

Samsung SDS

2024 CDP Corporate Questionnaire 2024

Word version

Important: this export excludes unanswered questions

This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.

[Terms of disclosure for corporate questionnaire 2024 - CDP](#)

Contents

C1. Introduction

(1.1) In which language are you submitting your response?

Select from:

☒ English

(1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:

☒ KRW

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:

☒ Publicly traded organization

(1.3.3) Description of organization

Founded in 1985, Samsung SDS is an ICT company whose solutions and services have been leading digital transformation and innovation for customers across a wide range of industries for more than 30 years. With operations in more than 40 countries, Samsung SDS' solutions and services leverage advanced analytics platforms, AI, blockchain, and cloud technologies to serve a wide range of industries, including financial services, smart manufacturing, global logistics, and retail. Our vision for the new era is to become a leader in data-driven digital transformation by leveraging the most advanced ICT technologies and solutions to uncover actionable insights. Sustainability is at the heart of Samsung SDS to enable digital technologies to improve the lives of everyone, everywhere. By setting sustainability goals, Samsung SDS focuses on where we can have the greatest impact. Samsung SDS recognizes and embraces the opportunity and responsibility to address some of the greatest common challenges facing society today, including climate change, the transition to clean energy, access to quality education and economic opportunity, the protection of human rights throughout the supply chain, and data security and privacy. Samsung SDS is also working to support the UN Sustainable Development Goals and the TCFD Guidelines.

[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

	End date of reporting year	Alignment of this reporting period with your financial reporting period	Indicate if you are providing emissions data for past reporting years
	12/30/2023	Select from: ☒ Yes	Select from: ☒ No

[Fixed row]

(1.4.1) What is your organization’s annual revenue for the reporting period?

13276844000000

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: ☒ Yes

[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

KR7018260000

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

018260

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

[Add row]

(1.7) Select the countries/areas in which you operate.

Select all that apply

☒ China

☒ India

☒ Brazil

☒ Viet Nam

☒ Singapore

☒ Republic of Korea

☒ United States of America

☒ United Kingdom of Great Britain and Northern Ireland

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

☒ Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

☒ Upstream value chain

☒ Downstream value chain

(1.24.3) Highest supplier tier mapped

Select from:

☒ Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

☒ All supplier tiers known have been mapped

(1.24.7) Description of mapping process and coverage

Samsung SDS has identified key stakeholders related to its business activities and defined seven groups of stakeholders: customers, shareholders and investors, employees, local communities, suppliers, media, and government. We identified all individuals and organizations that can influence the company's business model, goals, and strategies by analyzing them, and identified the scope of stakeholders through market research, competitor analysis, and industry trends. We mapped the identified stakeholders according to their materiality and influence, and have a process for assessing their impacts by identifying the scope and degree of impact on the organization and its material stakeholders in terms of sustainability management

[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

(1.24.1.1) Plastics mapping

Select from:

☒ No, and we do not plan to within the next two years

(1.24.1.5) Primary reason for not mapping plastics in your value chain

Select from:

☒ Judged to be unimportant or not relevant

(1.24.1.6) Explain why your organization has not mapped plastics in your value chain

Samsung SDS's main business areas are mainly in the IT industry, such as cloud services, IT consulting, and logistics management. These business activities do not require hardware manufacturing or the use of plastics. Therefore, Samsung SDS's value chain does not include plastics and is characterized by industries that are not related to the manufacture or use of plastics.

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

1

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Samsung SDS has set the short-term period to one year after the end of the reporting period (2024) to prepare for potential financial impacts such as increased obligations to disclose GHG emissions information and rising carbon taxes in the coming years. The timeframe is also in line with the 'short-term' range of one year or less suggested by the Korea Sustainability Standards Board (KSSB).

Medium-term

(2.1.1) From (years)

2

(2.1.3) To (years)

6

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Samsung SDS has set a medium-term horizon of five years (2025-2029). This aligns with the planning horizon we use for key decisions such as our climate change

mitigation measures and targets and business plans, and is consistent with the EU Sustainability Reporting Standards (ESRS) and the Korea Sustainability Standards Board (KSSB), which Samsung SDS will be required to comply with in the future. We have identified the following as our strategic tasks in the environmental tasks for the next five years: technology-based carbon emission reduction, providing eco-friendly product services, and establishing an ESG value delivery system.

Long-term

(2.1.1) From (years)

7

(2.1.2) Is your long-term time horizon open ended?

Select from:

☒ No

(2.1.3) To (years)

26

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Samsung SDS has defined "long-term" as 20 years, from 2030 to 2050. In addition to transition risks, the physical risks of data centers, which are key assets of Samsung SDS, need to be managed in a long-term perspective. To this end, we identified which data centers are at risk and when they are exposed by classifying the risk level of assessed risks and defining critical physical risks. We also established a planning period to meet the Korean government's goal of transitioning to 100% renewable energy by 2050.

[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	<i>Select from:</i> ☒ Yes	<i>Select from:</i> ☒ Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	<i>Select from:</i> ☒ Yes	<i>Select from:</i> ☒ Both risks and opportunities	<i>Select from:</i> ☒ Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☒ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental

issue

Select all that apply

- ☒ Risks
- ☒ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

- ☒ Direct operations
- ☒ Upstream value chain
- ☒ Downstream value chain

(2.2.2.4) Coverage

Select from:

- ☒ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

- ☒ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

- ☒ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

- ☒ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

(2.2.2.10) Integration of risk management process

Select from:

- ☒ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

- ☒ Site-specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

- ☒ Other commercially/publicly available tools, please specify :WRI(World Resource Institute)

International methodologies and standards

- ☒ IPCC Climate Change Projections
- ☒ ISO 14001 Environmental Management Standard

Other

- ☒ Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical

- ☒ Drought
- ☒ Flood (coastal, fluvial, pluvial, ground water)
- ☒ Wildfires

Chronic physical

- ☒ Changing temperature (air, freshwater, marine water)

Policy

- ☒ Carbon pricing mechanisms
- ☒ Other policy, please specify :- Stricter disclosure mandates on GHG emissions

Market

- ☒ Availability and/or increased cost of certified sustainable material
- ☒ Changing customer behavior
- ☒ Other market, please specify :Rise in logistics costs due to carbon mitigation in logistics such as adopting eco-friendly fuel, etc

Reputation

- ☒ Increased partner and stakeholder concern and partner and stakeholder negative feedback
- ☒ Other reputation, please specify :- Decline in consumer preference due to carbon emissions from products and services - Drop in external ratings on climate action

Technology

- ☒ Transition to lower emissions technology and products
- ☒ Unsuccessful investment in new technologies
- ☒ Other technology, please specify :Low carbon alternatives for IT and logistics services

Liability

- ☒ Exposure to litigation

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- | | |
|--|--|
| ☒ Customers | ☒ Local communities |
| ☒ Employees | ☒ Indigenous peoples |
| ☒ Investors | |
| ☒ Suppliers | |
| ☒ Regulators | |

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☒ No

(2.2.2.16) Further details of process

Although we do not belong to carbon-intensive industry, it is inevitable for everyone to be impacted by climate change. Samsung SDS is fully aware of the importance of corporate roles in response to climate change. Samsung SDS has established a systematic process to identify, assess, and develop response strategies for the risks and opportunities posed by climate change. This risk management process extends not only to directly operated facilities but also to the entire value chain. It is integrated into the company-wide risk management process. Sustainability issues, including climate change risks, are among the key topics discussed in the Risk Council, with regular meetings held at least once a year. For risks deemed significant, the Environmental, Health, and Safety (EHS) Center, a dedicated environmental management organization, along with the Corporate Sustainability Management Office a supporting organization, manage these risks. Decisions and management strategies from the EHS Center and the Corporate Sustainability Management Office are reported to the ESG Committee. Response strategies and action plans are subsequently developed and approved.

[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

☒ Yes

(2.2.7.2) Description of how interconnections are assessed

The physical risks of data centers, which are major assets of Samsung SDS, must be managed with great importance. To this end, we have divided the risk ratings of the assessed risks and defined significant physical risks to identify the data centers exposed to the risks and the time of exposure. Some of our data centers use local chilled water for cooling, so we have established processes for water consumption and treatment, as well as processes for analyzing and assessing water risks. Samsung SDS analyzed water-related risks using the Aqueduct Water Risk Framework provided by the WRI (World Resource Institute) based on the location of each of our business sites. Risks are categorized according to their nature as quantitative physical risks, qualitative physical risks, and regulatory and reputational risks, and are analyzed in five impact levels: Low, Low-Medium, Medium-High, High and Extremely High. Overall, Samsung SDS' domestic business sites were found to have a low-medium level water risk, whereas its overseas businesses sites showed high risks in China, Vietnam, and India, but relatively lower risks in the US, Europe, Singapore, and South America. However, this risk analysis is simply based on data using WRI's own tool and may differ from the actual water resource management status of our business sites.

[Fixed row]

(2.3) Have you identified priority locations across your value chain?

(2.3.1) Identification of priority locations

Select from:

- ☒ Yes, we have identified priority locations

(2.3.2) Value chain stages where priority locations have been identified

Select all that apply

- ☒ Direct operations

(2.3.3) Types of priority locations identified

Sensitive locations

- ☒ Areas of limited water availability, flooding, and/or poor quality of water
- ☒ Other sensitive location, please specify :Areas with extreme high temperatures

(2.3.4) Description of process to identify priority locations

Samsung SDS has been using S&P Global's Climonomics framework since 2022 to identify and analyze financial impact of physical risks associated with the company's key assets. The scope of the analysis includes 30 assets including global data centers (owned and leased) and the headquarter and subsidiary offices. In line with the RCP scenario in the IPCC 5th Assessment Report, annual average asset value loss rates and loss values were measured for the shortterm (2024), mid-term (20252029), and long-term (20302050), and each asset's exposure to 8 climate risks including urban flooding and extreme temperatures were identified. Of the 8 climate risks, extreme temperatures has the most significant impact on asset losses while urban flooding is also projected to have somewhat impact. Other risks such as coastal flooding, wildfires, tropical cyclones, water stress, and river flooding were found to cause either little or no losses. Moreover, we plan to mitigate the risks of extreme temperatures by increasing cooling facilities, replacing outdated equipment, and applying liquid cooling, etc. to data centers.

(2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

- ☒ Yes, we will be disclosing the list/geospatial map of priority locations

(2.3.6) Provide a list and/or spatial map of priority locations

Samsung SDS Climate Report 2024.pdf

[Fixed row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

☒ Qualitative

☒ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☒ Indirect operating costs

(2.4.3) Change to indicator

Select from:

☒ Absolute increase

(2.4.5) Absolute increase/ decrease figure

20565713058

(2.4.6) Metrics considered in definition

Select all that apply

☒ Time horizon over which the effect occurs

(2.4.7) Application of definition

Samsung SDS endeavors to voluntarily implement the recommendations of the TCFD along with the guidelines of CDP on climate change. Accordingly, the substantive financial and strategic impacts associated with climate change is defined as follows: the impact of low carbon transition (policy, regulation, technology, market, reputation) or physical risk of climate change on the company's existing business activities (e.g. operation of data center) and financial management (e.g. corporate cash flow, profit and loss). So we analyzed three scenarios for carbon prices (High, Moderate and Low) and two scenarios for our emissions (BAU and Net Zero) to calculate the total carbon cost to be borne by the company for each scenario and to determine the proportion of the company's total operating expenses (OPEX). The high-risk scenario analysis identified a financial impact of up to 15.8 million by 2050. In terms of financial impact, risks with a potential financial impact of approximately 20 billion KRW or more over a long period of time are considered to have a substantive financial impact on Samsung SDS.

Opportunities

(2.4.1) Type of definition

Select all that apply

- ☒ Qualitative
- ☒ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

- ☒ Revenue

(2.4.3) Change to indicator

Select from:

- ☒ Absolute increase

(2.4.5) Absolute increase/ decrease figure

999999999999

(2.4.6) Metrics considered in definition

Select all that apply

- ☒ Time horizon over which the effect occurs

(2.4.7) Application of definition

In order to assess the climate opportunities for Samsung SDS and embed them in the business strategy, we defined low-carbon solutions that can contribute to lowering GHG emissions and adaptation. In addition, we assessed the suitability of our economic activities and calculated the net sales of activities that contribute to climate change mitigation based on the EU Taxonomy standards. Based on this, we calculated the business sales that can contribute to climate change mitigation to be approximately KRW 1,713.9 billion, which can be defined as our potential financial opportunity.

[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

☒ Yes, only within our direct operations

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☒ Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

Samsung SDS has implemented a thorough supply chain management policy to minimize environmental risks that may arise in our supply chain. When selecting suppliers, we prioritize doing business with companies that comply with environmental laws and regulations, promote sustainable practices throughout our supply chain, and work with our suppliers to make joint efforts to reduce our environmental impact. In addition, because our services and solutions are primarily delivered digitally, the physical environmental risks that arise from our customers' use of our services are relatively small. For these reasons, Samsung SDS has determined that environmental risks that may arise from upstream and downstream sources are not likely to have a material impact on the organization. However, Samsung SDS continuously monitors environmental risks and takes appropriate countermeasures when necessary to protect the environment and practice sustainable management.

Plastics

(3.1.1) Environmental risks identified

Select from:

☒ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☒ Other, please specify :Judged to be unimportant or not relevant

(3.1.3) Please explain

Samsung SDS is a company that provides IT services and solutions, primarily engaged in software development, cloud services, and IT consulting. As these businesses do not involve manufacturing physical products or consuming resources such as plastics, we have determined that they are not related to environmental risks.

[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

☒ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☒ Carbon pricing mechanisms

(3.1.1.4) Value chain stage where the risk occurs

Select from:

- ☒ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- ☒ Republic of Korea

(3.1.1.9) Organization-specific description of risk

Samsung SDS is subject to the allocation of GHG emission allowances under the Emission Trading Scheme of Korea. Annually Samsung SDS should submit emission allowances to the Korean government in accordance with the actual GHG emissions verified each year. Therefore, it is necessary to reduce GHG emissions which accelerate the investment in GHG reduction and energy saving activities in order to reduce the compliance cost of purchasing emission allowances from the carbon market in Korea. In case of failure to fulfilling the required amount of carbon credit, there is a fine posed by the government corresponding to three times the average price of the carbon credit in the current carbon market in accordance with the "Enforcement Decree of the Act on the Allocation and Trading of Greenhouse-Gas Emission Permits."

(3.1.1.11) Primary financial effect of the risk

Select from:

- ☒ Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- ☒ Short-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- ☒ Virtually certain

(3.1.1.14) Magnitude

Select from:

- ☒ Medium-low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*Based on the results of the emission scenario analysis, the company's GHG emissions in 2025 were predicted to be between 193,000 and 210,000 tons. The company's emissions as free allowances in 2025 is 92,172 tons. Therefore, the potential financial impact ranges from a minimum of (193,000 tons - 92,172 tons)*17,415 KAU 1,755,919,620 to a maximum of (210,000 tons - 92,172 tons)*17,415 KAU 2,051,947,620. This represents approximately 2.7% of the company's cash flow from operating activities, and the financial impact is analyzed to be insignificant.*

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

2823946740

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

3581499240

(3.1.1.25) Explanation of financial effect figure

*The implementation of the Emission Trading Scheme has the financial risk of the purchase cost of allowance or the imposition of fines. Our GHG emissions allocated as free allowances for each year of implementation of the third plan period (2021-2025) are 92,172 tonnes in 2024 and 2025 respectively. Assuming that our emissions increase by approximately 10% to 12% per annum over the short-term period, the provisional financial impact for the next two years is as follows - Maximum (390,000 tons - 184,344 tons) * 17,415(KAU) 3,581,499,240 - Minimum (346,500 tons - 184,344 tons) * 17,415 (KAU) 2,823,946,740*

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☒ Increase environment-related capital expenditure

(3.1.1.27) Cost of response to risk

1000000000

(3.1.1.28) Explanation of cost calculation

1) Total investment in 28 charging facilities and conversion of zero-emission vehicles: 450 million KRW 2) Conversion of electric boilers and creation of new forests: 550 million KRW (25,000 trees (2500 tons) * 22,000 KRW)

(3.1.1.29) Description of response

To reduce GHG emissions at its workplaces, Samsung SDS is phasing in the replacement of its domestic business vehicles (156 in total) to convert them to 100% zero-emission vehicles by 2030. It has also built electric vehicle charging infrastructure at on-site and off-site parking lots at its domestic business sites to make it convenient for employees to use electric vehicles.

Climate change

(3.1.1.1) Risk identifier

Select from:

☒ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☒ Carbon pricing mechanisms

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ Republic of Korea

(3.1.1.9) Organization-specific description of risk

To assess the financial implications of transition risks on Samsung SDS, we conducted a scenario analysis in collaboration with S&P Global, focusing on carbon price risk. By evaluating three carbon price scenarios (high/moderate/low) and two emissions scenarios (BAU and Net-Zero), Samsung SDS calculated the total carbon cost associated with each scenario and determined the proportion of these costs relative to our total operating expenses (OPEX).

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ Likely

(3.1.1.14) Magnitude

Select from:

☒ Medium-high

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

We analyzed the financial impact of future carbon costs by comprehensively considering Samsung's carbon emission trends and future carbon emissions based on its own analysis, including business plans. Samsung checked the proportion of carbon costs in total operating expenses (OPEX) under the carbon price outlook scenario, and found that the proportion of OPEX is 0.06% in 2025 and 0.16% in 2050 based on the BAU emissions scenario. While costs will increase as carbon prices and emissions continue to rise, they are a small percentage of OPEX and are not considered a significant risk.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

86857584224

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

497717690286

(3.1.1.25) Explanation of financial effect figure

Internal carbon price risk is estimated from 1/ton in 2025 to 32/ton in 2050 with low carbon risk scenario (which is based on IRENA), and 41/ton in 2025 to 151/ton in 2050 with high carbon risk scenario (which is based on IEA NPS). Considering internal carbon price risk and projected GHG emissions from 2025 to 2050, total carbon risk cost would be 66.42m in low carbon risk scenario and 380.59m in high carbon risk scenario.

