financial position (capitalized costs and fees)	-	-	9.9	5.4	-	-	8.0	-	-	23.3
Total	-	-	11.4	5.4	-	-	9.1	-	-	25.9

Costs of Recovery from Natural Disasters in 2023

(Unit: KRW 100M)

Category	Coastal floods	Fluvial floods	Cyclones	Wildfires	Extreme heat	Extreme cold	Heavy rains	Heavy snows	Strong winds	Total
Income statement (expenses and losses incurred)	-	-	0.1	0.7	-	-	1.5	-	-	2.3
Statement of financial position (capitalized costs and fees)	-	-	3.0	2.8	-	-	15.4	-	-	21.2
Total	-	-	3.1	3.6	-	-	16.9	-	-	23.5

In 2023 SK Telecom endured losses totaling KRW 2,350 million from physical risks. Of that amount, heavy rains accounted for the largest portion at around KRW 1,690 million, followed by wildfires at KRW 360 million and cyclones at 310 million. Losses from heavy rains had increased by KRW 780 million from 2023, while losses from both cyclones and wildfires were decreased. For a second consecutive year, SK Telecom had no losses from extreme heat, extreme cold, heavy snows, strong winds, coastal floods, or fluvial floods.

Insurance Payments for Natural Disasters in 2022

(Unit: KRW 100M)

Category	Coastal floods	Fluvial floods	Cyclones	Wildfires	Extreme heat	Extreme cold	Heavy rains	Heavy snows	Strong winds	Total
Income statement (expenses and losses incurred)	-	-	6.1	-	-	-	5.0	-	-	11.1
Statement of financial position (capitalized costs and fees)	-	-	-	-	-	-	-	-	-	-
Total	-	-	6.1	-	-	-	5.0	-	-	11.1

Insurance Payments for Natural Disasters in 2023

(Unit: KRW 100M)

Category	Coastal floods	Fluvial floods	Cyclones	Wildfires	Extreme heat	Extreme cold	Heavy rains	Heavy snows	Strong winds	Total
Income statement (expenses and losses incurred)	-	-	-	-	-	-	2.3	-	-	2.3
Statement of financial position (capitalized costs and fees)	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	2.3	-	-	2.3

K-Taxonomy Activities

In 2023, SK Telecom became the first Korean company to recognize green economic activities as prescribed by K-Taxonomy. Using revenue, CapEx, and OpEx as disclosure KPIs as required by the Commission Delegated Regulation (EU) 2021/2178, SK Telecom disclosed its green economic activities in 2022 in a separate report. It again applied K-Taxonomy to its main businesses and environmental activities in 2024, this time identifying a number of green economic activities in AI services, which have been increasing in importance.

K-Taxonomy-eligible activities were identified, then assessed on activity description, technical screening criteria, do no significant harm, and minimum social safeguards to determine alignment with K-Taxonomy. Activities for which the disclosure KPIs of revenue, CapEx, and OpEx could not be calculated were excluded. Green economic activities selected in this manner were then analyzed to calculate their disclosure KPIs.

