



KT Integrated Report 2020

English



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Caring About You
다양하다

KT INTEGRATED REPORT 2020



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ABOUT THIS REPORT

By publishing our 15th integrated report, which unveils the achievements of our corporate-wide sustainability strategy and performances achieved at the economic, social, and environmental levels, KT desires to share the direction of KT's sustainability management with the stakeholders.

Reporting Features

To improve the understanding of stakeholders about KT's sustainability goals, strategies, and systems, KT has reflected the "KT Sustainability Model" to this report. KT has been promoted the corporate-wide sustainability management in three directions aiming to realize 'economic growth through customer-centric technology innovation', 'healthy society through win-win cooperation and communication', and 'sustainable future through environmental management'.

Reporting Period & Boundary

This report covers the performances in a total of 516 sites including the headquarters and branches, from January 2019 to December 2019; meaningful activities until the end of June 2020 are partially included as well. Besides, data of the recent 3 years are provided enabling the comparison between yearly performances.

Reporting and Assurance Standards

This report complies with the Comprehensive Option of the Global Reporting Initiative (GRI) Standards, which is an international sustainability report guideline to more transparently disclose the sustainability management performance. The report also applied to the 10 principles of the UN Global Compact and ISO 26000 and the financial performance was in line with K-IFRS. To determine the material issues, a materiality assessment was conducted, and to ensure the reliability and quality of the information presented in this report, the contents were subject to assurance by an independent third-party whose assurance statement was attached in this report.

Now KT is redefining telecommunication once again.

"With All Our Heart",
Warm-hearted technology
that changes each person's life.
This is the true meaning of telecommunication
in another challenging era that
KT opens up anew.

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다잡다
Caring About You

With our warm-hearted technology for people,
KT will create a world where each and every
citizen can enjoy a better life.

KT's 'Caring About You' Campaign

Reflects KT's will and sincerity to strive for a better life for each people based on warm-hearted technology for people.

KT is making meaningful changes in everyday life by using AI technology from the perspective of customers "With All Our Heart".



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Since its foundation,
KT has grown together with the Korean people
by creating a new history of telecommunication
at every corner of history.

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CEO's Letter

“I would like to express my deep gratitude for your unwavering encouragement shown toward the development of KT.”



With the prolonged COVID-19, uncertainty in the global economy is increasing and the domestic economy is shrinking. Even in the toughest business environments, KT is striving to realize sustainable growth through corporate innovation.

KT aims to achieve qualitative growths through ‘Customer-driven Self-innovation’, which provides customers’ needs quickly and flexibly with ‘Customer-centric’ as the direction of innovation. Through this, KT will make a warm-hearted change in a life with products and services containing the hearts of customers.

As the leader who has led the history of Korean telecommunications for the past 135 years, KT, has grasped and led the trend at every inflection point in the development of the ICT industry. With the experience and capabilities that have led the changes, KT intends to promote digital innovation (DX) based on 5G, AI, Big Data, and Cloud.

KT will create achievements that increase the productivity of companies and lead innovation by incorporating KT’s innovative ICT technologies into various industrial fields. At the heart of changing the paradigm of customers’ lives and industries, KT will become a company that leads innovative technologies and differentiated services as a “Telecommunication-based Platform Operator”, beyond a telecommunications service provider.

Thanks to your unrequited trust and interest, KT has been able to achieve sustainable growth and strengthen its business foundations. In return for your belief, KT will constantly strive to realize a sustainable future through the pursuit of socio-economic values, a healthy society through win-win and communication, and eco-friendly management.

We would be most grateful if you share with KT’s efforts to create a better future with warm-hearted technology that considers each customer.

Thank you.

CEO Hyeon-Mo Ku

구 현 모

Chairman's Letter

“Through the 15th Integrated Report, which contains KT’s efforts in economic, social, and environmental aspects to make a better world, I hope that KT’s role in the development of Korea and the local community will be newly illuminated.”



Under the new vision of “Contributes to the Advancement of Korea By Leading Changes in Customers’ Lives and Innovations in Other Industries” this year, KT is promoting various sustainability management activities to become a more trusted company under the new vision.

To overcome the COVID-19 crisis that has spread throughout our society recently, KT is working with the people wherever they need and carrying out warm-hearted overcoming activities. KT is gaining great social repercussions through its diverse support activities, including supporting relief supplies and telecommunication equipment, providing “Love Food Car of Love” to 119 crew members, and carrying out “Lunch Box of Love” support activities to help small merchants suffering from COVID-19 crisis.

In addition, the “Global Epidemics Prevention Platform (GEPP)” developed by KT has contributed to improving public health in many countries around the world, including Kenya, Ghana, and Laos. GEPP is now contributing to protecting the safety of the Korean people against the spread of COVID-19, under the name of “Smart Quarantine System” adopted by the Centers for Disease Control.

KT is also striving to change the lives of customers with warm-hearted technology. KT is making warm-hearted changes in the lives and society of customers by restoring their voices using AI technology to provide opportunities for communication to the hearing impaired. In line with the government’s digital engagement policy, KT is contributing to creating a warm-hearted IT world that everyone can enjoy, by transforming Korea’s first pro bono activity, IT Supporters into AI Supporters.

KT is also striving to create a healthy future by implementing energy savings through company-wide collaboration every year. Thanks to the external recognition of the efforts, KT has achieved achievements leading the environmental era by entering the Hall of Fame in the Carbon Information Disclosure Project (CDP) for the three consecutive years.

Under the responsibility as an ICT leader in Korea, KT’s efforts to create value for customers and fulfill their social responsibilities will never cease. KT Board of Directors will also keep pace with and actively support KT to contribute to a better future for humanity beyond Korea as a leading company in sustainability management.

Thank You.

Chairman, Board of Directors Dae-You Kim

KT Company Overview

Current Status of the Company

Established as Korea Telecom in 1981, KT has been Korea's largest comprehensive communications operator. After the merger of KTF, a mobile telecommunications subsidiary in 2009, KT operates a diverse business portfolio including telecommunication businesses such as mobile telecommunications, internet, and fixed-line telephones, as well as media/contents, finance, real estate, and corporate solutions. Since the commercialization of 5G for the first time in the world in 2019, KT has increased its service quality by expanding its coverage to 85 cities nationwide, and as a result, the number of 5G subscribers has grown to 1.41 million, which is about 10% of general wireless subscribers. KT will continue to create new growth engines by commercializing future convergence services such as AI, VR/AR, blockchain, and connected cars based on intelligent networks.



Company name: KT Corp
 Date of establishment: December 10, 1981
 CEO: Hyeon-Mo Ku
 Headquarters: 90, Bulljeong-ro, Bundang-gu, Seongnam City, Gyeonggi-do, Korea
 Number of employees: 23,372
 Revenue: KRW 24,342.1 billion
 Homepage: www.kt.com

Current Status of Group Companies

The KT Group will maximize customer satisfaction and leap to become a leading group that will lead the future industrial revolution through the fusion of ICT capabilities, innovative technologies, and diverse products and services of 41 group companies.

Current Status of Group Companies

ICT/ Real Estate | KT is maximizing customer value based on its best technology competence such as real estate development, rental and security, satellite solution, and ICT engineering.

kt telecop Security/guard services	kt sat Satellite transponder rental	kt engcore Network engineering and infrastructure	kt cs Call center operation and 114 number guide business, etc	kt is Call center operation and 114 number guide business, etc	kt linkus Public telephone operation and maintenance
kt submarine Submarine telecommunication cable and power cable construction/maintenance	kt ds Specialized IT service company (ITO, SI, etc.)	kt NexR Big data platform/analysis solution development	INITECH IT service, security solution development, and official certificate issuing	kt service north Carry out wire telephone opening/AS	kt service south Carry out wire telephone opening/AS
kt Mmobile MVNO business	kt powertel TRS and IP-PTT terminal distribution, service provision	kt MOS north Network facility operation/maintenance	kt MOS south Network facility operation/maintenance	kt commerce B2B purchase agency business	kt m&s Sales and distribution of wired / wireless telecommunication products
kt estate Real estate development and leasing etc	kt AMC Asset / real estate management	KD Living Rental housing management business	NCP Real estate development and supply company (PFV)	Autopion Establish and operate brand taxi service	

Service Users and Sales

As of December 2019, the total number of users of KT services is about 53.42 million, which is the largest integrated number of subscribers for wired and wireless telecommunications. The total sales by business were KRW 24,342.1 billion, with an increase of 3.8% compared to 2018.

Numbers of Users by Service

(Unit: 1,000 persons)

Service	2017	2018	2019
Wireless Communications ¹⁾	20,015	21,120	21,922
Wire Telephone -PSTN ²⁾	12,201	11,637	11,052
Wire Telephone -VoIP	3,409	3,355	3,133
High Speed Internet	8,758	8,729	8,962
IPTV	7,472	7,851	8,351
Total	51,855	52,692	53,420

Numbers of Users

(Unit: 1,000 persons)



1) Wireless Communications: CDMA, WCDMA, LTE, 5G, MVNO

2) PSTN: the sum of general telephones (excluding enterprise calls), internal communications, ISDN, and DID

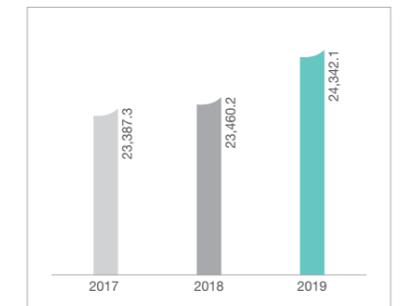
Sales by Business

(Unit: KRW billion)

Business	2017	2018	2019
Wireless Communications	7,203.3	6,954.1	6,970.7
Wire Telephone	4,901.1	4,745.1	4,697.1
Media / content	2,238.4	2,414.3	2,740.0
Finance	3,528.3	3,444.9	3,411.8
Product	3,264.2	3,475.0	4,095.8
Other Services	2,252.0	2,426.8	2,426.7
Total	23,387.3	23,460.2	24,342.1

Sales

(Unit: KRW billion)



* Based on earnings announcement data, K-IFRS consolidated

(As of June 2020)

Media / Contents | KT presents pleasure and impression to customers through digital satellite broadcasting, ICT-based content & commerce, media planning, mobile advertising, etc.

kt skylife Satellite broadcasting service	sky TU Operation and provision of broadcasting channels (including content production)	nasmedia Advertising agency service and advertising media sales	PLAY.D Online advertising agency service and consulting	kth T commerce, content distribution, and ICT business	GENIE MUSIC Wired / Wireless internet music service	storywiz (New) Web fiction/webtoon distribution and platform operation
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Finance | KT is carrying forward credit card service, general electronic payment, e-commerce solution businesses, and is investing in promising small and medium-sized venture companies.

BCcard Card credit card purchase and issue business	Smartro Credit card, etc. transaction approval relay	브이퍼(주) Credit card payment verification service	kt mhows Mobile-based electronic voucher sales/distribution	kt investment New technology business financing business
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Other | KT also manages sports and data assets and provides mobile platform services.

kt sports Sports events operation	kt gdh IDC service provider	KHS Welfare facility operation and service	kt 희망지움 KT-affiliated subsidiary company type standard business place of the challenged	whowho & company Spam protection and number search app service	H&C Network Financial sector call center and IT manpower operation
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KT Vision and Core Values

KT's vision is to 'contribute to the advancement of Korea by leading changes in customers' lives and innovations in other industries' which is the reason for KT's existence. In order to achieve the vision, KT's executives and employees have established 'customer-centric', 'ownership', 'communication & collaboration', and 'fundamentals & process' as their core values and use them as standards for thinking and action.

In order to make each and every citizen enjoy a better life based on warm-hearted technology for people, KT brings together all the capabilities of the company to work customer-centrally with the spirit of ownership. Through communication and collaboration, KT is also breaking down the walls among departments, moving as one as a whole, and establishing a corporate culture that values the essence and process.



**KT Contributes to the Advancement of Korea
By Leading Changes in Customers' Lives and
Innovations in Other Industries**

Core Values

<p>Customer-Centric</p> <p>Providing customers' needs with agility and flexibility through customer-driven self-innovation</p>	<p>Ownership</p> <p>Thinking and acting as a proud and solid KT owner with pride and skills</p>	<p>Communication & Collaboration</p> <p>Reinforcing horizontal communication and flexible collaboration system beyond organizational walls</p>	<p>Fundamentals & Process</p> <p>Focusing on the essence of the industry and considering the process as important for the best results</p>
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KT Sustainability Management

KT Sustainability Management

As a leader of innovation in Korea's ICT industry, KT is now trying to create a sustainable world with customers with warm-hearted technology for each person. In order to realize the new vision of 'Contributes to the Advancement of Korea by Leading Changes in Customers' Lives and Innovations in Other Industries', KT will carry out innovative and differentiated sustainability management activities.

Sustainability Management Target

KT has established a sustainability management system based on three directions aiming to realize 'economic growth through customer-centric technology innovation', 'healthy society through win-win cooperation and communication', and 'sustainable future through environmental management'. KT is promoting company-wide sustainability management with a detailed implementation system, through the three directions.



KT Sustainability Challenges

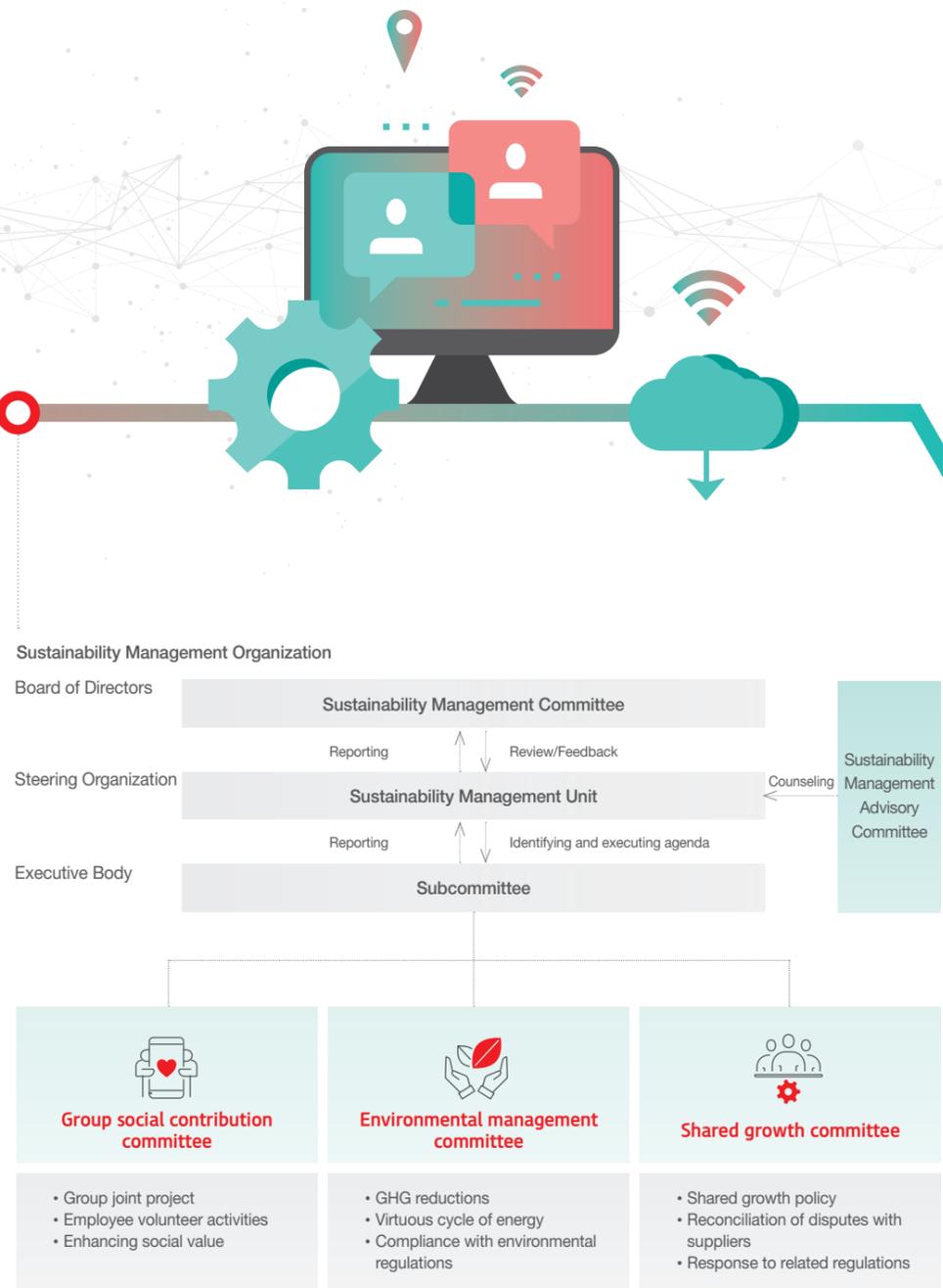
<p>Economic Growth through Customer-centered Technology Innovation</p>	<p>Healthy Society through Win-win Cooperation and Communication</p>	<p>Sustainable Future through Environmental Management</p>
<p>Warm-hearted technology innovation</p> <ul style="list-style-type: none"> • Advance future competency technology • Strengthen AI organization/infrastructure 	<p>Human respect</p> <ul style="list-style-type: none"> • Develop human resources • Pursue work-life balance 	<p>Environmental management</p> <ul style="list-style-type: none"> • Establish a company-wide environmental management system • Eco-friendly ICT service
<p>Customer-centric Management</p> <ul style="list-style-type: none"> • Customer-centric product & service • Network reliability 	<p>Win-win management</p> <ul style="list-style-type: none"> • Social contribution to each citizen • Sustainable supply chain 	<p>Climate change response</p> <ul style="list-style-type: none"> • Climate change risk management • GHG management/reduction

KT Sustainability Foundations

<p>Corporate Governance</p>	<p>Ethics & Compliance</p>	<p>Risk Management</p>	<p>Human Rights Protection</p>
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Sustainability Management Organization

As a representative telecommunication company, KT established a 'Sustainability Management Committee' in the board of directors in April 2016 for the first time in the domestic telecom industry and is striving to promote sustainability management throughout the company. The Sustainability Management Committee is a decision-making body that makes major decisions concerning the establishment, execution, and performance of company-wide sustainability management plans. To promote sustainability management strategies efficiently and to secure the power of execution of the activities, KT also operates a Sustainability Management Unit, which is a dedicated execution organization while taking counsel from the Sustainability Management Advisory Committee, a dedicated advisory body.



Stakeholder Engagement

When a company promotes sustainability management, the activity to collect opinions from diverse stakeholders who directly or indirectly exchange effects on management activities and actively reflect them on the management activities is very important. KT defined eight major stakeholder groups according to their business aspects and functional areas, prepares and operates engagement processes by the group to identify stakeholder expectations and requirements, and strives to reflect them on management.

Stakeholder Groups and Engagement Channels

	Stakeholder Group			
	Customer	Shareholders/ investors	Government / Media	Employees
Major Interest Issues	<ul style="list-style-type: none"> Service quality Customers' health and safety VOC (Voice of Customers) 	<ul style="list-style-type: none"> Management strategy for growth in sales/profits Regulatory and competitive environment The return to shareholders policy 	<ul style="list-style-type: none"> Observance of laws Active participation in government policies Disclosure of information through mass media 	<ul style="list-style-type: none"> Maintaining a balance between work and Family Human resources development Career management
Engagement Channels and Frequencies	<ul style="list-style-type: none"> Operation of offline customer survey (periodic surveys of 3 times a year, non-periodic surveys of 4-5 times a year) Operation of periodic online customer surveys (twice a year) Operation of a team of undergraduates engaging in the hands-on experience of goods (in operation for 8 months a year) Household panels Operation of a team of customers for product verification (throughout the year) 	<ul style="list-style-type: none"> General Meeting of Shareholders (annually) Management information sessions with the CEO (annually) Announcement of performance results (quarterly public announcement, conference call) IR news (once or twice a month) Domestic/overseas corporate information sessions (NDR, frequently) Operation of IR homepage 	<ul style="list-style-type: none"> Press release (frequently) Informal meetings with journalists and public hearings (frequently) Operation of online public relations channels 	<ul style="list-style-type: none"> Labor-management consultation meetings (quarterly) Local labor-management consultations, win-win labor-management consultations Management information sessions (regular/irregular) Grievance Handling Center KT119 (frequently, offline) Company newsletter/company news/online discussion room/ frequent message (frequently)
	Suppliers	Local Community	Academic Experts and Scholars	Environment
Major Interest Issues	<ul style="list-style-type: none"> Shared growth Invigoration of ICT related ecological system 	<ul style="list-style-type: none"> Invigoration of the local economy Communications welfare Social contribution 	<ul style="list-style-type: none"> ICT technology development Cooperation between universities and businesses Open innovation 	<ul style="list-style-type: none"> Environment conservation Development of environment-friendly services
Engagement Channels and Frequencies	<ul style="list-style-type: none"> Partner's Camp (frequently) Information sharing council (frequently) Shared growth meeting (frequently) KT Partners Council (frequently) 	<ul style="list-style-type: none"> Informal meetings, questionnaire-based surveys, SNS, homepage (frequently) Provision of support for local centers for children (by KT's Kkumpum Center) (frequently) IT education (frequently) University Student Volunteer Group (annually) 	<ul style="list-style-type: none"> Operation of KT Economic Management Research Institute (at all times) Operation of 'DigiEco', an ICT research site (at all times) Joint research with universities/ research institutes Operation of PR Hall, 'Future On' (at all times) Operation of GCCEI, Gyeonggi Center for Creative Economy & Innovation (at all times) 	<ul style="list-style-type: none"> Environmental Management Committee (frequently) Verification of greenhouse gas emission (semi-annually, scope 1, 2, 3)

Distribution of Stakeholder Value in 2019



Sustainability Issue Analysis

Under the international sustainability reporting guidelines Global Reporting Initiative (GRI) Standards 100-400, KT selects major sustainability management issues annually and reflects them in management by referring to the IR framework methodology of the International Integrated Reporting Committee (IIRC). Additionally, we reflected principles of the inclusiveness, materiality, and responsiveness which AA 1000 standard requires for the accountability of the issue selection process and evaluation result.

STEP 1

Identifying Sustainability Issues

[Issue Pool Composition through Internal and External Environment Analysis]

We created a list of sustainability management issues (consisting of a total of 364 issues) through international guidelines benchmarking, the same industry analysis, stakeholder issue analysis, and KT management issue analysis, and selected a total of 30 sustainability issues in six areas out of the last reflecting internal and external importance.

International guideline benchmarking

- Content: Analysis of international standards and guidelines related to sustainability management and the telecommunication industry
- Target: GRI Standards, ISO 26000, IIRC IR Framework, DJSI, UNGC, UN SDGs, CDP

Telecommunication industry analysis

- Content: Review and consider important issues in the telecommunication industry through

benchmarking of domestic and overseas telecommunication companies

- Target: Global telecommunication companies and domestic telecommunication companies' reports

Stakeholder issue analysis

- Contents: Review issues raised by stakeholders such as investors, government, and media surveys to derive issues related to KT and the telecommunication industry in 2019

- Target: Offline media, online media, broadcasting media, business reports, audit reports, investor opinions, policies, and regulations

KT management issue analysis

- Content: Derive management issues through analysis of management strategies around KT management environments, internal document review
- Target: Internal documents such as business strategy report, interview with persons in charge

STEP 2

Prioritizing Sustainability Issues

[Internal and External Stakeholders Survey Analysis]

On-line and off-line surveys of KT sustainability issues were conducted on a total of 7,613 persons consisting of employees and external stakeholders to collect opinions and analyze influences.

Questionnaire survey

- Period: May 11-20, 2020 (1.5 weeks)
- Participation: A total of 7,613 persons - 7,328 employees and 285 external stakeholders (customers, shareholders, investors, government, media, suppliers, local communities, academia, experts, NGO, etc.)

[Business Impact Analysis]

To analyze the impact of sustainability issues on the business perspective, the strategic linkages between individual issues and KT businesses and financial impacts of individual issues were comprehensively evaluated

Business impact & financial impact analysis

- Strategic linkage: Mid- and long-term goal achievement perspectives and business linkage analysis
- Financial impacts: Analyzed from the viewpoints of revenue creation and opportunity factors, cost savings opportunities and costs increase severity, current risk response, and severity in a case where a cost increase occurs in the future

STEP 3

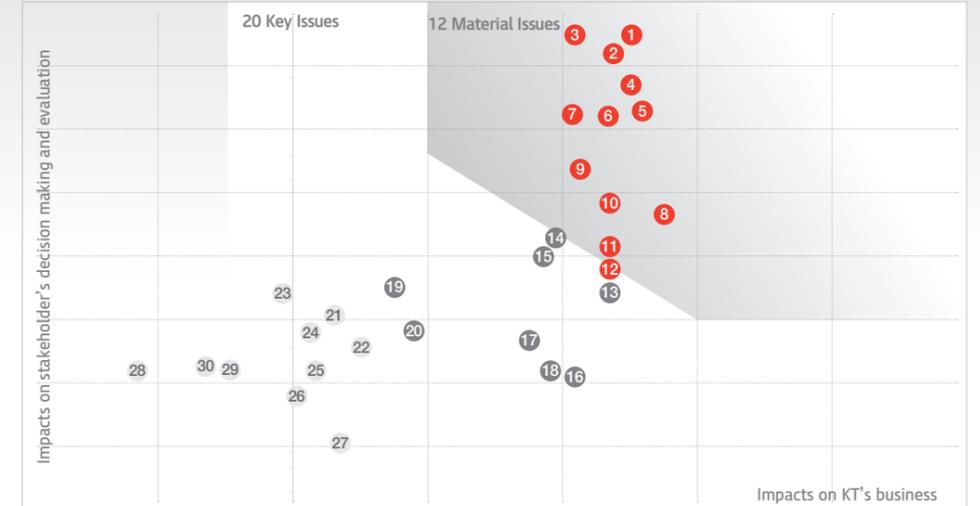
Validating Material Issues

KT conducted an in-depth review of the issues derived through internal reports and prioritized issues by finally considering stakeholder impacts and business impacts.

Reporting issue selection

- Applied GRI Standards
- Review by external experts and the management
- Verification of validity and prioritization of 30 sustainability issues
- Third party verification

Materiality Matrix



Important Issue Analysis

Category	Focal Area	Sustainability Issue	Materiality
Sustainability Challenges	Warm-hearted Technology Innovation	1 Changes in customer life through ICT technology	Material Issue
		5 Strengthening the fundamental competitiveness of core business	Material Issue
		11 Creating business performance and economic value	Material Issue
		17 Leading innovation in other industries through Digital Transformation	Key Issue
		27 Enhancing open innovation	General Issue
		24 Expanding environmental innovation services	General Issue
	Customer-centric Management	2 Securing network stability	Material Issue
		3 Customer information protection and cyber-security	Material Issue
		10 Customer experience innovation through customer-centric product/service development	Material Issue
		12 Customer-centric management through customer-driven self-innovation	Material Issue
		16 Brand management and market leadership	Key Issue
		Talent Cultivation and Development	6 Talent development and capacity building
	8 Fair evaluation and performance compensation		Material Issue
	13 Employee safety and health		Key Issue
	14 Pursuing work-life balance		Key Issue
	Social Contributions with Heart	22 Expanding social contribution as a warm national company	General Issue
26 Disaster relief and community contribution		General Issue	
30 Bridging the digital information gap		General Issue	
Sustainable Supply Chain	19 Sustainable supply chain management	Key Issue	
	25 Expanding shared growth with suppliers	General Issue	
Environmental Management	21 Promoting environmental management	General Issue	
	23 Energy reduction and efficiency management	General Issue	
	28 Resource responsibility and resource efficiency	General Issue	
	29 Strategic Response to Climate Change	General Issue	
Sustainability Foundations	Corporate Governance	7 Building a transparent and sound governance structure	Material Issue
		4 Establishing ethics and integrity management	Material Issue
	Ethics & Compliance	9 Fair trade and compliance with laws	Material Issue
		18 Strategic risk management	Key Issue
Risk Management	15 Protection and respect for human rights	Key Issue	
	20 Expanding stakeholder engagement	Key Issue	

Material Sustainability Issues

KT reports all 30 sustainability issues from the Materiality Analysis through the integrated report and strives to reflect them on management activities from a mid/long-term perspective. On this page, we will separately disclose the internal and external environments, KT's response strategies, and long-term goals for the top issues with high priority in terms of impact on KT business and stakeholder influence.

