

# 2024 SM ENTERTAINMENT Sustainability Report





# About this Report

SM Entertainment is committed to advancing ESG management and publishes this report as a platform for transparent communication with a wide range of stakeholders and disclosure of performance outcomes.

## Reporting Period

This report covers the fiscal year 2024 (January 1 to December 31, 2024), outlining SM's sustainability-related activities and achievements during the period. Certain non-financial data includes information from the first half of 2025, and where trend analysis is necessary, data from the past three years (2022-2024) is also presented. Governance-related updates that occurred in the first half of 2025 are reported as of April 30, 2025. The reporting cycle for this publication is annual.

## Reporting Scope and Standards

The scope of this report includes SM Entertainment's domestic operations and select affiliates (SM C&C, SM Life Design Group, SM Brand Marketing, Dream Maker Entertainment, and KREATION Music Rights). This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021 and integrates indicators from the UN Sustainable Development Goals (SDGs). Financial performance is reported in compliance with K-IFRS (Korean International Financial Reporting Standards).

## Assurance

To ensure the reliability of the report content and the process by which it was prepared, a third-party assurance was conducted by the Korea Management Association Quality Assurance (KMAQA), an independent verification body. The assurance followed the AA1000AS v3 standard. Results of the verification can be found on pages 127-128 of this report.

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## CEO Message



Dear Esteemed Stakeholders,  
This is Cheol Hyuk Jang and Young Jun Tak, co-Chief Executive Officers of SM Entertainment.

In 2024, SM Entertainment surpassed 15 million in total album sales, continuing to solidify the influence and content power of our artists as pioneers in the K-POP industry. NCT DREAM's 5th mini album DREAM() SCAPED sold over 2.5 million copies, while their 4th full-length album DREAMSCAPE exceeded 1.5 million in sales. aespa achieved 1.3 million and 1.1 million in sales with their 1st full-length album Armageddon and 5th mini album Whiplash, respectively. Notably, aespa also demonstrated strong performance in digital music, charting for nine consecutive weeks on the Billboard Global 200 and being selected among Billboard's "25 Best K-POP Songs of 2024," marking a significant leap forward as a global artist. RIIZE, who debuted in September 2023, continued their million-seller streak with their first mini album RIIZING in June, securing the 6th spot for most-streamed albums in Korea on Spotify and receiving praise from major international media outlets, cementing their place as a rising K-POP star. NCT WISH, who debuted in February, recorded pre-orders of 370,000 for debut single WISH, 630,000 for second single Songbird, and 800,000 for mini album Steady, achieving rapid growth with every release and setting the highest first-week sales among newly debuted artists this year. In addition, we held more than 310 concerts throughout the year. Landmark events such as NCT 127's Tokyo Dome concert in Japan and global tours by aespa and SUPER JUNIOR contributed to our external growth, while also driving incremental revenue through and licensing.

In 2024, SM Entertainment not only laid the foundation for sustainable growth through global market expansion, IP diversification, and digital business innovation, but also strengthened its ESG management practices. In the environmental domain, we continued our commitment to biodiversity by expanding the KWANGYA Forest project into its second phase, following the initial initiative launched in 2023. We also developed eco-friendly MDs such as tumbler bags made from reused concert banners and calculated greenhouse gas emissions generated

from live performances. On the social front, building on the Human Rights Management Declaration established in 2023, we conducted a human rights impact assessment in 2024.

We also established the Technology and Information Committee to reinforce our efforts in information security and protection. Through the operation of labels such as SM Classics, ScreaM Records, and KRUCIALIZE, we have expanded our musical diversity. In celebration of the 10th anniversary of SMile, our corporate social responsibility initiative, we published a white paper to reflect our continued commitment to community engagement and contribution. In terms of governance, we have strengthened compliance and ethical management by establishing an advanced governance structure. In addition to cash dividends, we prioritized shareholder value by retiring a total of 477,274 treasury shares through two rounds of buybacks in 2024. In recognition of these efforts, we won the Presidential Award of the Korea Awards at the 31st Corporate Innovation Awards in December 2024.

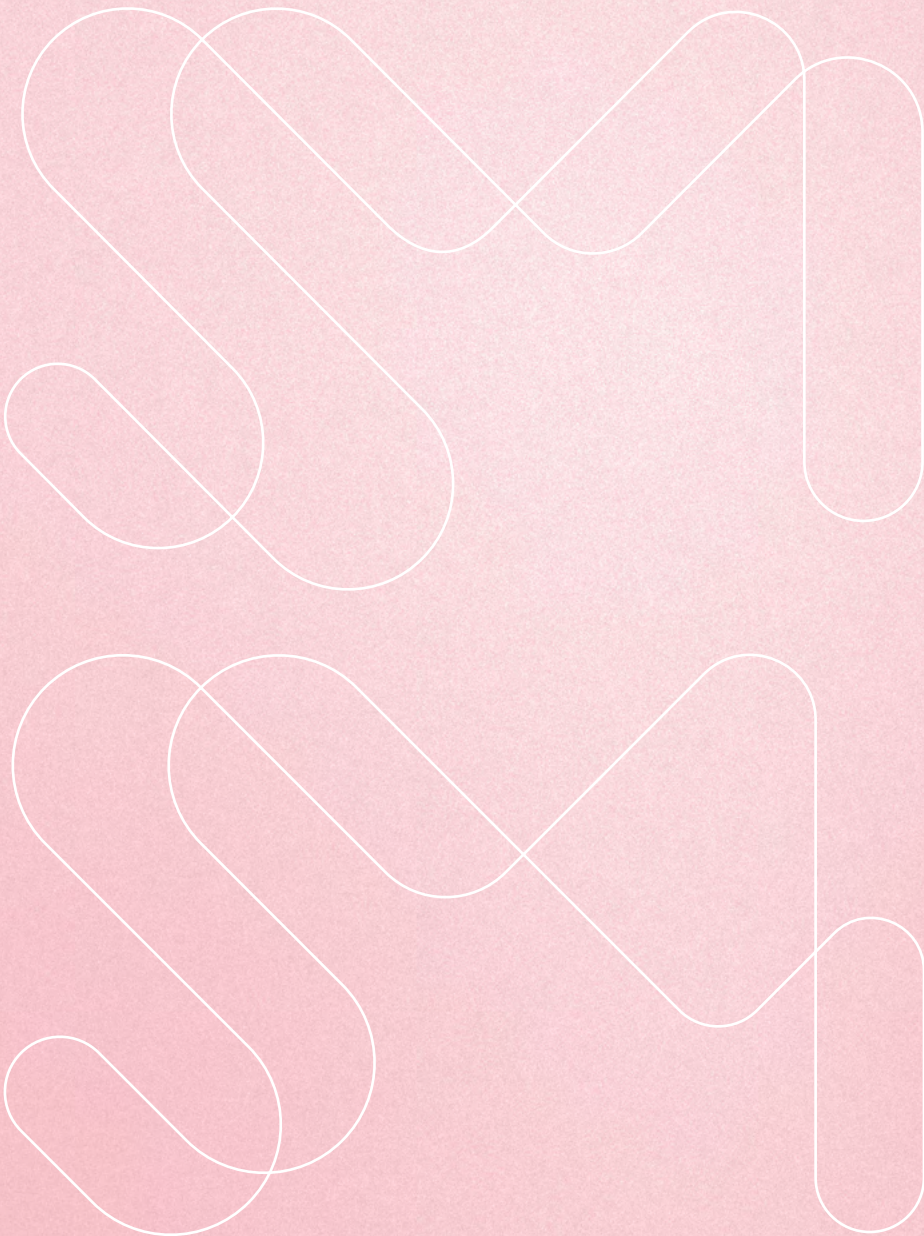
In 2025, marking its 30th anniversary, SM Entertainment unveiled a new slogan: "THE CULTURE, THE FUTURE." Building on the cultural heritage we have cultivated over the past three decades, we are committed to creating unparalleled value in the global music industry and leading the cultural evolution of K-POP. Looking beyond the past 30 years, we aspire to become a sustainable company that continues to be part of citizens' everyday lives and cherished memories through music and culture. To achieve this, we will prioritize maintaining the highest level of content quality while fostering a positive cultural impact on society. We will also strive to create an environment where our employees and artists can grow and work happily, and to strengthen communication and trust with fans and all internal and external stakeholders. We sincerely ask for your continued support and encouragement.

Thank you.

Co-CEOs

**Cheol Hyuk Jang & Young Jun Tak**





# OVERVIEW

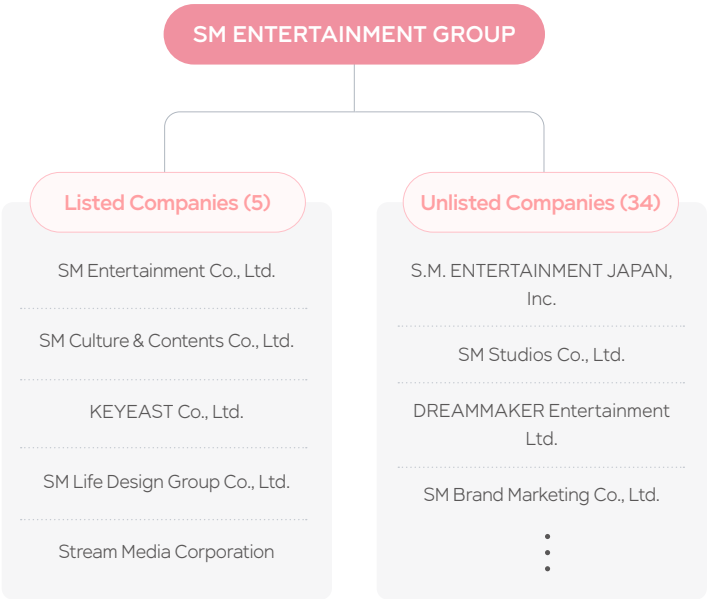
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# Company Overview

Since its establishment in 1995, SM Entertainment has led the Korean entertainment industry as a pioneer and remains at the forefront of the global Korean Wave and K-POP phenomenon. As a comprehensive entertainment company, SM continues to create premier cultural content and world-class entertainers. With unparalleled expertise in music production, artist management, and live performances, the company has established a distinctive system and operational know-how, paving the way for sustainable growth through IP diversification and digital business innovation. SM is also committed to sustainability and actively strengthens its role in social responsibility. Our artist roster includes KANGTA, BoA, TVXQ!, Super Junior, Girls’ Generation, SHINee, EXO, Red Velvet, NCT, NCT 127, NCT DREAM, WayV, aespa, RIIZE, NCT WISH, ~~na~~vis, and Hearts2Hearts.

## Corporate Group Structure



## Company Overview

As of December 31, 2024

Company Name	SM Entertainment Co., Ltd.
Headquarters Location	83-21, Wangsimni-ro, Seongdong-gu, Seoul, Korea
CEO	Cheol Hyuk Jang, Young Jun Tak
Date of Establishment	February 14, 1995
Core Business	Artist Management, Album and Digital Music Planning, Production, Distribution, Publishing, etc.
Number of Shares	23,589,522 shares (common shares with voting rights)
Employees	723 employees
Assets (Consolidated)	KRW 1.4191 trillion in assets
Liabilities (Consolidated)	KRW 590 billion in liabilities
Equity (Consolidated)	KRW 829 billion in equity

Credit Rating

A+

Nice Information Service Co., Ltd.

ESG Rating

B+

KCGS

Capital

KRW 11.9 Billion

## Key Affiliates

Company Name	Industry	Location	Listing Status	Notes
S.M. ENTERTAINMENT JAPAN, Inc.	Holding Company	21F, ROPPONGI GRAND TOWER 3-2-1, ROPPONGI, MINATO-KU,TOKYO, JAPAN	Unlisted	Major Subsidiaries
SM Culture & Contents Co., Ltd.	Advertising and Audiovisual Content Production and Distribution Talent and Artist Management	83-21, Wangsimni-ro, Seongdong-gu, Seoul, Korea	Listed	Major Subsidiaries
SM Studios Co., Ltd.	Strategic Holding Operations	83-21, Wangsimni-ro, Seongdong-gu, Seoul, Korea	Unlisted	Major Subsidiaries
Stream Media Corporation	Broadcast Content Provision	21F, ROPPONGI GRAND TOWER 3-2-1, ROPPONGI, MINATO-KU,TOKYO, JAPAN	Listed (Japan)	Major Subsidiaries

## Financial Performance Summary (Consolidated)

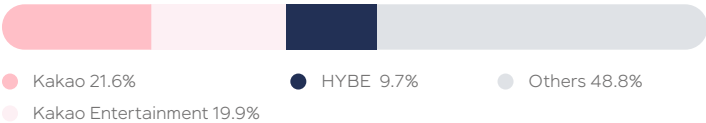
As of December 31, 2024, unit: KRW million

Category	2022	2023	2024
Revenue	850,769	961,069	989,725
Operating Profit	91,007	113,463	87,297
Net Profit	82,028	82,683	819

## Shareholder Composition

As of March 31, 2025

Shareholder name	Number of shares	ownership percentage
Kakao	4,946,821	21.6
Kakao Entertainment	4,554,220	19.9
HYBE	2,212,237	9.7
Others	11,181,412	48.8
Total	22,894,690	100







# Key Milestones and Global Locations Overview

● Business Initiative ● Artist Debut

1995 ● February- SM Entertainment established

1996 ● September- H.O.T. debuted

1997 ● November- S.E.S. debuted

1998 ● March- Shinhwa debuted  
● October- S.E.S. entered the Japanese market

1999 ● November- Fly to the Sky debuted

2000 ● February- H.O.T. held a concert at Beijing Workers' Gymnasium in China  
● April- Listed on KOSDAQ  
● August- BoA debuted

2001 ● April- SM Japan established  
● May- BoA entered the Japanese market  
● December- MILK debuted

2002 ● March- Black Beat debuted  
● September- Isak N Jiyeon debuted

2003 ● December- TVXQ! debuted

2004 ● March- BoA held her first arena tour in Japan  
● July- TRAX debuted  
● October- SM China established

2005 ● April- The Grace (CSJH) debuted  
● November- Super Junior debuted

2006 ● September- Zhang Liyin debuted

2007 ● August- Girls' Generation debuted

2008 ● May- SHINee debuted  
● October- SM USA established

2009 ● Industry-first songwriting camp introduced & official YouTube channel launched  
● April- BoA entered the U.S. market  
● September- f(x) debuted

2011 ● June- SMTOWN LIVE World Tour held in Paris  
● August- Joint venture SM True established in Thailand  
● October- SMTOWN LIVE World Tour held in New York

2012 ● February- Girls' Generation entered the U.S. market

● April- EXO debuted

● June- Film I AM: SM Town Live World Tour in Madison Square Garden released

2013 ● TVXQ! became the first foreign artist to perform at Nissan Stadium  
● Super Junior conducted the first and largest-scale South American tour among Korean artists across four countries

2014 ● August- Red Velvet debuted

2016 ● January- Scream Records launched

● April- NCT debuted

● July- NCT 127 debuted

● August- NCT DREAM debuted

2019 ● January- WayV debuted

● April- NCT 127 signed with Capitol Music Group (U.S.)

● October- SuperM debuted & SM signed agency partnership with CAA (U.S.)

2020 ● First-ever online-exclusive concert platform Beyond LIVE launched

● July- SM Classics established

● November- aespa debuted

2021 ● Super Junior achieved 200 consecutive weeks at No.1 on Taiwan music charts, setting the longest-running record

2022 ● January- GOT the beat debuted

● June- aespa signed a global partnership with Warner Records (U.S.)

2023 ● February- SM 3.0 strategy announced

● August- First UK boy group The RIALLS launched

● September- RIIZE debuted & signed a label deal with RCA Records (U.S.)

2024 ● aespa set a new record for longest No.1 in Melon's 20-year history

● February- NCT WISH debuted

● May- KRUCIALIZE launched

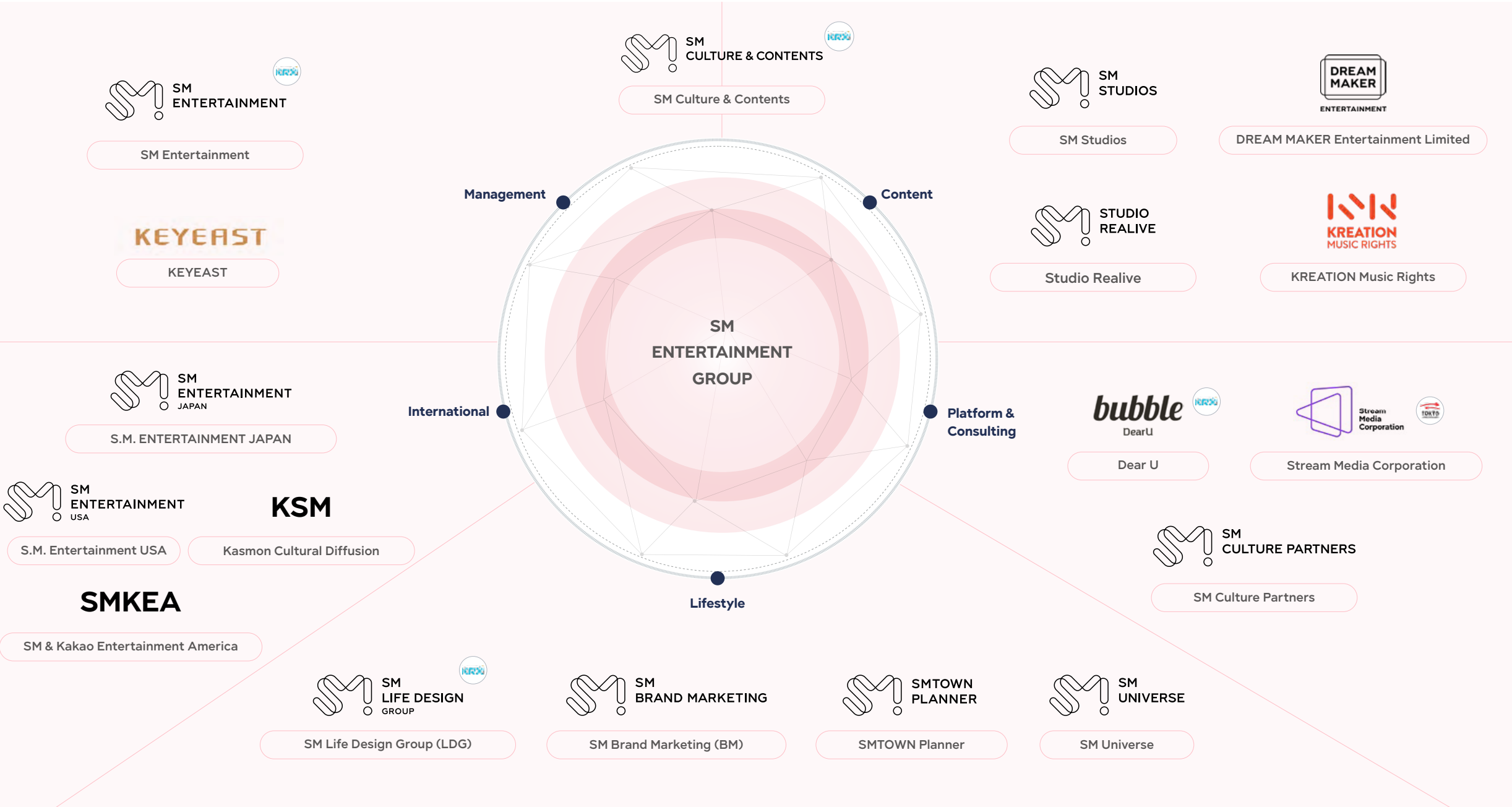
● September- n2evis debuted

2025 ● TVXQ! set the record for the highest number of Tokyo Dome and Japan dome concerts by a foreign artist

● February- Hearts2Hearts debuted



# Affiliates Overview

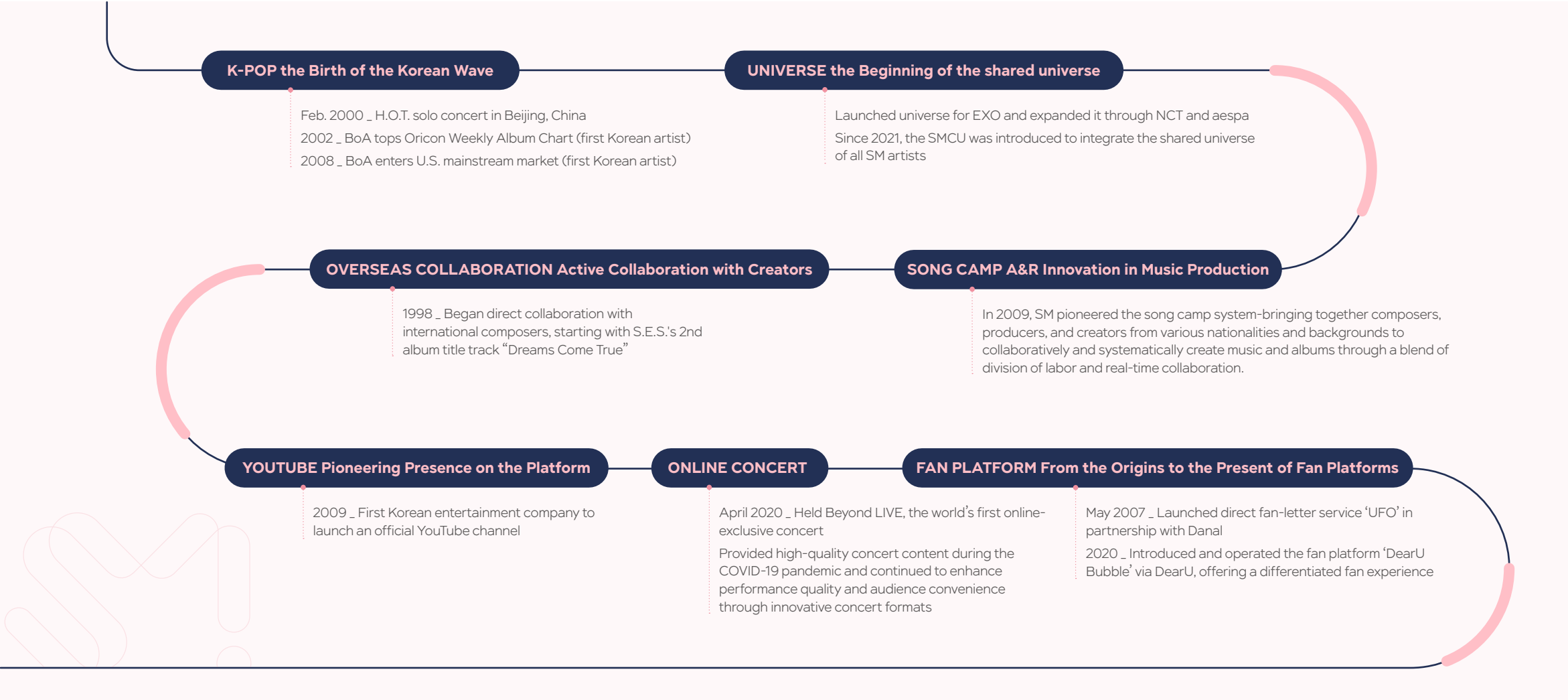




# Business Highlights

Established on February 14, 1995, SM Entertainment celebrates its 30th anniversary in 2025. With our new slogan, THE CULTURE, THE FUTURE, we are committed to building upon our rich cultural heritage to create unparalleled value in the global music industry and lead the future of K-POP.

## Milestone



## Business Highlights

### SM 30<sup>th</sup> Project

30th Anniversary Celebration  
Film Released



October 23, 2024 ("THE CULTURE")  
January 10, 2025 ("THE FUTURE")

30th Anniversary Slogan  
"THE CULTURE, THE FUTURE" Unveiled



January 10, 2025

Two-Part Special Series  
Aired on SBS Celebrating  
30 Years of SM



January 28, 2025  
February 1, 2025

SM Classics - World's First  
K-POP Orchestra Concert



Feb. 14, 2025 - Seoul Arts Center  
Feb. 15, 2025 - Lotte Concert Hall

SMTOWN LIVE 2025 World Tour  
Mexico, United Kingdom,  
United States, Japan



May - August, 2025

"The Game Caterers X SM"  
Collaboration



November 29, 2024

30th Anniversary  
SMTOWN LIVE 2025 in Seoul



January 11-12, 2025

30th Anniversary Commemorative Album Release  
30th Anniversary Celebration Magazine SM X Magazine  
B Publication  
"HELLO! WE ARE SMTOWN FAMILY" Emoji Release



February 14, 2025



## Business Overview

SM Entertainment is a pioneer in the Korean entertainment industry and a leading force behind the global Korean Wave and K-POP phenomenon, consistently creating premier cultural content and world-class entertainers. The company's core businesses include music content—encompassing the planning, production, and distribution of albums—as well as artist management. Its subsidiaries engage in various sectors such as advertising, artist management, video content production, and travel-related services.

### Album and Digital Music Production

In collaboration with over 3,000 top-tier producers, lyricists, and composers from around the world, SM Entertainment creates world-class music content together with its affiliated artists. In 2024, the company surpassed 15 million in total album sales, with notable achievements in the digital music segment by aespa and RIIZE.



### Management



SM Entertainment has established a structured four-step system for discovering and nurturing artists—casting, training, producing, and marketing/management. From the debut of H.O.T. in 1996 to the debut of Hearts2Hearts in February 2025, the company has launched a total of 34 teams and 174 individuals

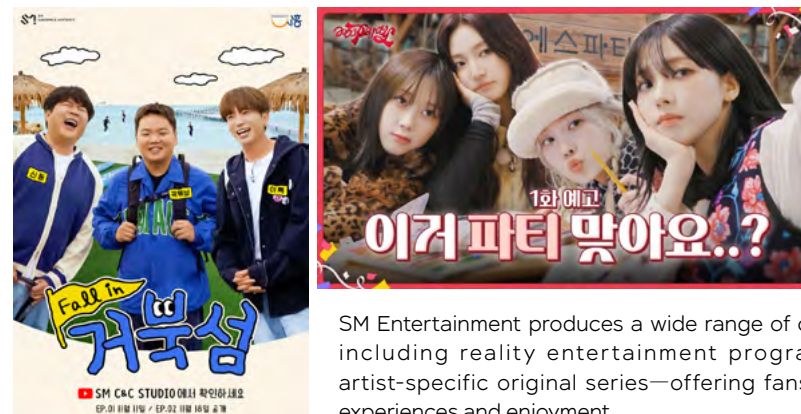
\*Including actors and TV personalities.



### Concerts / Fan Meetings

SM Entertainment holds numerous concerts and fan meetings each year, with a cumulative total of 2,646 performances held between 2003 and November 2024. In 2024 alone, the company hosted over 310 concerts and fan meetings with NCT 127's Tokyo Dome concert and global tours by aespa and Super Junior contributing significantly to external growth.

### Content Production



SM Entertainment produces a wide range of content—including reality entertainment programs and artist-specific original series—offering fans diverse experiences and enjoyment.

### Advertising Business



By combining the creative advertising capabilities of SM C&C, a subsidiary of SM Entertainment, with the group's powerful content assets, the company delivers impactful advertising campaigns. Through its expertise and diverse portfolio, SM continues to attract and retain major clients.

### IP-Based Business



SM Entertainment operates a variety of businesses utilizing artist IP (Intellectual Property), including KWANGYA Store and the fan communication platform Bubble.

# Artist Overview

## SM ARTIST



### KANGTA

debut | 1996. 9. 7.

A legendary figure who debuted as a member of H.O.T., marking the beginning of the Korean Wave.  
A talented singer-songwriter with strengths in vocals, songwriting, and composition. Currently active as the Executive Producer of SMASHHIT, a division under SM’s music publishing company, Kreation Music Rights.

#### Signature Songs

Light, Polaris, That Summer (0805)

#### Key Achievements

- 2000 - H.O.T. held the first solo concert by a Korean idol group at Beijing Workers’ Gymnasium
- 2004 - Won “Most Popular Foreign Artist” at China’s Golden Disc Awards
- 2007 - Received the “Achievement Award” at the 14th Korea Entertainment Arts Awards



### BoA

debut | 2000. 8. 25.

Debuting at the age of 13, she paved the way for global expansion into markets such as Japan and the United States, leading the globalization of K-POP as the “Star of Asia.”  
She is currently also active as a producer.

#### Signature Songs

No.1, Atlantis Princess, Girls On Top, Only One

#### Key Achievements

- 2002 - BoA’s album Listen to My Heart became the first by a Korean artist to top both the daily and weekly Oricon charts, surpassing 1 million in sales
- 2002-2007 - Appeared for six consecutive years on NHK’s Kōhaku Uta Gassen in Japan
- 2009 - BoA entered the U.S. market; debut album BoA became the first by a Korean artist to chart on the Billboard 200



### TVXQ!

debut | 2003. 12. 26.

‘With a name meaning “The Rising Gods of the East,” they made their mark beyond Asia, rewriting the history of K-POP on the global stage.

#### Signature Songs

Rising Sun (Pure), Mirotic, Why (Keep Your Head Down)

#### Key Achievements

- 2013 - First Korean artist to complete a five-dome tour in Japan; first foreign artist to perform at Nissan Stadium
- 2018 - First-ever three-day concert run at Nissan Stadium; highest single-tour attendance by a foreign artist in Japan (1 million total)
- 2025 - Set the record for the most Tokyo Dome and Japan dome concerts by a foreign artist (33 Tokyo Dome shows, 92 total dome shows)



# Artist Overview

## SM ARTIST



### SUPER JUNIOR

debut | 2005. 11. 6.

Active as a group, in units, and as solo artists, earning global fan support  
Achieved multiple firsts through the world tour concert brand SUPER SHOW, held across major global regions

#### Signature Songs

SORRY, SORRY, Mr. Simple, Devil

#### Key Achievements

- 2013 - First and largest South American tour by a Korean artist across four countries
- 2014 - Surpassed 100 SUPER SHOW concerts
- 2021 - Topped Taiwan's largest music site KKBOX for 200 consecutive weeks, setting a new record for Korean artists



### Girls' Generation

debut | 2007. 8. 5.

A cross-generational icon leading trends in music, performance, and fashion through genre-defying concepts and styles

#### Signature Songs

Into the New World, Gee, Tell Me Your Wish (Genie)

#### Key Achievements

- 2011 - Girls' Generation's Japanese debut album GIRLS' GENERATION became the best-selling album by a foreign artist at the time and the first K-POP girl group to top the weekly chart
- 2015 - Won 1st place on music shows for the 100th time with Lion Heart
- 2023 - Gee ranked No. 1 on Rolling Stone's "100 Greatest Songs in the History of Korean Pop Music"

# Artist Overview

## SM ARTIST



### SHINee

debut | 2008. 5. 25.

An irreplaceable contemporary band that shapes current trends across music, performance, and fashion  
Captivating global audiences with exceptional talent and a distinctive musical identity

#### Signature Songs

Ring Ding Dong, Sherlock (Clue + Note), View

#### Key Achievements

- 2013 - Ranked No. 10 on Billboard's Year-End World Album Artist Chart, first ever for a Korean group
- Ranked in Billboard's "25 Greatest K-POP Albums of the 2010s" with SHINee's 6th full-length compilation album The Story of Light Epilogue



### EXO

debut | 2012. 4. 8.

Pioneers of idol group universes, each member with a unique superpower;  
first million-seller in 12 years  
Globally recognized K-POP icons with strong domestic and international presence

#### Signature Songs

Growl, Monster, Love Shot

#### Key Achievements

- 2013 - First studio album surpassed 1 million sales; first in the Korean music industry in 12 years since 2001
- 2018 - Surpassed 10 million in cumulative domestic album sales; first among artists who debuted after 2000
- 2023 - Achieved seventh career million-seller with 7th studio album



### Red Velvet

debut | 2014. 8. 1.

Formed with the ambition to captivate the world through refined music and performance  
A leading girl group that continues to release mega-hit songs, balancing artistry and mainstream appeal

#### Signature Songs

Ice Cream Cake, Red Flavor, Feel My Rhythm

#### Key Achievements

- "Bad Boy," the title track of the 2nd repackaged album, was the only K-POP girl group track selected in Billboard's "100 Best Songs of 2018" by critics
- Achieved first million-seller with mini album The ReVe Festival 2022 - Birthday

# Artist Overview

## SM ARTIST



### NCT

debut | 2016. 4. 9.

NCT stands for “Neo Culture Technology,” a next-generation group concept born from SM’s cultural technology

Under the NCT umbrella, units such as NCT 127, NCT DREAM, WayV, NCT WISH, and NCT U are actively promoting across the globe

#### Signature Songs

BOSS, Make A Wish (Birthday Song), RESONANCE, Baggy Jeans

#### Key Achievements

- Held five stadium concerts in Korea and Japan through the group concert tour NCT NATION - To The World
- Studio albums Resonance (Vol. 2), Universe (Vol. 3), and Golden Age (Vol. 4) each surpassed 1 million in sales
- First K-POP act to top the Billboard Emerging Artists chart



### NCT 127

debut | 2016. 7. 7.

As NCT’s Seoul-based unit, the number in NCT 127 represents the longitude of Seoul, symbolizing the group’s foundation in the home of K-POP and its global reach

With a distinct musical identity and commanding performance skills, NCT 127 has established itself as a leading global act

#### Signature Songs

Kick It, Fact Check, Walk

#### Key Achievements

- Ten consecutive albums charted on the Billboard 200
- 2021 - Studio album Sticker became a triple million-seller and recorded the highest Billboard 200 ranking and longest charting duration among K-POP albums that year
- From Neo Zone (2nd studio album) to WALK (6th studio album), achieved eight consecutive million-selling albums



### NCT DREAM

debut | 2016. 8. 25.

