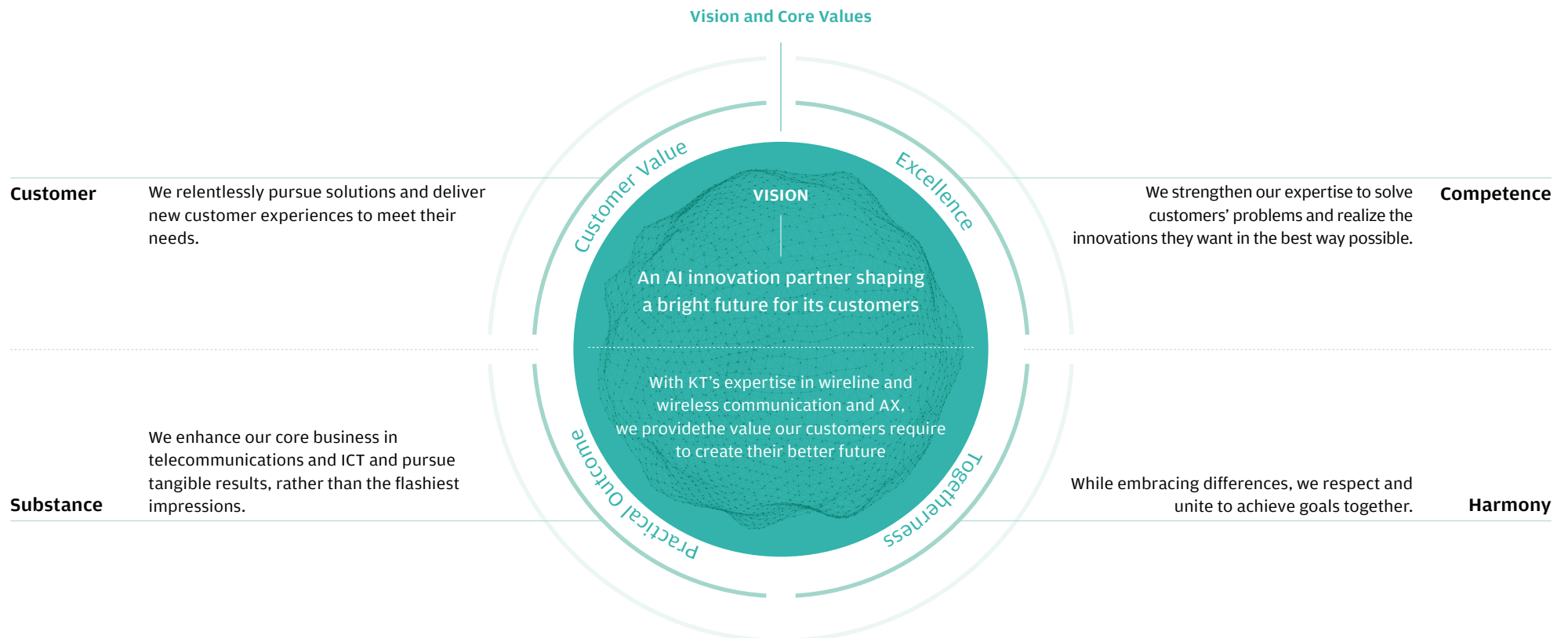




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## Vision and Core Values

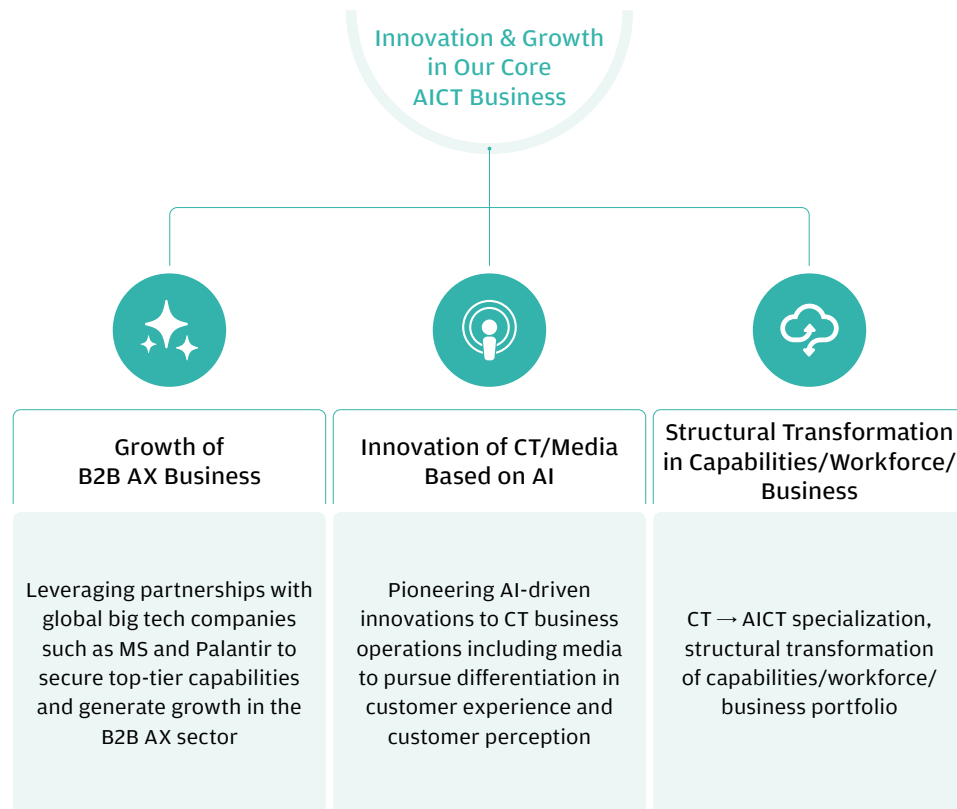
KT is focusing on capability, workforce, and business innovation for our transformation into an AICT Company, and 2025 will be the foundational year for KT to advance and flourish as an AICT Company. KT will become an AI innovation partner that solves customers' challenges with our wired and wireless communication and AX capabilities, providing the value customers need and creating a better future for them.



