CONNECT

TO THE

2020 SK broadband SUSTAINABILITY REPORT

FUTURE

SK broadband

ABOUT THIS REPORT

This year marks the first anniversary of publishing our sustainability report in order to share our efforts and progress on our journey towards sustainable management with stakeholders. This 1st sustainability report elaborates on not only where we are standing but also where we are heading, aiming to give our stakeholders a better understanding on the future that SK broadband moves towards.

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

Reporting Scope and Boundaries   The data in this report covers our operations and consequent achievements from January 1, 2020 through December 31, 2020. Some parts of operations in early 2021 are also included in this report along with the recent three-year data of quantitative achievements for year-over-year trend analysis.

Data Assurance   For the sake of enhanced reliability and quality of the report, the data in this report has been subject to third-party verification. And verification data is available in this report.

Inquiries   For more information or inquiries, please contact us at the number below.

Cover Story

The image, '**Window leading to the Future**' represents SK broadband moving towards the future. This image is a manifestation of our identity as a company that never stops reinventing ourselves under the goal of 'No.1 Media Platform Company'.

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Address   24 Toegye-ro, Jung-gu, Seoul, Republic of Korea
E-mail   sustainability@skbroadband.com

C O N N E C T

TO THE   2020 SK broadband SUSTAINABILITY REPORT

F U T U R E

Future Ahead

SK broadband became the World's first to provide high-speed internet service, and the Korea's first to roll out IPTV service. And we are now embarking on a new journey in response to the rapidly changing media environment.
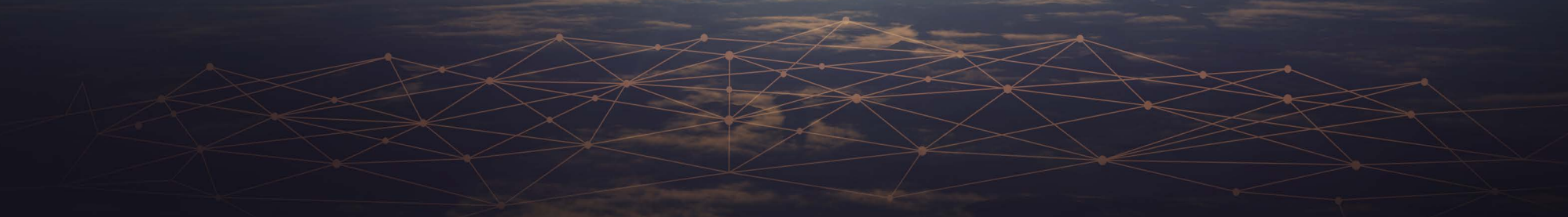
WIDER CUSTOMER RELATIONSHIP

We devote all our strength to the establishment of the deeper and wider relationship with customers. SK broadband will take one step further to bring new experiences and values to our customers' everyday lives, going beyond the infrastructure in front of our existing customers' houses.

STRONGER
MOBILE
PRESENCE

Mobile has become not only an integral part of media content consumption
but also a tool for all process innovations.
SK broadband will never stop innovating our wireless process, thereby
ramping up customer engagement and delivering differentiated new experiences.

MORE THAN
TELCO & IPTV

SK broadband is transitioning into a platform operator from just a provider of telephone, high-speed internet, and pay-per-view services.
We will not be complacent about our current business portfolio and move towards a new future through continuous innovation in our business.

ESG DRIVEN
NEW BMs

It is our firm belief that our sustainability comes with the efforts to solve social issues we are faced with. Based on this conviction, SK broadband is committed to expanding our business model taking ESG into account.

We will lay the foundation for sustainability for all by providing solutions to environmental and societal issues confronting us.
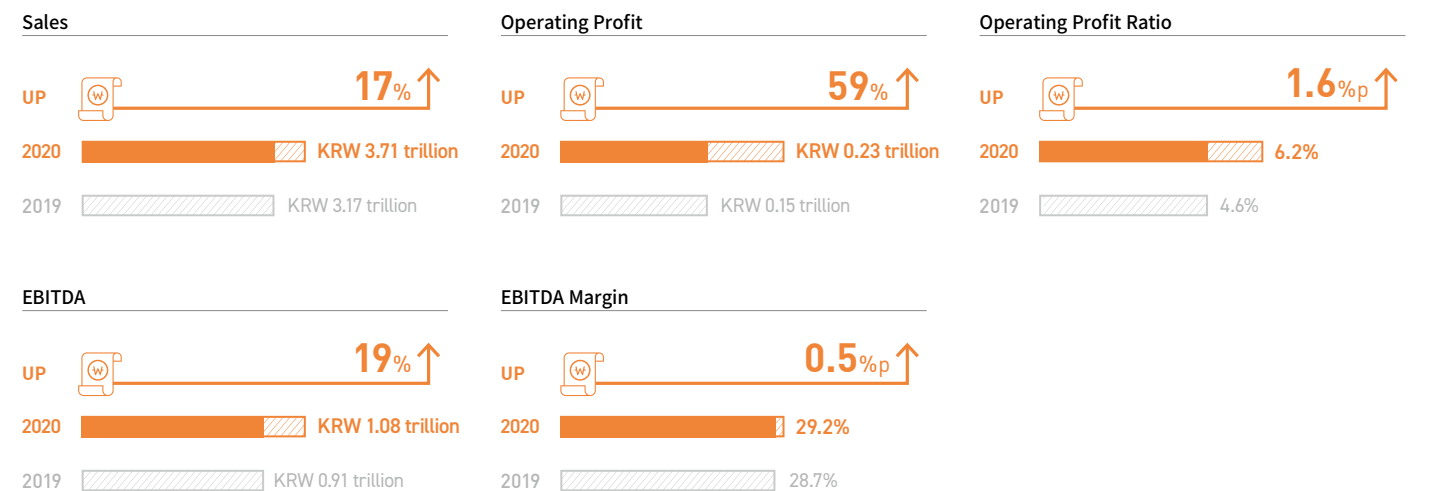
CEO MESSAGE

> " SK broadband is committed to delivering authentic entertainment and happiness to our customers, staying true to the core values of Lovely B tv : Family, Happiness, and Sharing. "

Dear stakeholders,

I would like to express my sincere gratitude to each of you for your unwavering support. 2020 was a year like no other. The spread of COVID-19 shook up our lives, bringing about a lot of changes. We are getting more familiar with non-face-to-face meetings than in-person ones, and the business environments are rapidly being digitalized compared to the past. The media industry is not an exception. With the personalization and mobilization of media consumption becoming common, the growth of the OTT market has been accelerated and the competition among operators has become intensified. Against this backdrop, SK broadband has never stopped challenging ourselves and seeking for innovation to create a sustainable tomorrow where we can grow together with you. We have devoted all our strength to provide a top-notch level of information and communications infrastructure while broadening the scope of our business into a new area under the slogan of 'No.1 Media Platform Company'. These efforts brought us meaningful results in various fields last year.
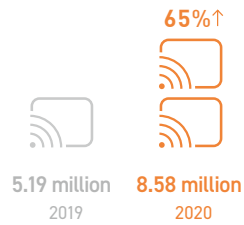
With a brand-new start after the successful merger with t-broad in April 2020, we achieved No. 1 place in the net increase of IPTV subscribers in the second half, which became a foundation for us to gain 8.58 million pay-TV subscribers as of the end of 2020. One of our focuses was sharpening our competitiveness in terms of services. To this end, we launched various services including 'OCEAN', a monthly movie streaming service taking customers' taste into consideration and offering the largest number of movies, 'Mobile B tv' for enhanced convenience, and 'The Slim Rate Plan' designed to help customers make a rational decision in consumption. One of our great achievements was winning a contract of the national convergence network project in the B2B sector, which will serve as a core infrastructure of the next-generation national communications network. In addition, the development of a unique cloud PC, which was designed to reform non-face-to-face infrastructure under the pandemic, was one of our tangible outcomes. These company-wide efforts brought us strong results. We achieved KRW 3.7134 trillion in consolidated sales last year, up 17.2% from the previous year, and a 59.2% increase in operating income from the previous year.

Key Financial Performance * on a consolidated basis

Sales

UP		17 % ↑
2020		KRW 3.71 trillion
2019		KRW 3.17 trillion

Operating Profit

UP		59 % ↑
2020		KRW 0.23 trillion
2019		KRW 0.15 trillion

Operating Profit Ratio

UP		1.6 %p ↑
2020		6.2%
2019		4.6%

EBITDA

UP		19 % ↑
2020		KRW 1.08 trillion
2019		KRW 0.91 trillion

EBITDA Margin

UP		0.5 %p ↑
2020		29.2%
2019		28.7%

Key Non-financial Performance

No. of pay-TV subscribers

65%↑

5.19 million **8.58 million**
2019 **2020**

No. of 2ⁿᵈ STB subscribers

15%↑

0.94 million **1.08 million**
2019 **2020**
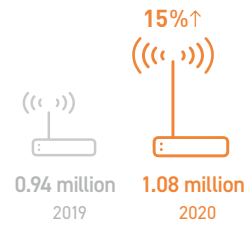
No. of mobile B tv Pairings

0.63 million **1.30 million**
2019 **2020**

Joining RE 100

First to become a member of
RE100 with seven affiliates of
SK group in Korea

National Customer Satisfaction

Raking 1ˢᵗ for 11 consecutive years
in the category of IPTV and
high-speed internet
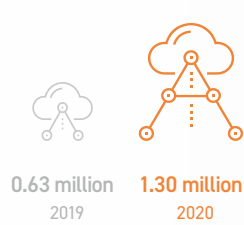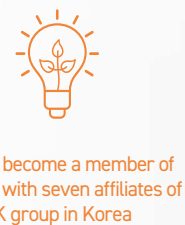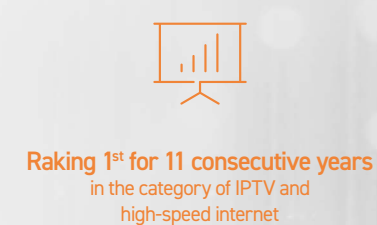
No. of violations against environmental and occupational safety regulations

Zero **Zero**
2019 **2020**

Hours of education per capita
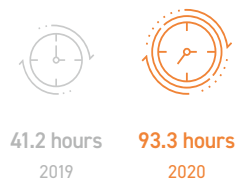
41.2 hours **93.3 hours**
2019 **2020**

No. of corporate and personal information leakage

Zero **Zero**
2019 **2020**

Social value measured

443 billion **518 billion**
2019 **2020**

Lovely B tv

Built on these outstanding outcomes, we are preparing for a new future based on four directions as follows.

Wider Customer Relationship

First, customer is our top priority. The relationships with our customers will be deeper and wider than ever before. SK broadband will provide new experiences and values for our customers by solving a variety of pain-points occurred not only outside their houses but also inside. Especially, we will constantly communicate with our customers and analyze their usage patterns to advance our services and reinforce customized services so that our customers can enjoy optimized services tailored to each of them.

Stronger Mobile Presence

Secondly, we seek for mobile process innovation. The changing media environment boils down to three keywords: OTT, digital, and mobile. Especially, mobile has become a necessity for not only media consumption but also the innovation of all processes. Therefore, based on our B tv, SK broadband will make more pairing between TV and mobile available so that our customers can enjoy fresh and distinguished experiences on their mobile devices.

More than Telco & IPTV

Thirdly, we will make strides towards a platform company beyond a provider of telecommunications and pay-per-view service provider. And we are cognizant that we should not be complacent about the status quo to move forward, so SK broadband is preparing a variety of new business models. As part of the efforts, we have embarked on the original content-based MPP business, thereby aiming to contribute to creating diverse ecosystems within the media ecosystem. The Home Entertainment platform(PlayZ) is also one of our focus areas while we are working on building a digital advertising platform where we can make ads more engaging and relevant to consumers. In the B2B sector, SK broadband will serve as a trailblazer in the global DC market by providing optimal solutions at the right time to customers faced with the ever-changing management environment.

ESG driven New BMs

Last but not least, we pursue the expansion of our business models driven by ESG. It is our firm belief that a company, which fails to be part of the solution to social issues, cannot achieve sustainable growth. SK broadband will actively join hands to resolve a plethora of societal issues including the most pressing environmental ones with an array of the wisdom of all of our employees.

We have reinvented ourselves time and time again for the past 20 years with strategic investments and constant innovations, launching high-speed internet service for the first time in the world and rolling out IPTV service for the first time in Korea. And now, SK broadband is writing a new chapter to move towards 'No.1 Media Platform Company' based on our newly-defined future strategic directions. SK broadband has evolved from Version 1.0, which refers to us as a provider of phone and high-speed internet services, to Version 2.0 with IPTV service added. And now, we are transforming ourselves into a platform operator, Version 3.0, which sets us completely apart from the previous versions. We look forward to your continued interest and support on our journey towards Version 3.0.

Thank you.

CEO of SK broadband

Choi Jin-hwan

Jinhwan Choi

Company Profile

Company Information * as of December 2020

Company Name	SK broadband
Address (Headquarters)	SK Namsan Green Bldg., 24, Toegye-ro, Jung-gu, Seoul, Korea
Date of Foundation	Sep. 1997
No. of Employees	2,415
Revenue[1]	KRW 3,713.0 billion
Net Profit during the Term[1]	KRW 150.7 billion
Total Assets[1]	KRW 5,765.8 billion

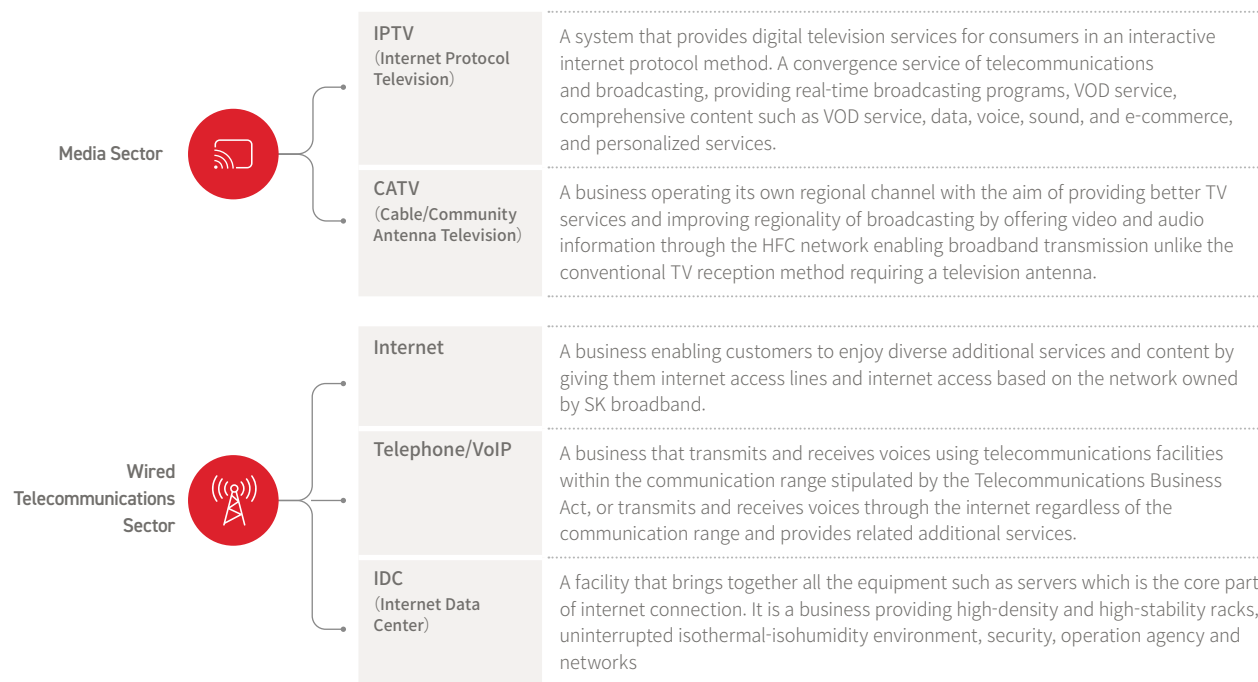1) Based on separate financial statement

Company Overview ⧉

SK broadband has signed an M&A contract with 't-broad', a domestic cable TV operator, in 2020, which laid the foundation for us to take a leap forward to becoming a leading player in the media industry. We make our utmost effort to offer the top-notch media service while contributing as a member of society. To do so, we are raising transparency in the overall management and fulfilling our social and environmental responsibilities
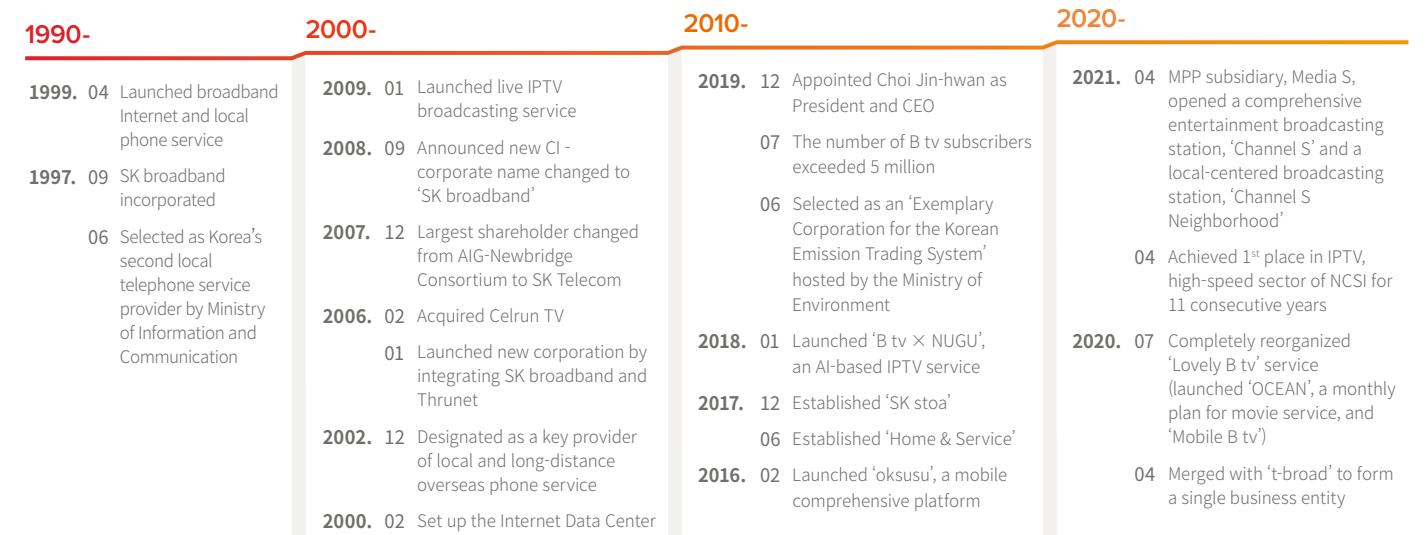
Business Scope

Our business largely consists of two sectors. One is the media sector which is the basis of the comprehensive media business, and the other one is the wired telecommunications sector. In the media sector, despite the decrease in the number of new media contents production due to COVID-19, we are seeing sales growth on the strength of various content tailored to customer needs and reinforced service competitiveness through active marketing activities.

In addition, the merger with t-broad created synergy effect in subscribers and media platforms, generating more sales profits. Our efforts to reduce cost through efficient resource management also have raised profitability. In the wired telecommunications sector, we are witnessing the number of subscribers efficiently increasing even in the face of declining face-to-face sales due to COVID-19 since we have ramped up the level of non-contact channel capabilities and advancing our retention system. On top of that, strong sales of premium products have brought us improved service profitability.
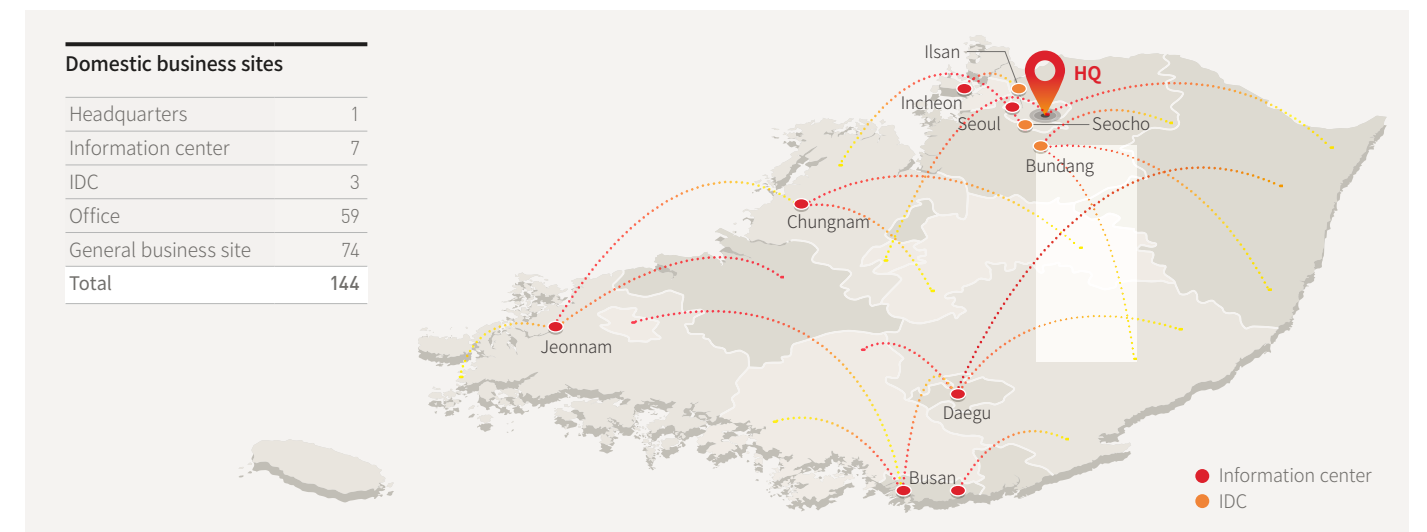
Media Sector

IPTV (Internet Protocol Television)	A system that provides digital television services for consumers in an interactive internet protocol method. A convergence service of telecommunications and broadcasting, providing real-time broadcasting programs, VOD service, comprehensive content such as VOD service, data, voice, sound, and e-commerce, and personalized services.
CATV (Cable/Community Antenna Television)	A business operating its own regional channel with the aim of providing better TV services and improving regionality of broadcasting by offering video and audio information through the HFC network enabling broadband transmission unlike the conventional TV reception method requiring a television antenna.

