

Samsung SDS Sustainability Report 2025

IT'S THE KEY TO SUSTAINABLE GROWTH

SAMSUNG SDS



ABOUT THIS REPORT

Samsung SDS presents the 2025 Sustainability Report to transparently communicate the economic, social, and environmental value and achievements generated through its business activities. This report serves as a communication platform for sharing our sustainability journey, progress, and future plans with a diverse range of stakeholders each year.

REPORTING STANDARDS

This report has been prepared in accordance with the Core option of the Global Reporting Initiative (GRI) Standards, the UN Sustainable Development Goals (SDGs), and Sustainability Accounting Standards Board (SASB). It also aligns with selected elements of the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards and the European Sustainability Reporting Standards (ESRS).

REPORTING SCOPE

This report covers Samsung SDS's Headquarters, all domestic and overseas business sites, and key subsidiaries on a consolidated basis. The scope of sustainability data disclosure is based on the consolidated standard, aligned with the consolidated financial statements under K-IFRS. However, certain data requiring caution with respect to reporting scope or boundaries is marked with separate annotations. In addition, data related to select suppliers is included, while information classified as trade secrets or sensitive is excluded from the reporting scope.

- Headquarters: All domestic business sites of Samsung SDS
- Global: Headquarters, overseas entities, and key subsidiaries on a consolidated basis

REPORTING PERIOD

This report covers the period from January 1 to December 31, 2024, and includes partial data from the first half of 2025, highlighting our ESG efforts and accomplishments. It includes three-year historical data to demonstrate year-over-year trends in key performance indicators.

REPORTING FREQUENCY

Annually (last edition: June 2024)

DATA ASSURANCE

To ensure the reliability of the data herein, this report has undergone independent assurance by external verifier BSI Group Korea in compliance with the AA1000AS v3 standard. A Type 2 verification approach was adopted for selected key issues identified.

SAMSUNG SDS

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SUSTAINABILITY REPORT 2025

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Introduction

Samsung SDS is creating value to unlock a sustainable tomorrow through strengthened environmental stewardship, an unwavering commitment to building a diverse, equitable, and inclusive culture, and a transformation towards more sustainable governance.

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Message from the ESG Committee Chairperson

**Dear esteemed stakeholders,
I am Insill Yi, Chairperson of the ESG Committee.**

I am pleased to share our sustainable journey with you through the publication of this Sustainability Report. I would also like to take this opportunity to express my sincere gratitude for your unwavering support.

Over the past year, the ESG Committee focused on examining and addressing the most pressing issues within our ESG strategic priorities. We broadened our agenda to include vital areas such as data security, occupational safety and health, supply chain responsibility, and digital responsibility. This expanded scope enabled deeper, more comprehensive discussions across key ESG areas, leading to the identification of the following critical tasks now underway to address these challenges.

We are joining hands in combating climate change through initiatives such as enhancing energy efficiency and transitioning to renewable energy.

Samsung SDS contributes to this global climate action by leveraging technology to reduce carbon emissions. Our commitment is evidenced by the operation of data centers with industry-leading energy efficiency, alongside ongoing development of low-power technologies that help minimize cooling energy use for data centers. At our overseas entities, we've begun shifting to renewable energy sources for essential electricity, with a phased plan in place for continued progress.

All these efforts have led to remarkable achievements, including a reduction of 7,425 tCO₂eq of GHG emissions from our data centers, driven in part by renewable energy production, a 35% increase from the previous year. Sourcing an additional 5,294 tCO₂eq of renewable energy externally brings the total GHG reduction to 12,719 tCO₂eq. Achieving our target of 25% renewable energy by 2030 will involve

the exploration and implementation of diverse strategies and solutions.

We are expanding the scope of our ESG management framework, including DEI initiative, safety and health, and supply chain management, across our overseas entities, and subsidiaries.

The DEI Secretariat plays a pivotal role in building a human rights management framework and raising awareness among our global workforce. These efforts are in full swing, encompassing the formation of a global council connecting Headquarters and overseas entities, DEI level assessments, and targeted campaigns to establish a DEI framework on par with global best practices. On the safety and health, and supply chain front, ESG management will be fully embedded into our overseas entities and subsidiaries through phased plans that include organizational setup, consulting, and system integration.

We ensure seamless management of data security risks.

With the aim to minimize these risks, we put in place a structured data protection management system. We invested KRW 65.2 billion in the data security sector alone, culminating in our selection as an excellent company in data protection investment by the Ministry of Science and ICT for three consecutive years since 2022. The ESG Committee oversees our data security performance. In addition, we have expanded data disclosure via our website and other platforms to deepen communication with stakeholders.

Anchored in our ESG strategies and core values, the ESG Committee will continue to navigate Samsung SDS toward meaningful progress in building a globally advanced ESG management system.

I look forward to your continued interest and support as we move forward.

Insill Yi ESG Committee Chairperson



Message from the CEO

**Dear valued stakeholders,
I am Junehee Lee, CEO of Samsung SDS.**

It is my pleasure to greet you through the 2025 Sustainability Report. I sincerely appreciate each and every stakeholder who has placed their trust in us throughout this journey.

Following the pandemic, a range of global challenges has reshaped the business landscape, including prolonged economic uncertainty, an intensifying climate crisis, and a chaotic international environment. Amid these daunting circumstances, our slogan, 'IT's the Key to Sustainable Growth,' has brought us together to drive sustainable progress through technological innovation and strategic business structure transformation. We have gained momentum in our core businesses, cloud and digital logistics, while achieving steady growth across our entire operations.

On the cloud services front, we achieved remarkable results last year, recording a 23.5% increase in sales compared to the previous year. In our external business, the digital logistics platform Cello Square, designed to provide low-carbon logistics services, delivered over 20% sales growth. Successfully winning new projects in key global markets, including the U.S., Europe, China, and Southeast Asia, is a testament to the global recognition of our outstanding competitiveness.

Our unwavering commitment to climate action is rooted in technology-driven solutions for carbon emission reduction. The establishment of the SGMS (SamsungSDS Greenhouse Gas Management System) marked a key step in systematically managing greenhouse gas (GHG) emissions across the entire value chain, including the supply chain. Building on this foundation, we plan to obtain certification from the CPS (Carbon Platform System) to ensure the reliability of our GHG emissions data.

As part of our efforts to significantly enhance the energy efficiency of data centers, a liquid immersion cooling system has been installed on a trial basis at the Dongtan Data Center. We also

provide GHG emissions data to customers, enabling them to verify emissions and reductions generated during the use of our cloud and logistics services. The appropriateness and reliability of the calculation methodology have been certified by a reputable third-party institution, actually enabling our customers to strengthen their ESG management.

Furthermore, our collaboration and work automation solutions, such as Brity Works, empower customers to create ESG value by curtailing carbon emissions and improving energy efficiency. Our supply chain solution enables customers to efficiently manage their suppliers' ESG performance and reduce waste generated from materials and semi-finished products.

Another key focus is becoming a socially responsible company by addressing a range of societal challenges, including ethical concerns arising from the spread of generative AI and risks of personal data leakage associated with IT advancements. Our multifaceted efforts include formulating principles and guidelines for IT-related ethics and establishing an IT Ethics Team dedicated to systematically managing potential risks in the delivery of AI-based services. In addition, our attainment of ISO/IEC 42001 certification, an internationally recognized standard for AI management systems, marks a first-of-its-kind achievement in the industry, showcasing our capabilities in product development, service operations, and management on par with global standards.

In today's business climate, where earning customer trust is increasingly challenging, ESG management has become a new language and key criterion for sustainable management. Samsung SDS will never relent in its efforts to usher in a sustainable future that goes beyond technology to embrace society and the environment.

I sincerely appreciate your unwavering interest and support on this journey.

Thank you very much.

Junehee Lee President & CEO of Samsung SDS



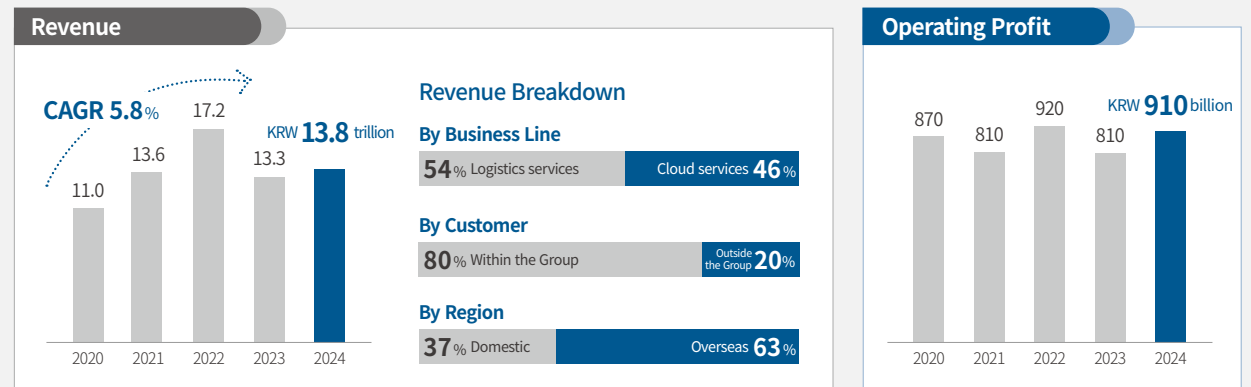
Company Overview

At a Glance

Samsung SDS provides a full suite of generative AI- and cloud-based IT services, as well as digital logistics solutions. We serve customers through optimized generative AI technologies and the establishment of cloud environments, underpinned by the Samsung Cloud Platform tailored to each company's specific needs. The expertise we've built across diverse industries over the past 40 years has culminated in our All-in-One Managed Services, delivering value to customers. In addition, our SaaS solutions, backed by a proven record of success, empower customers to enhance operational efficiency and innovate their services.

Company Name	SAMSUNG SDS CO.,LTD.
CEO	Junehee Lee
Establishment	May 1985
Headquarters	125, Olympic-ro 35-gil, Songpa-gu, Seoul, Republic of Korea
Workforce Headcount	26,401
Total Assets	KRW 13.2383 trillion
Website	www.samsungsds.com

Financial Highlights



※ Sales surge in 2022: The pandemic gave rise to soaring freight volumes and shipping rates.

External Recognition

<p>Brand Value</p> <p>Ranked 14th worldwide IT service sector Brand Finance</p>	<p>IT Services M/S</p> <p>Ranked 36th worldwide Ranked 3rd in Manufacturing IT Ranked 8th in the APAC region (Japan excluded) Gartner</p>	<p>Logistics Services (3PL) M/S</p> <p>Ranked 25th worldwide JOC.com</p>	<p>Trustworthy Companies in the World</p> <p>No. 1 place in the SW and Telecommunications sector Awarded for two consecutive years Newsweek</p>
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Key Business Areas

Cloud Services



We help customers navigate digital transformation through end-to-end services, backed by outstanding technologies, such as the Samsung Cloud Platform, advanced AI and data analytics capabilities, and deep cross-industry expertise.

Digital Logistics Services

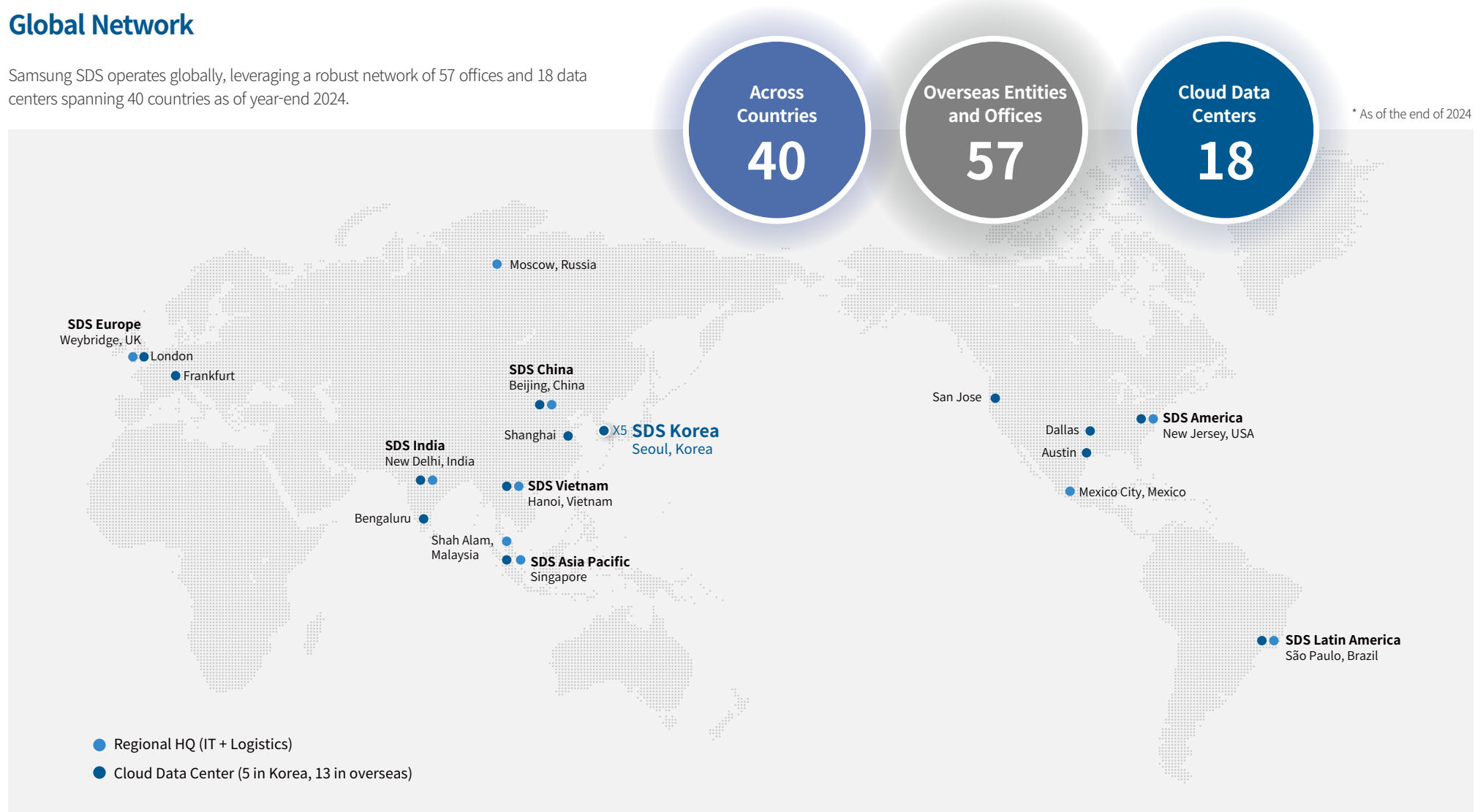


Leveraging our digital logistics platform (Cello Square), combined with cutting-edge IT technologies, we deliver proven import and export logistics services.

Company Overview

Global Network

Samsung SDS operates globally, leveraging a robust network of 57 offices and 18 data centers spanning 40 countries as of year-end 2024.



Company Overview

Business Area I Cloud Services

Our generative AI-powered cloud service delivers end-to-end solutions across multiple domains, including tailored cloud optimization, innovations that transform the way we work, consulting, and managed services. These comprehensive offerings drive optimized performance for complex digital transformation and hyper-automation.

Service Offering Stack

Offering Solutions	<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="display: flex; gap: 10px;"> <div style="background-color: #0056b3; color: white; padding: 5px; border-radius: 5px;">Samsung SDS Solutions</div> <div style="display: flex; align-items: center; gap: 5px;"> Brity Works Cello Square </div> </div> <div style="background-color: #0056b3; color: white; padding: 5px; border-radius: 5px;">Partner Solutions</div> </div>				
Generative AI-Powered Service Platform	FabriX	Linking enterprise systems (Integrating internal systems and enterprise data)	Connecting multi-LLMs (Providing LLMs for enterprise use)	Retrieving enterprise-wide and external knowledge, incorporating users' feedback, etc.	Creating and utilizing AI agents
Cloud Infra	Samsung Cloud Platform	AWS	Microsoft Azure	Google Cloud	On-premises

CSP Service

MSP Service

Enterprise SaaS Service

Generative AI Service

Leveraging the Samsung Cloud Platform, we offer a diverse range of cloud solutions that cater to each customer's unique business needs, ranging from high-performance, high-availability ones to easy-to-use options for general use, all designed with robust protection against external threats and security concerns.

Enterprise Cloud	Optimized for enterprise work environments with high versatility
Secure Public Cloud	Security-verified cloud supporting innovation in public institutions
Cloud for Financial Services	Fully compliant with all items of the CSP safety assessment conducted by the Financial Security Agency

With 40 years of industry-spanning experience and strong global partnerships, we deliver All-in-One Managed Services powered by generative AI, covering consulting, transition, and managed services.

Transformation/Implementation	Transforming legacy on-premises IT infrastructure into public or private cloud environments
SaaS Development	Designing and developing global SaaS solutions that accommodate customer needs
Application Operations	Operating multi/hybrid cloud platforms provided by Samsung SDS and global cloud service providers (CSPs).

We provide a wide range of enterprise-specific solutions, including business innovation, process transformation, and platforms embedded with emerging technologies. Our solutions, proven by Samsung affiliates and numerous other companies, are delivered as Enterprise SaaS.

Brity Works	Generative AI-powered solution for collaborative work (emails, messenger, meeting, etc.)
Caidentia	Solution that streamlines the procurement of materials, components, personnel, and services
Brity Automation	Enterprise work automation solution powered by generative AI

Our enterprise AI services comprise SW offerings that automate corporate work systems and solutions using dialogue-based methods, along with cloud infrastructure services for generative AI.

FabriX	Enterprise-tailored service platform backed by generative AI
Brity Copilot	Generative AI service for Brity Works
GPUaaS	Subscription-based GPU computing service for generative AI

Company Overview

Business Area I Digital Logistics Services

Samsung SDS offers one-stop logistics services that encompass the entire logistics process, including digital forwarding, powered by our digital logistics platform, Cello Square. With approximately 6,200 logistics experts in 56 offices across 36 countries, we provide global support. What sets our services apart is that the entire process, from quotations and booking to transportation, tracking, and payment, can be handled on a single platform. This unified approach enables customers to manage and verify their logistics data with ease while the accumulated data allows for analysis and predictive services, empowering quicker and smarter decision-making.

Service & Platform



Front-end

Customer-oriented Logistics Services Platform

Empowering customers with comprehensive self-service support for all import and export logistics

Freight cost prediction → Quotation and booking → Shipping and tracking →
Real-time dashboard monitoring → Analytical reporting

Freight Forwarding	Warehousing & Distribution	Project Logistics
Global Control Center (GCC)		

Back-end

Integrated Logistics Operations Platform

Driving operational excellence across the logistics lifecycle

Analysis and prediction | Risk sensing | Optimization and automation

Freight Forwarding

Leveraging our extensive global network spanning 36 countries, we deliver high-quality import and export services via air, sea, express, inland transportation, and intermodal solutions that combine multiple modes of transport.

Warehousing & Distribution

Capitalizing on Cello Square and cutting-edge IT, we present highly efficient warehousing and transportation strategies, ensuring safe storage and cargo handling, backed by proven know-how and years of hands-on experience.

Project Logistics

Our wide-ranging experience across industries and the specialized know-how we've gained allow us to choose the best-fit transport modes and IT tools, guaranteeing prompt and reliable delivery with detailed oversight to the end point.

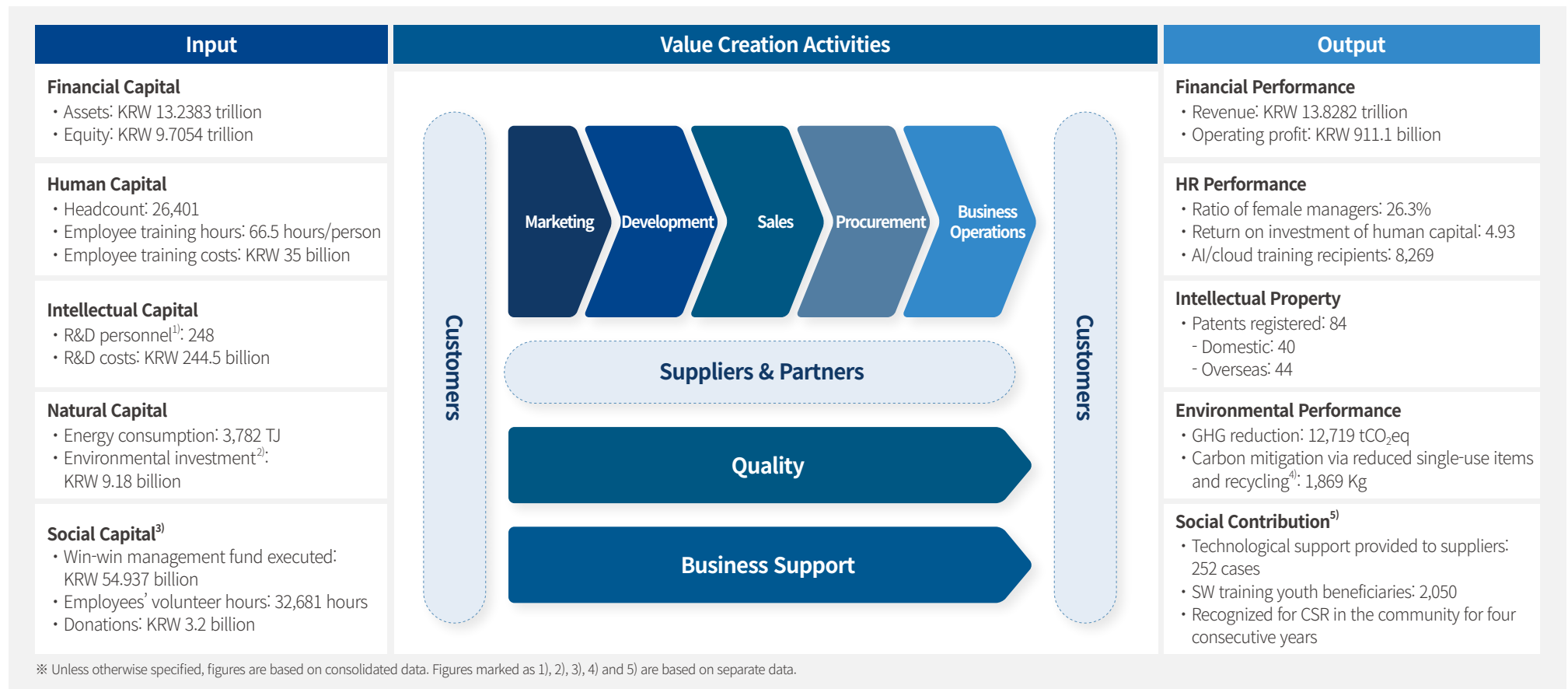
Global Control Center

Its data-driven capability to provide real-time visibility across sea, air, and inland transportation enables continuous monitoring. By applying analytical technologies such as IoT, AI, and Big Data, it can detect anomalies in advance and respond proactively through centralized control in the event of an emergency.

Company Overview

Business Model

Tapping into our distinguished technologies and broad expertise, Samsung SDS delivers cloud-based digital transformation services. Through optimal capital allocation and investment, we strive to generate economic, social, and environmental value across every facet of our business. Furthermore, we are stepping up our role as a digital transformation leader, contributing to the sustainable growth of our communities in collaboration with diverse stakeholders.

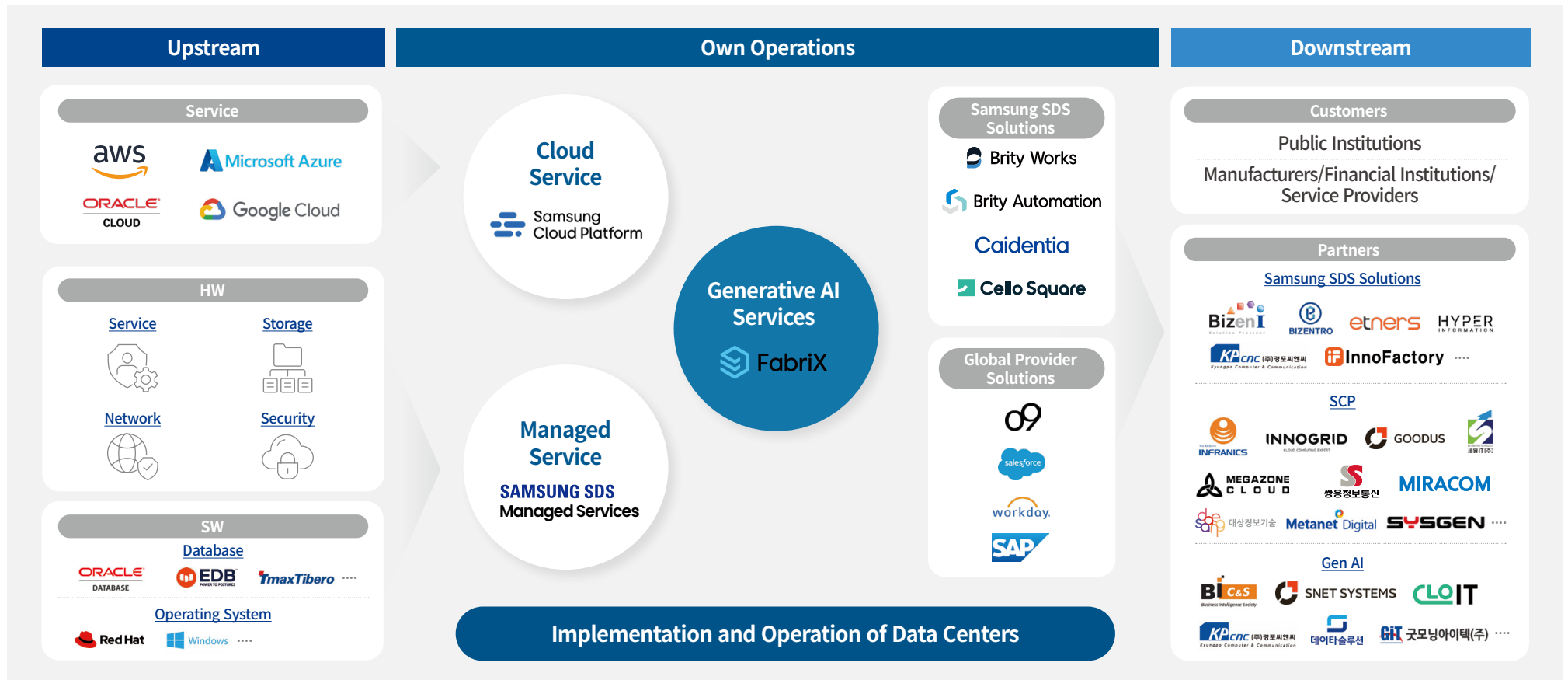


Company Overview

Value Chain

Cloud Services

Samsung SDS has leveraged its proprietary data centers to develop cloud and generative AI technologies, serving clients and partners with outstanding services characterized by seamless integration with the existing systems, optimized implementation, and stable service operations.

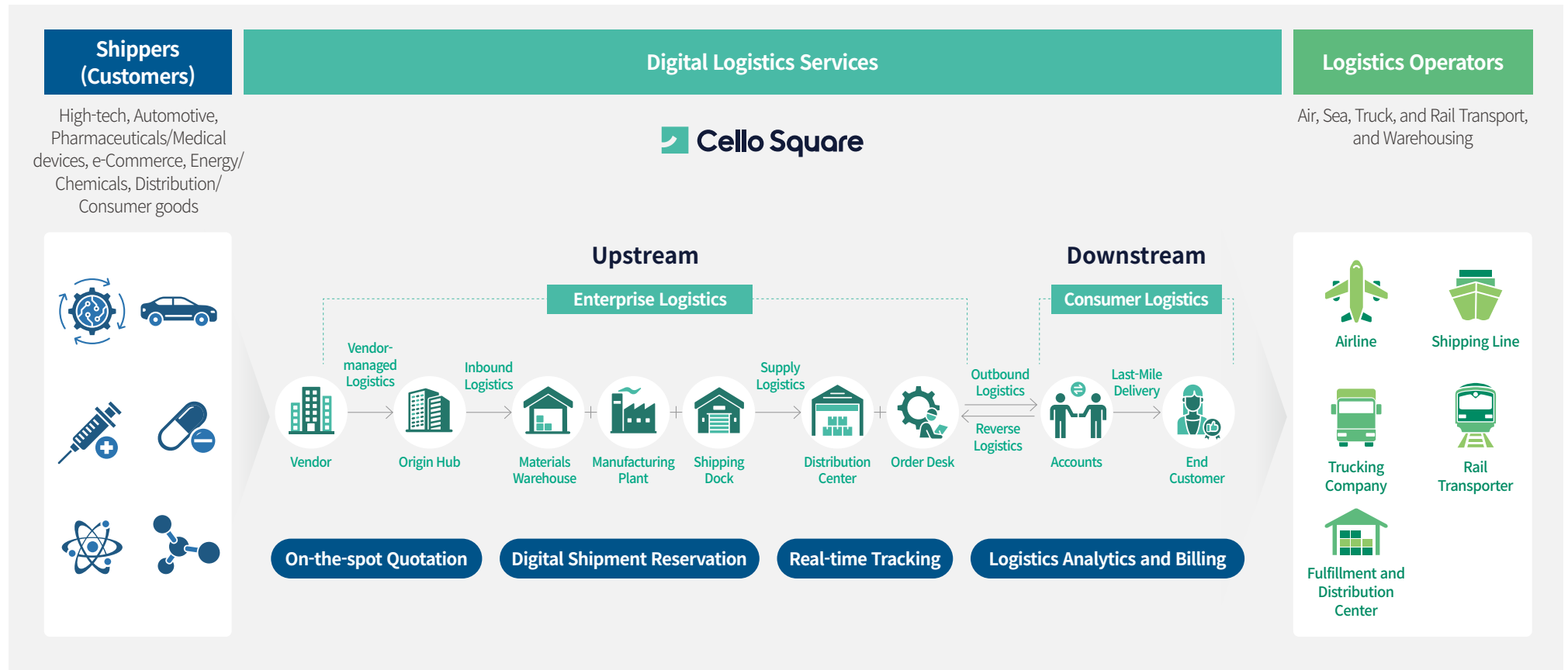


Company Overview

Value Chain

Logistics Services

Our advanced digital logistics service platform, Cello Square, enables the entire logistics process from quotations to booking and payments to be managed seamlessly on a single, stable platform, bringing exceptional convenience to customers (shippers) throughout the logistics journey.



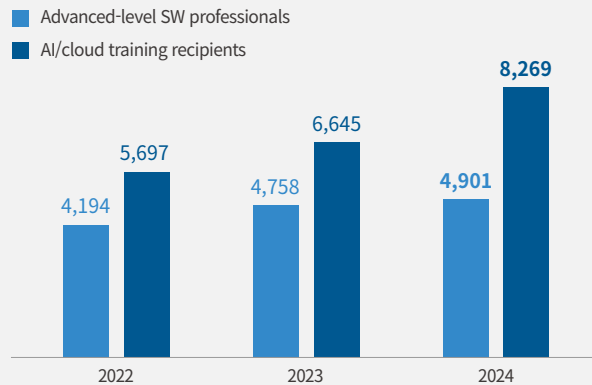
Company Overview

Business Competitiveness

Samsung SDS has built stronger business capabilities by attracting top-tier talent, developing core technologies, scaling up strategic investment, and forging new partnerships.

Human Capital

Building talent competitiveness through the acquisition of skilled professionals in SW and AI/cloud



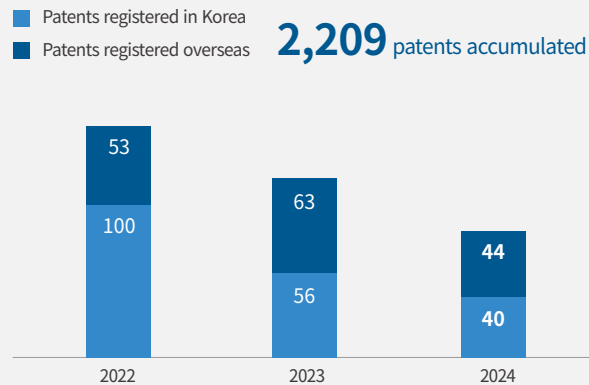
High-ranking employees based on SW proficiency tests **4,901** in total

AI/cloud training recipients **8,269** in total

※ Data on AI/cloud training recipients includes overlapping counts up to 2023. From 2024, the figure reflects unduplicated headcount.

Technological Competitiveness

Securing technological leadership through core technology development and patent registration



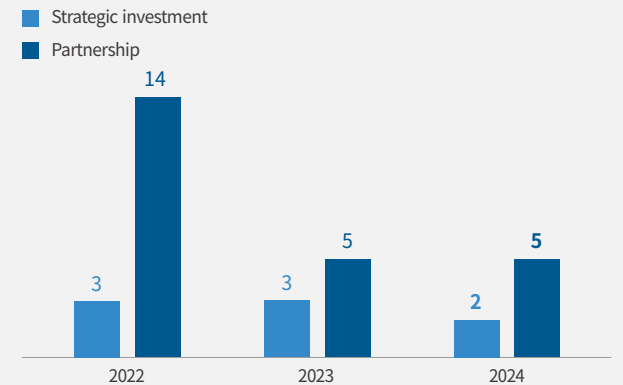
Korean Next-Generation Cryptography **Selected as a post-quantum cryptography algorithm for digital signatures at the KpqC Competition**

Recognized as the No.1 CSP in Korea **Ranked 1st as MSP**
Ranked 1st as CSP, as announced by IDC

Achieved a first-of-its-kind milestone in Korea's RPA sector **Listed as a 'Strong Performer' in Gartner Peer Insights: Voice of the Customer**

Strategic Investment and Partnership

To sharpen its global technological capabilities and strengthen business competitiveness, Samsung SDS has made strategic investments in eight projects and established 24 partnerships



※ The decrease in new partnerships reflects our focus on select collaboration areas such as cloud and logistics, while maintaining strong strategic relationships with existing partners.

Mistral **Equity investment to boost collaboration in AI-related technologies**

Incheon International Airport - Telecommunications Technology Association **Business agreement signed with Incheon International Airport to drive digital transformation**

Company Overview

Awards & Recognition

Cloud Competency

Cloud Services

- **Gartner 'MQ'** - Data Center Outsourcing and Hybrid Infrastructure Managed Services, Global (2023, 2022, 2021)
- **IDC 'MarketScape'** - Worldwide Public Cloud Infrastructure as a Service (2025), Asia Pacific Managed SD-WAN/SASE Services (2025), Worldwide Cloud Professional Services (2024), Asia Pacific Cloud Professional Services (2023), Asia Pacific Managed Cloud Services (2024, 2021)

Cloud Security

- **IDC 'MarketScape'** - Worldwide Cloud Security Services (2024), Worldwide Cybersecurity Consulting Services (2024), Asia/Pacific Managed Security Services (2024), Asia/Pacific Professional Security Services (2024), Asia Pacific Cloud Security Services (2023, 2021)
-  **Received Frost & Sullivan's Company of the Year Award** - South Korea Cybersecurity Services (2022) / MSS¹⁾ (2021, 2020)

Specialized Expertise and Partnerships

- Possess a total of 6,104 credentials in cloud technology and 3,023 in AI
- First in Korea to obtain AWS SaaS Competency, and designated as an AWS Security Competency Consulting Partner
- Collaborating with Microsoft (Azure, OpenAI), AWS (Amazon Bedrock), Google, Meta, and others

1) MSS: Managed Security Services

Customer Innovation Competency

Rankings and Customer-centric Innovation

- **Gartner** Ranked 35th in Global IT Service Providers (2023)/ranked 3rd in the APAC region for manufacturing (Japan excluded)
- **Gartner** Ranked 8th in Global IT Service Providers (2023)/ranked 1st in the APAC region
- **CIO100** Recognized for 10 IT innovation projects for customers (awarded for seven consecutive years)

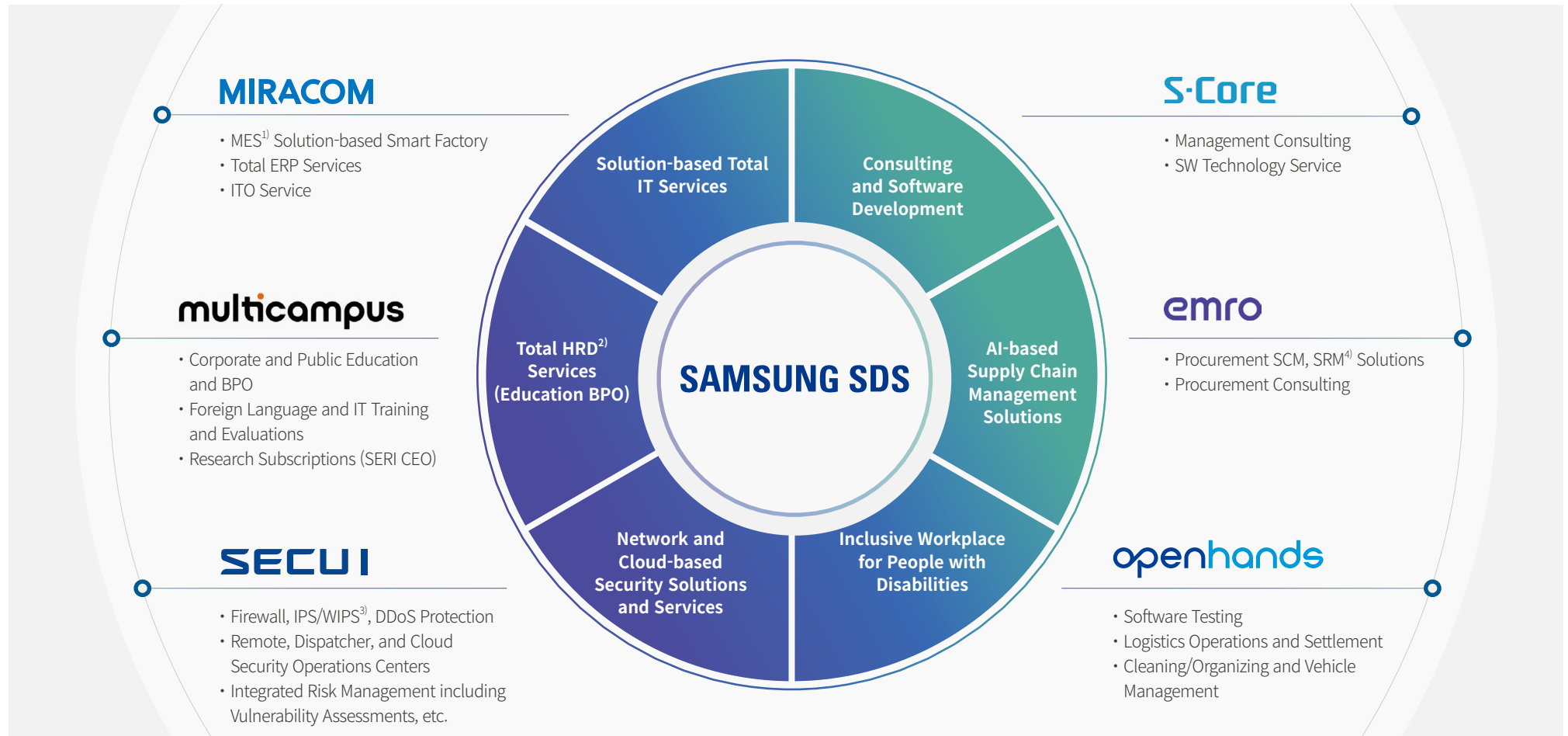
Techology and Solution Competency

- **Gartner 'MQ' – RPA, ERP, and AI sectors**
Robotic Process Automation (2024, 2023, 2022, 2021, 2020), SAP S/4HANA Application Services (2022, 2021, 2020), Data Science and Machine Learning Platforms (2021), etc.
- **IDC 'MarketScape' – ERP, AI, CRM, and MES sectors**
Asia/Pacific SAP Implementation Services (2024, 2022, 2020), Asia/Pacific Salesforce Implementation Services (2024, 2022), Asia/Pacific AI Life-Cycle Software Tools and Platforms (2022), Asia/Pacific Vision AI Software Platform (2021), Asia/Pacific Manufacturing Execution Systems (2023), etc.
- **FORRESTER 'Landscape' representative company – ERP, SRM, HCM, and IoT sectors**
SAP Implementation Services Provider (2024, 2022, 2020), The Supplier Value Management Platforms (2024), The Workday Services (2023), IoT Consultancies In Asia Pacific (2022), etc.

Company Overview

Our Subsidiaries

Samsung SDS has subsidiaries that demonstrate specialized expertise across a range of fields, including consulting, application development and operations, business process outsourcing (BPO) for education, cybersecurity, and supply chain management.



1) MES: Manufacturing Execution System 2) HRD: Human Resource Development 3) WIPS: Wireless Intrusion Prevention System 4) SRM: Supplier Relationship Management

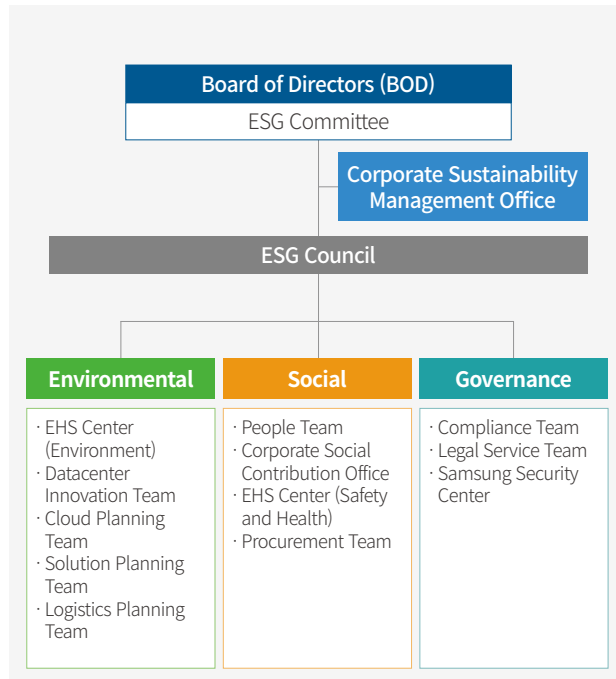
Sustainability Management

Samsung SDS leverages its digital capabilities to drive meaningful impact in resolving ESG challenges faced by its clients. To this end, we have established a new sustainability management framework, through which we consistently deliver eco-friendly value, generate social impact, and promote transparent governance.

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Sustainability Management Governance

Sustainability Management Framework



ESG Committee

As part of our commitment to advancing sustainability governance, we established the ESG Committee under the Board of Directors (BOD) in 2021 as the company’s highest decision-making body for ESG-related matters. The ESG Committee is composed of four independent directors and one executive director. It convenes on a quarterly basis to actively deliberate and make resolutions on key ESG issues and sustainability strategies, including environmental policies, climate action, human rights, and information security. In particular, it regularly reviews material issues to identify risks and opportunities that may impact the company, and directly oversees the mid- to long-term goals and execution progress of the 11 strategic tasks. The ESG Committee is dedicated to elevating corporate value from an ESG perspective and generating sustainable value in collaboration with diverse stakeholders, and will continue to broaden its role moving forward.

ESG Committee Composition



Insill Yi
Chairperson
(Independent Director)



Hyunhan Shin
(Independent Director)



Mooil Moon
(Independent Director)



Jaejin Lee
(Independent Director)



Junehee Lee
(Executive Director)

ESG Committee Meetings

Date	Agenda Items
Jan. 25, 2024	- Report on the 2024 ESG work plan
Mar. 20, 2024	- Appointment of the Chairperson of the ESG Committee
Apr. 25, 2024	- 2023 ESG briefing - Progress on environmental management focus initiatives - Plan for publishing the 2024 Sustainability Report
Jul. 25, 2024	- Report on the publication of the Sustainability Report - Report on AI management system certification efforts - Report on information security management system and key security initiatives for 2024
Oct. 24, 2024	- Briefing on key ESG achievements in the first half of 2024 - Overview of occupational safety and health management system and key activities - ESG management system for supply chain and 2024 key initiatives - Direction for the value-up program

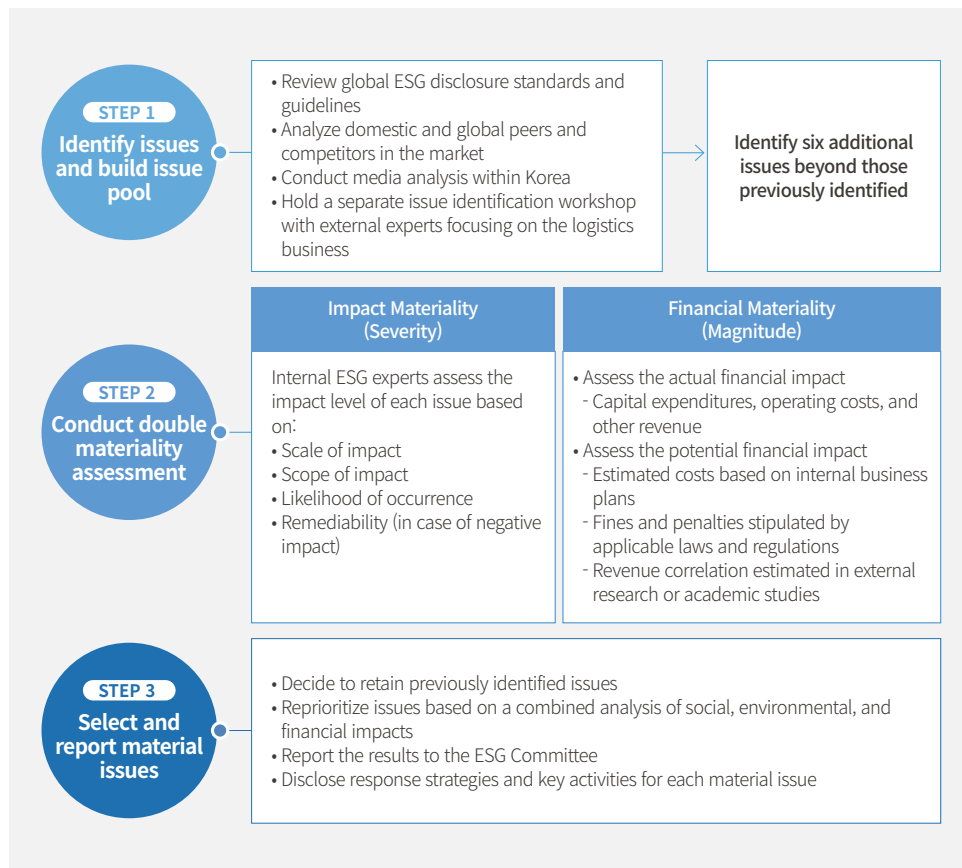
ESG Council

Chaired by CFO, the ESG Council was formed to facilitate cross-functional communication among departments on ESG matters and to support practical responses to sustainability challenges. The council operates through dedicated ESG working groups that facilitate in-depth, topic-specific discussions. Matters reviewed by the ESG Council are systematically reported to the ESG Committee as part of a structured process.

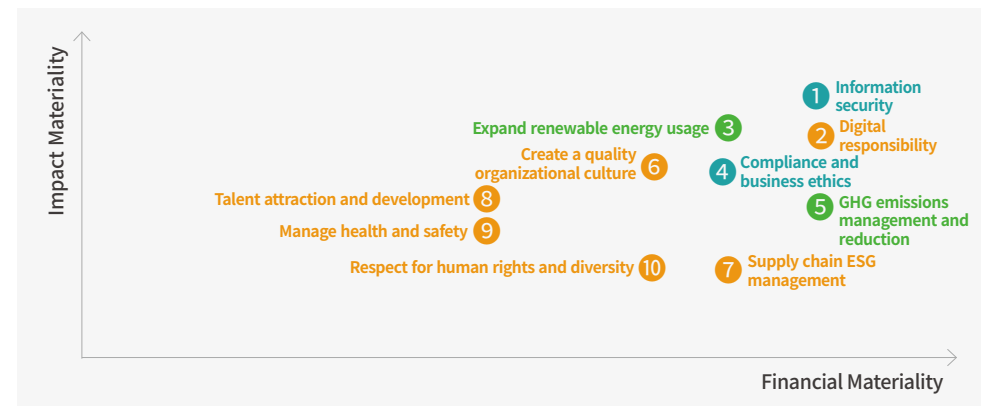
Double Materiality Assessment

Each year, Samsung SDS conducts a materiality assessment to identify key issues that impact on its sustainability. This includes a double materiality approach, which considers both the social and environmental impacts of its business activities on the external environment (impact materiality), and the financial impacts of external factors on its operations (financial materiality). The results of the assessment are reported to the ESG Committee. The assessment is guided by methodologies recommended in the Global Reporting Initiative (GRI) Standards and the Corporate Sustainability Reporting Directive (CSRD).

Double Materiality Assessment Process



Material Issue Matrix



Double Materiality Assessment Results

No.	Area	Material Issues	Impact Materiality	Financial Materiality	Ranking Change (YoY)	Page
1	Governance	Information security	●●●●●	●●●●●	-	120-127
2	Social	Digital responsibility	●●●●●	●●●●●	Up (5 → 2)	99-103
3	Environmental	Expand renewable energy usage	●●●●●	●●●●●	Up (4 → 3)	40
4	Governance	Compliance and business ethics	●●●●●	●●●●●	Down (3 → 4)	114-119
5	Environmental	GHG emissions management and reduction	●●●●●	●●●●●	Down (2 → 5)	36-39
6	Social	Create a quality organizational culture	●●●●●	●●●●●	Up (10 → 6)	74-77
7	Social	Supply chain ESG management	●●●●●	●●●●●	Up (8 → 7)	85-91
8	Social	Talent attraction and development	●●●●●	●●●●●	Down (7 → 8)	70-72
9	Social	Manage health and safety	●●●●●	●●●●●	-	79-84
10	Social	Respect for human rights and diversity	●●●●●	●●●●●	Down (6 → 10)	64-69

Double Materiality Assessment

Material Issue Management

Samsung SDS manages identified material issues by aligning them with its 11 ESG strategic tasks. For each task, both mid to long-term and short-term goals are established, with progress systematically monitored and managed. Outcomes are regularly reported to the ESG Committee.