## Mid-Term Objectives

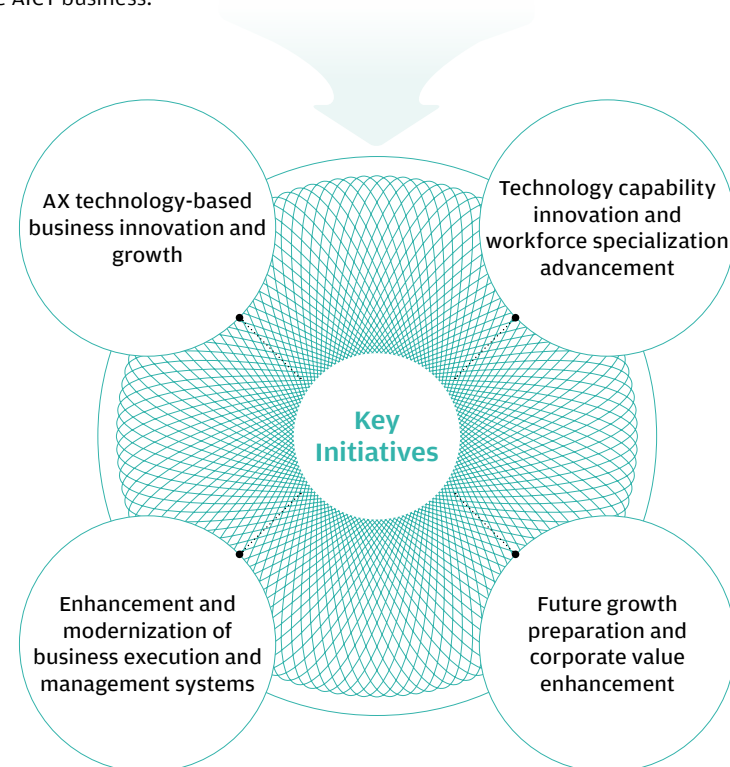
KT's strategic direction for leaping forward as an AICT Company is innovation and growth in our core AICT business. AICT represents the integration of Communication Technology(CT) with Information Technology(IT) and Artificial Intelligence(AI) to generate synergistic effects, and we focus on achieving innovation and growth in all business areas of IT, CT, and media/content based on AI.

### AICT Company Strategic Direction



### 2025 Key Initiatives

In 2025, KT has established four major management directions to achieve innovation and growth in our core AICT business.



## AX Technology-Based Business Innovation and Growth(B2B)

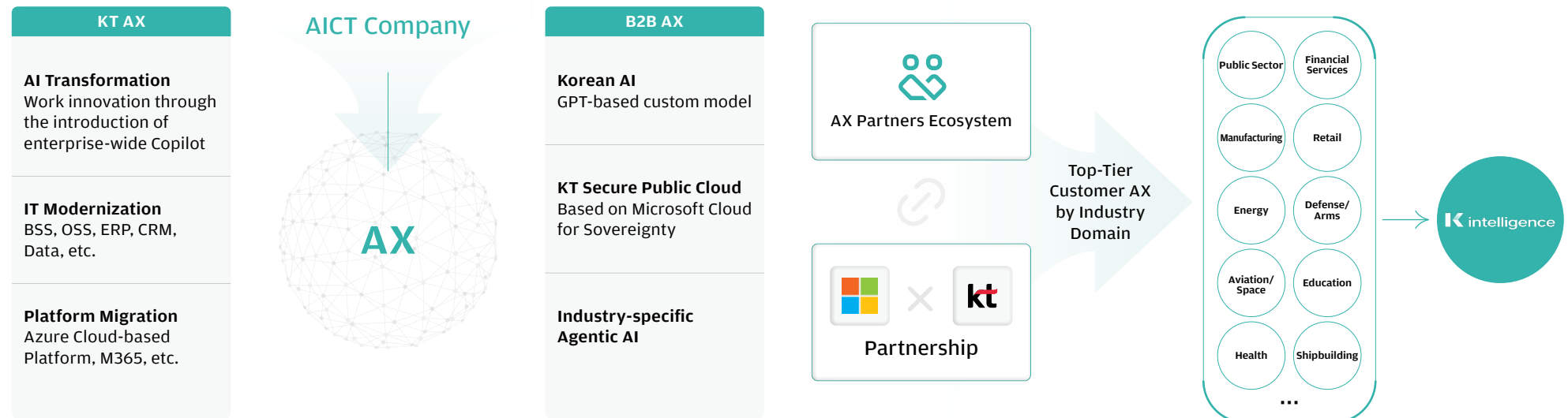
KT aims to not only achieve internal operational efficiency through AX, but also provide differentiated services unique to KT in the B2B business sector. We strive to become a leading AICT company that spreads AX across the domestic industrial environment.