(3.1.1.26) Primary response to risk

Policies and plans

☒ Develop a climate transition plan

(3.1.1.27) Cost of response to risk

690500000000

(3.1.1.28) Explanation of cost calculation

Cost for purchasing renewable energy (REC, PPA, etc.) can be estimated as 80KRW/kWh at this moment and we forecast this cost will be decreased 1% annually. As about 11,203GWh of energy should be converted to renewable one for achieving carbon neutrality, total cost of response to risk will be about 690.5 billion KRW. - 32 billion KRW (0.98 billion KRW/ton) for green premiums, 658 billion KRW (1.4 billion KRW/ton) for PPAs, and 0.5 billion KRW for overseas RECs.

(3.1.1.29) Description of response

Samsung SDS is promoting the transition to renewable energy at home and abroad, and will choose between Green Premium and RECs in the short term, taking into account the volume of renewable energy and unit cost (affordability). In the mid- to long-term, we will accelerate the transition to renewable energy through a

combination of PPA contracts and equity investment through external partnerships.

Climate change

(3.1.1.1) Risk identifier

Select from:

☒ Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☒ Changing temperature (air, freshwater, marine water)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ China

☒ United States of America

(3.1.1.9) Organization-specific description of risk

As Samsung SDS owns and run data centers, temperature extremes cause huge impact on company's financial status and asset value. (e.g. Increase of cooling cost, HVAC degradation, and decline of employee productivity)

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ More likely than not

(3.1.1.14) Magnitude

Select from:

☒ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Samsung SDS identified the exposure of its assets to eight climate risks, including extreme high temperatures, for a total of 30 assets, ranging from data centers (owned and leased) to headquarters/corporate offices around the world, and the analysis showed that asset losses under the RCP 8.5 scenario, the highest physical risk, were projected to be 4.9% in 2030 and 7.3% in 2050.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

99928500000

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

149570400000

(3.1.1.25) Explanation of financial effect figure

Samsung SDS employed S&P Global's Climonomics service to perform a physical risk analysis. We projected average annualized asset value losses and decade-spanning losses from 2020 to 2050 for 8 climate hazards, including urban flooding, extreme temperatures, coastal flooding, droughts, wildfires, typhoons, water stress, river flooding under the RCP scenarios(RCP 2.6, 4.5, 7.0, and 8.5) of the IPCC Fifth Assessment Report. Through the analysis, loss rates for assets under the RCP 8.5 scenario, which has the highest climate risks, was forecast at 4.9%(77.5m) in 2030 and 7.3%(116.0m) in 2050. These figures are 18.0%33.0%p lower than measurements of the RCP 8.5 scenario in 2022 which showed 22.9% in 2030 and 40.3% in 2050, resulting from use of more advanced S&P methodologies with improved resolution.

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☒ Improve maintenance of infrastructure

(3.1.1.27) Cost of response to risk

84400000000

(3.1.1.28) Explanation of cost calculation

Application of new technologies to reduce power consumption in Eco-Cloud Data Centers(introduction of Liquid Cooling, operation of UPS Eco-Model). Cost is estimated about 84.4 billion KRW to implement new technologies.

(3.1.1.29) Description of response

SamsungSDS plans to mitigate the risks of extreme temperatures by increasing cooling facilities, replacing outdated equipment, and applying liquid cooling, etc. to data centers.

[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:

☒ Assets

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

4522000000

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☒ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

149570400000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☒ 1-10%

(3.1.2.7) Explanation of financial figures

Samsung SDS has been using S&P Global's Climonomics framework since 2022 to identify and analyze financial impact of physical risks associated with the company's key assets. The scope of the analysis includes 30 assets including global data centers (owned and leased) and the headquarter and subsidiary offices. In line with the RCP scenario in the IPCC 5th Assessment Report, annual average asset value loss rates and loss values were measured for the short-term (2024), mid-term (2025-2029), and long-term (2030-2050), and each asset's exposure to 8 climate risks including urban flooding and extreme temperatures were identified. Through the analysis, loss rates for assets under the RCP 8.5 scenario, which has the highest climate risks, was forecast at 4.9%(77.5m) in 2030 and 7.3%(116.0m) in 2050.

Climate change

(3.1.2.1) Financial metric

Select from:

☒ OPEX

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

20346732000

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☒ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☒ Less than 1%

(3.1.2.7) Explanation of financial figures

By evaluating three carbon price scenarios (high/moderate/low) and two emissions scenarios (BAU and Net-Zero), Samsung SDS calculated the total carbon cost associated with each scenario and determined the proportion of these costs relative to our total operating expenses (OPEX). Based on the BAU emissions scenario, the total cost of carbon price risk ascends from 7.9 million in 2025 to 15.8 million in 2050 under the High mitigation scenario. These costs represent a share of operating expenses(OPEX) amounting to 0.06% in 2025 and 0.16% in 2050. Despite the upward trend in costs driven by rising carbon prices and emissions, they remain a small percentage of OPEX and are not considered a significant risk.

[Add row]

(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Select from:

☒ Yes

(3.5.1) Select the carbon pricing regulation(s) which impact your operations.

Select all that apply

☒ Korea ETS

(3.5.2) Provide details of each Emissions Trading Scheme (ETS) your organization is regulated by.

Korea ETS

(3.5.2.1) % of Scope 1 emissions covered by the ETS

100

(3.5.2.2) % of Scope 2 emissions covered by the ETS

100

(3.5.2.3) Period start date

12/31/2022

(3.5.2.4) Period end date

12/30/2023

(3.5.2.5) Allowances allocated

133727

(3.5.2.6) Allowances purchased

16659

(3.5.2.7) Verified Scope 1 emissions in metric tons CO₂e

4121

(3.5.2.8) Verified Scope 2 emissions in metric tons CO₂e

(3.5.2.9) Details of ownership

Select from:

☒ Facilities we own and operate

(3.5.2.10) Comment

Subsidiaries and overseas corporations are not included.
[Fixed row]

(3.5.4) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

As Samsung SDS has been subjected to the GHG emissions Trading Scheme since 2015 in accordance with the Framework Act on Low Carbon, Green Growth, the company has been reporting GHG emissions on Scope 1, 2 to the Ministry of Environment. Designated workplaces where GHG emissions must be reported include 4 data centers, headquarter, 3 campuses, and communication hubs distributed throughout the country. The company established a GHG inventory system to aggregate data center energy consumption and GHG emission data in real time. Samsung SDS responds to the emission trading system by actively implementing greenhouse gas emission reduction activities centered on products and business sites. In order to reduce CO2 emissions of data centers, Samsung SDS reduced GHG emissions through free cooling system, solar water heating, and use of renewable energy (solar power and geothermal energy) in the year of 2023. 5 data centers reduced GHG emissions by investing on facilities such as free cooling system, containment, solar water heating system, ventilation inverter, and improving data center operation. The response strategy for Korea ETS, that we are participating, is primarily to reduce GHG emissions by various method such as investment on energy saving facilities and improvement of operation. Also, if GHG target is not fulfilled by analyzing the prediction of GHG reduction and emissions, emission units should be purchased in Korean Exchange(KRX). We now achieve our emission target with various emission reduction practices and by precise predictions.

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	Select from:

	Environmental opportunities identified
	☒ Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

☒ Other resource efficiency opportunity, please specify :Replace to more energy/resource efficient facilities

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ Republic of Korea

(3.6.1.8) Organization specific description

Samsung SDS regards climate change as one of the important drivers underlying the social demand for advanced and eco-friendly data center. In this regard, Samsung SDS has decided to expand the construction and operation of eco-friendly data centers with improved energy efficiency and better security, safety and resiliency. Samsung SDS is operating 17 data centers worldwide and these data centers are being improved based on growing social demand for eco-friendly data centers with low-carbon energy, high level of energy independency, and resiliency to extreme weather events among other advanced features. By doing this, we expect that corporate reputation, market power, and corporate value of Samsung SDS will be strengthened as well as satisfying stakeholders' increasing demands for low-carbon data centers

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☒ Reduced indirect (operating) costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☒ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☒ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☒ Medium

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Indirect emissions from electricity consumption in our company's domestic and overseas data centers account for more than 95% of Samsung SDS's GHG emissions, so in 2023 we applied outdoor air cooling, extended the period of direct outdoor air, and introduced cooling towers to reduce energy consumption in our data centers. As a result, we reduced GHG emissions by 5,484 metric tons through our own efforts. This means that these facility investments reduce GHG emissions, which helps reduce our operating costs, such as the cost of purchasing carbon credits and renewable energy. In addition, internal research has shown that GHG reduction and

climate adaptation strategies in data centers can improve Samsung SDS's ITO and cloud services-related revenue by 5-8%.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ Yes

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

198178000000

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

346812000000

(3.6.1.23) Explanation of financial effect figures

Samsung SDS is applying climate technology to existing data operations and new data centers. Samsung SDS closely analyzes utilities such as air conditioning, electricity, firefighting, and security on data centers, considering the impacts of abnormal temperatures or disasters caused by climate change. Additionally, we strengthen the integrated monitoring system over infrastructure, security facilities and data center management and conduct activities in response to climate change risks when selecting new data center locations. Samsung SDS assesses the impact of largely two categories of data center improvements, namely measures for 1) GHG mitigation and 2) adaptation. In our internal research, each category of mitigation and adaption improvement may account for 47% increase of the revenue of Samsung SDS related to ITO and cloud services. Therefore, as the revenue for cloud and ITO is 4,954,462 million KRW, potential increase of revenue thanks to these improvements for data centers may be up to roughly 346,812 million KRW.

(3.6.1.24) Cost to realize opportunity

84400000000

(3.6.1.25) Explanation of cost calculation

It is an increased direct cost based on investments in IT equipment cooling technologies for GHG abatement and is calculated based on investment and implementation costs for liquid cooling in eco-cloud technologies to apply low-power to data centers.

(3.6.1.26) Strategy to realize opportunity

Major activities of improving data center related to climate change include advancement of PUE (Power Usage Effectiveness) indicators by expanding the use of

renewable energy, implementing high-efficiency and security measures for power facilities, and exploring optimal cooling conditions through machine learning. Especially, Samsung SDS is planning to implement a new technology, liquid cooling, which can reduce carbon emissions from datacenter. It is estimated to cost about 84.4 billion KRW to develop and implement these technologies.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☒ Development of new products or services through R&D and innovation

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ Republic of Korea

(3.6.1.8) Organization specific description

The demand for integrated ESG management and reporting solution for companies are expected to increase as Korean government has recently introduced a plan to adopt legal requirement for companies to manage their ESG performances in alignment with a variety of the ESG standards and frameworks. Based on the years of experience and knowledge of Samsung SDS, the company sees this as a business opportunity and reviewing the development of one centralized tool where client companies can manage, track and report ESG data and strategies. As more companies are recognizing the need for reliable systems to effectively manage and report the ESG data, Samsung SDS can provide a broad solution complete with the latest industry frameworks and standards to assist clients through the ESG reporting process, help manage sustainability risk and provide relevant insights to internal and external stakeholders.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- ☒ Increased revenues through access to new and emerging markets

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- ☒ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

- ☒ Likely (66–100%)

(3.6.1.12) Magnitude

Select from:

- ☒ Medium

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

it is very difficult to quantify the short-, mid-, and long-term financial impacts of the low-carbon solutions defined by Samsung SDS and to conduct analysis of climate scenarios. This is because the data and research results required for reliable analysis have not been sufficiently accumulated, and the analysis methodology has not been established. The growth rate of low-carbon IT solutions is viewed very positively in a net-zero scenario but is not sufficient enough to be used as supporting evidence for the analysis. For this reason, Samsung SDS will estimate and provide predictions on the potential market size and revenue fluctuations of low-carbon solutions based on market projections and mid-term revenue targets of each service that are incorporated in building business plans and further refine analysis methods.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

- ☒ Yes

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

1713900000000

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

2572100000000

(3.6.1.23) Explanation of financial effect figures

Last year, more than 100 companies disclosed ESG-related data in their sustainability reports, and with the government's announcement that it will require all listed companies in South Korea to disclose ESG data by 2025, the number is expected to grow as companies will soon be legally required to disclose ESG data, including targets, performance, and activities related to ESG indicators. In its 'SMARTer2030' report, global consulting firm GeSI forecasts the revenue potential of ICT products and services to reach 1.8 trillion by 2030, and Markets&Markets predicts that the market for ESG disclosure and data platforms will grow 16.5% from 700 million in 2022 to 1.5 billion in 2027. For this reason, Samsung SDS has analyzed the growth rate of our low-carbon products based on market forecasts by service and medium-term sales targets that are taken into account in business planning. Based on this analysis, the potential growth of our climate-related business is expected to increase by an average of 7% per year. Therefore, in 2023, revenue of businesses categorized as climate-related products or services were KRW 1,713.9 billion, and are expected to reach about KRW 2,572.1 billion in 2026, with a growth rate of 7% per year.

(3.6.1.24) Cost to realize opportunity

3400000000

(3.6.1.25) Explanation of cost calculation

The cost of developing the solution is expected to be approximately KRW 414 million per year for the development phase and KRW 166 million per year for the operation and improvement phase. Therefore, a total of KRW 3.4 billion is expected to be spent by 2029.

(3.6.1.26) Strategy to realize opportunity

We strategically aim to develop an ESG platform including the following features: 1) With the platform, corporate may better understand and manage their ESG goals/performances in accordance with the ESG indicators such as KCGS (Korea Corporate Governance Service), K-ESG (Korea ESG Standards), Sustainability Accounting Standards Board (SASB), Task Force on Climate-Related Financial Disclosures (TCFD) and United Nations Sustainable Development Goals (UN SDGs) and others. Further, the platform will allow defining and tracking client-specific corporate goals and KPIs. 2) The platform will allow manage ESG risks including climate-related issues by providing industry-specific analysis to assess, manage and report the risks. 3) Samsung SDS ESG platform is to identify themes, understand relationships and inter-dependencies, and track ESG progress and status. The cost for developing these solutions will roughly be 414 million KRW per year in development phase and 166 million KRW per year in operation and improvement phase.

[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:

☒ Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

1713900000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☒ 11-20%

(3.6.2.4) Explanation of financial figures

Samsung SDS provides 'data center and cloud services' and 'data-based solutions to reduce greenhouse gas emissions'. At the 17 data centers around the world operated by Samsung SDS, we are investing in various facilities to save energy and reduce greenhouse gas emissions, and we are producing and utilizing renewable energy sources. In addition, our digital forwarding service (Cello) is helping to streamline logistics operations and support the transition to low-carbon transportation, and Brity Meeting is helping to change customer behavior through video conferencing. Therefore, based on this background, when analyzing climate-related business opportunities, sales from 'data processing and hosting-related activities' amounted to 1,082.3 billion KRW, and sales from 'data-based solutions to reduce greenhouse gas emissions' amounted to 631.6 billion KRW. This accounts for 12.9% of Samsung SDS's total sales of 13,276.8 billion KRW.

Climate change

(3.6.2.1) Financial metric

Select from:

☒ OPEX

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

1617700000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☒ 11-20%

(3.6.2.4) Explanation of financial figures

In order to assess the climate opportunities for Samsung SDS and embed them in the business strategy, we defined low-carbon solutions that can contribute to lowering GHG emissions and adaptation. In addition, we assessed the suitability of our economic activities and calculated the net sales, CAPEX, and OPEX ratios of activities that contribute to climate change mitigation based on the EU Taxonomy standards. In analyzing Samsung's climate-related business opportunities, we found that operating expenses for "data processing and hosting related businesses" amounted to KRW 99.65 billion and "data-based greenhouse gas reduction solutions" amounted to KRW 621.2 billion, accounting for 13% of Samsung SDS's total operational expenditures of KRW 12,469 billion.

Climate change

(3.6.2.1) Financial metric

Select from:

☒ CAPEX

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

1708000000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☒ 31-40%

(3.6.2.4) Explanation of financial figures

In order to assess the climate opportunities for Samsung SDS and embed them in the business strategy, we defined low-carbon solutions that can contribute to

lowering GHG emissions and adaptation. In addition, we assessed the suitability of our economic activities and calculated the net sales, CAPEX, and OPEX ratios of activities that contribute to climate change mitigation based on the EU Taxonomy standards. In analyzing Samsung's climate-related business opportunities, we found that capital expenditures for "data processing and hosting related businesses" amounted to KRW 169.3 billion and "data-based greenhouse gas reduction solutions" amounted to KRW 1.5 billion, accounting for 34% of Samsung SDS's total capital expenditures of KRW 502.8 billion.

[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☒ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☒ More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☒ Executive directors or equivalent

☒ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☒ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

Samsung SDS composes its BOD with directors who have diverse expertise to enable strategic decision-makings from a comprehensive perspective. The CEO, a leading expert in IT services, oversees the overall business and drives responsible management as the BOD chair. Furthermore, we appoint experts with deep knowledge and experience in various fields such as law, IT, finance, and business strategy as independent directors who provide objective management supervision and professional advice. Independent directors are limited to holding dual positions at one company to ensure their expertise and loyalty. Samsung SDS is committed to growing alongside its stakeholders and advocates diversity factors such as gender, age, nationality, education, and political affiliation, etc. In particular, under the Gender Diversity Obligation of Korean Capital Markets Act, the composition of board members principally includes at least one female director.