No.	Material Issue	Value Chain Impact			Issue Impact	Issue Management	Related ESG Strategic Task (page)
		Supplier	In-house Operation	Customer, Local Community			
1	Information security	●	●	●	Given the nature of Samsung SDS’s business, which relies heavily on diverse data assets, information security is a critical issue that could significantly impact multiple stakeholders and harm the company’s reputation in the event of a breach. Accordingly, we manage information security as a material issue to enhance our competitiveness and build customer trust.	Under the direct supervision of the CEO, We have appointed a Chief Information Security Officer (CISO) to oversee and control all data security operations. We have put in place information security policies to safeguard all information assets and manage risks through various control systems, including continuous security inspections, 24-hour monitoring, pre-launch security validation for services and products, information security training, and simulated hacking exercises.	Strengthen information security risk management (p26)
2	Digital responsibility	●	●	●	We recognize that ethical issues as well as risks such as personal data breaches, AI ethics concerns, and technology-driven rights violations are becoming increasingly significant as we deliver IT services and software solutions leveraging IT technologies. When such issues occur, they not only cause negative social consequences but also increase legal liabilities, thereby posing serious risks to our reputation and business operations.	We take active measures to minimize the social side effects of technology and to ensure our services remain safe and accessible for users. This includes building management systems for personal data protection, AI ethics, and open source management, while proactively controlling associated risks. In 2024, we became the first IT company in Korea to obtain certification for the AI Management System (ISO/IEC 42001), the international standard for AI governance, officially recognizing our AI management capabilities. We newly formed an IT Ethics Team to govern potential risks that may arise in digital ethics, including those related to AI. We also appointed a Chief Privacy Officer (CPO) to address personal data protection issues. In addition, we operate an open source policy to uphold our accountability in the use and development of digital technologies.	Establish a digital responsibility system (p25)
3	Expand renewable energy usage		●	●	As risks caused by climate change intensify, global regulations aimed at addressing climate crisis are becoming more and more stringent, heightening corporate responsibility. We aim to contribute to climate change mitigation by reducing GHG emissions through expanded use of renewable energy. However, we also recognize that volatility in renewable energy supply and pricing may pose cost-related challenges.	In order to respond to the climate crisis and align with the goals of the 2015 Paris Agreement, we have established an internal roadmap for transitioning to renewable energy. Among the facilities operated by Samsung SDS, data centers account for a significant portion of GHG emissions. To address this, we are applying solar water heating, photovoltaic power generation, and geothermal heating and cooling systems at these sites. We have also accelerated the transition by increasing both the purchase and on-site generation of renewable energy.	Leverage technology to curb carbon emissions (p24)
4	Compliance and business ethics	●	●	●	While legal and ethical compliance is a fundamental responsibility in corporate activities, risks such as unfair practices and corruption may still arise. Violations of laws and regulations can result in severe consequences, including fines, business restrictions, and reputational damage, making this a critical issue that requires active management.	With an aim to ensure legal and ethical compliance, we have established compliance standards through a resolution by the Board of Directors, along with detailed operating regulations. Under the leadership of a dedicated compliance and ethics organization, we manage risks through various initiatives, including awareness training, operation of whistleblowing channels, legal risk assessments, and regular compliance reviews.	Upgrade business ethics and compliance management (p26)
5	GHG emissions management and reduction		●	●	Effectively responding to the climate crisis has become a critical factor in sharpening corporate competitive edge. Companies may face growing exposure to physical risks from natural disasters as well as transition risks associated with the shift to a low-carbon economy. We manage GHG emissions as a material issue to proactively respond to future risk factors and contribute to environmental preservation.	Environmental and climate-related initiatives are carried out under the leadership of top management. Alongside the CEO, who also serves as Chairperson of the Board, the ESG Committee under the Board oversees key environmental management issues. Through the Environmental Management Council, we establish targets and strategies, while regularly reviewing implementation progress and performance. We fulfill our corporate responsibility for a sustainable environment through diverse carbon mitigation activities, including GHG emissions management via IT systems, eco-friendly workplace operations, and technology-driven emission reduction efforts.	Leverage technology to curb carbon emissions (p24)

Double Materiality Assessment

Material Issue Management

No.	Material Issue	Value Chain Impact			Issue Impact	Issue Management	Related ESG Strategic Task (page)
		Supplier	In-house Operation	Customer, Local Community			
6	Create a quality organizational culture		●		A healthy organizational culture fosters creativity and innovation among employees, while a stable work environment elevates their satisfaction and engagement. In the IT services industry, where rapid adoption of new technologies and agile responses to change are essential, a highly motivated and passionate workforce is a key driver of corporate growth and success. Conversely, low employee satisfaction level with organizational culture may bring about talent attrition, reduced productivity, and ultimately, a decline in overall competitiveness.	Aiming to build an engaged organizational culture where employees take pride in the company and stay focused on their work, we carry out a variety of activities. We organize encouragement and appreciation events to foster a sense of belonging and pride among employees, and hold collaboration workshops and cross-functional seminars to promote teamwork and synergy. Additionally, in order to support work-life balance, we operate a range of programs, including recommended annual leaves, theme park invitations, and cultural event opportunities that encourage employees to take adequate breaks.	-
7	Supply chain ESG management	●	●		With the growing stringency of global regulations, companies are increasingly expected to manage ESG risks across their entire value chains. As the scope of corporate responsibility expands, risks related to safety, labor, environment, and ethics within the supply chain can have a negative impact on both business operations and company reputation. To secure stable business operations and sharpen competitive edge, managing supply chain risks and fostering mutual growth with partners have become critical priorities.	With a goal to build a sustainable supply chain ESG ecosystem, we have established and promoted an ESG management framework for supply chain. We have established and implemented a 'Sustainable Procurement Policy' and a 'Supplier Code of Conduct.' Additionally, we support our suppliers in enhancing their ESG performance through ESG assessments, inspections, and improvement support programs.	Strengthen ESG management in the supply chain (p25)
8	Talent attraction and development		●	●	The IT services industry evolves rapidly with ongoing technological advancement and innovation, making it essential to secure talent capable of understanding and applying the latest technologies and trends. In this context, continuous learning and development are critical to maintaining a competitive edge. Attracting top talent and nurturing employees are key drivers of corporate competitiveness and sustainable growth, while also contributing to positive social value.	We operate a transparent recruitment process to attract top talent across diverse fields, regardless of academic background, gender, nationality, or religion. We also recruit IT specialists through industry-academia cooperation programs. We also provide an environment that supports continuous learning, offering over 1,300 in-person and online training programs based on a structured competency framework tailored to each job function.	-
9	Manage health and safety		●		Occupational accidents and employee health issues can lead not only to decreased productivity, but also to increased costs and potential legal liabilities, ultimately resulting in losses for the company. Employee health and safety should be managed as a material issue to enhance productivity, control costs, and ensure compliance with labor laws.	We oversee all aspects of health and safety management across our businesses and worksites, led by the Chief Safety Officer (CSO). We have established and implemented a Safety and Health Policy to safeguard all our stakeholders, including employees, suppliers, customers, and local communities, and operate a comprehensive safety and health management system that spans both domestic and overseas business sites. Under the leadership of designated safety and health officers at each site, we carry out a range of activities to ensure safe and healthy workplaces.	Expand and advance safety and health management (p25)
10	Respect for human rights and diversity	●	●	●	Respecting human rights and promoting diversity play a significant role in shaping corporate social responsibility, reputation, and overall employee satisfaction. Violations of human rights can lead to reputational damage, legal risks, and a decline in corporate value. Companies that respect human rights and embrace diversity foster a sound corporate culture, build trust with employees and stakeholders, and enhance their competitiveness through a diverse talent base, ultimately driving sustainable growth.	In order to systematically monitor and support human rights management activities, we have established the DEI Secretariat, which is responsible for setting labor and human rights policies for employees and overseeing various programs and initiatives related to human rights and diversity. We provide training and run awareness campaigns to promote employees' understanding of human rights, and continuously improve our practices based on inclusion assessments and feedback gathered through organizational culture diagnoses.	Reinforce DEI (p25)

Sustainability Management Strategy

ESG Strategy

ESG Vision

IT'S THE KEY TO SUSTAINABLE GROWTH

'Leveraging digital capabilities to solve the ESG challenges of corporate clients and to support sustainable growth'

Management Areas



Environmental
Offer eco-friendly values



Social
Create social values



Governance
Pursue transparent management

ESG Strategic Tasks

- 1 Leverage technology to curb carbon emissions
- 2 Provide eco-friendly products and services
- 3 Build an ESG value delivery system

- 4 Reinforce DEI
- 5 Expand and advance safety and health management
- 6 Strengthen ESG management in the supply chain
- 7 Establish a digital responsibility system

- 8 Enhance BOD independence
- 9 Prepare shareholder protection mechanisms
- 10 Upgrade business ethics and compliance management
- 11 Strengthen information security risk management

ESG Implementation Framework



Set up ESG organization and system



Expand ESG scope (subsidiaries and overseas entities)



Strengthen ESG communications



Build KPI system

Sustainability Management Strategy

Roadmap for ESG Strategic Initiatives

By advancing 11 key strategic initiatives spanning the full ESG spectrum, we strive to achieve excellence in sustainability performance.

Completed In progress

Area	Strategic Initiatives	2023	2024	2025	2026	2027	
Environmental	1 Leverage technology to curb carbon emissions	• Secure high-efficiency equipment and immersion cooling system database	• Validate immersion cooling proof of concept (PoC)	• Conduct PoC validation for immersion cooling systems	• Design high-efficiency/high-performance hardware with immersion cooling	• Build net-zero data centers using renewable technologies	
	2 Provide eco-friendly products and services	• Develop and provide carbon dashboard for customers	• Certify SCP emissions and reductions • Register low-carbon products to Cello Square	• Commercialize ESG value-based offerings • Provide green logistics products and services	• Offer eco-friendly logistics consulting	• Establish a management system for green subcontractors and prioritize their services	
	3 Build an ESG value delivery system	• Build ESG value measurement system • Formulate new business initiatives	• Discover and leverage ESG value solution case studies	• Incorporate ESG features into SRM SaaS solutions	• Enhance ESG-related functionalities and expand business operations		
Social	4 Reinforce DEI	• Set up 'DEI Secretariat'	• Build DEI implementation system and raise employee awareness	• Create environments to encourage voluntary DEI engagement • Formulate DEI vision and conduct education and campaigns	• Implement a systematic strategy based on the DEI Vision & Mission • Establish and achieve diversity goals across the organization		
	5 Expand and advance safety and health management	• Plan expansion of SSMS overseas function (safety)	• Apply management system to subsidiaries and entities • Develop SSMS overseas function	• Provide consulting and support to subsidiaries	• Operate SSMS in overseas locations and enhance safety oversight, expand coverage to additional countries		
	6 Strengthen ESG management in the supply chain	• Assign department and persons to be in charge of supply chain ESG	• Apply supply chain ESG management system to subsidiaries	• Offer ESG consulting for supply chains	• Establish ESG systems in subsidiaries' supply chains	• Enable autonomous ESG operations by subsidiaries	• Expand ESG initiatives to overseas affiliates in phases
	7 Establish a digital responsibility system	• Set up company-wide taskforce for digital responsibility • Review AI governance case studies	• Build AI governance system • Acquire ISO/IEC 42001 certification	• Apply AI risk checks throughout the full business lifecycle	• Expand AI risk management systems to overseas entities		
Governance	8 Enhance BOD independence	• Introduce Senior Independent Director system	• Change composition of the Independent Director Recommendation Committee • Develop process to review independent director candidates (annually)	• Operate the Independent Director Recommendation Committee			
	9 Prepare shareholder protection mechanisms	• Disclose mid-to-long-term dividend policies	• Expand scope of proxy solicitation	• Implement the Value-Up program			
	10 Upgrade business ethics and compliance management	• Review and make preparations to meet certification requirements	• Discuss adopting a certification system across all affiliates • Conduct anti-corruption training to management at overseas entities	• Consider acquiring certifications (based on affiliate readiness)			
	11 Strengthen information security risk management	• Supplement information security contents on the website	• Set up new information security page on the website	• Expand and continuously update information security content • Review implementation of global integrated information security governance			

Sustainability Management Strategy

Progress of ESG Strategic Initiatives_Environmental



Area	Strategic Initiatives	Goal	Plan for 2024	Achievements in 2024
Environmental	1 Leverage technology to curb carbon emissions Identify new technologies to reduce emissions and improve energy efficiency in data centers	<ul style="list-style-type: none"> Apply new energy-saving technologies to data centers (Introduce by 2026 → Achieve 90% application by 2035) 	<ul style="list-style-type: none"> Validate immersion cooling technology through PoC and establish operational standards 	<ul style="list-style-type: none"> Designed immersion cooling system for the Dongtan Data Center Filed four domestic patents¹⁾ related to improved cooling performance and safety systems Built a pilot immersion cooling system at the Dongtan Data Center
	2 Provide eco-friendly products and services Deliver products and services that support clients' ESG management and green business operations	<ul style="list-style-type: none"> Increase the share of cloud-based eco-friendly revenue Expand the share of low-carbon logistics operations 	<ul style="list-style-type: none"> Certify emission reduction of SCP Secure low-carbon logistics offerings in collaboration with subcontractors 	<ul style="list-style-type: none"> Obtained GIS certification²⁾ for SCP dashboard's carbon emission measurement standards Registered low-carbon fuel products from shipping lines on Cello Square Analyzed emission reduction impact for customers through transshipment optimization
	3 Build an ESG value delivery system Provide solutions that help identify and leverage ESG value	<ul style="list-style-type: none"> Embed ESG value into solutions 	<ul style="list-style-type: none"> Add ESG features to products and services 	<ul style="list-style-type: none"> Analyzed and shared supply chain ESG data to support ESG features in SRM SaaS (Caidentia) Held workshops to review product roadmaps and share Samsung SDS's supply chain ESG checklist and ESG indicator cases

1) Patent applications for four job-related inventions

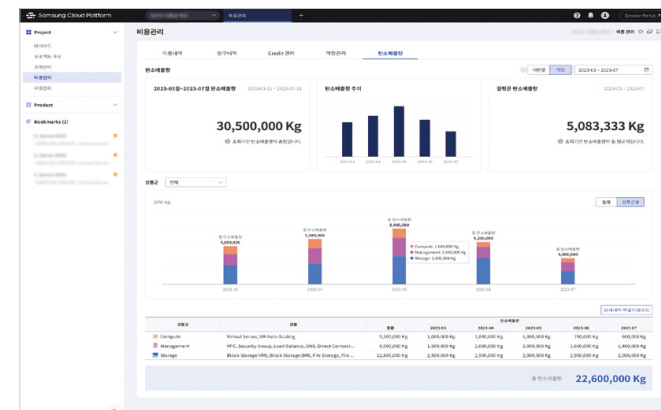
2) GIS (Greenhouse Gas Inventory System) certification assesses the accuracy and suitability of GHG emission calculation methods.



Server with Immersion Cooling Technology



GIS Certificate



Carbon Emissions Dashboard

Sustainability Management Strategy

Progress of ESG Strategic Initiatives_Social



Area	Strategic Initiatives	Goal	Plan for 2024	Achievements in 2024
Social	4 Reinforce DEI Foster a diverse and inclusive organizational culture and implement DEI systems and activities	• Establish a globally advanced DEI management system	• Set up a DEI implementation framework and raise employee awareness	• Formed a DEI Secretariat and established a global DEI council with overseas entities • Developed a DEI roadmap and disclosed diversity-related initiatives and systems • Conducted DEI campaigns with the DEI Secretariat and overseas entities
	5 Expand and advance safety and health management Reinforce the safety and health management system and expand its application to subsidiaries and overseas entities	• Apply the safety and health management system to 100% of subsidiaries and overseas entities	• Apply the system to subsidiaries and overseas entities in 15 countries	• Completed safety and health consulting plans for six subsidiaries • Developed systems to support global expansion of the Smart Safety Management System (SSMS)
	6 Strengthen ESG management in the supply chain Enhance supply chain ESG risk management and broaden the application to subsidiaries and overseas entities	• Apply supply chain ESG management system to 100% of subsidiaries and overseas entities	• Apply supply chain ESG management framework to subsidiaries	• Established supply chain ESG organizations and personnel at five subsidiaries • Held five ESG workshops to disseminate the management framework • Submitted supply chain ESG management system and key activities as agenda items to the ESG Committee
	7 Establish a digital responsibility system Safeguard stakeholders from risks and issues arising from the adoption of IT technologies	• Ensure 100% application of a full-lifecycle AI risk management system	• Obtain ISO/IEC 42001 (AI Management System) certification • Establish an AI governance system	• Formed a Digital Responsibility Task Force and held a kick-off meeting • Developed a roadmap for building an AI governance system • Underwent ISO 42001 certification audit



Campaign at Overseas Entities



Workshops to Expand Supply Chain ESG Management Framework at Subsidiaries



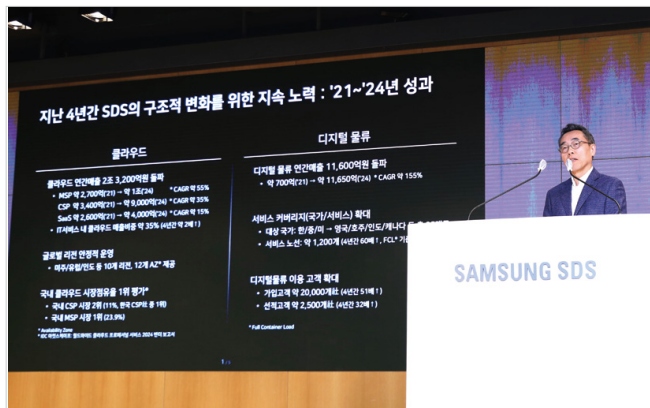
ISO 42001

Sustainability Management Strategy

Progress of ESG Strategic Initiatives_Governance



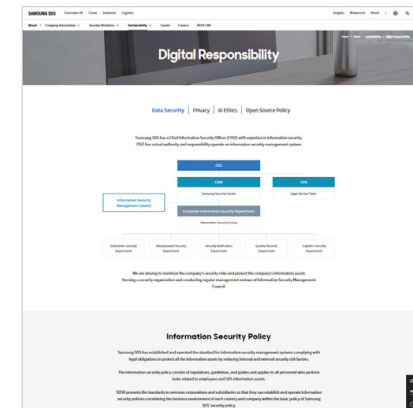
Area	Strategic Initiatives	Goal	Plan for 2024	Achievements in 2024
Governance	8 Enhance BOD independence Establish systems to ensure and oversee the independent functioning of the Board	<ul style="list-style-type: none"> Put in place a globally advanced corporate governance framework 	<ul style="list-style-type: none"> Appoint only independent directors to the Independent Director Nomination Committee 	<ul style="list-style-type: none"> Composed the Independent Director Recommendation Committee and the Related Party Transactions Committee entirely of independent directors Introduced a new agenda item in regular Board meetings to brief independent directors on key management issues and enhance their business understanding
	9 Prepare shareholder protection mechanisms Develop systems and mechanisms to elevate shareholder trust		<ul style="list-style-type: none"> Broaden the scope of proxy solicitation for voting rights 	<ul style="list-style-type: none"> Expanded proxy solicitation coverage to all shareholders Defined strategic direction for the Value-Up program
	10 Upgrade business ethics and compliance management Ensure company-wide compliance of legal and ethical standards and manage related risks	<ul style="list-style-type: none"> Obtain global anti-corruption management certification 	<ul style="list-style-type: none"> Prepare for global anti-corruption certification (through pre-audits) 	<ul style="list-style-type: none"> Provided anti-corruption training for executives at overseas entities Trained internal personnel to serve as anti-corruption certification auditors
	11 Strengthen information security risk management Minimize risks through systematic governance	<ul style="list-style-type: none"> Expand global information security standards and enhance disclosure 	<ul style="list-style-type: none"> Submit information security agenda items to the ESG Committee 	<ul style="list-style-type: none"> Launched a dedicated information security page on the company website Disclosed information security practices through the electronic disclosure system Submitted information security management system and key security activities as agenda items to the ESG Committee



40th General Shareholders' Meeting of Samsung SDS



Media Coverage on Information Security Investment










Launch of the Information Security Page on the Website

Sustainability Management Strategy

Stakeholder Engagement and Communication

Samsung SDS defines our key stakeholders as seven groups; customers, shareholders and investors, employees, local communities, suppliers, media, and government. We incorporate valuable stakeholder feedback into our business operations through a variety of communication channels. Furthermore, we are committed to contributing to the achievement of the UN Sustainable Development Goals (SDGs) by engaging with stakeholders, thereby stepping up global efforts to address shared challenges.

Identifying Stakeholders and Defining Engagement Objectives		Engaging Stakeholders and Addressing Key Issues		Incorporating Feedback into Business Practices
Stakeholders	Purpose	Communication Channels and Activities	Major Interests	Reflected Outcomes
 Customers	<ul style="list-style-type: none"> Build trust Support customers in achieving their goals 	Customer invitation events (REAL, IT Insight Forum), annual customer satisfaction survey, Contact Center, Executive Briefing Center (solution showcase), Samsung SDS website and social media channels	<ul style="list-style-type: none"> Customer relationship management Product quality enhancement 	<ul style="list-style-type: none"> Improved products and services Upgraded marketing strategies
 Shareholders/ Investors	<ul style="list-style-type: none"> Attract responsible investors Enhance transparency 	Annual general shareholders' meetings, electronic disclosures, regular and ad-hoc IR meetings, quarterly NDR, conferences hosted by securities firms (8 times yearly)	<ul style="list-style-type: none"> Financial information Key business plans ESG management activities 	<ul style="list-style-type: none"> Generated stable profits and ensured sustainable growth Enhanced shareholder returns Bolstered commitment to sustainable management
 Employees	<ul style="list-style-type: none"> Improve organizational culture Contribute to a sustainable and fulfilling work life 	Future Empathy Council (Labor-Management Council), SDS NEWS and TALK (anonymous bulletin board for employees), knowledge sharing portal (Arisam, CiC), engineer portals (DevOps Portal, DOgether), CodeTime, RealTime (Discussions with CEO), offline developer gatherings (Open Learn, Meetup), Grievance reporting channel and Mental Fitness Center	<ul style="list-style-type: none"> Organizational culture Capacity building of employees Handling of employees' grievances 	<ul style="list-style-type: none"> Fostered an engaging organizational culture Improved workplace environment and employee benefits Facilitated employee communication channels Nurture talent leveraging the latest IT technologies
 Local Communities	<ul style="list-style-type: none"> Fulfill corporate social responsibility Pursue shared growth and sustainable development with local communities 	NGO sponsorships, employee volunteering	<ul style="list-style-type: none"> Fulfillment of corporate social responsibility Donations and volunteer activities Support for the growth of future generations 	<ul style="list-style-type: none"> Increased volunteer hours and the number of participants Diversified social contribution programs
 Suppliers	<ul style="list-style-type: none"> Build a sustainable supply chain Promote shared growth and manage risks 	Supplier portal (smart-together.com), annual supplier roundtable, fair trade-related reporting channel, shared growth and quarterly ESG Newsletter	<ul style="list-style-type: none"> Products and services Supplier management Product quality reinforcement 	<ul style="list-style-type: none"> Operated shared growth programs Strengthened ESG management systems for partners Supported ESG capacity building for suppliers
 Media	<ul style="list-style-type: none"> Elevate corporate credibility and brand value Respond to global markets and enhance public outreach 	Press releases, Media Day	<ul style="list-style-type: none"> Company updates Introduction of key business areas 	<ul style="list-style-type: none"> Disclosed transparent and diverse information
 Government	<ul style="list-style-type: none"> Proactively respond to regulations and policies Secure evaluations and certifications 	Business Report, Audit Report, Integrated Report, Corporate Governance Report	<ul style="list-style-type: none"> Safety and health Compliance Business ethics Fair trade 	<ul style="list-style-type: none"> Acquired ISO 14001, ISO 50001, and ISO 45001 certifications Exceeded mandatory employment quota for persons with disabilities

Key Achievements in Sustainability Management

Key Figures



Environmental

Scope 1, 2 GHG Emissions **184,807** tCO₂eq

Scope 3 GHG Emissions **2,992,478** tCO₂eq

Scope 1, 2 GHG Emission Intensity **1.34** tCO₂eq per KRW 100 million

Energy Consumption **3,782** TJ

Renewable Energy Generation **1,403** MWh



Social

Ratio of Female Employees **30.9%**

Employment Rate of Persons with Disabilities **3.5%**

Win-win Management Fund Executed **KRW 54,937** million

Employee Volunteer Hours **32,681** Hours

Industrial Accident Rate **0%**



Governance

Board Meeting Attendance Rate **95.9%**

Dividend Payout Ratio **29.6%**

No. of Information Security Incidents **0** Cases

Key Achievements in Sustainability Management

Awards and Recognitions

Awards



World's Most Trustworthy Companies for 2 consecutive years

Ranked No. 1 in the Software & Telecommunications sector

한경ESG
2024 ESG Brand Award

Ranked No. 1 in the IT services sector and No. 5 overall

Ratings

Korea Index

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

S&P DJSI

Included in the top 30% of the index (evaluated among the top 2,500 global companies)

AA Rating



MSCI

Above global average (BBB) (rated among 17,000 companies worldwide)

Grade B



CDP

Above both global average (C) and industry average (C)

Low Risk



Sustainalytics

Low-risk rating for 3 consecutive years (rated among 14,000 companies worldwide)

Gold Medal



EcoVadis

Top 5% rating (based on supply chain ESG performance)

Grade A

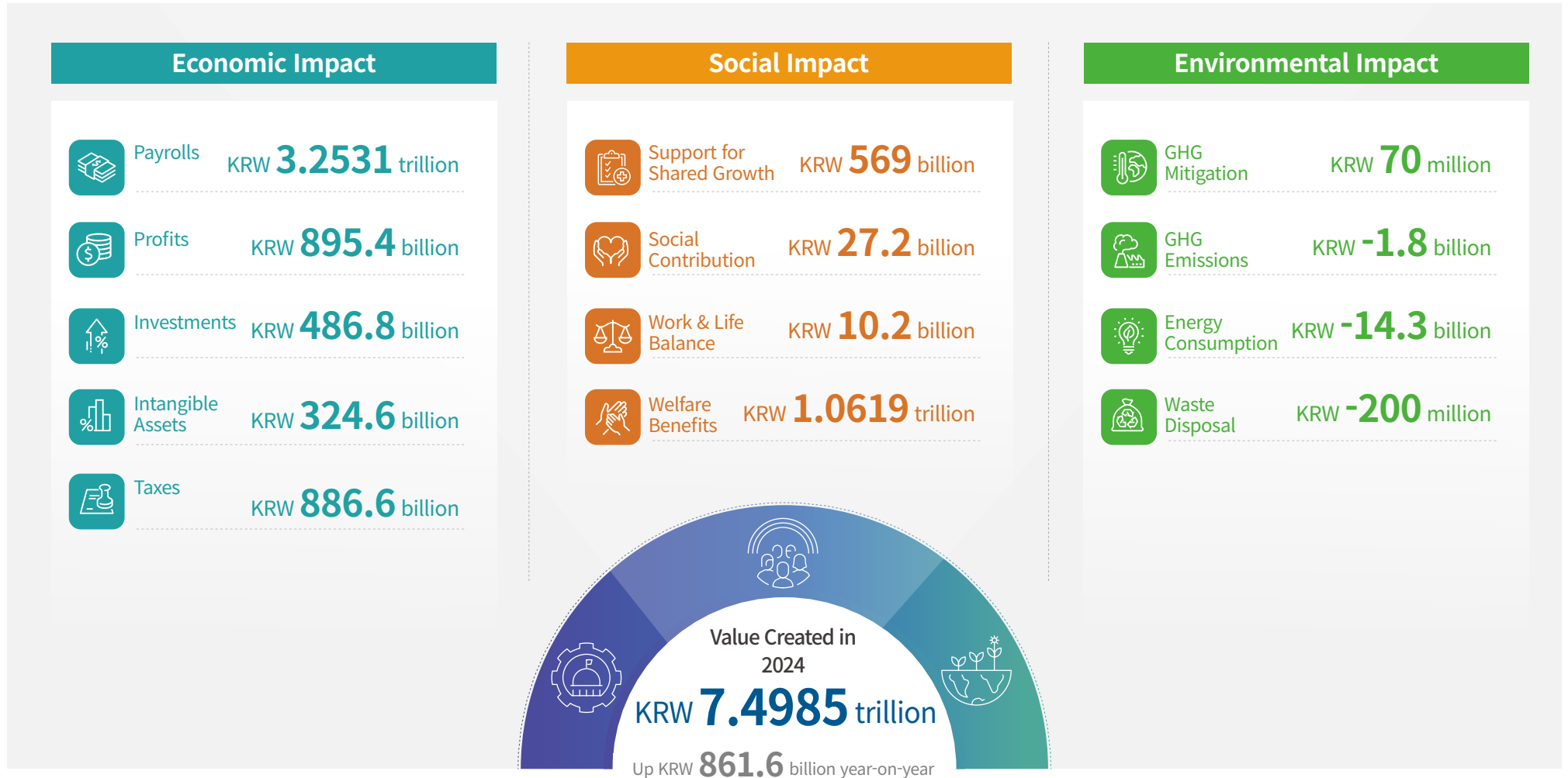


KCGS

Comprehensive A-grade rating for 5 consecutive years (Environmental: B+, Social: A+, Governance: A)

Key Achievements in Sustainability Management

ESG Value Creation



ESG Performance

The establishment of eco-friendly data centers and the transition to renewable energy clearly demonstrate our commitment to climate action. In parallel, we are promoting supply chain ESG management, empowering employees to reach their full potential, and fostering a safer work environment. Our Board of Directors, characterized by independence, diversity, and expertise, plays a pivotal role in ensuring compliance management.

32 ENVIRONMENTAL

63 SOCIAL

104 GOVERNANCE

Environmental



Around the world, governments and businesses are rising to the challenge of climate change with intensifying efforts to address it. We are seeing a growing push toward a low-carbon economy, with businesses embracing sustainable management practices and green operations.

In alignment with this global movement, Samsung SDS is committed to achieving net-zero by building low-power, eco-friendly data centers and increasing the share of renewable energy, thereby taking the initiative in climate action.

- 33 Environmental Management
- 36 GHG Management
- 41 Climate Action
- 55 Water Resources Management
- 57 Biodiversity Management
- 61 Waste Management

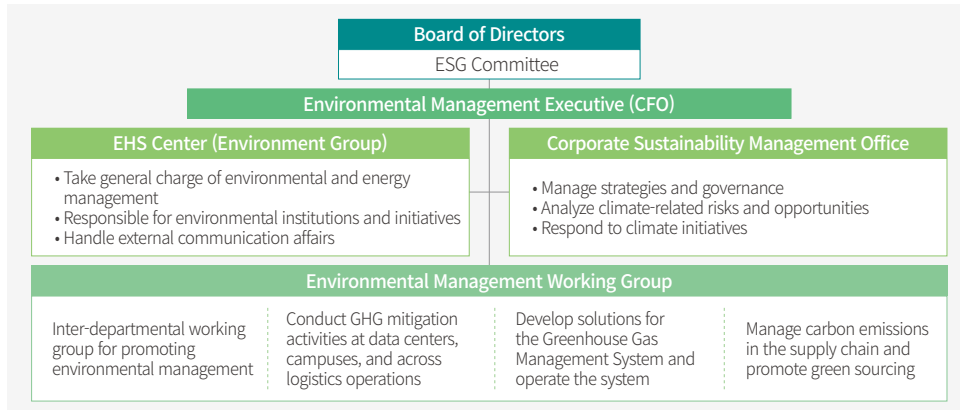
Environmental Management

Framework for Environmental and Energy Management

Governance for Environmental Management

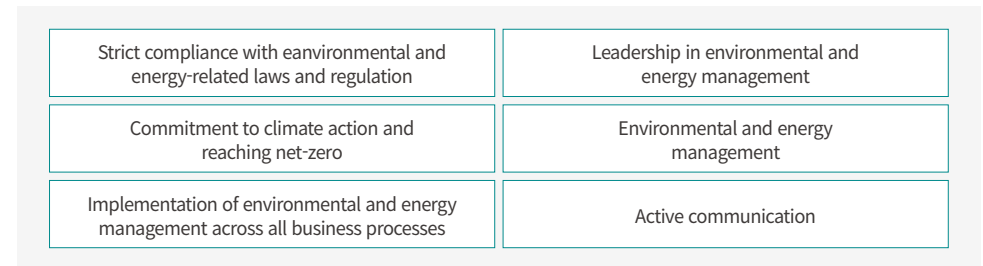
At Samsung SDS, the responsibility for addressing environmental challenges and the climate crisis lies primarily with top management. The ESG Committee, operating under the Board of Directors (BOD), deliberates on environmental management topics, including climate action, in coordination with the CEO, who also serves as Chairman of the Board. Under the leadership of the CFO, who also assumes the position of the Head of the Environmental Management Task Force, goals and strategies are developed through company-wide consensus at the Environmental Management Council (Environmental Subcommittee of the ESG Council). The EHS Committee, led by the Head of the EHS Center, determines concrete strategies to accomplish the goals. In line with these decisions, the dedicated Environment Group, in collaboration with the Environmental Management Working Group, defines specific initiatives and tracks implementation. To ensure the responsible implementation of environmental management strategies, indicators of environmental performance¹⁾ are incorporated into the KPIs of executives (C-level), thereby embedding environmental management across all our operations. In this way, Samsung SDS has been strengthening its governance structure for environmental management, driven by a clear sense of purpose and responsibility to shape a sustainable future. In pursuit of long-term growth and a boost in profit, we remain committed to mapping out and putting environmental strategies into action, rooted in transparency and effective governance.

1) Acquisition of global certifications in the environmental sector and expansion of carbon reduction through employee-engaged activities



Environment Policy

Placing safe and healthy workplaces and green management at the heart of our values, we uphold respect for people and nature across all our operations, including products and services, and business domains at home and abroad. We aim to contribute to an abundant life for humanity and to the preservation of the environment. Guided by our Environment Policy, we will formulate strategic approaches supported by clear objectives.



Environmental and Energy Management System

The acquisition of ISO 14001 and ISO 50001 certifications is a testament to the structured operation of our environmental and energy management systems. Guided by our Environment Policy, we systematically identify environmental risks from an enterprise-wide perspective and work to assess, manage, and remediate them. Furthermore, the newly obtained ISO 50001 certification in 2023 highlights external recognition of the robustness of our energy management system. Each year, we undergo post-certification audits along with ISO 14001 to maintain our certification status.



ISO 14001 Certification

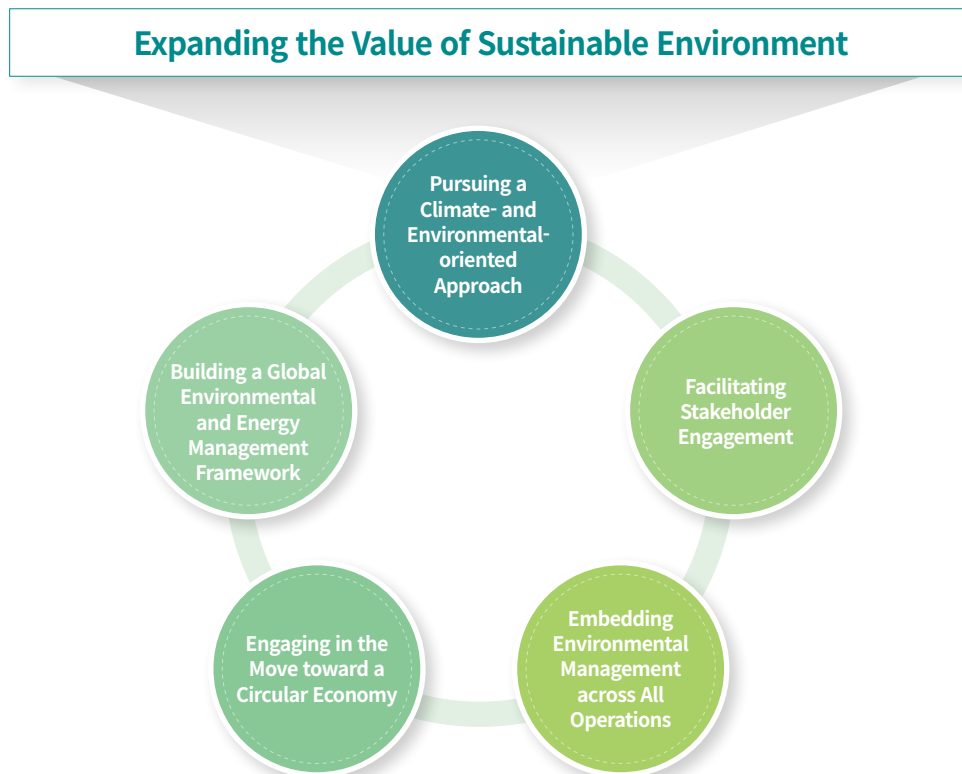
ISO 50001 Certification

Environmental Management

Strategies for Environmental Management

With the purpose of minimizing our environmental footprint from operations and contributing to a sustainable tomorrow, we drew up mid- to long-term strategic tasks for environmental management in alignment with our vision, ‘Expanding the Value of Sustainable Environment.’ This was followed by a review of task implementation and progress, demonstrating our active commitment to environmental management. We are undertaking multifaceted efforts ranging from GHG mitigation and increased renewable energy use to employee-participated environmental campaigns across diverse sectors aligned with our business nature. These initiatives are implemented through well-formulated strategies and closely monitored plans. Progress toward goals is regularly disclosed in our sustainability report.

Mid- to Long-Term Strategic Tasks for Environmental Management



Goals and Achievements in 2024

Environmental Goals	Achievements
Enhancing the integrity of GHG emissions data	<ul style="list-style-type: none"> • Built the SGMS (SamsungSDS Greenhouse Gas Management System) • Established a management process for overseas environmental data
Boosting energy efficiency across business sites	<ul style="list-style-type: none"> • Replaced lighting with LEDs at business sites • Introduced high-efficiency equipment at data centers • Adopted low-power technologies at data centers
Shifting to low-emission vehicles	<ul style="list-style-type: none"> • Transitioned 18 vehicles to low-emission models • Upgraded electric vehicle (EV) charging infrastructure
Encouraging employee engagement	<ul style="list-style-type: none"> • Conducted environmental campaigns on a larger scale • Educated employees on environmental topics

SPECIAL SECTION

Recognized for Green Management Excellence at GSMA with Ministerial Honors

Samsung SDS received the Minister of Trade, Industry and Energy Award at the 23rd Global Standard Management Awards (GSMA) for its excellence in green management. The honor recognizes our efforts to foster a robust environmental management governance and consistently implement environmental strategies, driven by the firm commitment of our CEO.



Environmental Management

Initiatives for Environmental Management

Environmental Education for Employees

To raise eco-friendly awareness among all employees, we have provided environmental education throughout the organization. In 2024, we produced online content on our own, themed around carbon neutrality, allowing us to deliver practical content in an engaging and informative way. Starting in 2025, we plan to develop 3D content on the circular economy to foster a shared understanding of environmental issues.

Environmental Education in 2024

Target	Theme	Completion Rate (%)
All employees	Net Zero, Our Future	100



Environmental Education Delivered Online to all Employees

ECO NEWS Issuance

With the aim to increase employee interest in environmental management, we have launched a monthly publication called ECO NEWS. Its coverage ranges from general environmental management topics to emerging environmental issues both inside and outside the company, as well as green practices in our daily work and lives. In the coming years, we will continue to share environmental data regularly to keep our employees informed and engaged, thereby boosting their interest and participation in our sustainability initiatives.

Kids' Environmental Drawing Contest for Nurturing Green Minds

Efforts for environmental protection and a sustainable future have become an integral part of our business goals. In celebration of Family Month in May 2024, we hosted the 'Samsung SDS Kids Green Drawing Contest.' Under the theme of 'environment,' a total of 71 entries were received, and 12 winning works were selected across the kindergarten and elementary school divisions. Through initiatives like this, we strive to instill environmental consciousness in future generations.



'Living in Harmony with Our Planet,' Grand Award, Kindergarten Category

Our Eco Guardians, Pori & Lari

As part of our efforts to make environmental management permeate every corner of our organization, we operate a communication channel called 'Eco Guardian' between the company and our employees. In 2024, to connect with employees in a more relatable and friendly way, we created the characters 'Pori & Lari,' which incorporate eco-friendly elements as our eco buddies. To bring these characters to life, we hosted an employee-wide character design contest in June 2024. A total of 240 entries were submitted, and the final selection was made through expert evaluations and both internal and external voting.

The selected characters, 'Pori & Lari,' have since been featured in upcycled products for employee use and as emoticons in our business messenger. Through these creative tools, we have promoted employee engagement in environmental campaigns and helped raise environmental awareness.



Eco Guardians Characters (Pori (left), Lari (right))

포리&라리의 에코티콘

일회용 공모권을 통해 탄생한 포리와 라리는 복극곰과 산호초를 모티브로 디자인되었습니다. 업무 시 많이 활용되는 아이템으로 구성되었으며, 에코티콘 사용을 통해 환경 캠페인 참여를 홍보 및 장려하는 역할을 합니다.

다운로드



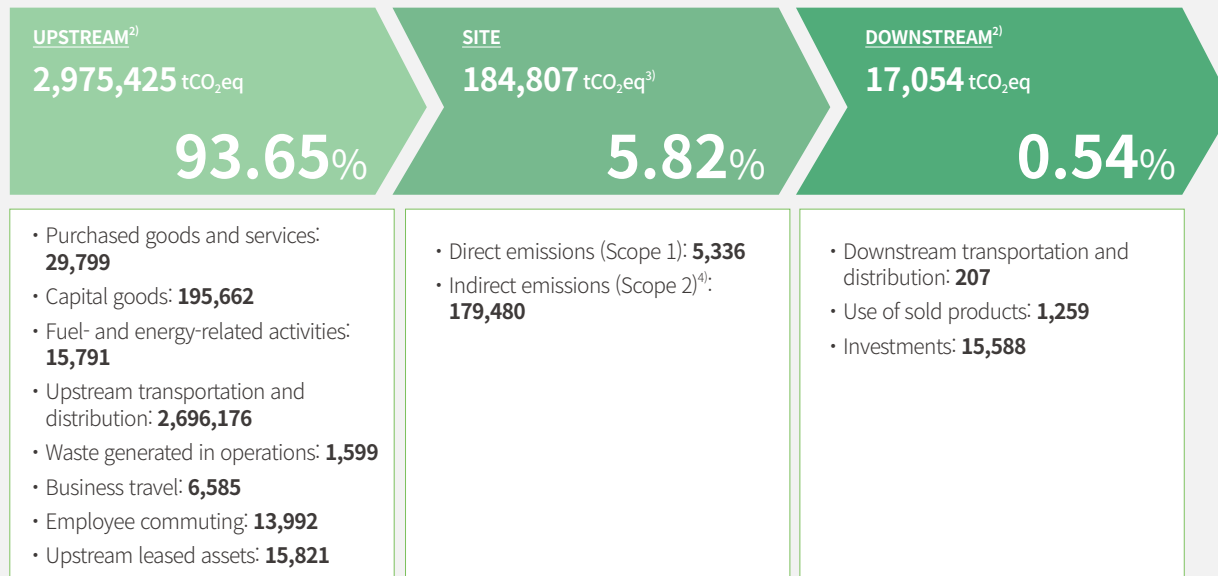
Pori & Lari as Messenger Emoticons

GHG Management

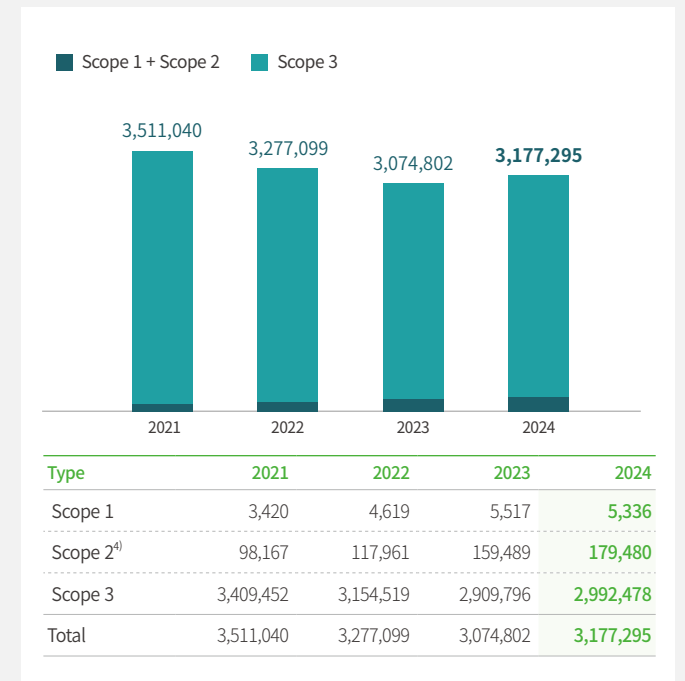
GHG Management across the Value Chain

Well cognizant of the gravity of both external and internal climate and environmental changes, Samsung SDS has continuously monitored and analyzed carbon emissions across the entire value chain to enable efficient management. The ongoing expansion of our IT and logistics service business is projected to be accompanied by rising GHG emissions, which could present a significant climate-related risk. Aiming to minimize risks arising from climate change and to transition to a low-carbon society, multifaceted efforts are underway at Samsung SDS. These include emissions reduction through enhanced energy efficiency, as well as sustained and phased mitigation via the replacement of existing systems with environmentally friendly infrastructure. In addition, renewable energy procurement (Green Premium and RECs) and the transition to low-emission vehicles are actively in progress. All these endeavors will help propel us toward net-zero.

GHG Emissions¹⁾ in 2024



1) Emission unit: tCO₂eq
 2) Scope 3 management coverage: In accordance with the GHG (Greenhouse Gas) Protocol Scope 3 Guidance, all applicable category emissions (including over 98% of total Scope 3 emissions) have been calculated and verified by a third party
 3) A discrepancy may exist between the total and the sum of Scope 1 and 2 emissions due to site-level rounding adjustments.
 4) Market-based indirect GHG emissions







GHG Management

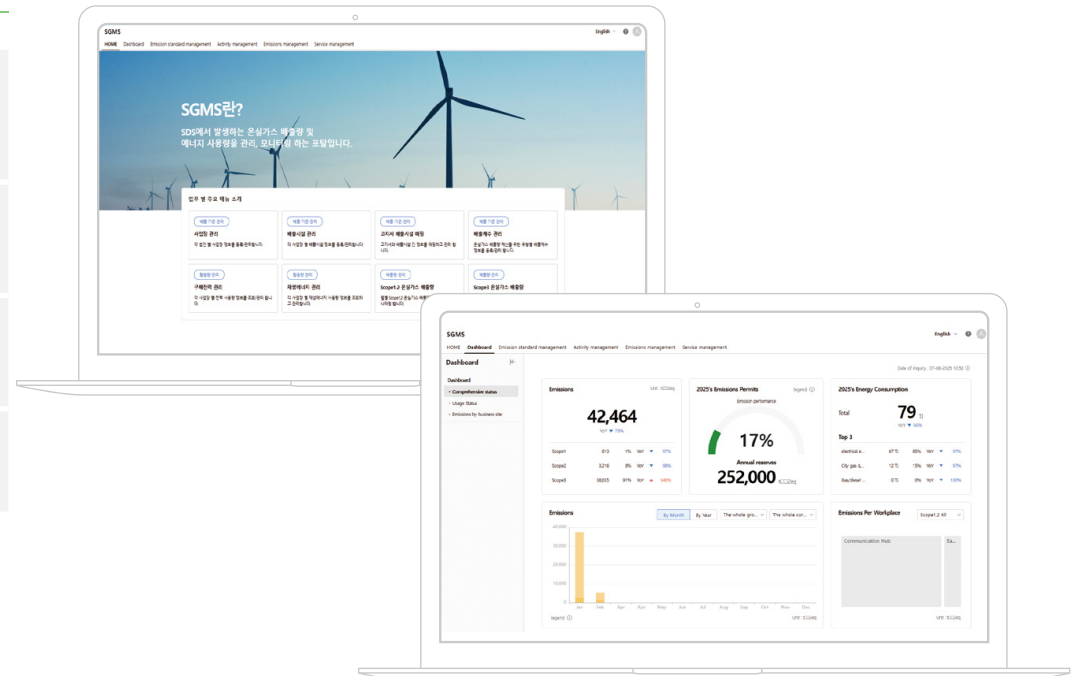
SamsungSDS Greenhouse Gas Management System (SGMS)

In response to the growing significance of the climate sector in environmental management, we completed Phase 1 of the SamsungSDS Greenhouse Gas Management System (SGMS) in October 2024. SGMS is a GHG inventory system built on SCP cloud infrastructure, designed to calculate GHG emissions based on energy consumption at each business site. The system enables integrated management of GHG emissions generated from both production and business operations.

Key environmental data, such as GHG emissions, waste, and energy usage, have been systemized and integrated into a web-based management function. To improve the integrity of emissions data, we plan to expand environmental data disclosure to include overseas entities and subsidiaries on a consolidated basis beyond the Headquarters. Furthermore, Phase 2 of the SGMS was established in March 2025 to broaden our management scope to include Scope 3 emissions, thereby ensuring structured GHG emissions management aligned with both internal and external standards. Through SGMS, we will set company-wide and site-level reduction targets and monitor progress to enable efficient, integrated GHG emissions management.

Key Functions

Master Data Management 	<ul style="list-style-type: none"> Managing business sites and emission-discharging facilities Managing utility bills and measuring instruments Managing emission factors and emission calculation formulas
Activity Data Management 	<ul style="list-style-type: none"> Managing activity data by Scope and fuel type Connecting SCP AI services and external systems via Open API
Emissions Management 	<ul style="list-style-type: none"> Managing emissions by energy type and business site
Dashboard 	<ul style="list-style-type: none"> Providing dashboard access for viewing GHG emissions data



GHG Management

GHG Reduction Initiatives at Data Centers

At Samsung SDS, indirect emissions from power consumption in both external and internal data centers account for over 95% of our total emissions. The ongoing expansion of AI and cloud-based business operations gives rise to the growing importance of reducing energy consumption and managing data center power usage. Against this backdrop, we have achieved global top-tier energy efficiency (PUE)¹ in our data centers, a culmination of energy-saving technologies developed and refined over many years. We have also unpacked the root causes behind fluctuations in energy usage and have brought in high-efficiency equipment and technologies, reflecting our strong commitment to transforming our data centers into greener infrastructure.

1) PUE (Power Usage Effectiveness): It refers to auxiliary power consumption within total data center power usage, including cooling systems and equipment, compared to power used by IT devices.

Data Center-driven Activities for Energy Efficiency Enhancement (Unit: tCO₂eq)

Data Center	Category	Activity	Reduction
Suwon Data Center	Replacement with high-efficiency equipment	Replacing with open-type loop cooling towers	922
		Replacing with variable thermostat	1,133
		Replacing with high-efficiency modular UPS	1,634
		Replacing with high-efficiency mold-type transformers	135
		Installing high-efficiency UPS at office buildings	602
	Renewable energy	Solar power generation and solar water heaters	50
Sangam Data Center	Power-saving equipment installation	Operating chilled water pump inverters	501
	Renewable energy	Solar power generation and geothermal heat pumps	91
Chuncheon Data Center	Replacement with high-efficiency equipment	Installing sunshades on chillers and water-spraying condenser coils	288
		Water-spraying condenser coils on thermostat	4
	Renewable energy	Solar power generation	106
Dongtan Data Center	Replacement with high-efficiency equipment	Optimizing chiller control through the water-side economizer system	1,705
	Renewable energy	Solar power generation	255
Total			7,425

PUE by Data Center

Category	2024
Sangam Data Center	1.37
Suwon Data Center	1.45
Gumi Data Center	2.00
Chuncheon Data Center	1.30
Dongtan Data Center	1.20
Average	1.36

Immersion Cooling System

Immersion Cooling System Launched on a Pilot Basis

The emergence of diverse AI services has driven growing demand for high-performance GPUs. To prepare for the stable operation of high-power AI servers, we have established our Immersion Cooling Lab to reflect real operating conditions, aiming to secure next-generation cooling technologies in advance. This was followed by research and development to ensure stable operation of the immersion cooling system and to improve its overall efficiency. Compared to traditional air cooling, the immersion cooling system enables significant power savings in cooling equipment, contributing to improved data center operational efficiency.



GHG Management

GHG Reduction Initiatives at Business Sites

Transition to Low-emission Vehicles

To curtail GHG emissions from vehicle operations, we have transitioned our corporate fleet in Korea to low-emission vehicles. As part of our environmental management strategy, targeting a 100% shift to low-emission automobiles by 2030, a phased replacement is underway, with 18 vehicles transitioned in 2024. In addition, to keep pace with the growing demand for low-emission vehicles, we have introduced EV charging infrastructure at our business sites, encouraging employees to voluntarily use environmentally friendly vehicles.

Status of Low-emission Vehicle Transition

Low-emission Vehicles	Commercial Vehicles	Ratio of Low-emission Vehicles
18 units	146 units	12%

Investments in Low-emission Vehicle Transition in 2024

Activity	Investment
Shift to low-emission (hybrid) vehicles	KRW 86 million
Installation of EV charging facilities ¹⁾	KRW 73 million

1) Upgraded fire protection systems, video detection systems, and underbody spray systems, in accordance with the 2024 Charging Facility Guidelines issued by the Samsung Institute of EHS Strategy

Energy-saving Initiatives in the Workplace

Samsung SDS strives to foster an energy-saving culture through a campaign that encourages everyday practices, such as turning off lights and unused PCs in vacant offices and meeting rooms. In 2024, we replaced office lighting with LED fixtures at the Jamsil Campus, resulting in approximately a 10% reduction in power consumption.

In celebration of Earth Day (April 22), Samsung SDS joined a collective movement toward a sustainable future through a range of meaningful activities, encouraging active participation from all employees in protecting the planet. These included low-carbon meals (designed to minimize GHG emissions during meal preparation) served in our in-house cafeterias and a zero-leftover campaign, which raised awareness of the importance of energy conservation. We also turned off lights for 10 minutes as part of the nationwide lights-off campaign, resulting in a power saving of 500 kWh and a GHG reduction of approximately 230 kgCO₂eq. In the years ahead, we will continue to promote energy-saving practices that employees can both relate to and engage with.



Earth Day ECO NEWS

GHG Management

Scaling Up Renewable Energy Adoption

Renewable Energy Generation and Consumption

Renewable Energy Generation at Data Centers

Data Center	Type	Unit	2022	2023	2024
Suwon Data Center	Solar water heater	MWh	85.84	79.89	14.53 ¹⁾
	Solar power generation	MWh	19.11	62.96	71.38
Sangam Data Center	Solar power generation	MWh	56.73	55.34	55.92
	Geothermal	MWh	-	435.62	474.82
Chuncheon Data Center	Solar power generation	MWh	144.63	196.36	230.71
Dongtan Data Center	Solar power generation	MWh	-	385.08	555.77
Total		MWh	306.31	1,215.25	1,403.13

1) Operations were suspended due to equipment leak repairs conducted from April through October 2024.

Dongtan Data Center was initially equipped with a 352 kW rooftop solar power system upon completion. In July 2024, an additional 374 kW of solar panels was installed on the rooftop and parking lot, bringing the total renewable energy generation capacity to 726 kW. The existing system generates approximately 389,584 kWh per year, while the expanded facility has produced 172,497 kWh over six months of operation.



Solar Power Installations at Dongtan Data Center



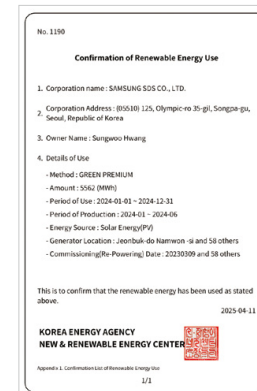
Panoramic View of Dongtan Data Center

Renewable Energy Procurement

To accelerate our transition to renewable energy and achieve carbon mitigation, indirect methods such as energy procurement are actively being pursued. In 2024, we participated for the first time in a domestic Green Premium bidding process, securing 5,562 MWh of solar-generated renewable energy. At the same time, we procured 5,634 MWh in Renewable Energy Certificates (RECs) for our overseas business sites across the U.S., U.K., China, etc. Looking ahead, we will ratchet up renewable energy procurement in alignment with our transition roadmap, leveraging more diversified methods such as Power Purchase Agreements (PPAs).

Amount of Renewable Energy Procured

Category	Type	Unit	2024
Domestic	Green Premium	MWh	5,562
Overseas	REC	MWh	5,633
Total		MWh	11,195



Confirmation of Renewable Energy Use



REC Transaction Confirmation (U.S.)

SPECIAL REPORT 1

Climate Action

Governance

Board’s Oversight of Climate-related Risks and Opportunities

In accordance with the Articles of Incorporation and the Board of Directors (BOD) Regulations, an ESG Committee has been established under the Board. The committee is responsible for overseeing climate action strategies, policies, and their implementation, while also deliberating and making decisions on key agenda items. The ESG Committee Operation Regulations outline the delegated responsibilities from the Board and the committee’s roles and authority in matters related to sustainability and climate action.

ESG Committee Operation Regulations

Category	Content
Article 1 (Purpose)	These regulations stipulate the composition and operation of the ESG Committee (hereinafter referred to as the “ESG Committee” or the “Committee”), established pursuant to Article 34, Paragraph 1 of the Articles of Incorporation of Samsung SDS (hereinafter the “Company”). The ESG Committee is established with the aim of enhancing the Company’s corporate value through environmental, social, and governance (ESG) perspectives, and of generating sustainable value in collaboration with a wide range of stakeholders, including customers, employees, shareholders, business partners, and local communities.
Article 6 (Authority)	The Committee is authorized to deliberate on or resolve the following matters delegated by the Board of Directors, as part of key business activities. 1. Establishment of ESG strategies and policies 2. Review and implementation of pressing ESG-related agenda items 3. Other matters deemed necessary in relation to ESG affairs In cases where the Committee Chairperson considers Board approval essential, the matter shall be presented to the Board.

The ESG Committee comprises four independent directors and one executive director. All members bring expertise from diverse backgrounds, including law, finance, technology, and business to assess and make decisions on the impacts of climate-related risks and opportunities on our business and corresponding countermeasures. Furthermore, we provide relevant education, host workshops, and distribute materials to help them stay informed on climate-related trends and constantly develop their capabilities.