### B2B AX Initiatives

KT is continuously advancing AX within its organization, including work innovation through the introduction of enterprise-wide Copilot. Additionally, we aim to spread AX across our entire industry by developing Korean AI, building KT Secure Public Cloud to secure data sovereignty, and providing industry-specific Agentic AI optimized for customer needs.

### K Intelligence Realization

KT aims to realize Korea's authentic K Intelligence by partnering with domestic and international AX partners to provide and expand differentiated services to industry-specific clients across public, financial, manufacturing, and retail sectors. K Intelligence is KT's new AI master brand that combines the 'K' representing both KT and Korea with 'intelligence', encompassing all of KT's AI products and services.



## AX Technology-Based Business Innovation and Growth(B2C)

To create new customer value, KT is driving AI-based innovation not only in traditional telecommunications but also in media and content businesses.

### AX Customer Experience Innovation

KT is applying AX technology to related services so that customers can easily and quickly access the services they want. One example is 'Sajangiji', a business partner app for small business owners, which provides customized product and service information through the AI Agent trained with specialized knowledge. We are also continuously strengthening AI-based spam and voice phishing prevention capabilities.

#### AI Telecom Product Recommendation & Subscription

One-stop solution from telecom product recommendation to subscription via agent based on Korean AI models

#### AI Customer Service

Reduced customer wait and consultation time through AI voice authentication, AI call mapping, AI voicebot, etc.

#### Daily Life AI Services

Daily AI services including AI learning tutor, AI magazine, AI translation solution, pet health AI management, etc.

#### Customer Security Protection

AI voice phishing(context-based detection, suspicious transaction blocking, voice pattern detection), spam/smishing(malicious text message keywords) blocking

#### Small Business Management Partner 'Sajangiji'

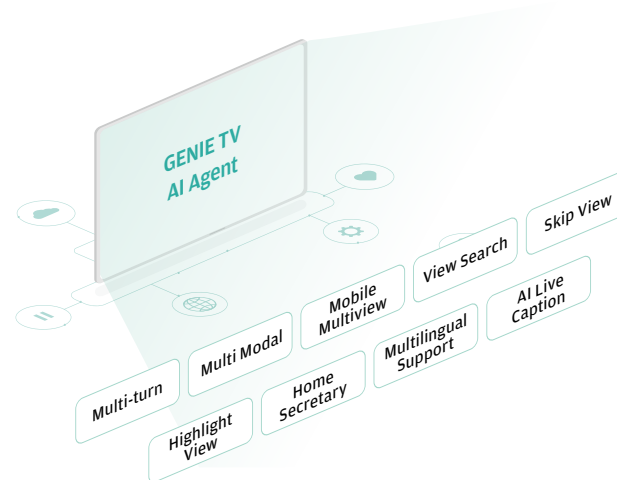
Store management(Robots, Giga Eyes, etc.), business data analysis, AI agent trained on small business expertise



### Media AI Platform

KT is gradually introducing media AI agents to its IPTV platform, GenieTV. Based on conversational Large Language Models(LLMs), these agents help customers explore and watch content more intuitively. Additionally, we are planning to expand the media industry ecosystem by building win-win models with external partners.

#### Media AI Agent



### AI Contents

KT has established the 'AI Studio Lab' for AI content innovation and is applying AI technology throughout the entire content production process. From AI-based box office prediction and scenario planning assistance to camera-free video and audio generation, AI short-form production, and emotional dubbing, KT is dramatically improving production efficiency and content diversity across the entire media value chain.

#### AI Box Office Prediction/Assistant Writer

- Story/Character Development
- Scenario Storyboarding, Visualization
- Pre-Visual

#### AI Production/Editing

- No-Shoot Video/Audio Generation
- Background Creation & VFX Replacement
- Character Consistency Maintenance

#### AI Short-form/Marketing

- Review/Profile/Current Affairs/Trailer Formats
- BGM/Subtitle/TTS Addition
- Text/Narration Enhancement

#### AI PPL/Dubbing

- Spatial Exploration/Inpainting
- Object Tracking/Maintenance
- Emotional Dubbing/Real-Time Translation

## Technical Capability Innovation

The AI that KT envisions is uniquely Korean AI that embodies Korea's spirit, methods, and knowledge—an AI best suited for Korea. In a situation where Korea lacks its own distinctive AI tailored to Korean daily life and industrial realities, KT aims to implement Korean AI that minimizes AI risks while ensuring all citizens can fully experience the benefits of AI.