Wired Telecommunications Sector

Internet	A business enabling customers to enjoy diverse additional services and content by giving them internet access lines and internet access based on the network owned by SK broadband.
Telephone/VoIP	A business that transmits and receives voices using telecommunications facilities within the communication range stipulated by the Telecommunications Business Act, or transmits and receives voices through the internet regardless of the communication range and provides related additional services.
IDC (Internet Data Center)	A facility that brings together all the equipment such as servers which is the core part of internet connection. It is a business providing high-density and high-stability racks, uninterrupted isothermal-isohumidity environment, security, operation agency and networks

Milestones

1990-

1999.	04	Launched broadband Internet and local phone service
1997.	09	SK broadband incorporated
	06	Selected as Korea's second local telephone service provider by Ministry of Information and Communication

2000-

2009.	01	Launched live IPTV broadcasting service
2008.	09	Announced new CI - corporate name changed to 'SK broadband'
2007.	12	Largest shareholder changed from AIG-Newbridge Consortium to SK Telecom
2006.	02	Acquired Celrun TV
	01	Launched new corporation by integrating SK broadband and Thrunet
2002.	12	Designated as a key provider of local and long-distance overseas phone service
2000.	02	Set up the Internet Data Center

2010-

2019.	12	Appointed Choi Jin-hwan as President and CEO
	07	The number of B tv subscribers exceeded 5 million
	06	Selected as an 'Exemplary Corporation for the Korean Emission Trading System' hosted by the Ministry of Environment
2018.	01	Launched 'B tv × NUGU', an AI-based IPTV service
2017.	12	Established 'SK stoa'
	06	Established 'Home & Service'
2016.	02	Launched 'oksusu', a mobile comprehensive platform

2020-

2021.	04	MPP subsidiary, Media S, opened a comprehensive entertainment broadcasting station, 'Channel S' and a local-centered broadcasting station, 'Channel S Neighborhood'
	04	Achieved 1st place in IPTV, high-speed sector of NCSI for 11 consecutive years
2020.	07	Completely reorganized 'Lovely B tv' service (launched 'OCEAN', a monthly plan for movie service, and 'Mobile B tv')
	04	Merged with 't-broad' to form a single business entity

Domestic Network

Our headquarters is located in Toegye-ro, Jung-gu, Seoul. Our services cover not only metropolitan areas such as Seoul but also nationwide areas. We are operating a total of 144 domestic business sites, including 7 information centers and 59 buildings in major regions across the country. Based on this network, we constantly strive to offer seamless services for customers beyond their expectations.
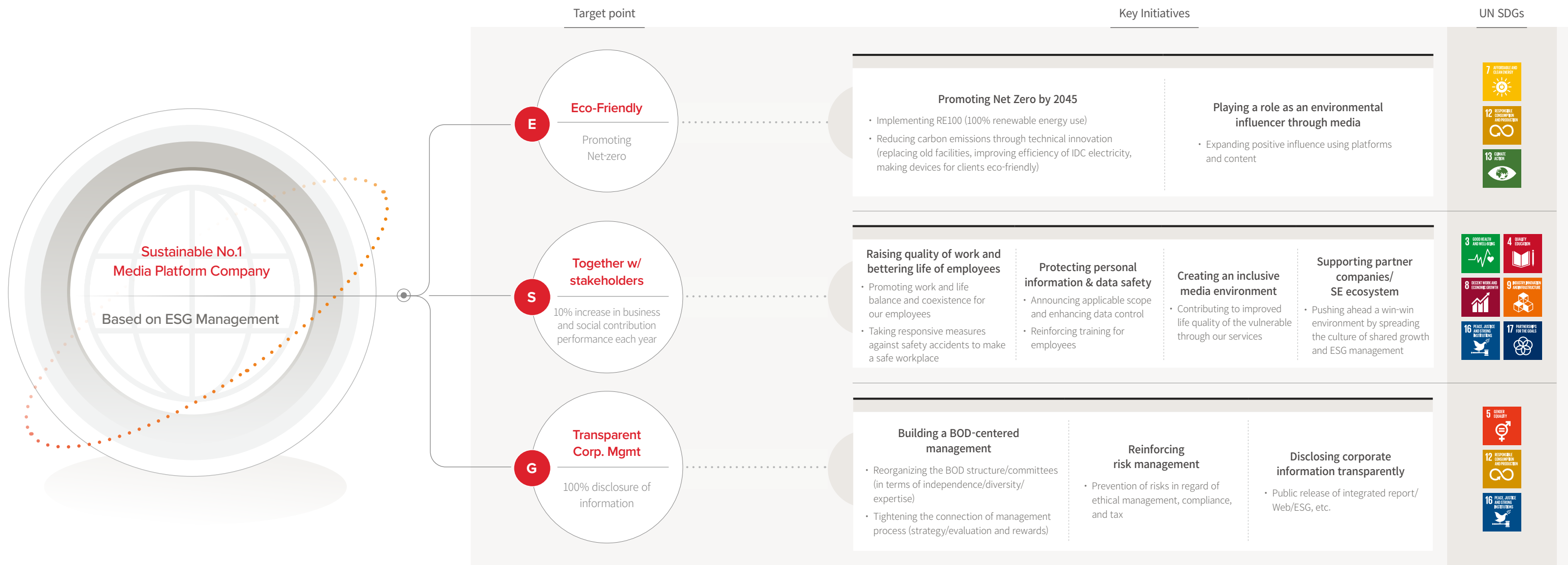
Domestic business sites

Headquarters	1
Information center	7
IDC	3
Office	59
General business site	74
Total	144

● Information center
● IDC

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Sustainability Fundamentals

Sustainability Fundamentals

ESG Promotion Strategy and System

ESG refers to the non-financial elements of business: which is short for Environment, Social, and Governance. In the past, companies only pursued financial performance. However, currently, companies and stakeholders pay great attention to ESG factors that affect corporate value and sustainability from a long-term perspective. SK broadband is also fully promoting ESG management with the firm belief that both a company and its stakeholders can continuously grow when corporate activities are beneficial to the society. For the purpose of being a sustainable 'No.1 media platform company' on the foundation of ESG by 2030, we will lay the groundwork for ESG management and formulate a ESG promotion system at the company level, while identifying and pushing forward diverse tasks to achieve the vision.

We included ESG factors in the evaluation of the CEO and the management to promote company-wide tasks, raising execution capabilities. Going forward, the scope of the target subject to the evaluation covering ESG factors will be expanded to the entire management. On top of that, a policy will be put in place taking ESG elements into account when proceeding to new businesses from 2021 and an ESG impact assessment process will be operated. All of these plans will be applied to our entire operation by 2024.

Target point   Key Initiatives   UN SDGs

Sustainable No.1 Media Platform Company

Based on ESG Management

E — **Eco-Friendly**

Promoting Net-zero

Promoting Net Zero by 2045
· Implementing RE100 (100% renewable energy use)
· Reducing carbon emissions through technical innovation (replacing old facilities, improving efficiency of IDC electricity, making devices for clients eco-friendly)

Playing a role as an environmental influencer through media
· Expanding positive influence using platforms and content

S — **Together w/ stakeholders**

10% increase in business and social contribution performance each year

Raising quality of work and bettering life of employees
· Promoting work and life balance and coexistence for our employees
· Taking responsive measures against safety accidents to make a safe workplace

Protecting personal information & data safety
· Announcing applicable scope and enhancing data control
· Reinforcing training for employees

Creating an inclusive media environment
· Contributing to improved life quality of the vulnerable through our services

Supporting partner companies/ SE ecosystem
· Pushing ahead a win-win environment by spreading the culture of shared growth and ESG management

G — **Transparent Corp. Mgmt**

100% disclosure of information

Building a BOD-centered management
· Reorganizing the BOD structure/committees (in terms of independence/diversity/ expertise)
· Tightening the connection of management process (strategy/evaluation and rewards)

Reinforcing risk management
· Prevention of risks in regard of ethical management, compliance, and tax

Disclosing corporate information transparently
· Public release of integrated report/ Web/ESG, etc.

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Stakeholder Engagement

Stakeholder Engagement

Definition of Stakeholders

SK broadband defines our stakeholders as the people in relation to our management activities including our employees. The main stakeholders are classified as employees, customers, shareholders, business partners, society. We share a wide range of values with each key stakeholder group through strategic approach.

Major Communication Channels and Opinion-gathering

SK broadband has established communication channels for each key stakeholder group, thereby inviting more diverse opinions. The opinions are actively reflected in management activities, and we are using it as a stepping stone for sustainable growth.

Stakeholder	Communication Channel		Key Performance
Customers	• Customer center (106) • Homepage • Social media (blog, Instagram, YouTube)	• Regular customer satisfaction survey • Customer advisory group	Improving service-related problems identified through customer communication channels and launching new services - Launching OCEAN, a monthly subscription for movie enthusiasts - ZEM KIDS offering premium customized content from play to learning for free
Shareholders	• General shareholders' meeting (more than once a year) • Quarterly presentation of business performance	• Conference call • Company briefing (on a frequent basis) • IR homepage (on a frequent basis)	Expanding communication with shareholders/investors - Holding company briefings regularly and upon request - Implementing an electric voting system to encourage shareholders to use their voting rights in 2021
Employees	• Labor-management consultation (once a quarter) • Company intranet (anonymous bulletin board, grievance-handling, general suggestion, new BM, Happy Lounge)	• Corporate environment briefing (Gonggam Talk, briefing session on HR/remuneration system) • Company news (GBS, webzine) • Text message regarding COVID-19 (on a frequent basis)	Boosting communication with employees - Making our working environment better by achieving a balance between generations and preparing a system reflecting social issues Holding corporate environment briefings - Sharing future orientations of the company and embracing opinions of our employees on new BM
Business Partners	• CEO seminar (once a quarter)	• Company MBA (once a quarter)	Having communication with CEOs of our partner companies through seminars - Discussing and improving business and external environmental issues - Sharpening management capabilities by providing management consulting for partner companies and sharing business directions and new BM
Society (general public, non-profit organizations, etc.)	• Customer center (106) • Homepage • Social media (blog, Instagram, YouTube)	• Blossom Forum • Sustainability Report	Holding expert forums for social changes - Collecting opinions of stakeholders in diverse areas and operating social responsibility programs

On the foundation of concrete and comprehensive understanding on the current and potential social value (SV) needs of our stakeholders, we are in the process of establishing SV Account management policies to apply this into our management policies, while implementing a pilot process to expand them to the entire company by 2022. SV Account refers to the Total Value management account in consideration of social value (SV) the company exchanges with each stakeholder group. SK broadband will grow hand in hand with our stakeholders by communicating together and providing solutions for them on the basis of the SV Account policy.
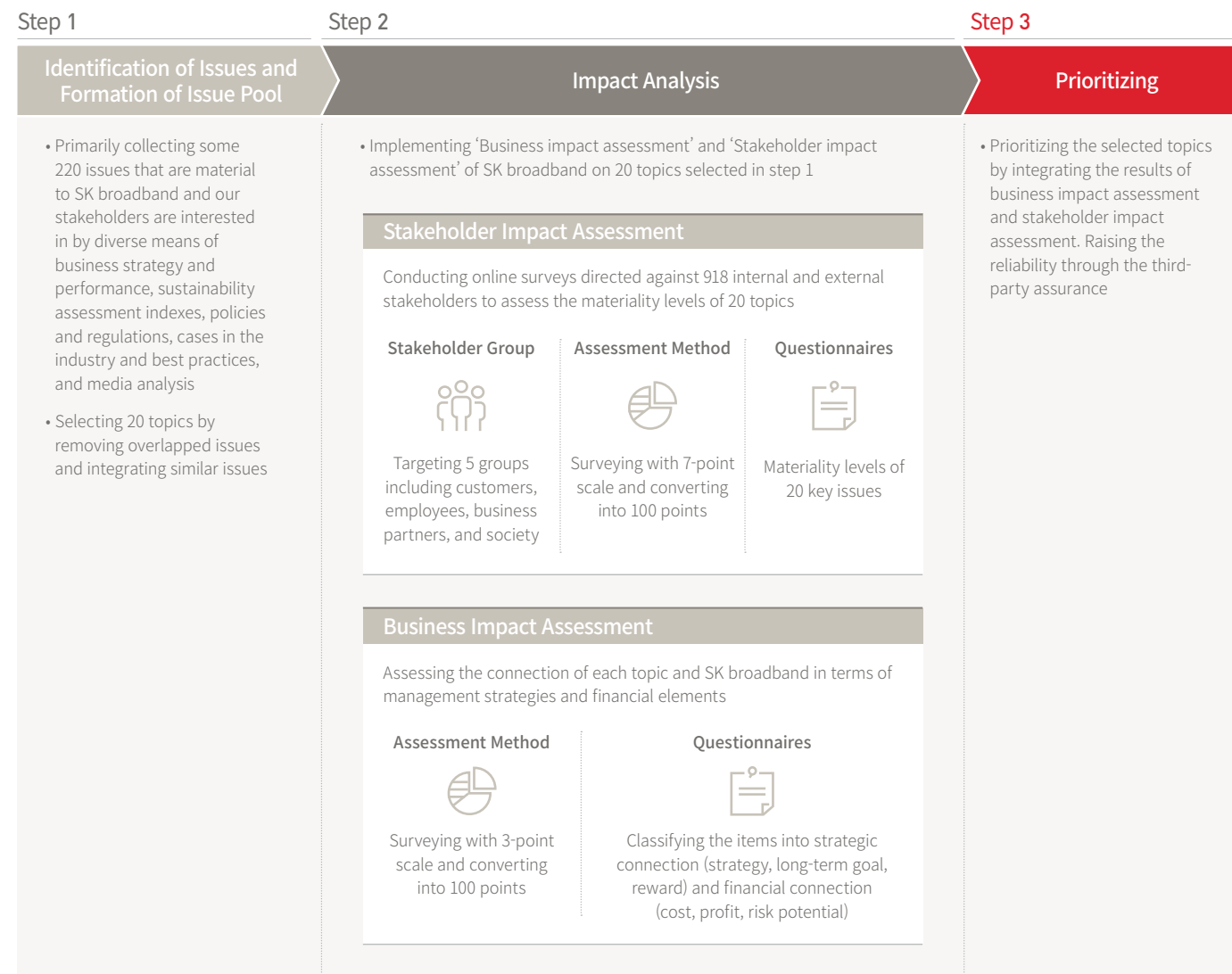
Implementation Process of SV Account

1. Identification of stakeholders (defining key stakeholders)
2. Research on stakeholders' needs
3. Evaluation of SV Account
4. Result-sharing/feedback of stakeholder SV Account
5. Reflection of management strategies (resource allocation)
6. Internal management of stakeholder changes
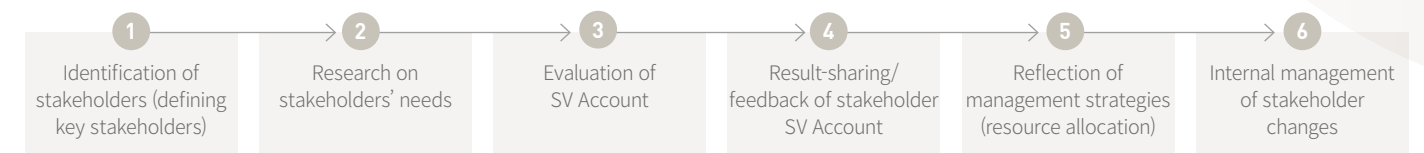
Materiality Assessment

Overview of Materiality Assessment

We strive to identify areas of our internal and external stakeholders' interest in terms of sustainability and ESG through materiality assessment. And the result will be reflected in the establishment of various strategies including sustainable management and ESG management. As a result of identifying internal and external issues in the materiality assessment conducted in 2021, a total of 20 topics were selected. The detailed procedure of the assessment is as follows.

Materiality Assessment Process

Step 1	Step 2	Step 3
Identification of Issues and Formation of Issue Pool	Impact Analysis	Prioritizing

Step 1 — Identification of Issues and Formation of Issue Pool

• Primarily collecting some 220 issues that are material to SK broadband and our stakeholders are interested in by diverse means of business strategy and performance, sustainability assessment indexes, policies and regulations, cases in the industry and best practices, and media analysis

• Selecting 20 topics by removing overlapped issues and integrating similar issues

Step 2 — Impact Analysis

• Implementing 'Business impact assessment' and 'Stakeholder impact assessment' of SK broadband on 20 topics selected in step 1

Stakeholder Impact Assessment

Conducting online surveys directed against 918 internal and external stakeholders to assess the materiality levels of 20 topics

Stakeholder Group	Assessment Method	Questionnaires
Targeting 5 groups including customers, employees, business partners, and society	Surveying with 7-point scale and converting into 100 points	Materiality levels of 20 key issues

Business Impact Assessment

Assessing the connection of each topic and SK broadband in terms of management strategies and financial elements

Assessment Method	Questionnaires
Surveying with 3-point scale and converting into 100 points	Classifying the items into strategic connection (strategy, long-term goal, reward) and financial connection (cost, profit, risk potential)

Step 3 — Prioritizing

• Prioritizing the selected topics by integrating the results of business impact assessment and stakeholder impact assessment. Raising the reliability through the third-party assurance

Materiality Assessment Results

The result of the materiality assessment showed us that business portfolio expansion mattered the most, followed by customer-oriented management and strengthening of content competitive edge. SK broadband included major activities and performances on the entire topics as well as top-ranked topics in the report, thereby our first sustainability report provides more detailed information to stakeholders.

Prioritization of Topics

Material Topic

4 Personal information protection and cyber security
2 Customer-oriented management
5 Occupational safety and health
3 Strengthening of content competitiveness
1 Expansion of business portfolio

Influence on Stakeholders

Business Impact on SK broadband
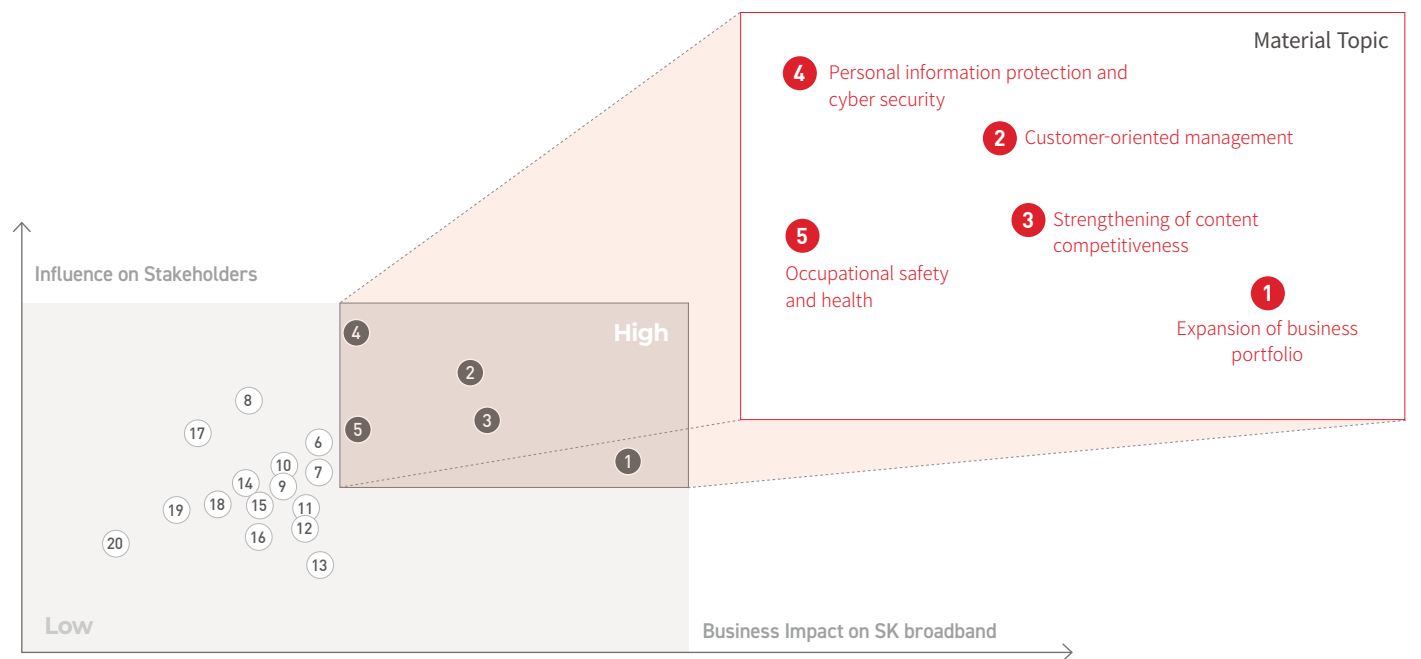
Rank	Topic	Page
1	Expansion of business portfolio	26~33
2	Customer-oriented management	26~41, 61
3	Strengthening of content competitiveness	27
4	Personal information protection and cyber security	58~59
5	Occupational safety and health	54~56
6	Employment and Labor-management relationship	50~54
7	Creation of an environment for inclusive media use	34~40
8	Ethics and integrity	64~65
9	Reinforcement of environmental management	42~45
10	Compliance	64~65

Rank	Topic	Page
11	Economic performance	67~72
12	Governance	62~63
13	Supply chain management	57~58
14	Talent nurturing	52
15	Energy	48
16	Risk management	75~77
17	Human rights management	56~57
18	Greenhouse gas emissions	48
19	Contribution to local communities	59~60
20	Stakeholder engagement	20~21

Shaping the **Future**

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Future with
Business Acceleration Impact

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Future with
Wide-ranging Media Impact

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Future with
Climate-friendly Business

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Future with Business Acceleration Impact

Shaping the Future **01**

Future with
Business Acceleration Impact

"We are broadening the scope our business, keeping up with the rapidly changing business environment."

Why it matters

Corporate growth comes with highly recognized values of products and services provided for stakeholders including customers and shareholders. And the values are affected by the combined factors of economy, society, and culture. Against this backdrop, being agile and active in response to the changing environment is a necessity, not an option, for a company.

The abrupt spread of COVID-19 gives rise to the prevalence of non-face-to-face culture including remote learning and working from home. The pandemic indeed has brought so much change to our everyday lives. And the change comes with challenges. Overload servers and low level of optimization held back distance learning and we were confronted with various disruptions from working from home. On the other hand, we saw online content consumption gaining popularity due to the unavailability of enjoying cultural activities such as

watching a movie, seeing a play or other performances. The appearance of new competitors in the OTT market, which has emerged as a big business providing video content based on internet earlier, has brought more competition to the media industry. Indeed, it is time to take a leap forward to becoming a company which delivers abundant content that consumers are looking for and provides more than services.

Some people say the COVID-19 virus ushers in the era of PC (post-COVID-19 era) following BC and AD eras, which is a clear demonstration of the huge impact that the pandemic has. Corporate sustainability stands at a cross road, being faced with both opportunities brought by mobile platforms and new IT technologies, and crises triggered by COVID-19.

What we do

Laying the foundation to become a leading player in the media platform market

Reinforcing Content Competitiveness

Launching 'OCEAN' Service, Ocean of Abundant Content

Launching 'OCEAN' service is one of the end product of completely revamping the existing 'B tv' into 'Lovely B tv'. This service boasts massive media content including a total of 11,000 movies produced by global six major studios, including Disney, Warner Bros., and Fox Studio, and 670 American and British drama series, and content is updated on a weekly basis. For this reason, we have named this service OCEAN which symbolize a broad expanse of sea. It also delivers original content of Wavve, the OTT service launched by SK telecom and three terrestrial broadcasters, thereby promoting an ecosystem where relevant parties can achieve win-win growth. Customers can consume the content on TV and mobile devices as well. Up to four smart phones are allowed to see the content in one an account. Going forward, we will roll out a variety of derivative products tailored to the tastes of customers in terms of content. By doing so, SK broadband will seek for sustainable service enhancement and provide better experiences for customers.

Making Learning Fun with 'B tv ZEM KIDS'

Killer content refers to core content having a huge impact on the media market. The current killer content in the IPTV sector is the content regarding kids and education. COVID-19 has held back children from attending schools or going to kindergartens. Under this circumstance, IPTV has emerged as an alternative.

Even before the outbreak of COVID-19, SK broadband regularly expanded kids content and rolled out 'B tv ZEM KIDS', our brand for kids in 2020 to bolster content for infants and children, and elementary school students. What makes this brand unique is that it provides hands-on content produced through the combination of technology and education. 'Pororo Talk' is one of the representative examples. SK broadband is a copyright owner of Pororo, a popular animated cartoon series, so using this character, we launched this service designed to help children better express their feelings and nurture right living habits. This interactive service enables children to communicate with the main character, Pororo, through an AI set-top box or remote control. We also took advantage of 'T real[1]', SK telecom's cutting edge AR/VR technology to roll out 'A Living Fairy Tale 3.0' which allows children and parents to construct fairy tales with their own voice and pictures.

Efforts are being made to provide learning equivalent to the level of school. If a customer registers his or her profile, we furnish customized content by age, level, and taste along with a monthly report containing learning diagnosis results, and the number of episodes they watched to help students strategically follow their learning curriculums. In addition, we are working together with many specialized education service providers to offer quality content.

There has been a negative awareness of TV because people think TV has a bad impact on children, so parents do not want their children to be close to TV. However, if TV provides special values for them, the negative awareness will be changed. SK broadband strains every nerve to create social value through the media. As a media company, we will do our best to provide both parents and children with differentiated experiences.

Pororo Talk

B tv ZEM KIDS

1) It refers to a comprehensive service platform where you can process all of the stages from AR/VR content production, distribution to execution utilizing the technologies of object and space recognition, facial expression production, and quality rendering on diverse OS and devices

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B tv at Your Fingertips, Anytime and Anywhere ↗

Most of the people consume media content on their mobile devices. Therefore, SK broadband has revamped our 'B tv Plus' into 'Mobile B tv' in order to expand our service to mobile devices beyond TV platform, thereby enabling our customers to enjoy content everywhere. This reinvented service allows our customers to enjoy content on IPTV at their homes and on mobile devices when they are outside.