1. Changes in Customer Life through ICT Technology

	<p>Issue Description</p>	<p>As the pioneer of the Korean ICT industry, KT is now creating a sustainable world for customers with ICT technology for each and every customer. KT is striving to provide customers' needs quickly and flexibly by examining the thoughts and hearts of each customer and is pursuing a "Caring About You" campaign that changes the lives of individuals based on ICT capabilities. KT will lead a change in the lives of customers and stand tall as the 'Korea's leading telecommunications company' that customers trust most.</p>
	<p>Promotion Strategy</p>	<ul style="list-style-type: none"> • Driving a real-life change through the promotion of the "Caring About You" campaign that utilizes KT's technological capabilities such as AI and speech synthesis technology. • Established the "Korea New Deal Cooperation TF" to make the most of 5G and AI-based convergence ICT capabilities.

2. Securing Network Stability

	<p>Issue Description</p>	<p>As a telecommunications carrier with a national network, KT operates a state-of-the-art network surveillance system to provide reliable communications services under any circumstance and is committed to strengthening network stability. KT operates an integrated network surveillance system and the network surveillance system around the regional control centers for 24 hours a day, 365 days a year. In 2019, when seven large-scale typhoons hit the country, KT minimized damage to communication facilities with the efforts of 65,469 preliminary inspections of vulnerable facilities.</p>
	<p>Promotion Strategy</p>	<ul style="list-style-type: none"> • In 2019, AI failure prediction system developed to predict failures in wireless core networks and IP core networks. • In 2020, AI failure prediction system planned to improve in accuracy and control task automation.

3. Customer Data Protection and Cyber-security

	<p>Issue Description</p>	<p>KT analyzes the entire life cycle ranging from the stage of collection of customer data to the destruction stage and applies optimal technical and managerial protective measures by stage to prevent the leakage of customer information in advance. KT conducts personal information impact assessment to identify and correct infringement factors in advance when information systems that utilize personal information are changed or newly introduced and conducts checks the entire distribution networks and customer information processing systems every year regarding customer information protection measures.</p>
	<p>Promotion Strategy</p>	<ul style="list-style-type: none"> • Established systematic personal information protection policies and management systems for KT, group companies, and suppliers, conducted personal information training and self-inspection. • With employee information protection pledge, monthly Security Day information security check, and the operation of the Security Report Center, KT enables immediate reporting when the leakage is suspected.

4. Establishing Ethics and Integrity Management

	<p>Issue Description</p>	<p>As a responsible corporate citizen, KT practices ethical compliance management and strives to implement transparent corporate management. KT operates a company-wide ethics and compliance system centered on the Compliance Committee and the Compliance Office established in 2018, and the Ethics Management Office and Legal Office play the role of the compliance executive department. KT selects key issues such as corruption prevention into eight areas and conducts self-regulation and regular inspections set by the compliance control standards for business/support departments and regional headquarters. KT also operates pledges of practice, ethical education, and communication channels so that all employees.</p>
	<p>Promotion Strategy</p>	<ul style="list-style-type: none"> • In 2018, Compliance Committee and Compliance Secretariat were established for anti-corruption and anti-bribery compliance. • In 2019, compliance education is reinforced, including anti-corruption, fair trade, subcontracting, contract risks, prevention of unfair competition, and eradication of technology theft.

5. Strengthening the Fundamental Competitiveness of Core Business

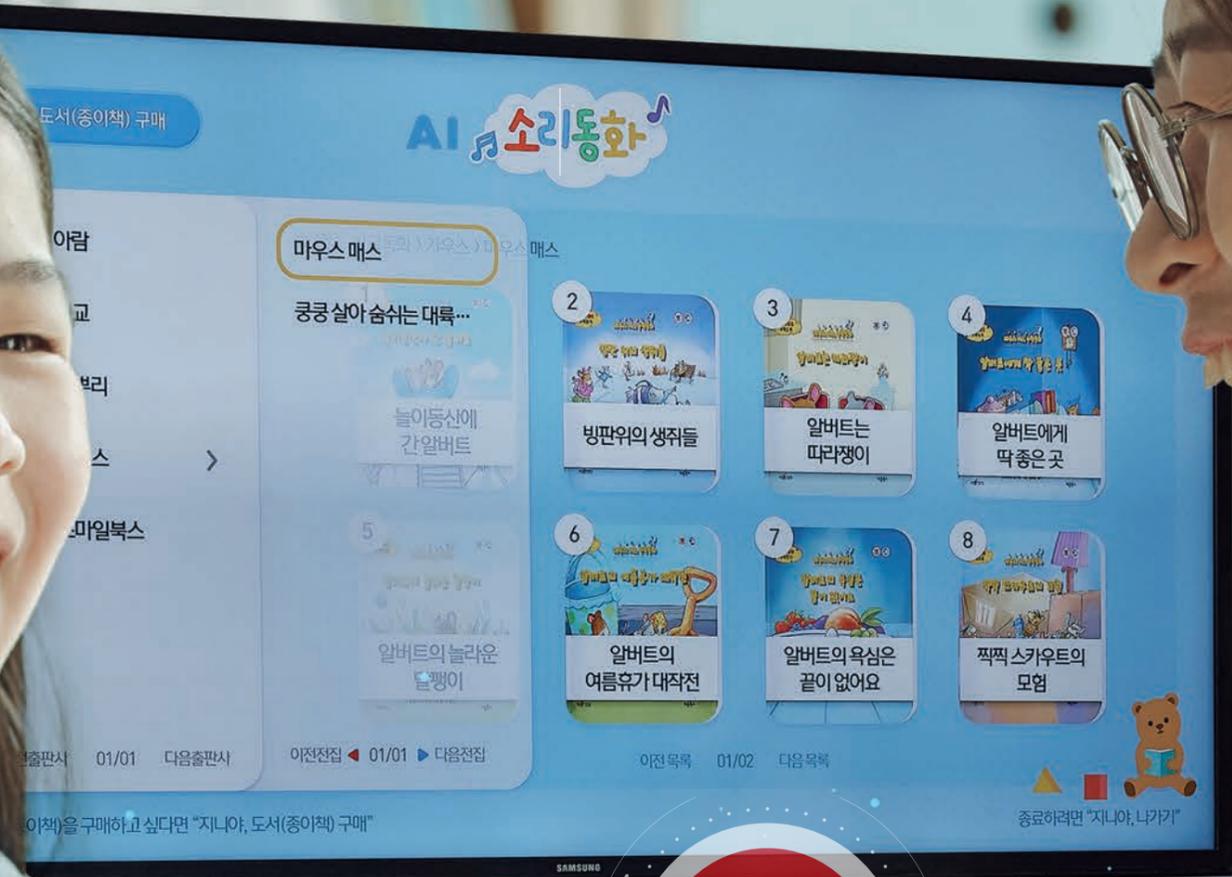
	<p>Issue Description</p>	<p>The telecommunications industry requires a new inflection point due to the cost-oriented competitive method and the stagnant market situation. To overcome the limitations of the existing telecommunications industry, KT is transforming its business method to customer-centric, actively targeting the new 5G and B2B markets, and is providing personalized/intelligent innovative media services as the untact economy becomes active. KT is also striving to reinforce the sustainable growth and profit creation of its core business by creating new values such as AI and digital transformation.</p>
	<p>Promotion Strategy</p>	<ul style="list-style-type: none"> • Transition to a customer-centric business execution system that provides customers with agility and flexibility in core business and grows by providing new value beyond simple access/connection. • In the B2B field, growth is promoted through active alliances/cooperations with other business operators and KT's differentiated delivery capabilities.

6. Developing Human Resources and Capacity Building

	<p>Issue Description</p>	<p>In the midst of rapidly changing internal and external business environments such as technological advancement, market diversification, and diversification of customer demands, securing talented individuals with professional competence and passion is a very important issue for KT. To cultivate experts in each field, KT conducts thorough customized education and training in consideration of job experience and competency levels. KT is also establishing an AI manpower training system to lead future growth businesses and fostering AI/Cloud developers and AI manpower in the field through the 'Future Talent Development Project'.</p>
	<p>Promotion Strategy</p>	<ul style="list-style-type: none"> • Newly operated "AI/Cloud Developer Training Course" and "On-site AI Manpower Training Course" as part of future talent development projects. • In February 2020, the 'AI One Team' industry-academia-research human resources development cooperation was signed to create an AI talent ecosystem.

KT Sustainability Challenges

In the past 135 years of history with the people, KT has been leading the Korean telecommunications industry with endless innovation. Now KT is starting another challenge to maximize the economic, social, and environmental values of Korea while promoting corporate value improvement through sustainable management.



Warm-hearted
Technology
Innovation

Customer-
centric
Management

Human
Resource
Development

Social
Contributions with
Heart

Sustainable
Supply Chain

Environmental
Management

Finding Sound Campaign in KT
"Caring About You" Project

Haedam has been communicating with the world through rehabilitation treatment at KT Dream Class since the cochlear implant surgery in July 2014. For the past 17 years, KT has been supporting cochlear implant surgery for children with hearing loss. KT is also helping children with hearing impairments hear and speak better through AI technology.

Haedam Noh  <https://www.youtube.com/watch?v=Qgp6JM9x6TY>

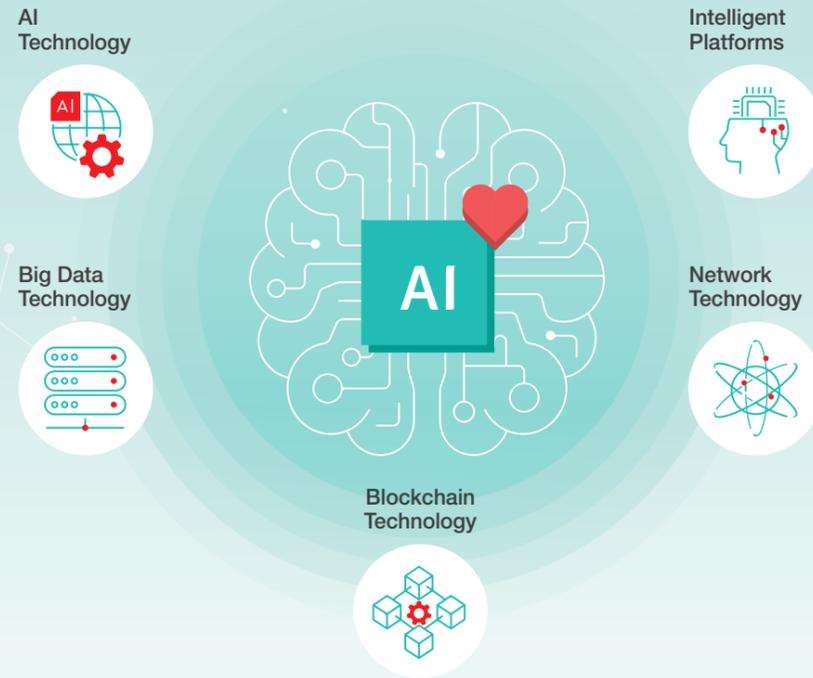
Warm-hearted Technology Innovation

<https://corp.kt.com/eng/html/biz/main.html>

KT's View

Technology is the future, and technology innovation is the way to strengthen the competitiveness of the ICT company. In order to open an era of warm-hearted technology that considers humans, KT is pursuing technology innovation to secure differentiated competitiveness in the next-generation technology fields such as 'AI (Artificial Intelligence)', 'Big Data', 'Blockchain', etc.

Core Agendas



2019 Performance Highlights



KT's Life-Changing Story



Sharing Business Vision through AI/DX Day

KT's Warm-hearted Technology Pioneering the Post-Corona Era with AI and Big Data Technology

Due to the prolonged COVID-19 outbreak, non-face-to-face activities such as telecommuting and online classes as well as untact consumption are becoming common trends. The importance of AI and big data technology is increasing and attracting attention as the core competitiveness of the country and companies, as a core technology of the 4th industrial revolution. KT is enhancing Korea's AI competitiveness with the 'AI One Team' in which industry-academia-research institutes participate to actively respond to changes in life and industries caused by COVID-19 and prepare for the post-corona era. In addition, KT is expanding the global infectious disease prevention platform GEPP based on AI and big data technology. KT will firmly fulfill its role as a national company that changes people's lives through warm-hearted technology innovation.

Advancement of Future Competency Technology

KT is pursuing technological innovation to secure differentiated competitiveness in next-generation technologies including 'AI (Artificial Intelligence)', 'Big Data', and 'Blockchain'. KT is also striving for R&D with the goal of leading UX and securing differentiated technological competitiveness in various areas such as 5G, media, B2B, and platforms. Through this, KT is continuously expanding investment to secure new growth momentum.

AI Technology

Since the launch of the world's first artificial intelligence TV 'GiGA Genie' in January 2017, KT is leading the artificial intelligence service market, achieving 1.5 million subscribers for the first time in Korea in March 2019, and 2.4 million subscribers as of June 2020. GiGA Genie is playing the role of a 'Home IoT Hubs' that can control electronic devices throughout the house by convenient voice UI/UX. GiGA Genie is now expanding its service range to convenient services such as schedule management, weather information, and transportation information to easy payment, shopping, and education. To expand service to various business areas such as hotels, commerce, advertisement, intelligent call center, etc. KT is striving to lead the market by differentiating GiGA Genie based on AI core technology and improving the structure of its platform in an innovative way to improve domestic AI capabilities.

Since the launch of 'GiGA Genie Our Apartment', Korea's first AI apartment service in November 2019, KT has been providing various convenience functions to residents of 750 apartment complexes nationwide through GiGA Genie, the AI TV. KT is also expanding the range of AI hotel services by commercializing AI hotel multilingual services for the first time in Korea and introducing AI amenity robots and is spreading this to various hospitality industries such as hospitals, offices, resorts, senior towns, and postpartum care centers.



'GiGA Genie', The World's First Converged AI TV

Major AI Technology

Voice Processing Technology	Language Processing Technology	Video Processing Technology
KT is developing voice recognition technology that can improve customer convenience with real-time voice detection technology and free speech voice recognition and can be quickly applied to diverse domains/terminals.	KT is developing probability-based dialogue reasoning technology and multi-domain dialog tracking technology for differentiated language intelligence and customized discourse.	KT is developing a next-generation Video Analytics service that can understand media through embedded type deep-running image analysis technology.

Big Data Technology

As a core technology of the 4th industrial revolution, big data technology is based on the 'Intelligent Network' through big data for KT's platform and artificial intelligence service. KT is expanding activities to solve social problems and increase the value of data by applying big data analysis capabilities and data assets to various areas. In 2019, KT spread the platform service for preventing the spread of infectious diseases using big data technology internationally through global launch, while providing big data-based solutions in various fields such as domestic tourism, commerce, environment, and safety.

In 2020, KT plans to develop into a specialized data company by discovering new opportunities and increasing corporate value, in line with the revision of three data-related acts. In particular, KT will strive to lead the 'Data Economy' and contribute to the national economy by promoting a business that can create new data value with data fusion through cooperation with various partners.



GEPP Service Launch Ceremony, Kenya

Major Big Data Service Performance

<p>Global Epidemics Prevention Platform (GEPP)</p>	<p>GEPP is a global platform proposed by KT for the first time in 2016 at the UN General Assembly. Through roaming data cooperation of telecommunication companies around the world, this platform provides information on contaminated area visits to the Centers for Disease Control and Prevention to prevent the spread of infectious diseases.</p> <p>In 2019, KT raised its status in the field of responding to infectious diseases by launching services in overseas countries such as Ghana, Kenya, and Laos. In 2020, KT is expanding its global status by launching research on infectious disease projects based on the Bill & Melinda Gates Foundation, Right Fund.</p>
<p>Big Data Solution</p>	<p>KT is contributing to solving social problems through warm-hearted technology while providing solutions to various areas based on differentiated big data capabilities. Based on the floating population, KT has specialized solutions for each area, such as tourism, commercial districts, and living population, and provides big data analysis that is helpful in various areas of society such as local governments and small business people. KT is also solving social problems by quickly responding to the social demand for the analysis of the floating population, which is becoming important due to the corona, by providing data to the beach real-time congestion level service of the Ministry of Oceans and Fisheries.</p>



MOU with KT-NH Nonghyup Card to Activate Local Currency

Blockchain Technology

Based on blockchain technology, KT has a service platform that covers all areas of the ‘Token Economy’ such as authentication, payment, currency exchange, and settlement. In particular, KT has entered the local currency market based on the blockchain platform in 2019 and is providing services to a total of 7 local governments. KT also plans to develop a local currency platform to expand various types of vouchers including gift certificates, points and coupons, and local services including online malls, tourism, donation, and volunteer services. KT is providing a platform to enhance reliability in the real/data distribution field based on GiGA Chain BaaS. KT is pioneering a market for replacing public certificates through identification and authentication based on Decentralized Identity (DID) and is preparing to develop the mobile authentication market. KT will secure solutions based on accumulated experience and know-how in the future and apply them to GiGA Chain BaaS, helping many companies to launch new blockchain-based services.

Major Blockchain Service Performance

KT Local Currency	KT provides a local currency distribution platform that safely and conveniently issues, recharges, pays, and settles local love gift certificates and welfare benefits issued by 7 local governments nationwide.
Decentralized Identity (DID) Service	KT is promoting a joint mobile electronic certification project through DID network configuration centered on three telecommunication companies and financial companies. KT is also applying its own DID technology to the Busan Bank digital voucher platform.
KT GiGA Chain	KT has successfully performed more than 30 blockchain tasks, including the BC Card metabolic settlement system, based on ‘GiGA Chain BaaS’, a blockchain platform combined with high-speed network infrastructure and cloud, and K-Token, Data Chain, Secure Wallet solution, etc.



5G Edge Telecommunication Center

Network Technology

Since the first presenting the vision for 5G at the MWC 2015 keynote address in March 2015, KT confirmed the 5G common standard for the first time in the world in 2016 and is solidifying its 5G leadership through the world’s first commercialization of 5G. With the world’s first 5G commercialization, KT has been leading the customer-centric strategy with the world’s widest coverage and unlimited data rates, and is working closely with manufacturers to launch 5G terminals that meet various customer needs. With the largest frequency band in Korea, KT is operating a total of eight Edge Telecommunication Centers, the largest in Korea, and is also securing quality leadership by commercializing C-DRX, a breakthrough battery saving technology for the first time in 5G. KT will pioneer a new era by expanding an intelligent network-based platform based on 5G global leadership.

Korea’s Largest 5G Coverage	The World’s First 5G Unlimited Data
5G service is provided through 81,000 base stations nationwide, as of August 2020	The world’s first mobile operator to launch a completely unlimited data plan, in May 2019

Technology Standardization Leadership

Through the world’s first 5G commercialization process, KT quickly identified 5G technologies that need to be advanced, and based on this, has invented key technologies necessary for function and performance improvement and secured technology standardization. KT has secured related intellectual property rights by developing core technologies of 5G wireless physical layer and wireless access control layer. In 2019, 25 of the patented technologies secured through the submission of 48 standard technology contributions were reflected in the 3GPP RAN1 (wireless physical layer) and RAN2 (wireless access control layer) standards. KT’s patented technologies reflected in the 3GPP standard are evaluated as key technologies that will advance the 5G technology evolution and the 4th industrial revolution, including sidelink HARQ feedback information transmission method, sidelink modulation & demodulation information transmission and reception method, V2X resource allocation method, etc.

Future Competency Technology-Based Service

In 2019, KT selected communication, games, and media as core service areas where customers can fully enjoy the differentiated characteristics of 5G, and launched a variety of services in line with the launch of 5G smartphones. In 2020, KT will promote the strategic introduction of a high-frequency band of 28 GHz so that users can experience the ultra-high-speed of 5G, while further enhancing the core service centering on the core services that can provide new 5G experiences to customers.

Intelligent Platform Services



Korea’s First 4K Wireless VR ‘Super VR’



KT Streaming Game Service ‘GameBox’



Demonstration of ‘Narle’ Video Call between Korea and Sweden



5G Smart Factory Vision



5G Self-driving Transport Cart

KT is striving to provide new and innovative intelligent platform services that customers have never experienced by applying intelligent technology to platform businesses such as security, media, finance, transportation, medical care, energy, and IoT.

Realistic Media

After pioneering the VR market by launching ‘Super VR’, the first 4K wireless VR (Virtual Reality) service in Korea in June 2019, KT has been expanding and providing VR services limited in entertainment to VR solutions in various areas that can be connected with real life, such as Education, fitness, real estate, training, etc. KT especially operates a wide spectrum of differentiated services, including Wide Max, where can watch movies and documentaries on a large screen through Super VR, the world’s first 8K VR streaming service, VR games of various genres, VR social services based on virtual avatars (engage), VR interview training, VR real estate (home view), etc. In 2019, KT expanded its business beyond VR technology to a service area using other realistic technologies such as MR/AR. KT launched KT Real Cube, a service product for MR rehabilitation and education in the first half of 2020, and is currently developing AR tourism services.

Cloud-based High-definition Content

Now, you can enjoy streaming computer games anytime, anywhere without having to separately download computer games from a game console or high-performance PC. KT launched a free streaming game experience service for KT 5G customers in December 2019, and launched a commercial service under the name ‘GameBox’ from August 12, 2020. This service allows unlimited use of about 100 high-end consoles or PC games with a single monthly payment, and has evolved into an OTT service from September, making it available to anyone regardless of carrier. KT will also allow users to enjoy streaming games on PCs as well as IPTVs such as Gi Genie within this year, providing a seamless and comfortable user experience on the N screen, and will continue to expand the number of available games.

Next-generation Communication

With fast and seamless service, 5G can vividly share the space where users exist in real-time, enhancing communication between people. The world’s first 3D avatar video call service, ‘Narle’ launched by KT was received enthusiastic responses. ‘Narle’ is a service that enables avatar video calls based on Face Retargeting technology by creating a 3D avatar in real-time. KT also successfully demonstrated as a 5G service in the first and second half of SCFA, a state visit event for the presidents of Sweden and Korea, and at the general meeting of SCFA, a consultative body for Korea, China, and Japan, to unfold high-quality next-generation communication capabilities in the global market. In March, KT launched a “Narle handwritten video call” service that helps the hearing impaired communicate in sign language.

Smart Factory

KT’s intelligent platform service is creating an environment so that the valuable achievements of the 4th industrial revolution can be spread to all industries, including digital innovation of business model based on 5G. Following the launch of ‘kt Smart Factory Cobot’, a 5G cooperative robot product in the second half of 2019, KT is improving productivity by spreading smart factories to industrial sites with developing and servicing the 5G smart factory platform ‘Factory Makers’ in consideration of the characteristics of smart factories that need to collect, analyze and store vast amounts of data in real-time. In June 2020, KT is expanding its product lineup by launching a new “KT 5G Smart Factory Vision”, which collects images through cameras installed in the factory to effectively perform inspection tasks that humans did with the naked eye.

Connected Car

KT’s “5G Mobility Makers” is an integrated mobility platform based on vehicle-to-object communication (V2X), which real-time vehicles and all processes covering location management, monitoring, remote control, and efficiency of road infrastructure. This system is a solution that enables real-time monitoring and control of moving objects operating in autonomous driving not only outdoors, but also indoor specific spaces such as factories and distribution centers. To provide 5G intelligent traffic control services, KT has accumulated core data for autonomous driving through the government’s construction of an autonomous driving/C-ITS demonstration complex and participation in control and infrastructure development. Starting with the introduction of autonomous driving solutions in the logistics field in 2020, KT plans to continuously expand autonomous driving solutions to various industrial sites.

Technology Innovation

KT is pursuing technological innovation to secure differentiated competitiveness in next-generation technology fields such as 'AI (artificial intelligence)', 'Big Data', and 'Blockchain'. KT is also striving for research and development to secure differentiated technological competitiveness and lead UX in various areas such as 5G, media, B2B, and platforms. KT is continuously expanding investment to secure new growth momentum.

Technology Innovation Approach

KT operates a customer-centric technology innovation promotion system in the 3C areas of 'Customer', 'Collaboration', and 'Company'. KT is striving to innovate warm-hearted technologies through a continuous cooperation system between business-site-research departments and securing technologies to meet customer needs through "Customer-driven Self-innovation".

KT is also promoting technological innovation by operating a quick and seamless feedback system to enable innovation and cooperation from the planning stage to the commercialization stage. In particular, KT conducts No. 1 Technology Commercialization Meetings, regular workshops, and occasional seminars, while forming a consultative body for each stage of planning, development, and commercialization, and discussing regularly or at any time. In addition, KT is striving to discover disruptive ideas and business models at the R&D Research Center, develop No. 1 innovative technology, verify and secure first-class quality, and establish an optimized resource system.

Technology Innovation Approach in 2020

Goal	Customer	Collaboration	Company
	Creating customer value by reflecting market needs	Responsibility to the end, expanding to the sales field	Leading future value as a national company
	Creating No. 1 customer value based on securing No. 1 technology	Continuing cooperation system rather than one-time development/commercialization	Pursuing social value along with corporate profits (warm-hearted infrastructure)
Strategy	Customer Value-created R&D	Field-supported R&D	Future Value-leading R&D
	Strengthening the competitiveness of B2C and B2B business	Operating infrastructure and solving field problems	Preparing future business and creating new customer value
	Customer, Company, AI/DX	NW, IT, Regional HQs	AI/DX

Technology Innovation Organization

Due to the rapid evolution of communication technology, the ability to quickly link technological innovation to commercialization is more important than ever. By establishing the 'Future Technology Commercialization TF' as an organization directly under the CTO in 2020, KT discovers, develops, and commercializes the 'Next Big Item' that can transform the market paradigm using future innovative technologies. Through this, KT will discover future technologies and commercialize them with a mid- to long-term perspective on market and technology trends.

Technology Innovation Infrastructure

In 2017, KT established the 'AI Tech Center' to establish a process that allows business and R&D organizations to rapidly develop AI services. In September 2018, KT also established the '5G Open Lab' in September 2018 and is conducting a series of technological innovation projects to discover various 5G services and promote commercialization in cooperation with external partners. KT is expanding the 5G innovation ecosystem by additionally opening the '5G Open Lab' in Pangyo in June 2019. From the opening of the '5G Open Lab' to May 2020, a total of 1,709 people from 468 companies have visited and expanded technology exchange.



Open Innovation



5G Open Lab in Pangyo



AI Tech Center



In order to promote efficient technological innovation, it is hardly less important to open innovation activities that share the latest R&D trends and operate partnerships with companies, research institutes, and partners with the highest level of R&D capabilities. KT is expanding the R&D ecosystem by operating various R&D platforms and consultation channels.

5G Open Lab Expansion

5G Open Lab is a collaboration space where all startups and general developers can develop 5G services using 5G infrastructure. Currently, the 5G Open Lab, located at the KT R&D Center in Umyeon-dong and the Pangyo Startup Campus, is operating with the goal of revitalizing the discovery of creative services that combine KT's 5G infrastructure and platform. In cooperation with a promising startup infrastructure that develops new technologies in various fields such as next-generation media, Internet of Things (IoT), and terminals. KT supports startups that want to develop 5G services through linkage with venture development programs, while collaborating between departments for successful cooperation with SMEs.

5G Open Lab		
Providing development/test environment including development room, server and API Supporting BM consulting and exhibition promotion		
Using 5G Access	Based on Edge Cloud	Bu Ready-made VM
5G Connectivity Test	Broadband, Ultra-low Latency Service Development	Handful 5G Platform Utilization

AI Tech Center Operation

The AI Tech Center is the nation's highest level of open artificial intelligence development platform operated by KT for artificial intelligence research and is playing a role as KT's artificial intelligence hub. Through the AI Tech Center, KT conducts various research such as an AI craft shop for cooperation with affiliates and artificial intelligence technologies, an experience space for benchmarking domestic and international terminals and services, an academy lounge for AI education, and a voice performance evaluation room for voice tests. We are conducting active research based on facilities.

Technology Innovation Consultative Bodies

KT operates various technology innovation consultative bodies and collaboration channels such as No. 1 technology commercialization meetings, workshops, and seminars for enterprise-wide technology innovation collaboration. Consultative bodies focus on breaking through the limits of technology focusing on creative solutions, strengthening business capabilities reflecting customer experiences, and discovering new businesses focusing on ideation and rapid incubation. In addition, KT is operating a company-wide 'Single Consultative Body', a knowledge-sharing activity. The Single Consultative Body is contributing to finding the best answer by sharing technology and business direction at all stages from planning to commercialization, and sharing opinions on commercialization and current issues.

Technology Conference

KT holds 'R&D Roadshow' once a year to introduce KT's major research achievements for future success to employees and group companies. The roadshow is divided into future-oriented technologies, technologies that can be commercialized immediately, and technologies at the commercialization stage for exhibition, and it is used as a forum for internal opinion exchanges for technology commercialization. The '2019 R&D Roadshow' exhibited 91 innovative technologies in nine areas and over 1,833 employees participated in. In 2020, 'Tech. for Customer Day' as a venue for the exchange of internal opinions and decision-making for rapid technology commercialization. Through a total of four events until June 2020, the CEO and general staff in related departments gathered in one place to discuss the commercialization of innovative technologies.