### Korean AI

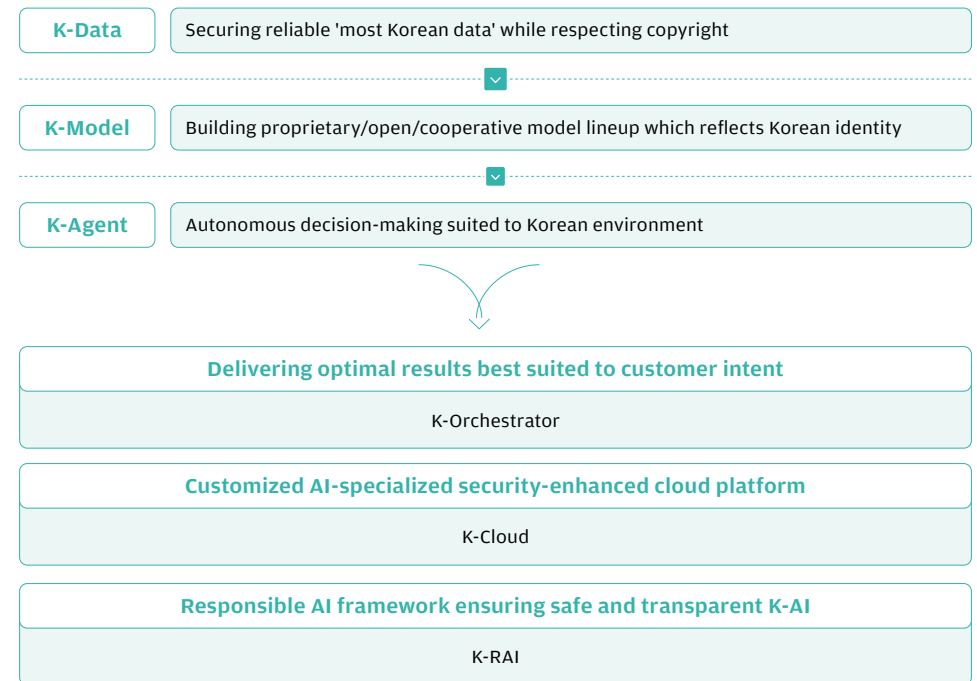
Through the Data Alliance, KT is working to secure reliable 'K-Data' and develop proprietary AI models that reflect Korean identity. This enables improved AI model performance to generate optimal results that match customer intentions, and we plan to introduce enhanced security 'K-Cloud' services as well. Furthermore, through cooperation with domestic and international academic institutions and companies, we will realize 'Innovation and Mutual Prosperity' and lead the creation of a sustainable AI ecosystem.

\* KT Secure Public Cloud

### Characteristics of Korean AI

Characteristics	Comparison			
Correct translation tone sentences naturally & localize for Korean culture	When translating 'Home Sweet Home'			
	Existing language model	Home, sweet home	Korean AI model	As comfortable as my own home
Korean traditional culture/games responses related to Korean broadcasting content	Accurately explain the rules of the Gonggi game featured in Squid Game			
Provide responses reflecting Korean history, culture, and social context	When questioning 'What symbolized wealth in the 1960s?'			
	Existing language model	Luxury car	Korean AI model	Public sector jobs/white-collar careers
Improved understanding of abbreviations	When 'Jubok' is mentioned in real estate loan inquiries			
	Existing language model	Housing welfare (Jutaekbokji)	Korean AI model	Mixed-use buildings (Jusangbokhap)