The very purpose of the renewal is to give customers better access to content so that they can enjoy the content more freely. To this end, we improved user interface. We make it possible for users to find popular content at the top of the screen or simply swipe to explore more. We make sub categories easier to see. On top of that, customers are allowed to use one B tv and up to four smart phone devices, regardless of operating system such as Android/ios, to enjoy VOD service. And the version for tablet PC is also offered. If you are in front of the TV, all you have to do is to input phone numbers to be connected. Even though there is no TV around you, you are able to connect by going through the subscriber authentication process or accepting invitation sent by your family members. One of our outstanding services is 'OCEAN' for movie enthusiasts. This service features 'complimentary menu' for customers who want free content as well as offers a wider range of short video content. Customers can also preview information on content which is scheduled to be released and also be given notice on the information.

Platform business is key to success for corporations, which means making it possible to access anytime and everywhere is a must. SK broadband will never stop moving towards 'No. 1 Media Platform' living up to the expectations of our customers.

Media S, a New Challenge ↗

Securing competitive original content is essential to providing quality programs for customers while bringing us additional profits by using the copyright of the content. For this reason, SK broadband has established an affiliate, Media S, a multiple program provider (MPP).

Currently, it operates regional comprehensive channels and the channel dedicated to drama and entertainment show, but we plan to add more channels. 'Channel S Neighborhood'; our regional comprehensive channel, transmits original programs of B tv cable, documentary programs produced by ourselves, and local content offered by the Broadcasting Content Promotion Foundation. We expect local content to inform people of local cultures as well as to revitalize regional economies. 'Channel S', the channel dedicated to drama and entertainment show, has been operated on IPTV and cable TV since it was launched. Through this channel, we have provided high-value variety content such as 'JOB-DongSan' and 'Drink with God' in partnership with SM C&C while entering into a business contract with Kakao Entertainment to deliver Kakao TV

original content. Customers can see the original content on demand on our media platform after it is aired live. In addition, Shared growth and collaboration with small and medium sized program providers (PP) also matters to us. SK broadband will co-produce programs with them who lack production skills and support them, thereby taking up the quality of the media industry a notch and creating a business structure where all of us including PPs can grow together.

SK broadband's Original Content

Drink with God   JOB-DongSan

Channels

Channel S	This channel delivers distinguished drama series and entertainment shows for 2049 viewers.
Channel S 동네방네	It is dedicated to the provision of useful daily life information regarding local communities. The purpose of this channel is to bring improved convenience to viewers as well as to stimulate local economies.

'PlayZ', Pushing Forward the Boundaries of IPTV

Change in the market environment comes with a challenge for un-prepared companies while bringing an opportunity to prepared ones. We have adjusted ourselves to the rapidly changing media market, breaking away from the way of doing business and seeking bold BM(Business Model). That is why we have launched 'PlayZ'.

'PlayZ' is a home entertainment platform especially for MZ generation who favors over-the-top (OTT) media service over live broadcasting and uses TV as the means of entertainment. 'PlayZ' service largely consists of three sectors. The first one is OTT Aggregator service, which brings together overseas and domestic OTT content as one combined service and provides personalized recommendations and management tools. We expect this service to solve a pain point of customers who have repeated creating and terminating subscriptions. The second one is the streaming service (FAST[1]) service) which collects customers' favorite content based on the watch-history of TV real time, thereby providing optimal personalized and customized experiences for customers.

1) FAST: Free Ad supported Streaming TV

The third one is Big Screen Real Entertainment service which is to maximize the experiences offered by big screens so that our customers can enjoy high-quality games like they do with gaming consoles and also sing in a karaoke-like environment. SK broadband will secure media traffic required for MZ generation through 'PlayZ' to be launched in the second half of 2021, based on which we plan to create new BM. SK broadband will innovate ourselves to accomplish sustainable growth and grow into an unique media platform down the road.

Broadening the Scope of Our Digital Advertising Business, 'Addressable TV Advertisement'

The rapid digitalization of the recent advertising market comes with the considerable growth of data-based digital advertisement. Against this backdrop, addressable TV advertisement service will be expanded. This service delivers customized commercials according to the service areas, interest and viewing history through IPTV set-top boxes, which makes this service different from the previous way of transmitting ads in which the same commercials are simultaneously delivered to all households.

Addressable TV transmits ads in two ways. One way is to insert targeted ads before or after, or in the middle of programs of channel providers, which refers to commercial message (CM). The other way so called station break (SB) is to deliver customized ads during the break between programs. Addressable TV Advertising allows advertisers to efficiently lower advertisement expenses as well as to conduct more relevant marketing. On top of that, it gives viewers better access to information they need. SK broadband rolled out an Addressable TV Advertisement

product in the sector of SB for the first time in Korea in 2016, and commenced the standardization of transmission technology and product development to run addressable TV advertisement business in partnership with three IPTV service providers in 2020. And we plan to deliver ads through terrestrial channels within the second half of 2021. Efforts are being made to improve ad platforms and advance technologies required for addressable TV commercials including the development of transcoder (technologies for compression and storage, and Seamless play).
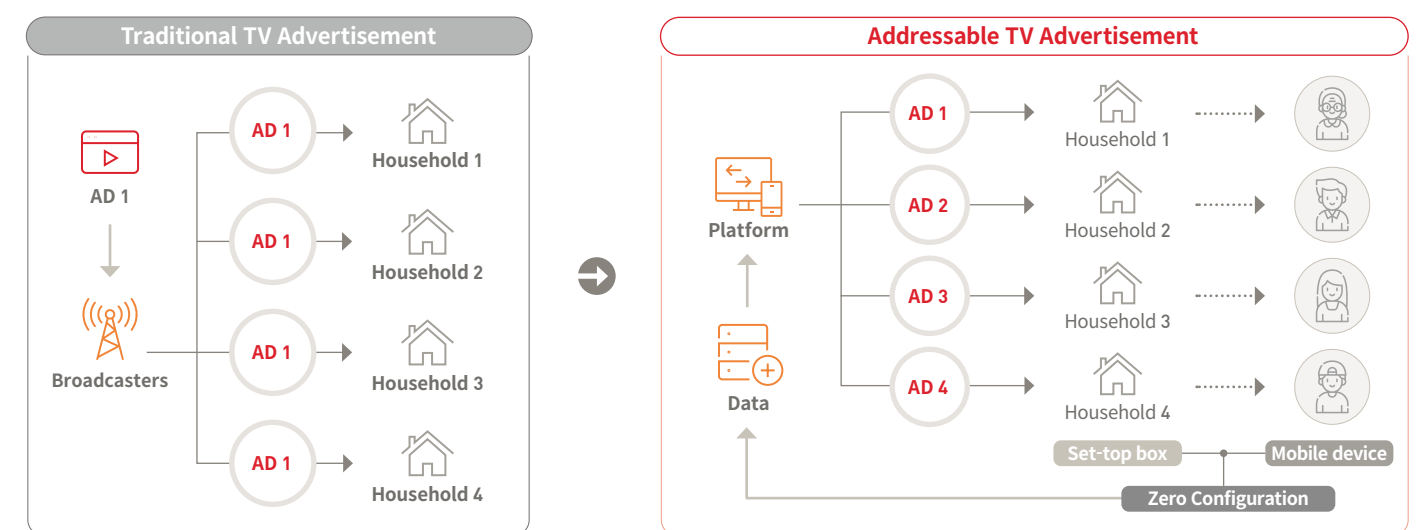
SK broadband will make every effort to create an advertising ecosystem where advertisers, IPTV service providers, subscribers and channel providers can grow together.

Innovating Customer Value

Under the goal of 'BM Innovation through Deep & Wide Customer Relationship', SK broadband has strived to bring new and distinguished values to our customers through various efforts. The endeavors include resolving pain points, gaining new insight from Voice of Customer (VOC), conducting Value-UP activities for diverse customers and innovating the process of in-person counseling.

With a focus on the improvement in pain points, SK broadband has selected key management indicators of our major services and established a field-oriented operational system with relevant organizations, thereby accelerating service enhancement. In addition, we have operated customer advisory groups for eight years to reach and invite the feedback from our customers on our services.

Transition into Addressable TV Advertisement

Traditional TV Advertisement → Addressable TV Advertisement

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The groups are comprised of the group of people in their 20's who are trendy and use the media the most, the group of parents who consume kids content, the group of experts who help us find the areas of improvement, and the senior group. They assume the roles of using products or services before the release, evaluating them from the customers' point of view, and suggesting opinions on how to improve. The suggestions are shared with the CEO and relevant organizations, thereby contributing to raising the competitiveness of our products and delivering unique experiences to customers.

As part of these efforts, we launched 'The Slim Rate Plan' rate plan solely focusing on what our customers want the most for their reasonable consumption and easier online subscription in a convenient and prompt manner in the non-face-to-face (Untact) era. In response to the opinions of the customer advisory group on 'Mobile B tv', we introduced a customized function and a mobile menu dedicated to kid's content in the first quarter of 2021.

On top of that, the customer center, the closest contact point with customers, swiftly established a working-from-home counseling system so that there is no interruption in customer response during the COVID-19 crisis. It also made non-face-to-face counseling available at any time. The year-round 'customer satisfaction project' is carried out to 'go beyond empathy to impress customers' through the counselor boom-up and reinforced loyalty, which has brought about positive feedback from our customers.

BROBY | The character symbolizes Lovely B tv. With the distinct big ears carefully listening to stories of people around, BROBY is the representation of B tv's philosophy putting communication with customers first.

Going forward, we will identify the hidden needs from a customer's perspective and reflect them. With an aim to bring a special experience to customers, the corporate experience group is operated so that our employees personally use the entire process of services for the improvement. As such, we will concentrate more on various activities to upgrade customer satisfaction at the contact points and improve customer values. We will make our utmost efforts to become a company that understands customers more than themselves.

Higher Corporate Value through the Expansion of B2B and B2G Business Models

New Opportunity; Data Center & Submarine Cable Business Expansion

As the data center market is growing stemming from new technologies such as big data, AI, and cloud as well as unprecedented COVID-19, hyperscale data centers are being established in Korea. Taking the lead in the domestic data center market currently with 3 centers, SK broadband firmly solidifies our status by opening the Seoul's largest data center, 'SEOUL#3' located in Gasan in July 2021. We have also accumulated business know-how in the global market by building an internet data center in LA, USA. Based on this, we decided to build a 'Green Hyperscale Data Center', a hub data center in Northeast Asia, in the Saemangeum area in cooperation with SK E&S. The 'Green Hyperscale Data Center' is an eco-friendly data center utilizing 50MW solar power generation. It is not just a business with high economic efficiency, but also a business suitable for the eco-friendly management we pursue. Therefore, it can raise sustainability in both the economic and the environmental sectors.

On top of that, we participate in the Southeast-Asia Japan Cable 2 (SJC2) project with a scale of 10,500km joined by 9 Asian counties with an objective to transfer data at a faster speed. When securing 9 tera (Tbps) processing capacity to handle the rapidly increasing global traffic, 360,000 subscribers are able to simultaneously watch UHD-quality (25Mbps) videos and more than 280 movies with 4GByte can be transferred in a second. We plan to open SJC2 in the Saemangeum area in 2022 in order to establish an overseas network and connect it to Seoul and metropolitan area with optical fiber cables. It aims to raise the overall level of our communications infrastructure. For making the Saemangeum area a network hub in Northeast Asia, we also consider connecting additional submarine cables.

Aerial view of Gasan Data Center

Expansion of Customer-oriented B2B Solution Business

Independently Developed Cloud PC Business

Cloud PC recreates a personal computer environment on the central server so that people can enjoy the same work environment wherever they are, regardless of the connected device. SK broadband has commercialized services that internalize all areas of Cloud PC, including Korea's own DaaS (Desktop as a Service) source technology adopted as the ITU international standard, cloud management automation technology, and remote screen transmission technology. As the dependency on foreign products is almost zero, there is no separate license fee payment, which reduces the cost of customer service. The UX/UI system customized with favorable scalability, security, optimization, speed, and customer needs has increased our strength compared to other companies' cloud PC services. On the foundation of these characteristics, we won the reference demonstration project for 5G and cloud-based government business network mobilization, which is an imperative project for the Digital New Deal. Through the project, we set up the Cloud PC base at the Gyeonggi Provincial Government. With the project for the IBK Industrial Bank of Korea, we could secure a reference in the financial sector and gained competitiveness. As the Cloud PC 2.0 with improved speed and functions is scheduled to be released, we continue to create higher value through active R&D.

Space Solutions and Smart Office Business, Enhancing the Connectivity between People and Space

In 2021, we fully implemented a space solution business that enhances the connectivity between people and space. Under the slogan of the 'digital platform creating smart, efficient, and sustainable space', the space solution business is a newly added BM aiming to expand our business scope. Through this business, we offer tailored services by identifying and integrating a number of differentiated solutions by space type such as smart buildings, smart factories, and smart hospitals, thereby making a modularized architecture. Our main solutions include Building Energy Management System(BEMS), Facility Management System(FMS) access management and monitoring, parking control, lighting control, and electric control. Each solution is provided with a platform format at the right time and right place. We plan to build a one-step process for the entire stages encompassing design-construction-maintenance, thereby advancing it as a BM to bring not only business profitability but also customer convenience.

The recent COVID-19 has brought grave concerns about 'shifting the way of working' such as improving space efficiency, work productivity, and work flexibility. Against this backdrop, we carry out a smart office project seeking higher work efficiency through regular working-from-home or base offices, replacing the conventional group work in the past. Using the autonomous

seat reservation system, the smart office allows employees to freely select a seat from the mobile web or KIOSK. Through this system, employees can easily figure out the location of people, thereby leading the high work efficiency and active communication. A smart meeting space equipped with video conference devices is prepared as well to help conduct seamless video calls. The Smart Work Leader Guidelines are given to make an equal and fun atmosphere to create an enjoyable working corporate culture. As such, we are taking the lead in the smart office market.

Smart Office Business

Integrated ITO Service Delivering New Value

We provide an integrated ITO service combining traditional communications infrastructure business, including leased internet lines for corporates, telephone, and data center, with IT infrastructure business such as building and operating IT facilities and providing maintenance for our customer companies. The integrated ITO service aims to bring new value with higher economic feasibility and operational efficiency. We made a firm business ground for integrated service as we implemented Lina Korea's integrated maintenance project in 2015. Our integrated ITO service was fully launched in 2020 when we won the IT outsourcing project for a large financial group in Korea. With this service, customers can reduce the excessive costs associated with purchasing, ordering, and managing derived from the separate construction and operation of communications infrastructure and IT infrastructure. They can also enjoy better efficiency in an integrated operation. We will continue to reinforce our capabilities for total IT service by accumulating related technologies and know-how such as technical support, performance monitoring, and failure prevention to secure a stable foundation for IT services.

Acquisition of SK telink's B2B Business for Maximized Synergy

For the purpose of consolidating market competitiveness through the B2B business reorganization within the SK ICT family, we acquired SK telink's landline telephone and Nationwide Representative Number business for corporate customers. This came from a decision to provide

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a better value for our customers through selection and concentration strategy. Through the merging, we secured a growth momentum by concentrating our capabilities and resources on the growing business. We could expand our external business with the synergy effect from the supply of professionals in the field and the existing B2B business. This business acquisition was completed with 100% customer consent on April 1, 2021, and we expect to see a full-scale synergy effect from the second half of the year.

Winning Large Projects for Sustainable Growth

SK broadband continuously won large projects to cope with future market changes and to develop capabilities required for growing businesses. The representative projects we successfully won are; the construction and operation of the backbone network of National Convergence Network and SchoolNet project.

Our primary strength is to establish a wired communications environment and provide related services. We have a definite competitive advantage in it as we have accumulated technology and experience for a long time. The construction and operation of the backbone network of National Convergence Network is a good example to demonstrate our competitiveness as a key telecommunication service provider. The purpose of this project is to connect 48 networks into one backbone network with an aim to innovate the K-Net, which was individually operated by each government agency. It is currently in the stage of completing network establishment and inspection, and is scheduled to be finished in 2021. After that, we will work on a phased transition and line receipt in 48 agencies. The T-SDN (Transport-Software Defined Network) technology[1] and quantum cryptography communications technology owned by

SK telecom and SK broadband are applied to the network, realizing a next-generation network security differentiated from an intelligent network management system.

SchoolNet project provides leased line services and internet services for educational institutions such as kindergartens, elementary schools, middle schools, high schools, city/provincial education offices and their affiliated institutions. The participants of the bid were limited to telecommunication servicers which made a SchoolNet agreement with the National Information Society Agency (NIA), which is in charge of this project. We made a contract with NIA on December 11, 2020. It is a four-phase project with a contract period from December 11, 2020 through August 31, 2026. This four-phase added private kindergarten as a target and Disaster Recovery (DR) as a target service from the three-phase one. In addition, in terms of service speed, the four-phase one brings much higher speed as 500-800Mbps is in the same rate band (500Mbps-1Gbps from 2023) comparing to the three-phase one with 200-500Mbps in the same rate band. Bidding for the project is made by each of the 17 education offices, and the project is expected to be completed by the end of the year.

On top of the backbone network construction of the National Convergence Network and the SchoolNet projects, we have won the contract of building an integrated network for the Korea's largest distribution group and establishing IPT/IPCC[2] for the large financial affiliate through the synergy effort with SK ICT Family. We are also in the process of bidding for IDC center project of a global company. By winning large-scale projects in a variety of business fields, we lay the foundation for the growth of our B2B business.

1) T-SDN technology intellectualizes and virtualizes physical communications network to control and manage it using SW technology. It is a next-generation network technology that can dramatically reduce network costs and resolve the complexity of construction and operation.
2) Internet Protocol Technology (IPT) / Internet Protocol Contact Center(IPCC)

TO-BE (National Convergence Network Project)
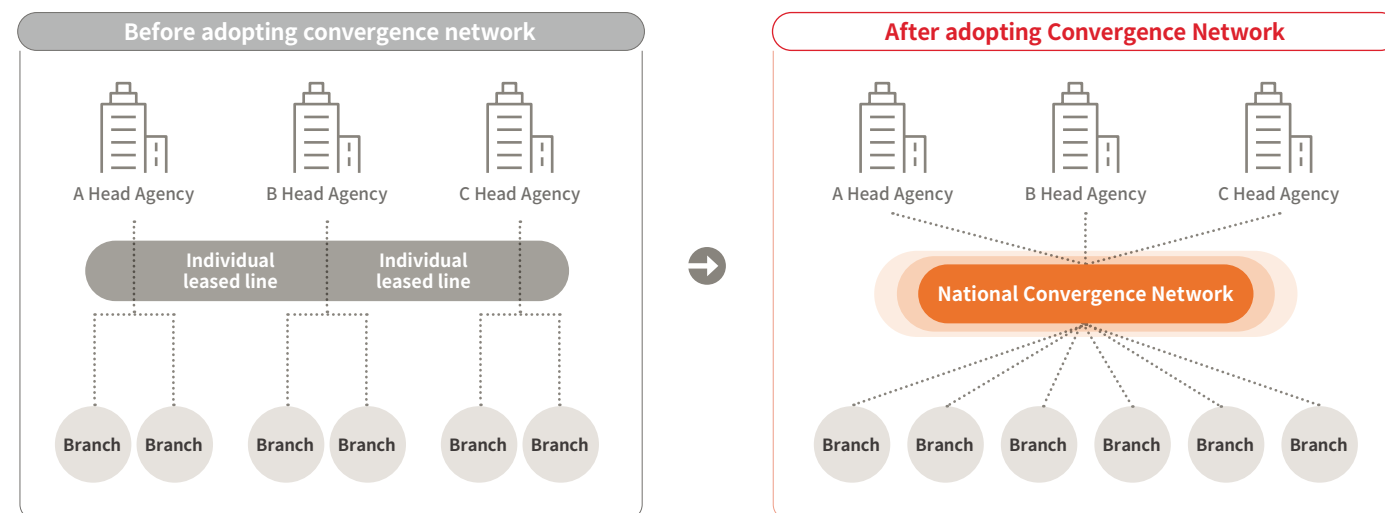
Interview for sharing future direction

In order for our stakeholders to clearly understand the company's present and future, we interviewed executives of various business departments who can share SK broadband's future direction.

Q To secure corporate sustainability, it is highly critical to understand internal and external environmental changes and to continue business activities accordingly. Please tell us the opportunities and risks that SK broadband faces derived from environmental changes, and share the future direction for business growth in line with it.

A SK broadband's business is largely divided into B2C and B2B.

The media business is the representative B2C business, and it is experiencing upheavals every 10 years. The past decade has been dominated by IPTV, and before that, cable led the media market. Currently, another decade is being led by OTT operators. Under the circumstances, the company's sustainability will be determined by what business we focus on and how we respond to environmental changes. Under the circumstances, we need to expand business portfolio and connect value chain to secure sustainability. Accordingly, we will implement three major businesses.

The first business we will put our strength is the home entertainment platform called PlayZ. Although the key in this service is the OTT aggregation model, its purpose is to raise customer convenience and deliver new value through our own competitiveness, know-how, and partnership capabilities rather than simply serving an alliance model. We also consider innovating devices so that the set-top box, which is an exclusive device at home, can give another meaning in the aspect of delivering new value. Second, we aim to advance into the MPP business. SK broadband recognizes differentiated content as a major competitive edge of platform companies. Therefore, we are pursuing an aggressive strategy for original content, composing more than 70% of MPP channels of new content that customers meet for the first time, and we plan to broadcast it through all IPTV and cable TV. Addressable advertising is a real-time delivery solution targeting 200 specific groups of customers by segmenting them, unlike conventional TV advertising, which is difficult to target. Through this, our objective is to create a virtuous cycle business model that will revitalize the existing advertising market, including terrestrial TV, to secure content production costs, allowing to produce competitive content.

Another significant business in terms of securing sustainability is the B2B business. Although the existing B2B market itself does not have high growth potential, SK broadband has an opportunity to grow in market share. We have secured a foundation for growth in the B2G market when we won the backbone network of National Convergence Network project in 2020. We will further actively secure market share by winning the SchoolNet project and other large-scale projects. On top of that, the acquisition of SK telink is expected to generate synergy effects in the aspect of products, customers, and distribution channels, so we are expecting far faster growth. Besides, our Cloud PC business is also scheduled to be in full swing as we are seeing the transition to the cloud system due to environmental changes such as the worldwide trend of network separation in the public and financial sector and the increase in working-from-home due to the COVID-19 pandemic. In addition, we are enhancing our data center business as we anticipate the growth of data centers owing to a heavy increase of traffic including media. In particular, the development of the data center business is projective to give even more opportunities to establish a global data center on account of Korea's geographic location and international situation.

SK broadband will continue to promptly respond to changes in the market environment and grow into a sustainable company in the future by providing differentiated value in B2C and B2B businesses and sharpening competitiveness.

* An interview to share the future direction of SK broadband this year was participated by Kim Hyeok, the director of media strategy/platform, Lee Sang-beom, the head of product tribe, Ko Young-ho, the director of cable broadcasting, Lee Bang-yeol, the director of corporate division, Choi Seung-won, the director of service headquarters. .

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Future with Wide-ranging Media Impact

Shaping the Future **02**

Future with Wide-ranging Media Impact

"We make a positive influence using our media capability."

Why it matters

The era of the 4th industrial revolution triggered by digital technologies such as artificial intelligence (AI), big data, and the Internet of Things (IoT) provides a better life for mankind. In particular, Korea is ranked at the top level in the world in terms of smartphone and high-speed Internet penetration level, and anyone can easily enjoy digital services in Korea. However, there is a large gap in the level of information usage compared to information accessibility depending on the age and usage environment of information users. Due to the spread of COVID-19, there was a grand transition into a non-face-to-face (Untact) & digital society in 2020, bringing about a wider digital gap. In addition, social issues related to information gap occurred additionally. For instance, the education gap was worsened as schools were shut down. This means that inequality in education, wealth, health, and other areas derived from the gap in the level of information usage has been also applied to the majority of the people beyond the vulnerable, and the severity is even growing.