Originally launched as a “teenage union team,” they have grown into one of K-POP’s leading groups

Beloved worldwide for their refreshing musical color, high-energy performances, and the uplifting presence of all seven members, who inspire dreams, hope, and healing

#### Signature Songs

Hello Future, Smoothie, When I’m With You

#### Key Achievements

- 2023 - ISTJ became the best-selling album by an SM artist, with 4.28 million copies sold
- 2023 - Ranked No. 1 in K-POP concert attendance in Korea (based on KOPIS data)



# Artist Overview

## SM ARTIST



### WayV

debut | 2019. 1. 17.

A multinational boy group that made a striking debut in China. Globally recognized for their trendy sound, powerful performances, and distinctly individual charms.

#### Signature Songs

Love Talk, Kick Back, FREQUENCY

#### Key Achievements

- 2019 - First mini album Take Off topped iTunes Top Album charts in 30 countries (most ever for a Chinese boy group)
- 2019 - English single Love Talk became the first by a Chinese group to surpass 100 million streams on Spotify



### aespa

debut | 2020. 11. 17.

Building on a newly expanded multiverse that transcends the real world and the digital realm, the group showcases a singular identity through their distinct sound and performance style—defined by a raw, metallic intensity known as “steel taste.”

#### Signature Songs

Next Level, Spicy, Supernova

#### Key Achievements

- 2024 - Title track “Supernova” from their first full-length album set the record for the longest No. 1 in Melon’s 20-year history
- Achieved five consecutive million-selling albums; officially recognized as 5-time million-sellers
- Swept grand prizes at major music award shows in 2024



### RIIZE

debut | 2023. 9. 4.

A team built on the philosophy of “growing together (Rise) and realizing dreams (Realize),” RIIZE presents its own unique genre called “Emotional Pop.” Living up to its name, the group continues to break records across all metrics—including album sales, digital performance, live shows, and cultural buzz.

#### Signature Songs

Get a Guitar, Love 119, Boom Boom Bass

#### Key Achievements

- 2023 - Debut single album Get a Guitar
- 2024 - First mini album RIIZING both achieved million-seller status
- 2024 - Held first fan-con tour RIIZING DAY across 10 global cities; finale at KSPO DOME sold out all seats for three consecutive days

# Artist Overview

## SM ARTIST



### NCT WISH

debut | 2024. 2. 21.

A team united under the catchphrase “WISH for Our WISH,” expressing a strong aspiration to support and fulfill everyone’s wishes and dreams through music and love. After achieving the highest album sales among 2024 debut artists and rising as the “Best Rookie,” the group is currently surpassing its own records with its second mini album poppop, released in April this year—solidifying its position as the top rising star.

#### Signature Songs

WISH, Songbird, Steady, poppop

#### Key Achievements

- Swept rookie awards at various music award ceremonies in 2024, recorded the highest album sales among 2024 debut artists with nearly 2 million copies sold
- In April 2025, became a million-seller for the first time with second mini-album poppop, setting a new K-POP record by surpassing 500,000 comments during a QQ Music chat event in China



### nævis

debut | 2024. 9. 10.

Crowned after achieving the highest album sales among 2024 debut artists, the group is now setting new personal records with its second mini album poppop released in April 2025.

#### Signature Songs

Done

#### Key Achievements

- Selected as the muse for lifestyle brand HOLLYS' holiday season campaign in December 2024.



### Hearts2Hearts

debut | 2025. 2. 24.

A rookie girl group that conveys a sincere message through their own mysterious and beautiful musical world, aiming to connect emotionally with global fans and move forward together as a greater “us.”

#### Signature Songs

The Chase, Butterflies

#### Key Achievements

- Achieved the highest first-week sales for a debut album by a girl group in February 2025
- Ranked No. 1 on the K-POP Weekly Chart of QQ Music, China’s largest music platform

# Artist Overview

## SM LABEL ARTIST



**Yohan Kim**  
debut | 2024. 6. 7.

An SM Classics artist whose music spans jazz, funk, pop, and ballad, presenting a uniquely original sound that reflects his distinctive artistic identity

**Signature Songs**  
The Promise of H.O.T. (Jazz Ver.) - SM STATION  
hummingbird, Whiplash (YOHAN KIM Experience)

**Affiliated Label**  
SM Classics



**SM Jazz Trio**  
debut | 2024. 8. 30.

The first jazz trio produced by a K-POP entertainment company, featuring pianist Yohan Kim, bassist Ho-kyu Hwang, and drummer Jong-guk Kim—an all-star lineup recognized as some of the most prominent figures in Korea’s jazz scene

**Signature Songs**  
Supernova (Jazz Ver.), 11:11 (Jazz Ver.), Prometheus

**Affiliated Label**  
SM Classics



**Min Jiwoon**  
debut | 2024. 10. 4.

A rising R&B singer-songwriter with a captivating voice and standout songwriting talent

**Signature Songs**  
Sentimental Love, If You Were The Rain(feat. Crush)

**Affiliated Label**  
KRUCIALIZE



# Artist Overview

## SM LABEL ARTIST



**IMLAY**  
debut | 2015. 2. 24.

A DJ and producer known for his innovative style that blends Eastern melodies, future bass, and pop sound Performed on major festival stages such as Heineken STADIUM, World DJ Festival, and Ultra Japan, and has established a strong foothold in the K-dance music scene through collaborations with top K-POP artists including NCT, EXO, and SHINee

**Signature Songs**  
Asteroid (Feat. YANGYANG of WayV), Too Good (Feat. CHENLE of NCT), STARDUST (Feat.XIAOJUN of WayV)

**Affiliated Label**  
ScreaM Records



**Mar Vista**  
debut | 2019. 10. 11.

A DJ and producer delivering high-energy house tracks  
“Recognized for releases through renowned house labels such as Nervous Records, Eton Messy, and Smashing TraxSupported by global artists including Mark Knight, Todd Terry, David Guetta, KETTAMA, DJ Heartstring, and Sam Alfred”

**Signature Songs**  
Start Me Up, P U M P

**Affiliated Label**  
ScreaM Records



**2Spade**  
debut | 2022. 11. 4.

A DJ and producer showcasing a bold and original style that fuses trap, bass, and hip-hop with danceable melodies  
His releases on prominent labels such as Barong Family, Sable Valley, and Dim Mak have earned support from major names like Yellow Claw and Flosstradamus

**Signature Songs**  
Ready to Die, Not Today

**Affiliated Label**  
ScreaM Records

# 2024 Awards and Recognitions

## Artists

## Company

### 2024 Melon Music Awards

Artist of the Year	aespa
Album of the Year	aespa
Best Song of the Year	aespa
Best Female Group	aespa
Best Male Group	RIIZE
Best Performance (Female)	aespa
Global Rising Artist	RIIZE
KakaoBank Everyone's Star Award	RIIZE
TOP 10	aespa, RIIZE
Millions TOP 10	TAEYEON, aespa, RIIZE

### 2024 MAMA AWARDS

SONG OF THE YEAR	aespa
BEST FEMALE GROUP	aespa
BEST DANCE	aespa
PERFORMANCE FEMALE GROUP	
BEST MUSIC VIDEO	aespa
BEST CHOREOGRAPHY	aespa
FANS' CHOICE MALE TOP10	NCT DREAM
FANS' CHOICE FEMALE TOP10	aespa
FAVORITE GLOBAL PERFORMER MALE	RIIZE

### 2024 Asia Artist Awards

Stage of the Year	NCT 127
Best Artist	SUHO, NCT 127, WayV, aespa
Best Choice	TEN, DOYOUNG
Potential Award	NCT WISH

### 2024 The Fact Music Awards

Grand Prize (Daesang)	aespa
Listener's Choice	aespa
Artist of the Year	aespa
Next Leader	NCT WISH

### 2024 Billboard International Power Players

Cheol Hyuk Jang - CEO  
Young Jun Tak - CEO/COO  
Sung Su Lee - CAO

### 2024 Billboard Indie Power Players

Cheol Hyuk Jang - CEO  
Young Jun Tak - CEO/COO

### 31st Corporate Innovation Awards

Received the Presidential Award from the  
Korea Chamber of Commerce and Industry

### Received Appreciation Plaque from Google Korea for "20th Anniversary Partnership"

Awarded a plaque of appreciation

### CSR Film Festival Awards

Received the Minister of Trade, Industry and  
Energy Award

### 2024 Korea Grand Music Awards

K-POP Legendary Artist	TVXQ!
Grand Song of the Year	aespa
Grand Honors Choice	aespa
Best Song Top 10	NCT DREAM, aespa, RIIZE
Best Group	RIIZE
Most Streamed Song Award	aespa
IS Rising Star	NCT WISH
Fan-voted Rookie Award	RIIZE
Producer of the Year	Young Jun Tak

### 2024 K-WORLD DREAM AWARDS

Best Artist	NCT 127, aespa
Main Award	NCT 127, aespa
Best Performance	NCT 127
Best Music Video	aespa
Super Rookie Award	NCT WISH
U+ Pick Group Popularity Award	EXO

### 39th Golden Disc Awards

Digital Song of the Year (Daesang)	aespa
Main Award (Digital Song Division)	TAEYEON, aespa
Main Award (Album Division)	NCT DREAM, aespa
Rookie of the Year	NCT WISH

### QQ Music DIANFENG Awards

Top Trend Group of the Year	WayV
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### Asia Star Entertainer Awards 2024

The Best New Artist	NCT WISH
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# 2024 ESG Highlights


KWANGYA Forest Phase 2

Following 2023, SM Entertainment established the second phase of the KWANGYA Forest in 2024 as part of its biodiversity conservation initiative in Seoul Forest. Located on the southern side of the Children's Garden, the 485m<sup>2</sup> forest features 58 species of shrubs and flowering plants, including rare species, protected wild flora designated by the Seoul Metropolitan Government, and climate indicator species. Rest areas designed to resemble tree stumps were installed, creating a space where visitors can relax and connect with nature.



Calculation of Greenhouse Gas Emissions from the Final Performance of the SMile Music Festival

The greenhouse gas emissions from the final performance of the SMile Music Festival, held on November 16, 2024, were calculated. This project was carried out in collaboration with the Asian Forest Cooperation Organization (AFoCO) and included emissions generated from audience and artist transportation and accommodation, food preparation and consumption, waste generation, and energy use.




Published the 10th Anniversary SMile Social Contribution White Paper

In celebration of the 10th anniversary of SMile, SM Entertainment's social contribution brand launched in 2014, the company published a comprehensive social contribution white paper. Over the past decade, SM has consistently operated key programs such as the SMile Community Volunteer Gorup, SMile Music Festival, and SMile for U campaign, working with more than 200 partner organizations to support over 90,000 individuals.




Human Rights Impact Assessment Conducted

After participating in the National Human Rights Commission of Korea's pilot program on human rights management in the private sector in 2022 and conducting an initial Human Rights Impact Assessment, SM Entertainment carried out a second assessment in 2024 based on external expert consultation. The scope of the 2024 assessment was broadened to include not only employees but also trainees and supply chain partners, focusing on stakeholders vulnerable to human rights risks.




Establishment of the Technology and Information Committee

:In 2024, SM Entertainment established the Technology and Information Committee under the direct oversight of the Chief Executive Officer (CEO).This committee oversees, coordinates, and evaluates company-wide resources and processes related to IT development, cybersecurity, systems, and infrastructure, with the goal of enhancing operational efficiency. The committee's leader also serves as the Chief Information Security Officer (CISO), further reinforcing the company's information protection and cybersecurity governance.



Retirement of Treasury Shares

In 2024, SM Entertainment retired a total of 477,274 treasury shares in two separate rounds, conducted in February and August, with a combined value of KRW 35.7 billion. Continuing this proactive shareholder return policy, the company retired an additional 458,937 shares in February 2025, valued at approximately KRW 40.3 billion.



# Sustainability Management Strategic Framework

In 2024, marking the third year since the launch of its sustainability management initiative, SM Entertainment redefined its Sustainability Management Strategic Framework. The updated framework aims to strengthen alignment with global sustainability guidelines and to more clearly articulate strategic tasks that support the achievement of the company’s sustainability goals.





# Sustainability Management Framework

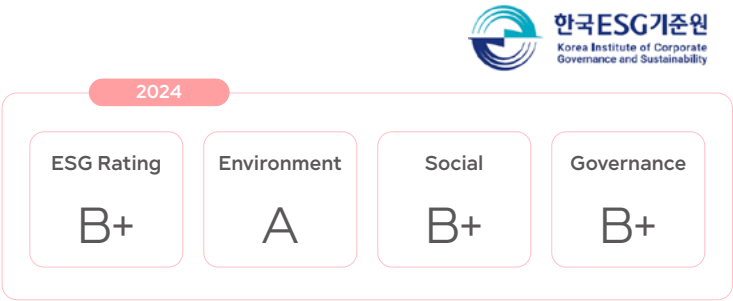
## Sustainability Management Governance

SM Entertainment has established a sustainability management governance framework built upon transparent and forward-looking corporate governance. Since 2023, the company has operated the Governance Committee, a subcommittee under the Board of Directors, which regularly reviews key sustainability-related agenda items. The committee is responsible for approving and overseeing mid- to long-term sustainability management policies and goals, ethical management practices, shareholder value enhancement strategies, and shareholder return policies. Notably, the Chair of the Board, Independent Director Jungbin Moon, is a professor at Korea University Business School and a recognized governance expert specialized in international business and ESG/sustainability management. Leveraging his expertise and experience, he plays a leading role in guiding SM Entertainment’s sustainability initiatives.

## Sustainability Management Governance Structure



Since 2022, SM Entertainment has operated a ESG Working Group to implement its sustainability management goals and strategic initiatives. Comprising leaders and representatives from relevant business units, the working group convenes regular meetings to promote sustainability management initiatives by identifying effective and specific sustainability management tasks, while sharing progress and outcomes. The matters discussed are reviewed by the Governance Committee under the Board of Directors and are subject to final board approval. In 2024, the Governance Committee held four sessions, during which it approved key activities such as the dividend payout and treasury share retirement, review of SM’s Sustainability Management Strategic Framework and Materiality Assessment, publication of the Sustainability Report, and additional retirement of treasury shares. SM Entertainment’s Sustainability Report and related materials are available on the company’s website, and the outcomes of external ESG evaluations are also disclosed to reflect the company’s ongoing commitment to advancing sustainability management.



## ESG Working Group Activities

(as of December 31, 2024)

Session	Date	Agenda
1	January 25, 2024	Sharing of strategies to advance SM’s ESG Management Framework and discussion on areas for improvement and execution plans
2	March 7, 2024	Presentation of double materiality assessment results and discussion of departmental action plans
3	March 28, 2024	Training on sustainability report preparation
4	April 5, 2024	Review and discussion of draft manuscript for the sustainability report (Online)
5	July 26, 2024	Review of SM’s Sustainability Report Discussion on future improvement tasks
6	November 14-15, 2024	Human rights impact assessment training for relevant departments
7	November 29, 2024	ISO 14001 environmental management system training for operational departments
8	December 11, 2024	Briefing on plans to establish a supply chain management framework



Operating the ESG Working Group

# Stakeholder Communication

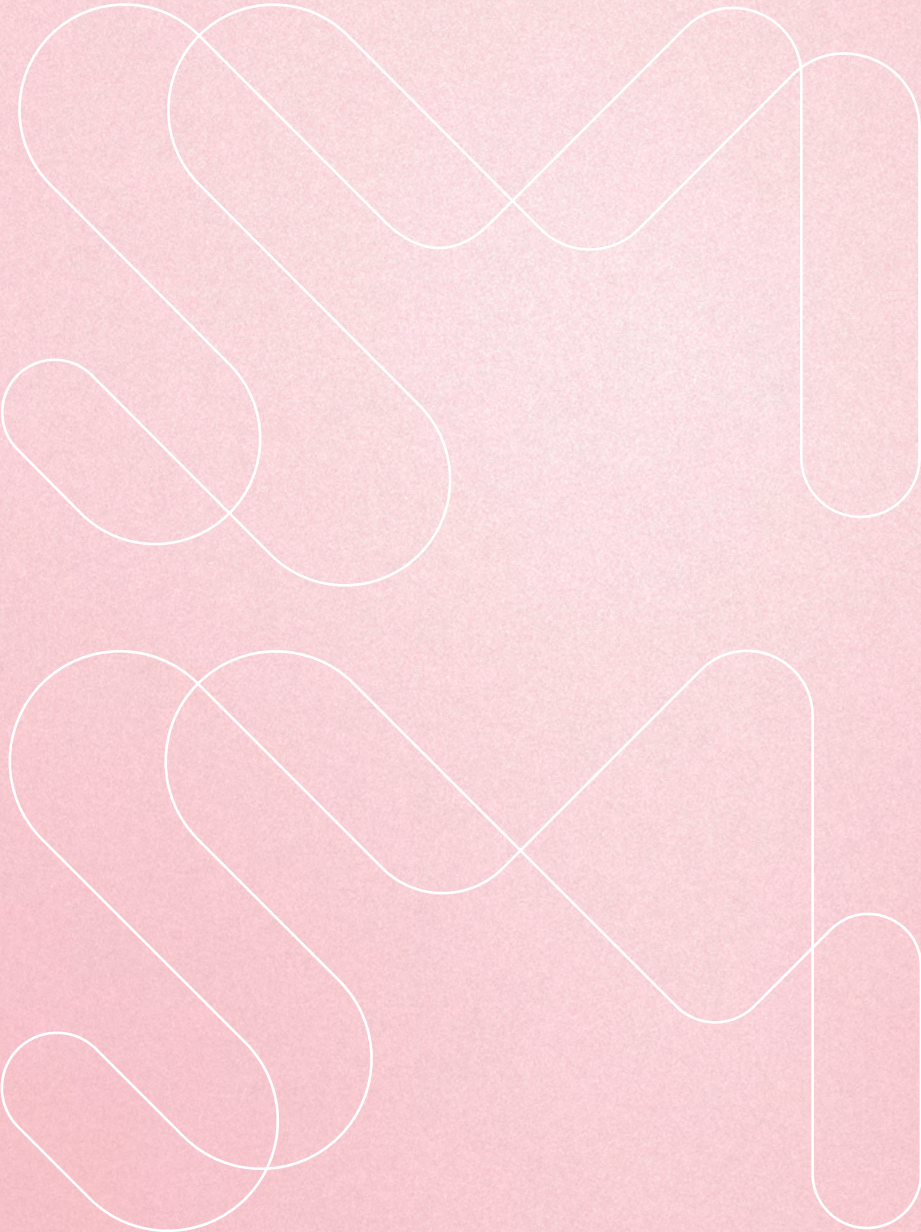
	<div></div> <div>Shareholders, Investors, and Analysts</div>	<div></div> <div>Media</div>	<div></div> <div>Customers</div>	<div></div> <div>Government and Local Government</div>	<div></div> <div>Institutions, Local Communities, and NGOs</div>	<div></div> <div>Employees</div>
Communication Channel	<ul style="list-style-type: none"><li>• SM Website (smentertainment.com)</li><li>• General Shareholders' Meeting</li><li>• Disclosure of Financial Information</li><li>• Corporate Briefings / Earnings Calls</li><li>• IR Meetings (on-site, virtual, email, phone, etc.)</li><li>• Participation in Domestic and Global NDRs and Conferences</li></ul>	<ul style="list-style-type: none"><li>• SM Website (smentertainment.com)</li><li>• Press Releases</li><li>• Corporate and Artist Social Media Channels</li></ul>	<ul style="list-style-type: none"><li>• SM Website (smentertainment.com)</li><li>• Corporate Social Media Channels</li><li>• SMTOWN App.</li><li>• KWANGYA 119</li><li>• Media Coverage</li></ul>	<ul style="list-style-type: none"><li>• SM Website (smentertainment.com)</li><li>• Corporate Social Media Channels</li><li>• Business Reports, etc.</li></ul>	<ul style="list-style-type: none"><li>• SM Website (smentertainment.com)</li><li>• Corporate and Social Contribution Social Media Channels</li><li>• Business Reports, etc.</li></ul>	<ul style="list-style-type: none"><li>• Labor-Management Council</li><li>• Intranet Bulletin Board</li><li>• Internal Grievance Handling System (email)</li></ul>
Response Activities	<ul style="list-style-type: none"><li>• Conducting general shareholders' meetings</li><li>• Disclosure of financial performance in accordance with reporting obligations</li><li>• Quarterly earnings announcements</li><li>• Public access to company information via the official website</li><li>• Active communication with domestic and global institutional investors, analysts, and individual investors through IR meetings</li><li>• Participation in domestic and international NDRs and conferences</li></ul>	<ul style="list-style-type: none"><li>• Distribution of press releases</li><li>• Responding to inquiries and information requests</li></ul>	<ul style="list-style-type: none"><li>• Uploading new content</li><li>• Posting key service announcements</li><li>• Enhancing fan satisfaction</li><li>• Collecting reports and feedback through KWANGYA 119 platform</li></ul>	<ul style="list-style-type: none"><li>• Participation in local corporate alliances</li><li>• Establishment of biodiversity forests</li><li>• Providing venues for public interest activities (in collaboration with Understand Avenue)</li><li>• Roundtable discussions</li></ul>	<ul style="list-style-type: none"><li>• Operation of social contribution programs</li><li>• Campaign partnerships and donations</li><li>• Roundtable discussions</li></ul>	<ul style="list-style-type: none"><li>• Hosting "Mingling Day"</li><li>• Announcing major corporate policies and guidance</li><li>• Conducting internal training programs</li><li>• Operating grievance handling mechanisms</li></ul>

# Implementation of the UN SDGs (Sustainable Development Goals)

SDGs	Target Goals	Key Achievements in 2024	Future Plans	Pages in the Report
 	<p><b>7.2)</b> By 2030, increase substantially the share of renewable energy in the global energy mix</p> <p><b>7.3)</b> By 2030, double the global rate of improvement in energy efficiency</p> <p><b>13.3)</b> Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning</p>	<ul style="list-style-type: none"><li>• Establishment of Environmental Management System: ISO 14001 Certification</li><li>• Reduction in energy consumption</li><li>• Transition of company vehicles to eco-friendly models (12.7%)</li></ul>	<ul style="list-style-type: none"><li>• Increase in the conversion rate of company vehicles to eco-friendly vehicles</li><li>• Development of climate change response scenarios</li><li>• Achievement of RE100 goals</li></ul>	p. 32-35
	<p><b>12.2)</b> By 2030, achieve the sustainable management and efficient use of natural resources</p> <p><b>12.5)</b> By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse</p> <p><b>12.6)</b> Encourage companies, especially large and transnational corporations, to adopt sustainable practices and to integrate sustainability information into their reporting cycles</p>	<ul style="list-style-type: none"><li>• Expansion of the production of albums and MDs using eco-friendly materials</li><li>• Upcycled MDs from concert banners (e.g., tumbler bags, keyrings)</li><li>• Discontinuation of album insert advertisements</li><li>• Hosting an upcycled artist costume exhibit and a flea market</li><li>• Publication of the 2023 Sustainability Report</li></ul>	<ul style="list-style-type: none"><li>• Increasing the proportion of albums and MD production using eco-friendly materials</li><li>• Utilization of recyclable materials in concerts and events</li><li>• Use of reusable packaging materials as alternatives to single-use items</li></ul>	p. 36-39
 	<p><b>14.1)</b> By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution</p> <p><b>15.4)</b> By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, to enhance their capacity to provide benefits that are essential for sustainable development</p>	<ul style="list-style-type: none"><li>• Creation of KWANGYA Forest Phase 2 for biodiversity conservation</li><li>• Environmental volunteer activities involving employees</li></ul>	<ul style="list-style-type: none"><li>• Expansion of eco-friendly campaigns and implementation of additional environmental projects</li><li>• Production of content delivering environmental awareness messages</li></ul>	p. 40-41, 73
	<p><b>8.5)</b> By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p>	<ul style="list-style-type: none"><li>• Fostering a workplace culture that respects diversity across employment, compensation, and operations</li><li>• Promotion of a non-discriminatory organizational culture regardless of gender, nationality, or disability</li><li>• Employment of persons with disabilities</li></ul>	<ul style="list-style-type: none"><li>• Increasing the proportion of women in management and executive positions</li><li>• Diversified training programs to enhance employee capabilities</li><li>• Enhanced employee welfare and benefits</li></ul>	p. 60-64
	<p><b>16.5)</b> Substantially reduce corruption and bribery in all their forms</p> <p><b>16.10)</b> Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements</p> <p><b>16.b)</b> Promote and enforce non-discriminatory laws and policies for sustainable development</p>	<ul style="list-style-type: none"><li>• Operation of personal data protection and cybersecurity systems</li><li>• Establishment of the Technology and Information Committee</li><li>• Implementation of human rights education</li></ul>	<ul style="list-style-type: none"><li>• Strengthened ethics and human rights education</li><li>• Reinforcement of data privacy and information security policies</li></ul>	p. 52, 65-66
 	<p><b>4.1)</b> By 2030, ensure that all girls and boys complete free, equitable, and quality primary and secondary education leading to relevant and effective learning outcomes</p> <p><b>4.2)</b> By 2030, ensure that all girls and boys have access to quality early childhood development, care, and pre-primary education so that they are ready for primary education</p> <p><b>17.16)</b> Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology, and financial resources to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries</p> <p><b>17.17)</b> Encourage and promote effective public, public-private, and civil society partnerships, building on the experience and resourcing strategies of partnerships</p>	<ul style="list-style-type: none"><li>• Provision of quality education<ul style="list-style-type: none"><li>- Operation of SMile Music Festival</li><li>- SMile for U Campaign</li><li>- SMile WoW Art School</li></ul></li><li>• Partnerships<ul style="list-style-type: none"><li>- Signed a social contribution agreement with the Korean Committee for UNICEF to support child education in Asia</li><li>- Participated in the social contribution network Happy Alliance</li><li>- Collaborated with YouthVoice for the SMile Music Festival</li><li>- Supported youth orchestras in partnership with Walking With Us Foundation</li><li>- Provided music education for children with cochlear implants in partnership with Samsung Medical Center</li><li>- Joined the UN Global Compact (UNGC)</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Provision of quality education<ul style="list-style-type: none"><li>- Expansion of the SMile Music Festival's education targets and fields</li><li>- Expansion of the SMile for U Campaign's target areas</li><li>- Development of new programs</li></ul></li><li>• Partnerships<ul style="list-style-type: none"><li>- Continued and strengthened existing partnerships</li><li>- Development of new partnerships</li></ul></li></ul>	p. 68-74



# ESG MANAGEMENT



Materiality Assessment	27
Environmental	31
Social	42
Governance	75

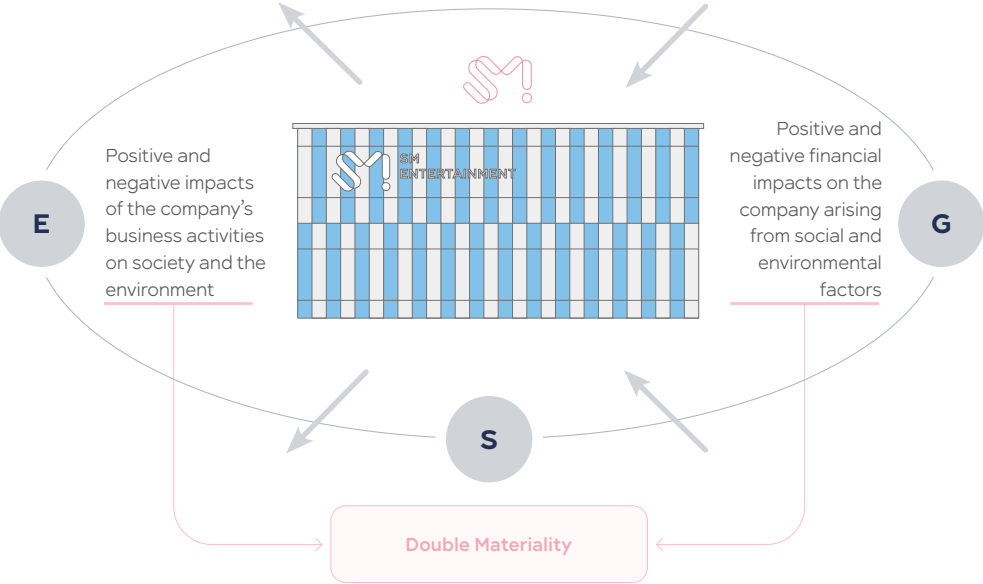


# Materiality Assessment

## Overview of the Double Materiality Assessment

SM Entertainment conducted a materiality assessment to identify and prioritize key sustainability management issues that significantly impact the company’s business activities. In 2024, SM’s materiality assessment was carried out using a Double Materiality approach, in accordance with the Materiality Assessment Implementation Guidance published by the European Financial Reporting Advisory Group (EFRAG).

※ The Double Materiality Assessment is a methodology that evaluates sustainability topics from two perspectives:(1) the impact of the company’s business activities on society and the environment, and(2) the financial impact of external sustainability-related factors on the company—both assessed with equal importance.



## Assessment Process

SM Entertainment’s materiality assessment was conducted in three stages: ① Identifying a long list of material issues through internal and external environmental analysis ② Conducting assessments on social and environmental impacts alongside financial impacts ③ Analyzing the short-, medium-, and long-term influence of each issue in terms of impact, risks, and opportunities



## Derivation of Long-List of Material Impact Topics

Environmental	Social	Governance
Establishment of Environmental Management System	Human Resource Management	Stakeholder Communication and Protection of Stakeholder Rights
Climate Change Response	Enhancement of Occupational Health and Safety	Transparent Disclosure of Information
Greenhouse Gas Emissions Management	Protection of Human Rights	Enhancement of the Board's integrity
Waste Generation Management	ESG Management and Shared Growth with Business Partners	Protection of Intellectual Property
Expansion of Environmentally Conscious Products and Services	Strengthening of Information Security	Risk Management
Protection of Natural Ecosystems	Improvement of Product and Service Quality and Safety	
	Improvement of Product and Service Quality and SafetyContribution to and Impact on Local Communities	Ethical Management and Compliance

# Materiality Assessment

## Impact / Risk / Opportunity Assessment

Based on the identified long list of material impact topics, SM Entertainment assessed both the social and environmental impact on stakeholders and the potential financial impact on the company. Social and environmental impact was evaluated by considering the degree of public attention (via media research, initiative requirements, and peer benchmarking) and business impact (through regulatory analysis and stakeholder surveys). To prioritize risk-related issues, greater weight was given to negative impacts over positive ones during the media research and stakeholder survey stages. The financial impact of external factors on SM Entertainment was assessed by categorizing risks and opportunities across short-, medium-, and long-term timeframes.

Social and Environmental Impact Assessment

- Assessment Period: February 4th-14th 2025 (10 days)
- Method: Online survey
- Participants: 176 stakeholders, including SM Entertainment employees, business partners, and investors
- Assessment Focus: Positive and negative outward impacts of SM Entertainment's business activities on society and the environment

Financial Impact Assessment

- Assessment Date: February 20, 2025
- Method: Online survey and expert FGI (Focused Group Interview)
- Participants: 7 SM Entertainment employees in charge of Group Accounting, Corporate Accounting, Treasury, and IP Strategy Operations departments
- Assessment Focus: Risk and opportunity factors associated with each material issue and their potential financial impact on SM Entertainment—measured by magnitude and likelihood across short-, medium-, and long-term time horizons

+

As a result of the assessment, a total of six high-priority material issues were identified for the short list, based on their high levels of public attention and business impact.

Environment	Social	Governance
Expansion of Environmentally Conscious Products and Services	Enhancement of Product and Service Quality and Safety	Protection of Intellectual Property
	Protection of Human Rights	
Waste Management	Strengthening of Information Security	

For each selected material issue, SM Entertainment identified the corresponding risk and opportunity factors that could have a financial impact on the company. This process was carried out through final review incorporating feedback from relevant personnel, based on media analysis and the company's financial statements from the past three years.The identified risks and opportunities are outlined as follows.