FY2023 K-Taxonomy of SK Telecom

Categories in K-Taxonomy		Revenue		CapEx		OpEx	
		Amount (KRW 1M)	Percentage (%)	Amount (KRW 1M)	Percentage (%)	Amount (KRW 1M)	Percentage (%)
K-Taxonomy-eligible economic activities	K-Taxonomy-aligned economic activities	24,370	0.194%	7,021	0.354%	7,665	1.058%
	Development of ICT-based energy management solutions, and implementation and operation of systems	22,313	0.177%	902	0.045%	1,771	0.244%
	Manufacturing of innovative products	-	-	971	0.049%	928	0.128%
	Manufacturing of innovative materials, parts, and equipment	-	-	649	0.033%	757	0.105%
	Manufacturing of materials, parts, and equipment for use in core technology for greenhouse gas reduction	-	-	1,864	0.094%	1,339	0.185%
	Renewable energy generation: Solar energy, solar thermal energy, wind energy, hydro power, ocean energy, geothermal energy, hydrothermal energy	-	-	89	0.004%	-	-
	Use of non-polluting vehicles, trains, construction machinery, farming machinery, ships, aircraft, and bicycles	-	-	-	-	625	0.086%
	Installation and operation of non-polluting transportation infrastructure	-	-	-	-	121	0.017%
	Installation and operation of infrastructure for building greenhouse gas reduction	-	-	2,360	0.119%	240	0.033%
	Installation and operation of infrastructure for disaster prevention and weather forecast	-	-	187	0.009%	12	0.002%
	Research related to adaptation to climate change	-	-	-	-	209	0.029%
	Recycling (reuse, remanufacturing, regenerative use) of waste	2,056	0.016%	-	-	1,663	0.230%
	Economic activities eligible for but not aligned with K-Taxonomy	-	0%	3,447	0.174%	5,878	0.812%
	Installation and operation of greenhouse gas reduction facilities	-	-	2,520	0.127%	5,433	0.750%
	Renewable energy generation: Biomass	-	-	909	0.046%	445	0.061%
	Education, culture, and art related to adaptation to climate change	-	-	18	0.001%	-	-
	Subtotal	24,370	0.194%	10,468	0.528%	13,544	1.870%
Economic activities not eligible for K-Taxonomy		12,564,850	99.806%	1,973,824	99.472%	710,842	98.130%
Total		12,589,220	100%	1,984,292	100%	724,386	100%

* Korean Green Taxonomy (K-Taxonomy): A taxonomy established by the Korean government in December 2021 to standardize green economic activities, and direct green funds toward green projects and green technologies. To be recognized as a green economic activity under K-Taxonomy, the activity must make substantial contributions (SC) to at least one of the six environmental objectives (greenhouse gas reduction, adaptation to climate change, sustainable use and protection of water resources, transition to a circular economy, pollution prevention and control, protection of biodiversity), do no significant harm (DNSH) to other environmental objectives, and comply with minimum safeguards (MS) in the areas of human rights, labor, safety, anti-corruption and protection of cultural heritage.

RISK MANAGEMENT

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

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

29 Company-Wide Risk Management System

31 Internal Carbon Pricing System

Company-Wide Risk Management System

Risk Management Processes and Policies

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

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

Key Variables Used in Analysis in FY2023

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

Scenarios Analysis

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

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

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

How Risk Analysis is Prioritized

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

Risk Management Method

SK Telecom regularly identifies and assesses climate-related risks to monitor for new risks and changes in potential impacts, and updates its response accordingly. In the management of climate-related risks, SK Telecom maintains a system for the management of core metrics that starts with working-level staff and extends to the management and the decision-making body. The ESG Committee of SK Telecom held nine meetings in 2022 and seven in 2023, at which ESG agendas were reported and deliberated on.

Company-Wide Risk Management System

Opportunity Management Processes and Policies

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

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

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

Integration of Risk Management Processes Across the Company

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

Climate Change Management System

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

Identification of climate risks



- Climate change data analysis to identify risks
- Identification of ESG issues and impacts, and risks and opportunities across business models and value chain
- Continuous updating of risk list

Assessment of climate risks



- Identification of materiality based on occurrence potential and impacts
- Quantitative assessment of climate change impacts on financial performance and business operations

Setting of priorities



- Design of a matrix to enable priority setting based on occurrence potential and impacts
- Comparison of cost of response and financial impacts of risks in the formation of risk management strategies
- Selection of major issues for incorporation into response strategies

Monitoring, management, and supervision



- Setting of KPIs for risk monitoring
- Focused monitoring of high-risk areas and regular reassessment of risks
- Transparent reporting of risk management to stakeholders