At the same time, we are witnessing constantly occurring crime cases of using high digital technology capabilities for various types of phishing, ransomware distribution, and personal information theft. In particular, pirate sites and broadcasts that illegally sell media content for free or at strikingly low prices spring up all over the world. These problems primarily cause enormous economic losses, and even break the will of the original creator, which can lead to the decline of the art and media industry, so they are extremely serious. Recently, Korea has presented outstanding pieces in a variety of fields such as movie, drama, and music, emerging as a global culture powerhouse that is not limited to Asia-focused Korean Wave. Against this backdrop, it is now critical for users to create a right consumption environment while protecting content for all media stakeholders including original creator, consumer, and distribution channels.

What we do

Creation of an Environment for Inclusive Media Use and Spread of Positive Influence

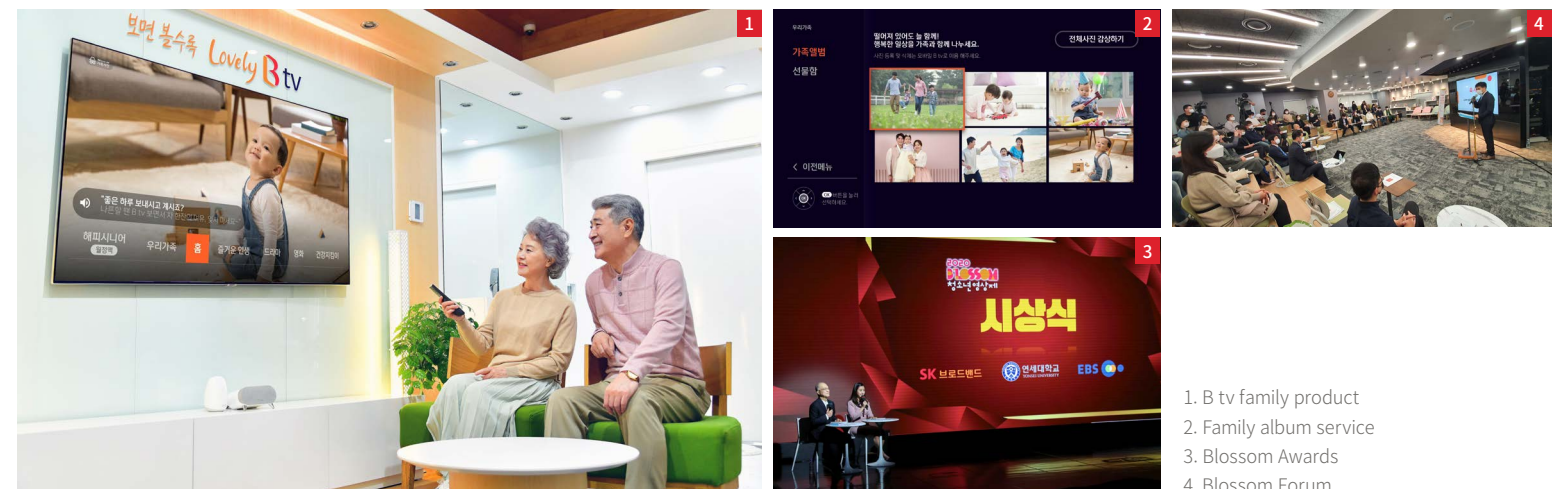#### Launch of B tv Family Products Connecting Family Members

SK broadband has set the core value of B tv as family, happiness, and sharing. In 2021, we launched B tv family products connecting parents and children aiming at contributing to a good family relationship. With the family connection product, the child living apart from parents takes media, communications, and service fees. It helps create an environment where family members can share happiness through TV in the circumstances that they cannot easily meet in person owing to prolonged COVID-19 and the workplace location. When using the B tv family product, the parent and child's B tv are connected. The child can give a gift VOD to parents who have difficulty in controlling TV functions or can watch a family album together on a big TV screen.

On top of that, we provide an AI set-top box for NUGU opal service, a specialized care service for seniors. It offers services that are essential to the lives of seniors such as medication reminder, brain exercise, emergency SOS call, and health doctor. For example, it has a function to send out SOS and call the number registered in advance (up to 3 people) using voice commands like "Aria, help me". This creates meaningful values in terms of health and safety of our society in which senior population is increasing.

Blossom Youth Film Festival

SK broadband has hosted the 'Blossom Youth Film Festival' together with EBS, Yonsei University, and the National Youth Policy Institute since 2018. When young people talk about their pain and hope through the video, experts from various partner organizations analyze and spread them through the media, joining forces to ultimately reflect them in the government policy. The purpose of the festival is to effectively bring social changes by means of media. Agreeing with the purpose, a number of institutions including Korean Bar Association, Korean National Police University, School Violence Victims Family Association, and FMG Entertainment participate in the event as a partner organization. The Ministry of Education and the Ministry of Gender Equality and Family also supporting the event demonstrates the public-private partnership to promote happiness of youth.

The 2020 'Blossom Youth Film Festival' was held under the theme of school happiness. 692 young people from 68 schools submitted 107 pieces, and 29 teams won awards. In addition, school counseling professionals such as lawyers and youth experts produced a series of videos with EBS while university students from Yonsei University, Korea University, Sogang University, Dongguk University, and Seokyeong University made 47 videos. At the 'Blossom Forum' held under the theme of creating a culture to prevent school violence, experts presented a number of suggestions for preventing school violence and resolving youth problems. With such efforts, we will continue our efforts to promote the happiness of youth hand in hand with diverse organizations in our society capitalizing on the media.

1. B tv family product
2. Family album service
3. Blossom Awards
4. Blossom Forum

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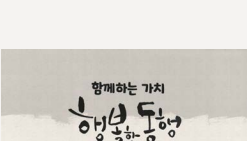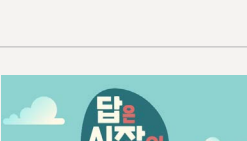
What we do ○·····························

Revitalization of Local Communities ⬀

Capitalizing on our media capabilities and influence, SK broadband has contributed to brining vitality to local communities. When it comes to local broadcast, we make sure that at least one channel among our cable TV channels delivers local content, focusing on stimulation of local communities rather than profit-making by investing profits to the local television stations. As part of the efforts, we are taking advantage of our producing capabilities as well as our abilities to run IPTV business to produce large-scale local programs and distribute them nationwide, such as 'Healing Cabin-Line Up', or 'Delicious War-Two Tops in Our Neighborhood'.

With the purpose of helping local communities which took a big hit from COVID-19, we have constantly produced and delivered a variety of programs aiming at local economy revitalization in order to support small business owners and residents. The programs include a program in which the old who suffer from the pandemic and people in charge of disease control and prevention are treated to decent meals made with food ingredients purchased from local markets, and a program to purchase fresh ingredients in traditional markets and cook meals with them, thereby putting a spotlight on the effective value of traditional markets. A program in which small business owners promote their stores by themselves is one of our representative programs for local economy stimulation. This program aims to bring vitality to local businesses.

Revitalization of Local Economies through Local Channels

Program		Broadcaster	Social Value Created
	Shall I treat you to a warm meal?	Hanbit Broadcasting	In this program, the old and young who suffer from the pandemic and people in charge of disease control and prevention are treated to decent meals made with food ingredients purchased from local markets. (providing assistance to small business owners in areas hit by COVID-19)
	This is SEOUL	Seoul Broadcasting	This program provides a snapshot of traditional markets, youth malls, tourist destinations and restaurants in Seoul from the point of view of foreign guests, and quality information on these places. (stimulating local tourism of the areas taking a big hit from COVID-19)
	I am a New Employee	Daegu Broadcasting	In this program, the MC experiences working at a small company for one day, and shares the meaning and useful information on the job with young people who are preparing to get a job.
	Having a meal at the market	Jungbu Broadcasting / Sejong Broadcasting	You can see guests doing grocery shopping at traditional markets and also get useful and easy recipes through this program. The program aims to show the various aspects and charms of traditional markets, thereby encouraging viewers to visit the markets. (revitalization of traditional markets)
	On-Market	Kinam Broadcasting	The program shows 141 stores in the areas of Yongin, Pyeongtaek, and Icheon and gives small business owners opportunities to introduce their stores. (supporting the promotion of small business owners' businesses)
	Happy with you	Jeonju Broadcasting	The very purpose of this program is to bring vitality to the local economy and realize social value by putting a spotlight on the social economy of Jeollabuk-do Province and finding a way to move forward. This program is produced under the business agreement with Jeollabukdo Business Agency. (promoting village corporations, social enterprises, and agricultural associations)
	Answer lies in market	ABC Broadcasting	In this program, guests visit traditional markets located in Anyang and Gunpo, have experiences of working part time for one day, and introduce the charms of the markets. (stimulating traditional markets, promoting regional currency)

Establishment of Media Creation Center

The very purpose of Media Creation Center is to create an environment where more citizens are connected with the media, interact with local communities and work together to resolve many societal issues confronting them. To honor this commitment, the center has conducted a plethora of activities including providing media education for local residents, running a business supporting content creation, nurturing teachers for the creation of an ecosystem for citizen media, and distributing content. As of 2020, we had 10 centers opened across the nation. Going forward, SK broadband will spare no effort to encourage citizens to participate in the media as well as to help local media overcome its limited distribution.

Media Creation Center's 1st Project

Video Contest, Social Value 'Empathy'

We hosted 'Video Contest for Social Value, Empathy', the first project of Media Creation Center. The contest aims to deliver more local content. The theme of this video contest was about 'regionality and social empathy' since this is the social value SK broadband ultimately seeks for as a local channel. There were subcategories including 'empathy building between generations' which is to promote the happiness of the elderly and communications among generations, 'wise living through empathy' aiming to forging cooperation and mutual growth between SMEs and conglomerates, and 'bringing happiness to our everyday life through empathy' which is to alleviate social and regional divides. The contest was held for one moth starting from September 2020. We received a total of 431 submissions, among which 19 entries were selected through the evaluation by external experts and awarded.

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Future with Wide-ranging Media Impact

What we do ○···

'Super Brain', a Brain Health Promotion Project for Seniors

Korea has already entered an aging society. As of 2020, the aging rate was 15.7%, and it is expected to exceed 20% by 2025, which means a super-aged society. In preparation for social issues that may arise in a super-aged society, SK broadband independently produced 'Super Brain', promoting brain health for the senior generation, and broadcast it through local cable TV channels. Super Brain is a program using tablet PC to prevent seniors from dementia, cooperating with experts from six universities including Choi Seong-hye, a professor at Inha University Hospital. Super Brain has proven its significant effect in lowering the risk of dementia through clinical trials, and it is even more meaningful that SK broadband produced the first original 'infotainment' program based on it. Super Brain uses fun quiz regarding cognitive ability improvement, motive enhancement, effective exercise, and the way of taking nutrition so as to encourage senior viewers to voluntarily participate in it and to improve access to information on brain health.
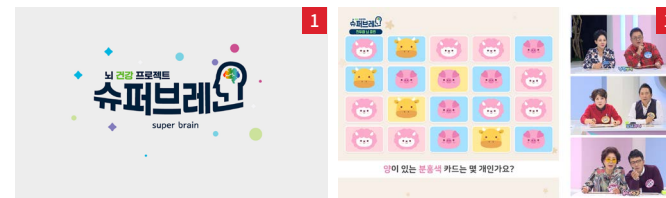
B tv Town Advertisement for Small Business Owners ↗

In order for small business owners to overcome the COVID-19 crisis, it is necessary to actively promote their stores. Although it is possible to use internet search advertising, the advertising through popular search keywords is costly due to intensifying competition, which is a heavy burden for small business owners. There are other ways such as using promotional flyers, but the perception of flyers is negative, and it is difficult to distribute them owing to the access control of apartment complexes. Therefore, its effect is very low compared to the input cost. The most powerful way is the TV broadcasting advertising. However, it is not suitable means of promoting a small business considering its wide target area and its expensive cost going up to tens of millions of won. That is why this method is promoted only by large corporations or medium-sized companies.

Under the circumstances, we launched B tv Town Advertisement, a local advertising service, so that small business owners can advertise on TV broadcasts at a low cost, targeting small areas in Dong-unit where their business is located. The local advertising service is available at a very low cost from KRW 100,000 although it is a TV broadcasting advertisement. It allows small business owners to afford it comfortably with a high promotion efficiency.

The advertising production solution for local advertising services is provided in collaboration with 'The Vplanet', a youth startup, as a part of our youth startup support. We assist all the related costs for the sake of alleviating the burdens of small business owners including the expense of using the advertising production solution.

Going forward, we will reflect small business owners to improve our local advertising services, thereby faithfully playing a role of the success incubator for small business owners as well as the supporter in overcoming the COVID-19 crisis.

COVID-19 Response through Media

Operating Special Section for Homeschooling

Since 2019, Korea has experienced drastic changes due to the COVID-19 pandemic. In particular, schools and kindergartens delaying the opening induce grave concerns. Recognizing these social problems, we have bolstered our TV homeschooling business since 2019 so that Korea's future generation can be educated under any circumstances. At the early stage of business, we focused on the education for infants and children, then gradually expanded our scope to elementary school education. We reorganized B tv ZEM KIDS and operated a special section for homeschooling, thereby offering learning content of entire subjects for all graders of elementary school. On top of that, we urgently organized a special program, 'EBS 2-week Live Special Lecture' in March 2020, contributing to minimizing the gap of learning derived from the delay of going back to school.

Providing Health Care Program

On account of the prolonged COVID-19 pandemic, people restrain themselves from personally meeting others, followed by longer time of stay at home. As the COVID-19 entered into the first wave of the pandemic in March 2020 in Korea, we organized a special Home Healing section on B tv for about a month. We provided free programs related to fitness, yoga, and pilates for physical health, a TV application for individually tailored at-home workout service, and mental health care services including meditation and mental health management program in response to the COVID-19 pandemic. We will strive to maintain and improve the quality of people's lives in diverse aspects, capitalizing on our media influence.

Campaign to Overcome the COVID-19 Pandemic

The COVID-19 pandemic has brought about difficult times for a lot of people. To cope with that, SK broadband put a special section for 'Campaign to Overcome the COVID-19 Pandemic' in our own media platform so that the people can gain strength to get over the crisis together. Through the section, famous celebrities and popular creators sent out 'Relay Hope Message in the COVID-19 Pandemic'. In the event of mask shortage, B tv AI set-top box, equipped with AI speaker NUGU, informed mask supply status in pharmacies and public mask supply information with the voice search function. To conquer this crisis, we gave payment early for service expenses to construction companies and small- and medium-sized maintenance companies, while creating a seamless education environment by upgrading internet bandwidth for free in 21 universities.

In addition, we fully supported a win-win society under the crisis. For example, we provided a 1-month free 'Cloud Contact Center' in which call center work can be performed using only PC without additional devices for SMEs or small business owners, who suffer from operating call centers. Going forward, we will spare no effort in supporting and assisting the people so that they can overcome the COVID-19 pandemic through win-win cooperation.

1. Super Brain
2. Special section for homeschooling
3. Campaign to Overcome the COVID-19 Pandemic

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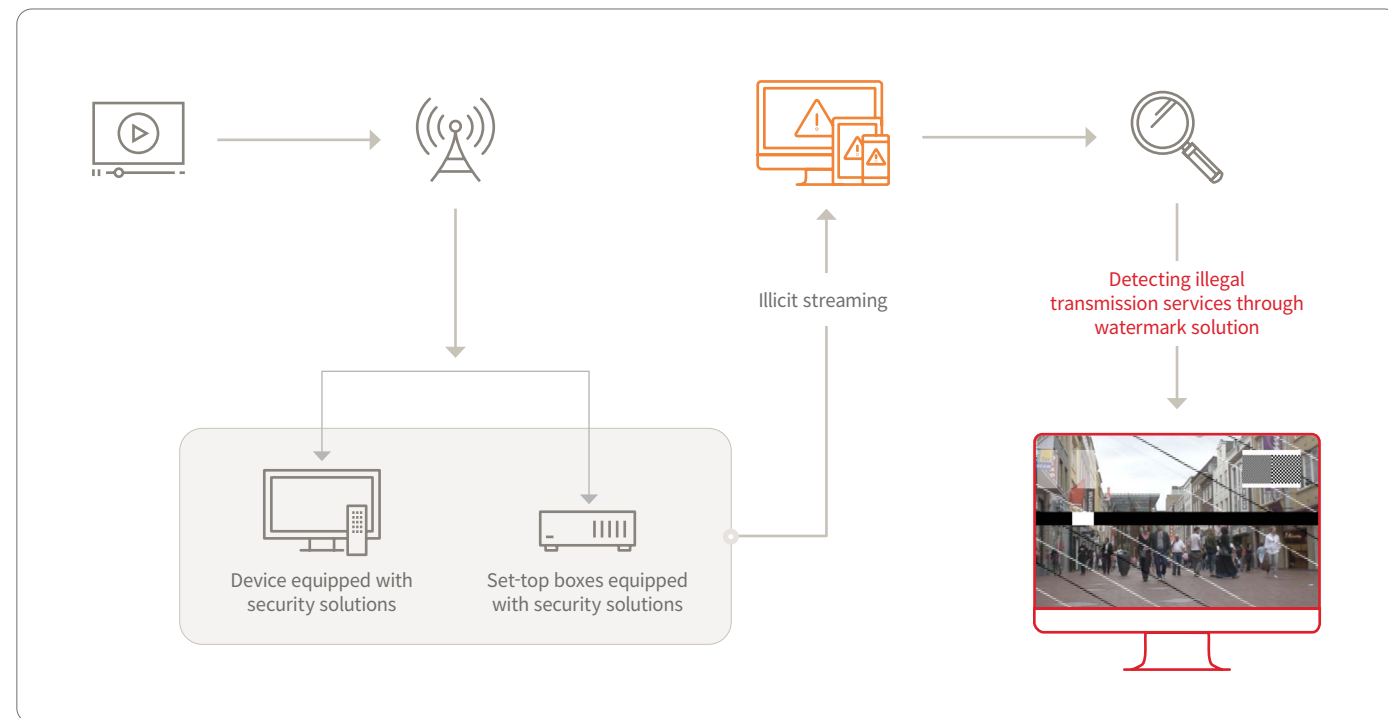Future with Wide-ranging Media Impact

What we do

Content Protection Technology to Make the Media Ecosystem Healthy

Advancement of the Technology for Content Copyright Protection

We are seeing the growing number of attempts to extract IPTV channels through internet connection in order to illegally record and distribute video content. The advancement of internet connection makes it easier to access various means of hacking and illegitimate recording programs. And the Korean wave gaining popularity brings domestic content into the spotlight. These trends account for increasing illicit recordings. Recently, what makes the situation worse is that not only illegal business operators but also individuals are increasingly participating in this illegality. Against this backdrop, SK broadband plans to adopt a security solution which is one level higher than the current video content protection technologies in order to safeguard copyright for content and

prevent the reverse discrimination against lawful IPTV subscribers. The solution enables video content to maintain its unique identification information after it is recorded, modified and manipulated. SK broadband plans to add uniform resource name to video content, and prevent the distribution and sales of illegally recorded content, taking advantage of this solution. Furthermore, we will embed watermarks in IPTV set-top boxes to make it possible to trace content to its source. In addition, we will put elbow grease into creating a healthy media ecosystem through a variety of activities for the prevention of illegal acts and the protection of copyright.

Process for the prevention of illegal recording (distribution)

Illicit streaming

Detecting illegal transmission services through watermark solution

Device equipped with security solutions

Set-top boxes equipped with security solutions

Interview for sharing future direction

To provide our stakeholders with a clear snapshot of our present and future, we interviewed our executive officers from various business divisions who can share the directions of SK broadband.

Q SK broadband is taking a leap forward to becoming 'No.1 Media Platform Company'. And the company is equipped with media capabilities to achieve this ambitions goal. The question is what values SK broadband is creating capitalizing on its media capabilities and what impacts it has on stakeholders?

A SK broadband hopes that our media influence contributes to resolving societal issues and has a positive impact on our community. To this end, we proceed with three key businesses.

First one is the operation of local channels to bring a new value to the public. SK broadband makes every effort to fulfill our responsibilities as a comprehensive cable broadcasting company. Our endeavors include enhancing diversity of local broadcasting, providing information, and conducting various activities to revitalize local economies and promote local culture welfare. Especially, we produced content helping traditional markets or small business owners hit hard by COVID-19 promote their businesses or find new markets. In addition, we commenced providing the content delivered only through CATV also for IPTV subscribers, thereby reaching more people and expanding our leverage. Efforts are also being made to make local cultures thrive. We are spending more money on the content production for local channels, upgrading the equipment of local broadcasters, and establishing Media Creation Center to support the broadcasting of local residents as well as provide media education.

Second is our inclusive UX/UI and product portfolio. SK broadband strains every nerve to make sure that there is no one who can't access content on the grounds of their age, disability or low income. To this end, we strive to give better access to all to make it easier to enjoy content. With the aim of enhancing accessibility of the senior, we have launched 'Happy Senior' service while providing UI designed for older adults with letters in a larger font size, which enables the users to watch programs they are interested in easily and more conveniently. 'B tv Family' product is one of our representative services helping the old enjoy better access. This service connects B tv between family members, which allows sons and daughters to present content to their parents, thereby giving more access to senior citizens. On top of that, SK broadband is also committed to making it more convenient for the disabled to watch content. For example, we improved UX and UI with the smart sign language broadcasts for the hearing-impaired, which is the first one commercialized among IPTV service providers. When schools were forced to shut down due to the spread of COVID-19, we worked together with EBS to offer virtual channels, thereby bridging the gap in public education created due to network or device divide. SK broadband will never stop our efforts to play a contributing role in making a society free of media divide so that all people can enjoy the same media experience regardless of their resident area, situation or characteristics.

Last but not least, we seek to strengthen our accountability for content security, verification and copyright. We are keenly aware that we, as a platform provider which delivers content to end users, have to take responsibility. Therefore, we have defined the set of ethical standards for content we provide and also consider putting in pace the procedure to verify content capitalizing on AI technology at efficient costs. Furthermore, with the aim of safeguarding the copyright of content providers as well as the rights of subscribers who pay for content in a lawful manner, we have adopted and operated the security solution which embeds watermark to IPTV content. Currently, the Korean wave has swept across the world. In this situation, SK broadband will spare no pain to make our content further flourish, create an environment where media content is properly consumed, and forge a healthy media ecosystem.

* An interview to share the future direction of SK broadband this year was participated by Kim Hyeok, the director of media strategy/platform, Lee Sang-beom, the head of product tribe, Ko Young-ho, the director of cable broadcasting, Lee Bang-yeol, the director of corporate division, Choi Seung-won, the director of service headquarters.

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Future with Climate-friendly Business

Shaping the Future **03**

Future with Climate-friendly Business

"We take climate change as an opportunity, not a crisis."

Why it matters

Humankind is living through a period of climate crisis beyond climate change. We are seeing the growing number of abnormal weather conditions, such as scorching heat, heavy snowfall or heavy rainfall. To rise to the challenge, the international community adopted the Paris Agreement and has worked together in many fields to fulfill the agreement. Against this backdrop, the Korean government set the Basic National Roadmap for Greenhouse Gas Reductions by 2030. The roadmap outlines the target of mitigating GHG emissions 24.4% below the 2017 levels, the expansion of renewable energy, the promotion of emission trading system, and the cultivation of energy-related new businesses as key national tasks.

More and more investors are paying attention to not only economic performance but also ESG. BlackRock, the world's largest asset manager, announced that it would put 'climate change' and 'sustainability' first in its investment portfolio.