Composition and Roles of ESG Committee

Position	Name	Director Type	Expertise and Responsibilities
Chairperson	Insill Yi	Independent Director	Examining the economic impacts of climate-related issues and corresponding countermeasures
	Hyunhan Shin	Independent Director	Analyzing climate-related risks and their financial implications
	Mooil Moon	Independent Director	Reviewing climate-related laws and regulations
Members	Jaejin Lee	Independent Director	Examining carbon reduction technologies for data center operations
	Junehee Lee	Executive Director (CEO)	Reviewing response strategies to climate change and their alignment with business objectives

ESG Committee Workshops Held

Date of Event	Participants	Content
April 13, 2022	All members	Global net-zero trends and their strategic importance
May 16, 2022	All members	Key measures for achieving net-zero goals and transitioning to renewable energy
September 26, 2023	All members	Deliberation on ESG strategies
February 18, 2025	All members	Emerging ESG trends and key issues in 2025

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Governance

Board-level Management Process for Climate-related Risks and Opportunities

The ESG Committee is responsible for formulating business strategies, making relevant decisions, and integrating climate-related risks and opportunities into the risk management process. It leads the identification and analysis of the financial implications stemming from climate change and incorporates those findings into decision-making. For example, when reviewing the establishment of a new data center, climate-related risks and opportunities, such as carbon emissions and fluctuations in carbon pricing in Korea, are considered during the economic feasibility assessment and reflected in final decisions. In 2024, five agenda items pertaining to climate-related matters were tabled for ESG Committee deliberation. The Committee reviewed the implementation of strategic tasks related to climate issues, GHG emissions, and material sustainability concerns, thereby managing climate-related risks and opportunities.

Primary Agenda Items on Climate Risks and Opportunities

Date of Convocation	Agenda Item	Key Areas of Review
January 25, 2024	ESG work plans in 2024	<ul style="list-style-type: none"> Examining strategic tasks for technology-based carbon emissions mitigation
April 25, 2024	ESG briefing in 2023	<ul style="list-style-type: none"> Monitoring the progress of climate action Reviewing 2023 GHG emissions
	Tasks for environmental management implementation	<ul style="list-style-type: none"> Reviewing the application of immersion cooling systems
July 25, 2024	Report on the issuance of sustainability report	<ul style="list-style-type: none"> Making decisions on climate-related material issues
October 24, 2024	ESG briefing for the first half of 2024	<ul style="list-style-type: none"> Monitoring the development of our climate initiatives Examining GHG emissions and unpacking the causes of increase

At times, climate risks may conflict with climate opportunities. For example, proactive efforts to reduce GHG emissions can mitigate physical climate risks. However, they may also lead to increased costs related to emissions credit purchases and renewable energy transitions, thereby elevating transition risks. Accordingly, the Board examines these conflicting risks and opportunities as part of its oversight of climate-related matters. Through an integrated approach, it seeks to minimize risks while maximizing opportunities when making strategic decisions.

Incorporating Climate Metrics into Board Compensation

Samsung SDS utilizes climate-related metrics for Board members' performance management and their remuneration policy. The progress in net-zero efforts, including renewable energy transition and promoting sustainability at data centers, is embedded in critical KPIs. The remuneration system is designed so that compensation fluctuates based on evaluation outcomes, including KPI achievement. Since the weightings and application styles, such as rewards or penalties, differ among members, it's not possible to apply a single calculation method for the KPI reflection rate. On average, 3–5% is reflected.

Council-Driven Approach to Identifying and Addressing Key Issues

Overarching issues regarding climate risks and opportunities are managed by the Environmental Management Council (Environmental Subcommittee of the ESG Council) under the direct leadership of the Chief Financial Officer (CFO), and are reported to the ESG Committee. And we bring together all the departments involved in the management of such risks and opportunities, across ESG, environment, and data center innovation sectors, to share pending business issues and come up with tasks for improvement with an integrated approach. Environmental Management Council convenes once a quarter, and the discussions at the council are reported to the ESG Committee.

Environmental Management Council Operations

Category	Content
Meeting Frequency	Once a quarter
Attendants	Departments across ESG, environment, data center innovation, people, planning, procurement, and other sectors
Agenda Items	Pending issues regarding environmental management tasks (net-zero goals, establishment of implementation plans, and achievements in reduction included)

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Climate Action

Governance

Management’s Role in Managing Climate-related Risks and Opportunities

At Samsung SDS, the CEO and CFO, who oversee the assessment and management of climate-related risks and opportunities, are the primary personnel responsible for responding to environmental and climate crises. The executive in charge of environmental affairs manages the detailed execution. Our CEO recognizes the gravity of the opportunities and risks posed by climate change to our business, as well as our impact on the external environment and stakeholders in achieving sustainable progress. In accordance with our policy on environmental and energy management, the CEO receives regular reports on mid- to long-term climate action plans for carbon neutrality and the development of related policies. The ESG Committee supports deliberation and decision-making on key agenda items.

The CFO assumes the roles of overseeing not only financial structure and business strategies, but also the efficient operations of relevant businesses and departments, in alignment with our climate action policies. Moreover, the CFO takes charge of identifying climate-related risks and reporting the assessment results to the Board, and assisting the CEO in making decisions, serving as the Chief Risk Officer (CRO) of the Risk Management Council.




The Head of the EHS Center makes decisions on concrete strategies to support the continuous and efficient implementation of environmental strategies, including responses to climate change, while formulating action plans for environmental management with the Environmental Management Working Group and assessing the progress.

Management	Key Responsibilities in Climate Action
CEO	<ul style="list-style-type: none"> • Approving and supervising sustainability-related policies and objectives • Making strategic decisions on key matters related to green solutions, services, and business strategies • Overseeing the development of our climate actions, such as improving energy efficiency and reducing GHG emissions, and assessing overall performance
CFO	<ul style="list-style-type: none"> • Taking comprehensive responsibility for climate-related matters and supporting decision-making processes • Managing climate risks and opportunities in an integrated manner from identification and assessment to execution
EHS Center Head	<ul style="list-style-type: none"> • Deciding on detailed environmental strategies and putting them into action • Taking charge of external communication and responding to environmental institutions and initiatives

Detailed Executive Management Approach and Remuneration Alignment

To support effective decision-making in environmental management, we incorporate environmental performance indicators into the KPIs of leadership and relevant departments. This integration demonstrates our commitment to embedding environmental practices into the company’s overall operations by holding top executives accountable for their environmental responsibilities.

Climate-related Goals and Achievements in 2024

Environmental Goals	Achievements
Enhancing the integrity of GHG emissions data 	<ul style="list-style-type: none"> • Built the SGMS (SamsungSDS Greenhouse Gas Management System) • Established a management process for overseas environmental data
Boosting energy efficiency across business sites 	<ul style="list-style-type: none"> • Replaced lighting with LEDs at business sites • Introduced high-efficiency equipment at data centers • Adopted low-power technologies at data centers
Shifting to low-emission vehicles 	<ul style="list-style-type: none"> • Transitioned 18 vehicles to low-emission models • Upgraded electric vehicle (EV) charging infrastructure

Climate Action Performance Indicators in 2025

Achieving international environmental certifications and confirmation

Increasing carbon emissions reduction through employee engagement

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Strategy

Climate-related Risks and Opportunities

Based on the frameworks of the IFRS Sustainability-related Standards, the European Sustainability Reporting Standards (ESRS), and the Task Force on Climate-related Financial Disclosures (TCFD), we have identified climate-related risks and opportunities and categorized them into several types. Furthermore, we have projected the time horizons over which these risks and opportunities may have a significant financial impact. These time horizons are classified as short-term (1 year, 2025), mid-term (5 years, 2026~2030), and long-term (20 years, 2031~2050), taking into account the business planning period, including the upcoming fiscal year (1~5 years), and our sustainability strategies and goals such as carbon neutrality.

Climate-related Risks

Classification	Type	Risks	Potential Financial Implications	Time Horizons		
				Short-term	Mid-term	Long-term
Transition Risks	Policy and Legal	Rising carbon prices arising from tightening regulations	Increase in non-current liabilities (provisions), and decrease in net income	●	●	●
		Increasing litigation risks due to stricter climate disclosure requirements		●	●	●
	Technology	Growing expenditures on low-power technologies for data center operations	Increase in non-current assets, and decrease in net income	●		
		Risk of failure in investments in new technologies			●	●
	Market	Intensifying competition in low-carbon IT and logistics services	Sales decrease	●	●	
		Escalating energy costs driven by the transition to renewable energy	Decline in operating profits	●	●	●
Reputation	Increasing negative feedback from stakeholders	Sales decrease	●	●		
	Deteriorating ESG assessment results regarding climate change	Decrease in net income	●			
Physical Risks	Acute	Asset damage and business disruption caused by urban flooding	Decrease in non-current assets, and decline in operating and net income	●		
		Asset damage and business disruption caused by drought		●		
		Asset damage and business disruption caused by typhoons		●		
	Chronic	Rising cooling costs and declining productivity due to extreme heat	Decline in operating profits	●	●	●

Climate-related Opportunities

Classification	Type	Opportunities	Potential Financial Implications	Time Horizons		
				Short-term	Mid-term	Long-term
Opportunities	Resource Efficiency	Reducing energy consumption at data centers through the adoption of high-efficiency equipment and technologies	Increase in operating profits	●	●	
		Enhancing transportation efficiency through a digital logistics platform		●	●	●
	Energy Source	Taking advantage of incentives from renewable energy-related policies	Increase in net income		●	
		Participating in the carbon emissions trading (purchasing carbon credits or selling surplus credits)		●	●	
Products and Services	Rising consumer preference for low-carbon products and services	Sales increase	●	●		
	Developing low-carbon cloud and logistics products and services		●	●	●	
Markets	Digital transformation to reduce total energy consumption and growing demand for IT services	Sales increase		●	●	
	Increasing access to the low-carbon logistics market			●	●	
Resilience	Utilizing public-sector policy incentives, such as price subsidies for low-carbon products	Increase in net income		●	●	
	Mitigating electricity cost fluctuations through long-term renewable energy supply contracts		Increase in net income			●

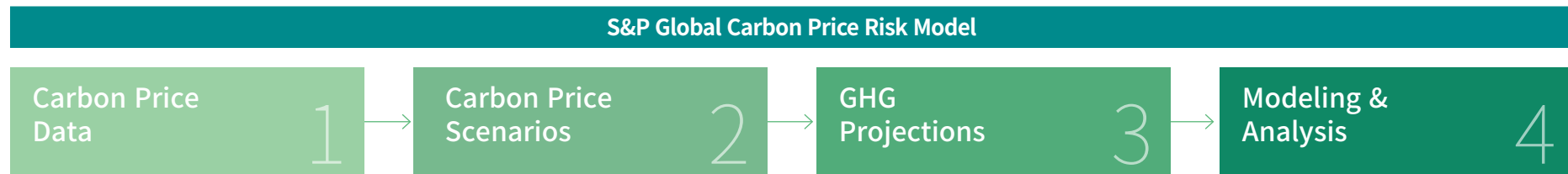
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Climate Action

Strategy

Transition Risks

By applying the S&P Global Carbon Price Risk Model, we analyzed the financial implications of policy and legal risks, as part of the broader set of transition risks, for Samsung SDS.



1 Carbon Price Data

Compiling data on carbon taxes, emissions trading schemes, and fuel charges from over 100 countries to calculate carbon prices through comprehensive analysis

2 Carbon Price Scenarios

We applied the Trucost CEaR scenario, developed using research outcomes from the OECD and IEA, to project future changes in carbon prices.

- **High Carbon Price Scenario** Aggressive reduction scenario, aiming to limit the global temperature rise to within 2°C by 2100 (1.6–2°C, IRENA)
- **Moderate Carbon Price Scenario** Intermediate-level reduction scenario, targeting a long-term 2°C temperature limit (based on OECD & IEA research)
- **Low Carbon Price Scenario** Low-level reduction scenario, with no specific climate target (projected 3.1–4°C, IEA NPS)

3 GHG Projections

We projected future GHG emissions by analyzing trends in emissions fluctuations alongside our business plans.

- **BAU Scenario** Reflects projected emissions assuming current reduction initiatives continue
- **Net-Zero Scenario** Reflects projected emissions assuming achievement of net-zero by 2050 through a shift to renewable energy

4 Modeling & Analysis

Factoring in data, such as carbon price changes, projected carbon emissions, and the discount rate, to analyze financial implications

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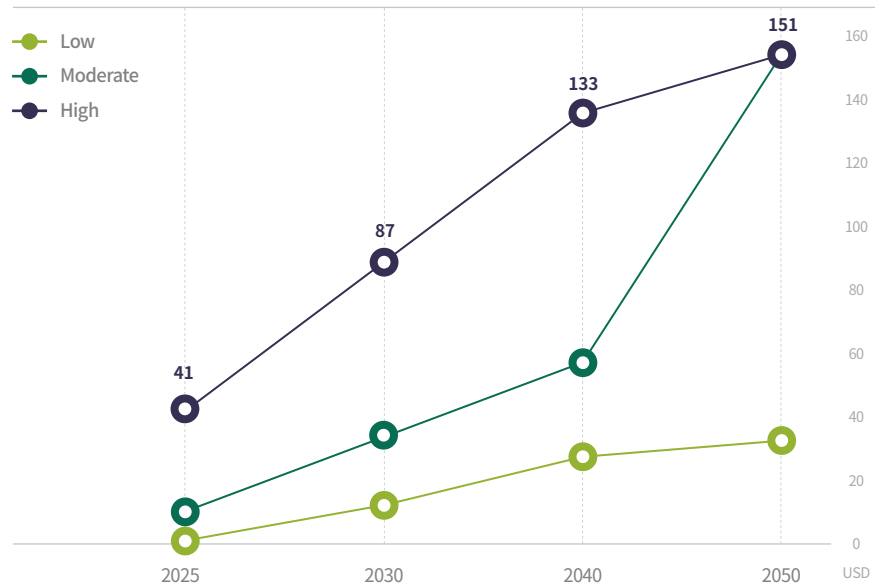
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Strategy

Transition Risks

With the objective of measuring the carbon price premium, we calculated carbon prices by comprehensively factoring in elements such as carbon regulations, carbon credit prices, and renewable energy transition costs across countries worldwide. The assessment reveals that, as of 2025, the carbon price stands at USD 41 under the High Carbon Price Scenario, USD 10 under the Moderate Carbon Price Scenario, and USD 1 under the Low Carbon Price Scenario. Looking ahead, carbon prices could rise to as high as USD 151 by 2050 in an aggressive reduction scenario, or up to USD 32 in a low-level emission scenario.

Our Internal Carbon Pricing



- Under the High Carbon Price Scenario, carbon prices per ton are projected to reach USD 87 in 2030 and may rise as high as USD 151 in 2050.
- Under the Moderate Carbon Price Scenario, carbon prices per ton are expected to increase gradually and reach similar levels to the High Carbon Price Scenario by 2050.
- Under the Low Carbon Price Scenario, carbon prices per ton are projected to be USD 12 in 2030 and USD 32 in 2050, representing a significant decrease compared to the High and Moderate Carbon Price Scenarios.

(Unit: USD)

Scenario	2025	2030	2040	2050
Low	1	12	27	32
Moderate	10	33	56	151
High	41	87	133	151

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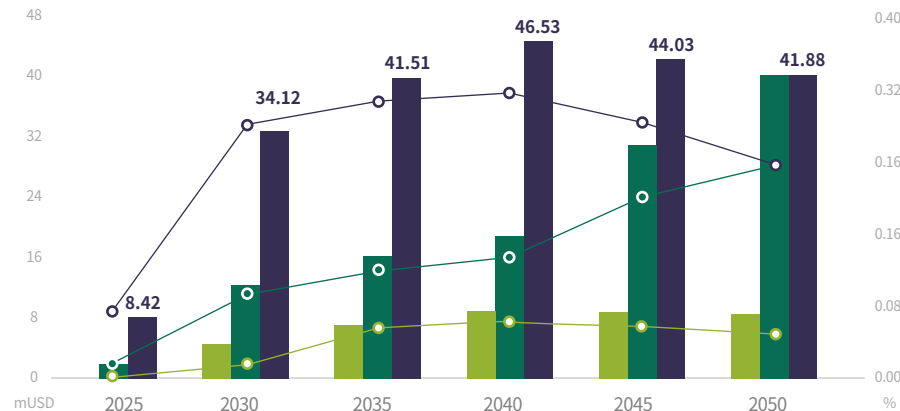
Climate Action

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Transition Risks

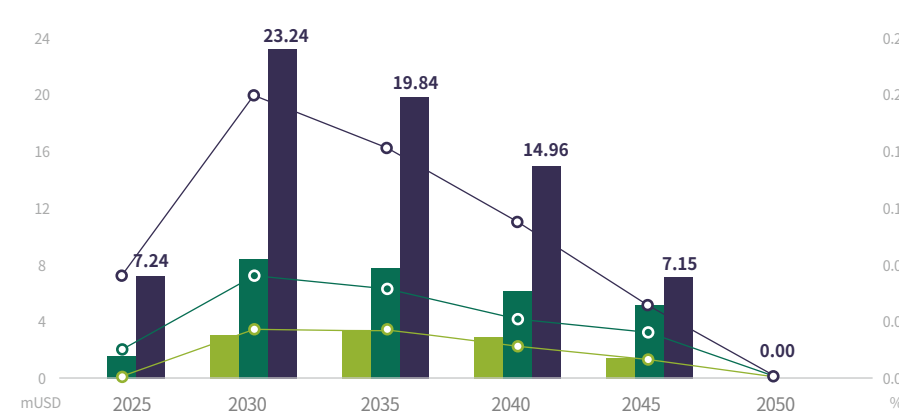
In 2023, we conducted our first scenario analysis on policy and legal transition risks. For this year’s reanalysis, we updated a wide range of inputs, including projected GHG emissions that reflect new business plans, financial data such as discount rates, revenue, and operating costs, as well as exchange rates. According to this analysis, under a high-intensity transition scenario based on business as usual (BAU) emissions, the estimated cost of policy and legal risks is projected to reach up to USD 46.53 million, or 0.33% of the annual operating cost, and USD 41.88 million (0.25%) by 2050. Under a high-intensity transition scenario based on Net-Zero emissions, the policy and legal risk cost is projected to be USD 23.24 million in 2030, accounting for 0.20% of that year’s operating cost. The risk is projected to decline gradually in line with reduced emissions.

BAU Scenario



Scenario	2025	2030	2035	2040	2045	2050
Low	0.16	4.81	7.33	9.32	9.14	8.96
Moderate	2.03	12.93	16.88	19.71	32.15	41.88
High	8.42	34.12	41.51	46.53	44.03	41.88

Net-Zero Scenario



Scenario	2025	2030	2035	2040	2045	2050
Low	0.00	3.07	3.37	2.92	1.45	-
Moderate	1.57	8.46	7.80	6.16	5.18	-
High	7.24	23.24	19.84	14.96	7.15	0.00

SPECIAL REPORT 1

Climate Action

Strategy

Transition Risks

We also identify and manage the financial impacts of climate-related transition risks, specifically technological, market, and reputational risks, on Samsung SDS. Technological risk was assessed based on investment costs in new technologies for lowering data center energy efficiency and the potential financial impact of failed investments, using inputs such as technology investment costs, potential emissions from data centers, and projected carbon prices. Market risk was comprehensively quantified by analyzing renewable energy supply prices and estimating the increased costs associated with the energy transition in the power sector. Reputational risk was evaluated by estimating potential financial impacts caused by increased negative stakeholder feedback owing to insufficient climate-related disclosures or greenwashing, based on projected revenue and related assumptions.

Category	Key Risk Factors	Estimated Financial Impact	Basis for Estimation
Technological Risks	Cost burden from investing in new technologies to improve data center energy efficiency	KRW 84.4 billion	<ul style="list-style-type: none"> • Direct cost increase due to investments in IT equipment cooling technologies for GHG emissions reduction • Calculated based on investment and deployment cost of immersive liquid cooling, which is part of Eco-Cloud technologies
	Growing costs from purchasing carbon credits caused by failed technology investments	KRW 194.1 billion	<ul style="list-style-type: none"> • Financial risks arising from failed investments in low-power technologies (Eco-Cloud) and data center remodeling • Estimated based on the purchase cost of domestic carbon credits until 2050, excluding direct mitigation and renewable energy purchases
Market Risks	Higher energy expenses from transitioning to renewable energy in the power sector	KRW 692.4 billion	<ul style="list-style-type: none"> • Direct cost rise from supplying renewable energy to reduce GHG emissions from data centers and business sites • Calculated as additional cost of renewable energy needed to offset remaining emissions after own reduction efforts under the BAU scenario (by 2050)
Reputational Risks	More negative feedback from stakeholders due to reputational risks	KRW 138.2 billion	<ul style="list-style-type: none"> • Revenue loss due to deteriorated corporate reputation caused by insufficient climate-related disclosures and greenwashing • Estimated based on 1% reduction in total revenue for 2024 (about KRW 13.8 trillion)

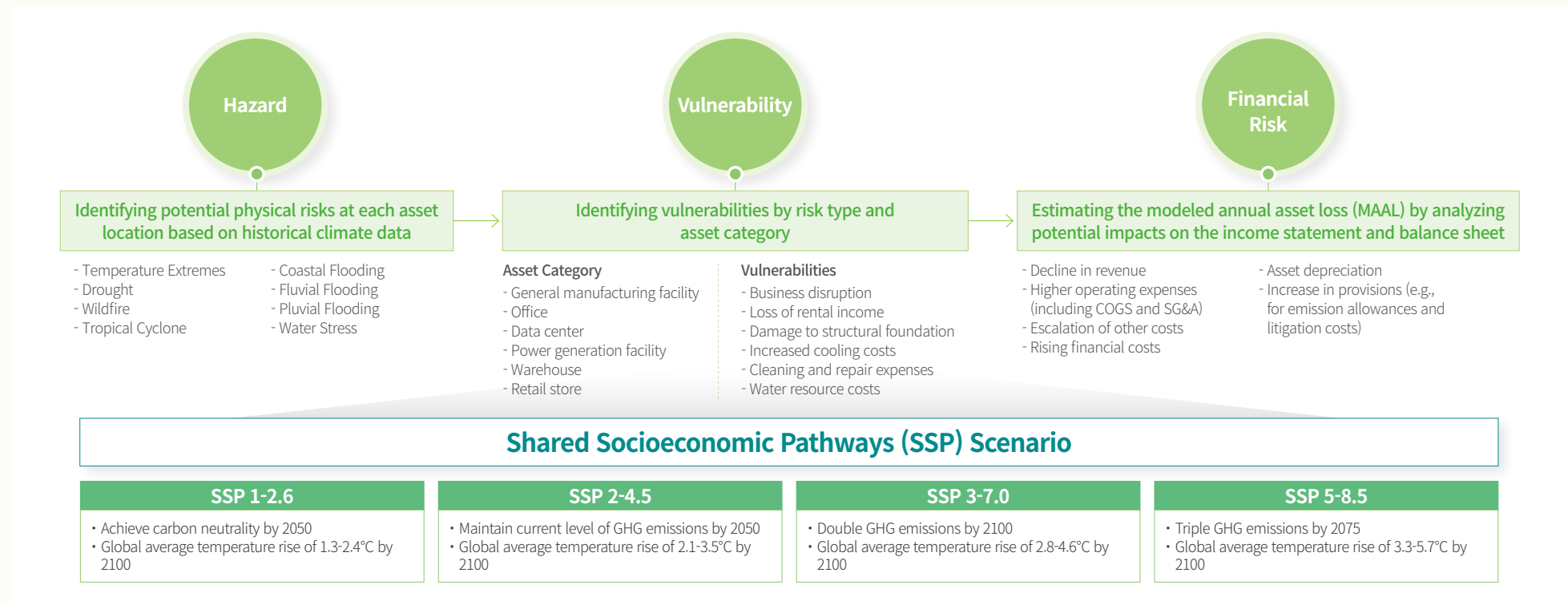
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Strategy

Physical Risks

We assessed the level of physical risks and their potential financial impact using the Hazard-Vulnerability-Risk framework applied in the Climonomics platform provided by S&P Global. Leveraging historical climate data based on geographic location, we identified risk types and likelihoods of potential physical risks, pinpointed vulnerabilities by asset type. We then analyzed financial impact factors under various climate scenarios to estimate the modeled average annual asset loss.



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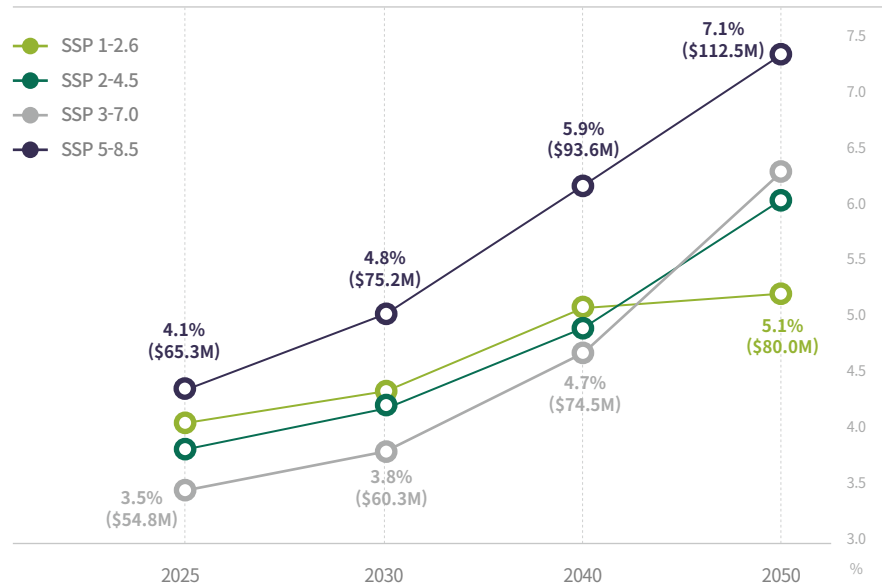
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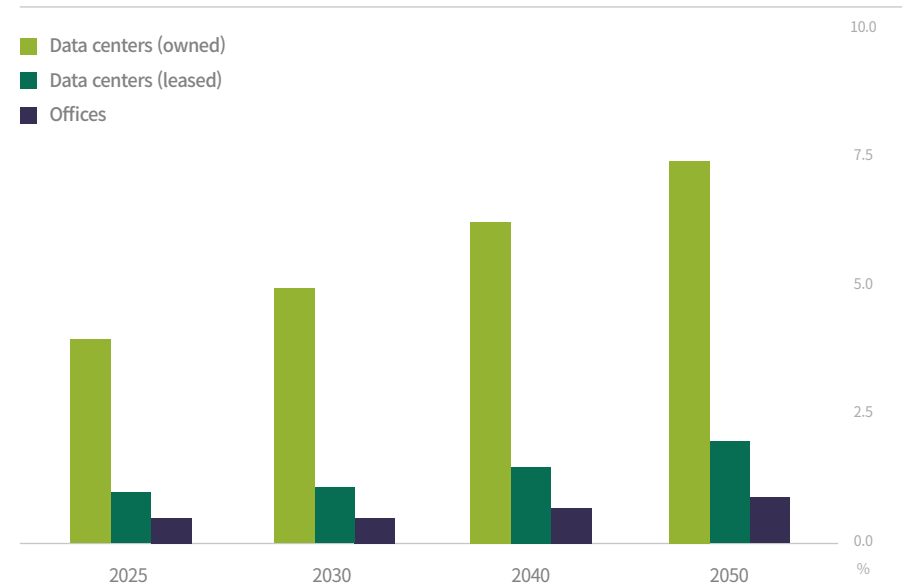
Physical Risks

Based on projected asset loss ratios, physical climate risks were assessed by asset location and type to quantify potential financial impacts. Under the SSP 1-2.6 scenario, the modeled annual asset loss (MAAL) is estimated at 3.8% by 2030, increasing to 4.7% by 2050. In contrast, under the SSP 5-8.5 pathway, the loss rate could reach 4.8% in 2030 and escalate to 7.1% by 2050. Among the asset categories, Samsung SDS's directly owned data centers are expected to face a relatively higher degree of exposure to such risks.

Estimated MAAL from Physical Climate Risks



Projected MAAL by Asset Type (Based on SSP 5-8.5 Scenario)



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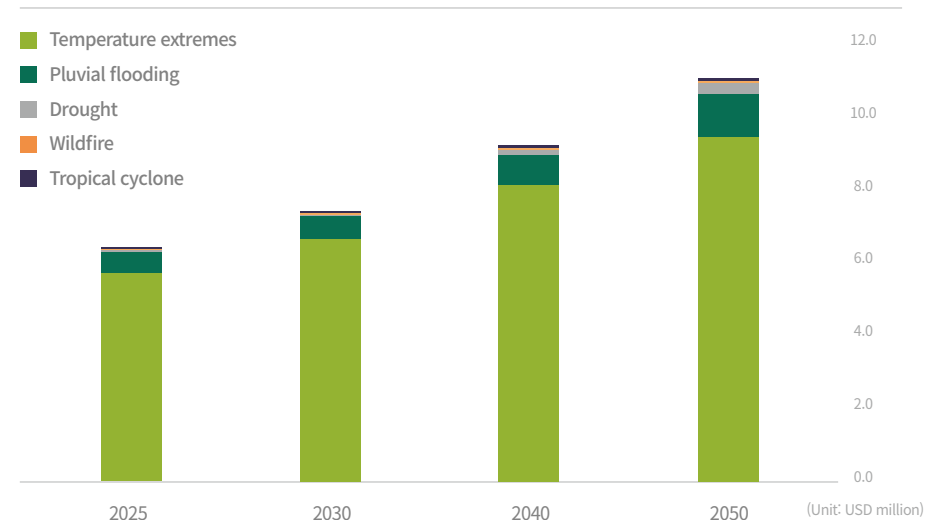
Physical Risks

In order to identify assets exposed to material physical risks, we analyzed the estimated modeled annual asset loss (MAAL) and projected financial losses for each asset under the high-emissions scenario (SSP 5-8.5). In terms of loss ratio, the data centers located in Shanghai, China and Dallas, USA showed the highest MAALs by 2050, at 17.9% and 18.0%, respectively. However, when assessed by total loss amount, the Suwon and Dongtan data centers recorded the largest expected losses due to their higher asset values. Nonetheless, considering the conventional depreciation rate of assets not subject to physical risks (2.7% per year, or 27% over 10 years based on the last five fiscal years), no assets were deemed to be critically exposed or particularly vulnerable. Among the physical hazards analyzed, chronic risks such as extreme heat accounted for a significant portion of the projected impact, while acute risks like urban flooding also partially contributed.

Top 5 Estimated MAAL Ratios and Amounts (Based on SSP 5-8.5 Scenario)

	Assets	Short-term	Mid-term	Long-term	
		2025	2030	2040	2050
Estimated Modeled Annual Asset Loss Ratio	Shanghai Data Center	8.9%	16.3%	17.1%	17.9%
	Dallas Data Center	2.2%	2.5%	17.2%	18.0%
	Chuncheon Data Center	4.6%	5.2%	6.5%	7.8%
	Dongtan Data Center	4.4%	5.0%	6.3%	7.6%
Estimated Modeled Annual Asset Loss Amount	Dongtan Data Center	\$21.8m	\$25.1m	\$31.5m	\$37.8m
	Suwon Data Center	\$21.6m	\$24.9m	\$30.9m	\$37.2m
	Sangam Data Center	\$16.2m	\$18.7m	\$23.1m	\$27.5m
	Chuncheon Data Center	\$4.8m	\$5.6m	\$6.8m	\$8.2m
	Gumi Data Center	\$0.5m	\$0.7m	\$0.9m	\$1.2m

Key Physical Climate Risk Factors (Based on SSP 5-8.5 Scenario)



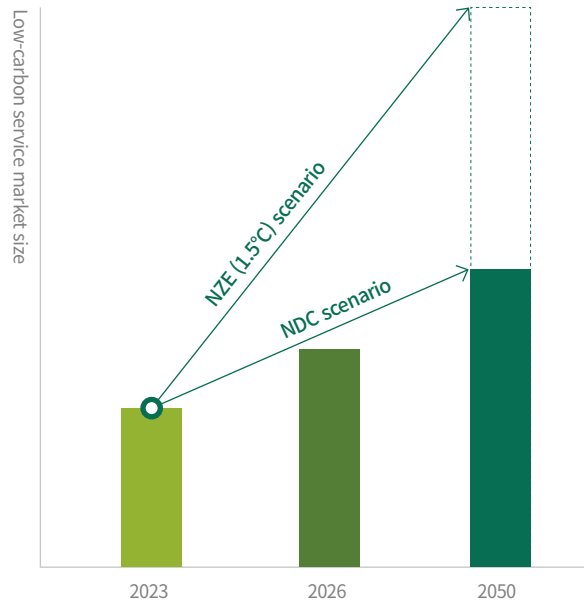
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Opportunities

Samsung SDS's core business activities support the global transition toward the 1.5°C target. According to IEA¹, its Net-Zero Roadmap² published in 2023 estimates that consumer behavior change and demand-side responses could reduce CO₂ emissions by 2.6 Gt by 2050. We support such efforts through data center-based cloud services that enable efficient resource use, and its digital forwarding service, Cello Square, which enhances logistics operations and promotes a shift to low-carbon transportation. In addition, the Brity Meeting video conferencing solution facilitates behavioral change. The Global Enabling Sustainability Initiative (GeSI)³, in its SMARTer 2030 report, projected that the revenue potential of ICT products and services could reach USD 1.8 trillion by 2030. Markets&Markets also forecasts that the ESG disclosure and data platform market will grow from USD 700 million in 2022 to USD 1.5 billion in 2027, with a compound annual growth rate of 16.5%.



With an aim to evaluate climate-related opportunities and reflect them in our business strategy, we have defined low-carbon solutions that can contribute to both climate change mitigation and adaptation. Following the EU Taxonomy framework, we reviewed our business operations for their eligibility and alignment with climate mitigation objectives. Based on this assessment, we calculated the corresponding shares of net sales, CAPEX, and OPEX, linked to aligned activities. However, quantifying the short, mid-term, and long-term financial impacts of our defined low-carbon solutions and conducting climate scenario analysis remain highly challenging due to the lack of sufficient data and research findings, as well as the absence of established methodologies necessary for reliable analysis. Although growth projections for low-carbon IT solutions are highly favorable under Net-Zero scenarios, available sources remain insufficient to serve as a solid basis for quantification.

For this reason, we have presented estimates of the potential market size and anticipated revenue growth for our low-carbon solutions, drawing on service-specific market outlooks and mid-term revenue goals. We also plan to further refine our analytical approach over time.

Category	Growth Rate
Estimated potential market size for climate-related products and services (CAGR)	4.1~19%
Expected revenue change from climate-related products and services (CAGR)	7%

1) IEA: International Energy Agency
 2) IEA, Net-Zero Roadmap - A Global Pathway to Keep the 1.5°C Goal in Reach 2023 update (September 2023)
 3) Global Enabling Sustainability Initiative (GeSI): An initiative established to promote sustainable development in the ICT industry

SPECIAL REPORT 1

Climate Action

Metrics and Targets

Targets for GHG Reduction and Renewable Energy Transition

Performance in 2024

We have been sincerely committed to curbing GHG emissions through the adoption of high-efficiency, low-carbon infrastructure at our data centers, while also striving to accelerate the transition to renewable energy. As a result, we achieved a reduction of 6,923 tCO₂eq in 2024 by raising the energy efficiency of our data centers. Additionally, we generated renewable energy equivalent to 502 tCO₂eq through in-house production. An additional 5,294 tCO₂eq of emissions were compensated for through the acquisition of Green Premiums and Renewable Energy Certificates (RECs).

[2024 Performance]

Energy efficiency improvements in data centers: 6,923 tCO₂eq reduced

<p>[Suwon Data Center] Replacement with high-efficiency equipment through facility remodeling 4,425 tCO₂eq</p>	<p>[Sangam Data Center] Inverter-based chilled water pump operation 501 tCO₂eq</p>	<p>[Chuncheon Data Center] Optimized control of chillers and air handling units 292 tCO₂eq</p>	<p>[Dongtan Data Center] Operation of water-side economizer 1,705 tCO₂eq</p>
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Self-generated Renewable Energy in Data Centers: 502 tCO₂eq

Renewable energy purchased: 5,294 tCO₂eq

<p>[Domestic] Green Premium purchase (2,555 tCO₂eq)</p>	<p>[Overseas] Renewable Energy Certificates (RECs) purchase (2,739 tCO₂eq)</p>
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Target Setting

Given that the majority of our GHG emissions fall under Scope 2 from electricity consumption, it is critical to establish a clear reduction target in this area. For 2025, we aim to reduce a total of 20,559 tCO₂eq by adopting high-efficiency, low-carbon equipment at our data centers and by generating and procuring renewable energy. On top of that, we have set a target to transition 25% of our energy consumption to renewable sources by 2030.

Carbon neutrality targets and the associated reduction roadmaps for Scope 1, 2, and 3 emissions have been developed and are currently being monitored internally. Although the specific data has not been disclosed yet, we are currently preparing to share these internally managed targets and data with stakeholders in the future.

[Target for 2025]

Self-reduction of GHG emissions and transition to renewable energy: 20,559 tCO₂eq

[Target for 2030]

Share of renewable energy in total energy use: 25%

SPECIAL REPORT 1

Climate Action

Metrics and Targets

Internal Carbon Pricing System

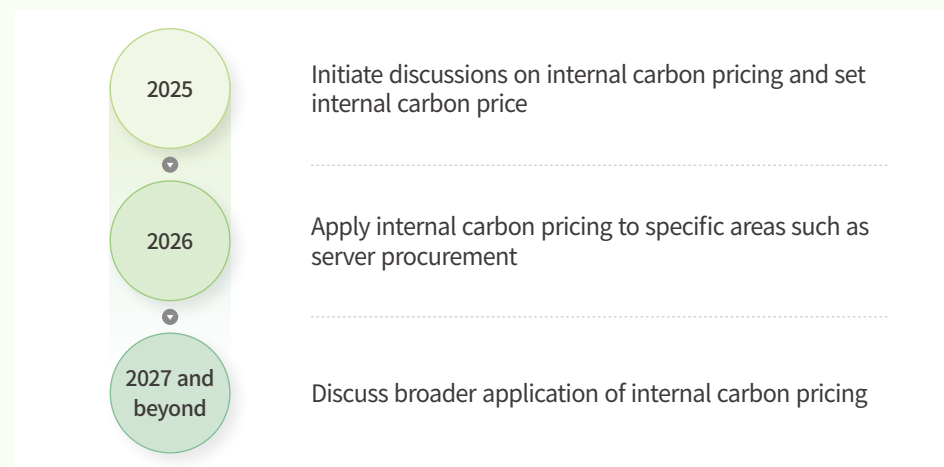
Internal Carbon Price Setting

We plan to implement an internal carbon pricing system to incorporate the economic cost of carbon emissions into internal decision-making and accelerate the achievement of carbon neutrality. We plan to manage our internal carbon pricing using a dual approach, distinguishing between the current price and future projections for 2030 and 2040. In order to determine appropriate internal prices, we conducted a comprehensive review of global carbon regulations, emissions trading prices, and the cost of transitioning to renewable energy. Based on this analysis, we set the 2025 internal carbon price at KRW 14,000 per tCO₂eq (exchange rate applied: KRW 1,400 / USD). We also simulated future carbon prices under three reduction scenarios; high, moderate, low carbon price scenarios. Following the results of this simulation, we adopted the moderate carbon price scenario, under which the internal carbon price is projected to reach about KRW 46,200 in 2030 and KRW 78,400 in 2040.



Implementation Plan

Our plan is to embed the internal carbon price into key decision-making processes to accelerate progress toward carbon neutrality. In the first half of 2025, we introduced current and projected internal carbon prices based on external carbon pricing trends and scenario analyses. We then engaged in in-depth discussions on how these prices could be integrated into internal decision-making, such as investment deliberations and business operations. As an initial step, we decided to incorporate the internal carbon price into the procurement process, enabling higher energy-efficient products, such as servers, to gain a competitive advantage in purchasing decisions. Although the internal carbon price is applied to only part of our Scope 1, 2, and 3 emissions at present, we aim to broaden its application in the future.



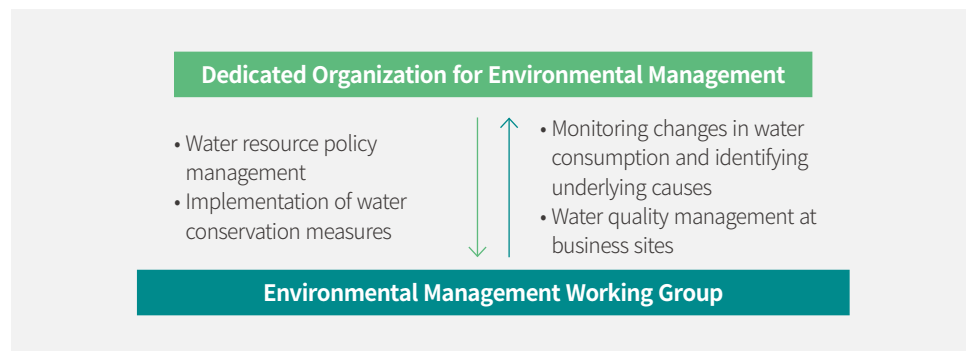
Water Resources Management

Water Stewardship System

Samsung SDS recognizes that water stewardship is essential to building a sustainable future. We endeavor to mitigate negative environmental impacts by reducing water withdrawal and ensuring that all water used is properly managed and treated, thereby supporting environmental preservation efforts.

Water Management Policy

We monitor changes in water consumption and their underlying causes across all our business sites to develop water conservation measures. All water used at our facilities is sourced from municipal water supplies, treated through on-site filtration, and ultimately discharged to urban wastewater treatment systems. Water pollutants generated during data center maintenance activities, such as refrigerants and antifreeze from chillers and boiler cleaning, are classified as designated waste and are handled by professional vendors for designated waste, and we also track the final disposal process to ensure proper treatment. We conduct regular maintenance of water storage tanks and perform water quality testing to support a stable and clean water supply, continuously monitoring both quantity and quality of water.



Reduction in Water Consumption

We strive to minimize water consumption by incorporating water-efficient systems from the initial design phase of our facilities, both domestically and internationally. In designing our data centers, we adopt water-saving technologies to ensure optimal water resource management. For instance, our Sangam Data Center uses district cooling water, which is approximately 5°C cooler (12°C) than conventional water sources (17–18°C). This enhances cooling efficiency and significantly reduces water evaporation, thereby contributing to water conservation. Additionally, the Sangam Data Center employs an air-side free cooling method to further reduce water usage.

Water Withdrawal and Discharge

Category		Unit	2022	2023	2024	Target
Water Withdrawal	Municipal water supply	Tonnes	469,111	532,649	605,579	688,643
	Groundwater ¹⁾	Tonnes	164,997	165,008	158,585	163,643
Water Discharge	Sewage system ²⁾	Tonnes	469,111	532,649	605,579	688,643
	Groundwater	Tonnes	164,997	165,008	158,585	163,643

1) The groundwater figures represent inflow groundwater from the Sangam Data Center, with the intake volume equal to the discharge volume.
 ※ Due to regulatory constraints, including discharge fees and the need for government approval, Samsung SDS does not utilize this inflow groundwater.
 2) Sewage treatment fees are being paid based on the total volume of municipal water intake.

Water Resources Management

Water Risk Assessment

We assessed water-related risks based on the locations of our business sites using the Aqueduct tool developed by the World Resources Institute (WRI). Risks were categorized by type into quantitative physical risks, qualitative physical risks, and regulatory and reputational risks, and assessed based on their severity using a five-tier scale; Low, Low-Medium, Medium-High, High, and Extremely High.

Classification by Risk Nature

Quantitative Physical Risks

Quantitative physical risks refer to risks arising from the excess or scarcity of water resources.

- **Baseline water stress:** The ratio of total water withdrawals to available renewable supply, including both consumptive and non-consumptive uses.
- **Water depletion:** The ratio of consumptive water use to available renewable supply, focusing solely on water that is not returned to the source.
- **Inter-annual variability:** The variation in water supply from year to year, measured as the coefficient of variation of annual available water.
- **Seasonal variability:** The variation in water supply across months within a year, indicating the degree of seasonal fluctuation.
- **Groundwater table decline:** The average annual rate of decline in groundwater levels, typically measured in centimeters per year.
- **Riverine flood risk:** The percentage of population exposed to riverine flooding events each year.
- **Coastal flood risk:** The percentage of population exposed to coastal flooding from storm surges or sea level rise each year.
- **Drought risk:** The likelihood and potential impact of drought events, including the population and assets exposed.

Qualitative Physical Risks

Qualitative physical risks refer to risks associated with water quality that renders it unsuitable for use.

- **Untreated wastewater:** Share of domestic wastewater that is not treated to at least a primary treatment level
- **Coastal eutrophication potential:** Potential for harmful algal blooms due to accumulation of nitrogen (N), phosphorus (P), and silica (SiO₂)

Regulatory and Reputational Risks

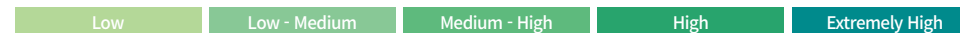
Regulatory and reputational risks stem from uncertainty around regulatory changes and the potential for reputational damage related to water issues.

- **Inadequate drinking water:** Percentage of population relying on unprotected wells, rivers, lakes, or other unsafe water sources for drinking
- **Inadequate sanitation:** Percentage of population practicing open defecation or using unimproved sanitation facilities

Risk Assessment Results

A comprehensive assessment indicated that our domestic sites are exposed to a low to medium level of water risk. Among overseas sites, higher levels of water risk were identified in China, Vietnam, and India, whereas relatively lower risks were found in the U.S., Europe, Singapore, and Latin America. However, it should be noted that these risk assessments are derived from WRI's proprietary tool and may differ from the actual water management practices and conditions at our business sites.

Category	Business Site	Overall Water Risk			
		Overall Risk	Physical Risk - Quantity	Physical Risk - Quality	Regulatory and Reputational Risk
Domestic	U.S.	Low - Medium	Low - Medium	Low - Medium	Low - Medium
	China	High	High	High	High
	Europe	Low - Medium	Low - Medium	Low - Medium	Low - Medium
	Latin America	Low - Medium	Low - Medium	Low - Medium	Low - Medium
Overseas	Singapore	Low - Medium	Low - Medium	Low - Medium	Low - Medium
	India	High	High	High	High
	Vietnam	High	High	High	High
	Latin America	Low - Medium	Low - Medium	Low - Medium	Low - Medium



SPECIAL REPORT 2

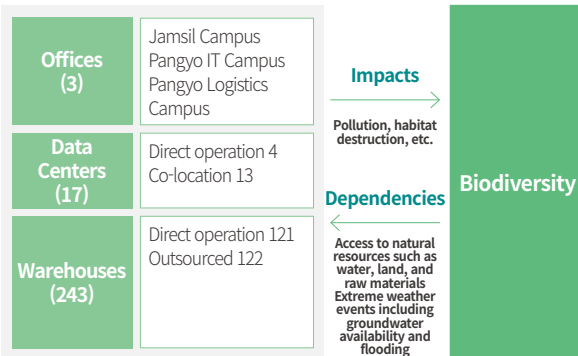
Biodiversity Management

As biodiversity emerges as the next key agenda following climate change in the global ESG landscape, collective action is being urged worldwide. Samsung SDS recognizes the significance of biodiversity and is committed to fulfilling its responsibilities as a global IT company. In line with the LEAP (Locate, Evaluate, Assess, Prepare) approach recommended by the Taskforce on Nature-related Financial Disclosures (TNFD), we have identified the locations where our business activities interface with nature, the extent to which we depend on and impact biodiversity, and the associated risks and opportunities. Going forward, we aim to actively manage these factors to reduce and prevent potential negative impacts on biodiversity. Our biodiversity-related goals, action plans, and outcomes will be managed and monitored in phases under our governance framework, including the oversight by the Board. Beginning in 2026, we will actively fulfill our role as a responsible member of society by disclosing our nature-related mitigation and improvement actions.

Phase 1 Locate Identifying interfaces between industrial activities / assets and nature

- Define the scope and conduct biodiversity impact screening
- Determine the level of impact and dependency of industrial activities
- Identify the locations of sensitive assets based on the Species Threat Abatement and Restoration (START) metric

Assets

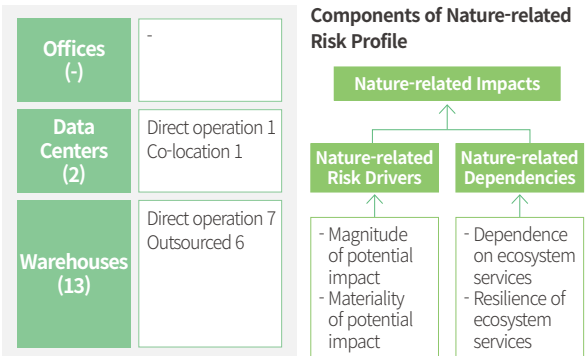


IBAT, ENCORE

Phase 2 Evaluate/Assess Deriving risks and opportunities based on nature-related impacts and dependencies

- Quantify biodiversity-related impacts and dependencies for priority locations
- Identify and assess nature-related risks and opportunities

Priority Locations

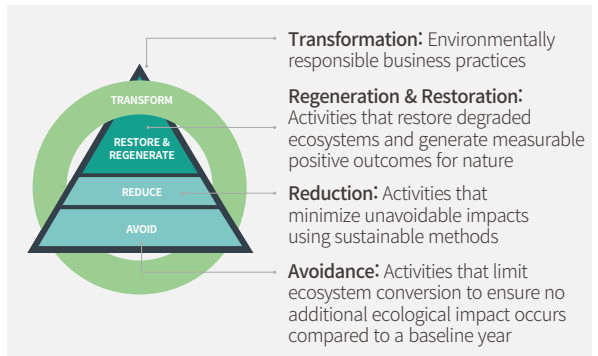


S&P Global Nature Risk Platform

Phase 3 Prepare Developing response strategies to address negative impacts

- Establish response plans based on the TNFD disclosure framework
 - Set targets
 - Identify key issues and formulate an action plan
 - Develop response measures linked to nature-positive outcomes

SBTN AR³T



TNFD Guideline

SPECIAL REPORT 2

Biodiversity Management

Locate

Identifying Interfaces with Nature and Priority Locations

In accordance with the TNFD LEAP approach, we conducted a global screening of 263 directly and indirectly operated assets, including offices, data centers, and warehouses, with an aim to identify interfaces with nature and nature-sensitive priority locations. This screening was based on the START (Species Threat Abatement and Restoration) framework, utilizing tools such as ENCORE and the iBAT (Integrated Biodiversity Assessment Tool). The results showed a very low threat level to nature, with an average START score of 0.29. However, two warehouse sites, located in Cajamar, Brazil and Sarawak, Malaysia, were found to overlap with Key Biodiversity Areas (KBAs) and Protected Areas (PAs). In order to better understand our interaction with biodiversity, we identified 15 priority assets (13 warehouses and 2 data centers) as priority locations for further analysis of dependencies and impacts, based on their relatively high START sensitivity.

Samsung SDS engages in computer programming consulting and related activities (as defined by ISIC). According to ENCORE analysis, our operations demonstrate a ‘low’ to ‘very low’ level of dependency on ecosystem services, while the potential impact was assessed as ‘moderate’ in the categories of ‘area of land use’ and ‘disturbances (e.g. noise, light).’

1. Nature Impacts of Assets

Category	START	Interface with PAs and KBAs
Samsung SDS (263 in total)	0.29	
Offices (3)	0.02	-
Data centers (17)	0.13	-
Warehouses (243)	0.30	Cajamar, Brazil and Sarawak, Malaysia

* iBAT-based START risk classification: 0~0.1 Very Low, 0.1~1.0 Low, 1~10 Medium, 10~100 High, 10~1000 Very High

2. Nature Impacts of Priority Locations

Category	START	Asset Locations (START)
Samsung SDS's priority locations (15 in total)	2.87	
Offices (-)	-	-
Data centers (2)	1.00	São Paulo, Brazil (1.01), Dongtan, Korea (0.98)
Warehouses (13)	3.16	Hong Kong, China (15.44), Sulawesi, Indonesia (6.7), Central Java, Indonesia (3.0), Tenjo, Colombia (2.8), Lima, Peru (2.79), Besakih, Indonesia (2.39), Mosman, Australia (1.8), Sarawak, Malaysia (1.23), Cajamar, Brazil (1.17), Garuva, Brazil (1.15), Shanghai, China (0.9), Durban, South Africa (0.9), Sydney, Australia (0.87)

SPECIAL REPORT 2

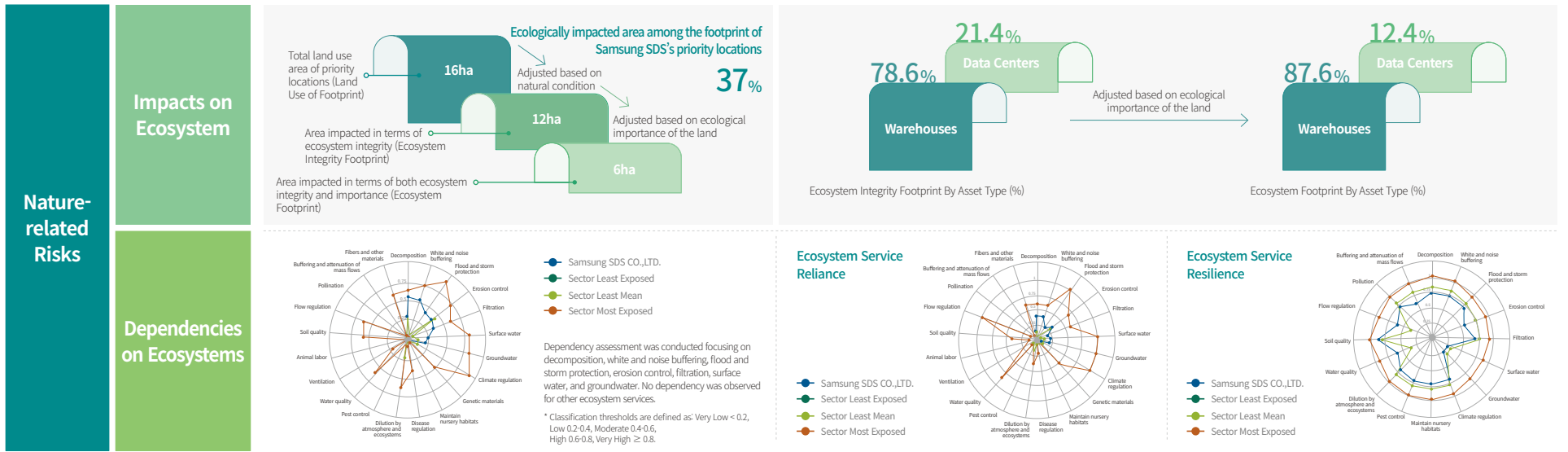
Biodiversity Management

Evaluate

Assessing Impacts and Dependencies of Priority Assets

In the Evaluate phase, we conducted both quantitative and qualitative assessments of the nature-related dependencies and impacts of the priority locations identified during the Locate phase. This analysis was carried out using the Nature Risk Platform provided by S&P Global Sustainable1, which integrates asset-specific characteristics with location-based ecosystem data. According to the TNFD framework, nature-related risk is defined by a combination of impact and dependency. S&P Global quantifies a company's impact on nature and biodiversity using Ecosystem Footprint (ha eq.), expressing the effect as an equivalent land area. We assessed the level of ecosystem impact associated with our 15 priority assets, which resulted in a combined Ecosystem Footprint of approximately 6 ha eq. The majority of impacted areas, both in terms of ecosystem integrity only and ecosystem integrity and importance combined, were found to be concentrated within warehouse operations. Understanding corporate dependency on ecosystem services is essential in evaluating business risks. Dependency is assessed by combining two key elements; Reliance and Resilience.