Material Topics	Risk	Factors
	Opportunity	
Enhancement of Product and Service Quality-Safety	R	<ul style="list-style-type: none"><li>Decline in market share due to deterioration in the quality of products, services, or content competitiveness</li><li>Legal penalties under laws such as the Serious Accidents Punishment Act resulting from safety incidents at concerts or filming locations, leading to reputational damage and legal costs</li></ul>
	O	<ul style="list-style-type: none"><li>Enhancement of market share through improved product and content competitiveness</li><li>Avoidance of unnecessary legal expenses through compliance with safety-related regulations</li></ul>
Protection of Human Rights	R	<ul style="list-style-type: none"><li>Reputational damage due to human rights violations involving employees or artists, potentially leading to legal issues</li><li>Loss of talent and weakened corporate competitiveness resulting from failure to protect employee rights</li></ul>
	O	<ul style="list-style-type: none"><li>Strengthened brand image and increased fan trust through assurance of artist rights and human rights protection</li></ul>
Expansion of Environmentally Conscious Products and Services	R	<ul style="list-style-type: none"><li>Negative perception of the company and its artists if albums, MDs, or performances are associated with adverse environmental impacts</li></ul>
	O	<ul style="list-style-type: none"><li>Improved brand image and fan sentiment through eco-friendly albums, MDs, and event production</li><li>Minimization of environmental impact in content production through sustainable practices</li></ul>
Protection of Intellectual Property	R	<ul style="list-style-type: none"><li>Loss of content competitiveness due to unauthorized leaks of artist creations</li><li>Legal expenses arising from issues such as copyright infringement or plagiarism</li></ul>
	O	<ul style="list-style-type: none"><li>Protection of creators' copyrights and artistic works strengthens content competitiveness</li><li>Prevention of additional legal costs through intellectual property protection</li></ul>
Waste Management	R	<ul style="list-style-type: none"><li>Increased disposal costs due to poor waste management</li></ul>
	O	<ul style="list-style-type: none"><li>Reduced costs and improved brand image through effective waste reduction efforts in album, MDs, and event production</li></ul>
Strengthening of Information Security	R	<ul style="list-style-type: none"><li>Violations of rights and social consequences arising from data breaches involving customers, artists, or employees</li><li>Reputational damage and increased costs for compensation and incident response following a data breach</li></ul>
	O	<ul style="list-style-type: none"><li>Prevention of unnecessary legal costs through robust protection of personal data belonging to artists, employees, and customers</li><li>Enhanced competitiveness of the company's content ecosystem through strengthened information security systems</li></ul>



# Materiality Assessment

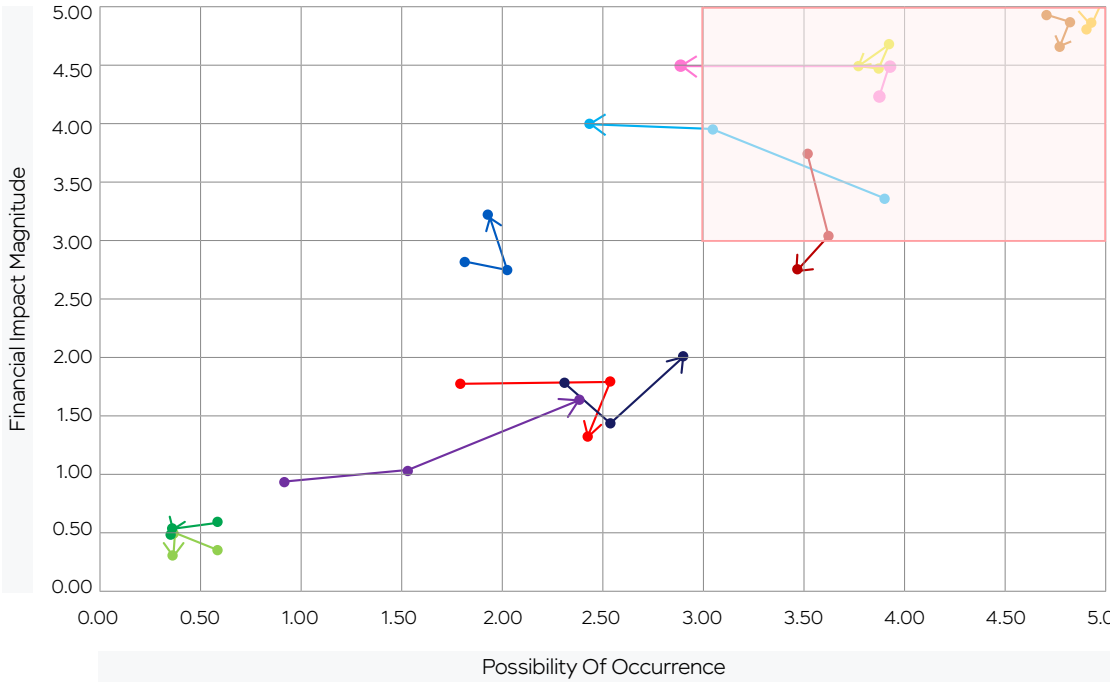
## Selection of Material Topics

SM Entertainment assessed the likelihood and financial impact of identified risks and opportunities across short · medium · long-term time horizons. To ensure the credibility of the assessment results, departments with subject-matter expertise—including Group Accounting, Corporate Accounting, Treasury, and IP Strategy & Operations—were directly involved in the evaluation process. The priority of each factor and its projected financial impact over time were visualized based on the temporal trajectory of risk and opportunity. Compared to the material issues identified in 2024, “Strengthening of Information Security” newly emerged as a key material topic.

Ranking	Material Topics	R/O	
1	Enhancement of Product and Service Quality and Safety (↑)	R	<div></div>
		O	<div></div>
2	Protection of Human Rights (→)	R	<div></div>
		O	<div></div>
3	Expansion of Environmentally Conscious Products and Services (↑)	R	<div></div>
		O	<div></div>
4	Protection of Intellectual Property (→)	R	<div></div>
		O	<div></div>
5	Waste Management (↑)	R	<div></div>
		O	<div></div>
6	Information Security Enhancement (New)	R	<div></div>
		O	<div></div>

## Material Risks and Opportunities

The material topics identified were reviewed by senior management and subsequently reported to the Governance Committee under the Board of Directors, as well as to the Board itself.





# Materiality Assessment

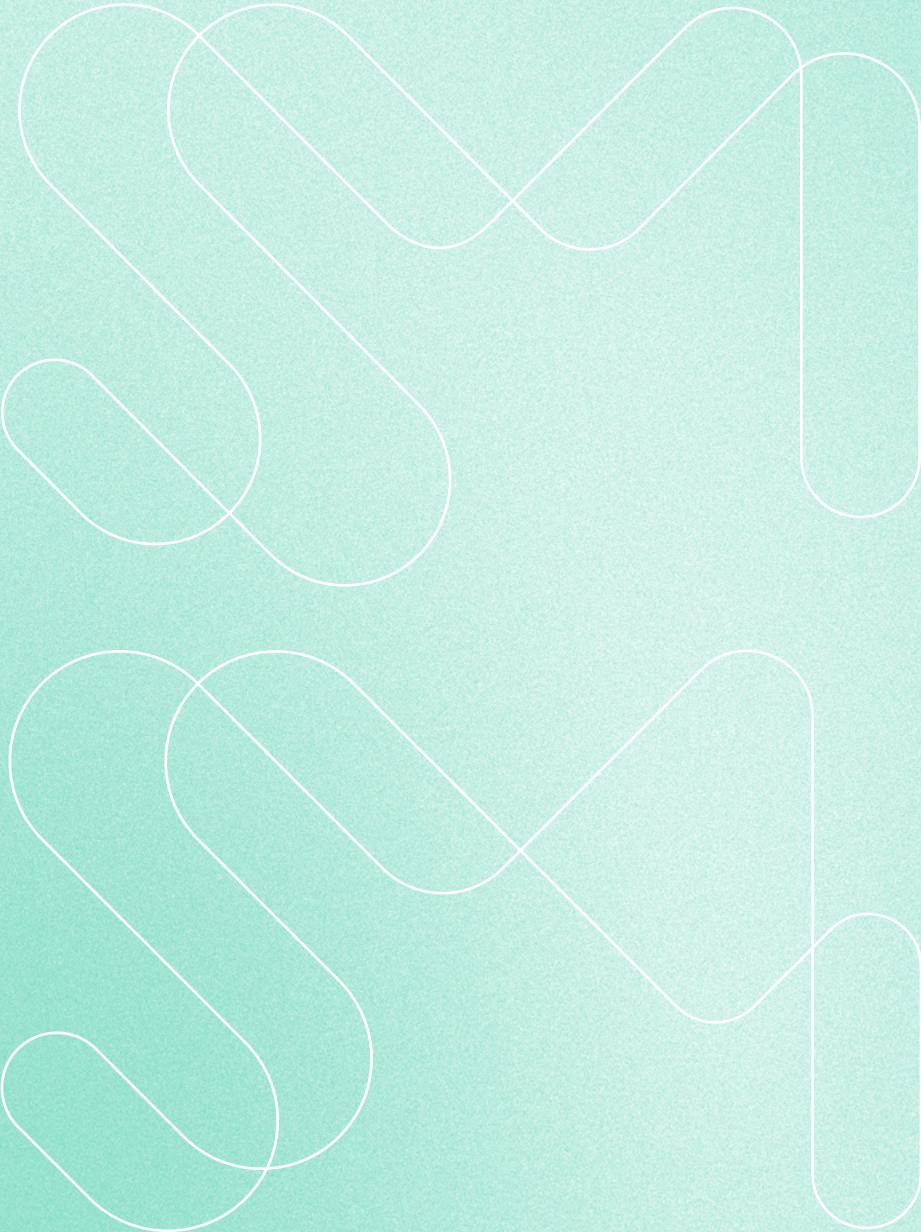
## Response Status and Key Outcomes

According to the results of the double materiality assessment, the issue of enhancing product and service quality · safety was identified as having a high level of financial impact across all time horizons—short · medium · long term—for both risk and opportunity factors. Similarly, both the risks and opportunities associated with human rights protection were assessed as financially significant throughout all time periods. The risks related to the expansion of environmentally conscious products and services and the protection of intellectual property were found to have high financial impact in the short and medium term, but are expected to diminish in materiality over the long term. As such, SM Entertainment plans to prioritize short-term responses to the risks and opportunities associated with product and service quality and safety, as well as human rights protection. In the medium to long term, the company will develop strategies to address the risks associated with expanding eco-friendly offerings and protecting intellectual property. Issues such as waste management and information security, which ranked relatively lower in priority, will be addressed through long-term planning and gradual implementation.

Ranking	Material Topics	Background and Definition	Response Strategies	2024 Key Achievements	GRI INDEX	Pages in the Report
1	Enhancement of Product and Service Quality and Safety	Need to strengthen the quality and safety of MDs, content, and live performances	<ul style="list-style-type: none"><li>Enhance content diversity and quality through the reinforcement of independent labels and the multi-production system</li><li>Strengthen safety management across production-related departments and the supply chain for MDs, content, and performances</li></ul>	<ul style="list-style-type: none"><li>Released commemorative content marking SM Entertainment’s 30th anniversary</li><li>Released over 1,500 albums and held more than 310 concerts in 2024</li><li>Zero safety incidents reported at concert venues and pop-up stores throughout 2024</li></ul>	403	p.43-49
2	Protection of Human Rights	Establishment of a human rights protection framework encompassing all stakeholders, including SM Entertainment employees, artists, trainees, and business partners	<ul style="list-style-type: none"><li>Conduct regular Human Rights Impact Assessments to identify human rights risks and implement improvement measures</li></ul>	<ul style="list-style-type: none"><li>Completed the UNGC Business &amp; Human Rights Accelerator Program</li><li>Renewed the KWANGYA 119 site and expanded its scope to address artist-related human rights issues</li><li>Company-wide expansion of psychological counseling programs for employees</li><li>Conducted a Human Rights Impact Assessment targeting employees, trainees, and supply chain stakeholders</li></ul>	406-1	p.50-56
3	Expansion of Environmentally Conscious Products and Services	Incorporation of environmentally friendly practices in the production of MDs, content, and performances	<ul style="list-style-type: none"><li>Expand the use of eco-friendly raw and subsidiary materials and provide training and support to partner companies</li></ul>	<ul style="list-style-type: none"><li>Participated in the Korea Creative Content Agency’s research project on ESG guidelines for environmentally responsible content production</li><li>Produced albums and paper-based MDs using Forest Stewardship Council (FSC)-certified paper</li><li>Adopted UV-coated paper using soybean oil-based ink and no volatile organic compound (VOC) emissions</li></ul>	306	p.36-37
4	Protection of Intellectual Property	Prevention of IP leakage, plagiarism, and unauthorized use of music, content, and MDs	<ul style="list-style-type: none"><li>Broaden the scope of domestic and international trademark/design registrations and establish a system for monitoring and cracking down on counterfeit products</li></ul>	<ul style="list-style-type: none"><li>Renewed KWANGYA 119 platform to receive reports on copyright infringement and illicit ticket sales, linked with relevant departments</li></ul>	Non-GRI	p.78-79
5	Waste Management	Minimization of waste generation across albums, MDs, and performances	<ul style="list-style-type: none"><li>Manage waste output and pursue diverse reuse initiatives such as costume upcycling and resale</li></ul>	<ul style="list-style-type: none"><li>Discontinued printed advertisements in albums as of April 2024</li><li>Researched and piloted upcycled MDs using discarded banners from performances</li><li>Created new products by upcycling artist costumes</li><li>Hosted the “SMTOWN Flea Market” in December 2024</li></ul>	306	p.38-39
6	Strengthening of Information Security	Development of a security system to protect the personal information of SM Entertainment employees, artists, trainees, and customers	<ul style="list-style-type: none"><li>Establish and implement company-wide information security policies and strengthen employee awareness through training and engagement initiatives</li></ul>	<ul style="list-style-type: none"><li>Established the Technology and Information Committee in 2024</li><li>Developed and implemented an internal personal data management plan</li><li>Established internal guidelines on the use of generative AI</li></ul>	418-1	p.65-66



# ENVIRONMENTAL



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Link to UN SDGs





# Environmental Management System

SM Entertainment is committed to addressing climate change and protecting the environment as part of its pursuit of long-term sustainability. Since obtaining ISO 14001 certification for its environmental management system in 2022, the company has undergone annual surveillance audits to maintain and improve its practices. By establishing and upholding an environmental management framework, SM strives to identify and implement ways to minimize negative environmental impacts across its entire business value chain.

## Environmental Management Policy

SM Entertainment seeks to protect the environment throughout its business operations while promoting sustainable development. To this end, the company has established and adheres to its official Environmental Management Policy.

### 환경경영방침

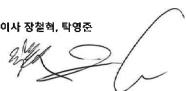
SM Entertainment는 Culture Technology를 기반으로 최고의 문화 콘텐츠와 IP를 창조하는 기업으로서 사람들에게 감동을 전달하고, 한국의 문화를 세계에 알려 경제 성장은 물론 사람들의 삶을 풍요롭게 만드는 데 기여하고자 환경경영을 실행하고 방침을 수립합니다.

- 01 우리는 환경오염 예방을 위하여 폐기를 비롯한 감축을 감축합니다.
  - 자원과 소재를 사용한 폐기물 구조 상충을 제거하고 폐기물을 재활용하고 배출을 감축합니다.
  - 사내 일회용품 사용을 줄이기 위해 대체품을 설치하여 사용하지 않습니다.
  - 친환경 공연으로 공연장의 폐기물 발생을 감축합니다.
- 02 우리는 환경을 보호하고 기후변화에 대응하기 위하여 최선을 다합니다.
  - 온실가스 배출을 최소화하기 위해 에너지 효율을 높입니다.
  - 친환경 차량을 이용하여 전기사용량을 줄이고 온실가스 배출을 감축합니다.
  - 친환경 에너지 사용방법을 개발하고 사용하여 탄소배출 저감을 기여합니다.
- 03 우리는 자연생태계 보호를 위하여 노력합니다.
  - 자연생태계 보호를 위한 기금을 조성합니다.
  - 임직원 및 내빈들이 자연생태계 보호 캠페인에 적극 참여합니다.
- 04 우리 임직원 및 아티스트와 협력사 임직원은 환경법규 및 그 밖의 준수사항을 준수합니다.
- 05 우리 임직원 및 아티스트와 협력사 임직원은 환경성과 향상을 위하여 환경경영시스템을 지속적으로 개선합니다.

2024년 3월 31일



SM Entertainment 공동대표이사 장철혁, 박영준



Environmental Management Policy

## Environmental Management Governance Structure

To embed environmental responsibility into its corporate culture, SM Entertainment has established a decision-making and implementation framework for environmental management. The Governance Committee, under the Board of Directors—the company's highest decision-making body—oversees and approves key environmental initiatives. The Chief Executive Officer (CEO) serves as the accountable leader for environmental management, reviewing and making final decisions on major issues. The General Business Support Unit leads the environmental management function and works closely with the ESG Working Group and relevant business departments to ensure the integration and execution of environmentally responsible practices across the organization.

### Environmental Management Decision-Making and Execution Framework



# Environmental Management System

## Establishment of Environmental Management System

SM Entertainment has established its foundational environmental management framework through ISO 14001 certification. Each department has set mid- and short-term goals and implementation plans, accompanied by relevant training programs. Under this system, the company actively works to conserve resources, reduce waste, and protect nature and ecosystems.

Period	Content
2022	• ISO 14001 Certification Audit and Acquisition
2023	• ISO Surveillance Audit
2024	• ISO System Implementation and Follow-up Audit • Environmental Management System Training

## Environmental Management Goals and Details

Through its environmental management system, SM Entertainment regularly evaluates operational performance and identifies areas for improvement. Collaborative planning and execution are carried out in coordination with relevant departments. Given the nature of the entertainment business, where corporate vehicles account for a significant portion of operations, the company plans to gradually increase the proportion of eco-friendly vehicles. In addition, SM is setting mid- to long-term goals and implementing phased efforts to help key partner companies establish their own environmental management frameworks.

Category	2024 Achievements	Mid-to-Long-Term Goals
Environmental Management System Operation	• Operation and maintenance of ISO management system	• Support for environmental management system implementation among key partner companies
Reduction of Greenhouse Gas Emissions	• 12.7% share of eco-friendly vehicles • Internal energy reduction campaign implemented	• Increase the proportion of eco-friendly vehicles
Resource Conservation and Waste Reduction	• Tumbler usage campaign conducted • Production of MD using eco-friendly materials	• Reduce landfill/incinerated waste and increase the use of eco-friendly and recycled materials
Nature and Ecosystem Protection	• Environmental protection activities carried out by employees • KWANGYA Forest established and maintained	• Increase participation of employees and artists in environmental protection activities • Expand the KWANGYA Forest initiative

## Environmental Training Provided

Period	Training Topics	Number of Participants
Jan.	• Carbon emission reduction strategies	17
Mar.	• Environmental management status review and planning by department - Session 1	27
	• Environmental management status review and planning by department - Session 2	19
Jul	• Review of industry best practices and derivation of applicable strategies • Discussion of second-half departmental plans	23
Nov	• Review and planning of environmental management system implementation progress	7



Environmental Training Session

# Reduction of Greenhouse Gas Emissions and Energy Consumption

SM Entertainment monitors and manages greenhouse gas emissions and energy consumption generated from its business activities in response to the climate crisis. In particular, we strive to contribute to greenhouse gas reduction by identifying emissions generated during the production and transportation of our key product, albums, and managing them continuously.

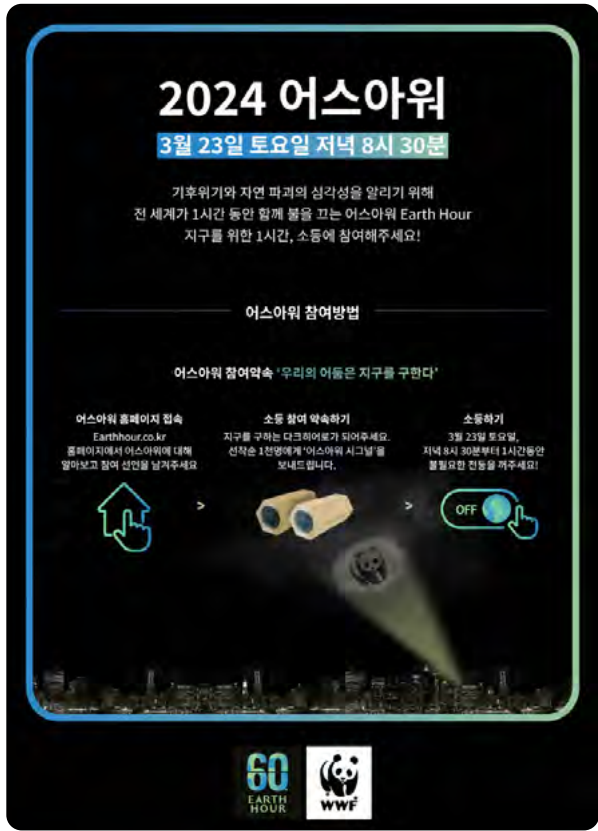
## Energy Consumption Status

GRI No.	Indicator	Sub-Indicator		Unit	2022	2023	2024
302-1	Energy consumption within the organization	Energy Consumption	Electricity	TJ	24.8	10.2	10.7
			Heating Fuel (LNG)	TJ	5.3	4.3	9.8
			Kerosene	TJ	2.8	3.1	3.4
			Diesel	TJ	4.3	5.8	4.2
302-3	Energy Intensity	-		TJ / KRW 100M	0.0070	0.0040	0.0042

## Greenhouse Gas Emissions

GRI No.	Indicator	Sub-Indicator		Unit	2022	2023	2024
305-1	Direct Greenhouse Gas Emissions (Scope 1)	-		tCO <sub>2</sub> -eq	757.1	834.1	1,019.4
305-2	Indirect Energy-Related GHG Emissions (Scope 2)	-		tCO <sub>2</sub> -eq	1,185.5	489.1	511.8
305-3	Other Indirect GHG Emissions (Scope 3)*	Category 1: Purchased Goods and Services		tCO <sub>2</sub> -eq	-	-	1,860.8
		Category 4: Upstream Transportation		tCO <sub>2</sub> -eq	-	-	10.0
305-4	GHG Emissions Intensity	-		tCO <sub>2</sub> -eq / KRW 100M	0.38	0.21	0.23

\*Scope 3 emissions are unverified figures



### Participation in Earth Hour 2024

Since 2023, SM Entertainment has been participating in Earth Hour, a global campaign for our planet facing the climate crisis, encouraging voluntary participation from employees.

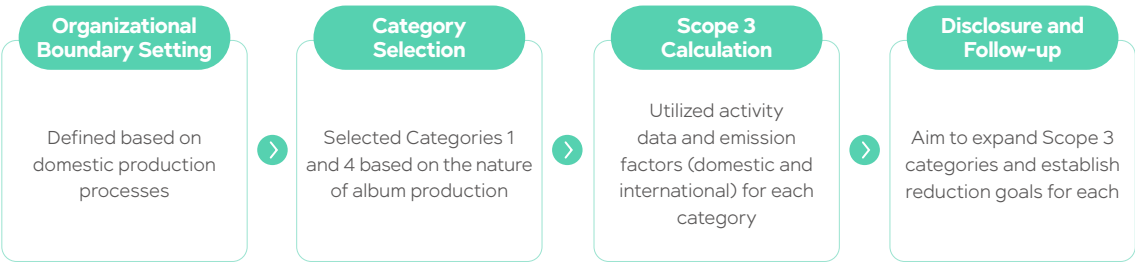


# Reduction of Greenhouse Gas Emissions and Energy Consumption

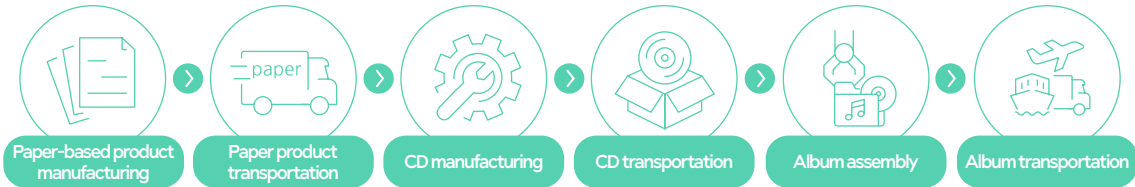
## Estimation of Greenhouse Gas Emissions from Album Production

SM Entertainment has calculated Scope 3 emissions in an effort to manage and reduce greenhouse gas emissions associated with the production and transportation of albums. For 2024, the company selected the best-selling album of the year and assessed emissions from its production and transportation processes. Based on the GHG (Greenhouse Gas) Protocol, upstream emission sources were categorized into Category 1 (Purchased Goods and Services) and Category 4 (Upstream Transportation and Distribution). The assessment revealed that Category 1 emissions accounted for 99.4% of total emissions, highlighting the significance of emissions from purchased goods and services. In addition to monitoring direct and indirect emissions (Scope 1 and 2), SM Entertainment plans to gradually expand the scope of Scope 3 categories to comprehensively manage emissions related to its product lifecycle.

### Scope 3 Calculation Process



### Album Production Process



## Calculation Results of Greenhouse Gas Emissions from Album Production

### Estimation target and scope

- Carbon emissions generated during the production and transportation of SM Entertainment's representative album in 2024
- Based on upstream emission sources, emissions in Categories 1 and 4 were calculated according to the Greenhouse Gas (GHG) Protocol

### Input variables and assumptions

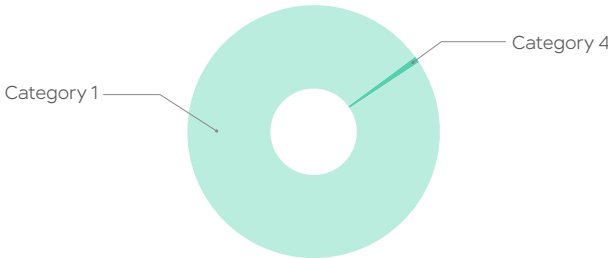
#### Category 1 (Purchased Goods and Services): Album Production

- Activity Data: CD and paper consumption, energy usage by production process, etc.
- Emission Factor: Ecoinvent

#### Category 4 (Upstream Transportation and Distribution): Album Transportation

- Activity Data: Transportation locations, transportation methods, etc.
- Emission Factor: Ecoinvent

### Emission calculation results



## Expansion of Environmentally Conscious Products and Services

SM Entertainment is committed to reducing waste generated from its products and services through the research and development of eco-friendly materials. The company produces paper-based products using sustainable materials and actively incorporates environmentally conscious practices in content production and concert planning.

### Use of Sustainable Materials

Since the release of NCT DREAM's 2nd repackaged album Beatbox in May 2022, SM Entertainment has been producing albums and MDs using materials selected with consideration for the environment, ethics, and sustainability. Sustainably sourced paper—derived from responsibly managed forests—was used in 4 albums in 2022, 23 albums in 2023, and 17 albums in 2024. In addition, the company has increased the use of UV-coated materials free of volatile organic compounds (VOCs) and soybean oil-based ink in MDs production.

### Research and Development of Eco-Friendly Materials

#### SM BRAND MARKETING

SM BRAND MARKETING, a key subsidiary of SM Entertainment, manages the planning, production, and distribution of MD utilizing artist intellectual property (IP). In line with ESG principles, the company promotes environmental initiatives across offices and retail spaces. It addresses climate change by improving indoor environments, conserving energy, promoting recycling, reducing paper use, and adopting eco-friendly materials to manage greenhouse gas emissions.

#### SM Life Design Group

SM Life Design Group, another major subsidiary of SM Entertainment, operates in printing, logistics, and studio rental businesses. Amid the growing global demand for K-POP albums and MDs, the company is integrating ESG practices into its operations. Efforts include developing recyclable paper and bio-based materials, promoting environmentally friendly production processes, and expanding the adoption of sustainable materials to enhance global competitiveness.



Albums and MD made with sustainable materials



Use of sustainable materials for shipping boxes

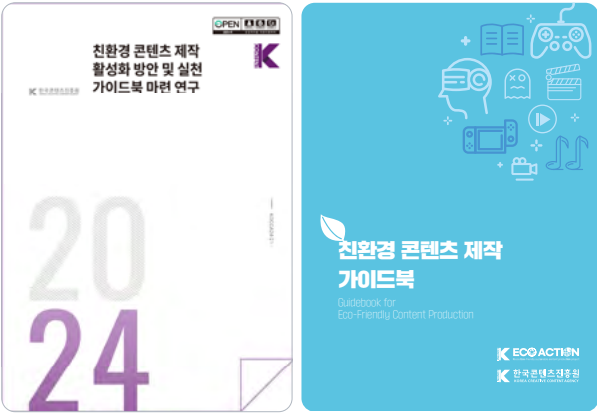


# Expansion of Environmentally Conscious Products and Services

## Efforts to Produce Environmentally Conscious Content

### Participation in Content Carbon Emissions Calculator Research

In 2023 and 2024, SM Entertainment participated as an advisor in research projects led by the Korea Creative Content Agency (KOCCA) aimed at supporting eco-friendly production within the industry. The company shared its content production environments, processes, emissions reduction initiatives, and long-term goals, contributing to the development of a practical guide tailored to content production sites. Building on this foundation, SM will join KOCCA's 2025 research project titled "Development of a Carbon Emissions Calculator for Performances and Events in the Eco-Friendly Content Industry" as a co-research partner. The project aims to reflect the unique characteristics of the entertainment industry and build industry-wide capabilities in responding to the climate crisis and promoting sustainable production practices.



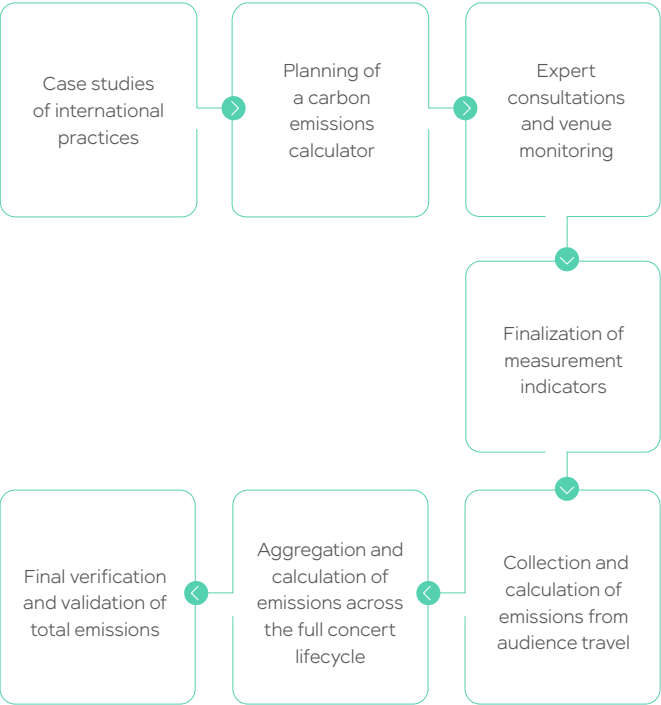
### Establishment of Eco-Friendly Content Production Practices

SM Entertainment is committed to minimizing environmental impact in the filming and production of broadcast content and music videos. In particular, for outdoor shoots, the company adheres to a strict policy of waste separation and site restoration. It also manages props through designated storage areas per department, applying clear disposal criteria to encourage reuse and minimize waste.

## Measurement of Greenhouse Gas Emissions at Concert Venues

Starting with the 2024 SMile Music Festival, SM Entertainment began measuring greenhouse gas emissions generated during its performances. The company developed a detailed list of emission measurement items across the concert lifecycle, verifying their appropriateness through expert consultation and on-site monitoring. To enhance accuracy, concerts are categorized by scale—large, medium, and small—and actual emissions are used to establish reduction targets and phased strategies toward achieving carbon neutrality.

### Greenhouse Gas Emissions Measurement Process



On-site carbon footprint measurement guide

### Performance-Specific Survey Items

Concert	Measurement Items
2024 SMile Music Festival*	<ul style="list-style-type: none"><li>Travel and accommodation of artists, staff, and audience</li><li>Waste, staff food and beverage, electricity consumption, etc.</li></ul>
SMTOWN LIVE 2025 [THE CULTURE, THE FUTURE] in SEOUL	<ul style="list-style-type: none"><li>Audience travel and accommodation</li></ul>
2025 aespa LIVE TOUR-SYNK : PARALLEL LINE-ENCORE	<ul style="list-style-type: none"><li>Stationary and mobile combustion</li><li>Artist and staff travel</li><li>Staff food and beverage, consumables</li><li>Equipment usage, promotion and marketing</li><li>Waste treatment</li></ul>

\*Conducted in partnership with the Asian Forest Cooperation Organization (AFoCO)



# Waste Management and Environmental Protection Activities

SM Entertainment monitors the volume of waste and recyclable materials generated at its headquarters and actively runs in-house campaigns aimed at reduction. Employees are encouraged to use tumblers and to sort waste appropriately. The company also hosted a well-received internal flea market for employees. When handling confidential waste, designated disposal zones are allocated by department and materials are discarded according to strict disposal criteria. In addition, to reduce paper use and overall waste associated with album production, the company discontinued the inclusion of printed advertisements in albums starting in 2024.

## Waste Generation and Recycling Volumes

Category	Unit	2022	2023	2024
Waste Disposal Volume	ton	67.5	44.4	48.8
Recycled Waste Volume	ton	31.1	35.9	33.4
Total Waste Generated	ton	98.6	80.3	82.3

## Internal Campaigns

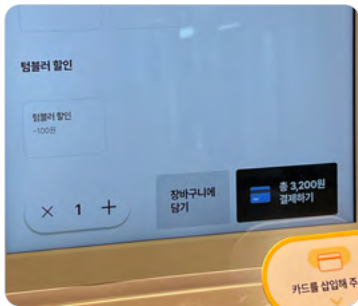
To reduce the use of disposable cups, SM Entertainment installed cleaning machines that allow employees to easily wash their tumblers and personal cups. The company also promotes tumbler usage through distribution events and initiatives that encourage employees to share their experiences.



Tumbler cleaning machine



Tumbler distribution event



Tumbler discount program



Tumbler usage guidelines

## SMTOWN FLEA MARKET

In December 2024, SM Entertainment hosted the SMTOWN FLEA MARKET for employees and donated all proceeds and clothing items to the Miral Welfare Foundation to support job creation and independence for people with disabilities. Held at Under Stand Avenue in Seoul Forest, the event went beyond simple donation and purchase, serving as a platform to promote the value of sharing and support for inclusive employment. A total of 10,204 donated items were reused, leading to an estimated savings of 27.55 million liters of water (equivalent to 11 Olympic-sized swimming pools) and a reduction of 71.43 tons of carbon emissions (equivalent to the annual emissions of 15 cars or the planting of 3,247 trees).



Flea market on-site event

Event poster

# Waste Management and Environmental Protection Activities

## Artist Outfit Upcycling

SM Entertainment meticulously manages the entire process of handling artists' stage outfits—from procurement to storage—while also exploring ways to upcycle these garments. At the 2024 Catwalk Global Trend Festa, stage outfits worn by TVXQ!, Girls' Generation, Red Velvet, NCT 127 X NCT DREAM, and aespa were reinterpreted and showcased through upcycling. Under the theme TIME TO STAGE, the exhibition transformed outfits worn during the artists' most radiant moments on stage into works of art. Artists Kim Ki-ra, Sasha Pollet, Lee Jae-yi, Han Yohan, and Hong Seung-hye participated in the project, adding depth to its meaning. Through this upcycling initiative, SM aimed to convey a message of sustainability.