In addition, large pension funds including Norway Government Pension Fund Global (GPFG) the world's largest pension fund, Japan's Government Pension Investment Fund (GPIF), embodies ESG factors in their investment criteria. Especially, GPFG released its plan to withdraw its investment in four companies emitting huge amount of GHGs in the oil, steel, and concrete industries, putting emphasis on the change in favor of the environment even it is the minimal level of change. Korea is not an exception. The domestic pension funds and financial firms are declaring 'coal-free' finance, which is a clear demonstration of regarding eco-friendly value as important. IT corporations which are relatively free from environmental issues are also joining this movement, promulgating their eco-friendly management. Apple declared 100% net zero emissions in its whole supply chain and all products while Microsoft (MS) released its plan to be carbon negative just beyond to achieve carbon neutrality. Eco-friendly policy has become a major issue we cannot ignore or circumvent to make corporations and communities sustainable.

What we do

Footprint Management

Joining RE100

With the purpose of accelerating our ESG management, SK broadband has joined RE100 with the affiliates of SK Group. RE100 stands for Renewable Energy 100%. It is a global initiative launched in 2014 and co-operated by the Climate Group, a multinational non-profit organization, and CDP. As of June 2021, a total of 316 corporations were the members of this initiative, and the member companies are required to fulfill its commitment to 100% renewable electricity. SK broadband and the seven affiliates of the group went through the review of the Climate Group, and became the members of the initiative. Accordingly, we plan to submit our detailed action plan at the end of this year, and will be subject to inspection to check whether the plan is on track or not. In addition, we will raise the use of renewable energy step by step taking into account various policies that will be delivered by the government down the road (signing 3rd Power Purchase Agreement (PPA), equity investment in renewable energy business, green premium, etc.) SK broadband will serve two ends. One is to contribute to creating a low carbon and eco-friendly society and realizing social value by joining RE100, and the other is to deliver our management strategy by sharpening our business competitiveness in the face of the global ESG management environment.

Making Our Workplace More Eco-friendly

As part of the investment for our future generations, SK broadband implements ESG management putting low-carbon and eco-friendly at its heart to be fully responsible for our society and environment.

As the first step towards the fulfillment of RE100, we signed a green premium contract with Korea Electric Power Corporation (KEPCO). In accordance with the contract, we have to utilize 100% renewable energy to run Yeoju Satellite Center which is established to expand our overseas satellite channels of B tv and improve quality. Green Premium refers to a system where the consumers of electricity pay additional charges to obtain a certification of renewable energy use. The certification proves the use of electricity generated by renewable energy, and the additional charges paid are used to supply and spread renewable energy, thereby creating a virtuous cycle. SK broadband will spend 615MWh of renewable energy we purchased through the contract on the operation of the center to run this workplace with 100% renewable energy. Based on this, we will expand the use of eco-friendly energy to all of our workplaces.

In addition, we have formed a SK consortium with SK E&S, an energy affiliate of SK Group. The consortium aims to build a cluster of green hyper-scale data center (super large scale data center) in the region of Saemanguem, and we plan to make the cluster run by at least 30% to 100% of renewable energy. This Saemanguem data center, which will serve as a hub in the region of Northeast Asia, comes under the spotlight due to its scale and also eco-friendliness.

Joining K-EV100

'K-EV100' is an initiative driven by the Ministry of Environment aiming to popularize non polluting vehicles and lower carbon emissions in the sector of transportation with private corporations voluntarily participating in. SK broadband endorses its purpose. Therefore, we have established and delivered our medium and long-term plan to join this initiative.

As part of the efforts, we plan to replace our corporate vehicles with internal combustion engines with non polluting automobiles from 2021, and complete the replacement by 2030. Furthermore, we build charging facilities for non polluting vehicles from 2021. SK broadband will make multi-faceted efforts to reduce our impacts on the environment.

Yeoju Satellite Center

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Future with Climate-friendly Business

What we do o·····

Developing Low-power Set-top Box

A set-top box is one of the appliances that is constantly turned on in the house. As more electricity is consumed, more carbon is emitted from power generation facilities. Taking this seriously, we strive to develop technologies to reduce power consumption. As a result, we launched products with the lowest level of power consumption in active standby mode (BFX-UH200 : 1.5W / BIP-UW200 : 2.7W / BID-AT200 : 1.3W), based on the data registered in efficiency management system in the Korea Energy Agency. These products have reduced power consumption by 1/3-1/4 compared to the existing set-top boxes. And the power consumption during the operation has also been significantly lowered. We plan to further develop a variety of low-power set-top box technologies, thereby making products that satisfy both society and the environment.

Making Low-power Network Devices

SK broadband operates a number of network equipment to handle network traffic and provide stable services. However, as equipment usage increases, power consumption and carbon emissions continue to increase as well.

We seriously take this grave matter and make endeavors to minimize power consumption by demolishing old equipment that uses a lot of electricity and replacing them with low-power equipment that consumes less electricity. As an old telephone exchange consumes power the most as a single device, we prioritized to switch them first with high-density devices while internet devices are also being gradually replaced with high-efficiency and low-power devices. Our plan is to pull down 41 old telephone exchanges from 2014 to 2024. We completed demolishing 21 as of 2020, and plan to additionally remove 5 in 2021. We could save 782kWh by clearing 21 equipment by 2020, and it is expected to save 1,824kWh if we demolish all 41 by 2024.

We also introduced the internet equipment that has three times larger processing capacity with improved power consumption by up to 63%, thereby saving 2,639MWh of electricity in the last three years. It is enough electricity for 11,657 households in Seoul for one month. Going forward, SK broadband will make continuous efforts to mitigate our carbon footprint.

Set-top Box's Power Consumption in Active Standby Mode

Model Name	Power Consumption in Active Standby Mode
BFX-UH200	1.5W
BIP-UW200	2.7W
BID-AT200	1.3W

Activities for Raising Awareness – Earth Day 2020 Content

The interest in environmental pollution is growing globally and the majority of people view that environmental protection should go hand in hand with the continued growth of mankind. For the purpose of raising awareness, we provided 'Looking Again, Earth', a curated list of contents through the special edition section on B tv to remind precious value of the Earth, in celebration of the 50th anniversary of Earth Day in 2020, collaborating with the World Wide Fund for Nature. Marking Earth Day, we also shared 'Earth Day B tv Watching Oath' with our viewers, suggesting the use of tumblers or mugs rather than disposable cups or plastic straws and focus on TV with limited use of lighting. This way, viewers can take action while watching B tv. In line with the current situation with growing interests in the protection of our planet environment due to COVID-19, we will keep offering opportunities to have interests in a natural environment while bringing fun to our customers with more diverse content.

We promote an eco-friendly campaign called, 'Go Go Challenge' targeting our employees. Began in January 2021 by the Ministry of Environment, it is a relay campaign that a person commits oneself to reduce the use of plastic and disposable products and designates the next participant. Any employees can voluntarily participate in it in daily lives and consolidate their will to protect the environment at home and at work. With these small but strong practices, we strive to create an opportunity for our employees to feel the difference in everyday lives and disseminate the ESG management culture.

Earth Day B tv Viewing Oath

'Go Go Challenge' participated by SK broadband employees

Interview for sharing future direction

In order for our stakeholders to clearly understand the company's present and future, we interviewed executives of various business departments who can share SK broadband's future direction.

Q Climate change has led to frequent meteorological disasters and the damage caused by them is increasing. As it is difficult to accurately grasp how and to what extent the negative impact of climate change is, the interests in climate change of our stakeholders are higher than ever. Please share with us if SK broadband has set the approach to climate change response and has done related activities for future generations.

A SK broadband is aware of the seriousness of climate change, and we view the climate action as significant in our business strategy. Thus, we measure and control energy consumption every year to manage possible risks in advance. In addition, among network operation equipment, the equipment with low energy efficiency is replaced with high-efficiency and low-power ones. We are changing the cooling method of IDC centers and expanding the use of electric vehicles with an aim to mitigate greenhouse gas (GHG) emissions. In particular, we joined RE100 as we are aware that the use of renewable energy is highly effective in reducing GHG emissions. Accordingly, we are in the process of fulfilling our pledge to convert all electricity consumption to renewable energy by 2050.

On top of that, SK broadband recognizes that environmental responsibility is not limited to the environmental impact directly generated by a company. Therefore, we reduced the active standby power consumption of the set-top box provided to customers to the lowest level in Korea, for the purpose of minimizing the indirect environmental impact. In 2020, we developed the cloud-based IPTV UI to raise the accessibility to services for our clients and reduce set-top box waste with its improved speed and performance.

Last but not least, we will maximize our positive influence as a media platform operator for future generations. We will continue our activities to build a Green Society by implementing various campaigns to transform the awareness of environmental protection and enhance our execution capacity, together with our key stakeholders; the government, society, customers, employees, and business partners.

* An interview to share the future direction of SK broadband this year was participated by Kim Hyeok, the director of media strategy/platform, Lee Sang-beom, the head of product tribe, Ko Young-ho, the director of cable broadcasting, Lee Bang-yeol, the director of corporate division, Choi Seung-won, the director of service headquarters.

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Environmental Data

Environmental Data
* On a separated basis

Action on Climate Change

Management of GHG emissions[1]	Unit	2018	2019	2020
Total amount of GHGs emitted (Scope 1+Scope 2)[2]	tCO$_2$eq	272,848	281,170	337,966
Total amount of GHGs directly emitted (Scope 1)		1,921	1,577	1,458
Total amount of GHGs indirectly emitted (Scope 2)		270,958	279,617	336,542
Total amount of unit GHGs emitted (Scope 1+Scope 2)	tCO$_2$eq/sales (KRW 1 billion)	86.37	88.45	91.02

1) Based on disclosure in Greenhouse Gas Statement
2) There may be a difference between the total amount of GHG emissions and the combined direct/indirect GHG emissions since we applied the government's figures rounded down of each business unit to our formula when combining figures of each item

With the aim of mitigating our impacts on climate change during business operation, SK broadband has set the GHG reduction target and monitored GHG emissions. In 2020, the merger with t-broad, and the consequent increment in subscribers came with the expansion of forward-deployed equipment (ONU, ONT, etc.), which led to the rising amount of GHG emissions. However, we plan to cut down our emissions through mitigation management and action in a constant manner.

Energy Consumption		Unit	2018	2019	2020
General energy	Total energy Consumption[1]	GJ	5,586,000	5,759,000	6,921,000
	Direct consumption by energy source — City gas (LNG)		24,802	18,597	15,912
	Gasoline		6,361	5,556	6,481
	Diesel		3,229	3,532	2,953
	Kerosene		0	46	22
	LPG		122	144	94
	Indirect consumption by energy source — Electricity		5,577,997	5,756,596	6,928,518
	Steam		1,471	1,105	1,356
	Total energy consumption per unit	GJ/sales (KRW 1 billion)	1,768	1,812	1,864
Renewable energy	Total energy consumption	MWh	62	55	52
	Ratio of renewable energy used	%	0.01	0.01	0.01
	Renewable energy consumption by energy source — Solar power	MWh	62	55	52
	Wind power		0	0	0
	Others (water power, biomass, etc.)		0	0	0
	Renewable energy consumption by procurement method — Green Premium		0	0	0
	Renewable Energy Certificate (REC) purchase		0	0	0
	Equity investment		0	0	0
	Self-generation		62	55	52

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

We monitor energy consumption on a regular basis to stay on top of the amount of energy consumed by energy source in the course of our business. In addition, we purchase energy through Green Premium and establish solar power generators within our new IDCs to raise the ratio of renewable energy consumption.

Water consumption[1]		Unit	2018	2019	2020
Total water intake		Ton	314,516	304,992	320,210
Total water intake per unit		Ton/sales (KRW 1 billion)	99.57	95.95	86.24
Water intake by water source	Portable water	Ton	314,516	304,992	320,210
	Underground Water		0	0	0
	Others		0	0	0
Ratio of water recycled		%	0	0	0
Total amount of water consumed		Ton	314,516	304,992	320,210
Total amount of water recycled			0	0	0

1) Water data is based on buildings subject to environmental data disclosure

Total waste generation		Unit	2018	2019	2020
Total waste generation[1]		Ton	1,516	2,486	1,966
Total waste generation per unit		Ton/sales (KRW 1 billion)	0.48	0.78	0.53
Waste generation by waste type	Designated waste	Ton	161	200	187
	General waste		1,355	2,286	1,778
Total amount of waste recycled		Ton	819	1,374	892
Ratio of waste recycled		%	54.0	55.3	45.4

1) The reporting scope covers the headquarters, three IDCs, three office buildings and cables, and communication equipment such as STB

SK broadband strives to minimize waste generation and recycle the waste generated in the course of our business. And our total waste generation decreased compared to the previous year. Going forward, SK broadband will focus on reducing pollution through the effective use of resources.

Violations of environmental laws	Unit	2018	2019	2020
No. of violations of environmental laws	Case	0	0	0
Amount of fines incurred by environmental law violation	KRW 1,000	0	0	0

Environmental Management Certification
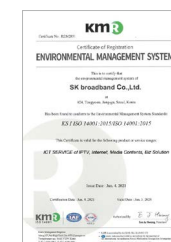
ISO14001 Certification

SK broadband has obtained and maintained ISO14001. ISO14001 is the international standard for environmental management systems defined by International Organization for Standardization (ISO), and it conducts objective evaluations through a third-party organization, which delivers a high reliability. Therefore, by acquiring ISO14001 certification, SK broadband is clearly recognized that we run our business based on environmental management and oversee a variety of environmental issues with concrete targets.

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Social Data

Social Data

Labor

Employees[1]

Employee		Unit	2018	2019	2020
Total number of employees		Person	1,688	1,803	2,415
Ratio of employees by age	Under 30		6	9	8
	30-49		78	70	68
	50 or over		16	21	24
Ratio of employees by gender	Male	%	88	86	85
	Female		12	14	15
Ratio of employees by contract type	Regular worker[2]		98	95	95
	Non-regular worker		2	5	5

1) Based on disclosure in Annual Report
2) Unregistered executives included

As of 2020, the total number of our employees amounted to 2,415 with male workers accounting for 85% and female workers 15%. We have more male employees. To supplement this, we are making efforts to raise the ratio of female workers by hiring more than 50% of female employees and favoring female workers when we convert contract workers to regular ones.

Recruitment

Recruitment	Unit	2018	2019	2020
No. of new hires[1]	Person	110	152	120
No. of young interns converted to regular position (Total No. of young interns)		17(26)	23(29)	26(54)

1) Regular and non-regular workers included, seven new hires recruited in October 2020 and joining the company in January 2021 included

Gender balance

Gender balance	Unit	2018	2019	2020
Total number of female workers (ratio[1])	Person(%)	203(12)	261(14)	362(15)
No. of female team leaders (ratio[2])		7(4.8)	6(4.1)	9(4.4)
No. of female executive members (ratio[3])		0(0)	1(2.4)	2(4.4)
No. of female team leaders of profit-generating departments (ratio[4])		6(4.1)	5(3.4)	8(3.9)
No. of female workers newly hired (ratio[5])		47(43)	82(54)	59(49)

1) Ratio of female workers to all workers
2) Ratio of female leaders to all team leaders
3) Ratio of female executives to all executive members
4) Ratio of female team leaders of profit-generating departments to all team leaders
5) Ratio of female employees newly hired to all new hires

As of the end of 2020, the total number of female workers stood at 362, and female team leaders (executives and team leaders) was eleven. As part of efforts to achieve gender balance, we are raising the ratio of female workers within our talent pool for leaders and manage the ratio of employees promoted to team leaders, and constantly recruit female executives from outside. In the years to come, we put efforts into nurturing female workers through SK Group's education programs, and elect female executive members, thereby moving towards gender balance.

Recruitment of the socially vulnerable and minority

Recruitment of the socially vulnerable and minority	Unit	2018	2019	2020
No. of the disabled (ratio[1])		33(2.6)	38(2.6)	52(3.1)
No. of employees with national merit (ratio)	Person (%)	77(4.5)	75(4.1)	74(3.1)
No. of foreign workers (ratio)		0(0)	0(0)	0(0)

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

Retirement and turnover

Retirement and turnover	Unit	2018	2019	2020
No. of employees retirees	Person	34	16	21
No. of voluntary retirees (ratio[1])	Person (%)	24(71)	12(75)	18(86)
No. of leavers	Person	12	9	10
No. of voluntary leavers (ratio[2])	Person (%)	12(100)	9(100)	10(100)

1) No. of voluntary retirees/no. of retirees
2) No. of voluntary leavers/no. of leavers

Length of service[1]

Length of service[1]	Unit	2018	2019	2020
Average length of service		13.5	13.6	14.0
Average length of service of male workers	Year	14.3	14.8	15.2
Average length of service of female workers		7.3	6.4	7.4

1) Based on disclosure in Annual Report

Wage[1]

Total pay	Unit	2018	2019	2020
Total Median pay		9,387	10,446	8,926
Median pay for male workers	KRW 1000	9,969	11,313	9,605
Median pay for female workers		5,454	5,766	5,486

1) Based on disclosure in Annual Report

Equal pay[1]

Equal pay[1]	Unit	2018	2019	2020
Equal pay ratio of male and female executives[2]		-	66	36
Equal pay ratio of male and female team leaders	%	81	93	92
Equal pay ratio of male and female team members		67	69	73
Equal pay ratio of all male and female workers		55	51	57

1) Pay gap arising from the differences in the length of service between male and female workers
2) Calculation: Wage for female workers/wage for male workers

Welfare[1]

Welfare for employees	Unit	2018	2019	2020
Welfare expense	KRW 1000	14,721,670	16,935,945	18,456,409
Welfare expense compared to sales	%	0.47	0.52	0.50

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

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Talent Nurturing

Training program	Content
Common training for the position	Innovating and embracing the mindset that SK broadband people must have
Professional training for the position	Having a clear recognition of the position and improving essential competencies for the performance
Common training for the job	Developing common job competencies that the entire people in the company should acquire to achieve and support the company's management goals
Professional training for the job	Enhancing performing capabilities and competitiveness of employees through professional knowledge and skill development

With the goal of 'a systematic cultivation of smart leaders and members to lead the company-wide growth', we operate a variety of educational programs. More specifically, our objectives are; ①nurturing smart leaders and members who take lead in changes on the basis of skills and self-esteem, ②developing competency for the broadcasting and media sector, ③spreading the agile way of working, and ④advancing 'on-tact' education. On the foundation of these, we are nurturing talents so that they can contribute to achieving our management goals. Furthermore, we provide an environment for individual competency development.

In the rapidly changing internal and external environment, we have designed and operated nurturing programs tailored to each position and job, encompassing from the lowest position to the executive with an aim to systematically develop smart leaders and employees leading business growth. In addition, professional job competency training and re-skilling programs are provided to cultivate talents and build the capacity to work in the media platform company. Particularly last year and this year, we have improved our educational system and actively utilized 'mySUNI', a video educational platform of SK Group, for the sake of continued 'on-tact' training under the circumstances where 'un-tact' has become common. In case anyone needs additional professional courses, we fully support the employee by actively connecting to external institutions.

Besides, our employees are guaranteed stable living after their retirement through our retirement support training. The training includes programs regarding career planning, job placement, re-employment and business start-up. In 2020, a total of 9 employees (5 executives, 4 staff) received the retirement support training.

Training	Unit	2018	2019	2020
Training hours per employee	Hour	47.1	41.2	93.3
Training costs per employee	KRW 1,000	1,921	1,842	2,592
No. of training courses operated in a year	Number of courses	461	715	952

In 2020, the average training time per employee was 93.3 hours and training costs per employee were KRW 2,592,403. And training hours and expenses for employees are increasing every year. In order to enhance company-wide capacity-building, we plan to raise training hours per employee in 2021 to more than 112 hours (120% compared to 2020).

Raising Quality of Life of Employees

Policies and Activities to Improve Quality of Life of Our Employees   SK broadband has an objective of 'creating a Fun & Together corporate culture'. We carry out diverse activities to make a vibrate corporate culture together with our employees. As part of it, we have policies for work-life and work-family balance.

The representative systems to ensure the work-life balance of employees are the flexitime system and We-fresh Day. Flexitime system, introduced in 2018, encourages employees to design their working hours under their own responsibilities outside of fixed work patterns. By allowing employees to set their own working hours and use their time efficiently, their life quality can be improved, while at the same time, the work concentration during working hours is also increased. In addition, We-fresh Day (designating every third Friday as a company-wide recommended holiday), established in 2020, is a system to create an environment in which employees can spend time with their families or relax by themselves through having a 4-day work in a week every month. Besides, employees can use their annual leaves consecutively right after special holidays, granted 6 days a year, so that they can recharge physically and mentally.

To support work-family balance, we garner our capabilities on policy establishment and activities to alleviate the burden of childbirth and childcare of our employees. For instance, we allow shortened working hour during pregnancy and child-caring periods, provide celebratory money for childbirth and baby gifts, assist child's tuition, run a company daycare center, and operate a mother's room. In particular, the automatic parental leave system, introduced in 2021, laid the foundation for ensured childbirth leave and childcare leave for both men and women. We will induce more ways to improve our systems through conducting employee satisfaction surveys regarding work-family balance. As a result of these efforts, we have maintained the certification as a family-friendly corporate since 2013. Going forward, we will implement diverse support measures for our employees' better quality of life.

Flexible working system	Unit	2018	2019	2020
Participation rate in the flexible working system	%	100	100	100

Use of childcare leave		Unit	2018	2019	2020
No. of employees using childbirth leave		Person	11	9	7
No. of employees using childcare leave	Male	Person	17	12	13
	Female		11	13	6
Ratio of returned employees to work after childcare leave		%	100	100	84
No. of employees working 12 months or more after returning to work		Person	26	24	16
Ratio of employees working 12 months or more after returning to work		%	93	96	100

Family Support System   SK broadband recognizes the happiness of employees as well as their families as a critical factor for our sustainable development. Therefore, we have set up a support system for families of our employees to financially assist the lives of our employees and their families. The supports encompass child tuition (from kindergarten to university), family health check-up, medical fee, disabled child support, cancer treatment fee for both our employees and their families, a company daycare center, and celebratory or condolatory money. Focusing our strength on the improvement of the existing system as well as the development and operation of a new system, we will further make an environment for the happiness of both our employees and their families.

Family support for employees	Unit	2018	2019	2020
Medical fee support		1,510	1,582	1,962
Tuition support		1,822	1,838	2,106
Disabled child support		18	19	23
Cancer support	Person	8	11	15
Daycare center support		33	28	24
Celebratory or condolatory money support		300	349	419

Employees' Immersion in Work   Employees' immersion in work is closely related to not only individual competency and productivity but also economic performance and competitiveness. Hence, we continuously make institutional innovation across the overall corporate culture and work environment that can have a positive effect on employees' immersion in work. For the environment where employees can immerse themselves in work, we are operating; flexitime system, core time system, 'Life-on' system (automatic PC-off excepting working hour), autonomous seating system, and improved evaluation and compensation system.

On top of these institutional supports, we conduct a survey on employees' immersion in work once a year to systematically manage it using the measurement criteria such as 'the practice of Voluntarily and Willingly Brain Engagement (VWBE[1])',

1) Voluntarily & Willingly Brain Engagement

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'sense of belonging and self-esteem as an employee', and 'sense of rewarding and fulfilling for work'. The result of the survey in 2020 showed a slight decline in immersion level due to external factors such as the restricted communication from prolonged working-from-home derived from the COVID-19 pandemic and the increased number of incoming employees owing to the merging with t-broad. However, we plan to make it higher through the communication facilitating programs, corporate cultural programs and campaigns for creating teamwork, and leadership programs to make a VWBE environment. Along with that, we are promoting the institutionalization of working-from-home aiming at the work efficiency after the COVID-19 and the expansion of sports and lounge facilities inside the company building through utilizing work space.

Measurement of immersion in work	Unit	2018	2019	2020
Immersion level of employees	Score	69.1	76.2	71.6

Performance Evaluation

Evaluation of employees and rewards for them	Unit	2018	2019	2020
Ratio of targets for capacity-building evaluation system	%	96	93	93

Labor Union

SK broadband respects the freedom of association of our employees. Labor unions are thus formed, and all employees are free to join the union. As of 2020, there are three labor unions within the company, and the number of members joining the unions was 1,613.

