

LOTTE Data Communication 2022 Sustainability Report



About This Report

LOTTE Data Communication has been publishing sustainability reports since 2021 to communicate our efforts and achievements in spreading economic, environmental, and social values with various stakeholders. This report is the third edition. We will continue to disclose our sustainability management policies, management systems, activity performance, and goals in a detailed and transparent manner through our sustainability reports.

Reporting Standards

This report was written in accordance with the Global Reporting Initiative (GRI) Standards, an international guideline for sustainability reporting. It also reflects the indicators of the global initiatives, such as the UN Sustainable Development Goals (SDGs), the Task Force on Climate-related Financial Disclosures (TCFD), and the Sustainability Accounting Standards Board (SASB).

Reporting Period

This report covers LOTTE Data Communication's ESG activities and performance from January 1 to December 31, 2022, with some information on ESG activities until April 2023. In addition, quantitative data from the last three years (January 2020 to December 2022) were included in this report to show trends over the years, with significant changes in management during the reporting period for the readers' convenience.

Reporting Scope

This report covers the financial and business performance of LOTTE Data Communication's headquarters and domestic and overseas business sites. For environmental performance and certain topics, reporting is based on the entire business sites in Korea. Non-financial performance focuses on each business site of LOTTE Data Communication, while financial disclosures were prepared as consolidated financial statements in accordance with the Korean International Financial Reporting Standards (K-IFRS). Some information requiring attention to reporting scope and boundaries has been added as separate footnotes.

Report Assurance

To ensure its objectivity and reliability, this report was assured by the Korea Management Register(KMR), an independent external assurance provider. This report was also verified in accordance with AA1000AS Type II.

The assurance statement can be found on page 101.

For any inquires or suggestion on this report, please contact LOTTE Data Communication.

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Website



YouTube

CONTENTS

01/

INTRODUCTION

CEO Message	04
Our Company	05
Business Value Chain	06
Sustainable Business	08
Key Figures	13



02/

OUR APPROACH TO ESG

Sustainability Management Framework	15
Stakeholder Engagement	17
Materiality Assessment	18
Creation and distribution of economic value	21



03/

OUR PERFORMANCE

Environmental	
Environmental Management	24
TCFD Report	33
Social	
Human Rights Management	40
Human Capital	42
Culture of Value Creation	45
Safety and Health Management	49
Mutual Growth Management	53
Strengthening Information Security	56
Quality Management	60
Social Contribution	63
Governance	
Board of Directors	68
Shareholder Value Enhancement	72
Business Ethics	73
Internalization of Compliance Awareness	76
Integrated Risk Management	79



04/

APPENDIX

Key Performance Data	82
GRI Standards Index	90
TCFD Index	95
SASB	96
UN SDGs	99
Third-party Assurance Statement	101
Memberships and Awards	103



Interactive PDF

This report has been published as an interactive PDF, which includes features such as hyperlinks to related pages, and direct links to webpages and videos.

Go back	Previous page	Table of Contents	Next page	Links to websites

CEO Message

On the occasion of the publication of the 2022 Sustainability Report, we sincerely appreciate the trust and encouragement from all stakeholders of LOTTE Data Communication.

Last year was a challenging year for us, as we faced persistent COVID-19 impacts, sharp increases in inflation, and volatile financial markets due to rapid interest rate hikes. The global economy was characterized by uncertainty and sluggishness, making it one of the most difficult business environments in recent times. Even in such unpredictable circumstances, the significance of ESG management for creating a sustainable future society has become higher than ever.

Accordingly, LOTTE Data Communication has redefined our strategic direction through intense contemplation on the essence of our business, aiming for sustainable growth. We have been making efforts to fundamentally innovate the company's business structure.

Furthermore, we are actively pursuing five prospective businesses to achieve sustainable growth. For our metaverse and electric vehicle (EV) charging businesses, in particular, we participated in CES 2023, one of the world's largest IT and electronics exhibitions, following our participation last year. Here we demonstrated our cutting-edge technological prowess, and discussions are currently ongoing with numerous global business partners in search of concrete business opportunities.

The external growth of LOTTE Data Communication today has been made possible due to the profound sense of responsibility towards stakeholders, including shareholders, customers, employees, and business partners. In a future society that grows together with the new generation, we will continue to build an ESG ecosystem based on the essence of the IT industry, with the aim of achieving sustainability management.

Firstly, on the environmental side, we set qualitative and quantitative mid-to long-term goals for five eco-friendly technologies (data centers, cloud services, autonomous driving, EV charging, and AICC platform). We also established and acquired certification for a company-wide environmental management system (ISO 14001). Furthermore, our net-zero goals and reduction plans are anchored in the Framework Act on Carbon Neutrality and Green Growth for Coping with Climate Crisis and LOTTE Group's 2040 Carbon Neutrality Declaration.

On the social side, we continue to perform CSR activities with the local community, apply CSV initiatives including the recruitment of disabled athletes, participate in mutual growth programs with partners. Moreover, we have a safety management system in place to ensure that our employees work in a safe environment. Based on this framework, we operate a safety and health responsibility system, conduct regular safety and health education programs, and prioritize the well-being of our employees. We also disclosed our Information Security Policy that encompasses our subsidiaries.

On the governance side, we continue to promote transparent communication with stakeholders, focusing on key risks and opportunities, through our ESG Committee. We strive to enhance corporate value based on trust by maintaining an ongoing process of improving our compliance program and operating an internal ethics committee.

LOTTE Data Communication will continue to grow and contribute to a better future society while engaging in transparent communication with all stakeholders.

We kindly request your support and encouragement for the future direction that LOTTE Data Communication will pursue.

June 2023
Jun-hyung Roh, CEO

조준형



Our Company

Company Profile

LOTTE Data communication is a platform service provider that leads 'business transformation' by establishing business models that meet our customer needs. In addition to cutting-edge technologies such as big data and artificial intelligence (AI), we pursue our businesses in the infrastructure field, including cloud services and internet data centers (IDC), utilizing digital transformation (DT) technologies. Furthermore, we will lead our customers' needs for business innovations by utilizing new business such as autonomous driving, EV charging, metaverse, and other Technologies.

Corporate overview

Classification	Description
Establishment	December 28, 1996
Headquarters	179 Gasan digital 2-ro, Geumcheon-gu, Seoul
CEO	Jun-hyung Rho
Date of listing	Listed on KOSPI on July 27, 2018
Business type	IT system integration and software development, etc.
Business area	IT outsourcing, software development, cloud, data center, smart factory/logistics/retail, security, AI, big data, metaverse, mobility, etc.
Subsidiaries	CALIVERSE (Jul. 2021) and EVSIS (Jan. 2022)

※On November 1, 2017, LOTTE Data Communication was launched as a spin-off of LOTTE IT Tech (formerly LOTTE Data Communication), following its foundation in 1996 as a firm specializing in building system integration, developing/supplying solutions, and doing business related to integrated IT system operation.

Global Network

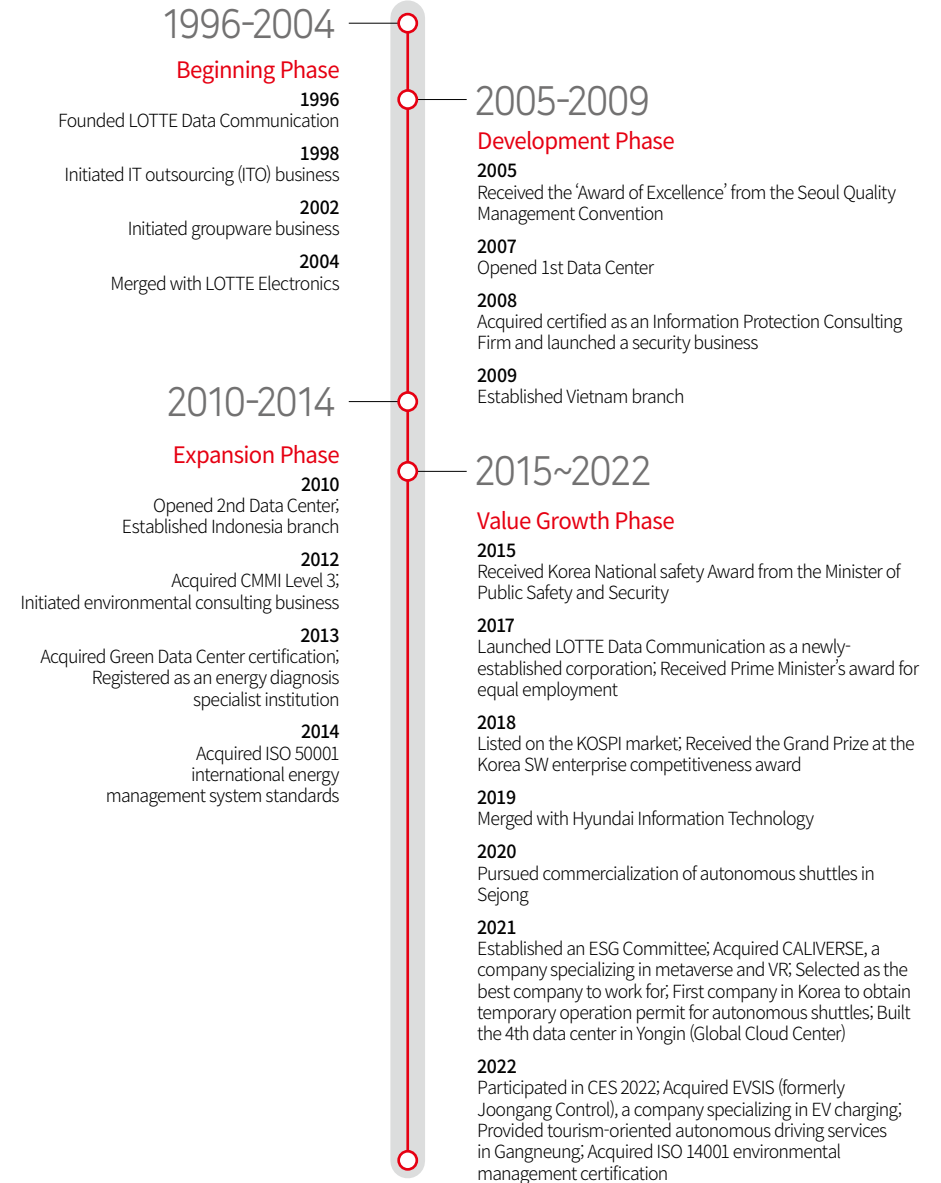


Country: Vietnam
Region: Hanoi (branch), Ho Chi Minh City (corporation, R&D center)
Establishment: December 2009
Business area: Retail, finance/securities, healthcare, smart city/IBS¹⁾, data center/cloud, R&D/offshoring, etc.

Country: Indonesia
Region: Jakarta (corporation)
Establishment: October 2010
Business area: Retail (on/offline), SI²⁾, SM³⁾, network, infrastructure construction, data center operation, etc.

1) Intelligent building system
 2) System integration
 3) System management

Key Milestones



Business Value Chain

DT infrastructure for environmental management

DT technology for enriching our lives

LOTTE Data Communication supports production to sales in the areas of smart factory, logistics and retail based on DT technology. By connecting each value chain area based on data, we support continuous customer growth through production planning, logistics, and service optimization.



1 Cloud

Cloud computing is one of the solutions for significantly reducing energy consumption and greenhouse gas (GHG) emissions. By transitioning to the cloud, we can achieve server optimization through dynamic memory and resource allocation, which leads to energy savings. As we realize high energy efficiency and usage rates, we can save more energy compared to on-premise environments.

2 Data center

We actively practice ESG management by obtaining certifications such as Green Data Center certification and Energy Winner, and being the first data center to receive ISO 50001 energy management certification. We adopted outdoor air ventilation systems available all year round, such as free cooling (eco-friendly air circulation system) and containment (separating cold supply air from hot air), to achieve a YoY energy saving of approx. 38%. We also maintain a power usage effectiveness (PUE) level of 1.58, further demonstrating our commitment to environmental management.

3 Consulting

We apply international standards and guidelines from global disclosure/assessment agencies when selecting and designing industry-specific ESG indicators (non-financial indicators). We also suggest systematic countermeasures in preparation for mandatory disclosures according to our indicator and data management process. Based on this, we not only manage non-financial risks but also generate balanced performance, enhancing the corporate value of our clients.

4 Smart factory

We utilize a wide range of solutions, including demand forecasting (S&OP) and manufacturing execution system (MES), built after collecting data from smart factories to ensure process optimization and efficient. In particular, we are putting efforts into efficiently managing energy consumption and manufacturing processes.

Business Value Chain

DT technology for enriching our lives

New growth drivers for sustainable development



5 Smart logistics

In smart logistics, optimized services are available throughout all stages, from pre-planning to design, construction, operation, and maintenance. Through this, we can minimize waste generation through the optimization of hubs, routes, and resources, as well as identify risks in each process, allowing for appropriate response and management.

6 Smart retail

Our integrated store management system, which has been implemented in our futuristic convenience store DT Lab, has the effect of reducing electricity costs. We plan to expand the system to retail our clients' retail stores.

7 Big data

Our 'Smart Eco Data Platform' helps clients conduct ESG assessments and convert value performance into data. Companies can also utilize the platform to monitor risks in ESG assessment criteria and explore desired information. Additionally, they can make systematic decisions by sharing corporate-level ESG management goals and measuring evaluation indicators.

8 Metaverse

The metaverse is anticipated to serve as the most competitive platform for achieving ESG implementation. It utilizes big data to create social value, thus improving social indicators. The metaverse can also be a means to save costs and lessen carbon emissions as it alleviates time and spatial constraints. Furthermore, it will perform functions such as reducing social discrimination through digital education and promoting information sharing among users.

9 Mobility

Eco-friendly mobility technologies can contribute to a country's goal of achieving net zero by 2050. Electric autonomous shuttles are operated at driving automation level 4 or higher. Moreover, these shuttles can contribute to smooth traffic flow and lower carbon emissions through cooperative intelligent transport systems (C-ITS) and real-time connection. In addition, EV charging systems increase energy efficiency and facilitate the realization of green mobility. Simply put, these technologies are key factors for a sustainable future.

Sustainable Business 1

DT Infrastructure for Environmental Management

Cloud Computing

Cloud computing refers to the service of accessing virtual servers, applications, and other IT resources provided by cloud service providers over the network and paying for the resources used. Generally, companies do not build and own computing resources themselves. Instead, they lease computing resources from cloud service providers as needed, for a certain time period. Cloud computing is composed of three types: IaaS¹⁾, PaaS²⁾, and SaaS³⁾. This enables clients to choose services that meet their specific needs by selecting various levels of control, flexibility, and management capabilities. The cloud environment can be categorized into private, public, and hybrid depending on the location and method of building and operating the cloud.

1) Infrastructure as a service: A service that enables users to rent data center resources, such as servers and storage, via the internet

2) Platform as a service: A service that provides the necessary platform for developing software services

3) Software as a service: An application service operated in a cloud environment

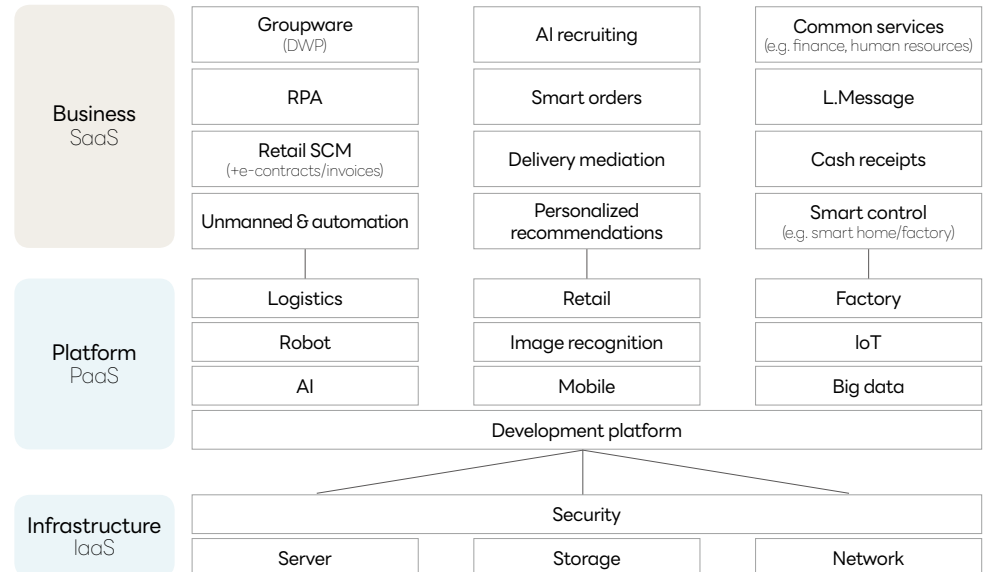
LOTTE Data Communication offers cloud adoption strategies and roadmaps through systematic service diagnosis and PoC⁴⁾. We ensure that our customers get the optimal cloud environment based on our diverse experience in construction and migration. We also have customized managed services available, entitling our customers to more effective cost management, operational management, and monitoring. Our private cloud solution, 'L.Cloud', offers optimal multi-cloud solutions for businesses based on differentiated private cloud (on-premises) and cloud hub platforms. Furthermore, we ensure compatibility, continuity, and scalability in our business services as we develop a differentiated portfolio that takes into account the characteristics of each client.

4) Proof of concept: Concept validation



LOTTE Data Communication Cloud Center

Cloud Service Architecture

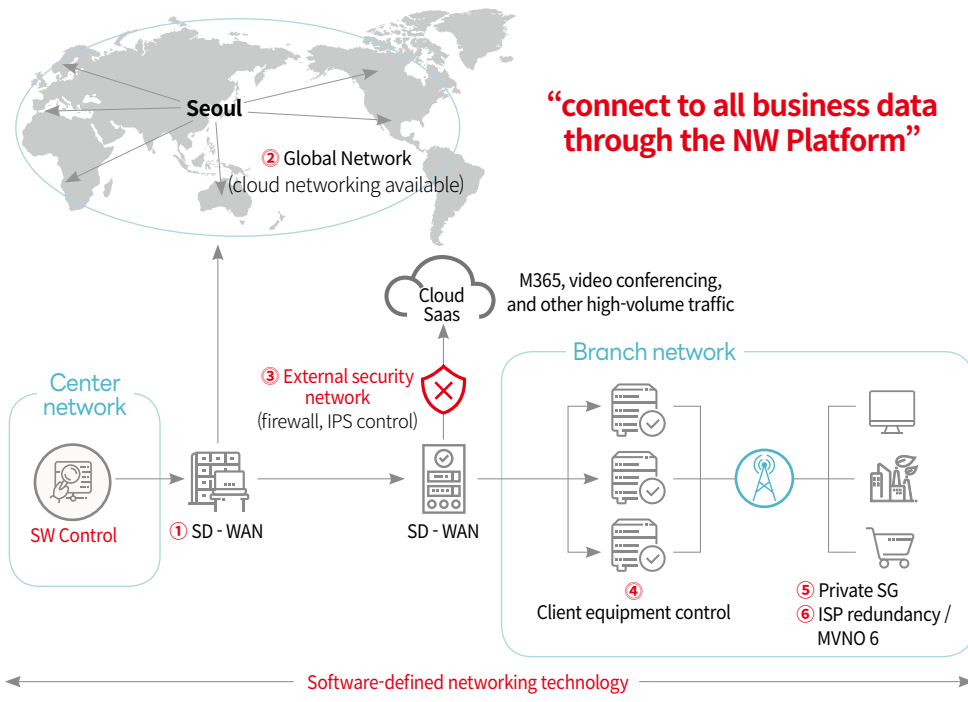


Data Center

LOTTE Data Communication is expanding its business areas in networks and operation and management of engineering, procurement, and construction projects (EPC O&M) in addition to its existing white space, circuit, and control business. 1st Center targets LOTTE Group companies, while 2nd Center is responsible for disaster recovery. 3rd Center and 4th Center (specialized cloud center) provide services to companies other than LOTTE Group. Each center is built with a seismic design level of 7.0–8.0 and operates VESDA, lead–acid batteries, and on-site power generators. The centers ensure round-the-clock monitoring. Furthermore, we conduct simulation training on a quarterly basis according to our emergency response system.

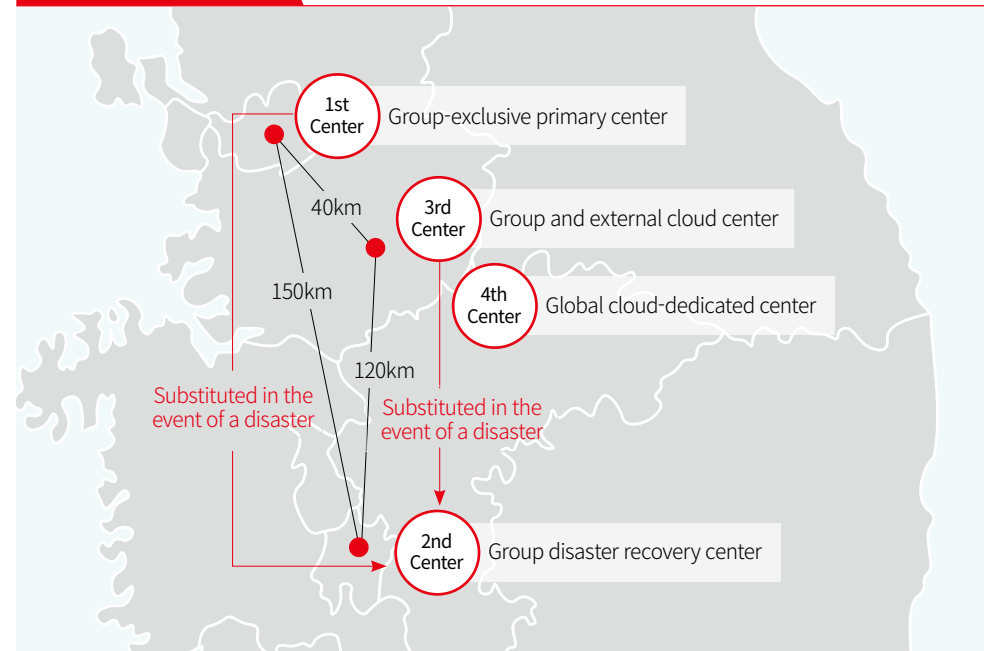
In the network domain, we provide end-to-end services including equipment sales, diagnosis, design, construction, and operation. Our total network platform covers a wide range of services from SD-WAN and SD-A to private 5G networks, external security networks, and global networks built with software-defined networking. In addition, we are pursuing EPC O&M business based on our abundant experience in data center construction and operation. We aim to participate in the data center construction market based on the core value chain, which includes site selection, consulting, construction, and operation phases.

Network Business



“connect to all business data through the NW Platform”

Data Center Workflow



Disaster response



24/365 control



Monitoring by professionals

ESG management



Free cooling system



Containment system

International standard



ISO 27001



ISMS

Sustainable Business 2

DT Technology for Enriching our Lives

Consulting

LOTTE Data Communication's consulting services serve as a core component of our smart eco system, providing support to enhance client competitiveness in response to changes in the business environment. Key account managers(KAM) with expertise in various industries provide end-to-end consulting services from market/trend analysis to IT/DT strategy establishment and system establishment based on insight into Lotte Group and client's business scope. We are reinforcing our specialized consulting skills by employing the brand "INWAYIN," nurturing excellent consultants with industry insights. We aim to grow into a world-class professional consulting firm.



INWAYIN consulting

Big Data

To achieve business transformation through DT, it is important not only to collect data within the company but also to identify the most crucial data among the vast amounts of data and utilize them in business.

LOTTE Data Communication continues its engagement in big data business, leveraging our accumulated industry-specific domain knowledge and experience to support customer's competitiveness in business transformation. A number of our data services are provided across our clients' entire value chain.

We offer a comprehensive range of business services in the data field. Starting with platform projects like data lake and big data platform design and establishment, our services include data analytics services, AI services, data market services, data integration services, as well as managed services for data outsourcing operations. We launched the AI big data platform that connects data not only from a single company but also between companies belonging to different industries within a single platform. This platform enables easy analysis of data generated throughout the entire value chain. Based on this, we are expanding our new platform business to secure growth potential.

LOTTE Data Communication, through its platform business, identifies and meets the data analysis needs of customers from different industries, such as retail, manufacturing, food, services, and chemicals. We also identify analysis tasks, develop and establish analytical models, and conduct analysis operations to derive business outcomes.

Our AI services provide an environment where data analysis can be easily utilized using various AI models. Now, clients can easily and quickly analyze data using the AI models available on the platform and apply the results to their businesses.

Furthermore, clients can easily find high-quality data through the data market, which is essential for developing new business models or improving products and services. We support data-driven decision-making that enhances a company's competitiveness by enabling anyone to search and analyze the required data according to their needs easily and conveniently.

Big Data Business



Smart Factory, Logistics, and Retail

LOTTE Data Communication possesses experience and competencies in various businesses in LOTTE Group's logistics sector, including design (consulting), logistics systems (BPO), automated facility and operation/maintenance (monitoring). Based on this expertise, we strive to evolve into a Total Service Provider for smart logistics.

We are expanding automated and intelligent services and platforms in the manufacturing, logistics, and distribution sectors. First of all, in the manufacturing sector, we have built smart factories for LOTTE Chilsung Beverage (Anseong Plant), LOTTE Aluminium (Jincheon and Pyeongtaek Plants), and LOTTE Fine Chemical (Incheon Plant). We plan to expand the implementation of solution and platform-based smart factories to various clients in the food, chemical, manufacturing, and other

1) Logistics business process outsourcing: A method of outsourcing logistics tasks to a third party

2) A system that utilizes AI camera and vision technology to automatically process payment when a customer selects items and exits the store

3) A service that enables customers to scan and pay for products directly using their smartphones

industries. In the logistics sector, in addition to our existing logistics systems, we have successfully implemented our logistics systems in 33 logistics centers, including Korea Seven and LOTTE Wellfood. We intend to extend our logistics BPO¹⁾ platform (L-Lis) to 41 LOTTE Wellfood logistics centers, as well as LOTTE Mart/Super logistics centers. Furthermore, upon the completion of the automation system project for the LOTTE Global Logistics integrated logistics center in the Yeongnam region, we will engage in more businesses in the relevant field.

As for the retail sector, we are exploring diverse innovative retail tech services. The DT Lab located at our headquarters is a futuristic convenience store. It incorporates unmanned and automated technologies such as integrated store management system, inventory management, Vision&Pick²⁾, Scan&Go³⁾, AI cashiers, and facial recognition payment system.

Our plan is to establish DT Lab 2.0 which will further strengthen our futuristic convenience store model, as well as develop differentiated services from competitors. We aim to expand these services to our retail clients.

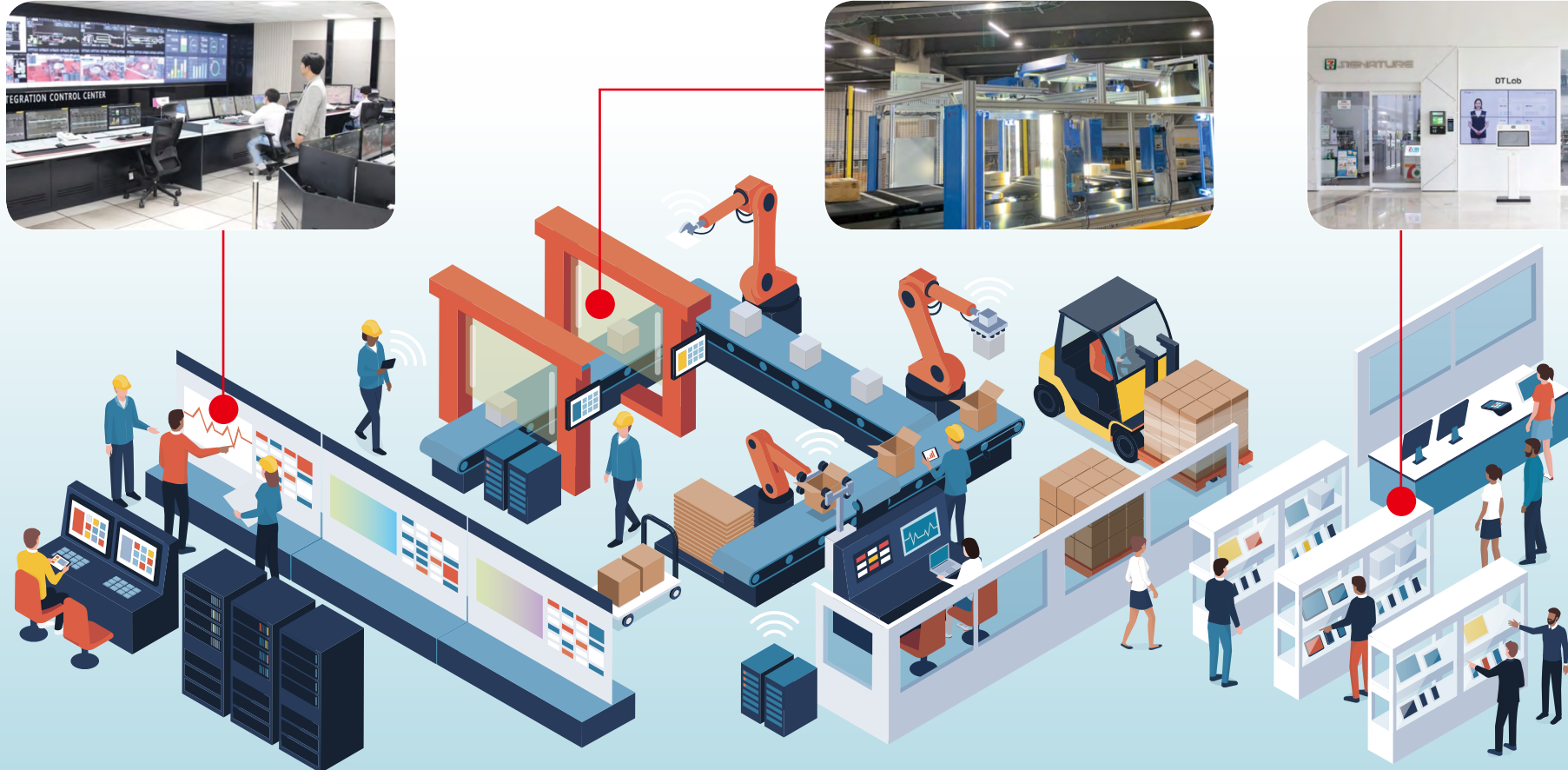
Smart factory: Anseong Plant of LOTTE Chilsung Beverage



Smart logistics: AI-based cargo image recognition system



DT Lab: Unmanned convenience store located in LOTTE Data Communication's Gasan-dong headquarters



Sustainable Business 3

New Growth Drivers for Sustainable Development

Metaverse

“Immersive metaverse” refers to a three-dimensional virtual world where social, economic, and cultural activities similar to the real world take place. Evolved from the existing virtual world, the immersive metaverse maximizes the user's sense of immersion by making the surroundings look real. By experiencing both reality and the virtual world, it enables a diverse range of experiences without limitations. LOTTE Data Communication is developing an ultra-immersive metaverse platform that integrates offline and online experiences through realistic, immersive, and participatory elements to implement a metaverse with a sense of reality. To achieve this, we employ technologies such as virtual reality (VR) video shooting/compositing, real-time rendering, and resource optimization to provide customers with interactive VR content. We also collaborate with global companies for technology development. Furthermore, together with our subsidiary CALIVERSE, we participated in CES 2023 to offer a wide range of services to domestic and international companies and customers. We showcased various components of the ultra-immersive metaverse platform, including a virtual home, a virtual store, a virtual fitting room, a virtual community, and a virtual concert. We have visualized the metaverse becoming a part of life.



Hub World landscape within the metaverse platform



Shopping and entertainment within the metaverse platform



Autonomous shuttle Demonstration trial in Sejong's regulatory sandbox



EV charger

Mobility

The era of ‘mobility-enhanced customer-centric transportation’ has arrived through the convergence of ICT innovative technologies, transitioning from the conventional ‘transportation-supplier-centered’ approach. This has led to the gradual expansion of the demand for eco-friendly and futuristic mobility services like EVs, autonomous vehicles, and urban air mobility (UAM). LOTTE Data Communication is actively involved in autonomous driving services based on smart transportation technologies such as ITS, C-ITS, and Hi-pass. We also take part in the Ministry of Land, Infrastructure and Transport's K-UAM. Furthermore, we expand our eco-friendly smart mobility platform business in partnership with the Ministry of Environment and EVSIS, an EV charger manufacturer. We actively promote the installation of fast chargers and building an ultra-fast charging infrastructure together with Hyundai Motor.

Key Figures



OUR APPROACH TO ESG

Sustainability Management Framework	015
Stakeholder Engagement	017
Materiality Assessment	018
Creation and distribution of economic value	021



Sustainability Management Framework

Sustainability Management Strategy

LOTTE Data Communication contributes to society by developing and applying information technology that solves various issues faced by our society and promote the creation of positive social values. We strive for sustainable business expansion in collaboration with partners, customers, local communities, and other stakeholders. We make continuous efforts to improve our environmental management system, adhere to the LOTTE Group's goal for '2040 Net-Zero', facilitating eco-friendly clean technology business, and reducing GHG emissions to respond climate change as well as to achieve carbon neutrality. We also plan to establish a transparent and fair corporate governance system.

We are leading the company's sustainable growth based on an ESG management system that encompasses the environment, society, and governance. For systematic ESG management, we

have established ESG strategic tasks annually and systematically implemented them. We strive to enhance corporate value and become a respected company in society by achieving ESG vision and each sector's goal. In fact, we have completed all our 11 ESG priority tasks for 2022. Going forward, in 2023, we will pursue practical improvement activities focusing on our ESG priority tasks. The results will be reported and approved at the ESG Committee meetings.

Sustainability Management Goals and Initiatives

Establishment of a Sustainable Growth and Risk Management System



ESG Priority Tasks for 2023

Sector	Task	Details
E	Implement Net-Zero roadmap	Pursue yearly GHG reduction targets for achieving 2040 Net-Zero
	Establish carbon emissions management systems for overseas business sites and subsidiaries	Establish and secure GHG inventories and management systems for overseas business sites (Hanoi, Ho Chi Minh City, and Jakarta) and subsidiaries (CALIVERSE and EVSIS)
	Systematize Scope 3 emissions management	Define Scope 3 carbon list and secure an activity data management system
	Declare support for TCFD and prepare TCFD report	Establish a climate change risk management system and Pursue global initiatives by declaring support for TCFD
S	Secure occupational safety and health expertise	Secure a specialized safety and health operation system through the deployment of dedicated safety managers for each area, training, and customized organizations
	Promote human rights	Establish human rights management processes, Declaration of Human Rights Charter, and implement company-wide human rights education
	Advance employee training system	Revamp the training system based on position/task and develop specialized training programs for enhancing individual job competencies
	Strengthen information security activities	Conduct evaluations on the appropriateness of the six major information security activities, expand the adoption rate of essential security solutions, and expand the establishment and operation of disaster recovery systems
G	Obtain global certification for anti-bribery and business ethics management systems	Build an anti-bribery management system and formulate code of ethics in accordance with global standards (ISO 37001), and obtain ISO 37001 certification

ESG Governance

LOTTE Data Communication established ESG governance centering on the ESG Committee and the ESG Office to implement systematic and sustainable ESG management based on active decision-making and a strong execution system. This enables effective execution of ESG management activities at the corporate level.

Composition of ESG Governance

ESG Committee

- Makes ESG strategy and management decisions
- Establishes basic policies and strategies for promoting company-wide ESG initiatives
 - Makes investment decisions for ESG management
- Plans key tasks in accordance with ESG strategies and assesses the performance
 - Engages in matters related to significant ESG-related risks

ESG Department



Environmental Management Team

- Develops clean technologies and expands related businesses
- Mitigates climate change and environmental pollution-related risks



Mutual Growth Management Team

- Handles internal and external compliance and transparent governance issues
- Ensures mutual growth with partners



Communication Team

- Ensures effective communication with stakeholders, such as employees, shareholders, partners, and customers
- Enhances stakeholder trust through transparent disclosure

ESG Committee

Our ESG Committee, established as a committee within the Board of Directors (BoD), consists of two outside directors and one inside director. The committee is responsible for making decisions on major strategies and investments for ESG management, as well as carrying out preventive measures in response to significant risk occurrences. In 2022, the committee held a total of four meetings, discussing agenda items such as establishing information security policy enhancement and management systems, developing a mid- to long-term net-zero roadmap, and managing ESG risks in collaboration with partners. Continuous discussions were held regarding the achievements and major issues, and active collaboration and communication with relevant organizations responsible for specific tasks led to driving ESG improvement activities. In 2023, the ESG Committee plans to start reporting on the implementation of key ESG priority tasks, followed by conducting result reporting and approval activities for each specific task.