Internal Carbon Pricing System

Operation of the Internal Carbon Pricing System

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

Scope of the Application of Internal Carbon Pricing

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

Setting of Internal Carbon Prices

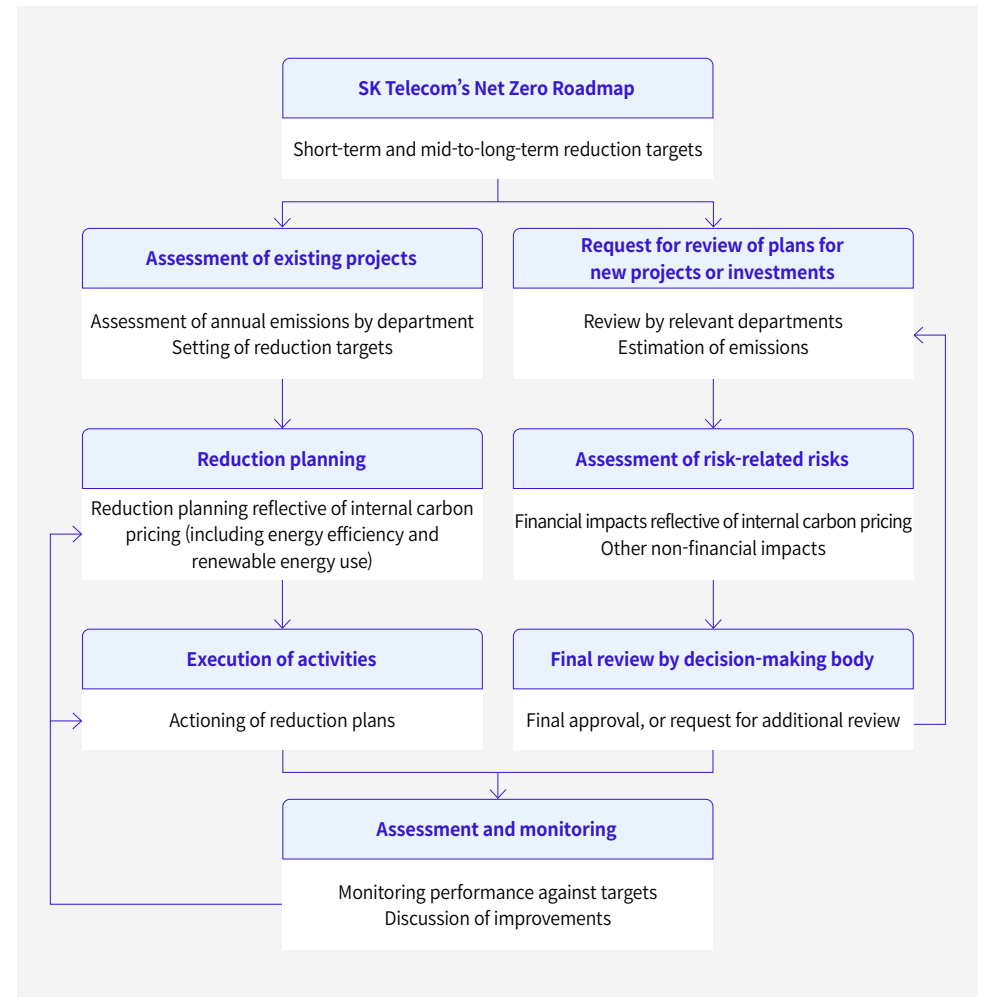
SK Telecom's internal carbon prices are set by referencing the NZE and APS scenarios of the International Energy Agency, which are then adjusted to reflect reduction targets and domestic market volatility.