(4.1.6) Attach the policy (optional)

Samsung_SDS_Sustainability_Report_2024.pdf
[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	Select from: ☒ Yes
Biodiversity	Select from: ☒ Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board’s oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

- Select all that apply
- ☒ Chief Executive Officer (CEO)
 - ☒ Chief Financial Officer (CFO)
 - ☒ Board-level committee

(4.1.2.2) Positions’ accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☒ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- ☒ Board Terms of Reference
- ☒ Board mandate
- ☒ Individual role descriptions

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- ☒ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- | | |
|--|--|
| ☒ Reviewing and guiding annual budgets | ☒ Overseeing and guiding public policy engagement |
| ☒ Overseeing and guiding scenario analysis | ☒ Overseeing and guiding major capital expenditures |
| ☒ Overseeing the setting of corporate targets | ☒ Monitoring the implementation of the business strategy |
| ☒ Monitoring progress towards corporate targets | ☒ Overseeing reporting, audit, and verification processes |
| ☒ Approving corporate policies and/or commitments | ☒ Monitoring the implementation of a climate transition plan |
| ☒ Overseeing and guiding the development of a business strategy | |
| ☒ Overseeing and guiding acquisitions, mergers, and divestitures | |
| ☒ Monitoring supplier compliance with organizational requirements | |
| ☒ Monitoring compliance with corporate policies and/or commitments | |
| ☒ Overseeing and guiding the development of a climate transition plan | |
| ☒ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities | |

(4.1.2.7) Please explain

The BOD is a decision-making body that manages and supervises climate change response strategies, policies, issues, and activities, and deliberates and resolves

key issues on the agenda. The BOD members including CEO and CFO, discuss and make decisions on the impact of climate risks and opportunities on Samsung SDS' business and how to respond to them from a legal, regulatory, financial, and technical standpoint. The critical responsibility for Samsung SDS' response to environmental and climate crises begins with the CEO (Chief Executive Officer) and CFO (Chief Financial Officer), who assess and manage climate-related risks and opportunities. The CEO of Samsung SDS recognizes the impact of climate change on the overall company management as well as the impact of companies on external environments and stakeholders, in order to achieve sustainable growth of the company. In accordance with the Environment and Energy Management Principles established in 2023, the CEO regularly receives reports on the climate change response policy and progress in meeting targets to respond to the climate crisis and achieve carbon neutrality in the mid-to-long-term. In addition, the CEO supports the BOD to carry out its role in deliberating and making decisions on key agenda. The CFO of Samsung SDS not only manages the financial structure and business strategy, but also oversees overall environmental management issues as the executive in charge of environmental matters of the company to ensure the ESG strategy is carried out effectively by relevant businesses and departments. In addition, the CFO serves as the Chief Risk Officer (CRO) that identifies and manages corporate risks to report identified climate risks and assessments to the BOD to support the CEO in making important business decisions.

Biodiversity

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- ☒ Chief Executive Officer (CEO)
- ☒ Chief Financial Officer (CFO)
- ☒ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- ☒ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- ☒ Board Terms of Reference
- ☒ Board mandate
- ☒ Individual role descriptions

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- ☑ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- | | |
|--|--|
| ☑ Reviewing and guiding annual budgets | ☑ Overseeing and guiding public policy engagement |
| ☑ Overseeing and guiding scenario analysis | ☑ Overseeing and guiding major capital expenditures |
| ☑ Overseeing the setting of corporate targets | ☑ Monitoring the implementation of the business strategy |
| ☑ Monitoring progress towards corporate targets | ☑ Overseeing reporting, audit, and verification processes |
| ☑ Approving corporate policies and/or commitments | ☑ Monitoring the implementation of a climate transition plan |
| ☑ Overseeing and guiding the development of a business strategy | |
| ☑ Overseeing and guiding acquisitions, mergers, and divestitures | |
| ☑ Monitoring supplier compliance with organizational requirements | |
| ☑ Monitoring compliance with corporate policies and/or commitments | |
| ☑ Overseeing and guiding the development of a climate transition plan | |
| ☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities | |

(4.1.2.7) Please explain

The BOD is a decision-making body that manages and supervises climate change response strategies, policies, issues, and activities, and deliberates and resolves key issues on the agenda. The BOD members including CEO and CFO, discuss and make decisions on the impact of climate risks and opportunities on Samsung SDS' business and how to respond to them from a legal, regulatory, financial, and technical standpoint. The critical responsibility for Samsung SDS' response to environmental and climate crises begins with the CEO (Chief Executive Officer) and CFO (Chief Financial Officer), who assess and manage climate-related risks and opportunities. The CEO of Samsung SDS recognizes the impact of climate change on the overall company management as well as the impact of companies on external environments and stakeholders, in order to achieve sustainable growth of the company. In accordance with the Environment and Energy Management Principles established in 2023, the CEO regularly receives reports on the climate change response policy and progress in meeting targets to respond to the climate crisis and achieve carbon neutrality in the mid-to-long-term. In addition, the CEO supports the BOD to carry out its role in deliberating and making decisions on key agenda. The CFO of Samsung SDS not only manages the financial structure and business strategy, but also oversees overall environmental management issues as the executive in charge of environmental matters of the company to ensure the ESG strategy is carried out effectively by relevant businesses and departments. In addition, the CFO serves as the Chief Risk Officer (CRO) that identifies and manages corporate risks to report identified climate risks and assessments to the BOD to support the CEO in making important business decisions.

[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

☒ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- ☒ Engaging regularly with external stakeholders and experts on environmental issues
- ☒ Integrating knowledge of environmental issues into board nominating process
- ☒ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- ☒ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

- ☒ Executive-level experience in a role focused on environmental issues
- ☒ Experience in an organization that is exposed to environmental-scrutiny and is going through a sustainability transition

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	Select from: ☒ Yes

	Management-level responsibility for this environmental issue
Biodiversity	<i>Select from:</i> ☒ Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☒ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☒ Assessing environmental dependencies, impacts, risks, and opportunities

☒ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☒ Managing public policy engagement related to environmental issues

☒ Managing supplier compliance with environmental requirements

☒ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☒ Monitoring compliance with corporate environmental policies and/or commitments

- ☒ Measuring progress towards environmental corporate targets
- ☒ Setting corporate environmental policies and/or commitments
- ☒ Setting corporate environmental targets

Strategy and financial planning

- ☒ Developing a climate transition plan
- ☒ Implementing a climate transition plan
- ☒ Conducting environmental scenario analysis
- ☒ Managing annual budgets related to environmental issues
- ☒ Implementing the business strategy related to environmental issues
- ☒ Developing a business strategy which considers environmental issues
- ☒ Managing environmental reporting, audit, and verification processes
- ☒ Managing acquisitions, mergers, and divestitures related to environmental issues
- ☒ Managing major capital and/or operational expenditures relating to environmental issues
- ☒ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ More frequently than quarterly

(4.3.1.6) Please explain

The CEO of Samsung SDS recognizes the impact of climate change on the overall company management as well as the impact of companies on external environments and stakeholders, in order to achieve sustainable growth of the company. In accordance with the Environment and Energy Management Principles established in 2023, the CEO regularly receives reports on the climate change response policy and progress in meeting targets to respond to the climate crisis and achieve carbon neutrality in the mid-to-long-term. In addition, the CEO supports the BOD to carry out its role in deliberating and making decisions on key agenda.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- ☒ Managing public policy engagement related to environmental issues
- ☒ Managing supplier compliance with environmental requirements
- ☒ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

- ☒ Monitoring compliance with corporate environmental policies and/or commitments
- ☒ Measuring progress towards environmental corporate targets
- ☒ Setting corporate environmental policies and/or commitments
- ☒ Setting corporate environmental targets

Strategy and financial planning

- ☒ Developing a climate transition plan
- ☒ Implementing a climate transition plan
- ☒ Conducting environmental scenario analysis
- ☒ Managing annual budgets related to environmental issues
- ☒ Implementing the business strategy related to environmental issues
- ☒ Developing a business strategy which considers environmental issues
- ☒ Managing environmental reporting, audit, and verification processes

- ☒ Managing acquisitions, mergers, and divestitures related to environmental issues
- ☒ Managing major capital and/or operational expenditures relating to environmental issues
- ☒ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ More frequently than quarterly

(4.3.1.6) Please explain

The CEO of Samsung SDS recognizes the impact of climate change on the overall company management as well as the impact of companies on external environments and stakeholders, in order to achieve sustainable growth of the company. In accordance with the Environment and Energy Management Principles established in 2023, the CEO regularly receives reports on the climate change response policy and progress in meeting targets to respond to the climate crisis and achieve carbon neutrality in the mid-to-long-term. In addition, the CEO supports the BOD to carry out its role in deliberating and making decisions on key agenda.
[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

	Provision of monetary incentives related to this environmental issue	% of total C-suite and board-level monetary incentives linked to the management of this environmental issue	Please explain
Climate change	Select from: ☒ Yes	10	Samsung SDS offers monetary incentives management in charge of climate change tasks based on the performance of their work.

[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☒ Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

☒ Bonus - % of salary

☒ Salary increase

(4.5.1.3) Performance metrics

Targets

☒ Achievement of environmental targets

☒ Reduction in absolute emissions in line with net-zero target

Strategy and financial planning

☒ Board approval of climate transition plan

☒ Achievement of climate transition plan

Resource use and efficiency

☒ Energy efficiency improvement

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- ☒ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

The CEO has responsibility to oversee and make decisions on climate-related issues. Therefore, a part of the variable compensation depends on the performance of these business units, including their GHG reduction target. Samsung SDS transparently and accurately evaluates CEO according to the KPIs.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Samsung SDS includes environmental performance indicators in the KPI of management to support their decision-makings for environmental management. Strengthening implementation of environmental management is part of the criteria for determining incentives for top management to ensure they perform their environmental responsibilities. Also, these performance indicators is in line with our climate-transition plan.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

- ☒ Chief Financial Officer (CFO)

(4.5.1.2) Incentives

Select all that apply

- ☒ Bonus - % of salary
☒ Salary increase

(4.5.1.3) Performance metrics

Targets

- ☒ Organization performance against an environmental sustainability index

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☒ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

The CFO of Samsung SDS not only manages the financial structure and business strategy, but also oversees overall environmental management issues as the executive in charge of environmental matters of the company to ensure the ESG strategy is carried out effectively by relevant businesses and departments. A part of his KPI is considered by results of corporate sustainability assessment including CDP, DJSI, etc.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

As climate-related sustainability index indicates company's contribution to climate action, it is possible to figure that this incentive is in line with climate-transition plan.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Facility/Unit/Site management

☒ Business unit manager

(4.5.1.2) Incentives

Select all that apply

☒ Bonus - % of salary

☒ Salary increase

(4.5.1.3) Performance metrics

Emission reduction

☒ Reduction in absolute emissions

Resource use and efficiency

☒ Energy efficiency improvement

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- ☒ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Person who is responsible to operate data centers receives annual salary based on the performance on climate change goals and related objectives on energy efficiency, water use, and related activities. Other activities that are linked with sustainability incentives are energy efficiency targets and GHG reduction target.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

These performance indicators is in line with our climate-transition plan.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Facility/Unit/Site management

- ☒ Facilities manager

(4.5.1.2) Incentives

Select all that apply

- ☒ Bonus - % of salary
☒ Salary increase

(4.5.1.3) Performance metrics

Emission reduction

- ☒ Reduction in absolute emissions

Resource use and efficiency

☒ Energy efficiency improvement

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☒ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Facility managers carry the company's climate change goals as part of their business goals and objectives. The goals are defined in terms of energy efficiency improvements and adoption of renewable energy in the operations.

(4.5.1.6) How the position’s incentives contribute to the achievement of your environmental commitments and/or climate transition plan

These performance indicators is in line with our climate-transition plan.

[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: ☒ Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

- ☒ Climate change
- ☒ Biodiversity

(4.6.1.2) Level of coverage

Select from:

- ☒ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

- ☒ Direct operations
- ☒ Upstream value chain
- ☒ Downstream value chain

(4.6.1.4) Explain the coverage

Samsung SDS recognizes creating a safe and healthy work environment and environment-friendly business management as the company's top priority value. We are devoted to carrying out corporate activities that respect both people and nature in all of our products, services, and business areas, both in the domestic and global arena, to contribute to prosperity and environmental preservation. Therefore, we build environmental policies and strategies by applying them not only to our own businesses but also to the entire value chain of Samsung SDS.

(4.6.1.5) Environmental policy content

Environmental commitments

- ☒ Commitment to avoidance of negative impacts on threatened and protected species
- ☒ Commitment to comply with regulations and mandatory standards
- ☒ Commitment to take environmental action beyond regulatory compliance
- ☒ Commitment to stakeholder engagement and capacity building on environmental issues

Climate-specific commitments

- ☒ Commitment to net-zero emissions

Social commitments

- ☒ Adoption of the UN International Labour Organization principles
- ☒ Commitment to promote gender equality and women's empowerment
- ☒ Commitment to respect and protect the customary rights to land, resources, and territory of Indigenous Peoples and Local Communities
- ☒ Commitment to respect internationally recognized human rights

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- ☒ Yes, in line with the Paris Agreement

(4.6.1.7) Public availability

Select from:

- ☒ Publicly available

(4.6.1.8) Attach the policy

Samsung SDS Environment Policy_signed_2023.pdf

[Add row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

- ☒ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

☒ Task Force on Climate-related Financial Disclosures (TCFD)

(4.10.3) Describe your organization's role within each framework or initiative

Our company discloses corporate performance in a form that conforms to TCFD.

[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

☒ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

☒ No, but we plan to have one in the next two years

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

☒ Unknown

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

We are active in associations representing the industry and actively express our position.

[Fixed row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

☒ Indirect engagement via a trade association

(4.11.2.4) Trade association

Asia and Pacific

☒ Other trade association in Asia and Pacific, please specify :KDCC (Korea Data Center Council)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☒ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☒ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☒ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

KDCC is an association representing data center industry under the Ministry of Science and ICT (MSIT). We delivered the opinions to the government that data centers contribute to country's total reduction of GHG and assign data center businesses to ETS. The position of our company and the association are basically the same, and we actively express our position.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

0

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☒ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☒ Paris Agreement

Row 2

(4.11.2.1) Type of indirect engagement

Select from:

☒ Indirect engagement via a trade association

(4.11.2.4) Trade association

Asia and Pacific

☒ Other trade association in Asia and Pacific, please specify :KSSB(Korea Sustainability Standards Board)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☒ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☒ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☒ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

The Korea Sustainability Standards Board (KSSB) is an organization under Korea Accounting Standards Board(KASB) and is established to develop and promote sustainability standards and guidelines for businesses operating in Korea. We are actively communicating our opinions to the KSSB to establish sustainability disclosure standards tailored to Korean corporate situations and our industry. The position of our company and the KSSB are basically the same, and we actively express our position.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

0

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☒ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☒ Paris Agreement

[Add row]

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:

☒ Yes

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

☒ In voluntary sustainability reports

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☒ Climate change

☒ Water

(4.12.1.4) Status of the publication

Select from:

☒ Complete

(4.12.1.5) Content elements

Select all that apply

- ☒ Governance
- ☒ Dependencies & Impacts
- ☒ Risks & Opportunities
- ☒ Strategy
- ☒ Emissions figures

(4.12.1.6) Page/section reference

35-53

(4.12.1.7) Attach the relevant publication

Samsung_SDS_Sustainability_Report_2024.pdf

(4.12.1.8) Comment

[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:

☒ Yes

(5.1.2) Frequency of analysis

Select from:

☒ Annually

[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☒ IRENA

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Policy

☒ Market

☒ Reputation

☒ Technology

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ 1.6°C - 1.9°C

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☒ 2025

☒ 2030

☒ 2040

☒ 2050

☒ Other, please specify :2035, 2045

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- ☑ Climate change (one of five drivers of nature change)

Stakeholder and customer demands

- ☑ Consumer attention to impact
- ☑ Impact of nature footprint on reputation

Regulators, legal and policy regimes

- ☑ Global regulation
- ☑ Global targets

Macro and microeconomy

- ☑ Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

1) The analysis presents findings up till year 2050 2) The ratio between scope 1 and scope 2 in the base year is assumed to remain the same over time. 3) The projected costs of carbon offsets are excluded from the analysis. 4) we analyzed data from more than 100 countries, such as carbon taxes, emissions trading schemes, and fuel prices to draw out carbon prices. 5) we analyzed the financial impact of future carbon costs by considering future carbon emissions based on our own analysis of Samsung SDS' carbon emission trends and business plans.

(5.1.1.11) Rationale for choice of scenario

We conducted a scenario analysis using S&P Global's methodology to increase the reliability of the analysis.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

- ☑ IEA STEPS (previously IEA NPS)

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Policy

☒ Market

☒ Reputation

☒ Technology

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ 1.6°C - 1.9°C

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☒ 2025

☒ 2030

☒ 2040

☒ 2050

☒ Other, please specify :2035, 2045

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- ☑ Climate change (one of five drivers of nature change)

Stakeholder and customer demands

- ☑ Consumer attention to impact
- ☑ Impact of nature footprint on reputation

Regulators, legal and policy regimes

- ☑ Global regulation
- ☑ Global targets

Macro and microeconomy

- ☑ Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

1) The analysis presents findings up till year 2050 2) The ratio between scope 1 and scope 2 in the base year is assumed to remain the same over time. 3) The projected costs of carbon offsets are excluded from the analysis. 4) we analyzed data from more than 100 countries, such as carbon taxes, emissions trading schemes, and fuel prices to draw out carbon prices. 5) we analyzed the financial impact of future carbon costs by considering future carbon emissions based on our own analysis of Samsung SDS' carbon emission trends and business plans.