ESG Office

The ESG Office takes charge of overseeing ESG management as a whole, including supporting the activities of the ESG Committee, setting strategies and goals, monitoring performance, and engaging with stakeholders. As a measure to minimize risks, the ESG Office manages and responds to potential ESG issues that may arise in each business unit. It also conducts implementation checks and provides support for the smooth progress of key ESG priority tasks. Along with the launch of the ESG Office, LOTTE Data Communication made improvements in internal processes to carry out ESG management activities. Firstly, we analyzed the company's ESG status through the publication of Sustainability Reports and established a data management system. Secondly, we improved the regular environmental audit process and reporting system according to the plan-do-check-action (PDCA) cycle to minimize environmental-related risks. Lastly, we conducted an analysis of the current situation to prevent compliance issues, including employee training and reviewing relevant regulations and policies.

ESG Committee Agenda in 2022

Committee	Date	Agenda	Approval
ESG Committee	Mar. 18, 2022	Election of ESG Committee Chairman	Approved
	Apr. 28, 2022	Approval of publication of Sustainability Report	Approved
		Report on ESG strategic tasks for 2022	Reported
	Aug. 25, 2022	Report on stakeholder engagement activities	Reported
		Approval of the 2040 Net-Zero roadmap	Approved
		Approval of ESG competency development measures	Approved
	Dec. 22, 2022	Report on external ESG evaluation results for 2022	Reported

Stakeholder Engagement

Stakeholders	 Employees	 Customers	 Partners	 Shareholders & investors	 Local Communities	 Government
Key issues	Work-life balance	Safe and competitive services	Mutual growth	Management performance	Contributing to local community development	Compliance with environmental and safety regulations
	Fair performance evaluation	Service quality	Establishing a fair partnership	Risk management	Creating social values	Enhancing public-private partnership
	Safety and health	Privacy protection	Partner communication	Stable governance		
	Active communication					
	Flexible organizational culture					
Communication channels	Intranet	Customer inquiry website	Mutual growth website	Annual general meeting of shareholders	CharLOTTE Volunteer Group	Communication between the government and public institutions
	Anonymous suggestion channel (Maum Talk-Talk)	Customer center (phone)	Social media channels for partners	Performance briefing	IT Supporters	
	Employee surveys (anonymous/named)	SNS (YouTube)		NDR, ²⁾ Corporate Day	Support for athletes with disabilities	
	Company newsletter (blog style)	Customer satisfaction survey		Disclosure of quarterly and semi-annual reports and business reports		
	GWP ¹⁾ Wannabe					
	GWP Live Message					
	Culture-Rise campaign					
	Whistleblowing channel (website)					
Key activities	Performance evaluation system	Organization dedicated to customer satisfaction	Fostering a fair transaction culture	Disclosure of financial performance through business reports	Social contribution activities	Collaboration with the government and public institutions
	Employee welfare benefits	Securing service competitiveness	Signing fair transaction agreements with partners	Enhancing corporate value through new businesses, collaborations, and investments	Fostering a transparent donation culture	Collaboration in technology R&D, such as autonomous driving and eco-friendly products
	Employee competency development programs	Providing prompt information through press releases, websites, etc.	Mutual growth programs	Company-wide risk management through the ESG Committee		
	Creating a safe workplace and work environment					

1) Great Work Place: a great place to work 2) NDR: Non-Deal Roadshow; corporate briefing

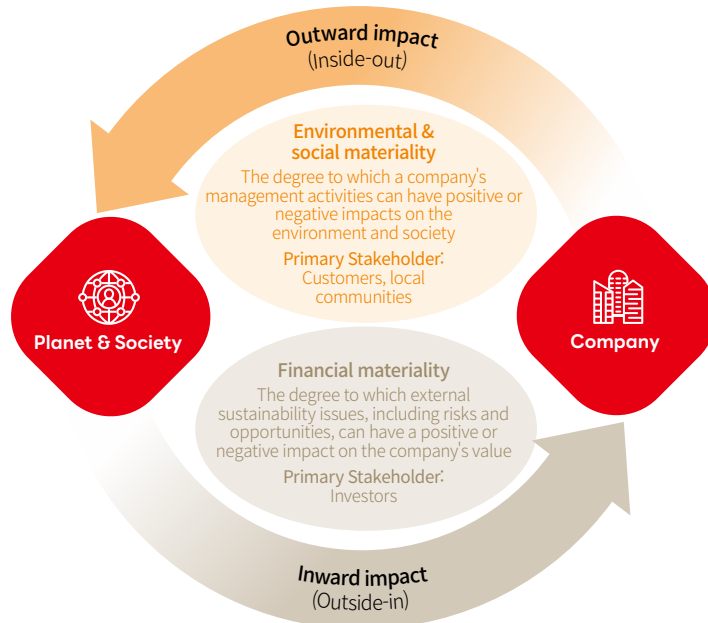
Materiality Assessment

Materiality Assessment Process

LOTTE Data Communication conducts annual materiality assessments to identify and manage issue that could impact the company's sustainability. We adopted the concept of double materiality in the GRI Standards, a global sustainability reporting framework. This approach identifies a company's key issues from both environmental/social impact and financial impact perspectives. Through this report, we aim to disclose the top 10 key issues transparently and comprehensively with both high environmental/social impact and financial significance.

Double-Materiality Concept

It is a concept that considers not only the impact of a company's activities on the environment and society ('environmental & social materiality') but also the impact of external sustainability-related environmental and social factors on the financial condition of the company ('financial materiality') (as suggested in the 'EU Corporate Sustainability Reporting Directive').



STEP 1

Issue pool

We derived 18 issue pools through impact identification

- Reviewed material issues from the previous year
- Benchmarking analysis: Conducted comparative analysis of the issues that are being prioritized and managed in sustainability reports of domestic and international companies in the same industry
- International standard analysis: Analyzed global standards and evaluation metrics such as GRI Standards, SASB, and MSCI
- Media analysis: Analyzed 151 articles related to ESG and economic issues from domestic internet and newspaper sources (period: Jan. 1 – Dec. 31, 2022)

STEP 2

Double materiality analysis

We analyzed environmental & social impacts and financial impact for each material issue

- Environmental & social impact analysis
 - Surveys among key internal and external stakeholders
 - Scoring analysis of media, disclosure, and evaluation criteria
 - Financial impact analysis
 - Surveys among key internal and external stakeholders
- ※ Stakeholder survey targeting key stakeholders: Gathered opinions from a total of 189 individuals including employees, customers, partners, and experts to assess the level of environmental & social and financial impacts for each ESG issue (period: Apr. 11 – 14, 2023)

STEP 3

Materiality assessment results

Comprehensively considering the environmental & social and financial impacts, we constructed a materiality matrix and selected the final list of material issues (10) to be included in this report

STEP 4

Issue report

Material issue management and reporting

- Shared the issues with relevant organizations and received feedback
- Reported the issues to the BoD and executive management

Materiality Assessment Results

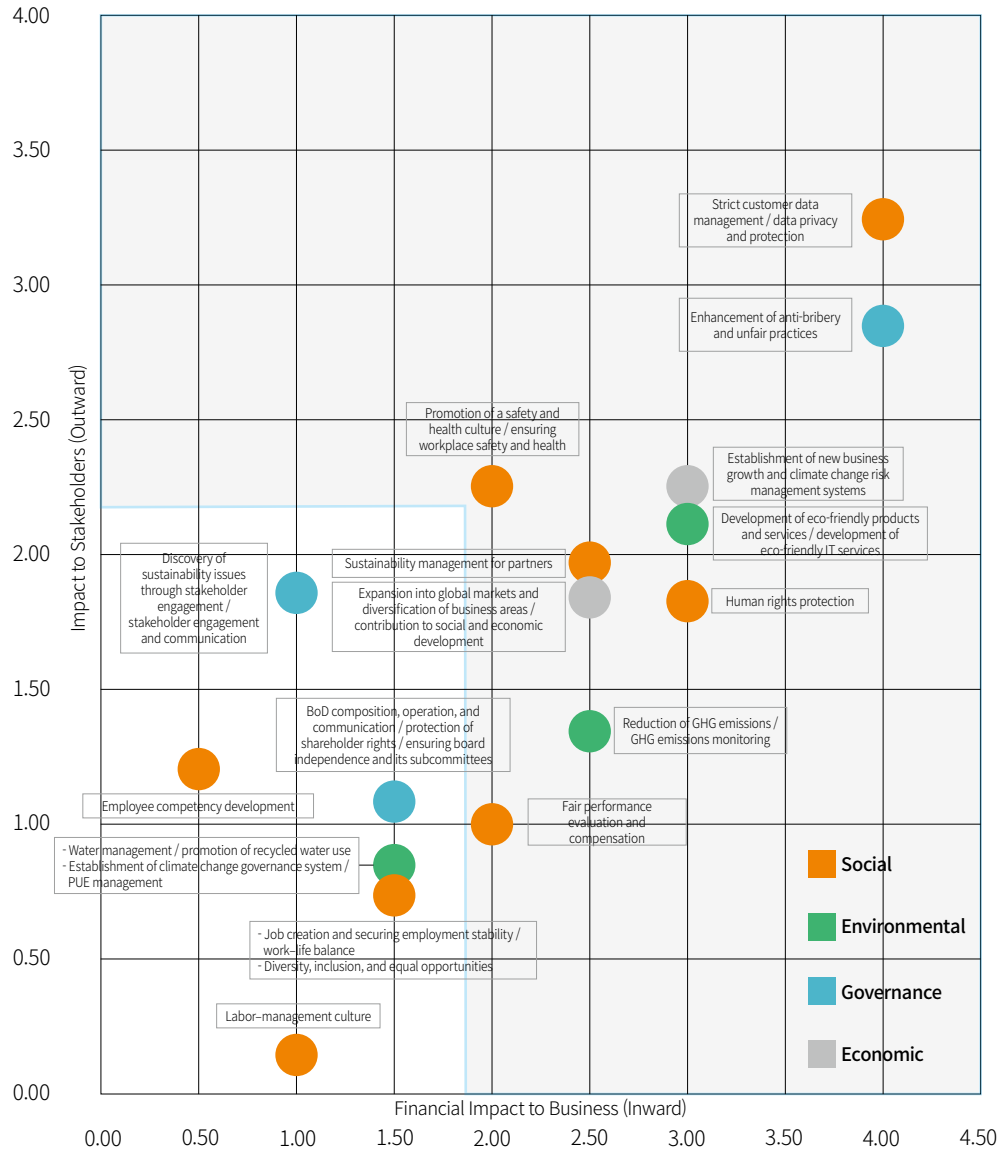
LOTTE Data Communication selected 18 topics to disclose in this Sustainability Report after an analysis of actual and potential impacts on the company. We also identified 10 material issues requiring intensive management by incorporating internal and external stakeholders' surveys as well as internal assessments.

We are committed to actively engaging with various stakeholders by publishing sustainability reports that transparently disclose the company's responses, achievements, and plans for each issue. In 2022, we added five new material issues, which are: (1) enhancement of anti-bribery and unfair practices; (2) human rights protection; (3) sustainability management for partners; (4) reduction of GHG emissions / strengthening GHG emissions monitoring; and (5) fair performance evaluation and compensation.

The main reason for the change in material issues compared to the previous year is the change in our materiality assessment methodology. Following the new GRI Standards, we selected negative issues with a high level of irreversibility and issues with a high financial impact, as determined by the double-materiality concept.

Material issue	Ranking			Key stakeholders influenced				
	Total ranking	Stakeholder interest	Business impact	Employees	Partners	Customers	Media	Experts
Strict customer data management / data privacy and protection	1	1	1	●	●	●	●	●
Enhancement of anti-bribery and unfair practices	2	2	2	●	●	●	●	●
Establishment of new business growth and climate change risk management systems	3	3	3	●	●	●	●	●
Development of eco-friendly products and services / development of eco-friendly IT services	4	4	5	●	●	●	●	●
Human rights protection	5	5	8	●	●		●	●
Sustainability management for partners	6	6	6	●	●	●	●	●
Expansion into global markets and diversification of business areas / contribution to social and economic development	7	7	9	●	●	●	●	●
Promotion of a safety and health culture / ensuring workplace safety and health	8	9	4	●	●	●	●	●
Reduction of GHG emissions / strengthening GHG emissions monitoring	9	8	10	●			●	●
Fair performance evaluation and compensation	10	10	13	●			●	●

Materiality Matrix



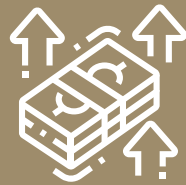
Ranking	Material Issue	Report Pages	Related GRI
1	Strict customer personal information management/ data privacy protection	56-59	418-1
2	Enhancement of anti-bribery and unfair practices	73-78	2-26-27, 205-1~3, 206-2
3	Establishment of new business growth and climate change risk management systems	33-38	201-2
4	Development of eco-friendly products and services / development of eco-friendly IT services	8-12, 26-27	-
5	Human rights protection	40-41	2-25, 406-1, 408-1, 409-1, 410-1
6	Sustainability management for partners	53-55	203-2, 308-1~2, 414-1~2
7	Expansion into global markets and diversification of business areas / contribution to social and economic development	6-13	-
8	Promotion of a safety and health culture / ensuring workplace safety and health	49-52	403-1~10
9	Reduction of GHG emissions / strengthening GHG emissions monitoring	24-38	201-2, 302-1~5, 305-1~7
10	Fair performance evaluation and compensation	44	404-3

Economic Value Created and Distributed

LOTTE Data Communication pursues ESG management and creates corporate value by engaging with a wide range of stakeholders throughout the business activities, receiving and delivering impact. In 2022, we achieved approx. 1,047.7 billion in sales and shared the economic value created—both directly and indirectly—through our partnership with employees, customers, partners, shareholders and investors, local communities, and the government.

※ Based on consolidated financial statements

Economic Value Created in 2022 (in KRW)

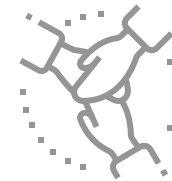


Sales
1,047,705
million

Economic Value Distributed in 2022 (in KRW)



Customers
1,047,705
million



Partners
593,238
million



Government
7,870
million



Local Communities
397
million



Employees
310,977
million



Shareholders & Investors
14,833
million

OUR ESG PERFORMANCE



ENVIRONMENT

Environmental Management	024
TCFD Report	033

SOCIAL

Human Rights Management	040
Human Capital	042
Culture of Value Creation	045
Safety and Health Management	049
Mutual Growth Management	053
Strengthening Information Security	056
Quality Management	060
Social Contribution	063

GOVERNANCE

Board of Directors	068
Shareholder Value Enhancement	072
Business Ethics	073
Internalization of Compliance Awareness	076
Integrated Risk Management	079

ENVIRONMENT

LOTTE Data Communication practices environmental management to achieve our vision of 'Creating Green Value' formulated according to our 2040 Net-Zero plan. We make relentless efforts to promote environmental conservation and green growth by implementing eco-friendly businesses and energy-saving initiatives, aiming to provide positive green values globally.



Environmental Management

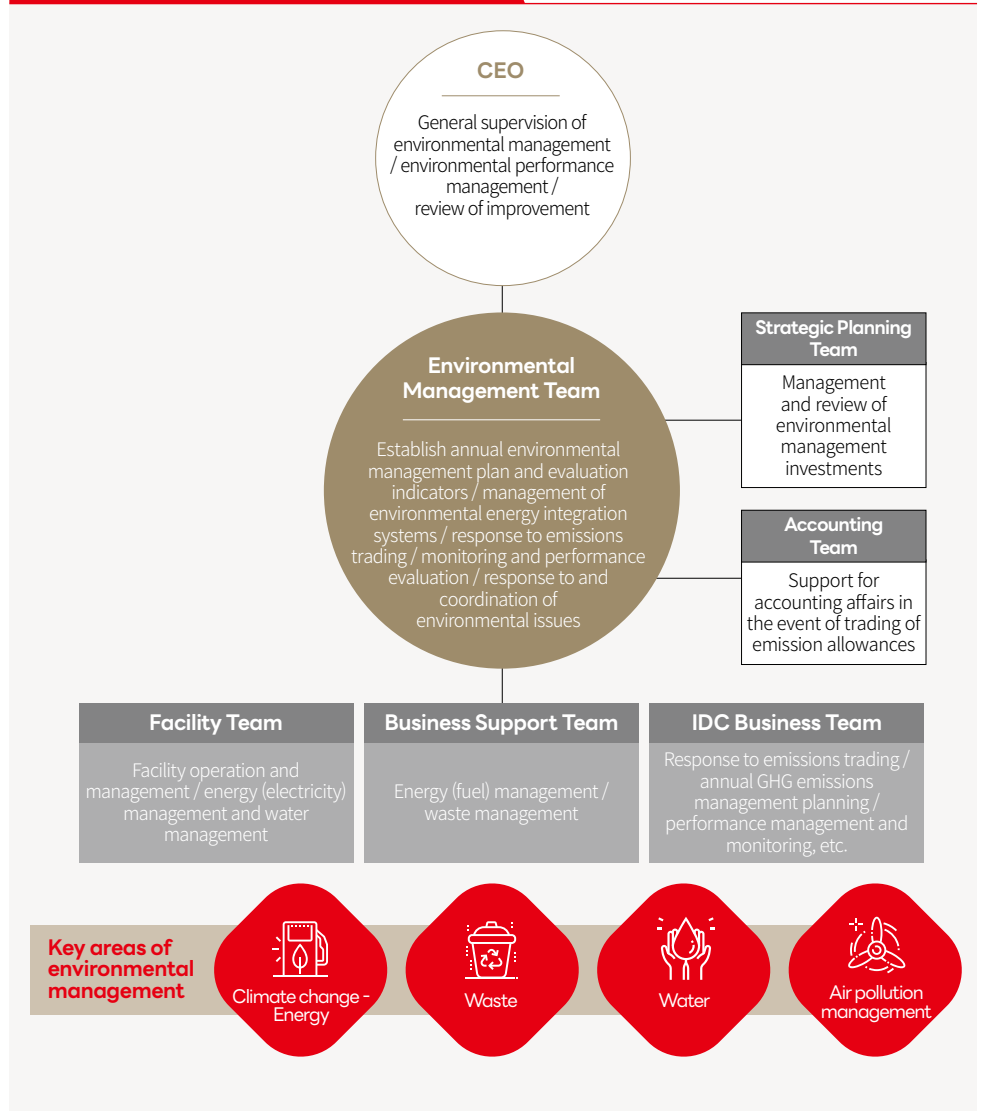
Environmental Management Governance

LOTTE Data Communication operates an company-wide environmental management governance system consisting of management and working-level organizations to implement systematic environmental management and achieve goals, and strives to realize environmental management through cooperation between departments. The organizations include the CEO-led Environmental Management Team responsible for devising environmental management strategies and annual plans, as well as the Facility Team, Business Support Team, and IDC Business Team that handle practical tasks. Each department has an environmental management system in place based on ISO 14001 certification, and operates procedures that include review and approval by the CEO. We also established a decision-making process centered around the ESG Committee, which reviews, approves, and supervises critical agenda like setting environmental management goals.

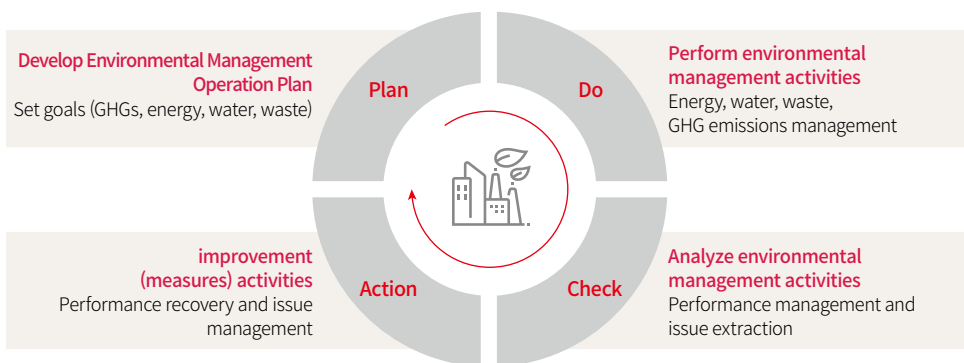
Environmental Management Process

LOTTE Data Communication sticks to the PDCA cycle of developing operational plans for each environmental sector such as climate change, energy, waste, and water (Plan), performing environmental management activities (Do), analyzing the results (Check), and implementing improvement measures for the processes we have carried out (Action). Based on this cycle, we set and implement environmental objectives and plans, and promote improvement measures and management based on regular performance reviews and evaluations.

Environmental Management Organization



Environmental Management Processes



Environmental Policy and Relevant Regulations

LOTTE Data Communication enacted the Environmental Policy in September 2022. The newly established policy states that all employees of LOTTE Data Communication are encouraged to engage in environmental improvement activities and respond to the company’s environmental conservation efforts and climate action.

Environmental Policy

LOTTE Data Communication promises to practice continuous environmental improvement activities across its business operations in order to minimize environmental impacts.



All employees of LOTTE Data Communication hereby pledge to faithfully abide by the Environmental Policy and make efforts to achieve environmental goals through continuous improvement activities, in order to contribute to the company’s environmental conservation efforts and climate action.

Environmental Management Strategy

LOTTE Data Communication strives to effectively respond to the global issue of climate change and pursue the value of environmental protection throughout its business activities. In response, we established three key strategies under the vision of ‘Creating Green Value.’ As a measure to improve our environmental management capacity, we adopted an internal evaluation system, continuously improving environmental management criteria, procedures, and processes.

Detailed Strategy for Environmental Management

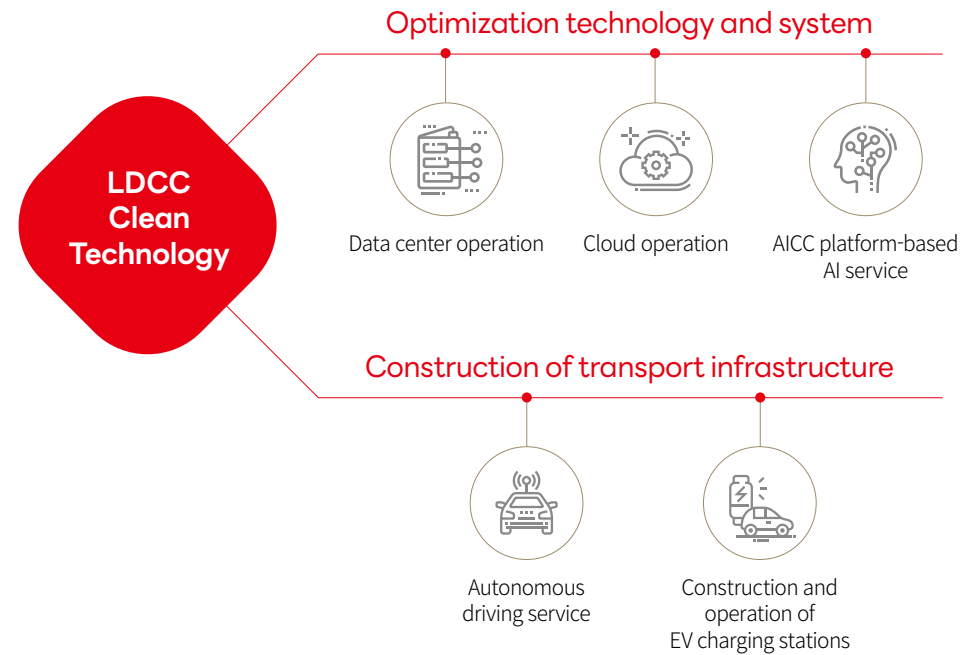
Vision	Creating Green Value		
Three key strategies	<ul style="list-style-type: none"> GHG emission reduction activities Energy-saving campaign Ensuring a safe workplace Environmental education programs for employees 	<ul style="list-style-type: none"> Strengthening GHG emissions monitoring Improving energy efficiency Proactive response to carbon regulations and initiatives Implementing KPI management related to environmental improvement activities 	<ul style="list-style-type: none"> Advancement of the environmental management planning, implementation, and inspection process centered on LETS
	Roadmap	Environmental Management 1.0 Establishment of environmental management system (2021–2022)	Environmental Management 2.0 Advancement of environmental management (2023–2024)
Goals	Securing a global-level environmental management system across the organization	Strengthening communication with internal and external stakeholders	Securing eco-friendly business competencies
Directions	<ul style="list-style-type: none"> Disclosure of environmental information across the organization Establishment of an internal environmental management audit system Establishment of an environmental management system (acquisition of ISO 14001 certification) Establishment of a Net-Zero roadmap Establishment of a roadmap for clean technology capacity development 	<ul style="list-style-type: none"> Establishment of inventories for subsidiaries and overseas business sites Advancement of Scope 3 emissions calculations Declaration of supporting for TCFD Response to carbon disclosure requirements Expansion of eco-friendly businesses 	<ul style="list-style-type: none"> Operation of supply chain management system Participation in global initiatives Expansion of eco-friendly businesses Advancement as a global ESG leader

LOTTE Data Communication, together with our employees, conducted GHG reduction activities and energy-saving campaigns in line with our environmental management strategies to ensure effective climate action. We also have an environmental education system in place. Furthermore, we enhanced our environmental management processes, further improving our performance monitoring system. We established a structure that allows for proactive responses to carbon regulations and initiatives both domestically and internationally. In 2023, we plan to become a supporter of TCFD by further enhancing our TCFD report. We also intend to expand the scope of ISO 50001 certification to strengthen energy management. At present, we are working on establishing GHG inventories for subsidiaries and overseas business sites as a measure to proactively respond to stricter regulations worldwide. Through these efforts, we will stay committed to identifying GHG emissions sources at domestic and overseas business sites and strengthen the monitoring of GHG emissions.

Development of ECO-Friendly Products and Services

LOTTE Data Communication makes efforts to turn the challenges faced by companies in the environmental sector, including climate change, into opportunities. We actively engage in business discovery and technology development when it comes to green technology. We aim to contribute to the nation's Net-Zero initiative and secure the driving force for sustainable growth, considering eco-friendliness. In line with green taxonomy and the government's carbon-neutral technology innovation policy, we selected data centers, cloud, AICC platforms, autonomous driving, and EV charging as our eco-friendly business divisions. In addition, we established a medium to long-term clean technology capacity enhancement roadmap in August 2022, including the target and detailed plans for technological development and investments for the relevant business areas.

2023 Environmental Management Goals	
Classification	Key priorities
Environmental management	Strengthening internal environmental audits based on PDCA
	Acquisition of ISO 14001 environmental management certification
	Expansion of the scope of ISO 50001 energy management certification
Energy and GHGs	Implementation of annual plans based on the 2040 Net-Zero roadmap
	Establishment of GHG inventories for subsidiaries and overseas business sites
	Enhancement of TCFD report
Waste	Electric power-saving through expanded implementation of free cooling in thermo-hygrostats
	Operation of a waste management system for equipment and consumables at each stage of disposal
	Reduction of waste generation and improvement of recycling rates
Water	Promotion of employee campaigns to reduce waste
	Review and planning for applying and implementing water-saving technologies
Air pollution management	Introduction of sensor-equipped bathroom sinks
	Inspection of boiler energy efficiency and replacement of outdated equipment
Handling stakeholders' demands	Prevention of air pollution through regular emissions management
	Declaration of support for global initiatives (TCFD)
	Participation in pilot projects for voluntary environmental information disclosure
	Implementation of the K-EV100 (Korean version of 100% transition to zero-emission vehicles) roadmap



Operation of ECO-Friendly Data Centers

LOTTE Data Communication installs and manages heating, ventilation, and air conditioning (HVAC) systems to ensure the efficient operation of servers and networks in data centers and to maintain ideal room temperature. In 2022, we introduced free cooling to thermo-hygrostats operated in 4th Center, which allows for combined operation (summer: air-cooled; winter and in-between seasons: water-cooled). As a result, the center's PUE¹⁾ value improved from 1.65 in 2021 to 1.58. 4th Center operates by adopting the state-of-the-art energy management systems such as free cooling and CAC²⁾ control. Furthermore, sprinklers are installed throughout the center to lower the temperature and improve equipment performance during the summer when the external temperature exceeds 35°C. This allows us to manage and reduce power consumption. In 2023, we will optimize the operating environment of the existing free cooling system and find ways to replace the aging thermo-hygrostats in 3rd Center. We will make every effort to improve energy efficiency and further reduce GHG emissions. At LOTTE Data Communication, we operate a real-time monitoring system called DCIM³⁾ to manage the energy usage of the infrastructure within the data center. We analyze the PUE values obtained by aggregating the energy consumption of key facilities like UPS, generators, and thermo-hygrostats to ensure energy efficiency. We will continue to increase energy efficiency by enhancing and managing DCIM operation in all of our data centers.



Infrastructure monitoring system

1) Power Usage Effectiveness: It is a metric used to measure the energy efficiency of a data center. PUE is determined by dividing the total power consumption of the data center by the power used to run the IT equipment within it. A value closer to 1 means a substantial reduction in power consumption
 2) Cold Aisle Containment: Measures the temperature and pressure per containment to regulate thermo-hygrostats
 3) Data Center Infrastructure Management system



1st Center
(LOTTE Group's integrated center)

Completed: Jun. 2007
 Total floor area: 7,411 m²
 Size: a 4-story building

Thermo-hygrostats with EC fans
 Free cooling
 CAC
 Rainwater recycling system



2nd Center
(Specializing in disaster recovery)

Completed: Nov. 2010
 Total floor area: 4,036 m²
 Size: a 2-story building

Thermo-hygrostats with EC fans
 Free cooling
 CAC



3rd Center
(Dedicated to global affairs)

Completed: Nov. 1996
 Total floor area: 26,810 m²
 Size: a 5-story building with 2 basement floors

Thermo-hygrostats with EC fans
 Free cooling
 CAC



4th Center
(Global Cloud Center)

Completed: Dec. 2020
 Total floor area: 16,350 m²
 Size: a 7-story building with 2 basement floors

Thermo-hygrostats with EC fans
 Free cooling
 CAC



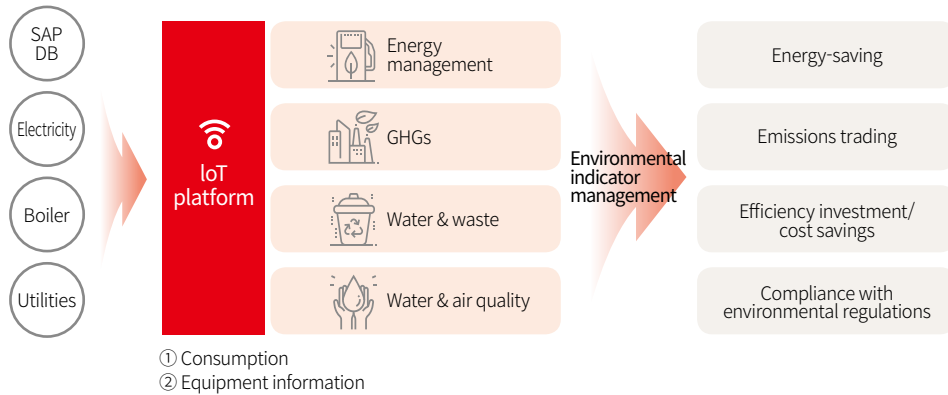
Eco-friendly data center

Environmental Management Activities

LETS

LOTTE Data Communication implements environmental management policy by employing the LOTTE Environmental and Energy Total Solution (LETS). As LOTTE Data Communication's independent environmental and energy solution, LETS serves as a tool for enhancing work efficiency through functions optimized for environmental management and mitigating potential environmental management risks inherent in the company. It promotes stable and professional environmental management based on a reliable system. Environmental managers at each business site set annual goals for environmental performance indicators and monitor their performance using LETS. They compare monthly performance with the set targets and report their analysis to the upper management.

'LETS', the IoT Platform-Based Environmental Energy Data Integrated Management Solution



Environmental Management Audit

LOTTE Data Communication implements a comprehensive environmental management policy and conducts internal and external environmental audits to continuously improve it. As part of internal environmental audits, we develop manuals and monitor the operational status of working-level departments based on an audit checklist. We evaluate the environmental management systems, annual goal setting, and performance status, as well as monitor any improvements in deficiencies. The internal environmental audit conducted in 2022 yielded opportunities for improvement, including improvement in waste and water recycling performance, establishment of a green procurement system, competency development of environmental managers, and expansion of ISO certification. Following the audit, we complied with stricter waste separation and disposal, as well as installed water-saving facilities to address the improvement areas. To date, we actively work on

establishing a green purchasing system, recommending training for environmental managers, and planning to expand the scope of ISO 50001 certification at the company level.

As for external environmental audits, we adhere to the environmental assessment and verification process of the Ministry of Environment for facilities subject to the emissions trading. We also undergo annual renewal audits for ISO 50001 and ISO 14001 certifications. In 2022, we completed a renewal audit for ISO 50001 and maintained qualifications. We additionally obtained ISO 14001 certification in September, and we plan to undergo post-audits annually and renewal audits every three years to ensure its continuous validity.

Obtained ISO Certifications (ISO 14001, ISO 50001)

LOTTE Data Communication actively adopts ISO standards processes to ensure a globally recognized environmental management system. Since the adoption in 2014, we have maintained ISO 50001 energy management certification. Going further, we are preparing to expand the certification scope to cover the entire organization to enhance energy efficiency and improve performance. All of our business sites are established with ISO 14001-compliant environmental management systems, which we accordingly obtained ISO 14001 certification. Under our newly established Environmental Policy, we developed or improved 23 procedure documents and 28 record documents according to ISO standards. As a result of obtaining the certification, we are now able to enhance our environmental management system that aligns with global standards, enabling more systematic forms of operational management. We are committed to more than just obtaining certification. We focus on establishing a stable environmental management system through continuous internal and external verification processes.



ISO 50001 and ISO 14001 certifications

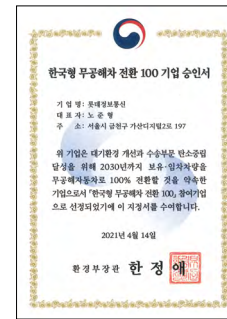
Environmental Investment

LOTTE Data Communication continues to make environmental investments to enhance energy efficiency and reduce GHG emissions. In terms of energy savings, we actively promote the introduction of eco-friendly vehicles and the reduction of power consumption in data center HVAC systems. To list some initiatives, we adopt the optimal free cooling method. In 2022, we established EV charging infrastructure in 1st Center and partially replaced internal combustion engine vehicles (ICEVs) with EVs. For 4th Center, we introduced free cooling thermo-hygrostats, resulting in a reduction of 438 tCO₂eq of GHG emissions annually. Our plans for 2023 include the improvement of energy efficiency by replacing aging thermo-hygrostats. We will also explore measures to increase the adoption of eco-friendly vehicles to achieve our GHG reduction targets.

Major Environmental Management Activity Investment Plans and Performance					
Year	Business site	Plan	Investment plan	Environmental management activity	Implementation
2021	1st Center	Introduction of EV charging infrastructure	Dec.	Introduction of slow-charging infrastructure for EVs	○
	2nd Center	Introduction of free cooling thermo-hygrostats	Jan. – Apr.	Integration of air-cooled and water-cooled operation technology to reduce operating power of compressors	○
	3rd Center		Jan. – Dec.		○
2022	1st Center	Introduction of EV charging infrastructure	Jan.	Introduction of fast-charging infrastructure for EVs	○
		Introduction of EVs		Introduction of 5 EVs to replace ICEVs	○
	4th Center	Introduction of free cooling thermo-hygrostats	Oct.	Integration of air-cooled and water-cooled operation technology to reduce operating power of compressors	○
2023	1st Center	Operation of EVs	Jan. – Dec.	Operation of 5 EVs to replace ICEVs	○
	3rd Center	Replacement of aging facilities	Jul.	Energy efficiency improvement of aging thermo-hygrostats	Scheduled

Participation in the national environmental initiative K-EV100

LOTTE Data Communication has been a member of K-EV100 since April 2021 and is actively engaging in related activities. K-EV100 is an initiative organized by the Ministry of Environment in which companies pledge to convert 100% of owned or leased vehicles to zero-emission vehicles (ZEVs) by 2030. We set a mid-term roadmap and annual implementation plan with the goal of converting all business vehicles to ZEVs by 2025. We pay attention to practicing ESG management through the establishment of EV charging infrastructure and our carbon emission reduction efforts as part of our mobility business.



K-EV100 certificate



In-house EV charging station



Environmental Management Promotion Strategy

Environmental Performance Evaluation

LOTTE Data Communication undergoes annual environmental performance evaluation based on the “LOTTE environmental performance indicators for sustainable growth,” which are anchored in LOTTE Group’s environmental management policy. LOTTE’s environmental management evaluation for sustainable growth is a group-level performance indicator management system aimed at promoting environmental management that complies with environmental information disclosure systems, emissions trading, and major domestic and international ESG standards in terms of the core topics (organization, strategy, activities, performance, reporting).