Securing R&D Talents

In order to lead the market through developing differentiated products and technologies, securing and fostering excellent R&D talents is important. KT is expanding its employment in the field of convergence technologies such as 5G, artificial intelligence, blockchains, connected cars, and quantum communication in an effort to secure the best talents who will lead the fourth industrial revolution. To this end, KT is making diverse efforts such as holding recruiting briefings at leading overseas universities and securing talent through sponsoring recruitment systems.

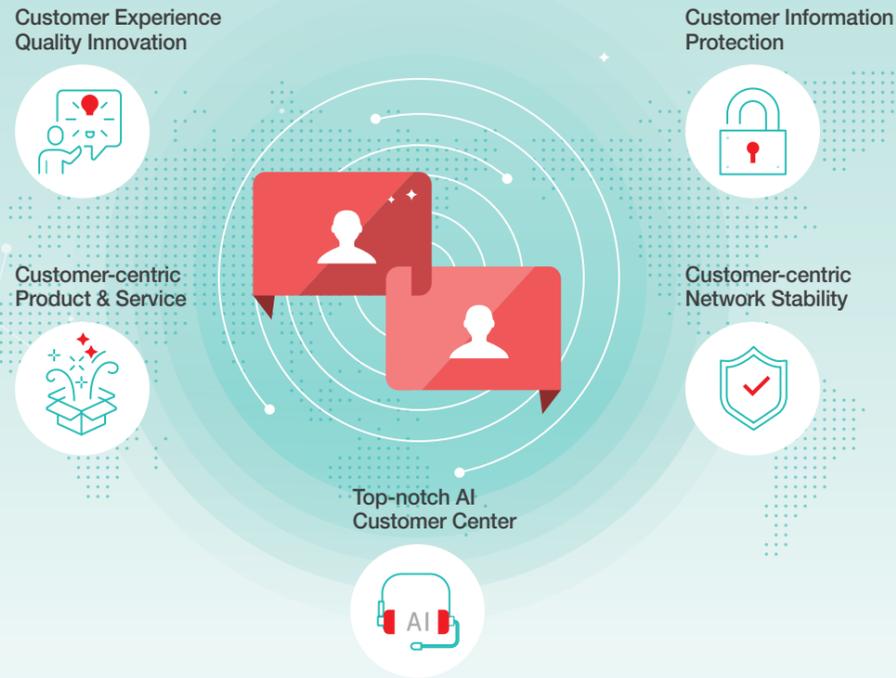
<https://corp.kt.com/eng/html/sustain/customer/customer.html>

Customer-centric Management

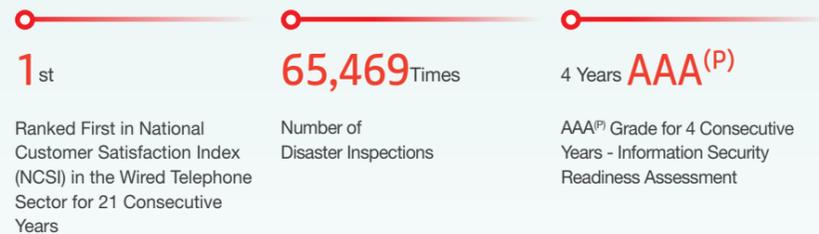
KT's View

As a national company led the history of Korean telecommunications, KT has dynamically changed the lives of customers through innovative services. To provide customers with what they want quickly and flexibly, KT is striving to become a 'Best Service Provider' that puts customers at the center of all areas and provides the best service through 'Customer-driven Self-innovation'.

Core Agendas



2019 Performance Highlights



KT's Life-Changing Story



KT '100-100 Care' Center

KT's Warm-Hearted '100-100 Care' Program for Challenged Customers

For the first time in the industry, KT opened a dedicated 100-100 care center for customers with disabilities to provide a 'Service with Heart' to solve the discomfort experienced by challenged customers in their communication life. This service is a dedicated customer center created with the intent of solving 'All (100%)' of the 'All (100)' inconveniences that customers with disabilities experience in their communication life, in a way that a professional consultant considers various types and situations of disability and considers customers first. This service greatly shortens the waiting time for consultation compared to general customer centers, allowing an immediate connection. Depending on the type of disability, this service is directly connected by selecting a menu such as chat, sign language, e-mail, and phone consultation. Customers with hearing impairments are provided with a chat consultation pop-up that allows them to use the 'My KT' app immediately.

Customer-centric Management System

KT is pursuing customer-centric management that prioritizes customers with "World Topmost Customer-satisfaction Company that Communicates with the Heart and Approaches with Faith" as its customer satisfaction vision. To this end, KT is making efforts to constantly innovate wired/wireless products, services, and customer contact point channels, and provide luxury customer service that can impress customers.

Customer Experience Quality Management

Customer satisfaction begins with service innovation. With 'Customer-centric' as the top priority, KT has provided differentiated customer-tailored services for customers, providing customers with a more comfortable daily life and providing greater value. In order to provide innovative customer value to customers, KT reinforces KT's unique customer experience quality management system 'Customer-driven Self-innovation KT CEQM 2.0' to innovate processes and systems in order to meet customer's needs quickly and flexibly. The customer experience quality management system consists of customer experience innovation, value innovation by customer segment, VOC innovation, and field communication and collaboration. As a systemic CS operating system, the system has the advantage of being a flexible "Agile CS mechanism" that can promptly respond to changes in the customer and market environment without being affected by a specific leader or organization.

KT Customer Experience Quality Management

<p>By Customer Segments</p> <p>『Value Innovation through Customers,』</p> <ul style="list-style-type: none"> Customer Experience Innovation Team (CXI), Individual CEI Recommended/customized/preemptive service 	<p>By Response to the Internal and External Environment</p> <p>『Experience Innovation for Customers Based on AI & DX,』</p> <ul style="list-style-type: none"> Selfization, automation, RPA No. 1 Pono Sapiens competitiveness 	<p>By All Chatbot, Text, RCS</p> <p>『Communication Innovation to Customers,』</p> <ul style="list-style-type: none"> AI chatbot service recommendation/subscription/change RCS customer text, RCS target marketing
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* CEQM : Customer Experience Quality Management

Customer Experience Quality Innovation

KT is pursuing enterprise-wide customer experience quality innovation to provide the best service in every meeting with customers and to impress customers with new experiences. KT has defined '4 Key Areas' to provide differentiated customer value and secure competitive advantage throughout the customer experience from the pre-launch stage to the termination stage, and promotes '10 Improvement Activities' to innovate. KT is concentrating on prompt communication with customers by solving preemptive and fundamental problems by conducting 10 improvement activities as voluntary and constant improvement activities rather than a one-off.

Customer Experience Quality Innovation Process

4 Key Areas	10 Improvement Activities	Products/Customer Life Cycle
Perfect Product/Service	① CTQ before release	Before Release
Improvement of Regular/Rooted Customer Complaints	② Daily 'Voice of Customer' ③ N(R)-VOC ④ Core process redesign	
Differentiating the Customer Experience	⑤ Voluntary regular CTQ ⑥ Regular CTQ ⑦ Customer value innovation by customer segment	After Release
Cultivate Pride & Skills through Collaboration and Communication	⑧ Process redesign with on-site ⑨ "Understanding from the Other's View" communication meeting ⑩ Triple No. 1 Service Evangelist	

* CTQ: Critical To Quality

Customer Experience Quality Organization

A flexible and fast company-wide organization is a prerequisite for providing customers with a differentiated quality experience. KT operates the 'Customer Value Innovation Executive Committee', a company-wide collaboration system centered on executives, including group companies, to secure a prompt decision-making system to provide customers' needs quickly and flexibly, while maintaining a customer-centric performance verification system.

Customer-centric Products

Being able to provide the 'Best Customer Experience' in a rapidly changing business environment is the essence of our competitiveness. KT is constantly innovating customer-centric products to meet the needs of diverse customers and to help customers enjoy the benefits of communication in their daily lives.

Scale of Customer Product Evaluation Panel (Unit: Persons)



Customer-centric Products Development

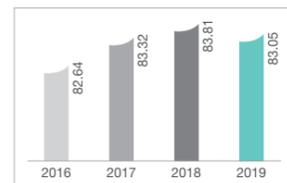
For developing customer-centric products that can impress customers, KT has operated the Customer Product Evaluation Panel since 2011; customers of the Customer Product Evaluation Panel participate in the product evaluation process. It is composed of diverse groups of people with varied interests, such as housewives, college students, workers, and employees at customer contact points. By reflecting the voice of customers to the product development, the Customer Product Evaluation Panel has been devoting for Customer First products that satisfy customer needs. In 2019, the Customer Product Evaluation Panel discovered improvements by verifying the processes used by actual customers including products, apps, and manuals, using products that can be experienced by customers before launch. If significant improvements were found, the release schedule was postponed and improvements were completed prior to launch. As a result, various products such as the Gi Genie LTE 2 and Olleh TV UHD4 set-top boxes launched in 2019 were serviced to customers with higher quality through this process.

KT has greatly expanded the scale of customer-centric product development through the product verification team in 2020 to enhance product verification before launch and to continuously improve existing products. In 2020, there were a total of 659 panels consisting of 457 customers and 202 field verification panels. This is a 34% increase from the 493 product panels (297 customers, 196 field verification panels) in 2019.

KT Customer Product Evaluation Panel Activities in 2019

Improvement of Existing Products		Verification of New Products		Other Survey	
Additional internet service, Real Genie Pack, etc.	6 Cases	GiGA Genie Table TV, etc.	10 Cases	Opinion on the reorganization of the fixed-line phone plan	1 Case

KT Integrated Customer Satisfaction (Unit: Points)



Customer Satisfaction Realization

With 'Customer-centric' as our top priority, KT provides differentiated services unique to KT and continues to strive for customer and customer value innovation, such as innovating the internal service process system to enhance the execution power of site/customer contact points. These unceasing efforts are recognized for credibility as KT is consistently ranked first in reliable surveys both inside and outside of South Korea.

KT achieved number one in the wire telephone sector of the national customer satisfaction index (NCSI) for the 21 consecutive years, and in the 2020 Stevie Awards, KT has been recognized worldwide for its achievements by winning the Gold Award for 'Best Customer Service Technology' for 4 consecutive years. KT integrates the results of major satisfaction surveys on external customers to manages its own 'KT Integrated Customer Satisfaction', and the satisfaction score is rising from 82.64 in 2016 to 83.05 in 2019.

Customer Satisfaction Results in 2019

NCSI National Customer Satisfaction Index (NCSI) Ranked first in the wire telephone sector for 21 consecutive years, ranked first in the Internet phone sector for 10 consecutive years, ranked first in the IPTV sector for 3 consecutive years, and ranked first in the super-high-speed Internet sector for 2 consecutive years	KS-QEI Korea Quality Satisfaction Index (KS-QEI) Ranked first in the super-high-speed Internet sector for four consecutive years, ranked first in IPTV for three consecutive years	KS-SQI Korea Service Quality Index (KS-SQI) Ranked first in the IPTV sector for 11 consecutive years	KCSI Korea Industrial Customer Satisfaction Index (KCSI) Ranked first in the super-high-speed Internet / IPTV sector for four consecutive years, ranked first in the Internet phone sector for 10 consecutive years, and ranked first in the home phone sector for 20 consecutive years
KS-CQI Call Center Quality Index (KS-CQI) Ranked first in the wire customer center satisfaction sector for six consecutive years, and ranked first in the wireless customer center satisfaction sector for five consecutive years	KSQI Korea Industrial Service Quality Index (KSQI) Achieved the best customer center certification for wired / wireless customer centers, ranked first in the customer contact point sector for four consecutive years	Dominant of the Value Selected as the best customer value company	Stevie Awards Awarded in the Sales & Customer Service IVR / Web Services, etc. sector for three consecutive years

Customer-centric Service

KT always values the voice of customers. In order to improve the service and process from the customer's point of view, KT derives insights from customers' voices and discover needs/wants and apply them in a nimble and flexible manner. KT is also constantly optimizing and improving processes from the perspective of customers through redesigning core processes by listening to customers' voices and field opinions.



KT Y Super Plan

Customer-centric Service Release

KT launched the 'Super Plan' in April 2019, in line with the commercialization of the world's first 5G service, opening an era of completely unlimited data without limiting the speed. In January 2020, KT improved the speed of roaming data by introducing a 'Y Super Plan' plan for only 20s once again with the opening of the 5G era, following the LTE Y plan that received a great response from 20s.

In February 2020, KT is satisfying the needs of customers who want to enjoy various contents by launching the "Super Plan Plus" plan which adds benefits to the "Super Plan" plan and allows to select two types of content each month, such as video, music, and VR. KT plans to continue expanding the types of content that customers can choose from so that they can quickly experience more content and enjoy practical benefits.

Customer-centric VOC Innovation

In 2018, KT formed and intensively managed TFs in three key areas to drastically reduce customer quality VOCs, leading to VOC innovation from a customer-first perspective. To provide more reliable and homogeneous services to customers, KT introduced the 'Six Sigma' system in 2019 and is implementing intensive improvement focusing on areas that require relatively improved service quality. In 2020, KT will practice "Customer-centric", one of the four core values, and accelerate VOC innovation for customers by innovating the VOC operating system centered on on-site support, including to search and share best practices in customer service innovation for customer-centric service and process internalization to the customer contact site.

Trend of VOC Improvement



Top-notch AI Customer Center

In order to expedite customer opinions, 16 customer centers nationwide and a total of 7,000 counselors, the largest in Korea, are prepared to handle customer inquiries quickly and accurately. KT Call Center, which contacts tens of thousands of customers every day, continues to progress through technology and heartfelt efforts. KT has diversified its channels to meet the needs of various customers with the introduction of a text customer service center, a talking ARS, and a viewing ARS for counseling that relied on existing telephone calls. KT is also providing convenience to customers by dramatically reducing the method and time for identification through the introduction of the AI voice authentication system. In addition, through the introduction of AI chatbot, KT can check simple inquiries or inquiries 24 hours a day, replacing 150,000 customer consultations per month.

KT Call Center is preparing for a new leap forward as an AI First Customer Center in 2020 by preparing AI-based call center solutions for the past two years. In particular, in November 2020, KT is planning to introduce an advanced 'AI Voice Bot' from the AI chatbot for the first time in the telecommunications industry, and through this, 24-hour voice virtual counseling will be possible, and will handle 650,000 inquiries in 70 fields. As a leader in innovation in the technology and service industry, KT Call Center will continue to take the lead in pursuing changes in customer life and happiness through technology and services that consider customers.

AI Consultation Assist	AI Chatbot	ARS Voice Certification	Wired and wireless Integrated Counseling
Introduction of AI counseling assist to support counselor's work	Convenient and quick business processing support through AI chatbot	Improvement of customer's self-authentication inconvenience and time reduction through ARS voice authentication	Provision of integrated counseling for wired and wireless products for the first time in the industry in Korea
Reduced customer request processing time by 15 seconds (20 → 5 seconds)	Increased from 31,000 → 41,000 cases per day	Reduced 19 seconds (24 → 5 seconds)	Nurture and operate 1,000 integrated counselors

Customer-centric Network Stability

The importance of providing reliable communication service is increasing due to the rapid climate change around the Korean Peninsula and the occurrence of earthquakes. As a telecommunications carrier with a national network, KT operates a state-of-the-art network surveillance system to provide reliable communications services under any circumstance and is committed to strengthening network stability.

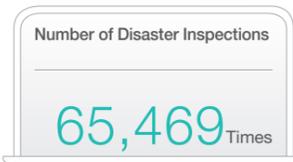
Integrated Network Monitoring System

KT believes that it is a strict duty of telecommunication service providers to provide stable communication services through prompt response and recovery in the event of natural disasters such as typhoons, heavy rains, earthquakes, and other social disasters. To fulfill the duty faithfully, KT operates an integrated network surveillance system to ensure the stability of wired and wireless networks and conducts comprehensive control at the network control center. In addition, KT operates the network surveillance system around the regional control centers for 24 hours a day, 365 days a year, while the nationwide wired and wireless operation centers are performing stable operation and maintenance of communication facilities.

Disaster Response Capability

Due to climate change, the intensity of typhoons is gradually increasing and the frequency of occurrence is increasing, which increases the risk of physical disasters such as damage to communication facilities. In 2019, when seven large-scale typhoons hit the country, KT minimized damage to communication facilities with the efforts of 65,469 preliminary inspections of vulnerable facilities and 2,694 employees involved in operating the emergency system. In addition, KT has made efforts to identify communication channel risks in advance by improving the control system and reinforcing monitoring sensors for 57 major communication areas.

Network Monitoring Activities in 2019



Strengthening Capabilities to Respond To Disasters in 2020

Training	Network	Infrastructure	Monitoring
Maintenance of earthquake response behavior and actual response training	IP network bypass communication path reinforcement between telecommunication offices	Reinforced power supply stability by dualization of KEPCO for major offices	Reinforcement of emergency work in case of natural disasters or national events

AI-based Failure Prediction Capability

KT's efforts to provide stable communication services to customers are constantly innovating. KT built a failure prediction system based on artificial intelligence technology in 2018 to shorten the recognition time in case of failure, and in 2019, developed an AI failure prediction system to predict failures in the wireless core network and IP core network. KT will do our best to prevent failures by further improving the accuracy of AI failure prediction and strengthening preliminary inspection through automation of control tasks.



AI-based Internet failure prediction solution 'Doctor Core IP'

Emergency Recovery Capability

Due to the prolonged COVID-19 outbreak, non-face-to-face services such as telecommuting, video conferencing, and online classes and untouched consumption are becoming commonplace. This phenomenon is causing a surge in traffic, so the ability of a telecommunication company to provide stable communication services under any circumstances is becoming important.

KT establishes emergency recovery measures by type of failure in advance in preparation for not only general communication failures but also cases where communications services are interrupted due to disasters and calamities such as typhoons and earthquakes and periodically conducts emergency recovery training. In particular, KT is making an effort to minimize damage caused by communication problems by constructing and operating a backup system capable of automatic bypass communication. KT is carrying out various activities to prevent disruption while improving the service quality.

Failure Prevention Activities	Service Quality Improvement Activities
<ul style="list-style-type: none"> Regular inspection of telecommunication offices/facilities (thawing season, rainy season, winter season) Prevention of recurrence through education on the cause (frequent) Establish a rapid response system to telecommunication disasters Enhancement of network survivability (Internet, PSTN, power supply, B2B) 	<ul style="list-style-type: none"> Improve internet E2E speed quality Replace/remodel low-speed Internet, aged transmission facilities Improve the experience quality of wireless subscribers (LTE, 5G) Provide quality Before Service for wireless customers

Brand Value Creation

As a national company who 'Contributes to the Advancement of Korea By Leading Changes in Customers' Lives and Innovations in Other Industries', KT introduces new and innovative marketing communication activities every year, drawing attention and empathy from customers. To create meaningful messages for customers and expand/re-produce valuable brand experiences, KT is promoting 'Integrated Marketing Communication' that utilizes customer contact channels.

KT Brand Slogan

Through the new corporate brand slogan, 'Caring About You', KT is expressing the brand identity which intends to 'make efforts so that each citizen can enjoy a better life based on warm-hearted technology for people'. KT consistently applies to management activities, corporate culture, product/service development, and customer communication.

'Caring About You' Campaign That Conveys the Warmth of KT Technology

Through the launch of a new customer-centric brand campaign, 'Caring About You', KT is continuing the 'My Name is OOO' series, which contains the story of each customer based on innovative technology and CSR activities for the underprivileged. With 'Voice Restoration' and 'Artificial Cochlear Implantation projects', KT will sincerely deliver the actions that lead to changes in customers' lives through warm-hearted technology.



'Caring About You' Campaign

'Heart Tact 2020' Campaign That Resolves the Communication in the COVID-19 Era

In 2020, the "Non-face-to-face Customer Participation Promotion" series released by KT to resolve the social/cultural disconnect caused by COVID-19 and to support the public has garnered a public response. The 'Heart Tact 2020' campaign was conducted with various activities that emphasized the value of solidarity and communication: 'Online Live Wedding' for newlyweds with delayed weddings; 'Online Orientation' for college freshmen; 'Online University Festival' with the excitement of campus life; 'Online Traditional Market Live Shopping' for the revitalization of markets'. The campaign featured terrestrial main news and exploded online and succeeded in making an issue. In particular, the 'Non-contact Ballpark Event for Baseball', held by children's ballots in a large baseball, is also featured in overseas media, providing people with enjoyment in the era of the prolonged COVID-19.



Online Live Wedding

'Useful' Campaign, Changes and Innovations in Daily Lives

A new marketing advertising campaign "Useful" began in the second half of 2020. KT's determination to be a useful and convenient existence for each customer is conveyed naturally and highly empathy through episodes in life, based on innovative services and differentiated benefits, such as 'One Minute Order' and 'One Hour Delivery'. This campaign will be an opportunity to form customer integrity and build customer-centric brand image.



'Useful' Campaign

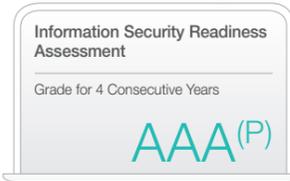
Brand Performance Creation

The KT brand is recognized internationally as it has been receiving favorable evaluations in representative design awards as well as various brand awards and advertising festivals at home and abroad.

Advertisement <ul style="list-style-type: none"> The 27th National Good Advertising Award Awarded, Prize by the Minister of Culture, Sports and Tourism (KT 5G Disaster Safety Network) less customers 	Design <ul style="list-style-type: none"> 2019 iF Design Awards, Main Prize in Communication Design Category (KT GiGA Genie BI)
Digital <ul style="list-style-type: none"> 2019 &AWARD Grand Prix (Narle Friends TV) 2019 &AWARD Winner (Feel-Genie) 	BM Link <ul style="list-style-type: none"> 2020 Korea Brand Hall of Fame (GiGA Genie, Olleh TV, Kids Land)

Customer Data Protection

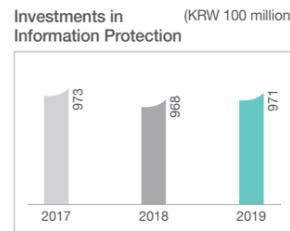
For KT, who regards customer-first management as its core value, customer information protection is the first principle of corporate value. In order to preemptively and structurally respond to increasingly intelligent security threats, KT will make every effort to strengthen its customer information protection management system and practice culture throughout the Life Cycle of customer information and to guarantee customer rights as information subjects.



Customer Information Protection System

After acquiring the Information Security Management System (ISMS), the nationally accredited information security management system in 2013 for the first time, KT has been recertified every year. In the "Information Security Readiness Assessment" evaluated by the Ministry of Science and Technology, KT received AAA+, the highest grade for three consecutive years thereby being externally recognized for its thorough customer information protection system. KT established the Information Security Team in 2014 and reinforced the expertise by separating the Chief Information Security Officer (CISO) from the Chief Information Officer (CIO) for the first time in the communications industry. KT is the most active investor in the information security sector among Korean telecom companies. In 2018, its investments amounted to KRW 97.1 billion, and employees dedicated to information protection were 323 in number.

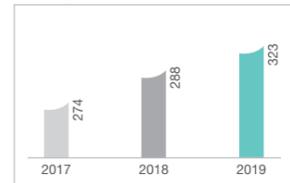
Investments in Customer Information Protection Infrastructures



Technical Administrative Measures to Protect Customer Information

Technical Protection Measures	Administrative Protection Measures
<ul style="list-style-type: none"> Integrated Security Control System to monitor suspicious behaviors that seem to be hacker's attack Response to APT attacks, the establishment of risk prediction & response system Establishment of Firewall, Intrusion Detection System, and Access Control System DRM (Digital Right Management) and DLP (Data Loss Prevention) Solutions Encryption of privacy, DB command control 	<ul style="list-style-type: none"> Conduct the Privacy Impact Assessment Security Coding required during the software development Regular inspection and improvement activity conducted for loopholes Simulation tests for infringement accidents with relevant organizations such as the government

Dedicated Information Security Personnel



Customer Information Protection Process

KT analyzes the entire life cycle from the personal information collection stage to the destruction stage and applies appropriate optimum technological and managerial protection measures by stage to prevent leakage of personal information in advance. To this end, KT conducts personal information impact assessment to identify and correct infringement factors in advance when information systems that utilize personal information are changed or newly introduced, and conducts checks the entire distribution networks and customer information processing systems every year regarding customer information protection measures. In addition, KT is strengthening technical and administrative protective measures to preemptively respond to evolving security threats such as APT (Advanced Persistent Threat) attacks and deletes the personal information of customers who do not use services for long periods exceeding one year to prevent the risk of leakage. In particular, KT has established a comprehensive response system covering the terminal, network, and even servers through the first IT / Network Integrated Cyber Security Center in South Korea and is responding to diverse security threats 24 hours a day, 365 days a year.

Privacy Impact Assessment



Customer Information Protection Activities

Category	Activity	Unit	2017	2018	2019	Remark
Personal Information Protection Training	Number of employees who completed mandatory personal information protection training (first half)	Persons	22,981	23,160	23,240	Conduct semi-annual compulsory training for all employees (excluding those on leave or dispatch, those to be transferred, and drivers for executives)
	Number of employees who completed mandatory personal information protection training (second half)	Persons	23,170	23,180	22,915	
	Ratio of employees who completed mandatory personal information protection training	%	100	100	100	
Personal Information Measures Checks	Number of service checks	Cases	316	274	284	Perform security check of customer information processing systems at least once a year
	Ratio of services checked against the overall services	%	100	100	100	

Customer Data Protection Training and Service

To reinforce the customer information protection throughout the value chain, all employees, Group companies, and suppliers are cooperating to establish a culture that everyone participates in protecting the customer information with a sense of responsibility. Hence, all employees are to pledge personal information protection every year while the information protection training is constantly provided.

Customer Information Protection Training

With providing annual online training of personal information protection to all employees, KT has made efforts to improve the efficiency of training by implementing customized education tailored to each job and task for employees who handle customer information with a high risk of information security. In addition, KT is establishing an environment where employees are voluntarily participating in protecting information by operating an in-house reporting center for security issues and Clean Office, while sharing practice measures through information protection poster, PC wallpaper.

Customer Information Protection Service

In order to safeguard customer information from advanced security threats such as hacking, ransomware, and phishing, KT provides various information protection services such as information protection notification that informs cyber risk information by text, who-who spam notification service that displays spam/safety information on the receiving screen, family safe that help children can use the Internet safely on PCs and smartphones with automatic blocking of harmful media/internet contents and time management, and PC safe 2.0 that enable for simultaneous PC and smartphone security/management.



Information Security Poster

Major Customer Information Protection Service

Information Protection Notification <p>A service that notifies by text when information security-related issues (accidents, security information) (https://product.kt.com/wDic/productDetail.do?ItemCode=485)</p>	Who-who Spam Notification Service <p>Service that displays shared information such as spam/safety on the receiving screen when receiving a call (https://product.kt.com/wDic/index.do?Cate-Code=6003)</p>
Family Safe <p>A service that blocks harmful websites on the PC Internet, manages internet usage hours and blocks harmful substances on smartphones</p>	PC Safe 2.0 <p>A service that provides expert consultation services remotely along with PC security (including virus scan/treatment, important file encryption/auto backup, personal information protection, double blocking of phishing and pharming, etc.) and additional functions (safe storage of photos for smartphone security/management, external virus blocking, etc.)</p>

Use of Personal Information

According to customer information related laws and regulations, KT notifies all subscribers of personal information items, the purpose of collection, and period of retention. The collected personal information is not used for any purpose other than the relevant purpose and is provided to third party organizations only with the prior consent of the customer. When government agencies request data according to the Telecommunications Business Act (Article 93, Clause 6) and the Protection of Communications Secrets Act (Articles 2 and 13), KT cooperates for the provision of related materials in accordance with the legal standards for and methods of provision, and reports statistical data about the details of provision to the Ministry of Science and ICT. Under the Telecommunications Business Act, information investigation agencies may request telecommunication data subject to permission by a prosecutor, grade 4 or higher civil servant, or police superintendent (subscriber information such as phone number, ID). Also, the investigating agency may request data confirming of telecommunication subject to permission by the court (fact of communication, log record, IP address, etc.).