### Korean AI System Overview

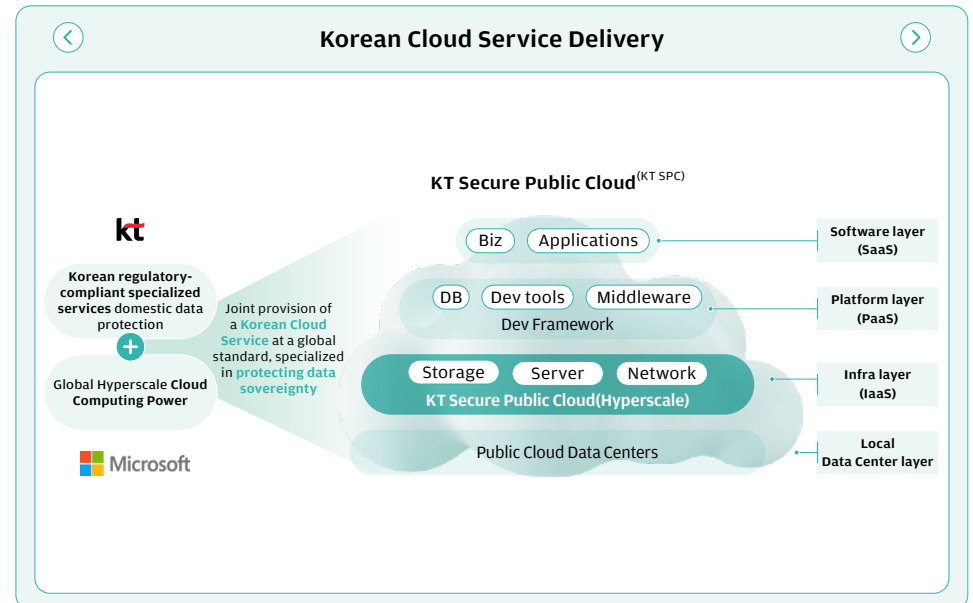
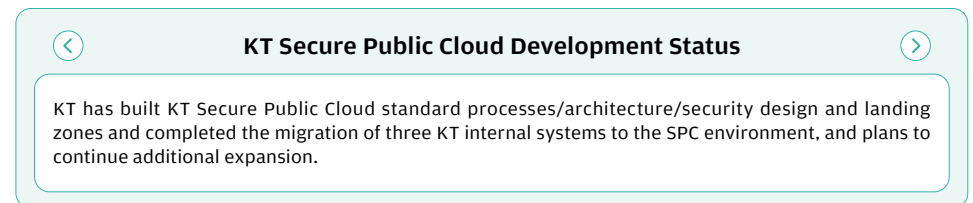
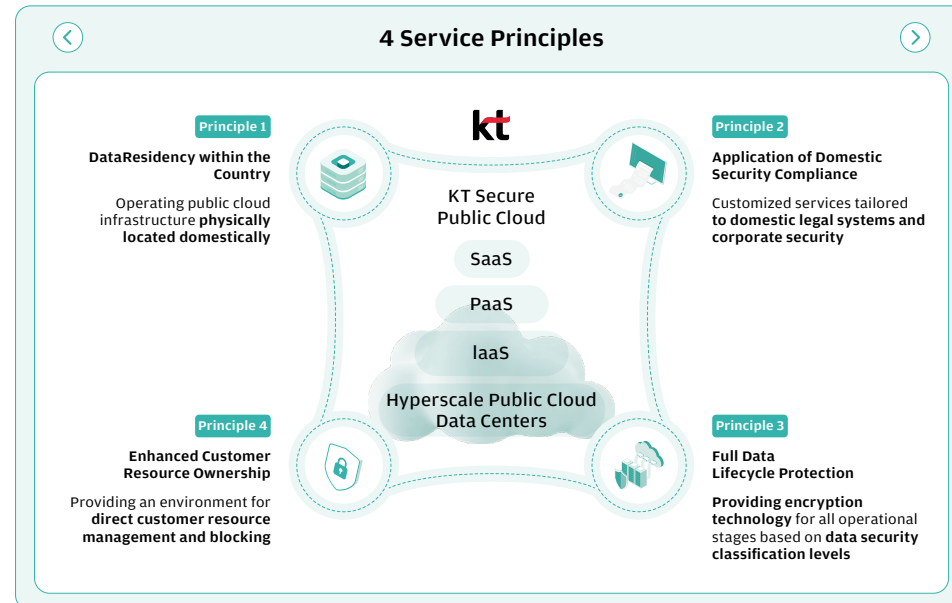


## Technical Capability Innovation

Legal regulations and concerns about data leakage when using global cloud services have become a hurdle for domestic companies considering cloud adoption. KT aims to support customized AX innovation tailored to the domestic industrial environment by providing Secure Public Cloud, a cloud service that ensures data sovereignty and security.

### KT Secure Public Cloud

KT Secure Public Cloud restricts the physical and geographical location of customer data to domestic boundaries, fundamentally preventing data leakage overseas. Additionally, it not only provides technical solutions to comply with domestic data-related regulations such as the Personal Information Protection Act, but also offers enhanced security services by encrypting all stages of data operations and guarantees customer control through domain separation that prevents even cloud operators from accessing customer resources.



## Promoting Workforce Excellence and Specialization

KT is actively promoting a company-wide AI transformation strategy to become an AICT Company. We are strengthening fundamental IT capabilities across the organization by introducing various education and innovation programs, while focusing on recruiting and nurturing specialized AI and digital talent. Additionally, through AICE, Korea's first nationally certified AI qualification, we aim to enhance AI literacy and utilization capabilities for all citizens to lead the upcoming AI era.

### AX Degree

To further accelerate KT's transformation into an AICT Company, we operate AX Degree, an AI literacy enhancement program for employees. AI literacy refers to the ability to understand and utilize AI, and AX Degree is an educational program that systematically develops employees' AI, data, and cloud capabilities while awarding in-house degrees. In 2024, 9,734 employees participated in six courses: Digital Literacy, Data Science, AI Modeling, Cloud Infrastructure, KT Data Analysis, and CWA(Collaborative Work Automation). Moving forward, KT will continue to strengthen employees' AICT capabilities by expanding practical learning opportunities focused on real-world applications, including discovering AI utilization projects and linking certification acquisition programs.

### AX Work Innovation

KT is enhancing work efficiency company-wide through work innovation activities that transform documents into assets and improve work methods based on AX. Since 2024, we have been promoting document centralization through OneDrive to facilitate document asset management and sharing and collaboration culture, and have introduced Copilot(Generative AI Service) for effective utilization of knowledge assets, driving employee-led AX work innovation. We operate Agent Discovery Workshops to discover Copilot Agents for AX implementation across all work areas and support MVP development. Additionally, we are cultivating AX coaches in each department through education and coaching on AX environments, and promoting employee capability enhancement and awareness-raising activities for company-wide document centralization and AX-based work method transformation through the company-wide AX Work Method Change TF.

### AI and Digital Specialists Recruitment

To solidify KT's position as an AICT Company, we are actively recruiting AX specialists. We have shifted from new graduate-focused hiring to ongoing recruitment of experienced professionals, activated the employee recommendation system to encourage all employees to actively participate in securing AX specialists, and are acquiring a targeted talent pool through global talent search platforms. Alongside rapid recruitment, we are making concurrent efforts for thorough job competency verification. We are strengthening competitiveness by effectively recruiting and retaining specialists optimized for digital innovation that verify applicants' expertise and practical capabilities from the document screening stage using various indicators.