(Unit: KRW per/tCO₂e)

Category	Short term (2024)	Mid-term (2025–2029)	Long term (2030–2050)
Internal carbon price	44,000	78,000	150,000

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

Internal Carbon Pricing Process



METRICS & TARGETS

To provide an understanding of SK Telecom's performance related to its climate-related risks and opportunities, the company's progress on all set climate-related targets and on targets to be met in accordance with laws and regulations has been analyzed. SK Telecom's Net Zero 2050 Roadmap, created based on the Science Based Targets initiative (SBTi), is being used to reduce greenhouse gas emissions in stages. As climate-related disclosure is becoming the global norm, SK Telecom has expanded the scope of its greenhouse gas emissions management to include 15 subsidiaries, and has calculated direct greenhouse gas emissions (Scope 1) and indirect greenhouse gas emissions (Scope 2) accordingly. Scope 3 greenhouse gas emissions are disclosed using SK Telecom's own standards, covering the last three years, including this year. Emissions data was verified by a third party for accuracy and reliability.

33 SK Telecom's Net Zero 2050 Target

34 Greenhouse Gas Emissions Management

SK Telecom's Net Zero 2050 Target

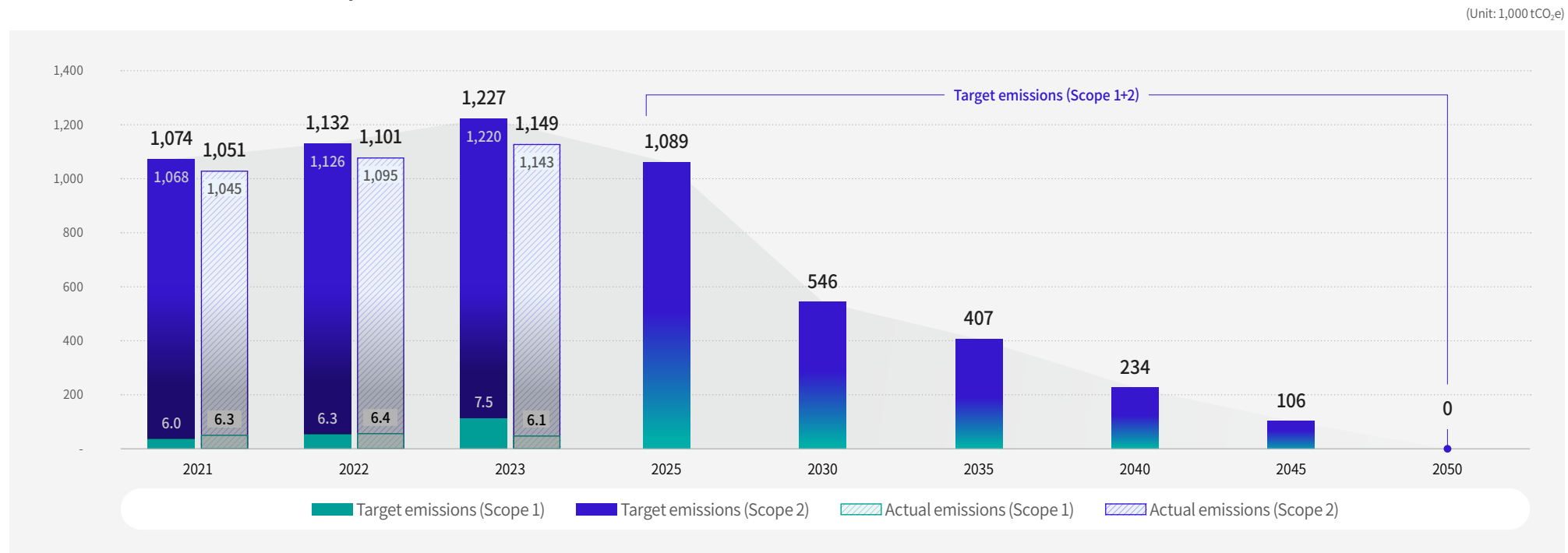
Recognizing the global shift toward carbon neutrality, SK Telecom has set its Net Zero 2050 target and is working toward it through efforts such as systematically developing environmental management strategies and joining the RE100 initiative.