The average dependency score across priority locations was 0.61, with Reliance at 0.42 and Resilience at 0.93. The assets were found to be relatively dependent on white and noise damping (0.6), decomposition (0.61), protection from floods and storms (0.4), filtration (0.3), surface water (0.2), and groundwater (0.2).



SPECIAL REPORT 2

Biodiversity Management

Assess

Identifying Risks and Opportunities Based on Dependencies and Impacts

Based on the analysis of dependencies and impacts conducted during the Evaluate phase, we identified biodiversity-related risks and opportunities. We also assessed the potential influence of these risks and opportunities, including their expected business impact and time horizon.

Risks and Opportunities

Category	Priority Elements of Dependencies and Impacts	Identified Risks and Opportunities	Potential Business Impact	Time Horizon
Physical Risks	(Dependency) Protection from natural hazards such as droughts, floods, and strong winds (Dependency) Climate regulation by ecosystems	Risks related to the degradation of ecosystem services that help mitigate natural hazards, including landslides, wildfires, pest and disease outbreaks in vegetation / forests / aquatic systems, and extreme heat, may negatively affect our business sites.	• Degradation of working conditions may lead to reduced productivity, increased turnover, and challenges in talent acquisition.	Short-term
			• Droughts, floods, and river overflows may result in disruptions to service operations.	Long-term
Transition Risks	(Impact) Potential loss or degradation of biological resources due to pollutant emissions	(Policy) Designation of biodiversity conservation zones may hinder site acquisition for warehouses or data centers. (Policy) Stricter regulations related to natural capital may lead to increased compliance costs (e.g. green building certifications, waste management).	• Loss of vegetation around data center sites can reduce ecosystem services such as shading and soil erosion control, potentially increasing maintenance and cooling costs.	Long-term
			• Increased costs associated with securing alternative sites • Rising expenses to comply with environmental regulations	Long-term
		(Reputation) Potential reputational risks associated with the degradation of natural capital at Samsung SDS sites or within its supply chain, possibly affecting customer acquisition, investor interest, and talent retention.	• Additional costs required to identify and mitigate risks related to business sites and supply chains located near protected areas	Long-term
		(Market) Risk of revenue loss if customers demand natural capital-related targets and disclosures across the supply chain, and such requirements are not met.	• Transition costs for shifting to a sustainable supply chain	Long-term
Opportunities	(Impact) Potential loss or degradation of biological resources due to pollutant emissions	(Technology) Increasing need to collect and manage biodiversity and natural capital data for key upstream and downstream partners.	• Operational expenses from developing data platforms and implementing awareness and training programs for natural capital management across key suppliers	Short-term
		Opportunity to develop green logistics services by utilizing eco-friendly, low-carbon transportation methods	• Expansion of high value-added businesses through the growth of eco-friendly logistics services	Long-term

Prepare

Samsung SDS's Role in Biodiversity Conservation

As a responsible member of society and nature, we have consistently engaged in eco-friendly initiatives on the foundation of our IT capabilities. Our commitment has been recognized through Green Data Center and Green Logistics Company certifications, affirming our credibility.

Today, AI is increasingly seen as a powerful technology for studying nature without disturbing ecosystems. Against this backdrop, we will continue to leverage AI and IT technologies to identify ways it can contribute to biodiversity conservation and restoration. Looking ahead, we plan to explore nature-positive opportunities to enhance ecosystem functions and strengthen our nature-friendly business strategy. In doing so, we will establish a regular monitoring system and prioritize nature-sensitive assets for setting and tracking biodiversity-related targets.



Green Data Center Certification



Green Logistics Company Certification

Waste Management

Waste Management System

Samsung SDS continuously strives to enhance its waste management system to efficiently process the waste generated across its operations. Most of the waste consists of general waste, while designated waste is processed and reported in accordance with legal procedures. We go beyond simply increasing the volume of recyclables and actively manage the recycling rate of discharged materials to minimize incineration and landfill. We are committed to improving our internal recycling rate with the aim of obtaining ZWTL (Zero Waste To Landfill) certification¹⁾, and plan to leverage the certification as a means to publicly share our achievements. To this end, we are also actively running environmental campaigns that encourage employees to reduce waste generation at the source.

1) ZWTL (Zero Waste To Landfill): A certification assessed by UL Solutions, awarded based on recycling rates. Certifications are granted as follows: Platinum (100%), Gold (99–95%), Silver (94–90%), and Certified (80%).

Waste Generation

Category	Unit	2022	2023	2024
Total waste generated	Tonnes	2,183.8	2,892.9	4,702.0
Waste reused / recycled / sold	Tonnes	897.2	1,345.4	2,505.3
Total	Tonnes	1,286.6	1,547.5	2,196.7
Landfilled waste	Tonnes	1019.4	1,278.8	491.8
Incinerated waste with energy recovery	Tonnes	3.8	16.7	1,704.9
Incinerated waste without energy recovery	Tonnes	11.4	0.0	0.0
Waste treated with other methods	Tonnes	252.0	252.0	0.0
Waste with unknown treatment method	Tonnes	0.0	0.0	0.0

Waste Disposal by Type at HQ

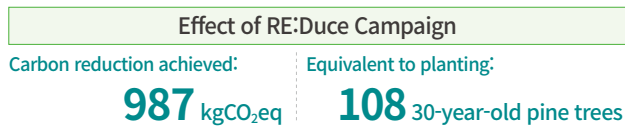
Category	Disposal Type	Unit	2022	2023	2024
Total waste disposal		Tonnes	496.7	1,205.8	2,083.9
General waste	Landfilled	Tonnes	371.2	629.6	0.0
	Incinerated	Tonnes	11.4	12.7	572.9
	Recycled	Tonnes	95.3	543.2	1,471.4
Designated waste	Landfilled	Tonnes	0.0	1.0	0.0
	Incinerated	Tonnes	0.7	0.8	2.1
	Recycled	Tonnes	18.2	18.5	37.4

Waste Management

Waste Reduction Initiatives

Cutting Down on Single-use Items in Company Cafés

We conduct the RE:Duce disposable products campaign at our in-house cafés to encourage employees to adopt eco-friendly habits. Since 2024, eco-friendly paper cups and biodegradable straws have been introduced to reduce the use of disposable items. Employees who bring personal cups such as tumblers are offered discount coupons as rewards, promoting the use of reusable cups instead of paper ones. In addition, to commemorate the International Plastic Bag Free Day, a campaign to promote zero disposable items was held at the in-house take-out corners, actively encouraging voluntary participation in environmental protection through internal awareness initiatives.



RE:Duce On-site Event



International Plastic Bag Free Day

Nephron: Resource Circulation Machine

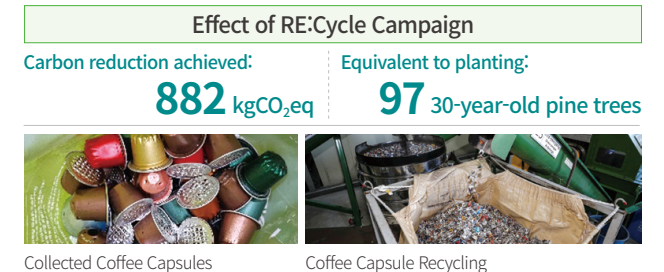
RE:Cycle Campaign to promote resource recycling. In December 2024, we introduced a resource circulation machine called 'Nephron' to collect recyclables at our Jamsil Campus. This machine allows employees to separate PET bottles and cans after removing labels and earn points in return. Since the launch of the campaign, about 154 kg of PET bottles and cans have been collected, resulting in a carbon reduction of 322 kgCO₂eq. Through this campaign, we aim to promote a culture of recycling from the perspective of a circular economy, with plans to expand the initiative to other domestic business sites.



Nephron, a Resource Circulation Machine

Coffee Capsule Collection

With the growing use of coffee capsules in the office, the need for recycling what was previously disposed of as general waste has become evident. We have partnered with Nespresso to carry out the RE:Cycle Campaign for coffee capsule recycling. Under this initiative, used coffee capsules generated from in-house coffee machines are collected in designated bins and retrieved in batches for proper recycling. This campaign reflects our continued efforts to promote resource circulation awareness among employees and to establish a more environmentally friendly office environment.



Collected Coffee Capsules

Coffee Capsule Recycling

True Love Sharing Festival and Plogging Campaign

For the purpose of commemorating the 39th anniversary of our inception, we hosted the 'True Love Sharing Festival,' during which a data plogging campaign was carried out as part of our environmental cleanup activities. Plogging refers to an eco-friendly activity that combines jogging with picking up litter, and data plogging incorporates data collection and tracking into this activity. Participants were able to log and manage information such as the location, type, and time of the waste collected using a dedicated web app. On top of that, a tumbler use and donation campaign was conducted to promote environmental protection and community sharing. Following the campaign, a total of 634 tumblers donated by employees were delivered to partner organizations.

Social



The need to enhance sustainability across the entire supply chain is becoming increasingly critical to ensure long-term corporate growth. At the same time, fostering mutual prosperity with diverse stakeholders, including employees, customers, partner companies, and local communities, has emerged as a material imperative.

In alignment with these evolving expectations, we are stepping up our ESG management throughout the supply chain, investing in human capital and capacity building, and striving to ensure a safe and healthy working environment.

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Human Rights Management

Human Rights Management Framework

We are committed to fostering an inclusive work environment for our employees and actively responding to global expectations regarding human rights protection. We strive to put human rights into practice through concrete actions. To this end, we adhere to labor and human rights standards and guidelines set by international organizations and institutions, including the UN Universal Declaration of Human Rights, the core conventions of the International Labour Organization (ILO), the Responsible Business Alliance (RBA) Code of Conduct, and the labor laws of the countries in which we operate. In addition, we established a dedicated DEI Office in 2023, which serves as the central body for promoting human rights management internally. This office is responsible for developing and executing related strategies.

Human Rights Policy

We have established and enforced our human rights policy covering 11 key areas to protect the rights of our employees. We are committed to upholding labor and human rights in line with internationally accepted standards, ensuring the dignity and rights of all workers. This policy applies not only to full-time employees but also to temporary workers, migrant workers, interns, and dispatched workers, as well as to our partner companies and business collaborators.



Declaration of Human Rights

We support and commit to complying with the human rights principles outlined in the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. To uphold human rights management, we are establishing the necessary internal systems in accordance with our Human Rights Management Statement, and actively engaging with stakeholders to gather their input and implement related initiatives.

Focus Areas of Human Rights Management

Governance and Policies	Framework for Human Rights Risk Management	Achievements in Human Rights Practices
<ul style="list-style-type: none"> • Policies and declarations • BOD roles and responsibilities 	<ul style="list-style-type: none"> • Human rights management • Human rights due diligence 	<ul style="list-style-type: none"> • Ban on child labor and forced labor • Guaranteed freedom of association • Prohibition of sexual harassment and discrimination
Human Rights Issues and Response	Remedies and Handling Grievance	Transparency in Information Disclosure
<ul style="list-style-type: none"> • Company policies on serious human rights issues 	<ul style="list-style-type: none"> • Channels and mechanisms • Process for handling reports • Remedies for human rights issues 	<ul style="list-style-type: none"> • Willingness to disclose information • Information disclosure

Human Rights Management

Human Rights Management Framework

Human Rights Governance

Samsung SDS established the DEI Office to systematically review and support human rights management activities, aiming to successfully embed respect for human rights across its business operations. Centered around the ESG Committee and the DEI Office, we manage labor and human rights at various levels. Our People Team develops policies related to human rights programs and activities for employees, and oversees the implementation of related procedures at our business sites.



Human Rights Management Activities

Human Rights Grievance Reporting Channel

We operate a reporting channel for discrimination and harassment to address grievances and incidents related to human rights from employees, partner companies, and other business stakeholders. When necessary, we also collaborate with third-party organizations to provide additional channels, ensuring that those affected by human rights violations have access to effective and satisfactory remedies. Upon receipt, all reports are promptly forwarded to the relevant departments for fact-checking. In cases involving employee reports of discrimination or harassment, we separate the reporter and the reported party based on the severity of the issue and the individuals' wishes. Cases are then reviewed by the Review Committee for Workplace Bullying and, if needed, referred to the Disciplinary Committee to prevent recurrence.

For reports submitted by partner companies or business stakeholders, we follow internal procedures to ensure that appropriate measures are taken for all involved parties, both internal and external. We also implement preventative actions and revise business practices to avoid similar cases in the future.

Safeguarding Organizational Culture

We operate a year-round reporting channel that allows employees to immediately report or raise concerns as soon as they become aware of any human rights-related issues. This includes workplace harassment, sexual harassment, coercive drinking, verbal abuse, physical violence, and other behaviors that undermine a respectful and healthy organizational culture. This system is part of our ongoing efforts to foster a workplace built on mutual respect and to support employees when such issues arise.

조직문화 지킴이

조직문화 악습 신고

직장내 괴롭힘, 성희롱 등



직장내 괴롭힘, 성희롱, 음주약속, 폭언·폭행 사고 등 신고하신 내용은 담당자에게 전달됩니다.

신고가이드



Human Rights Management

Human Rights Management Activities

Human Rights Risk Management Process

Human Rights Risk Assessment	
Development of Assessment Indicators	<ul style="list-style-type: none"> Reflect principles from the Universal Declaration on Human Rights and international initiatives Develop assessment indicators related to human rights risks such as working conditions
Selection of Assessment Targets	<ul style="list-style-type: none"> Select organizational units subject to the scope of the Universal Declaration on Human Rights Provide assessment indicators and guidelines to selected entities
Document Review	<ul style="list-style-type: none"> Conduct self-assessments by each target organization Establish internal improvement plans for identified gaps
On-site Due Diligence	<ul style="list-style-type: none"> Conduct interviews and site inspections to verify internal policies, systems, and specific risk factors
Third-party Verification	<ul style="list-style-type: none"> Engage third-party assessments, when necessary, to ensure objectivity in the document review and on-site inspections
Remediation Plan Requirement	<ul style="list-style-type: none"> Require improvement plans for high-risk or non-compliant issues identified during due diligence
Human Rights Management and Improvement Activities	
Implementation Monitoring	<ul style="list-style-type: none"> Continuously monitor the implementation of agreed-upon corrective actions, and apply additional measures if necessary
Deriving and Discussing Improvement Measures	<ul style="list-style-type: none"> Identify specific actionable improvements for risks revealed through the human rights risk assessment
Regular Reporting and Disclosure of Management Status	
Reporting to Decision-makers	<ul style="list-style-type: none"> Report significant risks, proposed improvements, and key insights identified in the assessment to the Management Committee and other relevant committees
External Disclosure	<ul style="list-style-type: none"> Disclose human rights violations, assessment results, and corrective or mitigation measures through various channels such as the company website or Sustainability Reports

Employee Human Rights Training

We provide annual human rights training to all employees to promote understanding of diversity and to foster a healthy organizational culture. In 2024, we conducted initiatives to enhance employee awareness through campaigns focused on DEI and respect for diversity. Beginning in 2025, we will implement mandatory online training programs to emphasize practical application and further strengthen employee awareness and engagement with DEI principles.

Human Rights Training Outcomes

Q2	Q3
Disability awareness training, sexual harassment prevention training, understanding and practicing DEI	Workplace harassment prevention training, mental health and well-being training

Topic	Audience	2023	2024
Improving awareness of people with disabilities	All employees	100% completion of 11,548 employees	100% completion of 11,435 employees
Prevention of sexual harassment	All employees	100% completion of 11,548 employees	100% completion of 11,435 employees
Prevention of workplace bullying	All employees	100% completion of 11,604 employees	99.7% completion of 10,680 employees
Mental health	All employees	95% completion of 11,337 employees	95.7% completion of 10,804 employees

Human Rights Education for Overseas Employees

To ensure that expatriate employees respect local cultures and work harmoniously with local staff, we provide training on global etiquette and local behavioral guidelines related to diversity and equity for newly assigned overseas personnel. In addition, our overseas entities conduct training for local employees on human rights protection and cross-cultural understanding.

DEI (Diversity, Equity, and Inclusion)

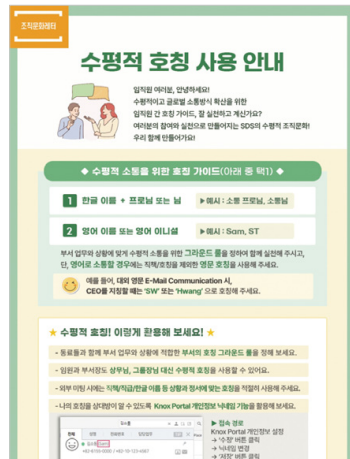
We respect the diversity of all members across our Headquarters, subsidiaries, and overseas entities. We do not tolerate any form of discrimination based on gender, race, nationality, religion, age, disability, or any other factor. We are committed to treating all employees fairly and equitably, and to fostering an inclusive environment for everyone. To enhance awareness and build a shared understanding of DEI, we conduct company-wide training and cultural programs. We also strengthen support for women and persons with disabilities and promote DEI policies tailored to the cultural and social contexts of each country in which we operate.

Organizational Culture

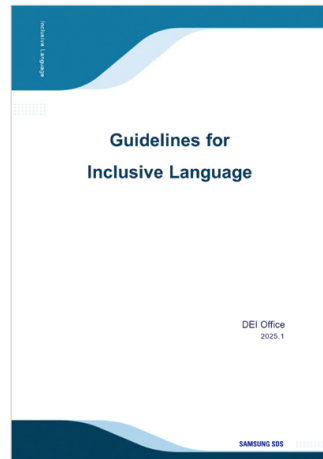
We are actively fostering an inclusive organizational culture through various internal initiatives at both our Headquarters and overseas entities.

Creating an Inclusive Workplace

Since 2019, we have simplified our job title system and adopted more horizontal forms of address. In 2022, we launched initiatives to promote mutual respect within the organization, including the use of polite and respectful language, global meeting etiquette, and campaigns encouraging expressions of gratitude and appreciation among colleagues. In 2024, we developed and distributed a standard guide on inclusive language to encourage respectful and inclusive communication within the company.



Guidelines for Horizontal Titles (Newsletter)



Standard Guide for Inclusive Language Use

Organizational Culture Inclusiveness Assessment

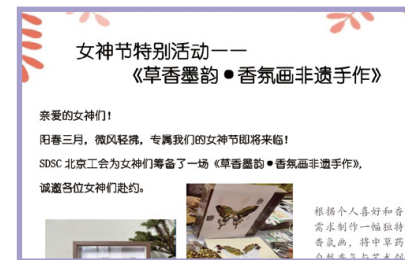
We conduct an annual Samsung Culture Index (SCI) survey to gather employee feedback on various aspects of our workplace culture, including DEI. Through this process, we listen to diverse perspectives and continuously improve areas identified as lacking.

Sample DEI Satisfaction Survey Items

- Our company's systems are operated fairly, regardless of age, gender, race, or place of origin.
- Members of my team respect each other's individuality and diverse values.
- I feel comfortable expressing differing opinions to my manager.

Inclusive Culture for Female Employees

Alongside efforts to foster a culture of inclusion and mutual respect, we conduct various initiatives to support the mental well-being and sense of belonging of our women employees. These include leadership seminars, mental wellness programs for working mothers, and social contribution activities supporting women in vulnerable circumstances.



Newsletter on International Women's Day Event



International Women's Day Activities (Refreshments and Mental Wellness Sessions)

DEI (Diversity, Equity, and Inclusion)

Support for Disability Inclusion

Exceeding the Mandatory Employment Rate for Persons with Disabilities

We fulfill our corporate social responsibility and contribute to expanding workforce diversity by complying with the mandatory employment rate for persons with disabilities. In addition, we provide disability awareness training for all employees and appoint certified disability employment counselors to improve the working environment for employees with disabilities. In 2024, we achieved a disability employment rate of 3.49%, exceeding the legal requirement of 3.1% by 0.39 percentage points.

Disability Employment Rate at Headquarters

Category	Unit	2022	2023	2024
No. of employees with disabilities	Persons	492	423	343
Employment rate ¹⁾	%	3.62	3.59	3.49

1) Based on the calculation standards outlined in the Act on the Employment Promotion and Vocational Rehabilitation of Persons with Disabilities

Support for Employees with Disabilities

We are committed to providing a comfortable and accessible work environment for employees with disabilities. At our business sites, we have made infrastructure improvements such as replacing doors on the floors where employees with disabilities work with automatic doors, and providing dedicated parking spaces and exclusive elevators to enhance mobility and convenience.



Dedicated Parking Spaces for Persons with Disabilities at Samsung SDS Campus



Elevators for Persons with Disabilities

Operation of OpenHands, Standard Workplace for Persons with Disabilities

OpenHands was established in November 2010 as a subsidiary-type standard workplace for persons with disabilities under Samsung SDS, as part of the company's commitment to corporate social responsibility. Since then, OpenHands has continuously worked to improve accessibility by expanding facilities such as dedicated restrooms, parking areas for persons with disabilities, healthcare rooms, and tactile blocks for the visually impaired following the relocation of its office. OpenHands also strives to help employees with disabilities balance work and personal life by offering various programs, systems, and training opportunities, contributing to the spread of a more inclusive corporate culture. In recognition of these efforts, OpenHands received the Iron Tower Order of Industrial Service Merit in 2020, the Minister of Employment and Labor Award in 2021 and 2023, and was certified as a Family-friendly Company by the Ministry of Gender Equality and Family in 2024. Going forward, OpenHands will continue to play a leading role in creating job opportunities for persons with disabilities in collaboration with the Ministry of Employment and Labor, solidifying its position as a model case among Korea's subsidiary-type standard workplaces.

Awarded the Iron Tower Order of Industrial Service Merit at the Disability Employment Promotion Conference in 2020

Received the Minister of Employment and Labor Award at the Disability Employment Promotion Conference in 2021

Received the Minister of Employment and Labor Award at the Disability Employment Promotion Conference in 2023

Certified as a Family-friendly Company by the Ministry of Gender Equality and Family in 2024



Certified as a Family-friendly Company in 2024

DEI (Diversity, Equity, and Inclusion)

Support for Female Workforce

Female Employees

The proportion of female employees at Samsung SDS increased from 30.6% in 2022 to 30.9% in 2024. The percentage of women in management positions also rose steadily, from 24.2% in 2022 to 25.3% in 2023, and 26.3% in 2024.

Category	Unit	2022	2023	2024
Ratio of female employees	%	30.6	30.6	30.9
Ratio of female junior managers ¹⁾	%	40.2	39.4	38.8
Ratio of female managers	%	24.2	25.3	26.3
Ratio of female executives	%	8.1	6.6	6.9
Ratio of female employees in STEM functions	%	22.8	23.1	32.3
Ratio of female employees in sales and profit functions	%	24.6	25.4	27.3

1) As per the internal career level system, junior managers refer to CL2 and managers refer to CL3 and CL4.

Compensation and Benefits for Female Employees

We ensure equal compensation standards for all genders based on fair performance evaluations. As a result of these efforts, employees of the same tenure receive equal pay across all job levels, regardless of gender. We also provide a range of employee benefits, including operation of an in-house daycare center, financial support for children’s education, welcome gifts for employees with children entering elementary school, and female-focused programs through amenities such as a women’s rest area (Dodami-bang) and a mental wellness center.

Category	Description
Childbirth celebration support	Childbirth congratulatory bonus and gift, including for adopted children
In-house daycare & Dodami-bang	In-house daycare centers and dedicated rest lounges for female employees at each business site
Mental wellness support for working mothers	Mental health programs specifically designed to support working mothers
Educational support and school entrance gifts	Financial support for employees’ children’s education and welcome gifts when children enter elementary school

Maternity Protection

We operate maternity protection programs to support female employees in balancing work and family life, including childbirth and childcare.

Parental Leave / Infertility Leave

Employees raising children under the age of 12, regardless of gender, may take up to 24 months of parental leave, which can be split into two separate periods. To help employees smoothly transition back to work, we also offer soft-landing training upon their return. For employees facing challenges in balancing work and family due to infertility, we provide infertility leave, which can be taken in up to two segments within a 12-month period. In addition, we offer financial support and leave for infertility treatment.

Reduced Working Hours

To protect pregnant employees from the risk of miscarriage or premature birth, we offer the option of reduced working hours during pregnancy and ensure paid time off for prenatal check-ups as part of our formal policies. In addition, for employees who face challenges in performing full-time duties due to childcare responsibilities after childbirth, we provide a reduced working hours program as an alternative to full-time parental leave, helping to ease the burden of childcare while maintaining job continuity.

Pre- / Post-Childbirth Leave and Miscarriage Leave

We provide maternity leave as well as leave in the event of miscarriage or stillbirth to ensure that pregnant employees have sufficient time to rest before and after childbirth and to care for their newborns. We also offer paternity leave to support employees whose spouses have given birth, helping to ease household responsibilities and encourage active participation in childcare.

Best Family-friendly Management Certification

We first received the Best Family-friendly Management Certification in February 2013 and successfully renewed it in December 2021. As a result, we have been officially recognized as a family-friendly company for 11 consecutive years through 2024.



Best Family-friendly Management Certification

Employees

Recruitment

Talent Profile and Recruitment Process

We recruit talent based on passion, creativity, innovation, integrity, and a strong sense of responsibility without discrimination based on educational background, gender, nationality, or religion. We are committed to providing equal opportunities to all job applicants and operate a fair and transparent recruitment process to secure outstanding talent across diverse fields. New employees are hired through open recruitment in the first and second halves of the year, while experienced professionals are recruited on a rolling basis according to job function or business needs. Since 2023, we have resumed open internship programs to identify and attract promising entry-level talent, offering participants opportunities for hands-on training in their assigned departments during their internships.



Recruitment Poster

Special Algorithm Lecture for Undergraduates

Since 2018, we have held the Special Algorithm Lecture for Undergraduates twice a year during the summer and winter breaks for university seniors and recent graduates aspiring to become IT professionals. The program features in-depth training and hands-on sessions on algorithms, delivered by our employees serving as instructors. It aims to strengthen students' algorithm and programming capabilities while also serving as a talent pipeline for identifying high-potential new recruits. In addition to technical education, the program offers various career support activities, such as in-house solution tours and mentoring sessions with current professionals to provide comprehensive guidance on employment.



Poster for Special Algorithm Lecture for Undergraduates

Securing Top IT Talent

We are committed to securing top global talent to lead digital innovation across diverse industries such as manufacturing, logistics, finance, and EPC, leveraging our technological capabilities in cloud, security, AI, and data analytics. By recruiting experts from leading global companies and hiring PhD-level professionals, we continue to strengthen our technological and business capabilities. At the same time, we build strategic networks and offer clear career development pathways to attract and retain high-potential talent.



Poster for Academia-Industry Collaboration Program

Talent Acquisition from Domestic and International Universities

We host campus recruiting events twice a year at leading domestic and international universities with strengths in AI, cloud, logistics, and other key business areas to attract top talent, including undergraduate and graduate students. Our recruitment activities include lab visits and career consultations related to Samsung SDS's business and technology, tech seminars led by executives and technical leaders, and company information sessions. Starting in 2024, we also launched the Headquarters Invitation Program, targeting third- and fourth-year university students. The program offers office tours, business overviews, and networking sessions with alumni currently working at Samsung SDS, with the aim of discovering and engaging high-potential new talent.



Campus Recruiting



Company Briefing Session at University



Headquarters Invitation Program Targeting University Students

Employees

Talent Development

Cultivating AI and Cloud Specialists

To strengthen our competitiveness in AI and cloud businesses, we have established a structured training system to develop specialized talent through education tailored to skill level and job function. In addition, we provide company-wide training on the use of generative AI to enhance practical AI capabilities. To further build professional expertise, we offer both internal Samsung SDS training programs and vendor-specific external courses.

Software Development Competency Support System

To enhance employees' capabilities in software algorithms and programming implementation, we operate a tiered training program along with a structured software competency assessment. Employees who obtain higher-level certifications receive additional points for promotion and performance incentives. In addition, we offer specialized courses such as the software architect program to train experts in software structural design, and the code reviewer program to develop professionals who lead code quality improvement through peer reviews. These initiatives help foster a software-centric development culture and continuously strengthen our software capabilities.

Leadership Development

To strengthen organizational management and leadership capabilities, we have been providing Leadership Training for all executives and department heads. Since 2023, we have also published and distributed a Leadership Letter book series to support this initiative. These efforts help leaders build foundational leadership skills and reinforce their awareness of their roles and responsibilities as organizational leaders.

Participation Rate in Core Competency Development Programs

Category	Unit	2024
AI / cloud training program	%	91.5
Leadership training	%	93.1

Practical, Work-oriented Global Talent Development

To foster global talent, we provide a variety of customized training programs tailored to different proficiency levels, designed to offer practical support for employees in their daily work. These include online language courses, one-on-one phone or video-based English conversation coaching, AI-based tutoring, and practical training programs specifically designed for employees engaged in overseas assignments.

Open Learn Seminar

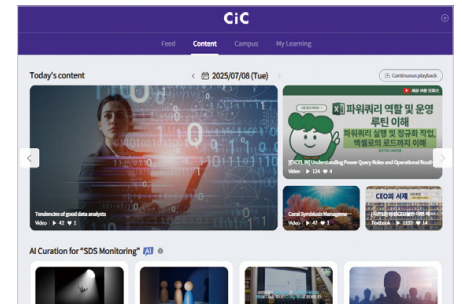
We host weekly Open Learn Seminars open to all employees, providing valuable insights into business and IT technologies. These seminars cover key Samsung SDS business areas, core technologies, the latest IT trends, and technical know-how. They are led by business unit leaders and internal or external technology experts to ensure practical and up-to-date knowledge sharing.



Open Learn Seminar

Talent Development Portal

We offer more than 1,300 in-person and online training programs based on a structured competency framework for each job function. Through MyProway 2.0, our internal employee development portal, individuals can browse, register for, and complete courses at any time, providing a flexible and personalized learning environment to support continuous skill development.



Talent Development Portal

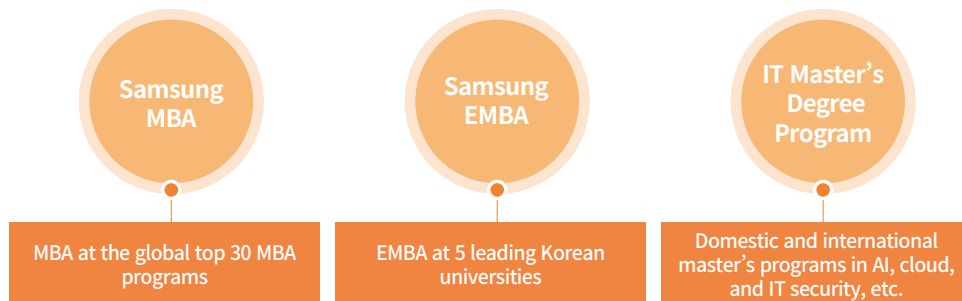
Employees

Talent Development

Academic Training

We identify and nurture high-potential talent to become future leaders equipped with both theoretical knowledge and practical skills by offering opportunities for all employees to pursue the Samsung MBA, EMBA, and IT Master’s Degree Program. Samsung MBA supports up to two years of study at top 30 global universities, covering local living expenses and tuition. Samsung EMBA provides support for admission fees, tuition, and overseas training expenses for up to two years at five leading domestic universities. IT Master’s Degree Program offers blended online and offline education for up to 2.5 years in AI, cloud, security, and other fields, covering tuition and other necessary training costs for both domestic and international programs.

Academic Training Program



Regional Specialist Program

We dispatch talent to key strategic countries such as Vietnam and India to develop global markets and foster future leaders. Regional specialists engage in a variety of activities, including experiencing local cultures, conducting market analysis, and collecting specialized materials for benchmarking and business insights.

SDS Certified Professional (SCP)

We select top-tier talent with exceptional technical expertise and professionalism to present a clear growth vision to employees and foster a culture that values experts. First introduced in 2003, the SCP program selects approximately 1% of the company’s technical personnel and offers differentiated recognition and benefits to instill a strong sense of pride as the company’s top experts. SCPs lead knowledge-sharing activities by establishing research groups in their areas of specialization, and contribute to skill development through mentor-mentee relationships across the company. They also play a key role in enhancing competitiveness by leading technical reviews across the business.

Certification Support Program

We operate a certification support program to strengthen our business capabilities and enhance employee expertise. We provide exam fee support for more than 500 job-related certifications. For certain strategically important certifications, additional points are granted during the promotion process. The list of supported certifications is continuously updated to reflect evolving business needs.

Data Scientist Certification Program

To systematically develop Data Scientists (DS), we established the DS Certification Program in 2018 and have been operating it since. Through the DS Academy program, we provide a wide range of learning content and training courses required for DS certification.

Training Program Effectiveness Measurement and Management

To enhance employee capability and improve satisfaction with our training programs, we conduct surveys of participants upon completion of each course. These surveys allow us to quantitatively evaluate and systematically manage various aspects of the program, including instructor quality, course content, and the overall learning environment. In 2023, the average satisfaction score for our training programs was 4.7 out of 5. This increased to 4.8 in 2024, reflecting the effectiveness of ongoing efforts to monitor satisfaction, measure learning impact, and improve training quality. We will continue to assess and enhance our programs through regular satisfaction surveys and continuous improvement initiatives.

Employees

Work Program

Flexible Working Hours

To foster an autonomous and creative organizational culture, we introduced a flexible commute system in 2011, allowing employees to manage their own start and end times. In 2018, we implemented a flexible work hours program, enabling employees to adjust their working hours to better suit their needs. This system improves both work efficiency and employee satisfaction with the working environment.

Flexible Working Environment

We are building a flexible working environment that enables employees to work efficiently anytime, anywhere. Depending on their needs, employees can work from home or use designated satellite offices (Adaptive Working Zones). In addition, our generative AI-based collaboration solution, Brity Copilot, which includes messaging, meetings, and file sharing features, supports seamless remote work and uninterrupted mobile productivity.

Internal Job Posting

We operate an internal job posting system to support employees in developing their careers by transitioning into roles aligned with their interests, while also securing the internal talent needed to advance our strategic business initiatives. This system is available year-round and conducted through a blind evaluation process to ensure fairness. Candidates are assessed based on their technical skills, work history, and overall capability, with successful applicants selected accordingly. With an aim to support smooth transitions, selected employees receive job-specific training and mentoring to help them adapt successfully to their new roles.

Employee Appraisals

We conduct employee appraisals twice a year. At the beginning of each year, evaluators and employees jointly set individual performance goals aligned with job responsibilities. To ensure objectivity and fairness, these goals are defined using measurable and quantifiable indicators wherever possible. If there are changes in the employee's role or department during the year, performance goals may be revised accordingly. Evaluators are expected to support employees in achieving their goals and regularly hold pre-evaluation and evaluation interviews to address any work-related concerns. In addition, evaluators provide ongoing feedback throughout the year to track progress and offer guidance for skill development. If an employee disagrees with the appraisal results, they may file an appeal, and the final grade can be reviewed and adjusted through the Appraisal Objection Review Committee. Based on the results of individual performance evaluations, we apply differentiated compensation to enhance employee motivation and work efficiency.

Frequent Reviews and Peer Reviews

To enhance the reliability and fairness of performance evaluations, we operate frequent feedback and peer review systems. Through frequent feedback, evaluators regularly check the progress of employees' performance goals and provide constructive input on both strengths and areas for improvement, supporting continuous performance enhancement. The peer review system gathers input from colleagues who work closely with the employee. These insights are shared with the evaluator, who uses them as a reference to support the employee's development and achievement of performance goals.

Employees

Organizational Culture

Welfare and Benefits

We offer a wide range of welfare programs and convenient facilities designed to support daily life, health management, and leisure activities. These initiatives aim to enhance employee motivation and overall well-being.

<p>Tuition support for children</p> 	<ul style="list-style-type: none"> Tuition support for children under school-age and children in middle school, high school, or college
<p>Bereavement allowances</p> 	<ul style="list-style-type: none"> Congratulatory and bereavement leaves and allowances for such events related to the direct family members of the employee or his / her spouse Supports supplies and manpower for funerals
<p>Medical support</p> 	<ul style="list-style-type: none"> Medical fees for employees, spouses, and children Medical Support Medical exams for employees and their spouse, support for infertility treatment Inhouse clinics (supports influenza vaccinations)
<p>Pensions</p> 	<ul style="list-style-type: none"> Contributions to personal pensions to support employees' post-retirement stability
<p>Leisure support</p> 	<ul style="list-style-type: none"> Access to vacation resorts (condominiums and hotels) and support for admission to theme parks such as Everland, Caribbean Bay, Lotte World, and Gyeongju World
<p>Flexible benefits</p> 	<ul style="list-style-type: none"> Utilizing a welfare point system according to individual preferences of employees
<p>Convenience facilities</p> 	<ul style="list-style-type: none"> Company cafeteria, daycare center, fitness center, healthcare center and Dodami-bang (rest area for pregnant women)

Work Engagement-driven Culture

We are committed to building a culture of engagement where employees feel proud of the organization and can focus on their work with purpose and efficiency. To strengthen employees' sense of pride and belonging, we host a variety of events such as family invitation days, sports outings, and employee appreciation programs. We also promote cross-functional collaboration and knowledge sharing through initiatives such as interdepartmental seminars and collaborative workshops that foster workplace synergy. To support work-life balance, we provide guidance on recommended annual leave and encourage a culture where employees can take time off freely. Activities such as vacation photo contests, theme park invitations, and cultural event promotions help create an environment that values rest and well-being.

CEO Code Time (Online Communication Program)

We operate CEO Code Time, a program for the CEO, business division leaders, and employees to share current business performance, news on the latest technologies, and business strategy under the idea of all employees uniting under the same Samsung SDS code. In 2024, a total of three live online sessions were held, including dedicated Q&A segments where employees could ask questions and receive direct responses on key internal topics and concerns.

CEO Real Time (On-site Communication Program)

We operate CEO Real Time, an on-site communication program in which the CEO visits employees across various locations nationwide. Through in-person meetings, the CEO engages directly with employees at different business sites to listen to their concerns, answer questions, and share tailored messages relevant to each workplace. This program allows for real-time feedback and meaningful dialogue that reflects the unique characteristics of each site. In 2024, a total of seven sessions were conducted.



Company Cafeteria



Daycare Center

Employees

Organizational Culture

Future Empathy Council (Labor-Management Council)

We operate the Future Empathy Council, a labor-management council with a three-year term, to foster constructive dialogue and a healthy labor-management relationship. In accordance with the Act on the Promotion of Employee Participation and Cooperation, the council holds four regular meetings annually to discuss and improve company policies and the working environment. In 2024, the council visited various business sites alongside company leadership to host surprise engagement events and organized family invitation programs to boost employee morale and sense of belonging. Additionally, visits were made to regional offices and high-effort project sites to listen to employees' pain points and discuss improvement plans, contributing to a more engaged and collaborative organizational culture.

Future Empathy Council Composition

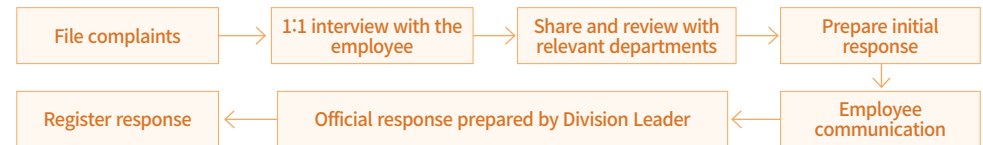
Representative	Vice Representative	Secretary
<ul style="list-style-type: none"> Leads meeting as the Council's representative 	<ul style="list-style-type: none"> Operates the Grievance Handling Office and promotes the Council 	<ul style="list-style-type: none"> In charge of administrative tasks such as preparing meeting minutes, etc. Previews council agenda items with the secretary from the management-side

Labor-Management Council Operations

Category	Unit	2022	2023	2024
Employee participation rate	%	100	100	100
Rate of reflecting agreements with the Labor-Management Council	%	100	100	100

Council's Grievance Handling Process

The Labor-Management Council operates the Grievance Handling Committee and Office to promptly and fairly address various concerns raised by employees. Employees can submit grievances through the council's main portal. All submissions are reviewed by the council and the relevant departments, and official responses are provided through the platform to ensure transparency and resolution.



Council Activities in 2024

Council Meeting	Grievance Handling	Family Invitation Events
Approx. 200 sessions	Approx. 150 cases	Total 11 sessions
Surprise Business Site Visits	Local Business Site Visits	
Total 12 times	Total 39 times	

Employees

Organizational Culture

Samsung Culture Index (SCI)

We conduct an annual Samsung Culture Index (SCI) survey to identify strengths and weaknesses in our workplace culture, and to define areas for improvement. The survey targets all employees and consists of 30 questions across three key dimensions, Enjoyable Work, Companionship with Colleagues, and Pride in the Company. In addition to the survey, we conduct Focus Group Interviews to gain deeper insights into employee sentiment. Based on the results, we have established our strategic approach to refining our organizational culture, and implemented follow-up initiatives to foster a healthy and engaging work environment.

Employee Survey Composition

Enjoyable Work	Companionship with Colleagues	Pride in Company
<ul style="list-style-type: none"> • Proactive attitude, ready to take on work challenges • Working environment for focusing • Efficient work implementation 	<ul style="list-style-type: none"> • Relationship based on voluntary cooperation and respect • Culture based on mutual trust • Work management 	<ul style="list-style-type: none"> • Pride in the company • Transparent communication with employees • Fairness in institutions and procedures

Survey on Palpable Change in the Organizational Culture (CCT)

Since 2023, we have implemented CCT (Change our Culture Together), an on-site, employee-driven initiative to refine organizational culture. We conduct semiannual surveys focused on workplace culture to identify inefficient or unreasonable practices in day-to-day operations. The surveys also collect feedback on department-level issues, such as mutual respect and work styles. Following the surveys, department heads and team members work together to define and execute improvement tasks tailored to their specific circumstances and culture. For departments requiring additional support, we provide consulting services to identify vulnerabilities and propose customized solutions.

Change Agent

Change Agents (CAs) play a key role in driving positive change within our organizational culture. They actively pay attention to and share team members' feedback to deepen communication within departments and help build a more vibrant workplace by addressing weaknesses through tailored activities aligned with each department's unique context. CAs also strengthen their capabilities by networking with one another through dedicated conferences, where they exchange ideas and best practices. In addition, we host the Culture Fair, an event that showcases outstanding examples of internal communication and team engagement initiatives led by CAs.



CA Capacity-building Conference



CA Culture Fair

Employees

Organizational Culture

Mental Fitness Center

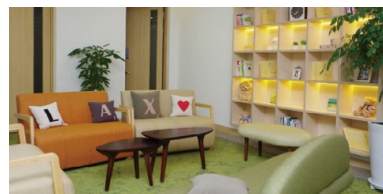
We operate the Mental Fitness Center to support the emotional well-being of our employees. The center offers a range of services, including individual counseling, psychological assessments with professional interpretation, and both online and offline mental wellness programs.

Mental Fitness Centers at Business Sites		Counseling Service	
Permanent	<ul style="list-style-type: none"> Jamsil Campus Pangyo IT Campus 	Personal counseling	<ul style="list-style-type: none"> Mental health, family issues, interpersonal relationships, stress
Weekly	<ul style="list-style-type: none"> Pangyo Logistics Campus Suwon Data Center Sangam Data Center Giheung (Semicon Plaza), Hwaseong (Tera Tower) 	Psychological testing / interpretations	<ul style="list-style-type: none"> Mental health (depression, anxiety), personality, career, marriage, parenting
		Mental health program	<ul style="list-style-type: none"> Team-building, mindfulness therapy (CIM-Care), target specialization, meditation

* On-site mobile counseling, as well as video and phone counseling, are offered to employees at business sites without dedicated counseling rooms.

Happiness Care Index (HCI)

We operate the Happiness Care Index (HCI) as a continuous mental health check-up program available to all employees. This initiative helps employees regularly assess their mental well-being, and supports their pursuit of happiness. In addition, we send out an annual company-wide mailing to introduce the HCI (PC and mobile versions) and encourage employee participation in the mental wellness screening.



Mental Fitness Office at Jamsil Campus

Diagnosis Areas

Happiness	Family support, social support, leisure management, self-care, problem-solving
Stress	Daily stress, work stress
Depression	Physical and emotional symptoms, mood swings, undermined motivation for life, etc.
Anxiety	Worries, anxiety, nervousness, physical symptoms such as indigestion and difficulty breathing, etc.
Sleep	Hours of sleep, quality of sleep, inconveniences due to insomnia, etc.

Retirement Planning Support

Through our Career Consulting Center, we support mid- to late-career employees who are retiring or planning to retire, helping them prepare for a stable and fulfilling next chapter in life. We provide counseling and training on topics such as life planning, career transition, reemployment, entrepreneurship, relocation to rural areas, and exploring the social economy, along with financial health assessments. From 2016 to 2024, a total of 617 employees participated in these programs.

Training for (Prospective) Retirees

Life and career planning	Diagnosis of personal values and capabilities, searching for self-identities, details on the 6 dimensions of life, information on career alternatives, setting career goals, and building specific action plans
Reemployment support	Understanding post-retirement changes, mind-setting for successful reemployment, understanding SME business management, exploring the job market, preparing resumes, and interview strategies
Startup support	Deciding on business model, analyzing business environment, studying business feasibility, startup support policies, individual and corporate business registration, startup support projects and training information
Urban-to-rural migration support	Information on relocation to rural areas, chance to experience rural life, and career opportunity exploration
Industry expert professors	Grasping the roles and responsibilities of industry professors, teaching methodologies, and coaching leadership
Social economy exploration	Capacity building to start or transfer to social enterprises, understanding social enterprises, and support policies, etc.



Course for Professor for Industry Collaboration Purpose - Visit to Sungkyunkwan University



Course for Social Economy - Corporate Site Visit

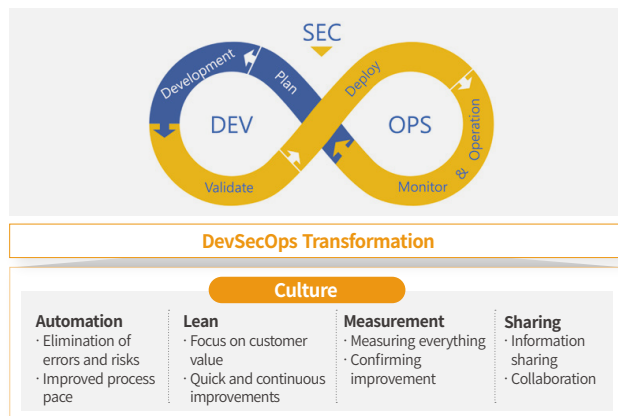
Employees

Work Culture Innovation

We have established our own DevSecOps standard framework to drive innovation in work culture and operational practices. By integrating security into the development and operations workflow, we have created an organic feedback system that enables shared responsibility among planners, developers, and operators. This approach enhances collaboration and accountability across roles. In addition, through automation, we have improved task execution speed and shortened product release cycles.

DevOps and DevSecOps

DevOps, a combination of ‘Development’ and ‘Operations,’ refers to a culture, philosophy, methodology, and set of tools that enhance organizational capabilities through the integration and collaboration of development and operations teams. We implement DevSecOps, an extension of DevOps, by integrating security into every stage of the software development lifecycle, from design and development to testing and operations, and by automating these processes to ensure both speed and security.



DevSecOps Guiding Everyday Work Standards

Our standardized DevSecOps framework, established in alignment with DevOps principles, consists of six key areas: Plan, Development, Validate, Deploy, Monitor & Operation, and Collaboration. Security is embedded into each phase of the lifecycle, and standardized toolchains are used to visualize and measure the entire development flow, enabling transparency, consistency, and continuous improvement across all stages.



DevSecOps Examples

Integration of generative AI	Automatic code generation and code improvement suggestions
	Auto-generation of unit / API test code
	AI-based code review and code quality analysis AI-generated guidance for resolving security vulnerabilities
Automated development environment setup	Automated configuration of development and deployment environments
	Environment setup time reduced from 5 days to under 1 day
Time to market ¹⁾	Human error prevention through automation
	Global deployment time reduced from 4 hours to 20 seconds
	Release cycle shortened by half Achieved zero downtime
Security	Developer security training and awareness campaigns
	Automated security vulnerability analysis and security checks Integrated monitoring of overall security posture

1) Based on intranet system (500,000 users in 74 countries)

Sustainable DevSecOps

We are continuously upgrading our DevSecOps capabilities by leveraging generative AI, fostering a culture of sharing and collaboration, simplifying development and operations processes, automating workflows using standardized tools, and enhancing overall security levels. Our internal DevSecOps team supports the adoption of DevSecOps practices across departments, and we conduct maturity assessments to drive ongoing innovation in how we work.

Maturity Assessment Items

Plan	Maturity level in handling customer requests through a system-based standard development and operation process, requirements in the planning stage, and the product roadmap, etc.
Development	Maturity level of various development activities such as coding, writing test code, version control, code reviews, and automation of static application security testing.
Validate	Maturity level in continuous integration processes, including code integration, quality and security vulnerability analysis, test automation, security inspection automation, and packaging.
Deploy	Maturity level in executing continuous deployment via automated systems, based on standardized release processes with integrated security requirements
Monitor & Operation	Maturity level in managing service operations, including service availability, operational requirements, regular and ad-hoc tasks, release procedures, and history tracking
Collaboration	Maturity level of cross-functional communication and collaboration among planning, development, and operations departments

Occupational Safety and Health

Framework for Safety and Health Management

Safety and Health Policy

Samsung SDS has formulated and implemented a safety and health policy to safeguard the safety and well-being of all stakeholders, including employees, partner companies, customers, and local communities. At our major business sites, we operate Occupational Safety & Health Committees, where management and employee representatives meet quarterly to discuss key issues related to workplace safety and health, and to map out and execute action plans. Moving forward, we will continue to upgrade our safety and health management system for all employees, partner companies, and stakeholders within Samsung SDS's scope of responsibility through the consistent application of our safety and health policy.

- 1** Comply with laws and regulations, domestically and internationally
- 2** Create a safe and pleasant workplace
- 3** Manage safety & health at global level
- 4** Build a culture that values safety & health
- 5** Promote activities to prevent fatal occupational and civil accidents

Mapping Out Action Plan for Safety and Health

To ensure the effective execution of our safety and health policies, we have set annual key objectives and concrete action plans. These plans are submitted to the Board each year for review and formal approval.

Key Safety & Health Targets for 2025

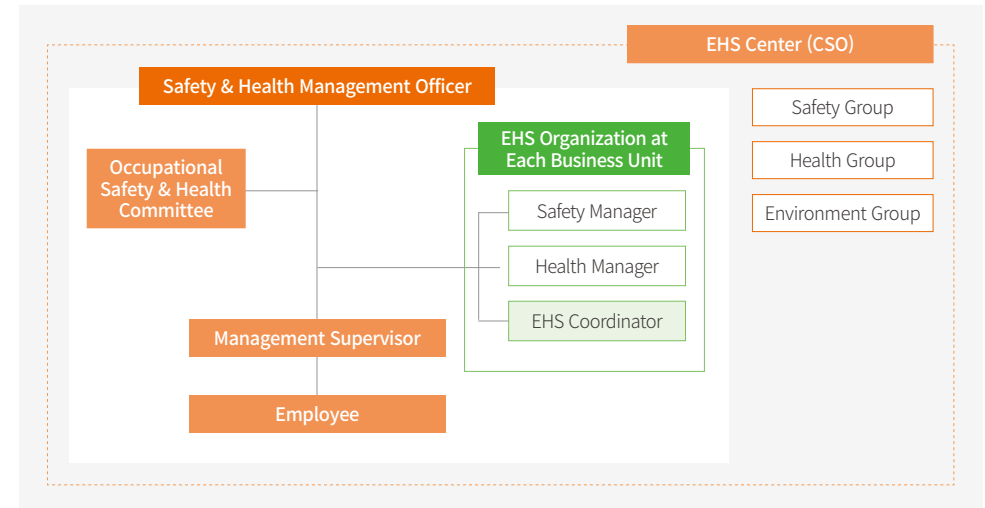
- Reach 'zero' serious industrial accidents and civil accidents
- Reduce Industrial Accidents (IA) and Lost Time Injuries (LTI) to 'below the three-year average'
- Achieve a reduction in the rate of employees with health concerns that falls 'below the three-year average rate of change'

Board Approval for Safety & Health Plans

Date	Agenda Item	Approval
Jan. 23. 2025	Approval of the 2025 Safety and Health Plan	Approval
Jan. 25. 2024	Approval of the 2024 Safety and Health Plan	Approval
Jan. 26. 2023	Approval of the 2023 Safety and Health Plan	Approval

Safety & Health Organization

We have strengthened the independence and expertise of our safety and health management by establishing dedicated safety and health organizations within each business unit, coordinated by the Corporate EHS Center. Led by the Chief Safety Officer (CSO), who also heads the Corporate EHS Center, we oversee all safety and health operations across our businesses and worksites.