### AICE Certification

KT has made AICE(AI Certificate for Everyone), an AI proficiency test developed to strengthen employees' AI capabilities, publicly available to lead AI capability enhancement and AI popularization for all citizens. AICE is a private certification registered under the Framework Act on Qualifications, and particularly the Associate level, targeting semi-professionals and majors, is Korea's first and only nationally certified AI qualification\*, serving as a competency assessment standard with social currency in the AI modeling field. Comprising AI educational content and AI utilization ability tests for the entire lifecycle from elementary students to professional developers, AICE is being utilized for AI/Digital capability enhancement not only within KT Group but also across various organizations including companies, universities, schools, and public institutions.

\* 2024-02, Ministry of Science and ICT

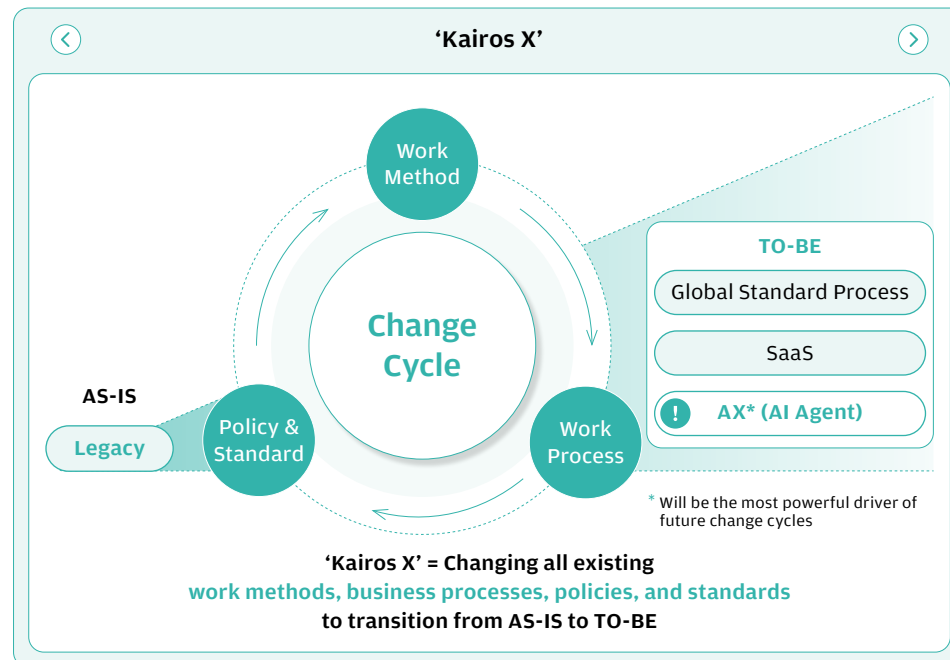


## Advancing and Modernizing Business Operations and Management Systems

KT is promoting activities to modernize internal IT systems through changes in work methods and enhance digital transformation capabilities by establishing core organizations responsible for artificial intelligence transformation (AX).

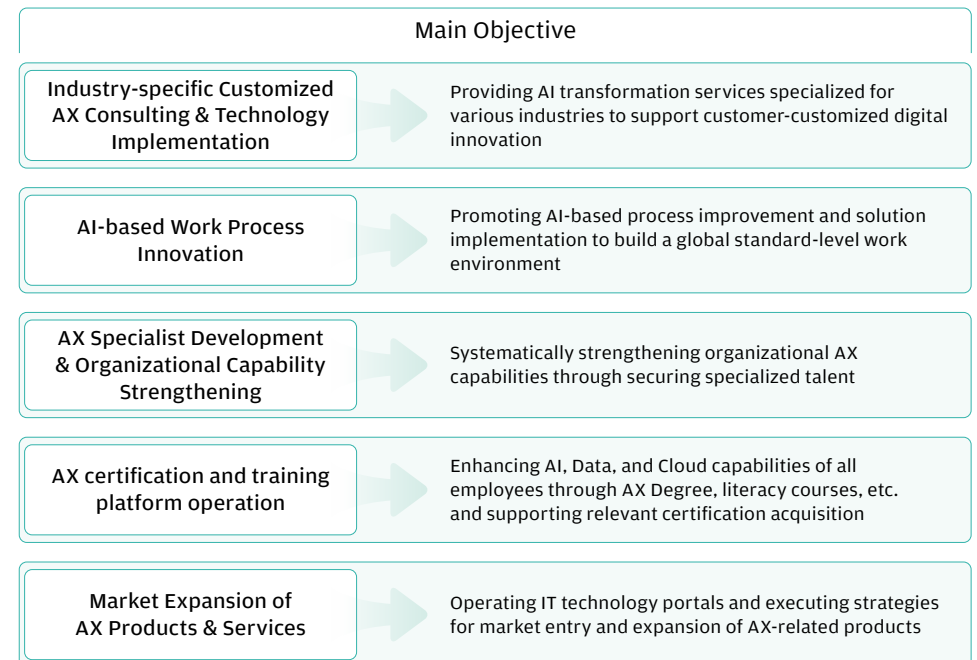
### 'Kairos X', Fundamental Change for the Leap to AX

KT is implementing 'Kairos X,' a company-wide Business Modernization project, to accelerate the transformation into an AICT Company. Kairos X aims to introduce the latest AI technologies and build a global-level SaaS-based environment through fundamental changes in business processes. We seek to achieve global standardization of work methods through business-focused innovation.