Government's Request for Customer Information

Category	Description	Unit	Telecommunication data	Data confirming of telecommunication
Government Request	Number of cases of government agencies' requests for customer information treated	Cases	301,598	88,552
Checking Provided	Number of cases where whether customer information was provided to government agencies can be checked	Cases	301,598	88,552
	Ratio of cases where whether customer information was provided to government agencies can be checked	%	100	100

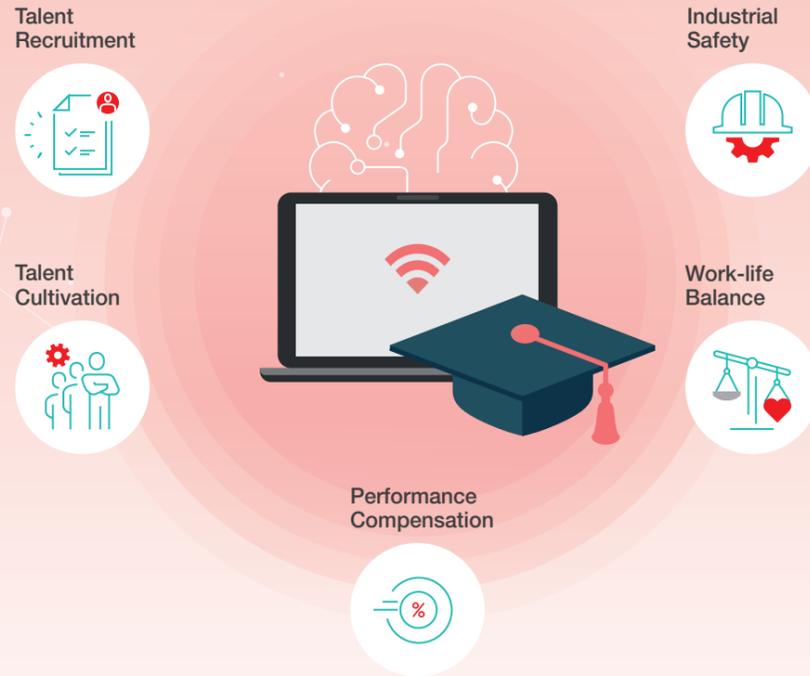
Human Resource Development

<https://corp.kt.com/eng/html/sustain/telement/telement.html>

KT's View

In the midst of rapidly changing internal and external business environments such as technological advancement, market diversification, and diversity of customer demands, securing talented individuals with professional competence and passion is very important for us. KT will become a telecommunications company that provides new experiences and impressions to customers by nurturing and developing competent human resources, the driving force of corporate growth and development.

Core Agendas



2019 Performance Highlights



KT's Life-Changing Story



MOU Signed for AI One Team

KT AI Talent Ecosystem Creation Project for the No. 1 AI Country

In order to reinforce the AI competency of Korea, where AI talent to lead the future is insufficient in qualitative and quantitative terms, KT signed an industry-academia-research cooperation with KAIST, Korea Electronics and Telecommunications Research Institute (ETRI), and Hanyang University in February 2020. This cooperation is raising anticipation as the first step in establishing a cooperative system that guarantees execution capability and establishes concrete plans in collaboration, in line with the national strategy that the government is pursuing under the vision of 'Become AI Country Beyond IT'. KT will develop the artificial regeneration system of AI in Korea through cooperation in fostering human resources to discover and propagate the application cases of AI technology to actual industrial sites to participating companies and corporate customers.

Recruitment and Development

Employees are the subject of innovation and the driving force of corporate activities. KT is striving to discover talented people through a fair and transparent recruitment process and to nurture them into competent human resources who will become the company's greatest asset.

Ideal Employee of KT

KT has a firm belief that fostering human resources is directly linked to the competitiveness of the company. In order to contribute to the development of Korea by leading changes in the lives of customers and innovations in other industries, which is the corporate vision, we are actively hiring talents that meet KT's core values: Customer-Centric, Ownership, Communication & Collaboration, and Fundamentals & Process. Based on a fair personnel system, KT assigns recruited human resources to each job and evaluates their performance closely, and is building an organizational culture in which employees can demonstrate their capabilities to the fullest by providing training in accordance with a human resource development program.

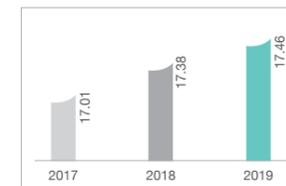
Talent Who Meets KT's Core Values

Customer-Centric	Ownership	Communication & Collaboration	Fundamentals & Process
Providing customers' needs with agility and flexibility through customer-driven self-innovation	Thinking and acting as a proud and solid KT owner with pride and skills	Reinforcing horizontal communication and flexible collaboration system beyond organizational walls	Focusing on the essence of the industry and considering the process as important for the best results

Human Diversity

In order to increase the ratio of female workers in terms of diversity, KT blinds genders regardless of job competency in the hiring process, and 38.7% of female employees were hired in 2019. In addition, a subsidiary-type standard workplace (KT Hope Builder) was established in 2019 to provide quality and stable jobs to the handicapped. KT will continue to strive to promote the employment of the handicapped through differentiated services.

Ratio of Female Employees (Unit: %)



Current Status of Employees

(As of December 31, 2019, Unit: Persons)

Category		Total	Male	Female	Female Ratio	
Total Number of Employees		23,372	19,292	4,080	17.46%	
Manager	By Rank	Low level manager	11,390	8,992	2,398	21.05%
		Middle level manager	10,136	8,869	1,267	12.50%
		High level manager	341	319	22	6.45%
	By Department	Business department	4,409	3,390	1,019	23.11%
		Field department	17,051	14,544	2,507	14.70%
		Support department	1,495	928	567	37.93%
Sub total		21,867	18,180	3,687	16.86%	
Category		Total	Male	Female	Minority Ratio	
Diversity	The handicapped	497	480	17	2.13%	
	Veterans welfare beneficiary	1,098	994	104	4.70%	
	Elderly (60 years or older)	153	135	18	0.65%	
	Foreign employees	13	8	5	0.06%	
	Sub total	1,761	1,617	144	7.53%	



Talent Recruitment Process

In order to discover competent talents that match the ideals of human resources, KT has established a fair and transparent process for securing talents, selects talents based on job competency, and provides equal opportunities to all applicants. KT conducts a 'Blind Interview' to enhance fairness and transparency in recruitment, and selects talented people based on competency by blinding all personal information items during interviews. In 2019, 555 new employees were hired in line with the government's youth job creation policy. In addition, KT continues to operate a hiring conversion-type internship system. The hiring conversion internship system, which has been in effect since 2018, provides job-related ICT training and internship opportunities to applicants, and excellent talents among those who have completed the job offer the benefits of converting to full-time employment. In 2019, 141 interns were hired within internship programs.

Competency-centered Talent	Local Talent	Intern Recruitment
Through blind processing of information irrelevant to the applicant's competency, fair evaluation centered on the competency related to the applicant's job	Recruiting talent for each region in order to discover an excellent talent for the region.	A conversion-type internship system introduced to foster talents in the 4th industry through specialized ICT education. Recruitment of talented individuals who have completed internships with proven practical skills.



Employee Capacity Building System

To cultivate 'KT People' with pride and skills and 'Future Talents' who will lead future growth businesses, KT reorganizes the education system into three areas of "Integrating Vision and Core Values", "Developing Competence and Leadership", and "Reinforcing Job Competency for Performance Improvement". Through this, KT is striving to develop a process to provide what the internal and external customers want in a timely manner. In addition, KT's communication/innovation platform, No. 1 workshop, is leading not only the telecommunication industry, but also other industries.

Major Training Achievements in 2019

<p>"Strong Leader" leading 5G, Cultivating persistent "No. 1 KT Employee"</p> <ul style="list-style-type: none"> • 108 value courses: 22,420 employees • 34 leadership courses: 3,858 employees 	<p>"Accelerating Competency Transformation" to Leap Forward as a Global No. 1 Platform Operator</p> <ul style="list-style-type: none"> • 1,978 job courses: 88,303 employees 	<p>"Leaping to the National No. 1 Workshop 2.0" to Create Performances and Pride</p> <ul style="list-style-type: none"> • 933 agendas: 17,275 employees
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Integrating Vision and Core Values

KT focuses on training on CEO management philosophy, vision and core values, and compliance to solidify the status of KT as a national company by internalizing the new vision and core values for 2020. In particular, KT is providing training for new and promoted employees to internalize KT's vision and core values, and to strengthen a sense of group unity. In 2019, the target of education was expanded to group companies, providing training to 945 promoted employees in 31 group companies. The promotion education focuses on strengthening the loyalty and unity of KT as a national company, while learning about the group's 134 years of history and future business.

Fostering Experts in Future Growth Fields to Lead AI Companies

To drive future growth projects, KT has established an AI manpower training system and is nurturing AI/Cloud developers and AI manpower in the field through the 'Future Talent Development Project'. The 'AI/Cloud Developer Course' focuses on AI practical competency over a short period through full-time online and offline training for 6 months and AI projects for 64 selected employees through an in-house competition and screening. In the case of the 'Field AI Talent Training Course', KT selects about 300 employees of the field headquarters and provides necessary training and coaching of IT training coaches under the supervision of the head of the regional HQs by directly finding and specifying AI tasks in the field.



KT Future Talent Development Project Poster

Capacity Building

Developing Competence and Leadership

KT operates a systematic leader training program throughout the company to quickly respond to changes in the business environment. In particular, KT is providing support for new group leaders to lead the organization quickly through 'New Leader Education by Grade', and is preparing to cultivate leaders needed in the future through 'Next-generation Management Leader Education'. Furthermore, KT is increasing its expertise and industrial influence through 'Customized Leader Education' so that leaders can realize the company's vision and core values.

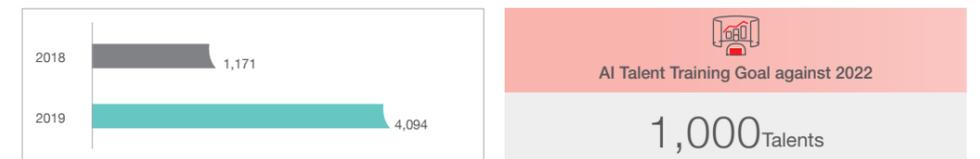
Reinforcing Job Competency for Performance Improvement

To cultivate experts in B2C/B2B sales and network field, KT conducts customized training in consideration of job year and competency level. In particular, KT is focusing on fostering experts in each field to preempt the expanding B2B market while fostering experts for the stable operation of the network and leading technology, the essence of the business. In addition, intensive job training is provided to new employees through OJT, mentoring, and online/offline training so that they can perform their jobs quickly after deployment, while reskilling training is systematically implemented through step-by-step training and certification scheme to improve productivity and prepare for the aging era. KT conducts job competency diagnosis to cultivate competency-based job experts, and operates a customized training system that recommends appropriate training courses based on the diagnosis results.

Future Capacity Building Program

KT is striving to cultivate experts who will lead the 4th industrial revolution by providing practical training necessary for AI algorithm development capabilities. In 2019, 4,094 employees were educated to foster KT manpower in the fields of future growth such as AI, blockchain, and big data, and it has expanded to 350% compared to 2018. In addition, KT introduced AI matchup online training to support reskilling, and 1,707 employees voluntarily participated. To fulfill its corporate social responsibilities as a national company, KT is taking the lead by operating the 4th Industrial Academy for job-seekers to cultivate 144 professionals.

Results of Future Growth Education (Unit: Persons)



AI Talent Training Program

With the goal of cultivating 1,000 AI talents by 2022, KT systematized AI education programs for each level from beginner to advanced in 2020. KT has also established an AI talent training system that utilizes internal capabilities, by establishing "Aidu", a learning platform that allows trainees to practice their learning using in-house data and fostering AI coaches composed of in-house experts. As an AI education program, the 'Future Talent Development Project' that conducts online and offline education and project execution for 6 months and the 'Field AI Talent 300 Project' where field employees discover on-site issues and apply AI to improve problems are newly established and operated.

KT No. 1 Workshop

The 'No. 1 Workshop', which started in 2014, is KT's unique innovation tool that expands employee communication and collaboration and customer-centric mindset. It is KT's unique innovative platform that takes customer and site problem solving as the starting point for all changes, and makes decisions immediately when suggestions for improvement are proposed through horizontal discussions of 1 night 2 days regardless of position and position. The Workshop is expanding beyond KT to public institutions, NGOs, and private companies, and is recognized globally as it was selected as an excellent case in the Change Management field by ATD awards in 2019. The "No. 1 Workshop", with 80,000 debaters on 5,000 topics over the past 7 years, is raising the value of use as a core platform for the new management philosophy "Customer-driven Self-innovation" and "AI talent development".



Idea Fair No. 1 Workshop for New Recruits

Fair Evaluation and Compensation

Appraisal and Compensation System

KT conducts annual performance appraisal to entire employees based on MBO and provides fair compensation such as an increase of wage, promotion, and reward assisting to encourage a better performance; the standard and process of evaluation are clearly disclosed to all employees. Moreover, the fairness of the evaluation has been reinforced through education for appraisers, calibration between primary and secondary appraisers, acceptance of an objection about the result, and afterward monitoring. As a result of these efforts, KT's employee turnover rate in 2019 was about 0.5%, which is significantly lower than the average turnover rate of large corporations surveyed by the Ministry of Labor in 2018, 2.9%.

Fair promotion reviews are conducted centering on performance and competency in the results of appraisals. The promotion system is divided into two categories: 'general promotion' based on the mileage applied equally to all employees and 'promotion by selection', which selects those who created excellent performance.

Multidimensional Performance Appraisal

In order to secure the fairness of the performance evaluation, a Job Competency Assessment that is a 360-degree appraisal is implemented for all employees annually - i.e. him/herself, co-workers (up to three people), and seniors (up to three people). The evaluation result is used as a reference for the promotion of first-line managers, employee relocation, and performance/competency appraisal. This evaluation is applied to assessments of not only 'common job competency' but 'specific job competency' which is an indicator for individual jobs. Therefore, it has contributed to an objective assessment being used as a reference for securing the fairness of the evaluation.

Innovative Work Environment

KT creates an innovative work environment that helps employees to work and live harmoniously, and to engage in work based on creativity and enthusiasm. KT strives to provide a work environment where employees can immerse themselves in work based on their ownership, creativity, and passion.

Flexible Work Program

Since the introduction of telecommuting in 2010, KT has been operating a variety of flexible work programs, including selective work, Core-Time work, and discretionary work programs. By increasing the flexibility of commuting time, KT is expanding and implementing special jobs such as working moms and R&D so that they can go to work at any time they want. KT also implements family love flexible work programs for pregnant women, infant caring women, challenged employees, and employees who need to care for dependent family members.

Through an in-house newsletter in 2019, KT provided a series of guidance on flexible working programs and related inquiries to raise employee awareness and improve the usage rate. As a result, the average monthly average number of users increased significantly compared to 2018. In order to respond to COVID-19 in 2020, KT implemented intensive preventive measures through telecommuting and revitalization of the flexible work system, and the number of flexible work system users increased significantly to an average of 7,195 per month as of the first half of 2020.

Trends in Use of Flexible Working Programs (Unit: Average monthly number of users, persons)



Status of Use of Flexible Work Programs in 2019

Category	Apply to	Main Content	Average Monthly Number of Users
Telecommuting	Staff department	• Working hours: 9:00 to 18:00 * Working place: Home	17
Selective Working System	All employees	• Minimum 4 hours a day (11 o'clock to 15 o'clock required) Autonomous work for 40 hours per week (excluding weekends)	981
Core-Time Working System	All employees	• 8 hours a day, commuting time ± 2 hours (staggered hours)	1,247
Discretionary Working System	R&D, IT design analysis job	• No working hours restriction, 40 hours a week (except Sundays)	32
Family Love Flexible Working System	Pregnant women, infant caring women, disabled employees, and employees who need to care for dependent family members	• Minimum 4 hours a day (11 o'clock to 15 o'clock required), Autonomous work for 40 hours per week (excluding weekends) • Use less than 3 times a week in the event of telecommuting	240
Total			2,517

Female Lifecycle Caring

KT provides customized care programs for each woman's life cycle, including pregnancy, childbirth, intensive childcare, and nurturing in order to create a happy working environment where women can realize themselves through work-family balance. KT is providing a caring program by life cycles of females (stage of pregnancy, childbirth and child-rearing) for the happy work environment where female employees can achieve self-realization through the balance between work and home. For the pregnancy stage, we provide financial supports for medical expenses, leave for fetus check-up, and shortened working hours. A leave before and after childbirth is also offered with a subsidiary for childbirth. Moreover, emotional care programs for childbirth are also available. At the stage of child-rearing, KT provides various supporting activities by cutting working hours, allowing to use nursery facilities at the workplace, and granting scholarships. KT is also operating workplace childcare facilities in 5 business sites nationwide to create a working environment that is compatible with work and family. In 2019, the rate of reinstatement of women after parental leave is 99.3%, and the rate of working for more than 12 months after reinstatement, an indicator of stable job retention, is 100%.

Female Lifecycle Caring Program

1 Pregnancy	2 Childbirth	3 Intensive Infant Care Period	4 Child Rearing Period
<ul style="list-style-type: none"> Medical expenses support, prenatal diagnosis leave Flexible work system: adjust the commuting time for working at least 4 hours a day, 40 hours a week Shortened work during the pregnancy period: Available within 12 weeks of pregnancy or after 36 weeks (working 5 hours a day) 	<ul style="list-style-type: none"> Provide leaves before and after delivery and childbirth support fund Paid emergency leave in the event of delivery by the spouse (10 days) available 	<ul style="list-style-type: none"> Automatic childcare leave system: When applying for leave before and after delivery, childcare leave can be applied in combination. Childcare leave can be used for up to 2 years (legal childcare leave is 1 year) Compensation increase rates are applied during the leave period and promotion disadvantage is prohibited 	<ul style="list-style-type: none"> Shortened working hours Workplace childcare facilities can be used (8 childcare centers in 3 areas) School expense support, etc.

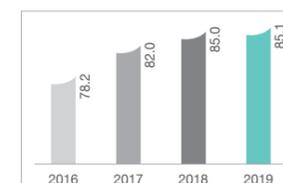
Employee Safety and Health

KT manages office lighting, temperature, humidity, and indoor air quality to create a pleasant and safe working environment, and provides physical training and health management programs for employees. Through the operation of a psychological counseling center for mental health management, 1,537 personal counseling, 41 on-site counseling, 74 financial counseling, and 71 training were provided, and 16,950 people underwent stress tests.

Status of Counseling Center Operation in 2019

Personal Counseling	Visiting Counseling	Financial Counseling	Education	Team/Camp	Stress Test
1,537 Cases	41 Cases	74 Cases	71 Cases	7 Cases	16,950 Employees

Results of Employee Satisfaction Survey (Unit: Points)



Employee Satisfaction Survey

KT conducts regular employee satisfaction surveys for all employees every year to measure the detailed levels of satisfaction by position, gender, age, and organization and makes efforts to understand employees through analysis of yearly trends and improve employee satisfaction through internal improvement. The 2019 result is 85.1 points.

By Gender		By Organization			By Position			
Male	Female	Business department	Support department	Field department	Staff/assistant manager	Manager/deputy manager	General manager	Directors or above
85.9	81.2	82.1	84.4	86.3	81.0	85.9	87.4	93.0

Work-life Balance

KT believes that employees can enjoy a happy life, as well as corporate profitability, which can increase when an ideal balance between the work and life of an individual employee is guaranteed. KT is striving to provide an environment where employees can pursue happiness and fun in their lives and families, and further realize themselves.

Refresh Leave Program

KT provides unprecedented opportunities for refreshment leave to long-servicing employees to provide employees with opportunities to develop and recharge themselves. That is, KT provides long-term paid leave for six months to employees with high job performance who served for at least 10 years to allow acting freely, such as self-development, travel, and language study. In particular, this period is regarded as an extension of work, and not only this period is included in the service period, but also all welfare benefits as employees are maintained. KT applies the wage increase rate during the leave period so that disadvantages do not occur to the employees who use the leave program while ensuring that no disadvantage occurs in the event of promotion.

Vacation and Leave Program

KT is striving to establish an efficient working culture by operating a semi-annual vacation system that allows employees to use the annual leave dividedly up to 10 times so that they can be faithful to their family life. In addition, legal care leave, which can be used for a maximum of 90 days for family caring, is extended to a maximum of 120 days, and in connection with the petition leave, we provide support for a maximum leave of one year.

Retirement Preparation Program

Since the introduction of a business start-up support leave system for the first time in Korea in 2009, KT has been supporting employees who challenge business start-ups while they work at KT every year. KT operates the KT Life Plan, a job-change support program so that employees can prepare for their second life and old age. KT provides specialized training programs for employees who are about to retire, such as re-employment, start-up, return to the farm, and professional education programs including 1:1 consulting. In 2019, KT operated a 'Retirement Workshop to Thank Each Other' and held a healing program and retirement ceremony for 2 nights and 3 days for those who are eligible for retirement every month. The family attended the retirement ceremony and had a meaningful time celebrating the honorable retirement.

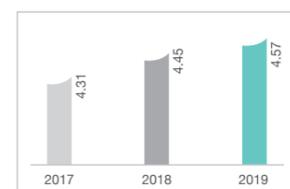
Corporate Culture of Communication

KT operates a variety of grievance settlement channels that can prevent and settle employee complaints. As of 2019, KT has installed and is operating 'Grievance Settlement Committees', consisting of labor and management representatives, at 253 field organizations, and the 'Labor and Management Win-win Center' opened in March 2015 supports the grievances of employees and retired persons at one-stop from receipt to settlement. The Labor and Management Win-win Center provides diverse channels such as telephone (080-2580-119), SMS (1588-4936), e-mail (kt119@kt.com), and online bulletin board (KT119 Labor and Welfare Center bulletin board in Kate) so that grievances can be submitted conveniently anytime anywhere. Through this convenience, the Center has dealt with over 18,000 grievances accumulated after opening and strives for fundamental settlement of employee difficulties such as summarizing major matters received and promoting them throughout the company by issuing a newsletter every week. In 2020, KT plans to proactively address major grievances of employees by resolving the agenda of the labor-management council to enhance the ability to execute grievances jointly with labor and management, and to quickly respond to major internal issues, thereby focusing on preemptive grievance resolution.

Win-win Labor-management Relations

According to Article 5 of the Trade Union and Labor Relations Adjustment Act and Article 3 of the collective agreement, KT guarantees that employees can freely join the trade union formation of trade unions and other representative organizations. Under the collective agreement, KT adopted the Union Shop system in which all employees become union members as soon as they enter the company so that 100% of employees are protected by collective bargaining. Employees can freely withdraw from the union. As of December 2019, the union membership rate of employees is 77.7%. In 2019, KT discussed and resolved measures to boost employees' morale and improve welfare through a total of 60 labor-management meetings, including Labor-Management Conferences and the Labor-Management Win-win conferences.

Satisfaction with Grievance Settlement (Unit: Points / of 5 Points)



<https://corp.kt.com/eng/html/sustain/share/share.html>

Social Contributions with Heart

KT's View

As a national company that has grown with the people, KT conducts warm-hearted social contribution activities throughout our society and operates various social contribution programs to become a "Company That the People Need Most". KT will use ICT, a core competency, to bridge the information gap in Korea and to achieve a better future for the people.

Core Agendas

Dream with Heart



Environment with Heart



Sharing with Heart



Happiness with Heart



Future with Heart



2019 Performance Highlights



KT's Life-Changing Story



'Lunch Box of Love' Campaign

KT's Good Consumption 'Lunch Box of Love' to Help Commercial Districts Due to COVID-19

With the spread of COVID-19, the local economy is experiencing great difficulties as sales of self-employed people decrease by as much as 70% as office workers work from home and the floating population decreases. KT is running the 'Lunch Box of Love' campaign targeting commercial districts near the office building that has been hit hard by the economy. KT selected 20 restaurants with severe sales damage from restaurants near Gwanghwamun and Umyeong-dong, purchased lunchboxes, and sold them to employees at low prices, receiving good responses from both restaurants and employees. KT has provided a total of 6,946 lunchboxes so far.

Social Contribution System

Social Contribution Vision and Strategy

KT is seeking a new path for social contributions that can substantially change the lives of the people with a sense of responsibility as the leader of telecommunication in Korea. KT is striving to reestablish a vision of 'Social Contributions with Heart' in 2020 and promote sincere social contribution activities. KT will realize a better future through continuous social contribution activities based on the five "With Heart" social contribution areas.

Social Contribution Vision



Social Contribution Area

Dream with Heart	• Finding Sound Campaign • Finding Voice Campaign • CSR for the Handicapped (smart farm, etc.)
Sharing with Heart	• Disaster Emergency Relief and Emergency Medical System Innovation • Support for the Vulnerable (Dreams Center, Dongja Sharing Center) • Support for Small Business (Love Series, etc.) • Labor-Management Sharing Activities
Future with Heart	• Support for Revitalizing Local Economy • Support of Future Generation (Scholarships, Global Mentoring) • Global Epidemics Prevention Platform
Happiness with Heart	• IT Supporters (Employees, Retirees, and University Students) • KT Volunteers of Love • KT Chamber Orchestra
Environment with Heart	• Mobile Phone Recycling "Ribbon" Campaign • Green Social Contributions (Ocean Purification, Tree Planting)

Social Contribution Organization

After establishing the Sustainability Management Committee, which is a committee on the board, in April 2016, KT has been promoting more efficient and substantial social contribution activities throughout the company. Important decisions on social contributions are made by the 'Sustainability Management Committee' within the board of directors. Through the Group Social Contribution Committee under this committee, KT Group level integrated social contribution activities are carried out.

Social Contribution Organization



Dream with Heart



Home Coming Day of KT Finding Sound Campaign

Finding Sound Campaign

A representative social contribution activity that has been promoted for 17 years since 2003, the Finding Sound Campaign is a meaningful campaign that is deeply related to KT's corporate identity as a telecommunications company. Reflecting characteristics of the telecommunications industry, KT has steadily implemented the 'Finding Sound' project, helping children and youths who have difficulty in communication with the world due to their hearing impairments.

This project began with treatment support such as cochlear implant surgery and hearing aids for low-income deaf people. In 2012, KT opened 'KT Dream Class' with Yonsei Medical Center to support rehabilitation treatment through language, play, art, and music therapy. Based on the accumulated know-how, in 2019, KT advanced overseas and opened the 2nd Dream Class in Cambodia, followed by the 3rd Dream Class through a business agreement with Jeju University Hospital. KT plans to continue to launch a sound search campaign, including supporting various rehabilitation treatments.

Dream Class 1 (Severance)	• Number of lessons: 696 times • Number of attendees: 326 people • Number of participants per month (rehabilitation treatment support): 2,068 people	• Number of participants in vacation lecture: 7 people • Number of participants in special programs: 22 people • Number of Homecoming Day participants: 223 people
Dream Class 2 (Cambodia)	• Number of lessons: 721 times • Number of attendees: 326 people	• Number of participants per month (rehabilitation treatment support): 840 people
Sign Language Interpretation Center	• Interpretation case : 1,592 cases • Interpretation time: 26,730 hours • Annual number of people: 250 people	• Sign language education completion: 16 people • Sign language education participants: 188 people
Hearing Keeper Project	• Hearing aid support: 8 people	

* Based on the actual number of people



Heart Talk App Opening Ceremony

Finding Voice Campaign

Through AI technology, KT is pioneering a new field of the social contribution that has never existed in the world to create the voices of those who have lost their hearing or have lost their voices, providing substantial changes in the lives of the people. With the launch of the Voice Search Campaign in April 2020, KT selects 20 deaf people and records the voices of their families for the purpose of generating voices. Through KT's AI technology, KT generated the closest voice based on the recorded voice through a voice tuning process that reflects individual characteristics such as gender, age, and oral structure.

In addition, KT has developed a dedicated mobile application, 'Heart Talk', that allows you to communicate with your voice at any time and distributes it. KT will become a company that contributes to the development of Korea that leads the change and innovation of customers' lives by continuously realizing the services needed in everyday life using warm-hearted technologies that are helpful in life.

Support for the Handicapped

KT has been contributing to the social independence of the handicapped through various support projects since establishing a smart farm tailored to the handicapped in Korea's first agricultural and vocational rehabilitation facility in 2016. Smart Farm is a social contribution activity that has a positive effect on creating jobs by participating in crop harvesting by handicapped persons themselves and improving their emotions in a nature-friendly environment.

Starting with the Namyangju Smart Farm for the Handicapped, KT is continuously expanding the range of support to the Andong Yyeun Welfare Foundation Smart Farm and the Ganghwa Village Smart Farm. Through AI technology and platform services, KT also provides various services to assist the visually/hearing-impaired people in their daily lives and self-support, and strives to spread them.