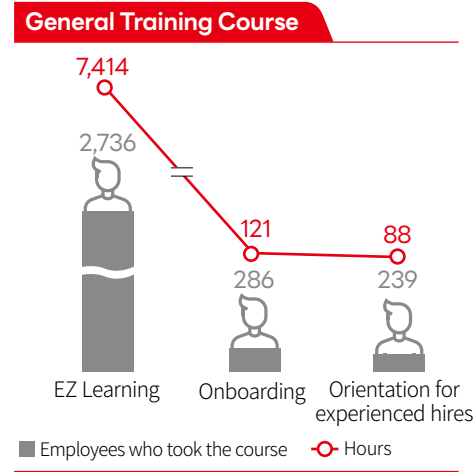
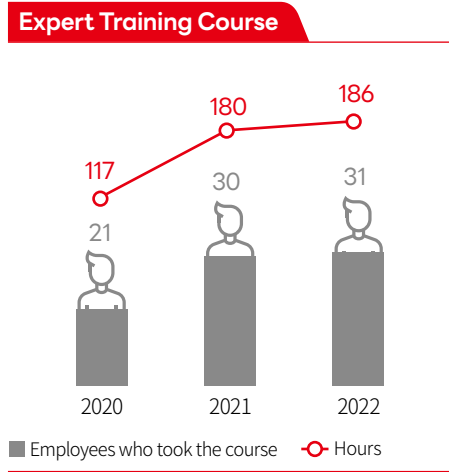
LOTTE Data Communication focuses on improving the intensity management of GHGs, energy, and environmental pollution (waste, water, and air), which are some of the major management indicators. We have been analyzing environmental performance indicators at the intensity level for the past few years to set quantitative annual targets. Accordingly, we compare and review monthly performance to assess the appropriateness of intensity-based evaluation and improve the methodology for setting targets. We will make relentless efforts to promote more effective and systematic goal setting and management.

Environmental Education

LOTTE Data Communication conducts environmental education each year to enhance employees' awareness and strengthen their competencies in the relevant fields. Our environmental education programs are divided into the expert course and the general course. The expert course, which is available to the environmental managers of each LOTTE Group affiliate, is primarily focused on seminars and workshops where environmental experts in the field share best practices within the group. We conduct regular education programs, including group online education through the 'EZ Learning' platform, as well as orientation programs for new employees called 'New Employee Training' and onboarding training for experienced staffs. In 2022, we provided education on ESG and corporate management as part of our internal onboarding and orientation programs. A total of 286 new and 239 experienced hires successfully completed the training. We also encouraged our employees to watch ESG-related videos and take reading courses via EZ Learning, for which we achieved a completion rate of 94.8%. We will continue to provide more ESG educational programs for all employees and actively encourage their participation. We will remain committed to raising their environmental awareness and expertise.

Expert Training Course		
Year	Employees who took the course	Hours
2020	21	117
2021	30	180
2022	31	186

General Training Course (as of 2022)		
Course	Employees who took the course	Hours
EZ Learning	2,736	7,414
Onboarding	286	121
Orientation for experienced hires	239	88



Employee Environmental Preservation Activities

LOTTE Data Communication operates employee participation-based environmental conservation activities. We implement company-wide environmental campaigns and biodiversity conservation programs in an effort to enhance employees' environmental awareness and internalize environmental management throughout the organization.

Environmental Campaigns

LOTTE Data Communication designs a number of environmental campaigns in which all employees can participate to achieve Net-Zero by 2040. We carry out various activities to engage employees in realizing Net-Zero, such as reducing digital carbon footprint, organizing Vegan Day, encouraging electronic reporting, and using eco fonts. Furthermore, we are actively conducting campaigns to reduce plastic waste. We are replacing conventional water dispensers that use plastic water bottles with water purifiers. In addition, we switched our business shopping bags to eco-friendly ones made of recyclable kraft paper, free of plastic handles.

Biodiversity Conservation

LOTTE Data Communication conducts environmental cleanup activities to protect biodiversity. After making our employees aware of invasive plants that threaten biodiversity, they join the campaign of removing harmful species like Japanese hops and ragweed in the vicinity of Anyang Stream near our headquarters. Employing such initiatives, we will continue to contribute to sustainable environmental conservation and biodiversity preservation. Additionally, we made contributions to the local community by visiting local animal shelters and engaging in volunteer activities such as walking stray dogs. In 2022, department employees operating the in-house pet lifestyle app "Hey Nana" also participated in activities to improve the environment of animal shelters and promote emotional bonding with abandoned animals. We plan to expand CSR activities related to the company's business and practice ESG activities in various fields to promote biodiversity conservation and develop a culture of respect for living organisms.



Environmental campaigns



Removing invasive plants

Minimizing Environmental Impact

Waste

Wastes generated from all LOTTE Data Communication business sites are general waste and contain no designated waste. As part of our initiative to reduce waste generation rates that have increased since the outbreak of COVID-19 in 2020, we pay particular attention to waste sorting and increasing the frequency of waste classification operations, which will contribute to higher recycling rates. We also replaced and refrained from using disposable plastics, thereby achieving approx. a 25% reduction in annual waste generation compared to the 2022 target. Our campaign to discourage the use of disposable plastics is still ongoing as of 2023, and we carry out diverse activities to reduce the amount of waste generated.

Waste Generated at Business Sites and Goals

Classification	Seoul	Yongin	Daejeon	Total
2023 target	104.44 ton	37.48 ton	5.02 ton	146.93 ton
2022 target	145.80 ton	40.20 ton	5.64 ton	191.64 ton
2022 performance	103.49 ton	37.10 ton	4.65 ton	145.24 ton
Incinerated	0 ton	37.10 ton	4.65 ton	41.75 ton
Recycled	103.49 ton	-	-	103.49 ton
Achievement rate	29% reduction compared to the target (including waste generated in the former Seoul office)	7.7% reduction compared to target	17.6% reduction compared to target	24.2% reduction compared to the annual target

※ Recycling amount at the Seoul business sites: Recycling amount after intermediate processing at waste treatment companies

※ Generated 5,249 tons of construction waste at our project site: Recycled (5,236 tons), incinerated (13 tons)

Waste Management Process

LOTTE Data Communication monitors the entire process of waste generation and treatment in real-time. We make sure that the whole process is systematically managed according to procedures, and we independently analyze and report the performance compared to the annual targets on a monthly basis. For the Yongin business site, in particular, which is obliged to report its performance to the Ministry of Environment, we transparently disclose the entire waste management process in real-time through the 'Allbaro' operated by the Korea Environmental Corporation. Additionally, our current activities focus on minimizing waste generation and increasing recycling rates in all stages, from usage to treatment, so as to achieve closed-loop recycling.



Waste Treatment Process



Water Resources

Water used at LOTTE Data Communication business sites is categorized into domestic water and water used in facilities. In particular, water used in facilities takes up overall water consumption. The water is used for free cooling thermo-hygrostats (water-cooled) to adjust the temperatures in data centers, and for sprinkling water for outdoor thermo-hygrostats. The method of utilizing water to lower thermo-hygrostat heat is an eco-friendly technology that can save air-conditioning power, which accounts for a significant portion of the HVAC power. Although this may somewhat increase water consumption, this method can lower environmental impact in comparison to electric power consumption. We continue to adopt water-cooled thermo-hygrostats as a measure to save energy in data centers. By reviewing the cooling tower free cooling system and outdoor unit water sprinkling conditions when operating thermo-hygrostats, we will make efforts to create an optimal operating environment that efficiently reduces electric power and water consumption.

Water Management Status and Goals

Highly aware of the importance of water resources to the environment and society, LOTTE Data Communication regularly reviews opportunities for reducing water consumption and promoting water recycling. Despite the constant increase in water consumption since the installation of thermo-hygrostats in our data centers, we are witnessing excellent energy-saving effects. As part of our efforts to reduce the use of domestic water—excluding water used in facilities, which is essential—we explored water-saving technologies, and as a result, we plan to install sensor faucets in company restrooms by 2023, which is now in the final phase.

Water Management Status

Classification	Seoul	Former Seoul office	Yongjin	Daejeon	Total
2023 target	33,479 ton	11,697 ton	82,492 ton	5,027 ton	132,695 ton
2022 target	33,634 ton	15,580 ton	60,459 ton	4,709 ton	114,382 ton
2022 performance	33,392 ton	9,335 ton	69,554 ton	4,680 ton	116,961 ton
Achievement rate	0.7% reduction compared to target	40.1% reduction compared to target	Exceeded the target by 15% due to increased usage of cooling tower after customer system expansion	0.6% reduction compared to target	Exceeded the annual target by 2.3%

Air

LOTTE Data Communication installed low NOx burners, which serve as air pollution control facilities, as well as obtained the relevant permits in accordance with the strengthened Clean Air Conservation Act in 2020. We conduct self-measurements twice a year and maintain records of the operation of the pollution control facilities to ensure safe operation. We also perform monitoring of air pollutants.



Cooling tower for free cooling



Outdoor thermo-hygrostats



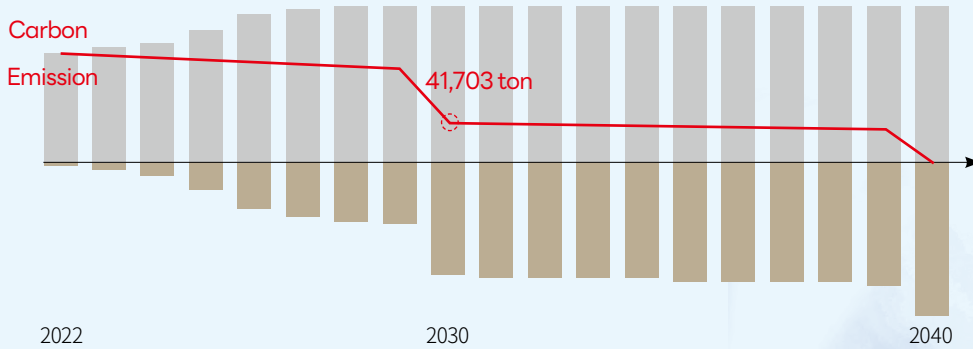
Indoor thermo-hygrostats

TCFD Report

Our Response to Climate Change

The majority of LOTTE Data Communication's GHG emissions are generated from the electric power used at data centers and office buildings. Our electric power consumption has been steadily increasing since the establishment of 4th Center in 2021. We forecast GHG emissions to continue to rise until 2030. In response, we aim to analyze the risks that can arise from climate change and establish strategies to minimize them. At the same time, we will seek more opportunities in eco-friendly businesses. We have set a target to go net zero by 2040 and established medium to long-term strategies to identify carbon emission reduction factors across our business and manage the associated financial impact.

2040 Net-Zero Roadmap



※ Upper graph: Projected emissions
 Lower graph: Reduction target
 Line graph: Emissions target

LOTTE Data Communication has set the ultimate goal of going net zero by 2040 through internal reduction activities. We also intend to lower GHG emissions, while purchasing renewable energy through renewable energy certificates (RECs) and PPA contracts at the same time. We do expect some economic losses in the initial stages of implementation due to the increase in GHG emissions from the establishment of data centers and the increase in the cost of purchasing renewable energy. However, our plan is to generate cumulative profits of approx. KRW 5.8 billion between 2022 and 2040.

GHG Emission Reduction Activities

Internal		External
Reduction of GHG emissions	Shift to renewable energy	
① Improvement of data center PUE	① Purchase of RECs	① Expansion of investments in eco-friendly businesses and clean technologies
② Reduction of office energy consumption	② PPA contracts	② Participation in climate change initiatives
③ Reduction of the environmental impact of business transportation (EV charging stations and EV operation)	③ Construction of in-house power generation facilities	③ Review and promotion of external emission reduction projects

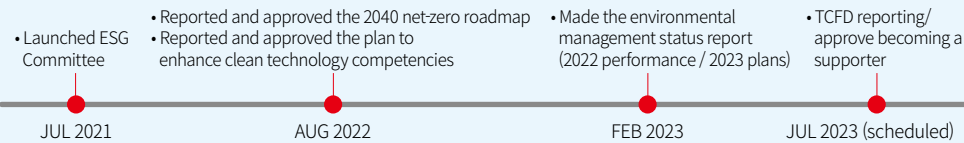


Governance

- Ⓒ Board's activities on climate change risks and opportunities
- Ⓓ Management's role in assessing and managing climate change-related risks and opportunities

LOTTE Data Communication launched the ESG Committee under the BoD in 2021 to oversee ESG management, including addressing key risks related to climate change and other ESG aspects. The committee recognizes climate change and environmental pollution-related risks, and reviews countermeasures to reduce such risks. It plays a role in making decisions related to GHG reduction strategies and expanding investments in eco-friendly businesses that are necessary to attain 2040 net zero, the medium to long-term key goal to tackle climate change. In addition, the ESG Committee takes charge of making ESG management and strategy decisions, as well as managing and overseeing the planning and performance of key tasks. In line with this, the committee approved the net-zero roadmap in August 2022. Under the 2040 net-zero goal, we will activate the clean technology business and continuously improve our environmental management system. The CEO is responsible for formulating strategies for ESG management, executing investments to implement them, and taking the lead in ensuring the smooth implementation of ESG activities, including raising capital. Discussions are underway to set a medium to long-term direction for minimizing key non-financial risks and to explore business opportunities through the review of eco-friendly business items. Our management actively engages with stakeholders and encourages sustainability management activities throughout the departments. It also spares no effort to facilitate the integration of ESG management into sector-specific management systems.

ESG Committee's Environment-Related Reporting Agendas



Year	Task	Details
2022	Report and approval of the establishment of the 2040 net-zero roadmap	Report and presentation of the criteria and outcomes of the medium to long-term roadmap for 2040 net-zero
	Report and approval of the plan to enhance clean technology competencies	Report on the results of the establishment of the medium to long-term roadmap and the plan to enhance clean technology businesses
2023	Report on the environmental management status	Report on the environmental performance in 2022 and the 2023 targets Report on the detailed implementation plan for GHG reduction in 2023
	TCFD report and approval of becoming the official supporter	Report on the results of the established climate change risk management system, as well as on becoming the official TCFD supporter (scheduled)

Strategy

- Ⓒ Climate change risks and opportunities identified over the short, medium, and long term
- Ⓓ Impact of climate change risks and opportunities on the organization's businesses, strategy, and financial planning
- Ⓒ The organization's strategy, taking into consideration different climate change scenarios, including a 2°C or lower scenario

LOTTE Data Communication is subject to emission trading system. We therefore identify the status of excess or shortage of annually-allocated emission rights and make purchases in the emission trading market. Accordingly, emission right liabilities for carbon emissions are recognized to set/manage reserves. Accordingly, we recognize the emissions liabilities to set and manage reserves. After the establishment of the 4th center (construction completed in 2021), we expect GHG emissions to rise with an increase in the rate of operation. Due to uncertainty of carbon credit price and risks related to emission rights allocation, there will likely be an increase in credit purchase costs and credit provision costs. To respond to financial risks, we are considering various implementation measures to establish and achieve a medium to long-term carbon neutrality plan.

As part of our climate change initiatives, we are engaged in energy-saving activities to respond to global demands such as the use of renewable energy, strengthened environmental regulations, and low-carbon technology. Additionally, we are in the process of shifting to renewable energy through RECs and PPAs.

LOTTE Data Communication strives to identify these risks and responds to climate change by identifying opportunities. As for our plan, we will develop and implement response strategies based on the projected carbon emissions until 2040, taking into consideration the 2°C or below and 1.5°C scenarios as recommended by IPCC¹⁾, in addition to the RCP²⁾ scenarios and SSP³⁾ scenarios.

1) Intergovernmental Panel on Climate Change
 2) Representative Concentration Pathways
 3) Shared Socioeconomic Pathways

Scenario	Goal	Strategic Response
IPCC 1.5°C scenario	Limiting global temperature rise to 1.5°C	In consideration of various climate change scenarios, we set the 2040 Carbon Neutral goal and are making efforts to achieve the goal. Also, we have concrete plans in place for GHG reduction and are implementing them accordingly.
RCP scenario	Immediately reduce GHG starting now (RCP 2.6)	
SSP scenario	Minimizing fossil fuel use and promoting eco-friendly, sustainable growth (SSP 1-2.6)	

Analysis of the Impacts of Climate Change

One of the initiatives of LOTTE Data Communication is to comprehensively analyze the impact of climate change risks and opportunities on our business and systematically establish response plans. In line with the TCFD recommendations, we categorized climate change issues (or climate change-related risks and opportunities) into transition risks and physical risks. Transition risks refer to the risks arising from the process of transitioning to a low-carbon economy, while physical risks are risks associated with the physical impacts of climate change. We further subdivided these two risks and examined their significant financial and non-financial impacts on our business. We plan to continuously manage and incorporate them into our business plans and strategies in the medium and long term.

Classification	Climate change issues	Financial risk factors	Opportunities	
Conversion risk	Regulations	Emissions trading regulations and strengthened targets	Strengthening of national emission regulations and increased carbon emission allowance costs and GHG emission liabilities as a result of the expansion of the allowance auction	
		Domestic and international response to new carbon regulations	Increase in compliance costs due to the potential application of new regulations such as the Carbon Border Adjustment Mechanism and the expanded climate disclosure rules	Enhancement of brand value according to the net-zero goal
		Shift to renewable energy	Increase in costs of renewable energy procurement due to government policies and regulations in line with the net-zero agenda	Utilization as a GHG reduction measure under the net-zero roadmap
	Technology	Adoption of low-carbon technologies in data centers	Increase in investment costs for expanding low-carbon systems and infrastructure	Reduction in operating costs and savings in allowance costs through lower power consumption in data centers
		Conversion to eco-friendly business	Increase in R&D investment costs in eco-friendly businesses and depreciation of existing assets	Expansion of new investments in eco-friendly businesses and improvement of corporate image
	Market	Change in investor preferences	Potential for a decline in market capitalization in the absence of eco-friendly businesses	Development of an eco-friendly business portfolio
		Trend of climate change disclosures	Costs for defending against a decline in corporate reputation due to failure in taking climate action	Participation in global initiatives and strengthening of external communications
	Reputation	Change in consumer preferences	Potential for a decrease in preference for data centers with high carbon emissions and a decline in sales due to the growing awareness of environmental value among corporate clients	Enhancement of the competitiveness of eco-friendly data centers through the expansion of carbon emission reduction infrastructure
		Negative opinions of stakeholders	Increase in physical costs to improve stakeholder perception	
Physical risk	Acute	Occurrences of disasters such as typhoons and floods	Costs for damaged equipment and data recovery due to natural disasters and emergencies	Establishment of backup generators in preparation for unstable power supply due to natural disasters, and expansion of disaster recovery services to prevent data loss
	Chronic	Continuous rise in average temperatures	Increase in costs due to reduced efficiency of and damage to HVACs in data centers	

Analysis of the Medium to Long-term Impact of Climate Change

LOTTE Data Communication classified climate change-related risks and opportunities in the short-, medium-, and long-term perspectives, targeting 2040 as the year of achieving net zero. As we are aware of the aspects that we should consider in the process of going net zero for each timeframe, we will come up with countermeasures to tackle significant risks in advance.

Climate Change Risks and Opportunities

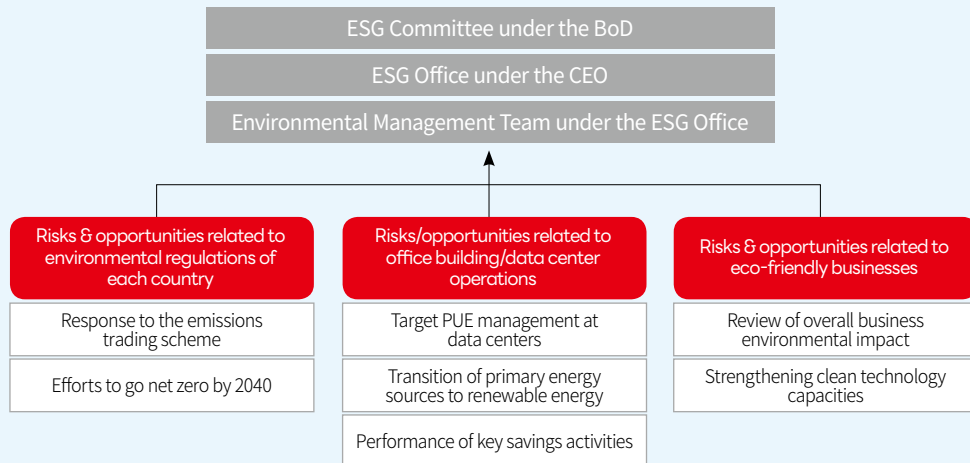
		Risk	Opportunity
Short-term	2023	<ul style="list-style-type: none"> Increase in the cost of purchasing allowances and increase in GHG emission liabilities Increase in compliance costs due to the potential application of new regulations 	<ul style="list-style-type: none"> Enhancement of brand value according to the net-zero goal
		Mid-term	2030
Long-term	2040		

Risk Management Organization

- Ⓐ The organization's processes for identifying and assessing climate change risks
- Ⓑ The organization's processes for managing climate change risks
- Ⓒ The organization's processes for identifying, assessing, and managing climate change-related risks are integrated into the organization's overall financial/non-financial risk management

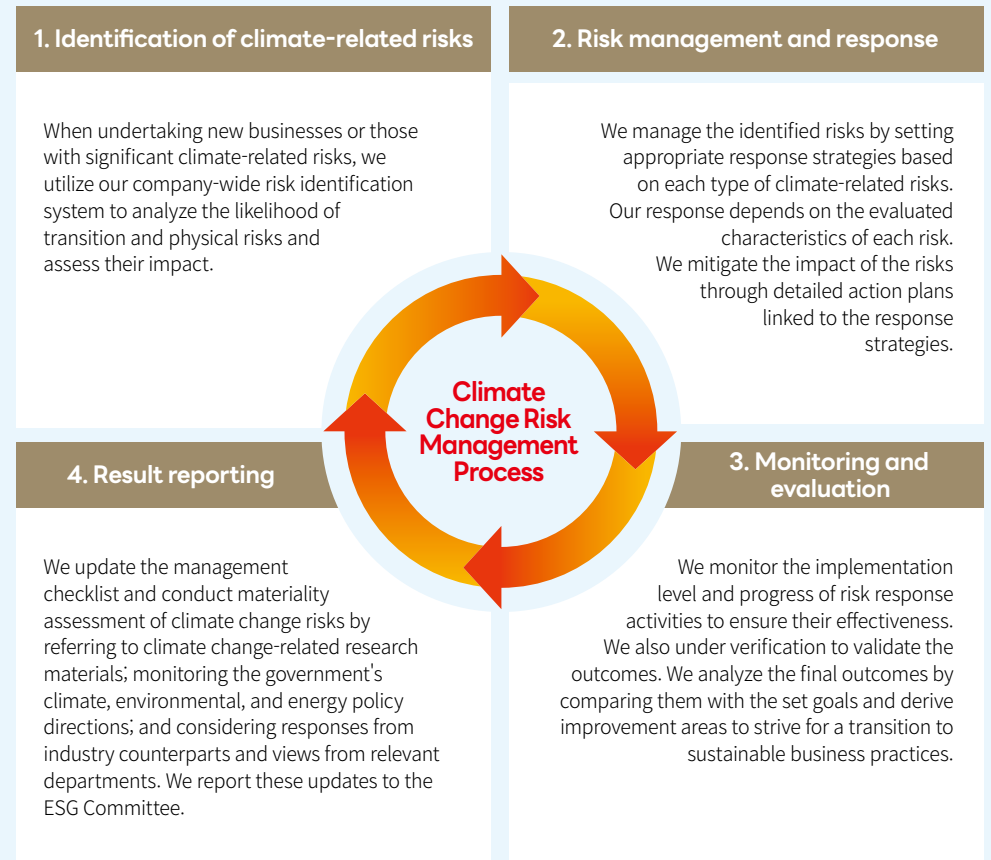
The ESG Office under the CEO's supervision conducts regular monitoring and evaluation of each business unit according to the climate change risk management process. It also develops and manages medium to long-term strategies for addressing climate change risks. Risks are managed in a comprehensive manner at the corporate level. All risks associated with environmental regulations of each country, headquarters and data center risks, and eco-friendly business initiatives are handled through company-wide strategic management decisions. In consideration of financial and non-financial factors in risk response strategies, the CEO reviews funding options for investments. The ESG Committee is responsible for setting risk management directions and making investment decisions. As such, LOTTE Data Communication's risk management organization collaborates closely with LOTTE Group in addressing climate change mitigation and adaptation efforts. We identify, evaluate, and manage climate change risks at the corporate level, and we put all our efforts into securing an effective process through continuous improvement activities.

'Integration of climate change risk/ opportunity management into company-wide decision-making'



Climate Change Risk Management Process

LOTTE Data Communication has its own process to identify and proactively respond to risks associated with climate change. We assess the risks of businesses that may be affected by climate issues and develop appropriate countermeasures. We also closely monitor the implementation process and identify areas for improvement based on the final outcomes. This allows us to systematically prepare for potential problems in the future.



Metrics and Targets

- Ⓒ Disclose the metrics used to assess climate change risks and opportunities
- Ⓓ Disclose Scope 1, 2, and 3 emissions
- Ⓔ Describe the targets used to manage climate change risks and performance against targets

LOTTE Data Communication manages GHG emissions, energy consumption, and data center PUE as part of our efforts to manage climate change-related risks and opportunities. Our carbon emissions rose by approx. 75% in 2022 compared to the 2018 level. While efforts to reduce emissions by saving HVAC power and converting to eco-friendly vehicles have been successful in 1st and 2nd, 3rd Center has experienced an unavoidable increase in energy consumption due to business expansion. In particular, with the operation of the new 4th Center in 2021, we expect energy consumption to continue to increase until 2030. However, as Lotte Data Communications sets the 2040 net-zero goal, it plans to gradually expand the use of renewable energy to reduce GHG emissions to zero. Furthermore, we will actively carry out energy-saving initiatives to minimize risks associated with GHG emissions and actively respond to climate change.

Energy Consumption and Intensity

Classification		2020	2021	2022 (performance)	2022 (target)
Energy consumption (TJ)	Total	1,658	1,947	2,342	2,401
	1st Center	346	309	309	341
	2nd Center	56	64	68	71
	3rd & 4th Center	1,256	1,574	1,965	1,990
Energy consumption (TJ)	Scope 1	Total	7	9	7
		LNG	3	4	4
		Gasoline	3	2	2
		Diesel	1	3	1
	Scope 2	Total	1,651	1,940	2,338
		Electric power	1,651	1,940	2,338
		Steam	-	-	-
Energy intensity (TJ / KRW 1 billion)	Total	1.98	2.13	2.37	

LOTTE Data Communication's Scope 3 inventories are intended for monitoring and managing GHGs not only at its affiliated business sites but also throughout the entire value chain. These inventories are also available in overseas business sites and subsidiaries. We used the GHG Protocol's Scope 3 Calculation Guidelines to calculate Scope 3 emissions. We selected the key categories and methodologies, and collected activity data and emission factors to get the Scope 3 emission. In 2022, recognizing the growing importance of Scope 3 emissions management, we conducted an evaluation to expand the calculation categories. As a result, we expanded the existing inventories. In terms of major calculation categories, the upstream sector includes: (a) purchased goods and services; (b) capital investments and purchases; (c) fuel- and energy-related activities not associated with external purchases and investments (e.g. transmission and distribution losses); (d) waste generated in operations; (e) business travel; and (f) employee commuting. Some of the downstream activities are downstream leased assets and investments.

GHG Emissions and Intensity

Classification		2020	2021	2022 (performance)	2022 (target)
Total GHG emissions ¹⁾ (tCO ₂ eq)	Total	80,618	93,362	112,255	114,166
	1st Center	16,851	14,871	14,897	15,883
	2nd Center	2,735	3,085	3,261	3,315
	3rd & 4th Center	61,032	75,406	94,098	94,968
GHG emissions (tCO ₂ eq)	Scope 1	Total	430	521	393
		1st Center	353	348	335
		2nd Center	5	4	3
		3rd & 4th Center	72	169	55
	Scope 2	Total	80,188	92,843	111,863
		1st Center	16,498	14,524	14,562
		2nd Center	2,730	3,082	3,258
		3rd & 4th Center	60,960	75,238	94,043
	Scope 3 ²⁾	Total	5,219	6,238	11,875
	GHG emissions intensity (tCO ₂ eq / KRW 1 billion)	Total	96.45	102.30	113.37

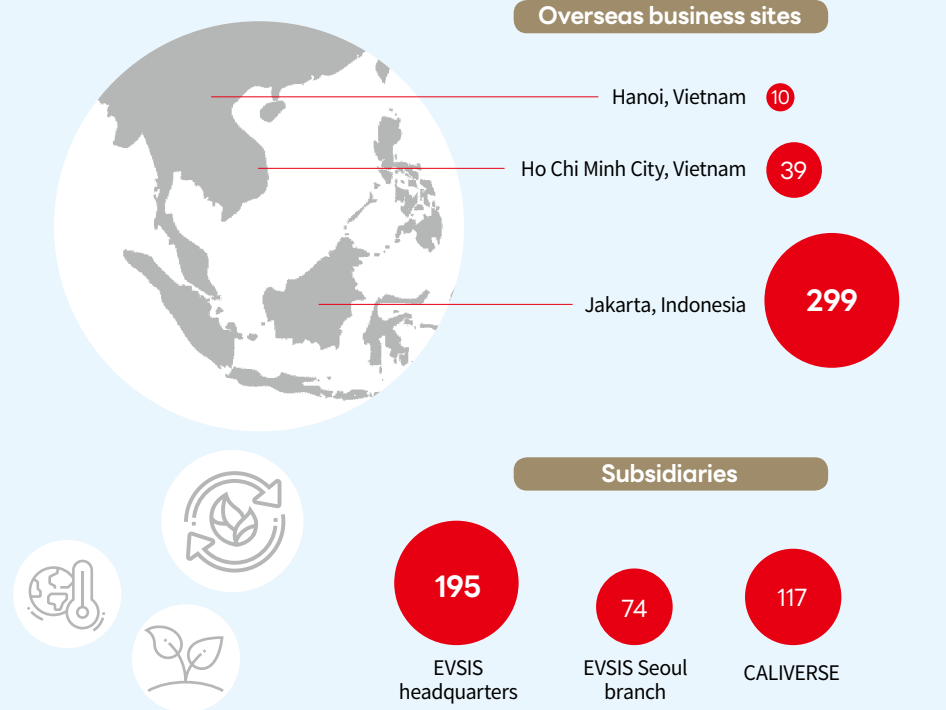
1) The total energy consumption values per business site and fuel are inconsistent, as the criteria for handling decimal places differ according to the GHG emissions statement calculation criteria. (Aggregation criteria by business site: Aggregate at the business site level and perform truncation; Aggregation criteria by fuel: Aggregate at the fuel level and perform rounding)

2) The increase in 2022 emissions is attributed to the addition of calculation categories (e.g. purchased goods and services, fuel- and energy-related activities not associated with external purchases and investments)

In 2022, LOTTE Data Communication completed the construction of GHG inventories for overseas business sites located in Indonesia and Vietnam, as well as for EVSIS and CALIVERSE. The inventories were built at the business site level and are subject to the emissions trading scheme. We applied methodologies in accordance with the IPCC Guidelines, the Greenhouse Gas and Energy Target Management Operation Guidelines, and ISO 14064 standards, taking into account the parameters of each country.

From 2025, KOSPI-listed companies with assets of KRW 2 trillion or higher will be obliged to disclose GHG emissions from their overseas business sites due to the strengthened climate disclosure rules. Since there is also a possibility of mandating the Scope 3 emissions reporting, we will remain committed to eliminating medium to long-term risks and meet these requirements. We are making every effort to secure a comprehensive integrated management system beyond the regulated facilities, thereby laying the foundation for future climate disclosure and global initiative response.

GHGs Emitted From Subsidiaries and Overseas Business Sites in 2022

(Unit: tCO₂eq)

LOTTE Data Communication makes continuous efforts in energy-saving activities. We set annual energy-saving targets based on our energy policy established under the energy management system (ISO 50001). Despite the hike in the data center operating rate in 2022, we were able to maintain the PUE index while reducing the energy consumption of the data center's HVAC system, thanks to a 38% increase YoY in free cooling operation. In addition, we replaced our business vehicles with EVs and have since been building charging infrastructure to reduce emissions from transportation. We are keeping up with planning and implementing conservation activities, such as considering the construction of self-generation facilities (solar power generation). As for our 2040 net-zero goal, we are transitioning from fossil fuel to renewable energy through RECs and PPAs.

Data Center PUE¹⁾

Classification		2020	2021	2022
Data center PUE	Total	1.76	1.65	1.58
	1st Center	1.70	1.52	1.51
	2nd Center	1.89	1.72	1.60
	3rd & 4th Center	1.68	1.71	1.63

1) Standardized the PUE calculation criteria for each business site (ISO 30134 standard) and updated the PUE values for the past three years based on third-party assurance

Details of Energy-Saving Activities

Classification		2020	2021	2022
Office building	LED lighting replacement (MWh)	210	185	-
	Replacement of ICEVs with EVs (L)	-	-	4,427
Data center	Replacement of EC fans of thermo-hygrostats (MWh)	3,032	1,899	-
	Operation of outdoor air-cooling system (MWh)	108	-	-
	Increased energy efficiency of thermo-hygrostats (MWh)	608	-	-
	Free cooling operation (MWh)	-	2,938	4,132
Total	Electric power (MWh)	3,958	5,022	4,132
	Gasoline (L)	-	-	4,427

SOCIAL

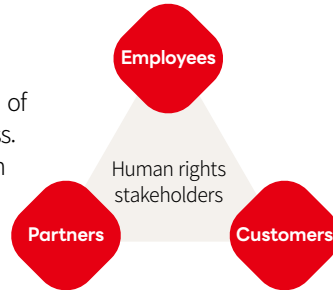
LOTTE Data Communication seeks sustainable development through cooperation with customers, employees, partners, and local communities. We, as a social enterprise, strive to create social value by accommodating the demands of various stakeholders and making efforts to build a society where everyone can prosper together. Our efforts are leading our society to a more positive direction.



Human Rights Management

Respect for Human Rights

LOTTE Data Communication respects the dignity and values of individuals as human beings, as well as the right to seek happiness. We uphold the values of major global human rights norms, such as the Universal Declaration of Human Rights (UDHR) and the UN Global Compact. To this end, we prioritize the human rights of all our stakeholders, including employees, customers, and partners, who are directly or indirectly connected to our corporate activities and may be exposed to human rights risks. This serves as the fundamental principle of our corporate management. We, under our comprehensive human rights policy, are dedicated to carrying out related risk prevention activities that put human rights first.



Human Rights Management System

To implement respect for human rights, LOTTE Data Communication has specified human rights practices in the employee code of conduct while operating an effective human rights monitoring system. Furthermore, we actively promote a variety of human rights campaigns, including operating multiple communication channels, in order to prevent potential human rights violations against employees and block relevant issues in the first place.

Target	Means of implementation	Business
Customers, employees, shareholders and investors, partners, and local communities	Employee education, anonymous reporting system, whistleblowing channel (website), education for partner's employees, community service activities, university-industry cooperation, etc.	Web accessibility certification, production and delivery of accessible telecommunications equipment and services for people with disabilities, etc.

Case: Enactment of the LOTTE Group Human Rights Charter

Under the aim of growing into a future-oriented company that adds value to human life based on its accumulated competencies and experiences, LOTTE Group enacted the 'Human Rights Charte' in June 2022. This standard for correct behavior and value judgment requires the compliance of all employees in course of their business activities and operations. The Charter is anchored in international human rights principles and norms, including the UDHR, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the UN Convention on the Rights of the Child. All LOTTE people shall do their best to faithfully adhere to and practice the Human Rights Charter for ensuring and spreading human rights at the group level.

LOTTE Group Human Rights Charter

LOTTE Group Human Rights Charter



We pursue "human rights management" that can have a positive impact on not only our customers but also our society as a whole, under the goal of contributing to human prosperity. In this regard, we set forth this Human Rights Charter as a standard for decent behavior and value judgment that all employees must comply with in the course of their business activities and operations in order for LOTTE Group to become a company advancing human wellbeing. The Charter is anchored in international human rights principles and norms, including the UDHR, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the UN Convention on the Rights of the Child. We commit to faithfully adhere to and practice this Charter.