### AX Delivery Execution Systematization

The AXD Division, dedicated to artificial intelligence transformation (AX), provides industry-specific customized AX consulting and engineering services, spearheading AI-driven work innovation.

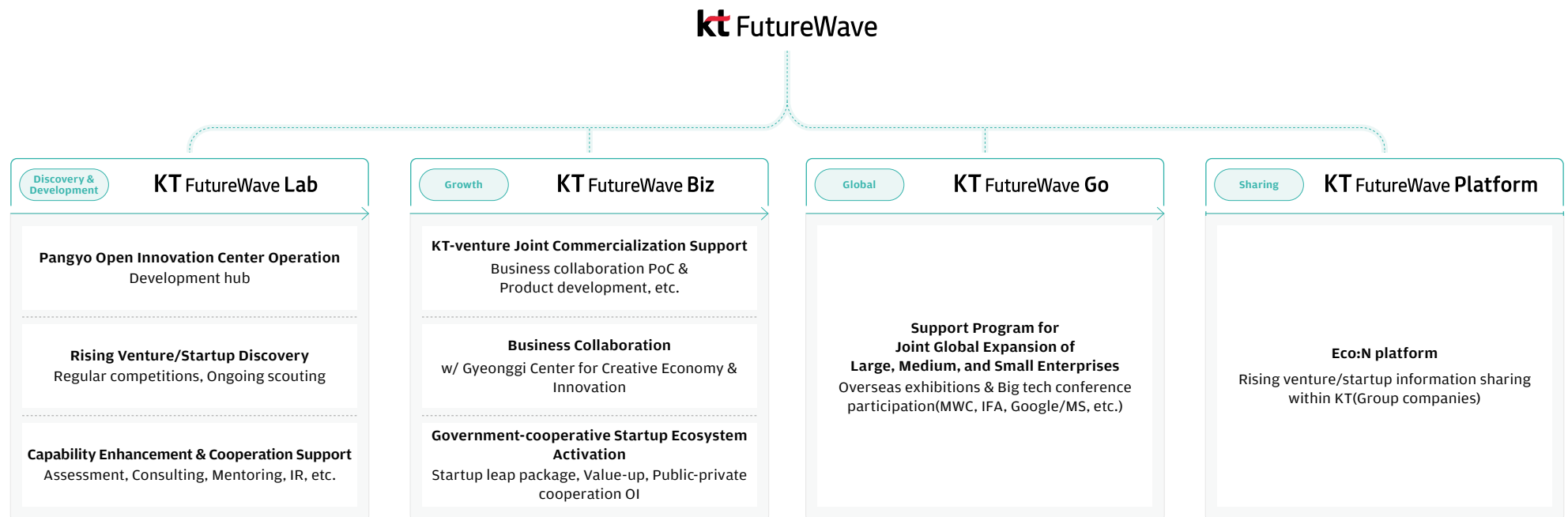


## Future Growth Preparation and Corporate Value Enhancement

KT is implementing programs to discover and nurture excellent ventures/startups with growth potential, while supporting their growth and global expansion through business collaboration with KT.

### AX Innovation Program(FutureWave)

KT operates an open innovation program(Future Wave) that discovers and nurtures ventures/startups through the AX Innovation Program, supporting their growth and global expansion through business cooperation with KT. For ventures/startups identified for AICT business cooperation, KT provides incubation facilities at the KT Pangyo Open Innovation Center, supports development programs including assessment, consulting, mentoring, and IR for capability enhancement and investment attraction, and offers various commercialization programs and global expansion opportunities. Additionally, KT provides the Eco:N platform, a channel for sharing venture/startup information with KT Group, enabling expanded business cooperation with various KT Group departments, thereby realizing mutual innovation and shared growth between KT and ventures/startups.



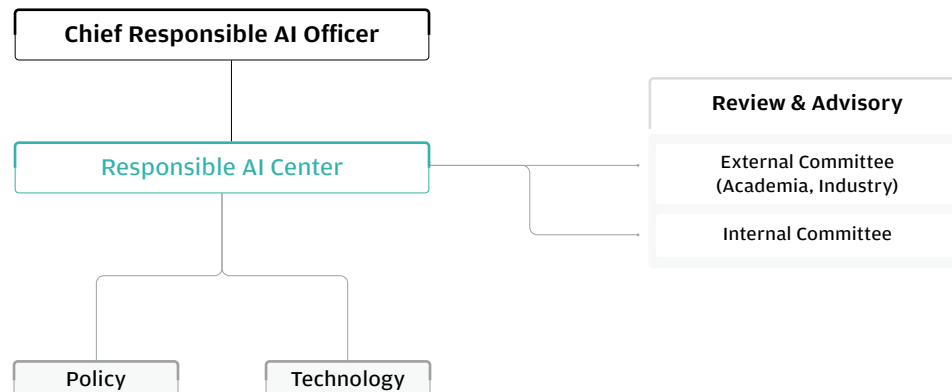
# Responsible AI

In April 2024, KT established the 'Responsible AI Center(RAIC)' based on the fundamental values of human dignity and public welfare enhancement, and is actively participating in domestic and international Responsible AI movements. KT RAIC is working to develop safe and trustworthy artificial intelligence by defining four elements as its basic framework: governance, ethical principles, processes, and people.