Namyangju Smart Farm for the Handicapped

Sharing with Heart



Smart Emergency Medical Service in Jeju

Disaster Emergency Relief and Emergency Medical System Innovation

Using AI technology capabilities, KT performs emergency relief operations efficiently in disaster situations, and is making substantial changes in the lives of customers through the innovation of the smart emergency medical system. In particular, KT is supporting the emergency medical system mainly in the Jeju area, focusing on the fact that it is difficult to secure a golden time in case of an emergency because it is difficult to check the condition while an emergency patient is moving by ambulance. First, KT established a real-time patient vital data transmission system to enable simultaneous monitoring in the emergency rooms of Jeju National University Hospital and Seogwipo Medical Center, where patients are frequently transported. KT also provides support to respond to emergencies by visually checking the situation of patients and medical staff through CCTV inside the ambulance, enabling rapid treatment for emergency patients. KT will continue to make efforts to improve public safety and convenience by utilizing AI technology and smart emergency medical capabilities.



2019 Dream Presentation

KT Dream Center

Since 2010, KT has been operating the 'KT Dream Center' in 21 branch office buildings nationwide to support children of the underprivileged to continue learning with dreams and hopes. 'KT Dream Poom Center' is a high-tech complex education space equipped with various IT devices such as IPTV, smart pad, GiGA Genie AI speaker, and e-book. At the KT Dream Center, children participate in a variety of educational programs such as personality, arts and sports, English, and ICT use, and experience activities such as career experience, performance viewing, and emotional coaching. KT is cooperating with various organizations to ensure that children at local children's centers can receive a high-quality education at the KT Dream Center. Each center holds a 'Dream Presentation' to share talent development achievements such as chorus, Nanta, orchestra, musical, and speech, and a meaningful event was also held to commemorate the 10th anniversary. In 2019, a total of 57,204 children received educational benefits at 365 regional centers nationwide. In 2020, KT plans to expand the ICT education program and establish a matching volunteer activity system in connection with the KT Volunteers of Love.

KT Dream School

KT Dream School is a two-way ICT mentoring platform established in 2013 using KT's video conferencing system, which is taking the lead in resolving the education gap for vulnerable classes, children and youth. In particular, the program provides opportunities for retirees and career interrupted women to act as "dream teasers", that is, mentors to provide opportunities for social participation to them and contribute to job creation. In the future, KT plans to expand personality education for the underprivileged children and expand the social participation of retirees and career interrupted women with diverse talents. In 2020, KT Dream School plans to expand personality education for underprivileged children and expand the social participation of retirees and career-disrupted women with diverse talents. The number of retirees and career interrupted women who participated until 2019 was 568 and the number of beneficiaries as 217,522.



Dongja Hope Sharing Center

Since 2013, KT has been conducting IT education and volunteer activities for Dongjin-dong, Yongsan-gu, the biggest dosshouse village in Korea. In this process, KT recognized that the residents need a space where they can relieve the inconvenience of their basic living and take a rest at ease and opened the 'Dongja Hope Sharing Center', an ICT complex cultural space in June 2014. The Center is equipped with convenience facilities for residents such as toilets, showers, laundry, and ICT facilities such as IT cafes and IPTV rooms and frequently conducts IT education, crafts, and arts/culture classes using these spaces. In particular, KT has selected people from the village as center managers to create local jobs and operate 'Hope Sharing Cafe' and 'New Dream Plus Workshop' to support the lives of the residents. KT will continue to do its utmost to support the lives of the socially disadvantaged people who can feel self-reliance and happiness.

"Of Love" Campaign Series

In order to help small businessmen who are struggling with the aftermath of COVID-19, KT participates in good consumption through the "Of Love" series where employees participate in purchasing and the company supports. In March to April 2020, KT bought lunch boxes from restaurants around the office building in Gwanghwamun and Umyeon-dong through the "Lunch Box of Love" and sold them to employees at low prices. Through 'Agricultural Products of Love', in April to May 2020, agricultural products were purchased from school catering companies, which suffered a large loss from school opening, and sold them to employees at half price. In from May to June, KT also supported the difficult small theater by purchasing 2,000 tickets from small theaters, where the audience was cut off through the 'Small Theater of Love'. KT plans to carry out follow-up activities for the "Of Love" series by the end of the year, and plans to open an online sharing market in September where anyone can easily participate using the employee welfare mall platform.



UCC's Visit to Lang Huu Nghi in Vietnam

Labor-Management Sharing Activities

KT is contributing to the spread of a shared labor-management sharing culture by leading 21 domestic companies through UCC, a joint labor-management sharing consultation between companies. Since 2012, KT has been carrying out social contribution activities for multicultural families by continuously promoting global volunteer activities in Vietnam. In 2019, KT selected Lang Huu Nghi, the home village of Vietnamese migrant women who married to Korea, as UCC Village, and supported multicultural families to visit their home village. KT also practiced sharing through the construction of a new communal bathroom for couples with disabilities in their homes and village morning market, painting murals at Lang Huu Nghi Elementary School, volunteering for environmental improvement, and donating daily necessities. In addition, KT is taking the lead in environmental movements that take advantage of the characteristics of member companies, such as conducting volunteer activities for planting trees in Mongolia, centered on member companies in Jeju.



Universal Services and Fee Reduction

'Universal Services' mean basic telecommunication services that can be provided to users anytime, anywhere at reasonable fees. To fulfill the social responsibilities as a national corporation that operates social networks, KT provides basic communication services such as local telephone, public telephone, island communication, ship wireless, special number (emergency telephone) and maintains low fee levels so that all people can use the services. In addition, KT carefully reviews the services so that no one would be discriminated in terms of fees or service quality for the reason of geographical location, income or disability.

Future with Heart

Support for Revitalizing Local Economy (GiGA Story)

GiGA Story is KT's representative social contribution project being actively promoted by creativity and innovative ideas; the world has been paying attention to this next-generation value-creating project of KT. By providing GiGA Infrastructure and appropriate solutions to remote and isolated regions with a relatively large information gap, we have been advancing the living environment of local residents in diverse aspects such as education, culture, economy, and environment.

Starting with Imja GiGA Island in 2014, GiGA Story is expanding the scope of the project nationwide to Dae-seong-dong GiGA School in DMZ, Baengryeong GiGA Island, Cheonghak-dong GiGA Creation Village, Gyodong GiGA Island and Pyeongchang 5G Village. Based on the experience and know-how accumulated in Korea, KT also expanded the field of activities overseas to establish Bangladesh GiGA Island in 2017. With the launch of the GiGA Story project in Nepal in October 2019, KT is promoting the CSV-type social contribution activities based on Giga infrastructure and convergence solutions by spreading the GiGA Story model globally.

<p>1 Imja GiGA Island (OCT 2014)</p> <p>Supporting the creation of livelihood jobs and fostering preliminary social enterprises through the construction of Korea's first "Tulip Smart Farm"</p>	<p>2 Daeseong-dong GiGA School (NOV 2014)</p> <p>Changing the lives of villagers and promoting convenience through the construction of a 5G village in Daeseong-dong, the world's only DMZ village (JUN 2019)</p>	<p>3 Baengryeong GiGA Island (MAR 2015)</p> <p>Promoting the 3rd-anniversary ceremony through the completion ceremony of the Baekryeong Comprehensive Indoor Gymnasium and VR experience booths</p>	<p>4 Cheonghak-dong GiGA Creation Village (JUL 2015)</p> <p>Supporting the elderly living alone by building IoT-based elderly care solution smart LED</p>
<p>5 Gyodong GiGA Island (MAR 2017)</p> <p>Operating GiGA solutions such as Gyodong Swallow's House and Gyodong Studio, and attracting institutional/group visits</p>	<p>6 Pyeongchang 5G Village (FEB 2018)</p> <p>Applying KT 5G network and ICT solutions, as the world's first 5G village built by KT</p>	<p>7 Bangladesh GiGA Island (APR 2017)</p> <p>Promoting the improvement of residents' lives such as education, medical care, and economy in Moheshkhali Island, Bangladesh</p>	<p>8 Nepal GiGA Story (OCT 2019)</p> <p>Promoting the safety of visitors by establishing a rescue center in the Annapurna mountain, Nepal</p>



KT Heart Shelter in Uiseong AI Village

Support for Revitalizing Local Economy (AI Village)

Based on 5G network and ICT solutions, KT is striving to revitalize the local economy through the AI Village project, which improves settlement conditions for local residents. As the first step, in July 2019, KT entered into a balanced regional development project by signing a business agreement with Uiseong-gun, Gyeongsangbuk-do, for the 'Neighbor Test Village Project'. In December 2019, KT opened 'T.E.A.M' equipped with a single-person broadcasting and video conferencing system to support the production of broadcasting contents and the formation of a network among young people. In June 2020, KT completed the "KT Heart Shelter" in Yonggi-ri Children's Park and is open to local residents at all times to provide comfortable shelter. In August 2020, the youth residential complex "Attic" was built and used as an ICT shelter and a place for exchange for young people.



Seoul Completion Camp in KT Global Mentoring

KT Global Mentoring

'Global Mentoring' is a program for elementary school students to teach foreign language and provide education about the global culture by connecting foreign students and elementary school students, who live in remote areas. In 2019, KT conducted foreign language classes and cultural exchange programs by matching 77 children from underprivileged areas in five islands, including Imjado, Baengnyeongdo, Cheonghak-dong, Gyodongdo, and Pyeongchang-gun, on a one-to-one basis. By 2019, a total of 355 foreign students participated, and the cumulative number of training sessions was 15,675. In 2020, KT plans to expand from the existing GiGA Story area to the vulnerable groups in large cities and underdeveloped areas, and plans to provide qualified mentoring through mentoring guidelines and curriculum standardization.

Progress in 2019

Number of participants	Number of beneficiaries (cumulative)	Number of training (cumulative)
77 people	355 people	15,675 times

Scholarship Programs

KT has started scholarship programs in 1988 and has been promoting scholarship programs to cultivate ICT experts and enhance the awareness of social diversity such as 'Future Creative Talent Scholarship', 'Labor-Management YOUTH Scholarship', and 'Social Innovative Talent Scholarship'. KT's scholarship projects multilaterally support the dreams of young people such as providing mentoring utilizing the Dream School, an online education platform beyond simply delivering scholarships. In 2020, KT plans to change the operating nature of the scholarship so that a story between the beneficiaries and KT can be created, by changing the scholarship management from the existing school-level support method to a long-term student support method.

Major Achievements of the Scholarship Programs in 2019

Category	Future Creative Talent Scholarship	Social Innovative Talent Scholarship	Labor-Management YOUTH Scholarship
Target Schools (schools)	289	16	140
Beneficiaries (persons)	630	77	201
Scholarships (KRW 100 million)	626	168	308

Global Epidemics Prevention Platform

The 'Global Epidemic Prevention Platform (GEPP)' is a platform proposed by KT in 2016 at the UN Global Compact Conference and allows us to track the spread of infectious diseases and identify people who are concerned about infection by using the location records of domestic and foreign mobile phones. GEPP determines the possibility of viral contact by constructing a movement line based on the record of personal roaming use abroad and the record of domestic mobile phone use, and combining it with information on infectious disease outbreak areas at home and abroad. KT is gaining support and attention from the international community by presenting concrete measures using ICT technology. Through this project, KT is providing innovative solutions to implement goal 3 'Good Health and Well-being' of the UN Sustainable Development Goals. In May 2020, KT received an investment from the Bill & Melinda Gates Foundation, and will conduct 'A Next-generation Surveillance Study for Epidemic Preparedness' worth KRW 12 billion for the next 3 years. During this research period, KT plans to focus on analyzing the spread process of infectious diseases based on telecommunication data by developing an AI-based early diagnosis algorithm.

Happiness with Heart

IT Supporters' Activity (2007-19, accumulated)



IT Supporters

IT Supporters is the first Probono activity in South Korea that was launched in 2007 and celebrates its 14th anniversary this year. Probono refers to the activities of experts in each field to utilize their expertise to help the underprivileged and socially underprivileged. KT is promoting various activities across all generations nationwide to reduce the digital divide by utilizing the ICT capabilities of former and current KT employees. In order to solve the national social problem of 'dementia', in 2019, KT continuously implemented the 'KT ICT Brain Revitalization Project' and conducted activities to bridge the IT gap and support self-sufficiency for the information underprivileged. KT also supported a variety of programs to nurture future talent, such as the "Software Career Experience Class", for young people, so that growing youths can grow to lead future ICT trends. In addition, KT fostered creative future talents through various AI/ICT experiences for children in islands and mountains. In recognition of its continuous and sincere activities, KT was awarded the Minister Award for Contribution to Information Culture in 2019. In 2020, KT is contributing significantly to solving the learning gap by providing non-face-to-face ICT experience education to emergency care children at regional children's centers across the country who have emerged as educational blind spots due to COVID-19.

Major Activities of IT Supporters

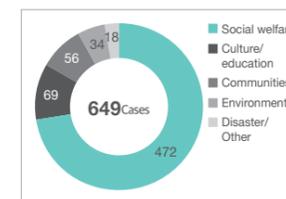
Category	Major Activities	2019 Beneficiaries
Bridging the digital divide	Providing IT education such as using computers and smartphones for the 4 information underprivileged groups (the elderly, the handicapped, low-income groups, and rural communities)	77,978 people
Dementia prevention and awareness improvement	228 training sessions for seniors such as dementia relief centers and welfare centers; 108 instructors trained for preventing dementia; dementia awareness campaigns (public service video transmission of dementia at 1,299 KT Plaza sites)	4,693 people
SW career experience class	Providing future IT/software education in connection with the mandatory middle school software education business, in line with the free semester system	1,271 people
KT IT Playground	Providing IoT experience classes (AI/VR/SW) for schools and local children's centers in islands and mountains (292 times)	6,053 people
Self-reliance support for the vulnerable	Operating qualification acquisition, IT utilization and instructor training courses for multicultural migrant women and women with career interruptions	4,671 people



KT Volunteers of Love

The KT Volunteers of Love is KT's representative participatory social contribution activity of employees, starting from 2001 and celebrating its 20th anniversary this year. In the KT Volunteers of Love, employees plan programs autonomously and carry out a variety of volunteer activities, including support for local children's centers, support of essential supplies for the vulnerable in the local community, free meal service for the elderly living alone, help with workers in farming and fishing villages, improvement of welfare center facilities, relief in disaster-affected areas, experiential education using KT facilities, etc. The KT Volunteers of Love conducts volunteer activities focusing on environmental improvement activities in the local community to support the vulnerable, and in the event of a national emergency or disaster, quickly put a volunteer group at the disaster site to perform on-site recovery and relief work for the victims. In April 2019, in particular, the KT Volunteers of Love visited the field faster than any other organization and provided emergency relief, when a large number of people were displaced due to a forest fire in Goseong, Gangwon-do. In 2020, various activities were carried out to overcome COVID-19, including delivering relief kits for quarantine facilities, supporting mobile phone and call charges for medical staff, providing emergency food service for 119 paramedics, supplying sanitary products for the vulnerable, and quarantine support.

KT Volunteers of Love Performances in 2019 (Unit: Cases)



KT Volunteers of Love Activities in 2019		
Volunteer time	Number of volunteers	Number of beneficiaries
24,585 hours	5,083 employees	139,431 people



Smart Care & Elderly Job Creation Agreement Ceremony

Senior Care and Job Creation

KT is striving to improve the social problems of Korea entering an aging society by supporting the information gap and self-sufficiency for seniors. To overcome dementia which is a representative social problem in the aging society, in particular, KT is developing smart brain vitality education using ICT at the national dementia relief center in cooperation with government agencies, such as Central Dementia Center, National Police Agency, Korea Veterans Welfare and Medical Corporation. In order to contribute to solving social problems in the elderly society through the creation of high-quality ICT-based jobs for the elderly, KT has also signed the 'Smart Care & Elderly Job Creation Agreement Ceremony' with the Korea Senior Citizens Development Institute and Social Service of Gyeonggi-do. KT will continue to set the best value to have a warm ICT and enjoy an information society without being alienated by anyone, and will do its best to develop society and create shared value through ICT.



KT Chamber Orchestra at Special Concert in Busan

KT Chamber Orchestra

As a telecommunication service provider that transmits voice through waves, KT is carrying out activities to bridge the cultural gap through the operation of the KT Chamber Orchestra to contribute to spreading beautiful sound to the world. In order to bring the impression of music closer to life, high-quality regular performances of the KT Chamber Orchestra are held on the first and third Saturdays of each month, and proceeds from the performance are used to treat hearing loss in children with hearing impairments. In 2019, the KT Chamber Orchestra held a total of 24 regular performances, and the Special Concert in Busan was held to host classical performances in September 2019. The KT Chamber Orchestra has performed a total of 262 performances in the past 11 years since its inception in 2009.

KT Chamber Hall <http://www.ktchamberhall.com/>

Environment with Heart



2019 Paperless Tree Planting

Overseas Afforestation Project, Paperless

KT is carrying out social contribution activities to preserve the global environment at the group level. As part of that, BC Card is carrying out a tree-planting project at major overseas sources to improve domestic air quality such as yellow dust and fine dust. In 2019, BC Card held the '2019 Paperless Tree Planting' event in the Arhangai Aimak Uginor Som area, Mongolia. Oer the next three years, T Group plans to contribute to improving the domestic air environment by planting 75,000 trees in Mongolia which is known to affect domestic air quality due to desertification. The KT Group is also carrying out activities to help establish and create a sustainable source of income by providing nursery programs and farming education for nomads and local residents who are unable to make a living due to the loss of livestock due to desertification and climate change.

Urban Greenery Conservation Project

KT Group is carrying out environmental and social contribution activities at the entire group level to preserve the environment of the local community to which the group company belongs. Each group company continuously promotes various activities such as environmental purification, landscaping, and supplementation of facilities in its neighborhood parks, inspiring self-esteem through social responsibility, and practicing sharing in regular exchanges with underprivileged areas. As an example, kt engcore promotes the "One Company, One Park", an urban green area conservation activity with local communities, and employees carry out environmental cleanup activities more than six times a year.

Implementation of the UN Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) are the UN's global long-term development plan with 17 goals to address global economic, environmental and social issues by 2030. KT actively supports the UN SDGs to create a better planet, and actively participate in realizing the Goals. UN SDGs are fundamentally linked to overall sustainability management activities of KT Group companies as well as KT. A variety of social contribution programs that utilize the characteristics of each group company's business are matched to the goals of the UN SDGs and are generating synergies through joint volunteer activities among group companies.

<https://corp.kt.com/eng/html/sustain/share/share.html>

Sustainable Supply Chain

KT's View

In the midst of the communications market rapidly changing, the shared growth through close cooperation with suppliers is necessary to secure the competitiveness for leading the future technology as well as to deliver differentiated service values. Thus, KT is striving to establish a shared growth system through communication and cooperation where KT and suppliers can coexist.

Core Agendas

Support for New Technology Development



Support for Recruitment and Education



Support for Market Development



Support for Productivity Innovation



Technology Protection and Infrastructure Support



Financial Support



2019 Performance Highlights



KT's Life-Changing Story

Scale of Free Provision of Technology Development Infrastructure in 2019

Wired/Wireless/Media Verification Center	IoT Terminal Solution	Quality Evaluation Lab
3,057 Times	4,475 Times	27 Times
Measuring Chamber	kt API Link	5G Open Lab
43 Times	218 Times	43 Times

KT's 'Free Provision of Technology Development Infrastructure' to Improve the Technological Competitiveness for Suppliers

KT is providing various technical support to suppliers to create a creative and competitive shared growth ecosystem. In particular, KT's technology development infrastructure is provided free of charge so that suppliers can develop new technologies to strengthen their competitiveness. In 2019, KT's six technology development infrastructures were lent to suppliers for a total of 7,863 times, worth KRW 2.57 billion. KT will continue to support suppliers' development capabilities and strive to grow together.

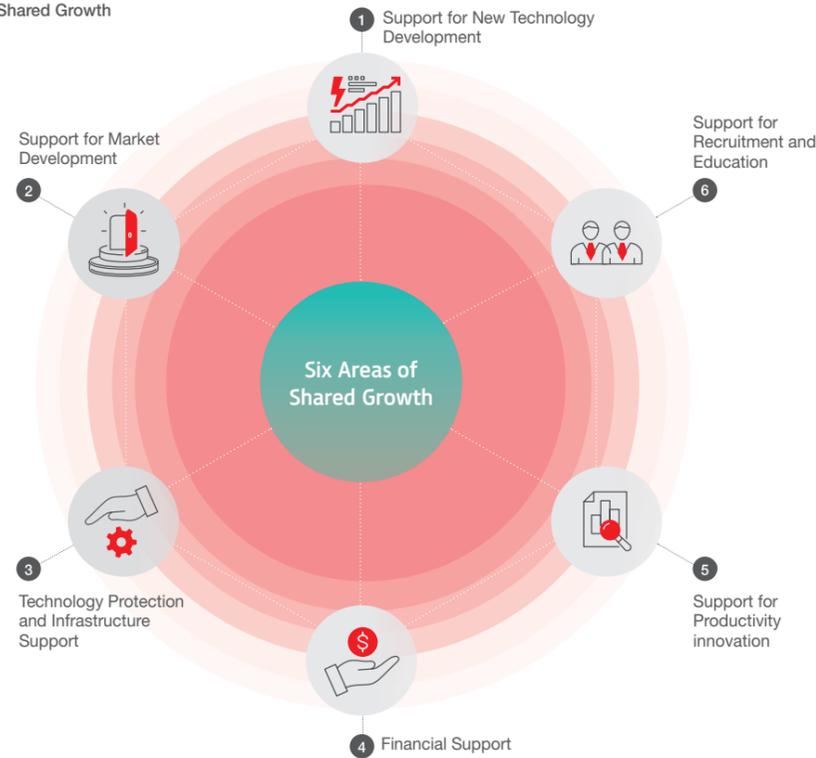
Shared Growth System

Since founded an organization responsible for the shared growth in 2010, KT has constantly executed diverse activities to fortify the competitiveness of suppliers beyond simply communicating with them. Through a range of programs generating shared values of suppliers, we are leading the shared growth culture that is to respect suppliers advancing together. Therefore, the foothold to enter the global market has been consolidated through enhancing the ecosystem of the Korean communications industry.

Vision of Shared Growth



Six Areas of Shared Growth



Support for New Technology Development	Support for Market Development	Technology Protection and Infrastructure Support	Financial Support	Support for Productivity innovation	Support for Recruitment and Education
<ul style="list-style-type: none"> Joint R&D Commercialization of external items Partner's Day Performance Sharing System Biz Collabo (for start-ups) 	<ul style="list-style-type: none"> Support for suppliers' overseas exhibition Joint advancement into the international market Support for technology transfer and free patent transfer SCM consultative body (material sector) Future Network Council Purchase conference 	<ul style="list-style-type: none"> Escrow for technological data Certification of the original document of trade secrets Non Disclosure Agreement (NDA) SW Open Lab 	<ul style="list-style-type: none"> Cash payments in full Network loan Win-Win cooperation fund Financial support for retail stores Financial support for contents suppliers Investment into projects of SMEs & ventures Investment into start-ups of the creative economy 	<ul style="list-style-type: none"> Innovation partnership SCM and support consulting Support for quality and environmental certification Support for a safe working environment SW development capability enhancement consulting 	<ul style="list-style-type: none"> Support for Job Fair Support for education within SMEs

Shared Growth Implementation

Support for New Technology Development

In the era of the 4th industrial revolution, KT established a joint R&D system to lead the ICT industry, and is cooperating with partners to develop new technologies and solutions. In 2020, 10 projects were selected and a total of KRW 1.3 billion was supported as development expenses. In addition, KT has been operating the Performance Sharing System since 2006 to create results such as cost reduction and quality improvement by jointly developing equipment and services with partners, and to share profits. As a key agenda for KT's shared growth activities, the Performance Sharing System is contributing to creating joint results with partners. In 2019, a total of 21 tasks were implemented with suppliers and a result of KRW 1,010 million was shared. To support suppliers to overcome technical limitations, KT continues to carry out activities to transfer high-quality patents for free.

Scale of Technology Support in 2019

Category	Number of Support (Cases)	Amount (KRW million)	
Performance Sharing System	21	1,012	
SME Joint R&D and New Product Development	120	17,900	
Free Provision of Technology Development Infrastructure	7,863	2,565	
Provision of Patents and Technologies	Free Patent Transfer	34	199
	Technology Transfer	12	-
Total	8,050	21,676	

Support for Market Development

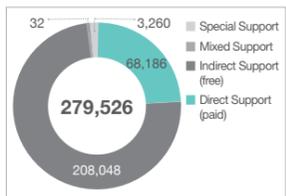
KT is supporting the advancement of the domestic market through partnerships with major start-up centers and venture capitals to support small/medium-sized business partners in strengthening their capabilities and attracting investment. KT supports overseas exports of small and medium-sized venture companies through diverse activities such as participating in overseas exhibitions with suppliers, global advancement through a consortium with KT, and global PoC (Proof of Concept) projects of small and medium suppliers with utilizing KT's overseas infrastructure. As a result, KT achieved substantial export performance of suppliers worth KRW 53 billion in 2019.

Category	Major Activities	2019 Results
Support for Participation in Overseas ICT Exhibitions	KT supported the participation of small/medium-sized venture suppliers in overseas exhibitions. KT specialists supported the overseas marketing activities of suppliers during the exhibition period.	Suppliers successfully concluded export contracts worth KRW 53 billion in 2019.
KT-Small/medium Suppliers' Consortium Projects Were Implemented	KT supported small/medium-sized suppliers' pioneering of overseas markets through joint winning of overseas projects with KT.	A total of 25 small/mid-sized suppliers participated in 17 projects in 2019, achieving overseas export of over KRW 35.8 billion.
Advancement into Overseas Bases through Global PoC	KT supported the advancement of small/medium-sized suppliers into the global market by utilizing the tangible and intangible overseas bases and marketing infrastructures possessed by KT.	In 2019, KT supported projects of nine small/medium-sized venture suppliers with KRW 2 billion.
Support for Venture Business Commercialization	Biz collaboration program for venture companies who have difficulties in entering the market.	Support for initial commercialization budget of up to KRW 100 million and support for joint BM development through linkage with KT business division.

Support for Finance and Productivity innovation

KT is providing support by preparing various support plans to stabilize the management of small and medium-sized business partners. KT has been implementing full cash payments since 2006, and in 2019, we expanded the operation of the win-win partnership fund to B2B and global partners and provided a total of KRW 62.1 billion. KT also supports management innovation in key areas such as management, finance, and quality through a productivity innovation program to strengthen the fundamental competitiveness of business partners. To overcome the COVID-19 crisis in 2020, KT plans to support the financial environment of business partners in a stable operation by improving the SCM system, such as expanding advance payments.

Scale of Financial Support in 2019 (Unit: KRW 100 million)



Sustainable Supply Chain Management System

In order to strengthen supply chain capabilities and minimize operational risks, supply chain management that takes into account economic, environmental, and social factors is essential. KT conducts sustainability management evaluations based on its supply chain sustainability management policy to minimize risks in the supply chain and promote long-term shared growth.

Sustainable Supply Chain Management Policy

KT established the 'Supplier Sustainability Guidelines' in December 2012 for the first time among domestic telecom companies and has been practicing systematic sustainable supply chain management based on the guidelines. KT made the second revision of the guidelines in May 2017 to reflect global trends of environments, human rights, etc. The 'Supplier Sustainability Guidelines' consist of four sections: Business Conduct Principles, Environmental Management, Corporate Social Responsibility and Role, and Product Sustainability and present the sustainability management standards expected by KT from suppliers across a total of 18 areas. In addition, KT established three supply chain sustainability goals to pursue shared growth for mutual benefits and strives to achieve the goals.