(5.1.1.11) Rationale for choice of scenario

We conducted a scenario analysis using S&P Global's methodology to increase the reliability of the analysis.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

- ☑ RCP 2.6

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☒ SSP1

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Acute physical

☒ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ 1.6°C - 1.9°C

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☒ 2030

☒ 2040

☒ 2050

☒ Other, please specify :2024

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- ☑ Climate change (one of five drivers of nature change)

Stakeholder and customer demands

- ☑ Consumer attention to impact
- ☑ Impact of nature footprint on reputation

Regulators, legal and policy regimes

- ☑ Global regulation
- ☑ Global targets

Direct interaction with climate

- ☑ On asset values, on the corporate

Macro and microeconomy

- ☑ Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

RCP 2.6 scenario assumes that emissions peak early and then fall due to the active removal of greenhouse gases from the atmosphere. It is estimated that end-of-century increases in global mean surface temperature will be in the range of 0.9 to 2.3C.

(5.1.1.11) Rationale for choice of scenario

We conducted a scenario analysis using S&P Global's Climonomics tool to increase the reliability of the analysis.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

- ☑ RCP 4.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☒ SSP2

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Acute physical

☒ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ 2.0°C - 2.4°C

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

- ☒ 2030
- ☒ 2040
- ☒ 2050
- ☒ Other, please specify :2024

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- ☒ Climate change (one of five drivers of nature change)

Stakeholder and customer demands

- ☒ Consumer attention to impact

Regulators, legal and policy regimes

- ☒ Global regulation
- ☒ Global targets

Direct interaction with climate

- ☒ On asset values, on the corporate

Macro and microeconomy

- ☒ Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

RCP 4.5 scenario assumes coordinated action to limit greenhouse gas emissions to achieve a global temperature warming limit of approximately 2 degrees Celsius.

(5.1.1.11) Rationale for choice of scenario

We conducted a scenario analysis using S&P Global's Climonomics tool to increase the reliability of the analysis.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☒ RCP 7.0

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☒ SSP3

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Acute physical

☒ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ 3.0°C - 3.4°C

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

- ☒ 2030
- ☒ 2040
- ☒ 2050
- ☒ Other, please specify :2024

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- ☒ Climate change (one of five drivers of nature change)

Stakeholder and customer demands

- ☒ Consumer attention to impact

Regulators, legal and policy regimes

- ☒ Global regulation
- ☒ Global targets

Direct interaction with climate

- ☒ On asset values, on the corporate

Macro and microeconomy

- ☒ Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

RCP 7.0 scenario assumes a high greenhouse gas emission rate with radiative forcing stabilization after 2100. It is estimated that end-of-century increases in global mean surface temperature will be in the range of 2.8 to 4.6C.

(5.1.1.11) Rationale for choice of scenario

We conducted a scenario analysis using S&P Global's Climonomics tool to increase the reliability of the analysis.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☒ RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☒ SSP5

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Acute physical

☒ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ 4.0°C and above

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

- ☒ 2030
- ☒ 2040
- ☒ 2050
- ☒ Other, please specify :2024

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- ☒ Climate change (one of five drivers of nature change)

Stakeholder and customer demands

- ☒ Consumer attention to impact

Regulators, legal and policy regimes

- ☒ Global regulation
- ☒ Global targets

Direct interaction with climate

- ☒ On asset values, on the corporate

Macro and microeconomy

- ☒ Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

RCP 8.5 scenario assumes that no major global effort to limit greenhouse gas emissions will go into effect. RCP 8.5 is characterized by increasing greenhouse gas emissions over time representative for scenarios in the literature that lead to high greenhouse gas concentration levels. It is estimated that end-of-century increases in global mean surface temperature will be in the range of 3.2 to 5.4C.

(5.1.1.11) Rationale for choice of scenario

We conducted a scenario analysis using S&P Global's Climanomics tool to increase the reliability of the analysis.

[Add row]

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- ☒ Risk and opportunities identification, assessment and management
- ☒ Strategy and financial planning
- ☒ Resilience of business model and strategy
- ☒ Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

- ☒ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

Samsung SDS categorizes transition risks into policy/legal, technical, market, and reputational risks and quantifies the anticipated financial impact from a mid-to-long-term perspective. Policy risk estimates that the carbon cost of Samsung SDS will increase from 7.9 million in 2025 to 15.8 million due to the predicted changes in carbon prices, based on BAU emission scenario. The proportion of operating expenses (OPEX) is expected to be 0.06% in 2025 and 0.16% in 2050. Although the cost will rise as carbon prices and emissions continue to increase, it is expected to have a relatively small impact on operating costs. Technological risk is estimated to require an additional investment of KRW 844 billion for low-power data center technology and KRW 2.474 trillion if new technology investments fail and carbon credits need to be purchased. Market risk predicts an increase of KRW 6.924 trillion in energy costs due to the transition to renewable energy in the power sector. Reputation risk forecasts a potential decline in corporate reputation due to greenwashing, non-disclosure of climate-related information, etc., which could lead to a decrease of approximately KRW 1.33 trillion in sales revenue due to negative feedback from stakeholders. Samsung SDS analyzed the financial impact of physical risks on its 30 data centers and offices worldwide. According to the analysis, under the RCP 8.5 scenario with the highest physical risk, the asset loss rate is expected to be 4.9% by 2030 and 7.3% by 2050. In contrast, under the RCP 2.6 scenario with the lowest risk, the asset loss rate is expected to be 4.4% by 2030 and 5.2% by 2050. In the short term, no data center is exposed to significant physical risks, but from the mid-term onwards, the Shanghai data center is predicted to reach a Medium-High risk level. Additionally, it was found that the Dallas data center may also face significant risks starting from 2030. Among the eight climate-related risks analyzed, extreme heat waves were identified as having the greatest impact on asset losses, followed by urban flooding, which is also expected to have some

influence.
[Fixed row]

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

☒ Yes, we have a climate transition plan which aligns with a 1.5°C world

(5.2.3) Publicly available climate transition plan

Select from:

☒ Yes

(5.2.4) Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Select from:

☒ No, but we plan to add an explicit commitment within the next two years

(5.2.6) Explain why your organization does not explicitly commit to cease all spending on and revenue generation from activities that contribute to fossil fuel expansion

Korea's renewable energy supply is unstable and volatile, making it difficult to declare an end to fossil fuel use. Therefore, it is challenging to plan when to stop using fossil fuels. We are currently reviewing various ways to utilize renewable energy, and we plan to make commitment once a definitive plan and approach are formulated.

(5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan

Select from:

☒ We have a different feedback mechanism in place

(5.2.8) Description of feedback mechanism

Samsung SDS collects feedback from shareholders, investors, and stakeholders by publishing and sharing a sustainability report, IR meeting(quarterly IR conference call, Non-Deal Roadshow), etc.

(5.2.9) Frequency of feedback collection

Select from:

☒ More frequently than annually

(5.2.10) Description of key assumptions and dependencies on which the transition plan relies

Samsung SDS has developed a transition plan considering factors such as the government's climate-related legislation, mandatory ESG disclosure, and stakeholders' demands for carbon neutrality, which may pose risks to the company if not implemented. The plan involves reducing greenhouse gas emissions by applying cutting-edge low-power technology to data centers, which are the largest emitters, and purchasing renewable energy, among other measures. Additionally, we aim to achieve a climate transition through the conversion of business vehicles to zero-emission vehicles and the conversion of electric boilers.

(5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

Based on technical knowhow, Samsung SDS is working hard to lower carbon emissions. We are making efforts especially at our data centers to achieve low-power, high-efficiency operations by discovering and applying new technologies. As part of our carbon mitigation efforts, we replaced outdated equipment at the Suwon DC in 2023. We introduced high-efficiency UPS equipment which improved energy efficiency by more than 10% (85.4 → 95.9%) and cut energy usage by adopting inverters for engine power equipment. In addition, simulations were made on cooling methods to compare power usage effectiveness (PUE), and on the immersion cooling system to test its performance and build a database. Immersion cooling proof of concept (PoC) was carried out for its introduction to data centers in 2024 which is expected to serve as the basis for us developing technology requirements and operation standards. Beginning in 2026, we will conduct phased implementation of the system, using immersion cooling to significantly lower power consumption and mitigate carbon emissions by an annual 1,298 tCO₂eq/MW. Moreover, we expect to save KRW 400 million/MW in annual operating costs compared to conventional cooling.

(5.2.12) Attach any relevant documents which detail your climate transition plan (optional)

Samsung_SDS_Sustainability_Report_2024.pdf

(5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

☒ Water

(5.2.14) Explain how the other environmental issues are considered in your climate transition plan

Samsung SDS recognizes the management of water resources as a key activity needed to create a sustainable future. We are committed to contributing to environmental protection through water conservation and minimizing environmental consequences by taking appropriate measures to treat used water. We review the increase and decrease of water usage at all of our business sites, checking on the cause of such changes, and building mitigation measures to continuously manage quality and volume and ensure clean and stable water supply.

[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

☒ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

☒ Products and services

☒ Upstream/downstream value chain

☒ Investment in R&D

☒ Operations

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

☒ Risks

☒ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☒ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Factors including increased understanding and awareness about climate change and its causes and effects, as well as policy, reputation and financial factors are driving increased client demand for our low-carbon products and services. Based on the risk and opportunity analysis, we figured out climate change adds the value of eco-friendly data center and services in cloud and digital logistics. In other words, climate-related risks and opportunities can influence on revenue and operating profit. For that reason, we set our corporate strategy for 2030 about building safe and environmentally-friendly data center and improving safety, resiliency, and energy and information security of existing data center. In terms of services in cloud and digital logistics, we launched a carbon dashboard in 2023 to provide carbon emission information to support ESG management at customers, and will develop low-carbon transportation products, thereby directly contributing to carbon emission reduction.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

☒ Risks

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☒ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

As our stakeholder's interest in climate change grows, we recognize the need to reduce GHG emissions in our value chain of suppliers as well as our own operation. For many of our suppliers, climate-related risks are mainly related to the GHG emissions of vehicles for logistics. As global movement to low-carbon and green logistics are being witnessed, demand of our suppliers is growing for managing their fuel consumption and usage of low-carbon vehicles. Samsung SDS is planning to develop an initiative within the next 3 years to accelerate suppliers of value chain to enhance their capability in the area of low-carbon logistics.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

- ☒ Risks
- ☒ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- ☒ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Samsung SDS continuously conducts researches on climate change in order to enhance the competitiveness of our business. The studies are mainly related to IT solutions related to energy use efficiency, such as corporate ESG monitoring solutions, smart building solutions, and intelligent factory solutions. From 2020 to the years to come, Samsung SDS has decided to do intensive R&D activities for climate-change related areas. There is a close link between climate change and risks and opportunities of some IT solutions related to energy management and digital transformation of the companies.

Operations

(5.3.1.1) Effect type

Select all that apply

- ☒ Risks

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- ☒ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Physical risks with implications for our operations include increased frequency and severity of extreme temperatures and storms with related flooding. IT services is exposed to the risk of natural disasters caused by abnormal weather conditions. Samsung SDS identified important physical risks such as power outages caused by natural disasters, and manages risks by focusing on risk hedges. Some examples are the uninterruptible power supply (UPS) which is being used as the emergency power generator to minimize the damage in a blackout situation, and cooling towers at Data centers to effectively remove the heat generated from large capacity

chillers. Samsung SDS also installed solar panel for electricity generation to enhance our capability in terms of energy independence and low carbon energy. For the time period from the year of 2023 to 2030, Samsung SDS will increase our renewable energy output to manage these risks in short- to medium term.
[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

- ☒ Revenues
- ☒ Direct costs
- ☒ Indirect costs
- ☒ Capital expenditures
- ☒ Assets

(5.3.2.2) Effect type

Select all that apply

- ☒ Risks
- ☒ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

- ☒ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

In terms of revenues, as we offer cloud service and logistics service, reducing greenhouse gas (GHG) emissions and achieving carbon neutrality is directly linked to our revenue growth since customers who want to purchase IT services with zero carbon footprint are increasing. The emergence of low-carbon alternatives for IT/logistics services may result in decreased revenue. Therefore, we have established a strategy for sustainable business that addresses climate-related risks and opportunities to create new revenue streams and prevent any loss of revenue. In terms of costs, to mitigate an impact of climate-related risks, company should

spend a cost for purchasing GHG emissions allowance and renewable energy such as renewable energy certificate(REC) and green carbon premium that increases direct cost. On the other hand, climate-related opportunities can reduce indirect costs by improving datacenter energy efficiency, utilizing policy incentives for renewable energy, etc. In terms of capital expenditures, they are expected to increase because low power data centers and new technology investments are required to reduce carbon emissions. Therefore, it is reflected in mid-to-long term investment plans for corporate sustainability. In terms of assets, physical risks could negatively affect the value of assets owned by the company. We take into account this negative impact when estimating future asset values and associated financial planning.

[Add row]

(5.4) In your organization’s financial accounting, do you identify spending/revenue that is aligned with your organization’s climate transition?

	Identification of spending/revenue that is aligned with your organization’s climate transition	Methodology or framework used to assess alignment with your organization’s climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
	Select from: ☒ Yes	Select all that apply ☒ A sustainable finance taxonomy	Select from: ☒ At both the organization and activity level

[Fixed row]

(5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization’s climate transition.

Row 1

(5.4.1.1) Methodology or framework used to assess alignment

Select from:

☒ A sustainable finance taxonomy

(5.4.1.2) Taxonomy under which information is being reported

Select from:

☒ EU Taxonomy for Sustainable Activities

(5.4.1.3) Objective under which alignment is being reported

Select from:

☒ Climate change mitigation

(5.4.1.4) Indicate whether you are reporting eligibility information for the selected objective

Select from:

☒ Yes

(5.4.1.5) Financial metric

Select from:

☒ Revenue/Turnover

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

0

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

0

(5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

0

(5.4.1.9) Percentage share of selected financial metric planned to align in 2030 (%)

0

(5.4.1.10) Percentage share of financial metric that is taxonomy-eligible in the reporting year (%)

12.9

(5.4.1.11) Percentage share of financial metric that is taxonomy non-eligible in the reporting year (%)

87.1

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition

Samsung SDS has identified economic activities that meet the EU Taxonomy's six environmental objectives: (1) climate change mitigation, (2) climate change adaptation, (3) sustainable use and protection of water and marine resources, (4) transition to a circular economy, (5) pollution prevention and control, and (6) protection and restoration of biodiversity and ecosystems. In compliance with EU regulations 2020/852 and 2021/2178, we have calculated key performance indicators (KPIs) for each economic activity, including net turnover, capital expenditures (CAPEX), and operational expenditures (OPEX). In the EU Taxonomy's six environmental objectives, Samsung SDS offers data center and cloud services that fall under the 'climate change mitigation' category of Activity 8.1, and offers data-driven solutions for GHG emission reduction suitable for Activity 8.2 These economic activities are classified as a Transitional activity and Enabling activity according to Article 10(2) of EU Regulation 2020/852.

Row 2

(5.4.1.1) Methodology or framework used to assess alignment

Select from:

☒ A sustainable finance taxonomy

(5.4.1.2) Taxonomy under which information is being reported

Select from:

☒ EU Taxonomy for Sustainable Activities

(5.4.1.3) Objective under which alignment is being reported

Select from:

☒ Climate change mitigation

(5.4.1.4) Indicate whether you are reporting eligibility information for the selected objective

Select from:

☒ Yes

(5.4.1.5) Financial metric

Select from:

☒ CAPEX

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

0

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

0

(5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

0

(5.4.1.9) Percentage share of selected financial metric planned to align in 2030 (%)

0

(5.4.1.10) Percentage share of financial metric that is taxonomy-eligible in the reporting year (%)

34

(5.4.1.11) Percentage share of financial metric that is taxonomy non-eligible in the reporting year (%)

66

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition

Samsung SDS has identified economic activities that meet the EU Taxonomy's six environmental objectives: (1) climate change mitigation, (2) climate change adaptation, (3) sustainable use and protection of water and marine resources, (4) transition to a circular economy, (5) pollution prevention and control, and (6) protection and restoration of biodiversity and ecosystems. In compliance with EU regulations 2020/852 and 2021/2178, we have calculated key performance indicators (KPIs) for each economic activity, including net turnover, capital expenditures (CAPEX), and operational expenditures (OPEX). In the EU Taxonomy's six environmental objectives, Samsung SDS offers data center and cloud services that fall under the 'climate change mitigation' category of Activity 8.1, and offers data-driven solutions for GHG emission reduction suitable for Activity 8.2 These economic activities are classified as a Transitional activity and Enabling activity according

to Article 10(2) of EU Regulation 2020/852.

Row 3

(5.4.1.1) Methodology or framework used to assess alignment

Select from:

☒ A sustainable finance taxonomy

(5.4.1.2) Taxonomy under which information is being reported

Select from:

☒ EU Taxonomy for Sustainable Activities

(5.4.1.3) Objective under which alignment is being reported

Select from:

☒ Climate change mitigation

(5.4.1.4) Indicate whether you are reporting eligibility information for the selected objective

Select from:

☒ Yes

(5.4.1.5) Financial metric

Select from:

☒ OPEX

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

0

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

0

(5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

0

(5.4.1.9) Percentage share of selected financial metric planned to align in 2030 (%)

0

(5.4.1.10) Percentage share of financial metric that is taxonomy-eligible in the reporting year (%)

13

(5.4.1.11) Percentage share of financial metric that is taxonomy non-eligible in the reporting year (%)

87

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition

Samsung SDS has identified economic activities that meet the EU Taxonomy's six environmental objectives: (1) climate change mitigation, (2) climate change adaptation, (3) sustainable use and protection of water and marine resources, (4) transition to a circular economy, (5) pollution prevention and control, and (6) protection and restoration of biodiversity and ecosystems. In compliance with EU regulations 2020/852 and 2021/2178, we have calculated key performance indicators (KPIs) for each economic activity, including net turnover, capital expenditures (CAPEX), and operational expenditures (OPEX). In the EU Taxonomy's six environmental objectives, Samsung SDS offers data center and cloud services that fall under the 'climate change mitigation' category of Activity 8.1, and offers data-driven solutions for GHG emission reduction suitable for Activity 8.2 These economic activities are classified as a Transitional activity and Enabling activity according to Article 10(2) of EU Regulation 2020/852.