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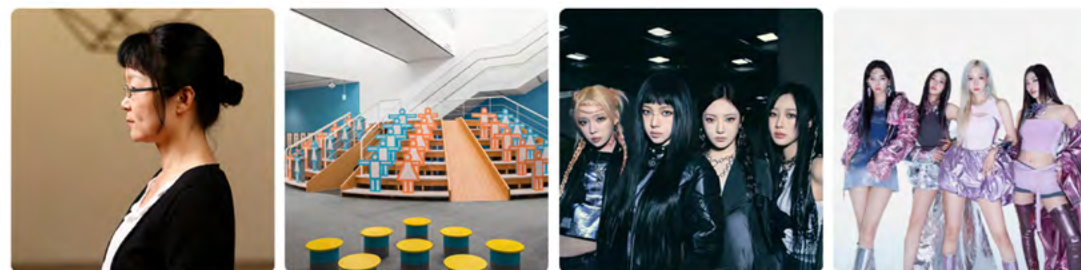
### 3. Lee Jae-yi (NCT 127 X NCT DREAM) / This Might Be [ ]



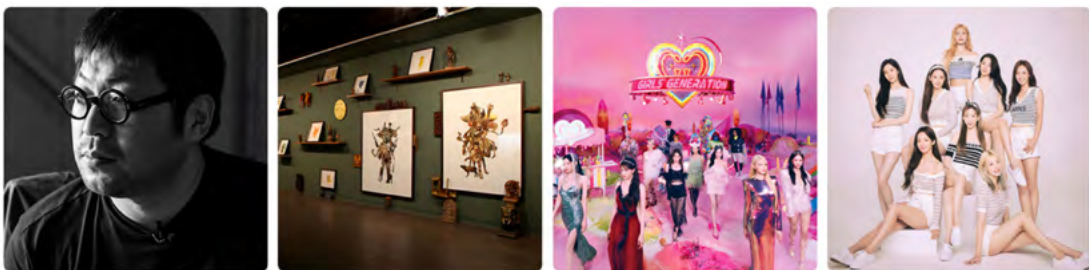
### 4. Han Yohan (Red Velvet) / Laundry Sequencer 4



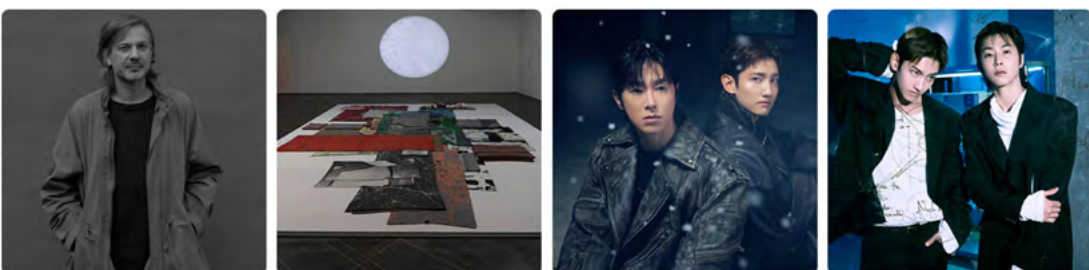
### 5. Hong Seung-hye (aespa) / Little aespa



### 1. Kim Ki-ra (Girls' Generation) / Genie



### 2. Sasha Pollet (TVXQ!) / SKIN





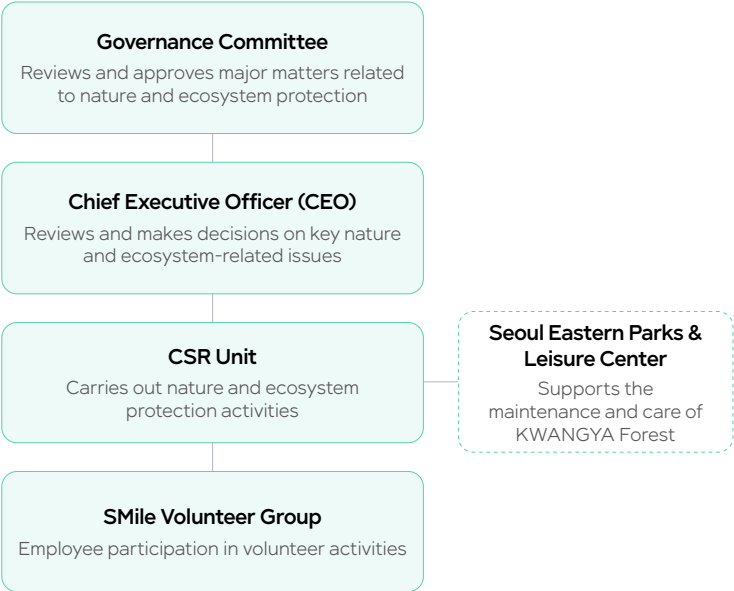
# Conservation of Nature and Ecosystems

SM Entertainment explicitly states its commitment to the protection of nature and ecosystems in both its Environmental Management Policy and Ethical Code of Conduct. The company also identifies environmental conservation as a core value within its social contribution framework and actively carries out related initiatives.

## Nature and Ecosystem Protection Structure

SM Entertainment’s Governance Committee, under the Board of Directors—the company’s highest decision-making body—reviews and approves major matters related to nature and ecosystem protection. The Chief Executive Officer (CEO), as the head of environmental management, receives reports on and makes decisions regarding key environmental and ecological issues. The CSR Unit oversees execution, including the creation and maintenance of the KWANGYA Forest through a partnership agreement with the Seoul Metropolitan Government. The SMile Volunteer Group, composed of employees, actively participates in nurturing the forest and engaging in biodiversity protection efforts.

### Nature and Ecosystem Protection Decision-Making and Execution Framework



## KWANGYA Forest

In April 2023, SM Entertainment established KWANGYA Forest, an ecological garden designed to conserve urban biodiversity. The garden is primarily planted with native species, including those listed on the IUCN Red List and protected by the Seoul Metropolitan Government. Regular volunteer activities by SMile Gardening Volunteers—part of the company’s internal CSR initiative—support habitat observation and maintenance. In recognition of its contribution, SM Entertainment received the Grand Prize at the 2023 Seoul Green City Awards, and the site continues to attract attention from both experts and the public. In April 2025, KWANGYA Forest No. 3 was newly created with an expanded focus beyond biodiversity preservation to include ecosystem services such as soil carbon sequestration, rainwater retention, and soil conservation. Through a regenerative gardening approach that aims to restore degraded land in harmony with nature, the initiative will promote awareness of the value and importance of ecosystems and biodiversity. SM Entertainment remains committed to advancing biodiversity efforts through KWANGYA Forest and related initiatives.



## A Year in KWANGYA Forest



**Spring - A Seasonal Destination**  
As a seasonal highlight within Seoul Forest, KWANGYA Forest became a popular spring destination filled with blooms such as Corydalis, Adonis, and Primrose, loved by children and adults alike.



**Summer- Home of the Narrow-Mouthed Toad**  
The adjacent rain garden became a breeding ground for the endangered Level 2 species, the narrow-mouthed toad (Kaloula borealis), highlighting the forest’s ecological importance.



**Autumn - Pruning for Spring**  
Autumn blooms such as the Pink Dianthus, Monkshood, and Korean Wild Mint filled the garden. Together with the SMile Gardening Volunteers, the team pruned overgrown branches in Zone 1 to improve the growing environment.



**Winter - Feeding Stations for Birds**  
While insects and plants nestled beneath fallen leaves for winter, feeding stations were installed to support migratory and resident birds spending the season in Seoul Forest.



# Conservation of Nature and Ecosystems

## Sharing Activities in KWANGYA Forest

As of 2025, marking its third year, SM Entertainment’s KWANGYA Forest continues to receive steady interest from both experts and the public. In the summer of 2024, at the Companion Charm Garden Vision Sharing Forum hosted by the Seoul Metropolitan Government’s Garden and Urban Forest Department, the forest’s biodiversity and garden concept were introduced to city officials through a presentation by Studio Supernova, which was responsible for the design and construction of the forest. Subsequently, the initiative was further showcased at a seminar hosted by the Korean Institute of Landscape Architecture and during a talk session at the 2024 Seoul International Garden Expo. KWANGYA Forest has also served as a field case study for researchers from the Korea National Arboretum and has been incorporated into a variety of programs within Seoul Forest, offering a shared platform for interaction with both professionals and the community.

Category	2023 Achievements	2024 Achievements	2025 Plans
KWANGYA Forest Development and Management	<ul style="list-style-type: none"><li>• Completion of KWANGYA Forest No. 1 and regular employee volunteer activities</li><li>• Awarded Grand Prize at the Seoul Green City Awards</li></ul>	<ul style="list-style-type: none"><li>• Completion of KWANGYA Forest No. 2 and continued volunteer engagement</li><li>• Increased interest from local communities and experts</li></ul>	<ul style="list-style-type: none"><li>• Completion of KWANGYA Forest No. 3 and ongoing volunteer involvement</li><li>• Research on soil restoration benefits from garden development</li></ul>
Contribution to Biodiversity Conservation and Sustainability	<ul style="list-style-type: none"><li>• Planted diverse native species including threatened and vulnerable species designated by the Korea Forest Service (e.g., <i>Shortia uniflora</i>, <i>Neofinetia falcata</i>)</li><li>• Restoration of soil conditions damaged by trampling</li></ul>	<ul style="list-style-type: none"><li>• Planted native species such as <i>Zanthoxylum piperitum</i> and <i>Asarum sieboldii</i></li><li>• Continued soil restoration</li><li>• Designated as a critical habitat for the Level 2 endangered species <i>Kaloula borealis</i> (narrow-mouthed toad)</li></ul>	<ul style="list-style-type: none"><li>• Alleviation of soil compaction through organic matter supplementation, planting of saplings and earthworms</li><li>• Continued ecological management of zones created in 2023-2024</li></ul>
Promotion of Nature and Ecosystem Protection Culture	<ul style="list-style-type: none"><li>• Conducted biodiversity conservation training for employees</li><li>• Observed diverse flora and fauna within Seoul Forest</li></ul>	<ul style="list-style-type: none"><li>• Introduced at major events such as the Companion Charm Garden Vision Sharing Forum (Seoul), Korean Institute of Landscape Architecture Seminar, and the 2024 Seoul International Garden Expo Talk Show</li><li>• Visited by researchers from the Korea National Arboretum</li><li>• Featured in Seoul Forest programs (e.g., garden tours, docent-led activities)</li></ul>	<ul style="list-style-type: none"><li>• Execution of biodiversity conservation campaigns</li></ul>

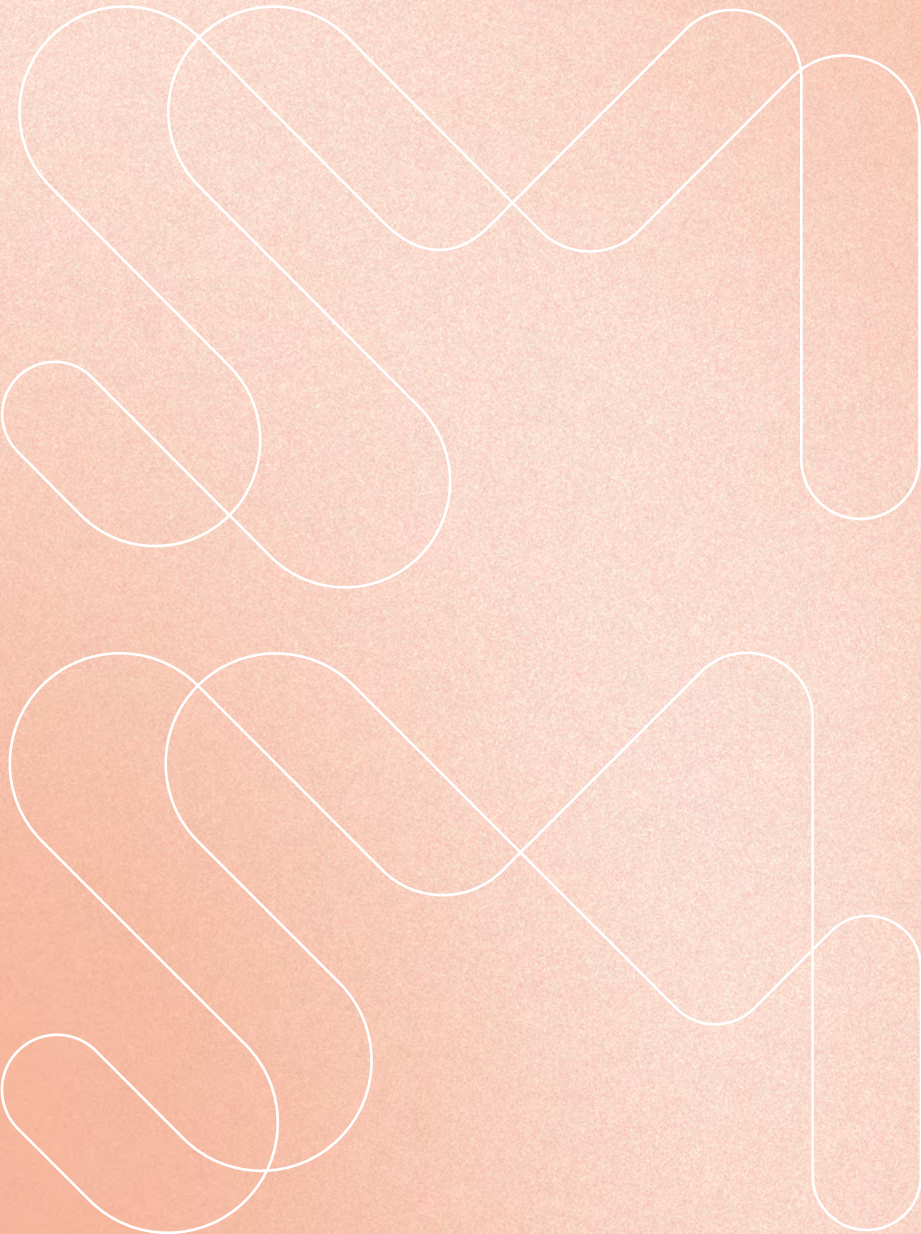


2024 Seoul Garden & Urban Forest Department - Companion Charm Garden Vision Sharing Forum



2024 Site Visit by Korea National Arboretum Researchers





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Link to UN SDGs





# Safety Enhancement

SM Entertainment places the highest priority on the health and safety of its employees and those of its partner companies. In compliance with relevant laws and regulations, the company is committed to ensuring the safety and well-being of all workers, including subcontractors working at SM sites, as well as the general public who access its facilities. To this end, SM has established an Occupational Health and Safety Management Policy and formalized safety-related regulations to strengthen internal governance. The company will continue to implement proactive safety planning, on-site inspections, and sustainable safety practices.

## Occupational Health and Safety Policy

- 01 We establish an occupational health and safety system that aligns with the organization's purpose and scale, and operate a framework that encourages employee participation to foster a safety-first culture.
- 02 We identify and eliminate potential hazards in advance, engaging in proactive incident and accident prevention.
- 03 We fulfill our responsibility to protect the safety and lives of employees and partner workers by strengthening cooperation and providing a pleasant working environment.
- 04 All employees and partner employees comply with occupational health and safety laws and related requirements.
- 05 Employees and partner workers regularly review current safety practices and continually improve the system to promote collective safety and well-being.

### 안전보건경영방침

SM ENTERTAINMENT는 Culture Technology를 근간으로 최고의 문화 콘텐츠와 IP를 창조하는 기업으로서 그 과정에서 당직원 및 협력사 임직원들의 생명과 안전을 보호하는 것을 최우선 가치로 삼고, 철저한 책임 의식과 사명감을 바탕으로 지속 가능한 안전보건 기반을 구축하고자 다음과 같이 안전보건경영방침을 선언합니다.

- 01 우리는 조직의 목적과 규모에 적합한 산업안전보건 관리체계를 구축하고, 일회적인 점검을 넘어 지속적인 위험의 사전 예방과 안전사고 발생을 방지하기 위하여, 유관법령 등 안전 관련 법령과 규정을 철저히 준수하고, 선제적 관리가 가능하도록 사전 - 사후 예방 활동의 체계적으로 실시합니다.
- 02 우리는 인적 자원에 있는 임직원의 생명과 안전 보호를 최우선으로 삼고, 안전보건 관련 교육을 실시하고, 안전보건 관련 교육을 실시합니다.
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- 04 우리 임직원 및 협력사 임직원을 안전보건 관리 및 그 밖의 준수사항을 준수합니다.
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2023년 4월 30일  
SM ENTERTAINMENT 대표이사 장영희

Safety and Health  
Management Policy

## Occupational Health and Safety Management Structure

SM Entertainment assigns the Chief Executive Officer (CEO) as the person responsible for occupational health and safety management. In this role, the CEO receives reports on, reviews, and makes decisions regarding key safety and health matters. Key issues are also reviewed and deliberated by the Board of Directors. The company operates an Industrial Safety and Health Committee composed of equal numbers of representatives from labor and management, including the safety officer and employee representative. Additionally, a Safety and Health Council is operated to discuss safety matters with partner companies.

In 2024, SM Entertainment restructured its occupational safety and health organization to ensure that individuals in supervisory roles—particularly those overseeing production-related tasks and staff—serve as designated supervisors under the law. Recognizing the company's unique operational context, such as concert venues and pop-up store installations, SM established safety guidelines and corresponding management structures. To prevent accidents, task-specific checklists and on-site training are implemented, fostering a safer work environment.

Company-wide occupational safety and health education is provided for all employees, including job-specific and chemical safety training, in full compliance with regulatory requirements.

## Occupational Health and Safety Management Decision-making and Implementation System







# Safety Enhancement

## Occupational Health and Safety Management Goals and Details

Goals	2024 Achievements	Mid- to long-term goals
Occupational Health and Safety Management System	<ul style="list-style-type: none"><li>Reorganization of the occupational health and safety management structure</li><li>Regular meetings of the safety committees and councils</li><li>Collection of employee feedback</li><li>Clarification of legal responsibilities in individual cases</li><li>Monitoring of safety and health systems across subsidiaries</li></ul>	Integration of risk assessment by department
Emergency Response Training	<ul style="list-style-type: none"><li>Establishment of a structured emergency response training system</li><li>Reorganization of emergency control systems</li></ul>	Detailing of emergency response scenarios
Implementation of Safety Management	<ul style="list-style-type: none"><li>Monitoring of dormitory and corporate vehicle management systems</li><li>Establishment of a training center management system</li><li>Implementation of risk assessments</li><li>Risk assessments conducted for on-site subcontractors</li></ul>	Identification of safety work improvement items by department
Health and Well-being	<ul style="list-style-type: none"><li>Support for comprehensive health screenings for employees</li><li>Health consultations for individuals with clinical findings</li><li>Support for influenza vaccinations</li><li>Expansion of eligibility for psychological counseling services</li></ul>	Improvement of in-house health management programs

## 2024 Occupational Health and Safety Management Activities

Period	Contents
Monthly	<ul style="list-style-type: none"><li>Safety and Health Council meetings</li><li>Site inspections and walkthroughs</li></ul>
Quarterly	<ul style="list-style-type: none"><li>Industrial Safety and Health Committee meetings</li><li>Joint safety inspections</li></ul>
Semi-Annually	<ul style="list-style-type: none"><li>Semi-annual evaluation of workplace safety and health activities and evaluation of safety and health personnel including supervisors</li></ul>
Annually	<ul style="list-style-type: none"><li>Emergency response training</li><li>Group-wide safety management status checks</li></ul>
Ongoing	<ul style="list-style-type: none"><li>Walkthrough inspections and workplace checks</li><li>Placement of safety and emergency response supplies at worksites</li><li>Posting of safety signs and legal notices beyond mandatory requirements</li></ul>
April	<ul style="list-style-type: none"><li>(New) Legal responsibility analysis for key operational safety cases</li></ul>
August	<ul style="list-style-type: none"><li>(New) Work environment inspection and improvement at the training center</li></ul>

## Safety Training Status

Unit: persons (%)

Training Programs		Participants and Completion Rate		
		2022	2023	2024
Occupational Health and Safety Training upon Recruitment		197(100)	282(100)	176(100)
Occupational Health and Safety Job-Specific Training		1(100)	2(100)*	-**
Safety and Health Supervisor Training		-***	2(100)	6(100)
Regular Occupational Health and Safety Education	Q1	508(100)	601(100)	709(100)
	Q2	526(100)	638(100)	
	Q3	545(100)	970(100)	727(100)
	Q4	591(100)	672(100)	

\*Figures have changed due to revisions.

\*\*Not applicable due to biennial implementation.

\*\*\*Introduced in 2023.

# Safety Enhancement

## Workplace Risk Assessment

SM Entertainment has established internal risk assessment guidelines to identify, evaluate, manage, and improve hazards and risk factors at its business sites. In 2024, the company conducted risk assessments for three on-site partner companies, the training center, concert venues, and pop-up store sites by analyzing the likelihood and severity of each potential risk. Risk mitigation measures were established based on the level of risk, and re-assessments were conducted after improvements to ensure that facilities can be used safely by all. SM Entertainment continues to improve working environments for its employees.

## Workplace Safety and Health Activities

SM Entertainment maintains first aid kits and automated external defibrillators (AEDs) at its headquarters, with monthly inspections in place. The company also provides rest areas and a MUNG ROOM equipped with massage chairs. To prevent musculoskeletal disorders among employees performing prolonged desk work, new hires are provided with ergonomic kits, including dual monitors and vertical mice. The safety manager conducts regular site inspections, including subcontracted work areas, and coordinates an annual emergency response drill in cooperation with all tenants of D-TOWER. Following the standard self-response manual issued by the National Fire Agency, four response teams were formed to conduct evacuation drills to designated assembly points.

In 2024, improvements such as sharing updates via the company messenger and placing evacuation signs at designated shelters led to a 15% increase in drill participation compared to 2023.

### 위험성평가 지침

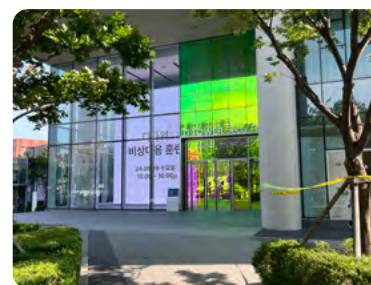
2023. 3. 23.

주식회사 에스엔터테인먼트

Risk Assessment Guidelines



On-site Fire Drill



MUNG ROOM

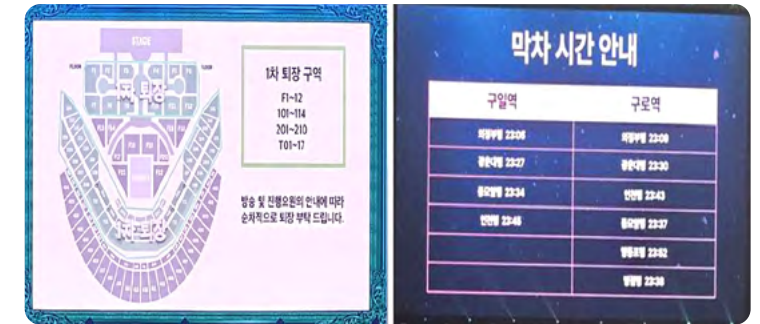
## Safety Enhancement

SM Entertainment, in accordance with the Occupational Safety and Health Act and the Serious Accident Punishment Act, has established regulations to ensure that work conducted at performance venues is carried out safely and manages the sites accordingly. They assign work managers for each area within the performance venue, who perform roles such as guiding, or assisting workers with helmet usage as needed, to ensure safety management activities in the venue. To secure the safety of structures within the venue, they inspect the structural installation standards and apply safe working platform guidelines during installation processes. Through these measures, they strive to ensure the practical safety of on-site workers.

### Performance Venue Safety Management

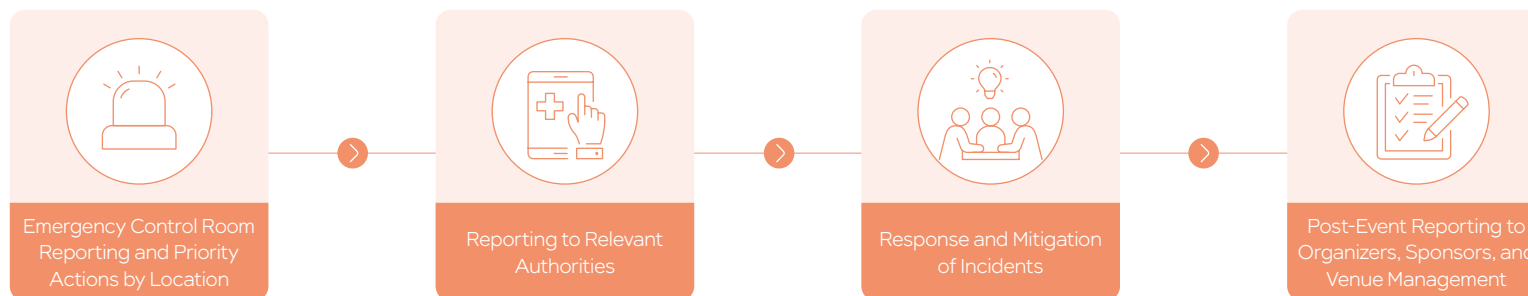
SM Entertainment proactively develops comprehensive site operation plans prior to all performances, which are shared in advance with the event staff and key personnel involved. These operational plans encompass details such as the performance overview, venue layout with a focus on safety management, emergency contact networks, movement routes, and contingency plans. The safety management guidelines specify procedures from the installation to dismantling of the venue, including the placement of first aid stations, medical clinics, and emergency control rooms, along with response protocols for emergency situations. The contingency plans detail access routes for fire trucks, ambulances, and police vehicles, as well as procedures for handling emergencies such as patient incidents and fires. This includes instructions for broadcast announcements, staff actions, audience evacuation methods, emergency escape routes on each floor, locations of first aid kits, Automated External Defibrillators (AEDs), fire hydrants, and extinguishers. Special attention is given to the safe ingress and egress of vulnerable groups such as the elderly and disabled individuals, with detailed evacuation and refuge plans tailored to various needs. Additionally, post-event strategies are established to address crowd congestion and ensure safety during departure, thereby maintaining a comprehensive safety approach throughout the entire event duration.

### Crowd Safety Guidelines for Exit Procedures



Exit guidance screen at performance venues

### Emergency Response Process in the event of an incident



On-Site Exit Guidance at the Venue



# Safety Enhancement

## Pop-up Store Safety Management

SM Entertainment operates pop-up stores as multifunctional cultural spaces utilizing artist and music IP. These spaces are designed not only as immersive venues where visitors can experience music-themed exhibitions tied to artist albums, but also as retail locations offering lifestyle products based on artist and music IP. Due to high visitor traffic, enhanced safety management is essential. SM Entertainment complies with the Industrial Safety and Health Act and the Serious Accidents Punishment Act when constructing and dismantling offline pop-up stores. To mitigate risks, the company establishes clear safety guidelines to be followed throughout the entire process—including contracting and on-site operations—and implements rigorous safety management measures.

### Pop-up Store Safety Management Process



### Site Inspection Checklist for Popup Store Construction



Ensure workers wear safety helmets at all times during operations



Conduct safety training prior to the commencement of work

# Content and Service Quality Enhancement

SM Entertainment has led the growth of the Korean entertainment industry and the K-POP industry since its establishment. Through its proprietary IP development process and multi-production system, the company has carried out diversified activities that take into account the characteristics of each artist, achieving notable success in albums, performances, and global activities. SM Entertainment will continue to strive to enhance the quality of its content based on authenticity in music.

## Lables In Company

SM Entertainment has launched independent labels by genre in response to the demands of fans with diverse musical tastes. Each independent label is expanding the musical spectrum based on its genre foundation.



### SM Classics

SM Classics is SM Entertainment’s classical and jazz music specialty label, presenting K-POP through orchestral and various classical music arrangements. It is regarded as a representative case of expanding SM’s original IP. In February 2025, commemorating SM’s 30th anniversary, the world’s first K-POP orchestra concert, “SM CLASSICS LIVE 2025,” was held in collaboration with the Seoul Philharmonic Orchestra.



### Scream Records

Scream Records, a dance music label under SM Entertainment, is a multi-genre music content label that handles everything from discovering, planning, and producing artists to the production of albums and performances, based on electronic music.



### KRUCIALIZE

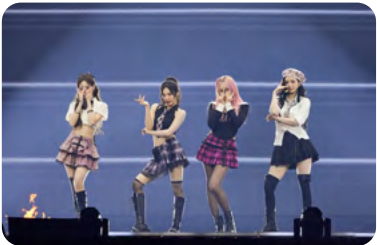
KRUCIALIZE is a label that presents trendy and emotional contemporary R&B. It expands the musical genre by incorporating modern elements into R&B music. In 2024, the label began its official journey by unveiling its first artist, Min Jiwoon.

## SM Entertainment 30th Anniversary Performance

SM Entertainment held the “SMTOWN LIVE 2025” Seoul concert to commemorate its 30th anniversary. “SMTOWN LIVE 2025 [THE CULTURE, THE FUTURE] in SEOUL” was held over two days, January 11-12, 2025, at Gocheok Sky Dome and featured SM Entertainment artists including Kangta, BoA, TVXQ!, Super Junior, Girls’ Generation’s Hyoyeon, SHINee’s Key and Minho, EXO’s Suho and Chanyeol, Red Velvet, NCT 127, NCT DREAM, WayV, aespa, RIIZE, NCT WISH, nÆvis, Zhou Mi, and Raiden. In addition to these, artists from SM Entertainment’s affiliated labels and trainees, as well as members of the SMTOWN Family, and 98 total artists including Dear Alice, a British boy group co-produced by SM Entertainment, and the trot idol group Mytrot, participated in the concert.

Through joint stages of senior and junior artists reflecting SM’s 30-year history, the concert presented timeless masterpieces to the audience, transcending generations. Furthermore, by sharing SM Entertainment’s future vision, it was an occasion to convey the company’s commitment and ambition to continue being part of people’s everyday lives through music.

Additionally, through the first orchestral performance by its classical and jazz label, SM Classics, titled “SM CLASSICS LIVE 2025 with Seoul Philharmonic Orchestra,” SM Entertainment presented orchestral arrangements of its representative songs, offering the audience a musical harmony that transcended both time and genre.



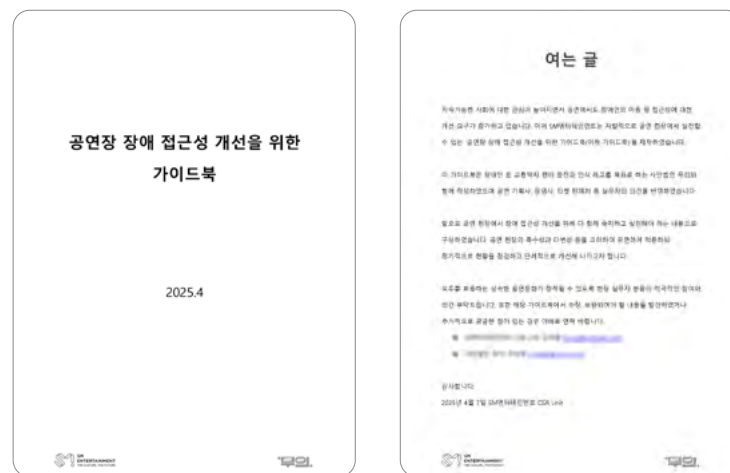
# Content and Service Quality Enhancement

## Improving Accessibility for Persons with Disabilities

SM Entertainment has been providing assistance and guidance for audience members with disabilities visiting performance venues based on internal standards. To enhance these standards from an accessibility perspective, the company initiated a systematization process in the second half of 2024 through a comprehensive review with persons with disabilities and related organizations. A guidebook titled "Accessibility Improvement Guide for Persons with Disabilities at Performance Venues" was created, covering areas such as the ticketing experience, pre-performance information, sign language and text interpretation services, and mobility assistance. The guidebook was shared with relevant departments of key partner companies—including ticketing platforms, production companies, and venue operators—so it can be used as an internal manual. SM Entertainment will continue to review and improve this content through ongoing assessments and refinements.

SM Entertainment defines performance accessibility as an environment for everyone, equal opportunity, and a culture to be enjoyed together. Recognizing that accessibility for disabled audiences is not a matter of special consideration but a rightful opportunity to enjoy culture, the company developed a guidebook for improving venue accessibility and conducted accessibility training for staff members of key partner organizations. The guidebook includes essential practices and actions required at each stage—from ticket reservation to exiting the venue—and will be adopted and implemented by on-site staff moving forward.

### Guidebook Development Process for Accessibility Improvement



Accessibility Improvement Guidebook for Performance Venues

## Key Monitoring Activities for Accessibility Enhancement



Text interpretation services were provided for audience members with hearing impairments, and relevant considerations such as on-site internet connectivity and power supply conditions were reviewed and incorporated into the guidebook.



The performance viewing environment for audience members with visual impairments and guide dogs was reviewed, and specific considerations related to the condition and well-being of the guide dogs were identified and documented in the guidebook.



Sign language interpretation services were provided for audience members with hearing impairments, and detailed factors such as the positioning of the interpreter and the audience member, as well as the use of assistive devices, were reviewed and compiled into a checklist.