- 01 _ We respect the dignity and value of all individuals and prioritize human rights throughout our management activities.
- 02 _ We respect international human rights principles and norms, including the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the UN Convention on the Rights of the Child.
- 03 _ We establish and implement relevant systems and policies, including a human rights management system, to embed respect for human dignity and value in our organizational culture and across the spectrum of management activities.
- 04 _ We strive to protect and promote the human rights of socially disadvantaged, as well as respect the human rights of all stakeholders, including employees, customers, relevant organizations, partners, and local communities.
- 05 _ We do not discriminate based on race, gender, education, age, disability, religion, place of birth, political stance, or any other grounds when hiring or in the workplace, and we pursue an organizational culture of mutual respect and consideration.
- 06 _ We do not condone forced labor or child labor in any shape or form, and comply with the working age set by international standards and local laws of the countries in which we conduct business.
- 07 _ We comply with the legal working hours and minimum wage of the countries in which we conduct business.
- 08 _ We foster a working conditions that prioritizes the safety and health of our employees.
- 09 _ We uphold the constitutional right to freedom of assembly and of association to protect and promote the rights of our employees.
- 10 _ We endeavor to prevent any form of human rights violations in the workplace, such as bullying and sexual harassment, and to provide remedial measures.
- 11 _ We build strong partnerships with our partners on an equal footing for mutual growth and development, and we support and collaborate with them in practicing human rights management.
- 12 _ We do not use raw materials produced in an illegal and unethical manner or in a manner that may raise concerns regarding human rights violations.
- 13 _ We protect personal data acquired in the course of management and business promotion activities.
- 14 _ We comply with domestic and international environmental regulations, we strive to achieve net-zero carbon emissions, environmental conservation, biodiversity, closed-loop recycling, and other environmental goals.
- 15 _ We prevent human rights violations in the course of our management activities, and provide appropriate remedial measures in a timely manner.

We pledge to do our utmost in instilling and advancing human rights management as set forth above.

All employees of LOTTE Group

LOTTE Group's Human Rights Practices

We respect human rights at all times and in all places related to our work.			We familiarize ourselves with and comply with local labor laws and regulations.
We uphold our values and standards regarding respect for human rights and communicate them to our suppliers.			We do not condone child labor in our company or partner's business sites, and we comply with the working age set by international standards and local laws at all times.
We strive to ensure that our business operations do not have any negative impact on human rights.			If there is a need to employ individuals under the age of 18, we consult with our compliance managers and ensure compliance with the working age according to relevant laws and regulations.
We guarantee and defend human rights in the communities where we are established.			We prohibit coercion, confinement, or any form of forced labor.

Practicing Human Rights Management

Human Rights Education

LOTTE Data Communication conducts annual human rights education targeting all employees to enhance their understanding of diversity and promote a sound organizational culture. We consistently strive to enhance awareness of internal human rights by providing programs about improving disability awareness, preventing sexual harassment, and prohibiting workplace bullying.

Human Rights Education in 2022

Topic	Target	Total sessions	Total hours (min)	Completion rate
Improving disability awareness	All employees	1	70	100%
Preventing sexual harassment	All employees	1	220	100%
Preventing workplace bullying	All employees	1	220	100%
Information security	All employees	1	220	100%

Human Rights Management

LOTTE Data Communication operates several communication channels to actively respond to potential human rights issues faced by stakeholders, including employees, suppliers, and customers. We provide counseling for employees regarding human rights-related grievances, as well as other work-related and personal matters, through the in-house grievance counseling channel "Maum Talk-Talk." In the event of any human rights issues, our employees file a report via the whistleblowing channel (also for grievance handling) on our official website so that appropriate actions are taken. The whistleblowing channel is also open to our external stakeholders, encouraging them to report any human rights issues they may encounter.

Additionally, we gather feedback on suppliers grievances, unfair practices, and other issues occurring during transactions through the "Subcontracting Dispute Resolution" channel available on our website. Issues collected through these channels are handled according to standardized procedures. We ensure that the information of individuals involved in the receipt and processing is kept confidential or in a manner that does not violate human rights.

Employee Grievance Counseling Channel "Maum Talk-Talk"

LOTTE Data Communication has been operating the in-house grievance counseling channel "Maum Talk-Talk" since the fourth quarter of 2017. Employees can get counseling on various topics encountered in the workplace, such as department and job rotation, organizational culture, and human relations. To nurture a friendly environment and promote employees' work-life balance, employees can directly appoint the counselor and counseling time and location through the company's HR system.

Grievances Received and Handled Via Maum Talk-Talk in 2022

Topic	Grievances received	Grievances handled	Processing rate
Department/job rotation	21	21	100%
Performance evaluation and compensation	5	5	100%
Organizational culture	1	1	100%
CDP ¹⁾	1	1	100%
Other	7	7	100%
Total	35	35	100%

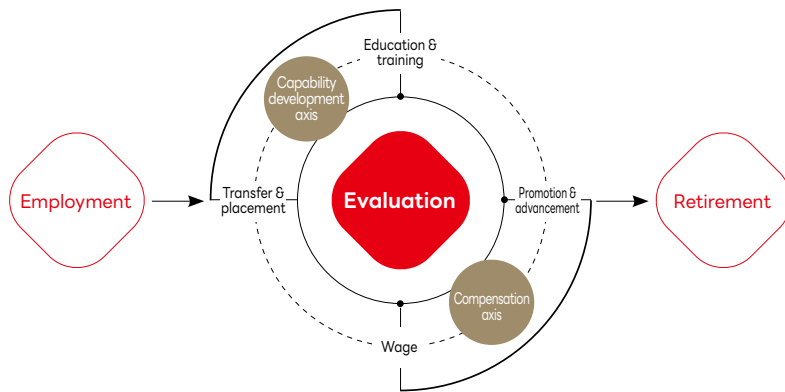
1) Career Development Program

Human Capital

HR System

Acting as the backbone of LOTTE Data Communication's sustainable growth, our employees are the company's most valuable asset and competitive advantage. We conduct fair evaluation of employees' capabilities and qualifications so as to ensure rationality and efficiency in all aspects of HR management, such as position assignment, promotion, and transfer. We aim to foster talents, promote employee motivation, and pursue the development of both employees and the company.

HR System



The most critical elements for the company's development are (a) securing outstanding talent who will actively participate in the company's change and innovation, (b) fostering a sustainable work environment amidst a constantly changing business landscape, and (c) enhancing employees' job competencies. By securing talents who will lead a creative future based on new technologies and experiences, we systematically operate varying talent management programs that focus on developing and fostering our employees' capabilities.

Ideal Talent

	Individuals who are not afraid of failure		Individuals who constantly strive to improve their skills		Individuals who understand collaboration and mutual growth
Challenge		Passion		Partnership	

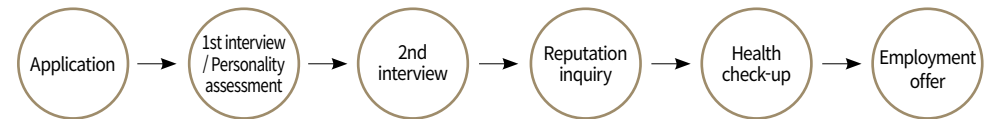
Recruitment of Outstanding Talent

LOTTE Data Communication ensures fairness and transparency throughout the entire hiring process. We evaluate not only the applicant's basic competencies but also their potential for growth. We employ a variety of interview methods to assess applicants' abilities, preventing any chance of discrimination based on factors unrelated to job performance. For new hires, we have transitioned from the previous group public recruitment method, which was divided into the first and second half of the year, to a continuous rolling recruitment method focused on job placement. This allows us to hire a wider range of optimal talents. In addition to this, we operate diverse recruitment channels such as internship conversion programs based on on-the-job training, industry-academia cooperative internships, and more. For experienced hires, we hire on a rolling basis according to the needs of specific job functions or business divisions. This includes open recruitment and employee referral.

Recruitment Process (New Hires)



Recruitment Process (Experienced Hires)



New Hires

(Unit: persons)

Classification	2020	2021	2022	Total
Male	120	316	325	761
Female	100	202	200	502
Total	220	518	525	1,263

Diversification of Recruitment Channels

LOTTE Data Communication hired approx. 80 experienced employees in 2022 through various recruitment channels like employee referral and direct sourcing to recruit outstanding talents suitable for each job position.

Management of Talent Pool

LOTTE Data Communication actively utilizes the talent database within the LOTTE Group's careers website to secure a diverse range of talents. When a job posting is posted, an alert email is sent to the candidates registered in the talent database, and they can immediately apply to the positions they are interested in or aspire to.

External Recruitment Activities

In 2022, LOTTE Data Communication expanded its recruitment activities to several channels including online platforms, job briefs in different regions, university career fairs, and job fairs organized by the Ministry of Employment and Labor. This was in contrast to the limited recruiting conducted exclusively through the metaverse due to the COVID-19 pandemic in the previous year.

Securing Job Competency-oriented Talent – SAP Academy Special Recruitment

LOTTE Data Communication secures talents with high practical job competencies through the “SAP Academy Special Recruitment” program. As part of the program, the trainees undergo competency verification through tasks and interviews. Successful candidates are provided with employment opportunities. We provided employment opportunities to a total of eight individuals through this program in 2022.

Hiring Customized Talent – Year-round Recruitment

LOTTE Data Communication introduced rolling recruitment in 2021, allowing us to secure the necessary talents in a timely and flexible manner. We explicitly state the roles and responsibilities in our job postings and emphasize on identifying candidates who demonstrate a high level of job fit and competencies through coding tests, tasks, and portfolio evaluations.

Securing Future-oriented Talent – Recruitment-linked Internship

LOTTE Data Communication operates recruitment-linked internship programs as a tool to secure talents that will lead the future IT industry. Through our intern hiring process and the internship programs linked to universities in Korea, we provided around 20 individuals with opportunities to gain practical experience in user experience planning and business support. Among them, interns selected as outstanding talents were eventually converted into full-time employees. In addition, we created new job positions in 2022 to offer more internship opportunities in various industries like consulting and smart farming.

Employee Competency Development

LOTTE Data Communication continues to develop training programs and regularly supplements the programs in an effort to ensure the sustainable development of employee competencies.

Training System

Classification	Required competencies	Grade-based competencies		Job competencies (Reskill)	Job competencies (Upskill)	Common	
		Executive competency development	Leader competency development New Leader course			Instilling company vision and core value	Compulsory education
Executives	Management philosophy	Executive competency development					
Key talents	Management competencies	Leader competency development New Leader course		Data	Sales/consulting		
T1 / M1	Managerial competencies	Introductory education for new hires	Onboarding	Cloud	AA	Consulting methodology	Project methodology
T2 / M2					DA		
T3 / M3	Job competencies	Mentoring/OJT		AI	Project management		
					Security		

Training by Position

LOTTE Data Communication's position-specific training enables employees to grow in line with the roles required for each position. New hires undergo a specialized training program so that they can easily adapt to the corporate and organizational culture. Even after the completion of training, we continuously observe whether new hires have successfully integrated with the organization through our onboarding program. In addition, our leadership program is tailored to the career advancement of leaders, assisting in developing their organizational and performance management competencies. In 2022, we conducted competency development programs for executives, team leaders, and managers taking into account the role differences required for each position. Our ‘New Leader program’ is intended for newly promoted leaders to help them to cultivate a leadership mindset.

※A total of 302 trainees took the leadership program in 2022

Training by Task

LOTTE Data Communication operates training programs defined by the competency level required for each position and task. Employees can voluntarily partake in group training and online training (LDCC-MOOC) to enhance their individual competencies in the workplace. The training programs are updated annually to align with business strategies and technological changes. In particular, our customized training programs focus on enhancing the basic competencies of new hires within one to three years in the tech field.

Core Technology Course

LOTTE Data Communication's Core Technology course nurtures experts in emerging technologies. The course offers a variety of lectures and practical programs delivered by internal and external experts in core Industry 4.0 technology fields, such as AI, cloud computing, data analytics, and security. A total of over 5,100 employees completed the course between 2020 and 2022.

Certification Support System

LOTTE Data Communication also operates a system that provides financial assistance for employees' certification exams and extensions. As of 2022, we provided financial support for the exam fees for approx. 50 IT-related certifications. The system is updated each year, taking into account technological demands and the company's strategic directions.

Mandatory Competency Development Programs

LOTTE Data Communication conducts training through online and offline channels to disseminate the competencies that all employees should cultivate collectively. In 2022, we helped our employees build their essential competencies by training them on project methodologies, consulting methodologies, and more. We plan to gradually expand the programs in 2023 as well.

Byte Class

At LOTTE Data Communication's "Byte Class," in-house experts from each field provide lectures to share their knowledge each month. A "byte" refers to the unit of data, and it can also be read as "bite." The Byte Class is aimed at promoting knowledge sharing and nurturing a self-directed learning culture within the organization. The course also includes special lectures and participatory training on several topics like metaverse, non-fungible tokens, law, and so on.

Outplacement Support Program

LOTTE Data Communication provides active support to employees aged 50 and above nearing their retirement. Our outplacement program is designed to help our employees transition to a new chapter in life after retirement. Focusing on career planning, career counseling, and startup education provided by professional agencies, the program's goal is to prevent retirement syndrome and enable systematic career management.

Outplacement Support Program

Career planning

- Basic course on designing your life
- How to develop a career plan

Job placement

- Designing your lifelong career
- Job placement

Employment and startup education

- Employment education
- Startup education

Fair Evaluation and Compensation

LOTTE Data Communication's promotion and compensation system varies according to employee competencies. We conduct competency evaluations to measure the level of competency and performance that employees must have, whereas performance evaluations measure the degree of achievement of their goals. Through such objective evaluations, we strive for a fair and transparent promotion and compensation system.

Performance-oriented Evaluation

LOTTE Data Communication conducts employee performance-oriented evaluations twice a year to secure and nurture talent for promoting innovation through collaboration rather than internal competition. The evaluation takes place at the beginning of the year, where the evaluators and evaluatees determine the appropriate key performance indicators (KPIs) through prior consultation. In the mid-year evaluation, progress and achievement plans are reviewed, and the final evaluation is held in November.

Job Competency Evaluation

LOTTE Data Communication conducts annual competency evaluations for employees. The employees are evaluated in terms of both technical competencies and behavioral competencies related to their job and roles. For managerial positions, the evaluations also cover job behavior competencies and leadership competencies. With our job system consisting of five groups, 11 levels, and 42 functions, we verify the appropriateness of competencies for each job through a consultative group and conduct management systematically through regular updates.

Performance Evaluation Items and Description

Evaluation item	Description	
Achievement evaluation	Degree of achievement for individual goals of the year	
Competency evaluation	Leadership	Change leadership, subordinate development, performance orientation, implementation ability
	Technical competencies	Levels of defined competencies for each job
	Behavioral competencies	Levels of defined behavioral competencies for each job group

Culture of Value Creation

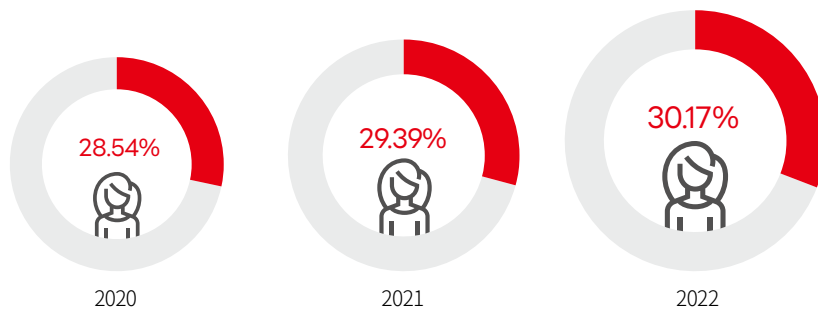
Respect for Diversity

LOTTE Data Communication does not discriminate based on gender, race, nationality, age, disability, and political stance, aiming to foster a culture that respects the diversity of its employees. We strive to create a work environment that eliminates gender gaps, promotes the employment of people with disabilities, and improves the overall working conditions with a focus on diversity. As of the end of 2022, we achieved approx. 30% representation of female employees and approx. 3% representation of foreign, disabled, and veteran employees as compared to the total workforce.

Female Employment and Management Status

LOTTE Data Communication is committed to ensuring equal opportunities in employment, promotion, evaluation, and welfare, without discrimination based on gender. We promote a fair and inclusive work environment for both men and women, striving for equal pay. Furthermore, through proactive efforts to recruit more female employees, we achieved a men-to-women ratio of 62 to 38 in terms of new regular hires in 2022.

Ratio of Female Employees



※Based on the total number of employees

Employment of Foreign Workers

LOTTE Data Communication actively recruits foreign workers in line with our overseas market strategy. As an example, we are expanding our business references in the field of financial system integration in Vietnam, including winning contracts for projects such as the intrabank payment customer accounting system upgrade from Agribank, the largest commercial bank in Vietnam. Thanks to such efforts, we successfully expanded our presence with three branches in Vietnam and Indonesia. Additionally, we hired workers from the two countries who were originally studying in Korea. Even after the hiring, we continually support them for visa issuance and extension procedures. We also offer assistance for smooth departmental adaptation, counseling for any challenges they may face, and welcome kits to improve their living conditions related to their stay in Korea. We plan to continue our efforts by exploring collaboration with local universities in Vietnam for the expansion of our offshore business. This is in line with our initiative to expand offshore centers and secure foreign labor.

Status of Employment and Management of People with Disabilities

LOTTE Data Communication puts relentless efforts into fulfilling our corporate social responsibility. We improve employment opportunities for vulnerable groups, enhance work environments, expand employment opportunities for people with disabilities, and partner with organizations that support the employment of people with disabilities. As of the end of 2022, we have employed over 40 individuals with disabilities, with the employment rate of people with disabilities exceeding the statutory requirement of 2.5% based on the number of regular employees. Furthermore, we signed contracts with sports coaching and training agencies in 2021, and we employed athletes with disabilities in a variety of fields like table tennis, billiards, and swimming. We encourage them to pursue their career by providing them with stable training opportunities. Also, we actively promote the employment of people with disabilities by establishing active business partnerships with sheltered workshops. This is to improve the employment environment for vulnerable groups who are in employment blind spots. With our efforts to improve job environments for vulnerable groups highly recognized, we were selected as Korea's "Best Company in Employment" for two consecutive years, starting from 2020. The Best Companies in Employment are selected after a comprehensive consideration of several indicators related to work-life balance; youth employment; consideration for jobs for women, people with disabilities, and the elderly; labor-management partnership; and mutual growth. We scored high in work-life balance, job consideration, and mutual growth indicators. We will continue our efforts to expand employment opportunities for socially disadvantaged and vulnerable groups in the future.

※According to the Act on the Employment Promotion and Vocational Rehabilitation of People with Disabilities, when employing one person with severe disabilities, it is deemed to have employed two people with disabilities.

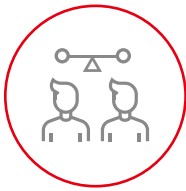
Building a Value Creation Culture

LOTTE Group aims to create a corporate culture where all members share their hearts and thoughts to create greater value. In line with this, the Group is building a culture of value creation that enhances “employee happiness” through respect for different lifestyles, “corporate value” through the convergence and innovation of diverse ideas, and “social value” through win-win relationship with various stakeholders.

LOTTE Data Communication, in response, conducted a comprehensive organizational culture diagnosis through external consulting in 2021. We derived tasks for improving our organizational culture based on the results. In the following year, we promoted a sound organizational culture by expanding cross-functional communication through executive workshops, competency development of team leaders and managers, and town hall meetings.

Innovating Organizational Culture

LOTTE Data Communication devised three policies to innovate organizational culture.



Realization of a Horizontal Organizational Culture

We reorganized our job position system from a five-level to a three-level in an effort to promote swift decision-making and execution. We defined the competency level required for each position to cultivate a culture where employees' job skills and competencies can be recognized within the organization based on objective standards, rather than hierarchical relationship determined by position or seniority.



Facilitation of Internal Communication

We continuously provide opportunities for communication between the CEO, executives, and employees through CEO meetings like ‘Ou-seo-o CEO (Meeting with the CEO)’. In March 2022, we launched a new “technical knowledge sharing” platform to facilitate the sharing of technical knowledge throughout the organization and foster a more agile organizational culture.



Enhancement of Flexibility in Working Hours and Place of Work

We introduced a flextime system that allows employees to maintain their work-life balance while increasing their work efficiency. Employees can freely set their commuting hours outside of focused working hours (10 AM to 4 PM). Employees can also choose to work from home or at our smart office located in Jamsil, depending on the nature of their work.

GWP Activities

LOTTE Data Communication promotes Great Work Place (GWP) activities to nurture a flexible and creative organizational culture. Since the launch of the GWP Promotion TF in 2017, we have made various efforts to enhance company-wide communication and build an advanced organizational culture unique to LOTTE Data Communication. We operate the communication council “Wannabe,” hold regular meetings, handle grievances through site visits and opinion collection. We also focus on improving our systems considering the diversity among our employees.

Culture-Rise: A communication Channel for Changing Organizational Culture

Culture-Rise is one of our communication channels for sharing improvements in the overall organizational culture. Relevant notices are regularly posted via the company website. Embodying the meaning of “Let’s have our organizational culture rise,” Culture-Rise promotes continuous communication not only for improving organizational culture but also for changing the way of working.

“Ou-seo-o CEO (Meeting with the CEO)”

“Ou-seo-o CEO” was launched in 2021 based on the CEO’s will to actively communicate with employees. The name of the meeting implies a welcoming and inclusive tone, emphasizing the intention to communicate without exerting authority. During the meeting, employees can communicate freely with the CEO. Unlike business meetings, it takes place for the sole purpose of communication. Most notably, the meeting prioritizes on-the-ground interactions rather than focusing on certain positions or job roles that have frequent opportunities to meet the CEO. In 2022, we provided opportunities for communication with new hires and the employee-led communication council, “Wannabe.”



Certified Family-friendly Company

LOTTE Data Communication strives to promote a work-life balance by actively engaging in activities that align with family-friendly management. This includes support for childbirth and child rearing, flexible working hours, fostering a family-friendly organizational culture, and improving the annual leave utilization rate. As a result, we have maintained our family-friendly company certification since 2013. The certification is granted by the Ministry of Gender Equality and Family to companies operating exemplary family-friendly systems, including support for childbirth and child rearing, flexible working hours, and fostering a family-friendly workplace culture, in accordance with Article 15 of the Act on the Promotion of Creation of a Family-Friendly Social Environment.

Family-friendly Company Certifications

Period	Description
Feb. 2013 – Dec. 2016	Acquired family-friendly certification (3 years)
Dec. 2016 – Dec. 2018	Extended the certification (2 years)
Dec. 2018 – Nov. 2021	Recertified as family-friendly company (3 years)
Dec. 2021 – Nov. 2024	Recertified as family-friendly company (3 years)

Wannabe: Employee-led Communication Council

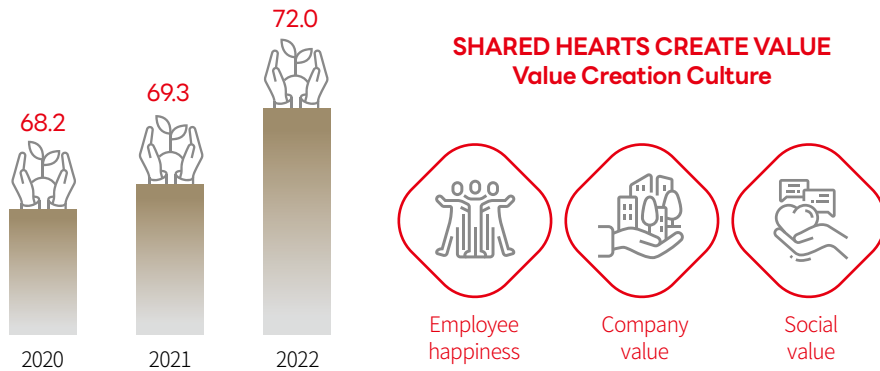
LOTTE Data Communication operates the employee-led communication council “Wannabe” in an effort to create an organizational culture that meets the needs of employees. Wannabe emBoDies the meaning of “a company where everyone is satisfied and wants to work.” Consisting of boards organized by position, the council serves for a year to encourage all employees to engage in improving the organizational culture. In 2021, we officially appointed Wannabe members as the Wannabe managers of the GWP Promotion TF, reinforcing their representation among employees. Wannabe has been in operation for five years. The 5th Wannabe council in 2022 took place with three boards—Junior Board, Middle Board, and Leader Board—replacing the previous four committees. The council also carried out a wide range of activities to enhance communication among employees, shifting from a task-based approach to one that emphasizes gratitude. These include “Thank You” events to express appreciation among colleagues and forums to gather opinions and concerns from experienced hires.

Employee Satisfaction Survey

LOTTE Data Communication conducts an annual “diagnosis on the culture of value creation” to identify employee satisfaction and organizational culture levels among all employees. Through our efforts to build a healthier organizational culture based on the findings of the survey, employee satisfaction has continued to rise for three consecutive years. In particular, we saw a high positive response rate of an average of 71% in terms of “cooperation/respect” and “adherence to principles” among employees. We also expanded communication opportunities by holding CEO roundtables, events, and volunteer activities that catered to the needs of employees. We also shared organizational changes through platforms like Culture-Rise and the company magazine.

Result of Value Creation Culture Diagnosis

(Unit: points)



Changes made by Wannabe

Classification	Name of program	Description
Health and Welfare	Expansion of health checkups	Expansion of health checkup period, health checkup vacation support
	Support for psychological counseling and health management	Established the Health Administration Office for psychological counseling and health management
Work Environment	Employee counseling channels	Established Maum Talk-Talk; promoted and facilitated the in-house whistleblowing channel
	Flextime system	Introduced selective working hours; designated focused work hours
	Ensuring use of annual leave	Removed the mandatory provision of reasons for taking annual leave; expanded the mandatory annual leave; introduced the family vacation system
	Implementation of the work management system	Required to enter actual working hours based on the monthly work plan; introduced a compensatory leave system
	Expansion of Casual Day	Introduced a casual dress code policy; extended lunch break
	Introduction of 5LL-Leave Friday	Employees can leave work at 5 PM on the second Friday of every month
Marriage, Pregnancy & Childbirth	Introduction of infertility support program	Financial support for infertility treatments; introduced the new infertility leave system
	Expansion of paternity leave	Granted 1 day of congratulatory leave and 10 days of paternity leave
	Expansion of marriage benefits	Provision of wedding gifts; expanded financial support for family events
Communication and Sharing	Enhancement of leaders' communication skills	Regular leadership training and evaluator training
	Facilitation of on-site communication	Regular on-site visits and company-wide meetings
	Diversification of communication channels	Live meeting (CEO LIVE Talk) and regular updates on Culture-Rise
	Establishment of a company-wide sharing channel	Regular sharing of internal issues and announcements; established a technical knowledge sharing platform
	Wannabe campaign	Production of web dramas; sharing of exemplary departmental culture cases; selection of Fearless Leaders
	Character production	Production of company characters and various promotional and visual materials

Work-Life Balance

Employee Benefits Programs

LOTTE Data Communication has a variety of benefits programs in place to help employees balance their work and family life. These programs are applied to all employees, and most of the system except for a few¹⁾ are also provided to temporary workers. We plan to continuously improve the programs by actively listening to the opinions and demands of our employees through consistent communication.

Welfare Benefits Programs

Classification	Program	Description
Health & Life Support	Family events	Financial assistance for family events like marriage, childbirth, and death
	Group accident insurance	Accident insurance for employees and their spouses
	Regular health checkups	Health checkup
	Family care leave and vacation program	Leave or vacation for childrearing and family care
	Student loan interest ¹⁾	Full support for interest on student loan availed by employees
Leisure and Self-Development Support	Use of condo	Granting employees to use affiliated condos
	Support for club activities	Financial assistance for in-house club activities
	Language learning and acquisition of certification ¹⁾	Financial assistance for examination and extension fees for job-related certifications, as well as language school tuition fees
	Selective working hours	Flexible working hours outside of mandatory working hours (focused working hours)
	Refresh vacation	Annual leave for 3 consecutive days (2 times each in the first and second half of the year)
	Sabbatical leave	5-day sabbatical leave for employees with a minimum of 3 years of tenure
	Selective benefits	Provision of welfare points
	Family vacation	4-day family vacation every year
Pregnancy & Childbirth	Reduced working hours during pregnancy	Reduction of working hours by up to 2 hours a day
	Gifts for pregnancy and childbirth	Gifts for marriage, pregnancy, or childbirth
	Paternity leave	Paternity leave for spouse's childbirth
	Parental leave	Parental leave of up to 2 years (mandatory 1 month for male employees)
	Infertility support	Financial assistance for infertility treatment, therapy, and leave
Parenting Support	Gifts for employees' children entering schools	Gifts for employees' children entering schools
	Children tuition fee	Financial assistance for children's tuition fee
	Workplace daycare center	Use of workplace daycare centers and local daycare centers through outsourcing
	Reduced working hours during children's infancy	Reduction of working hours by 1-5 hours a day
	Leave during school enrollment period	Leave for female employees with children who are about to enter elementary school

1) This does not apply to fixed-term workers

Insurance and Pension Plans

LOTTE Data Communication offers group accident insurance to ensure employee safety and health. We also run pension plans in accordance with the Enforcement Decree of the Act on the Guarantee of Employees' Retirement Benefits, while accumulating and managing financial resources for severance pay in external financial institutions to ensure stable payment of retirement benefits.

Insurance and Pension Programs

Classification	Plan	Description
Insurance	Death	Death due to illness or accident; accident-related disorder
	Diagnosis fee	Cancer, cerebrovascular disease, and diseases with bloody discharge
	Medical expenses	Hospitalization expenses; outpatient medical expenses; prescription expenses
	Other	Death from overwork; hospitalization bill
Pension	Retirement benefits	Defined benefits (DB), Defined contribution (DC)

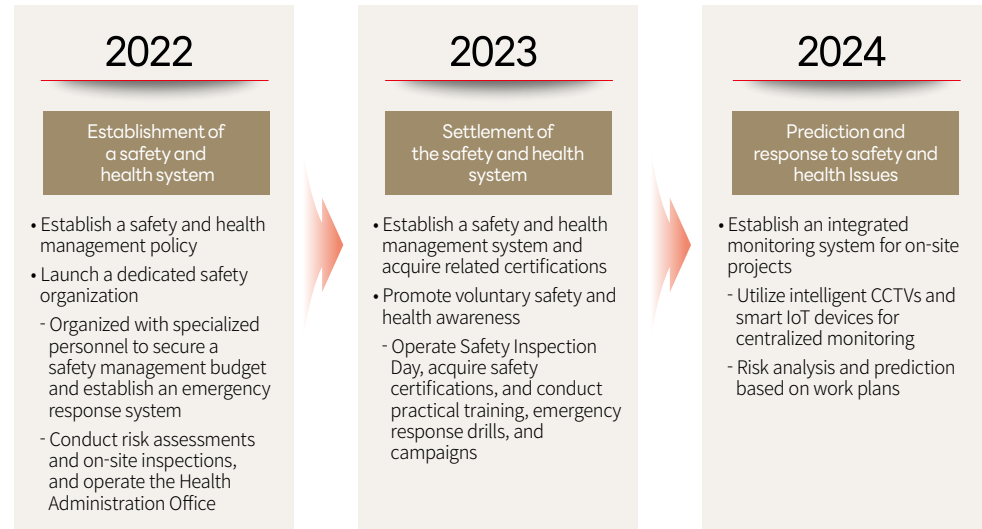


Safety and Health Management

Safety and Health Management System

LOTTE Data Communication puts the lives and safety of its employees and related workers as the top priority in management. Through continuous risk prevention activities and the foundation of a voluntary safety and health system, we strive for the highest level of safety management in the industry. Under the management goal of “creating a safe and happy workplace for both employees and customers,” we continuously carry out preventive activities in safety and health, securing the capacity for on-site safety management. In 2022, we established a safety and health management system through the standardization of on-site safety management guidelines and forms. We also have a company-wide emergency response system in place to prepare for disasters and emergencies through regular training. For the year 2023, we plan to obtain ISO 45001 certification and build a robust voluntary safety and health system.

Safety and Health Action Plan



Safety and Health Management Policy and Safety Rules

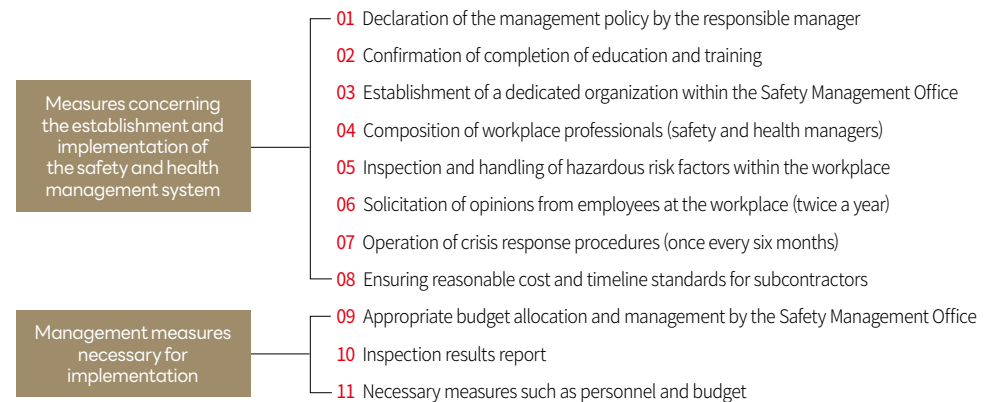
Management Policy

We put the lives and safety of our employees and related workers as the top priority in management, and establish a voluntary safety and health management system to prevent and respond to accidents.

Safety Rules

- All employees shall take ownership of safety and health and have a sense of responsibility for the safety of themselves and their colleagues.
- All employees shall strive to eliminate risk factors, harmful environments, and unsafe behaviors in the workplace while building a safe work environment.
- All employees shall carry out continuous preventive activities to protect the lives and safety of not only employees, but also stakeholders including partners in business facilities subject to safety management.
- All employees shall comply with safety and health laws, collect opinions on safety and health from experts, and reflect them in their work performance.

Main Safety and Health Activities



Safety and Health Governance

Launched the Safety Management Office

In July 2021, LOTTE Data Communication launched the Safety Management Office dedicated to ensuring the safety and health of all employees, customers, and partners in the workplace. The organization is aimed at strengthening safety and health management through organic communication activities among departments and relevant agencies. The Safety Management Office holds regular meetings with the Industrial Safety and Health Committee once every quarter. The committee discusses activities related to the establishment of safety and health systems, such as on-site inspections, education and training, health management, and improvement requests, deliberating and deciding on necessary matters. Business sites with 300 or more employees, in particular, have separate workplace safety and health management organizations installed.

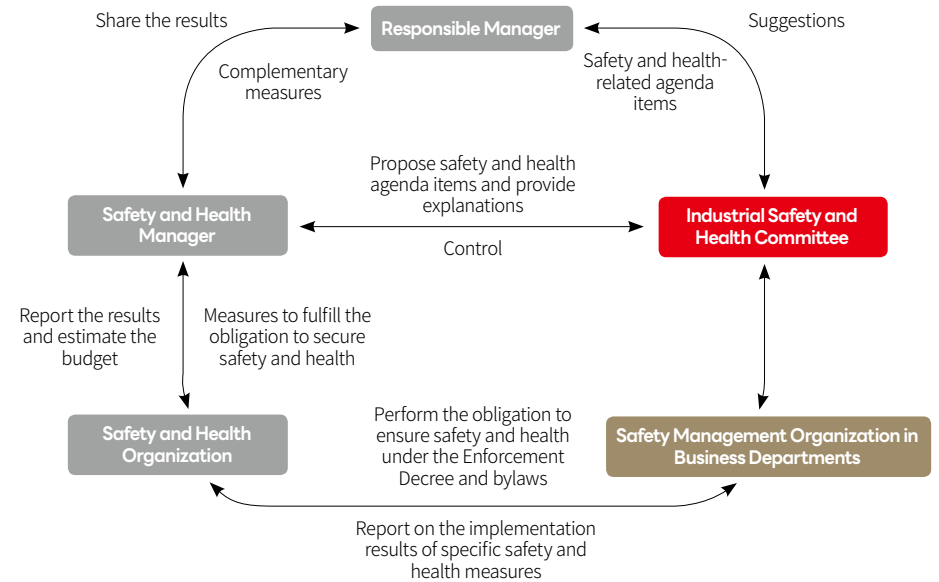
Industrial Safety and Health Committee

LOTTE Data Communication holds quarterly Industrial Safety and Health Committee meetings attended by representatives of labor and management, along with site managers and safety and health managers. The committee discusses and decides on important matters related to safety and health. It aims to ensure workplace safety for employees by establishing industrial accident prevention plans, reviewing safety and health management regulations, providing safety and health education and training, conducting workplace inspections and improvements, investigating industrial accident causes, and carrying out activities to prevent recurrences.