[Add row]

(5.4.2) Quantify the percentage share of your spending/revenue that was associated with eligible and aligned activities under the sustainable finance taxonomy in the reporting year.

Row 1

(5.4.2.1) Economic activity

Select from:

☒ Data processing, hosting and related activities

(5.4.2.2) Taxonomy under which information is being reported

Select from:

☒ EU Taxonomy for Sustainable Activities

(5.4.2.3) Taxonomy alignment

Select from:

☒ Taxonomy-eligible but not aligned

(5.4.2.4) Financial metrics

Select all that apply

☒ Turnover

☒ CAPEX

☒ OPEX

(5.4.2.10) Taxonomy-eligible but not aligned turnover from this activity in the reporting year (currency)

1082322038603

(5.4.2.11) Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

8.2

(5.4.2.17) Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (currency)

169256532722

(5.4.2.18) Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

33.7

(5.4.2.24) Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (currency)

996506788766

(5.4.2.25) Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

8

(5.4.2.27) Calculation methodology and supporting information

In terms of turnover, we calculated the revenue generated from data centers and cloud services corresponding to economic activity 8.1. CAPEX and OPEX were calculated based on Samsung SDS's financial statements, referencing the EU Taxonomy standards. CAPEX was calculated as the cost of investment in data centers and cloud service facilities, and OPEX was calculated as the sum of SG&A expenses and cost of sales.

(5.4.2.28) Substantial contribution criteria met

Select from:

☒ No

(5.4.2.29) Details of substantial contribution criteria analysis

For the fiscal year 2023, Samsung SDS did not meet the alignment criteria required under Activity 8.1. For instance, the global warming potential (GWP) of refrigerants used in the data center cooling system should not exceed 675. Immediately replacing the refrigerants to meet this criterion would generate toxic waste and threaten the stability of the data centers. Therefore, we plan to gradually replace the refrigerants with those meeting the EU Taxonomy thresholds as the technical stability of low-carbon refrigerants is confirmed and in accordance with regular maintenance schedules. Additionally, Samsung SDS' data center colocation and hyperscaler do not yet fully meet the standards set by the EU Taxonomy regulations.

(5.4.2.30) Do no significant harm requirements met

Select from:

☒ Yes

(5.4.2.31) Details of do no significant harm analysis

The results of the analysis on physical risks related to climate change indicate that there is no significant environmental impact and the activity complies with the DNSH criteria set out in Climate Delegated Act. The equipment used meets the requirements laid down in Directive 2009/125/EC for servers and data storage products. The equipment used does not contain the restricted substances listed in Annex II to Directive 2011/65/EU of the European Parliament and of the

Council(379) A waste management plan is in place and ensures maximal recycling at end of life of electrical and electronic equipment, including through contractual agreements with recycling partners, reflection in financial projections or official project documentation.

(5.4.2.32) Minimum safeguards compliance requirements met

Select from:

☒ Yes

(5.4.2.33) Attach any supporting evidence

Samsung SDS Climate Report 2024.pdf

Row 2

(5.4.2.1) Economic activity

Select from:

☒ Data-driven solutions for GHG emissions reductions

(5.4.2.2) Taxonomy under which information is being reported

Select from:

☒ EU Taxonomy for Sustainable Activities

(5.4.2.3) Taxonomy alignment

Select from:

☒ Taxonomy-eligible but not aligned

(5.4.2.4) Financial metrics

Select all that apply

☒ Turnover

☒ CAPEX

☒ OPEX

(5.4.2.10) Taxonomy-eligible but not aligned turnover from this activity in the reporting year (currency)

631567153214

(5.4.2.11) Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

4.8

(5.4.2.17) Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (currency)

1518921134

(5.4.2.18) Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

0.3

(5.4.2.24) Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (currency)

621199050071

(5.4.2.25) Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

5

(5.4.2.27) Calculation methodology and supporting information

In terms of turnover, we calculated the revenue generated from data-driven solutions for GHG emission reductions corresponding to economic activity 8.2. CAPEX and OPEX were calculated based on Samsung SDS's financial statements, referencing the EU Taxonomy standards. CAPEX was calculated as the cost of investment in data centers and cloud service facilities, and OPEX was calculated as the sum of SG&A expenses and cost of sales.

(5.4.2.28) Substantial contribution criteria met

Select from:

☒ No

(5.4.2.29) Details of substantial contribution criteria analysis

For the fiscal year 2023, Samsung SDS did not meet the alignment criteria required under Activity 8.2. For instance, when alternative solutions are available in the market, the company must demonstrate that its solutions reduce GHG emissions throughout their lifecycle compared to the highest-performing alternatives. Currently, there is a lack of reliable data to support this.

(5.4.2.30) Do no significant harm requirements met

Select from:

☒ Yes

(5.4.2.31) Details of do no significant harm analysis

The activity complies with the DNSH criteria set out in Climate Delegated Act. The equipment used meets the requirements laid down in Directive 2009/125/EC for servers and data storage products. The equipment used does not contain the restricted substances listed in Annex II to Directive 2011/65/EU of the European Parliament and of the Council(379) A waste management plan is in place and ensures maximal recycling at end of life of electrical and electronic equipment, including through contractual agreements with recycling partners, reflection in financial projections or official project documentation.

(5.4.2.32) Minimum safeguards compliance requirements met

Select from:

☒ Yes

(5.4.2.33) Attach any supporting evidence

Samsung SDS Climate Report 2024.pdf

[Add row]

(5.4.3) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.

(5.4.3.1) Details of minimum safeguards analysis

Samsung SDS is committed to upholding human rights by creating an inclusive working environment for its members and actively responding to demands from the international community to take part in human rights protection activities. To this end, we support and observe the principles of human rights suggested by international organizations and groups including the UN Declaration of Human Rights, the ILO's (International Labor Organization) Core Conventions, the RBA (Responsible Business Alliance) Code of Conduct, and local labor laws of the regions in which we do business.

(5.4.3.2) Additional contextual information relevant to your taxonomy accounting

The data-based solutions to reduce greenhouse gas emissions corresponding to Activity 8.2 provided by Samsung SDS are the video conference solution and Cello Square, a global logistics digital forwarding solution. The video conferencing solution reduces carbon emissions by minimizing travel, while Cello Square offers customers not only carbon footprint information but also low-carbon optimal route logistics services.

(5.4.3.3) Indicate whether you will be providing verification/assurance information relevant to your taxonomy alignment in question 13.1

Select from:

☒ No

(5.4.3.4) Please explain why you will not be providing verification/assurance information relevant to your taxonomy alignment in question 13.1

Samsung SDS currently does not meet the alignment criteria required under EU Taxonomy. Therefore, we plan to conduct verification once our activities are aligned with the EU Taxonomy criteria.

[Fixed row]

(5.10) Does your organization use an internal price on environmental externalities?

(5.10.1) Use of internal pricing of environmental externalities

Select from:

☒ No, and we do not plan to in the next two years

(5.10.3) Primary reason for not pricing environmental externalities

Select from:

☒ No standardized procedure

(5.10.4) Explain why your organization does not price environmental externalities

Korea has an unstable supply and demand of renewable energy and high volatility, making it difficult to calculate the internal price on environmental externalities. Therefore, Samsung SDS has not introduced it yet.

[Fixed row]

(5.11) Do you engage with your value chain on environmental issues?

Suppliers

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

(5.11.2) Environmental issues covered

Select all that apply

☒ Climate change

Customers

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

(5.11.2) Environmental issues covered

Select all that apply

☒ Climate change

Investors and shareholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ No, but we plan to within the next two years

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:

- ☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

Although we share environmental issue-related information through various channels such as shareholders' meetings, electronic disclosure, IR meetings, NDR, and sustainability reports, we have not been able to engage in stakeholder engagement activities due to the lack of appropriate engagement activities, resources, and processes. We plan to implement these activities once specific measures for stakeholder engagement on environmental issues are established.

Other value chain stakeholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

- ☒ No, but we plan to within the next two years

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:

- ☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

Although we share environmental issue-related information through the publication of sustainability reports, we have not been able to engage in other value chain stakeholder engagement activities due to the lack of appropriate engagement activities, resources, and processes. We plan to implement these activities once specific measures for stakeholder engagement on environmental issues are established.

[Fixed row]

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

	Assessment of supplier dependencies and/or impacts on the environment
Climate change	<i>Select from:</i> ☒ No, we do not currently assess the dependencies and/or impacts of our suppliers, but we plan to do so within the next two years

[Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☒ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

- ☒ Business risk mitigation
- ☒ Leverage over suppliers
- ☒ Regulatory compliance
- ☒ Reputation management
- ☒ Vulnerability of suppliers

(5.11.2.4) Please explain

In line with global standards such as recent demands from the EU supply chain audit requirements and ESG reporting criteria, Samsung SDS prioritizes suppliers to engage with on environmental issues. The priority is set based on assessment results.

[Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

	Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process	Policy in place for addressing supplier non-compliance	Comment
Climate change	<i>Select from:</i> ☒ Yes, environmental requirements related to this environmental issue are included in our supplier contracts	<i>Select from:</i> ☒ Yes, we have a policy in place for addressing non-compliance	<i>We have created a guide and provide training so that non-complying suppliers can comply with the requirements.</i>

[Fixed row]

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Climate change

(5.11.6.1) Environmental requirement

Select from:

- ☒ Compliance with an environmental certification, please specify :ISO 14001

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- ☒ Certification
- ☒ Off-site third-party audit
- ☒ On-site third-party audit
- ☒ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☒ 1-25%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☒ 76-99%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

☒ 100%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

☒ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☒ Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

☒ 100%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

- ☒ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

The evaluation criteria award 2 points for obtaining a license, and 1 point if no license was obtained due to unawareness. In cases where there is a record of violating environmental regulations, a score of 0 will be given. However, if it is determined that the supplier has no relation to environmental regulations, the reason will be noted and full marks will be awarded.

Climate change

(5.11.6.1) Environmental requirement

Select from:

- ☒ Adoption of the UN International Labour Organization Principles

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- ☒ Off-site third-party audit
- ☒ On-site third-party audit
- ☒ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

- ☒ Less than 1%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

- ☒ 100%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

☒ 100%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

☒ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☒ Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

☒ 100%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☒ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

We evaluate based on 26 sub-items and assign scores from 0 to 2 or 3 points depending on the level of requirement satisfaction.

Climate change

(5.11.6.1) Environmental requirement

Select from:

☒ Other, please specify :Pollution Prevention and Green Purchasing

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- ☒ Off-site third-party audit
- ☒ On-site third-party audit
- ☒ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

- ☒ 51-75%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

- ☒ 26-50%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

- ☒ 100%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

- ☒ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

- ☒ Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

☒ 100%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☒ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

We evaluate suppliers from 0 to 2 points based on their level of pollution prevention activities, and for green purchasing activities, we give 1 point if they make a purchase and 0 points if they don't.

[Add row]

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☒ Adaptation to climate change

(5.11.7.3) Type and details of engagement

Capacity building

☒ Provide training, support and best practices on how to make credible renewable energy usage claims

☒ Provide training, support and best practices on how to measure GHG emissions

☒ Provide training, support and best practices on how to mitigate environmental impact

☒ Support suppliers to develop public time-bound action plans with clear milestones

☒ Support suppliers to set their own environmental commitments across their operations

Information collection

- ☒ Collect climate transition plan information at least annually from suppliers
- ☒ Collect GHG emissions data at least annually from suppliers

(5.11.7.4) Upstream value chain coverage

Select all that apply

- ☒ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

- ☒ 100%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

- ☒ 100%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Samsung SDS has been planning and operating an education program for suppliers in connection with its environmental issues, in response to changes in the management environment effectively aligned with global standards such as the EU supply chain due diligence guidelines and ESG disclosure. Every year, we create our own implementation guide reflecting Samsung SDS' policy on environmental issues and provide training. We also offer consulting services with corporate management evaluation agencies to enhance ESG capabilities for suppliers. Furthermore, we support suppliers in establishing and executing environmental issue-related improvement plans, and provide detailed guidance on short-term and mid-to-long-term tasks to achieve practical improvements. Through these capability enhancement programs and support activities, the suppliers' engagement on environmental issues has been continuously improving.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

- ☒ Yes, please specify the environmental requirement :Support building and implementing improvement plans for environmental issues, Draw out short-term and mid-to-long-term initiatives with detailed guides to ensure practical improvements are made, etc.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☒ Yes

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☒ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☒ Share information about your products and relevant certification schemes

(5.11.9.3) % of stakeholder type engaged

Select from:

☒ 100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☒ 100%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Samsung SDS provides a dashboard to help its customers use the company's products and services, which measures their carbon emissions in order to support their environmental management. For cloud product customers, it provides information on carbon emissions based on simulation of selected cloud usage, enabling customers to effectively manage their own carbon emissions. It allows logistics service customers to monitor and control carbon emissions from all modes of transportation in the supply chain immediately and manage carbon emissions generated during logistics process.

(5.11.9.6) Effect of engagement and measures of success

In the case of cloud computing, the implementation of high-density virtualization and resource sharing technology leads to higher energy efficiency in data centers, resulting in lower energy consumption compared to traditional on-premise infrastructure. Moreover, companies that have migrated from on-premise infrastructure to cloud infrastructure have been found to reduce their carbon emissions by up to 80%. In terms of logistics services, it has been observed that our Scope 3 upstream transportation emissions decreased by 11% in 2023 compared to the previous year, and providing customers with carbon emission information through dashboards has partially contributed to reducing carbon emissions.

[Add row]

(5.12) Indicate any mutually beneficial environmental initiatives you could collaborate on with specific CDP Supply Chain members.

Row 1

(5.12.1) Requesting member

Select from:

(5.12.2) Environmental issues the initiative relates to

Select all that apply

☒ Climate change

(5.12.4) Initiative category and type

Logistical change

☒ Route optimization

(5.12.5) Details of initiative

Customers who use Samsung SDS's logistics services can optimize transport routes and cargo loading across all areas of international transportation, local transportation and logistics center operation through the digital forwarding solution, Cello Square. Through the carbon emission information and optimized transport routes provided to customers, customers can more directly contribute to reducing carbon emissions by choosing services with lower carbon footprints.

(5.12.6) Expected benefits

Select all that apply

- ☒ Reduction of downstream value chain emissions (own scope 3)
- ☒ Other, please specify :Reduction of downstream value chain emissions (customer scope 3)

(5.12.7) Estimated timeframe for realization of benefits

Select from:

- ☒ 0-1 year

(5.12.8) Are you able to estimate the lifetime CO2e and/or water savings of this initiative?

Select from:

- ☒ Yes, lifetime CO2e savings only

(5.12.9) Estimated lifetime CO2e savings

330000

(5.12.11) Please explain

The estimated lifetime CO2e savings represent the calculated value of the expected annual reduction in emissions, which was determined by applying the scale of emission reductions achieved this year compared to last year, assuming the same level of reduction will be maintained.

[Add row]

(5.13) Has your organization already implemented any mutually beneficial environmental initiatives due to CDP Supply Chain member engagement?

(5.13.1) Environmental initiatives implemented due to CDP Supply Chain member engagement

Select from:

- ☒ No, but we plan to within the next two years

(5.13.2) Primary reason for not implementing environmental initiatives

Select from:

☒ No standardized procedure

(5.13.3) Explain why your organization has not implemented any environmental initiatives

Although Samsung SDS' digital forwarding solution, Cello Square, provides customers with carbon emission data and optimizes logistics routes, it does not directly operate initiatives with customers to reduce carbon emissions. This is because internal processes have not yet been established, and we cannot force customer choice of logistics service products. We plan to move forward once our service has matured further and we have secured sufficient consensus with customers on reducing carbon emissions.
[Fixed row]

(5.13.1) Specify the CDP Supply Chain members that have prompted your implementation of mutually beneficial environmental initiatives and provide information on the initiatives.

Row 1

(5.13.1.4) Initiative ID

Select from:

☒ Ini4

[Add row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

☒ Financial control

(6.1.2) Provide the rationale for the choice of consolidation approach

The environmental performance data covers Samsung SDS headquarters, all domestic and overseas business sites, and controlled entities and subsidiaries subject to consolidated accounting.

Plastics

(6.1.1) Consolidation approach used

Select from:

☒ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

Although Samsung SDS does not produce plastic or use it in its products and services, we established the 5R's waste reduction policy to minimize waste disposal at our business sites. The 5R's stand for Reduce waste, Recycle waste, Reuse waste, Refuse unnecessary items, and ROT (use biodegradable products that rot). This campaign applies to all Samsung SDS' business sites.

Biodiversity

(6.1.1) Consolidation approach used

Select from:

(6.1.2) Provide the rationale for the choice of consolidation approach

Samsung SDS' biodiversity concerns are primarily associated with the setup of data centers. Following an environmental impact assessment, we select the site for data center construction. Therefore the coverage is for organizations designated for data center construction.