Supply Chain Management Goals and KPIs

Supply Chain Sustainability Strategy	KPI	Long-term Goal	2019 Status
Improve Supply Chain Sustainability  For KT to lead a successful business, it is essential to improve the sustainability of the entire value chain. KT introduced 'suppliers' sustainability management evaluation' in 2013 and is regularly measuring and monitoring the level of sustainability of its supply chain.	Suppliers' sustainability management evaluation score	Achieve 100 points of cooperative company sustainability management score by 2022	The supply chain acquired a sustainability management evaluation score of 95.7 points in 2019
Minimize Supply Chain Sustainability Risk  Establishing a stable supply chain is a prerequisite for KT's ongoing business. Every year, KT strives to minimize risks by identifying risks from economic, environmental, and social aspects through 'suppliers' sustainability evaluation and implementing corrective actions.	Ratio of suppliers with which transactions have been terminated among those in which high risks were identified	Achieve 100% improvement after corrective actions of suppliers in which high risks were identified	The ratio of suppliers with which transactions have been terminated among those in which high risks were identified as 10% in 2019
Enhance Energy Efficiency and Cost Competitiveness of Supply Chain  Suppliers use large amounts of energy in product manufacturing and construction stages. This is not only a major issue for the cost competitiveness of suppliers, but also a critical issue directly connected to KT's purchasing costs. Therefore, KT makes efforts to improve energy efficiency in the supply chain.	Supply chain GHG emissions	Reduce 35% of supply chain GHG emissions by 2030 compared to 2007	Supply chain GHG emissions in 2019: 18,119 tCO ₂ -eq

 KT Supplier Sustainability Guidelines https://corp.kt.com/data/eng/sustain/KT_Sustainability_Guideline_for_Suppliers.pdf

Sustainable Supply Chain Management Training

KT has operated sustainability training programs for practitioners of suppliers from 2014 to share an understanding of sustainability and support suppliers to practice it in the front-line of management activities. In consideration of regulatory issues such as the revision of the Industrial Safety Act, in 2019, we conducted specialized consulting in the safety field for suppliers, leading to the improvement of their sustainability management execution capabilities.

Sustainable Supply Chain Communication

KT operates various communication channels to collect opinions from suppliers. Through the monthly SCM council, we share business plans with suppliers and strive to collect and resolve the difficulties of suppliers. Through Partner's Day in November 2019, in particular, KT presents future business and technology directions to suppliers and strives to lead the ICT market together through shared growth.

Category	Contents
Supplier Invited Meeting	Held 8 times a year separately for C level/working level
Supplier Visiting Meetings	Held 24 times a year every Wednesday for 42 companies
SCM Consultative Body	Expanded to all items to operate as a representative channel that regularly coordinates demand and supply plans through the collaboration of business department/purchasing department/suppliers
Other Channels	Partners' council, quality improvement meeting, local practical affairs exchange meeting, etc. are permanently operated



2019 Partner's Day

Supply Chain Risk Evaluation System

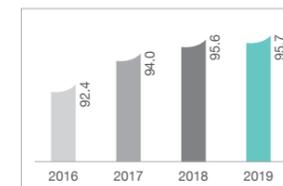
Pre-screening of Supply Chain Sustainability

KT is screening 100% of suppliers newly registered in 2018 based on the electronic contract system and requests compliance with the supply chain policy. In addition, KT reflects requirements regarding KT supply chain policies in the written agreement with suppliers so that they comply with the requirements. In particular, KT revised the 'Special Agreement for Practice of Ethics' in 2016 to include ethical management and observance of fair trade when making contracts with any suppliers so that suppliers can mandatorily comply with KT's ethical management policies and prepares a separate written oath. This special agreement stipulates that the parties who concluded the contract are prohibited from unethical activities such as accepting money for any reason during the process of performing the contract.

Supply Chain Sustainability Risk Evaluation

KT selects suppliers based on evaluation standards by areas such as materials, construction, software development, services, and stores, and shops evaluate the results of transactions annually to select excellent suppliers. For the selected suppliers, KT conducts management evaluations and Risk Management Index (RMI) monitoring twice a year, once in the first half and once in the second half of each year in linkage with credit rating agencies. From 2013, KT has introduced the 'Supplier sustainability management evaluation system' to periodically measure and manage the levels of negative economic, environmental, and social risks that may arise in the supply chain. The results of the evaluation are reflected in the annual evaluation of the suppliers, which will have a significant impact on the main selection processes, including the re-selection of suppliers and the selection of the best suppliers. Sustainability evaluation results for material co-operative companies and information and communication work co-operative companies in 2019 averaged 95.7 points, indicating that the suppliers' sustainability level has slightly improved compared to 95.6 points in the previous year

Supply Chain Risk Evaluation Score (Unit: Point)



Current Status of Supply Chain Risk Evaluation

(As of December 31, 2019)

Category of Suppliers	Number of Suppliers (n)	Ratio of Suppliers (%)	2022 Goal	
Tier-1 Suppliers	Total number of registered suppliers	497	100.0%	100.0%
	Number of evaluated suppliers	392	78.9%	100.0%
	Number of suppliers for which written the examination has been conducted	134	27.0%	100.0%
	Number of suppliers for which visiting the examination has been conducted	258	51.9%	80.0%
	Number of suppliers examined by 3rd Party	58	11.7%	20.0%
Non-Tier-1 Suppliers	Critical suppliers	0	0.0%	n/a

Corrective Action

Depending on the results of supply chain risk evaluation, KT establishes corrective action plans for suppliers that must be improved and require improvement of ESG performance according to corrective action plans. Despite these efforts as such, a total of seven companies were sanctioned according to the results of diagnosis and evaluation of suppliers in 2019, and the action of permanent termination of transactions was taken against the relevant suppliers because they were judged to seriously violated the policy such as the occurrence of disputes

Results of Supply Chain Risk Identification

(As of December 31, 2019, Unit: Suppliers)

Risk Classification	Risk Type	Risk Level	Risk Evaluation			Risk Action		
			Scope	Target	Evaluated	High-Risk Suppliers	Improved Suppliers	Terminated Suppliers
Economic Risk	Violation of the ethics and anti-corruption principles in the contracting process	High	All suppliers	497	497	0	0	0
	Collusion and unfair conduct	High	All suppliers	497	497	1	0	1
	Unsound financial structure such as low credit rating	High	All suppliers	497	497	5	2	3
Environmental Risk	Environmental accident occurred during construction	Medium-high	Telecommunication construction contractors	258	258	0	0	0
	Environmental operating system not introduced	Medium-high	Telecommunication construction contractors	258	258	0	0	0
	Violation of environmental law or regulations	Medium-high	Telecommunication construction contractors	258	258	0	0	0
Social Risk	Disputes and litigation occurred	Medium-high	All suppliers	497	497	1	0	1
	Violation of labor or safety law	Medium-high	All suppliers	497	497	0	0	0
	Safety accident occurred	Medium-high	All suppliers	497	497	0	0	0
Total			100%	497	497 (100%)	7 (1.4%)	2 (0.4%)	5 (10%)

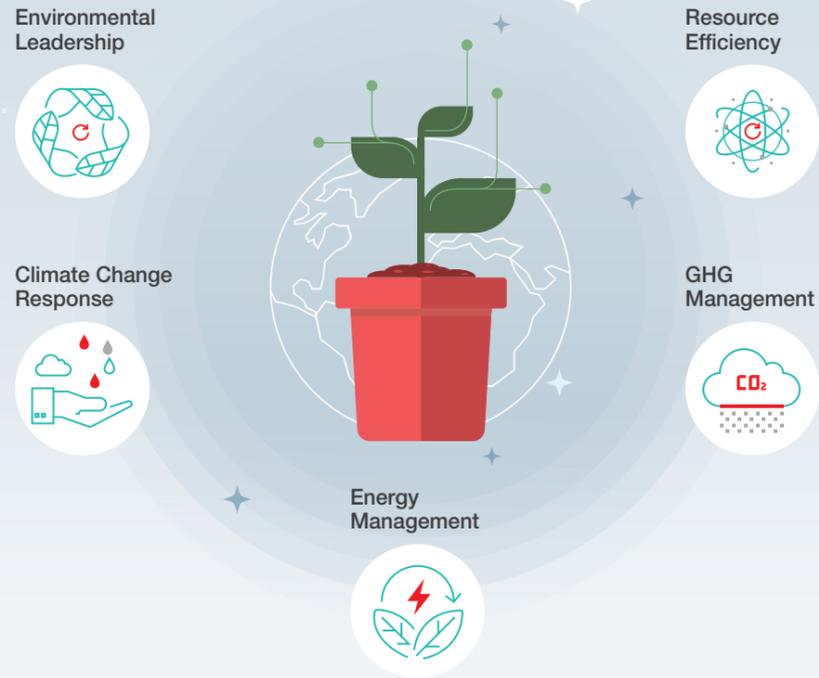
<https://corp.kt.com/eng/html/sustain/environmental/environmental.html>

Environmental Management

KT's View

The environmental management does not simply mean saving energy anymore; it is now the future growth engine which generates new business. Accordingly, KT is doing its best within the company to minimize environmental impacts to energy, GHG, water, and waste which are caused by KT's business. On the other hand, new environmental businesses relevant to climate change are being constantly identified and fostered.

Core Agendas



2019 Performance Highlights



KT's Life-Changing Story

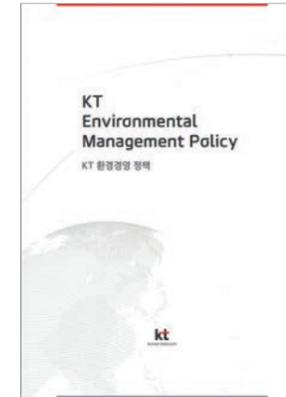


KT Air Map Korea

'KT Air Map Korea', Providing Information on Fine Dust that Threatens Public Health

KT has been continuously improving its services since implementing the 'Air Map Korea' project in 2017. The 'Air Map Korea' project is a service that measures air quality in real-time and provides fine dust information to the public through an app. KT installs and operates air quality measuring devices in about 2,000 KT facilities including telephone poles, base stations, public telephone booths, telephone offices, etc. In 2019, KT renewed the 'Air Map Korea' app, allowing users to check real-time fine dust information as well as forecasts. In addition, user convenience has been reinforced so that air quality information around the origin and destination can be checked through linkage with the hospital navigator app.

Environmental Management System



KT Environmental Management Policy

Environmental Management Vision and Strategy

Under the vision of 'Carbon Impact 2030', KT established 'KT Environmental Management Policy' in 2017 to fulfill its environmental responsibilities through company-wide eco-friendliness to achieve a 'Carbon-Free Company' by 2030. This policy contains KT's strategic directions for all areas of environmental management, including responding to climate change, increasing energy/resource efficiency, building an eco-friendly supply chain, and developing eco-friendly ICT businesses. Based on the environmental policy, KT is making efforts to minimize adverse environmental impacts caused by the KT project as well as to contribute to the eco-friendliness of the people, companies, and countries through eco-friendly AI technology.

KT Environmental Management Policy [https://corp.kt.com/data/eng/sustain/KT Environmental Management Policy.pdf](https://corp.kt.com/data/eng/sustain/KT%20Environmental%20Management%20Policy.pdf)

Environmental Management Organization

Through the Group Environmental Management Committee, KT is establishing the optimal strategic direction by discussing major environmental issues from a company-wide perspective. As an executive committee of the Sustainability Management Committee established within the Board of Directors, the Environmental Management Committee consists of 4 sub-committees including climate change response, energy/resource, SCM, and eco-friendly ICT divisions. The Committee is held semiannually to discuss KT's strategic directions, goals, and achievement plans for major environmental issues including climate change and fine dust. The Committee also reports to the Sustainability Management Committee and the BOD on agendas of high importance.

Environmental Management Organization



Environmental Management System

KT is practicing eco-friendly management by acquiring ISO 14001 certification in the smart energy business, KT's representative eco-friendly business, and data center operation, the core of the 4th industrial revolution. KT acquired ISO 14001 certification, a global environmental management standard, in the smart energy business and IDC (Internet Data Center) operation in 2018, and was post-examined in 2019. In addition, KT maximizes its IDC's energy efficiency and acquires Green Data Center certification annually. In the 2019 Green Data Center certification, KT obtained a Gold rating from Bundang IDC and Silver rating from Mokdong IDC.

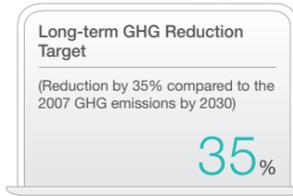


Honored the CDP 'Hall of Fame' in 2019 for 3 Consecutive Years

Environmental Management Leadership

In 2019, KT has been honored the 'Hall of Fame' for three consecutive years in the Carbon Disclosure Project (CDP), which assesses the environmental management level of companies. In 2017, KT was listed as the top five companies for 5 consecutive years from 2013 to 2017, entering the Hall of Fame for the first time in the Korean telecommunications industry, and entered the Hall of Fame for the third consecutive year from 2017 to 2019. In addition, KT's continuous efforts to reduce GHG emissions and its achievements in promoting eco-friendly ICT projects such as the smart energy business are recognized externally, by receiving the Minister of Environment Award at the 2019 Korea Climate Management Awards.

Response to Climate Change



Carbon Management Target and Strategies

In order to achieve the 'Carbon-Free Company', KT is promoting a carbon management strategy with a view to reducing carbon emissions by 35% compared to the 2007 KT greenhouse gas emissions by 2030. For this, the Environmental Management Committee sets GHG reduction targets for each sector annually and implements energy-saving items.

KT is expected to be a significant inflection point in carbon management as 2021 is the year when the Paris Climate Change Convention is fully implemented internationally, and the third term of the GHG emission trading system (2021-25) is implemented domestically. In the third period of emission trading, it is expected that GHG emission permits (emission allowance), which are significantly reduced compared to the first period (2015-17) and the second period (2018-20). Failure to respond to these strategies is expected to result in significant financial risks. Accordingly, KT plans to establish a strategic mid-to-long-term climate change response roadmap from a company-wide perspective, thereby minimizing financial risks.

Carbon Management System

KT has been managing GHG emissions for scope 1 and 2 since 2007 and expanded the management scope to scope 3 in 2013. KT manages Scope 1 and 2 in accordance with the guidelines of the Ministry of Environment, and Scope 3 is managed through its self-developed methodology. The reliability of data is secured by verifying the Scope of 1,2,3 emissions annually by a professional verification agency designated by the Ministry of Environment. In 2018, KT established a real-time monitoring system for the energy consumption and GHG emissions of each office building. In 2020, the monitoring system was upgraded and improved so that a wider variety of statistical data can be used. Through this system, KT checks in real-time whether each office building's energy use, GHG emissions, and GHG reduction targets are achieved, and identifies energy waste factors by comparing it with last year's energy use.

Energy Management

In 2019, KT succeeded in reducing approximately 46,000 tons of greenhouse gases across the company through various activities including saving energy in each sector, setting GHG reduction targets, and discovering and implementing saving items. As the use of various smart devices increases with the commercialization of 5G and the expansion of the non-face-to-face market due to COVID-19, the energy consumption of communication equipment is expected to increase explosively shortly. Accordingly, KT plans to establish a company-wide response system by establishing a mid- to long-term energy and GHG reduction plan.

Energy Usage and Renewable Energy Production

Category	Unit	2016	2017	2018	2019
Total energy usage	MWh	2,441,382	2,498,960	2,477,078	2,535,655
Energy intensity against revenues	MWh/KRW 100 million	10.734	10.685	10.559	10.417
Total renewable energy purchase and production	MWh	580	2,060	8,283	8,809
Total energy cost	KRW 100 million	3,081.90	3,071.39	3,048.37	3,177.83

Expansion of New and Renewable Energy

Since constructing a solar power plant using the Gangneung receiving station site (19,720m²) in 2011 for the first time in the domestic telecommunication industry, KT has been continuously investing in new and renewable energy facilities. In 2019, KT expanded the solar power generation facilities massively to produce 8,809 MWh of electricity, which is about fourteen times that of 2016.

KT Solar Power Generation Performance



KT Solar Power Plant

Greenhouse Gas Management

Direct and Indirect Greenhouse Gas Emissions (Scope 1, 2)

As a company subject to the GHG emission trading system KT reports GHG emissions (Scope 1,2) to the Ministry of Environment annually. The scope of reporting covers all facilities under KT's management control, including office buildings, IDCs, forward deployment business sites, base stations, and repeaters.

Scope 1 emissions are generated by the heating energy of KT office building, business vehicle operation, emergency generator, etc. and scope 2 emissions are caused by the company-wide use of electricity for wired/wireless network equipment, IDCs, etc. In 2019, KT's GHG emissions (Scope 1, 2) were 1,134,297tCO₂eq, which was reduced by 11% compared to 2007, but increased by 2.5% compared to 2018. 2019 emissions were slightly due to the NW equipment which was newly installed or expanded nationwide for the commercialization of 5G.



Other Indirect Greenhouse Gas Emissions (Scope 3)

Other Indirect Greenhouse Gas Emissions (Scope 3) refers to indirectly emitted greenhouse gases in relation to management activities. KT divides these into three major fields: supply chain stage emissions, use stage emissions, and other Scope 3 emissions, depending on the types of sources, for management. Supply chain stage emissions refer to are the greenhouse gases generated during the production of the products to be delivered to KT by suppliers and the emissions from the use stage refer to the greenhouse gas emissions that occurred in the process of use of KT B2C products and services for general consumers. In addition, other Scope 3 emissions are the greenhouse gas emissions occurring due to the water used by KT employees in-house, waste disposal, commuting, and business trips.

Other Indirect Greenhouse Gas Emissions (Scope 3) (Unit: tCO₂eq)

Area	2016	2017	2018	2019	
Supply chain stage	19,803	14,679	15,795	18,119	
Use stage	291,784	327,961	360,089	386,455	
Other Scope 3	Water use	785	698	642	716
	Waste disposal	3,900	3,985	3,862	4,228
	Employee business trip	4,070	5,569	6,165	10,049
	Employee commuting	23,798	21,859	21,300	21,761
	Subtotal	32,553	32,112	31,969	36,754
Total	344,140	374,752	407,853	441,328	

Resource Efficiency

KT strives to minimize the use of resources and maximize recycling. Through this, in 2019, the amount of waste generated was significantly reduced by 19.2% compared to 2018. Corporate-wide water consumption from office buildings in 2019 was 2,157,032 tons, an increase of 12% compared to 2018. KT will continue to make efforts to reduce water use through water-saving devices in the office building and recycling runoff.

Category	Unit	2016	2017	2018	2019
Total waste generated	ton	26,688	25,701	23,186	18,724
Total waste recycled	ton	17,007	15,616	14,228	13,502
Total waste disposals	ton	4,762	4,579	4,077	5,222
Waste recycling rate	%	63.7	60.8	61.4	72.1
Total water consumption	1,000 ton	2,364	2,103	1,934	2,157



KT Sustainability Foundations

As a responsible global telecommunications company, KT is creating a sustainable tomorrow in which business and society coexist and develop. The management principles that are the basis of KT's sustainability management are the cornerstones for promoting a management strategy that balances business and social and environmental values.



Corporate Governance

<https://corp.kt.com/eng/html/intro/gov/structure.html>

KT's View

In order to improve corporate value continuously, the establishment of a sound and transparent governance structure must precede. To realize this, KT promotes management supervision by an independent board of directors and responsible management by professional managers based on checks and balances.

Corporate Governance Principles

KT Corporate Governance Charter
<https://corp.kt.com/data/eng/kthome/ir/finance/info01/constitution.pdf>

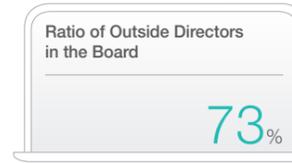
KT is striving to establish a management environment and organizational culture that enables rational decision-making by establishing a transparent and independent governance structure based on monitoring and balances. To ensure transparency in corporate governance, KT has adopted the recommendations of best practices for corporate governance that meet international standards and is promoting responsible management by professional managers. In order to improve the corporate value of the company and protect the interests of shareholders, the board of directors appoints directors with professional knowledge and experience in a balanced manner, determines the company's material matters, and supervises the management activities. In addition, KT is striving to ensure that shareholders receive fair treatment by stipulating matters to ensure shareholder rights in accordance with the standards stipulated by the Commercial Act and related laws in the KT Corporate Governance Charter. In 2020, KT newly introduced the electronic voting system to expand shareholder participation and is making every effort to enhance shareholder value by announcing its mid- to long-term dividend policy and financial goals.

KT Corporate Governance Model

1 Independence in Composition and Operation of the Board of Directors	2 Enhancement of Shareholder Value	3 Responsible Management by Professional Managers
<p>Outside Directors' Ratio 73%, Separation of CEO and Chairman</p> <ul style="list-style-type: none"> All members of the audit, evaluation & remuneration, and internal transaction committees composed of outside directors. <p>Transparency of Outside Director Appointment Procedure</p> <ul style="list-style-type: none"> Outside director candidate recommendation committee is operated (all members are outside directors*, except for one executive director). Agencies specialized in the examination of outside director candidates are utilized <p>Special Authorities are Given to Outside Directors</p> <ul style="list-style-type: none"> Evaluation of CEO management contracts, the proposal of dismissal of the CEO Determination of the compensations for the CEO and executives and payment methods 	<p>Shareholder Return</p> <ul style="list-style-type: none"> Carry out share retirement, cash dividends <p>Shareholder Rights</p> <ul style="list-style-type: none"> Introduction of concentrated/written vote system Timely provision of corporate information <p>Shareholder Protection</p> <ul style="list-style-type: none"> Internal transactions and self-transactions are controlled 	<p>Appointment and Management Contract</p> <ul style="list-style-type: none"> The board recommends candidates for the CEO and general meetings of shareholders to appoint the CEO. The new CEO concludes a management contract; the board evaluates management performance every year <p>Compensation and Dismissal</p> <ul style="list-style-type: none"> CEO's compensation is determined by management performance If the performance of the management contract by the CEO is insufficient, the board may propose dismissal to the general meeting of shareholders

* Outside directors whose tenure is expected to expire are excluded.

Composition of the Board and Ensuring Independence



Principle for Composition of the Board

The KT governance model is based on the 'Independent Board of Directors'. The KT Board of Directors consists of 8 outside directors, 3 inside directors, and a total of 11 members to ensure efficient monitoring and transparent decision making (as of June 2020). KT stipulates and complies with the KT Corporate Governance Charter and the Articles of Incorporation that the board of directors should be composed of 3 or fewer inside directors and 8 or fewer outside directors. The ratio of non-executive directors within the board is 73%, significantly exceeding the majority of the requirements of Article 542-8 (1) of the Commercial Act, and the chairmen of each committee are all appointed as outside directors except for the Management Committee, which consists of all internal directors. In particular, KT allows the board of directors to make independent decisions from the management and faithfully to fulfill the role of management supervisor, by composing of all outside directors for The Audit Committee, Evaluation and Compensation Committee, and the Internal Transaction Committee, separating the CEO and the chairman of the board, and appointing the chairman of the board as the outside director.

Procedure for Appointment of Directors

The CEO is appointed through a resolution of the general meeting of shareholders from among those who were finally recommended by the board through the candidate composition and examination of the Corporate Governance Committee and the CEO Candidate Examination Committee. Inside directors except for the CEO are recommended from among management officers by the CEO to the general meeting of shareholders annually after getting agreement from the board. In the case of outside directors, the Outside Director Candidate Recommendation Committee selects the best experts by field who can provide expert advice for the benefits of the company and shareholders after considering the board diversity and the complementarity of skills, and fairly verifying whether the candidates meet the eight independence criteria below and recommends the candidates to the general meeting of shareholders. In addition, all directors are not appointed in a lump but are appointed individually to further ensure the rights of shareholders.

Director Appointment Policy

To ensure the independence of outside directors, KT stipulates independence criteria for outside directors in the Article of Incorporation and also stipulates that the total tenure of outside directors cannot exceed six years in order to prevent the loss of independence due to long tenure. To enhance diversity and expertise, in addition, outside director qualification requirements are specified in the Articles of Incorporation so that outside directors with practical experience or expertise in related fields such as information and communications, finance, economics, management, accounting, and law are appointed. Through the revision of the KT Corporate Governance Charter in 2018, KT has appointed directors based on various perspectives and experiences to flexibly respond to changes in the business environment. When appointing directors, KT secured diversity in terms of gender, age, nationality, race, and cultural background, as well as job-related complementarities such as skill, industry experience, expertise, and educational background. In March 2020, a female non-executive director was appointed within the board of directors, expressing KT's will to expand the diversity of the board of directors.

Director Appointment Policy



Current Status of the Board (As of June 2020)



Name	Hyeon-Mo Ku	Yoon-Young Park	Jong-Ook Park	Dae-You Kim	Gang-Chul Lee
Category	CEO / Inside Director	Inside Director	Inside Director	Board Chairman, Outside Director	Outside Director
Gender	Male	Male	Male	Male	Male
Start of Service	Mar. 2020	Mar. 2020	Mar. 2020	Mar. 2018	Mar. 2018
Experience	(Current) KT CEO (Former) Head, Customer & Media Business Group, KT (Former) Head, Corporate Planning Group, KT	(Current) Head, Enterprise Business Group, KT (Former) Head, Enterprise/Global Business Group, KT (Former) Head, Future Business Development Group, KT	(Current) Head, Corporate Planning Group, KT (Former) Head, Strategy Planning Office, KT (Former) Head, IT Strategy Office, KT	(Current) Outside Director, DB Life Insurance (Former) Vice President, Wonik Investment Partners (Former) Senior Secretary to the President for Economic Policy, Office of the President	(Former) Auditing Director, Ultra V (Former) Advisor, K4M (Former) Senior Secretary to the President for Public Participation, Office of the President



Name	Hee-Yol Yu	Tae-Yoon Sung	Hyun-Myung Pyo	Chung-Gu Kang	Chan-Hi Park	Eun-Jung Yeo
Category	Outside Director	Outside Director	Outside Director	Outside Director	Outside Director	Outside Director
Gender	Male	Male	Male	Male	Male	Female
Start of Service	Mar. 2019	Mar. 2019	Mar. 2020	Mar. 2020	Mar. 2020	Mar. 2020
Experience	(Current) Non-Executive Director, Korea Trade Insurance Corporation (Current) Board Chairperson, Korea Carbon Capture & Sequestration R&D Center (Former) Vice Minister, the Ministry of Science & Technology	(Current) Professor, School of Economics, Yonsei University (Current) Dean, Underwood International College, Yonsei University (Current) Vice President / Korea Money and Finance Association	(Former) CEO, Lotte Rental (Former) CEO, KT T&C (Former) President of Korea Association of Smart Home	(Current) Professor, Korea University School of Electrical Engineering (Current) Member, Ministry of Science and ICT Radio Policy Advisory Council (Current) President Emeritus, The Korean Institute of Communications and Information Sciences	(Current) Professor, Chung-Ang University School of Business (Current) Committee Member, National Economic Advisory Council (Current) Outside Director, Daelim Industrial	(Current) Professor, Chung-Ang University School of Business (Current) Vice President, Korea Money and Finance Association (Current) Member, Employment Insurance/Industrial Accident Fund Asset Management, Ministry of Employment and Labor

Board Committees

To enhance the expertise and efficiency of the works carried out by board of directors, KT has established and is operating six standing committees and two non-standing committees within the board.

Current Status of Committees in the Board (As of June 2020)

Committee Name	Composition	Purpose of Installation and Authority
Corporate Governance Committee	4 outside directors, 1 inside director	Matters concerning overall corporate governance
Audit Committee	4 outside directors	Matters concerning accounting audit and performance audit
Evaluation and Compensation Committee	4 outside directors	Matters concerning the management contract and evaluation of the president
Internal Transactions Committee	4 outside directors	Matters concerning internal transactions pursuant to the 'Monopoly Regulation and Fair-Trade Act' and the 'Commercial Act'
Sustainability Management Committee	4 outside directors, 1 inside director	Matters concerning sustainability management results, plans, and strategies
Management Committee	4 outside directors	Matters entrusted by the board of directors regarding management in general
CEO Candidate Judging Committee	All outside directors, 1 inside director*	Matters concerning the examination of candidates for the CEO and determination of candidates for the CEO
Outside Director Candidate Recommendation Committee	All outside directors**, 1 inside director	Matters concerning the investigation and examination of candidates for outside directors and recommendation of candidates to the general meeting of shareholders, etc.

* No committee member may be the candidate for the CEO. ** Outside directors whose term of service is expected to be expired shall be excluded.

Board Operation

In 2019, the board of directors meeting was held 13 times and the average attendance rate of the KT Board is 98%. The KT Board of Directors shall attend at least three fourth of meetings, and submit the explanatory statement to the Board if they are not able to. In addition, the resolution of the board shall be made by the attendance of the majority of the directors with voting rights and the votes in favor of the bill of a majority of the attending directors. In 2019, the Board of Directors reported, deliberated, and resolved 51 agendas such as the '2019 Sustainability Management strategy'.

Performance Evaluation

In order to improve the efficiency of the operation of the BOD, we regularly evaluate the activities of the BOD, committees, and individual directors. The evaluation is largely divided into the BOD evaluation and individual evaluation (self-evaluation). The evaluation of the BOD includes evaluation of the BOD and committees such as the role and responsibilities of the BOD, the effectiveness of the BOD, and the appropriateness of the committee's activities. Individual evaluation is carried out by evaluating individual directors, such as fulfilling the director's duty of faithfulness, active activities, and participation as a good manager, and contributing to the enhancement of corporate value. The evaluation score of the board of directors in 2019 averaged 4.3 points, up 13.2% from 3.8 points in the previous year. Among the detailed items, the items that significantly improved by more than 1 point were 'management check (+1.5 points)' and 'fostering and succession of CEO candidates (+1.2 points)', which improved the operation of the board through feedback on the activities of the board of directors in the previous year.