The company is continuously creating environmental value through energy efficiency enhancement, renewable energy use, and other green activities to complete the core task of greenhouse gas emissions reduction, and is engaging in volunteer and goodwill activities to strengthen its cooperation with local communities and spread a culture of green business. This diverse range of environmental management activities is the foundation on which SK Telecom ensures that it remains diligent in its climate change response and achieves sustainable management targets.

SK Telecom's Net Zero 2050 Roadmap

In 2023, SK Telecom's total location-based greenhouse gas emissions were 1,140,000 tCO₂e, a 4.3% increase from 2022. This increase is a result of growth in electricity consumption and indirect (Scope 2) greenhouse gas emissions due to the expansion of communications infrastructure to promote the stability of 5G services. Still, SK Telecom managed keep its 2023 emissions about 6.8% lower than its targeted 1,220,000 tCO₂e, while increasing its renewable energy use by 3.4% from 2022 to 8.6%. SK Telecom will continue to improve energy efficiency and increase renewable energy use to reduce greenhouse gas emissions.

SK Telecom is actively reducing greenhouse gas emissions every year to reach its Net Zero 2050 target. Emissions reduction targets are inspected each year according to Net Zero 2050 plans, and the Net Zero 2050 Roadmap is updated with strategies that reflect changes in climate conditions and the market.



Greenhouse Gas Emissions Management

Consolidated Greenhouse Gas Emissions Management

In compliance with the carbon credit system launched in 2015, SK Telecom has implemented a system for the management of its greenhouse gas emissions. SK Telecom's annually calculated Scope 1 and Scope 2 emissions are verified by a third-party auditor.

SK Telecom recognizes that climate-related disclosure is the new global norm, and has expanded its greenhouse gas emissions management to include consolidated subsidiaries.

SK Telecom's greenhouse gas emissions were calculated in accordance with the Guidelines on the Reporting and Certification of Emissions for the Operation of the Carbon Credit System, and its consolidated subsidiaries' greenhouse gas emissions were calculated in accordance with The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised edition) of the WRI¹⁾ and WBCSD.²⁾

1) WRI: World Resource Institute

2) WBCSD: World Business Council for Sustainable Development

In its 40th Business Report (2023), SK Telecom indicates 25 consolidated subsidiaries. However, consolidated greenhouse gas emissions were calculated for 15 of those only, as the eight which are investment businesses without physical business sites and the two scheduled for mergers were excluded.

Also, greenhouse gas emissions of consolidated subsidiaries which operate out of SK Telecom-owned buildings but are reported under the carbon credit system in accordance with [Annex 21] Setting of the Boundaries of Buildings of the Guidelines on the Reporting and Certification of Emissions for the Operation of the Carbon Credit System were excluded from the consolidated greenhouse gas emissions calculations.

SK Telecom will continue to maintain the accuracy and reliability of its consolidated greenhouse gas emissions data to ensure compliance with global disclosure standards through third-party verification.

Scope 1 and 2 Greenhouse Gas Emissions of SK Telecom and Selected Consolidated Subsidiaries in FY2023

Category	Individual			Consolidated		
	Total	Scope 1	Scope 2	Total	Scope 1	Scope 2
Total	1,623,115	23,571	1,599,544	1,596,632	21,463	1,575,169
SK Telecom	1,149,258*	6,063	1,143,195	1,149,258	6,063	1,143,195
SK Telink	2,335	103	2,232	16	14	2
SK Communications	3,672	57	3,615	258	53	205
SK Broadband	423,669	1,917	421,752	423,669	1,917	421,752
PS&Marketing	5,724	344	5,380	5,131	337	4,794
Service Ace	2,131	67	2,064	564	18	547
Service Top	12,719	232	12,487	649	7	641
SK ONS	7,186	2,322	4,864	763	590	173

* The emissions totals indicated above may differ from the sums of direct and indirect emissions calculated by adding up emissions from individual business units.