# Human Rights Protection

SM Entertainment endeavors to safeguard the human rights of all stakeholders throughout its business operations under a culture rooted in respect for human rights. The company adheres to international human rights and labor guidelines—including domestic legislation—and has articulated its commitment through a Human Rights Management Declaration. This pledge is operationalized via a structured Human Rights Management System to ensure its effective implementation.

## Human Rights Management Declaration

SM Entertainment is committed to respecting and protecting the human rights of all stakeholders. In 2022, the company joined the United Nations Global Compact (UNGC), which addresses principles related to human rights, labor, the environment, and anti-corruption. SM Entertainment actively upholds the ideals embodied in international human rights standards, including the Declaration of the International Labor Organization. The company conducts human rights impact assessments and makes every effort to prevent and mitigate potential risks. In the event that human rights violations do occur, it provides grievance handling and remedial measures in accordance with its established grievance resolution process.

인권경영 선언문


SM엔터테인먼트는 SM 고유의 문화기술(Culture Technology)을 활용한 최고의 문화 콘텐츠를 지속적으로 창출하여 대한민국을 문화로 세계에 알리고 사람들의 삶을 풍요롭게 만드는 데 기여하고자 합니다.

5M 테크닉은 모든 법규와 시장질서를 존중하며 일직성, 소속 이스트 및 연성성, 협력성 등 모든 이해관계자들의 안전을 보호하고 존중하고자 2022년 유엔글로벌compact(UNGC: United Nations Global Compact) 가입을 포함, 인권, 노동, 환경, 경제, 부패방지 등에 관한 UNGC 10대 원칙을 지원하였다. 이외에도 5M 테크닉은인들은 '유엔 기업 인권 관련 지침'(UN Guiding Principles on Business and Human Rights), '국제노동기구(International Labor Organization) 선언' 등의 안전에 관한 국제적 원칙 또한 지지하고 이러한 원칙에 담겨 있는 이상을 실천하기 위해 노력하고자 합니다.

이에 SM엔터테인먼트는 다음과 같이 인권경영선언문을 제정 및 공표하고, 이를 성실히 준수할 것을 천명합니다.

- [illegible]

2023년 6월 29일

SM Entertainment 대표이사 장철현 



Human Rights Management Declaration

## Diversity and Inclusion

SM Entertainment strictly prohibits all forms of discrimination based on race, nationality or place of origin, ethnicity, religion, gender, age, gender identity, political beliefs, or any other status. The company actively promotes the values of diversity, equity, and inclusion (DEI) and strives to foster an inclusive culture across its operations.

## Prohibition of Forced Labor and Child Employment

SM Entertainment does not tolerate any form of involuntary labor that contradicts the free will of its members, and it fundamentally prohibits the employment of minors. In cases where the employment of minors is legally permitted, the company ensures that all standards mandated by law are not only met but exceeded with additional protections. Furthermore, when supporting the artistic activities and training of its artists and trainees, SM Entertainment makes every effort to respect their autonomy and safeguard their human rights.

## Measures for Safety and Health

To ensure the safety and well-being of its members, SM Entertainment provides continuous training on relevant topics and maintains a comfortable and healthy working environment. The company complies with all applicable laws and regulations related to occupational safety and health.

## Protection of Human Rights in the Supply Chain

SM Entertainment treats its business partners with fairness and works collaboratively to support the implementation of human rights practices within partner organizations. The company respects and protects the human rights of individuals employed by its suppliers.

## Customer Rights and Protection

SM Entertainment respects and protects the human rights of all its customers, including fans of its artists and those who purchase or use its products and services.

## Human Rights Management Framework

SM Entertainment addresses matters related to human rights management through the Governance Committee within the Board of Directors. The Chief Executive Officer (CEO) assumes the role of the Chief Officer for Human Rights Management, while the HR Planning Unit functions as the operational department responsible for implementing human rights practices. This unit fosters a culture of respect for human rights, provides related training, establishes relevant systems, and manages associated risks. In addition, a labor-management council is held every quarter to facilitate communication with employees. The Business Legal Affairs Unit handles responses to unethical conduct and is responsible for protecting the rights of artists.

## Human Rights Management Decision-Making and Execution Framework



# Human Rights Protection

## Human Rights Management Achievements and Mid-to Long-Term Goals

SM Entertainment participated in the National Human Rights Commission of Korea’s pilot project for human rights due diligence in 2022. In 2023, the company established its Human Rights Management Principles and publicly issued its Human Rights Management Declaration. Beginning that same year, company-wide human rights training was launched for all employees, with training content segmented by topic to enhance awareness and understanding of various human rights issues. In 2024, the company expanded psychological counseling services—previously limited to select roles—to be available to all employees. By 2025, SM Entertainment introduced training programs for the prevention of sexual harassment and sexual violence, along with initiatives aimed at strengthening human rights sensitivity among internal stakeholders.

### Human Rights Management Achievements and Mid- to Long-Term Goals

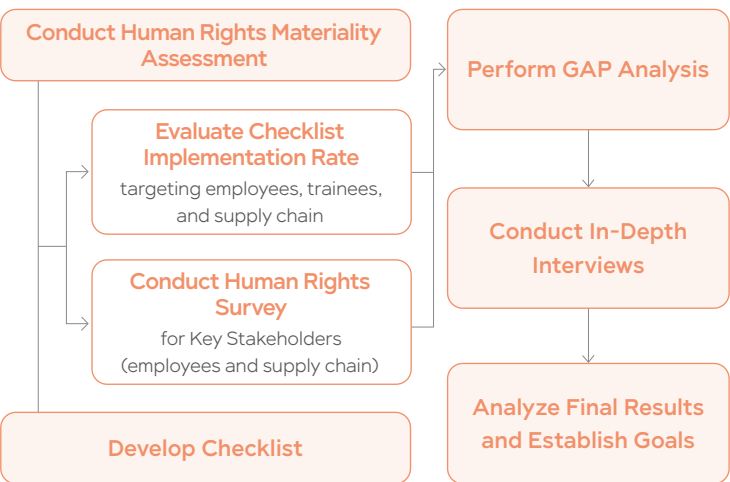


## Human Rights Assessment

### Background and Process of Implementation

SM Entertainment conducted a Human Rights Impact Assessment in collaboration with external experts to strategically manage human rights risks across its business operations. This initiative aimed to identify potential adverse impacts arising from business activities and to develop and implement improvement tasks to prevent and mitigate such risks. Based on the Human Rights Impact Assessment checklist co-developed in 2022 by the National Human Rights Commission of Korea and SM Entertainment, the company evaluated implementation rates through self-assessments by departments related to human rights management. As of December 2024, a comprehensive human rights survey was conducted targeting all employees and key stakeholders, including business partners. Through in-depth interviews categorized by job level, SM Entertainment diagnosed the current state and identified areas for improvement. These findings informed the formulation of the Human Rights Management Roadmap. The company continues its efforts to foster an ethical and human rights-oriented management environment and organizational culture based on the outcomes of the Human Rights Impact Assessment and the roadmap.

### Human Rights Impact Assessment Process



### Results of the Human Rights Impact Assessment

SM Entertainment identified its 2024 Human Rights Management Improvement Tasks by analyzing the results of the Human Rights Impact Assessment checklist and the human rights survey conducted with key stakeholders. This assessment aimed to identify potential human rights issues within the organization. As a result, the company identified key tasks for future implementation, including the establishment of comprehensive human rights policies, the regularization of human rights impact assessments, the segmentation of internal training programs, the provision of multilingual human rights policies, and the delivery of specialized training for the dedicated human rights team. SM Entertainment is committed to implementing these tasks in phases to embed and continuously enhance a culture of respect for human rights throughout the organization.

### SM Entertainment Human Rights Management Roadmap

Period	Content
Short-Term	<ul style="list-style-type: none"><li>Documentation of Human Rights Policy Establishment</li><li>Segmentation of Human Rights Management Training</li><li>Establishment of a Dedicated Human Rights Management Department</li><li>Separate Operation of Human Rights Reporting Channels</li></ul>
Mid-Term	<ul style="list-style-type: none"><li>Provision of Multilingual Human Rights Declarations and Policies</li><li>Development of a Remedial Procedure Manual</li><li>Improvement of Working Conditions for Employees</li><li>Establishment of a Human Rights Management System for Business Partners</li></ul>
Long-Term	<ul style="list-style-type: none"><li>Advancement of the Human Rights Remedy System</li><li>Strengthening Efforts to Ensure Environmental Rights</li></ul>

# Human Rights Protection

## Status of Human Rights Training for Employees

SM Entertainment provides human rights training to all employees and actively encourages full participation to ensure 100% completion. In addition, during the first half of 2025, the company plans to conduct offline training sessions for all employees under the theme of “Workplace Sexual Harassment Prevention and Gender Sensitivity Enhancement.” This initiative aims to prevent harassment and foster a safe and respectful working environment for all members of the organization.

Unit: persons (%)

Training Title	Number of Participants and Completion Rate		
	2022	2023	2024
Human Rights Management Training	591(100)	672(100)	799(100)
Workplace Bullying Prevention Training	591(100)	709(100)	799(100)
Workplace Sexual Harassment Prevention	591(100)	709(100)	799(100)
Disability Awareness Improvement Training	591(100)	709(100)	799(100)
Personal Information Handler Training	591(100)	709(100)	799(100)

\*Based on the number of employees at the time of training; this may differ from the number of employees as of year-end.6

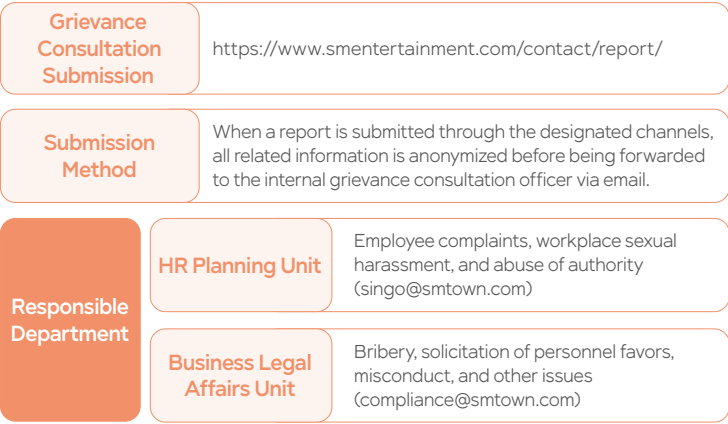


Completion of the 2024 United Nations Global Compact <Business & Human Rights Accelerator Program>

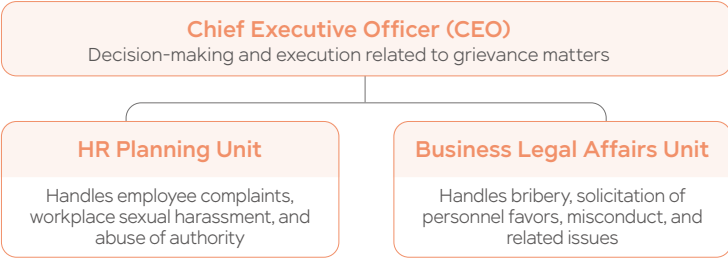
## Grievance Reporting Channels

SM Entertainment has established and implemented policies and procedures to handle and remediate human rights-related grievances. The company provides an anonymous reporting system through which individuals can raise concerns related to bribery, solicitation of personnel favors, misconduct, employee complaints, workplace sexual harassment, and abuse of power. Reports submitted through this channel are reviewed and investigated in accordance with established procedures by the HR Planning Unit and the Business Legal Affairs Unit, which then take appropriate follow-up actions.

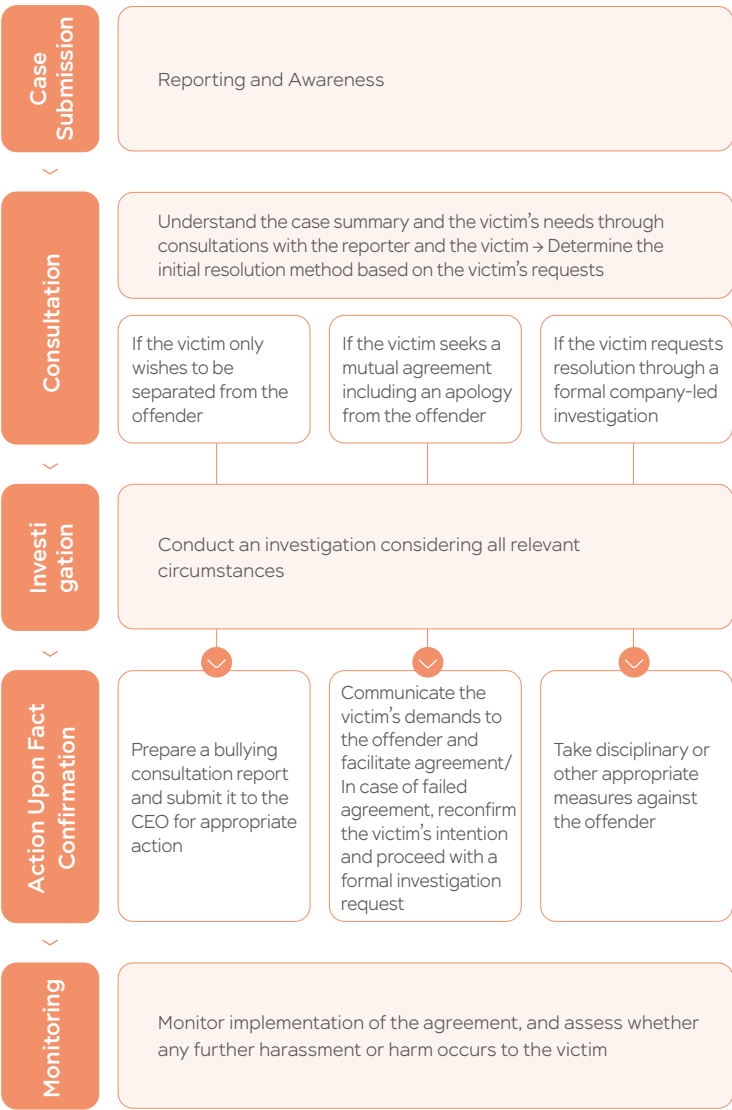
### Grievance Reporting Channels



### Grievance Resolution Decision-Making Structure



## Grievance Resolution Process





# Human Rights Protection

## Measures for Protecting the Rights of Artists

SM Entertainment places the highest priority on protecting and respecting the human rights of all stakeholders who are directly or indirectly affected by its business activities—including employees, artists, business partners, and fans. In particular, as issues related to artist rights violations in the entertainment industry become increasingly diverse and complex, the company is actively focused on both responding to and preventing such incidents. The KWANGYA 119 Unit and the Business Legal Affairs Unit handle reports received through the company’s official reporting platform, “KWANGYA 119” website, in a prompt and professional manner. These units proactively respond to various forms of human rights violations against artists, including defamation, invasion of privacy, cyberbullying, malicious comments, and the spread of false information. In addition, SM Entertainment provides effective protective measures such as legal action and psychological support for affected artists. The company also conducts ongoing monitoring and implements preventive measures to ensure that human rights violations do not occur, thereby striving to maintain a safe and respectful environment for its artists.

### Artist Rights Protection Decision-Making Structure



### Key Achievements and Plans for Artist Rights Protection

Objective	Protection of Artist Rights
2024 Achievements	<ul style="list-style-type: none"><li>• Verified over 190,000 reports and related submissions received through “KWANGYA 119”</li><li>• Responded decisively in cooperation with professional advisory bodies and partner organizations</li></ul>
Mid- to Long-Term Goals	<ul style="list-style-type: none"><li>• Implement legal actions against defamation, rumors, and other rights violations occurring on global social media platforms</li><li>• Continuously monitor and take strong legal measures against emerging forms of artist rights violations involving AI technologies such as deepfakes</li></ul>


# Human Rights Protection

## Trainee Training

Since its establishment in 1995, SM Entertainment has been the first in the industry to implement a systematic artist development system encompassing casting, training, producing, and management. Throughout every stage of trainee selection and development, the company upholds the principle of respecting human rights. SM Entertainment’s proprietary methods—refined over the past 30 years—are applied to the casting, evaluation, training, and debut processes. Selected trainees are nurtured as future artists within a system designed to protect and respect the rights of children and adolescents.


## Guaranteeing the Right to Education for Trainees

SM Entertainment provides education that empowers trainees to grow with a strong sense of identity and confidence, enabling them to develop not only as artists but also as responsible citizens. To ensure their right to education, the company delivers timely programs in training, secondary education, and humanities and public interest education. In particular, for underage trainees, SM Entertainment offers institutional support to help them complete the equivalent of lower and upper secondary education (middle and high school) and also provides individualized, customized learning opportunities tailored to each trainee’s needs.




Training

- Vocal, Dance, Rap
- Acting
- Language




Secondary Education

- Academic Support and School Commute Assistance
- Support for Qualification Exams (GED)
- History Education
- Cultural Education by Country
- Sex Education



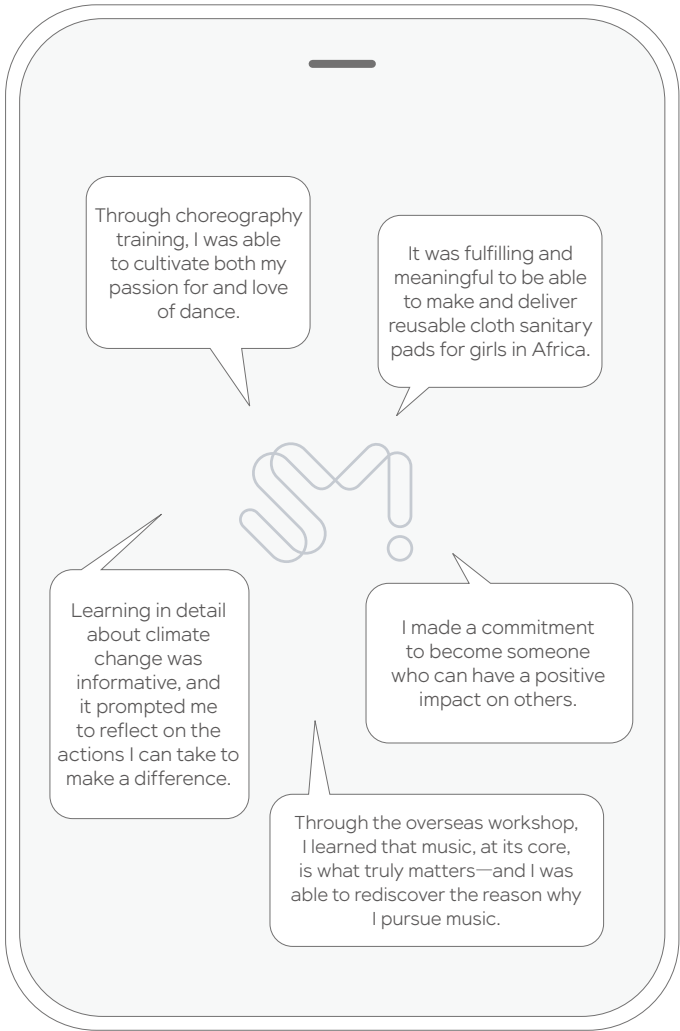
Humanities and Public Interest Education

- Book Discussions
- Global Citizenship Education (Climate Crisis, Diversity, Conflict, Empathy, Sharing, Human Rights, etc.)
- Volunteer Work and Talent-Sharing Activities
- Attendance at In-House Performances and Support for Overseas Workshops



Living and Emotional Support

- Psychological Counseling and Regular One-on-One Sessions
- Routine Health Checkups
- Support for Accommodation, Meals, and Transportation
- Implementation of a Dormitory Safety Management System
- Establishment of a Dedicated Staff Oversight System
- Complimentary Airfare for Foreign Trainees

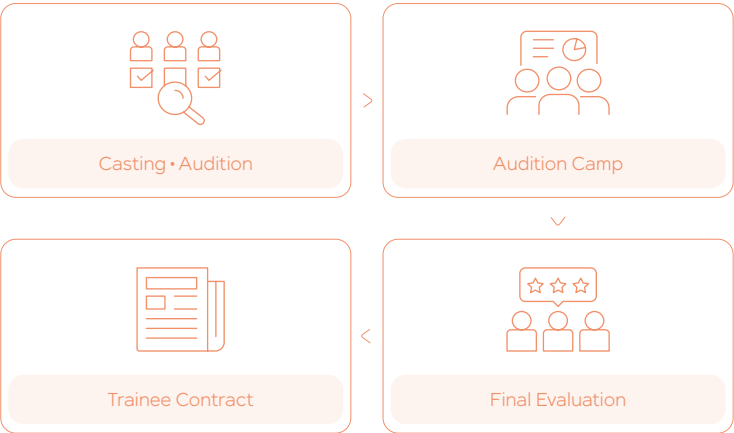


Trainee Reflections

# Human Rights Protection

## Trainee Selection

SM Entertainment’s casting system operates through two primary channels: talent scouts who identify candidates both online and offline, and formal audition programs. When casting minors, the company obtains consent from a legal guardian before proceeding. The SM WEEKLY AUDITION has been held on a weekly basis for over 30 years, with the exception of the COVID-19 pandemic period. Each week, approximately 200 to 300 individuals—including foreigners—participate. This audition is open to all applicants regardless of gender or nationality. SM Entertainment also pioneered the first global audition in the industry, which continues to be held annually in approximately 20 cities, including the United States, Canada, and Japan. Candidates who pass the first-round screening via casting or audition proceed to an audition camp for further evaluation. Those who pass the final evaluation—conducted by both field experts and executives—sign a trainee agreement based on a standardized contract.



Trainee Selection Process

## Training

Trainees at SM Entertainment typically undergo an average of three to four years of training. Foundational education in areas such as dance, vocal performance, acting, and foreign languages is provided based on each individual’s skill level and progress. Trainees also keep personal training journals to monitor and reflect on their development. In addition to this, the company offers timely programs in secondary education and humanities and public interest education. On-site learning opportunities such as visits to live performances by SM artists are also included as part of their development. Selected trainees, through SM’s evaluation system, may have the opportunity to participate in overseas workshops, where they either perform on stage or engage in intensive training. Each trainee is assigned a dedicated training supervisor who oversees their overall well-being—including physical health, nutrition, environment, and psychological development—and provides personalized care and support throughout their journey.



Trainee Workshop On-Site

## Producing

SM Entertainment fully invests in 100% of the training expenses for its trainees, allowing them to focus solely on their training and music without financial burden. Trainees who have demonstrated their potential through the training process begin preparing for debut. They also build team cohesion through MT (membership training) programs and workshops with fellow trainees who are candidates for the same team. Throughout the preparation period, the company provides strong and unwavering support to ensure a successful debut performance.



SMTR25 Performance















# Human Rights Protection

## Trainee Rights Protection

SM Entertainment upholds and practices the labor rights, right to survival, right to protection, right to participation, and right to education—all of which fall under the “Rights of Children and Adolescents” section of the Human Rights Management Checklist derived from the 2022 pilot project conducted by the National Human Rights Commission of Korea. These areas are reviewed and improved annually to ensure continuous advancement.

In 2024, the company conducted a Human Rights Impact Assessment through an external organization to evaluate the current status of rights protection and to identify areas for further improvement.

Category	Content
 <b>Right to Work</b> 	<ul style="list-style-type: none"><li>✓ Trainees sign a contract based on a standardized agreement.</li><li>✓ Trainees are fully informed about injury insurance.</li><li>✓ The company does not interfere with a trainee’s re-employment in the industry after contract termination.</li></ul>
 <b>Right to Survival</b> 	<ul style="list-style-type: none"><li>✓ A designated manager is assigned to oversee the health, safety, and welfare of trainees.</li><li>✓ Staff members are employed to professionally manage trainee dormitories.</li><li>✓ Trainees receive regular health checkups.</li><li>✓ The company provides sufficient support when trainees become ill.</li></ul>
 <b>Right to Protection</b> 	<ul style="list-style-type: none"><li>✓ Protective measures are implemented to prevent the leakage of personal information.</li></ul>
 <b>Right to Development</b> 	<ul style="list-style-type: none"><li>✓ Guidelines are in place to ensure that minor trainees receive adequate psychological counseling if they report emotional distress.</li><li>✓ The company provides personality development and mental health support, including psychological counseling, for minor trainees.</li></ul>
 <b>Right to Participation</b> 	<ul style="list-style-type: none"><li>✓ Information is provided to trainees to ensure their human rights and safety.</li><li>✓ The company reflects trainee opinions and ensures their right to participation in processes addressing human rights violations.</li><li>✓ If the company modifies a supplementary agreement, the trainee’s consent is obtained.</li><li>✓ The company fully explains the terms of the contract to trainees.</li></ul>
 <b>Right to Education</b> 	<ul style="list-style-type: none"><li>✓ The company takes measures to ensure the right to education for minor trainees.</li></ul>



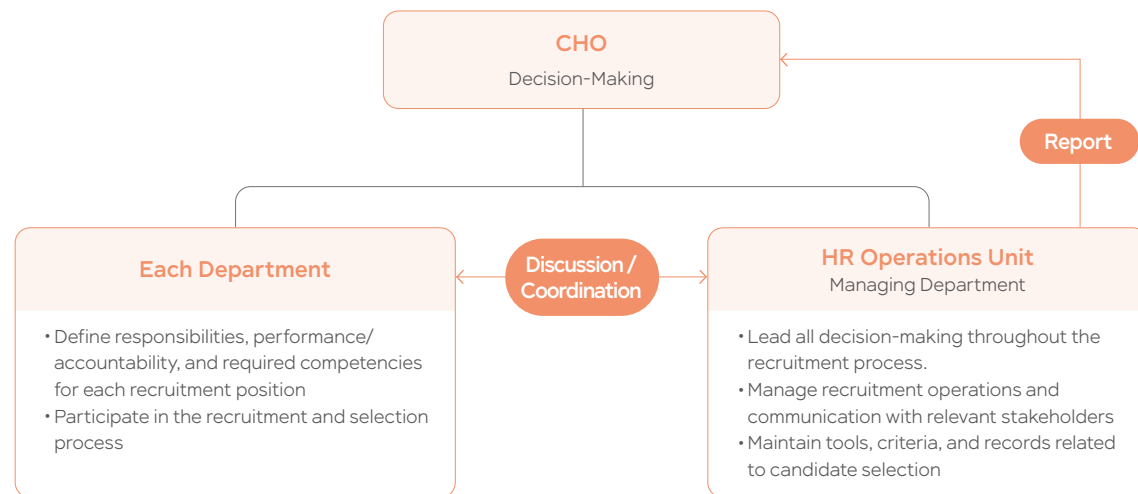
# Talent Management

SM Entertainment respects applicants from diverse cultural backgrounds and strives to foster a transparent and fair recruitment culture. In March 2024, the company significantly upgraded its recruitment system to enable objective evaluation and proper record management. Efforts have been made to establish an applicant-centered hiring environment, including the production of interview content featuring current employees, the renewal of the recruitment website, and the improvement of applicant notification messages. Additionally, the company is diversifying its recruitment channels to enhance communication with applicants. SM Entertainment will continue to do its utmost to create an open recruitment culture that enables diverse talents to realize their full potential.

## Talent Recruitment

SM Entertainment strives to recruit talents from various domestic and international backgrounds through a transparent and fair recruitment process. The HR Operations Unit manages the recruitment process, and final hiring decisions are made under the authority of the CHO, following discussions and coordination with each department.

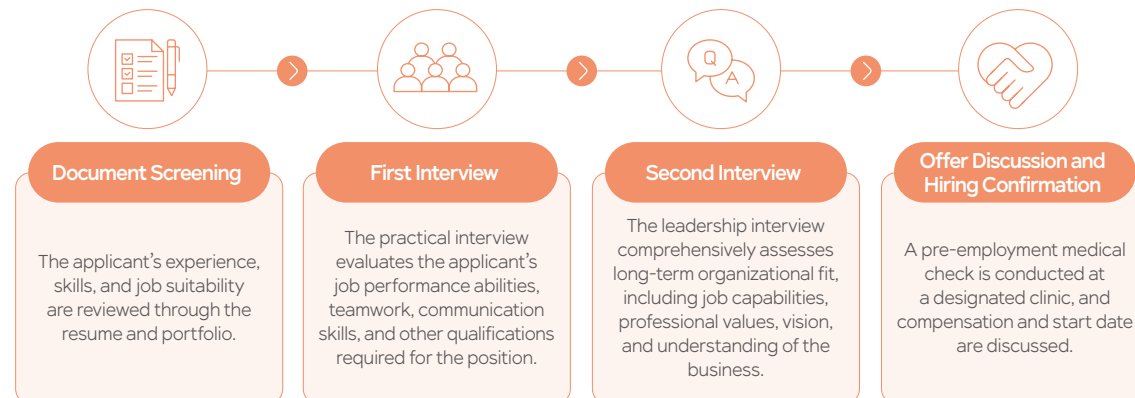
### Recruitment Decision-Making Structure



### Recruitment Vision



### Recruitment Process



# Talent Management

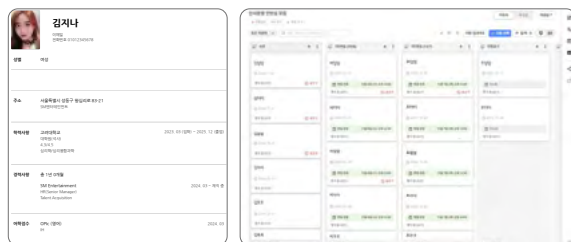
## Improvement of Applicant-Centered Recruitment System

01

### Implementation of a recruitment system for transparent and structured hiring



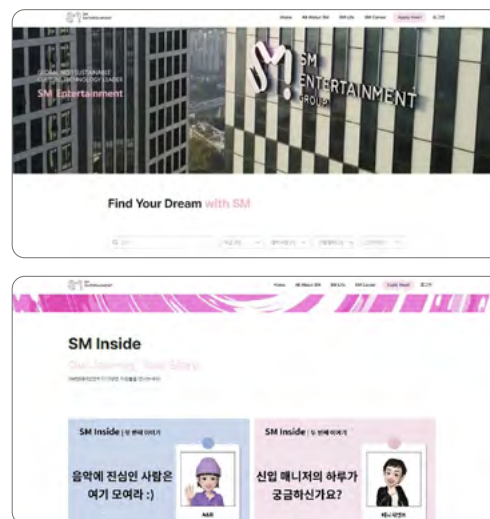
In the first half of 2024, SM Entertainment improved its recruitment system with a focus on enhancing accessibility and convenience for applicants. The company strengthened personal data management and designed the system to provide a better recruitment experience throughout the application process and each stage of the hiring procedure. Additionally, the managing department reinforced the management of recruitment records and evaluation criteria to ensure a more transparent and objective hiring process.



### Renewal of the official recruitment website



The official recruitment website was also renewed to provide high-quality hiring information and enhance both applicant convenience and visibility. Interview content featuring current employees was produced to help applicants gain clear and detailed insights into job roles and the recruitment process.

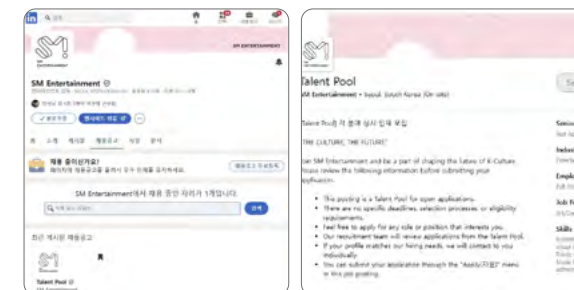


02

### Expansion of recruitment channels to secure talent



SM Entertainment is expanding its recruitment channels to attract talent from various countries and fields. By introducing a direct sourcing approach, the company is proactively reaching out to potential candidates. Moving forward, SM Entertainment plans to further strengthen the use of recruitment platforms.



03



# Talent Management

## Improvement of Applicant-Centered Recruitment System

04

### Strengthening Communication with Applicants



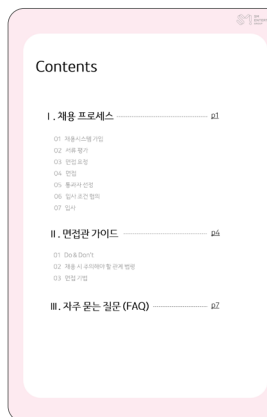
In November 2024, SM Entertainment held a career preparation seminar for international students at Yonsei University and participated in an on-campus recruitment fair, offering employment information and job consultations for prospective applicants.



### Development of a Recruitment Guidebook



To promote fair and objective recruitment practices, a recruitment guidebook was created and distributed to interviewers. The guidebook includes content on legal standards for ensuring fairness in recruitment procedures, as well as guidelines for compliance with personal data protection laws, ensuring a transparent, fair, and ethical hiring process.



05

### Get to Know SM Entertainment Through Content



EBS Pengsoo Goes to Work (SM Entertainment Episode)



YouTube Seolpli - EnterSeol (SM Entertainment Episode)

# Talent Management

## Recruitment and Retention

As of December 2024, SM Entertainment employed 723 people, marking a 4% increase from the previous year. Among them, 510 were female employees, accounting for 70.5% of the total workforce. Since 2021, SM Entertainment has employed athletes with disabilities, thereby fulfilling its mandatory employment quota for persons with disabilities. In line with the global nature of the entertainment industry, the company is also committed to hiring talents from various countries.