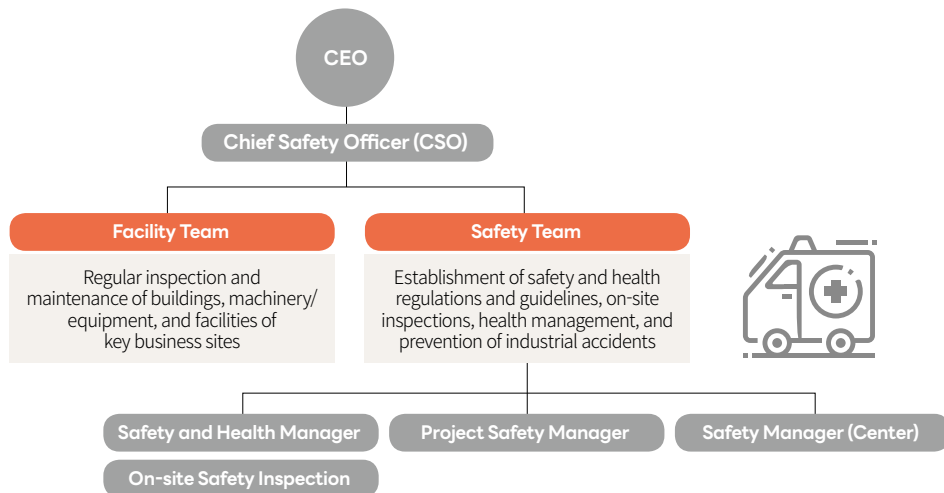
Regular Partner Council

LOTTE Data Communication holds monthly safety and health council meetings together with construction partners for maintenance projects and call center partners. As part of our efforts to take responsibility for the safety and health of partner workers, we discuss on-site safety and health issues, share health-related information, and implement training programs through the council.

Safety and Health Management Operation Process



Composition and Key Roles of the Safety and Health Organization



Internalization of Safety and Health Management

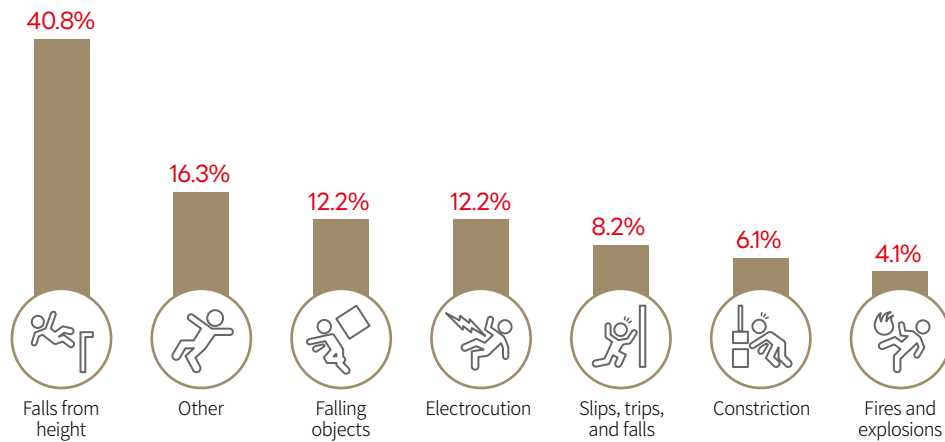
Safety Education

As a measure to raise employees' safety and health awareness, LOTTE Data Communication conducts safety and health education every quarter targeting 500 individuals from different groups (e.g. field workers, office workers, new hires). In addition to the compulsory education, we conduct four rounds of in-house training (for 202 project managers) to disseminate safety management strategies and case studies on related accidents. Furthermore, we provided hands-on training to field supervisors and managers. Our plans for 2023 include expanding the scope of the hands-on training to all employees involved in projects so as to further strengthen our safety and health capabilities and solidify our voluntary safety and health system.

Efforts to Spread Safety Culture

LOTTE Data Communication endeavors to spread a safety culture by conducting regular fire drills (volunteer fire department) and operating a safety reporting system. We also conduct risk assessments for all business sites to identify potential hazards in the work environment. We will further solidify our commitment to health and safety through the CEO's declaration and employee safety pledges.

Risk Analysis Based on Site Inspection Results in 2022



Support for Partners' Safety and Health Management

LOTTE Data Communication implements a supplier qualification evaluation program to enhance the safety and health management capabilities of our suppliers. We grant only pre-qualified partners to participate in bids. We also examine the adequacy of their safety and health system through annual safety and health level evaluations. In relation to on-site safety inspections, we undertake a comprehensive assessment not only of our own employees' safety but also of the safety and health risks associated with our suppliers. Where deemed necessary, we extend safety and health consulting and assistance to ensure a secure working environment for both our organization and our suppliers.



Safety operations guide for field workers

Safety and Health Management Practice

Workplace Safety and Health Management

Regular Safety Inspections

All LOTTE Data Communication business sites conduct regular safety inspections at least once every quarter and perform accident prevention and improvement activities. The inspections focus on checking compliance with legal inspection deadlines for facilities such as buildings, firefighting systems, machinery, hazardous materials, and workplace environment. We monitor whether the inspections are carried out and the actions made for any nonconformities. In 2022, we conducted a comprehensive inspection of firefighting systems, as well as 46 mandatory inspections and regular inspections at each business site. As a result, a total of 149 nonconformities were identified, all of which were improved accordingly.

On-Site Safety Inspections

To prevent safety accidents, LOTTE Data Communication ensures on-site inspections are conducted on a regular basis and the inspection results are reported to the Occupational Safety and Health Committee every month. The safety manager establishes a monthly inspection plan in consideration of the inspection frequency based on the scale of construction expenditures. The employee inspects the safety management status according to risk factors and the establishment of health and safety systems. From January to December 2022, we carried out a total of 164 inspections for 26 construction sites. A total of 74 nonconformities were identified, all of which were addressed and resolved. Additionally, we conducted 44 inspections for non-construction project office environments, and we provide safety, health, and fire safety education. We ensure that our regular inspection activities contribute to creating a safe work environment for all employees and workers of both our company and partners. We intend to continue investing in workplace redundancy by adopting a safety and health management system.

Safety Inspection Frequency Based on The Scale of Construction Expenditures

Budget (in KRW)	Inspection frequency
8 billion or more	Initial inspection, monthly inspection during construction, and final inspection
2 billion – less than 8 billion	Initial/interim/final inspections
100 million – less than 2 billion	At least once during construction
Less than 100 million	As needed

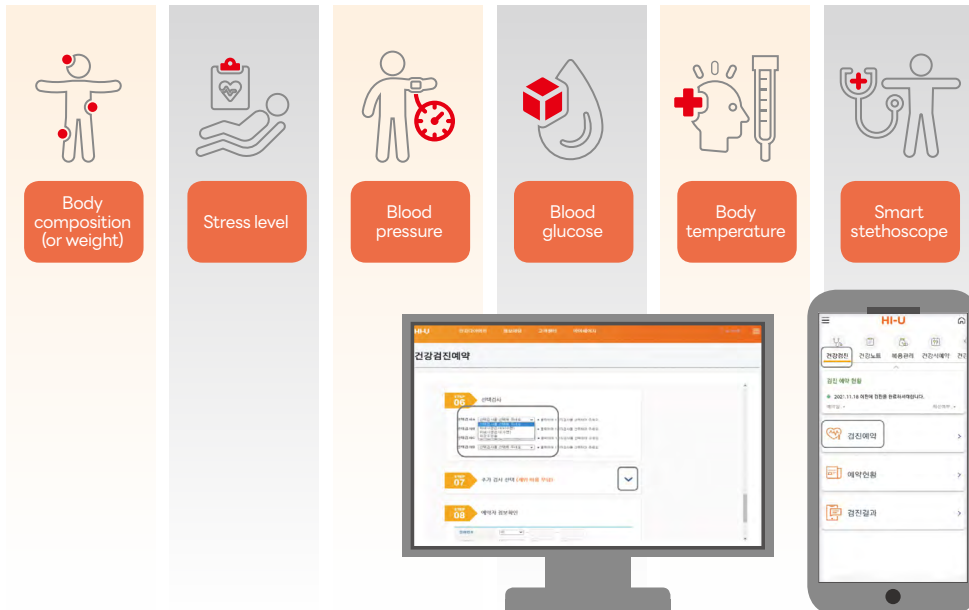
Employee Health Management

Health Administration Office

LOTTE Data Communication operates the Health Administration Office to ensure workplace safety and employee health. The office is comprised of a measurement room equipped with facilities for body composition analysis and blood pressure, blood glucose, and stress level measurements. The refreshment room has massage chairs to help employees recover from fatigue, and the treatment room is for first aid purposes. The Health Administration Office has a health administrator with a nursing license who provides tailored counseling services, from emergency treatment for health abnormalities to detailed information and consultation on health checkup items and the results. Employees at business sites can access consultation services at any time via phone or video conferencing.

With a range of devices available at the measurement room, such as Inbody scans, blood glucose and pressure monitors, and stress meters, an average of approx. 200 employees visited the office at their desired time in 2022. Employees can save their health-related figures and track the records by linking them with the 'HI-U' app, a web/mobile-based health management platform developed by LOTTE Data Communication. Going forward, we will gradually make updates to manage employee health data comprehensively.

HI-U Healthcare Zone and Application



Support for Employee Health

LOTTE Data Communication conducts regular health checkups for our employees. Office workers and field workers get regular checkups once every two years and once a year, respectively. Special health screenings are provided for shift workers and other special workers. We have moved the scheduling of health checkups from the previous month of May to March, allowing for early reservations and ensuring a smooth examination process. Furthermore, in 2023, we plan to expand our network of health screening facilities and conduct satisfaction surveys to enhance the health checkup system. We also have systematic health counseling programs in place. In 2022, we conducted 'on-site health counseling' for field workers, providing tailored programs like one-on-one consultations on screening results and group education on preventing musculoskeletal disorders. We are expanding support for customized and ongoing health management in case of serious medical conditions. Our plan for 2023 includes adding a risk assessment for cerebrovascular and cardiovascular diseases and introducing more health management programs (e.g. smoking cessation, walking).

Activities to Cope with COVID-19

All employees, including supervisors, of LOTTE Data Communication observe a rotating telecommuting system as part of the company's initiative to prevent the spread of COVID-19. In order to provide a safer work environment for all our employees as well as partner workers, we provided around 12,000 sets of sanitary supplies to the headquarters and construction sites in 2022. We also made sure that they are regularly informed of government protocols regarding the wearing of masks indoors and outdoors. Even after the end of COVID-19, the Health Administration Office will build a seasonal infectious disease prevention system and operate responsive procedures to minimize the spread and impacts of infectious diseases.



Mutual Growth

Mutual Growth Management

Mutual Growth Governance

LOTTE Data Communication has established a Mutual Growth Management Team within the ESG Office and appointed managers with the goal of fostering mutual growth with suppliers through a comprehensive collaborative framework. We also provide guidance to our suppliers on subcontracting matters.

Mutual Growth Governance and Direction



Direction for Mutual Growth

LOTTE Data Communication aims to become a global IT company that establishes the foundation for mutual growth and shares a clear vision of forming symbiotic relationships with stakeholders. We are committed to pursuing mutual growth through fair transaction and support systems, aiming to empathize with and achieve 'co-prosperity' growth with our partners. Our cooperative network helps stabilize the management of our partners, and we are expanding various types of support in areas such as finance, R&D, and training. With our efforts recognized, we obtained an excellent rating in the 2022 mutual growth index assessment.

Mutual Growth Activities

Mutual Growth Programs

In line with LOTTE Data Communication's commitment to practicing the LOTTE corporate philosophy that prioritizes mutual growth and development with partners, we hold a range of activities to support partners' growth. Firstly, we nurture a transparent trading culture with our partners, aiming to establish a business environment where we can grow with partners based on mutual trust. In addition, we operate various activities to help our partners enhance their competitiveness.

Technical Support

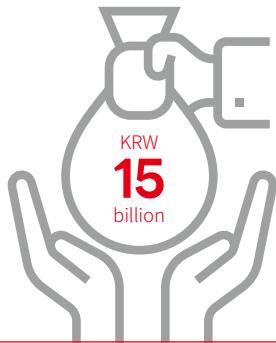
LOTTE Data Communication's technical support programs include R&D support and technology protection. Through the program, partners can engage in R&D activities such as new technology development, product localization, and collaborative research, and further bolster their technological competitiveness. We also strongly recommend our partners use the 'Technical data escrow' system¹⁾ of the Korea Foundation for Cooperation of Large & Small Business, Rural Affairs (KOFCA), to store and protect their core technologies. We financially assist them in paying the deposit cost, and we plan to gradually expand the amount of support.

1) Technical Data Escrow: A sophisticated system designed to safeguard a company's critical technical data and proprietary trade secrets within a specialized facility. This dedicated center serves as a tangible testament to the company's technological advancements and is geared towards bolstering the preservation of SMEs' technological assets. This strategic initiative is aimed at preemptively shielding SMEs' technologies from potential leaks or disputes arising from technical data. Moreover, it contributes to establishing an equitable trading environment by empowering commissioning entities (SMEs) to proactively prevent core technology leaks, while providing confidence to commissioned entities (such as larger companies and public institutions) in utilizing these technologies.

Financial Support

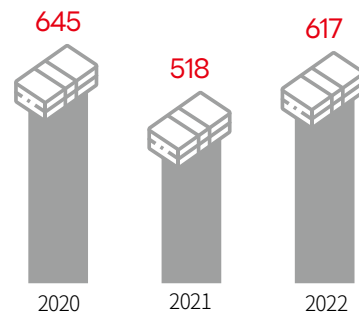
LOTTE Data Communication's financial support programs include fund management, early payment, and cash settlement. As a measure to support our partners' liquidity, we have been operating the mutual growth fund worth KRW 12 billion since 2018. In 2021, we actively considered the challenging business environment faced by our partners, especially the impact of the COVID-19 pandemic, adding KRW 3 billion to the fund. The fund now totals KRW 15 billion to date. We utilize the fund to help our partners in securing operating funds, carrying out R&D, and investing in new businesses, which all contribute to enhancing their competitiveness in the medium to long term. Furthermore, we created a cooperation fund within the KOFCOA to lay the foundation for supporting partners' business activities. We also plan to continue establishing relevant policies such as early payment within 10 days after issuing tax invoices, cash settlement, and expanding interest rate benefits, so that our partners can manage their funds effectively even in high-interest rate periods.

Mutual Growth Fund



Status of Early Payments

(Unit: KRW 100 million)



Training and Recruitment Support

LOTTE Data Communication has several programs that assist its partners in recruiting and training employees, which contribute to enhancing their competitiveness. Especially for SMEs, we reduce their burden for talent recruitment through support for online recruitment and participation in job fairs. We also operate online and offline training programs and provide support for partners' employees to obtain job-related certifications, allowing them to grow as excellent professionals. 758 employees of partners completed the training in 2022. As of April 2023, we offer around 1,700 courses in IT, management, general knowledge, and other areas.

Communication with Partners

LOTTE Data Communication actively engages with partners through diverse communication channels, including KakaoTalk, hotlines, surveys, emails, and websites. We employ these channels to collect opinions and grievances arising during transactions, unfair practices, and inquiries related to mutual growth programs. We also engage in face-to-face communication by visiting partners' workplaces. The purpose of utilizing a variety of communication channels is to enhance relationship with partners on a deeper level.

Partner Communication Channels



Meetings

- Execution of fair trade agreements with suppliers
- Practical communication and collaboration among staffs, along with sharing information
- Regular participation in purchasing consultations to support suppliers in expanding their market reach
- Annual hosting of technical seminars for suppliers, providing key solution promotions to purchasing, sales, and relevant business department personnel



Social Media

- Q&A on major inquiries through a chatbot
- Push notifications on the progress of price quotations, placing orders, making payments, etc.
- Promotion of partners' key solutions

Supplier ESG Management System

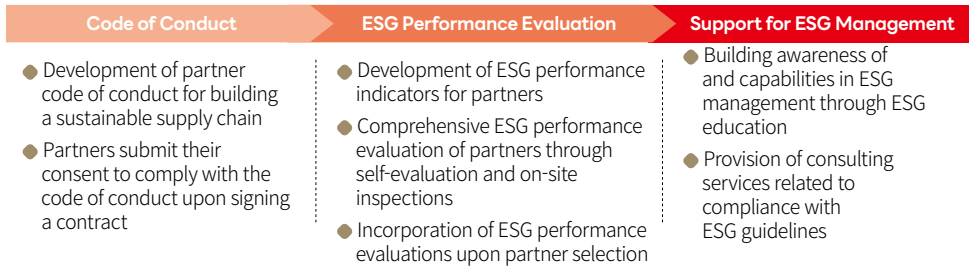
Establishment of Sustainable Mutual Growth Ecosystem

LOTTE Data Communication is diligently constructing a sustainable ecosystem for mutual growth with suppliers, with the goal of realizing the value of co-prosperity that contributes positively to the future. We consider our suppliers as crucial stakeholders in sustainable growth and are dedicated to enhancing their ESG capabilities through comprehensive support, encompassing financial liquidity assistance and ESG management consultancy.

Code of Conduct

LOTTE Data Communication ensures anti-bribery and ethical risk management for partners in accordance with the “management of third parties” clause of Article 12 of the Integrity Practice Rules. We act toward eradicating unethical behavior, including fraud and corruption, by requiring our partners to sign the pledge to practice business ethics. This is to reaffirm fairness and transparency during transactions with partners. We also have a fair transaction pledge system in place targeting partners participating in the bidding, and this enables us to identify risks of unfair actions such as collusion between bidders. We prohibit partners found to be in violation of these rules from doing business with us for two years.

Partner ESG Management Process



Fulfillment of Social Responsibility through Partners' ESG Management

ESG Performance Evaluation

LOTTE Data Communication plans to introduce a policy that considers the sustainability level of partners during the evaluation and selection process. When entering into contracts with partners, we will make sure to include provisions regarding human rights protection, environmental pollution prevention, and accident prevention, among other ESG management requirements. We also plan to establish a system that promotes the improvement of partners' ESG management systems. We developed 40 customized indicators that comply with KOFA's 'Standard ESG Guidelines for SMEs.'

ESG Performance Indicators for Partners

Classification	Performance indicators
E (Environmental)	Environmental policy, energy conservation, climate change adaptation, and environmental impact
S (Social)	Social security insurance, employment regulations, and mandatory legal training, among others
	Health and safety management system, and safety operations, facility safety, among others
	Contract negotiation and procedures, privacy protection, and intellectual property protection
G (Governance)	Board composition, deliberation results, and general meeting of shareholders
	Business ethics, ESG guidelines, and disclosure of non-financial information

ESG Management Support for Partners

Enhancing Partner's Sustainability

LOTTE Data Communication not only strives for ESG management, but also provides our partners with opportunities for improving their management environment in terms of ESG in the future. In 2022, we provided ESG-related education for 130 SMEs and offered consulting on complying with the ESG guidelines to 10 outstanding partners. Out of those partners, a total of eight companies that have achieved the ESG goals provided by LOTTE Data Communication were selected as excellent ESG companies by the KCCP and awarded incentives and rewards for their performance. We continue to expand various types of support like financial assistance, R&D support, and job training to ensure the stability of our partners, and we incorporate their feedback through continuous communication.

Achievements in Partner ESG Management Support

ESG consulting provided to

10 companies

ESG goals achieved by

8 companies

Strengthening Information Security

Information Security System

Amidst the rapid advancements in information and communication technology driven by the Fourth Industrial Revolution, the significance of information security and personal data protection has grown exponentially. In response, LOTTE Data Communication has established information protection systems and frameworks to ensure the secure safeguarding of corporate and customer information. Leveraging the expertise accumulated in information security management since our establishment in 1996, we offer specialized information security consulting and solutions to a diverse range of clients. Our subsidiary companies also adhere to individual information protection policies based on LOTTE Data Communication's information security guidelines. Moreover, we conduct annual regular assessments of our suppliers to ensure the utmost dedication to safeguarding customer information.

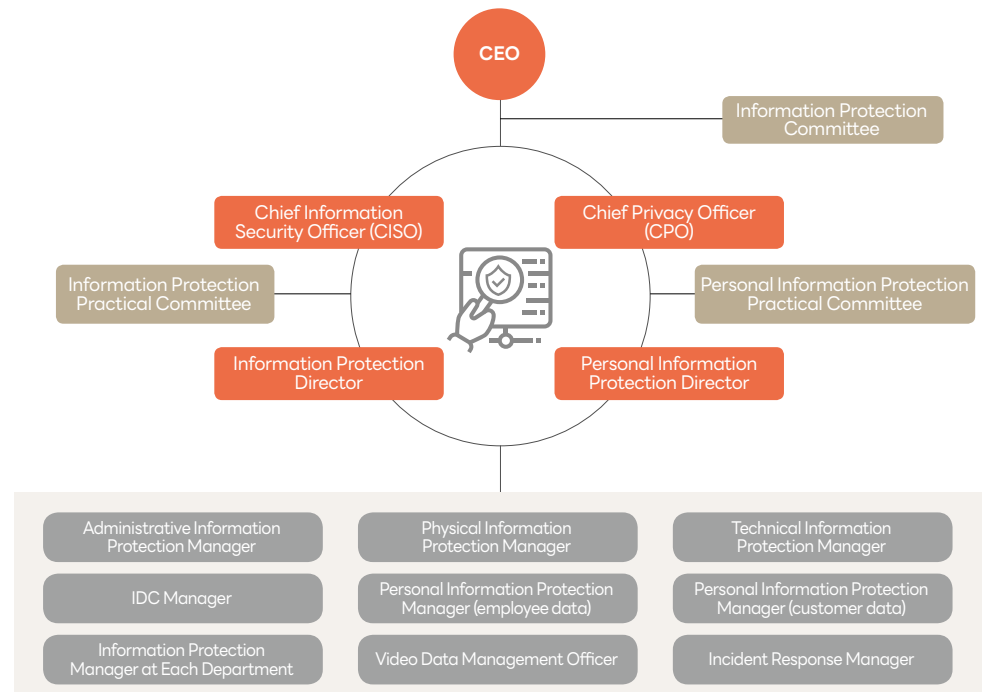
Information Security Governance

LOTTE Data Communication demonstrates a commitment to the effective management and safeguarding of the organization's vital data and assets. In alignment with this commitment, we have designated a Chief Information Security Officer (CISO) and a Chief Privacy Officer (CPO) to manage and protect the organization's critical information and assets. Centered around these roles, we have established and are operating administrative, physical, and technical information security management systems to safeguard important information and assets. In addition, we regularly operate an Information Protection Committee and Information Protection Practitioner Committee comprised of key executives and professionals. Through these committees, we discuss and make decisions on major organizational information security issues.

Information Protection Committees

Committee	Meeting frequency	Roles
Information Protection Committee	Semi-annually	<ul style="list-style-type: none"> • Discussion and decision-making on major issues related to information security • Sharing security inspection results and tasks requiring improvements • Sharing proposed amendments to information security legislation and security issues • Sharing progress in information security tasks
Information Protection Practical Committee	Quarterly	<ul style="list-style-type: none"> • Sharing decisions made by the Information Protection Committee • Practical review of information security-related activities and establishment of action plans • Dissemination of information on compliance with information security requirements • Encouragement of information security activities and implementation of compliance programs
Personal Information Protection Practical Committee	Quarterly	<ul style="list-style-type: none"> • Sharing decisions made by the Information Protection Committee and discussion of practical plans for privacy protection tasks • Discussion of inspection results for privacy protection and coordination of implementation and management • Analysis of trends in privacy protection regulations and case studies • Strengthening awareness training for personal data handlers and conducting awareness campaigns

Organizations Dedicated to Information Protection



※ In the event of a vacancy for any given position, the team's most senior member will assume the role of an interim substitute.

Privacy Policy and System

LOTTE Data Communication operates a detailed management system for each phase of the personal data lifecycle in accordance with the internal personal data management guidelines. We adhere to encryption and access control standards based on technical and administrative safeguards for personal data. We also review all system logs on a monthly basis. When personal data is entrusted to a third party, we regularly monitor their handling practices and undertake management activities such as recommending pseudonymization to ensure information security. Our commitment extends to upholding the rights of our customers, encompassing their entitlement to comprehensive information regarding data processing, the authority to provide and revoke consent for data processing, as well as determining the scope of such consent. Furthermore, customers retain the right to request access, correction, suspension of processing, and deletion of their data. Customers can directly exercise their rights regarding their personal data. We disclose relevant information in our Privacy Policy on the our official website.

Customer Rights Regarding Privacy



- Right to receive information about the processing of their data
- Right to choose and decide on consent for the processing of data and the scope of consent
- Right to request access, correction, suspension of processing, and deletion of their data

Dedicated Privacy Protection Organization

LOTTE Data Communication employs a comprehensive approach to ensure effective personal data management. This involves designating a Chief Privacy Officer (CPO) and internal privacy officers, who collaborate to oversee privacy protection. Our specialized team routinely updates internal data management guidelines, reviews system logs, and designs flowcharts for personal data processing systems, ensuring secure management throughout the data lifecycle. Crucially, the Information Protection Committee addresses key privacy concerns, while the (Personal) Information Protection Practical Committee coordinates measures, guaranteeing meticulous implementation. This framework underscores our commitment to safeguarding customer data and privacy.

Personal Data Processing System

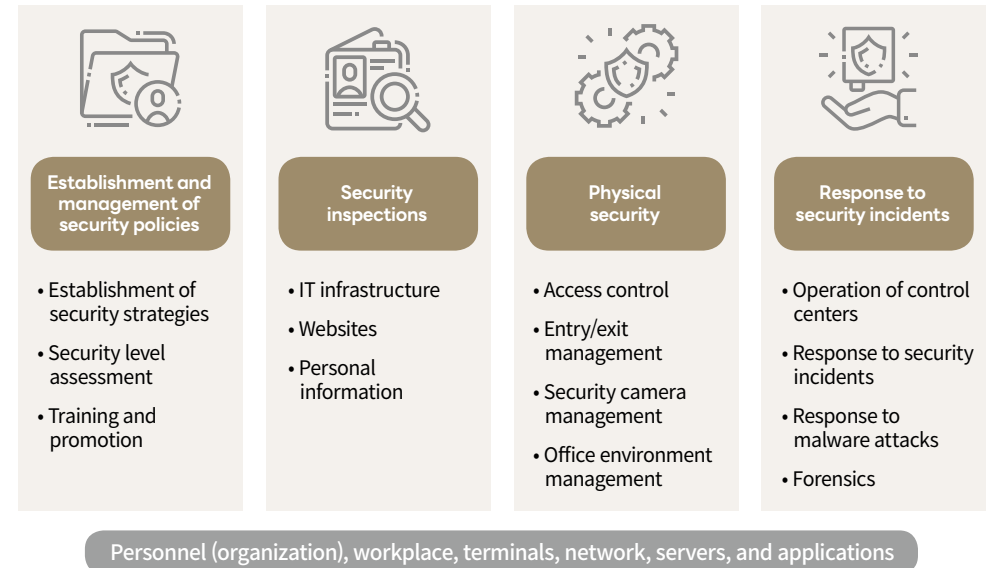
LOTTE Data Communication annually inspects the personal data processing system to ensure the security of customer data. In 2022, we diagnosed the security level of our personal data processing system and conducted in-depth inspections of the personal data handling departments, as well as project sites, in which improvements were made accordingly. We also performed checks on partners involved in personal data handling. Furthermore, in response to the increasing use of cloud systems, we plan to strengthen security checks and enhance security measures for the public cloud and our L.Cloud services. We also plan to introduce a security solution monitoring system to prevent the leakage of valuable customer personal information and assets.

Enhancement of Information Security

Strengthening Information Security

Under the foundation of IT and source-specific data and information protection and management systems, LOTTE Data Communication has a dedicated team for responding to security incidents that aims for strengthening information security. We utilize various methods for enhancing PC security, such as security software, document encryption, media control, secure USB usage, blocking malicious websites, and implementing server and database access controls. In addition, we maintain operational security systems including firewalls, Intrusion Prevention Systems (IPS¹⁾, and anti-Distributed Denial of Service (DDoS²⁾ solutions. Our Advanced Persistent Threat (APT³⁾ response system is also active. We conduct round-the-clock real-time monitoring to promptly address attacks, while remaining vigilant to emergencies and disasters through our Disaster Recovery (DR⁴⁾ mechanisms. Furthermore, in response to the growing trend of communication via digitally mediated services, we prioritize customer authorization and the demands of society by enhancing Endpoint Detection and Response (EDR⁵⁾).

Information Security Management Process



1) Intrusion Prevention System

2) Distributed Denial of Service

3) Advanced Persistent Threat

4) Disaster Recovery

5) Endpoint Detection and Response

Response to Global Information Security Compliance

LOTTE Data Communication systematically responds to the increasingly strengthened global regulations on privacy protection by complying with global information security governance. In particular, to mitigate compliance risks related to privacy protection, we conduct annual overseas information security assessments focusing on data protection regulations in the EU, the US, and China. The assessment includes checking and addressing improvement tasks, and the results are reported to the CISO.

Information Security Certification

LOTTE Data Communication acquired domestic and international certifications in information security, including Information Security Management System (ISMS) and ISO 27001, to enhance the reliability and competitiveness of our information security management system. Based on these standards, we continuously assess and improve the information security status of systems outside the scope of certification through internal checklists and inspections at least once a year. This ongoing process aims to further bolster our information security management system. We obtained licenses as a certified information security service provider and a specialized security control company from the Ministry of Science and ICT (MSIT). This allows us to provide customers with high-quality security services.

Information Security Certifications



Information Security Management System
 • Certification authority: KISA
 • Date: Sep. 4, 2008
 • Renewed: Dec. 7, 2022

ISO 27001 (Information security management systems)
 • Certification authority: BSI Korea
 • Date: Feb. 28, 2002
 • Renewed: May 13, 2022

Designation as a professional information security service provider¹⁾
 • Certification authority: MSIT
 • Date: Apr. 25, 2018

Designation as a specialized security control company¹⁾
 • Certification authority: MSIT
 • Date: Jul. 13, 2018

1) Reacquired the designation as a professional information security service provider and a specialized security control company after the establishment of the new entity 'LOTTE Data Communication' on November 1, 2017

Information Security Activities

Information Security Level Diagnosis

LOTTE Data Communication conducts annual information security level assessments and implements preventive measures against security incidents using a comprehensive checklist encompassing management, physical, technical, and personal data aspects, totaling 168 items. We diligently execute and oversee the implementation and management of identified improvement tasks.

Information Security Level Diagnosis		
Area	Inspection items	Key inspection items
Management	32	<ul style="list-style-type: none"> Establishment and revision of information security regulations Inspection of information security management system and CISO approval Implementation of information security training
Physical	44	<ul style="list-style-type: none"> Access control to protected areas Periodic inspection and maintenance of protective equipment Compliance with legal requirements for video information processing devices data processing devices
Technology	47	<ul style="list-style-type: none"> Application of security requirements and policies during development and operation Regular patch management procedures for systems in operation Regular review of system logs
Personal data	45	<ul style="list-style-type: none"> Data subjects' consent upon collecting and using personal data Posting and updating of Privacy Policy Management and review of access records of personal data processing systems

Security checks for a total of 168 items according to information protection laws and ISMS-P²⁾

2) Personal Information & Information Security Management System

Information Security Training

Employee Training

To raise the level of company-wide security awareness, LOTTE Data Communication conducts annual information security training for all employees, including non-regular employees. The training covers topics such as preventing personal data leakage and real-life cases of information leakage in the company. We observe 'Information Security Day' every month to share security issues, vulnerabilities, and trends related to data breaches with the entire organization. We conducted online training on personal data and information security for all employees in 2022.

Partners Training

LOTTE Data Communication provides training and supervision on handling personal data at least once a year to personal data handlers of the company and its partners. We encourage our partners to take online courses for their convenience. Through such training and support programs, we aim to enhance the security management awareness and capabilities of our partners' employees.

Personal Data Protection Training

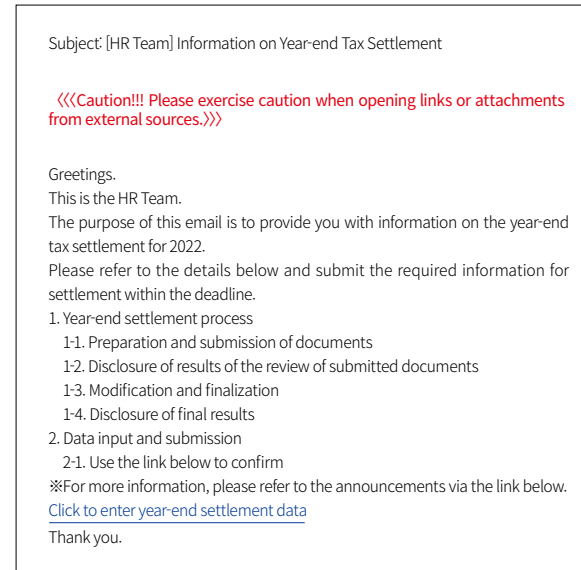
LOTTE Data Communication conducts online or offline personal data protection training for personal data handlers at least once a year in accordance with the internal personal data management guidelines. In 2022, a total of 186 personal data handlers completed online courses (mandatory) and group online training (optional) with a 100% completion rate. Our efforts to conduct online training involving interactive question-and-answer sessions, instead of traditional one-way lectures, have contributed to the high participation rate.

Information Security Training Achievements

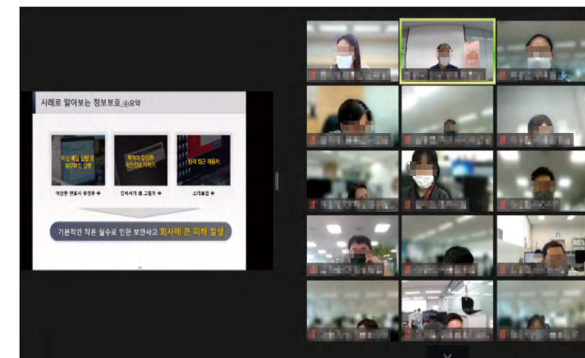
Classification	Target	2020	2021	2022
Management	Employees	2,950	2,762	2,865
Personal data protection training	Personal data handlers	171	207	186
	Personal data trustees	28 companies	36 companies	37 companies

Phishing Simulation Training

LOTTE Data Communication conducts quarterly simulation virus training to mitigate security incidents stemming from malicious emails and enhances security awareness among employees. We engage in diverse security initiatives, including online/offline training sessions and security incident investigations, to proactively prevent the reinfections.



Phishing simulation Training email



Two-way learning

Quality Management

Quality Management Policy

All employees of LOTTE Data Communication actively participate in quality management activities to increase customer satisfaction. In particular, we aim to create innovative value that contributes to the sustainable development of the environment and society through continuous quality improvement.

Quality Management Implementation Policy

LOTTE Data Communication is dedicated to enhancing quality through the adherence to four fundamental principles of quality management. Guided by the mantra 'As a service enterprise at the forefront of customer business transformation', all employees proactively engage in quality management initiatives, aiming to ensure customer satisfaction and cultivate a culture of quality.

Principles of Quality Management

- 1 The Company shall conduct its business while upholding the fundamental values of society, the requirements of the law and all relevant regulations, and the principles stipulated by the Company.
- 2 The Company shall meet the requirements of customers and the quality management system (ISO 9001:2015), and take the lead in creating customer value through professionalism.
- 3 To ensure the stable supply of products and services, the Company shall establish clear quality objectives along with feasible annual execution plans, and introduce sustained improvements to the quality management system.
- 4 The Company shall preemptively identify and resolve any issues that have the potential to threaten the quality of the products and services furnished to customers, based on an understanding of the internal and external circumstances.

Quality Management Governance

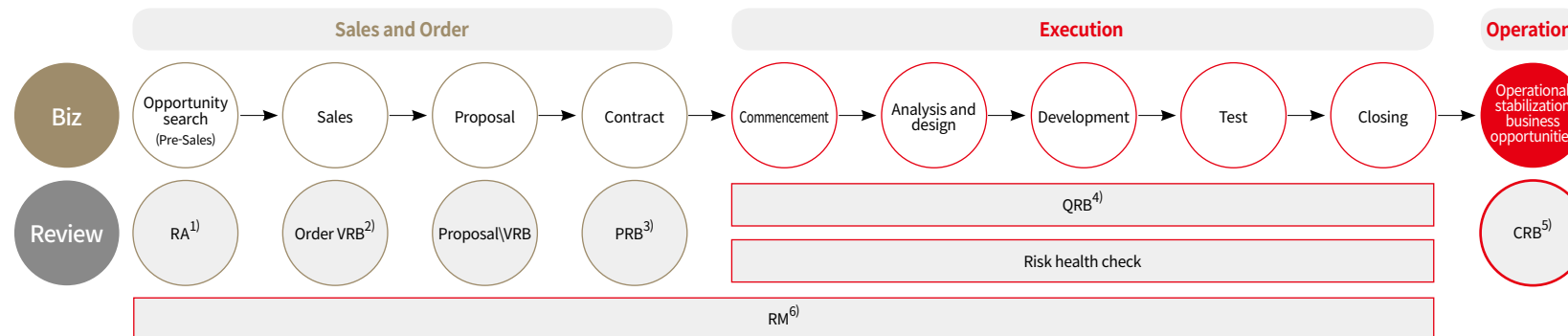
LOTTE Data Communication operates a quality management process centered around a dedicated organization and committee for quality management, aiming to secure overall quality competitiveness. Our quality management governance organization effectively supports the internalization of quality management and the continuous management of quality objectives.