Labor union	Unit	2018	2019	2020
No. of labor union members	Person	1,281	1,318	1,613
Ratio of labor union membership[1]	%	97.9	92.1	83.8

1) In April 2020, the merging of SK broadband, which requires workers to join the union, and t-broad, where workers can freely join and leave the union, made the number and rate of union membership decreased in 2020.

Safety and Health

Occupational Accident

Occupational accident	Unit	2018	2019	2020
Total hours of work of employees	Hour	3,376,000	3,606,000	4,830,000
Total no. of death of employees	Case	0	0	0
Fatality rate of employees	‰	0	0	0
Lost Time Incident (LTI) of employees	Case	1	0	2
Lost Time Incidents Rate (LTIR[1]) of employees		0.06	0	0.08
Occupational accident rate	%	0.12	0	0.08
No. of occupational illness occurred among employees	Case	0	0	0
Occupational Illness Frequency Rate (OIFR[2])		0	0	0
Severity rate[3]	‰	0.07	0	0.03

1) LTIR (Lost Time Incidents Rate) formula: the number of lost time cases more than a day / the total hours worked X 200,000
2) OIFR (Occupational Illness Frequency Rate) formula: No. of occupational illness cases / total hours worked X 200,000
3) Severity rate formula: total number of days lost / yearly number of man-hours worked X 1,000

Occupational accident of partner companies	Unit	2018	2019	2020
Total hours of work of partner companies	Hour	21,944,000	21,808,000	24,290,000
Total no. of death of partner companies	Case	0	0	0
Fatality rate of partner companies	‰	0	0	0
Lost Time Incident (LTI) of partner companies	Case	50	39	42
Lost Time Incidents Rate (LTIR[1]) of partner companies		0.46	0.36	0.35
No. of occupational accidents of partner companies	Case	18	17	33

1) LTIR (Lost Time Incidents Rate) formula: the number of lost time cases more than a day / the total hours worked X 200,000

To ensure the health and safety of our employees at the workplace, we have established and are operating a health and safety management plan. We separately manage employees who need to be managed as risk groups in consideration of the characteristics of their jobs, striving to prevent from occupational diseases and muscular-skeletal diseases. In addition, we thoroughly manage and supervise the safety of our business sites by managing occupational accidents of employees of our partner companies as well.

Safety and Health Management

Safety and Health Training   SK broadband established an organization dedicated to safety management in 2020 and has provided occupational safety and health training for all employees. The main training programs consist of accident prevention through understanding occupational safety and health, preventing accidents through raising awareness of workplace safety culture and safety, sharing cases of safety accidents, and establishing safety measures. In 2020, occupational health and safety training time per capita was 12 hours and training costs per capita were KRW 16,000.

Occupational Safety Management   Through the prior risk assessment system and regular monitoring, we prevent accidents in advance so that everyone can work safely. Also, company-wide training to improve industrial safety awareness is being implemented. Besides, occupational safety management tasks are carried out directly by us without consigning to other companies with an aim to ensure responsible industrial safety. We also extended the scope of occupational safety management to partner companies, giving assistance such as providing standard safety and health guidelines for the establishment of an autonomous safety and health management system, operating a regular consultative body, and conducting on-site audits[1].

1) Regular, occasional, and random inspections included

Health Support   We operate various health support welfare systems and programs in accordance with occupational safety and health regulations and plans approved by the Board of Directors to support the physical and mental health of our employees. The welfare system for promoting employees' health includes the support with medical fee, vaccination, health check-up, the installation of health management room and first-aid kit, and club activity. Our major health promotion programs are a healthy stretch broadcasting program, a quit-smoking clinic, and many more. We plan to increase employees' participation level[1] in the health support system to 300% compared to the number of total employees by 2025 while adding health facilities, introducing a salad diet, operating a 'healthy staircase' on top of existing programs.

1) Employees' participation level: cumulative number of participants in health support system yearly / total number of employees X 100

Health support for employees	Unit	2018	2019	2020
Medical fee support		1,510	1,582	1,962
Vaccination support		351	466	1,252
Quit-smoking clinic support	Person	3	0	24
Operation of 'Spring Trail Healthy Walk'		640	1,098	0
Club activity support		878	921	1,010
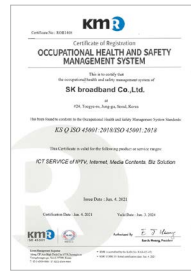
ISO45001 Certification

Safety Violation

Safety violation	Unit	2018	2019	2020
No. of breaches of safety-related laws	Person	0	0	0

Occupational Health and Safety Management Certification

SK broadband has adopted and operated ISO 45001 (headquarters), the international standard for occupational health and safety management, established by International Standard Organization(ISO). In compliance with the standard, we will promote and internalize the autonomous safety and health management system and prevent industrial accidents, thereby becoming a safe workplace where our employees put their mind at ease and concentrate on their work.

Human Rights Management

Systematic Human Rights Management

System for Human Rights Management   SK broadband has elevated the level of our human rights management system step by step to achieve sustainable happiness. As part of the efforts, we declared human rights management, publicly disclosing our commitment to respecting the human rights of diverse stakeholders while preparing guidelines on human rights management containing the details in order to deliver human rights management in a systematic manner. Furthermore, we have established the regulations on report, investigation, punishment in regard of human rights issues, thereby expanding the coverage of the investigation from workplace bullying and sexual harassment to the whole area of human rights abuse. For the sake of enhanced transparency, the status of report and punishment on this matter is disclosed in our sustainable reports. Going forward, we have a plan to conduct the due diligence and risk assessment of human rights on a regular basis, based on which we continue to identify the areas of improvement, refine our human rights policies, and provide advanced educational programs.

Human Rights Impact Assessment   SK broadband conducts human rights impact assessment to find out human risks potentially arising from our operation in advance for the prevention. We conducted the first impact assessment in the first half of 2021 through a third-party organization to ensure transparency and independency of the assessment. Based on the results, we plan to define roles and responsibilities of the department in charge of human rights assessment and its employees, and build the refined system for the assessment in 2021. On top of that, we will conduct a more sophisticated human rights assessment in 2022, thereby closely reviewing our relevant regulations and coming up with detailed policies for human rights risk prevention.

Prevention of Human Rights Abuse

Education on Human Rights	Unit	2018	2019	2020
Total hours of company-wide education on sexual harassment		129,200	146,240	216,132
Hours of education on sexual harassment per capita		76	80	84
Total hours of company-wide education on disability awareness	Minute	104,400	120,868	150,609
Hours of education on disability awareness per capita		60	67	61
Total hours of company-wide education on workplace bullying		36,234	35,679	85,645
Hours of education on sexual harassment per capita		22	21	35

Reporting and Handling

Reporting and Handling	Unit	2018	2019	2020
No. of grievances received regarding human rights abuse	Case	0	2	4
No. of grievances redressed		0	2	4

We put in place a human rights grievance redress channel (report center for workplace bullying and sexual harassment) to receive grievances that our employees experience at the workplace. Once a report is received, we identify the case and the reporter's demand through counseling, based on which an investigation is conducted to get to the bottom of the case, and take measures to redress the grievance. In 2020, we received a total of 4 reports regarding human rights. And we considered the reports as problems and took proper action against all of them.

Shared Growth

System for Shared Growth

SK broadband has in place the system for mutual growth with a variety of partner companies. In accordance with the system, diverse programs are operated including the ease of payment terms, payment in advance, guarantee exemption, and the provision of shared growth education PG (CEO Seminar, MBA). Going forward, SK broadband will make every effort to promote mutual growth under the goal of reinforcing our partner companies' management and capabilities.

Support for the Growth of Partner Companies

Amount of purchase	Unit	2018	2019	2020
Total amount of purchase		120,571,080	65,991,326	49,346,334
Amount of equipment and materials purchased	KRW 1,000	105,547,801	41,832,281	23,674,698
Amount of construction and service purchased		15,023,279	24,159,045	25,671,636

Support for Shared Growth Education   We provide CEO seminars or MBA programs for partner companies to share beneficial management methods and know-how, and recent management trends with them. In 2020, a total of 10 representatives of partner companies benefited from our mutual growth educational programs. In addition, we furnish online education on personal data to our consignees and at the same time, visit them to offer offline education in order to deliver more effective education.

Achievement in educational support for personal data protection	Unit	2018	2019	2020
No. of consignees completing online and offline education on personal information protection		11,396	14,061	13,342
No. of those completing online education	Person	7,625	7,946	10,316
No. of those completing offline in-person education		3,771	6,115	3,026

Identification and Evaluation of Partner Companies

Prior Screening of Partner Companies   SK broadband has formulated and delivered the ESG-risk management policy for partner companies. In detail, we encourage partner companies to agree and comply with our ESG policy stated in our official document, 'CSR practice consent form' and also to abide by what are required as a partner company specified in written contract in the course of prior screening when signing a contract. A partner company goes through the screening process, based on the results of which we decide whether we register the company as our new partner or terminate the business relationship.

We conduct the prior screening when we newly register a partner company according to ESG factors including human rights, ethics, and society. In 2020, a total of contracts we signed after the screening process amounted to 1,478. SK broadband will raise the ratio of prior screening to 100% by 2022 for the sake of enhanced ESG performance.

Identification and evaluation of partner companies	Unit	2018	2019	2020
No. of partner companies receiving screening evaluation	Case	346	415	312
Ratio of prior screening	%	100	100	100

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Regular Asessment of Partner Companies   SK broadband strives to maintain the best quality of our services and products in collaboration with competent partner companies. To this end, we carry out the regular assessment of partner companies every year while selecting new suppliers through our fair process. From 2020, we have seen whether they obtain ESG certification, which is added as a criterion for the selection and evaluation of partner companies, to reflect not only their quality competitiveness but also their social and environmental impacts. And the results showed that 20.2% of our suppliers acquired ESG certification in 2020. SK broadband will raise the rate of partner companies with ESG certification to 65% by 2024.

Evaluation of partner companies	Unit	2018	2019	2020
No. of partner companies receiving regular evaluation[1]	Number	346	415	312
Ratio of partner companies obtaining ESG certification[2]	%	-	-	78

1) We selected partner companies subject to regular evaluation in accordance with our internal regulations on regular evaluation considering the scale of contract amount, and conducted the assessment of them.
2) We favored partner companies with ESG certification in terms of their score in regular evaluation in 2020.

Information Security and Personal Data Protection

System for Information Security and Personal Data Protection

SK broadband deems cyber security and personal data protection core values we should uphold as a media platform player. Over the past three years, we have scaled up the investment in cyber security and personal data protection by 66% and added dedicated manpower by 25%, thereby sharpening our capabilities.

In detail, we have drawn up our security policy and guidelines based on Information & Telecommunications Network Act and Personal Information Act, and complied with the Acts while appointing CISO and CPO (Chief Privacy Officer, the head of Customer Value Innovation Group) to perform security tasks in a professional and organized manner. Furthermore, we voluntarily joined Information Security Disclosure System driven by Korea Information Security Industry Association. According to this system, we undergo the verification by a third-party organization in terms of our activities for data protection, including investment in this filed and manpower reinforcements, to make sure the reliability and transparency, and disclose the verified information on the portal site of Korea Information Security Industry Association. On top of that, information on the use and utilization of customers' data and relevant measures is available on our website so that our customers can access the information according to privacy policy. We also obtained ISMS (Information Security Management System) certification from an external organization and have maintained it. Especially, IDC center located in Bundang has acquired ISO27001, the international standard for information security management system, which is a clear manifestation of our outstanding security recognized at home and abroad.

All these efforts enabled us to be awarded 'citation for our contribution to the growth of the information protection industry' (commendation from the minister) at the 'Night for Information Protection Industry 2020' hosted by the Ministry of Science and ICT in November 2020. Going forward, under the goal of reaching zero data leakage and zero violation, SK broadband will ramp up the level of our efforts for information security and personal data protection.

Achievement in Data Security and Personal Data Protection

Leakage of corporate and personal information	Unit	2018	2019	2020
No. of corporate and personal information leaked	Case	0	0	0

Acquired security certifications from external organizations

ISMS(ISP)   ISMS(IDC)   ISMS(CATV)   ISO27001

Education on data and personal data protection	Unit	2018	2019	2020
Hours of education on personal data protection per capita		1	1	1
Hours of education on data security per capita	Hour	1	1	1
Hours of education on the management system for data protection for working-level employees in charge		1	1	1

Local Community

Social Contribution Activities to Bring Vitality to Local Community

Under the slogan, 'Together with stakeholders', SK broadband puts efforts into resolving societal issues in cooperation with local residents, thereby bringing local communities more happiness. When it comes to social contribution, we try to remedy social issues. In particular, we pay attention to aging, technology and information gap, and problems regarding education while carrying out various social contribution activities with a focus on senior citizens, small business owners, regions, and the youth. In the years to come, SK broadband will expand our programs, and raise the rate of employees participating in volunteer works from current 5% to 30% by 2025.

Key social contribution activity	Content
Support for the old living alone	In order to help poorly-fed senior citizens living alone, we have worked together with six welfare centers in Suwon and meal delivery social enterprises to provide meal boxes for 180 old people living alone in the city since January 2021. We continue to deliver this project until October 2021, and will pay heed to underfed elderly people living along the year after next. Last year, the donations for coal briquettes decreased to almost the half level of the previous year due to COVID-19, so we donated 93,700 coal briquettes purchased with the money raised from our employees to BABSANG, a social welfare foundation, for the vulnerable on low income who suffered from cold weather in February.
Blossom Youth Film Festival	Korea comes last among the members of the OECD in terms of the teenagers' life satisfaction while suicide has been the leading cause of the death of teens for eight years. In response, we have hosted 'Blossom Youth Film Festival' since 2018. In this festival, adolescents produce videos with their issues and stories to find happiness, and experts analyzes the submissions and seeks for ways to bring changes.
Support for local communities with the media	Taking advantage of our media capabilities, we reduce cultural and information divides which is one of social issues confronting local communities. One of the representative culture support projects is 'On: Classic', content produced in partnership with Korean Symphony Orchestra. The content enables local residents to appreciate orchestra's performance with enhanced sense of realism without visiting the capital area in person.
Customized volunteer works by region	We encourage our employees to take part in volunteer works so that they can experience the issues of local communities and contribute to resolving them. We classify into four regions (capital, western, middle, and eastern areas) for volunteer works. Going forward, SK broadband will operate volunteer work programs tailored to each region, taking the characteristics and vulnerable points into account.
Participation in blood donation campaign	There has been the growing number of people who don't receive blood transfusion due to the lack of blood donors arising from the prolonged COVID-19. To overcome this issue, SK broadband has joined the blood campaign together with SK ICT Family since 2020.
Support for traditional markets and small business owners	SK broadband has helped traditional markets and small business owners who suffer from COVID-19 find new markets and promote their businesses by creating and airing content for them through local cable channels. In 2020, we scheduled and broadcasted special features such as 'On-Market Awards', special feature for Korean Thanksgiving Day', 'Shall I treat you to a warm meal?', and 'Answer lies in market'.

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Social Contribution Activities

Costs for social contribution	Unit	2018	2019	2020
Costs for social contribution activities	KRW 1,000	234,000	250,000	1,566,000
Amount of donations in cash		240,000	211,000	673,000

Voluntary Service[1]	Unit	2018	2019	2020
No. of voluntary activities carries out	Time	-	46	98
Total hours of voluntary activities of employees	Hour	-	1,068	758
No. of employees participated in voluntary activities	Person	-	181	110
Hours of voluntary activities per one employee	Hour	-	5.9	6.9

1) We have been doing voluntary activities since the time before 2019, but the data has been collected from 2019.

Support for Socio-economic Enterprises

Support for socio-economic enterprises	Unit	2018	2019	2020
No. of social enterprises receiving support	Number	17	32	70
Amount supported for socio-economic enterprises	KRW 1,000	75,000	33,517	86,261

We have set up and operated policies for supporting social enterprises focusing on activities to resolve social problems and help the underprivileged become self-reliant. Our plan is to operate various programs that can make synergy effect by combining the special ideas of social enterprises aiming to solve social issues and our capabilities so that we can raise the target number of social enterprises receiving our support to 200% in 2025 compared to the number in 2020.

Our representative social enterprise supports include the telecommunication equipment assistance and free space rental at the central office. In 2011, we established Foundation 'Happy Green Recycling', which runs a rental device recycling business by directly employing the vulnerable, thereby creating jobs and environmental values. Currently, we outsource our services regarding telecommunication devices to them while supporting its self-sustaining capacity through cooperation with local communities. On top of that, we collaborated with 'Good ICT Youth Project', one of our social contribution projects in terms of shared infrastructure, and have rented out the first floor of Dunsan central office in Daejeon for free to the cafe 'Dal-O' since 2016. Based on these efforts, we strive to contribute to solving social problems such as career issues for youth, establishment of a self-reliance foundation through vocational training, and unemployment problems.

We also provide consulting and education support regarding proposal review, application of intellectual property rights, tax and legal advice, financial education, and marketing and promoting strategy for SMEs which need practical assistance through SK Pro Bono professional voluntary service. In 2020, we held an essay story contest for small business owners, who have suffered from financial difficulties due to the COVID-19 pandemic, in collaboration with SK ICT Family companies. The selected small business owners were assisted with high-speed Internet, wifi, B tv, 1-year free media board, and commercial video production. Going forward, SK broadband will continue to offer systematic support by compiling data on the performance of social enterprises and small business support programs and calculating social values more accurately in order to create a better society.

Customer

Customer Value Innovation

In order to satisfy our customers using our products and services, we established a field-oriented VOC operating system for alleviating the pain points of customers and have operated an advisory group for collecting customers' opinions, thereby implementing activities to bring customer value innovation. As a result of these customer-oriented activities, we have maintained excellent results in customer satisfaction evaluations conducted by external institutions.

Customer value innovation and customer-centered process improvement activities	
National Customer Satisfaction Index (NCSI) in 2021	Achieving the No. 1 in high-speed internet and IPTV sectors in NCSI survey in 2021 conducted by the Korea Productivity Center
Korea Communications Commission (KCC)'s evaluation of user protection in 2020	Receiving 'Very Excellent' in user protection work in high-speed internet sector disclosed by KCC in 2021 (7 consecutive years) as a result of our efforts to handle customer grievances and prevent damage
KS-SQI in 2021	Placing the top position in high-speed internet sector for 7 consecutive years and in IPTV sector for 3 years in a row

Network Failure Prevention

We enhance the customer satisfaction level by preemptively managing risks related to network failures and providing stable media services. While pushing ahead the expansion of a dual system for the communications central office and the optical network unit (ONU) to prevent network failure, we have been equipped with an emergency recovery system for the disorder that can possibly occur by service type. Particularly in situations where communication traffic may suddenly rise due to holidays or large-scale events such as Olympics, 'special communication measures' are implemented to provide equal service quality. Going forward, we will make our utmost efforts to achieve zero failure by establishing an efficient response system against network failure and continuously strengthening the communication infrastructure monitoring system.

Network failure	Unit	2018	2019	2020
No. of network failure occurrence[1]	Case	1	0	1

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

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Governance Data

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Board of Directors

Composition of the BOD ⬈

We have a stable governance structure for our sustainable growth and the protection of the rights and interests of our stakeholders. In addition, we operate the Board of Directors (BOD) in compliance with the laws and the articles of incorporation, enabling it to assume a role of checks and balances as the highest decision-making body within the company so that rational management resolutions are made when the board decides on major issues.

Independence and Efficiency   As an unlisted company, SK broadband is not obligated to appoint outside directors. However, we operate a balanced BOD including non-executive directors to make strategic decisions with an independent corporate governance structure. As of June 2021, 4 out of 6 directors are non-executive directors in the BOD. New directors are elected through a general meeting of shareholders to supervise the management and prevent conflicts of interest. The board meeting is divided into a regular meeting held once a quarter and a temporary board meeting convened if necessary. A total of 10 board meetings were held in 2020, with an attendance rate of 93.4%.

Diversity and Expertise   SK broadband places great importance on expertise and diversity in the selection of directors. We appoint directors who have experience (based on GICS[1] Level 1 category) and knowledge in the related industry such as business management, economy, finance, and risk management, seeking the professional response to market risks and opportunities. In addition, our recommendation and appointment process is conducted without discrimination based on gender, race, ethnicity, national origin, and nationality, reflecting diversity. For raising diversity, we plan to appoint one or more female outside directors.

* As of June 2021

Category	Name	Gender	Position and major career background	Expertise[2]	Tenure[3]
CEO	Choi Jin-hwan	Male	· CEO and president of ADT Caps · Security business head of SK telecom · (current) President of SK broadband and media business head of SK telecom	M&A, Management Strategy, Finance	Since Dec. 19, 2019
Inside director	Kim Woo-hyun	Male	· Management planning group head of SK telecom · Strategy planning group head of SK telecom · (current) Corporate center head of SK broadband	Finance, Management Strategy, Information Tech	Since Mar. 26, 2021
Non-executive director	Yoo Yong-sang	Male	· Project development head of SK C&C · (current) MNO project representative of SK telecom	M&A, Project Development, Communication service	Since Mar. 27, 2019
	Ha Hyung-il	Male	· CEO of Macquarie Finance Korea · (current) Corporate2 center head of SK telecom	M&A, Project Development, Finance	Since Jun. 17, 2021
	Jin Heon-jin	Male	· MSO president of t-broad · (current) director of JTP	Telecommnication, Media, Communication Service	Since May 06, 2020
	Ahn Sung-cheol	Male	· Associate executive director of Comprehensive Finance Headquarters in Mirae Asset Securities · (current) Associate executive director of IB Division 1 PE Department in Mirae Asset Securities	Finance, Investment	Since Mar. 36, 2021

1) Global Industry Classification Standards (GICS) is an industrial classification system developed by MSCI and S&P.
2) Expertise is sorted in accordance with industrial expertise classification of GICS Level 1 standard.
3) The terms of service for each director is the period from appointment to the end of the third regular general meeting of shareholders.

Operation of the BOD

Performance of the BOD operation		Unit	2018	2019	2020
No. of board meetings held		Number	9	8	10
Agendas voted		Case	13	23	28
Agendas reported		Case	7	2	2
Opinions on agenda	Favor	Number	86	142	131
	Against		0	6	0
	Not participated		5	13	6
	Abstention		0	0	1

Responsibility of the BOD

Mitigation of responsibility	Unit	2018	2019	2020
Subscription to liability insurance	N/A	Subscribed	Subscribed	Subscribed
No. of leadership-related problems	Case	0	0	0

Education for BOD	Unit	2018	2019	2020
Participate in-house training	N/A	Possible	Possible	Possible
Use external experts	N/A	Possible	Possible	Possible

Regular training is conducted to improve the expertise of the BOD. We provided education on internal accounting management system laws twice in 2018, once in 2019, and once in 2020, striving to improve the expertise of each director.

Shareholder Value Enhancement

We grant all shareholders one vote per share on all shares issued so that they can exercise the same voting rights. In particular, an electronic voting system is implemented when convening a general meeting of shareholders ⬈, aiming to protect the rights of shareholders. As of December 2020, there is no SK broadband share held by the Korean government nor by a founder. The largest shareholder is SK telecom, which holds 74.3% of the shares.

Category	Name	Share	Stock option	Total (no. of shares)
Major shareholders	SK telecom	298,460,212	-	298,460,212
	Taekwang Industrial	67,352,565	-	67,352,565
	MADW Tiger	32,190,779	-	32,190,779

Discussion on ESG Agenda

By discussing various ESG management issues at the BOD, we are effectively responding to ESG matters such as climate change and governance, which are getting more significant. One ESG-related agenda was raised in 2021, and two additional agendas relevant to ESG will be brought in in the latter half of the year. Furthermore, we plan to establish an ESG committee within the BOD before or after the IPO to identify ESG factors that may pose opportunities or risks to the company in a timely manner, thereby reflecting them into the establishment of company-wide KPIs and new business plans.