2019 Board of Directors Evaluation Results (Unit: Points out of 5)

Category	Evaluation area	Average Score	Total Average Score
Role and Responsibilities of the Board of Directors	Long-term strategy establishment, management check, financial performance check, independence for fair treatment of shareholders, decision making reflecting long-term interests of shareholders, evaluation and compensation for CEO, fostering and succession of CEO candidates	4.4	4.3
Effectiveness of the Board of Directors	Number of boards of directors and the appropriateness of the proposed agenda, the fidelity and sufficient explanation of the data, the provision of sufficient data review time, a culture of active discussion, collection of information necessary for decision making, an inspection of follow-up actions, training for new directors, appropriateness of the composition of the board of directors	4.3	
Appropriateness of Committee Activities within the Board of Directors	Expertise in the composition of the committee, the delegation of authority to the committee, organic connection between the board of directors and the committee, appropriateness of the composition of the committee, appropriate use of expertise, and efficient progress of the committee	4.2	

Performance Compensation

As for the compensations of executive directors, including the CEO, the payment standard and method are determined by the board according to the business performance, and reported to the general meeting of shareholders every year. The compensations of management officers other than executive directors are determined by the board according to the business performance, etc. As a result of compensations according to the 2018 performance evaluation, the average compensation of the top management 11.80 times against the average salary of all employees.

https://corp.kt.com/eng/html/sustain/transparent/ethics_01.html

Ethics & Compliance

KT's View

As a responsible corporate citizen, KT is striving to build trust with stakeholders through ethical management activities and compliance with fair trade. KT is striving to establish a corporate ethical culture by reinforcing ethics and compliance for employees, affiliates, suppliers, and business partners.

Ethics & Compliance Policy and System

Ethics & Compliance Policy

Since the announcement of the 'New Ethical Management Principles' in 2014, which are the standard for decision-making and ethical judgment in corporate management, KT has been promoting ethical management under the five behavioral principles of 'Customer First, Compliance Management, Stick to Basics, Ownership, and Social Responsibility'. At the beginning of each year, all KT employees take action pledges to remember the meaning of the five principles of action and pledge to comply.

KT New Ethical Management Principles

No. 1 KT New Ethical Management Principles		
"We plan our future with valid decision making and ethical judgment to grow into global No. 1" For this, we consider 'customer first, compliance, stick to basics, ownership, and social responsibility', the 5 codes of conduct of ethical management all KT people must share and adhere to and take our oath to practice them.		
	Principle 01 Customer First	We consider customers the best value. 1-1. Respect customer value and information and protect them thoroughly. 1-2. Continue to create differentiated value-helpful to customers.
	Principle 02 Compliance Management	We strictly comply with regulations and standards. 2-1. Act fairly and cleanly in accordance with laws and business ethics. 2-2. Keep business transparent and thoroughly protect company secrets.
	Principle 03 Stick to Basics	We stick to basics and principles. 3-1. Decide reasonably and objectively in terms of company profit and act responsibly. 3-2. Keep the public and private separate and take the lead in making a sound and clean organizational culture.
	Principle 04 Ownership	We take ownership that the company and me are the same. 4-1. Don't be afraid of failure and always challenge the best. 4-2. Pursue improvement of efficiency through autonomy and empowerment.
	Principle 05 Social Responsibility	We take full social responsibility as a national company. 5-1. Protect shareholders' rights and interests and make every effort to improve the 'quality of life.' 5-2. Regard highly and respect the environment, safety, and human rights. 5-3. Lead the way to social contribution and establish the grow-together relationship with business partners.

Ethics & Compliance System

KT provides the 'Ethical Management Principles Practice Guideline', which presents specific guidelines for compliance and internalization of the behavioral principles of executives and employees, and regularly revises the practice guidelines to reflect trends in ethics, laws, and regulations. KT has been trying its best to consolidate the ethics management within the organization by implementing systematic activities: constant execution of the ethics management through the reintroduction of daily audits, education and campaigns on business ethics, and regular operation of communication channels.

Ethics & Compliance System

1. Ethics Standards	Implementation of the pledge to practice the New Ethical Management Principles	
2. Reintroduction of Daily Audits	Daily Audits	• Conduct daily audits at all sites, including 11 regional headquarters and 6 network operation headquarters
	Monitoring	• Monitor common areas including seal/abdomen/information protection, facilities/security/safety, cost expenditure, asset management, etc. and business areas including agency credit/bond management, construction supervision
3. Ethical Management Education & Campaign	Training	• Ethical management education for employees (once a month) • Direct Ethical Management Education (Direct education by the head of the organization)
	Campaign	• Clean-365 campaign for employees implemented • Holiday Clean KT campaign implemented
4. Ethical Management Communication Channel	Prevention	• Ethical management FAQ • Clean 365 Center
	Post reporting channel	• Ethics violation report • Chairman of the audit committee hot-line operation

Ethics & Compliance Implementation



Ethics & Compliance Education

Ethics & Compliance Organization

KT operates a company-wide ethics and compliance system centered on the Compliance Committee and the Compliance Office established in 2018, and the Ethics Management Office and Legal Office play the role of the compliance executive department. KT selects key issues such as corruption prevention into eight areas and conducts self-regulation and regular inspections set by the company-wide compliance control standards for business/support departments and regional headquarters. In addition, KT has established a compliance team for each regional headquarters to reinforce compliance activities in the region itself.

Ethics & Compliance Education

KT conducts periodic ethics education for all employees every year and has held a total of 54 ethical education sessions. In 2019, KT reinforced compliance education such as corruption prevention, fair trade, subcontracting, contract risk, prevention of unfair competition, and eradication of technology takeover. In addition, the 'Ethical Leadership' training course is held every year from March to June to strengthen the expertise of employees in ethics and compliance duties.

Compliance Education Conducted in 2019

Category	Number of Trainees	Education Program	Target and Content of Education
Off-line Compliance Education	Total of 13,362 persons of KT/ Group companies (135 times)	Customized training by department	• 12 divisions (including 17 local businesses)
		Education by position/ position	• Executive/Director, new recruits experienced, etc.
		Anti-corruption education	• Business Cooperation Division/PR Office, etc.
		Compliance Academy (in-house expert)	• Company-wide/group compliance managers (59 people)
On-line Compliance Education	Total of 21,998 persons of KT/Suppliers	Employee education	• Compliance Essence (21,127 employees completed) • Core education for Eight areas (including anti-corruption/FCPA/subcontracting, etc.)
		Supplier education	• Suppliers in the material/construction field (871 people from 649 suppliers) • Education on important business-related matters including anti-corruption, the prohibition of processing transactions, industrial safety, etc.



Compliance Education for Officers

Ethics & Compliance for Group Companies

KT conducts quarterly workshops and occasional ethics education for group companies to share best practices and problematic issues, and when promoting works in collaboration with partner companies, KT operates systems such as 'KT win-win ethics system' and 'special agreement for the practice of ethics' to strengthen sound win-win cooperative relationships. KT dispatches 'ethics officers' to subsidiaries and affiliates to report monitoring every month and holds 'ethics officer workshops' at the beginning of every year in an effort to reinforce the promotion of ethical management within the group.

Ethical Management Violation And Measures

To create a sound corporate ethics climate, KT operates an ethics violation reporting channel for 24-hours a day. KT receives information on the receipt of money and entertainment, unfair pressure exercise, and information leakage in real-time and handles it transparently. KT strictly keeps the personal details of informants and the contents of the information in secret according to the informant protection program. In order to encourage corruption reporting, up to KRW 50 million of compensation is paid to each reporter of internal corruption problems. In 2019, a total of 614 violations of ethical management were filed, of which 48 cases with a high probability of misconduct were verified by the Ethics Management Office. As a result, KT completed disciplinary measures for 14 cases (19 persons) in which violations of ethical management were found, and diagnosed and improved measures such as improving the IT outsourcing process and strengthening internal control on terminals.

Ethical Management Violations and Measures Taken in 2019

Area	Type of Violation	Cases	Measures Taken	Area	Type of Violation	Cases	Measures Taken
Regulation	Violation of business regulation	2	1 Salary reduction, 1 reprimand	Protection	Violation of information protection	1	1 Salary reduction
	Violation of financial regulations	2	1 Suspension of duty, 1 salary reduction		Violation of prohibition sexual harassment	0	
Duty	Violation of the duty of good faith	5	2 Salary reductions, 3 reprimands	Order	Violation of respect for order	2	1 Suspension of duty, 1 reprimand
	Violation of the duty of keeping dignity	1	1 Reprimand		Abuse of authority and deceptive conduct	0	
	Violation of the duty of integrity	6	1 Suspension of duty, 4 salary reductions, 1 reprimand	Total		19	3 Suspension of duties, 9 salary reductions, 7 reprimands

Settlement of Fair Competition



Compliance with Laws

KT Tax Policy
https://corp.kt.com/data/eng/sustain/KT_Tax_Policy.pdf

Fair Competition Autonomous Compliance System

To settle the transparent and fair trading culture, KT has introduced and operated the Fair Competition Autonomous Compliance Program since 2001. As part of the autonomous compliance program, KT has operated a preliminary review center under the organization in charge of fair competition since 2005 and conducts obligatory preliminary reviews of fair competition when new products are released. In 2019, KT improved the execution process by computerizing the preliminary review on fair competition. By conducting preliminary review training in 2020, KT plans to ensure that all employees check whether there is fair competition risk before business activities including product launch, contract signing, and business promotion, and to educate on fair competition risks that may arise if preliminary reviews are omitted.

Fair Competition Voluntary Compliance Activities

To create a fair competition culture, KT runs autonomous compliance with fair competition programs such as an unfair practice reporting center, preliminary review of fair competition, and online education for employees. In 2019, a total of 213 preliminary reviews of the fair competition were carried out, and group training on laws and regulations related to fair competition was conducted for employees (47 times, 6,511 employees). In 2020, KT conducts online education other than collective education so that employees can easily understand and remember fair competition laws and systems, and is producing and distributing card news and regulatory guidebooks on major fair competition issues. In addition, KT will conduct internal audits regularly to ensure that all employees of its group companies strictly comply with laws and regulations related to fair competition, and strive to minimize the risk of violation of the law and strengthen the fair trade system by reinforcing training programs.

Current Status of Trials by Regulatory Agencies

In 2019, KT has imposed a penalty of KRW 5.743 billion from the Fair Trade Commission for violation of the Fair Trade Act (bidding-rigging for 7 projects including the national information and communications network), and received a corrective order for violation of the Display Advertising Act (Unfair advertisement related to GiGA LTE service). KT will do its best to implement corrective actions in accordance with the corrective orders of regulatory agencies, and internally improve the system to comply with relevant laws and to prevent a recurrence. In particular, KT will minimize regulatory risks by raising awareness of the group's employees on post-regulation related to fair trade. As part of this, KT conducts online training in addition to group training so that employees can easily understand and memorize the fair competition laws and systems in 2020, and produces and distributes card news and regulatory guidebooks on major issues.

Tax Policy and Disclosure

KT establishes and operates tax policies and strategies following the principle of responsible tax payment. Details related to corporate tax, deferred corporate taxes, and effective tax rates are disclosed at the electronic disclosure system through audit reports. In particular, temporary differences arising from differences between the assets and liabilities in the accounting and those for tax affairs are disclosed by item and related explanations are provided. KT has not participated in any unlawful tax avoidance, illegal acts under the tax law, false reporting, etc. and faithfully obey tax obligations.

The effective tax rate of KT announced in 2019 is 31.09%, and the highest corporate tax rate is 27.5%. The difference between the tax rates is due to the non-temporary difference between the profit and loss in the accounting and the profit or loss for tax affairs in the taxation. It is due to various tax deductions from the corporate tax amount to be paid, the application of the corporate tax bracket rate* and the transfer gain due to the investment in kind of the Gangbuk headquarters development company.

* Tax based not exceeding KRW 200 million 10%, KRW 200 million~20 billion 20%, KRW 20 billion~300 billion 22%, more than KRW 300 billion 25% (the highest tax rate is 27.5% when the 10% of local income tax is included)

Participation in Public Policies

Based on Article 3.9 of the Code of Ethics Guidelines, KT prohibits the company or employees on behalf of the company from conducting political or charitable activities and does not provide political funds, or funds for the lobby of certain political organizations or political parties. However, KT is actively cooperating for public policies and public interest development by supporting organizations with guaranteed political neutrality that can indirectly affect the formation of policies. KT recognizes that the expenditure associated with policy impacts can be a potential risk factor from the company's mid- to long-term business perspective and manages the details and scales of related contributions from the company-wide perspective. KT is aware that policy impact-related expenses can be a potential risk factor from the company's mid- to long-term business perspective, and the details and scale of related donations are managed from a company-wide perspective.

Risk Management

<https://corp.kt.com/eng/html/sustain/transparent/risk.html>

KT's View

KT builds a mid- to long-term strategic risk system to identify potential risks that may arise during operation. Through these efforts, we will strive for stable operation by preventing crisis situations preemptively. Based on the company's mid- to long-term future outlook, KT also has established a mid- to long-term strategic risk system and monitored it to enable sustainable business execution.

Integrated Risk Management System

Company-wide Risk Management Organization

KT is strengthening its risk management governance by improving company-wide risk management organizations and systems. In 2004 KT established the Enterprise Risk Management (ERM) division, a dedicated organization for Company-wide risk management and in 2018, the Ethics Management Department, to which the ERM department belongs, was organized to be directly controlled by the CEO to strengthen the independence and authority for risk management. In 2019, KT reinforced its position as a control tower for risk management by organizing an independent ethics management office. In 2020, the RM department (compliance team) was organized directly under the regional headquarters to strengthen the management of on-site risks of the regional headquarters. In addition, KT operates a reporting system as soon as major risks occur between the ERM department, each business unit, and the regional headquarters RM department, and regularly shares the risk response status to prevent the spread of risks.

Strengthening Risk Management System

Through a prevention-detection-response and management system based on risk management principles, KT focuses on preventing occurrence by promptly reporting even low-impact risks. To reinforce the risk management system of group companies, KT continuously revises and shares related policies including risk management/response principles and manuals, internal audit manual, related regulations, etc. and supports them to improve the level of risk response/management of group companies by adjusting them to suit the environment of each group company. In addition, KT is reinforcing the risk management governance of the group by dispatching a staff member with risk management experience to the newly incorporated group companies and is operating a group-wide risk management system by operating a rapid sharing system for group company risks linked to KT. To strengthen the company-wide risk management system, KT plans to revise the company-wide risk management principles in 2020 reflecting the improvement of linkage between the regular risk response-response systems for critical crises, concrete risk assessment criteria, and systematization of management processes.

Strengthening Risk Monitoring

To manage risks in advance, KT conducts annual company-wide risk self-diagnosis which employees semi-annually check risks related to their work, systems, and processes, etc. In 2019, KT converted this system into a compliance inspection system and is strengthening the risk prevention system through multi-layered inspections covering employees' self-inspection, regular inspection at the level of the Compliance Office, and special inspections on specific issues, etc. For core risks of the company, such as safety accidents at work, KT is continuously improving the system and improving the safety awareness at the site through in-depth risk diagnosis and on-site inspection.

Risk Education and Competency Enhancement

KT conducts periodic risk education, risk general education for employees in the business division, sites, and RM departments of group companies, and gradual education such as deepening course education for those who completed general education to enhance the risk response/management capacities of RM departments.

Enhancing Risk Response

KT minimizes losses in the event of risk by establishing a risk response system. In 2019, the Crisis Response Action Manual was reorganized so that company-wide crisis situations, such as large-scale network/IT failures and customer information leakage, etc. In addition, KT has established a system that enables immediate response to crisis responses from management to working-level employees through corporate-wide crisis response simulation training.



Corporate-wide Crisis Response Simulation Training

Emerging Strategic Risks

As COVID-19 spreads around the world, consumers' lifestyles are changing and companies' non-face-to-face digital transformation is accelerating beyond economic and social issues. Based on the analysis of the future prospects up to 2030, KT defines newly emerging strategic risks closely related to the telecommunications industry, identifies key risks and opportunity factors, and integrates them into business strategies.

Increasing Uncertainty Due to COVID-19

	Risk Definition	<ul style="list-style-type: none"> The economic situation is deteriorating due to the prolonged COVID-19 outbreak worldwide. Due to the nature of the domestic industrial structure with a high proportion of exports, in particular, it intensifies the economic downturn by causing chain effects such as contraction in consumption and job loss due to export decline. The government promotes the 'Korean New Deal' policy to improve large-scale financial investments and related systems to overcome the economic crisis caused by COVID-19 and to grow after COVID-19.
	Potential Business Impacts	<ul style="list-style-type: none"> Consumption stagnation due to the aftermath of COVID-19 and overseas movement ceases, and the impact of reduced sales such as wireless and global businesses. Securing the connectivity of wired and wireless services becomes important due to the daily use of online activities based on social distancing. Expectation of expanding new business opportunities due to increased demand for untact business.
	Countermeasure	<ul style="list-style-type: none"> Reinforced monitoring of major sections in wired and wireless traffics and increased capacity for sections where traffic is expected to increase. Mobile data support for EBS education contents related to telecommunication fee reductions for small businesses and remote classes. Based on 5G and AI capabilities, KT is leading DX in other industries and proactively responding to the post-corona era. Evolving into a flexible media platform/terminal that can respond to the rapidly changing media market environment.

Strengthening the Influence of Global Content Providers (CP)

	Risk Definition	<ul style="list-style-type: none"> Increase in domestic subscribers of global content providers (CP) such as Netflix and YouTube. Increased content consumption due to the spread of untact activities and possible failures due to increased traffic. Global content providers use traffic for free without paying usage fees for excessive domestic traffic use.
	Potential Business Impacts	<ul style="list-style-type: none"> Global content providers' entry into Korea and their influence will continue to increase. Network investment burden caused by service quality degradation due to excessive traffic surge. Concerns about weakening the competitiveness of domestic OTT due to unequal network usage fees.
	Countermeasure	<ul style="list-style-type: none"> Establishment of the basis for network use that imposes an obligation to maintain service stability to global content providers through partial revision of the Telecommunications Business Act in the National Assembly. Review of cooperation/partnership plans to improve long-term relationships with global CP companies. Established a separate corporation 'StoryWiz' and expanded its content production to strengthen the competitiveness of its OTT content.

Activating Data Use and Protecting Personal Information

	Risk Definition	<ul style="list-style-type: none"> In the era of the 4th industrial revolution, fostering new businesses by activating the use of data, a key resource, has emerged as a national task. On January 9, 2020, the National Assembly plenary meeting was passed on the 3rd Data Act to address regulatory innovation and personal information protection system maintenance. However, concerns about the possibility of personal information infringement that may occur due to the export and combination of pseudonym information for the use of personal information are also increasing.
	Potential Business Impacts	<ul style="list-style-type: none"> Innovative development of products/services and research on new technologies is expected to increase rapidly through data analysis based on pseudonym information of heterogeneous industries. As it becomes possible to independently use and determine personal credit information, it is expected to revitalize various of my data businesses. The possibility of expanding the credit bureau (CB) in authentication/payment related businesses is increased through the relaxation of entry regulation requirements. In the event of customer damage such as theft or leakage of personal information, threats occur throughout the enterprise.
	Countermeasure	<ul style="list-style-type: none"> KT is preemptively responding to the field of data use, such as being selected as a telecommunications business operator in the "Big Data Platform and Center Construction Project" hosted by the Ministry of Science and Technology in July 2019. Continuous discovery of a financial intelligence business model that provides a new value between financial institutions and customers, such as the 'credit score' that combines KT's wired and wireless payment/unpaid information. ISMS recertification, a nationally accredited information protection management system, is being recertified every year (2013-), and the Chief Information Security Officer (CISCO) is separated to strengthen expertise and do our best to protect customer information through regular security inspections.

Human Rights Protection

<https://corp.kt.com/eng/html/sustain/telement/telement.html>

KT's View

As a responsible national company, KT established the highest level of responsibility to respect and protect human rights in every region where it led to business and fulfills its social responsibilities and roles. KT also prevents human rights violations that may occur throughout the value chain as well as KT business, while contributing to the improvement of human rights through ICT, thereby making efforts to grow into a sustainable company.

Human Rights Policy

[KT Human Rights Policy](https://corp.kt.com/data/eng/sustain/kt_human_rights_policy.pdf)
https://corp.kt.com/data/eng/sustain/kt_human_rights_policy.pdf

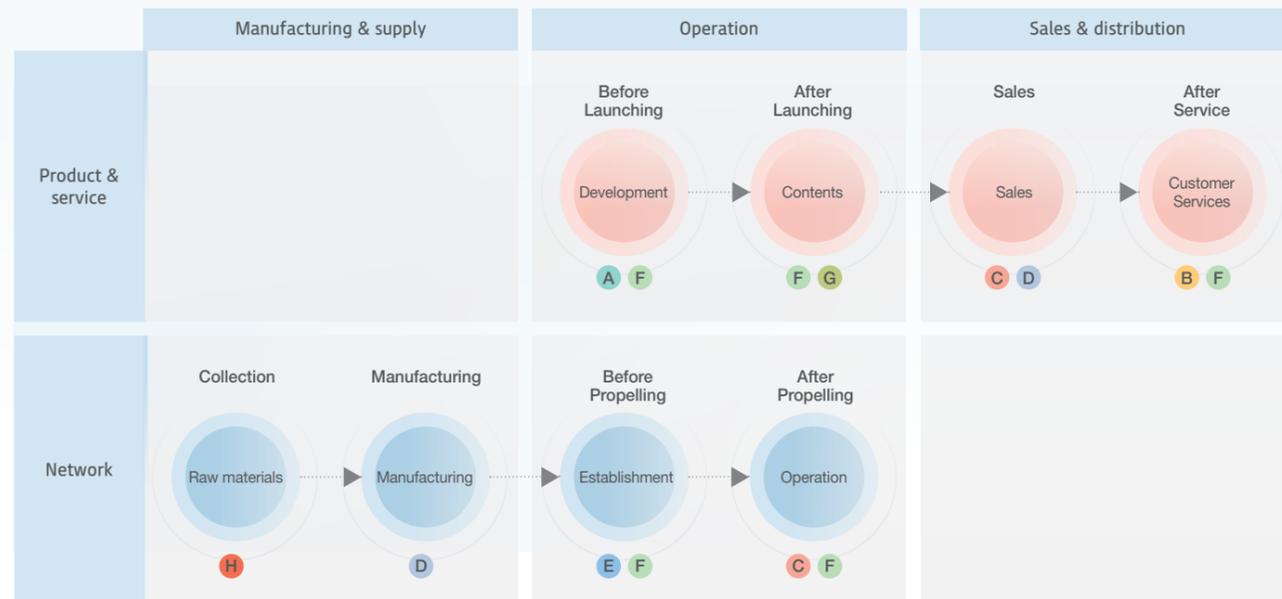
KT's firm conviction says that corporate human rights policies must go beyond traditional human rights protection and develop into commitments and efforts to promote human rights. In June 2017, KT established the 'KT Human Rights Policy', which contains the will and efforts to protect and promote human rights, and is striving to create a world where mankind can enjoy the benefits of civilization and freely pursue happiness through innovative technology. The KT Human Rights Policy is intended to identify and remove negative effects in advance so that no human rights violation would occur to any stakeholders throughout KT's business and value chains. Based on the foregoing, KT will ultimately contribute to the improvement of the working and living environments of employees and customers and contribute to the creation of a sustainable society.

As a responsible global telecommunications company, KT officially supports global standards related to human rights and labor such as the UN Universal Declaration of Human Rights, the ILO Conventions, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. Since joining the UN Global Compact in 2008, KT has been actively practicing the 10 principles in the four areas of human rights, labor, environment, and anti-corruption throughout the management.

KT Human Rights Definition

1	Basic Human Rights	2	Labor Human Rights	3	Human Rights Promotion
	<ul style="list-style-type: none"> Guarantee equality, prohibit discrimination Realize freedom, prohibit forced labor Human dignity, prohibit child labor 		<ul style="list-style-type: none"> Freedom of association, rights of collective bargaining Fair compensation, compliance with labor standards Guarantee health and safety 		<ul style="list-style-type: none"> Realize freedom of information access and representation Protect personal information and privacy Pursuing happiness through innovation

Major Human Right Issue on KT Value Chain with Due Diligence Results



Human Rights Risk Management

Human Rights Risk Management Standard

The 'UN Guiding Principles on Business and Human Rights' provides companies and stakeholders with a clear framework for promoting human rights in the business process. Based on the 'UN Guiding Principles on Business and Human Rights', KT established and is managing a human rights management process by itself. KT identifies potential human rights issues that may occur every year, discovers groups with vulnerable human rights, and makes efforts to improve the problems. In addition, KT is checking and complementing human rights situations through internal and external monitoring.

UN Global Compact Communication on Progress (COP) www.unglobalcompact.org/what-is-gc/participants/5955-KT#cop

Human Rights Risk Identification

Based on the 'UN Guiding Principles on Business and Human Rights', KT defined major human rights issues and prioritizes them according to the degrees of risk exposure through the diagnostic analysis of the entire value chain of KT operation, manufacturing/supply, and sales/distribution. To this end, KT developed the 'KT Company-wide Human Rights Risk Exposure Assessment Framework' for the first time in the domestic telecom industry in 2013, which is a tool to identify potential human rights risks in three major aspects of 'policy declaration', 'policy implementation', and 'remedy for human rights abuse' based on the 'UN Guiding Principles on Business and Human Rights'.

KT's human rights risk identification procedures are proceeded after comprehensively reviewing the results of 1) Prior Risk Assessment Before Launching Service and Product, 2) Emotional Workers Monitoring, 3) Information Protection Measure Checks, 4) Supply Chain Sustainability Risk Evaluation, and 5) Business Risk Assessment.

Human Rights Risk Due Diligence

Based on the results of human rights risk analysis in 2019, 1) Supply chain labor rights/safety rights, human rights issues at the manufacturing/supply stages, 2) issues of direct infringement of the rights of indigenous peoples' rights when business is promoted, 3) personal information protection issues at sales /distribution stages, 4) humanitarian treatment and protection of emotional workers such as customer service counselors were selected as major human rights issues.

The relief and mitigation measures identify the current state of the identified priority of human rights issues through due diligence and ensure that human rights risks can be mitigated continuously through cooperation with relevant teams by issue. For example, in the case of the customer service counselor's work environment issues, stress tests are conducted periodically and emotional worker healing programs, such as group counseling, are operated so that the issues can be fundamentally resolved.

Major Human Right Issues	Vulnerable Group	Target of Review	Issue Definition	Risk Level	Assessment System
A Products & Services	Children, general	KT	Potential human rights violations that may be caused by goods & service	Target of due diligence	Prior Risk Assessment Before Launching Service and Product
B Emotional Worker Protection	Counselors	Subsidiaries	Protect counselors who are exposed to unjust acts (such as profanity, ranting, intimidation, insults, sexual harassment) or unreasonable demands of customers	Target of due diligence	Emotional Worker Monitoring
C Personal Information Protection	General	KT, subsidiaries, suppliers	Personal information and privacy protection issues that are closely related to the telecommunications industry	Target of due diligence	Information Protection Measure Checks
D Supply Chain Human Rights	Employees of suppliers, migrant workers	Suppliers	Basic human rights, labor rights, safety rights violation issues related to employees of suppliers	Target of due diligence	Supply Chain Sustainability Risk Evaluation
E Indigenous People's Right Protection	Indigenous people, communities	Communities	Direct infringement of indigenous people's rights, such as land and property due to the expansion of the business place	Target of due diligence	Business Risk Assessment
F Employee Human Right	Internal employee	KT	Basic human rights, labor rights, safety right violation issues in the working environment of employees	Preliminary caution	
G Harmful Content	Children, general	KT	Prevent access to harmful content of children and protect universal access to information	Preliminary caution	
H Conflict Minerals	Indigenous people, children	Raw material suppliers	In the case of tin, tungsten and thallium used in electronic equipment, children's labor exploitation occurs in the production process in Congo and neighboring countries.	Preliminary caution	

Due Diligence on Major Human Rights Issues



GWP Activities for Counselors

Products & Services

KT launches many new services each year, and risks of human rights violations such as information protection and discrimination issues may arise. In order to minimize this, KT has been implementing a 'Prior Risk Assessment Before Launching Service and Product' system since 2010. In the case of new services, in addition to reviewing the service differentiation and completeness required for service launch, in-depth reviews of four major risks: operational, legal, fair competition, and information protection risks are carried out. Since 2016, KT operates 48 key risk indicators that quantify risks by their characteristics and constantly monitor the possibility of occurrence of risks.