### Total Workforce Status

Category		2022	2023	2024
Total Number of Employees*		581(100)	695(100)	723(100)
By Age Group	Under 30	246(42.3)	281(40.4)	260(36.0)
	30 to Under 50	320(55.1)	407(58.6)	449(62.1)
	50 and Over	15(2.6)	7(1.0)	14(1.9)
By Employment Type	Regular Employees	561(96.6)	672(96.7)	702(97.1)
	Non-Regular Employees**	20(3.4)	23(3.3)	21(2.9)

\*Total number of employees excludes registered executives  
\*\*Number of non-regular employees includes contract, intern, and part-time staff

### Status of Female Employees

Category		2022	2023	2024
Total Number of Female Employees		383(66)	489(70.4)	510(70.5)
Gender Balance	Female Managers*	41(45)	46(52.6)	55(46.6)
	Female Executives	5(25)	7(30.4)	6(26.1)
	Female Employees in Revenue-Generating Departments**	278(67)	353(71.2)	367(69.9)
	Newly Hired Female Employees	120(74)	206(75.5)	152(73.4)

\*Female managers include all female personnel in leadership positions  
\*\*Revenue-generating departments refer to core business units such as management, producing, marketing, and design

## Recruitment / Turnover / Retention Status

Category		Unit	2022	2023	2024
Recruitment	New Hires*	Persons	163	273	207
Turnover	Employees Who Left the Company	Persons	105	97	121
	Voluntary Turnover Rate**	%	20.1	16.7	17
Tenure	Employees	Years	4.2	3.9	4.1
	Male	Years	5.3	5.5***	5.5
	Female	Years	3.6	3.3	3.5

\*New hires include interns, part-timers, and athletes with disabilities  
\*\*Voluntary turnover rate calculation: Number of voluntary leavers during the year / Total number of employees in the previous year  
\*\*\*Figures for 2023 have changed due to updates based on the business report

## Employee Diversity Status

Category		2022	2023	2024
Total Number of Employees		581	695	723
Gender	Male	198(34.1)	206(29.6)	213(29.5)
	Female	383(65.9)	489(70.4)	510(70.5)
Persons with Disabilities	Persons with Disabilities*	9(1.5)	10(1.4)	11(1.5)
National Veterans	National Veterans	3(0.5)	3(0.4)	3(0.4)
By Country / Region	Total Foreigners	23(4)	20(2.9)	20(2.8)
	China	11(1.9)	10(1.4)	9(1.2)
	Taiwan	4(0.7)	3(0.4)	3(0.4)
	United States	5(0.9)	4(0.6)	5(0.7)
	Canada	2(0.3)	1(0.1)	1(0.1)
	Tunisia	1(0.2)	0(0)	0(0)
	Malaysia		1(0.1)	1(0.1)
	Thailand		1(0.1)	1(0.1)

\*Employed 11 athletes with severe disabilities (in taekwondo, table tennis, swimming, etc.)

# Talent Management

## Work-Life Balance

### Childcare Support Programs

SM Entertainment operates various childcare support programs to promote work-life balance for its employees. Employees with children under the age of eight or in the second grade of elementary school or below are eligible for up to one year of paid parental leave. In the case of childbirth by the employee, 90 days of paid leave are provided, and when the spouse gives birth, up to 20 days of leave are granted. Additionally, flexible working arrangements such as reduced working hours are available during pregnancy and child-rearing periods.

### Educational Support for Employees’ Children

To reduce the financial burden of education and foster a stable working environment, SM Entertainment provides educational support for employees’ children. Employees with children enrolled in elementary, middle, or high school receive monthly educational subsidies, helping them maintain a healthy balance between their professional responsibilities and family life.

### Commissioned Childcare Support Program

The commissioned childcare support program refers to an arrangement in which SM Entertainment signs contracts with childcare centers to provide care for employees' children. This program is available to employees with children aged 0 to 5, and the company subsidizes 50% of the legally defined childcare fees based on the annual government-announced rates.

## Fair Performance Evaluation

### Performance Evaluation

SM Entertainment operates a variety of performance evaluation and compensation systems aimed at supporting employee growth and enhancing lifelong competitiveness. Given the dynamic nature of the cultural industry, where rapidly changing trends and markets are the norm, the company encourages employees to proactively set their own goals and create meaningful outcomes. To support this, an annual performance evaluation is conducted, allowing employees to review their own achievements and align their work with the organization’s strategic direction. The evaluation system is continuously reviewed and improved to minimize potential distortions or errors and ensure sufficient feedback is provided.

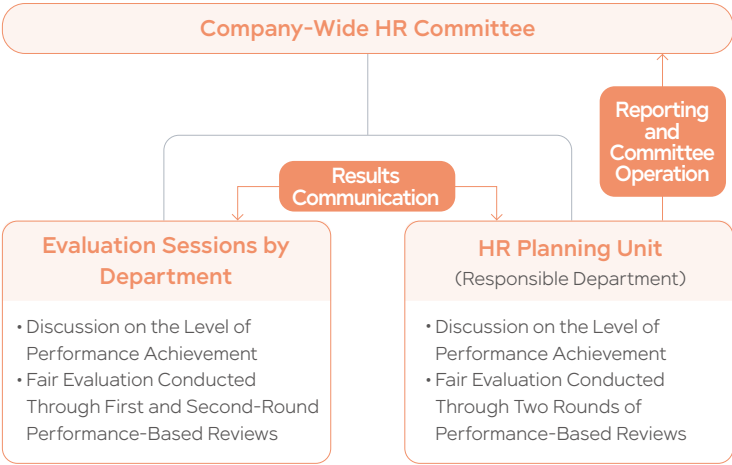
### Competency Assessment

Recognizing that the capabilities of each individual contribute to the company’s overall competitiveness, SM Entertainment conducts competency assessments from a long-term perspective to foster employee development and lifelong career sustainability. Role-specific competencies are defined in advance, and assessments by both the individual and their supervisors are used to identify areas for improvement. The company provides tailored training programs that support growth and contribute to organizational strategy and performance enhancement.

### 360-Degree Leadership Review

To foster sound leadership among managerial staff, SM Entertainment conducts 360-degree reviews. These reviews enhance fairness and objectivity, and the collected feedback is used as a resource for evaluating and developing leadership competencies.

## Evaluation Decision-Making Structure



## Performance Evaluation Status

Category		2022	2023	2024
		Number of Employees	Number of Employees	Number of Employees
Evaluation Subjects*	Total	449	583	634
Number of Employees Evaluated	Total	449	583	634
Percentage of Employees Evaluated (%)	Total	100	100	100
Employee Category	Executive	8	9	9
	Staff	441	574	625
Gender	Male	159	173	192
	Female	290	410	442

\*Employees who have not completed three months since joining, those still under probation, employees on long-term leave for over six months, and those scheduled for resignation are not included in the performance evaluation.



# Talent Management

## Compensation System

SM Entertainment operates a fair and competitive compensation system based on capabilities and performance from a Total Reward perspective. Annual salaries are determined according to performance evaluations, and performance-based incentives are provided to share the company’s overall business performance with employees. In addition, various employee benefit programs are in place to help employees focus on their work, and the company offers multifaceted support to enable them to perform at their best.



**Base Salary**  
Annual salary system for all employees based on job responsibilities, competencies, and performance



**Performance Incentives**  
Performance incentives based on overall company performance



**Allowances**  
Compensation based on role execution



**Employee Benefits**  
Various programs to support employee well-being and work environment



**Education Support**  
Internal and external education programs and qualitative support for competency and career development

## A Great Place to Work

SM Entertainment aims to enhance employees’ expertise and capabilities while supporting work-life balance, thereby fostering a healthy organizational culture where everyone grows together. To this end, the company conducts interviews with employees across various roles and levels and develops training programs based on their feedback. These programs are designed and implemented to provide employees with the learning opportunities they need, supporting their continuous growth.

### Training Programs for Employee Capability Development



Onboarding Program for New Employees



Leadership Training for First-Line Managers



Online Learning for Self-Directed Growth



Support for External Training to Enhance Job Competency



In-House Job-Specific Lectures

### Average Annual Training Hours and Expenses per Employee

Category		2022	2023	2024
Annual Training Hours*	Unit : hours	18.4	17.4	24.6
	Unit : KRW 10,000	17.4	6.7	13.5
By Gender	Male(%)	19.8	17.8	22.2
	Female(%)	18.0	17.2	20.7
By Employee Type	Executives(%)	17.0	8.6	12.8
	Staff(%)	18.5	17.5	21.1

\*Calculated based on internal training program hours; individual and external training not included.

### Number of Participants by Training Program\*

Unit: persons

Training Program		Number of Participants by Year		
		2022	2023	2024
Job Training		48	49	127
Leadership Training for First-Line Managers		-	-	68
Onboarding Program for New Employees		-	-	18
Compliance and Ethics Training		591	663	799
Human Rights Management Training		591	672	799
Occupational Safety and Health Training at Time of Hiring		197	282	176
Occupational Safety and Health Job-Specific Training		1	1	1
Regular Occupational Safety and Health Training**	Q1	508	601	709
	Q2	526	638	
	Q3	545	670	727
	Q4	591	672	
Mandatory Statutory Training		591	722	799
Internal Accounting Control System Training		194	373	367

\*Based on the number of employees at the time of training; may differ from the year-end headcount.  
\*\*Since 2024, training has been conducted semiannually in accordance with the revised Enforcement Rules of the Occupational Safety and Health Act.

# Talent Management

## Training Programs to Support Employee Growth

### Establishment of Onboarding Process for New Employees

A structured onboarding process has been established to support the smooth adaptation of new employees. The onboarding program spans the first three months after joining and has achieved a high overall satisfaction rating of 4.9 out of 5.0.

#### Welcome Kit Provision

Welcome kits containing essential items for new employees are provided along with welcome messages from the company's artists.

#### General Orientation Training

Orientation includes understanding company life, a headquarters tour, organizational overview, practical guidance, and networking to foster a sense of camaraderie.

#### New Employee Introductory Training

For entry-level employees, practical training is offered on topics such as business etiquette, communication, and task management.

#### Soft Landing Mission

A 10-week "Soft Landing Mission" is conducted to help new hires smoothly integrate into the organization, culminating in a gift and celebration upon completion.

#### New Hire Guide

A dedicated guide page is provided to help new employees easily access essential information.

### Online Learning for Self-Directed Growth

In collaboration with the Human Resources Development Service of Korea, SM Entertainment has implemented the HRDFLEX program—an educational platform that supports self-development and job competency enhancement. The platform offers access to over 12,000 professional online content modules. It provides a wide range of training in areas such as work smart practices, OA skills, industry trends, humanities, and liberal arts, as well as job-related competencies, leadership development, and MBA-level business and strategic planning courses.

### Support for External Training to Enhance Job Competency

To enhance employees' job competencies and support their growth into subject matter experts, SM Entertainment actively supports participation in external training programs as needed, at the discretion of department heads.



Onboarding Training Session for New Employees



Leadership Training Session for First-Line Managers

### Leadership Training for First-Line Managers

Leadership training was provided for first-line managers, focusing on their roles and responsibilities within the organization.



#### Training Participants

**68** First-Line Managers  
(98% of All First-Line Managers)



#### Training Topics

Roles of a Manager,  
Communication for Driving  
Performance



#### Satisfaction Level

**4.7** / 5.0

### In-House Job-Specific Lectures

In line with the latest business trends, SM Entertainment invites external experts to deliver special lectures. In 2024, a distinguished scholar in the field of artificial intelligence—a topic of growing interest—was invited to conduct a special lecture for organizational leaders.





# Talent Management

## Employee Benefits and Labor-Management Communication

SM Entertainment operates a variety of employee benefit programs to enhance creativity, engagement, and work-life balance. These programs are designed to create a vibrant and enjoyable work environment, incorporating feedback from employees to ensure that the benefits are truly meaningful.

### Psychological Counseling Support (Maum-Todak Service)

Starting in the second half of 2024, SM Entertainment expanded its psychological counseling service—originally limited to select job categories—to include all employees, regardless of their role. This program supports employees in managing psychological challenges in both their personal and professional lives with the help of experts, fostering emotional stability and enabling better organizational engagement and personal growth.

### “One-Pick Anniversary” Support Program

Since January 2024, the “One-Pick Anniversary” program has allowed employees to gift flower baskets or fruit packages—provided by the company—to someone special. For example, employees sent carnation arrangements to their parents on Parents’ Day and fruit packages to loved ones on other meaningful occasions. The program has been widely embraced across the organization.

### Increased Lunch Subsidy and In-House Café Points

Through various channels, including the “Open Talk with the CEO,” SM Entertainment gathered feedback from employees regarding welfare benefits. As a result, the company increased lunch subsidies and in-house café points starting in 2024.

## Employee Benefit Programs

Life Care

- Support for Cultural Performances, Music Subscriptions, and Book Purchases
- “One-Pick Anniversary” Support
- Lunch, In-House Café, and Snack Subsidies
- Birthday and Holiday Gifts
- Support for Club Activities
- Dinner and Transportation Support for Overtime Work

Health Care

- Group Accident Insurance
- Vaccination Support
- Health Consultations with Medical Professionals
- Psychological Counseling Program
- Comprehensive Health Checkups
- Various Rest and Lounge Areas

Family Care

- Support for Family Events (Congratulations and Condolences)
- Living Stability Loan Support
- Educational Support for Employees’ Children
- Commissioned Childcare Support for Children

SM Exclusive

- Long-Service Awards
- Mingling Day
- Photo Booth

## Labor-Management Council

SM Entertainment operates a Labor-Management Council in accordance with Article 4 of the Act on the Promotion of Worker Participation and Cooperation. The council serves as a consultative body in which representatives of the company and employees jointly engage in discussions to enhance productivity, resolve employee grievances, and improve working conditions. Through this council, the company facilitates effective communication with employees and actively collects and reflects diverse opinions to improve the working environment and employee welfare.

Operating Method	Discussion of key matters through regular quarterly meetings	
Key Agenda Items	Improvement of working conditions, expansion of employee benefits, enhancement of organizational culture	
Annual record of regular meetings conducted	2022	Total of 4 times (once per quarter)
	2023	Total of 4 times (once per quarter)
	2024	Total of 4 times (once per quarter)

## Mingling Day

Mingling Day was launched in 2023 as part of SM Entertainment’s initiative to share its vision and values, while fostering communication and collaboration among employees. It has since become a representative organizational culture program of the company. Through Open Talk with the CEO (Town Hall Meeting), direct communication between executives and employees is strengthened, helping employees better understand the company’s direction and goals. In addition, various participatory events are held to encourage active employee engagement, aiming to drive positive changes in the organizational culture through vibrant communication.

### Open Talk with the CEO

Held on the day of quarterly earnings announcements, this session provides a platform to share the company’s performance and future plans while delivering key updates directly to employees. It fosters trust between leadership and staff and promotes transparent communication.

## Employee Engagement Events

The company designs and organizes themed events throughout the year to promote empathy and unity among employees. These events offer opportunities to relieve work-related stress, build team cohesion, and encourage open interaction across departments. After each event, employee feedback is collected to identify areas for improvement and drive continuous development. SM Entertainment remains committed to cultivating a positive organizational culture where employees grow together and share in the company’s vision and values.





# Information Security Enhancement

SM Entertainment complies with all relevant information security laws and regulations and is committed to protecting the information of the company, its employees, artists, and customers. In 2024, the company established a dedicated body, the Technology Information Committee, to strengthen its information security governance. SM Entertainment is committed to operating a top-tier security system and making every effort to ensure the safe protection of stakeholders' personal information.

## Privacy Protection Principles

SM Entertainment values the personal information of all data subjects, including customers, employees, and partners, and recognizes the protection of such information as a vital social responsibility. The company complies with the Personal Information Protection Act and other relevant regulations, and safeguards personal data in accordance with its Privacy Protection Principles.



Privacy Protection Principles

## Information Security Decision-Making Structure

To systematically manage personal data protection, SM Entertainment established the Technology Information Committee in 2024 as a dedicated body overseeing all related tasks. The company's internal personal data management plan outlines the structure and operation of its privacy protection organization, which is responsible for overseeing all personal data protection activities, including the handling of customer and employee information.

Category	Roles and Responsibilities
Chief Privacy Officer (CPO)	Overall management of personal data protection tasks, establishment and implementation of internal management plans, and operation and oversight of the privacy protection organization
Privacy Protection Manager	Supervision of day-to-day personal data protection operations and oversight of privacy officers and related tasks
Privacy Protection Officer	Execution of practical privacy protection tasks, internal audits, and monitoring of policy compliance
Personal Data Handler	Handling and securing personal data, participating in privacy protection activities (such as training and awareness campaigns), and preventing data breaches

## Information Security Governance and Execution Framework



## Personal Data Management

SM Entertainment is continuously striving to strengthen personal data protection and information security. The company complies with all applicable laws and operates a robust security framework to ensure the safe protection of customer and employee information, while promoting transparency and trust in personal data processing.

## Personal Data Protection Operating Principles



Personal data is protected and managed in accordance with lawful procedures, with appropriate security measures applied.



All personnel handling personal data must report any data breaches and actively participate in investigations and response efforts.



Regular training and awareness campaigns are conducted to strengthen employees' awareness of personal data protection.



The status of personal data processing is regularly reviewed, and protection measures are continuously improved.

# Information Security Enhancement

## Information Security Training

SM Entertainment conducts annual information security training to raise awareness among employees. In response to the rapidly changing digital environment, urgent topics outside of scheduled training sessions are communicated through the company intranet and internal email notices.

### Information Security Training Status

Unit: Persons, (%)

Training Content	Number of Participants and Completion Rate*		
	2022	2023	2024
Information security guidelines, case studies, risk response, and prevention measures	591(100)	709(100)	799(100)

\*Based on the number of employees at the time of training; may differ from the year-end headcount.

## Information Security Activities

To strengthen information and cybersecurity, SM Entertainment continuously carries out security inspections and implements protective measures. By raising employee awareness of information security and adopting advanced security technologies, the company maintains a stable and secure information environment. Regular audits and inspections are conducted to protect key information assets.

### Information Security Audit and Inspection Records

Internal System VulnerabilityAssessment	Prevent cybersecurity threats in advance by analyzing and addressing security vulnerabilities in internal systems
Server Security Inspection	Review server security configurations and apply the latest security patches to enhance system stability and security

### Key Information Security Activities

Enhancement of Security Infrastructure and Systems	Improvement of security programs, server security inspections, and reinforcement of wireless network security policies
Employee Security Training and Awareness Improvement	Annual training on personal data protection and information security, notices and guidelines on the safe use of generative AI services
Advancement of Security Monitoring and Response System	Lunar New Year PC OFF campaign, analysis and response to security solution alerts

## Information Security Investment

SM Entertainment discloses its information security investments, workforce, certifications, and related activities to promote safe internet usage and strengthen transparency regarding its cybersecurity efforts. This ensures users’ right to know. In 2024, the company made targeted investments to enhance its cybersecurity capabilities and plans to gradually increase its information security investment ratio.

### Short-Term Information Security Plans

Expansion of Security Inspections and Audits	<ul style="list-style-type: none"><li>Regular and enhanced security inspections of internal systems and servers</li><li>Continuous improvement of information asset protection measures</li></ul>
Advancement of Security Programs	<ul style="list-style-type: none"><li>Adoption of the latest security solutions and review of operational policies</li><li>Strengthening of endpoint (user PC) security</li></ul>
Expansion of Employee Information Security Training	<ul style="list-style-type: none"><li>Systematic operation of annual training programs to raise awareness of personal data protection and cybersecurity</li><li>On-site monitoring of training completion and improvement of training environments</li><li>Reinforcement of reporting structures within the management organization</li></ul>
Establishment of AI Security Policy	<ul style="list-style-type: none"><li>Diversification and refinement of generative AI usage guidelines to prevent internal data leaks</li></ul>



## Supply Chain Management and Shared Growth

SM Entertainment specifies fair competition and fair trade in its Code of Ethics. The company respects the principles of a fair and free market economy, competes fairly with other businesses, and pursues mutual growth by building relationships of trust and cooperation through equitable transactions with business partners. SM Entertainment does not engage in or exert pressure for unfair practices. The company will continue to comply with all relevant laws and regulations, ensuring transparency and fairness in all transactions with partners to promote shared growth.

### Establishment of a Foundation for Shared Growth

SM Entertainment practices sustainable management through close communication and cooperation with its partners. In particular, the company strives to generate synergies with a diverse range of partners, including both SMEs and global enterprises, as part of its efforts to grow into a higher-tier global company. Transparency and fairness are ensured throughout the entire partnership process—from selection and negotiation to contract execution and operations—while maintaining close partnerships grounded in mutual trust. SM Entertainment actively supports mutual growth and co-prosperity with partners by establishing clear and specific procedures and systems at each stage of cooperation. The company is committed to continuous shared growth with its partners by complying with all relevant laws and regulations and making ethical and rational business decisions.

### Fair and Transparent Contracting

SM Entertainment continually reviews and proposes improvements to its contracts with partners in response to changes in relevant laws and evolving social expectations. The company strictly complies with government guidelines and recommendations, ensuring mutually respectful and fair contractual relationships.

### Long-Term Partnerships for Co-Prosperity

Recognizing partners as long-term collaborators rather than one-time vendors, SM Entertainment pursues stable and enduring relationships. A structured supply chain management system is in place to identify outstanding partners and maintain long-term, reliable partnerships that promote sustainable mutual growth. This approach fosters long-term strategic synergy built on trust.

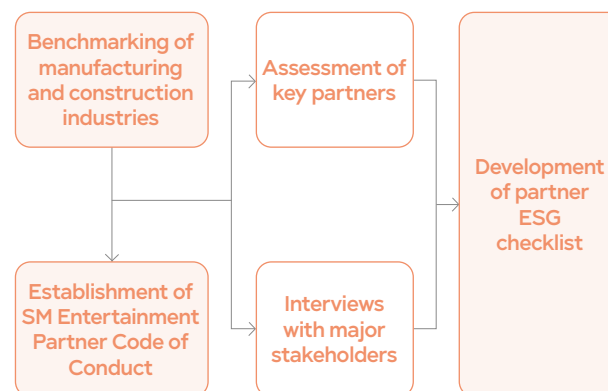
### Sustainable Supply Chain Management

SM Entertainment is committed to enhancing the sustainability of its entire supply chain based on sustainable management principles. The company monitors the sustainability performance of its partners and encourages improvements in environmental protection, social responsibility, and governance. In addition, SM Entertainment actively promotes collaborative projects and provides training programs to strengthen the sustainability capabilities of its partners, thereby reinforcing the overall sustainability of the supply chain.

### Plan for Building a Supply Chain Management System

SM Entertainment recognizes the critical importance of environmental and human rights considerations throughout the entire value chain, including its corporate operations and broader supply network. In line with this awareness, the company has engaged in shared growth initiatives with small content creators and startups, while laying the groundwork for a comprehensive supply chain management system. Based on a draft of its Supplier Code of Conduct, SM Entertainment developed an ESG self-assessment checklist for partners, tailored to reflect industry-specific characteristics. The checklist is utilized by each department in accordance with the nature of its work to evaluate and enhance ESG performance across the supply chain. Going forward, SM Entertainment will continue to establish a robust supply chain management system and work in close cooperation with its partners to promote shared growth and mutually beneficial collaboration.

#### Supply Chain Management System Development Process



### Efforts to Promote Shared Growth

#### ESG Training Support for Partners

SM Entertainment conducts ESG training sessions and workshops on a quarterly basis for its ESG working group and ESG officers from partner companies. These sessions cover current ESG policies, industry trends, and serve as a platform to discuss related collaborative projects.

#### ESG Trends and Insights in the Content Industry

In collaboration with the Korea Creative Content Agency, SM Entertainment offered a free online lecture on ESG trends and practices tailored to the content and entertainment industries, addressing their unique characteristics.

#### Shared Space for Social Enterprises and Social Ventures

SM Entertainment opened its long-term leased space at Under Stand Avenue to social enterprises and social ventures free of charge, helping them generate social value through shared infrastructure.

#### Grievance Handling Channel for Partner Companies

Grievance Reporting	<a href="https://www.smentertainment.com/contact/report/">https://www.smentertainment.com/contact/report/</a>
Reporting Method	When a report is submitted through the designated channel, the related information is de-identified and sent to the internal recipient via email.
Responsible Department Business Legal Affairs Unit	Bribery, solicitation related to personnel matters, misconduct, others (compliance@smtown.com)

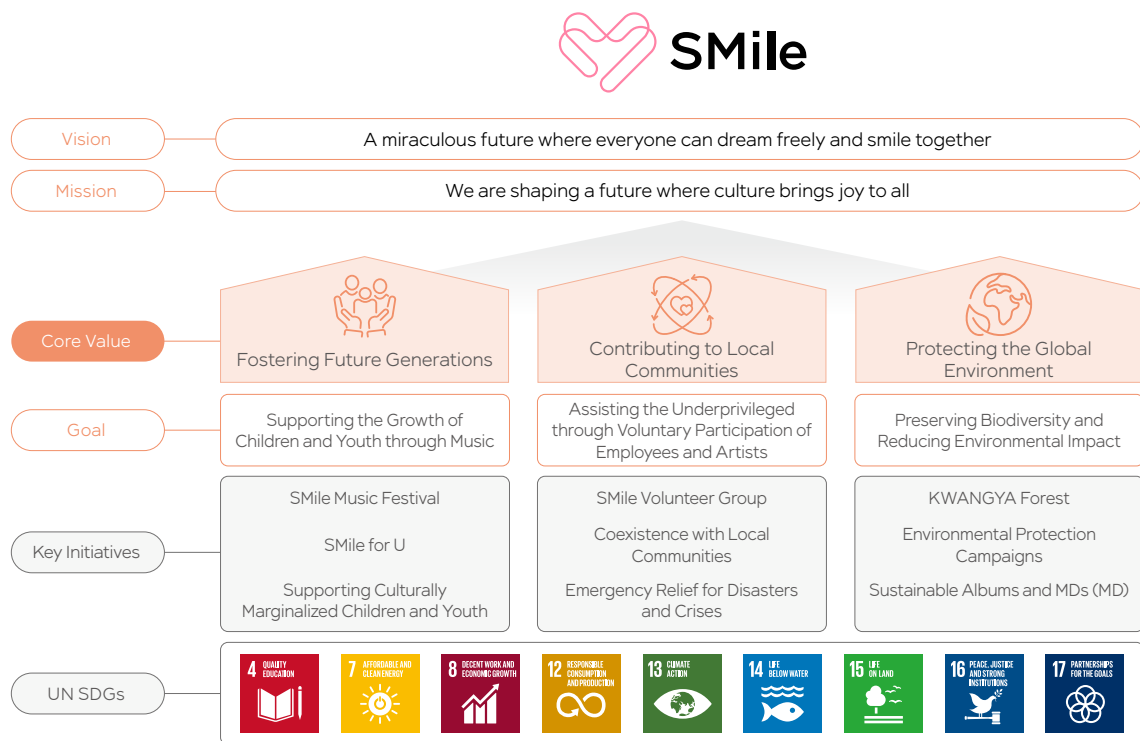


# Community Engagement

Since its establishment in 1995, SM Entertainment has continuously engaged in philanthropic activities with the participation of its artists and employees. In 2014, the company launched its social contribution brand SMile and established a dedicated team to carry out structured and strategic social contribution initiatives. These include the SMile Music Festival for children and youth aspiring to grow through music, the SMile for U campaign in collaboration with the Korean Committee for UNICEF, and the SMile Volunteer Group, which encourages voluntary participation from both artists and employees. SM Entertainment actively collaborates with local communities and experts to contribute meaningfully to society.

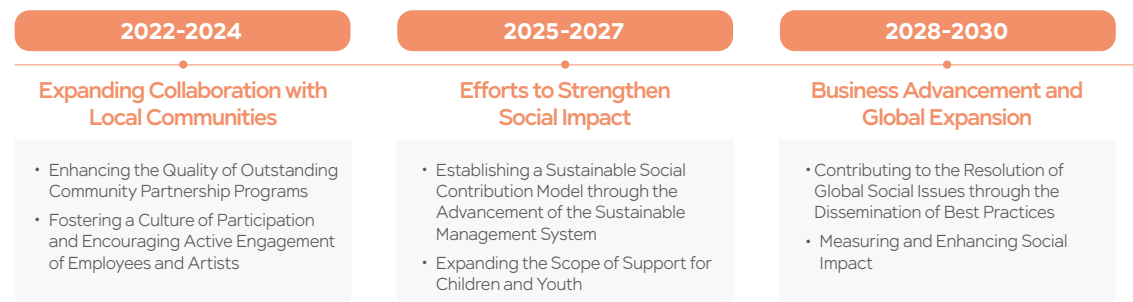
## Social Contribution Framework

Under the vision of “a miraculous future where everyone can dream freely and smile,” SM Entertainment carries out a wide range of social contribution activities based on three core values: nurturing future generations, contributing to local communities, and protecting the global environment. In particular, 2024 marks the 10th anniversary of SMile, SM Entertainment’s official social contribution brand. Over the past decade, the company has collaborated with various partner organizations to create a future where everyone can smile together through culture. SM Entertainment’s social contribution initiatives are overseen by the CSR Unit, while major decisions related to social responsibility are reviewed and approved by the Chief Executive Officer (CEO).



## Roadmap for Enhancing Social Contribution Initiatives

As part of its commitment to fulfilling its responsibilities to local communities, SM Entertainment discloses its mid- to long-term goals for community engagement.



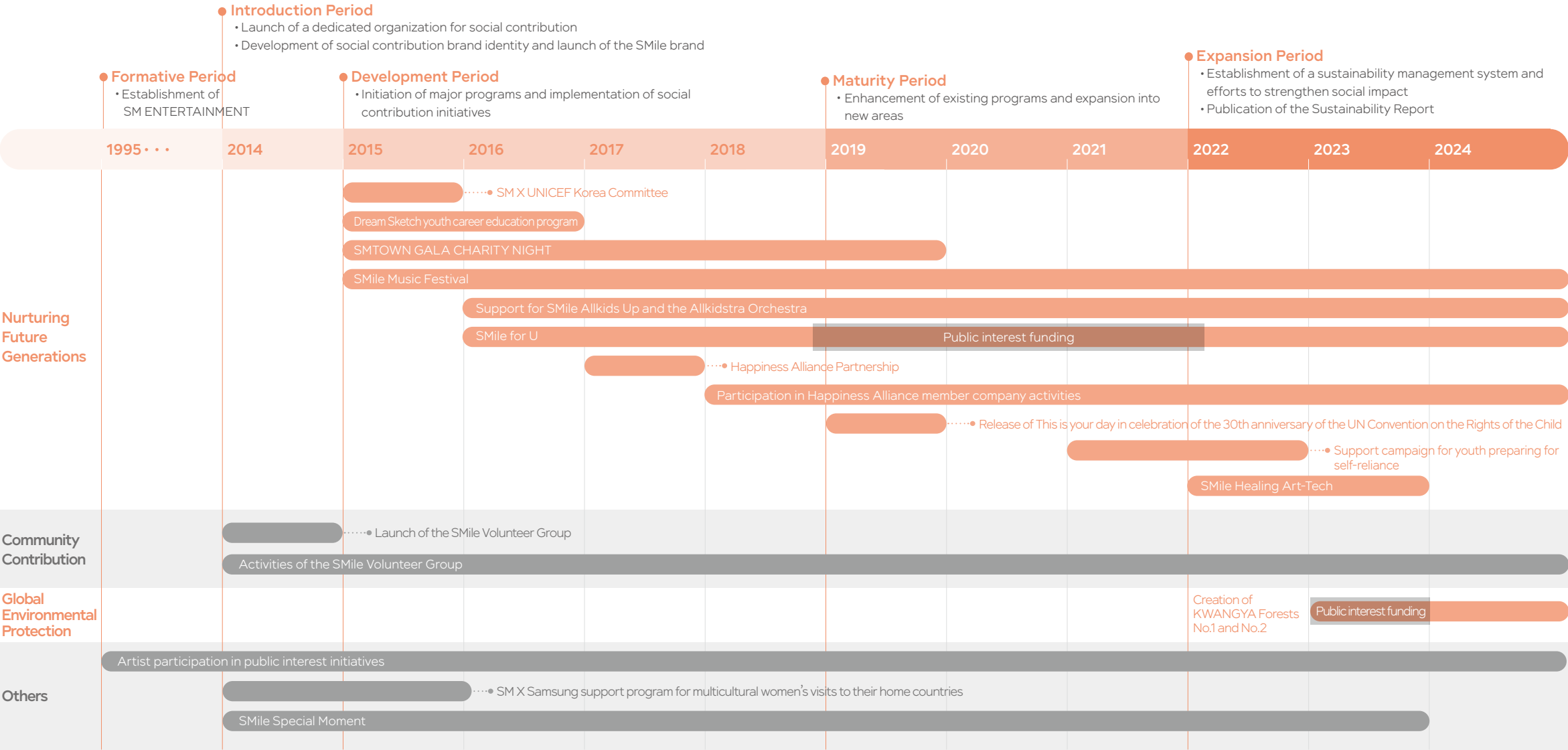
## SDGs Implementation

SMile carries out a wide range of social contribution activities to ensure quality education as outlined in SDG 4, focusing on Korea and Asia. These efforts aim to empower children and youth—future leaders of our society—to pursue their dreams and hopes through music education. In addition, through ESG management, we are actively working to realize goals such as clean and renewable energy, decent work and economic growth, responsible consumption and production, climate action, marine ecosystem preservation, peace, justice and strong institutions, and partnerships for the goals.



# Community Engagement

## Social Contribution History



# Community Engagement

## SMile Music Festival

The SMile Music Festival, SM Entertainment’s flagship social contribution program, is dedicated to supporting children and youth as they nurture their dreams through music. The program selects teams in categories such as vocal, dance, and band, providing them with mentoring from SM artists and professional training. A joint year-end performance is held to showcase their growth.

Following the outbreak of COVID-19, the program adapted by offering training kits for online participation and combining in-person and virtual classes. This approach has broadened access for youth in regions with limited infrastructure. Through their participation, students have not only developed musically but also gained a sense of joy in challenge, achievement, and confidence.

