KT Integrated Report 2018 Sustainability

## Sustainability

## Sustainability Management Strategy System

We believe it is critical for the corporate's sustainable growth that the management direction should cover not only business profit growth but also environment and society criteria. Aiming to realize 'KT GiGAtopia,' as a long—term target, we developed a corporate vision for sustainability management and built a system to pursue sustainability based on a model for creating shared value. GiGAtopia refers to the world where humans and all the things are connected through GiGA Infrastructure thus enjoy comfort beyond convenience.

In order to create corporate value and social value based on sustainability management strategy, KT strives to realize GiGAtopia by setting sustainability management three dimension and six key areas along with each strategy.



## Sustainability Management System

In April 2016, to practicing sustainability at the board level, we installed the Sustainability Management Committee, as a subcommittee of the Board, for the first time in the nation's telecom industry. Meanwhile, with a view to securing the executive power of sustainability management, the Center identifies and implements detailed agenda through its four subcommittees, with the help of the exclusive advisory group, the Sustainability Management Advisory Committee.



## Sustainability Management KPIs Index

We annually review the achievements on company—wide performances against targets and reflect the business plan of next year for an insufficient outcome. Long—term goals by 2021 have been made and managed in order to promote continuously on a long—term perspective. Performances are managed at all times through Sustainability Index, and KPIs are disclosed in the Integrated Report and disclosure system.

	Areas	KPIs	Unit	FY 2015	FY 2016	FY 2017	2021 Target	UN SDGs
Create the Future Value	5G Global Leadership	5G Nationwide coverage	%	0	0	0	100	8 9
	5G Platform	Shares of Five Platform's sales	%	10.9	12.6	14.7	30	3 10
	Future Technology Innovation and R&D	Investment for GiGA Infra and ICT Convergence (accumulate)	KRW trillion	1.6	2.91	4.3	13 (FY 2020)	8 9
GiGA Prosperity	Transparent Management	ESG Evaluation by Corporate Governance Service	Level	A+ Level of Corporate Governance	A Level of Corporate Governance	A Level of Corporate Governance	A+ Level of Corporate Governance	16
		BoD Evaluation Score	Points	4.5	4.24	4.1	5	16
		Average Attendance Rate of the Board of Directors	%	91	98	91	100	16
		Ethical Management Education for Employees	Cases	18	18	27	50	16
	Shared Growth Management	Amount of Cost Reduction for Beneficiary Groups	KRW 100 million	1,684.80	1,627.40	1,589.19		10 12
		Number of Beneficiaries on IT Supporters (accumulate)	Person	3,149,666	3,204,080	3,310,727	3,710,000	4
		Number of Beneficiaries on KT Search for the Lost Sounds (accumulate)	Person	5,940	7,247	9,277	14,000	3 10
		Number of Audience on KT Chamber Hall	Person	9,811	9,139	8,688	9,500	3 10
		Sustainability Management Assessment for Suppliers	Points	91.9	92.4	94.0	100	16
GiGA Planet	Customer First Management	Customer Management Competitiveness :National Customer Satisfaction Index	Rank	1st Rank in Wire/ Internet Phone, and High-Speed Internet	1st Rank in Wire/ Internet Phone, and High-Speed Internet	1st Rank in Wire/ Internet Phone, IPTV, and High-Speed Internet	1st Rank in Wire/ Wirelss and Internet Phone, IPTV, and High—Speed Internet	16
		Customer Center Satisfaction : Customer Center for Korean Standard Contact Service Quality Index	Rank	1st in Wire & Wireless Communications Sector	1st in Wire & Wireless Communications Sector for 2 Consecutive Years	1st in Wire & Wireless Communications Sector for 3 Consecutive Years	1st in Wire & Wireless Communications Sector for 7 Consecutive Years	16
		KT Integrated Customer Satisfaction	Points	80.11	82.64	83.32	95	16
		Number of Customer Information Leaks	Cases	0	0	0	0	16
	Environmental Management	CDP Global Carbon Management Evaluation	Level	Included Carbon Management Honors Club at the 2015 CDP Award for 3 Consecutive Years	Included Carbon Management Honors Club at the 2016 CDP Award for 4 Consecutive Years	Included Carbon Management Honors Club at the 2017 CDP Award for 5 Consecutive Years	Maintaining Carbon Management Hall of Fame until 2021	7 13
		Total Energy Consumption	MWh	2,472,342	2,441,382	2,498,960	35% Reduction by 2030 (compared to	7 13
		Emission of GHG (Scope 1,2)	tCO <sub>2</sub> eq	1,096,053	1,084,520	1,111,087	2007)	7 13
		Reduction of Social GHG	tCO₂eq	1,108,751	1,090,343	1,141,864	3 times of expansion by 2030 (compared to 2012)	7 13
		Renewable Energy Generation	MWh	623.8	597.1	2,059.8	10 times of expansion by 2030 (compared to 2015)	7 13
		Waste Generation	Ton	4,883.20	4,761.50	4,578.06	50% Reduction by 2030 (compared to 2015)	13 15
		Water Usage	m³	2,766,418	2,364,119	2,103,516	50% Reduction by 2030 (compared to 2015)	6 13
GiGA People	Talent Management	Employee Satisfaction	Points	74.6	78.2	81.99	90	4 5
		Hours of Education per employee	Hours	62	64	78	90	4 5
		Proportion of Female Executives	%	7.2	7.4	7.8	8.5	5
		Turnover Rate	%	2.63	1.95	1.00	0.8	3
	Human Rights	Rate of Human Rights Exposure Assessment	%	100	100	100	100	10
		Rate of Sustainability Assessment for Supply Chain	%	100	100	100	100	10
		Rate of Human Right Assessment for Business	%	100	100	100	100	10

15