(Unit: tCO₂e)

Category	Individual			Consolidated		
	Total	Scope 1	Scope 2	Total	Scope 1	Scope 2
SKT Americas, Inc.	52	5	47	52	5	47
Happy Hanool	98	3	95	-	-	-
SK stoa	799	22	778	799	22	778
Home&Service	14,529	12,290	2,239	14,529	12,290	2,239
Media S	68	66	1	68	66	1
SK m&service	797	75	722	797	75	722
Global AI Platform Corporation	52	5	47	52	5	47
Global AI Platform Corporation Korea	25	-	25	25	-	25

Greenhouse Gas Emissions Management

Management of SK Telecom's Scope 3 Greenhouse Gas Emissions by Category

The scope of SK Telecom's greenhouse gas emissions management includes direct (Scope 1) emissions, indirect (Scope 2) emissions, and other indirect (Scope 3) emissions. Scope 3 emissions occur in value chains from activities such as supply chain activities, transport, and the use and disposal of goods, and are divided into 15 categories.

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

The main sources of SK Telecom's Scope 3 emissions are purchased goods and services (Category 1), capital goods (Category 2), and investments (Category 15). These make up 92.5% of SK Telecom's Scope 3 emissions (as of 2023). As purchased goods and services account for 57.8% of SK Telecom's Scope 3 emissions (as of 2023), supply chain management will be improved to reduce emissions.

SK Telecom's constant management of upstream and downstream activities resulted in a reduction in its 2023 Scope 3 emissions of 26.2% compared to 2021. SK Telecom will continue to transparently disclose its greenhouse gas emissions data by measuring Scope 3 emissions based on real activities data, and continuously improve the reliability of its disclosures through third-party verification.

Scope 3 Greenhouse Gas Emissions of SK Telecom in FY2023

(Unit: tCO₂e)

		Upstream activities							Downstream activities	
Category		1	2	3	5	6	7	8	14	15
Year	Total	Purchased goods and services	Capital goods	Fuel- and energy-related activities	Waste generated in operations	Business travel	Employee commuting	Upstream leased assets	Franchises	Investments
2021	4,384,495	2,543,897	1,186,700	455	461	1,411	9,015	13,058	81,013	548,485
2022	3,322,029	1,925,932	922,967	471	218	962	3,522	12,979	54,095	400,883
2023	3,237,292	1,870,658	682,412	136,300 ¹⁾	456	3,519	6,362	16,388	79,986	441,212

1) Starting in 2023, emissions occurring in the production of raw materials used to generate the electricity used by SK Telecom are calculated and included in Scope 3 emissions.

Independent Verification Opinion

Direct and indirect (Scope 1+2)

Introduction

DNV Business Assurance Korea Ltd. (“DNV”) was commissioned by SK Telecom Co., Ltd. (“SK Telecom”) to verify the SK Telecom’s Greenhouse Gas Inventory Report for the calendar year 2023 (“the report”) based upon a reasonable level of assurance. SK Telecom is responsible for the preparation of the GHG emissions data on the basis set out within the guidelines on the operation of GHG emission trading scheme (“ETS”) (Notification No. 2023-221 of Ministry of Environment)¹. Our responsibility in performing this work is to the management of SK Telecom only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this verification opinion.

Objectives and Scope of verification

The GHG emissions data covered by our examination is set for 100% of SK Telecom’s non-consolidated revenues under the GHG ETS and comprise Direct emissions (Scope 1 emissions) and Energy indirect emissions (Scope 2 emissions) from SK Telecom boundary;

- **Organizational boundary for reporting:** Domestic business sites of SK Telecom (incl. infrastructure for telecommunication)

Verification Approach

The verification has been performed in accordance with the verification principles and tasks outlined in the guidelines on the operation of GHG ETS (Notification No.2023-221, Korean Ministry of Environment) and the verification guideline for GHG ETS (Notification No. 2021-112, Korean Ministry of Environment). We planned and performed our work to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a reasonable verification opinion concerning the completeness of the emission inventory. As part of the verification process;

- We have reviewed the GHG emissions and energy consumption report for the calendar year 2023
- We have reviewed and verified the process to generate, aggregate and report the emissions data

Conclusions

We confirmed that the company’s GHG emissions have been appropriately calculated and reported in accordance with the reporting standards above.