Emotional Worker Protection

Customer center counselors are vulnerable to human rights violations because they may be exposed to personality-related insults such as abusive language and sexual harassment or unreasonable demands of customers during their work. KT conducts periodic inspections and operates healing programs to protect the rights and interests of counselors through regular cooperation with customer center subsidiaries. Through the 'KT Hearim' program, KT provides individual/team counseling, and healing camps in cooperation with professional counseling organizations and also provides customized counseling such as art psychological counseling by internal psychologists for employees who report stress. In addition, we are striving to strengthen emotional care and communication, covering emotional management and stress relief of employees. through various GWP activities such as yoga, meditation, snack car, and movies.

Personal Information Protection

The telecommunications business collects, handles, and stores a large amount of personal information during the business process, and if personal information is leaked, it is a serious human rights risk that directly leads to infringement of the human rights of customers. To prevent personal information and privacy infringement, KT conducts 'Information Protection Measure Checks' every year on the entire distribution network and customer information processing systems with which KT transacts. In 2019, KT completely inspected 284 services throughout the country, For more details, please refer to the "Customer Information Protection" section of this report.

Results of Information Protection Measure Checks

Category		Unit	2017	2018	2019
Risk Identification	Number of service inspections	Cases	316	274	284
Risk Mitigation & Action	Inspection ratio to total service	%	100	100	100

Supply Chain Human Rights

To spread the culture to respect for human rights and its importance to key stakeholders such as group companies and strategic partner companies, KT established the 'KT Supplier Sustainability Guidelines' based on international human rights policies and standards including the UN Guiding Principles on Business and Human Rights in 2012 and has been making efforts to improve the levels of performance of suppliers through 'Supply Chain Sustainability Risk Evaluation' every year based on the guidelines. The 'Social Responsibility' evaluation area of this evaluation includes many evaluation indicators intended to identify human rights risks that may arise in the supply chain such as labor, human rights, safety, and subcontracting of suppliers and the indicators are utilized to proactively identify supply chain human right risks through annual evaluation. Further details are disclosed through the "Sustainable Supply Chain Management" section of this report.

Results of Supply Chain Sustainability Risk Evaluation

Category		Unit	2017	2018	2019
Risk Identification	Number of tier 1 suppliers	Suppliers	400	581	497
	Evaluation ratio of tier 1 suppliers	%	100	100	100
	Number of risks identified	Suppliers	12	17	7
	Identification ratio of risks	%	3.0	2.9	1.4
Risk Mitigation & Action	Ratio of corrective actions	%	100	100	100
	- Number of corrective actions	Suppliers	6	9	4
	- Number of transactions terminated	Suppliers	6	8	5

Management on Potential Human Rights Issues



Kids Land AI Shipped with Kids Safe Search

Indigenous People's Rights Protection

When a business place is expanded or business is advanced into a new market or overseas countries, potential risks to human rights may occur due to economic, social and cultural differences and such risks may negatively affect the company's business with business delays/cancellations, the occurrence of community civil complaints, business right cancellation, and difficulties in acquiring business rights. In particular, in the case of the telecommunications industry, potential infringement of the rights of native people such as land, property, and electromagnetic wave issues, may occur during the process of establishing base stations and network infrastructures. KT has established and is operating procedures to identify risks without fail based on the <Business Checklist> when making decisions on business promotion.

Employee Human Rights

In order to ensure the basic human rights, labor rights, and safety rights of employees, KT made company-wide human rights education for all employees as mandatory. In particular, KT is conducting 'sexual harassment prevention education', 'perception of the challenged improvement education', and 'personal information protection education' for all employees annually. In order to prevent the occurrence of wrongful acts such as sexual harassment and bullying in the workplace, which are social issues, and forced labor, child labor, and infringement of rights in the working environment, continuous education and management are necessary.

Harmful Content

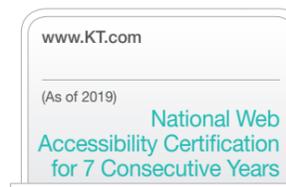
KT takes diverse actions to ensure that children can safely access to online information and enjoy responsible content. KT offers kids content through Olleh TV and is striving to protect children from exposure to harmful content, including adult or illegal content. Kids-only UI Kids mode protects children from harmful content and when age is set, it automatically recommends content that fit the age of the child to induce proper TV watching habits. In addition, the 'Kids Safe Search' function on the GiGA Genie device recognizes the voice that the child calls 'Genie', blocks content targeted at 15 years of age or older, and provides only safe content as a search result.

Conflict Minerals

"Conflict minerals" is a term that refers to four minerals; tin, tantalum, tungsten, and gold, produced in 10 African countries, including the Democratic Republic of the Congo, and is known as an international human rights issue because guerrillas and rebels exploit civilians' labor in the process of mining. Products that require attention the most in relation to conflict minerals are electronic devices such as mobile phones and notebooks. Since KT is not a manufacturer that firsthand manufactures telecommunication equipment, they do not cause any human rights violation issue, but recognizes them as a potential human rights issue and pays attention to them.

Enhance the Accessibility of Digital Vulnerable Social Group

KT strives to enhance the accessibility of digital vulnerable groups such as the challenged and the elderly, so that they can equally access and understand the services provided by KT without any special knowledge. To this end, KT designed/developed web, mobile app UI/UX according to government guidelines, and are conducting periodic accessibility checks consisting of 37 test items for ease of recognition, ease of operation, ease of understanding, and robustness. In addition, for the KT homepage (www.kt.com), KT shop homepage (shop.kt.com) and My KT app, which are frequently used by customers, KT receives accessibility certification from external agencies certified by the government annually.



Principles Applied to Accessibility to KT's Mobile Apps

Principles Applied	Purpose	Target
Ease of Recognition	Providing content that can be easily understood by users	Visual & hearing-impaired customers who have difficulties in recognizing auditory and visual information
Ease of Operation	UI configuration that enables easy navigation and manipulation	Customers with physical disabilities or brain lesion who are limited in body movements
Ease of Understanding	UI configuration that can be easily understood by anybody	Intelligent / language-impaired customers who have difficulties in reading or understanding sentences
Robustness	The content components that can be used in even changing technology environments	Customers who access in diverse operating environments such as operating systems and web browsers

APPENDIX

- 71 Major Financial Indicators
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- 75 GRI Standards Index
- 80 Major Awards & Memberships

Major Financial Indicators

Financial Performance (Unit: KRW 100 million)

Category	2017	2018	2019
Consolidated Financial Statement			
Current Asset	9,672,412	11,894,252	11,898,255
Non-current Assets	20,058,498	20,294,578	22,163,037
Total Assets	29,730,910	32,188,830	34,061,292
Current Liabilities	9,474,162	9,387,704	10,111,456
Non-current Liabilities	7,046,148	8,069,846	8,762,883
Total Liabilities	16,520,310	17,457,550	18,874,339
Capital	1,564,499	1,564,499	1,564,499
Premium on Common Stock	1,440,258	1,440,258	1,440,258
Retained Earnings	9,988,396	11,328,859	11,637,185
Accumulated Other Comprehensive Income	30,985	50,158	194,934
Other Capital Component	-1,205,302	-1,181,083	-1,170,083
Non-controlling Interests	1,391,764	1,528,589	1,520,160
Total Equities	13,210,600	14,731,280	15,186,953
Total Liabilities and Equities	29,730,910	32,188,830	34,061,292
Consolidated Income Statement			
Operating Revenue	23,387,267	23,460,143	24,342,064
Operating Expenses	22,011,981	22,198,621	23,190,999
Operating Profit	1,375,286	1,261,522	1,151,065
Other Profit	287,388	215,998	259,431
Other Expense	573,549	319,895	429,980
Financial Income	406,328	374,243	424,395
Financial Expense	644,531	435,659	421,931
Shares for New Profits and Loss by Related Companies and Joint Ventures	-13,892	-5,467	-3,304
Income Before Taxes	837,030	1,090,742	979,676
Income Taxes	275,504	328,437	310,329
Net Profit	561,526	762,305	669,347
Other Comprehensive Income	-68,288	-54,628	172,338
Total Comprehensive Income	493,238	707,677	841,685

Composition of Shareholders (As of 31 December 2019)

Shareholders	Number of Shares (Shares)	Equity Ownership (%)
Treasury Stock	15,870,258	6.08
Foreign Investors	121,681,903	46.60
National Pension Fund	32,836,553	12.58
Employee Stockholders	1,111,616	0.43
Other Entities & Individual Investors (domestic)	89,611,478	34.32
Total Number of Shares Issued	261,111,808	100.00

Third Party's Assurance Statement

Third Party's Assurance Statement

To the Readers of KT Integrated Report 2020

Foreword

Korea Management Registrar Inc. (hereinafter "KMR") has been requested by of KT Corporation. (hereinafter "KT") to verify the contents of its KT Integrated Report 2020 (Hereby referred to as "the Report"). KT is responsible for the collection and presentation of information included in the Report. KMR's responsibility is to carry out assurance engagement on specific data and information in the assurance scope stipulated below.

Scope and standard

KT describes its efforts and achievements of the corporate social responsibility activities in the Report. KMR performed a type 2, moderate level of assurance using AA1000AS (2008) and SRV1000 from KMR Global Sustainability Committee as assurance standards. KMR's assurance team(hereinafter "the team") evaluated the adherence to Principles of Inclusivity, Materiality and Responsiveness, and the reliability of the selected GRI Standards indices as below, where professional judgment of the team was exercised as materiality criteria.

The team checked whether the Report has been prepared in accordance with the 'Comprehensive Option' of GRI Standards which covers the followings.

- GRI Standards Reporting Principles
- Universal Standards
- Topic Specific Standards

· Management approach of Topic Specific Standards	· Non-Discrimination : 406-1
· Economic Performance : 201-1, 201-2, 201-3, 201-4	· Freedom of Association and Collective Bargaining : 407-1
· Market Presence : 202-1, 202-2	· Child Labor : 408-1
· Indirect Economic Impacts : 203-1, 203-2	· Forced or Compulsory Labor : 409-1
· Procurement Practices : 204-1	· Security Practices : 410-1
· Anti-Corruption : 205-1, 205-2, 205-3	· Rights of Indigenous Peoples : 411-1
· Anti-Competitive Behavior : 206-1	· Human Rights Assessment : 412-1, 412-2, 412-3
· Materials : 301-1, 301-2, 301-3	· Local Communities : 413-1, 413-2
· Energy : 302-1, 302-2, 302-3, 302-4, 302-5	· Supplier Social Assessment : 414-1, 414-2
· Water : 303-1, 303-2, 303-3	· Public Policy : 415-1
· Biodiversity : 304-1, 304-2, 304-3, 304-4	· Customer Health and Safety : 416-1, 416-2
· Emissions : 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7	· Marketing and Labeling : 417-1, 417-2, 417-3
· Effluents and Waste : 306-1, 306-2, 306-3, 306-4, 306-5	· Customer Privacy : 418-1
· Environmental Compliance : 307-1	· Socioeconomic Compliance : 419-1
· Supplier Environmental Assessment : 308-1, 308-2	
· Employment : 401-1, 401-2, 401-3	
· Labor/Management Relations : 402-1	
· Occupational Health and Safety : 403-1, 403-2, 403-3, 403-4	
· Training and Education : 404-1, 404-2, 404-3	
· Diversity and Equal Opportunity : 405-1, 405-2	

This Report excludes data and information of joint corporate, contractor etc. which is outside of the organization, i.e. KT, among report boundaries.

Our approach

In order to verify the contents of the Report within an agreed scope of assurance in accordance with the assurance standard, the team has carried out an assurance engagement as follows:

- Reviewed overall report
- Reviewed materiality test process and methodology
- Reviewed sustainability management strategies and targets
- Reviewed stakeholder engagement activities
- Interviewed people in charge of preparing the Report

Our conclusion

Based on the results we have obtained from material reviews and interviews, we had several discussions with KT on the revision of the Report. We reviewed the Report's final version in order to confirm that our recommendations for improvement and our revisions have been reflected. When reviewing the results of the assurance, the assurance team could not find any inappropriate contents in the Report to the compliance with the principles stipulated below. Nothing has come to our attention that causes us to believe that the data included in the verification scope are not presented appropriately.

- **Inclusivity** Inclusivity is the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability
 - KT is developing and maintaining stakeholder communication channels in various forms and levels in order to make a commitment to be responsible for the stakeholders. The assurance team could not find any critical stakeholder KT left out during this procedure.
- **Materiality** Materiality is determining the relevance and significance of an issue to an organization and its stakeholders. A material issue is an issue that will influence the decisions, actions, and performance of an organization or its stakeholders.
 - KT is determining the materiality of issues found out through stakeholder communication channels through its own materiality evaluation process, and the assurance team could not find any critical issues left out in this process.
- **Responsiveness** Responsiveness is an organization's response to stakeholder issues that affect its sustainability performance and is realized through decisions, actions, and performance, as well as communication with stakeholders.
 - The assurance team could not find any evidence that KT's counter measures to critical stakeholder issues were inappropriately recorded in the Report.

We could not find any evidence the Report was not prepared in accordance with the 'Comprehensive Option' of GRI standards.

Recommendation for improvement

We hope the Report is actively used as a communication tool with stakeholders and we recommend the following for continuous improvements.

- KT identified the digital transformation around non-face-to-face communication due to COVID-19 as a risk closely associated to the telecommunications industry, and explained its business impact and counter-measures to serve the interests of stakeholders. The report covered in detail sustainability issues such as the creation of economic values through technology, development of customer-oriented services, and human-right-based management, promoting transparent communication with stakeholders. We recommend that KT back up its key achievements with quantitative data in the context of sustainability and provide the three-year performance wherever possible.

Our independence

With the exception of providing third party assurance services, KMR is not involved in any other KT's business operations that are aimed at making profit in order to avoid any conflicts of interest and to maintain independence.

GHG Verification Statement

Verification Statement

Verification No. KQA-T2005
Company KT Corporation
Representative Ku Hyeon-Mo
Business Registration No. 102-81-42945
Address 90, Buljeong-ro, Bundang-go, Seongnam-si, Gyeonggi-do, Republic of Korea



KQA confirms that the certification result of GHG emissions and energy consumption reports of above company is proper.

Regulation Applied The GHG and Energy Target Scheme Guidelines Verification Guidelines for GHG Emissions Trading Scheme

Verification Scope GHG emissions and energy consumption reports (in the year of 2019)

GHG emissions total	Scope		
	Scope 1	Scope 2	Total
GHG emissions (ton Co ₂ -eq)	36,087	1,098,220	1,134,307
Energy consumption (TJ)			23,224

Verification Term 30 March 2020 ~ 29 April 2020

Date of issue 20 May 2020



Korea Quality Assurance

(GHG-Energy verification body 「2011-3rd」 accredited by the ministry of environment.)

The details regarding the range of this Verification Statement and requirement of the GHG and Energy target scheme guidelines can be obtained by requesting to the relevant organization.

KQA Address : 2Fl., Hojeong Bldg., 49, Manan-ro, Manan-gu, Anyang-si, Gyeonggi-do, 14034, Republic of Korea

GRI Standards Index

GRI Standards	Contents	Page & Remarks	UN Initiatives
GRI 100			
GRI 102-1	Name of the organization	6	
GRI 102-2	Primary brands, products, and/or services	6-7, 18-21, 29	
GRI 102-3	Location of organization's headquarters	6	
GRI 102-4	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	6	
GRI 102-5	Nature of ownership and legal form	6	
GRI 102-6	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries)	6-7	
GRI 102-7	Scale of the reporting organization	6, 33	
GRI 102-8	a. Total number of employees by employment contract and gender b. Total number of permanent employees by employment type and gender c. Total workforce by employees and supervised workers and by gender d. Total workforce by region and gender e. Whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors f. Any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries)	33	UNGC 6, SDG 8
GRI 102-9	Describe the organization's supply chain	47-51	
GRI 102-10	Significant changes during the reporting period relating to size, structure, or ownership or its supply chain	6-7	
GRI 102-11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	64-69	
GRI 102-12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	66	
GRI 102-13	Memberships in associations	80	
GRI 102-14	Statement from the most senior decision-maker of the organization	2-5	
GRI 102-15	Provide a description of key impacts, risks, and opportunities.	2-5, 14-15, 65	
GRI 102-16	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	61	UNGC 10, SDG 16
GRI 102-17	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	61-62	UNGC 10, SDG 16
GRI 102-18	Governance structure of the organization	10, 40, 53, 60	
GRI 102-19	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	10, 40, 53	
GRI 102-20	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	64-65	
GRI 102-21	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body	10, 40, 53	SDG 16
GRI 102-22	Report the composition of the highest governance body and its committees	58-59	SDG 5, 16
GRI 102-23	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement)	59	SDG 16
GRI 102-24	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	59	SDG 5, 16
GRI 102-25	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders	59	SDG 16
GRI 102-26	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	58-59	
GRI 102-27	Report the measures taken to develop and enhance the highest overnance body's collective knowledge of economic, environmental and social topics.	58-59	
GRI 102-28	Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics	60	
GRI 102-29	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes	60	SDG 16

GRI Standards Index

GRI Standards	Contents	Page & Remarks	UN Initiatives
GRI 100			
GRI 102-30	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	64	
GRI 102-31	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	64	
GRI 102-32	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	58-59	
GRI 102-33	Report the process for communicating critical concerns to the highest governance body.	64	
GRI 102-34	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	38	
GRI 102-35	Report the remuneration policies for the highest governance body and senior executives	60	
GRI 102-36	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	60	
GRI 102-37	Report how stakeholders' views are sought and taken into account regarding remuneration	60	SDG 16
GRI 102-38	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees in the same country.	60	
GRI 102-39	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees in the same country.	60	
GRI 102-40	List of stakeholder groups engaged by the organization	11	
GRI 102-41	Percentage of employees covered by collective bargaining agreements	38	UNGC 3, SDG 8
GRI 102-42	Basis for identification and selection of stakeholders with whom to engage	11	
GRI 102-43	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	11	
GRI 102-44	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	11-15	
GRI 102-45	a. List all entities included in the organization's consolidated financial statements or equivalent documents b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report	71	
GRI 102-46	a. Explain the process for defining the report content and the Aspect Boundaries b. Explain how the organization has implemented the Reporting Principles for Defining Report Content	12-13	
GRI 102-47	List all the material Aspects identified in the process for defining report content	13-15	
GRI 102-48	Explanation of the effect of any re-statements	About this report	
GRI 102-49	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	N/A	
GRI 102-50	Reporting period	About this report	
GRI 102-51	Date of most recent previous report	July 2019	
GRI 102-52	Reporting cycle	Annual	
GRI 102-53	Contact point for questions regarding the report or its contents	About this report	
GRI 102-54 GRI 102-55 GRI 102-56	a. 'In accordance' option the organization has chosen b. GRI Content Index for the chosen option (see tables below) c. Reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines	72-73, 75-79	
GRI 103-1	The Aspect Boundary within the organization	13	
GRI 103-1 GRI 103-2 GRI 103-3	a. Why the Aspect is material. Report the impacts that make this Aspect material b. How the organization manages the material Aspect or its impacts c. Evaluation of the management approach	12-15	
GRI 103-2	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	51	UNGC 8
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GRI 103-2	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	67-69	UNGC 1
GRI 103-2	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	40	

GRI Standards	Contents	Page & Remarks	UN Initiatives
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GRI 201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change	54	UNGC 7, SDG 13
GRI 201-3	Coverage of the organization's defined benefit plan obligations	38	
GRI 201-4	Financial assistance received from government	N/A	
GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	33	
GRI 202-2	Proportion fo senior management hired from the local community at significant locations of operation	N/A	UNGC 6
GRI 203-1	Development and impact of infrastructure investments and services supported	39-46	SDG 2, 5, 7, 9
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GRI 204-1	Proportion of spending on local suppliers at significant locations of operation	47-49	SDG 12
GRI 205-1	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	61-62	UNGC 10, SDG 16
GRI 205-2	Communication and training on anti-corruption policies and procedures	61-62	UNGC 10, SDG 16
GRI 205-3	Confirmed incidents of corruption and actions taken	62	UNGC 10, SDG 16
GRI 206-1	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	63	
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GRI 301-2	Percentage of materials used that are recycled input materials	55	
GRI 301-3	Percentage of products sold and their packaging materials that are reclaimed by category	N/A	UNGC 8, SDG 8, 12
GRI 302-1	Energy consumption within the organization	54	UNGC 7, 8, SDG 7, 8, 12, 13
GRI 302-2	Energy consumption outside of the organization	54	UNGC 7, 8, SDG 7, 8, 12, 13
GRI 302-3	Energy intensity	54	UNGC 8, SDG 7, 8, 12, 13
GRI 302-4	Reduction of energy consumption	54	UNGC 8, 9, SDG 7, 8, 12, 13
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GRI 303-1	Total water withdrawal by source	55	UNGC 7, 8, SDG 6
GRI 303-2	Water sources significantly affected by withdrawal of water	55	UNGC 7, 8, SDG 6
GRI 303-3	Percentage and total volume of water recycled and reused	55	UNGC 8, SDG 6, 8, 12
GRI 304-1	Location and size of land owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	N/A	
GRI 304-2	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	N/A	
GRI 304-3	Habitats protected or restored	N/A	UNGC 8, SDG 6, 14, 15
GRI 304-4	Total number of IUCN RED list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	N/A	
GRI 305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	55	UNGC 7, 8, SDG 3, 12, 13, 14, 15
GRI 305-2	Indirect greenhouse gas (GHG) emissions (Scope 2)	55	UNGC 7, 8, SDG 3, 12, 13, 14, 15
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GRI Standards	Contents	Page & Remarks	UN Initiatives
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GRI 305-5	Reduction of Greenhouse gas (GHG) emissions	55	UNGC 8, 9, SDG 13, 14, 15
GRI 305-6	Emissions of ozone-depleting substances (ODS)	N/A	UNGC 7, 8, SDG 3, 12
GRI 305-7	NOx, SOx and other significant air emissions	N/A	UNGC 7, 8, SDG 3, 12, 14, 15
GRI 306-1	Total water discharge by quality and destination	55	
GRI 306-2	Total weight of waste by type and disposal method	55	UNGC 8, SDG 3, 6, 12
GRI 306-3	Total number and volume of significant spills	N/A	UNGC 8, SDG 3, 6, 12, 14
GRI 306-4	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the BASEL Convention Annex I, II, III, AND VIII, and percentage of transported waste shipped internationally	55	UNGC 8
GRI 306-5	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	N/A	
GRI 307-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	N/A	UNGC 8, SDG 8, 16
GRI 308-1	Percentage of new suppliers that were screened using environmental criteria	51	UNGC 8
GRI 308-2	Significant actual and potential negative environmental impacts in the supply chain and actions taken	51	UNGC 8, SDG 15
GRI 400			
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GRI 401-3	Return to work and retention rates after parental leave, by gender	37	UNGC 6, SDG 5, 8
GRI 402-1	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	37-38	UNGC 3, SDG 8
GRI 403-1	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	37-38	SDG 8
GRI 403-2	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	37-38	SDG 3, 8
GRI 403-3	Workers with high incidence or high risk of diseases related to their occupation	37-38	SDG 3, 8
GRI 403-4	Health and safety topics covered in formal agreements with trade unions	37-38	UNGC 1
GRI 404-1	Average hours of training per year per employee by gender, and by employee category	34	UNGC 6, SDG 8
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GRI 404-3	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	34-35	UNGC 6, SDG 5, 8
GRI 405-1	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity	33	UNGC 6, SDG 5, 8
GRI 405-2	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	33	UNGC 6, SDG 8, 10
GRI 406-1	Total number of incidents of discrimination and actions taken	67-69	UNGC 6
GRI 407-1	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	38, 51, 67-69	UNGC 3, SDG 8
GRI 408-1	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	66-69	UNGC 5, SDG 8, 16
GRI 409-1	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	66-69	UNGC 4, SDG 8

GRI Standards	Contents	Page & Remarks	UN Initiatives
GRI 400			
GRI 410-1	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	68	UNGC 1, SDG 16
GRI 411-1	Total number of incidents of violations involving rights of indigenous people and actions taken	66-69	UNGC 1
GRI 412-1	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	66-69	UNGC 1
GRI 412-2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	68	UNGC 1
GRI 412-3	Total number and percentage of significant investment agreements and contracts that include human rights clauses of that underwent human rights screening	68-69	UNGC 2
GRI 413-1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	41-46	UNGC 1
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	N/A	UNGC 1
GRI 414-1	Percentage of new suppliers that were screened using labor practices criteria	51	SDG 5, 8, 16
GRI 414-1	Percentage of new suppliers that were screened using human rights criteria	51, 67-69	UNGC 2
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GRI 414-2	Significant actual and potential negative human rights impacts in the supply chain and actions taken	51, 67-69	UNGC 2
GRI 414-2	Significant actual and potential negative impacts on society in the supply chain and actions taken	51	
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GRI 416-1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	37, 51	
GRI 416-2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	37, 51	
GRI 417-1	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	63	SDG 12
GRI 417-2	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	63	SDG 16
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GRI 419-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	63	SDG 16

SDG <https://sustainabledevelopment.un.org/index.php?menu=1300>

Major Awards & Memberships

Major Awards

Month	2020 Award	Host / Provider
February	Winner of Global Mobile Awards for 'GEPP'	Global System for Mobile Communications (GSMA)
March	Ranked 1st in 4 categories of National Customer Satisfaction Index (NCSI) in 2020 (ranked first in the IPTV sector for 4 consecutive years, ranked first in the super-high-speed Internet sector for 3 consecutive years, ranked first in the wire telephone sector for 22 consecutive years, and ranked first in the Internet phone sector for 11 consecutive years, and)	Korea Productivity Center
July	Ranked 1st in Korea Industrial Brand Recommendation, OTT	Korea Management Association Consulting
July	Awarded the "Comprehensive Grand Prize" at the Korea Service Awards	Korea Standards Association
July	Winner of the Minister of Trade, Industry and Energy Award in 'AI Korea Grand Prize 2020' (AI Industry Innovation Field)	eDaily

Month	2019 Award	Host / Provider
February	Winner of 4 categories in Stevie Awards 2019 (including Customized ARS focused on customer experience improvement)	Stevie Awards
February	Awarded in Communication Design in 'iF Design Award 2019'	International Forum Design
June	Awarded in 2019 National Brand Awards	Chosun
June	Winner of 4 categories in 5G World Awards	Informa, a global information and communication technology research institute
June	Winner of 5G Innovation Award in MWC 2019 'Asia Mobile Awards', Shanghai	Global System for Mobile Communications (GSMA)
September	Winner of ITU Telecom World Awards 2019	International Telecommunication Union (ITU)
October	Winner of 3 categories in 2019 International Business Awards (PR, video, website) 3 Gold, 2 Bronze	International Business Award
October	Winner of 2 categories in WCA 2019 - '5G Leadership' and 'Best Network Security Innovation'	Total Telecom, a global ICT research organization
October	Winner of "Korea Sustainability Report Award"	Korea Standards Association
October	Winner of Wi-Fi Technology WBA Industry Awards	WBA
November	Awarded the Prime Minister's Citation at the '2019 Korea Energy Awards'	Ministry of Industry and Trade
December	Winner of Excellence in Practice in 2019 ATD Award	Association for Talent Development (ATD)
December	Winner of 4 categories in '2019 &AWARD' - Digital Media & Service/ Digital Advertising & Campaign	Korea Digital Enterprise Association
December	Selected as 2019 Excellent Family-friendly Company, 6 KT group companies awarded	Ministry of Gender Equality and Family
December	Winner of Grand Prize of Korea Sports Industry Awards	Ministry of Culture, Sports and Tourism

Major Memberships

Domestic	Korea ESS Industry Promotion Association, Korea IDC Council, Korea Intelligent Detective Internet Association, UN Supported SDGs Association, SDN/NFV Forum, Korea Virtual Augmented Reality Industry Association, Defense Information and Communication Association, Defense NCW Forum, Korea Radio Promotion Association, TTA, ITU Korea Communication Service Provider Association, Smart Media Industry Promotion Association, Korea IPTV Broadcasting Association, and others
Overseas	5GAA, UN Global Compact, UNWTO, KAIT, OCF, GCF, WBA, 3GPP GSMA, O-RAN Alliance, Wi-Fi Alliance

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