At domestic sites, a designated Safety & Health Management Officer oversees the overall safety and health management system and leads a variety of related initiatives. Each overseas entity also operates its own safety and health reporting and communication system through a dedicated EHS Lead, responsible for incident reporting and information sharing. Furthermore, regular quarterly coordination meetings with Headquarters are held to enhance communication and continuously improve the safety and health management standards at overseas operations.

Occupational Safety and Health

Framework for Safety and Health Management

Safety and Health Management System Certification (ISO 45001)

We first obtained certification for our occupational health and safety management system in 2014 under OHSAS 18001, and transitioned to the international standard ISO 45001 in 2017. Since then, we have renewed and maintained the certification annually. In 2020, we expanded the certification scope beyond Headquarters and overseas entities to include global logistics regions and key operational sites. We have established a system that proactively identifies and assesses risks associated with our business activities and works to minimize them in advance.



Safety and Health Management System Certification

Category	Unit	2022	2023	2024
Ratio of employees subject to ISO 45001	%	100	100	100

Internal and External Safety and Health Assessment System

We identify areas for improvement in our overall safety and health management system through regular consulting by the Samsung Institute of EHS Strategy, and inspections by external bodies such as the Ministry of Employment and Labor and the KOSHA (Korea Occupational Safety and Health Agency). These findings are used to take practical corrective measures at each business site. In addition, each business unit conducts its own safety and health inspections. These are followed by assessments and improvement activities led by the Corporate EHS Center through a structured safety and health evaluation process.

Listening to Management and Employees

We hold quarterly EHS Committee meetings to share key safety and health activities with executives, including the CSO. In addition, we regularly garner feedback from all employees, including those at partner companies, through channels such as the Occupational Safety & Health Committee, the Safety & Health Councils, and risk assessments. We also identify and address safety risks using multiple communication channels, including a chatbot, the EHS portal, the Smart Safety Management System (SSMS), and a dedicated hotline (+82-2-6155-1119).



Raising Employee Safety Awareness

We continuously promote employee awareness and interest in safety and health by operating the EHS slogan, 10 commandments, and top 10 safety rules. In addition, we conduct company-wide safety and health communication campaigns through initiatives such as the EHS Newsletter and Safety Tips, reinforcing our commitment to a strong safety culture.



EHS Slogan

Occupational Safety and Health

Safety Management Activities

Smart Safety Management System (SSMS)

We actively promote accident prevention and regulatory compliance through our field-driven Smart Safety Management System (SSMS). The system digitizes planning and performance tracking for various safety-related activities, including safety councils, inspections, and training programs, ensuring convenience for workers and thorough adherence to legal requirements. SSMS also supports compliance through functions such as incident reporting and follow-up management, as well as evaluation of qualified subcontractors.



Safety Inspections, Risk Identification, and Hazard Mitigation

We regularly conduct inspections at major domestic business sites, logistics centers, and construction project sites to identify and remediate potential hazards and risks. In 2024, we focused on promoting risk awareness among all employees, which led to the identification and resolution of 12,298 hazardous risk factors, a 118% increase compared to the previous year. As a result, there were no serious accidents or occupational injuries requiring more than four days of medical treatment (as defined by the Korea Workers' Compensation & Welfare Service). Beginning in 2025, we have introduced a new KPI to further redouble these efforts, awarding bonus points to departments that achieve an 80% or higher hazard identification rate. In addition, we continue to prevent accidents through regular and special safety inspections, diagnostic consulting in collaboration with external agencies, and special inspections led by the CSO and division heads, reinforcing company-wide attention to safety and health.

Risk Assessment

We run a risk assessment process to identify hazardous and harmful factors at our worksites, evaluate the likelihood of accidents and the severity of their potential consequences, and establish and carry out appropriate mitigation measures to reduce these risks.

Activities to Reinforce Risk Assessments

We conduct risk assessments across all business sites, including campuses, logistics centers, and construction projects. To enhance objectivity and minimize errors in the assessment process, we have developed a system that allows evaluators to intuitively input key risk factors and potential accident / injury types by process. In addition, we provide regular annual training to cultivate risk assessment specialists at each site. Beyond occupational safety, we have expanded the scope of our assessments to include process safety, covering key utility facilities at data centers and transport / storage equipment at logistics centers, thereby strengthening the overall safety management standards across our operations.



Data Center Process Risk Assessment Results Review Meeting

Risk Assessment Process



Right to Cease Work

We guarantee the right to cease work for all workers, including subcontracted personnel, in situations where there is an imminent risk of a serious industrial accident. Workers are empowered to make this judgment independently and evacuate the site if necessary. There are no penalties or disadvantages for exercising this right. In fact, if the action is recognized as having contributed to accident prevention, we may provide rewards to acknowledge and promote proactive safety management.



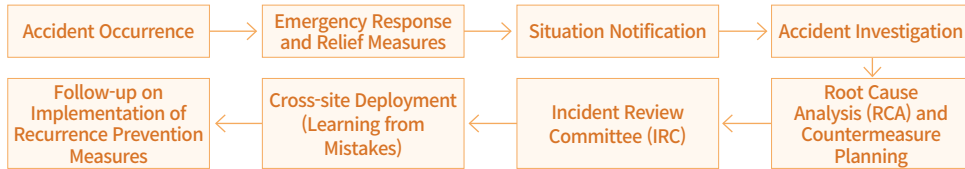
Poster Promoting the Right to Cease Work

Occupational Safety and Health

Safety Management Activities

Process for Accident Investigation and Response

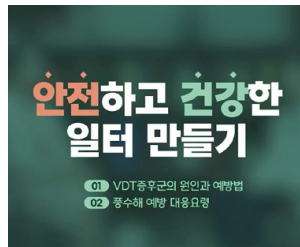
In the event of an accident involving employees or partner company personnel, we follow a structured accident management procedure to ensure a prompt and effective response. To accurately determine the root cause, we conduct a Root Cause Analysis (RCA) meeting. Based on the findings, the Incident Review Committee (IRC) evaluates the appropriateness of the investigation and the effectiveness of the proposed corrective actions. The resulting measures are shared across other sites through our horizontal deployment program, 'Learning from Mistakes,' to prevent similar incidents from recurring. We remain committed to the continuous improvement of our accident prevention and response systems.



Safety and Health Training at Business Sites

We have developed content for safety and health education, and delivered annual online training to all employees to ensure continued awareness and compliance. In addition, we have provided specialized training to sharpen job-specific competencies of key safety personnel, including the Safety & Health Management Officer, Management Supervisors, Safety Managers, and Health Managers. We have also offered targeted training programs for personnel working in logistics centers and construction projects, tailored to the unique risks and operational requirements of those environments.

Category	Training Programs	2024
Company-wide and role-specific training	<ul style="list-style-type: none"> Company-wide employee protection program Emergency response drills at business sites Safety leadership training for newly appointed department heads Safety training for new and experienced hire 	<ul style="list-style-type: none"> 11,198 employees completed the training 100% completion rate
Legally mandated training	<ul style="list-style-type: none"> Training for Safety & Health Management Officers Training for Safety and Health Managers Worker safety and health education 	<ul style="list-style-type: none"> Total of 5 programs completed by 962 participants
Job-specific training	<ul style="list-style-type: none"> Online / offline training for dedicated safety personnel 	<ul style="list-style-type: none"> 20 specialized programs completed by 85 participants



Company-wide Online Safety & Health Training

Emergency Drills

We conduct emergency response drills twice a year to ensure the safety of all employees through swift evacuation in the event of emergencies such as fires. Emergency response scenarios are established across key sites, including campuses, data centers, and logistics centers, and role-specific drills are conducted to continuously improve our emergency response system.



Fire Evacuation Drills

Supplier Occupational Health and Safety Management

Intensive Management of High-risk Suppliers

We operate a safety management system that prioritizes suppliers who are prone to industrial accidents. To ensure a safe working environment and foster a healthy organizational culture for supplier employees, we focus on high-risk sites such as logistics centers and construction projects, offering site-specific training and implementing award programs.

Assessment of Qualified Suppliers

We minimize the risk of accidents by evaluating the safety and health competencies of our suppliers. Through assessments and guidelines covering a range of items including safety and health plans, risk assessments, and safety inspections, we support suppliers in autonomously strengthening their safety and health management systems, thereby helping to ensure the safety of their workers.

Supplier Accident Prevention Activities

We conduct special external training sessions for the safety and health personnel and workers of our partner companies to enhance their capabilities in safety and health management. These sessions cover key topics such as understanding the Occupational Safety and Health Act and the Serious Accidents Punishment Act, as well as best practices for managing workplace safety and health.



Special External Training for Suppliers

Occupational Safety and Health

Health Management Activities

Creating a Healthy Workplace

We promote employee health by operating regular health check-ups, and offering health education and wellness seminars. In addition, we are expanding air quality management in office spaces to foster a healthier work environment.

Air Quality Monitoring

We are expanding air quality management across offices at major business sites to ensure a healthy workplace environment.

Target	4 campuses, 5 data center offices and parking lots, etc.
Frequency	Precision measurements conducted twice a year
Monitoring items (9 in total)	Ultrafine dust, fine dust, carbon monoxide (CO), carbon dioxide (CO ₂), formaldehyde, total volatile organic compounds (TVOC), total airborne bacteria, nitrogen dioxide (NO ₂), and mold
Results	All measurements remained within standard limits with no notable issues observed in the first and second halves of 2024

Employee Health Management and Support Programs

We support comprehensive health check-ups for employees, their spouses, and parents. In addition, in-house medical clinics are operated at the Jamsil and Pangyo IT Campuses. We also offer influenza vaccinations either through in-house clinics or by reimbursing out-of-pocket expenses at external hospitals. These efforts reflect our commitment to ensuring a healthy and safe work environment for all employees.

Medical Examination Support

Category	Unit	2022	2023	2024
Employees	Persons	10,014	10,027	10,026
Spouse / Parents	Persons	6,635	6,612	6,701
Total	Persons	16,649	16,639	16,727

Inhouse Clinics at the Jamsil and Pangyo IT Campuses

Primary care and vaccination services in family medicine	Post-examination health management	Health promotion programs
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Health Lectures for Employees

To promote a health-conscious organizational culture and raise awareness of personal well-being, we encouraged participation in health lectures. For employees unable to attend in person, we announced online access instructions via the internal bulletin board. Building on the strong interest shown, we continued offering these lectures in both the first and second halves of 2023, and again in 2024.

Health Lectures (2023)	
Participants	300 employees
Date	Mar. 22 / Jul. 13
Instructor	Dr. Yong-woo Park, Dr. Young Chul Shin from Kangbuk Samsung Hospital
Topic	Understanding and managing hypertension and dyslipidemia Managing workplace stress

Health Lectures (2024)	
Participants	300 employees
Date	Jun. 13
Instructor	Professors Woo Chang-yoon, Lee Nak-joon (YouTube Channel 'Doctor Friends')
Topic	How to build a body that loses weight naturally

CPR Training

To prepare for emergencies that may occur among employees such as sudden cardiac arrest or respiratory issues, we provided CPR and AED (Automated External Defibrillator) training to designated First Aid personnel at each workplace. In 2025, we plan to conduct CPR and AED usage training for all employees as part of a biennial program.

Certified as a Health-friendly Workplace and Selected as an Outstanding Enterprise

The Health-friendly Workplace Certification, administered by the Ministry of Health and Welfare under the *National Health Promotion Act* (Article 6-2), recognizes companies that foster a healthy workplace culture and environment, and support employees in actively managing their health. In 2024, we obtained this certification and were selected as an outstanding enterprise by the Health-friendly Workplace Certification Committee. As a result, we received a commendation from the Minister of Health and Welfare.



Health-friendly Workplace Certification Mark



Commendation Plaque from the Minister of Health and Welfare



Health-friendly Workplace Nameplate

Occupational Safety and Health

Health Management Activities

Employee Health Promotion Programs

In response to a continued increase in employees identified with health concerns through medical checkups, we operate the ‘Healthy UP+’ health promotion program for high-risk individuals who voluntarily participate. In 2023, the program was expanded to include our inhouse clinics in Jamsil and Pangyo. For employees at regional sites, we launched the digital healthcare app ‘anyFit PRO’ to support ongoing health management. We also conduct smoking cessation campaigns for those seeking to quit and, in response to growing public interest, introduced several specialized wellness initiatives in 2024. These include ‘Healthy Fit’ for musculoskeletal disease prevention, ‘Healthy 100’ for weight loss support, and ‘Healthy Balance,’ a nutrition counseling program designed to promote healthy eating habits and prevent the progression of chronic illnesses.

Healthy UP+	
Program period	May 2022 – Present (as of 2025)
Target group	High-risk individuals for cardiovascular and cerebrovascular diseases based on health checkup results (400 participated in 2024)
Operating Clinics	Jamsil / Pangyo Inhouse clinics
Key features	<ul style="list-style-type: none"> • 1:1 personalized consultations with medical professionals for daily health guidance - Regular check-up of health indicators (offers trends, 1:1 counseling on improving lifestyle, blood tests, blood pressure / glucose tests, InBody management) - Centralized tracking of test results and ongoing health management - Integrated support with fitness programs and facilities

anyFit PRO	
Program period	May 2023 – Present (as of 2025)
Target group	Individuals identified as high-risk for cardiovascular and cerebrovascular diseases and employees with obesity-related findings from health checkups (320 participated in 2024)
Platform	Samsung Fire & Marine Insurance’s health management mobile app *Jointly developed and advised by Kangbuk Samsung Hospital
Key features	<ul style="list-style-type: none"> • Expert coaching and AI-based recommendations on diet, nutrition, and exercise - Personalized analysis of health conditions (e.g., obesity level) - Human coaching service via dedicated health managers - Engagement through events (e.g., step count challenges) - Integration with health tracking devices and app-based health management

Healthy Fit (Musculoskeletal disorder prevention program)	
Program period	March – November 2024
Target group	Employees seeking to prevent or alleviate musculoskeletal disorders (approx. 300 participated)
Program providers	Homefit, SHP
Key features	<ul style="list-style-type: none"> • Address issues such as forward head posture, rounded shoulders, and various types of pain caused by prolonged desk work • Prevention and treatment of musculoskeletal disorders, correction of postural imbalance and unhealthy habits • 3D posture analysis and effectiveness assessment • Include warm-up exercises, stretching, and targeted strengthening workouts

Quit Smoking Campaign	
Program period	April 2023 – Present (as of 2025)
Target group	Those who wish to quit smoking (approx. 70 participated in 2024)
Operating Clinics	Seoul Smoking Cessation Support Center, Jamsil / Pangyo inhouse clinics
Key features	<ul style="list-style-type: none"> • Online and offline smoking cessation counseling programs to raise awareness of the anti-smoking campaign • Contests and prizes for personal success stories in quitting smoking • Contests and prizes for smoking cessation slogans, etc.

Healthy 100 (Weight loss campaign)	
Program period	June – September 2024
Target group	Male employees with a Body Mass Index (BMI) of 25 or higher Female employees with a BMI of 23 or higher
Program type	Self-directed BMI improvement program for employees
Key features	<ul style="list-style-type: none"> • Help overweight employees improve their BMI through weight loss - 3-month campaign aiming for BMI reduction (InBody measurement required) - Promotion and educational content delivered via digital signage and email - Rewards offered to top participants who achieve the most BMI reduction

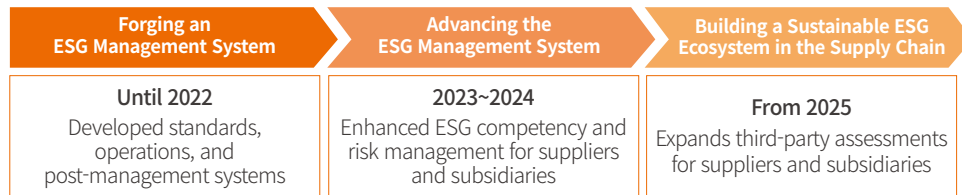
Healthy Balance (1:1 Nutrition Counseling)	
Program period	November – December 2024
Target group	90 employees in the medium- to high-risk group (based on health checkup results) who voluntarily enrolled
Program provider	Wellstory
Key features	<ul style="list-style-type: none"> • Genetic testing (120 items), linked with in-house cafeteria meal records - Lifestyle questionnaire (dietary habits, etc.), in-person and chat-based consultations - Daily Healthy Letter distribution - Weekend delivery of healthy meals to home and a one-month supplement voucher - Mission-based goals and performance rewards

Suppliers

Supply Chain ESG

Roadmap

Samsung SDS aims to build a sustainable supply chain ESG ecosystem by establishing and expanding a comprehensive ESG management system. We are continuously working to strengthen the ESG management capabilities of our suppliers while complying with global ESG regulations and standards, and fulfilling our social responsibilities.

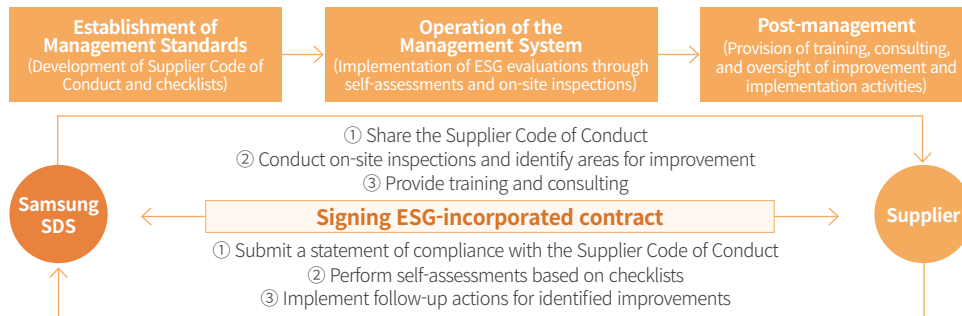


Implementation Framework

To ensure sustainable supply chain management, we have established and are operating a structured ESG management system for our supply chain. We have enacted and implemented key policies, including the Sustainable Procurement Policy, which addresses responses to climate change and labor and human rights, and the Supplier Code of Conduct, which supports building a sustainable supply chain and fostering shared growth with our suppliers. These policies are publicly disclosed and actively enforced.

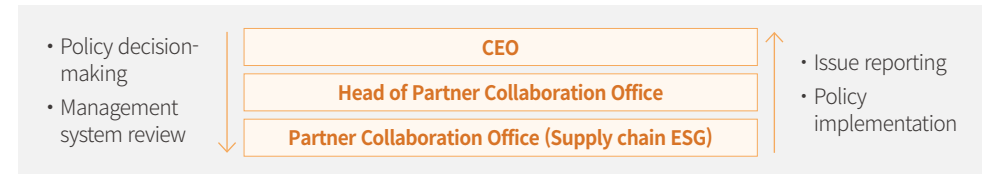
Sustainable Procurement Policy **Supplier Code of Conduct**

Supply Chain ESG Management Framework



Dedicated Supply Chain ESG Organization

The Partner Collaboration Office is responsible for executing the supply chain ESG management system through a dedicated ESG team. This Partner Collaboration Office establishes standards and conducts assessments for suppliers across four key areas: labor and human rights, safety and environment, business ethics, and management systems. They also provide training and capacity-building support to enhance ESG management capabilities among suppliers. The execution of ESG assessments, improvement initiatives, and information disclosures are reflected in the KPIs of both executives and working-level staff within the dedicated team. Achievement of these goals is directly linked to compensation and reward systems.



Supply Chain ESG Management

Category	Unit	2022	2023	2024 ¹⁾	
Supplier Code of Conduct	Suppliers signed the Supplier Code of Conduct	%	96	93	100
	New suppliers signed the Supplier Code of Conduct	%	94	93	100
ESG assessment	Suppliers assessed for ESG	%	87	92	98
	New suppliers assessed for ESG	%	68	93	92
Suppliers that underwent on-site ESG inspections (targeting major suppliers ²⁾)		%	100	100	100
Subsidiaries with ESG systems applied ³⁾		%	-	-	100
Sustainable procurement training (targeting the personnel responsible for procurement and suppliers)		%	100	100	100
Ratio of contracts that includes ESG clauses (automatically applied via system)		%	100	100	100

1) Number of suppliers subject to ESG management in 2024: 219
 2) Major suppliers (with large transaction volumes and high quality standards): 39
 3) Number of subsidiaries subject to ESG management in 2024: 5

Suppliers

Supply Chain ESG

Supply Chain ESG Management Framework – Establishing Standards

Sustainable Procurement Policy

Samsung SDS has established and operated a Sustainable Procurement Policy in accordance with key international guidelines, including the UN Guiding Principles on Business and Human Rights (UNGPs), the core conventions of the International Labor Organization (ILO), and the OECD Guidelines for Multinational Enterprises, which also cover supply chains. Based on this policy, we manage ESG across our supply chain and promote practical and long-term partnerships with our suppliers to build a sustainable ESG ecosystem.

[🔗 Sustainable Procurement Policy](#)

Supplier Code of Conduct

We require all suppliers to comply with our Supplier Code of Conduct, which outlines standards related to labor and human rights, safety and environmental practices, business ethics, and management systems, in accordance with local laws. This code was announced in May 2021 on our company website and supplier portal as part of our supply chain ESG management framework. To ensure compliance, we incorporate ESG-related clauses in all contracts with suppliers. We also conduct annual training sessions to help suppliers internalize and adhere to the code. Additionally, we collect signed declarations of compliance with the Supplier Code of Conduct from 100% of our suppliers.

[🔗 Supplier Code of Conduct](#) [🔗 Supplier Code of Conduct Guide](#)

Area	No. of Items	Assessment Categories
Labor rights	26	Prohibition of forced labor, compliance with working hours, diversity (non-discrimination, fairness, and inclusion programs), etc.
Safety / environment	13	Participation in climate change initiatives, environmental permits, green purchasing policies, health screening implementation rates, etc.
Business ethics	7	Corporate integrity, protection of intellectual property, prevention of anti-competitive behavior, etc.
Management system	6	Corrective action processes, supplier accountability, participation in ESG training, etc.

Key Sustainability Checks in the Supply Chain

We analyze sustainability-related issues among our suppliers and have strengthened monitoring in the relevant areas. In 2024, key sustainability issues identified include the prohibition of forced labor, supply chain diversity, and climate change response. Accordingly, we added these issues as new assessment items and provided separate guidelines to support improvement.

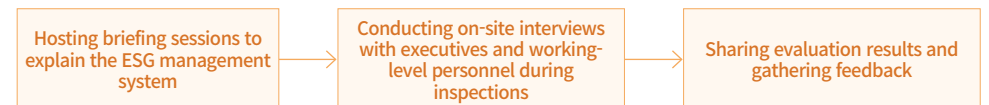
Supplier Selection

We evaluate our suppliers through a systematic process that includes planning, implementation, evaluation, and the establishment and monitoring of improvement plans. The entire supplier selection and collaboration process is conducted in alignment with ESG values. The supplier selection criteria, which incorporate ESG evaluations, are published on our supplier portal (smart-together.com). When criteria are revised, we hold briefing sessions with suppliers and collect their feedback to ensure that no party is disadvantaged during the transition.



Listening to Suppliers' Voices

As part of our supply chain ESG management system, we listen to suppliers' feedback three times throughout the process. This two-way communication approach has strengthened engagement, resulting in a 100% supplier participation rate in ESG initiatives as of 2024.



Suppliers

Supply Chain ESG

Framework for Supply Chain ESG Management – Operation

Commitment to Supplier Code of Conduct Compliance

Each year, newly selected suppliers are required to submit a signed compliance agreement for the Supplier Code of Conduct. Existing suppliers are also asked to sign the agreement annually. In 2024, all suppliers completed the submission of the compliance agreement.

Supplier Self-assessment

Based on the Supplier Code of Conduct, which outlines the approach to our supply chain ESG management, we have developed a set of 52 self-assessment items and distributed them to all suppliers. Suppliers conduct annual self-assessments using 47 items tailored to their respective industries. Prior to distribution, we provide training sessions to guide suppliers through the assessment process, explain the direction of our supply chain ESG management system, and introduce new assessment items. These sessions also include Q&A opportunities to foster ongoing two-way communication.

On-site Guidance and Inspection by ESG Officers

On-site inspections of suppliers are conducted by the dedicated supply chain ESG organization, which operates as an independent verification body. To thoroughly assess the working environment of suppliers, we identify on-site issues and establish short- and long-term action items based on the feedback gathered during inspections. Issues that can be immediately resolved are addressed on-site, while other matters are monitored through the supplier’s action plans. For key sustainability issues such as prohibition of forced labor, supply chain diversity, and climate change response, we provide ‘Guides for Improvement’ and conduct in-depth training by category. These efforts aim to enhance the ESG management capabilities of our suppliers.

 **Compliance Rates by Major On-site Inspection Category**

Improvement Management through Third-party Audits

To proactively identify and manage supply chain ESG risks, Samsung SDS selects key suppliers¹⁾ and conducts third-party audits using an enhanced checklist built on its existing evaluation criteria. Third-party auditors with proven ESG expertise are assigned to carry out the inspections. These auditors visit supplier sites to conduct two rounds of on-site assessments. In the first round, any issues that can be resolved immediately are addressed on-site. For longer-term issues, improvement progress is verified during the second round of inspections. In 2024, the second-round inspections showed an average improvement of 7.5% compared to the first round. Based on compliance levels across ESG categories, we assess each supplier’s overall implementation status and assign a corresponding grade. A comprehensive evaluation report is also issued, including detailed feedback and recommendations.

1) Key suppliers: Companies with significant supply chain ESG risks and influence from Samsung SDS, such as those with high transaction volumes or those for whom improvement tasks were identified during self or on-site assessments.

Improvement Rates by Inspection Area

Area	Improvement Rates ¹⁾	Key Improvements
Labor rights	5%	Establishment of protection policies for underage workers, implementation of forced labor prohibition regulations, development of anti-discrimination policies
Safety / environment	29%	Establishment of green purchasing policies, formulation of occupational safety and health policies, implementation of workplace safety and health regulations
Business ethics	18%	Introduction of grievance channels and response processes for employees, declaration of a code of ethics, establishment of an information asset security framework
Management system	9%	Development and execution of corrective action processes, public disclosure of ESG management commitment, standard contract preparation, maintenance of corrective action management logs

1) Improvement rate (%) = (Second inspection score – First inspection score) / First Inspection score × 100



Issuance of ESG Evaluation Certificates in 2024

Suppliers

Supply Chain ESG

Framework for Supply Chain ESG Management – Post-management

Enhancing ESG Capabilities of Suppliers

Samsung SDS designs and implements ESG training programs for suppliers in alignment with its ESG policies. Prior to the training, we conduct anonymous surveys to gather supplier feedback, which is then incorporated into the training content. Additionally, we develop annual implementation guides reflecting our ESG policies and provide training accordingly. In 2024, we selected key sustainability issues and offered detailed guideline-based training. Furthermore, in collaboration with the Korea Management Association (KMA), we provided ESG capability enhancement consulting to 25 domestic SMEs. Thanks to these capacity-building programs, the average score of on-site assessments has shown consistent improvement over the past three years.

Supply Chain ESG Training Programs

Area	Details
ESG expert training	<ul style="list-style-type: none"> Cover ESG trends and best practices, sustainable procurement, and detailed explanations of our Supplier Code of Conduct and accompanying guidelines
ESG assessment and improvement training	<ul style="list-style-type: none"> Focus on key improvement areas identified through ESG evaluations (self-assessments and on-site inspections), and include practical guidance to support corporate ESG management Offer ESG Q&A sessions and gather supplier feedback through voice of the partner activities
ESG expert consulting	<ul style="list-style-type: none"> Provide support for the development and implementation of improvement plans related to key ESG sustainability issues such as forced labor, diversity, and climate change Help suppliers identify short- and mid-to-long-term challenges and offer actionable guidance for practical improvements

Incentive Program

We operate an incentive program based on the results of ESG performance assessments to encourage supplier participation and raise awareness of the importance of ESG management. In 2024, a total of six suppliers were selected as outstanding ESG partners. These top-performing suppliers are provided with practical incentives to support their sustainable growth, including exemption from on-site inspections in the following year, support for ESG training costs, and financial assistance through the Win-win Management Fund.



ESG Excellent Supplier Certificate

ESG Excellent Supplier Plaque

Framework for Supply Chain ESG Management – Reach to Subsidiaries

Expanding Supply Chain ESG Oversight across Subsidiaries

We have designated ESG managers for each of our five subsidiaries to establish a communication framework between the Headquarters and subsidiaries. Quarterly ESG workshops are held to share policy updates and support the development, implementation, and post-management of standards tailored for each subsidiary. In 2024, our primary focus was on building the initial ESG management system for subsidiaries, raising awareness through workshops, selecting responsible teams and working-level staff, and establishing standards based on each subsidiary's specific characteristics. As a result, by October 2024, all subsidiaries reached 80% of our ESG maturity level, exceeding the 70% target by achieving 114.2%. These results, along with the current progress of our supply chain ESG management efforts, were reported at the company-wide ESG Committee meeting held in October 2024.

Suppliers

Shared Growth

Shared Growth Roadmap

Samsung SDS is taking the lead in advancing a win-win cooperation ecosystem by establishing and implementing a roadmap for shared growth with its suppliers.



Shared Growth Policy

We have drawn up a policy to promote sustainable shared growth based on trust through the establishment of a fair trade culture. Under the key themes of fair trade, win-win cooperation, and value creation, we are carrying out a wide range of initiatives.

Goal	Keywords	Activities
Grow together by creating synergy with suppliers	Fairness	Creating a clean and transparent business environment • Fair trade • Technical support and protection - Four Key Fair Trade Practices - Report center for unfair trade practices - Provide development methodology - Technology escrow system
	Collaboration	Sharpening supplier competitiveness through cooperation and support • Financial (funding) support • Training, welfare benefits - Win-win management fund - Cash payments, win-win payment programs - Support for supplier training - Welfare programs
	Value Creation	Creating future value through creativity and innovation • Business support • Win-win culture (communication) - Discovery and development of solutions partners - Performance sharing system - Supplier cooperation portal - Supplier roundtables

Dedicated Organization for Shared Growth

We implement company-wide shared growth policies through the Partner Collaboration Office, our dedicated organization for shared growth. We actively exchange diverse opinions through supplier roundtables and regularly provide key business demand information and shared growth programs to our suppliers.



Progress on Shared Growth

We were selected as an excellent honor company for shared growth in the 2024 Win-win Index evaluation, earning the highest grade for the 7th consecutive year. The Win-win Index is a quantified indicator that evaluates the level of shared growth between large corporations and SMEs, with results announced annually by the Korea Commission for Corporate Partnership. We remain committed to conducting business in a fair and transparent manner and will continue to take the lead in fostering a culture of mutual growth with our suppliers.

Suppliers

Shared Growth

Fair Trade Policy

Samsung SDS is committed to fostering a transparent and fair business culture with its suppliers. To this end, we have adopted operational standards for the ‘Four Key Fair Trade Practices,’ ensuring full compliance with the Fair Transaction in Subcontracting Act and other relevant laws. We actively work to prevent any unfair practices in transactions with our suppliers.

Four Key Fair Trade Practices

1 Faithfully implement contracting process	We adopt and operate the Fair Trade Commission’s ‘Good Contract Execution Practices,’ taking the lead in building an environment for reasonable and fair trade and shared growth.
2 Select and manage suppliers	We ensure fairness and transparency in supplier selection and management by operating supplier management policies in a rational and transparent manner.
3 Set up and manage the Subcontractor Transaction Review Committee	We maintain fairness and legal compliance in subcontracting by conducting prior reviews of subcontract transactions that exceed a certain scale through our Subcontractor Transaction Review Committee.
4 Issue and retain printed documents	We follow the Fair Trade Commission’s recommended practices for issuing and retaining written documents in subcontract transactions to uphold fair and transparent trading practices.

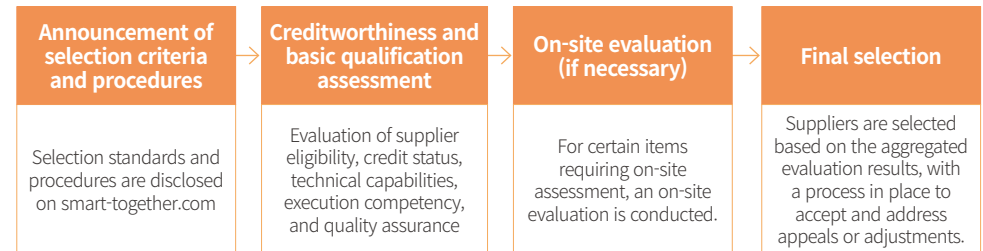
Fair Trade and Contract Execution

We incorporate our Code of Ethical Management into all subcontract agreements to prevent unfair practices or misconduct in transactions with our suppliers. Since 2012, we have participated in a public-private task force to improve standard subcontracting in the software industry and adopted the Fair Trade Commission’s recommended standard subcontract agreements. These standard agreements now apply not only to four types of software contracts but also to four construction and two logistics contract types. In addition, by implementing an e-contract system through our supplier portal, smart-together.com, we have established a transparent contracting process that prevents unfair practices such as verbal orders or arbitrary order cancellations.

Supplier Selection

In accordance with the Four Key Fair Trade Practices, we have established fair and transparent criteria for the selection and management of suppliers. The standards and procedures for supplier selection are publicly disclosed through platforms such as smart-together.com to ensure clarity and prevent any disadvantages arising from suppliers’ arbitrary interpretations. Selection and evaluation criteria are presented in a concrete and specific manner.

Supplier Selection Process



Improvement of Payment Terms

To strengthen the financial soundness of our suppliers, we have set the subcontract payment schedule to three times per month and ensure 100% of payments are made in cash within an average of 10 days. In addition, when a supplier requests early payment, we review the request and proceed with early disbursement as appropriate.

Suppliers

Shared Growth

Training Support for Suppliers

Samsung SDS operates a variety of training programs to support the shared growth of its suppliers by helping them independently strengthen their technical competitiveness. Through Multicampus, a professional training institute for software experts, we offer both online and offline education in information systems and software. In addition, we provide customized training courses tailored to various job levels, such as core job training in information services and onboarding programs for new employees, free of charge.

Core Job Training	
Project manager development	Training based on project case studies to enhance the skills and competencies required for project managers
Analysis & design	Learning systematic methods for analyzing and designing software projects, including the use of standard modeling language (UML)
Proposal competency enhancement	Hands-on training to analyze key customer issues and develop competitive proposal strategies
Latest IT trends (fourth industrial revolution & IT technologies)	Education focused on understanding the paradigm shifts driven by the fourth industrial revolution and fostering the mindset to apply these changes in the workplace
New Employee Orientation Training	Training Through Specialized IT Institutions
Training focused on developing the right attitude and understanding of their roles, effective interpersonal relationships and communication within the organization, as well as education on the latest IT trends	Online and offline training programs in collaboration with specialized IT education institutions, covering key IT areas such as AI and cloud

Facilitating Communication Channels

We actively utilize our supplier collaboration portal, smart-together.com, not only for electronic contract execution but also for sharing business demands in advance, providing policy announcements, disseminating information, promoting suppliers, and handling grievances. In addition, we operate the Supplier Hotline, a platform where supplier employees can anonymously report concerns. Reported cases are reviewed for factual accuracy and reflected in efforts to improve suppliers' working environments.

(As of 2024, no relevant reports have been received.)*

* Cases deemed unrelated to our company were excluded.

INNOVATOR Methodology

Since 2012, we have been providing our proprietary INNOVATOR methodology to suppliers, a standardized set of business practices and procedures based on our accumulated experience and expertise. Currently, six development methodologies are available, contributing to enhanced quality competitiveness for 42 partner companies.

Category	Details
Project Management	Offers end-to-end project management practices, processes, guidelines, and deliverables to effectively manage software and system development projects, from initiation and execution to monitoring, control, and closure
Information Engineering	A methodology based on information engineering principles, enabling the analysis, design, and development of applications centered around data and business requirements
Object-Oriented	A methodology for developing Java-based applications using UML modeling techniques
Component-Based Development	An extension of the object-oriented methodology, incorporating processes for developing and assembling reusable components
Application Development (package-based)	Follows the core flow of information engineering while adding processes and procedures to identify and address gaps between packaged software and customer requirements
Application Development (Agile)	Provides an approach for quickly identifying, implementing, and validating user-centered requirements through short iteration cycles

Community Engagement

Framework for Social Contribution

Samsung SDS operates social contribution initiatives under the vision of ‘Together for Tomorrow! Enabling People,’ which aligns with Samsung’s management philosophy of ‘enabling’ and its core values of ‘people first’ and ‘co-prosperity.’ Under this vision, we focus on supporting the development of future generations through youth education and providing assistance to underprivileged groups in local communities through community engagement programs. Since 2022, we have aimed to amplify our positive impact on society by concentrating our efforts and leveraging Samsung’s strengths. We have also been co-operating with other Samsung affiliates to jointly implement social contribution projects, thereby enhancing both program expertise and social impact.

Vision	Together for Tomorrow! Enabling People
Key Theme	Youth education
Responsible Organization	Corporate Social Contribution Office
Social Contribution Goals	Samsung SW-AI Academy for Youth Educate 11,750 young individuals over 7 years (2018–2025)
	Blue Elephant Provide educational programs to 3 million elementary, middle, and high school students across the nation over 10 years (2020–2029)

Samsung Joint Social Contribution Program

Samsung SW-AI Academy for Youth

The Samsung SW-AI Academy for Youth, jointly operated by seven Samsung affiliates including Samsung SDS, is a program designed to enhance the employability of unemployed young adults under the age of 29 who are college graduates or Meister high school graduates. Based on Samsung’s extensive experience in software education, the academy provides one year of intensive training in software development. Participants begin with a foundational course where they study algorithms, coding, and basic AI concepts through a level-based curriculum. In the advanced stage, they engage in hands-on projects that apply fourth industrial revolution technologies such as AI and IoT. From 2018 to 2024, a total of 8,057 students completed the program. As of the end of 2024, 6,732 graduates had secured employment in diverse fields including IT and finance, achieving a high employment rate of approximately 85%.

No. of Total Trainees Selected (cumulative, batches 1–13)	No. of Graduates (cumulative, batches 1–10)	No. of Employed Graduates (as of end of 2024)
11,750	8,057	6,732



Samsung SW-AI Academy for Youth (Recruitment Fair)

Samsung Dream Class

Jointly operated by 23 Samsung affiliates including Samsung SDS, Samsung Dream Class is a program that supports middle school students from underprivileged educational environments in discovering their aptitudes and dreams through various activities and learning opportunities, while helping them develop the competencies needed in the era of the fourth industrial revolution. Launched in 2012 with weekday / weekend classes and vacation camps, Dream Class was restructured in 2021 into a hybrid Dream Class 2.0 combining both online and offline education. It provides three core types of educational content: career exploration, future competencies, and foundational academics. In addition, the program offers various mentoring and experiential opportunities through university student mentors, Samsung employees, and experts, as well as vacation camps and career experience events hosted by Samsung affiliates. Outstanding student participants each year are also awarded Dream Class scholarships.

No. of Beneficiaries			
Middle-schoolers (cumulative: 103,000)	3,727	University Students (cumulative: 25,000)	400



Samsung Dream Class (Winter Camp)

Community Engagement

Samsung Joint Social Contribution Program

Samsung Stepping Stone of Hope

Operated in collaboration with 23 Samsung affiliates including Samsung SDS, the Community Chest of Korea, local governments, and NGOs, Samsung Stepping Stone of Hope is a program that supports self-reliant youth as they take their first steps into society by providing housing and employment assistance. Since the opening of the first center in Busan in 2016, centers have been established in 12 metropolitan areas nationwide. In 2024, additional centers in Daejeon and Chungbuk were launched, offering housing, integrated case management services, and self-reliance training and experience programs. In addition, beginning in 2023, Stepping Stone of Hope 2.0 was introduced to support unemployed self-reliant youth with vocational training and employment in 10 skill development tracks including software development and baking / pastry certifications.

(Unit: Persons)

No. of Beneficiaries	
Housing Support (cumulative: 41,703)	14,638
Employment Support (cumulative: 125)	79

Stepping Stone of Hope Centers



Samsung Stepping Stone of Hope (Center locations)

Blue Elephant

Jointly operated by seven Samsung affiliates and the Blue Tree Foundation, Blue Elephant is a youth cyberbullying prevention program developed in response to the recent surge in cyber violence among adolescents. Centered around five core initiatives, preventive education, counseling and healing, cultural engagement, academic research, and platform development, the program strengthens prosocial capabilities in youth. It provides cyberbullying prevention education, connects individuals, families, schools, and local communities to support professional psychological recovery, and promotes a culture of prevention through idea contests and public campaigns. As of 2024, a cumulative total of 1.34 million participants, including students, teachers, parents, and the general public, have taken part in the Blue Elephant initiative.

(Unit: Persons)

Preventive Education	Psychological Counseling and Treatment	Cultural Engagement
204,665	2,121	174,819
Academic Research	Preventive Platform	Total Participants
12,164	6,400	400,169



Blue Elephant (Mobile Cyberbullying Prevention Program)

NANUM Kiosk

The 'NANUM Kiosk' is a donation program that introduces stories of underprivileged children and adolescents through offline kiosk panels and online platforms. When employees tag their ID cards, a donation of KRW 1,000 is made per tap. To ensure fair and systematic support, we collaborate with Good Neighbors (an NGO), local government welfare centers, and other partner organizations to select beneficiaries. Once the fundraising goal is reached, the full amount is delivered to the sponsored children to cover educational, medical, and living expenses.

In 2024, a total of KRW 145 million was donated to support 27 children. In addition to the existing kiosk installations at the Jamsil West Campus, Pangyo IT Campus, and Sangam Data Center, a new NANUM Kiosk was installed at the Jamsil East Campus. For locations without permanent kiosks, mobile kiosks were operated in a relay format to enhance the efficiency of donation delivery and provide more support to the children in need.

(Unit: Persons)

No. of Sponsored Children	Total Donation	No. of Participating Employees
27	KRW 145 million	2,773



NANUM Kiosk

Community Engagement

Samsung SDS's Independent Social Contribution Programs

SW Education and Scholarship Support for Juvenile Inmates

Since 1993, Samsung SDS has been supporting juvenile reformatories across the country in collaboration with the Korea Juvenile Protection Association (NGO). This initiative helps youths who face social adaptation challenges due to unstable family environments, economic and emotional hardship, and social stigma grow into healthy members of society. Beginning in 2023, we launched basic software education programs for juvenile inmates to provide more practical and long-term support for their reintegration. A total of 94 inmates from the Seoul and Anyang juvenile reformatories participated in programs such as block coding, text coding, and career exploration in the software field. Additionally, we provided living and education scholarships to 47 current and former juvenile inmates across the country who demonstrated a strong commitment to reintegration.

Future IT Education Library

Since 2021, we have been operating the Future IT Education Library in partnership with the Heart-Heart Foundation (NGO) to bridge the IT education gap for underprivileged youth and foster a self-sustaining IT learning environment within local communities. This program supports social welfare centers located in areas with high concentrations of digitally marginalized children and adolescents by providing IT education equipment and content. By 2024, we had established Future IT Education Libraries at 18 key welfare centers across the country, offering access to various educational tools and digital literacy programs focused on AI, IoT, and the metaverse. The program also allows free rental and use of IT educational kits to enhance learning opportunities.



Future IT Education Library

Donation of Idle Company Laptops

Since 1995, we have been refurbishing and donating unused laptops through NGOs to educational institutions both domestically and abroad, contributing to bridging the digital divide among underprivileged youth and promoting resource recycling. In 2024, we donated a total of 150 refurbished laptops to local community centers, juvenile rehabilitation and education facilities, and international welfare organizations in countries such as Laos. To date, a cumulative total of 5,197 laptops have been recycled to improve digital accessibility and reduce information inequality.



Donation of Idle Laptops

Social Contribution Performance

Employee Volunteer Activities

We have fostered a culture of community engagement and shared growth through a variety of employee volunteer activities, including the Volunteer Festival held in April to mark our anniversary, Samsung's Sharing Week in November, regular blood donation campaigns, hands-on volunteering, and environmental cleanup efforts. In 2024, we carried out diverse volunteer programs each month, including cultural heritage preservation, baking for charity, improving conditions for abandoned animals, and briquette sharing for heating support. We also encouraged individual and team-based volunteer activities in local communities. In addition, we expanded everyday public-interest campaigns that are easy to participate in, such as the step-donation campaign and the 'use and donate your tumbler' initiative.

Category	Unit	2022	2023	2024
No. of participants	Persons	1,252	5,859	6,038
Total volunteer hours	Hours	10,274	30,247	32,681

Matching Grant Program

We operate a matching grant program in which employees can select and pledge donations to social contribution programs of their choice, and we match those donations on a 1:1 basis. The joint donation fund created by employees and the company is used to support both Samsung's collaborative social contribution programs and our own initiatives. Through this system, we actively promote employee participation in social contribution and enhance the social impact of Samsung's community engagement efforts.

Company Donation Overview

Category	Unit	2022	2023	2024
Donations	KRW million	2,837	3,292	3,161

Recognized for CSR in the Community

The Corporate Social Responsibility in the Community, organized by the Ministry of Health and Welfare and the Korea Council for Social Welfare, acknowledges companies that consistently engage in community contribution activities in partnership with nonprofit organizations. We were first recognized under this program in 2021 and have since been recognized for CSR in the community for four consecutive years, receiving high evaluations each year.



Corporate Social Responsibility in the Community Certification Mark

Customer

Customer Support

Customer VoC Intake and Handling Process

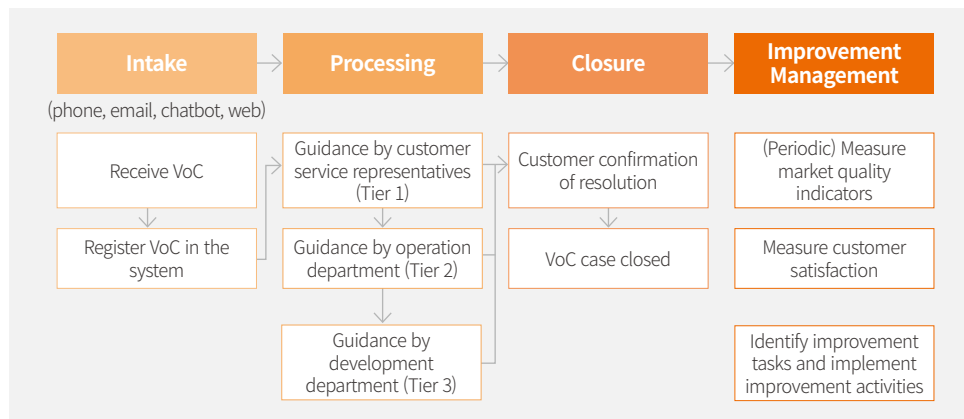
The Samsung SDS Contact Center systematically manages customer VoC (Voice of Customer) through various communication channels such as phone, email, chatbot, and web. A three-tier organizational structure (Tier 1 to Tier 3) has been established, with clearly designated personnel at each level to ensure prompt and effective responses to customer requests and to perform technical support tasks. We analyze the root causes of frequently occurring VoC cases and carry out continuous improvement activities through cross-functional collaboration across the company and business units. Additionally, we reflect identified customer needs in our products to enhance overall customer satisfaction.

* Tier 1 (VoC reception), Tier 2 (technical support), Tier 3 (product planning and development, quality / service management)

Customer VoC Intake Status

Category	Unit	2022	2023	2024
Cases received	No. of cases	617,224	442,909	391,809
Process rate	%	100	100	100

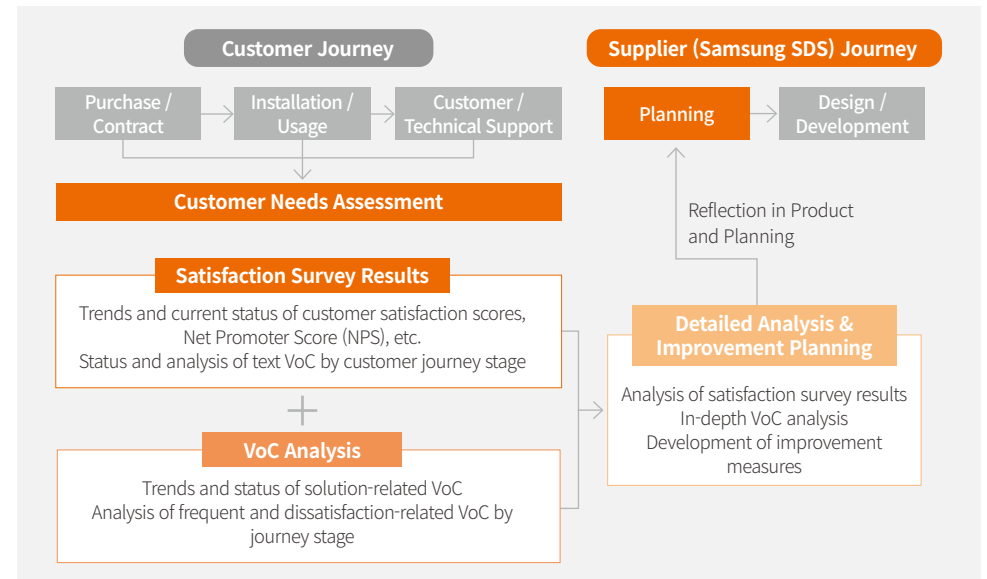
VoC Handling Process



Customer Satisfaction Index (CSI)

Since 2008, we have conducted an annual comprehensive Customer Satisfaction Index (CSI) survey through a professional external research firm. The survey is carried out once a year and targets all customers who have interacted with us, across different industries, customer tiers, and business types. The survey questions are structured according to the role of each respondent (introducer / contractor, operator / user), tailored to the characteristics of our services and solutions. Since 2023, we have improved the survey method to better capture real customer voices by adopting random sampling and expanding the respondent base. In 2024, the overall CSI score was 81.2. Based on quality measurements throughout the customer journey, relevant departments establish improvement tasks and carry out continuous improvement activities.

Customer Satisfaction Survey and VoC-based Product Feedback Process



Customer

Framework for Quality Management

Quality Charter

Samsung SDS is committed to realizing customer satisfaction through quality innovation by ensuring all employees understand our quality vision. To achieve this, we adhere to quality management principles of quality first, customer satisfaction, back to the basics, continuous innovation, and craftsmanship.

Quality Vision	
Delivering customer delight through quality innovation Perfection in Quality. Be Experts & Work Smart!	
Code of Conduct	
Quality First	Quality should never be compromised.
Customer Satisfaction	The worth of goods and services rests in customer satisfaction, upon which all achievements are judged.
Back to the Basics	Quality reflects our integrity! Adhere strictly to rules and processes.
Continuous Innovation	Continually innovate quality for top-notch products and services.
Craftsmanship	Aspire to attain zero defects by striving further than our best efforts and beyond perfection.

Framework for Quality Management

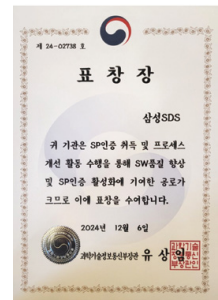
We obtained the industry's first ISO 9001 certification for the SI (System Integration) sector in 1994 and achieved the highest Master level of ITIL (IT Infrastructure Library) in 2003. We later acquired ISO 14001 for Environmental Management Systems in 2014 and TL 9000 for Telecommunications Quality Management Systems in 2017, maintaining these certifications to date. In 2020, we earned CSA STAR certification for Cloud Security Management Systems and ISO 28000 for Logistics Security Management Systems, expanding the application of a world-class quality management framework. In 2023, we became the first company in Korea to receive the highest SP Level 3 certification for Software Process Quality.

Quality Management System

				
Quality Management System (ISO 9001)	Telecommunications Quality Management System (TL 9000)	Logistics Security Management System (ISO 28000)	Cloud Security Management System (CSA STAR)	Software Process Quality Certification (SP Level 3)

Highest Level in Software Process Quality Certification

The Software Process (SP) Certification, based on the Software Industry Promotion Act, is a system administered by the National IT Industry Promotion Agency (NIPA), which comprehensively evaluates and grades a company's software process quality capabilities. We became the only domestic company to receive the highest SP certification level since the program was launched in 2009. Achieving a high level in software process quality means that the entire software development lifecycle, from initiation to completion, is conducted in a consistent and continuously improving manner, enabling the delivery of higher-quality services. As the first IT company in Korea to obtain the highest-level SP Certification (Level 3), we have continuously driven quality improvement initiatives and advanced our software quality management systems. In recognition of our contribution to elevating industry standards, we were awarded the 2024 Minister's Commendation from the Ministry of Science and ICT.



2024 Minister's Commendation from the Ministry of Science and ICT for Software Quality Excellence

Customer

Framework for Quality Management

Quality Assurance Framework

Samsung SDS has established a quality management system tailored to each business type of implementation, solution, and operation, and based on this, it implements quality management practices through structured processes, guidelines, training, and quality systems, ensuring that quality activities are properly planned and assured.



Category	Key Components
	Application and support of quality management processes across development, solution, and operations
Quality Support Service	Implementation <ul style="list-style-type: none"> Quality reviews at each key phase of the project Risk management system to identify and mitigate risks in advance
	Solution <ul style="list-style-type: none"> Stage-by-stage quality review from planning to operations Go-live inspection to ensure stable solution operation
	Operations <ul style="list-style-type: none"> Operation-level consulting to ensure stable service delivery Ongoing quality management and issue resolution activities
INNOVATOR	<ul style="list-style-type: none"> Samsung SDS's proprietary methodology that standardizes business procedures and execution methods
OpenQA+	<ul style="list-style-type: none"> Quality system for managing quality assets, quality activities, and risk management
Q-Analytics	<ul style="list-style-type: none"> One-view dashboard that visualizes quality status by category
Code Analyzer	<ul style="list-style-type: none"> Tool for source code analysis and code inspection
Q-Academy	<ul style="list-style-type: none"> Training system to foster quality awareness and nurture quality professionals

Quality Management Activities

Quality Risk Management

Quality Management Processes by Business Type

System Implementation	<ul style="list-style-type: none"> Conduct quality reviews at each key project phase and implement corrective and follow-up actions for non-conformities Operate a risk management system to identify and respond to risks in advance Continue quality enhancement activities such as strengthening upstream process quality to improve competitiveness
Operations and Services	<ul style="list-style-type: none"> Ensure stable delivery of products and services, and meet service levels agreed with customers Conduct quality inspections at the point of service transition and go-live to ensure stable operations Enhance customer satisfaction through regular quality improvement activities and efforts to eliminate service disruptions
Solutions	<ul style="list-style-type: none"> Apply quality and risk management processes throughout the solution lifecycle: planning, development, launch, and operation Conduct regular sprint reviews across development and operations through a DevSecOps-based system Perform pre-launch quality inspections across functionality, performance, security, customer experience (CX), and open-source licensing Ensure maintainable, productive, and high-quality source code

Enhancing Employee Awareness on Quality

We provide annual quality capability training to all employees, including those at our Headquarters, overseas subsidiaries, GDCs, and affiliates, to ensure they recognize their role in quality management and understand the importance of successful project completion.