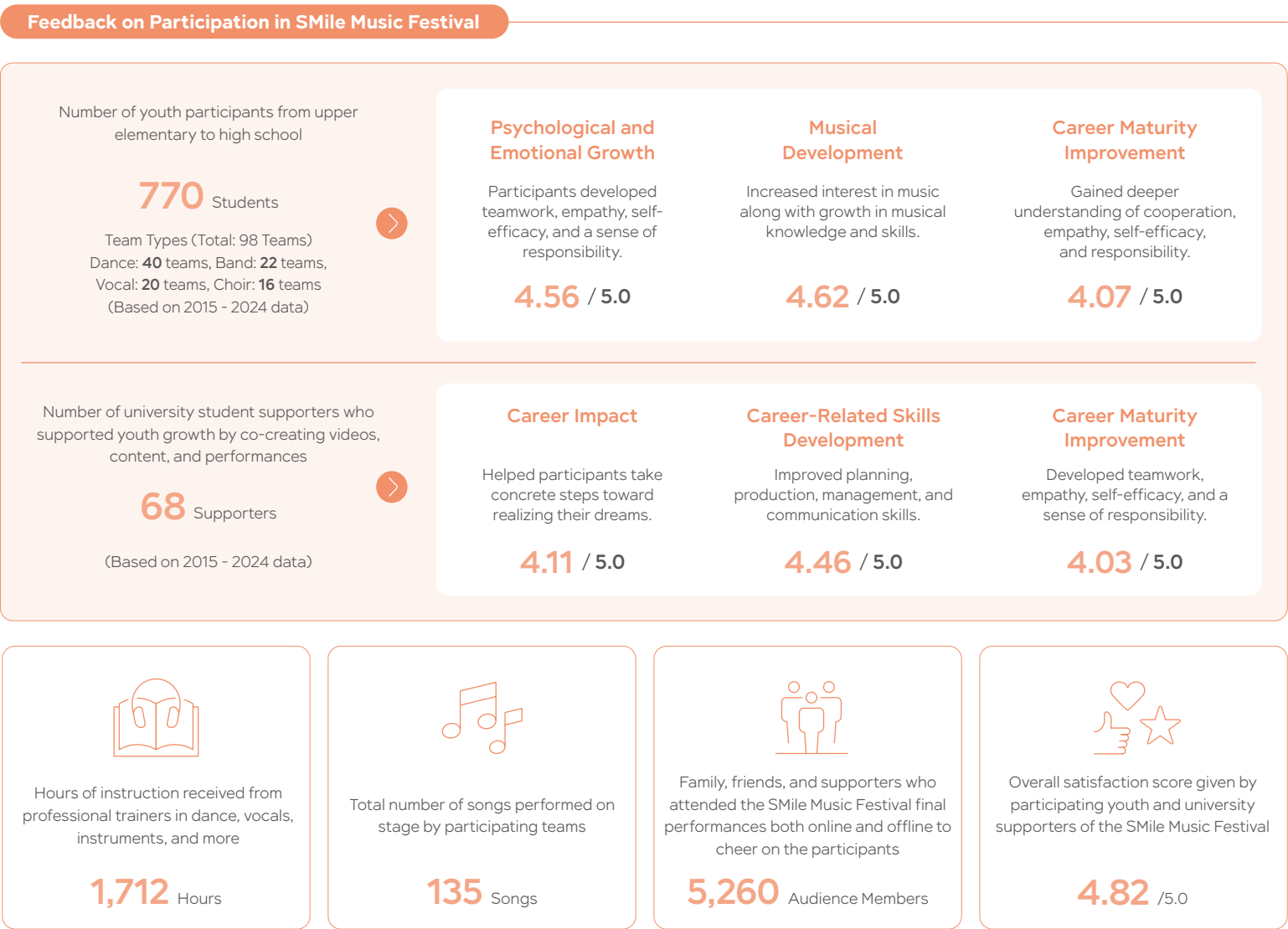
### Main Support Provided

Training support from professional trainers	Conducted both online and offline
Provision of online training kits	Support for online environment such as laptops and action cameras
Provision of practice spaces	Support for venue rental fees
Final performance by team	Comprehensive support for styling, makeup, and stage production
Issuance of SMile Music Festival certificate of completion	For all activity participants only

### Key Program Stages



## Impact of the SMile Music Festival





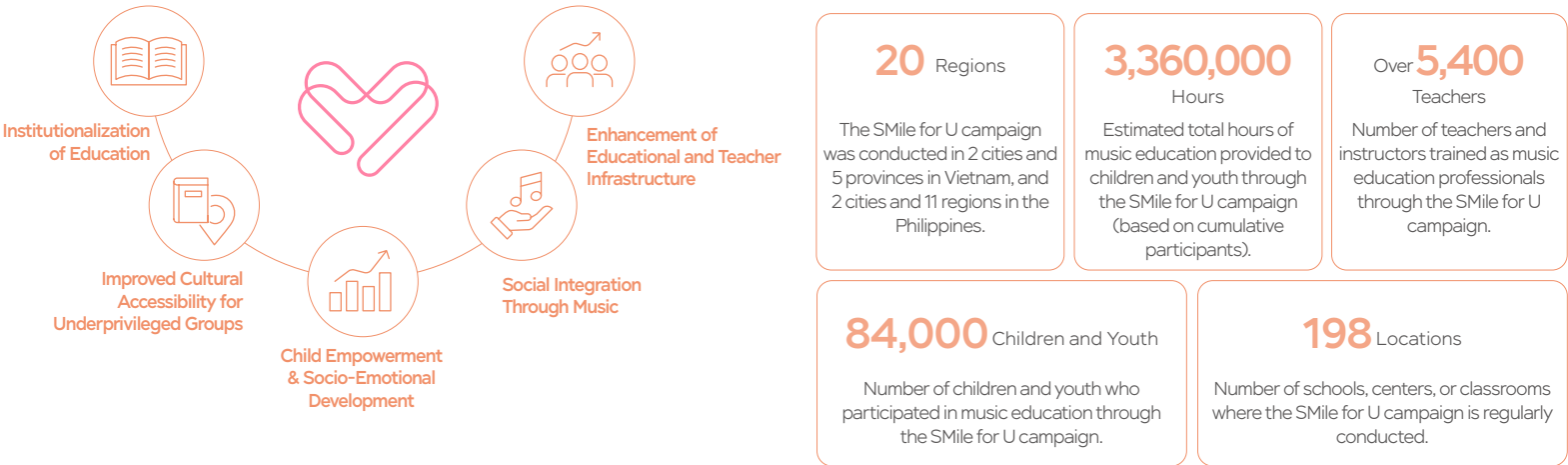
# Community Engagement

## SMile for U

Since 2016, SM Entertainment has been conducting the SMile for U campaign in partnership with the Korean Committee for UNICEF to promote integrated music education for children across Asia. Through this initiative, music education has been provided to children in Hanoi, Da Nang, Kon Tum, Dien Bien, and Gia Lai Province in Vietnam. The program has had a positive impact on improving the educational environment for ethnic minority children and aligning with the educational goals of the Vietnamese government. To support the broader dissemination of music education, a dedicated music education manual was developed and approved by the Ministry of Education and Training (MOET). Additionally, teacher training programs were implemented alongside the development of teaching materials and instructional guidelines. Since 2022, the campaign has expanded to the Philippines, working to provide music education to children in two cities across three provinces.



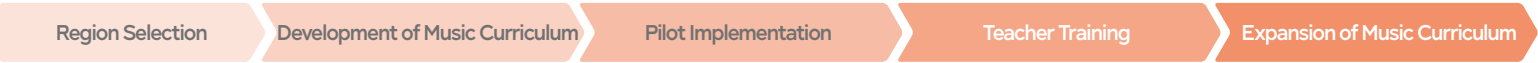
## Impact Created by SMile for U



## SMile for U History



## SMile for U Campaign Direction



# Community Engagement

## SMile Volunteer Group

Launched in 2014 with the participation of SM Entertainment employees, the SMile Volunteer Group has since grown to include numerous employees and artists who voluntarily take part in a wide range of community service activities. Beginning with visits to child welfare and disability care facilities, the group's efforts have since expanded to diverse areas, contributing meaningfully to local communities. The SMile Volunteer Group is committed to a philosophy of "learning through giving." It conducts monthly volunteer activities such as baking, supporting abandoned animals, photography, and gardening. In particular, it partners with social enterprises and nonprofit startups that promote social value, thereby enhancing both public impact and expertise. Additional programs include mentoring, hands-on volunteering, plogging, mural painting, and reading storybooks aloud—making it easy and enjoyable for employees to get involved. These initiatives empower participants to share their talents and experiences in meaningful ways.

## Impact Created by the SMile Volunteer Group

(Based on data from 2014 to 2024)



Number of SM employees and affiliated artists who participated in volunteer activities

3,438 Employees and Artists



Total hours of SMile Volunteer Group activities

9,608 Hours



Number of people supported by the SMile Volunteer Group

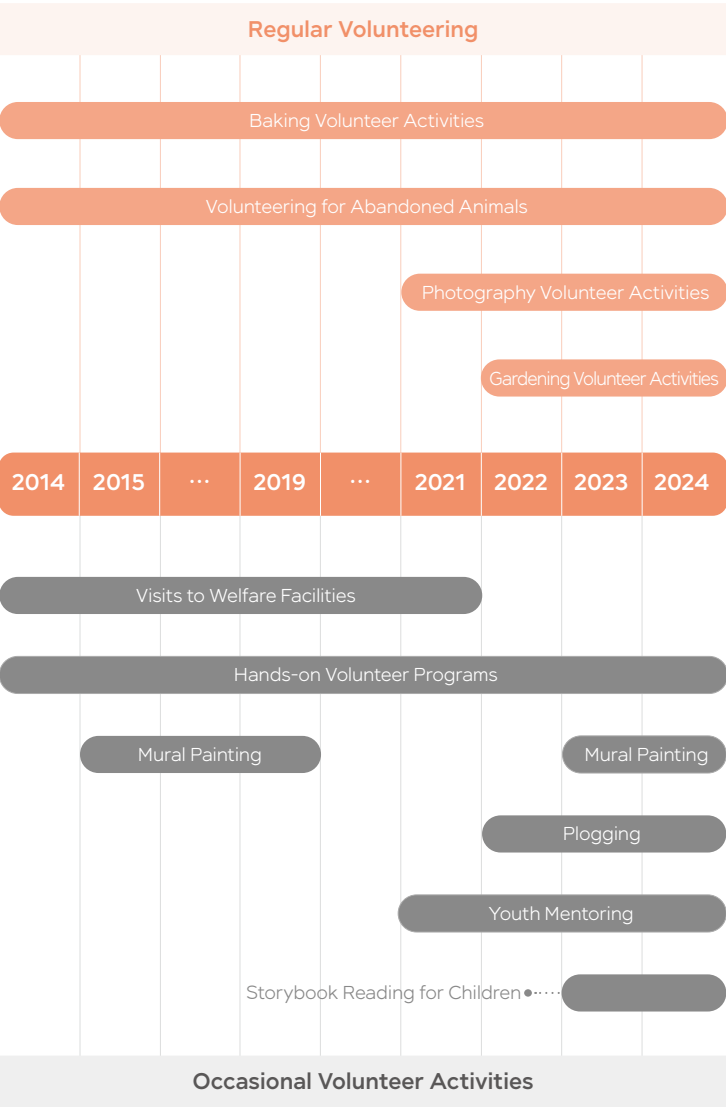
16,057 Beneficiaries



Number of volunteer activities conducted by the SMile Volunteer Group

285 Activities

## SMile Volunteer Group Activity Themes



## Annual Process of SMile Volunteer Group



**Activity Planning**

- Analyze employee interests and social issues to design the annual activity plan
- Coordinate with partner organizations and develop detailed plans



**Participant Recruitment**

- Announce regular volunteer activities and recruit participants
- Announce occasional volunteer activities and recruit participants



**Volunteer Activity Execution**

- Conduct volunteer activities on weekday afternoons or weekends
- Share feedback and discuss areas for improvement



**Results Sharing**

- Collect and summarize feedback from volunteers and partner organizations (including beneficiaries)
- Share outcomes through internal and external communication channels



**Activity Evaluation**

- Review annual achievements and significance of SMile Volunteer Group activities
- Recognize outstanding volunteers and share their experiences

# Community Engagement

## 2024 SMile Volunteer Group Activities

Category	Volunteer Programs	Activity Details	Number of Volunteering Activities Conducted
Regular Volunteering	Photography Volunteer Group	Photographing ID photos, memorial photos, and profile photos for the underprivileged and welfare facility users	6 times
	Gardening Volunteer Group	Ecological monitoring activities that involve observing and recording flora and fauna in KWANGYA Forest and Seoul Forest, as well as managing gardens	7 times
	Baking Volunteer Group	Baking bread for vulnerable populations in Dongdaemun District	8times
	Abandoned Animal Volunteer Group	Cleaning animal shelters, supporting pet adoption, and conducting pet owner education programs	9times
Occasional Volunteer Activities	Youth Career Mentoring	Sharing job knowledge and experience through small group mentoring sessions between employees and youth, organized by field	Once each
	Youth Heart Letter Campaign	Reading and responding empathetically to letters written by youth expressing their concerns	
	Storybook Reading Volunteer	Recording audiobooks and donating reading assistive devices for children with visual impairments	
	Paper Canvas	Creating paper canvases for impoverished elderly individuals; the completed canvases are donated to local children	
	Seongdong-gu Mural Painting Volunteer	Painting murals in deteriorated areas near children’s parks in Seongdong-gu	
	SM X Hyundai Glovis Seoul Forest Plogging Joint Volunteer Activity	Conducting plogging activities for environmental cleanup in the Seoul Forest area near the Seongsu office	
	Plant Donation Hands-on Program	Germinating seeds, growing plants, and donating the cultivated plants to local communities (Seoul Forest, KWANGYA Forest)	





## Community Engagement

### Trainee Volunteer Activities

SM Entertainment supports its trainees in learning about sharing and participating voluntarily in activities that assist those in need. Even before their debut, members of NCT engaged in volunteer work at facilities for individuals with disabilities, senior welfare centers, and multicultural schools—and have continued to contribute through such efforts to this day.

Since 2020, SM Entertainment has incorporated global citizenship education into its training curriculum in collaboration with the international relief and development NGO World Vision. This annual program is designed to foster a sense of responsibility in trainees, helping them grow into socially conscious artists.

### Trainee Talent Sharing Activities

This is a training experience program in which SM Entertainment trainees lead dance, vocal, rap, and foreign language classes for the children and nieces/nephews of employees. As they prepare and conduct the lessons, the trainees not only refine and validate their own skills but also gain confidence and the joy of sharing through the act of teaching others.

Since its launch in 2024, over 100 children have participated in the program, receiving highly positive feedback from employee parents.



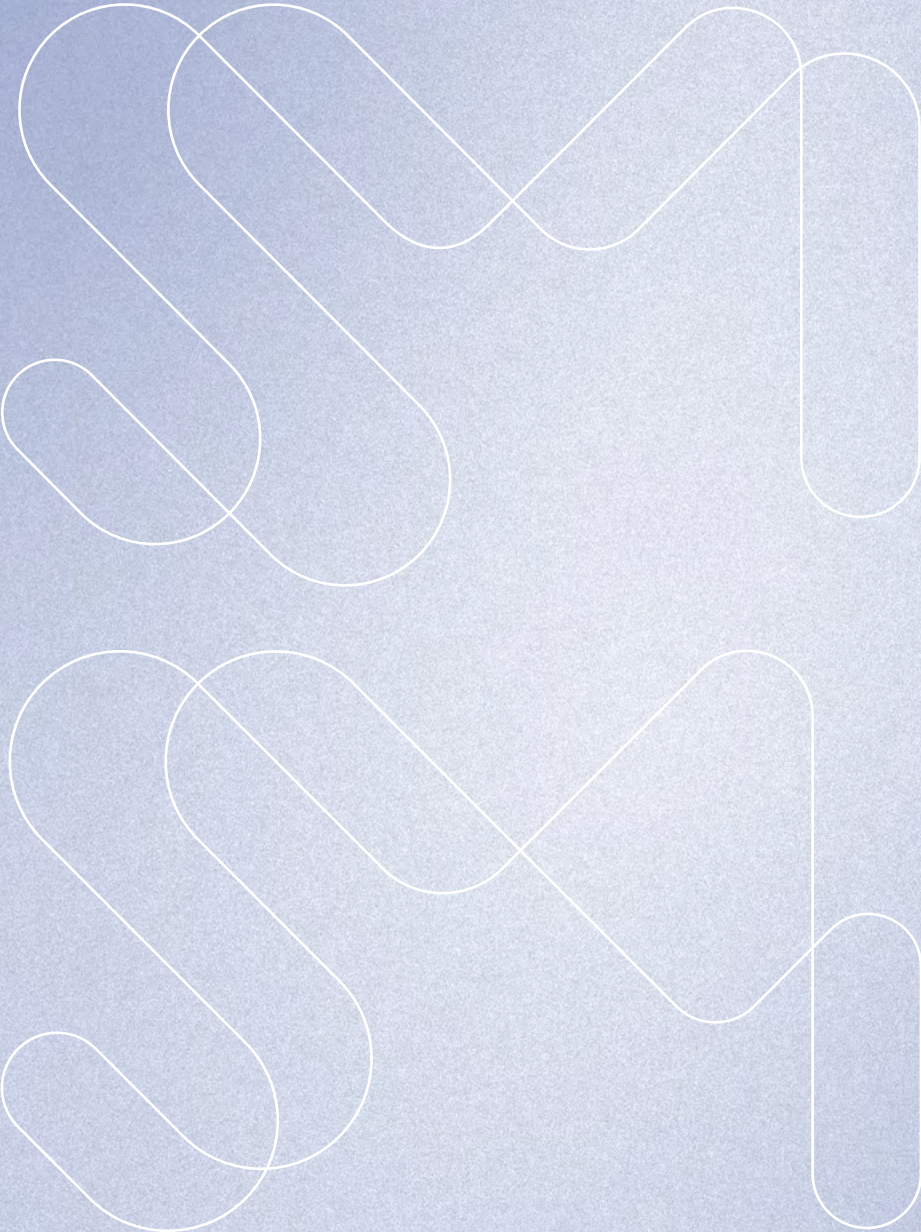
Operation of Training Experience Program



Training Experience Program Poster



# GOVERNANCE



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Link to UN SDGs





# Ethics and Compliance Management

In conducting business activities, companies must make decisions that comply with laws and respect social ethics, while also establishing systems to support such governance. SM Entertainment established its internal governance framework through the Board of Directors’ resolutions: the Regulation on Management of Internal Information in September 2009, the Compliance Control Standards in November 2019, and the Code of Ethics in May 2020. These regulations serve as the standard for all decision-making and behavior by SM Entertainment employees. As of 2023, 100% of SM Entertainment employees completed ethics and compliance training. The company is also expanding its ethical and compliant management practices by disseminating the Code of Ethics to key affiliates and implementing an Ethics Commitment Pledge.

## Compliance Control Standards

SM Entertainment has established and implemented Compliance Control Standards to ensure fair and transparent business operations, promote corporate growth, and build customer trust. These standards define the appointment, organizational structure, and roles of compliance officers, while also providing guidelines for managing various types of legal risks.

## Code of Ethics

SM Entertainment has established and practices a Code of Ethics as the standard for conduct and value-based decision-making across all areas of its business activities.

Approach to Shareholders and Investors	Equal Treatment of All Shareholders and Transparent Information Disclosure
Approach to Customers	Customer Respect and Protection
Approach to Business Partners and Others	Fair Competition and Fair Trade
Responsibility to Society	Compliance with Laws, Contribution to Social Development, and Environmental Protection
Responsibility to Employees	Fair Treatment and the Creation of a Safe and Pleasant Working Environment
Basic Ethics for Employees	Performance of Duties, Protection of Company Assets, and Prohibition of Conflicts of Interest

## Compliance-Based Decision-Making System

In accordance with the Commercial Act, SM Entertainment appoints a compliance officer to oversee legal risk management across all business activities. Appointed by the Board of Directors, the compliance officer carries out a range of duties including legal oversight of corporate operations and providing various training programs for employees. The officer also reports the outcomes of compliance-related activities to the Board in line with the Commercial Act and the Compliance Control Standards.

Compliance Officer (CLO)	Carries out comprehensive compliance control activities, provides compliance training to employees, and reports the results of compliance oversight—conducted in accordance with the Commercial Act and Compliance Control Standards—to the Board of Directors.
Compliance Office	Collaborates with the Corporate Legal Unit and Business Legal Unit to perform and support compliance control tasks, and regularly reports the outcomes of such activities to the Compliance Officer.
Internal Control Unit	Conducts risk assessments, design evaluations, and operational reviews of the internal accounting management system in accordance with the Act on External Audit of Stock Companies, its Enforcement Decree, and the Best Practice Guidelines for Internal Accounting Management Systems issued by the Internal Accounting Management Committee. Reports the results to the internal accounting manager and auditor, and submits them to external auditors.



# Ethics and Compliance Management

## Internal Audit System

SM Entertainment has established a fair and structured internal audit system by defining standards and procedures for internal audits through its audit regulations. In accordance with these regulations, both routine audits (regular) and special audits (as needed) are conducted to ensure the appropriateness and integrity of related operations.

Scope of Internal Audit	<ul style="list-style-type: none"><li>• All matters related to accounting and general business operations</li><li>• Compliance with internal regulations and company policies</li><li>• Implementation of corrective and improvement actions based on audit findings</li><li>• Other misconduct or matters deemed necessary for internal audit</li></ul>
Follow-up on Audit Results	<ul style="list-style-type: none"><li>• The Audit Department may request corrective or improvement measures from the audited departments or individuals if any violations of laws or company regulations, or other improper conduct, are identified. In particular, if financial damage to the company is involved, immediate recovery actions may be required.</li><li>• If any systemic deficiencies or operational issues are identified, the Audit Department may recommend corrective measures to the CEO and the Compliance Officer.</li><li>• The Audit Department may recommend rewards to the CEO for employees who have made significant contributions to internal audits and may also recommend disciplinary actions for those who have caused financial loss or committed other forms of misconduct.</li></ul>
Post-Audit Management	<ul style="list-style-type: none"><li>• Upon approval of the audit report, the Audit Department must promptly notify the audited departments and individuals of the audit findings, including required corrective actions and deadlines.</li><li>• The audited departments and individuals must complete the required actions within the specified deadline and submit the results to the Audit Department, which reserves the right to directly verify the implementation and outcomes.</li></ul>

## Internal Accounting Management System

SM Entertainment designs and operates its internal accounting management system in accordance with the Act on External Audit of Stock Companies, its Enforcement Decree, and the Best Practice Guidelines for Internal Accounting Management Systems issued by the Internal Accounting Management Committee. Each year, the CEO and the internal accounting manager evaluate the operation of the internal accounting management system and report the results to shareholders, the Board of Directors, and the auditor. The auditor, in turn, reviews and assesses the reported operational status and reports the evaluation results to shareholders and the Board. Additionally, the external auditor conducts an annual audit of the internal accounting management system and provides an audit opinion in the audit report.

### Status of Internal Accounting Management System Training

Internal Accounting Management System Training Completion Status	2022	2023	2024
Number of Sessions	1	1	1
Number of Participants	194	373	367

## Ethics and Compliance Training

### Status of Ethics and Compliance Training

Ethics and Compliance Training Completion Status	2022	2023	2024
Number of Sessions	1	1	1
Number of Participants*	591	663	799

\*Based on the number of employees at the time of training; participation rate is 100%

# Fair Trade and Intellectual Property Protection

SM Entertainment respects market order and faithfully fulfills its duties and responsibilities in accordance with relevant laws and regulations. The company's Code of Ethics outlines the standards of conduct and value-based judgment that must be upheld by the company and all its employees, and SM Entertainment strives to promote fair competition and fair trade.

## Policies and Guidelines

SM Entertainment has established and implemented policies to prevent corruption and unfair trade practices in business operations and transactions. When such activities occur, the company takes appropriate measures and enforces rules to prevent recurrence.

## Strengthening Intellectual Property Management and Global Expansion

SM Entertainment continues to expand the registration of intellectual property rights—including trademarks, designs, and patents—both domestically and internationally. The company is also systematically enhancing the protection of copyrights for creative content such as music, video, and images.

## Response to Illegal Goods and Rights Infringement

The company constantly monitors the manufacture, distribution, and sale of counterfeit goods that illegally use the trademarks and designs of SM Entertainment and its affiliated artists, taking proactive legal action against such activities. It is also building a comprehensive management system in close cooperation with various partners to respond to intellectual property and other rights infringements.

## Systematic Education and Fair Trade System for Strengthening Compliance Management

To ensure full compliance with key laws related to its business—including the Copyright Act, Trademark Act, Fair Trade Act, and Personal Information Protection Act—SM Entertainment regularly conducts internal reviews with relevant departments. It also provides structured and periodic training in cooperation with external legal and patent advisory firms. In addition, the company implements transparent and fair trading procedures and systems based on applicable laws, thereby reinforcing compliance-based management.

## Fair Trade and Intellectual Property Protection Decision-Making System



## Fair Trade and Intellectual Property Protection Goals and Details

Category	2024 Achievements	Mid- to Long-Term Goals
Fair Trade	<ul style="list-style-type: none"><li>Established a consultation phase with partners to ensure fair contract execution</li><li>Regularized compliance training for relevant departments</li></ul>	<ul style="list-style-type: none"><li>Enhance internal systems related to contracts and implement a signing process aligned with global standards</li><li>Establish a support system for fair trade education targeting partner companies</li></ul>
Intellectual Property Protection	<ul style="list-style-type: none"><li>Expanded the scope of domestic and international trademark/design registrations</li><li>Strengthened real-time monitoring system for the manufacture, distribution, and sale of illegal goods and established an internal rapid response protocol</li></ul>	<ul style="list-style-type: none"><li>Advance rights infringement prevention and response processes based on a global partner network</li><li>Conduct training on intellectual property protection for employees and partner companies</li></ul>



# Fair Trade and Intellectual Property Protection

## Artist Intellectual Property Protection

SM Entertainment is committed to protecting both its tangible and intangible assets, including intellectual property rights, and holds rights such as trademarks, patents/utility models, designs, and copyrights in accordance with relevant laws. The company has established and operates a comprehensive system to detect, prevent, respond to, and manage counterfeiting and IP infringement.

Domestically and internationally, SM actively monitors and enforces actions to prevent the distribution of counterfeit goods that exploit its intellectual property, aiming to safeguard its artists' publicity rights.

In 2024, SM Entertainment collaborated with the Korea Intellectual Property Protection Agency (TIPA) to publish the K-Brand Intellectual Property Infringement Identification Guidebook. The guide featured key elements for identifying counterfeit products of SM's main MDs, official distribution channels, and case studies—contributing to efforts to prevent the infringement of Korean brands' IP abroad.

### Key Activities for Artist IP Protection

- Cooperation with the Korean Intellectual Property Office and the Korea Intellectual Property Protection Agency to block domestic distribution of counterfeit goods
- Collaboration with the Korea Intellectual Property Protection Agency, TIPA, and the Korea Customs Service to prevent international circulation of counterfeit products
- Joint efforts with the Korea Customs Service to prevent infringement of domestic brand IP abroad

### Status of Intellectual Property Rights Ownership

As of the end of March 2025, based on internal data.

Category	Domestic	Overseas
Trademarks	2,715	1,420
Patents/Utility Models	12	11
Designs	81	-
Copyrights	62	1

## KWANGYA 119

In June 2023, SM Entertainment became the first Korean entertainment company to launch a direct communication channel—"KWANGYA 119"—to actively listen to and address fans' requests, concerns, and feedback. This initiative reflects SM's commitment to building a better K-POP culture through open dialogue. The service collects daily reports across various boards including defamation of artists, false information/fake news, copyright infringement, corrections/clarifications, and the "Idea Plaza." To ensure timely responses, the KWANGYA 119 Unit, which oversees the platform, prioritizes and organizes the submissions before sharing them internally via communication channels with relevant production and support teams, enabling collaborative action. The unit also conducts ongoing monitoring as part of the company's and artists' risk management efforts. Over the past year, SM has further enhanced the platform by adding a "FAQ" section—based on recurring inquiries—to improve information accessibility, and a "REVIEW" section where fans can post supportive messages for artists during album releases, allowing more voices to be heard. Alongside daily issue sharing, the company compiles and distributes Monthly Reports, Quarterly Reports, and a Comprehensive Statistical Report summarizing trends, top-traffic issues, resolution progress by board category, and major insights. These reports are used for cross-departmental discussions and decision-making. As of December 31, 2024, a total of 198,726 cases were submitted—a 9.37% increase compared to the previous year—with 198,590 cases responded to, reflecting a 99.93% response rate.

### Response Process and Departmental Roles



Category	Details
Defamation of Artists, False Information/Fake News	<b>Business Legal Unit</b> Review and execution of legal action
Copyright Infringement	<b>VX Unit, IP Licensing Unit, Global Digital Distribution Unit</b> Identification of copyright and artist IP infringements
Corrections/Clarifications, Idea Plaza	<b>KWANGYA 119 Unit</b> Review of content and coordination with relevant departments to provide responses
Illegal Ticket Transactions	Guidance on Reporting via Korea Creative Content Agency and ticketing platforms' reporting channels and fraud prevention systems

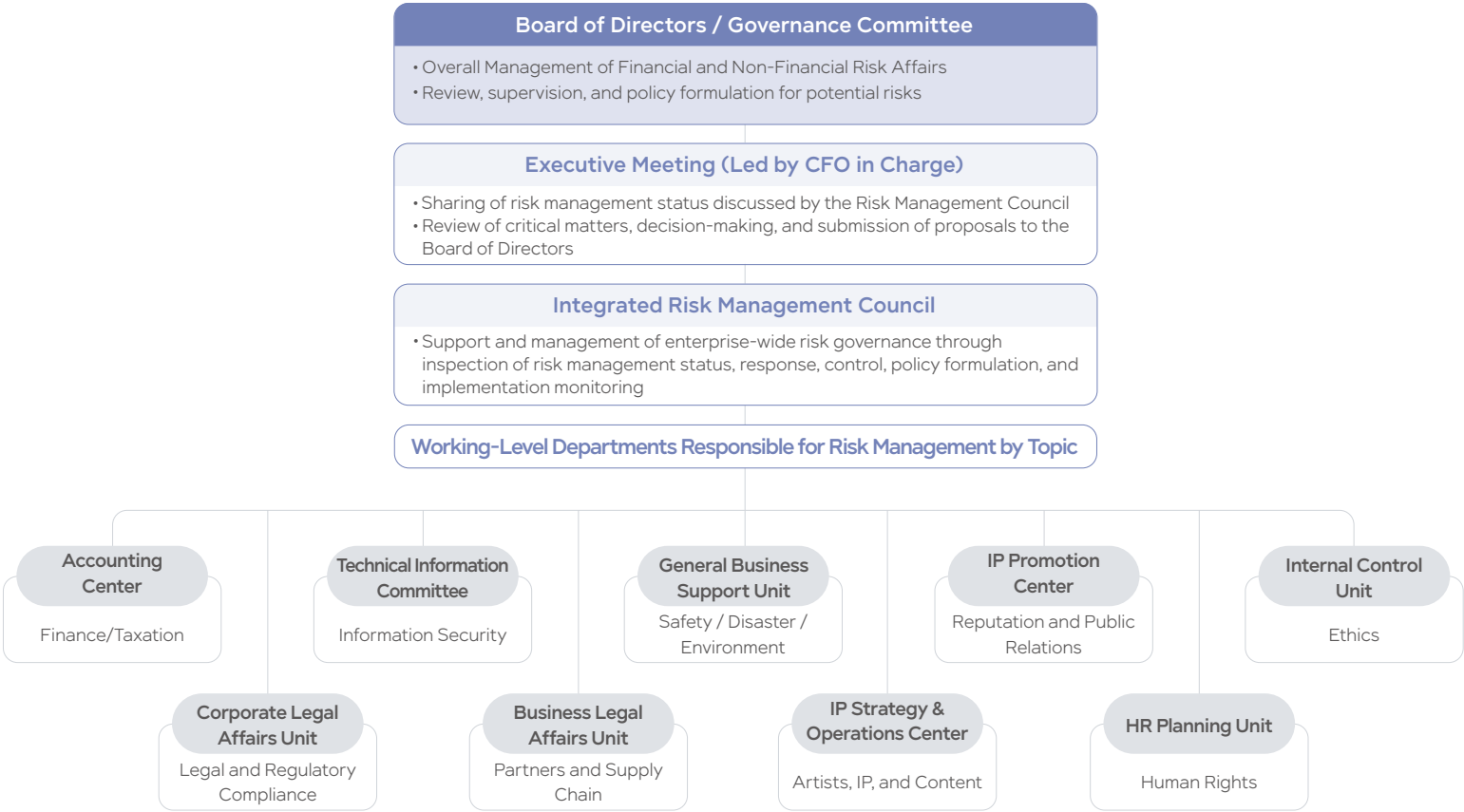


# Risk Management

SM Entertainment has established an integrated risk management system to proactively prevent risks and ensure effective response across all areas of its business operations. The company has identified ten risk management items across two domains—financial and non-financial—and monitors them through a cross-functional Integrated Risk Management Council composed of department-level operational leads. This council regularly and ad hoc reviews the current status of risk management, evaluates the business impact, and formulates response policies and plans. Key matters discussed by the council are reported to the executive meeting, and risk issues with significant implications for the company’s sustainable management are reviewed by the Governance Committee before being submitted for deliberation by the Board of Directors.