[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:

☒ No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?	Name of organization(s) acquired, divested from, or merged with	Details of structural change(s), including completion dates
	Select all that apply ☒ Yes, an acquisition	EMRO	Samsung SDS acquired EMRO on March 15, 2023.

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

(7.1.2.1) Change(s) in methodology, boundary, and/or reporting year definition?

Select all that apply

☒ Yes, a change in boundary

(7.1.2.2) Details of methodology, boundary, and/or reporting year definition change(s)

Samsung SDS changed boundary of the following Scope3 categories from the headquarters for the previous year to the consolidated accounting for this reporting year. (Scope 3 category 1,2,3,5,7)

[Fixed row]

(7.1.3) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

(7.1.3.1) Base year recalculation

Select from:

☒ Yes

(7.1.3.2) Scope(s) recalculated

Select all that apply

☒ Scope 1

☒ Scope 2, location-based

☒ Scope 2, market-based

☒ Scope 3

(7.1.3.3) Base year emissions recalculation policy, including significance threshold

Samsung SDS change the base year emissions when there is a change in boundaries and calculation methodology.

(7.1.3.4) Past years' recalculation

Select from:

☒ No

[Fixed row]

(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Select all that apply

- ☒ IPCC Guidelines for National Greenhouse Gas Inventories, 2006
- ☒ ISO 14064-1
- ☒ Korea GHG and Energy Target Management System Operating Guidelines
- ☒ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

(7.3.1) Scope 2, location-based

Select from:

- ☒ We are reporting a Scope 2, location-based figure

(7.3.2) Scope 2, market-based

Select from:

- ☒ We have operations where we are able to access electricity supplier emission factors or residual emissions factors, but are unable to report a Scope 2, market-based figure

(7.3.3) Comment

Samsung SDS have operations where we are able to access electricity supplier emission factors or residual emissions factors. But, Samsung SDS do not transit to RECs yet, so we are reporting a location-based Scope2 with common power emission factors set in country.
[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:

- ☒ Yes

(7.4.1) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

Row 1

(7.4.1.1) Source of excluded emissions

Cold water

(7.4.1.2) Scope(s) or Scope 3 category(ies)

Select all that apply

☒ Scope 2 (market-based)

(7.4.1.5) Relevance of market-based Scope 2 emissions from this source

Select from:

☒ Emissions are relevant but not yet calculated

(7.4.1.10) Explain why this source is excluded

The government guidelines do not include cold water.

(7.4.1.11) Explain how you estimated the percentage of emissions this excluded source represents

*The estimated percentage of total Scope 12 emissions this excluded source represents is about 4.3%. Samsung SDS estimated the Scope 12 emissions for the excluded source with energy consumption data. After converting to energy consumption(J) based on fuel consumption, the ratio of total Scope 12 energy consumption was estimated. * Total gross Scope 12 energy consumption 3221TJ * Estimated Scope 12 energy consumption the excluded source represents 139.5TJ*
[Add row]

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

6252

(7.5.3) Methodological details

*It is calculated by collecting directly from emission facilities (boilers, emergency generators, restaurants/daycare centers, business vehicles, etc.) in global workplaces. The parameters such as calculation formula, calorific value, emission factors, and oxidation rate is based on Korea GHG and Energy Target Management System Operating Guidelines, and the calculation method is as follows. * Scope1 emissions Fuel usage * Net calorific value * emission factor * GWP * Oxidation rates(generally 1 applied)*

Scope 2 (location-based)

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

159799

(7.5.3) Methodological details

*It is calculated based on the amount of fuel used (electricity, steam, heat, etc.) collected directly through bills and official documents. The parameters such as calculation formula, calorific value, emission factors, and oxidation rate is based on Korea GHG and Energy Target Management System Operating Guidelines, and the calculation method is as follows. *Scope2(location-based) emissions Fuel usage * emission factor * GWP*

Scope 2 (market-based)

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

159799

(7.5.3) Methodological details

We are reporting a Scope 2, location-based figure. So we have same figure in location-based scope2 and market-based scope2.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO₂e)

112260

(7.5.3) Methodological details

It is calculated using the average spend-based method. The purchased goods and services refer to assets purchased by the headquarters for customer's assets in the base year. And emission factor was calculated by arithmetic averaging the EU ETS phase 4 carbon-intensity for conservative estimation.

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO₂e)

60857

(7.5.3) Methodological details

It is calculated using the average spend-based method. The purchased goods and services refer to assets purchased by the headquarters, with the exception of those that were included in Scope 3 Category 1. And the emission factor for each industry is selected using EU ETS Phase 4 and K-ETS 3rd stage carbon-intensity by industry.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

10469

(7.5.3) Methodological details

It is based on fuel and energy consumption equivalent to Scope 12 emissions in the reporting year. For electricity, the emission factor is calculated by subtracting the national power emission factor from the carbon emissions in the LCI DB. For steam, diesel, gasoline, and LNG, the UK's WTT(Well-to-Tank) emission factors were used.

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

2663923

(7.5.3) Methodological details

It is calculated using the distance-based method. Samsung SDS as 3PL logistics uses ecoTransIT system which utilizes certified calculation methodologies such as ISO14083 and GLEC framework to calculate emissions.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

(7.5.3) Methodological details

It is calculated using the waste-type-specific method with the emission factor set by the government. It covers domestic and overseas workplaces for the reporting year, and subsidiaries will be included in the next reporting year. ✕ excluded waste type: food waste (It is reasonable for the consignment operator to manage the food waste because the consignment operator manages the purchase, cooking, and disposal of food ingredients)

Scope 3 category 6: Business travel**(7.5.1) Base year end**

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

4905

(7.5.3) Methodological details

*It is based on business-trip data registered in the intranet system. If there is a distance data, we use it to calculate emission. But for intercity bus, train, and flight without distance data, it is calculated based on the distance between designated major cities and number of business trips. * emission factor is set by the government*

Scope 3 category 7: Employee commuting**(7.5.1) Base year end**

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

34048

(7.5.3) Methodological details

Samsung SDS used the average data-based method for conducting surveys on employees and calculated estimated emissions based on a response rate of 17%. And emission factor was selected as U.S. EPA emission factors for GHGs Inventory Protocol.

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

7250

(7.5.3) Methodological details

Samsung SDS directly collected data to calculate emissions and applied country-specific power emission factors by IEA. The target is overseas data centers, leased buildings not included in Scope 12.

Scope 3 category 15: Investments

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

13910

(7.5.3) Methodological details

*It is calculated using the average-data method. (investee company total revenue*emission factor for investee's sector(kgCO2e/revenue) *share of equity) For domestic companies, the emission factor is calculated based on sales and emissions of companies(K-ETS stakeholders) in the same industry. (In the case of the retail business, the average value of other industries is used as there are no related standards) For foreign companies, (the carbon-intensity/) of 'UK Office for National Statistics' was applied.*

[Fixed row]

(7.6) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

6252

(7.6.3) Methodological details

*It is calculated by collecting directly from emission facilities (boilers, emergency generators, restaurants/daycare centers, business vehicles, etc.) in global workplaces. The parameters such as calculation formula, calorific value, emission factors, and oxidation rate is based on Korea GHG and Energy Target Management System Operating Guidelines, and the calculation method is as follows. * Scope1 emissions Fuel usage * Net calorific value * emission factor * GWP * Oxidation rates(generally 1 applied)*
[Fixed row]

(7.7) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

159799

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

159799

(7.7.4) Methodological details

*It is calculated based on the amount of fuel used (electricity, steam, heat, etc.) collected directly through bills and official documents. The parameters such as calculation formula, calorific value, emission factors, and oxidation rate is based on Korea GHG and Energy Target Management System Operating Guidelines, and the calculation method is as follows. *Scope2(location-based) emissions Fuel usage * emission factor * GWP*
[Fixed row]

(7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

112260

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average spend-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

3.9

(7.8.5) Please explain

It is calculated using the average spend-based method. The purchased goods and services refer to assets purchased by the headquarters for customer's assets in the base year. And emission factor was calculated by arithmetic averaging the EU ETS phase 4 carbon-intensity for conservative estimation.

Capital goods

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

60857

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average spend-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

2.1

(7.8.5) Please explain

It is calculated using the average spend-based method. The purchased goods and services refer to assets purchased by the headquarters, with the exception of those that were included in Scope 3 Category 1. And the emission factor for each industry is selected using EU ETS Phase 4 and K-ETS 3rd stage carbon-intensity by industry.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO₂e)

10469

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0.4

(7.8.5) Please explain

It is based on fuel and energy consumption equivalent to Scope 12 emissions in the reporting year. For electricity, the emission factor is calculated by subtracting the

national power emission factor from the carbon emissions in the LCI DB. For steam, diesel, gasoline, and LNG, the UK's WTT(Well-to-Tank) emission factors were used.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

2663923

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

91.6

(7.8.5) Please explain

It is calculated using the distance-based method. Samsung SDS as 3PL logistics uses ecoTransIT system which utilizes certified calculation methodologies such as ISO14083 and GLEC framework to calculate emissions.

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

(7.8.3) Emissions calculation methodology*Select all that apply*☒ Waste-type-specific method**(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0.1

(7.8.5) Please explain

It is calculated using the waste-type-specific method with the emission factor set by the government. It covers domestic and overseas workplaces for the reporting year, and subsidiaries will be included in the next reporting year. ✕ excluded waste type: food waste (It is reasonable for the consignment operator to manage the food waste because the consignment operator manages the purchase, cooking, and disposal of food ingredients)

Business travel**(7.8.1) Evaluation status***Select from:*☒ Relevant, calculated**(7.8.2) Emissions in reporting year (metric tons CO2e)**

4905

(7.8.3) Emissions calculation methodology*Select all that apply*☒ Distance-based method**(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0.2

(7.8.5) Please explain

*It is based on business-trip data registered in the intranet system. If there is a distance data, we use it to calculate emission. But for intercity bus, train, and flight without distance data, it is calculated based on the distance between designated major cities and number of business trips. * emission factor is set by the government*

Employee commuting

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

34048

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

1.2

(7.8.5) Please explain

Samsung SDS used the average data-based method for conducting surveys on employees and calculated estimated emissions based on a response rate of 17%. And emission factor was selected as U.S. EPA emission factors for GHGs Inventory Protocol.

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

7250

(7.8.3) Emissions calculation methodology

Select all that apply

- ☒ Supplier-specific method
- ☒ Asset-specific method
- ☒ Site-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0.2

(7.8.5) Please explain

Samsung SDS directly collected data to calculate emissions and applied country-specific power emission factors by IEA. The target is overseas data centers, leased buildings not included in Scope 12.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

- ☒ Not relevant, explanation provided

(7.8.5) Please explain

*Samsung SDS does not produce products, so it is not relevant. * The emissions generated during the logistics process of Samsung SDS, which provides 3PL services, were included in Upstream transport and distribution, which is Scope3 category 4.*

Processing of sold products

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Samsung SDS does not produce products, so it is not relevant.

Use of sold products

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Samsung SDS does not produce products, so it is not relevant.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Samsung SDS does not produce products, so it is not relevant.

Downstream leased assets

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Samsung SDS does not lease facilities to other organizations/individuals, so it is not relevant.

Franchises

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Samsung SDS does not have a franchises, so it is not relevant.

Investments

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

13910

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0.5

(7.8.5) Please explain

*It is calculated using the average-data method. (investee company total revenue*emission factor for investee's sector(kgCO2e/revenue) *share of equity) For domestic companies, the emission factor is calculated based on sales and emissions of companies(K-ETS stakeholders) in the same industry. (In the case of the retail business, the average value of other industries is used as there are no related standards) For foreign companies, (the carbon-intensity/) of 'UK Office for National Statistics' was applied.*

Other (upstream)

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

N/A

Other (downstream)

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

N/A

[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	<i>Select from:</i> ☒ Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	<i>Select from:</i> ☒ Third-party verification or assurance process in place
Scope 3	<i>Select from:</i> ☒ Third-party verification or assurance process in place

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:

☒ Annual process

(7.9.1.2) Status in the current reporting year

Select from:

☒ Complete

(7.9.1.3) Type of verification or assurance

Select from:

☒ Limited assurance

(7.9.1.4) Attach the statement

KMR_VCV_24040_SamsungSDS_Scope 1,2.pdf

(7.9.1.5) Page/section reference

1-2 p

(7.9.1.6) Relevant standard

Select from:

☒ ISO14064-1

(7.9.1.7) Proportion of reported emissions verified (%)

100

[Add row]

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

(7.9.2.1) Scope 2 approach

Select from:

☒ Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

☒ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☒ Complete

(7.9.2.4) Type of verification or assurance

Select from:

☒ Limited assurance

(7.9.2.5) Attach the statement

KMR_VCV_24040_SamsungSDS_Scope 1,2.pdf

(7.9.2.6) Page/ section reference

1-2 p

(7.9.2.7) Relevant standard

Select from:

☒ ISO14064-1

(7.9.2.8) Proportion of reported emissions verified (%)

100

[Add row]

(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Row 1

(7.9.3.1) Scope 3 category

Select all that apply

☒ Scope 3: Investments

☒ Scope 3: Purchased goods and services

- ☒ Scope 3: Capital goods
- ☒ Scope 3: Business travel
- ☒ Scope 3: Employee commuting
- ☒ Scope 3: Upstream leased assets

- ☒ Scope 3: Waste generated in operations
- ☒ Scope 3: Upstream transportation and distribution
- ☒ Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

(7.9.3.2) Verification or assurance cycle in place

Select from:

- ☒ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

- ☒ Complete

(7.9.3.4) Type of verification or assurance

Select from:

- ☒ Limited assurance

(7.9.3.5) Attach the statement

KMR_VCV_24040_SamsungSDS_Scope 3.pdf

(7.9.3.6) Page/section reference

1-2 p

(7.9.3.7) Relevant standard

Select from:

- ☒ ISO14064-1

(7.9.3.8) Proportion of reported emissions verified (%)

100
[Add row]

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:

☒ Increased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO₂e)

211

(7.10.1.2) Direction of change in emissions

Select from:

☒ Decreased

(7.10.1.3) Emissions value (percentage)

0.17

(7.10.1.4) Please explain calculation

*By installing solar energy facilities in Dongtan DC and using geothermal energy in Sangam DC, the use of renewable energy increased, and emissions were reduced.
*0.17% (211 tCO₂eq (column 1) / 122847 tCO₂eq(previous year Scope 12 emissions)) *100*

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

5484

(7.10.1.2) Direction of change in emissions

Select from:

☒ Decreased

(7.10.1.3) Emissions value (percentage)

4.46

(7.10.1.4) Please explain calculation

*Samsung SDS strives to reduce carbon emissions and operate sustainable business by carrying out various activities to curb GHG emissions. It was reduced by 5,484 tons through various reduction activities like cooling towers, UPS, and adaption of open-type cooling tower, etc. * 4.46% (5484 tCO2eq (column 1) / 122847 tCO2eq(previous year Scope 12 emissions)) *100*

Divestment

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO2e)

1086

(7.10.1.2) Direction of change in emissions

Select from:

☒ Increased

(7.10.1.3) Emissions value (percentage)

0.88

(7.10.1.4) Please explain calculation

*Samsung SDS acquired EMRO on March 15, 2023. * 0.88% (1086 tCO2eq (column 1) / 122847 tCO2eq(previous year Scope 12 emissions)) *100*

Mergers

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A

Change in output

(7.10.1.1) Change in emissions (metric tons CO2e)

47602

(7.10.1.2) Direction of change in emissions

Select from:

☒ Increased

(7.10.1.3) Emissions value (percentage)

38.75

(7.10.1.4) Please explain calculation

*As IT services are the key business areas of Samsung SDS, emissions have increased because of increase in high-capacity IT servers at data centers. * 38.75% (47602 tCO2eq (column 1) / 122847 tCO2eq(previous year Scope 12 emissions)) *100*

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A

Other

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A

[Fixed row]

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:

☒ Location-based

(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Select from:

☒ No

(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Select from:

☒ Yes

(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).

Row 1

(7.15.1.1) Greenhouse gas

Select from:

☒ CO2

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

6214.8

(7.15.1.3) GWP Reference

Select from:

☒ IPCC Fourth Assessment Report (AR4 - 100 year)

Row 2

(7.15.1.1) Greenhouse gas

Select from:

☒ CH4

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

11.64

(7.15.1.3) GWP Reference

Select from:

☒ IPCC Fourth Assessment Report (AR4 - 100 year)

Row 3

(7.15.1.1) Greenhouse gas

Select from:

☒ N2O

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

25.89

(7.15.1.3) GWP Reference

Select from:

☒ IPCC Fourth Assessment Report (AR4 - 100 year)

[Add row]

(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

Brazil

(7.16.1) Scope 1 emissions (metric tons CO2e)

0.22

(7.16.2) Scope 2, location-based (metric tons CO2e)

3102.94

(7.16.3) Scope 2, market-based (metric tons CO2e)

3102.94

China

(7.16.1) Scope 1 emissions (metric tons CO2e)

45.59

(7.16.2) Scope 2, location-based (metric tons CO2e)

593.17

(7.16.3) Scope 2, market-based (metric tons CO2e)

593.17

India

(7.16.1) Scope 1 emissions (metric tons CO2e)

163.57

(7.16.2) Scope 2, location-based (metric tons CO2e)

1310.7

(7.16.3) Scope 2, market-based (metric tons CO2e)

1310.7

Republic of Korea

(7.16.1) Scope 1 emissions (metric tons CO2e)

5723.33

(7.16.2) Scope 2, location-based (metric tons CO2e)

147698.31

(7.16.3) Scope 2, market-based (metric tons CO2e)

147698.31

Singapore

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

2194.15

(7.16.3) Scope 2, market-based (metric tons CO2e)

2194.15

United Kingdom of Great Britain and Northern Ireland

(7.16.1) Scope 1 emissions (metric tons CO2e)

190.51

(7.16.2) Scope 2, location-based (metric tons CO2e)

1028.31

(7.16.3) Scope 2, market-based (metric tons CO2e)

1028.31

United States of America

(7.16.1) Scope 1 emissions (metric tons CO2e)

129.2

(7.16.2) Scope 2, location-based (metric tons CO2e)

1892.5

(7.16.3) Scope 2, market-based (metric tons CO2e)

1892.5

Viet Nam

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

1979.17

(7.16.3) Scope 2, market-based (metric tons CO2e)

1979.17
[Fixed row]

(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

Select all that apply
☒ By facility

(7.17.2) Break down your total gross global Scope 1 emissions by business facility.