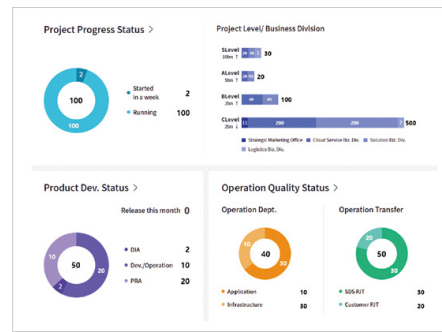
Training	Description
Quality Mindset Training	Promotes quality awareness among all employees through online, case-based training
Quality Management Expert Training	Enhances the quality management capabilities of employees in development, operations, and solution roles through theoretical and hands-on training
Test Specialist Training	Strengthens the testing competencies of developers and operators by providing training in functional, security, and performance testing
RCA (Root Cause Analysis) Training	Improves problem-solving skills for risk managers through on-demand online training focused on identifying root causes of issues and managing incidents effectively

Customer

Quality Management Activities

Quality Assurance System

We have integrated our quality management expertise into the OpenQA+ system to strengthen quality activities and risk management across different business types. Through this system, we share a wide range of case studies, best practices, and practical know-how. Our quality system enables effective management of quality and risks specific to each business type. We have also expanded the platform to mobile, allowing real-time registration, analysis, and resolution of inspection results. By monitoring the quality status of our implementation, solution, and operation services in real time, we are able to effectively track and enhance the overall quality level we deliver.



OpenQA+ System

Service Failure Management

We prevent service and system failures through continuous monitoring and proactive measures. To ensure swift recovery in the event of a failure, we conduct annual simulation drills for system and disaster recovery. Our infrastructure equipment and applications are monitored 24/7, 365 days a year, with anomalies promptly shared with relevant departments for timely resolution. Following any incident, our RCA (Root Cause Analysis) experts participate in the Failure Review Board (FRB) to thoroughly examine the technical causes, operational context, and response actions from occurrence to recovery. We then identify and implement preventive measures to ensure similar failures do not recur, and we deploy these lessons learned across the organization through horizontal sharing initiatives.

Samsung SDS's Proprietary Methodology: INNOVATOR

We manage quality across different business types using the INNOVATOR methodology, a standardized set of procedures and practices developed based on our accumulated experience and expertise. Recently, we have updated the methodology by incorporating best practices from successful cloud migration projects and large-scale Agile implementations, thereby strengthening our business competitiveness.



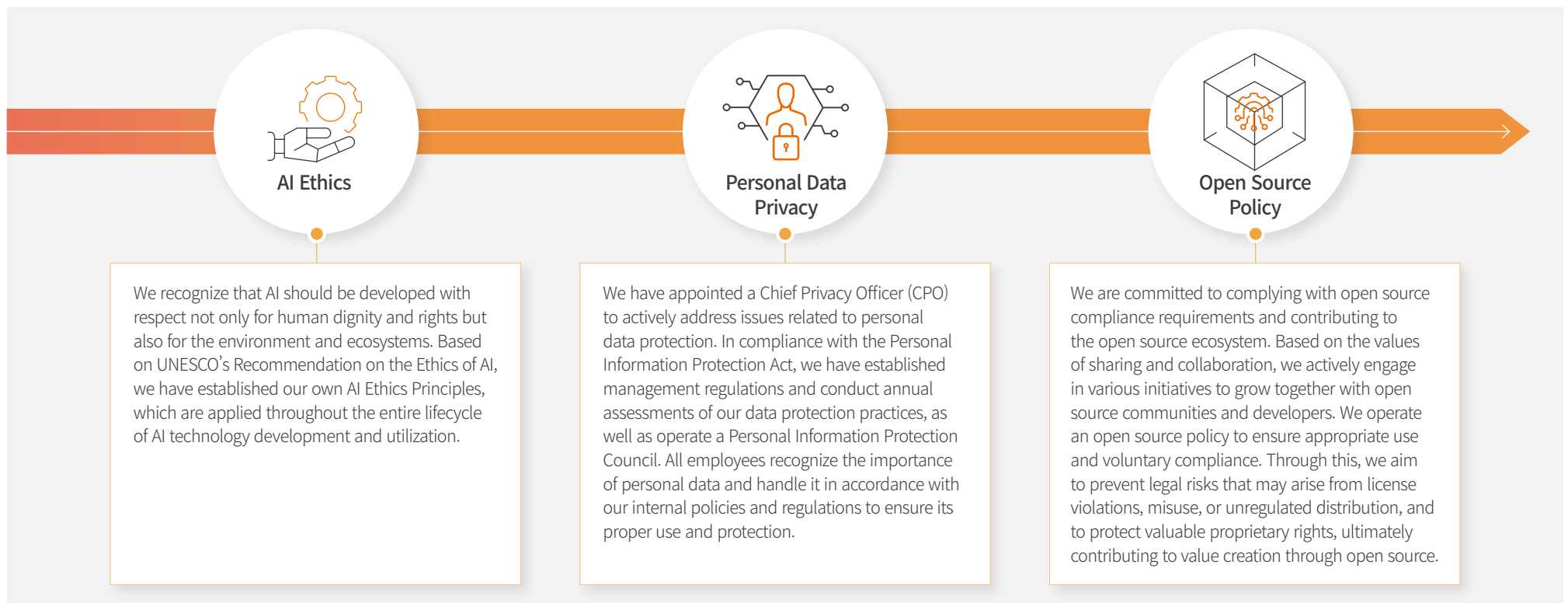
Samsung SDS's Proprietary Methodology: INNOVATOR

MSP	Cloud transformation (consulting, re-hosting, re-platforming, re-factoring, re-purchasing), and cloud infrastructure deployment
CSP	Generative AI consulting, infrastructure design and deployment, and global ICT infrastructure development
DT Engine	Implementation of IoT platforms, chatbots, big data platforms, business analytics (BA), and data warehouses (DW)
SI	BPR / ISP, PI / MDM / FA consulting, PLM maturity assessments, infrastructure diagnostics, global project feasibility studies, and implementation of applications including MES, MDM, SCM, ERP, CRM, RPA, and communication networks
SM	Data center relocation, security and network consulting, security solution implementation, service design, application optimization and operation, GDC transition consulting, GDC operation transfer, and infrastructure management
Logistics	Deployment of logistics systems
General	Software product development, technical R&D, proposal development, and project management

Digital Responsibility

Framework for Digital Responsibility Management

Samsung SDS is committed to minimizing the potential negative societal impacts of technology and ensuring that its customers and users can safely and conveniently benefit from technological advancements. We fulfill our social responsibilities across various areas, including AI ethics, personal data protection, and open-source governance. With the growing adoption of generative AI and the emergence of issues such as deepfakes, we underwent a comprehensive audit covering our AI management policies, systems, and risk management including those related to our generative AI services. As a result, we became the first IT company in Korea to obtain ISO / IEC 42001 certification, the international standard for AI management systems, formally recognizing our AI governance capabilities. At the governance level, we established a dedicated IT Ethics Team to continuously monitor and manage risks related to IT ethics, including those associated with AI. Moving forward, we will continue to enhance our digital responsibility management system to proactively address emerging risks and ethical challenges that may arise during the development and deployment of generative AI products and services.



Digital Responsibility

AI Ethics

Obtained ISO/IEC 42001 Certification for AI Management Systems

Samsung SDS became the first company in Korea's IT services industry to obtain the AI Management System international standard certification, ISO/IEC 42001. This certification, jointly established by the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC), is the most authoritative global standard for evaluating whether companies responsibly manage AI-related risks across the entire development and operation process of AI-powered products and services. We received this certification for our generative AI services: FabriX, Brity Copilot, and Brity Automation. Through this achievement, we were recognized for our compliance with international standards in AI product development and service operation, including our AI governance, design, development, quality, and data management processes.



Certification ceremony held at Samsung SDS Jamsil Campus

IT Ethics Team

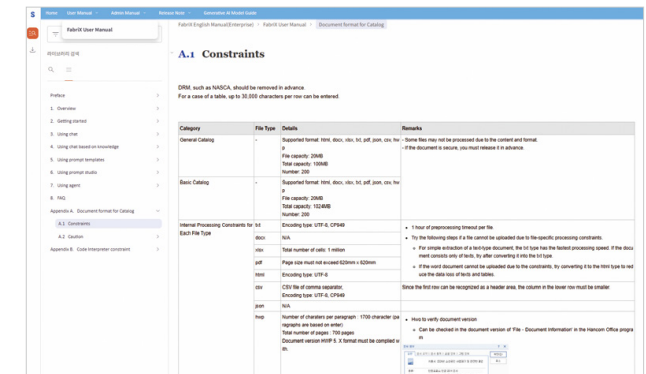
To ensure the trustworthy adoption of AI and the responsible development of related systems, it is essential to continuously update the frameworks and principles that govern them. These standards must be embedded and applied throughout the entire lifecycle from planning and development to deployment and operation. To this end, we established the IT Ethics Team, a dedicated organization responsible for AI governance focused on risk management. The team identifies potential risks associated with AI adoption, evaluates and mitigates those risks, and collaborates with relevant departments to develop practical guidelines and safeguards for responsible AI integration.

Types of Harmful AI Responses (General)

Label	Type	Label	Type
S1	Violent crimes	S8	Intellectual property
S2	Non-violent crimes	S9	Indiscriminate weapons
S3	Sex-related crimes	S10	Hate
S4	Child sexual exploitation	S11	Suicide & self-harm
S5	Defamation	S12	Sexual content
S6	Specialized advice	S13	Elections
S7	Privacy	S14	Code interpreter abuse

AI Risk Assessment and Mitigation

We are continuously researching and developing technologies needed to assess and mitigate AI risks. In addition to efforts to improve the accuracy and reliability of AI outcomes, we have secured AI-assisted Red Teaming Framework and Safety Filter technologies since 2024 to prevent harmful AI responses. The AI-assisted Red Teaming Framework provides an automated testing method that generates adversarial prompts and evaluates AI responses across general, code, and financial domains for potentially harmful content. The Safety Filter is a technology that detects potentially harmful user prompts and intents, enabling services to preemptively block high-risk inputs. To build trustworthy AI, we consider not only technical safeguards like the Safety Filter, but also managerial measures such as providing user terms and manuals. These efforts are aimed at preventing the malicious use of AI services and helping users understand the limitations of AI while using it appropriately for its intended purpose.



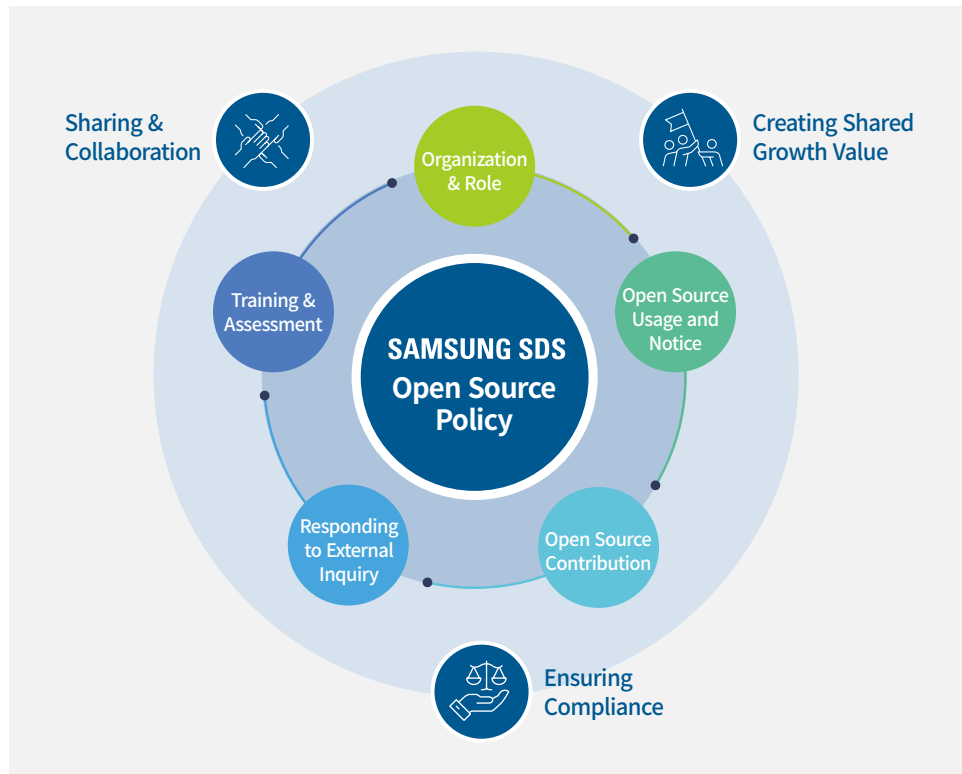
FabriX User Manual

Digital Responsibility

Open Source

Framework for Policy and Security Enhancement

Samsung SDS is committed to fostering growth alongside the open source community and developers, based on the values of sharing and collaboration. To ensure the proper and autonomous use of open source, we operate a dedicated open source policy. Through this policy, we aim to comply with open source license obligations, prevent legal liabilities and infringement of proprietary rights that may result from indiscriminate use or distribution, and contribute to value creation through open source utilization.



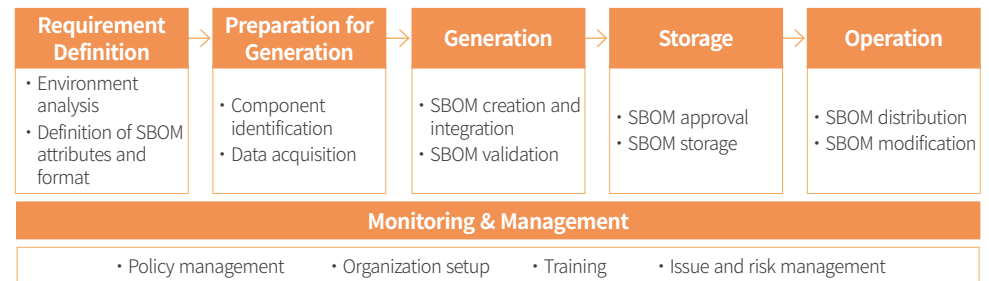
Open Source International Standard Certification

We obtained the Open Source International Standard Certification (ISO/IEC 5230:2020) in 2022, followed by the Open Source Security International Standard Compliance Certification (ISO/IEC 18974:2023) in August 2024. These certifications are granted by the OpenChain Project, initiated by the Linux Foundation in 2016, to global companies that demonstrate robust open source security management systems and operational capabilities. We met all requirements, including open source security policies, processes, management practices, and vulnerability response. With these achievements, we have been officially recognized for our global-level capabilities in both open source compliance and security governance.

Strengthening Open Source Software Supply Chain Security

A Software Bill of Materials (SBOM) is an official specification that includes detailed information about software components and their interdependencies. It is a key tool for addressing security threats in the software supply chain. We are committed to ensuring transparency and integrity in the software supply chain by applying an open source SBOM framework. Since 2023, we have been automatically generating, storing, and managing SBOMs for newly released solutions, providing visibility into software components and dependencies, while also supporting vulnerability analysis and license compliance.

Open Source SBOM Framework



Digital Responsibility

Personal Data Privacy

Customer Personal Data Protection Policy

All employees at Samsung SDS recognize the importance of personal data and are committed to its proper use and protection. We have appointed a Chief Privacy Officer (CPO), separate from the Chief Information Security Officer (CISO), to proactively address privacy issues and oversee the operation of the Personal Information Protection Committee. We also establish and maintain management regulations in accordance with the Personal Information Protection Act and conduct annual inspections to ensure compliance.

* CPO appointment criteria: In accordance with the Personal Information Protection Act, the appointed officer must have at least 4 years of combined experience in privacy protection, information security, and IT, with a minimum of 2 years specifically in personal data protection.

Customer Personal Data Protection Process

Policy Development	Regulatory Monitoring	Training and Field Communication	Inspections and Improvement Activities
Establish operational standards for personal data protection	Monitor the enactment and revision of personal data protection laws	Conduct training sessions for employees, data handlers, and subcontractors	Conduct inspections on the implementation and management of data protection practices
Create and revise standard forms for data protection activities			
Establish response procedures for personal data breaches	Track domestic and international trends related to data privacy	Distribute data protection letters and provide guidelines	Take corrective actions where improvements are needed

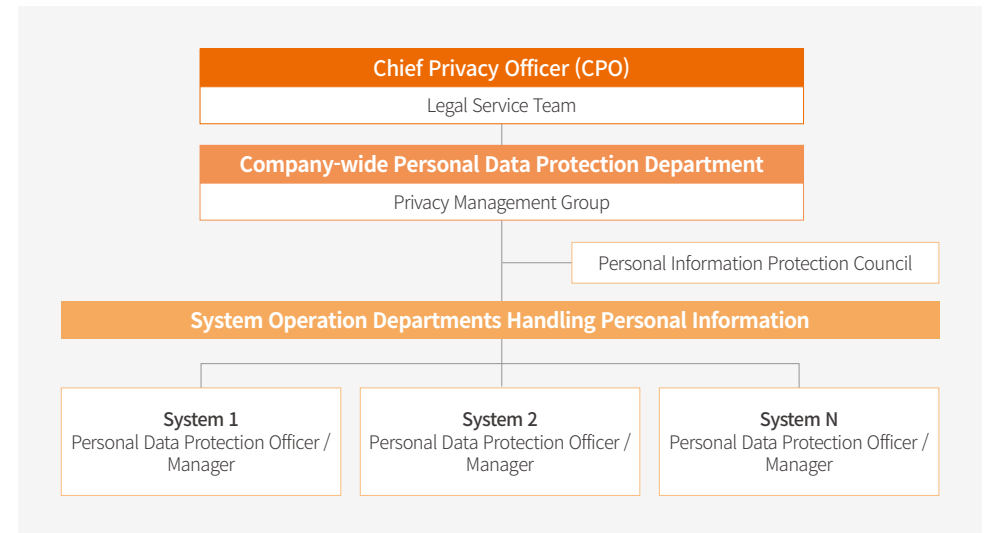
Personal Data Breach Response Process

In accordance with the Personal Information Protection Act, we have established a structured response system to swiftly handle personal data breaches. Upon detection of a breach, we immediately assess the situation and establish response measures based on our data breach response process. In the event of an incident, we evaluate the severity of the breach according to compliance standards and take disciplinary action against violators and those responsible up to and including dismissal.



Operation of Dedicated Personal Data Protection Organization

We operate a dedicated organization for personal data protection in accordance with compliance standards and corporate compliance guidelines, and carry out related legal and regulatory activities.



Personal Information Protection Council

Chairperson	Head of the Legal Service Team (Secretary: Head of the Privacy Management Group)
Members	Legal Service Team, Compliance Team, People Team, Samsung Security Center, Business Innovation Team, Quality Strategy Team, Communications Team, Data Consolidation & Analytics Center, Marketing Team
Agenda Items	<ul style="list-style-type: none"> Trends and legislative updates related to personal information Progress and actions related to personal information protection activities
Meeting Frequency	Regular meetings (once per half-year), Ad-hoc meetings (as needed upon issue occurrence)

Digital Responsibility

Personal Data Privacy

Personal Information System

In August 2021, Samsung SDS established the Personal Information System (PIS) to manage detailed records of domestic and overseas legal applications and inspection histories. The system also provides access to company regulations, legal information, related news, educational content, and FAQs.

ISMS-P Certification

In March 2022, we obtained and have since maintained the Personal Information & Information Security Management System (ISMS-P) certification, which is supervised by the Ministry of Science and ICT and the Personal Information Protection Commission, and assessed by the Korea Internet & Security Agency (KISA). This certification verifies the high operational standards of our personal information protection management system and the adequacy of protection measures across the entire data processing cycle.



ISMS-P Certification Mark

- Scope of Certification: Samsung Cloud Platform cloud services

Personal Information Management

Category	Unit	2022	2023	2024
No. of personal data breaches	Cases	0	0	0
No. of reports filed by external institutions on violations of the Personal Information Protection Act	Cases	0	0	0
No. of reports filed by regulatory bodies on violations of the Personal Information Protection Act	Cases	0	0	0
No. of requests received from the government and law enforcement agencies on user data	Times	47	17	6
Data submission rate in response to government and law enforcement requests	%	100	100	100
No. of cases where customer information was used for purposes other than originally intended	Cases	0	0	0

※ These indicators on personal information violations / incidents are used to evaluate the effectiveness of preventive measures against data breaches.

Global Personal Information Privacy

We are systematically responding to increasingly stringent global personal information protection regulations to ensure the smooth operation of our expanding international business. In particular, we identify key areas of compliance risk centered on the personal information protection laws of major regions such as the EU, the United States, and China, and conduct thorough inspections in accordance with our response strategies to minimize those risks.

Key Areas	Action Plan
<ul style="list-style-type: none"> • Right of access • Right of rectification (correction) • Right to erasure / delete (be forgotten) • Right to be informed • Right to restrict processing • Right to data portability • Right to object • Rights related to automated decision making and profiling • Right to opt out of targeted advertising, sale or sharing • Right to limit use and disclosure of sensitive personal information 	<ul style="list-style-type: none"> • Notify and ensure personal information-related rights through the Privacy Policy • Establish a clear process for receiving and responding to data subject requests • Minimize personal information collection and implement protective measures • Manage administrator accounts and access privileges for personal information • Define personal information breach types and set up response procedures • Report breaches to relevant authorities within legally mandated timeframes in each jurisdiction • When transferring personal information, comply with the procedures stipulated by local laws, such as obtaining adequacy certification, using standard contractual clauses, and securing the data subject's consent

Governance



Expedited digital transformation across various sectors has advanced with the rise of emerging technologies, bringing corresponding security and ethical risks that now stand as emerging tasks to be addressed.

In response, Samsung SDS is taking the lead in driving digital responsibility and compliance, guided by its Board of Directors underpinned by independence, diversity, and expertise.

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Corporate Governance

Board of Directors

Board Composition

To ensure transparent and independent governance, Samsung SDS aligns its Board composition and operations with applicable laws and its Articles of Incorporation. As of now, the Board consists of seven directors, including four independent directors. This composition meets the requirement of Article 542-8 of the Commercial Act, which stipulates that there must be at least three independent directors and that they must constitute a majority. In March 2025, the 40th regular general shareholders' meeting appointed two executive directors based on the Board's recommendations. The appointments followed procedures in accordance with pertinent laws. In a bid to enhance Board operations and decision-making efficiency, CEO Junehee Lee was appointed as Chairperson of the Board through a resolution in accordance with Article 33 of the Articles of Incorporation and Article 5 of the BOD Regulations. For the sake of checks and balances between independent and executive directors, the senior independent director system was introduced in October 2023. Currently, Senior Independent Director Hyunhan Shin is responsible for arranging and convening meetings and gatherings, serving as a bridge between the Board Chairperson, management, and independent directors by facilitating communication among them.

Director Type	Name	Position	Gender	Tenure (Start / End Date)	Career Highlights
Executive Director	Junehee Lee	President & CEO, Board Chair	Male	Mar. 19, 2025 Mar. 18, 2028	<ul style="list-style-type: none"> Corporate EVP of Global Sales & Marketing Team at Samsung Electronics Networks Business Corporate SVP of Technology Strategy Team at Samsung Electronics Mobile Business
	Jungtae Ahn	Executive VP & CFO	Male	Mar. 18, 2020 Mar. 17, 2026	<ul style="list-style-type: none"> Team leader of the Audit Team at Samsung Electronics CFO of Visual Display (VD) Business Division at Samsung Electronics
	Hojoon Lee	Executive VP & Leader of the Cloud Service Business Division	Male	Mar. 19, 2025 Mar. 18, 2028	<ul style="list-style-type: none"> West market unit lead for Healthcare and Public service Tech strategy and advisor at Accenture System Integration Leader of Financial Institute Client at Accenture
Independent Director	Hyunhan Shin	Senior Independent Director & Chair of the Audit Committee	Male	Mar. 18, 2020 Mar. 17, 2026	<ul style="list-style-type: none"> Professor at Yonsei University's School of Business President of the Korean Securities Association Member of the Performance Evaluation Committee at the Deposit Insurance Fund Assistant Professor at the State University of New York at Buffalo
	Mooil Moon	Chair of the Related Party Transactions Committee	Male	Mar. 15, 2023 Mar. 14, 2026	<ul style="list-style-type: none"> Senior Partner at Shin & Kim LLC Chair-Professor at Korea University's College of Informatics, Department of Computer Science and Engineering 42nd Prosecutor General Chief Prosecutor at Busan High Prosecutors' Office
	Jaejin Lee	Chair of the Independent Director Recommendation Committee	Male	Mar. 15, 2023 Mar. 14, 2026	<ul style="list-style-type: none"> Dean at Seoul National University's Graduate School of Data Science Affiliated Professor at Seoul National University, Department of Computer Science and Engineering Member of the National Academy of Engineering of Korea in Computing Division Fellow at IEEE
	Insill Yi	Chair of the Compensation Committee & Chair of the ESG Committee	Female	Mar. 20, 2024 Mar. 19, 2027	<ul style="list-style-type: none"> Chair of the Korean Peninsula Population Institute for Future President of the Institute for Sustainable Economy and Society 12th Commissioner of Statistics Korea Professor at Sogang University's School of Economics

Corporate Governance

Board of Directors

Empowering Transparent and Independent Governance

As part of efforts to ensure Board independence, Samsung SDS has structured its Board so that independent directors constitute the majority, and regularly convenes meetings to encourage open exchange of opinions and autonomous decision-making. Furthermore, to minimize potential conflicts of interest between the company and its directors, we have imposed restrictions on transactions between them. Directors with a personal interest in matters under Board resolution are not permitted to exercise their voting rights. Structured efforts are underway to ensure fairness and independence in the director appointment process. It begins with a comprehensive review of various factors, such as qualifications, work experience, and relationships with the company, to form a candidate pool. This is followed by an evaluation conducted by the Board and the Independent Director Recommendation Committee, factoring in individual assessment criteria, such as expertise, social reputation, and integrity. Board diversity and the broader business environment are also taken into account to ensure a holistic and transparent appointment process.

Ensuring Board Expertise

To empower the Board in making strategic decisions, Samsung SDS comprises directors with expertise across a wide range of fields. Our CEO, a top expert in IT and telecommunications, leads business operations and drives responsible management as Chair of the Board. In addition, the appointment of independent directors with deep knowledge and experience in areas such as law, IT, finance, and business strategy enables objective oversight and provides valuable professional insight.

Board Skill Matrix

Category	Junehee Lee	Jungtae Ahn	Hojoon Lee	Hyunhan Shin	Mooil Moon	Jaejin Lee	Insill Yi
Board Diversity							●
Financial		●		●	●		●
Global Business	●	●	●	●		●	●
Leadership	●	●	●		●	●	
Risk Management		●		●	●		●
Technology	●		●		●	●	

Independent Director Independence Guidelines

With the purpose of ensuring effective oversight and checks in business management decisions, Samsung SDS verifies the qualifications of both prospective and incumbent independent directors in accordance with applicable laws, including the Commercial Act. The key details are as follows.

- The independent director shall not be a director, executive officer, or employee involved in the company's management, nor shall have held such position in the past 2 years
- (When the largest shareholder is a natural person) The independent director shall not be the largest shareholder, its spouse or lineal ascendant or descendant
- (When the largest shareholder is juridical person) The independent director shall not be a director, auditor, executive officer, or employee of the largest shareholder entity
- The independent director shall not be a spouse or lineal ascendant or descendant of the director, auditor, or executive officer
- The independent director shall not be a director, auditor, executive officer, or employee of the company or its parent company
- The independent director shall not be a director, auditor, executive officer, or employee of a legal entity that has key stakes in the company such as being in a transactional relationship
- The independent director shall not be director, auditor, executive officer, or employee at another company where the current company's director, executive officer, or employee serves as a director or executive officer
- The independent director shall not be serving as a director, executive officer, or auditor at 2 or more other companies
- The independent director shall not be providing accounting audits or tax representation, or be an attorney (including affiliated foreign law consultancies), certified public accountant, tax accountant, or other advisory service provider that has a contract with the company to provide legal or business management advisory services, etc.

Corporate Governance

Board of Directors

Appointment Process of Independent Directors

At Samsung SDS, the Independent Director Recommendation Committee, which comprises three independent directors, is responsible for recommending candidates with expertise across diverse fields for independent director positions. The Committee reviews their qualifications pursuant to Article 382 of the Commercial Act, and the final appointment is made at general shareholders' meetings. To further enhance independence, the Committee transitioned to a composition consisting entirely of independent directors starting in February 2024. When an independent director must be appointed due to dismissal, resignation, expiration of term, or other reasons, the Committee recommends suitable candidates at general shareholders' meetings. Beginning in 2024, the Committee convenes annually to conduct thorough reviews of candidates and manage the candidate pool.



Promoting Board Diversity

In line with our goal of growing together with a diverse range of stakeholders, we emphasize diversity across multiple dimensions, including gender, age, professional experience, nationality, religion, and political orientation in our Board composition. To this end, we have appointed experts from various backgrounds as independent directors. Besides, we have included female independent directors since 2020. Currently, Independent Director Insill Yi serves as Chair of both the Compensation Committee and the ESG Committee, exemplifying our commitment to diversity in Board and committee operations.

Policies for Board Diversity

Category	Details
Gender	Appointing at least one female independent director to reflect gender-balanced perspectives
Age	Appointing independent directors of diverse ages to incorporate generational perspectives and experiences
Experience	Appointing independent directors with a wealth of experience across diverse fields such as business management, law, technology, and economics
Others	Factoring in diversity factors such as nationality, religion, and political orientation when selecting independent directors

Corporate Governance

Board of Directors

Board Operations

Board Convocation

In accordance with Article 33 of the Articles of Incorporation and Article 9 of the BOD Regulations, the Board Chair convenes Board meetings, with directors being notified one week in advance. Each director has the right to request the Chair to convene a meeting by submitting the agenda and the reason. If the Chair declines the request without justifiable grounds, the requesting director may hold the meeting independently. In principle, the Board meets once every quarter, but ad-hoc meetings may be held as needed. In 2024, a total of seven Board meetings were held, during which 25 agenda items were discussed and resolved.

Board Resolution

Pursuant to Article 35 of the Articles of Incorporation and Article 10 of the BOD Regulations, Board resolutions are adopted by a majority of directors present, provided that a majority of those present vote in favor (unless otherwise stipulated by applicable law). The Board may authorize all or some directors to participate in meetings via communication devices that transmit and receive audio, in which case such participation is deemed equivalent to in-person attendance. Each director’s attendance and voting record on agenda items subject to disclosure are available in our business reports.

Board Meeting Overview

Category	Unit	2022	2023	2024
No. of meetings convened	Times	8	9	7
No. of agenda items	Items	21	29	25
Attendance rate	%	96.4	98.4	95.9
Minimum attendance rate required for all directors	%	85	85	85

Board Evaluation

We have established a set of quantitative indicators, including attendance rates at Board and committee meetings and the number of agenda items reviewed, along with qualitative evaluation criteria, such as expertise and business understanding levels. Based on these, we conduct annual assessments of each independent director’s activities and performance. The outcomes serve as key inputs in determining reappointment.

Assisting Independent Directors in Performing Their Duties

To support independent directors in fulfilling their responsibilities, we have designated a dedicated department responsible for providing them with the necessary information and resources. In particular, we keep them up to date on business plans and current issues across various business areas, thereby enhancing their understanding of our operations.

Overview of Independent Director Training

Training Date	Participants	Key Content
Mar. 20, 2024	Insill Yi	Orientation for new independent directors (overview of Samsung SDS’s business status, mid- to long-term strategy, organizational structure, workforce, etc.)
Apr. 25, 2024	Hyunhan Shin, Mooil Moon, Jaejin Lee, Insill Yi	Briefing on Samsung SDS’s mid- to long-term business strategy
Jul. 25, 2024	Hyunhan Shin, Mooil Moon, Jaejin Lee, Insill Yi	Overview of the internal accounting management system for Audit Committee members
Jul. 25, 2024	Hyunhan Shin, Mooil Moon, Jaejin Lee, Insill Yi	Introduction to Samsung SDS’s key solutions
Sep. 5, 2024	Hyunhan Shin, Mooil Moon, Jaejin Lee, Insill Yi	Tour of the Sangam Data Center and facility introduction
Oct. 24, 2024	Hyunhan Shin, Mooil Moon, Jaejin Lee, Insill Yi	Briefing on external business strategies

Guidelines on Concurrent Positions Held by Independent Directors

In adherence to the Commercial Act and our ‘Regulations on Independent Director Management,’ directors are permitted to hold up to one concurrent position, provided it is not with a company in the same industry.

Corporate Governance

Board of Directors

Committees Under the Board

Committee Operations

To ensure agile and efficient decision-making, we have established six committees and delegated certain Board authorities to them in accordance with Article 34 of the Articles of Incorporation and Article 14 of the BOD Regulations. We have also formalized the regulations governing each committee, clearly defining their structure, responsibilities, and authority. Resolutions passed by the committees are communicated to all directors within two business days. If any director believes a matter requires further discussion, they may request the Board Chair to convene a meeting within three business days of the notification. In such cases, the committee’s resolution may be reconsidered. However, resolutions made by the Audit Committee are excluded from this process to preserve its independence. Additionally, beginning in 2024, we transitioned the Independent Director Recommendation Committee and the Related Party Transactions Committee, each of which previously included one executive director, into fully independent director-composed bodies to further strengthen their independence.

Committee Overview

Committee	Functions and Composition
Audit Committee	<ul style="list-style-type: none"> Audit of overall business operations, including financial status Composed solely of three independent directors
Management Committee	<ul style="list-style-type: none"> Business affairs, financial matters, and Board-delegated issues Composed solely of three executive directors
Related Party Transactions Committee	<ul style="list-style-type: none"> Enhancing business transparency through autonomous compliance with fair trade practices Composed solely of three independent directors
Compensation Committee	<ul style="list-style-type: none"> Ensuring objectivity and transparency in determining director remuneration Composed solely of three independent directors
Independent Director Recommendation Committee	<ul style="list-style-type: none"> Assessing and recommending the independence, diversity, and capabilities of independent director candidates Composed solely of three independent directors
ESG Committee	<ul style="list-style-type: none"> Creating sustainable value in collaboration with various stakeholders Comprised of four independent directors and one executive director (CEO)

Committee Composition

● Chair ○ Member

Category	Name	Board Committees					
		Audit Committee	Management Committee	Related Party Transactions Committee	Compensation Committee	Independent Director Recommendation Committee	ESG Committee
Executive Director	Junehee Lee		●				○
	Jungtae Ahn		○				
	Hojoon Lee		○				
Independent Director	Hyunhan Shin	●		○	○		○
	Mooil Moon	○		●		○	○
	Jaejin Lee			○	○	●	○
	Insill Yi	○			●	○	●

Board Committee Meetings Convened

Category	Unit	2022	2023	2024
Audit Committee	Times	6	6	5
Management Committee	Times	10	8	2
Related Party Transactions Committee	Times	4	6	5
Compensation Committee	Times	1	2	2
Independent Director Recommendation Committee	Times	0	2	3
ESG Committee	Times	4	6	5

Corporate Governance

Board of Directors

Director Remuneration

Director remuneration is determined based on position and responsibilities, and is executed within the limit approved at the general shareholders' meeting in accordance with the standards set by the Board of Directors.

Directors and CEO Remuneration Standards

Category	Details	
Executive director (including CEO)	Salary	Remuneration is determined based on the position, nature of delegated responsibilities, and their performance, in accordance with the Executive Compensation Regulation as resolved by the Board of Directors.
	Lunar New Year / Chuseok Bonus	A bonus equivalent to 100% of the director's monthly salary, provided for each holiday
	Target incentive	Determined by CEO based on the achievement of departmental targets within the range of 0~200% of monthly salary and paid in 2 installments during a year (adjusted according to each organization's performance)
	Performance incentive	Paid once a year based on EVA (Economic Value Added), which is calculated using the after-tax profit assessed for each fiscal year. The amount ranges up to 50% of the annual base salary and may be adjusted according to individual performance
	Long-term performance incentive	Calculated within the director remuneration limit approved by the general meeting of shareholders, based on a comprehensive assessment of both quantitative indicators such as ROE (Return on Equity), price earnings ratio, and pre-tax profit margin, etc. and qualitative indicators (including leadership, ethical management, social contribution, and overall contribution to the company). The incentive is paid in installments over a period of three years.
Independent director	Audit Committee member	Determined in accordance with the Independent Director Compensation Regulations, taking into consideration the nature of delegated responsibilities.
	Audit Committee member excluded	

Board Remuneration

Category	Unit	2022	2023	2024	
Executive director	Total remuneration	KRW million	3,854	4,001	6,155
	No. of people	Persons	3	3	3
	Average per person	KRW million	1,285	1,334	2,052
Independent director (excluding Audit Committee members)	Total remuneration	KRW million	89	91	94
	No. of people	Persons	1	1	1
	Average per person	KRW million	89	91	94
Audit Committee member	Total remuneration	KRW million	257	269	310
	No. of people	Persons	3	3	3
	Average per person	KRW million	86	90	103
Total director remuneration	Total remuneration	KRW million	4,200	4,361	6,559
	No. of people	Persons	7	7	7
	Average per person	KRW million	600	623	937

Board Shareholding Status

Category	Unit	2022	2023	2024	
Executive director	Sungwoo Hwang	Shares	1,000	1,000	1,000
	Jungtae Ahn	Shares	1,000	1,000	1,000
	Hyungjoon Koo	Shares	1,000	1,000	1,000
Independent director	Hyunhan Shin	Shares	500	500	500

Corporate Governance

Shareholder-friendly Management

Communication with Shareholders and Investors

Investor Relations Activities

Samsung SDS actively engages with both domestic and international investors through a range of investor relations (IR) activities. Our efforts include participating in investor conferences, conducting one-on-one investor meetings such as non-deal roadshows (NDRs), and holding overseas IR events led by senior management. We also presented our growth strategy for cloud and generative AI businesses through major corporate-wide public events, such as the Generative AI Media Day in May and the REAL Summit in September. In particular, quarterly earnings conference calls are broadcast live via webcast for open access. Since 2024, Korean and English scripts of the calls along with Q&A sessions have been provided to improve investors' access to information.

General Shareholders' Meetings for Elevated Shareholder Rights

We are committed to enhancing shareholder participation in our general shareholders' meetings by implementing electronic voting and real-time online broadcasting. In order to ensure that shareholders have sufficient time to review agenda items, we disclose the meeting agenda and reference materials four weeks in advance. Since 2024, we have operated a dedicated section on our website providing information on the meetings and guiding shareholders on proposal submission procedures. English materials are also available to support foreign shareholders.

Shareholder Return Policy

New Three Year Dividend Policy

We announced our new three-year dividend policy for the fiscal years 2025 through 2027 in January 2025. The key feature of this policy is to set the dividend payout ratio at about 30% over the next three years. Since 2019, we have set up and presented our dividend policy in three-year cycles to enhance predictability for investors. By using the dividend payout ratio as the basis for determining dividend amounts, we have aligned dividend payments with our business performance.

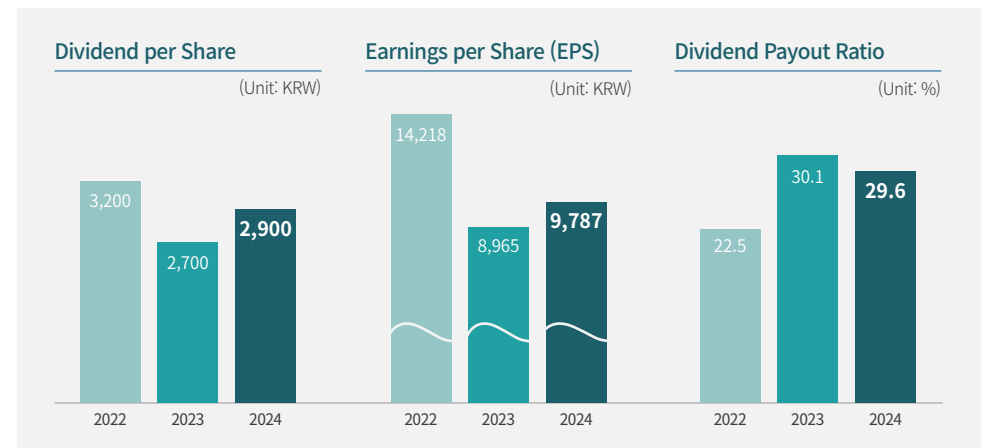
Increased Dividend

The dividend per share for the fiscal year 2024 was set at KRW 2,900, an increase of KRW 200 from KRW 2,700 in the previous year. This increase reflects the rise in earnings per share (EPS) driven by improved net income in 2024. The dividend payout ratio was 29.6%, in line with our policy target of approximately 30%.



Samsung SDS 40th General Shareholders' Meeting

Dividend Status



Risk Management

Risk Management Framework

Risk Management Governance



Risk Management and Response System

We continuously assess the risks associated with the respective responsibilities of each Board committee and establish strategies to manage and respond to them.

The CFO also serves as the Chief Risk Officer (CRO), and a Risk Management Council, composed of relevant departments, is convened to share identified risk issues and formulate countermeasures. The council oversees the establishment of risk management and response policies for financial risks, such as market, credit, and liquidity risks, as well as operational risks that may arise in the course of business operations, including those related to compliance, human rights, safety incidents, and the environment. These policy programs are carried out through designated departments.

The Risk Management Council analyzes the potential risks of loss and takes appropriate action to manage them. Any material risks are reported to the Board of Directors and its committees to ensure they are factored into our business decision-making. In addition, relevant departments manage both financial and non-financial risks throughout all stages of business operations. In particular, risks that arise unexpectedly in technology or service operations are promptly shared and addressed through a dedicated organizational system in collaboration with related departments.

Our Major Risks



Sensitivity Analysis

We are sharpening our ability to respond to risk by conducting sensitivity analyses on major potential financial and non-financial risks, such as global supply chain crises, exchange rate volatility, increases in carbon credit prices, and uncertainty in renewable energy supply.

Risk Management

Risk Management Process

Financial Risk Management

We operate financial risk management policies under the leadership of the Financial Management Team, which closely monitors and responds to market, credit, and liquidity risk factors. The team conducts financial risk monitoring (RM) to detect signs of financial irregularities and minimize financial risks. In accordance with the financial risk monitoring policy, RM review items include areas such as financial closing, cash management, tax accounting, and general accounting. These are assessed on a monthly basis for both the Headquarters and domestic and overseas controlled entities.

Non-financial Risk Management

Our non-financial risks are managed under the leadership of the CFO, with active involvement from the ESG Council, which includes each business department as well as the Corporate Sustainability Management Office, EHS Center, People Team, Social Contribution Office, Procurement Team, Compliance Team, Legal Service Team, and Samsung Security Center. The ESG Council operates dedicated working groups for environmental, social, and governance topics, holding monthly meetings for in-depth discussions on risks in each domain. Key matters discussed in the ESG Council are reported to the ESG Committee, the highest decision-making body on sustainability management, ensuring a structured approach to non-financial risk management.

Financial Risk Management

Risks	Description	Potential Impact	Our Response and Management Activities
Technology Transition	Regulatory violations, litigation, and reputational risks arising from the enactment of new laws in response to the commercialization of innovative emerging technologies such as AI and big data	<ul style="list-style-type: none"> • Risk of legal action from clients or restrictions on business operations due to newly enacted regulations • Risk of lacking transparency related to AI algorithms, leading to loss of client trust • Risk of severe reputational damage or business suspension due to ethical issues related to new technologies 	<ul style="list-style-type: none"> • Revising the AI Ethics Charter to proactively mitigate risks associated with AI technologies • Continuously monitoring patents and relevant laws, and regularly convening the Risk Management Council • Establishing a dedicated AI Ethics Team and promoting the development of AI governance
Energy Supply	Risk of energy supply disruption required for business operations due to the rise of energy demand driven by geographical, climatic, or geopolitical factors such as war	<ul style="list-style-type: none"> • Cost risk arising from increased electricity rates and power outages • Risk of data center operation suspension due to energy shortages • Risk of long-term business disruption caused by prolonged energy scarcity • Reputational risk such as decline in corporate image or brand value 	<ul style="list-style-type: none"> • Replacing outdated equipment to minimize energy loss • Applying new technologies such as immersion cooling to cut down on energy consumption • Generating in-house renewable energy such as solar power and establishing emergency power supply systems

Business Ethics

Framework for Ethical Management

Ethical Management Principles

Samsung SDS strives to become a world-class global company that contributes to humanity by creating the best products and services through outstanding talent and technology. To this end, we comply with laws and ethical standards across all business activities and fulfill our fundamental corporate responsibilities and social duties. We have established and operated the Code of Conduct Guidelines based on the management principles of Samsung SDS. These guidelines serve as a standard for employees' behavior and value-based decision-making throughout our business operations.

Business Principles

1. We comply with all laws and ethical standards.

- 1-1. We respect the dignity and diversity of all individuals.
- 1.2. We engage in fair competition in accordance with laws and solid business ethics.
- 1-3. Our accounting and transaction records are kept transparent and accurate at all times.
- 1-4. We do not get involved in politics.

2. We maintain a clean organizational culture.

- 2-1. We make strict distinction between public and private affairs in our duties.
- 2-2. We protect and respect the intellectual property rights of the company and individuals within the company.
- 2-3. We create a healthy organizational atmosphere.

3. We respect customers, shareholders, and employees.

- 3-1. We consider customer satisfaction the foremost priority.
- 3-2. We pursue management focused on shareholder value.
- 3-3. We strive to improve our employees' quality of life.

4. We care for the environment, safety, and health.

- 4-1. We pursue environment-friendly management.
- 4-2. We value the health and safety of all human beings.

5. We are a socially responsible corporate citizen.

- 5-1. We faithfully fulfill our basic responsibilities as a corporate citizen.
- 5-2. We respect the social and cultural values of local communities and practice prosperous co-existence.
- 5-3. We build relationships with our business partners for co-existence and co-prosperity.

Code of Conduct Guidelines

Business Principles	Key Elements of the Code of Conduct Guidelines
Compliance with laws and ethics	Fair competition, information protection, and safeguarding personal and others' assets
Maintaining a clean organizational culture	Prevention of corruption and conflicts of interest
Respect for customers, shareholders, and employees	Respect for human rights, customer satisfaction and quality management, and technological innovation
Commitment to environment, safety, and health	Green management, health, and safety initiatives
Fulfilling social responsibilities	Pursuit of mutual growth and contributions to local communities

Dedicated Organization

To uphold ethical management, we operate the Management Advisory Team under the direct supervision of the CEO. This team conducts management audits and compliance inspections across domestic, international, and subsidiary business sites to foster a sound corporate culture. Audit findings are reported quarterly to the Audit Committee within the Board.

Ethical Management Guidelines

As part of our commitment to ethical management, we operate clear guidelines aimed at preventing corruption and fostering a sound corporate culture. Any violations of these guidelines can be reported through our anti-corruption reporting channels or the Ethical Management website, enabling employees to voluntarily practice integrity-based management. Our Business Principles and reporting channels are available in two languages, including Korean, while the employee guidelines are provided in four languages including Korean to ensure broader accessibility and understanding.



Employee Guidelines

Supplier Business Ethics

In all business operations, suppliers must comply with all applicable local laws and regulations. We require our suppliers to uphold the highest standards of ethical conduct. The Supplier Code of Conduct includes a dedicated section on business ethics, which outlines standards on corporate integrity, prohibition of improper benefits, protection of intellectual property, safeguarding identities, and personal data protection. We also provide detailed guidelines for each category, and the Supplier Code of Conduct and accompanying guidelines apply to all suppliers doing business with us.

Business Ethics

Ethical Management Activities

Whistleblowing

Samsung SDS operates an anonymous reporting channel on its website where individuals can report corrupt practices. The scope of reporting includes misconduct by employees such as the exchange of money or entertainment, as well as compliance violations such as breaches of the Monopoly Regulation and Fair Trade Act and the Personal Information Protection Act. In 2024, a total of 97 reports were received through our global reporting channels. Of these, 33 cases (34%) were related to corruption, and 40 cases (41%) were general complaints.

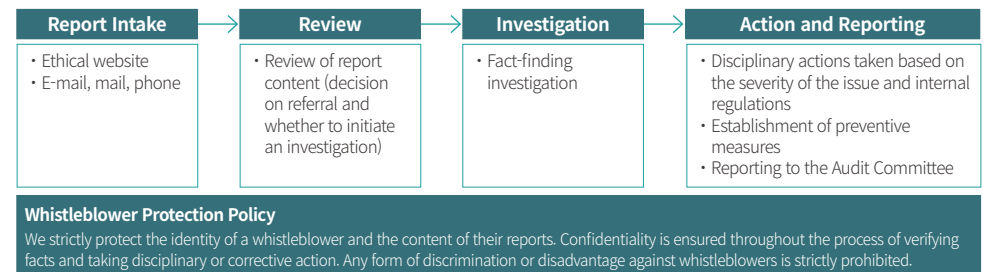
Corruption Reports by Type

Category	Unit	2022	2023	2024 ¹⁾
Fraud	Cases	17	15	33
	%	30	42	34
Complaints	Cases	15	1	40
	%	26	3	41
Others	Cases	25	20	24
	%	44	55	25
Total	Cases	57	36	97

1) Since 2024, data from subsidiaries and overseas entities have been included.

Anti-corruption Reporting Process and Whistleblower Protection Policy

- Upon receipt of a report, the identity of the whistleblower and the content of the report are kept strictly confidential.
- All reports are investigated fairly and objectively under the responsibility of an independent internal audit department. Disciplinary actions are taken based on the severity of the case and relevant company policies.
- Reports are typically processed within 4 to 6 weeks, and investigation results are reported to the Audit Committee on a quarterly basis.



Enhancing Ethical Awareness among Employees

We promote awareness of ethical standards by sharing case examples of violations related to business partners, company funds and assets, workplace discipline, and information leakage through employee guidelines. In addition, we regularly conduct training and awareness campaigns on the business ethics for all employees.

Business Ethics Training Overview

Training Program	Target Audience	Training Topics	Participants Completed (Unit: Persons)
Online fraud prevention training	All domestic and overseas employees	Fraud prevention Code of Conduct, and fostering ethical awareness through case studies	19,291
Fraud prevention training for new and experienced employees	Newly hired employees		198
Fraud prevention training for newly appointed department heads and expatriates	Newly appointed department heads and expatriates		91
Fraud prevention training for leaders in high-risk departments	Leaders of departments with repeated fraud or irregularities		14

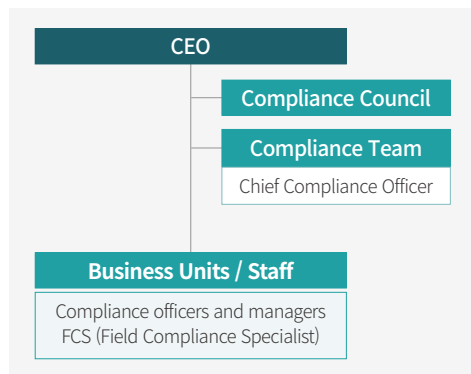
Compliance Management

Framework for Compliance Management

Compliance Governance

We have appointed a Chief Compliance Officer through a resolution of the Board and operate a dedicated Compliance Team to oversee our compliance activities. Under this framework, each business division assigns compliance managers and officers, and we operate a Field Compliance Specialist (FCS) system to promote autonomous compliance activities in the field (340 FCS personnel as of March 2025). The Compliance Team works closely with relevant departments to manage risks across key areas, including anti-corruption, fair trade, subcontracting, business regulations, personal data protection, and intellectual property.

Compliance Management Organization



Key Areas of Compliance Management



Samsung Compliance Committee

To prevent unlawful conduct by top management and strengthen effective compliance oversight, Samsung SDS joined the 1st Samsung Compliance Committee in January 2020, along with seven other major Samsung affiliates. In January 2024, with the approval of the BOD, Samsung SDS appointed the Chair and members for the 3rd Samsung Compliance Committee. The Samsung Compliance Committee has the authority to directly review matters such as external sponsorship expenditures and internal transactions and may present its opinions to the BOD and other relevant bodies. The Committee also receives regular reports on Samsung SDS's compliance monitoring system, evaluates its effectiveness, and may recommend improvements when necessary.

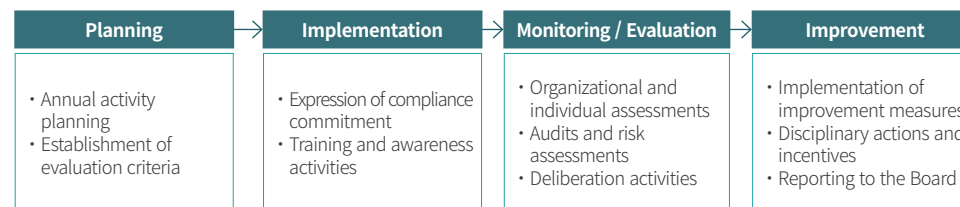
Compliance Management Policies and Processes

We are committed to upholding laws and ethical standards and fulfilling our corporate social responsibilities. To this end, we established compliance standards through a resolution of the BOD and developed detailed compliance operating regulations. We also provide situational guidelines to help employees easily understand key compliance requirements in their daily work. In addition, we continuously carry out a wide range of initiatives from planning to ongoing improvement efforts to embed compliance management into our organizational culture.