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Governance Data

Ethical Management and Compliance

System for Ethical Management and Fair Transaction

Policy on Ethical Management and Fair Transaction   More and more stakeholders are requiring corporations to fulfill their social responsibility. In response, SK broadband has established ethics regulations and the code of practice based on SK Management System (SKMS), the management philosophy and behavior principles. The regulations and code define the policies ⬀ to evaluate corruption-related risk factors that can occur throughout the whole stage of our business operation in advance, prevent and remedy them. The risk factors include fair transaction, safety, the environment, illegal favor seeking, and corruption. And they make it clear about our accountability for stakeholders including our employees, clients, and shareholders, thereby expanding the scope of our ethical management. And key operations concerning the status of the policy on anti-corruption and ethics, compliance management activities, and the consequences are reported to the CEO to ensure the thorough management and supervision of the issues. In the years to come, we will make every effort to deliver ethical and fair management under the goal of zero breach of ethical management.

Ethics Education

Achievement in ethics education	Unit	2018	2019	2020
Hours of education on ethics and fair transaction per capita	Hour	1.5	1.7	2
Ratio of employees receiving education	%	97.0	99.1	99.3

When it comes to ethical issues, SK broadband is well aware that preventive activities matter more than the resolution of issues. This is why we provide ethics education designed to promote the internalization of an ethical culture. We select key themes related to ethics to offer education to all of employees online and offline. In 2020, 99.3% of our employees received the education, and, on average, employees were trained on ethics and fair trade for two hours per capita. As part of the effort to raise our employees' awareness of ethics, we plan to furnish online education on fair trade-related laws to relevant departments. Our goal is to make 100% of our employees receive ethics education, and expand the education hour per capita from 2 to 2.5 hours.

Violation and Reporting

Achievement in ethics education	Unit	2018	2019	2020
No.[1] of ethics-related reports and management audits	Case	12	20	16
No. of violations		6	4	4
No. of measures taken		6	4	4

1) Civil complaints, reports overlapped or canceled excluded

We operate a reporting and counseling channel ⬀ through which our employees' unethical business conduct (improper request, taking bribery, entertainment or other gifts, accounting malpractice), violations of laws, and other irregularities are reported. When we receive or recognize an unethical behavior through the channel, an audit on the issue is conducted by our independent audit organization, and we take measures to remedy the issue according to the results. To make sure that reporters or whistleblowers are not discriminated or given any disadvantage when they report or consult about the violations of the ethics regulations, we operate a program to keep their identity, statements, and data source confidential in accordance with the regulations on informant protection. In addition, the whistleblower reward system is being implemented to provide reward for whistleblowers so as to boost reporting.

Breach of ethical management laws	Unit	2018	2019	2020
No. of breaches of anti-corruption laws	Case	0	0	0

Breach of fair transaction laws	Unit	2018	2019	2020
No. of breaches of the laws related to unfair assistance and internal transactions[1]	Case	0	0	0
No. of breaches of the laws related to unfair trade practices[2]		0	0	1
No. of breaches of the laws related to illegal cartel conduct, anticompetitive practices, collusion, etc.[3]		0	2	0
No. of breaches of the laws related to fair transactions in subcontracting		0	0	0

1) Unfair assistance pursuant to the Article 23 (1) 7, and provision of undue benefits in accordance with the Article 23-2 of Fair Trade Act
2) Unfair trade practices pursuant to the Article 23 (1) 1, or 5 of Fair Trade Act
3) Illegal cartel conduct pursuant to the Article 19 (1) of Fair Trade Act

Appendix

Financial Performance

The 24th Period, Dec. 31, 2020 Current
The 23rd Period, Dec. 31, 2019 Current
The 22nd Period, Dec. 31, 2018 Current

Consolidated Statements of Financial Position

(Unit: KRW)

	End of 24th Period	End of 23th Period	End of 22th Period
Assets			
I. Current assets	1,225,333,004,524	894,271,928,466	848,763,134,126
Cash and cash equivalents	199,057,829,123	95,396,569,523	69,062,187,341
Short-term financial instruments	234,471,708,787	70,102,573,291	110,511,000,000
Trade and other accounts receivable	503,580,792,531	397,076,643,939	430,315,901,473
Inventories	7,897,986,386	9,497,693,404	13,609,586,993
Contract assets	207,537,494,509	180,517,017,696	155,691,746,921
Current derivative assets	–	–	12,852,632
Income tax assets	53,367,470	54,644,900	122,194,750
Other current assets	72,733,825,718	70,873,532,843	69,437,664,016
Assets held for sale	–	70,753,252,870	–
II. Non-current assets	4,578,260,238,242	3,756,036,445,907	3,435,808,717,949
Long-term trading financial assets	11,000,000	11,000,000	14,000,000
Other investment assets	19,076,351,530	11,699,414,091	11,465,414,091
Long-term trade and other accounts receivable	46,506,432,502	50,103,890,868	61,493,806,062
Investments in associates	17,390,436,486	3,738,716,371	4,202,275,272
Property, plant and equipment	3,170,143,612,314	2,918,131,091,122	2,829,796,669,387
Investment in properties	8,733,297,517	8,295,943,290	7,946,299,003
Intangible assets	808,066,117,829	256,621,683,653	288,924,810,247
Right-of-use assets	273,871,980,924	269,482,087,705	–
Long-term contract assets	164,807,143,722	145,220,169,925	144,744,283,224
Long-term derivative assets	7,316,391,254	24,626,713,419	4,639,651,494
Deferred tax assets	–	3,522,376,151	16,544,929,402
Other non-current assets	62,337,474,164	64,583,359,312	66,036,579,767
Total assets	5,803,593,242,766	4,650,308,374,373	4,284,571,852,075
Liabilities			
I. Current liabilities	1,306,827,623,068	1,331,686,072,862	1,194,709,721,466
Current payables and other payables	794,242,274,876	641,362,455,631	693,131,555,834
Current borrowings and bonds payables	277,132,382,995	497,034,848,794	456,809,978,046
Contract payables	86,766,383,411	47,157,411,444	39,346,232,640
Lease payables	79,718,156,577	72,530,485,793	–
Derivative liabilities	76,960,009	–	–
Current provisions	5,153,611,333	4,254,110,145	–
Income taxes payable	49,751,026,831	2,700,958,289	2,443,114,019
Other current liabilities	13,986,827,036	7,439,194,731	2,978,840,927
Liabilities held for sale	–	59,206,608,035	–

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Financial Performance

Financial Performance

The 24th Period, Dec. 31, 2020 Current
The 23rd Period, Dec. 31, 2019 Current
The 22nd Period, Dec. 31, 2018 Current

Consolidated Statements of Financial Position

(Unit: KRW)

	End of 24th Period	End of 23th Period	End of 22th Period
II. Non-current liabilities	1,852,328,342,353	1,696,726,241,989	1,528,201,494,953
Long-term payables and other payables	4,756,360,438	9,960,855,357	13,003,501,255
Long-term borrowings and bonds payables	1,528,563,665,512	1,416,075,805,508	1,461,137,711,948
Long-term contract payables	14,949,609,376	13,078,745,690	12,896,389,359
Long-term lease payables	213,105,767,011	219,964,799,129	-
Defined benefit liabilities	20,938,514,457	21,141,265,175	23,736,973,466
Long-term derivative liabilities	965,949,697	1,043,143,076	3,076,758,807
Provisions	14,117,318,581	8,970,961,010	6,290,985,394
Deferred tax liabilities	45,227,799,199	-	-
Other non-current liabilities	9,703,358,082	6,490,667,044	8,059,174,724
Total liabilities	3,159,155,965,421	3,028,412,314,851	2,722,911,216,419
Equity			
I. Equity attributable to owners of the parent	2,644,437,277,345	1,621,896,059,522	1,561,660,635,656
Issued capital	2,007,266,110,000	1,492,301,060,000	1,492,301,060,000
Other paid-in capital	636,489,127,975	291,802,491,335	291,802,491,335
Deficit	-5,703,383,492	-166,576,670,890	-221,134,275,944
Other components of equity	6,385,422,862	4,369,179,077	-1,308,639,735
II. Non-controlling interests	-	-	-
Total equity	2,644,437,277,345	1,621,896,059,522	1,561,660,635,656
Total liabilities and equity	5,803,593,242,766	4,650,308,374,373	4,284,571,852,075

Consolidated Income Statements

(Unit: KRW)

	The 24th Period	The 23rd Period	The 22nd Period
I. Sales	3,713,469,433,857	3,167,851,318,875	3,078,398,670,845
II. Operating expenses	3,482,613,335,371	3,022,836,833,581	2,876,079,702,314
Employee benefits	526,586,439,682	431,890,846,321	365,670,217,951
Depreciation expenses	758,872,902,678	681,842,721,053	620,186,429,751
Communication facilities fee	120,354,331,694	114,155,791,193	165,344,133,138
Sales commission	292,971,848,476	254,876,129,968	226,136,057,152
Connection fee	133,983,379,512	147,266,335,393	173,456,136,188
Payment commission	1,028,009,207,851	829,922,937,640	807,602,741,231
Product sales expenses	34,949,585,504	49,761,728,977	47,756,161,424
Advertising expenses	103,604,781,418	88,310,194,650	103,095,784,683
Repair and maintenance expenses	203,694,102,287	170,205,832,372	161,047,401,201
Utilities expenses	78,448,584,337	66,664,730,230	65,355,483,584
Bad debt expenses	20,444,805,871	19,065,034,291	18,633,365,109
Other operating expenses	180,693,366,061	168,874,551,493	121,795,790,902
III. Operating income	230,856,098,486	145,014,485,294	202,318,968,531
Associates-related income (loss)	15,177,115	-463,558,901	-169,103,189
Financial income	27,793,787,382	20,908,645,001	33,852,402,735
Financial expenses	-74,321,521,871	-68,148,197,540	-87,766,511,007
Other non-operating income	8,887,363,480	6,186,237,036	33,707,200,251
Other non-operating expenses	-29,125,684,744	-33,773,808,525	-30,282,818,670
IV. Profit before income tax	164,105,219,848	69,723,802,365	151,660,138,651
V. Income tax expense	23,513,701,549	12,088,197,390	-11,479,596,078
VI. Net profit for the year from continuing operations	140,591,518,299	57,635,604,975	163,139,734,729
VII. Operating income from discontinued operations after tax	22,921,557,273	3,846,572,609	-26,391,393,096
VIII. Consolidated net profit for the year from continuing operations	163,513,075,572	61,482,177,584	136,748,341,633
IX. Other comprehensive income for the year	-623,544,389	-1,246,753,718	393,097,672
X. Consolidated total comprehensive income	162,889,531,183	60,235,423,866	

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Financial Performance

Financial Performance

The 24th Period, Dec. 31, 2020 Current
The 23rd Period, Dec. 31, 2019 Current
The 22nd Period, Dec. 31, 2018 Current

Separate Financial Statements

(Unit: KRW)

	End of 24th Period	End of 23th Period	End of 22th Period
Assets			
I. Current assets	1,179,743,141,407	814,948,090,938	809,879,073,117
Cash and cash equivalents	170,675,700,104	72,914,221,733	31,132,114,921
Short-term financial instruments	234,471,708,787	70,102,573,291	110,511,000,000
Trade and other accounts receivable	494,230,095,088	396,314,904,600	428,139,078,605
Inventories	7,196,310,687	8,869,589,881	11,155,678,972
Contract assets	201,637,537,564	167,177,232,985	155,691,746,921
Current derivative assets	–	–	12,852,632
Other current assets	71,531,789,177	70,490,954,161	73,236,601,066
Non-current assets held for sale	–	29,078,614,287	–
II. Non-current assets	4,586,064,410,004	3,750,784,312,451	3,456,578,711,702
Long-term trading financial assets	8,000,000	8,000,000	8,000,000
Other investment assets	19,023,536,752	11,684,099,313	11,450,099,313
Long-term trade and other accounts receivable	42,600,941,004	40,064,779,370	43,637,097,600
Investments in subsidiaries and associates	63,390,436,486	49,738,716,371	72,326,514,234
Property, plant and equipment	3,160,513,305,125	2,906,809,856,085	2,813,254,688,004
Investment in properties	8,733,297,517	8,295,943,290	7,946,299,003
Intangible assets	803,829,132,662	251,703,405,352	276,101,426,241
Right-of-use assets	256,484,595,298	244,526,893,863	–
Long-term contract assets	161,827,299,742	145,220,169,925	144,744,283,224
Long-term derivative assets	7,316,391,254	24,626,713,419	4,639,651,494
Deferred tax assets	–	3,522,376,151	16,544,929,402
Other non-current assets	62,337,474,164	64,583,359,312	65,925,723,187
Total assets	5,765,807,551,411	4,565,732,403,389	4,266,457,784,819
Liabilities			
I. Current liabilities	1,279,132,514,625	1,255,371,590,991	1,161,317,696,842
Current payables and other payables	785,632,308,267	642,957,837,294	661,729,020,203
Current borrowings and bonds payables	277,132,382,995	497,034,848,794	456,809,978,046
Contract payables	87,037,042,392	47,157,411,444	39,346,232,640
Lease payables	70,109,316,828	61,777,713,030	–
Derivative liabilities	76,960,009	–	–
Current provisions	4,167,718,599	3,742,822,140	–
Income taxes payable	49,751,026,831	2,700,958,289	2,443,114,019
Other current liabilities	5,225,758,704	–	989,351,934

(Unit: KRW)

	End of 24th Period	End of 23th Period	End of 22th Period
II. Non-current liabilities	1,840,356,638,593	1,675,111,114,855	1,520,917,919,749
Long-term payables and other payables	5,985,740,438	10,211,055,357	13,016,386,885
Long-term borrowings and bonds payables	1,528,563,665,512	1,416,075,805,508	1,461,137,711,948
Long-term contract payables	14,949,609,376	13,078,745,690	12,896,389,359
Long-term lease payables	205,486,504,463	205,975,091,392	–
Defined benefit liabilities	17,707,181,363	14,933,890,104	19,071,274,522
Long-term derivative liabilities	965,949,697	1,043,143,076	3,076,758,807
Provisions	13,227,403,788	8,120,537,538	4,931,129,491
Deferred tax liabilities	45,227,799,199	–	–
Other non-current liabilities	8,242,784,757	5,672,846,190	6,788,268,737
Total liabilities	3,119,489,153,218	2,930,482,705,846	2,682,235,616,591
Equity			
I. Issued capital	2,007,266,110,000	1,492,301,060,000	1,492,301,060,000
II. Other paid-in capital	636,489,127,975	291,802,491,335	291,802,491,335
III. Deficit	-3,822,262,644	-153,223,032,869	-198,572,743,372
IV. Other components of equity	6,385,422,862	4,369,179,077	-1,308,639,735
Total equity	2,646,318,398,193	1,635,249,697,543	1,584,222,168,228
Total liabilities and equity	5,765,807,551,411	4,565,732,403,389	4,266,457,784,819

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Financial Performance
Social Value Measurement

Financial Performance

The 24th Period, Dec. 31, 2020 Current
The 23rd Period, Dec. 31, 2019 Current
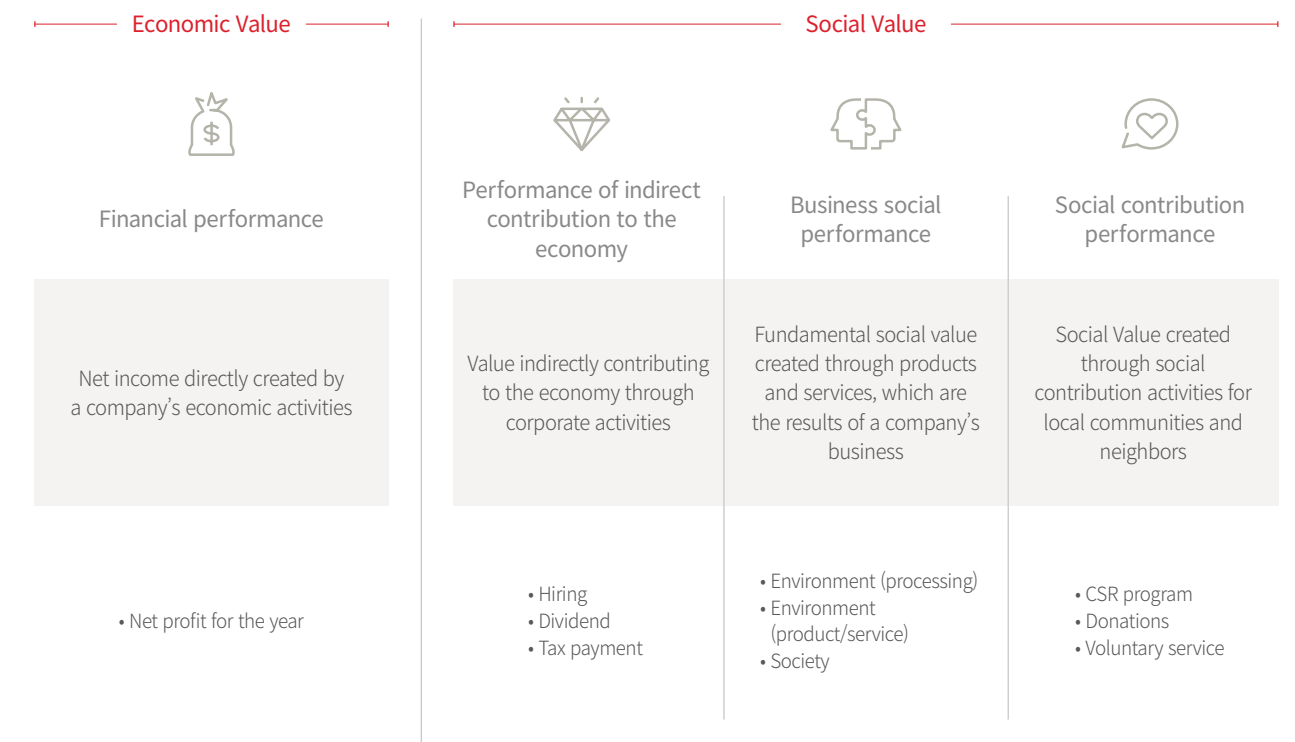**The 22nd Period,** Dec. 31, 2018 Current

Separate Financial Statements

(Unit: KRW)

	The 24th Period	The 23rd Period	The 22nd Period
I. Sales	3,713,021,276,736	3,170,691,375,256	3,081,679,707,187
II. Operating expenses	3,478,409,410,184	3,039,230,745,984	2,879,104,112,303
Employee benefits	285,180,090,634	228,659,983,946	199,212,341,852
Depreciation expenses	752,648,057,645	676,519,146,105	615,624,394,183
Communication facilities fee	120,354,331,694	114,155,791,193	165,344,133,138
Sales commission	302,836,282,058	262,410,641,835	233,548,441,663
Connection fee	133,983,379,512	147,266,335,393	173,456,136,188
Payment commission	1,324,173,532,977	1,095,055,568,365	1,038,902,398,045
Product sales expenses	34,949,585,504	49,761,728,977	47,756,161,424
Advertising expenses	93,561,637,686	89,648,704,615	89,165,936,546
Repair and maintenance expenses	198,832,067,201	166,080,071,823	157,351,765,539
Utilities expenses	78,146,457,373	66,371,545,540	65,071,552,654
Bad debt expenses	20,378,388,745	19,065,034,291	18,633,365,109
Other operating expenses	133,365,599,155	124,236,193,901	75,037,485,962
III. Operating income	234,611,866,552	131,460,629,272	202,575,594,884
Associates-related income	15,177,115	-463,558,901	-169,103,189
Financial income	27,456,214,484	20,558,118,411	33,423,826,530
Financial expenses	-73,507,881,289	-67,351,287,778	-87,737,100,214
Other non-operating income	19,914,809,995	6,168,771,826	33,693,781,902
Other non-operating expenses	-28,951,711,633	-33,654,880,363	-30,128,905,454
IV. Profit before income tax	179,538,475,224	56,717,792,467	151,658,094,459
V. Income tax expense	28,844,877,896	11,988,405,390	-12,745,473,516
VI. Net profit for the year from continuing operations	150,693,597,328	44,729,387,077	164,403,567,975
VII. Operating income from discontinued operations after tax	-	2,971,359,732	-9,404,557,331
VIII. Net profit for the year	150,693,597,328	47,700,746,809	154,999,010,644
IX. Other comprehensive income for the year	723,416,682	3,326,782,506	3,020,928,563
X. Total comprehensive income	3,831,982,384	51,027,529,315	158,019,939,207

Social Value Measurement

Measuring Method of Social Value

The scope of responsibilities that the society and stakeholders demand from companies is even more expanding. In response, SK broadband measures the economic and social value of our business activities for shareholders and customers while checking the business performance in accordance with DBL measurement of the SK Group. The DBL measurement methodology is a new management strategy for SK's survival and growth that does not passively look at social issues, but rather puts the company's capabilities and expertise into creating social values. We measure the management activities based on the DBL criteria. More specifically, economic value is classified as 'financial performance', and social value is divided by 'performance of indirect contribution to economy', 'business social performance', and 'social contribution performance'.

Economic Value	Social Value		
Financial performance	Performance of indirect contribution to the economy	Business social performance	Social contribution performance
Net income directly created by a company's economic activities	Value indirectly contributing to the economy through corporate activities	Fundamental social value created through products and services, which are the results of a company's business	Social Value created through social contribution activities for local communities and neighbors
• Net profit for the year	• Hiring • Dividend • Tax payment	• Environment (processing) • Environment (product/service) • Society	• CSR program • Donations • Voluntary service

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Social Value Measurement
Risk Management

Social Value Measurement

Social Value Measurement and Performance

Indirect Economic Contribution Performance

Indirect economic contribution performance represents our indirect contribution to our economy we have made through our business operation. It is comprised of three sectors; employment, dividend, and tax payment. Employment refers to achievements we have made by providing stable jobs for our employees and making payments while tax payment represents our contribution to supporting our country by paying taxes on our revenues we have earned and thereby, improving the quality of people's lives. The indirect economic contribution performance in 2020 was estimated at KRW 521.2 billion, up KRW 79.3 billion compared to the previous year on the strength of the increment in operation income. And this is attributed to the synergy created through the successful merger with t-broad along with our well response to the changing landscape in the industry. In the years to come, SK broadband will work hard to make an indirect contribution to the economy through quality job creation and sound profit generation.

Business Social Performance

Business social performance means our contribution to the society through our accomplishments made through our business activities, and products and services. In 2020, our impacts on the environment we had during the course of our business operation was estimated at KRW -35.4 billion, and most part of it mainly came from our power consumption for business operation. So, SK broadband will minimize our environmental impacts through multi-faceted efforts to mitigate GHG emissions such as the use of renewable energy and the replacement of high power network equipment. On the other hand, our positive impact was measured at KRW 29.9 billion. And various reasons, including improving the quality of stakeholders' lives, shared growth, and positive environmental impacts through our products and services, account for this achievement. Our power saving set-top box is one of our representative social accomplishments. We developed the set-top box consuming lower standby power than the average model in the market, and provided the products for consumers so that they reduce their power consumption and GHG emissions. SK broadband will never stop our efforts to bring positive social values to our society through our business.

Social Contribution Social Performance

Social contribution social performance is our direct contribution to the society through social contribution activities. We classify societal issues into senior citizens, adolescents, small business owners, and regions to carry out activities tailored to each category. In detail, we hosted 'BLOSSOM Video Contest for the Youth' under the theme of the prevention of school violence, and our employees conducted volunteer works. Donations (cash and in kind contributions) were also made. Especially in 2020, SK broadband took the initiative in resolving various issues stemming from COVID-19 by implementing various CSR programs including the provision of B tv homeschooling content and upgrading the bandwidth of internet. By doing so, we have created social contribution social performance.

Our Social Value Created in 2020   **KRW 518.04 billion**

* As part of efforts to employ the vulnerable, SK broadband and our affiliate, Home & service, hired Foundation Happy Green Recycling, a communications equipment service provider. And this performance is included in the measurement of our social values.