Quality Meeting

Classification	Host	Participants	Frequency	Topics
Company-wide quality meeting	Division director	Executives, project managers, and business department managers	Once a month	- Quality checks for sales and other business operations - Early management of major risks

Quality Management Process

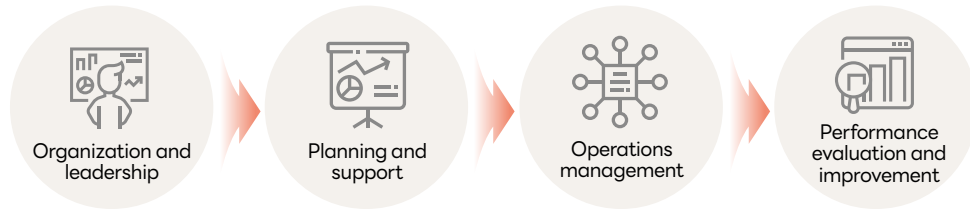
LOTTE Data Communication complies with its quality management process to ensure that products are delivered to customers with the highest level of quality. Consisting of sales and order, execution, and operation, the process effectively improves product quality through various committees and discussions at each stage.



1) Risk Assessment
 2) Value Review Board
 3) Project Review Board
 4) Quality Review Board
 5) Closed Review Board
 6) Risk Management

Quality Management Manual

LOTTE Data Communication has established a comprehensive quality management manual to address the quality requirements and expectations of diverse stakeholders proactively and systematically across the service value chain. This manual is organized based on task stages, enabling effective management and continuous enhancement of our quality management system in alignment with stakeholder needs.



Quality Management System

LOTTE Data Communication operates a quality management system that not only adheres to ISO 9001, a global standard, but also exceeds the needs of the market and customers.

Project Management Methodology

LOTTE Data Communication supports systematic project management by establishing a project management methodology based on our own experience and expertise, as well as PMBOK¹⁾ and CMMI²⁾ standards. We also strive to improve the technological competitiveness of our partners by sharing our methodologies and processes with them.

Project Management Methodology V2.0



Project Management System

LOTTE Data Communication implements project and quality management activities through PMS³⁾. We utilize the PMS on a weekly basis to identify the progress and related risk levels of each project for effective risk management and on-site management.

Quality Mindset Education

LOTTE Data Communication operates various education programs to ensure that all employees recognize the importance of quality management and customer satisfaction and internalize quality management activities.

Education to Raise Employees' Quality Awareness

Quality mindset education	Improvement of service levels based on quality management standards and establishment of a corporate culture of quality through departmental quality education
Nurturing professional workforce	Improvement of business performance and nurturing expertise through regular quality education (insight into projects, quality assurance by stage)
Change management education	Raising quality awareness and promotion of One Team Building at project sites
Regular on-site quality management surveys and sharing improvements	Sharing quality assurance and improvements through surveys on requirements
Project methodology education	Enhancement of basic organizational capabilities and SI ⁴⁾ business capabilities by disseminating our methodologies

Quality-related Certifications



ISO 9001
(Quality management systems)
 • Certification authority: BSI Korea
 • Date: Dec. 2, 2013
 • Expiration: May 6, 2025



CMMI Level 3
(Software development capability and organizational maturity)
 • Certification authority: SEI
 • Date: Dec. 2, 2015
 • Expiration: Nov. 12, 2024



ISO 20000
(IT service management system)
 • Certification authority: BSI Korea
 • Date: Aug. 2, 2006
 • Expiration: May 6, 2025

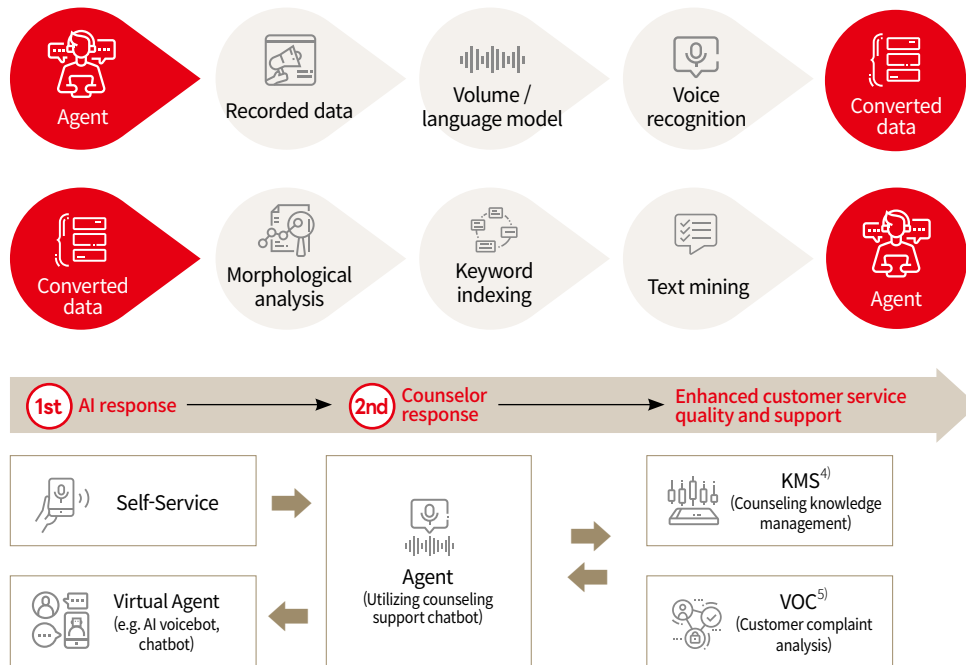
1) Project Management Body of Knowledge
 2) Capability Maturity Model Integration
 3) Project Management System
 4) System Integration

Enhancing Customer Satisfaction

Customer Service Channels

LOTTE Data Communication's AI CRM¹⁾ center serves as a communication channel with customers. We applied our own technology-based features like STT²⁾ and TA³⁾ to customer consultation tasks so as to enhance the accuracy of responses and the quality of the consultations. In 2021, we introduced a voice message service (VMS) to enable customers to receive voice-based consultations even after the closure of customer centers. In the following year, we implemented STT and TA features in 12 customer centers. We plan to enhance convenience for customers by adding an AI voicebot⁶⁾ and counseling guidebot⁷⁾ in 2023.

Operation of CRM Centers Utilizing AI



1) AI Customer Relationship Management
 2) Speech-to-text
 3) Text Analysis
 4) Knowledge Management Service
 5) Voice Of the Customer
 6) A Conversational Solution Utilizing AI and Natural Language Understanding
 7) A Model that Analyzes Real-time Conversations Between Customers and Agents to Recommend Counseling Guidance

Customer Communication

Having launched a variety of communication channels like the website and a YouTube channel, LOTTE Data Communication discloses all information transparently and engages in communication with our stakeholders to gain their trust in us. Our website has been built with optimized technology to enhance accessibility for devices such as laptops and mobile phones. We comply with accessibility standards and guidelines to ensure convenient usage for all users, including people with visual or hearing impairments and elderly individuals, for which we have obtained the information and communication accessibility certification. Visitors to our website can access diverse information about the company, including business trends, IR, management status, and business updates. Everyone is also welcome to watch videos about the company's IT services, solutions, and platforms on our YouTube channel (youtube.com/channel/UCn41TnmQX9Ccswo89wDBiyg).

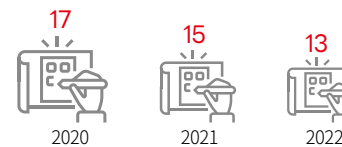
Regular Customer Satisfaction Survey

LOTTE Data Communication operates a management system that can incorporate the improvement points derived from annual VOC surveys into our business activities. According to the 2022 survey, we identified areas of improvement, such as KPI management for call centers and some service ideas, on which improvement activities are underway.

Procedures for Customer Satisfaction Survey

Survey planning	Selection of target audience	Conducting survey	Results analysis	Follow-up action
Collect customer opinions and prepare a survey plan	Compile a relevant 'customer list' in consideration of the purpose and scope of the survey	Conduct surveys via email, mail, or in person	Classify answers by business category, customer, and respondent characteristics (by job position) and conduct group analysis	Request the person in charge of corrective actions to address the identified issues in accordance with quality improvement regulations
Utilize survey data, customer feedback on products and services, market shares, and on-time delivery rates	Determine sampling criteria and select target audience	Receive direct feedback from customers such as commendations, compliments, or complaints For projects, manage customer satisfaction through a system	Produce objective data after closely analyzing customer needs and satisfaction/dissatisfaction factors Prepare a survey result report including survey analysis and corrective action plans, if necessary	Analyze the portfolio of the survey result report and take customer feedback into consideration Establish an action plan and implement improvement activities to improve customer satisfaction

VOCs handled



Target customer companies



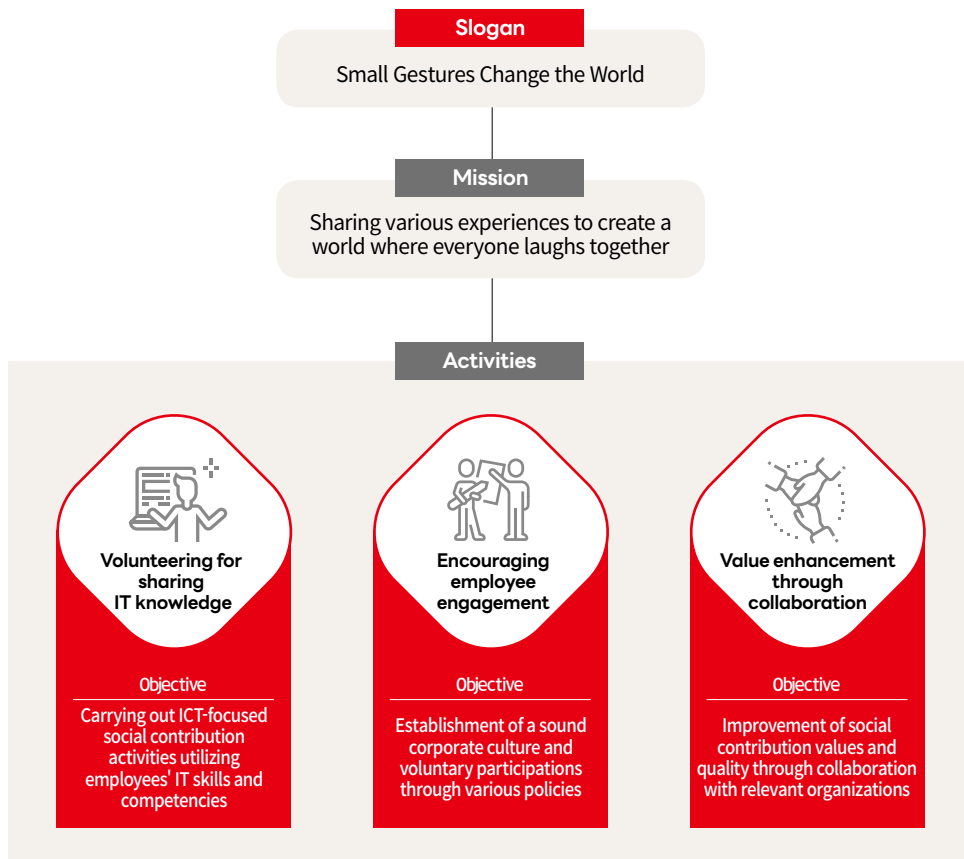
Satisfaction level (100-point scale)

Social Contribution

Social Contribution Implementation System

Social Contribution Implementation Strategy

LOTTE Data Communication pursues a social contribution strategy to build a better society under the slogan, 'Small gestures change the world.' We particularly focus on enhancing the value and quality of our corporate social responsibility according to our three objectives: volunteering for sharing IT knowledge, encouraging employee engagement, and value enhancement through collaboration with organizations.



Social Contribution Governance

LOTTE Data Communication is committed to supporting active employee participation in social contribution activities. To achieve this, we have established various volunteer organizations and continuously encourage employees to engage in social contribution initiatives. Our aim is to gradually expand the number of participants and the scale of expenditures dedicated to social contribution activities.

IT Supporters

IT Supporters is a volunteer group composed of LOTTE Data Communication employees who have completed the company's professional IT education. The members utilize their IT capabilities to ensure equal benefits of education and information for all, regardless of social background.

<p>Underprivileged children and adolescents</p> <p>Provision of career counseling for employment in the field of coding and IT fields</p>	<p>Persons with visual impairments</p> <p>Support for electronic book production for the visually impaired, braille book production, and distribution assistance program since 2020</p>	<p>Other NGOs</p> <p>Provision of computers for vulnerable groups in connection with NGOs</p>	<p>Local children's centers</p> <p>Provision of electronic equipment and coding education for local children's centers</p>
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CharLOTTE Volunteer Group

The CharLOTTE Volunteer Group conducts social contribution activities every month under several themes such as people, environment, and regional development. The volunteer group targets Geumcheon-gu, in particular, where the headquarters is located. Since practicing the value of sharing over the past six years, around 1,796 recipients benefited from the group's activities. In recognition of our social contribution efforts, the Geumcheon-gu Office awarded LOTTE Data Communication with a plaque of appreciation on Volunteer Day in 2022.



CSR activities

LOTTE Data Communication operates various social contribution programs participated in by employees, including volunteer activities, in collaboration with related organizations. Despite restrictions on carrying out our programs due to the pandemic in 2022, we provided online education, operated bloodmobiles, knitted scarves in the winter, and taught how to use kiosks for the underprivileged. In 2023, we will perform ESG-based CSR activities to expand our positive impact on local communities and the environment.

CSR programs

Classification	Program
IT education	<ul style="list-style-type: none"> • Providing coding education for underprivileged individuals. • Offering IT-related career counseling for youth. • Conducting hands-on training for kiosk usage.
Social problem-solving	<ul style="list-style-type: none"> • Assisting in the removal of invasive species with the guidance of a forest interpreter. • Participating in the operation of bloodmobiles. • Volunteering at the Seoul National Cemetery.
Services for the underprivileged	<ul style="list-style-type: none"> • Collaborating with Geumcheon-gu Office to make kimchi. • Donating and delivering briquettes to low-income households for winter heating. • Engaging in bead crafts, leather crafts, and knitting scarves for underprivileged children. • Decorating T-shirts • Making reusable bags • Participating in LOTTE Group's kimchi making event. • Providing air-purifying plants for children's centers. • Capturing 'happy photos' for low-income elderly individuals. • Installing tile murals at local children's centers. • Crafting Hickman line pouches for patients with a Hickman catheter. • Volunteering at animal shelters through the company's pet platform, Hey Nana. • Participating in flood restoration activities in Geumcheon-gu. • Creating custom stuffed toys for children who are unwell.
Services for persons with disabilities	<ul style="list-style-type: none"> • Organizing picnics for individuals with disabilities • Producing braille books • Participating in the Super Blue Marathon, an inclusive marathon involving both employees and individuals with disabilities

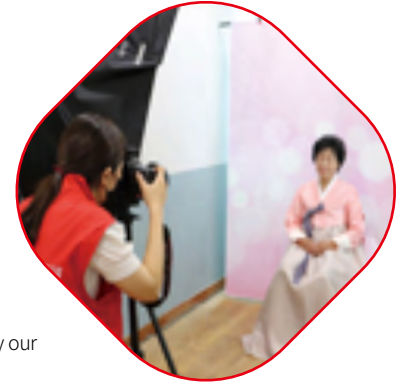
Taking 'Happy Photos' of the Elderly

Each year, our employees volunteer for taking 'happy photos' of the elderly in the community on Family Month. The program, in which our employees participate in the entire process from shooting to photo editing, is intended to make the happy moments of the elderly last the rest of their lives. As such, we continuously deliver happiness to the community through diverse CSR activities.

Period : May

Partner : Welfare centers in Geumcheon-gu

Activities in 2022 : Delivered photos taken and edited by our employees and inserted in high-quality frames



An employee taking a picture of an elderly

Volunteering at the Seoul National Cemetery

Every year in June, LOTTE Data Communication pays tribute and expresses gratitude to the sacrifices and spirits of the fallen heroes and patriots by visiting the National Seoul National Cemetery. During this month of national memorial and tribute, we engage in activities to clean and maintain the gravesites as a gesture of respect and appreciation. The activity serves as an opportunity to remember the sacrifices of patriots.

Period : June, the month of patriots and veterans

Partner : The Seoul National Cemetery

Activities in 2022 : Paid tribute, cleaned up the graveyard, took a tour around the Seoul National Cemetery, An employee cleaning the gravestone and so on



Kiosk Education Targeting the Marginalized in IT

In line with the growing use of kiosks in various aspects of daily life, the number of individuals who are marginalized in IT is increasing.

In line with the growing use of kiosks in various aspects of daily life, the number of individuals who are marginalized in IT is increasing. Our kiosk program developers provided preliminary education and then paid a visit to the stores along with our volunteer employees to provide on-site education. We are continuing our volunteer activities that are tailored to the needs of the marginalized population in order to provide them with practical assistance.

Period : July

Partner : Geumcheon Community Rehabilitation Center

Activities in 2022 : Provided kiosk education targeting the marginalized population in using IT devices



Our employees providing kiosk education

Flood Restoration Activities in Geumcheon-gu

Our employees conducted flood restoration activities after Geumcheon-gu was severely impacted by record-breaking heavy rain. They focused primarily on commercial buildings, cleaning mud-covered appliances and floors, as well as relocating large electronic appliances, to meet the immediate needs of flood victims. Such volunteer activities are aimed at sharing and alleviating the pain caused by flooding through timely support and assistance.

Period : August

Partner : Geumcheon-gu Office

Activities in 2022 : Volunteered for the recovery of communities affected by torrential rain



Our employees clearing out wet items in the flood-affected commercial building

Volunteering at Animal Shelters

The operating team of 'Hey Nana', a LOTTE Data Communication venture, volunteered at an animal shelter in October 2022. 'Hey Nana' carries the meaning of calling the pet name 'Nana' affectionately and suggesting to go anywhere together.

This initiative contributes to the spread of better pet culture through activities such as being emotionally connected with and walking stray dogs.

Period : October

Partner : Korean Animal Welfare Association On Center

Activities in 2022 : Dog waste cleaning, organizing pet supplies, and taking dogs for walks



Our employees walking stray dogs

Making and Sharing Kimchi

Employees of LOTTE Data Communication, LOTTE GRS, and LOTTE Aluminium volunteered for making kimchi in collaboration with the Geumcheon-gu Office.

We delivered a total of 4,000 kg of kimchi to free meal center and approx. 600 marginalized families.

Period : November

Partner : Geumcheon-gu Office

Activities in 2022 : The three LOTTE companies funded kimchi ingredients and volunteered in making kimchi



Employees who volunteered in making kimchi during the winter season

CASE

Cheers to Your Dreams and Challenges

Unending Support for Athletes with Disabilities

LOTTE Data Communication's CSR activities are intended for giving hope and courage to marginalized neighbors in society. Emphasizing the value of 'growing together,' we put our sincere efforts to uphold our social responsibilities, including devising and implementing continuous support measures and providing necessary resources and programs. As a part of our initiative, we formed a table tennis team of eight persons with disabilities in 2021 to help them fully demonstrate their abilities in a more stable environment.

Growing Together

In the year 2022, LOTTE Data Communication expanded its para-sports team by welcoming a total of eight athletes with disabilities in various disciplines, including billiards, badminton, soccer, taekwondo, and swimming. This endeavor has enriched our comprehensive sports team, which now comprises 16 members from diverse age groups and sports categories, including table tennis. Our commitment extends beyond mere financial assistance; we ensure that these athletes maintain a stable livelihood and receive employee benefits equivalent to our regular staff. Furthermore, a specialized support strategy is tailored for each athlete, encompassing prize money and training subsidies for competition victors, aiming to facilitate their dedicated training efforts. In recognition of their rigorous training routines, we furnish our athletes with sportswear and nourishing snacks, exemplifying our genuine concern for their well-being. This holistic support demonstrates our continuous dedication to fostering the aspirations and endeavors of athletes with disabilities. As we embrace the value of 'mutual growth,' we remain devoted to the dreams and aspirations of these athletes while contributing positively to the wider community.



66
I am grateful for enabling me to focus solely on swimming. Thanks to your support, I was able to participate in various swimming competitions this year and achieve great results.

99
Eun-ji Kim (Swimming)



66
With the support from LOTTE Data Communication, both physically and mentally, many athletes, including myself, were able to concentrate on improving athletic performance.

99
Sun-gi Kim (Table tennis)



66
I am grateful for the support from LOTTE Data Communication, which allowed me to focus solely on table tennis in a challenging training environment. I will never give up on my dream and give my all until the end to achieve even better results.

99
Dong-hyeok Kim (Table tennis)

GOVERNANCE

LOTTE Data Communication strives for transparent and responsible management based on sound governance. Prioritizing ethics and compliance as the highest values in all business activities, we endeavor to increase the trustworthiness of the company by engaging in fair trades. We ensure sound and robust growth by flexibly responding to rapidly changing business conditions based on thorough risk management.



Board of Directors

Sound Corporate Governance

Establishment of Corporate Governance Charter

In April 2022, LOTTE Data Communication introduced the Corporate Governance Charter to outline its governance objectives for achieving sustainable management on both internal and external fronts. Guided by the principles enshrined in the Corporate Governance Charter, we are committed to making earnest endeavors. Our goal is to foster heightened value creation and facilitate shared growth across all stakeholders, encompassing shareholders, customers, employees, and partners. We are achieving this through the implementation of transparent management practices.

BoD Composition

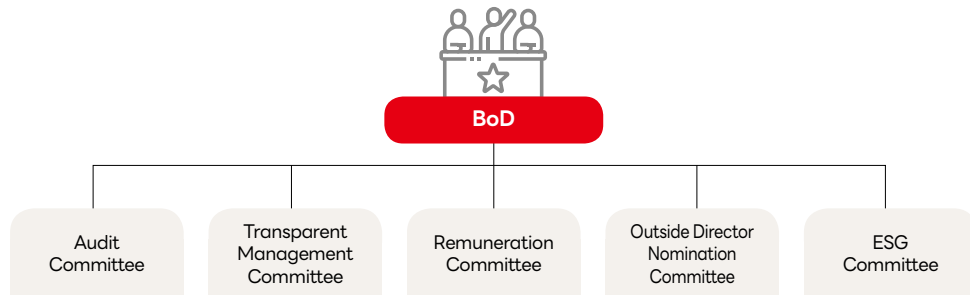
LOTTE Data Communication adheres to the formation and operation of its Board of Directors (BoD) in accordance with pertinent legal provisions and the Articles of Incorporation. The BoD convenes to deliberate and resolve matters outlined in legislation, the Articles of Incorporation, and those entrusted by the annual general meeting of stockholders or deemed pivotal for the fundamental policy of corporate management and business execution. It additionally exercises supervision over directors and management responsibilities. We ensure the autonomy of directors to enable impartial oversight of the company's activities by the BoD. As of the conclusion of April 2023, our BoD comprises four internal directors and three external directors, fulfilling the stipulation of the Commercial Act mandating that external directors constitute no less than one-fourth of the overall director count. To enhance the efficiency of board operations and decision-making, we have appointed CEO Jun-hyung Roh as the Chairman of the BoD.

※ As of the end of Apr. 2023 ● Chairperson ○ Member

Composition of the Board and Committees

Classification	Name	Position	Expertise	Tenure	Board committees				
					Audit Committee	Transparent Management Committee	Remuneration Committee	Outside Director Nomination Committee	ESG Committee
Inside directors	Jun-hyung Rho	CEO Chairman of the BoD	Fmr. director, DT Business Headquarters, LOTTE Data Communication Fmr. director, Management Strategy Headquarters, LOTTE Data Communication	Nov. 2, 2017 – Mar. 19, 2024 (reappointed)					○
	Doo-young Ko	Director, SM Business Headquarters	Fmr. director, DT Business Headquarters, LOTTE Data Communication Fmr. director, Smart Systems Division, LOTTE Data Communication	Mar. 19, 2021 – Mar. 24, 2025 (reappointed)				○	
	Kyung-yub Kim	Director, Management Strategy Headquarters	Fmr. director, Business Solution Headquarters, LOTTE Data Communication Fmr. director, Management Support Division, LOTTE Data Communication	Mar. 19, 2021 – Mar. 19, 2024			○		
	Jong-pyo Park	Director, DT Business Headquarters	Fmr. director, SM Business Headquarters, LOTTE Data Communication Fmr. director, Platform Business Headquarters, LOTTE Data Communication	Mar. 18, 2022 – Mar. 18, 2024		○			
Outside directors	Cheol-kyu Hong	Chairman of the Audit Committee Chairman of the Remuneration Committee	Professor at Chung-Ang University Department of Business Administration PhD in Accounting, London School of Economics and Political Science	Mar. 27, 2020 – Mar. 18, 2024 (reappointed)	●	○	●		○
	Hong-suk Yang	Chairman of the Transparent Management Committee Chairman of the ESG Committee	Professor at Seoul National University Business School PhD in Business Administration, University of Chicago	Mar. 27, 2020 – Mar. 18, 2024 (reappointed)	○	●		○	●
	Sang-gyun Kim	Chairman of the Outside Director Nomination Committee	Professor at Kyung Hee University Graduate School of Business PhD in Cognitive Science, Yonsei University	Mar. 18, 2022 – Mar. 18, 2024	○		○	●	

LOTTE Data Communication operates five specialized committees within the BoD, namely the Audit Committee, Transparent Management Committee, Remuneration Committee, Outside Director Nomination Committee, and ESG Committee, in compliance with the Articles of Association and the BoD Operating Regulations. These committees are operated to ensure more systematic and professional board operations. The Audit Committee complies with the requirements of Article 542-11(2) and Article 415-2(2) of the Commercial Act, while other committees operate pursuant to Article 393-2 of the same Act. All committees prioritize independence from management and consist of competent members chosen based on the distinctive attributes of each committee.



Functions and Performance of Each Committee

Committee	No. of meetings held	No. of agendas	Attendance rate	Key activities/functions
Audit Committee	7	8(16)	100%	Supervision of directors and management tasks
				Approval of the external auditors appointment
Transparent Management Committee	5	4(8)	100%	Enhancement of transparency in key matters
				Internal transaction review
Remuneration Committee	2	5(5)	100%	Approval of the remuneration limit for registered directors
				Approval of individual remuneration for registered directors (including performance-based pay)
Outside Director Nomination Committee	2	2(2)	100%	Establishment, review, and improvement of principles for appointing outside directors
				Recommendation of outside director candidates at the AGM
ESG Committee	4	4(7)	100%	Making decisions regarding ESG management
				Management of key ESG risks and opportunities

※ The number in the parentheses is the number of agendas when including reports

BoD Operating System

Independence of the BoD

Directors of LOTTE Data Communication are appointed during the AGM from candidates who fulfill the criteria for transparent corporate governance. The BoD puts forth nominations for inside director positions, while the Outside Director Nomination Committee suggests candidates for outside director roles. This committee meticulously assesses candidates to ensure they possess no disqualifying factors, adhere to legal and regulatory prerequisites, follow BoD regulations, and advocate for the company's and shareholders' welfare. We ensure the active involvement of outside directors. The Audit Committee comprises three outside directors, ensuring the complete autonomy and independence of its auditing procedures. This committee strengthens its managerial oversight to foster responsible governance, bolster the objectivity and reliability of audits. Furthermore, the majority of members in all other committees are external directors, adhering to bylaws and relevant legislation. We also strictly monitor transactions between directors and the company in line with pertinent laws and the BoD Operating Regulations, mitigating potential conflicts of interest during BoD decision-making. Should a director's vested interest arise in a particular matter, they are restricted from exercising their voting rights. Notably, significant transactions involving directors and the company, as well as relationships with major shareholders, are transparently disclosed within our business report.

Support for Outside Directors' Job Performance

LOTTE Data Communication offers essential information and resources concerning critical managerial aspects of the company to ensure the effective execution of outside directors' responsibilities. Notably, a specialized department takes charge of actively aiding the committee's operational tasks, with a specific focus on enhancing outside directors' comprehension of global trends and emerging business domains. This approach is designed to fortify their grasp of relevant matters and facilitate their contribution to the company's strategic direction.

Training for Outside Directors

Date	Attended outside director	Training content
Apr. 28, 2022	Sang-gyun Kim	Current status and introduction of the data center business (Training for newly appointed outside directors)
Nov. 17, 2022	Cheol-kyu Hong, Hong-suk Yang	About internal control over financial reporting (ICFR) (provided by LOTTE Group)

Diversity and Expertise of the BoD

LOTTE Data Communication appoints directors with diverse backgrounds and expertise to bolster the BoD's ability to make informed and timely decisions, aligning with the dynamic shifts in the business landscape. The CEO, renowned as a leading authority in IT services, spearheads responsible governance as the BoD's chairman. Additionally, the Outside Director Nomination Committee diligently assesses and recommends candidates endowed with extensive knowledge and experience across multiple domains encompassing the company's business domains, management, accounting, and legal realms. This thorough process culminates in the appointment of directors during the AGM. The objective is to ensure that outside directors possess the essential proficiencies to supervise and provide counsel to top management impartially and methodically. LOTTE Data Communication's commitment to a well-rounded BoD signifies our dedication to making pivotal decisions that consider the interests of stakeholders, including shareholders and customers. This commitment transcends limitations of gender, age, educational background, religion, and political orientation, striving to maintain a diverse membership. Notably, our commitment to enhancing the BoD's expertise led us to appoint Professor Sang-gyun Kim, a metaverse industry expert, in 2022. This strategic move contributes to our ambition to venture into the metaverse and underscores our dedication to progressive growth.

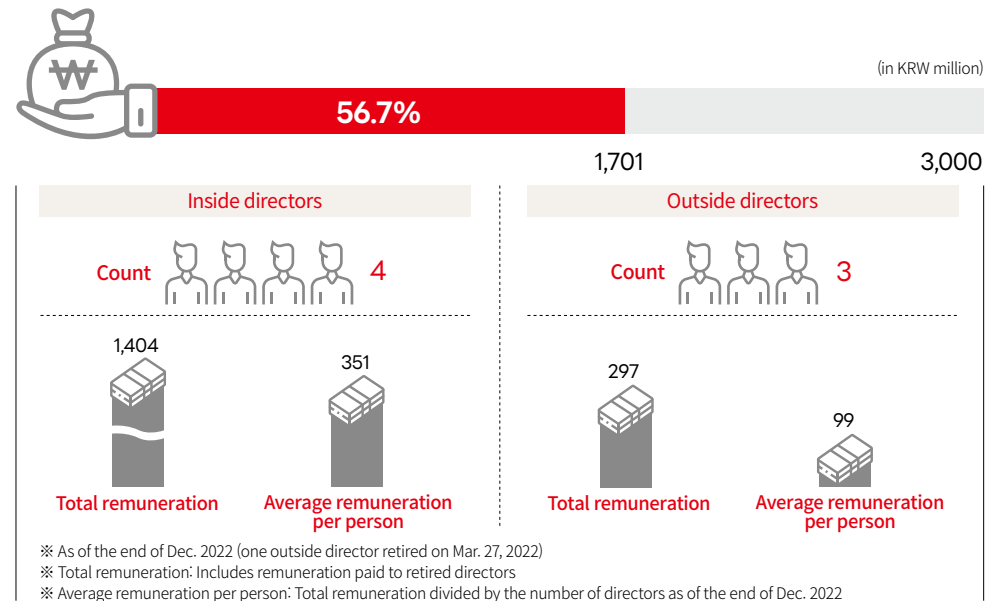
BoD Competency Matrix

Item	Jun-hyung Rho	Doo-young Ko	Kyung-yub Kim	Jong-pyo Park	Cheol-kyu Hong	Hong-suk Yang	Sang-gyun Kim
Finance	●		●		●		
Industry (IT)	●	●		●			●
Environmental		●				●	
Social	●			●	●	●	●
Governance	●		●		●	●	●

BoD Evaluation and Remuneration

The annual remuneration cap for directors is established during the AGM through a resolution made by the Remuneration Committee, adhering to the stipulations of the Commercial Act and the Articles of Association. Director compensation encompasses both a fixed base salary and variable performance-based remuneration. The performance-based component is determined in accordance with our Executive Remuneration Regulations, factoring in various aspects such as the company's financial performance (e.g., sales, operating profit), the director's leadership acumen, ethical engagement, and overall contributions to the organization. Nevertheless, the program excluding outside directors and Audit Committee members from performance-based incentives guarantees their autonomy by dissociating evaluation and remuneration from such incentives. While an annual assessment mechanism for outside directors is presently absent, we are actively planning to institute a comprehensive evaluation system after engaging in thorough discussions within the BoD. Our focus lies in ensuring equitable evaluations, defining precise evaluation methodologies, and addressing related considerations. Our commitment to this initiative entails adhering to relevant legal disqualification criteria and suitability parameters, and additionally considering elements like outside directors' involvement and expertise. This strategic approach will guide informed decisions pertaining to reappointment. Notably, the ratified remuneration cap for registered directors following the 2022 AGM is set at KRW 3 billion per annum.

Directors' Remuneration in 2022



BoD Activities

BoD Operating Policy and Status

LOTTE Data Communication's BoD meetings include regular and ad hoc meetings convened by the board chairman. Regular board meetings are held once per quarter, and ad hoc meetings are held where there are urgent matters requiring board resolutions. BoD resolutions are made by a majority vote, but some are made with the approval of at least two-thirds of the attending directors. In 2022, the BoD held a total of eight meetings, including regular and ad hoc meetings, and deliberated on 15 resolution items and 11 reporting items.

BoD Meetings Held in 2022

Session	Date	Major resolutions and reports	Approval
1st (2022)	Jan. 27, 2022	1. Approval of the financial statements and sales report for the 5th fiscal year 2. Approval of the appointment of directors with concurrent positions 3. Report on the ICFR operating status	Approved Approved Reported
2nd (2022)	Feb. 24, 2022	1. Convening of the 5th AGM and determination of the agenda items 2. Approval of the introduction of an e-voting system for the AGM 3. Approval of the health and safety plan for the year 2022 4. Appointment of Compliance Officer 5. Report on the evaluation of the ICFR operating status	Approved Approved Approved Approved Reported
3rd (2022)	Mar. 18, 2022	1. Approval of significant transactions for the year 2022 2. Appointment of committee members 3. Amendment of the Executive Remuneration Regulations	Approved Approved Approved
4th (2022)	Apr. 28, 2022	1. Establishment of the Corporate Governance Charter 2. Amendment of compliance control standards 3. Q1 performance report 4. Report on the amendment of the ICFR Regulations	Approved Approved Reported Reported
5th (2022)	Aug. 3, 2022	1. Approval of significant transactions for the year 2022 2. Approval of the operating funds limit in Korean won 3. Report on the first half-year performance of 2022	Approved Approved Reported
6th (2022)	Oct. 27, 2022	1. Q3 performance report 2. Report on the approval of the operating funds limit in Korean won 3. Approval of transaction limit with subsidiaries	Reported Reported Approved
7th (2022)	Dec. 15, 2022	1. Executive HR report	Reported
8th (2022)	Dec. 22, 2022	1. Approval of significant transactions for the year 2023 2. Report on investment in electric vehicle ultra-fast charging infrastructure SPC 3. Report on the CES participation plan in 2023 4. Report on external ESG evaluation results for 2022	Approved Reported Reported Reported

Audit Committee Operating Regulations

LOTTE Data Communication appoints all members of the Audit Committee as outside directors, who are nominated at the AGM. The Audit Committee conducts independent and objective evaluations of the adequacy and effectiveness of the internal control policies and systems adopted by the management. The committee is composed of at least one accounting expert in accordance with the Commercial Act, and all members, including the chairman, are outside directors. Furthermore, the committee members take regular education, as well as refresher training on business operations, required at the LOTTE Group level to enhance their expertise and business understanding.

External Auditor's Opinions

Fiscal year	Auditor	Auditor's opinion	Particulars
6th term (2022)	Deloitte Anjin LLC	Unqualified	N/A
5th term (2021)	Deloitte Anjin LLC	Unqualified	N/A
4th term (2020)	Deloitte Anjin LLC	Unqualified	N/A

External Auditor's Audit and Non-audit Engagements

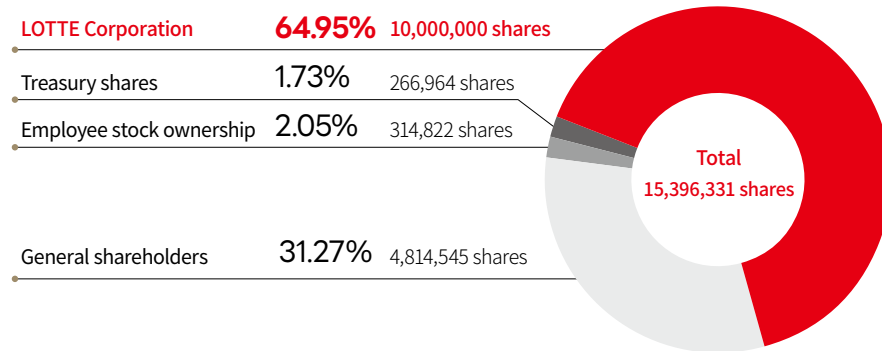
Fiscal year	Auditor	Auditor's opinion	Content	Remuneration (in KRW million)
6th term (2022)	Deloitte Anjin LLC	Audit	Financial statements	430
		Non-audit	Tax advisory	10

Shareholder Value Enhancement

Shareholder Governance

As of December 31, 2022, LOTTE Data Communication issued a total of 15,396,331 shares. Of them, 15,129,367 shares, excluding 266,964 treasury shares, have voting rights. All issued shares are common shares, and fair voting rights are granted based on the number of shares held. LOTTE Corporation, which holds total shares of 65%, is our largest shareholder.