Compliance Management Policies



Compliance Management Process



Compliance Management

Compliance Management Activities

Declaration of Commitment to Compliance

Each year, our executive leadership, including the CEO, publicly expresses a strong commitment to compliance. All employees also sign a Compliance Pledge that affirms their commitment to adhering to relevant laws and company regulations, as well as fulfilling ethical duties and social responsibilities.



CEO Message

Employee Compliance Pledge

Compliance Training

We provide training to ensure that employees understand and follow the legal and compliance requirements relevant to their duties. In 2024, we conducted a total of 101 training sessions at our Headquarters, with a cumulative attendance of 27,801 participants.

Compliance Training Performance in 2024

Category	Audience	No. of Sessions	Participants Completed
General	All employees	2 (once each in the 1 st and 2 nd half of the year)	22,119
	Executive completion rate (%): 100		
	Employee completion rate (%): 100		
High-risk group	Employees in compliance-related roles	42 (as needed)	4,446
Executive training	Executives	10 (1 st half of the year)	131
Introductory training	New and experienced hires	12 (as needed)	837
FCS field training	On-site training for FCSs	35 (as needed)	268

Legal Risk Assessment and Inspection Activities

We conduct legal risk assessments and inspections across all domestic business sites to identify and address potential legal compliance risks in key management areas. Based on these findings, we carry out targeted improvement activities. Through legal risk assessments, we identify risk factors in areas such as anti-corruption and fair trade. These risks are categorized through on-site interviews and risk evaluations, followed by the development and implementation of appropriate risk control measures to address potential issues. In addition, our legal inspection activities focus on risks related to supplier relationships, reflecting the importance of collaboration with business partners. We assess and address risk factors associated with the Subcontracting Act, the Mutually Beneficial Cooperation Act, and the Protection of Dispatched Workers Act. Based on these findings, we implement follow-up actions such as training, awareness campaigns, guideline distribution, and process improvements.

2024 Compliance Inspection Activities

Inspection Areas	Month of Implementation	No. of Sessions
Inspections under the laws related to fair trade and subcontracting	May, July, August, September, October	5
Legal subcontracting compliance inspections	April, June, November	3
Intellectual property inspections	May, September	2
Pre-inspection of overseas business compliance risks	April	1

Compliance Communication and Awareness

We actively promote compliance initiatives including compliance guidelines and legal updates through various internal communication channels to ensure all employees are well-informed.



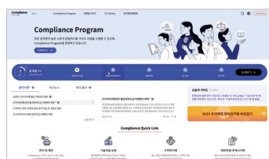
※ Communication channels: CP Letter, Chatbot alerts, digital signage (WE-Bridge, SDS TV / ELV DID), CPMS announcements

Compliance Management

Compliance Management Activities

Compliance Portal

To support ongoing compliance activities by employees, we operate a dedicated compliance management platform, the Compliance Portal. This platform provides a wide range of resources, including the compliance framework, guidelines, industry updates, and FAQs, to help employees understand and follow compliance requirements. It also features interactive functions such as CP quizzes and whistleblowing submissions. In 2025, we further enhanced the platform by introducing the CP Roadmap, which allows employees to receive personalized compliance goals and track their progress in real time, contributing to the continued promotion of a strong compliance culture.



Compliance Portal Interface

Law Bot

We operate a chatbot, Law Bot, to help employees access compliance guidance anytime, anywhere during their work. The chatbot supports various compliance functions for all employees, including viewing individual CPMS scores, accessing compliance guidelines, self-assessments, signing compliance pledges, completing training, reviewing major legal violations and enforcement cases. It also features a real-time Q&A (inquiry) function, allowing employees to receive immediate answers to their questions. In 2025, we expanded its functionality by introducing the Compliance Academy, providing employees with the ability to rewatch training videos and broaden access to educational opportunities.



Law Bot

Strengthening Field Compliance Specialist (FCS) On-site Activities

We continuously promote autonomous on-site compliance activities through our Field Compliance Specialists (FCS) to help employees recognize potential legal risks that may arise in their daily tasks, and to prevent compliance violations that could occur unknowingly. In particular, we are enhancing training and support for FCSs to ensure that compliance activities, such as education, pre-inspections, and awareness campaigns, are closely integrated into employees' day-to-day operations. This approach reinforces a proactive compliance culture across the organization.

Key On-site Activities by Field Compliance Specialists (FCS) in 2024

Category	Activity Details
Inspection activities	<ul style="list-style-type: none"> • Verified appropriateness of subcontracting contracts and payment practices • Conducted open-source license checks and established inspection methodologies
Preventive measures	<ul style="list-style-type: none"> • Developed legal subcontracting guidelines for collaborative platforms (Figma) • Provided guidance on key project considerations such as restrictions on pre-engagement and location separation

Compliance Evaluation and Awards

Compliance Evaluation System

We incorporate compliance-related activities and violations into performance evaluations for both organizations and executives. This helps reinforce the importance of legal compliance and motivates proactive prevention efforts across the company.

Employee Recognition Program

In accordance with our compliance standards and operating regulations, we operate an annual recognition program to encourage compliance activities and share best practices. (In 2024, a total of six employees selected and awarded for outstanding contributions)

Compliance Violation Reporting Channel

To ensure that compliance violations can be reported at any time, we operate multiple reporting channels, including an anonymous reporting system via the company website, additional contact points (phone, fax, email) disclosed on the site, and the Compliance Program Management Platform. In accordance with our compliance operating regulations, the identity of whistleblower and the content of their reports are kept strictly confidential, and measures are in place to prevent any form of disadvantage or retaliation. Reports are investigated fairly and objectively under the responsibility of the Compliance Team, and appropriate actions, including disciplinary measures and preventive plans, are taken based on the severity of the issue and company policies. Reports are typically processed within 4 to 6 weeks.

Compliance Violation Reporting Process



Compliance Management

Compliance Management System

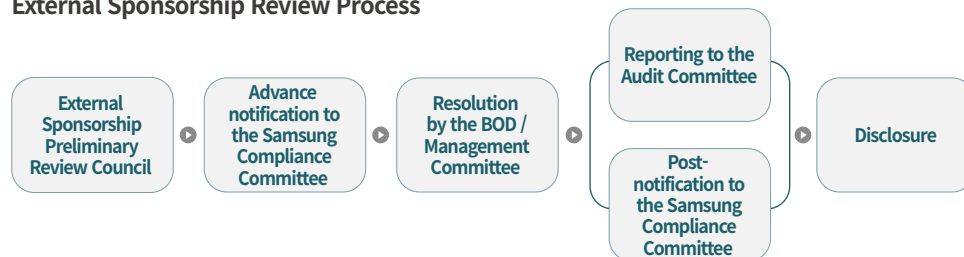
Review Councils for Compliance

In accordance with internal and external regulations, we operate internal review councils composed of responsible executives and relevant personnel to assess the appropriateness of intra-group transactions and external sponsorships. In 2024, a total of 70 review sessions were held.

Review Council	Key Review Items	No. of Meetings
Related Party Transactions Committee	Reviews the rationale for large-scale intra-group transactions and the appropriateness of transaction terms	7
External Sponsorship Preliminary Review Council	Assesses the purpose of external sponsorships; for recurring sponsorships, verified alignment between stated purposes and actual usage	12
Affiliate Transactions Preliminary Review Council	Reviews the justification for selecting counterparties in affiliate transactions and the appropriateness of compensation	7
Subcontract Transaction Review Committee	Verifies compliance with written documentation requirements, use of standard subcontracting agreements, fairness in payment terms, and prior approvals for re-subcontracting	44

External sponsorships are assessed based on their substance rather than form, in accordance with the Act on the Collection and Use of Donations. Execution is transparently managed through a verification process by review councils according to the size of the amount. To ensure sponsorships are used as intended, we conduct pre-approvals and verify actual usage records. We have established criteria and a formal review process for providing sponsorships and maintained comprehensive records for all related activities.

External Sponsorship Review Process



Strengthening the Anti-corruption Management System

In line with ISO (International Organization for Standardization) requirements for anti-corruption management systems, we are reinforcing activities ranging from corruption risk assessments to the improvement and implementation of control measures. We have also established an anti-corruption policy, which is publicly available on our website. This policy complies with all applicable anti-corruption laws and regulations, including the Criminal Act and the UN Convention against Corruption. It applies to all employees globally and requires that all individuals and organizations conducting business with us adhere to the same standards.

2024 Anti-corruption CP Activities

PLAN	DO	CHECK	ACT
<ul style="list-style-type: none"> Established anti-corruption activity plans Reviewed legal corruption risks <ul style="list-style-type: none"> Identified company-wide corruption risks and assessed impact and potential severity Reflected updated legislation and case law related to the Improper Solicitation and Graft Act in internal guidelines 	<ul style="list-style-type: none"> Conducted bribery and embezzlement prevention training <ul style="list-style-type: none"> Top management targeted Conducted FCPA (Foreign Corrupt Practices Act) risk assessments at overseas entities Operated the External Sponsorship Preliminary Review Council Applied anti-corruption compliance procedures in supplier selection <ul style="list-style-type: none"> Compliance Team review and notification Required suppliers to sign an Ethics and Compliance Pledge when entering into contracts 	<ul style="list-style-type: none"> Audited entertainment expenses, service fees, and public project-related expenses <ul style="list-style-type: none"> Across entire organization, including overseas entities Provided training on the Improper Solicitation and Graft Act for employees in charge of public sector projects Evaluated the effectiveness of anti-corruption controls <ul style="list-style-type: none"> Collected documentation on controls and improvements Reported evaluation results to the BOD 	<ul style="list-style-type: none"> Provided guidance for addressing risks identified in overseas entity audits Conducted follow-up training for public project personnel based on audit findings Established and initiated the 2025 anti-corruption action plan

Compliance Activities at Overseas Entities

Our overseas IT and logistics entities have established Business Conduct Guidelines aligned with those of our Headquarters and maintain a compliance management system that includes detailed policies for key areas such as fair trade and anti-corruption. We also operate compliance programs that include executives' declarations of compliance commitment and compliance training for all employees. These programs are supported through our Global Compliance Portal (GCP).



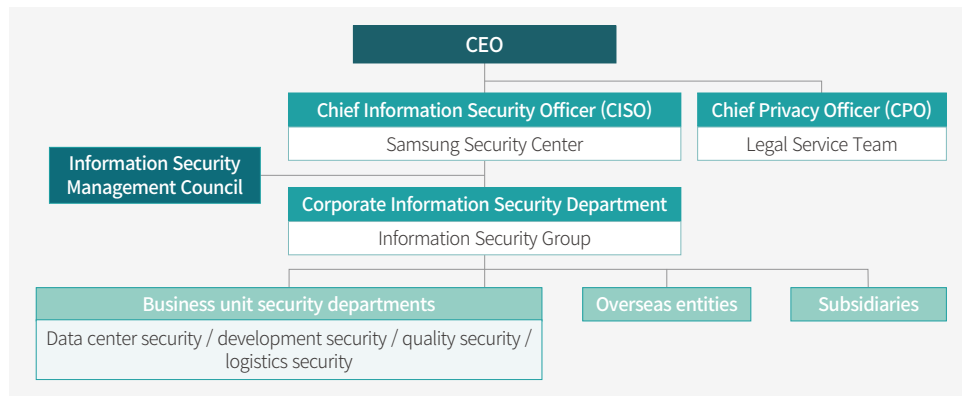
GCP (Global Compliance Portal) Interface

Information Security

Framework for Information Security Management

Information Security Governance

Samsung SDS has appointed a Chief Information Security Officer (CISO) who oversees and manages its information security operations. Under the leadership of the CISO, we regularly convene the Information Security Management Council, comprising executives and heads of security departments from each business unit. The committee reviews key internal and external information security risks and shares critical updates from each department. When necessary, we deliberate on major decisions related to company policies and report key security matters and performance outcomes to the CEO based on the committee’s findings.



Category	Composition	Frequency
Information Security Management Council	Led by the CISO with participation from executives and heads of relevant information security departments	At least once per year
Corporate Information Security Working Council	Led by the corporate information security department with participation from business unit security leaders	Once every two months
Business Unit Security Working Council	Led by the security department of the Data Center with participation from department-level security officers within each business unit	Once per quarter
Overseas Entity Security Council	Led by the corporate information security department with participation from overseas entity security teams	Once every two months
Overseas Security Officer Exchange Meeting	Led by the security department of the Data Center with participation from security officers stationed at each overseas entity	Monthly
Subsidiary Security Council	Led by the corporate information security department with participation from affiliate security managers	Once every two months

* Each council may also be convened on an ad-hoc basis by the respective leading department depending on specific issues or agenda items, in addition to the regular meetings.

Security Management at Overseas Entities

We have assigned dedicated security officers to seven key overseas entities to take responsibility for local security management. Through regularly held councils and collaborative platforms, we share the current security status of each entity and review the risks and countermeasures related to domestic and international security threats. These efforts ensure that each entity aligns with our global security standards. Our company-wide Information Security Group develops and implements on-site support plans to address fundamental issues at each entity and enhance overall security maturity. In 2024, we conducted on-site security assessments and, based on the findings, evaluated the security maturity of each entity. This resulted in customized security roadmaps covering 55 security components across five key areas, including governance and core technologies. To ensure that each entity can maintain security management independently, we provided hands-on training programs for key personnel and supported the implementation of an automated security inspection system. The training included practical exercises that are difficult to replicate through online education and was well received, with high participation and satisfaction from local teams. Domestically, we supported entities in building and operating their own stabilized automation systems and offered usage guidelines. As a result, the time required for security log analysis and inspections was reduced by 75% and 99%, respectively, compared to previous methods.

Security Management for Subsidiaries

Our company-wide Information Security Department maintains a collaborative framework to enhance the security management capabilities of our subsidiaries by conducting regular security inspections and addressing risks such as hacking and data breaches. Each subsidiary designates a security officer, and we hold regular security councils between Headquarters and subsidiary personnel to share key tasks, management challenges, best practices, and emerging internal and external security issues. In 2024, we expanded on-site security inspections at subsidiaries to address fundamental issues and establish a more effective security management system. Based on identified vulnerabilities, we developed a standardized security model applicable across all subsidiaries and defined key implementation tasks for each entity. From policy development to operational processes and the enhancement of monitoring systems, we are supporting these initiatives to raise the overall security maturity of our subsidiaries. To ensure sustainable, self-directed management, we extended our automated inspection system, already stabilized at Headquarters, to subsidiaries and overseas entities. As a result, 33 security vulnerabilities were identified and addressed in the second half of 2024. We also provide a variety of internal and external training programs each year for those in security-related roles and actively encourage participation to strengthen their capabilities.

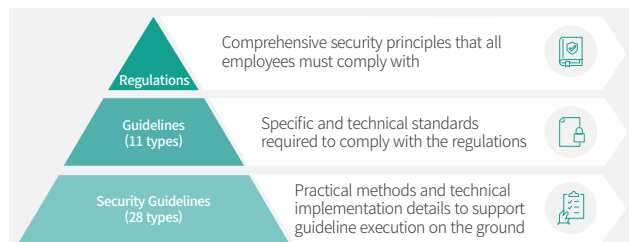
Information Security

Framework for Information Security Management

Information Security Policy

We define all information assets in our possession and establish policies to protect them. Reflecting the commitment and direction of our top management, our outline mandatory requirements that must be followed. Based on these, we operate 11 Information Security Guidelines that detail core principles and specific execution standards.

To support the implementation of these guidelines, we have also developed and distributed 28 technical guides, including the Cloud Security Guidelines and Project Management Security Guidelines, which provide practical and technical instructions across the organization. Our company-wide information security policies apply not only to all employees of the company but also to partners and visitors who have access to our physical and information assets. For partner companies in particular, we have established a system that applies information security standards equivalent to those for our employees. Security requirements are defined in detail for each stage from contract initiation to termination and serve as the basis for reviewing security terms, signing confidentiality agreements, providing training, and conducting both regular and ad hoc security inspections. The Information Security Regulations and Guidelines are reviewed at least once a year to reflect legal revisions, changes in the IT environment, and incident learnings. Revisions are made with executive approval. For our overseas entities and subsidiaries, we provide a standard framework that allows them to establish and operate information security policies tailored to their national and business environments, while aligning with our overarching information security principles.



Information Security Activities

Information Security Certifications, Assessments, and Audits

We conduct a range of domestic and international certifications, assessments, and audits to enhance the stability and reliability of our information and communication networks. Based on our enterprise-wide security management system, we undergo annual third-party evaluations to verify compliance with information security laws, assess risk prevention and response systems, and identify areas for improvement. These evaluations help us continuously enhance our operational stability and strengthen our defenses against emerging threats. In 2024, we obtained international certification for open-source security as well as DaaS-type certification under the Cloud Security Assurance Program. In 2025, we expanded the scope of our information security management system to include the entire organization and achieved ISO 27001 certification. This officially confirms that our enterprise-wide security practices align with international standards.

Information Security Certifications

Certification Name	Description	Scope	SI
ISO 27001	International standard certification for information security management systems	Company-wide information security management system and cloud services	BSI
ISO 27017	Certification for security controls and implementation guidelines for cloud security	Cloud services	BSI
ISO 27018	Certification for personal data protection and control in cloud environments	Cloud services	BSI
ISO 27799	Healthcare information security management certification for medical data	Medical cloud services	BSI
ISO 28000	Supply chain security management certification	International freight forwarding and warehouse management	KR
ISO 18974	International standard certification for open-source security	Company-wide open-source security management system	Linux Foundation
CSA STAR	U.S. CSA cloud maturity assessment certification	Cloud services	BSI
CSAP	Certification for secure and reliable cloud service provision	Public cloud services (IaaS and DaaS)	KISA (Korea Internet & Security Agency)
ISMS	National standard certification for information security management system ensuring network stability and asset protection	Company-wide information security management system and 13 application systems	KISA (Korea Internet & Security Agency)
ISMS-P	National standard certification for Information Security Management Systems (ISMS) and personal information protection capabilities	Company-wide information security management system and cloud services	KISA (Korea Internet & Security Agency)

Assessment and Audit Overview

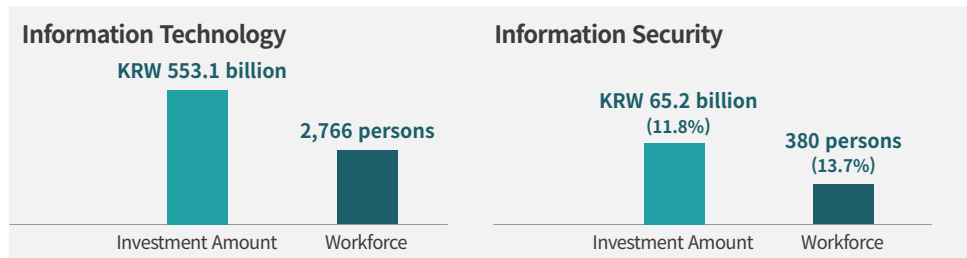
Assessment Name	Description	Scope	Assessing Body
CSP Stability Assessment	Evaluation of protective measures and operational stability for financial cloud IT assets and data centers	Financial cloud services	FSI (Financial Security Institute)
Integrated Information and Communication Facilities Assessment	Evaluation of operational stability and the ability to defend national critical ICT infrastructure against cyber threats such as hacking	Domestic data centers	KISA (Korea Internet & Security Agency)
Critical Information and Communications Infrastructure Assessment	Evaluation of the protection systems in place for national key information systems and networks against cyber threats	Internet telephony and integrated ICT services	Ministry of Science and ICT
External Audit	Audit of internal accounting operations including IT audits	Company-wide information security management system and IT systems	PwC (Samil PricewaterhouseCoopers)

Information Security

Information Security Activities

Information Security Disclosure

In accordance with the Act on the Promotion of Information Security Industry, we have been publicly disclosing our information security activities since 2022. The information security disclosure system is designed to enhance transparency by requiring companies to openly report their investments in information security, dedicated personnel, certifications, assessments, inspections, and other related activities. This allows users to make informed choices based on security considerations and promotes overall safety. Based on our disclosure results, we were recognized as an Outstanding Enterprise in Information Security Investment by the Ministry of Science and ICT for three consecutive years since 2022.



Ongoing Security Inspections

We operate a structured, checklist-based inspection system developed from years of accumulated expertise to manage information systems, prevent security incidents, and enhance security reliability. Using this checklist, we conduct both regular and continuous security inspections across key areas. Our approach aligns with a Zero Trust security model where no element is inherently trusted, and all aspects are rigorously reviewed from fundamental to advanced levels. The checklist is regularly reviewed and updated to respond to evolving threats, emerging IT technologies, and changes in the business environment. This includes the addition of new inspection items and the refinement of existing ones.

At a minimum, we conduct the following annual assessments at both Headquarters and overseas sites: ① security management maturity assessment, 483 items across 7 domains, ② IT basic security compliance check, 111 items across 8 domains, and ③ cloud security inspection, 103 items across 8 domains. In addition, we perform automated inspections on work PCs and IT infrastructure including OA systems and DMZ environments, both domestically and internationally. These checks cover key vulnerabilities such as password policies, end-of-support (EOS) software usage, and baseline security settings. Identified vulnerabilities are promptly addressed to maintain a robust and responsive security posture.

2024 Ongoing Security Inspection Results

Inspection Target	No. of Assets Inspected	Vulnerabilities Identified	Remediated	Remediation Rate
Automated vulnerability inspection at domestic sites (PCs, multifunction printers, network devices, etc.)	13,107	260	250	96.2%
Automated vulnerability inspection at overseas sites (PCs, multifunction printers, network devices, etc.)	11,093	987	972	98.5%
Internal systems	337	162	157	96.9%
Automated vulnerability inspection for DMZ systems	1,417	69	69	100.0%
Cloud remote access ports	591	6	6	100.0%

Key Areas of Ongoing Security Inspection

Category	Area	Key Focus
Administrative security	Security policy	Compliance with security regulations and implementation standards
	Security organization	Organizational structure and operational capabilities
	Awareness & training	Security training for employees and suppliers
	Incident response	Reporting protocols in the event of a security incident
IT security	Physical security	Access control and procedures for inbound / outbound assets
	PC	Password settings, update management
	Applications	Authentication bypass, encryption
	Databases	Access control, logging configuration
	Servers	Account management, access control
	Network	Network policy management, network segmentation
	Cloud	IAM, compute security settings

In addition to regular inspections, we conduct in-depth security checks for a defined period when critical vulnerabilities are disclosed or when heightened risk is identified at subsidiaries or partner sites. This approach helps minimize the likelihood of security incidents.

Information Security

Information Security Activities

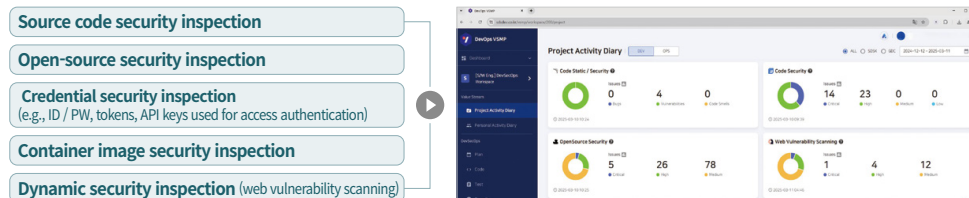
Pre-release Security Verification

With an aim to minimize potential security vulnerabilities during product and system development and to ensure the development of secure software, we have established a software security verification program. This program applies a specialized verification process at each development stage. From security design to source code, open-source components, application systems, infrastructure, and services, we conduct comprehensive security reviews prior to release or deployment. Only after passing the final verification can the system be transferred to the operational environment.



Following close coordination between the security verification team and the development department, we tailor security checks based on the specific characteristics of each verification target. Identified vulnerabilities are subject to follow-up revalidation to ensure proper remediation. In 2024, we conducted security verification on over 400 products and services. All discovered vulnerabilities were addressed and follow-up inspections were completed to confirm full remediation.

In addition to formal security verification, we embed security throughout the entire software lifecycle, from design and development to testing and operations, by applying a DevSecOps framework. This enables immediate identification and remediation of security vulnerabilities during the development phase through automated, continuous security checks. To further support security and quality improvement efforts, we provide dashboard-based reports by area, offering visibility into the current security status and the number of unresolved vulnerabilities.



Penetration Testing

We operate an independent specialized team dedicated to conducting penetration tests on internal systems, products, and solutions. This team consists of security professionals trained in advanced hacking techniques. At least once a year, we simulate real-world attacks by using tools and methods commonly employed by malicious actors to assess whether system privileges can be exploited or sensitive data can be extracted, approaching security from a hacker’s perspective. All systems developed and operated by the company are subject to these tests, and follow-up inspections are conducted to verify that any identified vulnerabilities have been fully remediated, thereby preventing potential security incidents. The penetration tests cover six key areas, comprising a total of 44 inspection items: ① input validation (7 items), ② account and password management (5 items), ③ authentication and access control (7 items), ④ information exposure prevention (7 items), ⑤ secure configuration (9 items), and ⑥ personal data protection (9 items). We also continuously research new hacking techniques and analyze emerging security threats to ensure proactive identification and mitigation of vulnerabilities.

2024 Penetration Testing Results

No. of Targeted Systems	Inspection Coverage	No. of Vulnerabilities Identified	Remediation Rate
152	100%	749	100%

Starting in 2024, we introduced a dedicated security assessment period for key systems and conducted in-depth security checks on six solutions / systems, including various types of penetration testing. As a result of addressing the identified vulnerabilities, we successfully prevented potential security risks such as data breaches and service disruptions. In 2025, we will expand the scope of these assessments to include more systems for continuous improvement in our security management.

Management of Personal Information Processing Systems

Under the leadership of our Personal Information Protection Group, we conduct annual inspections of all personal information processing systems managed by the company. These inspections assess compliance with the Personal Information Protection Act and our internal plan for personal information protection management. The review covers a wide range of areas, including databases, operator work environments, system accounts, and access permissions. Based on the inspection results, we establish and implement corrective actions, followed by verification of remediation. In 2024, we inspected a total of 54 systems and addressed all identified vulnerabilities.

Information Security

Information Security Activities

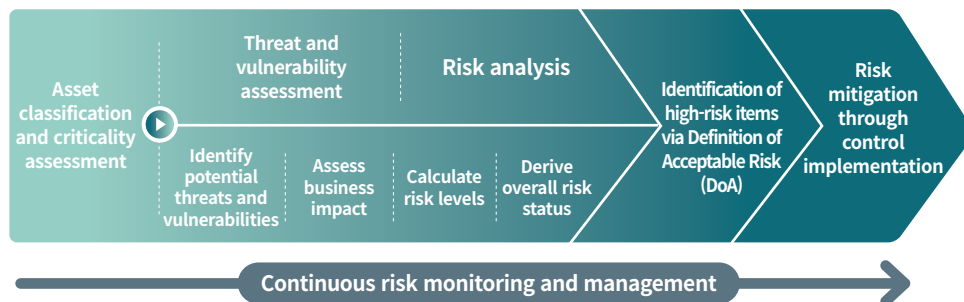
Risk Management

Our company-wide Information Security Department identifies and classifies all information assets across the company and analyzes both internal inspection results and external environmental factors to identify potential information security risks. For all identified assets, we assess the potential impact and criticality in terms of confidentiality, integrity, and availability. Based on this, we conduct risk assessments at least once a year, analyzing threats and vulnerabilities according to asset type.

During the risk assessment process, we consider changes in the internal and external environment, legal and regulatory requirements, recommendations from external security certifications, and recent security incidents. Identified risks are prioritized by criticality and discussed with relevant departments and stakeholders. Risk response strategies and protection measures are then selected and formalized into action plans.

These strategies and measures are reported to senior management, and follow-up procedures are carried out to confirm implementation. In the following year's risk assessment, we review whether previously identified risks have been adequately mitigated. The results are compiled into a formal risk assessment report, which is submitted during annual external information security audits and certification reviews for independent evaluation. In 2024, we identified 12 key risks, all of which were successfully addressed through appropriate mitigation measures. These actions have been reflected in our company-wide information security management system.

Risk Management Procedure



Responding to Evolving Security Paradigms

With the emergence of new technologies such as artificial intelligence (AI) and cloud computing, and the rapid pace of technological innovation, our Information Security Department proactively responds to increasingly diverse internal and external security threats. We regularly establish short-term action plans and develop security guides and inspection checklists to ensure secure adoption and operation of emerging technologies.

In 2024, we released several key guidelines, including: CSP Security Guide and CASB Security Guide for safe cloud usage, Kubernetes Security Guide for secure container orchestration, SaaS Security Guide for secure adoption and management of Software-as-a-Service solutions. These resources have strengthened our security posture in cloud and SaaS environments by helping teams anticipate and mitigate potential threats in these new contexts. To address risks associated with the use of external generative AI, we also developed a Generative AI Security Guide. This includes a checklist that enables internal users to self-assess security before utilizing AI tools.

Each of these guides and checklists is developed by comprehensively reviewing compliance, technical, and governance requirements. We proactively review newly enacted or amended laws and regulations to ensure timely updates to internal information security policies and guidelines.

In areas where emerging threats may arise during the development and verification process, we apply specialized checks and integrate our previously issued security checklists into both the security review and verification procedures. Additionally, our internal development projects are required to pass security inspections before deployment, establishing a system that ensures we remain adaptive to the changing security landscape.

Cloud Security

As a certified domestic cloud service provider, we offer the Samsung Cloud Platform (SCP), a service optimized for enterprise environments. Uniquely positioned as both a Cloud Service Provider (CSP) and a Managed Service Provider (MSP), we leverage our combined expertise in cloud and security to deliver optimal security services that maximize both the safety and usability of cloud environments.

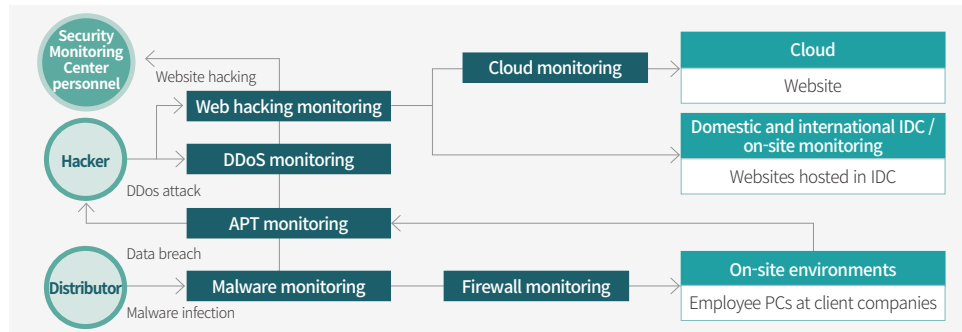
For our internal cloud-based systems, we have developed and continuously updated five cloud security guides and eleven checklists to ensure secure operations and effective environment management. All systems undergo pre-launch security reviews, as well as both regular and continuous security inspections. In addition, we conduct targeted assessments of specific areas such as cloud consoles and access controls to eliminate blind spots and minimize potential risks. To support global consistency, we distribute English versions of our cloud security guides and checklists to our overseas operations and provide guidance for implementation and inspection activities.

Information Security

Security Incident Prevention and Response

Security Monitoring

We operate a 24x365 security monitoring system that continuously monitors IT systems for potential threats such as external intrusion attempts and data breaches. When a threat is detected, we analyze logs collected from various security devices to respond swiftly and effectively. We define mandatory monitoring items based on system type and conduct regular checks to ensure proper implementation. By maintaining visibility and oversight of monitoring coverage, we ensure the continued security and stability of our systems.



Business Continuity and Disaster Recovery Management

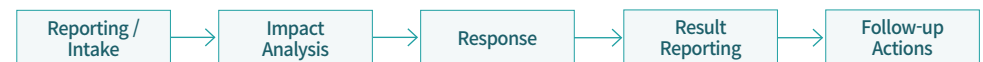
In order to prepare for potential disruptions such as natural disasters or security incidents, even with ongoing preventive measures, we have established a unified framework through our Business Continuity Management guidelines. A dedicated team is responsible for disaster prevention and incident response, while system owners are required to develop and maintain individual business continuity plans. For critical systems, Disaster Recovery (DR) centers are established and managed according to detailed processes, with regular reviews to ensure compliance. To verify the effectiveness of each service’s continuity plan, we conduct simulated exercises at least twice a year per department. These simulations model scenarios such as security breaches, personal data leaks, or disaster events. Results are analyzed to identify areas for improvement, and plans are updated accordingly to minimize impact in the event of an actual incident. In particular, systems exposed to the internet in the DMZ, where the potential impact of disruption is high, are tested through simulated security monitoring drills to validate detection and response capabilities. In 2024, we conducted disaster recovery simulation training on 33 systems and security monitoring drills on 7 systems during the first and second half of the year. Identified issues were remediated, and the corresponding response plans and procedures were improved.

Backup Management

We operate a detailed backup policy to prevent data loss and service interruptions in the event of disasters or security incidents. In response to increasing threats targeting backup systems, we have developed and distributed comprehensive security guides and inspection checklists. To ensure consistent security, we regularly inspect each business unit to verify that backup systems are managed with the same security standards as operational systems. This includes access control and permission management for backup system accounts, network architecture, and log management. Identified vulnerabilities are continuously addressed and improved through ongoing corrective actions.

Security Incident Response

We have established a dedicated department responsible for responding to and managing security incidents, and we operate a structured response process as part of our enterprise-wide information security policy. Under the Security Incident Response guideline, incidents are categorized based on their level of impact. The dedicated response team manages corresponding procedures and follow-up measures according to each severity level. Upon the occurrence or detection of a security incident, immediate reporting to the department head or security officer is required. The response team then promptly communicates with relevant departments to minimize impact. In the event of a major incident, the matter is reported to senior management to ensure oversight and effective resolution. We have also established a protocol for reporting to external expert organizations, such as the National Cyber Security Center (NCSC) and the Korea Institute for Industrial Technology Security, when necessary, to ensure swift and coordinated responses. Following resolution, we analyze the root cause, develop recurrence prevention measures, and review the response process to continuously improve our incident management capabilities.



Information Security Management Status

Category	Unit	2022	2023	2024
Occurrences of information security violations or cybersecurity incidents	Cases	0	0	0
No. of data breach incidents	Cases	0	0	0
No. of customers affected by data breaches	Persons	0	0	0
Total amount of fines or penalties paid due to information security violations or cybersecurity incidents	KRW million	0	0	0

Information Security

Security Awareness Enhancement

Information Security Training

To raise awareness and embed security capabilities across the organization, we offer a variety of information security training programs. All employees are required to complete security training at least once a year. In addition to mandatory sessions, we provide specialized training based on job function, position, or timing. After each training session, we conduct satisfaction surveys among participants. The feedback collected is used to improve the format and content of future training programs.

Training Program	Target Audience	Training Outcome
Information security training for employees	All employees	Prevention of security incidents
Training on information security for newly joined employees	Newly hired employees	Establishment of basic information security awareness
Information security training for suppliers	Supplier staff	Enhancement of suppliers' security awareness
Project security training	Project personnel	Understanding of security compliance requirements within projects
Web / mobile and system hacking training	Developers and security personnel	Strengthening of penetration testing skills
Security certification preparation training	Developers and security personnel	Preparation for acquiring security certifications
Secure coding training	Developers	Improvement of secure software development practices
Security competency training for operations teams	IT operations personnel	Enhancement of security capabilities related to service operations
Personal data handling training	Personal data handlers	Improved awareness of personal data protection

In 2024, we conducted on-site security training sessions to prevent data leakage across all business sites from May to July, completing a total of 108 sessions. 99% of all employees successfully completed the training. For those unable to attend, such as those on overseas business trips, the key content was delivered via the internal system. In August, we conducted additional online information security training, which received positive feedback. Many employees stated that it helped reinforce the importance of information protection following the on-site sessions. The online training materials were produced in 11 multilingual versions and distributed to overseas entities and subsidiaries to ensure global alignment.

Security Capability Enhancement

We have established a structured training roadmap for employees engaged in security-related roles, offering tailored programs by job function, such as security policy, threat detection, and penetration testing, and by experience level (introductory, intermediate, advanced). This ensures systematic development of job-specific competencies. Each year, we also introduce new training programs to address emerging technologies and evolving security threats, supporting the continuous enhancement of our workforce's security capabilities. In addition, we provide security-based training and work environments for employees performing tasks closely linked to security risks, helping to protect both personnel and corporate information assets from potential exposure. As part of these efforts, we conduct annual secure coding training for developers and security training for operations teams. In 2024, a total of 19 sessions were held, with 445 employees completing the training.

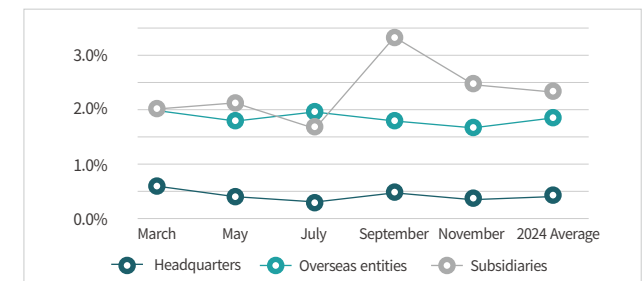


Furthermore, in 2024, we consolidated software security training previously distributed across the company and business units into a unified, video-based learning platform to improve accessibility and participation. We also developed 29 new training modules across 7 specialized areas, including generative AI security and secure coding through code reviews.

Malicious Email Simulation Training

To prevent malware infections caused by malicious emails and raise awareness among employees, we conduct simulation training for all staff. In 2024, we carried out a total of five simulation exercises. As a result of continued training, the average infection risk rate remained low throughout the year, 0.4% at Headquarters, 1.9% at overseas entities, and 2.3% at subsidiaries.

Malicious Email Simulation Training Results (2024)



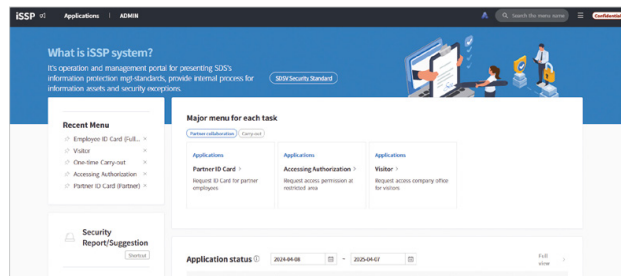
When infection-related actions such as clicking malicious links, opening attachments, or entering login credentials are detected, we provide employees with guidance on how to identify malicious emails and tips for preventing infection. Employees who exhibit risk behaviors more than twice are required to undergo additional targeted security training. Starting in 2024, we enhanced the simulation program for subsidiaries by aligning their training frequency with that of Headquarters and overseas entities, five times per year. In addition, the number of training scenarios was expanded from 1-2 types to 5 types, improving the depth and coverage of the program. Simulation content is developed based on real-world email threats observed in corporate networks and is distributed to targeted departments to enhance the realism and relevance of the exercises. These frequent simulations help raise awareness and ensure employees report suspicious emails or behaviors to the Security Support Center in a timely manner.

Information Security

Security Awareness Enhancement

Information Security Communication Channel

We operate a company-wide Information Security Portal to provide employees with security management standards and to facilitate requests related to infrastructure access and security exceptions for information assets use. In 2024, we launched a next-generation Information Security Portal, updating the content and improving the user interface and functionality to enhance employee convenience. The revamped system features a Copilot function powered by generative AI, which significantly improves accessibility and productivity for employees. Since its launch, the portal has received highly positive feedback from users across the organization.



Next-generation Information Security Portal

The Information Security Portal provides employees with an anonymous channel for reporting or submitting security-related concerns, as well as a dedicated Q&A section to contact the information security team. It also features a curated list of frequently asked questions (FAQs) to support employee awareness and self-service. For security personnel, the portal includes a centralized dashboard that consolidates key security management indicators in one place, enhancing the efficiency of security operations. We continue to improve the portal by incorporating employee feedback during system operation and plan to extend its use to overseas entities to strengthen global security collaboration.

Security Awareness Campaigns

We regularly conduct security awareness campaigns through various channels, including email, internal bulletin boards, and digital signage, to communicate compliance requirements and updates to key information security policies. Using in-office TVs and ELV (elevator) DIDs, we share diverse content such as security compliance reminders and real-world incident cases to enhance employee awareness. A monthly Information Security Newsletter is distributed during the last week of each month, covering topics such as document security, malware prevention, clean desk practices, secure PC usage guidelines, and precautions when sending external emails. To further raise awareness among both employees and visitors, key compliance reminders are also displayed in the form of digital signage placed prominently within business sites. These efforts reinforce a strong culture of security throughout the organization.



Information Security Newsletter



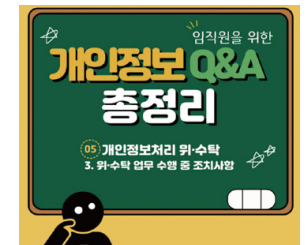
Digital Signage Contents

Hacking Challenge Competition

Since 2019, we have hosted an internal online hacking challenge competition to make security more accessible and engaging for employees while strengthening secure software development capabilities. The competition provides a fun and practical opportunity to enhance cybersecurity skills. In 2024, we expanded the competition to include global participants, resulting in a total of 848 employees joining, 219 from Korea and 629 from overseas offices. Participants were ranked by total score, and the top five performers were recognized with awards. After the competition, we published solution walkthroughs to support learning and knowledge sharing. A post-event survey showed that participants found the experience both motivating and educational, especially in terms of increasing interest in secure development and improving technical skills.

Personal Data Privacy

We operate a dedicated internal system for managing personal data protection, which provides access to our Personal Information Protection Management Plan, a key component of our data protection framework. The system also includes essential legal references, industry news, and curated content related to personal data. Frequently asked questions (FAQs) are published for user convenience, and employees can view and manage key information in one place, including the list of personal data processing systems and inspection status. When relevant laws, such as the Personal Information Protection Act, or internal policies are revised, we provide updates in an easy-to-understand format using clear and informative content.



Personal Data Protection Training Content

APPENDIX

129	ESG Data
143	Memberships and Associations
144	ESG Policy Book
145	ESG Value Creation Calculation Process
146	GRI Standards Index
148	SASB Index
149	IFRS Index
150	ESRS Index
154	GHG Emissions Assurance Statement
155	GHG Emissions Reduction Assurance Statement
156	Third-Party Assurance Statement

ESG DATA

Economic

Financial Performance

Category	Unit	2022	2023	2024	
Consolidated Basis	Sales	KRW million	17,234,750	13,276,844	13,828,232
	Operating profit	KRW million	916,074	808,231	911,097
	Net income	KRW million	1,130,013	701,326	789,501
	Total liabilities	KRW million	3,485,455	3,345,453	3,532,881
	Total assets	KRW million	11,952,425	12,321,025	13,238,330
Separate Basis	Sales	KRW million	5,174,554	5,166,839	5,447,352
	Operating profit	KRW million	296,153	351,192	507,423
	Net income	KRW million	530,146	409,509	1,131,927
	Total liabilities	KRW million	1,614,218	1,532,461	1,391,590
	Total assets	KRW million	7,628,899	7,660,443	8,373,410
Taxes	Earnings before tax	KRW million	1,132,080	985,508	1,102,762
	Reported taxes	KRW million	2,068	284,182	313,261
	Tax adjustment	KRW million	-163,937	0	0
	Effective tax rate	%	0.18	28.84	28.41
	Cash tax paid	KRW million	271,934	57,218	337,192
	Cash tax rate	%	24.0	5.8	30.6
R&D Investment	R&D expenditure	KRW million	198,505	184,588	244,451
	Sales generating from IT services	KRW million	5,968,194	6,105,856	6,401,403
	R&D expenditure against sales	%	3.9	3.0	3.8
	Patent registrations (cumulative)	Cases	2,002	2,121	2,205

Shares and Dividends

Category	Unit	2022	2023	2024	
Stock	Issued shares	Shares	77,377,800	77,377,800	77,377,800
	No. of shares with voting rights	Shares	77,350,186	77,350,186	77,350,186
	Voting rights per share	Number	1	1	1
Dividend	Total dividends	KRW million	247,521	208,846	224,316
	Dividend payout ratio	%	22.5	30.1	29.6
	Dividend per share	KRW	3,200	2,700	2,900

Economic Value Distribution

Category	Unit	2022	2023	2024	
Employee	Wages	KRW million	2,447,405	2,464,764	2,662,140
	Welfare and benefits	KRW million	461,296	508,111	540,156
Supplier	Total purchases	KRW million	1,889,335	1,917,642	1,871,708
Shareholder / Creditor	Dividends	KRW million	247,521	208,846	224,316
	Interest costs	KRW million	28,811	38,205	49,990
Government	Corporate tax	KRW million	2,067	284,182	313,261
Local Community	Donations	KRW million	2,837	3,292	3,161

ESG DATA

Economic

Contributions and Other Spending

Category	Unit	2022	2023	2024	
Lobbying, interest representation or similar groups	Internal and external lobbying expenses	KRW million	0	0	0
	Lobby organization membership fee	KRW million	0	0	0
Local, regional, or national political campaigns, organizations, or candidates ¹⁾	Monetary political sponsorship	KRW million	0	0	0
	In-kind political sponsorship	KRW million	0	0	0
Trade associations or tax-exempt groups ²⁾	KRW million	484	385	416	
Other (spending related to ballot measures or referendums, etc.)	KRW million	0	0	0	
Total contributions and other spending	KRW million	484	385	416	
Data scope	%	100	100	100	

1) 「Political Funds Act」 prohibits companies from making political donations. In accordance with this law, we also ban donations to political organizations.

2) This includes membership fees and contributions to associations related to our business operations.

Retirement Pension Funds

Category	Unit	2022	2023	2024
Defined benefit plan (DB)	KRW million	2,039,023	2,067,474	2,031,105
Defined contribution plan (DC)	KRW million	126,241	121,113	230,693

EU Taxonomy KPI

Category	Unit	2023	2024		
CCM 8.1 Data processing, hosting, and related activities (Eligible)	Revenues	Amount	KRW 100 million	10,823	13,039
		Ratio	%	8.2	9.4
	CAPEX ¹⁾	Amount	KRW 100 million	1,693	1,994
		Ratio	%	33.7	42.1
OPEX ²⁾	Amount	KRW 100 million	9,965	11,128	
	Ratio	%	8.0	8.6	
CCM 8.2 Data-driven solutions for GHG emission reductions (Eligible)	Revenues	Amount	KRW 100 million	6,316	12,390
		Ratio	%	4.8	9
	CAPEX	Amount	KRW 100 million	15	21
		Ratio	%	0.3	0.4
OPEX	Amount	KRW 100 million	6,212	12,013	
	Ratio	%	5.0	9.3	

1) CAPEX: Calculated based on investments in the relevant products and service-related facilities.

2) OPEX: Calculated as the sum of COGS and SG&A for the given products and services.

ESG DATA

Environmental

Scope 1 and 2 Emissions

Category	Unit	2021	2022 ⁴⁾	2023	2024	Target
(Market-based) GHG emissions ^{1),2)}	tCO ₂ eq	101,588	122,569	164,995	184,807	171,955
Direct emissions (Scope 1)	tCO ₂ eq	3,420	4,619	5,517	5,336	5,885
Indirect emissions (Scope 2)	tCO ₂ eq	98,167	117,961	159,489	179,480	166,070
(Region-based) GHG emissions ^{1),2)}	tCO ₂ eq	101,588	122,569	164,995	187,509	171,955
Direct emissions (Scope 1)	tCO ₂ eq	3,420	4,619	5,517	5,336	5,885
Indirect emissions (Scope 2)	tCO ₂ eq	98,167	117,961	159,489	182,182	166,070
Emissions intensity ³⁾	tCO ₂ eq/ KRW 100 million	0.75	0.71	1.24	1.34	1.24

※ Calculations were made based on standards such as the national GHG management guidelines by country, IPCC Guidelines, and ISO 14064.

- Total emissions may differ from the sum of Scope 1 and Scope 2 emissions due to the application of rounding standards at the individual business site level prior to aggregation.
- Data corrections were made due to succession of rights and obligations at business sites from 2021 to 2023.
- Scope 1 and 2 emissions are reported on a market-based basis against sales on a consolidated basis.
- Since 2022, data from subsidiaries and overseas entities have been included.

Scope 3 Emissions

※ In accordance with the Greenhouse Gas (GHG) Protocol Scope 3 Calculation Guidance, Samsung SDS calculated emissions from the entire supply chain across all applicable categories (covering more than 98% of total Scope 3 emissions), and subjected the calculations to third-party verification.

Category ^{1), 2)}	Unit	2022	2023	2024
Total Scope 3 emissions	tCO ₂ eq	3,154,519	2,909,796	2,992,478
1. Purchased goods and services	tCO ₂ eq	22,647	112,260	29,799
2. Capital goods	tCO ₂ eq	84,216	60,857	195,662
3. Fuel- and energy-related activities	tCO ₂ eq	7,718	10,469	15,791
	Total	2,996,426	2,663,923	2,696,176
	Air	1,388,921	1,027,207	1,103,203
4. Upstream transportation and distribution	Truck	1,023,681	1,034,641	975,033
	Ocean	575,023	575,448	609,015
	Train	8,055	8,974	3,373
	Warehouse	746	17,653	5,552
5. Waste generated in operations	tCO ₂ eq	290	2,174	1,599
6. Business travel	tCO ₂ eq	8,646	4,905	6,585
7. Employee commuting	tCO ₂ eq	5,222	34,048	13,992
8. Upstream leased assets	tCO ₂ eq	14,773	7,250	15,821
9. Downstream transportation and distribution	tCO ₂ eq	-	-	207
10. Processing of sold products				
11. Use of sold products	tCO ₂ eq	-	-	1,259
12. End-of-life treatment of sold products				
13. Downstream leased assets				
14. Franchises				
15. Investments	tCO ₂ eq	14,581	13,910	15,588

- Scope 3 categories (⑩, ⑫~⑭) are not applicable to Samsung SDS's business activities.
- New categories (⑨, ⑪) have been added due to the changes in Scope 3 emissions calculation and standards (products manufactured by subsidiaries included) in 2024.

ESG DATA

Environmental

Energy Consumption

Category	Unit	2022	2023	2024	Target
Total energy consumption ^{1),2)}	TJ	2,526	3,225	3,782	3,497
LNG	TJ	62	76	66	
Diesel	TJ	5	7	7	
Gasoline	TJ	16	17	22	
Electricity purchased	TJ	2,421	3,100	3,664	
Steam purchased	TJ	22	25	22	
Non-renewable energy consumption ³⁾	TJ	2,515	3,204	3,720	
LNG	TJ	62	76	66	
Diesel	TJ	5	7	7	
Gasoline	TJ	16	17	22	
Electricity purchased	TJ	2,419	3,092	3,614	
Steam purchased	TJ	22	25	22	
Renewable energy consumption	TJ	2	9	51	
Solar (self-generation)	TJ	2	7	9	
Generation Solar water heating	TJ	0.3	0.3	0.1	
Geothermal	TJ	-	2	2	
Purchase Other (Green Premium)	TJ	-	-	20	
Other (REC)	TJ	-	-	20	
Ratio of renewable energy	%	0.10	0.27	1.34	
Energy intensity	TJ/ KRW 100 million	0.015	0.024	0.027	
Headquarters (include campus)	TJ	283	314	286	
Sangam Data Center	TJ	615	735	857	
Suwon Data Center	TJ	1,052	1,214	1,159	
Gumi Data Center	TJ	170	141	170	
Chuncheon Data Center	TJ	284	331	345	
Dongtan Data Center	TJ	50	375	805	
Others	TJ	61	94	98	

Renewable Energy Generation at Data Centers

Category	Unit	2022	2023	2024	Target
Suwon Data Center	Solar water heater	MWh	85.84	79.89	14.53 ¹⁾
	Solar power generation	MWh	19.11	62.96	71.38
Sangam Data Center	Solar power generation	MWh	56.73	55.34	55.92
	Geothermal	MWh	-	435.62	474.82
Chuncheon Data Center	Solar power generation	MWh	144.63	196.36	230.71
Dongtan Data Center	Solar power generation	MWh	-	385.08	555.77
Total	MWh	306.31	1215.25	1,403.13	1,267

1) Operations were suspended due to equipment leak repairs conducted from April through October 2024.

※ Calculations were made based on standards such as the national GHG management guidelines by Country, IPCC Guidelines, and ISO 14064.

1) Total energy consumption includes the amount of fuel, electricity, heat, heating, steam, and renewable energy used.

2) Data corrections were made due to succession of rights and obligations at business sites from 2022 to 2023.

3) It may differ from the total sum of each fuel type due to the application of rounding standards at the individual business site level prior to aggregation.

4) Renewable energy consumption was not included.

ESG DATA

Environmental

Green Investments

Category	Item	Unit	2024
Suwon Data Center	UPS replacement	KRW 100 million	69
Dongtan Data Center	Expansion of solar power generation facilities	KRW 100 million	3.2
HQ	Shift to low-emission (hybrid) vehicles	KRW 100 million	0.86
		Unit	18
Data Center	Installation of EV charging facilities	KRW 100 million	0.73

Data Center Average PUE

Category	Unit	2022	2023	2024	Target
Average PUE	-	1.47	1.41	1.36	1.45
Data coverage	%	100	100	100	-

PUE by Data Center

Category	Unit	2024
Sangam Data Center	-	1.37
Suwon Data Center	-	1.45
Gumi Data Center	-	2.00
Chuncheon Data Center	-	1.30
Dongtan Data Center	-	1.20

Water Withdrawal and Discharge

Category	Unit	2022	2023	2024	Target	
Water Withdrawal	Municipal water supply	Tonnes	469,111	532,649	605,579	688,643
	Groundwater ¹⁾	Tonnes	164,997	165,008	158,585	163,643
Water Discharge	Sewage system ²⁾	Tonnes	469,111	532,649	605,579	688,643
	Groundwater	Tonnes	164,997	165,008	158,585	163,643

1) The groundwater figures represent inflow groundwater from the Sangam Data Center, with the intake volume equal to the discharge volume.

※ Due to regulatory constraints, including discharge fees and the need for government approval, Samsung SDS does not utilize this inflow groundwater.

2) Sewage treatment fees are being paid based on the total volume of municipal water intake.