Row 1

(7.17.2.1) Facility

Sangam Data Center

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

91.37

(7.17.2.3) Latitude

37.582986

(7.17.2.4) Longitude

126.887189

Row 2

(7.17.2.1) Facility

Suwon Data Center

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

999.358

(7.17.2.3) Latitude

37.257206

(7.17.2.4) Longitude

127.058801

Row 3

(7.17.2.1) Facility

Seoul R&D Campus

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

190.004

(7.17.2.3) Latitude

37.466693

(7.17.2.4) Longitude

127.022907

Row 5**(7.17.2.1) Facility**

Jamsil West Campus

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

1689.617

(7.17.2.3) Latitude

37.516374

(7.17.2.4) Longitude

127.100421

Row 6**(7.17.2.1) Facility**

Chuncheon Data Center

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

9.021

(7.17.2.3) Latitude

37.847391

(7.17.2.4) Longitude

127.701372

Row 7

(7.17.2.1) Facility

Gumi Data Center

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

311.324

(7.17.2.3) Latitude

36.110264

(7.17.2.4) Longitude

128.411343

Row 8

(7.17.2.1) Facility

Pangyo Logisitcs Campus

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

68.401

(7.17.2.3) Latitude

37.395366

(7.17.2.4) Longitude

127.109231

Row 11

(7.17.2.1) Facility

Dongtan Data Center

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

10.539

(7.17.2.3) Latitude

37.176803

(7.17.2.4) Longitude

127.100242

Row 13

(7.17.2.1) Facility

Jamsil East Campus

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

751.699

(7.17.2.3) Latitude

37.516627

(7.17.2.4) Longitude

127.101262

Row 17

(7.17.2.1) Facility

emro

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

910

(7.17.2.3) Latitude

37.530898

(7.17.2.4) Longitude

126.898057

Row 18

(7.17.2.1) Facility

multicampus

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

455

(7.17.2.3) Latitude

37.503914

(7.17.2.4) Longitude

127.042797

Row 19

(7.17.2.1) Facility

SECUI

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

142

(7.17.2.3) Latitude

37.570825

(7.17.2.4) Longitude

126.983616

Row 20

(7.17.2.1) Facility

MIRACOM

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

94.7

(7.17.2.3) Latitude

37.516652

(7.17.2.4) Longitude

127.101153

Row 21

(7.17.2.1) Facility

SDSA

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

129.2

(7.17.2.3) Latitude

40.85293

(7.17.2.4) Longitude

-74.012754

Row 22

(7.17.2.1) Facility

SDSE

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

190.5

(7.17.2.3) Latitude

51.350723

(7.17.2.4) Longitude

-0.463578

Row 23**(7.17.2.1) Facility**

SDSLA

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

0.2

(7.17.2.3) Latitude

-23.624623

(7.17.2.4) Longitude

-46.701553

Row 24**(7.17.2.1) Facility**

SDSI

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

163.6

(7.17.2.3) Latitude

28.45101

(7.17.2.4) Longitude

77.096443

Row 25

(7.17.2.1) Facility

SDSC

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

45.6

(7.17.2.3) Latitude

39.907777

(7.17.2.4) Longitude

116.463424

[Add row]

(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Select all that apply

☒ By facility

(7.20.2) Break down your total gross global Scope 2 emissions by business facility.

Row 1

(7.20.2.1) Facility

Suwon Data Center

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

57242.018

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

57242.018

Row 2

(7.20.2.1) Facility

Sangam Data Center

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

35090.17

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

35090.17

Row 3

(7.20.2.1) Facility

Gumi Data Center

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

6487.239

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

6487.239

Row 4

(7.20.2.1) Facility

Chuncheon Data Center

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

15874.121

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

15874.121

Row 5

(7.20.2.1) Facility

Dongtan Data Center

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

17964.049

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

17964.049

Row 6

(7.20.2.1) Facility

Jamsil West Campus

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

4383.712

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

4383.712

Row 7

(7.20.2.1) Facility

Jamsil East Campus

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

1514.765

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

1514.765

Row 8

(7.20.2.1) Facility

Pangyo Logisitcs Campus

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

470.481

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

470.481

Row 9

(7.20.2.1) Facility

Seoul R&D Campus

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

857.766

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

857.766

Row 10

(7.20.2.1) Facility

Communication Node

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

1069.347

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

1069.347

Row 11

(7.20.2.1) Facility

Giheung Tera Tower

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

1623.076

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

1623.076

Row 12

(7.20.2.1) Facility

Pangyo IT Campus

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

2845.569

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

2845.569

Row 13

(7.20.2.1) Facility

emro

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

176

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

176

Row 14

(7.20.2.1) Facility

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

1237

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

1237

Row 15

(7.20.2.1) Facility

SECUI

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

863

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

863

Row 16

(7.20.2.1) Facility

SDSA

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

1892.5

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

1892.5

Row 17

(7.20.2.1) Facility

SDSE

(7.20.2.2) Scope 2, location-based (metric tons CO₂e)

1028.3

(7.20.2.3) Scope 2, market-based (metric tons CO₂e)

1028.3

Row 18

(7.20.2.1) Facility

SDSLA

(7.20.2.2) Scope 2, location-based (metric tons CO₂e)

3102.9

(7.20.2.3) Scope 2, market-based (metric tons CO₂e)

3102.9

Row 19

(7.20.2.1) Facility

SDSI

(7.20.2.2) Scope 2, location-based (metric tons CO₂e)

1310.7

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

1310.7

Row 20

(7.20.2.1) Facility

SDSC

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

593.2

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

593.2

Row 21

(7.20.2.1) Facility

SDSAP/SDSV

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

4173.3

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

4173.3
[Add row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based emissions (metric tons CO2e)	Please explain
Consolidated accounting group	6252	159799	<i>This covers Samsung SDS headquarters, all domestic and overseas business site, and subsidiaries subject to consolidated accounting.</i>
All other entities	0	0	<i>Samsung SDS's emissions do not include other entities.</i>

[Fixed row]

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:

☒ Yes

(7.23.1) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Row 1

(7.23.1.1) Subsidiary name

MIRACOM

(7.23.1.2) Primary activity

Select from:

☒ IT services

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☒ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

94.7

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

0

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0

(7.23.1.15) Comment

The office of Miracom is located in Samsung SDS business site, so Scope2 emission is not calculated.

Row 3

(7.23.1.1) Subsidiary name

SECUI

(7.23.1.2) Primary activity

Select from:

☒ IT services

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☒ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

(7.23.1.15) Comment

It can be calculated by providing data from the person in charge of the subsidiary.

Row 4

(7.23.1.1) Subsidiary name

multicampus

(7.23.1.2) Primary activity

Select from:

☒ Education services

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☒ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

1237

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

1237

(7.23.1.15) Comment

It can be calculated by providing data from the person in charge of the subsidiary.

Row 5

(7.23.1.1) Subsidiary name

emro

(7.23.1.2) Primary activity

Select from:

☒ IT services

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☒ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

910

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

176

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

(7.23.1.15) Comment

It can be calculated by providing data from the person in charge of the subsidiary.

Row 6**(7.23.1.1) Subsidiary name**

S-Core

(7.23.1.2) Primary activity

Select from:

☒ IT services

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☒ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

0

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

0

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0

(7.23.1.15) Comment

The office of S-core is located in Samsung SDS business site, so Scope12 emission is not calculated.

[Add row]

(7.26) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Row 1

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☒ Scope 2: location-based

(7.26.4) Allocation level

Select from:

☒ Company wide

(7.26.6) Allocation method

Select from:

☒ Allocation based on the number of units purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☒ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

999999999999

(7.26.9) Emissions in metric tonnes of CO₂e

85603

(7.26.10) Uncertainty (±%)

5

(7.26.11) Major sources of emissions

Electricity for data centers

(7.26.12) Allocation verified by a third party?

Select from:

☒ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

*Emissions was assumed by ratio of IT Services sales(Customer IT Services sales amount/SDS IT Services sales amount) multiplied by Samsung SDS Scope 2 emission. * Note that actual "Market value or quantity of goods/services supplied to the requesting member" is KRW 3270836752351.*

(7.26.14) Where published information has been used, please provide a reference

We used our own data.

Row 2

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☒ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☒ Category 4: Upstream transportation and distribution

(7.26.4) Allocation level

Select from:

☒ Company wide

(7.26.6) Allocation method

Select from:

☒ Allocation based on the number of units purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☒ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

999999999999

(7.26.9) Emissions in metric tonnes of CO₂e

2244495

(7.26.10) Uncertainty (±%)

5

(7.26.11) Major sources of emissions

(7.26.12) Allocation verified by a third party?

Select from:

☒ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

*Emissions was assumed by ratio of logistics services sales(customer logistics services sales amount/SDS logistics services sales amount) multiplied by Samsung SDS Scope 3 emission. *Note that actual "Market value or quantity of goods/services supplied to the requesting member" is KRW 5531400000000.*

(7.26.14) Where published information has been used, please provide a reference

We used our own data.

Row 3

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☒ Scope 2: location-based

(7.26.4) Allocation level

Select from:

☒ Company wide

(7.26.6) Allocation method

Select from:

☒ Allocation based on the number of units purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☒ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

7000000000

(7.26.9) Emissions in metric tonnes of CO₂e

183

(7.26.10) Uncertainty (±%)

5

(7.26.11) Major sources of emissions

Electricity for data centers

(7.26.12) Allocation verified by a third party?

Select from:

☒ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Emissions was assumed by ratio of IT Services sales(Customer IT Services sales amount/SDS IT Services sales amount) multiplied by Samsung SDS Scope 2 emission

(7.26.14) Where published information has been used, please provide a reference

We used our own data.

Row 4

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☒ Scope 2: location-based

(7.26.4) Allocation level

Select from:

☒ Company wide

(7.26.6) Allocation method

Select from:

☒ Allocation based on the number of units purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☒ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

207100845964

(7.26.9) Emissions in metric tonnes of CO₂e

5420

(7.26.10) Uncertainty ($\pm\%$)

5

(7.26.11) Major sources of emissions

Electricity for data centers

(7.26.12) Allocation verified by a third party?

Select from:

☒ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Emissions was assumed by ratio of IT Services sales(Customer IT Services sales amount/SDS IT Services sales amount) multiplied by Samsung SDS Scope 2 emission

(7.26.14) Where published information has been used, please provide a reference

We used our own data.

Row 5

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☒ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☒ Category 4: Upstream transportation and distribution

(7.26.4) Allocation level

Select from:

☒ Company wide

(7.26.6) Allocation method

Select from:

☒ Allocation based on the number of units purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☒ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

58100000000

(7.26.9) Emissions in metric tonnes of CO₂e

23575

(7.26.10) Uncertainty ($\pm\%$)

5

(7.26.11) Major sources of emissions

GHG emissions from upstream transportation

(7.26.12) Allocation verified by a third party?

Select from:

☒ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Emissions was assumed by ratio of logistics services sales(customer logistics services sales amount/SDS logistics services sales amount) multiplied by Samsung SDS Scope 3 emission

(7.26.14) Where published information has been used, please provide a reference

We used our own data.

Row 6

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☒ Scope 2: location-based

(7.26.4) Allocation level

Select from:

☒ Company wide

(7.26.6) Allocation method

Select from:

☒ Allocation based on the number of units purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☒ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

15700000000

(7.26.9) Emissions in metric tonnes of CO₂e

411

(7.26.10) Uncertainty (±%)

5

(7.26.11) Major sources of emissions

Electricity for data centers

(7.26.12) Allocation verified by a third party?

Select from:

☒ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Emissions was assumed by ratio of IT Services sales(Customer IT Services sales amount/SDS IT Services sales amount) multiplied by Samsung SDS Scope 2 emission

(7.26.14) Where published information has been used, please provide a reference

We used our own data.

Row 7

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☒ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☒ Category 4: Upstream transportation and distribution

(7.26.4) Allocation level

Select from:

☒ Company wide

(7.26.6) Allocation method

Select from:

☒ Allocation based on the number of units purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☒ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

2600000000

(7.26.9) Emissions in metric tonnes of CO₂e

1055

(7.26.10) Uncertainty ($\pm\%$)

5

(7.26.11) Major sources of emissions

GHG emissions from upstream transportation

(7.26.12) Allocation verified by a third party?

Select from:

☒ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Emissions was assumed by ratio of logistics services sales(customer logistics services sales amount/SDS logistics services sales amount) multiplied by Samsung SDS Scope 3 emission

(7.26.14) Where published information has been used, please provide a reference

We used our own data.
[Add row]

(7.27) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Row 1

(7.27.1) Allocation challenges

Select from:

☒ We face no challenges

(7.27.2) Please explain what would help you overcome these challenges

We face no challenges.

[Add row]

(7.28) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

(7.28.1) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Select from:

☒ Yes

(7.28.2) Describe how you plan to develop your capabilities

Samsung SDS provides customers to see their carbon emissions automatically calculated with weight and distance for each transportation through the Cello, Samsung SDS' logistics platform. Also, we plan to provide carbon emission information based on the customer's selected cloud usage simulation.

[Fixed row]

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:

☒ More than 0% but less than or equal to 5%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	<i>Select from:</i>

	Indicate whether your organization undertook this energy-related activity in the reporting year
	☒ Yes
Consumption of purchased or acquired electricity	<i>Select from:</i> ☒ Yes
Consumption of purchased or acquired heat	<i>Select from:</i> ☒ Yes
Consumption of purchased or acquired steam	<i>Select from:</i> ☒ No
Consumption of purchased or acquired cooling	<i>Select from:</i> ☒ Yes
Generation of electricity, heat, steam, or cooling	<i>Select from:</i> ☒ Yes

[Fixed row]

(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

☒ HHV (higher heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

23566.37

(7.30.1.4) Total (renewable and non-renewable) MWh

23556.37

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

323000.77

(7.30.1.4) Total (renewable and non-renewable) MWh

323000.77

Consumption of purchased or acquired heat

(7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

6848.21

(7.30.1.4) Total (renewable and non-renewable) MWh

6848.21

Consumption of purchased or acquired cooling

(7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

38743.37

(7.30.1.4) Total (renewable and non-renewable) MWh

38743.37

Consumption of self-generated non-fuel renewable energy

(7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

1215.22

(7.30.1.4) Total (renewable and non-renewable) MWh

1215.22

Total energy consumption

(7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

1215.22

(7.30.1.3) MWh from non-renewable sources

392148.73

(7.30.1.4) Total (renewable and non-renewable) MWh

393363.95

[Fixed row]

(7.30.6) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	<i>Select from:</i> ☒ No
Consumption of fuel for the generation of heat	<i>Select from:</i> ☒ Yes
Consumption of fuel for the generation of steam	<i>Select from:</i> ☒ No
Consumption of fuel for the generation of cooling	<i>Select from:</i> ☒ No
Consumption of fuel for co-generation or tri-generation	<i>Select from:</i> ☒ No

[Fixed row]

(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

We don't use biomass fuel.

Other biomass

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

We don't use biomass fuel.

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

We don't use any renewable fuel.

Coal

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

We don't use coal fuel.

Oil

(7.30.7.1) Heating value

Select from:

☒ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

5525.67

(7.30.7.8) Comment

It includes diesel from emergency generators, diesel from vehicles, and gasoline.

Gas

(7.30.7.1) Heating value

Select from:

☒ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

18031

(7.30.7.8) Comment

It includes boiler fuel for producing heat.

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

We don't use other non-renewable fuel.

Total fuel

(7.30.7.1) Heating value

Select from:

☒ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

23556.68

(7.30.7.8) Comment

The sum of oil and gas consumed by the organizaation.

[Fixed row]

(7.30.9) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

Electricity

(7.30.9.1) Total Gross generation (MWh)

699.73

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

699.73

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

699.73

Heat

(7.30.9.1) Total Gross generation (MWh)

515.49

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

515.49

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

515.49

Steam

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Cooling

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

[Fixed row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Brazil

(7.30.16.1) Consumption of purchased electricity (MWh)

25

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:

☒ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

25.00

(7.30.16.7) Provide details of the electricity consumption excluded

N/A

China

(7.30.16.1) Consumption of purchased electricity (MWh)

953.04

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:

☒ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

953.04

(7.30.16.7) Provide details of the electricity consumption excluded

N/A

India

(7.30.16.1) Consumption of purchased electricity (MWh)

860.38

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:

☒ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

860.38

(7.30.16.7) Provide details of the electricity consumption excluded

N/A

Republic of Korea

(7.30.16.1) Consumption of purchased electricity (MWh)

314607.46

(7.30.16.2) Consumption of self-generated electricity (MWh)

1215.22

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:

☒ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

45591.58

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

361414.26

(7.30.16.7) Provide details of the electricity consumption excluded

N/A

Singapore

(7.30.16.1) Consumption of purchased electricity (MWh)

259

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:

☒ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

259.00

(7.30.16.7) Provide details of the electricity consumption excluded

N/A

United Kingdom of Great Britain and Northern Ireland

(7.30.16.1) Consumption of purchased electricity (MWh)

3654.75

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:

☒ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

3654.75

(7.30.16.7) Provide details of the electricity consumption excluded

N/A

United States of America

(7.30.16.1) Consumption of purchased electricity (MWh)

974.9

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:

☒ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

974.90

(7.30.16.7) Provide details of the electricity consumption excluded

N/A

Viet Nam

(7.30.16.1) Consumption of purchased electricity (MWh)

1666.24

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:

☒ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

1666.24

(7.30.16.7) Provide details of the electricity consumption excluded

N/A

[Fixed row]

(7.30.18) Provide details of your organization’s low-carbon heat, steam, and cooling purchases in the reporting year by country/area.