GHG Emissions of SK Telecom Co., Ltd. for Yr 2023

(Unit : ton CO₂e)

SK Telecom	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Total emissions
KOREA (Location-based)*		1,143,195	1,149,240
	6,063		
KOREA (Market-based)**		1,047,097	1,053,142

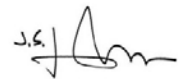
※ Total emissions might be different from the sum of direct and indirect emissions by applying the rule that emissions should be summed after truncating decimal places at the business site level.

* The ‘Location-based’ includes the emissions of Scope 2, which based of local-grid under GHG ETS.

** The ‘Market-based’ includes the emissions of Scope 2, which reflects the purchase of renewable electricity by the ‘23 Green Premium, in accordance with the GHG protocol.

June 2024

Seoul, Korea



Jang-Sub Lee Country Representative

DNV Business Assurance Korea Ltd.

This Verification Opinion is valid as of the date of the issuance. Please note that this Opinion would be revised if any material discrepancy which may impact the Greenhouse Gas Emissions of the company is subsequently brought to our attention.

Independent Verification Opinion

Other indirect (Scope 3)

Introduction

DNV Business Assurance Korea Ltd. (“DNV”) was commissioned by SK Telecom Co., Ltd. (“Company”) to perform third party verification for the Company’s Greenhouse Gas Inventory Report (“the report”) in the calendar year 2023. The Company is responsible for the preparation of the GHG emissions data on the basis set out within the WRI/WBCSD’s “The Corporate Value Chain (Scope 3) Accounting and Reporting Standard” and the principles set out in ISO 14064-1:2018. Our responsibility in performing this work is to the management of the Company only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this assurance opinion.

Scope of Assurance

The purpose of this verification is to present an independent verification opinion on the company’s greenhouse gas emissions, and the scope of verification is as follows;

- **Organizational boundary:** Domestic business sites of SK Telecom
- **Reporting boundary:** Other indirect emissions (Scope 3)
- **Reporting categories:** 9 Categories (C 1, 2, 3, 5, 6, 7, 8, 14, 15)
- **Reporting period:** 2023.01.01 ~ 2023.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the ‘ISO 14064-3:2019’, based upon a limited level of assurance. We planned and performed our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level, concerning the completeness of the emission inventory as well as the reported emission figures in ton CO₂ equivalent. As part of the verification process, we have reviewed as follows;

- Process to generate, aggregate and report the emissions data
- The data and information supporting the report were based on historical in nature. These may include partially hypothetical and projected data and information (refer to the report for details)

Conclusions

Based on the process and procedures conducted, there is no evidence that the GHG statement is not materially correct and is not a fair representation of GHG data and information;

• DNV presents an ‘Unmodified’ opinion on Greenhouse Gas Emissions

Other indirect emissions (Scope 3) for Yr 2023

(Unit: ton CO₂ equivalent)

Reporting year	Upstream	Downstream	Total emissions
2023	2,716,094	521,198	3,237,292

※ In order to report the GHG emissions as an integer, the rounded number on the verification opinion might be different from the number on the calculation tool with ± 1 tCO₂.

16th June 2024

Seoul, Korea



Jang-Sub Lee Country Representative

DNV Business Assurance Korea Ltd.

This Assurance Opinion is valid as of the date of the issuance. Please note that this Assurance Opinion would be revised if any material discrepancy which may impact the Greenhouse Gas Emissions of the Company is subsequently brought to our attention.



Date of issue: November 2024

| Issued by: SK Telecom

| Issuing department: ESG Innovation

| Website: www.sktelecom.com

This report is available for download in PDF format from the SK Telecom website.