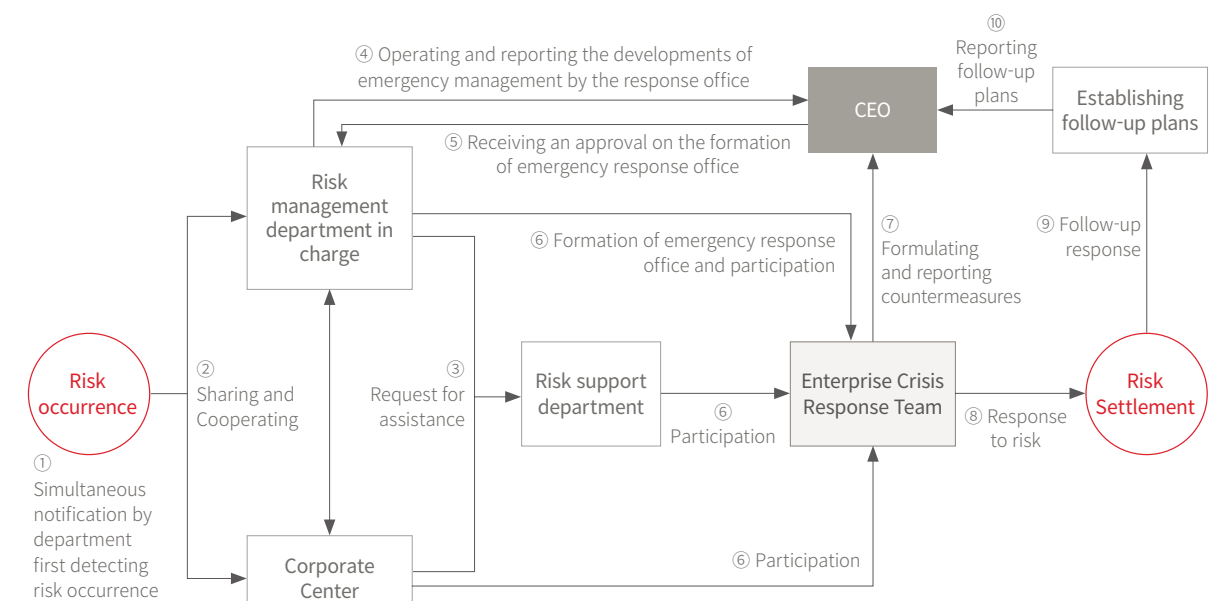| Indirect Economic Contribution Performance	KRW 521.18 billion	Business Social Performance	KRW (-)5.52 billion	Social Contribution Social Performance	KRW 2.37 billion
Employment	KRW 485.70 billion	Environment (process)	KRW (-)35.38 billion	CSR	KRW 1.69 billion
Tax paid	KRW 35.48 billion	Environment (products and services)	KRW 3.43 billion	Donation	KRW 0.67 billion
Dividend paid	KRW 0	Society	KRW 26.43 billion	Volunteer Work	KRW 0.01 billion

Risk Management

System for Risk Management

Risk means all of factors that have negative impacts on the every stage of business operation to achieve management goals, and sustainable companies put in place organized and effective risk management systems. SK broadband is also well aware that risk management is key to doing our business, so we have established a company-wide risk management strategy. Corporate Center, our organization dedicated to company-wide risk management, classifies various current and potential risks into several categories based on the strategy, and monitors them for the prevention. When a risk happens, we make sure that we minimize the damage done by the risk according to the defined procedure and restore the damage. By doing so, we will seek for stable corporate growth.

Risk Response System

SK broadband has operated our risk response system in accordance with the risk standards defined, and established and operated a cooperative system with SHE Management Organization of SK Group if necessary. If a risk, which requires a company-wide response, occurs, the department that detects the risk in the first place notifies the risk management department in charge and the lead department of the risk. If a risk falls under the highest rating requiring the report to CEO, we report the occurrence to the CEO, organize an emergency response office, and communicate with relevant departments to find out the root cause and formulate countermeasures. After resolving the risk, a follow-up plans were made and followed to prevent the reoccurrence. Furthermore, when a system breaks down or a safety accident happens, we share the occurrence with SHE Management Organization of the group in accordance with the SK Group's standards for SHE Management Reporting System, and closely communicate with relevant external organizations to resolve the issues such as the Ministry of Science and ICT or the Korea Communications Commission.

④ Operating and reporting the developments of emergency management by the response office

⑩ Reporting follow-up plans

CEO

Establishing follow-up plans

⑤ Receiving an approval on the formation of emergency response office

Risk management department in charge

⑥ Formation of emergency response office and participation

⑦ Formulating and reporting countermeasures

⑨ Follow-up response

Risk occurrence

① Simultaneous notification by department first detecting risk occurrence

② Sharing and Cooperating

③ Request for assistance

Risk support department

⑥ Participation

Enterprise Crisis Response Team

⑧ Response to risk

Risk Settlement

Corporate Center

⑥ Participation

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Risk Management

Risk Management

Key Risk Identification and Response

SK broadband strains every nerve to identify potential risks in advance and respond to them. Key risks consist of financial and non-financial risks. And both risk types are divided into subcategories.

Financial Risk

Risk	Risk Factors & Potential Impact	Mitigating Actions
Market risk	• Foreign exchange risks arising from exchange fluctuations in assets and liabilities • Interest rate risks stemming from variable rate loan contracts	• When there is a need to avoid foreign exchange risks in terms of business transaction, managing the risks through hedging transactions including derivative purchases. • Securing stability by fixing most of interest bearing assets at fixed interest rates.
Credit risk	• Credit risks derived from counterparties failing to fulfill their duties of contract in transactions or investment activities.	• Checking the financial status of clients and counterparties on a regular basis, and setting credit limits on transaction after the evaluation of financial credit levels of them taking into account their transaction history and other elements.
Liquidity risk	• Risks coming from the failure to make payments at the time of payment defined due to lack of funds. Liquidity risks have negative impacts on the financing plans of counterparties.	• Maintaining the appropriate level of cashable assets, and securing credit limit from financial institutions, thereby managing our liquidity, and flexibly operating funds within the credit limit.
Risk arising from the changing business environment	• Competition intensifying among three communications companies as the wired and wireless communications market has reached the maturity in Korea • More fierce competition between global OTT service providers and the existing media platform operators • Constantly increasing traffic due to enlarged high-definition and large-capacity media content consumption	• Successfully merging with t-broad to secure the foundation to attract more subscribers and diversifying our profit structure for sustainable growth • Seeking for new business models and implementing MPP business to strengthen content competitiveness, thereby creating an environment where diverse payers in the media ecosystem are growing together • When it comes to B2C, establishing a stable home mobile network through reinforced Wi-fi service while focusing on supplying energy and securing networks through the expansion of data centers in the sector of B2B, and participating in submarine cable business

Non-financial Risk

Risk	Risk Factors & Potential Impact	Mitigating Actions
Service failure	• Service failure or the suspension of the use of service due to multiple reasons such as natural disaster	• Putting in place the emergency recovery system in preparation for various types of possible service breakdowns • In preparation for an unexpected increment in data or network traffic, taking measures for 'special communication' to provide quality service in a consistent manner • For the prevention of service breakdown, separating our central offices from optical network units
Customer value	• Risks regarding compensation payments or civil complaints owing to personal data leakage or problems in products and services we provide • Risks regarding the infringement of patent or copyright derived from the leakage or illegal use of core technologies or content	• Having in pace security policy and guidelines based on the Act on Promotion of Information and Communications Network Utilization and Information Protection, Etc., and Personal Information Protection Act • Obtaining and maintaining data security certification from external organizations • Strengthening our employees' capabilities of data security and securing manpower • Adopting the solution that is one level higher than the existing video content protection technology in order to reinforce the protection of IPTV content
Business relationship	• Risks coming from improper business operations such as making unfair requests of partner companies, human rights abuse, giving and receiving of gifts and entertainment or conflicts • Damages caused by the negative issues of partner companies within our supply chain	• Amending the Code of Ethics and reinforcing education on anti-corruption/ethics for our employees • Asking a partner company to sign the 'CSR practice consent form' when conducting the prior screening evaluation before entering into a contract • Selecting suppliers through fair procedures and regularly assessing our suppliers on a yearly basis
Governance relationship	• Risks arising from rapid changes in national policies or inspections and relevant institutions such as standards for broadcasting content or inspection on broadcasting and communication services provided	• Keeping track of changing domestic laws and national policies and respond to them
Employee	• Occupational accidents • Risks stemming from the breach of the Code of Ethics, such as workplace bullying, interest conflicts, or sexual ethics violation • Disruption in business operation in the event that an employee is infected with an infectious disease	• Establishing SHE Organization dedicated to the occupational safety and health of our employees • Expanding the coverage of occupational safety and health management to the employees of partner companies since the Occupational Safety and Health Act is expected to be more stringent and the Serious Accidents Punishment Act is likely to come into force • Helping our employees follow our regulations and guidelines on ethics at the workplace, and taking measures when we receive a report regarding ethics in a transparent manner • Preventing the spread of COVID-19 through promoting working-from-home or making it obligatory to wear a mask
Climate change and environmental risk	• More stringent environmental regulations in Korea as climate change has become a global issue • Investment management risks from the long-term perspective arising from institutional investors, such as pension funds, selecting environmental elements as a top priority indicator	• Becoming the first domestic company to join RE100, with seven affiliates of SK Group, an initiative that brings together corporations committed to 100% renewable energy electricity by 2050 • Managing our business risks through the removal of outdated equipment, the replacement with high-efficiency and low-power equipment, and Green Premium contract, thereby promoting the transition into an eco-friendly and low carbon society • Providing interesting content aiming to raise our customers' and employees' awareness of the environment in a persistent manner to attract their attention

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GRI Content Index

GRI Content Index

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Universal Standards(GRI 100)

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	GRI 102-51	Date of most recent report	ABOUT THIS REPORT
	GRI 102-52	Reporting cycle	ABOUT THIS REPORT
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Topic Specific Standards-Social Performance(GRI 400)

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	GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	51
	GRI 401-3	Parental leave	53
Occupational health and safety	GRI 403-1	Occupational health and safety management system	54~56
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	GRI 404-2	Programs for upgrading employee skills and transition assistance programs	52
Diversity and equal opportunity	GRI 405-1	Diversity of governance bodies and employees	50, 62
Non-discrimination	GRI 406-1	Incidents of discrimination and corrective actions taken	56
Human rights assessment	GRI 412-1	Operations that have been subject to human rights reviews or impact assessments	56
	GRI 412-2	Employee training on human rights policies or procedures	56
Local communities	GRI 413-1	Operations with local community engagement, impact assessments, and development programs	36~37
Supplier social assessment	GRI 414-1	New suppliers that were screened using social criteria	57~58
Customer health and safety	GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	56
Customer privacy	GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	58~59

Independent Assurance Statement

To readers of SK broadband Sustainability Report 2020

Responsibility and Independence

Korea Management Registrar (hereinafter "KMR") was commissioned by SK broadband to conduct an independent assurance of its 2020 SK broadband Sustainability Report (hereinafter "the Report"). The data and its presentation in the Report is the sole responsibility of the management of SK broadband. KMR's responsibility is to perform an assurance engagement as agreed upon in our agreement with SK broadband and issue an assurance statement.
As independent third party, KMR does not have any stake in the business of SK broadband which may result in a conflict of interest.

Verification Methodology

Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR's assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. Confirmation that the Report was prepared in accordance with the Core Options of the GRI standards was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process.
As for the reporting boundary, the engagement excludes the data and information of SK broadband's partners, suppliers and any third parties. The assurance team has verified data management system and reporting process, and verified internal documents and data, and interviewed people in charge of preparing the Report.

Limitations and Recommendations

KMR's assurance engagement is based on the assumption that the data and information provided by SK broadband to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

Conclusion and Opinion

Based on the work performed, it is our opinion that the Report applied the Core Option of the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

- **Inclusivity**   SK broadband has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.
- **Materiality**   SK broadband has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.
- **Responsiveness**   SK broadband prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of SK broadband's actions.
- **Impact**   SK broadband identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.
- **Reliability of Specific Sustainability Performance Information**   In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

KMR   SRV1000 Sustainability Committee Assurance   AA1000 Licensed Report 000-129/V3-PXAST

June 2021 Seoul, Korea.
CEO Hwang Eun-ju

E. J Hwang

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TCFD

TCFD(Task Force on Climate-related Financial Disclosures)

The temperature of the Earth has been consistently rising since the 1890s during the Industrial Revolution. Naturally, Korea is not an exception. Since the early 1900s, the temperature in Korea has also been rising by about 0.18℃ every 10 years, raising grave concerns. Recognizing these, the G20 representatives requested the Financial Stability Board (FSB) to review how the financial sector can take account of climate-related issues. In response to the G20's request, in 2017, the FSB announced the Task Force on Climate-related Financial Disclosures (TCFD), an information disclosure framework that can be applied to institutions disclosing financial information and can be officially recognized internationally. SK broadband is vigorously pushing forward the management activities in accordance with the TCFD recommendations while striving to implement all recommendations in four core operational areas; governance, strategy, risk management, and metrics and targets.

Disclosure of Information under TCFD

TCFD recommendations		SK broadband's implementation progress
Governance	ⓐ Describe the board's oversight of climate-related risks and opportunities.	SK broadband recognizes the significance of the management's role in making prompt and accurate decisions in response to climate change. To this end, the CEO directly engages in decision-making process after being reported about policy trends, risks, corporate-wide environmental policies, goals, and performances through an organization responsible for SV promotion, which is directly under the CEO. From 2021, the Board of Directors will discuss major agendas related to climate change.
	ⓑ Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy	ⓐ Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	SK broadband implements a systematic environmental management reflecting opportunities and risks derived from climate change into our company-wide strategy. • In the short term, natural disasters caused by abnormal climate change such as typhoons and floods, tightened government policies related to GHG emissions, and increased power consumption are recognized as risks. With an aim to prevent network failure caused by natural disasters, we established a dual system for the communications central office and the optical network unit (ONU). Along with that, we switched our network equipment with low-power ones and have developed low-power devices offered to customers in order to lower the power consumption.
	ⓑ Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	• In the medium term (5 years), we apply the business impact led by policy changes including the direction of the national plan of emission allowances and the national energy basic plan into our management plan.
	ⓒ Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2℃ or lower scenario.	• In the long term, we declared RE100 and Net Zero aiming to take part in the global efforts to lower the global temperature rise below 2℃, and plan to achieve it by 2045.

Disclosure of Information under TCFD

TCFD recommendations		SK broadband's implementation progress
Risk management	ⓐ Describe the organization's processes for identifying and assessing climate-related risks.	SK broadband has established and operated a company-wide risk management system for the purpose of becoming a sustainable firm. The risks are managed by dividing into financial risks and non-financial risks. In particular, we categorize environmental risks as critical risks, thereby establishing an environmental management system for an appropriate response. Risk management process for risks related to climate-change is as follows.
	ⓑ Describe the organization's processes for managing climate-related risks	1) Monitoring the possibility of occurrence for environment-related management environment or internal and external issues as well as the severity of impacts 2) Selecting material risks and establishing implementation plans 3) Reporting them to the management and making decisions 4) Implementing the plan 5) Regularly monitoring and reporting the implementation progress
	ⓒ Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	We make efforts to identify risk factors before the actual risk occurrence through the risk management process for risks related to climate-change.
Metrics and targets	ⓐ Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	With an aim to evaluate and manage risks and opportunities relevant to climate change, we have a variety of indexes including the amount of energy consumption, energy consumption in KRW unit, the amount of GHG emissions, GHG emissions in KRW unit, renewable energy use, and the social value creation through environmental processing and product services.
	ⓑ Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	The amount of GHG emissions in 2020 was as follows. • Scope 1 : 1,458 tCO_2eq • Scope 2 : 336,542 tCO_2eq • Scope 3 : We are currently in the process of discussing the scope of calculation, and plan to manage it.
	ⓒ Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	For the purpose of coping with climate changes, we set our goals to convert all our electricity use into renewable energy and to achieve Net Zero while setting up a plan to promote the faithful implementation. Starting with the establishment of RE100 and Net Zero scenario by year, we will advance the key areas of our organizational operation recommended by TCFD in categories such as governance, strategy, and risk management while expanding the information disclosures.

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SASB

SASB(Sustainability Accounting Standards Board)

SASB is a non-profit organization, founded in 2011 to develop international standards to associate ESG factors with financial performance for disclosure. SK broadband will disclose our financial impact of sustainable management in accordance with the accounting standards for telecommunications defined by SASB to share with a variety of stakeholders including investors and customers. We plan to expand the scope of data step by step by 2025 through the accumulation and management of ESG-related data.

Sustainability Disclosure Topics & Accounting Metrics

Disclosure index	Code	Unit	Cross Reference & Direct Answer
Environmental Footprint of Operations			
Total energy consumed	TC-TL-130a.1	GJ	48p
Percentage grid electricity	TC-TL-130a.1	%	48p
Percentage renewable energy	TC-TL-130a.1	%	48p
Data Privacy			
Description of policies and practices relating to behavioral advertising and customer privacy	TC-TL-220a.1	Qualitative	58~59p
Total amount of monetary losses as a result of legal proceedings associated with customer privacy (penalty, etc.)	TC-TL-220a.3	KRW	0
No. of government or law enforcement requests for customer information, no. of customers whose information was requested, percentage resulting in disclosure	TC-TL-220a.4	Number	No. of communication data submitted: 9,948 No. of communication confirmation data submitted: 2,919 * Communication data: user name, resident registration number, address, phone number, ID, the date of subscription and termination, investigation agencies may request communication data for criminal investigation, execution of sentence, or trial in accordance with Telecommunications Business Act * Communication confirmation data: Subscriber number of the other party and log records (date, time, etc.) are categorized as 'communication confirmation data' in accordance with Protection of Communications Secrets Act. Investigating agencies may send an official request (reasons for request, connection with the subscriber, and the scope of necessary data) for communication confirmation data with a written permission from the court
Data Security			
No. of data security breaches	TC-TL-230a.1	Case	58p
No. of involving customers' personally identifiable information	TC-TL-230a.1	Case	58p
No. of customers affected	TC-TL-230a.1	Person	58p
Description of approach to identifying and addressing data security risks, including use of third-party cyber security standards	TC-TL-230a.2	Qualitative	58p

Sustainability Disclosure Topics & Accounting Metrics

Disclosure index	Code	Unit	Cross Reference & Direct Answer
Product End-of-life Management			
Materials recovered through take-back programs	TC-TL-440a.1	No. of devices	No. of devices recovered in 2020: 2,378,507 * Key device: STB, router
Percentage of recovered materials that are reused	TC-TL-440a.1	%	Percentage of devices reused through refurbish or paid/free repair service in 2020: 59% * Formula: No. of devices reused in 2020/no. of devices recovered in 2020
Percentage of recovered materials that are recycled	TC-TL-440a.1	%	No. of devices sold to recycling companies in 2020: 62% * Formula: No. of devices sold to recycling companies in 2020/no. of devices recovered in 2020 * If the combined amount of materials reused and recycled is not 100%, it can be generated because it is possible to carry forward to recycling companies
Competitive Behavior & Open Internet			
Discussion of risks and opportunities associated with net neutrality, paid peering, zero rating and related practices	TC-TL-520a.3	Qualitative	SK broadband complies with the 'guidelines on net neutrality and internet traffic management' formulated by the Ministry of Science and ICT
Managing Systemic Risks			
System (network) interruption frequency	TC-TL-550a.1	Average case of interruption per customer	61p
Customer average interruption duration	TC-TL-550a.1		
Technology Disruptions			
Description of systems to provide unimpeded service during service interruptions	TC-TL-550a.2	Qualitative	61p

Activity Metrics

Disclosure index	Code	Unit	Cross Reference & Direct Answer
Wireless subscribers	TC-TL-000.B	Person	3,737,235(as of the end of 2020)
Broadband subscribers	TC-TL-000.C	Person	6,475,930(as of the end of 2020)
Network traffic	TC-TL-000.D	Petabytes/days	55.9

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Sustainable Management
Initiative

Sustainable Management Initiative

SK broadband has joined various initiatives in the interest of the sustainable growth of our company and humanity. In addition to the initiative driven by the UN, we are the members of 'K-EV100' driven by the Ministry of Environment to mitigate carbon emissions in the sector of transportation, and RE100 co-operated by the Climate Group and CDP to transition into 100% renewable energy by 2050. Furthermore, we have joined hands with NGOs and government agencies in relevant fields to put the initiatives into action while establishing multilateral partnerships to collaborate with local communities, thereby brining tangible outcomes. SK broadband plans to consider the expansion of our participation in initiatives for climate change response by 2023. And we continue to measure and monitor our performance to advance into an actual global leading player.

RE100 (Renewable Energy 100%)

RE100 is the global corporate renewable energy initiative launched by the Climate Group and CDP, multinational non-profit organizations in the United Kingdom. This initiative brings together energy-consuming corporations (outside power sector), not energy-generating companies, committed to 100% renewable electricity by 2050. The initiative is based on voluntary participation rather than compulsory implementation. When a company joins the initiative, it sets forth its own target of renewable energy use, observes the technological standards provided by the host organizations, and report its performance every year. As of June 2021, more than 300 companies joined hands with the initiatives.

K-EV100

K-EV100 represents the initiative driven by the Ministry of Environment, bringing together corporations committed to 100% non polluting automobiles such as EVs or HFCVs by 2030. The target of the initiative is private companies with more than 50 business vehicles. The government provides purchase subsidies for the initiative members and installs required charging infrastructures within the companies in order to promote the initiative.

UN Global Compact (UNGC)

UN Global Compact is an initiative that requires corporations to internalize the Ten Principles in the sectors of human rights, labor, the environment, and anti-corruption in their business operation and strategy as corporate citizens, thereby contributing to their sustainability and enhanced corporate citizen awareness. SK broadband joined UN Global Compact in 2021 endorsing the Ten Principles.

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

UN Sustainable Development Goals (UN SDGs)

UN SDGs, the international commitment to sustainable growth, was adopted by the United Nations in September 2015. The UN SDGs consist of 17 goals that the international community should accomplish to resolve the humanity's universal issues, climate change issues, and economic and societal issues. With the purpose of attaining the 17 goals, SK broadband has made efforts in every facet of our business, especially conducted a plethora of activities aiming for end poverty, good health and well-being, quality education, gender equality, decent work and economic growth, industry, innovation and infrastructure, and climate action. In the years to come, SK broadband will devote all our strength to the achievement of the US SDGs.

Goal		Our key activity	Page
	2 End poverty	• Providing meal boxes for poorly-fed old people living alone	59
	3 Good health and well-being	• Producing 'Super Brain' program designed to improve brain health of senior citizens • Conducting a public campaign and operating health care programs in the face of COVID-19 • Operating health care programs for employees	38~39, 55
	4 Quality education	• Operating the special section for homeschooling • Launching 'B tv ZEM KIDS', our brand for kinds and reinforcing the educational content for infants and elementary school students • Providing media education for local residents and helping them create content through our Media Creation Centers	37, 39
	5 Gender Equality	• Hiring more than 50% of female workers and favoring them when converting contract workers to regular ones • Raising the ratio of female employees within the talent pool for leaders and managing the ratio of female workers promoted to team leaders • Constantly recruiting female executives from outside	50
	8 Decent work and economic growth	• Operating programs aiming to revitalize local economies through local channels • Conducting activities to safeguard content copyright as part of efforts to support the growth of the content industry • Offering quality education for talent nurturing • Formulating the policy for work-life balance, and carrying out relevant activities • Lending support to social enterprises • Rolling out an advertisement service platform for local small business owners	36, 40, 52~53, 59~60
	9 Industry, innovation and infrastructure	• Providing a communication environment for the expansion of the infrastructure for communication	30~32
	13 Climate action	• Becoming the first domestic company to join RE100 • Raising the use of renewable energy at data centers • Joining K-EV100 • Launching a product which falls under the minimum power consumption according to the minimum energy performance standard defined by Korea Energy Agency in the category of the standby mode of set-top box • Making our network equipment consume less power • Raising customers' awareness by operating B tv special corner, 'Looking Again, Earth', providing curated content aiming to bring the gravity of the earth into the public eye, in collaboration with World Wide Fund for Nature to mark the 50th anniversary of Earth Day • Conducting an eco-friendly campaign, 'Go Go Challenge', aiming to cut down the use of plastic and single-use products	42~44

Participating Associations and Organizations

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

* As of June 2021

SK broadband