	Sourcing method	Comment
Row 1	Select from: ☒ None (no purchases of low-carbon heat, steam, or cooling)	No purchases of low-carbon heat, steam, or cooling

[Add row]

(7.30.19) Provide details of your organization’s renewable electricity generation by country/area in the reporting year.

Row 1

(7.30.19.1) Country/area of generation

Select from:
☒ Republic of Korea

(7.30.19.2) Renewable electricity technology type

Select from:
☒ Solar

(7.30.19.3) Facility capacity (MW)

1.1

(7.30.19.4) Total renewable electricity generated by this facility in the reporting year (MWh)

779.6

(7.30.19.5) Renewable electricity consumed by your organization from this facility in the reporting year (MWh)

779.6

(7.30.19.6) Energy attribute certificates issued for this generation

Select from:

☒ No

(7.30.19.8) Comment

The sum of PV and Solar Thermal Energy

Row 2

(7.30.19.1) Country/area of generation

Select from:

☒ Republic of Korea

(7.30.19.2) Renewable electricity technology type

Select from:

☒ Geothermal

(7.30.19.3) Facility capacity (MW)

1.4

(7.30.19.4) Total renewable electricity generated by this facility in the reporting year (MWh)

435.62

(7.30.19.5) Renewable electricity consumed by your organization from this facility in the reporting year (MWh)

(7.30.19.6) Energy attribute certificates issued for this generation

Select from:

☒ No

(7.30.19.8) Comment

Geothermal facilities have been installed at the Sang-am Data Center to supply cooling and heating to the office.
[Add row]

(7.30.20) Describe how your organization’s renewable electricity sourcing strategy directly or indirectly contributes to bringing new capacity into the grid in the countries/areas in which you operate.

Samsung SDS has been expanding the use of renewable energy by installing solar power generation and solar water heating systems on idle sites such as rooftops and parking lots. Furthermore, we are developing and implementing plans to purchase renewable energy domestically and internationally. With respect to energy generation, our data centers are equipped with solar water heating systems, solar power generation, geothermal cooling/heating systems, and geothermal heat pumps. There are plans to continuously increase the production of renewable energy in the future. In addition, Samsung SDS is promoting the transition to renewable energy both domestically and internationally. In the short term, there are plans to transition to renewable energy sources, taking into consideration the renewable energy volume, unit price(economic feasibility), and factors such as Green Premium and Renewable Energy Certificates(REC). In the medium to long term, we will accelerate the transition to renewable energy through Power Purchase Agreement(PPA) contracts and participation in equity investments through partnerships with external entities.

(7.30.21) In the reporting year, has your organization faced barriers or challenges to sourcing renewable electricity?

	Challenges to sourcing renewable electricity
	Select from: ☒ No

[Fixed row]

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

1.25

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

166051

(7.45.3) Metric denominator

Select from:

☒ Other, please specify :unit total revenue (KRW 100 million)

(7.45.4) Metric denominator: Unit total

132768.44

(7.45.5) Scope 2 figure used

Select from:

☒ Location-based

(7.45.6) % change from previous year

76

(7.45.7) Direction of change

Select from:

☒ Increased

(7.45.8) Reasons for change

Select all that apply

- ☒ Acquisitions
- ☒ Change in output
- ☒ Change in revenue

(7.45.9) Please explain

Samsung SDS' Intensity figure has increased due to reduced sales and increased emissions(including acquisitions)
[Add row]

(7.52) Provide any additional climate-related metrics relevant to your business.

Row 1

(7.52.1) Description

Select from:

- ☒ Waste

(7.52.2) Metric value

1205.8

(7.52.3) Metric numerator

1205.8

(7.52.4) Metric denominator (intensity metric only)

-

(7.52.5) % change from previous year

142.6

(7.52.6) Direction of change

Select from:

☒ Increased

(7.52.7) Please explain

Excluding the amount of recycling

[Add row]

(7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply

☒ Absolute target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

☒ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

☒ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.53.1.4) Target ambition

Select from:

☒ 1.5°C aligned

(7.53.1.5) Date target was set

09/30/2022

(7.53.1.6) Target coverage

Select from:

☒ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO2)

☒ Methane (CH4)

☒ Nitrous oxide (N2O)

(7.53.1.8) Scopes

Select all that apply

☒ Scope 1

☒ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☒ Location-based

(7.53.1.11) End date of base year

12/30/2023

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

6252

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

165749

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

172001.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2050

(7.53.1.55) Targeted reduction from base year (%)

100

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

0.000

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

159799

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

166051.000

(7.53.1.78) Land-related emissions covered by target*Select from:*☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)**(7.53.1.79) % of target achieved relative to base year**

3.46

(7.53.1.80) Target status in reporting year*Select from:*☒ Achieved and maintained**(7.53.1.82) Explain target coverage and identify any exclusions**

N/A

(7.53.1.83) Target objective*The objective of the target may be to meet a regulatory target***(7.53.1.85) Target derived using a sectoral decarbonization approach***Select from:*☒ No

(7.53.1.86) List the emissions reduction initiatives which contributed most to achieving this target

1) The introduction of high-efficiency equipment at data centers Samsung SDS strives to reduce carbon emissions and operate sustainable business by carrying out various activities to curb GHG emissions. 1-1. The Suwon Data Center replaced its outdated UPS system with a modular high-efficiency UPS and old lead acid batteries with high-durability lithium-ion batteries to minimize the massive amount of electrical energy being lost in the form of heat energy during the conversion. Introduction of the high-efficiency UPS was found to have improved overall performance by around 10%, reducing approximately 565 tons of GHG emissions 1-2. The Suwon Data Center used oil-filled transformers with insulating oil that serve as insulators and coolants but switched to mold transformers that use epoxy resin for insulation and cooling. Mold transformers are space efficient, allowing for high-efficiency designs within same volume areas. The replacement resulted in 304 tons of GHG emission reductions 1-3. The Suwon Data Center replaced its closed-type cooling towers with high-efficiency open-types that can be controlled based on cooling loads and reduced around 952 tons of GHG emissions 1-4. Replacing these outdated models with temperature-based control high-efficiency models, the Suwon Data Center reduced around 1,494 tons of GHG emissions. 2) Samsung SDS is utilizing clean energy such as solar water heaters, solar power, geothermal heating and cooling systems, and geothermal heat pumps at its data centers. Furthermore, it newly installed solar power generation facilities on the rooftop of the Dongtan Data Center, producing around 385MWh of renewable energy in 2023 which is equivalent to reducing an annual 183 tons of emissions. [Add row]

(7.53.2) Provide details of your emissions intensity targets and progress made against those targets.

	Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)	Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)
Row 1	0.0000000000	0.0000000000
Row 2	0.0000000000	0.0000000000

[Add row]

(7.53.3) Explain why you did not have an emissions target, and forecast how your emissions will change over the next five years.

(7.53.3.1) Primary reason

Select from:

☒ We are planning to introduce a target in the next two years

(7.53.3.2) Five-year forecast

2024: 158,153 / 2025: 172,399 / 2026: 185,279 / 2027: 199,670 / 2028: 230,225

(7.53.3.3) Please explain

We are working on developing our climate-transition plan and annual emissions target. At this moment, there are various factors to consider such as short-term/long-term financial impact and supply of renewable energy in domestic market which is why it takes quite a long time to set a detailed emission goal.
[Fixed row]

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

☒ Net-zero targets

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:

☒ NZ1

(7.54.3.2) Date target was set

09/30/2022

(7.54.3.3) Target Coverage

Select from:

☒ Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply

☒ Abs1

(7.54.3.5) End date of target for achieving net zero

12/30/2050

(7.54.3.6) Is this a science-based target?

Select from:

☒ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.54.3.8) Scopes

Select all that apply

☒ Scope 1

☒ Scope 2

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO₂)

☒ Methane (CH₄)

☒ Nitrous oxide (N₂O)

(7.54.3.10) Explain target coverage and identify any exclusions

The target covers Samsung SDS headquarters, all domestic and overseas business sites, and controlled entities and subsidiaries subject to consolidated accounting.

(7.54.3.11) Target objective

In order to comply with the international agreements to address the climate crisis and meet the carbon reduction demands of customers and investors.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

☒ Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

☒ No, but we plan to within the next two years

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

☒ Yes, we plan to purchase and cancel carbon credits for beyond value chain mitigation

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

We aim to reduce 33% by 2030 and 100% in 2050. The main cause of Samsung SDS' greenhouse gas emissions is power consumption at data centers, which we plan to mitigate through the development of low-power new technology, introduction of high-efficiency DC equipment, and purchase of renewable energy, among other measures.

(7.54.3.17) Target status in reporting year

Select from:

☒ Underway

(7.54.3.19) Process for reviewing target

We monitor the current status by collecting monthly carbon emission data and report the emissions and reduction amounts to the ESG committee twice a year.
[Add row]

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:

☒ Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	`Numeric input
To be implemented	0	0
Implementation commenced	0	0
Implemented	2	4513
Not to be implemented	0	`Numeric input

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy consumption

☒ Solar PV

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

3315

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☒ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

1179945622

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

11100000000

(7.55.2.7) Payback period

Select from:

☒ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ 6-10 years

(7.55.2.9) Comment

By replacing outdated facilities, the Suwon Data Center reduced GHG emissions.

Row 2

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☒ Maintenance program

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

183

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☒ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

63538200

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

554600000

(7.55.2.7) Payback period

Select from:

☒ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ 6-10 years

(7.55.2.9) Comment

Solar panels are installed on the roof of the rooftop of Dongtan DC outdoor distribution room.

[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

☒ Internal incentives/recognition programs

(7.55.3.2) Comment

Samsung SDS provides incentives to employees finding or suggesting energy saving items.

Row 2

(7.55.3.1) Method

Select from:

☒ Employee engagement

(7.55.3.2) Comment

As active participation of employees is essential in reducing of energy consumed in lighting, heating, and cooling, and promoting the use of energy saving devices, we encourage employees to voluntarily participate.

Row 3

(7.55.3.1) Method

Select from:

☒ Compliance with regulatory requirements/standards

(7.55.3.2) Comment

Samsung SDS plans new GHG reduction project every year to respond to the target management system and continues to manage the existing GHG reduction project to reduce the cost of complying the requirement of K-ETS.
[Add row]

(7.73) Are you providing product level data for your organization's goods or services?

Select from:

☒ No, I am not providing data

(7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:

☒ Yes

(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.

Row 1

(7.74.1.1) Level of aggregation

Select from:

☒ Product or service

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☒ The EU Taxonomy for environmentally sustainable economic activities

(7.74.1.3) Type of product(s) or service(s)

Systems integration

☒ Other, please specify :Advanced logistics services, Cello, our integrated logistics platform. Cello solution allows clients to optimize the routes and therefore minimize the carbon emissions during logistics process.

(7.74.1.4) Description of product(s) or service(s)

End-to-end logistics service covering international/inland shipping, warehouse management, and 4PL services including consulting and IT services. Cello covers all areas of logistics, including international transport, customs clearance, inland transport, warehousing, last-mile delivery (LMD), reverse logistics, etc. It also helps manage master data, contracts, invoicing, and others that are commonly required in logistics. On Cello, you can track the status of your shipments in real time while also having access to every function you need for global logistics, such as operation progress and indicators.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☒ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☒ Other, please specify :Greenhouse gas emissions reduced through the use of our logistics services

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☒ Cradle-to-grave

(7.74.1.8) Functional unit used

logistics services per customer

(7.74.1.9) Reference product/service or baseline scenario used

Global and local logistics service

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☒ Cradle-to-grave

(7.74.1.11) Estimated avoided emissions (metric tons CO₂e per functional unit) compared to reference product/service or

baseline scenario

244724

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

We calculated the reduced greenhouse gas emissions achieved by using our low-carbon logistics service.

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

4.2

Row 2

(7.74.1.1) Level of aggregation

Select from:

☒ Product or service

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☒ The EU Taxonomy for environmentally sustainable economic activities

(7.74.1.3) Type of product(s) or service(s)

Systems integration

☒ Other, please specify :Information and communications

(7.74.1.4) Description of product(s) or service(s)

Our data centers are implemented with a comprehensive set of energy efficiency practices. Samsung SDS newly acquired Green Data Center Certification in 2022 satisfying the K-Taxonomy classification, Low-carbon Internet Data Center Operation.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☒ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☒ Other, please specify :Using indirect calculation method by measuring cooling system efficiency such as pPUE , CUE, WUE etc

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☒ Cradle-to-grave

(7.74.1.8) Functional unit used

individual data center

(7.74.1.9) Reference product/service or baseline scenario used

Global and local data centers

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☒ Cradle-to-grave

(7.74.1.11) Estimated avoided emissions (metric tons CO₂e per functional unit) compared to reference product/service or baseline scenario

5484

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

We calculated avoided emissions by each technology adopted1)Expansion of direct outdoor air introduction period2)Shading device/water spray for outdoor chillers3)Outdoor refrigerator condenser coil spraying

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

3.4

Row 3

(7.74.1.1) Level of aggregation

Select from:

☒ Product or service

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☒ The EU Taxonomy for environmentally sustainable economic activities

(7.74.1.3) Type of product(s) or service(s)

Systems integration

☒ Other, please specify :The video conferencing solution which reduces carbon emissions by minimizing travel

(7.74.1.4) Description of product(s) or service(s)

Samsung SDS provides Brity Meeting which is an enhanced web conference solution. It transform customers' workflow by giving them instant face-to-face meetings with colleagues anytime and anywhere. It works seamlessly with various devices, including desktop PCs and mobiles, on both Android and iOS. It provides various communication features, including screen sharing, whiteboard notations and interaction features, in addition to the basic video mode to ensure an online communication experience that is as lively as offline meetings.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☒ No

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

Row 4**(7.74.1.1) Level of aggregation***Select from:*☒ Group of products or services**(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon***Select from:*☒ The EU Taxonomy for environmentally sustainable economic activities**(7.74.1.3) Type of product(s) or service(s)****Systems integration**☒ Other, please specify :Cloud Services which have lower energy consumption than on-premise infrastructure and lead to lower carbon emissions**(7.74.1.4) Description of product(s) or service(s)***Samsung SDS provides a carbon dashboard that displays the status of carbon emissions to support ESG management at customers that use Samsung Cloud Platform.***(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)***Select from:*☒ Yes**(7.74.1.6) Methodology used to calculate avoided emissions***Select from:*☒ Other, please specify :Calculate the reduced greenhouse gas emissions when using SDS' cloud platform compared to using on-premises infrastructure**(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)**

Select from:

☒ Cradle-to-grave

(7.74.1.8) Functional unit used

Cloud services per customer

(7.74.1.9) Reference product/service or baseline scenario used

Global and local cloud services

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☒ Cradle-to-grave

(7.74.1.11) Estimated avoided emissions (metric tons CO₂e per functional unit) compared to reference product/service or baseline scenario

204

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

Our carbon dashboard provides the amount of greenhouse gas emissions reduced on a monthly basis when using our cloud platform, so we calculated the annual reduction in greenhouse gas emissions accordingly.

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

4.7

[Add row]

(7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:

☒ No

C11. Environmental performance - Biodiversity

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Actions taken in the reporting period to progress your biodiversity-related commitments
	Select from: ☒ No, we are not taking any actions to progress our biodiversity-related commitments, but we plan to within the next two years

[Fixed row]

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?
	Select from: ☒ No, we do not use indicators, but plan to within the next two years

[Fixed row]

(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

	Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity	Comment
Legally protected areas	Select from: ☒ No	Samsung SDS' activities are not located near this type of area.
UNESCO World Heritage sites	Select from: ☒ No	Samsung SDS' activities are not located near this type of area.
UNESCO Man and the Biosphere Reserves	Select from: ☒ No	Samsung SDS' activities are not located near this type of area.
Ramsar sites	Select from: ☒ No	Samsung SDS' activities are not located near this type of area.
Key Biodiversity Areas	Select from: ☒ No	Samsung SDS' activities are not located near this type of area.
Other areas important for biodiversity	Select from: ☒ No	Samsung SDS' activities are not located near this type of area.

[Fixed row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

(13.1.1) Other environmental information included in your CDP response is verified and/or assured by a third party

Select from:

☒ No, but we plan to obtain third-party verification/assurance of other environmental information in our CDP response within the next two years

(13.1.2) Primary reason why other environmental information included in your CDP response is not verified and/or assured by a third party

Select from:

☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(13.1.3) Explain why other environmental information included in your CDP response is not verified and/or assured by a third party

Samsung SDS has qualitatively assessed the impact of climate change on its organization and analyzed some financial implications, but due to insufficient accumulation of reliable data and results, it lacked credible evidence and therefore did not conduct third-party verification. We plan to undergo verification after conducting analysis based on more reliable data.

[Fixed row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Executive Vice President

(13.3.2) Corresponding job category

Select from:

☒ Chief Financial Officer (CFO)

[Fixed row]