Water Consumption¹⁾

Category	Unit	2022	2023	2024	
Domestic	Tonnes	401,701	521,784	579,089	
Business sites	Waterworks	Tonnes	153,228	188,972	176,559
Sangam Data Center	Waterworks	Tonnes	44,461	57,834	94,246
Suwon Data Center	Waterworks	Tonnes	163,495	192,663	173,569
Gumi Data Center	Waterworks	Tonnes	20,542	24,033	27,804
Chuncheon Data Center	Waterworks	Tonnes	15,329	13,825	11,029
Dongtan Data Center	Waterworks	Tonnes	4,646	44,457	95,882
Overseas	Tonnes	67,410	10,865	26,490	
Total	Tonnes	469,111	532,649	605,579	

1) It refers to the total of industrial water use and domestic water use, all sourced from municipal waterworks.

ESG DATA

Environmental

Waste Generation

Category	Unit	2022	2023	2024
Total waste generated	Tonnes	2,183.8	2,892.9	4,702.0 ¹⁾
Waste used / recycled / sold	Tonnes	897.2	1,345.4	2,505.3
Total	Tonnes	1,286.6	1,547.5	2,196.7
Landfilled waste	Tonnes	1019.4	1,278.8	491.8
Total waste treated	Tonnes			1,704.9 ²⁾
Incinerated waste with energy recovery	Tonnes	3.8	16.7	-
Incinerated waste without energy recovery	Tonnes	11.4	0.0	-
Waste treated with other methods	Tonnes	252.0	252.0	-
Waste with unknown treatment method	Tonnes	0.0	0.0	-

※ The HQ ratio (emissions per capita) was applied for the calculation of subsidiaries and overseas entities other than the HQ.

1) Waste generation increased in 2024 due to the advancement of the waste management and calculation system.

2) If the waste disposal method is unknown, we applied a conservative approach using incineration, which has a relatively high emission factor.

Waste Disposal by Type at HQ

Category	Disposal Method	Unit	2022	2023	2024
Total waste disposal		Tonnes	496.7	1,205.8	2,083.9
General waste	Landfilled	Tonnes	371.2	629.6	-
	Incinerated	Tonnes	11.4	12.7	572.9
	Recycled	Tonnes	95.3	543.2	1,471.4
Designated waste	Landfilled	Tonnes	-	1.0	-
	Incinerated	Tonnes	0.7	0.8	2.1
	Recycled	Tonnes	18.2	18.5	37.4

Environmental Management System (ISO 14001 & ISO 50001)

Category	Unit	2024
Total	%	100
Verification coverage in accordance with international standards	%	100
Third-party verification coverage received from specialized external organization	%	100
Verification coverage from internal expert dispatched from HQ	%	100

Physical Climate Risks

Category	Unit	2024
Revenue ratio from existing operations included in risk assessments and planning	%	100
Revenue ratio from new operations included risk assessments and planning	%	100

ESG DATA

Social

Global Workforce

Category	Unit	2022	2023	2024		
Total workforce	Total	Persons	26,236	26,244	26,401	
	Male	Persons	18,201	18,217	18,241	
	Female	Persons	8,035	8,027	8,160	
Domestic / overseas	Domestic	Total	Persons	15,392	15,624	15,661
		Male	Persons	11,272	11,304	11,229
		Female	Persons	4,120	4,320	4,432
	Overseas	Total	Persons	10,844	10,620	10,740
		Male	Persons	6,929	6,913	7,012
		Female	Persons	3,915	3,707	3,728
By contract type	Full time	Persons	25,040	25,118	25,176	
	Non-full time ¹⁾	Persons	1,196	1,126	1,225	
By age	Under 30	Persons	3,516	3,792	3,661	
	30 to 50	Persons	19,596	18,419	18,897	
	Over 50	Persons	3,124	4,033	3,843	
By position ²⁾	Executives	Total	Persons	149	167	174
		Male	Persons	137	156	162
		Female	Persons	12	11	12
	Managers	Total	Persons	14,817	15,326	15,598
		Male	Persons	11,229	11,449	11,499
		Female	Persons	3,588	3,877	4,099
	Junior Managers	Total	Persons	8,463	8,196	8,134
		Male	Persons	5,064	4,966	4,977
		Female	Persons	3,399	3,230	3,157

※ Workforce data is based on figures as of the end of December.

1) Personnel are in charge of distribution center operations, vehicle support, and interpretation / translation tasks.

2) The junior manager position falls under CL2, while the manager position belongs to CL3 and CL4, in accordance with our internal job grade system.

Workforce Breakdown by Nationality

Category	Unit	2022	2023	2024		
Korea	Employees	Number	Persons	16,010	16,010	16,100
		Ratio	%	61	61	61
	Managerial Positions	Number	Persons	15,528	15,528	15,614
Ratio		%	66	66	66	
China	Employees	Number	Persons	1,842	1,842	1,823
		Ratio	%	7	7	7
	Managerial Positions	Number	Persons	1,828	1,828	1,796
Ratio		%	7.8	7.8	8	
Vietnam	Employees	Number	Persons	1,996	1,996	2,117
		Ratio	%	7.6	7.6	8
	Managerial Positions	Number	Persons	1,793	1,793	1,941
Ratio		%	7.6	7.6	8	
India	Employees	Number	Persons	1,227	1,227	1,296
		Ratio	%	4.7	4.7	5
	Managerial Positions	Number	Persons	1,203	1,203	1,278
Ratio		%	5.1	5.1	5	
Brazil	Employees	Number	Persons	1,036	1,036	943
		Ratio	%	3.9	3.9	4
	Managerial Positions	Number	Persons	338	338	346
Ratio		%	1.4	1.4	1	
Mexico	Employees	Number	Persons	913	913	1,137
		Ratio	%	3.5	3.5	4
	Managerial Positions	Number	Persons	468	468	505
Ratio		%	2	2	2	
Others	Employees	Number	Persons	3,220	3,220	2,985
		Ratio	%	12.3	12.3	11
	Managerial Positions	Number	Persons	2,364	2,364	2,252
Ratio		%	10.1	10.1	9	
Total	Employees	Number	Persons	26,244	26,244	26,401
		Ratio	%	100	100	100
	Managerial Positions	Number	Persons	23,522	23,522	23,732
Ratio		%	100	100	100	

ESG DATA

Social

Hiring Status

Category	Unit	2022	2023	2024
No. of new hires	Persons	4,949	3,643	2,107
Percentage of open positions filled by internal hires	%	17	44	29

Employee Training

Category	Unit	2022	2023	2024
Average training hours per employee	Hours	75.7	82.4	66.5
Average amount spent on training per employee	KRW million	1.3	1.4	0.8
Total no. of employees participated in training	Persons	23,413	20,096	25,847
Total hours of training (subtotal)	Hours	1,773,458	1,656,566	1,718,992
Male	Hours	1,242,568	1,132,253	1,174,333
Female	Hours	530,890	524,313	544,659

Participation Rate in Core Competency Development Programs

Category	Unit	2023	2024
AI / cloud training program	%	89.9	91.5
Leadership training	%	94.4	93.1

Training Programs

Category	Unit	2022	2023	2024	
General (function, leadership, etc.)	Training hours per person	Hours	75.3	82.4	59
	No. of participants	Persons	22,282	20,096	25,941
Ethics	Training hours per person	Hours	0.9	1	1
	No. of participants	Persons	19,970	18,890	21,390
Compliance	Training hours per person	Hours	1.7	1	1
	No. of participants	Persons	20,843	19,516	21,700
Information security	Training hours per person	Hours	1.1	0.25	1
	No. of participants	Persons	19,092	19,287	22,482
Human rights ¹⁾	Training hours per person	Hours	3	2.28	3
	No. of participants	Persons	18,437	19,991	18,334
Sexual harassment prevention	Training hours per person	Hours	1.1	1	2
	No. of participants	Persons	18,945	19,926	22,319

1) Human rights training: Training on disability awareness, prevention of workplace bullying, and mental health training

ROI of Human Capital

Category	Unit	2022	2023	2024
Total revenue	KRW million	17,234,749	13,276,844	13,828,232
Total operating expenses	KRW million	984,482	987,919	1,101,235
Total employee-related expenses	KRW million	2,993,327	3,003,182	3,237,262
ROI of Human Capital ¹⁾	-	6.43	5.09	4.93

1) Return on Investment in Human Capital = (Total revenue - Total operating expenses - Total employee-related expenses) / Total employee-related expenses

ESG DATA

Social

Ratio of Female Employees

Category	Unit	2022	2023	2024
Ratio of female employees	%	30.6	30.6	30.9
Ratio of female junior managers ¹⁾	%	40.2	39.4	38.8
Ratio of female managers	%	24.2	25.3	26.3
Ratio of female executives	%	8.1	6.6	6.9
Ratio of female employees in STEM functions	%	22.8	23.1	32.3
Ratio of female employees in sales and profit functions	%	24.6	25.4	27.3

1) As per the internal career level system, junior managers refer to CL2 and managers refer to CL3 and CL4.

Employee Tenures

Category	Unit	2023	2024	
Total term of continuous employment	Total	Months	2,914,113	3,279,303
	Male	Months	2,235,958	2,426,368
	Female	Months	678,155	852,935
Average term of continuous employment per person	Total	Years	9.3	10.0
	Male	Years	10.2	10.8
	Female	Years	7.1	8.4

Employee Turnover

Category	Unit	2023 ¹⁾	2024	
Total	Persons (%)	2,150 (8.2)	2,203 (8.3)	
Voluntary turnover	Persons (%)	1,882 (7.2)	1,257 (4.8)	
By gender	Male	Persons	1,496	1,466
	Female	Persons	654	737
By age group	Under 30	Persons	502	635
	30 to 50	Persons	1,294	1,215
	Above 50	Persons	354	353
Scope of data	%	100	100	

1) 2023 data corrected due to error.

Usage of Parental Leaves

Category	Unit	2022	2023	2024 ¹⁾	
No. of employees using parental leaves	Total	Persons	315	307	893
	Male	Persons	106	74	289
	Female	Persons	209	233	604
No. of employees who returned from parental leaves	Total	Persons	289	297	786
	Male	Persons	83	87	231
	Female	Persons	206	210	555
Parental leave return rate	Total	%	88.4	96.7	88.0
	Male	%	78.3	117.6	79.9
	Female	%	98.6	90.1	91.9
No. of employees maintaining work for at least 12 months upon returning from parental leave	Total	Persons	276	288	751
	Male	Persons	77	83	207
	Female	Persons	199	205	544
Paid parental leave for primary caregiver (total paid leaves offered to most employees)	Weeks	65	65	65	
Paid parental leave for non-primary caregiver (total paid leaves offered to most employees)	Weeks	55	55	56	
Scope of Data	%	100	100	100	

1) Since 2024, data from subsidiaries and overseas entities have been included.

ESG DATA

Social

Performance Appraisal

Category	Unit	2022	2023	2024
Ratio of employees who received performance appraisal	%	100	100	100
Total no. of performance appraisal targets	Persons	26,236	26,244	26,401
Male	%	69	69	69
Female	%	31	31	31

Samsung Culture Index (SCI)

Category	Unit	2022	2023	2024
Participation rate in survey	%	92.1	89.1	69.7
Survey result score	Points	65.1	68.7	69.5

Labor-Management Council Operations

Category	Unit	2022	2023	2024
Employee participation rate	%	100	100	100
Rate of reflecting agreements with the Labor-Management Council	%	100	100	100

Employee Remuneration

Category	Unit	2022	2023	2024		
Average remuneration (HQ)	Executives	KRW million	402	419	427	
	Employees	Total	KRW million	131	130	134
		Male	KRW million	137	136	141
		Female	KRW million	113	113	116
Average remuneration (Global)	Total	KRW million	85	92	96	
	Employees	Male	KRW million	93	98	103
		Female	KRW million	66	77	77
	Gender pay gap ¹⁾	%	100	100	100	

1) The difference in average salary is due to variations in average years of service and individual performance. We do not have a gender pay gap.

Occupational Safety and Health

Category	Unit	2022	2023	2024	
Total no. of employees	Persons	26,236	26,244	26,401	
No. of injury cases	Persons	0	1	0	
Occupational injury rate	%	0	0.0038	0	
Total working hours ¹⁾	Hours	55,410,432	55,427,328	55,758,912	
Lost workdays	Days	0	34	0	
Severity rate of injury	-	0	0.0006	0	
No. of occupational accidents	Cases	0	1	0	
Frequency rate of injury	-	0	0.02	0	
No. of occupational disease cases	Cases	0	0	0	
Occupational illness frequency rate (OIFR)	-	0	0	0	
Lost time injury frequency rate (LTIFR)	-	0	0.02	0	
Work-related fatalities (accidents / diseases)	Cases	0	0	0	
Suppliers	No. of occupational accidents	Cases	0	1	0
	Total working hours ²⁾	Hours	10,175,616	10,665,600	9,641,280
	Lost time injury frequency rate (LTIFR) ³⁾	-	0	0.09	0
	Work-related fatalities (accidents / diseases)	Cases	0	0	0

1) Total number of employees × 8 hours per day × 22 working days per month × 12 months

2) Data for 2022 and 2023 have been revised based on the employment disclosure information.

3) LTIFR has been adjusted due to recalculation of total working hours suppliers.

Coverage of ISO 45001

Category	Unit	2022	2023	2024
Ratio of employees subject to ISO 45001	%	100	100	100

ESG DATA

Social

Supplier Status

Category	Unit	2022	2023	2024
No. of suppliers	Companies	220	231	224
Total purchase amount from suppliers	KRW million	405,925	383,579	392,443

Support for Suppliers

Category	Unit	2022	2023	2024	
Training support	No. of training programs	Programs	131	260	248
	No. of participants	Persons	3,200	2,197	2,489
Technical support	Development methodology support	Cases	231	231	231
	Technology data escrow	Cases	13	13	21
Financial support	Win-win management fund raised	KRW million	60,000	60,000	60,000
	Win-win management fund executed	KRW million	51,093	57,755	54,937
Recruitment support	No. of employees hired by suppliers	Persons	125	124	280

Supply Chain ESG Management

Category	Unit	2022	2023	2024 ¹⁾	
Supplier Code of Conduct	Suppliers signed the Supplier Code of Conduct	%	96	93	100
	New suppliers signed the Supplier Code of Conduct	%	94	93	100
ESG assessment	Suppliers assessed for ESG	%	87	92	98
	New suppliers assessed for ESG	%	68	93	92
Suppliers that underwent on-site ESG inspections (targeting major suppliers ²⁾)	%	100	100	100	
Subsidiaries with ESG systems applied ³⁾	%	-	-	100	
Sustainable procurement training (targeting the personnel responsible for procurement and suppliers)	%	100	100	100	
Ratio of contracts that includes ESG clauses (automatically applied via system)	%	100	100	100	

1) Number of suppliers subject to ESG management in 2024: 219

2) Major suppliers (with large transaction volumes and high quality standards): 39

3) Number of subsidiaries subject to ESG management in 2024: 5

Compliance Rates by Major On-site Inspection Category

Category	Unit	2022	2023	2024	
Labor and human rights	Voluntary labor	%	91	93	99
	Child labor	%	99	100	99
	Compliance with working hours	%	94	91	88
	Wages and welfare benefits	%	99	97	98
	Humane treatment	%	93	92	94
	Supplier diversity	%	79	70	82
	Freedom of association	%	87	79	100
Safety and environment	Job training and education	%	-	97	92
	Emergency preparedness	%	81	80	97
	Pollution prevention	%	90	84	83
Business Ethics	Occupational safety	%	93	91	87
	Green procurement	%	-	37	33
	Corporate integrity	%	94	76	91
Management system	Intellectual property	%	85	87	98
	Identity protection	%	27	49	52
	Privacy protection	%	77	79	83
Management system	Management's commitment	%	66	70	75
	Corrective measures process	%	84	79	78
	Supplier accountability	%	92	95	96

ESG DATA

Social

Customer Support

Category		Unit	2022	2023	2024	Target
Customer satisfaction	Score	Points	94.0	84.4 ¹⁾	81.2	80
	Data coverage	%	100	100	100	-
VoC handling	No. of cases	Cases	617,224	442,909	391,809	-
	Handling rate	%	100	100	100	-

1) Since 2023, customer satisfaction survey targets have been selected through random sampling. In addition, solution-specific questionnaires tailored to each customer journey have been introduced to better measure and improve service quality.

Service Failure and Customer Downtime

Category	Unit	2023	2024
Performance issues (failures lasting 10 to under 30 minutes)	Cases	34	48
Service interruptions (incidents lasting 30 minutes or longer)	Cases	57	79
Customer downtime (duration × number of software or IT service licenses affected)	Hours	145	285

Distribution Channel Management and Audits

Category		Unit	2024
Distribution channel quality management system	Ratio of distribution network that received regularly revised customer service quality standard documents from the company in the previous year	%	100
	Ratio of distribution network that participated in regular customer service quality management workshops by region, country, or customer group, held by the company in the previous year	%	100
	Ratio of distribution network that participated in official training programs organized by the company on customer service quality management during the previous year	%	100
External audits	External distribution network that conducted self-assessments	%	100
	Third-party audits of external distribution networks for compliance with the company's customer service quality management system	%	100
	Third-party audits of external distribution networks for compliance with ISO 9000 or other customer service quality management standards	%	100

Personal Information Management

Category	Unit	2022	2023	2024
No. of personal data breaches	Cases	0	0	0
No. of reports filed by external institutions on violations of the Personal Information Protection Act	Cases	0	0	0
No. of reports filed by regulatory bodies on violations of the Personal Information Protection Act	Cases	0	0	0
No. of requests received from the government and law enforcement agencies on user data	Times	47	17	6
Data submission rate in response to government and law enforcement requests	%	100	100	100
No. of cases where customer information was used for purposes other than originally intended	Cases	0	0	0

ESG DATA

Governance

Board Composition

Category	Unit	2022	2023	2024	
No. of directors	Total	Persons	7	7	7
	Male (ratio)	Persons (%)	6 (86%)	6 (86%)	6 (86%)
	Female (ratio)	Persons (%)	1 (14%)	1 (14%)	1 (14%)
Director type	Executive director	Persons	3	3	3
	Non-executive director	Persons	0	0	0
	Independent director	Persons	4	4	4

Board Meeting Overview

Category	Unit	2022	2023	2024
No. of meetings convened	Times	8	9	7
No. of agenda items	Items	21	29	25
Attendance rate	%	96.4	98.4	95.9
Minimum attendance rate required for all directors	%	85	85	85

Board Committee Meetings Convened

Category	Unit	2022	2023	2024
Audit Committee	Times	6	6	5
Management Committee	Times	10	8	2
Related Party Transactions Committee	Times	4	6	5
Compensation Committee	Times	1	2	2
Independent Director Recommendation Committee	Times	0	2	3
ESG Committee	Times	4	6	5

Board Remuneration

Category	Unit	2022	2023	2024	
Executive director	Total remuneration	KRW million	3,854	4,001	6,155
	No. of people	Persons	3	3	3
	Average per person	KRW million	1,285	1,334	2,052
Independent director (excluding Audit Committee members)	Total remuneration	KRW million	89	91	94
	No. of people	Persons	1	1	1
	Average per person	KRW million	89	91	94
Audit Committee member	Total remuneration	KRW million	257	269	310
	No. of people	Persons	3	3	3
	Average per person	KRW million	86	90	103
Total director remuneration	Total remuneration	KRW million	4,200	4,361	6,559
	No. of people	Persons	7	7	7
	Average per person	KRW million	600	623	937

Board Shareholding Status

Category	Unit	2022	2023	2024	
Executive director	Sungwoo Hwang	Shares	1,000	1,000	1,000
	Jungtae Ahn	Shares	1,000	1,000	1,000
	Hyungjoon Koo	Shares	1,000	1,000	1,000
Independent director	Hyunhan Shin	Shares	500	500	500

ESG DATA

Governance

Corruption Cases

Category	Unit	2023	2024 ¹⁾
No. of confirmed incidents of corruption	Cases	4	23
No. of confirmed cases where employees were dismissed or disciplined due to corruption	Cases	4	18
No. of confirmed cases where contracts with business partners were terminated or not renewed due to corruption	Cases	0	1
No. of public legal cases regarding corruption brought against the organization or its employees	Cases	0	0

※ Data disclosed starting from 2023

1) Since 2024, data from subsidiaries and overseas entities have been included.

Breach Cases

Category	Unit	2023	2024 ¹⁾
Corruption or bribery	Cases	4	19
Customer privacy data breach	Cases	0	0
Conflicts of interest	Cases	0	0
Money laundering or insider trading	Cases	0	0

※ Data disclosed starting from 2023

1) Since 2024, data from subsidiaries and overseas entities have been included.

Status of Legal Sanctions

Category	Unit	2023	2024
Anti-competitive behavior	Cases	0	0
Anti-trust and monopoly practices	Cases	0	0
Total financial loss due to legal sanctions	KRW million	0	0
No. of cases involving financial loss due to legal sanctions	Cases	0	0

※ Data disclosed starting from 2023

Corruption Reports by Type

Category	Unit	2022	2023	2024 ¹⁾
Fraud	Cases	17	15	33
	%	30	42	34
Complaints	Cases	15	1	40
	%	26	3	41
Others	Cases	25	20	24
	%	44	55	25
Total	Cases	57	36	97

1) Since 2024, data from subsidiaries and overseas entities have been included.

Corruption-related Legal Risk Assessment

Category	Unit	2023	2024
No. of business sites assessed for legal risk	Sites	9	9

※ All domestic business sites of the HQ were assessed. (100%)

Information Security Management Status

Category	Unit	2022	2023	2024
Occurrences of information security violations or cybersecurity incidents	Cases	0	0	0
No. of data breach incidents	Cases	0	0	0
No. of customers affected by data breaches	Persons	0	0	0
Total amount of fines or penalties paid due to information security violations or cybersecurity incidents	KRW million	0	0	0

Memberships and Associations

Korea Chamber of Commerce and Industry	Korea Software Industry Association	Federation of Korean Information Industries	Korea IT Service Industry Association	Korea Data Center Council
Korea Telecommunications Operators Association	Korea Association of Cloud Industry	Korea Council of Chief Information Security Officers	Artificial Intelligence Industry Association	Korea Association of Personal Data Professionals
Korea International Freight Forwarders Association	Telecommunications Technology Association	Korea Information & Communication Contractors Association	Korean Association of Professional Engineers	Korea Listed Companies Association
Korea Investor Relations Service	Korea Importers Association	Korea International Trade Association		

※ Membership in the Seoul Chamber of Commerce and Industry is mandatory.

ESG Policy Book



Code of Conduct Guidelines



Anti-Corruption Policy



Fair Competition Policy



Tax Strategy



Supplier Code of Conduct



Supplier Code of Conduct Guide



Human Rights Policy



AI Ethics Principles



Open Source Policy



Safety and Health Policy



Environment Policy

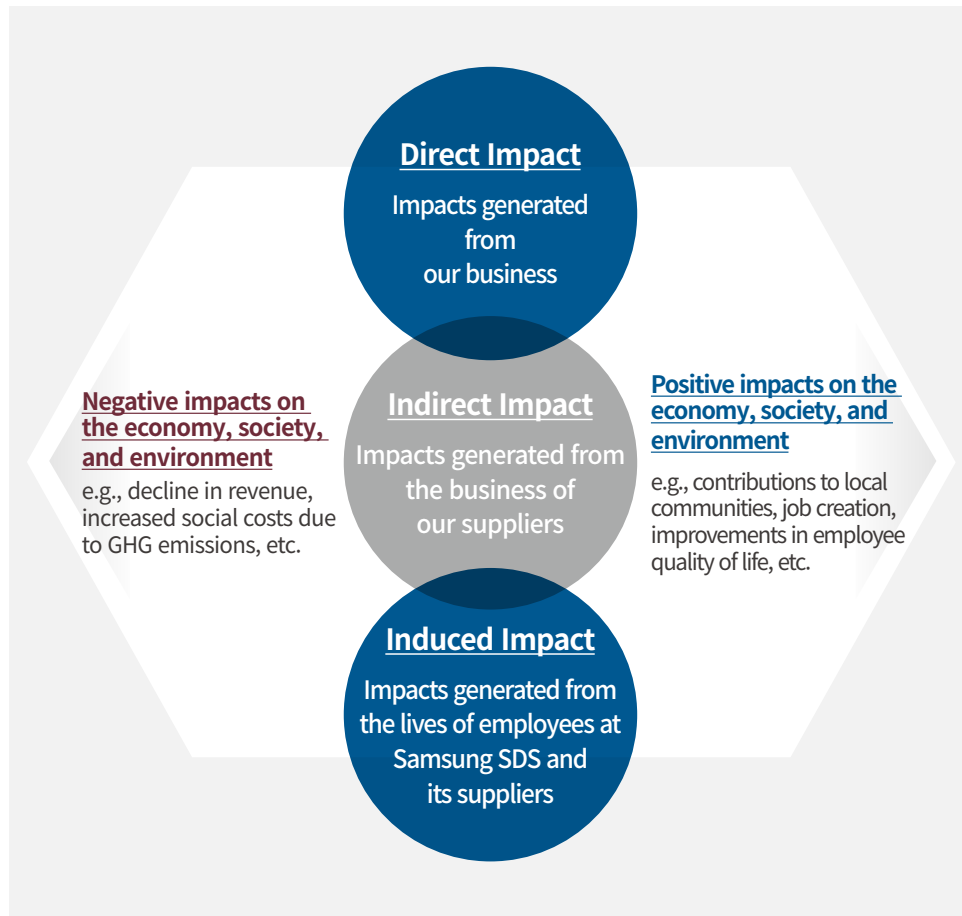


Sustainable Procurement Policy

ESG Value Creation Calculation Process

Samsung SDS systematically measures and manages the economic, environmental, and social impacts of its business activities to enable more effective decision-making, while actively analyzing the full spectrum of impacts generated. The value created by Samsung SDS in 2024 was assessed across three dimensions; economic impact, social impact, and environmental impact.

Impact Coverage



Impacts

Category		Factors	Impact
Economic impact	It is the total value generated through activities that can contribute to GDP, such as corporate profit, acquisition of tangible and intangible assets, research and development, and employee compensation. It also includes the impact on public finances through tax payments.	Profit	Shareholders
		Salaries	Employees
		Taxes	Government
		Investments	Shareholders / suppliers
		Intangible assets	Shareholders / suppliers
Social impact	We reflected the company's contribution to a better society through social contribution and shared growth initiatives. Quantified impacts include donations and employee welfare benefits that induce production and added value.	Shared growth support	Suppliers
		Donations	Local communities
		Work-life balance	Employees
		Welfare benefits	Employees
Environmental impact	It represents the quantified sum of impacts on nature and the environment, including GHG emissions and reductions, energy consumption, and waste generation.	GHG reduction	Government / local communities
		GHG emissions	Government / local communities
		Energy savings	Government / local communities
		Waste disposal	Government / local communities

GRI Standards Index

Statement of Use | Samsung SDS has reported in accordance with the GRI Standards 2021 for the reporting period from January 1, 2024 to December 31, 2024.

GRI 1 used | GRI 1: Foundation 2021

Applicable GRI Sector Standards: N/A

GRI	Disclosure	Indicators	Page	Note
General Disclosures				
	2-1	Organization details	7, 8	
	2-2	Entities included in the organization's sustainability reporting	2	
	2-3	Reporting period, frequency, and contact point	2	
	2-4	Restatements of information	131, 137	Revisions noted in footnotes
	2-5	External assurance	156~157	
	2-6	Activities, value chain and other business relationships	9~14	
	2-7	Employees	135	
	2-8	Workers who are not employees	135	Business report
	2-9	Governance structure and composition	105~110	
	2-10	Nomination and selection of the highest governance body	105, 107	
	2-11	Chair of the highest governance body	105	
	2-12	Role of highest governance body in overseeing the management of impacts	18	
	2-13	Delegation of responsibility for impact management impacts	18	
GRI 2: General Disclosures 2021	2-14	Role of highest governance body in sustainability reporting	18	
	2-15	Conflicts of interest	106	
	2-16	Communication of critical concerns	108	
	2-17	Collective knowledge of the highest governance body	41	
	2-18	Evaluation of the performance of the highest governance body	108	
	2-19	Remuneration policies	110	
	2-20	Process to determine remuneration	110	
	2-21	Annual total compensation ratio	138	
	2-22	Statement on sustainable development strategy	5, 6	
	2-23	Policy commitments	144	
	2-24	Embedding policy commitments	64, 114, 116, 117	
		2-25	Process to remediate negative impacts	65, 75
	2-26	Mechanisms for seeking advice and raising concerns	65, 75, 95	
	2-27	Compliance with laws and regulations	142	
	2-28	Membership associations (initiatives)	143	
	2-29	Approach to stakeholder engagement	27	
	2-30	Collective bargaining agreements	75	

GRI	Disclosure	Indicators	Page	Note
Material Topic & Topic Standards				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	19	
	3-2	List of material topics	19~21	
Material Issue 1		Information security		
Management method of material topics	3-3	Management of material topics	120	
Non-GRI / Organization-specific disclosure	-	Security verification and security inspection	121~126	
Material Issue 2		Digital responsibility		
Management method of material topics	3-3	Management of material topics	99	
Non-GRI / Organization-specific disclosure	-	Customer satisfaction / VOC	95	
GRI 418: Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	103	
Material Issue 3		Expand renewable energy usage		
Management method of material topics	3-3	Management of material topics	40	
GRI 302: Energy	302-1	Energy consumption within the organization	131	
	302-3	Energy intensity	131	
	302-4	Reduction of energy consumption	38~39	
Material Issue 4		Compliance and business ethics		
Management method of material topics	3-3	Management of material topics	114	
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	142	
	205-2	Announcement and education on anti-corruption policies and procedures	117	
	205-3	Confirmed incidents of corruption and actions taken	115, 142	
GRI 206: Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	142	
Material Issue 5		GHG emissions management and reduction		
Management method of material topics	3-3	Management of material topics	36~39	
GRI 305: Emissions	305-1	Direct GHG emissions (Scope 1)	131	
	305-2	Indirect GHG emissions (Scope 2)	131	
	305-3	Other indirect GHG emissions (Scope 3)	132	
	305-4	GHG emissions intensity	131	
	305-5	Reduction of GHG emissions	38~39	

GRI Standards Index

GRI	Disclosure	Indicators	Page	Note
Material Issue 6 Create a quality organizational culture				
Management method of material topics	3-3	Management of material topics	74~77	
Non-GRI / Organization-specific disclosure	-	Samsung Culture Index (SCI)	74, 138	
Material Issue 7 Supply chain ESG management				
Management method of material topics	3-3	Management of material topics	85	
GRI 308: Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	85	
	308-2	Negative environmental impacts in the supply chain and actions taken	87	
GRI 414: Supplier social assessment	414-2	Negative social impacts in the supply chain and actions taken	87	
Material Issue 8 Talent attraction and development				
Management method of material topics	3-3	Management of material topics	70	
GRI 404: Training and education	404-1	Average hours of training per year per employee	136	
	404-2	Programs for upgrading employee skills and transition assistance	71~72	
	404-3	Percentage of employees receiving regular performance and career development reviews	138	
Material Issue 9 Manage health and safety				
Management method of material topics	3-3	Management of material topics	79	
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	79~80	
	403-2	Hazard identification, risk assessment, and incident investigation	81~82	
	403-3	Occupational health services	80~84	
	403-4	Employee engagement, counseling and communication regarding occupational health and safety	80~82	
	403-5	Worker education on occupational health and safety	82	
	403-6	Promotion of worker health	83~84	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	81~82	
	403-8	Workers covered by an occupational health and safety management system	138	
	403-9	Work-related injuries	138	
	403-10	Work-related ill health	138	
Material Issue 10 Respect for human rights and diversity				
Management method of material topics	3-3	Management of material topics	64	
GRI 405: Diversity and equal opportunity	405-1	Diversity of governance bodies and employee	135	
	405-2	Ratio of basic salary and remuneration of women to men	138	
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	65	

GRI	Disclosure	Indicators	Page	Note
Topic Standards				
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	129	
	201-2	Financial implications and other risks and opportunities due to climate change	41~54	
	201-3	Defined benefit plan obligations and other retirement plans	130	
GRI 203: Indirect Economic impacts	203-2	Significant indirect economic impacts	145	
GRI 303: Water and effluents	303-3	Water withdrawal	133	
	303-4	Wastewater discharge	133	
	303-5	Water consumption	133	
GRI 306: Waste	306-3	Waste generated	134	
	306-4	Waste diverted from disposal	134	
	306-5	Waste directed to disposal	134	
GRI 401: Employment	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	74	
	401-3	Parental leave	137	

SASB Index

Topic	Code	Accounting Metric	Page	Category	Unit of Measure
Environmental footprint of hardware infrastructure	TC-SI-130a.1	1) Total energy consumed 2) percentage grid electricity 3) percentage renewable	132	Quantitative	TJ, %
	TC-SI-130a.2	1) Total water withdrawn 2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	133	Quantitative	Tonnes
	TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	28, 40, 50	Discussion and Analysis	N/A
Data privacy and freedom of expression	TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	102~103	Discussion and Analysis	N/A
	TC-SI-220a.2	Number of users whose information is used for secondary purposes	103	Quantitative	Numbers
	TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	142	Quantitative	Reporting currency
	TC-SI-220a.4	1) Number of law enforcement requests for user information, 2) number of users whose information was requested, 3) percentage resulting in disclosure	103	Quantitative	Numbers, %
	TC-SI-220a.5	List of countries where core products of services are subject to government-required monitoring, blocking, content filtering, or censoring	103	Discussion and Analysis	N/A
Data security	TC-SI-230a.1	1) Number of data breaches, 2) percentage involving personally identifiable information (P11), 3) Number of users affected	142	Quantitative	Numbers
	TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybers security standards	120~127	Discussion and Analysis	N/A
Recruiting and managing global, diverse, and skilled workforce	TC-SI-330a.1	Percentage of employees that are 1) foreign nationals and 2) located offshore	135	Quantitative	%
	TC-SI-330a.2	Employee engagement as a percentage	138		
	TC-SI-330a.3	Percentage of gender and racial / ethnic group representation for 1) management 2) technical staff, and 3) all other employees	135	Quantitative	%
Intellectual property protection and competitive behavior	TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	142	Quantitative	Reporting currency
Managing systemic risks from technology disruptions	TC-SI-550a.1	Number of 1) performance issues and 2) service disruptions; 3) total customer downtime	140		
	TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	95~98	Discussion and Analysis	N/A

IFRS Index

IFRS S1 Index

Category	Reference No.	Disclosure Description	Page
Governance	27	Oversight of climate-related risks and opportunities	18, 41~43, 109
	30	The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects	20~21, 44
Strategy	32	The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain	20~21
	33	The effects of those climate-related risks and opportunities on the entity's strategy and decision-making	20~21, 23~26
	44	The processes and related policies the entity uses to identify, assess, priorities and monitor climate-related risks	112~113, 19
	46	Metrics required by the IFRS sustainability disclosure standards	129~142
Risk Management	48	Industry-specific indicators reflecting the characteristics of the business the entity operates in	140
Metrics and Targets	51	Set goals, monitor development progress monitoring, and performance against strategic targets to achieve strategic objectives	22~26
Judgement, Uncertainty, and Error	78	Data disclosed with significant measurement uncertainty	36, 46~54, 58~59

IFRS S2 Index

Category	Reference No.	Disclosure Description	Page
Governance	6	Supervision and management of climate-related risks and opportunities	41~43
	10	Climate-related risks and opportunities	44~52
Strategy	14	Strategy and decision-making	44~52
	15,16	Financial impact of climate-related risks and opportunities on the company, and financial performance and cash flow for managing climate-related risks and opportunities	46~48
Risk Management	25	Monitoring and analysis methods for climate-related risks and opportunities	45, 49
Metrics and Targets	29	Financial and non-financial data related to climate-related risks and opportunities across the industry	36, 131~132
	33	Targets related to climate-related risks and opportunities	53

ESRS Index

General Disclosure (ESRS2)

Category		Disclosure Requirement	Page
Basis for Preparation	BP - 1	General basis for preparation of the sustainability statements	2
	BP - 2	Disclosures in relation to specific circumstances	2, 36, 46~48, 52, 54, 59, 130~138
Governance	GOV - 1	The role of the administrative, supervisory and management bodies	18, 105~110
	GOV - 2	Reporting and overseeing sustainability issues	18
	GOV - 3	Integration of sustainability-related performance in incentive schemes	42~43
	GOV - 4	Statement on due diligence	27
Strategy and Business Model	SBM - 1	Strategy, business model, and value chain	7~16, 22~26, 30, 145
	SBM - 2	Interests and views of stakeholders	27
	SBM - 3	Material impacts, risks and opportunities, and their interaction with strategy and business model	20~21
Impact, Risk, and Opportunity Management	IRO - 1	Identify and assess material impacts, risks, and opportunities	19
	MDR - P	Policies adopted to manage material sustainability matters	33~34, 55, 61, 64, 70, 79, 86, 92, 96, 99, 102, 114, 116, 121
	MDR - A	Actions in relation to material sustainability matters	20~26
Metrics and Targets	MDR - M	Metrics in relation to material sustainability matters	29, 129~142
	MDR - T	Tracking effectiveness of policies and actions through targets	23~26

ESRS Index

Topical Disclosures

Category	Disclosure Requirement	Page	
Climate change (E1)	GOV-3	Integration of sustainability-related performance in incentive schemes	42~43
	E1-1	Transition plan for climate change mitigation	38~40, 53
	SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model	44
	IRO-1	Identify and assess material climate-related impacts, risks, and opportunities	45~47, 49~52
	E1-2	Policies related to climate change mitigation and adaptation	33~34
	E1-3	Actions and resources in relation to climate change policies	36~40
	E1-5	Energy consumption and mix	132
	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	36, 131
	E1-8	Internal carbon pricing	46, 54
Pollution (E2)	E1-9	Potential financial effects from material physical and transition risks and potential climate-related opportunities	47~48, 50, 52
	E2-1	Policies related to pollution	33, 55
Water and marine resources (E3)	E2-2	Actions and resources related to pollution	35, 55, 61
	IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	56
	E3-1	Policies related to water and marine resources	55
	E3-3	Targets related to water and marine resources	55
Biodiversity and ecosystems (E4)	E3-4	Water consumption	55, 133
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	60
	IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	57~59
	E4-1	Transition plan on biodiversity and ecosystems	57, 60
	E4-3	Actions and resources related to biodiversity and ecosystems	60
Resource use and circular economy (E5)	E4-5	Impact metrics related to biodiversity and ecosystems change	58~59
	E5-1	Policies related to resource use and circular economy	61
	E5-2	Actions and resources related to resource use and circular economy	62
	E5-5	Resource outflows	61, 134

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Topical Disclosures

Category	Disclosure Requirement	Page		
Own workforce (S1)	S1-1	Policies related to own workforce	64, 67, 70~71, 73~74, 78~79	
	S1-2	Processes for engaging with own workers and workers' representatives about impacts	75	
	S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	65	
	S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	65~84	
	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	79	
	S1-6	Characteristics of the undertaking's employees	135	
	S1-8	Collective bargaining coverage and social dialogue	75, 138	
	S1-11	Social protection	69, 77	
	S1-12	Persons with disabilities	68	
	S1-13	Training and skills development metrics	72, 136	
	S1-14	Health and safety metrics	138	
	S1-15	Work-life balance metrics	69, 137	
	S1-16	Remuneration metrics (pay gap and total remuneration)	138	
	S1-17	Incidents, complaints and severe human rights impacts	114~115, 142	
	Workers in the value chain (S2)	S2-1	Policies related to value chain workers	85~86, 89~90
		S2-2	Processes for engaging with value chain workers about impacts	86~88
		S2-3	Processes to remediate negative impacts and channels to raise concerns	87, 91
S2-4		Taking action on material impacts, approaches to managing material risks and pursuing material opportunities, and their effectiveness	85~88, 91, 139	
S2-5		Targets related to managing negative material impacts, advancing positive impacts, as well as to risks and opportunities	85, 89	
Affected communities (S3)	S3-1	Policies related to affected communities	92	
	S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	92~94	

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Topical Disclosures

Category	Disclosure Requirement	Page	
Consumers and end-users (S4)	SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model	95
	S4-1	Policies related to consumers and end-users	96
	S4-2	Processes for engaging with consumers and end-users about impacts	27, 95
	S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	95, 98
	S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	95~98
	S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	140
Business conduct (G1)	GOV-1	The role of the administrative, supervisory and management bodies	105~106
	G1-1	Business conduct policies and corporate culture	33, 64, 67, 73~74, 79, 114, 116
	G1-2	Management of relationships with suppliers	89~90
	G1-3	Prevention and detection of corruption and bribery	115, 117~118
	G1-4	Incidents of corruption or bribery	142
	G1-5	Political influence and lobbying activities	130
	G1-6	Payment practices	90

GHG Emissions Assurance Statement

GHG Emissions Assurance Statement (SCOPE 1, 2, 3)

The Korea Management Registrar Inc. (hereinafter “KMR”) has conducted the verification on the greenhouse gas (hereinafter “GHG”) emission of SAMSUNG SDS.

Scope

Verification of places of business and emission facilities under the control of SAMSUNG SDS.

Standards

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National Greenhouse Gas Inventories (2006)
- Operational guidelines for emission reporting and certification of the Greenhouse Gas emissions trading scheme (Ministry of Environment, 2024-155)
- WRI/WBCSD GHG Protocol (2013)

Procedure

The assurance was conducted by the KMR based on a risk analysis approach and data evaluation. The data and factors applied to the calculation of GHG emissions were determined to be appropriate based on objective evidence.

Independent

KMR does not have any stake in the verified entity and does not conduct verification with biased opinions/views. We have drawn an independent and objective verification conclusion based on the verification standards, and reviewed the every aspect of the verification we performed throughout the entire verification process through internal review.

Limitation

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are many inherent limitations, and there may be disagreements in the interpretation of appropriateness. Although we have tried to faithfully perform verification that meets the verification standards, we suggest that errors, omissions, and false statements that could not be found may be latent as the limitations to the verification.

Opinion

- The assurance engagement was performed to satisfy a limited assurance level, and no significant distortions were found in the verification results.
- According to KMR’s approach, nothing was found that would lead to a finding that SAMSUNG SDS. failed to disclose data and information that was accurate and reliable in all material respects.

GHG emissions

Site	Direct emissions (Scope 1)	Indirect emissions (Scope 2)		Total (tCO ₂ eq)	
		Location basis	Market basis	Location basis	Market basis
Domestic workplaces	3,671	170,006	170,006	173,674	173,674
Overseas	890	9,640	6,938	10,527	7,825
	774	2,536	2,536	3,308	3,308
Total	5,336	182,182	179,480	187,509	184,807
Category	Scope 3		Scope 3 emissions (tCO ₂ eq)		
1	Purchased goods and service		29,799		
2	Capital goods		195,662		
3	Fuel- and energy-related activities		15,791		
4	Upstream transportation and distribution		2,696,176		
5	Waste generated in operations		1,599		
6	Business travel		6,585		
7	Employee commuting		13,992		
8	Upstream leased asset		15,821		
9	Downstream transportation and distribution		207		
11	Use of sold products		1,259		
15	Investments		15,588		
	Total		2,992,478		

※ The market-based method reflects the standard that includes the purchase of international RECs (Renewable Energy Certificates).

※ There are a differences in the total amount of greenhouse gas emissions and workplace emissions.

(Emissions at each workplace, rounded off by decimal point, are combined at the company level)

Results

Based on the above assurance criteria, we did not identify any inappropriate calculations or errors for the emissions of major emitting facilities.

※ The abovementioned company is responsible for preparing verification data in accordance with the “Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No. 2021-278)”, and KMR’s responsibility is limited to the party in the verification contract according to the agreed contract terms. and is not responsible for other decisions, including investment decisions based on this verification statement.a

※ The abovementioned company must comply with the use of the certification and logo marks under the contract entered into with KMR.



May 21th, 2025
KMR CEO *E J Hwang*

GHG Emissions Reduction Assurance Statement

Independent Verification Opinion

Introduction

DNV Business Assurance Korea Ltd. (“DNV”) was commissioned by SAMSUNG SDS CO., LTD (here after “Company”) to perform third party verification of the company’s greenhouse gas statement for Domestic site’s greenhouse gas reduction performance. The Company is responsible for preparation of the GHG statement on the performance of greenhouse gas reduction project (hereinafter, ‘reduction performance’) adopted mutatis mutandis from ‘ISO 14064-2:2019’, and is fully responsible for the contents of the greenhouse gas statement. DNV does not assume any liability to any third party other than the verification contracting party in accordance with the terms of the contract in relation to this verification opinion.

Objective and Scope of Verification

The objective of the verification is to present an independent verification opinion on the company’s greenhouse gas reduction performance, and the scope of verification is as follows;

- Verification target: 15 greenhouse gas reduction project carried out by 4 domestic business sites (Suwon, Sangam, Chuncheon, Dongtan data center)
- Reporting Period: 2024.01.01 ~ 2024.12.31

Verification Approach

This verification was conducted under a limited level of assurance in accordance with the ‘ISO 14064-3:2019’. DNV planned and performed our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion. As part of the verification process, we have reviewed as follows;

- Management and collection of greenhouse gas reduction performance data, calculation methodology and appropriateness of calculation performance
- The company’s greenhouse gas reduction performance is based on measured and calculated values applied the offset methodology under Korea ETS with necessary modifications, and includes limitations due to the application of some assumptions and predicted values (refer to company’s greenhouse gas reduction statement for details).

Conclusions

Based on the verification, there is no evidence that the Replenishment performance is not materially correct and is not a fair representation of data and information. So DNV represents “Unmodified” opinion on the greenhouse gas reduction performance.

(Unit: tCO₂e)

Period of performance	Project sites	Reduction performance
2024.1.1 ~ 12.31	Suwon, Sangam, Chuncheon, Dongtan data center	7,425.1

SAMSUNG SDS CO., LTD. Green House Gas reduction project Performance

(Unit: tCO₂e)

Site	Project (Reduction type)	Reduction amount
Suwon	1 Open type cooling tower replacement (High efficiency equipment replacement)	922.0
	2 Variable temperature and humidity air conditioner replacement (High-efficiency equipment replacement)	1,132.5
	3 Modular high-efficiency UPS replacement (High efficiency equipment replacement)	1,634.1
	4 Molded high-efficiency transformer replacement (High efficiency equipment replacement)	134.5
	5 Office building high-efficiency UPS replacement (High efficiency equipment replacement)	601.8
	6 Solar power generation (Renewable energy production and use)	32.8
	7 Solar hot water generation (Renewable energy production and use)	16.9
Sangam	8 Cold water pump inverter operation (Installation of power saving equipment)	500.6
	9 Solar power generation (Renewable energy production and use)	25.7
	10 Geothermal heat pump (Renewable energy production and use)	65.4
Chuncheon	11 Shade installation in refrigerator and water spray cooling in condenser coil (High efficiency equipment replacement)	287.9
	12 Water spray cooling in temperature and humidity air conditioner condenser coil (High efficiency equipment replacement)	4.5
	13 Solar power generation (Renewable energy production and use)	106.0
Dongtan	14 Optimal control of the refrigerator using outdoor air cooling (High efficiency equipment replacement)	1,705.2
	15 Solar power generation (Renewable energy production and use)	255.3
Total		7,425.1

※ Appendix of The verification opinion of PRJN-955656-2025-AST-ENG



2025. 6. 05
Seoul, Republic of Korea

Lee, Jang Sup
Country Representative
DNV Business Assurance Korea Ltd.

Third-Party Assurance Statement

To: The Stakeholders of SAMSUNG SDS

Overview

The British Standards Institution (hereinafter referred to as the “Assurer”) was requested to verify the “Samsung SDS 2025 Sustainability Report” (hereinafter referred to as the “Report”). The Assurer is independent to Samsung SDS and has no major operational financial interest other than the assurance of the Report. This assurance opinion statement is intended to provide information related to the assurance of the Samsung SDS’s report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any other purpose. This assurance opinion statement is prepared based on the information presented by the Samsung SDS. The verification does not extend beyond such information and is solely based on it. In performing such verification, the Assurer has assumed that all such information is complete and accurate.

Samsung SDS is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the Report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Samsung SDS only. The Assurer is responsible for providing Samsung SDS’s management team with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of Samsung SDS. The Assurer will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person or party by whom the independent assurance opinion statement may be read.

Scope

The scope of engagement agreed upon with Samsung SDS includes the following:

- Report contents during the period from January 1st to December 31st 2024 included in the Report, some data of 2025 are included.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- Confirmation of the Report’s compliance with the AA1000 Accountability Four Principles and, where applicable, the reliability of the sustainability performance information contained within the Report, based on the type of sustainability assurance performed in accordance with AA1000 AS v3.

The following contents were not included in the scope of assurance.

- Financial information in Appendix.
- Index items related to other international standards and initiatives other than the GRI.
- Other related additional information such as the website, business annual report.

Assurance Level and Type

The assurance level and type are as follows;

- Moderate level based on AA1000 AS and Type 2 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018 and quality and reliability of specific performance information published in the report.)

Description and sources of disclosures covered

Based on the scope and methodology of assurance applied, the Assurer reviewed the following disclosures based on the sampling of information and data provided by Samsung SDS.

[Universal Standards]

2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)

[Topic Standards]

201-1~3, 203-2, 205-1~3, 206-1, 302-1~3, 303-3~5, 305-1~5, 306-3~5, 308-1&2, 401-2&3, 404-1~3, 403-1~10, 405-1&2, 406-1, 414-2, 418-1

Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities;

- Validation of the materiality assessment and internal analytical process for determining assurance priorities, and a top-level review of issues that may be raised by external stakeholders in the context of sustainability.
- Discussion with managers and representatives on stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Review of the system for sustainability management strategy process and implementation.
- Review of the materiality issue analysis process and prioritization and verifying the results.
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures.
- An assessment of Samsung SDS’s reporting and management processes against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 Accountability Principles Standard (2018).
- Visit of the Headquarters of Samsung SDS to confirm the data collection processes, record management practices.

Limitations and approach used to mitigate limitations

The Assurer performed limited verification for a limited period based on the data provided by Samsung SDS. It implies that the Assurer is therefore subject to limitations relating to inherent risks that may exist without the identification of material errors. The Assurer does not provide assurance on possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Competency and Independence

British Standards Institution (BSI) is a leading global standards and assessment body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with over 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with Samsung SDS. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group’s assurance standard methodology.

Third-Party Assurance Statement

Opinion Statement

The assurance was conducted by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. The Assurer planned and performed the verification and collected sufficient evidence to explain Samsung SDS’s approach to the AA1000 Assurance Standard and to provide confidence in its self-declaration of compliance with the GRI Standards.

On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environment performance indicators are accurate and are supported by robust internal control processes.

Conclusions

The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). A detailed review against the AA1000 Accountability Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards is set out as below.

Inclusivity: Stakeholder Engagement and Opinion

Samsung SDS has identified customers, shareholders/investors, employees, local communities, business partners, media, and government institutions as its key stakeholders. The company operates a variety of communication channels and engagement cycles tailored to each stakeholder group. Through a structured stakeholder engagement process, Samsung SDS collects expectations and feedback from each group, incorporates the identified key issues into sustainability-related decision-making, and discloses this process through its sustainability reports.

Materiality: Identification and reporting of material sustainability topics

Samsung SDS has established a double materiality assessment process based on the materiality principles of the GRI and the EU Corporate Sustainability Reporting Directive (CSRD) to develop sustainability strategies and identify key reporting issues. Through the analysis of global ESG standards and guidelines, peer industry benchmarking, media reviews, and workshops with external experts, the company has conducted both impact materiality assessments and financial materiality assessments to evaluate sustainability issues. As a result, 10 key material issues were identified. For each of these issues, Samsung SDS has disclosed response strategies and key activities in its sustainability report.

Responsiveness: Responding to material sustainability topics and related impacts

Samsung SDS has assessed the impact of each key material issue, identified through the double materiality assessment, on the company’s value chain as part of its “Material Issue Management” process. The company determines how each issue affects the organization and establishes appropriate management strategies. These issues are then linked to specific ESG strategic initiatives, and Samsung SDS reports associated key activities and performance outcomes in its sustainability report.

Impact: Impact of an organization’s activities and material sustainability topics on the organization and stakeholders

Samsung SDS has established a process to identify and assess impacts on the organization and stakeholders related to key material issues. The results of analyzing risk and opportunity factors and business impacts for key material issues are used in decision-making to establish response strategies for each issue, and this process is disclosed through the report.

Findings and conclusions concerning the reliability and quality of specified performance information

Among the GRI Topic Standards, an assurance Type 2 were conducted against the following disclosures based on the information and data provided by Samsung SDS. In order to verify the reliability and accuracy of the data and information, internal control procedures related to data processing, and management were verified through interviews with the responsible department, and accuracy was verified through sampling. Errors and intentional distortions in sustainability performance information included in the Report were not found through assurance processes. The Samsung SDS manages the sustainability performance information through reliable internal control procedures and can track the process of deriving the source of the performance. Errors and unclear expressions found during the assurance process were corrected and the Assurer confirmed the final version of the Report prior to its final publication.

[Type 2 Disclosures]

302-2&3, 303-3&4, 305-1~4, 306-3~5, 308-2, 403-9&10, 418-1

Recommendations and Opportunity for improvement

The Assurer provides the following observations to the extent that they do not affect the assurance opinion;

- Samsung SDS reported the major impacts and management plans for each key material issue identified through the double materiality assessment process in its sustainability report. By establishing specific goals and indicators for each key issue in the reporting year—and including performance results, gaps or shortcomings, and future response plans—Samsung SDS can enhance both its sustainability and business performance, thereby strengthening the company’s long-term value.
- With the transition toward disclosure systems aligned with ESRS and IFRS S1/S2 standards, the importance of linking risk management systems and key issue performance (KPIs) to the remuneration of governance members is increasing. By including such disclosures in future reports, the company will be able to respond more effectively to global ESG disclosure trends.


GRI-reporting

Samsung SDS has self-declared compliance with GRI Standards. Based on the data and information provided by Samsung SDS, the Assurer confirmed that the Report is prepared in accordance with the GRI Standards, and confirmed there are no errors in the disclosures related to the Universal Standards and Topic Standards Indicators. No sector standard is applied.

Issue Date: 19/06/2025

For and on behalf of British Standards Institution (BSI):
BSI representative




Sangwoo Nam,
Lead Assurer (LCSAP)


Seonghwan Lim,
Managing Director of BSI Korea

SAMSUNG SDS