Shareholder Composition and Ownership



※ As of the end of Dec. 2022

Enhancing Shareholder-friendly Management

Expanding Shareholder Communication

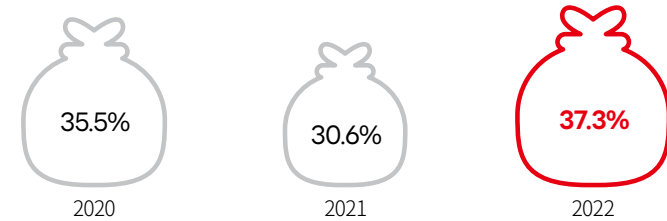
LOTTE Data Communication regularly discloses company management-related information via its website, sustainability reports, the Financial Supervisory Service's electronic disclosure system (DART), and Korea Exchange's corporate disclosure system. We aim at enhancing shareholder value and securing market trust by actively communicating with shareholders and investors through a separate investor relations (IR) page available on the website.

[☎ Contact IR](#)

Shareholder Return Policy

LOTTE Data Communication actively implements a dividend policy aimed at enhancing shareholder returns and increasing shareholder value through the provision of stable cash dividends and sustainable dividend payout ratios. Since its initial listing in 2018, the company has consistently declared final dividends for five consecutive years, significantly contributing to the enhancement of shareholder value. In accordance with our shareholder return strategy, we have annually disbursed a total of KRW 10.6 billion as cash dividends over a span of three years. Our consolidated dividend payout ratio has consistently exceeded 30%. We are committed to upholding a shareholder-centric dividend policy, guided by considerations of our financial standing, prevailing business landscape, and strategic investments, while ensuring the continuity of our approach to optimizing shareholder value.

Dividend Payout Ratio



Classification	Unit	2020	2021	2022
Cash dividends per share	KRW	700	700	700
Total cash dividends	KRW 100 million	106	106	106

Protection of Shareholder Rights and Interests

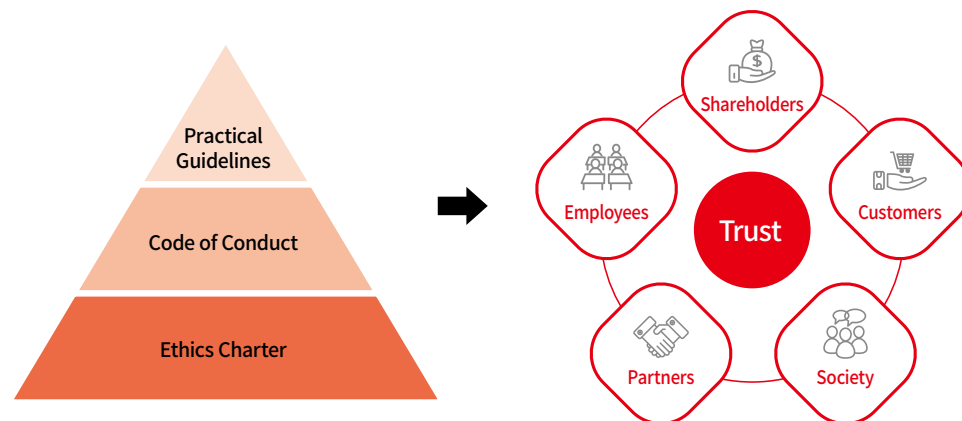
LOTTE Data Communication diligently discloses the date, time, venue, and comprehensive agenda of the Annual General Meeting (AGM) with a lead time of no less than 14 days before the event. This proactive approach enables our valued shareholders to thoroughly peruse the agenda items and exercise their voting rights with a well-informed perspective. Adhering to the provisions outlined in Article 368-4 of the Commercial Act, we have embraced the integration of electronic voting as a means to enhance shareholder convenience in the voting process. This initiative culminated in the deployment of the electronic voting system during our 6th AGM in March 2023, resulting in a commendable 75.8% participation rate in the exercise of voting rights.

Business Ethics

Ethical Management System

LOTTE Data Communication places 'ethics' as the foremost value in all management activities and conducts all tasks with transparency and legality. The company's pursuit of business ethics encompasses the cultivation of practices that advance its sustainable growth trajectory. This approach encompasses not only the fulfillment of economic and legal obligations but also aligns with the ethical benchmarks endorsed by society, encapsulating these principles as decisive factors guiding our choices and conduct. To proactively address potential regulatory infractions intrinsic to business operations, we have instituted the Ethics Charter, Code of Conduct, and comprehensive Practice Guidelines. These instruments are instrumental in mitigating the risks associated with potential regulatory non-compliance. Furthermore, we have established a robust ethical management system that encompasses compliance evaluations and the identification of areas necessitating enhancement.

Ethical Management System



Ethical Management System (3C)

LOTTE Data Communication continues to enhance its ethical management system based on the Code of Conduct that outlines specific regulations and behavioral guidelines for corporate ethics. Accordingly, we launched a dedicated organization as well as conduct activities such as employee education to raise their awareness of ethics.

Overview of the Ethical Management System (3C)

Ethical management system (3C)



Code of Conduct

We have established specific and explicit regulations and guidelines to ensure compliance with business ethics.

Consensus by Ethics Education

We conduct systematic and regular education programs to raise employee awareness.

Compliance Check Organization

We operate an organization dedicated to overseeing compliance and monitoring our internal whistleblowing channel.

Ethics Charter and Employee Pledge

During the ethical management declaration ceremony convened on November 8, 2019, LOTTE Data Communication unveiled its Ethics Charter, symbolizing our dedication to fostering customer value within evolving technological and service frameworks. This charter serves as a cornerstone in propelling our transformation into a pioneering digital platform enterprise. All members of our workforce pledged their allegiance to the principles of ethical management during this ceremony. Furthermore, as a testament to our unwavering commitment, we have instituted a process within our HR system to ensure that each newly onboarded employee solemnly affirms their commitment to these principles. Our resolute pursuit of ethical management underscores our aspirations to evolve into a global enterprise that commands trust and admiration from all quarters, including shareholders, clientele, employees, and collaborative suppliers. This resolve is pivotal in driving our company's growth trajectory while sustaining harmonious relationships with all stakeholders.

Ethical Management Charter

- 1 We shall not engage in any unfair practices such as cartel activities, restricting or discriminating suppliers, as well as intellectual property infringement or leaking trade secrets, as we perform our duties based on high ethical values.
- 2 We shall build partnerships based on equality and mutually beneficial relationships in order to foster sustainable growth for both parties.
- 3 We shall ensure a work environment where employees can work autonomously and creatively based on mutual trust and understanding.
- 4 We shall strive not only to create value for shareholders and stakeholders, but also to contribute to the development of local communities through social contribution activities.
- 5 We shall strictly adhere to environmental regulations and principles in all our business activities.

LOTTE's Code of Conduct

LOTTE Data Communication strives to secure the trust of various stakeholders by operating its business fairly and transparently in accordance with relevant laws and regulations as well as the LOTTE Code of Conduct. The Code of Conduct contains the principles of behavior that LOTTE employees must adhere to in order for the company to gain the trust of customers, employees, partners, shareholders, and society.

Key Contents of the Code of Conduct



Anti-bribery Regulations

LOTTE Data Communication enacted the Integrity Practice Rules composed of compliance standards pertaining to anti-corruption laws, improper solicitation, and receipt of financial benefits as of July 2021. Through this, we have laid a foundation for prohibiting corrupt practices and mitigating associated risks. In 2022, we added Article 12 (Management of Third Parties) to our Integrity Practice Rules. As such, we are making efforts in third-party management to assess and prevent anti-corruption/bribery and business ethics risks of partners through preemptive checks. In particular, we identified risks after reviewing the ethical management policies and practices of our top 10 partners, and provided guidance and conducted monitoring to ensure the actual implementation of ethical management by these partners.

Five Indicators for Assessing Partner's Ethical Management



Enhancement of Ethical Management

Ethical Management Education

LOTTE Data Communication conducts ethical management-related education and promotional activities to enhance the awareness of ethical management among employees. We conduct mandatory education for all employees, including non-regular workers, while new hires undergo ethical management courses, which include ethical management practices, anti-corruption and improper solicitation, proper asset management, prevention of unfair transaction practices, and information security. 100% of our employees completed the mandatory education held in 2022. Moreover, we distribute guidebooks and checklists regarding improper solicitation for employees, and we operate an ethics chatbot to enhance employees' accessibility to digital content on ethical management and promote ethical practices among our employees.

Ethical Audits

LOTTE Data Communication's Audit Department conducts both regular and ad-hoc ethical audits to strengthen employees' ethical awareness. Regular ethical audits involve quarterly management assessments, and we plan to perform audits on the company's entire operations on a three-year cycle. The annual audit plan and performance are reported to the Audit Committee for approval. We systematically monitor instances of unethical or illegal issues by conducting surveys related to violations of internal regulations, such as work negligence, sexual harassment, and workplace bullying. We also carry out periodic audits through anonymous reporting.

Practicing Ethical Management

Whistleblowing Channel

LOTTE Data Communication operates the whistleblowing channel to enhance its business transparency and accountability by eradicating any illicit acts that may undermine customer value. We provide our employees with ethical management education on how to use the whistleblowing channel, and the details are also posted on the bulletin board of our website. We receive reports on misconduct and unethical behavior of our employees from both our internal and external stakeholders, including employees, partners, purchasers, customers, and shareholders.

Whistleblowing channel

Reporting and Handling Procedures

LOTTE Data Communication receives reports via various channels, including email, phone, mail, and the online whistleblowing channel, so as to protect the identity of the whistleblower. We review and manage the reports in accordance with internal regulations, and we transparently disclose the review process and outcomes. Having institutionalized principles of whistleblower protection in our ethical management guidelines for employees, we guarantee the safety of whistleblowers and strict confidentiality so that they are protected from any form of retaliation as a result of reporting.

Number of Reports Reported to the Whistleblowing Channel (%)

Years		2020	2021	2022	Percentage
Report	Corruption	4	0	2	22.22%
	Complaint	4	6	3	33.33%
	Others	3	5	4	44.44%

※Unit: cases, %

※The percentage (%) corresponds to the year 2022

Whistleblower Protection System



Targets of protection

A whistleblower is subject to protection when he or she submits accurate evidence under a real name, in principle. Reports related to the whistleblower's stakeholders are also strictly protected.

- Whistleblower's identity
- Evidence or information submitted by the whistleblower
- Any matters that could imply the party to be consulted
- Follow-up measures after reporting



Protection policy

● Information on the whistleblower and reports is kept strictly confidential, and the reporting system is protected by a secure security system. A report is handled by a restricted number of individuals who have pledged strict confidentiality of the contents of the report.

● The whistleblower's rights are protected in the entire reporting process, including review, handling, and implementation. We strictly manage the authority, roles, and responsibilities of those with access to the information. In addition, we ensure that the whistleblower does not face any adverse consequences or punishments as a result of their report.

Reporting and Handling Procedures



Report received

The contents of the report go through preliminary procedures such as verification by the relevant department under the principle of protecting the identity of the whistleblower.



Investigation initiated

Once the investigation plan, including the number of investigators and the duration of the investigation, is finalized, the investigation proceeds sequentially. The duration may vary depending on the scope and subjects of the investigation.



Investigation completed

The investigation ends when the veracity of the report is confirmed through objective evidence and the investigation process.



Close the case

The case is closed when the investigation is completed, and disciplinary actions are determined according to the bylaws.



Result disclosed

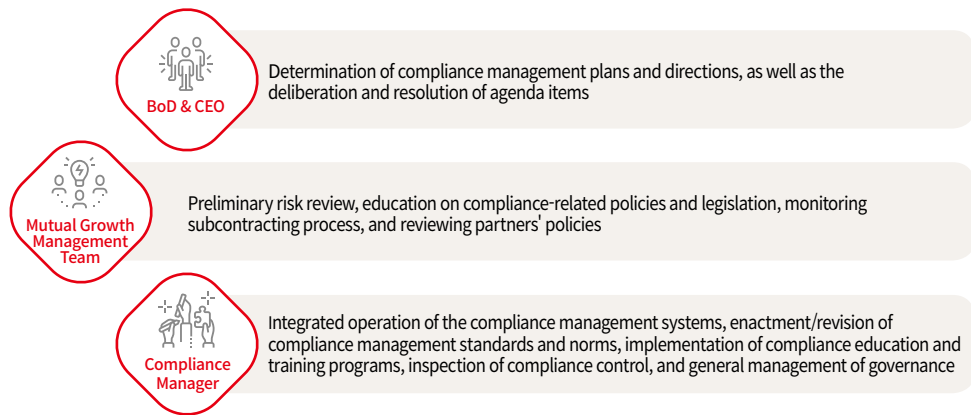
The results of the case are disclosed on the whistleblowing channel, except in cases where it may infringe upon the company's legitimate rights and interests.

Internalization of Compliance Awareness

Compliance Management System

At LOTTE Data Communication, all employees are aware of the importance of compliance management. Accordingly, we have established the necessary systems, standards, and organizations—which are in full operation—to practice compliance in all relationships with stakeholders. Compliance managers are appointed through the resolution of the BoD, and major compliance management action plans and performance are reported to the BoD.

Roles of Compliance Management Organization



Establishment of Major Compliance Management Systems by Year

2020	<ul style="list-style-type: none"> Established company-wide compliance systems for each sector, including fair transaction and subcontracting, anti-corruption, employment and labor (Act on the Protection of Temporary Agency Workers), and protection of personal data and trade secrets Improved processes such as distributing guidelines to comply with the Fair Transaction Act and revising company rules
2021	<ul style="list-style-type: none"> Distributed a contract review checklist and a fair trade compliance guideline based on amendments to the Fair Transaction laws Enacted Integrity Practice Rules for a transparent and fair corporate culture
2022	<ul style="list-style-type: none"> Revised the compliance control standards to strengthen the compliance support system Distributed the compliance guidebook for compliance management Strengthened the risk prevention system by opening a compliance management portal and revising contract-related bylaws

Fair Transaction Principles

LOTTE Data Communication discloses the four fair trade principles of the Fair Trade Commission of Korea on its website to build fair business relationships with partners. We adhere to these principles by conducting frequent inspections of procurement procedures during subcontracting. For us to select appropriate partners in a fair manner, we have clarified in our procurement management regulations the fair transaction procedures and bidding and private contract standards in accordance with the Fair Transactions in Subcontracting Act, and enacted evaluation guidelines for evaluators to ensure fair evaluation of partner proposals. In 2020, we revised the procedures for advance payment and established a procedure for signing non-disclosure agreements upon receiving proposals to safeguard partners' technical data.

Four Principles of the Fair Trade Commission

<ul style="list-style-type: none"> Enhance transparency and fairness in the selection and management of partners Establish guidelines for preventing violations of the Subcontracting Act 	1 Guidelines for Partners	<ul style="list-style-type: none"> Set specific standards for issuing and preserving written documents related to subcontracting Promote progressive practices for issuing documents and establishing a fair subcontracting order
<ul style="list-style-type: none"> Self-deliberation on the fairness and legality of subcontracting Detailed instructions for preventing violations of the Subcontracting Act 	3 Guidelines for the Internal Deliberation Committees	<ul style="list-style-type: none"> Set specific criteria for signing contracts between large companies and SMEs Provide detailed instructions for rational and fair transactions

Standard Subcontractor Agreement

LOTTE Data Communication enters into subcontractor contracts in conformance with the standard subcontractor agreement recommended by the Fair Trade Commission to prevent unfair transactions. These subcontracts include special provisions to protect the rights and interests of subcontractors. We also carry out electronic contract signing through our partner portal 'ePartner' and electronic contract website 'ECS' to prevent a verbal award of orders, unreasonable order cancellations, and other unfair transaction practices.

Pledge to Business Ethics

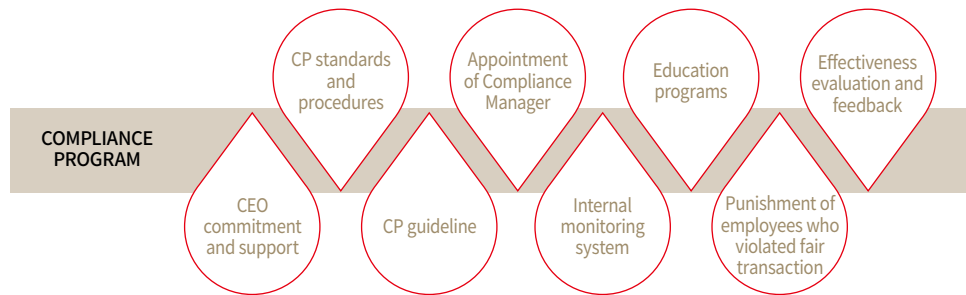
We act toward eradicating unethical behavior, including fraud and corruption, by requiring our partners to sign the pledge to practice business ethics. This is to reaffirm fairness and transparency during transactions with partners. We also have a fair transaction pledge system in place targeting partners participating in the bidding, and this enables us to identify risks of unfair actions such as collusion between bidders. We prohibit partners found to be in violation of these rules from doing business with us for two years.

Enhancement of Compliance Management

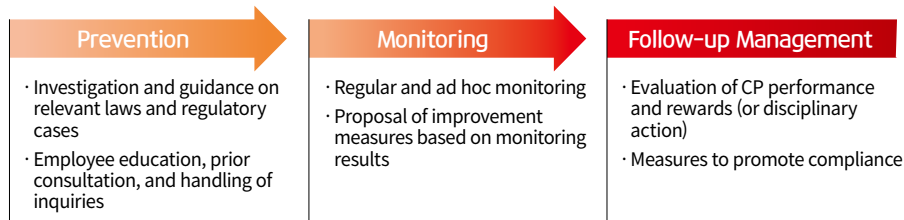
Fair Trade Compliance Program

LOTTE Data Communication adopted the fair trade compliance program (CP) to ensure transparency and legality in business activities. The program provides clear guidelines for employees to comply with fair trade laws, enhancing their ethical and legal awareness. It is a system that identifies and prevents regulatory violations in advance. In July 2014, the CEO as well as all the other directors and employees of LOTTE Data Communication joined forces to declare the CP. In 2021, we strengthened our internal fair trade system by strengthening our fair trade compliance activities, such as revising the compliance guideline applying the latest laws, distributing contract checklists, and training and monitoring employees.

Core Elements of CP



CP Process



Appointment of Compliance Manager

LOTTE Data Communication appoints a fair trade compliance manager through the BoD approval to ensure the efficient operation of the CP. The fair trade compliance manager establishes the Fair Trade Compliance Program action plan, oversees the execution process, and reports the fair transaction performance and plans to the BoD on a semi-annual basis. In addition, the Compliance Manager takes charge of conducting fair transaction-related education to enhance the capabilities of relevant personnel.

Fair Transaction Education for Employees

As part of our measures to promote fair transactions, LOTTE Data Communication regularly provides education to its employees on relevant laws, including the Fair Trade Act and the Subcontracting Act, and compliance requirements, as well as updates on current trends. Every year, new hires and related departments are required to take at least five sessions of the education, and we also offer online courses operated by the LOTTE Academy. In 2021, we conducted education for departments associated with subcontracting. In the following year, we reinforced our education system by operating a comprehensive course on the Fair Trade Act for departments with a significant risk of legal violations throughout the organization. Existing departments related to subcontracting also took the course. As for 2023, we will provide advanced courses on the Fair Trade Act for each department based on our updated education system.

Fair Transactions by Suppliers

LOTTE Data Communication continuously strives to improve transparency and fairness in its dealings with partners. This includes standardizing clauses related to partner rights protection in contracts, as well as sending notification messages on the progress of contract proceedings to partners. Our Subcontract Deliberation Committee reviews the contractual relationships and compliance with relevant laws on a monthly basis, ensuring that our partners do not suffer any contractual disadvantages.

Fair Transaction and Anti-corruption

LOTTE Data Communication runs an employee counseling center through our internal help desk so as to encourage voluntary compliance with laws regarding fair transactions, anti-corruption, and economic sanctions. We also offer external counseling when needed. We also operate a whistleblowing system against unfair transactions and unethical conduct, while the Fair Trade Compliance Manager within the ESG Office takes charge of addressing such acts.

Examples of Unfair Transactions and Unethical Conduct



Fair Trade Compliance Inspections

LOTTE Data Communication carries out company-wide Fair trade compliance inspections. In cases where there is a perceived risk of violations, we ensure that the compliance department conducts a prior review to prevent any violations in advance. Specifically, we require a checklist to be prepared and attached to a contract upon signing it, thereby promoting a systematic culture of compliance.

Practicing Compliance Management

LOTTE Data Communication engages in a diversity of activities to instill a culture of compliance within the company.

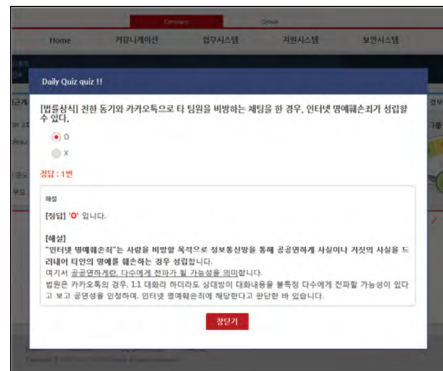
Key Activities for Building a Culture of Compliance Management	
Improvement in compliance	<ul style="list-style-type: none"> Regular evaluation and improvement of compliance control standards and processes Establishment of organizational and company-wide compliance systems Identification and dissemination of best practices in compliance management
Building a compliance culture	<ul style="list-style-type: none"> Revision and distribution of the fair trade compliance program handbook Distribution of letters on major legal revisions and case studies of disputes Conducting Daily Legal Tests (DLTs) on company-related laws and bylaws Assigning compliance experts to respond to employee inquiries

Compliance Education

To ensure effective compliance management practices and prevent potential legal risks, LOTTE Data Communication requires that employees sign a compliance pledge upon joining the company. All of our employees are subject to annual education on regulatory and compliance requirements, as well as the latest trends relevant to their duties. The program, conducted regularly and on an ad-hoc basis, is designed to meet the specific needs of each target group. It includes mandatory courses for all employees, special courses for those involved in specific job functions (such as fair transaction and subcontracting, anti-corruption, and personal data protection), as well as introductory courses for new and experienced hires.

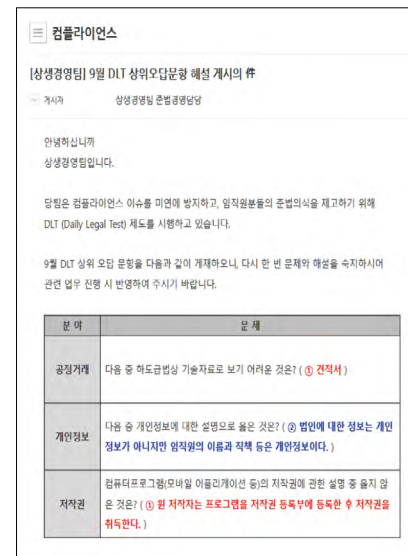


Distribution of compliance education materials

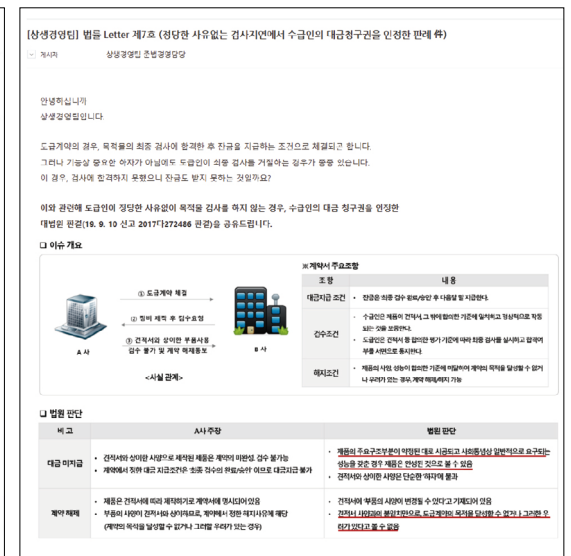


Daily Legal Test (DLT) Screen

LOTTE Data Communication performs DLTs for employees to ensure effective compliance management. These tests focus on company-related laws and bylaws. Every month, we announce and award top performers in the DLTs on our bulletin board. Questions with a high percentage of incorrect answers appear in the test repeatedly to ensure that all employees are aware of the correct answers. The Mutual Growth Management Team, which is dedicated to compliance management, consists of a Compliance Officer with lawyer qualifications and those assisting the officer in responding to employees' inquiries about compliance management around the clock.



Around-the-clock response to inquiries



Distribution of dispute case letters

Compliance with the Subcontracting Act

LOTTE Data Communication holds Subcontract Deliberation Committee meetings once a month in accordance with the 'Practices for Establishment and Operation of the Subcontract Deliberation Committee.' These meetings are conducted to check the employees' compliance with the Subcontracting Act. The Subcontract Deliberation Committee prevents compliance risks through prior deliberation on subcontracts. It takes action on the identified risks through payment and post-contract deliberations, and reviews the implementation and operation of the company's win-win policies. In 2022, the committee held a total of 12 meetings to make improvements about suggestions and areas requiring enhancement. The committee's activities are posted on the company website and available for our partners as well.

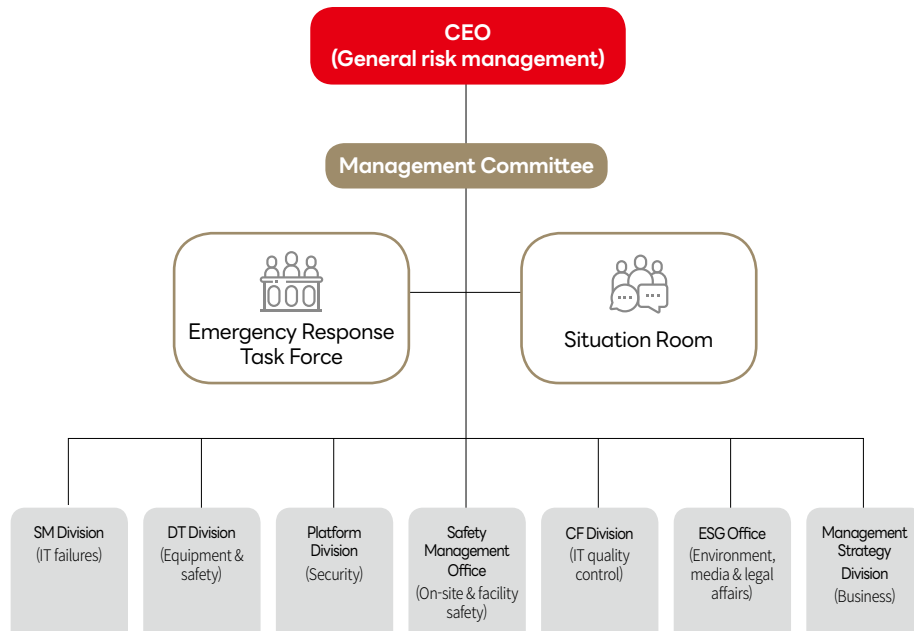
☑ Practices for Establishment and Operation of the Subcontract Deliberation Committee

Integrated Risk Management

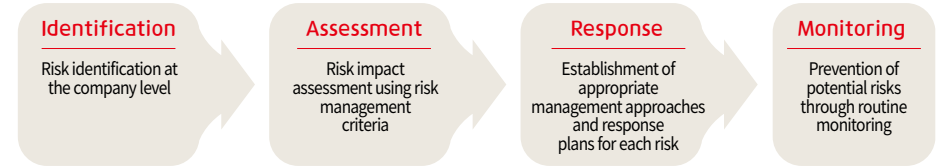
Risk Management System

The uncertainty of the business environment is increasing, and economic, social, while the economic, social and environmental factors affecting companies are becoming more diverse. LOTTE Data Communication, in response, comprehensively identifies risks that need to be managed at the company level, evaluates their potential impact on the management system, and effectively responds to these risks in a timely manner, under the supervision of the CEO and guidance by the Management Committee. Each of our business divisions prevents potential risks through routine monitoring and embedding comprehensive response strategies into business management and the decision-making process. We established the Situation Room and a task force that will enable company-wide response in times of crisis.

Risk Management Organization



Risk Management Process



LOTTE Data Communication conducts post-monitoring of financial and non-financial risks through internal control systems such as internal audits and ICFR.

Internal Audit

LOTTE Data Communication conducts internal audits through the organization and procedures established in accordance with laws, the Articles of Association, and other bylaws, in an effort to continuously improve and enhance the overall internal control policy. The Audit Department makes annual reports of audit plans and performance to the Audit Committee and obtains approval in order to ensure effectiveness in every audit. Based on the enhanced expertise and independence of the Audit Committee—composed entirely of outside directors, including accounting and financial experts—provides independent opinions on the management's rational business decisions.

Internal Accounting Management

Having established the ICFR regulations, LOTTE Data Communication has designed and operates an ICFR system. We report the system's operating status to the AGM, the BoD, and the Audit Committee every fiscal year in accordance with relevant laws. Accordingly, the Audit Committee evaluates the system's operating status each fiscal year and reports the results to the BoD, contributing to the continuous improvement of ICFR through external audits.

ICFR Evaluations by Fiscal Year

Fiscal year	Company	Audit Committee	External auditor
6th term (2022)	Unqualified	Unqualified	Unqualified
5th term (2021)	Unqualified	Unqualified	Unqualified
4th term (2020)	Unqualified	Unqualified	Unqualified

Risk Management Activities

LOTTE Data Communication conducts regular preliminary checks of financial and non-financial risks at the company level, identifying risk factors and evaluating their potential impact. In case of risk occurrence, we take action under the leadership of the Management Committee.

Impacts and Countermeasures for Key Risk Factors

	Risk factor	Description and potential impact	Likelihood	Impact	Countermeasures
Financial risk	Market risk	Volatility and rapid fluctuations in market factors such as exchange rates, interest rates, and prices	High	High	<ul style="list-style-type: none"> Monthly risk assessment and reporting Establishment and implementation of internal procedures according to foreign exchange positions
	Credit risk	Potential financial loss for the company due to the counterparty's failure to fulfill contractual obligations	Medium	Medium	<ul style="list-style-type: none"> Regular financial credibility assessments of customers and trading counterparties Setting and managing credit limits for customers
	Liquidity risk	Potential issues with external payments until maturity due to lack of funds	Medium	High	<ul style="list-style-type: none"> Establishment and reporting of cash flow planning in the short, medium, and long term Alignment of the maturity structure of financial assets and liabilities through analysis of actual cash outflows compared to the budget
Non-financial risk	Information security risk	Potential decrease in reliability and competitiveness due to the occurrence of information security vulnerabilities	Medium	High	<ul style="list-style-type: none"> Annual evaluation and improvement of the information security level Enhancement of awareness regarding information security through training programs for employees and partners
	Health and safety risk	Potential fines and damage to corporate image/reputation due to the occurrence of workplace accidents	Low	High	<ul style="list-style-type: none"> Establishment and implementation of a health and safety management system for responding to major accidents Conducting regular and ad hoc safety inspections, ensuring employee education and training, and strengthening risk assessments to prevent accidents
	Securing talent	Potential weakening of service competitiveness due to the challenges in securing talent	Low	Medium	<ul style="list-style-type: none"> Securing talent by operating various recruitment channels Building employee competencies and strengthening service competitiveness through development programs
	Compliance risk	Potential increase in compliance costs and damage to corporate image/reputation due to violations of domestic and international laws and policies	Medium	High	<ul style="list-style-type: none"> Establishment of a compliance system based on compliance control standards Operation of fair trade compliance program (CP)



APPENDIX

Key Performance Data	082
GRI Standards Index	090
TCFD Index	095
SASB	096
UN SDGs	099
Third-party Assurance Statement	101
Memberships and Awards	103

KEY PERFORMANCE DATA

Economic Performance

Key Financial Performance

Classification		Unit	2020	2021	2022
Consolidated Financial Statements	Sales	KRW million	849,546	929,999	1,047,705
	Operating profit		38,751	39,966	34,251
	Net income		29,873	34,659	28,385
	Total assets		649,501	750,130	871,932
	Total liabilities		236,152	316,886	417,980
	Debt ratio (debt/equity)		%	57.13	73.14
Separate Financial Statements	Sales	KRW million	835,877	912,600	990,140
	Operating profit		38,836	40,842	41,108
	Net income		30,047	35,078	23,844
	Total assets		645,473	743,993	796,903
	Total liabilities		233,229	311,603	355,237
Credit rating	NICE Investors Service	Grade	A1	A1	A1
	Korea Investors Service		A1	A1	—
	Korea Ratings		—	—	A1

Economic Value Distributed

Classification		Unit	2020	2021	2022
Customers	Sales	KRW million	849,546	929,999	1,047,705
Employees	Salaries and employee benefits expen		246,852	256,757	310,977
Suppliers	Purchase expenses		470,491	536,268	593,238
Shareholders & Investors	Cash dividends and interest expenses		10,796	11,228	14,833
Government	Income tax expenses		8,201	9,661	7,870
Local communities	Donations		83	781 ¹⁾	397

※ Based on consolidated financial statements

1) The figures stated in the 2021 Sustainability Report have been revised.

ENVIRONMENT

GHG Emission Reduction Performance

Classification		Unit	2020	2021	2022
GHG reduction		tCO ₂ eq	1,818.6	2,306.9	1,908.2
Seoul			333.6	1,349.5	1,345.0
Yongin			1,485.0	957.4	437.9
Daejeon			0	0	125.3
Power usage reduction		MWh	3,958.6	5,021.5	4,153.5
Seoul			726.1	2,937.5	2,927.7
Yongin			3,232.5	2,083.9	953.1
Daejeon			0	0	272.8

GHG Emissions

Classification		Unit	2020	2021	2022
Total GHG emissions ¹⁾ (Scope 1 + Scope 2)		tCO ₂ eq	80,618	93,362	112,255
Scope 1 (Direct emissions)			430	521	393
Seoul			341	347	335
Daejeon			5	4	3
Yongin			72	169	55
Former office building			12	1	0
Scope 2 (Indirect emissions)			80,188	92,843	111,863
Seoul			15,894	13,940	14,006
Daejeon			2,730	3,082	3,258
Yongin			60,960	75,238	94,043
Former office building			604	584	556
Scope 3 ²⁾ (Other indirect emissions)			5,219	6,238	11,875
By total floor area (GHG intensity)			tCO ₂ eq/m ²	1.17	1.09
Seoul		0.67		0.59	0.84
Daejeon		0.68		0.76	0.81
Yongin		2.28		1.74	2.17
Former office building		0.04		0.04	0.04
By sales (GHG intensity)		tCO ₂ eq/KRW billion	96.45	102.30	113.37

1) The total energy consumption values per business site and fuel are inconsistent, as the criteria for handling decimal places differ according to the GHG emissions statement calculation criteria. (Aggregation criteria by business site: Aggregate at the business site level and perform truncation; Aggregation criteria by fuel: Aggregate at the fuel level and perform rounding).

2) The increase in 2022 emissions is attributed to the addition of calculation categories (e.g. purchased goods and services, fuel- and energy-related activities not associated with external purchases and investments).