## Governance

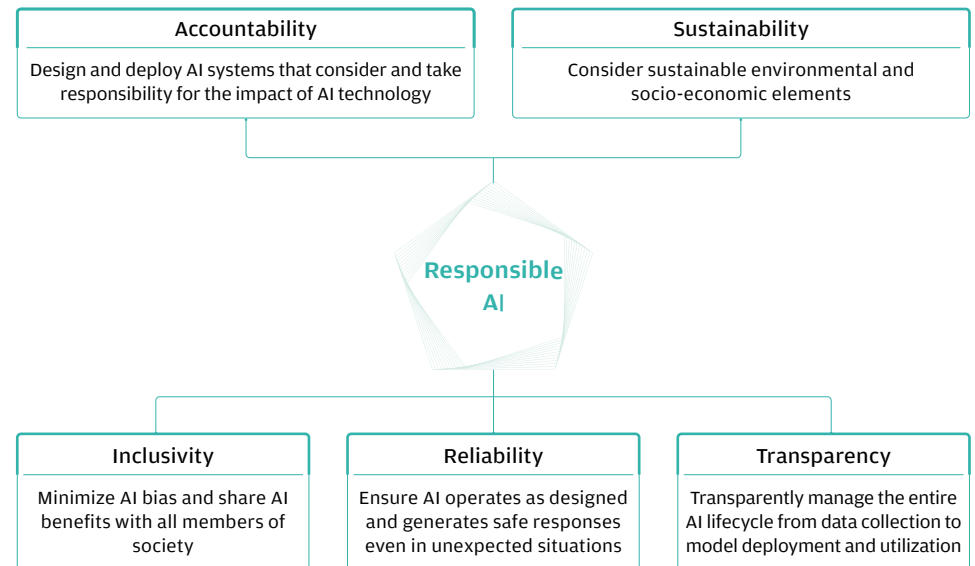
RAIC is establishing Responsible AI governance to enable KT to develop AI with safety and reliability. We have established processes that consider the impact of technology on stakeholders and society throughout all stages from AI development planning to development and operation, and allow management to conduct final reviews of identified risks and mitigation measures before launch. Additionally, key matters related to Responsible AI are reported to the ESG Committee under the Board of Directors to ensure responsible AI development and utilization.

### Responsible AI Governance Structure



## Ethical Principles

KT has established five ethical principles that KT must uphold from both ethical and technical perspectives to ensure Responsible AI. As these principles serve as essential guideposts that direct the direction of all KT's Responsible AI discussions, like the North Star(ASTRI), they were selected through in-depth discussions with domestic and international academic and industry experts, as well as key partners such as Microsoft. We have derived detailed requirements that KT must follow during AI development according to each principle, and distributed guidelines and educational materials to implement them.



## Process

KT operates a comprehensive system that recognizes, analyzes, and mitigates risks throughout the entire AI lifecycle based on major domestic and international guidelines. This process complies with domestic AI regulations, and we plan to continuously improve the system and applied technologies in accordance with technological advancements.

### Risk Identification and Analysis

STEP 01

This is the stage where we identify and analyze risk factors and potential issues in AI models and services. Through impact assessments, we progressively identify potential socio-economic harm to various stakeholders during the planning, development, and launch phases of AI models and services.

### Risk Assessment

STEP 02

This stage evaluates the risk level of identified risks, with safety assessments such as red teaming being conducted. If risks are deemed high or highly susceptible to misuse, we reduce their danger through risk mitigation processes, and AI models and services are launched only when they are deemed sufficiently safe.

### Risk Mitigation

STEP 03

This stage mitigates potential harm through various tools and methods. We implement internal management controls for training data, design models with consideration for model risk identification and explainability, and manage the output generated by AI models.

### Launch & Monitoring

STEP 04

This is the stage where AI models and services with resolved issues are launched to users. Before launch, management conducts a final review of potential risks and assessment results to determine whether to proceed with the launch. After launch, if unintended use is identified during monitoring or system changes occur, we re-conduct impact assessments to ensure no new risks emerge.

## People

KT conducts training for all employees to enhance their understanding of corporate responsibility in developing and utilizing AI through various AI-related incidents and accident cases. We provide Responsible AI practical training and project-specific consulting for development for employees who directly perform tasks such as AI system planning and development.

### Responsible AI Training and Consulting Status

Training Program	AI Era and Ethics	KT's Responsible AI	Practical Training & Consulting
Content	- What is AI Ethics? - AI Risks - Regulations & Responses by Country	- KT Ethical Principles - KT RAI requirements & Guidelines	- Practical Guidelines - Impact assessment & safety assessment methods
Target	All employees	All employees	AI planners & developers
Completed (as of May 22, 2025)	2,665 employees	2,628 employees	(Online training) 95 employees (Consulting) 10 sessions, 50 employees

## Responsible AI Ecosystem Establishment

KT is building an ecosystem for Responsible AI policy and technology development through cooperation with domestic and international government agencies, corporations, and academia.