Energy Usage and Reduction GHG Emissions

Classification	Unit	2020	2021	2022	
Total energy consumption ¹⁾	TJ	1,658	1,947	2,342	
Seoul		333	297	298	
Daejeon		56	64	68	
Yongin		1,256	1,574	1,965	
Former office building		13	12	11	
Energy consumption intensity	TJ/KRW billion	1.98	2.13	2.37	
Scope 1 (Direct Emissions, Energy Consumption)	TJ	7.17	8.51	6.78	
Seoul		5.81	5.99	5.93	
LNG		3.08	3.46	3.91	
Gasoline		2.48	2.24	1.92	
Diesel		0.25	0.29	0.11	
Daejeon		0.08	0.06	0.05	
Diesel		0.08	0.06	0.05	
Yongin		1.04	2.44	0.80	
Gasoline		0.10	0.07	0.06	
Diesel		0.94	2.37	0.73	
Former office building		0.25	0.01	0	
LNG		0.25	0.01	0	
Scope 2 (Indirect Emissions, Energy Consumption)		TJ	1,651	1,940	2,338
Electricity			1,651	1,940	2,338
Seoul	327.25		291.29	292.67	
Daejeon	56.21		64.39	68.09	
Yongin	1,255.16		1,572.19	1,965.15	
Former office building	12.43	12.21	11.62		
Energy savings	TJ	38.00	48.20	39.81	
LED lighting replacement		2.05	1.78	0	
Replacement of EC-FAN of thermo-hygrostats		28.98	18.23	0	
Operation of outdoor air-cooling system		1.05	0	0	
Operation of free cooling		0.00	28.20	39.67	
Increased operational efficiency of thermo-hygrostats	5.92	0	0		

Waste and Recycling

Classification	Unit	2020	2021	2022
Total waste generated	ton	166.27	174.06	145.24
Seoul		128.45	132.97	103.49
Daejeon		5.70	5.04	4.65
Yongin		32.12	36.05	37.10
Waste disposal (General)		0	0	0
General		0	0	0
Waste disposal (Incineration)		120.54	126.33	41.75
Seoul		82.72	85.24	0
Daejeon		5.70	5.04	4.65
Yongin		32.12	36.05	37.10
Waste recycling amount	ton	45.73	47.73	103.49
Seoul		45.73	47.73	103.49
Daejeon		0	0	0
Yongin	0	0	0	
Waste recycling rate	%	27.5	27.4	71.3
Waste disposal cost	KRW 100 million	0.36	0.37	0.33
Total amount of waste discharged (Intensity)	Tons/KRW billion	0.20	0.19	0.15

1) The total energy consumption values per business site and fuel are inconsistent, as the criteria for handling decimal places differ according to the GHG emissions statement calculation criteria. (Aggregation criteria by business site: Aggregate at the business site level and perform truncation, Aggregation criteria by fuel: Aggregate at the fuel level and perform rounding).

Water Consumption

Classification	Unit	2020	2021	2022
Total water consumption		91,810	105,722	116,961
Seoul	ton	20,598	31,527	33,392
Daejeon		457	2,593	4,680
Yongin		51,569	55,728	69,554
Former office building		19,186	15,874	9,335
Water supply consumption		91,810	105,722	116,961
Seoul	ton	20,598	31,527	33,392
Daejeon		457	2,593	4,680
Yongin		51,569	55,728	69,554
Former office building		19,186	15,874	9,335
Groundwater consumption		0	0	0
Seoul	ton	0	0	0
Daejeon		0	0	0
Yongin		0	0	0
Former office building		0	0	0
Total water consumption (Intensity)	Tons/KRW billion	109.84	115.85	118.13
Reuse/Recycling water consumption		32,107	55,252	70,778
Seoul	ton	0	14,157	13,196
Daejeon		0	1,582	4,375
Yongin		32,107	39,513	53,207
Water recycling rate	%	35	52	61

Exhaust Gas Emissions

Classification	Unit	2020	2021	2022
NOx	ton	0.095	0.081	0.103
SOx		-	0.00032	-
Dust		-	0.00041	-
NOx (Intensity)	Tons/ KRW billion	0.00011	0.00009	0.0001
SOx (Intensity)		-	0.00001	-
Dust (Intensity)		-	0.00001	-

Purchasing Performance

Classification	Unit	2020	2021	2022
Green Purchasing	KRW million	151	3	5

Violations of Environmental Laws and Regulations

	Classification	Unit	2020	2021	2022
Violations of environmental laws and regulations	Total amount of fines	KRW	0	0	0
	No. of lawsuits filed	Cases	0	0	0
	No. of non-monetary sanctions	Cases	0	0	0

SOCIAL

Employment

Classification		Unit	2020	2021	2022
Total no. of employees	Including overseas subsidiaries and investments	Headcount	2,803	2,885	2,940
	Regular and contract employees in Korea		2,798	2,882	2,935
By employment type	Regular	Headcount	2,728	2,778	2,824
	Non-regular		75	107	116
By age	Under 30	Headcount	709	801	855
	30-50		1,871	1,792	1,760
	Over 50		223	292	325
By gender	Male	Headcount	2,003	2,037	2,053
	Female		800	848	887
Nationality	Korean nationals	Headcount	2,795	2,879	2,937
	Foreign nationals		8	6	3

※ Please note that, in accordance with the government's new age-counting policy, there may be inconsistencies in the number of expatriates and foreign employees (2020 and 2021) stated in last year's sustainability report.

New Employee Hires

Classification		Unit	2020	2021	2022
Total no. of newly employed	Total	Headcount	220	518	525
By gender	Male	Headcount	120	316	325
	Female		100	202	200
By age	Under 30	Headcount	162	372	359
	30-50		58	146	165
	Over 50		-	-	1

※ Please note that, in accordance with the government's new age-counting policy, there may be inconsistencies in the figures (2020 and 2021) stated in last year's sustainability report (excluding those transferred to the group).

Employee Diversity

Classification	Unit	2020	2021	2022
Female leadership				
No. of female managers (manager level or above)	Headcount	219	221	234
Percentage of female managers (female managers / total managers)	%	17.5	17.8	18.9
No. of female executives	Headcount	2	4	3
Percentage of female executives	%	9.5	19	16.7
No. of employees with disabilities	Headcount	45	48	48
Percentage of employees with disabilities	%	1.6	1.7	1.6
No. of veterans	Headcount	54	53	56
Percentage of veterans	%	1.9	1.8	1.9

※ Please note that, in accordance with the government's new age-counting policy, there may be inconsistencies in the number of female managers (2020 and 2021) stated in last year's sustainability report.

Years of Service

Classification		Unit	2020	2021	2022
Average years of service	Total	Years	8.3	8.1	7.9
	Male		9.3	9.1	8.9
	Female		5.8	5.6	5.6

Maternity and Parental Leaves

Classification	Unit	2020	2021	2022
No. of employees who took maternity leave	Headcount	99	105	95
Male		71	70	57
Female		28	35	38
Return-to-work rate after childbirth (within 12 months)	%	84	96	94
Male		87	97	97
Female		80	94	88
No. of employees who took parental leave	Headcount	125	114	142
Male		62	54	71
Female		63	60	71
No. of employees who have returned from parental leave	Headcount	96	89	84
Male		55	57	61
Female		41	32	23
Return-to-work rate after parental leave	%	84	96	94
Male		87	97	97
Female		80	94	88
No. of employees who have worked at least 12 months after returning from parental leave	Headcount	109	90	65
Male		59	47	51
Female		50	43	14
Turnover rate within 12 months after returning to work ¹⁾	%	15	13	12

1) There may be differences in the figures (2020 and 2021) in last year's sustainability report due to changes in calculation methods.

Fair HR System

Classification	Unit	2020	2021	2022
Percentage of female to male basic wages ¹⁾	%	100	100	100
Percentage of employees receiving non-monetary benefits (welfare benefits) ²⁾	%	100	100	100

1) Basic salary ratio: Based on entry-level positions

2) Percentage of welfare benefits: Based on all employees

Employee Training

Classification	Unit	2020	2021	2022
Total training expenses	KRW million	2,375	3,258	3,852
Total no. of trainees	Headcount	30,846	34,811	33,929
Training expenses per person	KRW 1,000/person	847	1,129	1,310
Total training hours	Hours	84,661	85,729	81,161
Training hours per person ¹⁾		30.2	29.7	28.0

1) Total training hours per person: Based on the total number of employees

Performance Evaluation

Classification	Unit	2020	2021	2022
Total no. of employees subject to performance evaluation	Headcount	2,567	2,389	2,562
Percentage of performance evaluation conducted	%	100	100	100

Employee Satisfaction

Classification	Unit	2020	2021	2022
Employee satisfaction level	Points	68.2	69.3	72.0

Retirement Pension

Classification	Unit	2020	2021	2022
Defined benefit plan (Consolidated)	KRW million	121,743	133,394	177,341
Defined contribution plan (Consolidated)		232	508	623

Quality Management

Classification	Unit	2020	2021	2022
R&D investment cost	KRW million	14,630	16,088	14,589
R&D investment-to-sales ratio	%	1.7	1.7	1.4

Transactions With Partners

Classification	Unit	2020	2021	2022
No. of partners	Companies	1,257	1,246	1,138

Mutual Growth and Cooperation with Partners

Classification		Unit	2020	2021	2022
Financial support: Shared growth fund	Total amount raised	KRW million	12,000	15,000	15,000
	Investment from financial institutions		6,000	7,500	7,500
	Funds spent		11,715	10,167	13,365
Support for partner training	No. of programs	Sessions	540	540	600
	No. of trainings	Times	12	11	11
	No. of completed trainees	Headcount	416	566	758
Technical support	Tech data escrow	Cases	5	12	32
Support for employment	Support for online job posting	Companies	0	9	22

Social Contribution Activities

Classification	Unit	2020	2021	2022
Employee participation rate	%	11.5	13.0	9.4
Volunteer hours	Hours	1,304	1,550	1,203
No. of employees who volunteered	Headcount	321	376	275
Volunteer hours per employee	Hours	4.1	4.1	4.4
Donations for social contribution	KRW million	83	770	350

Social Contribution Programs

Classification		Unit	2020	2021	2022
Addressing social problems	No. of beneficiaries	Headcount	50	0	100
	Expenditures	KRW million	0.69	3.21	1.69
Supported living services for Headcount with disabilities	No. of beneficiaries	Headcount	0	11	60
	Expenditures	KRW million	0.23	5.18	0
Support for the vulnerable and underprivileged	No. of participants	Headcount	210	190	200
	Expenditures	KRW million	2.10	13.80	12.58
IT education (for the underprivileged)	No. of participants	Headcount	0	0	33
	Expenditures	KRW million	0	0	2.84
Supported living services for women	No. of participants	Headcount	0	200	0
	Expenditures	KRW million	0	0.26	0
Others	No. of participants	Headcount	0	0	30
	Expenditures	KRW million	0	0	5.54

Safety and Health

Classification		Unit	2020	2021	2022
No. of work-related injuries	Employees	Cases	0	0	0
	Partners		0	0	0
No. of work-related fatalities	Employees	Cases	0	0	0
	Partners		0	0	0
Lost Time Injuries Frequency Rate (LTIFR)	Employees	%	0	0	0
	Partners		0	0	0

Information Security

Classification		Unit	2020	2021	2022
No. of violations of product and service safety regulations		Cases	0	0	0
No. of data breaches and other cybersecurity incidents			0	0	0
No. of breaches/violations related to customer privacy			0	0	0
No. of customers affected by data leakage			0	0	0
Total amount of fines or penalties paid in relation to data breaches and other cybersecurity incidents		KRW	0	0	0
Total amount of monetary losses incurred from legal proceedings associated with user privacy		KRW	0	0	0
Security personnel	No. of security personnel	Headcount	177	180	171
	No. of security personnel who completed human rights education	Headcount	177	178	171

Customer and User Data

Classification		Unit	2020	2021	2022
No. of instances where customer data was used for secondary purposes		Cases	0	0	0
No. of government and law enforcement requests for user data and information		Cases	0	0	0

Talent Management at Overseas Business Sites

Classification		Unit	2020	2021	2022
Total no. of expatriates ¹⁾		Headcount	15	13	15
Total no. of employees at overseas business sites		Headcount	258	264	341
Total no. of managers at overseas business sites ¹⁾		Headcount	54	55	60
No. of local managers		Headcount	45	46	51
Percentage of local managers		%	83	84	85
No. of local employees		Headcount	243	251	326

1) There may be differences in the figures (2020 and 2021) in last year's sustainability report due to changes in the criteria for the number of expatriates and local managers at business sites.

Customer Satisfaction

Classification		Unit	2020	2021	2022
Customer satisfaction level		Points	85.0	81.9	80.5

GOVERNANCE

Operation and Composition of the BoD

Classification		Unit	2020	2021	2022
Composition of the BoD		Headcount	6	6	7
No. of inside directors			2	3	4
No. of outside directors			3	3	3
No. of other non-executive directors			1	0	0
Operation of the BoD	Percentage of outside directors in the BoD	%	50	50	43
	Annual attendance rate		95	100	95
	Percentage of female directors in the BoD		0	0	0
No. of external directors with low attendance rate (less than 75%)		Headcount	0	0	0
No. of meetings held		Times	8	9	8
No. of Outside Director Nomination Committee meetings held		Times	2	0	2
No. of Remuneration Committee meetings held		Times	2	3	2
No. of Audit Committee meetings held		Times	7	5	7
Ratio of non-audit fees to audit fees paid to external auditors		%	2.5	2.2	2
Volume of transactions with affiliated companies		KRW million	561,118	644,345	688,968
Deadline for the convocation notice of BoD meetings		Days	7	7	7

Executive Remuneration

Classification		Unit	2020	2021	2022
Registered directors (excl. outside directors and Audit Committee members)		KRW million	2,410 ¹⁾	1,546 ²⁾	1,701
Outside directors (excl. Audit Committee members)			-	-	-
Audit Committee members			232	216	297

1) The 2020 figures include severance pay of KRW 1,318 million for inside directors.

2) The 2021 figures include severance pay of KRW 427 million for inside directors.

Shareholders

Classification	No. of shares held	Ownership (%)
LOTTE Corporation	10,000,000	65.0
National Pension Service	1,086,526	7.1
Employee stock ownership association	314,822	2.0
Treasury shares	266,964	1.7
Others	3,728,019	24.2
Total	15,396,331	100

Employee Stock Ownership Plan (ESOP)

Classification	Unit	2020	2021	2022
No. of shares held by the ESOP Association	Shares	483,994	389,314	314,822
Percentage of offering ESOP or employee stock purchase plan (ESPP)	%	3.14	2.53	2.04

Dividend Payout Ratio

Classification		Unit	2020	2021	2022
Stock	No. of shares issued	Shares	15,396,331	15,396,331	15,396,331
	No. of outstanding shares	Shares	15,129,367	15,129,367	15,129,367
Dividend	Total amount of cash dividends	KRW million	10,591	10,591	10,591
	Cash dividend payout ratio	%	35.5	30.6	37.3
	Cash dividends per share	KRW	700	700	700

Ownership and Equity Structure

Classification	Unit	2020	2021	2022
Total share of the majority shareholders and affiliated parties	%	64.95	64.95	64.95
Total share of registered executives, excl. the majority shareholders and affiliated parties		0.02	0.01	0.05
Total stake in affiliates		64.95	64.95	64.95
Total investment in affiliates compared to equity capital		0	0	0
Total amount of credit extended to affiliates compared to equity capital		0	0	0

※ Includes loans, financial guarantees, purchases of securities with a financial support nature, provision of collateral, and endorsement of promissory notes

IR

Classification	Unit	2020	2021	2022
No. of IR activities (corporate briefings)	Times	0	4	5

Business Ethics and Compliance Education

Classification	Unit	2020	2021	2022
No. of programs	Sessions	14	13	17
No. of times	Times	22	23	27
No. of completed trainees	Headcount	8,735	8,669	7,052
Percentage of trainees who completed the course	%	100	93	99

Violations of Laws and Regulations

Classification		Unit	2020	2021	2022
Violations of anti-bribery regulations	Total amount of fines	KRW	0	0	0
	No. of lawsuits filed	Cases	0	0	0
	No. of non-monetary sanctions	Cases	0	0	1
Business ethics & compliance checks	Ratio to sales	%	0	0	0
	No. of corruption and bribery cases identified	Cases	0	0	0
	No. of inspections held regarding business ethics, compliance, and anti-bribery	Times	13	10	15

GRI STANDARDS Index

Reporting topic	TCFD recommendations	Disclosure	Page	Remarks	
GRI 2: General Disclosures					
Organizational profile	2-1	Organizational details	●	5	
	2-2	Entities included in the organization's sustainability reporting	●	5	
	2-3	Reporting period, frequency, and contact point	●	2	
	2-4	Restatements of information	●	84-85, 87	Restatements due to changes in quantitative data measurement methods
	2-5	External assurance	●	2, 101-102	
Activities and workers	2-6	Activities, value chain, and other business relationships	●	5, 53, 87	
	2-7	Employees	●	85	
	2-8	Workers who are not employees	●	85	
Governance	2-9	Governance structure and composition	●	68-69	
	2-10	Nomination and selection of the highest governance body	●	70	
	2-11	Chair of the highest governance body	●	68-69	
	2-12	Roles of the highest governance body in overseeing the management of impacts	●	16, 70	
	2-13	Delegation of responsibility for managing impacts	●	16, 68-69	
	2-14	Role of the highest governance body in sustainability reporting	●	16	
	2-16	Communication of critical concerns	●	71	
	2-17	Collective knowledge of the highest governance body	●	70	
	2-18	Evaluation of the performance of the highest governance body	●	71	
	2-19	Remuneration policies	●	71	
	2-20	Process to determine remuneration	●	71	
Strategy, policies, and practices	2-22	Statement on sustainable development strategy	●	4	
	2-25	Processes to remediate negative impacts	●	41	
	2-26	Mechanisms for seeking advice and raising concerns	●	17, 75	
	2-27	Compliance with laws and regulations	●	89	
	2-28	Membership associations	●	103	

Reporting topic		TCFD recommendations	Disclosure	Page	Remarks
Stakeholder engagement	2-29	Approach to stakeholder engagement	●	17	
	2-30	Collective bargaining agreements	●	-	N/A
Disclosures on material topics	3-1	Process to determine material topics	●	18-20	
	3-2	List of major material topics	●	18-20	
	3-3	Management of material topics	●	18-20	
GRI 200: Economic					
Economic performance	201-1	Direct economic value generated and distributed	●	21	
	201-2	Financial implications and other risks and opportunities due to climate change	●	33-38	
	201-3	Defined benefit plan obligations and other retirement plans	●	48	
	201-4	Financial assistance received from government	●	-	Business Report
Market presence	202-2	Proportion of senior management hired from the local community	●	88	
Indirect economic impacts	203-1	Infrastructure investments and services supported	●	64-66	
	203-2	Significant indirect economic impacts	●	53-54	
Procurement practices	204-1	Proportion of spending on local suppliers	●	21	
Anti-corruption	205-1	Operations assessed for risks related to corruption	●	75	
	205-2	Communication and training about anti-corruption policies and procedures	●	74	
	205-3	Confirmed incidents of corruption and actions taken	●	89	
Anti-competitive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	●	-	N/A
GRI 300: Environmental					
Materials	301-1	Materials used by weight or volume	●	-	N/A
	301-2	Recycled input materials used	●	-	N/A
	301-3	Reclaimed products and their packaging materials	●	-	N/A
Energy	302-1	Energy consumption within the organization	●	37-38	
	302-2	Energy consumption outside of the organization	●	-	N/A
	302-3	Energy intensity	●	37-38	
	302-4	Reduction of energy consumption	●	37-38	
	302-5	Reductions in energy requirements of products and services	●	-	N/A

Reporting topic	TCFD recommendations		Disclosure	Page	Remarks
GRI 300: Environmental					
Water and effluents	303-1	Interaction with water as a shared resource	●	32	
	303-2	Management of water discharge-related impacts	●	-	N/A
	303-3	Water withdrawal	●	84	
	303-4	Water discharge	●	-	N/A
	303-5	Water consumption	●	32	
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	●	30	
Emissions	305-1	Direct (Scope 1) GHG emissions	●	37-38	
	305-2	Indirect (Scope 2) GHG emissions	●	37-38	
	305-3	Other indirect (Scope 3) GHG emissions	●	37-38	
	305-4	GHG emissions intensity	●	37-38	
	305-5	Reduction of GHG emissions	●	37-38	
	305-6	Emissions of ozone-depleting substances (ODS)	●	-	N/A (no ODS used)
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	●	82	
Waste	306-1	Waste generation and significant waste-related impacts	●	31	
	306-2	Management of significant waste-related impacts	●	31	
	306-3	Waste generated	●	31	
	306-4	Waste diverted from disposal	●	31	
	306-5	Waste directed to disposal	●	31	
Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	○	55	Plan to establish a system for evaluating and selecting partners with ESG taken into account
	308-2	Negative environmental impacts in the supply chain and actions taken	○	55	

Reporting topic	TCFD recommendations		Disclosure	Page	Remarks
GRI 400: Social					
Employment	401-1	New employee hires and employee turnover	●	42-43	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	●	48	
	401-3	Parental leave	●	86	
Labor-management relations	402-1	Minimum notice periods regarding operational changes	●	-	Any plans on changes in management are notified at least 30 days prior to taking action
Occupational health and safety	403-1	Occupational health and safety management system	●	49-50	
	403-2	Hazard identification, risk assessment, and incident investigation	●	49-50	
	403-3	Occupational health services	●	51-52	
	403-4	Worker participation, consultation, and communication on occupational health and safety	●	49-50	
	403-5	Worker training on occupational health and safety	●	51	
	403-6	Promotion of worker health	●	51-52	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	●	51-52	
	403-8	Workers covered by an occupational health and safety management system	●	49-50	
	403-9	Work-related injuries	●	87	
	403-10	Work-related ill health	●	-	N/A
Training and education	404-1	Average hours of training per year per employee	●	30	
	404-2	Programs for upgrading employee skills and transition assistance programs	●	43-44	
	404-3	Percentage of employees receiving regular performance and career development reviews	●	44	
Diversity and equal opportunity	405-1	Diversity of governance BoDies and employees	●	85	
	405-2	Ratio of basic salary and remuneration of women to men	●	86	
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	●	41	
Freedom of association and collective bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	●	-	N/A
Child labor	408-1	Operations and suppliers at significant risk for incidents of child labor	●	40-41	
Forced or compulsory labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	●	40-41	
Security practices	410-1	Security personnel trained in human rights policies or procedures	●	88	
Local communities	413-1	Operations with local community engagement, impact assessments, and development programs	●	63	

Reporting topic	TCFD recommendations	Disclosure	Page	Remarks	
GRI 400: Social					
Supplier social assessment	414-1	New suppliers that were screened using social criteria	○	55	Plan to establish a system for evaluating and selecting partners with ESG taken into account
	414-2	Negative social impacts in the supply chain and actions taken	○	55	
Public policy	415-1	Political contributions	●	-	N/A
Marketing and labeling	417-1	Requirements for product and service information and labeling	●	-	N/A
	417-2	Incidents of non-compliance concerning product and service information and labeling	●	-	N/A
	417-3	Incidents of non-compliance concerning marketing communications	●	-	N/A
Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	●	88	

TCFD Index

Classification		TCFD recommendations	Page
Governance	Board's role	a) Board's role in overseeing climate change issues and related risks and opportunities (e.g. discussion process and frequency, formulation of strategies and action plans)	33-38
	Management's role	b) Management's role in monitoring climate change issues and assessing and managing climate change-related risks and opportunities	
Strategy	Risks and opportunities	a) Climate change-related issues, risks, and opportunities that can have significant financial impacts on the organization in the short, medium, and long term	
	Business and financial impacts	b) The impact of climate change on business strategies, such as product/services and value chain, as well as on financial aspects such as profits/cost, capital allocation, and M&A	
	Management strategy considering a 2°C or lower scenario	c) Business strategies that the organization can choose according to the anticipated risks and opportunities from long-term scenario analysis, and potential financial structural changes	
Risk management	Identification of climate change risks	a) Processes for identifying and assessing climate change-related risks, as well as the current or potential risk factors identified through such processes	
	Management of climate change risks	b) Methods for mitigating, transferring, accepting, and controlling current or potential risks, and the risks that the organization needs to mitigate, transfer, accept, or control	
	Integrated risk management	c) Processes and methods for identifying, assessing, and managing climate change-related risks, as well as the level of integration with the existing company-wide risk management system	
Metrics and reduction targets	Climate change-related metrics	a) Metrics and performance (e.g. water, energy, waste) necessary for managing climate change-related risks and opportunities, as well as the correlation between metrics and performance-based pay policies	
	GHG emissions metrics	b) Scope 1, Scope 2, and Scope 3 emissions calculated according to international GHG emission protocols	
	History	c) Targets, target periods, base years, and methodologies for managing targets related to climate change or GHG emissions, among other metrics	

SASB

Environmental Footprint of Hardware Infrastructure (reporting scope: all domestic business sites)

Code	TC-SI-130a.1
Accounting metric	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable
Unit	TJ, %, %
Our response	(1) 2,342
	(2) 100
	(3) 0

Code	TC-SI-130a.2
Accounting metric	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress
Unit	m ³ , %
Our response	(1) 116,961
	(2) We have no relevant management system in place, but we plan to establish it in the near future.

Code	TC-SI-130a.3
Accounting metric	Discussion on the integration of environmental considerations into strategic planning for data center needs
Unit	-
Our response	Environmental strategy, GHG emission reduction goal, energy-saving performance and plans for data centers

Data Privacy and Freedom of Expression

Code	TC-SI-220a.1
Accounting metric	Description of policies and practices relating to behavioral advertising and user privacy
Unit	-
Our response	Operation of information security regulations and personal data management guidelines, publication of Privacy Policy, and regular updates
	Publication of procedures for privacy response and remediation, and operation of response organizations

Code	TC-SI-220a.2
Accounting metric	Number of users whose information is used for secondary purposes
Unit	Headcount
Our response	0
	We do not use personal data for secondary purposes.

Code	TC-SI-220a.3
Accounting metric	Total amount of monetary losses as a result of legal proceedings associated with user privacy
Unit	KRW
Our response	0
	No legal proceedings have been executed related to user privacy.

Code	TC-SI-220a.4
Accounting metric	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure
Unit	cases, headcount, %
Our response	(1) 0
	(2) 0
	(3) 0

SASB

Data Privacy and Freedom of Expression

Code	TC-SI-220a.5
Accounting metric	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring
Unit	-
Our response	N/A

Data Security

Code	TC-SI-230a.1
Accounting metric	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of affected users
Unit	cases, %, headcount
Our response	(1) 0
	(2) 0
	(3) 0

Code	TC-SI-230a.2
Accounting metric	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards
Unit	Information asset management (identification and assessment of assets, establishment and evaluation of risk management plans, and establishment and operation of protective measures)
Our response	Incident response (real-time security monitoring and operation of a forensics team)

Recruiting and Managing a Global, Diverse, and Skilled Workforce

Code	TC-SI-330a.1
Accounting metric	Percentage of employees that are (1) foreign nationals and (2) located offshore
Unit	headcount, %
Our response	(1) 3
	(2) 1%

Code	TC-SI-330a.2
Accounting metric	Employee engagement as a percentage
Unit	%
Our response	54.1%
	Participation rate in organizational culture diagnosis

Code	TC-SI-330a.3
Accounting metric	Percentage of gender and racial/ethnic group representation for (1) management (office workers), (2) technical staff, and (3) all other employees
Unit	headcount, headcount, %
Our response	(1) 247 (office workers; male: 115 / female: 132)
	(2) 2,693 (technical staff; male: 1,938 / female: 755)
	(3) Percentage of female executives (office workers): 4% / Percentage of female executives (technical staff): 26%

SASB

Intellectual Property Protection and Competitive Behavior

Code	TC-SI-520a.1
Accounting metric	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations
Unit	KRW
Our response	0 There were no monetary losses associated with anticompetitive practices.

Activity Metrics






Code	TC-SI-000.B
Accounting metric	(1) Data processing capacity, (2) percentage outsourced
Unit	units, headcount
Our response	(1) 44,209 (as of the end of Sep.) (2) No management data available

UN SDGs




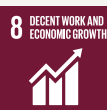
In 2015, the UN and its member states announced the Sustainable Development Goals (SDGs), a common goal for mankind, consisting of 17 goals and 169 targets that the international community should work towards addressing environmental, social, and economic issues by 2030. The SDGs pursue the principle of “No One Left Behind,” emphasizing the importance of the role of businesses in achieving the ultimate goal of promoting a healthy and better life for humanity. To this end, LOTTE Data Communication aims to create sustainable value through its business activities while carrying out a range of initiatives by aligning our direction of sustainability management with the SDGs.

Our SDGs Activities


Environmental | LOTTE Data Communication creates sustainable business models that respond to climate change.

<p>SDG 6 Ensure availability and sustainable management of water and sanitation for all</p>		<p>6.4. Improve water quality by reducing pollution, eliminating dumping, and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally</p>	<p>Most of the water consumed at LOTTE Data Communication is used for its data centers' heat management facilities. In response to the water shortage caused by climate change, we promote the efficient use of water by creating an optimal operating environment for our data center facilities.</p>
<p>SDG 7 Ensure sustainable energy for all</p>		<p>7.3 Double the global rate of improvement in energy efficiency</p>	<p>LOTTE Data Communication manages company-wide energy consumption and GHG emissions based on LETS, an independently developed environmental and energy solution. We have also a DCIM system in place to manage the energy consumption of our data center infrastructure.</p>
<p>SDG 9 Innovation and infrastructure</p>		<p>9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes</p>	<p>LOTTE Data Communication strives to build and operate green data centers. To achieve this, we are increasing energy efficiency by establishing DCIM, tracking the energy consumption of key facilities and PUE, and introducing high-efficiency systems such as free cooling.</p>
<p>SDG 12 Sustainable consumption and production</p>		<p>12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse</p>	<p>LOTTE Data Communication monitors and manages entire processes involved in waste generation, transportation, and disposal through authorized waste management companies. We endeavor to reduce waste generation and improve recycling rates by carrying out more recycling efforts and increasing the frequency of waste sorting during disposal.</p>
<p>SDG 13 Take urgent action to combat climate change and its impacts</p>		<p>13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>	<p>LOTTE Data Communication joins the international and national efforts to address climate change with the aim of contributing to LOTTE Group's 2040 net-zero goal. We develop climate change response strategies and explore eco-friendly business opportunities, while making efforts to lower carbon emissions throughout our business operations.</p>

Social | LOTTE Data Communication strives for mutual growth.

<p>SDG 1 End poverty in all its forms everywhere</p>		<p>1.4 Ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance</p>	<p>LOTTE Data Communication promotes various social contribution activities based on our employees' engagement, creating social value as we move forward. In particular, we conduct educational programs, youth employment in IT fields, and career counseling for digitally marginalized groups. We also carry out CSR activities utilizing the company's IT capabilities.</p>
<p>SDG 3 Healthy lives and well-being</p>		<p>3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria, and neglected tropical diseases, and combat hepatitis, water-borne diseases, and other communicable diseases</p>	<p>LOTTE Data Communication implements company-wide initiatives to prevent the spread of COVID-19, such as adopting a rotating telecommuting system for all employees and distributing quarantine supplies within the workplace. We also operate the Health Administration Office to ensure occupational safety and employee health.</p>
<p>SDG 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>		<p>4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship</p>	<p>LOTTE Data Communication continues to improve its work environment by providing various education based on the talent management program so that employees can keep on enhancing their competencies. We also help employees with their life cycle design through the certification support system and a support program for prospective retirees.</p>
		<p>4.7 Ensure that all learners acquire the knowledge and skills needed to promote sustainable development through education</p>	<p>LOTTE Data Communication is committed to respecting human rights. We added the clause of protecting human rights to the Code of Conduct. Also, we ensure that our employees take regular education on preventing workplace bullying and sexual harassment, as well as other human rights-related courses. Through these efforts, we are internalizing the respect for stakeholder rights as a fundamental principle of corporate management.</p>
<p>SDG 5 Achieve gender equality and empower all women and girls</p>		<p>5.5. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making</p>	<p>LOTTE Data Communication implements a variety of policies to prevent gender discrimination in all areas, including employment, promotion, evaluation, and welfare. As a result of our active efforts to expand the recruitment of female talent, we have achieved a 38% representation of new female hires (regular workers) in 2022.</p>
<p>SDG 8 Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all</p>		<p>8.2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors</p>	<p>While preemptively responding to the rapidly changing IT environment, LOTTE Data Communication develops sustainable business models based on cutting-edge technologies like the metaverse, mobility, cloud, AI, and big data.</p>

Governance | LOTTE Data Communication pursues sound governance and a fair and ethical management system.

<p>SDG 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice to all and build effective, accountable and inclusive institutions at all levels</p>		<p>16.5 Substantially reduce corruption and bribery in all their forms</p>	<p>LOTTE Data Communication supports its employees in making sound value judgments and actions by enacting the Code of Conduct, the Ethics Charter and its Practice Guidelines, and the Integrity Practice Rules. We also provide regular education on ethical management to raise employees' awareness. We operate an online whistleblowing channel and a stakeholder reporting system to eradicate corruption and irregularities. All stakeholders, including employees, can use these channels to report any cases of conflicts of interest.</p>
		<p>16.6 Develop effective, accountable, and transparent institutions at all levels</p>	<p>LOTTE Data Communication complies with the Fair Trade Act and implements the Fair trade compliance program to foster a culture of fair transaction. We internalize compliance in our management practices. Furthermore, our Subcontract Deliberation Committee manages compliance risks related to subcontracting and promotes win-win policies with partners.</p>

Independent Assurance Statement

To readers of LOTTE Data Communication Sustainability Report 2022

Introduction

Korea Management Registrar (KMR) was commissioned by LOTTE Data Communication to conduct an independent assurance of its Sustainability Report 2022 (the “Report”). The data and its presentation in the Report is the sole responsibility of the management of LOTTE Data Communication. KMR’s responsibility is to perform an assurance engagement as agreed upon in our agreement with LOTTE Data Communication and issue an assurance statement.

Scope and Standards

LOTTE Data Communication described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR’s assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with GRI standards 2021 was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process.

- GRI Sustainability Reporting Standards 2021
- Universal standards
- Topic specific standards
 - GRI 201 : Economic Performance
 - GRI 203 : Indirect Economic Impacts
 - GRI 205 : Anti-corruption
 - GRI 206 : Anti-competitive Behavior
 - GRI 302 : Energy
 - GRI 305 : Emissions
 - GRI 308 : Supplier Environmental Assessment

- GRI 403 : Occupational Health and Safety
- GRI 404 : Training and Education
- GRI 406 : Non-discrimination
- GRI 408 : Child Labor
- GRI 409 : Forced or Compulsory Labor
- GRI 410 : Security Practices
- GRI 414 : Supplier Social Assessment
- GRI 418 : Customer Privacy

As for the reporting boundary, the engagement excludes the data and information of LOTTE Data Communication’ partners, suppliers and any third parties.

KMR’s Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

- reviewed the overall Report;
- reviewed materiality assessment methodology and the assessment Report;
- evaluated sustainability strategies, performance data management system, and processes;
- interviewed people in charge of preparing the Report;
- reviewed the reliability of the Report’s performance data and conducted data sampling;
- assessed the reliability of information using independent external sources such as Financial Supervisory Service’s DART and public databases.

Limitations and Recommendations

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

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with LOTTE Data Communication on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

Inclusivity

LOTTE Data Communication has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

Materiality

LOTTE Data Communication has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

Responsiveness

LOTTE Data Communication prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of LOTTE Data Communication's actions.

Impact

LOTTE Data Communication identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021:2015 - Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with LOTTE Data Communication and did not provide any services to LOTTE Data Communication that could compromise the independence of our work.

June 2023 Seoul, Korea

CEO

E. J. Hwang

Memberships and Awards

Memberships

Classification	Organization	Classification	Organization
1	Korea Chief Privacy Officers' Forum	15	The Korea Institute of Intelligent Transport Systems
2	Korea Council of Chief Information Security Officers	16	Korea Data Center Efficiency Association
3	Korea Construction Engineers Association	17	Korea Exchange (ETS Market)
4	Consortium of CERT	18	Korea Fire Safety Institute (IDC)
5	Association for Research of Financial Information System	19	Korea Electric Engineers Association (IDC)
6	Intelligent Transport Society of Korea	20	Korea Fire Safety Institute (Facility)
7	Korea Institute of Information and Communication Engineering	21	Fair Competition Federation
8	The Korea Academy of Business Ethics	22	Korea Electric Engineers Association (Facility)
9	The Korea Contents Association	23	Korea Software Industry Association
10	Korea Electrical Contractors Association	24	Korea Information Technology Service Industry Association
11	Korea Railway Signal Engineering Association	25	The Federation of Korean Industries
12	The Korea Railway Association	26	Korea Economic Research Institute
13	The Korean Society for Railway	27	Korean Information & Communication Contractors Association
14	Korean Society of Transportation		

Awards in 2022

No.	Award	Host	Date
1	EVSIS (formerly Joongang Control) was awarded the 'Excellent Product' certification for its EV chargers.	Public Procurement Service	May 4, 2022
2	Designation of the 'Digital Dietary Management Service Symposium for Promoting Healthy Eating Habits' as an outstanding service (Global Business Team, Vietnam Global Offshore).	Korea Health Industry Development Institute, the Korean Society of Community Nutrition	Oct. 21, 2022
3	Excellent Prize at the AI Yangjae Hub AI Open Source Competition (Senior Researchers Yi-eon Kim and Seok-jae Lim, Vision AI, AI Technology Team, R&D Center)	AI Yangjae Hub	Nov. 4, 2022
4	Plaque of Appreciation (Excellent Company) at the 17th Volunteer Day	Geumcheon-gu Office	Dec. 5, 2022
5	Excellent Prize at the AI Contest for Building Cancer Prognostic Data (Senior Researchers Seok-jae Lim, Jeong-gyeong Gil, I-eon Kim, Yeon-seung Yoo, and Soo-bin Lee, Vision AI, AI Technology Team, R&D Center)	Ajou University Medical Center, National Information Society Agency	Dec. 28, 2022

※ As of the end of Dec. 2022.