Risk Management System Organizational Chart



Risk Management

Definition of Key Risks

Category	Risk	Definition	Potential Risks (Business Impact)	Relevant Departments
Financial	Exchange Rate, Interest Rate, Credit, Taxation	<ul style="list-style-type: none"><li>Risks arising from sudden fluctuations in exchange rates, interest rates, credit ratings, and taxation</li></ul>	<ul style="list-style-type: none"><li>Possibility of financial loss and reduced competitiveness in the capital market</li><li>Possibility of risks related to securing business continuity</li></ul>	Accounting Center
Non-Financial	Information Security	<ul style="list-style-type: none"><li>Risks related to information security due to abusive activities that disrupt normal service operations or malicious hacking via systems</li></ul>	<ul style="list-style-type: none"><li>Potential brand image damage in the event of information leakage caused by cyberattacks or internal system failures</li><li>Risk of improper outflow of company resources due to insider information breaches</li></ul>	Technical Information Committee
	Reputation, Public Relations	<ul style="list-style-type: none"><li>Risks resulting from insufficient proactive measures or delays in response to issues across overall business operations</li><li>Risks of negative public sentiment and deterioration of corporate image due to poor business performance or significant legal disputes</li></ul>	<ul style="list-style-type: none"><li>Potential negative impact on corporate value due to external evaluations and reputational damage</li></ul>	IP Promotion Center
	Partners, Supply Chain	<ul style="list-style-type: none"><li>Risks of negative impact on the company stemming from issues during the partner selection process or from the products and services supplied by partners</li></ul>	<ul style="list-style-type: none"><li>Potential financial loss or reputational damage to the company and its artists</li></ul>	Operational Departments
	Legal	<ul style="list-style-type: none"><li>Potential risks that may cause direct or indirect financial liability, criminal or civil disadvantages, regulatory sanctions, or other negative consequences for the organization or its employees</li></ul>	<ul style="list-style-type: none"><li>Possibility of financial losses (e.g., legal costs, fines) and decreased corporate credibility due to violations of laws and regulations</li></ul>	Compliance Office
	Safety/Disaster	<ul style="list-style-type: none"><li>Risks of unforeseen accidents, including violations of safety regulations, disasters, and safety incidents</li></ul>	<ul style="list-style-type: none"><li>Increased response costs and potential reputational damage due to non-compliance with safety regulations</li><li>Potential human casualties among employees or partner company staff and reduced production capacity due to disasters or safety incidents</li></ul>	General Business Support Unit
	Human Rights	<ul style="list-style-type: none"><li>Risks arising from violations of dignity, value, freedom, and rights of individuals as guaranteed by the Constitution, laws, or recognized under international norms</li></ul>	<ul style="list-style-type: none"><li>Erosion of organizational stability due to decreased employee morale and deteriorated working conditions</li><li>Damage to customer trust due to deterioration of the company's external image</li></ul>	HR Planning Unit
	Ethics	<ul style="list-style-type: none"><li>Compliance-related activities and support aimed at fostering employees' morality and ethical awareness, strengthening legal compliance capacity, and providing related training, including support for the Compliance Officer and the full-time Auditor</li></ul>	<ul style="list-style-type: none"><li>Potential reputational loss, financial damage, and decreased corporate credibility due to non-compliance with compliance obligations</li></ul>	Internal Control Unit
	Environment, Climate Change	<ul style="list-style-type: none"><li>Risks associated with environmental pollution or degradation, and various risks caused by the climate crisis</li></ul>	<ul style="list-style-type: none"><li>Short- to mid- and long-term physical damages such as facility destruction and increased operating costs due to worsening climate change</li></ul>	General Business Support Unit
	Artists IP, Content	<ul style="list-style-type: none"><li>Risks of negative public sentiment and deterioration of corporate image due to social controversies or public complaints</li><li>Risks of negative public sentiment and damage to corporate image caused by the use of socially sensitive words or imagery in the company's content, including lyrics, music videos, costumes, and subtitles</li></ul>	<ul style="list-style-type: none"><li>Possibility of reduced sales due to declining artist competitiveness</li><li>Potential negative impact on the value of both artists and the company due to reputational damage and deterioration of external image</li></ul>	IP Strategy & Operations Center, etc.

# Risk Management

## Monitoring of Risks Related to Domestic and International Activities of Artists


SM Entertainment conducts step-by-step risk assessments through a dedicated department to ensure the safe and structured domestic and international activities of its artists. From proposal review and contract procedures to pre-activity, on-site, and post-activity stages, detailed checklists are thoroughly examined to create an environment in which artists can travel safely and focus on their music and performances.

## Assessment of Risks Related to Plagiarism in Music and Choreography Creation

SM Entertainment implements a systematic process to assess risks related to inappropriate expressions and potential plagiarism in the creation of music and choreography. At every stage—from concept selection, contracting, sourcing and creation, to the final output—potential risks are identified and reviewed through cross-verification by dedicated departments and relevant personnel, ensuring efforts are made to minimize such risks.


### 1. Preliminary Review

- Legal Risk Assessment
- Advance Check on Political, Cultural, and Social Considerations Related to Activities
- Review of Performance Ticket Sales/Distribution Policies




### 2. Pre-Activity

- Verification of Proper Use of Artist IP
- Preliminary Review and Risk Management for Promotions
- Advance Assessment of Local Reactions Overseas
- Sharing and Confirmation of Guidelines on Political, Cultural, and Social Issues
- Preparation and Distribution of a Dedicated Tour Book Including Schedules, Operational Manuals, Stage Layouts, and Dressing Room Floor Plans




### 1. Planning Stage

- Discussion of the concept and direction for music and choreography
- Review of copyright-related issues including potential plagiarism
- Identification of inappropriate expressions




### 2. Contracting Stage

- Discussion and agreement on fair compensation and payment levels for creative work, followed by contract execution




### 3. During Activity

- Provision of Security Services for Artist Safety
- Risk Assessment Related to the Appearance of Minor Artists (e.g., event end time, guardian consent)
- Verification of All Matters Related to Artist Appearances




### 4. Post-Activity

- (For Overseas Performances) Reconfirmation and Review of Legal Matters such as International Tax Laws
- Collection of Post-Activity Feedback and Identification of Areas for Improvement




### 3. Creation Stage

- Provision of an optimal environment for producing music and choreography aligned with the intended concept and direction
- Research and reconfirmation of stage and visual implementation processes



### 4. Final Review

- Monitoring of the final output







# Shareholder Value Enhancement

SM Entertainment recognizes that sustainable management is rooted in stakeholder capitalism and is establishing a foundation that enables stakeholders to participate in decision-making and implementation across all areas of corporate management. The company first identified both primary (direct) and secondary (indirect) stakeholders, and is diversifying communication and engagement channels tailored to each stakeholder group. Furthermore, key ESG topics—Environmental, Social, and Governance—are disclosed in alignment with global sustainability reporting standards.

## Transparent Disclosure of Information

SM Entertainment revamped its corporate website in the first half of 2024 to ensure transparent and timely disclosure of IR information to shareholders and stakeholders. Through the <IR Schedule> page, users can access monthly key IR events, while the <Financial Performance> page provides quarterly earnings presentation materials. Notably, presentation materials are offered in both Korean and English, including PPT files and scripts, to enhance accessibility and understanding for a broader range of shareholders and stakeholders. The website also provides detailed information on the composition and activities of the Board of Directors. SM Entertainment continuously updates this information to maintain transparency and effective information management.

## Shareholder Value Enhancement and Guidance on the Exercise of Voting Rights

SM Entertainment is committed to enhancing shareholder understanding as well as improving communication and engagement. In preparation for the Annual General Meeting of Shareholders, the company publicly announces the meeting at least two weeks in advance via its corporate website and other channels. This notice includes details on the meeting's purpose and agenda items, thereby supporting transparent and well-informed decision-making.

## Cash Dividends

SM Entertainment issued its first dividend in 2021 at KRW 200 per share, followed by dividends of KRW 1,200 per share in both 2022 and 2023. In 2024, a dividend of KRW 400 per share was distributed.

## Treasury Share Cancellation

In February 2024, SM Entertainment conducted its first-ever treasury share cancellation since its founding, retiring 241,379 shares (valued at approximately KRW 19 billion). The company continued this effort with the cancellation of an additional 235,895 shares in August 2024. As part of its shareholder return policy aimed at enhancing shareholder value, the Board of Directors resolved on February 10, 2025, to cancel 458,937 treasury shares (valued at KRW 40.331 billion), which was executed on February 18, 2025.

## Board of Directors

The Board of Directors at SM Entertainment serves as the company's highest decision-making body, exercising responsible decision-making in support of sustainable management. In 2023, SM Entertainment expanded the Board composed of members with independence, expertise, and diversity to advance sustainable corporate governance.

### Board Independence and Transparency

SM Entertainment has strengthened the independence of its Board of Directors by separating the roles of the CEO and the Chair of the Board and increasing the proportion of outside directors to ensure that the Board operates independently and prioritizes the interests of all stakeholders. According to the Articles of Incorporation, outside directors must constitute at least one-fourth of the total number of directors; as of the end of March 2025, outside directors account for 54.5% of the Board. Among the Board committees, the Outside Director Candidate Recommendation Committee and the Governance Committee are composed entirely of outside directors. Additionally, all Board committees are structured to exclude internal directors, and it is stipulated that at least two-thirds of each committee must be outside directors, thereby securing the independence of Board-level committees. The activities of the Board and its committees are disclosed through public documents such as the Business Report and the Corporate Governance Charter, establishing a transparent governance structure.

### Board Diversity

As of the end of March 2025, the Board of Directors at SM Entertainment consists of 11 members: 3 internal directors (Cheol Hyuk Jang, Young Jun Tak, and Jung Min Choi), 6 outside directors (Gyu Sik Kim, Tae Hee Kim, Jungbin Moon, Sung Moon Cho, Sung Yong Lee, and Seung Min Lee), and 2 non-executive directors (Yoon Jung Jang and Chang Hwan Lee). SM Entertainment complies with the regulation that prohibits the composition of the Board based on a specific gender, and currently, three female directors are serving on the Board.



SM Entertainment Board of Directors

# Board of Directors

## Board Expertise

In accordance with the Corporate Governance Charter, SM Entertainment has formed a Board of Directors with the highest standards of independence, expertise, and diversity through a fair and trustworthy nomination process. Internal directors were selected based on their deep industry expertise and proven capabilities in entertainment business management. For the appointment of outside directors, the company rigorously verified each candidate's independence and eligibility, ensuring they possessed top-tier expertise across various fields. Particularly for outside directors, SM Entertainment established a pool of more than 30 candidates from diverse professional backgrounds, selected with consideration of the company's business model and future strategy. The final candidates were identified through an in-depth vetting process, which included an analysis of a Board skill matrix, assessments of independence and eligibility, review of legal qualifications under the Commercial Act, conflict of interest evaluations, disqualification checks, and reputation screenings. Each candidate's acceptance of the directorship was confirmed, and as of the end of March 2025, six outside directors have been appointed. The appointed outside directors bring expertise in areas such as business management, K-POP, corporate governance, law, technology/platforms, global strategy, finance/M&A, and accounting/taxation. They were selected based on their outstanding qualifications and field-specific excellence. As of March 2025, the Chair of the Board is Outside Director Jungbin Moon. Professor Moon is a faculty member at the School of Business at Korea University and a leading expert in international business and ESG/sustainability management. His appointment as Chair reflects the Board's confidence in his ability to contribute meaningfully to the enhancement of sustainable shareholder value based on his specialized knowledge and experience.

As of April 30, 2025

Category	Name	Role	Term Expiration Date	Board Attendance Rate*	Career Background	Expertise							
						Management	K-POP	Governance	Law	Technology/Platform	Global	Finance/M&A	Accounting/Tax
Internal Directors	Cheol Hyuk Jang	• Chief Executive Officer (CEO)	March-2026	100%	CFO, SM Entertainment Co., Ltd.	●						●	●
	Young Jun Tak	• Chief Executive Officer (CEO)	March-2027	100%	COO, SM Entertainment Co., Ltd.	●	●				●		
	Jung Min Choi	• Director (Chief Growth Officer, CGO)	March-2026	100%	Head of Global Business Center, SM Entertainment Co., Ltd.		●				●		
Outside Directors	Gyu Sik Kim	• Chair, Governance Committee • Member, Outside Director Candidate Recommendation Committee • Member, Internal Transaction Committee	March-2026	100%	Chairman, Korea Corporate Governance Forum			●	●				
	Tae Hee Kim	• Member, Outside Director Candidate Recommendation Committee • Member, Compensation Committee	March-2026	94.1%	Attorney, Pyeongsan Law Firm				●				●
	Jungbin Moon	• Chair of the Board • Member, Outside Director Candidate Recommendation Committee • Member, Governance Committee	March-2026	100%	Professor, School of Business, Korea University			●			●		
	Sung Yong Lee	• Member, Outside Director Candidate Recommendation Committee • Member, Compensation Committee • Member, Governance Committee	March-2028	N/A**	CEO, ADL Korea	●					●	●	
	Seung Min Lee	• Chair, Outside Director Candidate Recommendation Committee • Chair, Internal Transaction Committee	March-2026	100%	Partner Attorney, Peter & Kim LLC				●		●		
	Sung Moon Cho	• Member, Outside Director Candidate Recommendation Committee • Chair, Compensation Committee	March-2026	94.1%	CEO, Chartmetric	●	●			●	●		
	Chang Hwan Lee	• Member, Internal Transaction Committee • Member, Compensation Committee	March-2026	100%	CEO, Align Partners	●		●				●	
	Yoon Jung Jang	-	March-2026	88.2%	Co-CEO, Kakao Entertainment	●	●				●		

\*Board meeting attendance rate is based on the period from January to December 2024.  
\*\*Director Lee Sungyong was appointed in March 2025; therefore, the 2024 board meeting attendance rate is not applicable.



# Board of Directors

## Board Operations

SM Entertainment has established four committees under its Board of Directors—the Outside Director Candidate Recommendation Committee, Internal Transaction Committee, Compensation Committee, and Governance Committee—to strengthen the independence and functionality of the Board. Each committee is composed of directors with expertise in their respective areas, and is responsible for reviewing, deliberating, and resolving delegated matters to enhance management accountability and efficiency.

The Compensation Committee of SM Entertainment reviews and deliberates matters related to compensation, such as the remuneration limit for registered directors, as well as compensation criteria and payment methods for executives. The committee is composed of at least three non-executive directors, with more than two-thirds being outside directors. In 2024, the committee resolved on the payment of executive incentives based on management performance, with all members in attendance and the decision approved unanimously.

In accordance with the executive compensation policy, the Compensation Committee considers factors such as role, position, length of service, leadership, expertise, and contribution to the company when reviewing and setting compensation limits. These are reported to the Board of Directors and finalized through a resolution at the General Meeting of Shareholders.

The Outside Director Candidate Recommendation Committee of SM Entertainment reviews and deliberates on the nomination of outside director candidates. The committee is composed of at least three outside directors. The nomination process includes candidate recommendation, review and selection of candidates, and final resolution by the Board of Directors.



# Board of Directors

## Board Activities on Sustainable Management

As the highest decision-making body for sustainable management, SM Entertainment’s Board of Directors receives reports, holds discussions, and makes resolutions on key sustainability-related issues. The following are the sustainability matters addressed by the Board in 2024.

Session No.	Agenda Items
2	[Resolution] Approval of Dividend Distribution [Resolution] Decision on Treasury Share Cancellation [Report] Shareholder Return Policy
6	[Report] SM Sustainability Management Strategic Framework [Report] Sustainability Report Publication Plan and Material Issues
10	[Resolution] 2024 Health and Safety Implementation Plan [Report] SM Entertainment Sustainability Report
12	[Resolution] Decision on Treasury Share Cancellation

## Board Training

SM Entertainment conducts annual sustainability training for outside directors to enhance their expertise in sustainable management.

- **Date** July 25, 2024
- **Topic** Global ESG Trends and Recommendations
  - Responding to KSSB Disclosure Requirements
  - ESG Management in the Supply Chain
  - Implementation of Human Rights Impact Assessments
  - CDP (Carbon Disclosure Project) Response
  - Strategies for Enhancing Corporate Value and Disclosure Compliance



Board Training

## Director Compensation Status

In accordance with the executive compensation standards set by the Compensation Committee, the Personnel Committee determines individual pay levels by comprehensively evaluating each director’s role, the value of their responsibilities, leadership, expertise, and contribution to the company. The finalized annual salary is divided into 12 equal monthly payments. The salary includes benefits considered as part of compensation, such as child education subsidies, holiday gift certificates, and meal support. For bonuses, the payment scale is determined based on the company’s 2023 business performance (including revenue and profit) and the individual’s contribution to their role. A stock-based bonus payment was approved in March 2024.

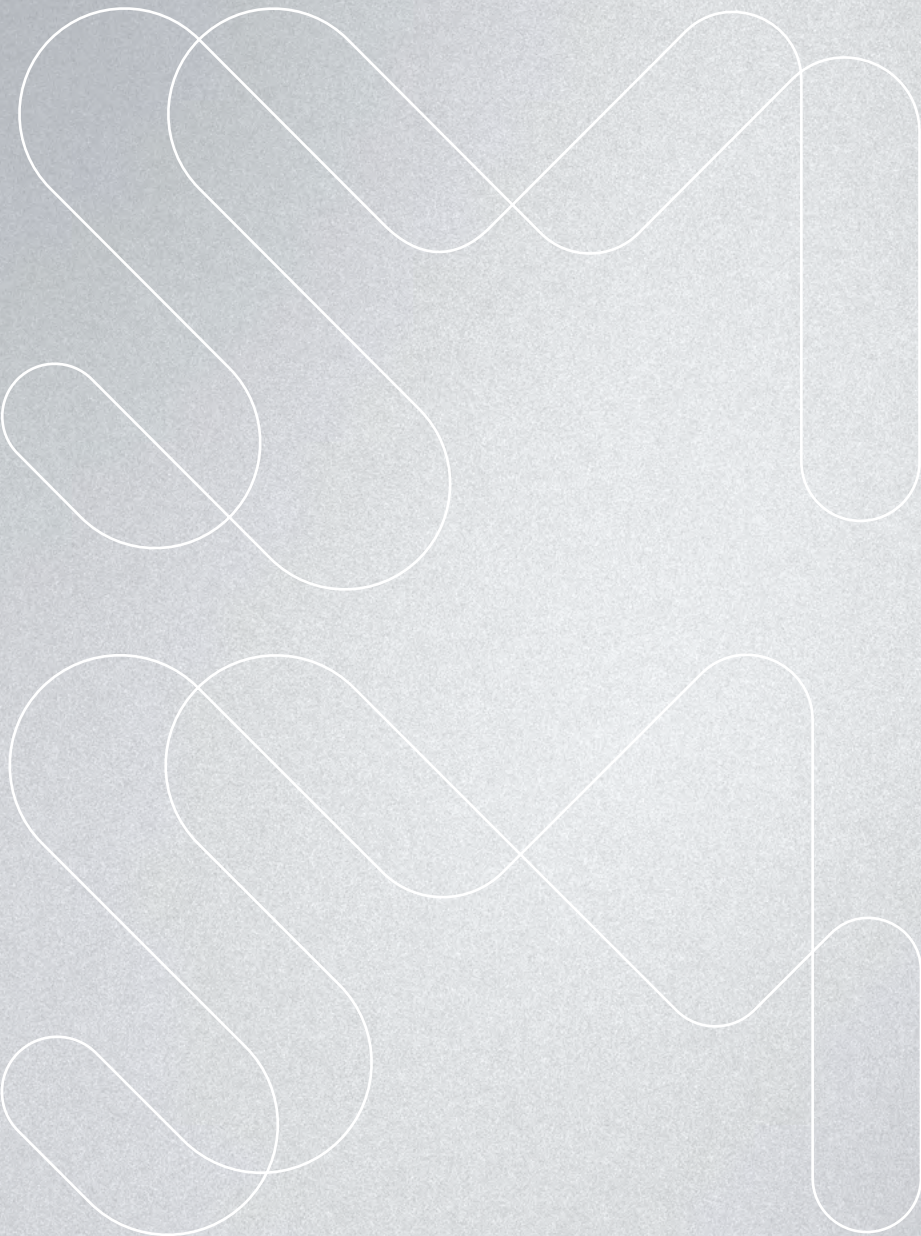
2024 Director Compensation Status Unit: KRW million

Category	Number of Persons	Amount Approved at General Meeting	Total Compensation	Average Compensation per Person
Internal Directors	5	6,000	2,070	414
Outside Directors	5		243	48
Auditor	1	200	186	186

2024 CEO-to-Employee Average Compensation Ratio Unit: KRW million

CEO Compensation	Employee Compensation	CEO-to-Employee Average Compensation Ratio
811	74	10.96 times





# ESG DATA & GRI INDEX

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## ESG Date

## ECONOMIC

SM ENTERTAINMENT

GRI No.	Indicators	Detailed Indicators		Unit	2022	2023	2024	Remarks
Economic Performance								
201-1	Direct Economic Value Generated and Distributed	Direct Economic Value Generated (Consolidated Basis)	Revenue	KRW 100 million	8,508	9,611	9,897	
			Operating Profit	KRW 100 million	910	1,135	873	
			Net Profit (Loss)	KRW 100 million	820	827	8	
		Economic Value Distributed (Consolidated Basis)	Selling and Administrative Expenses	KRW 100 million	2,040	2,276	2,199	
			Interest Expenses	KRW 100 million	35	48	41	
			Personnel Expenses	KRW 100 million	1,360	1,392	1,446	- Based on the Personnel Expenses in the Business Report
			Corporate Tax	KRW 100 million	349	362	253	
			Donations	KRW 100 million	9.3	15.3	11.6	
		Economic Value Retained (Consolidated Basis)	Total Assets	KRW 100 million	14,630	15,410	14,191	
			Total Liabilities	KRW 100 million	5,769	6,316	5,900	
			Total Equity	KRW 100 million	8,861	9,094	8,291	
201-4	Financial Assistance Received from Government	Total monetary value of investment grants, research and development grants, and other relevant types of grant received from any government	KRW 100 million	0	0	3.0	- 2024 Government Grant for Studio Realive	
Anti-Corruption								
205-1	Total number and percentage of operations assessed for risks related to corruption	-	Units	1	1	1		
			%	100	100	100		
Anti-Competitive Behavior								
206-1	Number of legal actions pending or completed regarding anti-competitive behavior, violations of anti-trust, and monopoly legislation in which the organization has been identified as a participant	-	cases	0	0	0		
Tax								
207-4	Country-by-country reporting (tax)	Corporate Income Tax	Republic of Korea	KRW 100 million	28,345	32,211	25,151	
			Japan	KRW 100 million	5,950	900	135	
			United States	KRW 100 million	14	514	16	
			Others	KRW 100 million	575	2,604	-42	
		Profit before tax	KRW 100 million	116,912	118,913	26,079		
		Effective Tax Rate	%	29.8	30.5	96.9		
		Net Profit	KRW 100 million	82,029	82,683	819		

ESG Data

SOCIAL

SM ENTERTAINMENT

GRI No.	Indicators	Detailed Indicators		Unit	2022	2023	2024	Remarks
Employment								
2-7	Employees	Total Number of Employees		Employees	581	695	723	- Total number of employees based on the Business Report, excluding executives
		Number of Permanent Employees		Employees	561	672	702	
		Number of Temporary Employees		Employees	20	23	21	
2-8	Workers who are not employees	Total number of workers who are not employees and whose work is controlled by the organization		Employees	0	12	17	- Figures for 2022 and 2023 have changed due to inclusion of non-affiliated workers based on the Business Report
401-1	Number of New Employee Hires	By Age Group	Under 30	Employees	129	168	120	
			30 to 49	Employees	33	103	81	
			50 and above	Employees	1	2	6	
		By Gender	Male	Employees	43	67	55	
			Female	Employees	120	206	152	
		By Region	Domestic	Employees	154	268	205	
			Total Foreigners	Employees	9	5	2	
			China	Employees	4	1	1	
			Taiwan	Employees	1	0	0	
			United States	Employees	3	1	1	
			Canada	Employees	0	0	0	
			Tunisia	Employees	1	0	0	
			Malaysia	Employees	0	1	0	
			Thailand	Employees	0	1	0	
		Japan	Employees	0	1	0		
		Number of Employee Turnover	By Age Group	Under 30	Employees	57	47	50
				30 to 49	Employees	47	44	70
				50 and above	Employees	1	6	1
			By Gender	Male	Employees	41	34	31
	Female			Employees	64	63	90	
	Voluntary Turnover Rate		Voluntary Turnover Rate	%	20.1	16.7	17.4	

ESG Data

SOCIAL

SM ENTERTAINMENT

GRI No.	Indicators	Detailed Indicators		Unit	2022	2023	2024	Remarks
401-3	Parental Leave	Number of Employees Entitled to Parental Leave	Male	Employees	0	22	29	- Employees who are pregnant or have children under the age of 8 - The calculation criteria for detailed parental leave indicators are consistent across all six companies
			Female	Employees	3	24	26	
		Number of Employees Who Took Parental Leave	Male	Employees	1	1	2	- Figures for 2022 and 2023 have changed due to recalculation based on the Business Report
			Female	Employees	3	6	8	
		Number of employees that returned to work after parental leave ended	Male	Employees	1	1	1	
			Female	Employees	5	2	5	
		Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Male	Employees	0	0	0	- Figures for 2022 and 2023 have changed due to recalculation based on the Business Report
			Female	Employees	4	3	2	
		Return to Work and Retention Rates of Employees Who Took Parental Leave	Male	%	0	0	0	
			Female	%	80	60	100	
2-30	Collective Bargaining Agreements	Percentage of total employees covered by collective bargaining agreements		%	100	100	100	- Decisions made by the labor-management committee apply to both permanent and non -permanent employees
Occupational Health and Safety								
403-9	Work-related Injuries (Employees)	Number of fatalities as a result of work-related injury		Cases	0	0	0	
		Number of High-consequence Work-related Injuries		Cases	0	0	0	
		Number of Recordable Work-related Injuries		Cases	0	0	1	
	Work-related Injuries (Workers who are not employees)	Number of fatalities as a result of work-related injury		Cases	0	0	0	
		Number of High-consequence Work-related Injuries		Cases	1	0	0	
		Number of Recordable Work-related Injuries		Cases	0	0	0	



ESG Data

SOCIAL

SM ENTERTAINMENT

GRI No.	Indicators	Detailed Indicators	Unit	2022	2023	2024	Remarks
Diversity and Equal Opportunity							
405-1	Diversity of Governance Bodies and Employees	Decision-making Body	Male	%	100	60	70
			Female	%	0	40	30
			Under 30	%	0	0	0
			30 to 49	%	50	80	70
			50 and above	%	50	20	30
		Employees	Male	%	34.1	29.6	29.5
			Female	%	65.9	70.4	70.5
			Under 30	%	42.3	40.4	36.0
			30 to 49	%	55.1	58.6	62.1
			50 and above	%	2.6	1.0	1.9
405-2	Ratio of Basic Salary and Remuneration of Women to Men	Ratio of Basic Salary and Remuneration of Women to Men	%	68.1	67.9	70.3	- Figures for 2022 and 2023 have changed due to recalculation based on Business Report criteria
Non-discrimination							
406-1	Number of Incidents of Discrimination	-	Incidents	0	0	0	- No incidents of discrimination
Customer Health and Safety							
416-2	Incidents of Non-compliance Concerning the Health and Safety Impacts of Products and Services	Number of Incidents of Non-compliance	Incidents of non-compliance with regulations resulting in a fine or penalty	Incidents	0	0	0
			Incidents of non-compliance with regulations resulting in a warning	Incidents	0	0	0
			Incidents of non-compliance with voluntary codes	Incidents	0	0	0

ESG Data

SOCIAL

SM ENTERTAINMENT

GRI No.	Indicators	Detailed Indicators		Unit	2022	2023	2024	Remarks
Marketing and Labeling								
417-1	Requirements for Product and Service Information and Labeling	Percentage of significant product or service categories covered by and assessed for compliance with procedures for product and service information and labeling		%	100	100	100	- Legal requirements for safety and ingredient labeling are 100% complied with for MD and related products
417-2	Incidents of Non-compliance Concerning Product and Service Information and Labeling	Number of Incidents of Non-compliance	Number of Incidents of Non-compliance (Total)	Incidents	0	0	0	
			Incidents of non-compliance with regulations resulting in a fine or penalty	Incidents	0	0	0	
			Incidents of non-compliance with regulations resulting in a warning	Incidents	0	0	0	
			Incidents of non-compliance with voluntary codes	Incidents	0	0	0	
417-3	Incidents of Non-compliance Concerning Marketing Communications	Number of Incidents of Non-compliance	Number of Incidents of Non-compliance (Total)	Incidents	0	0	0	
			Incidents of non-compliance with regulations resulting in a fine or penalty	Incidents	0	0	0	
			Incidents of non-compliance with regulations resulting in a warning	Incidents	0	0	0	
			Incidents of non-compliance with voluntary codes	Incidents	0	0	0	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-		Incidents	-	-	0	

ESG Data

ENVIRONMENTAL

SM ENTERTAINMENT

GRI No.	Indicators	Detailed Indicators		Unit	2022	2023	2024	Remarks
Energy Consumption								
302-1	Energy consumption within the organization	Energy Consumption	Electricity	TJ	24.8	10.2	10.7	- The calculation methodology was partially revised in 2024. - Electricity consumption was calculated based on utility bills. For electricity included in general building management fees, the company's exclusive usage could not be separately identified and was therefore allocated based on leased floor area
			Heating Fuel (LNG)	TJ	5.3	4.3	9.8	- The calculation methodology was partially revised in 2024. - LNG consumption related to building HVAC operations could not be separated by company use and was therefore allocated based on leased floor area
			Gasoline	TJ	2.8	3.1	3.4	
			Diesel	TJ	4.3	5.8	4.2	
302-3	Energy Intensity	-	TJ/KRW 100 million	0.0070	0.0040	0.0042	- Energy Consumption per Annual Revenue (Standalone)	
Water								
303-3	Water Withdrawal	Water Withdrawal	Total	Ton	43,905.2	36,066.8	33,830.2	- The calculation methodology was partially revised in 2024 - For water withdrawal included in general building management fees, the company's exclusive withdrawal could not be separately calculated and was allocated based on leased floor area
			Water for public use	Ton	31,887.7	36,066.8	33,830.2	
			Produced Water	Ton	12,017.5	0	0	
303-5	Water Consumption	Total Consumption	Ton	43,905.2	36,066.8	33,830.2		
Greenhouse Gas (GHG) Emissions (Excluding Verification of Scope 3)								
305-1	Direct GHG Emissions (Scope 1)	-	tCO <sub>2</sub> -eq	757.1	834.1	1,019.4	- The calculation methodology for heating fuel consumption and other items was revised in 2024	
305-2	Energy Indirect GHG Emissions (Scope 2)	-	tCO <sub>2</sub> -eq	1,185.5	489.1	511.8	- The calculation methodology for electricity consumption and other items was revised in 2024	
305-3	Other Indirect GHG Emissions (Scope 3)	Category 1: Purchased Goods and Services	tCO <sub>2</sub> -eq	-	-	1,860.8	- Calculated based on one album release by the company's artist.	
		Category 4: Upstream Transportation and Distribution		-	-	10.0	- Scope 3 emissions have not been verified	
305-4	GHG Emissions Intensity	-	tCO <sub>2</sub> -eq/KRW 100 million	0.38	0.21	0.23	- GHG Emissions per Annual Revenue (Standalone) - Calculated based on Scope 1 and 2 only	



ESG Data

ENVIRONMENTAL

SM ENTERTAINMENT

GRI No.	Indicators	Detailed Indicators	Unit	2022	2023	2024	Remarks
Waste							
306-3	Waste Generated	-	Ton	98.6	80.3	82.3	
306-4	Waste diverted from disposal	-	Ton	31.1	35.9	33.4	- The calculation methodology was partially revised in 2024 - For waste recycled included in building management fees, the company's specific volume could not be separated and was allocated based on leased floor area
306-5	Waste directed to disposal	Total weight of waste generated	Ton	67.5	44.4	48.8	- The calculation methodology was partially revised in 2024 - For waste disposed included in building management fees, the company's specific volume could not be separately calculated and was allocated based on leased floor area - General waste disposed in standard volume-based waste bags was converted at a rate of 75L = 19kg
		Non-hazardous Waste					
		Landfilling	Ton	67.5	0.0	0.0	
		Others	Ton	0.0	44.4	48.8	

ESG Data

ECONOMIC

SM Life Design Group

GRI No.	Indicators	Detailed Indicators		Unit	2022	2023	2024	Remarks
Economic Performance								
201-1	Direct Economic Value Generated and Distributed	Direct Economic Value Generated (Consolidated Basis)	Revenue	KRW 100 million	407	473	448	
			Operating Profit	KRW 100 million	35	27	35	
			Net Profit (Loss)	KRW 100 million	25	47	49	
		Economic Value Distributed (Consolidated Basis)	SG&A	KRW 100 million	34	36	36	
			Interest Expenses	KRW 100 million	2	1	0	- Figures for 2022 and 2023 have changed due to rounding adjustments
			Personnel Expenses	KRW 100 million	20	20	22	- Figures for 2022 and 2023 have changed due to recalculation based on employee remuneration as disclosed in the Business Report
			Corporate Income Tax	KRW 100 million	1	0.3	-8	
			Donations	KRW 100 million	0.1	0.1	0	- The 2023 figure has changed due to recalculation based on the Business Report
		Economic Value Retained (Consolidated Basis)	Total Assets	KRW 100 million	677	635	695	
			Total Liabilities	KRW 100 million	154	65	77	
			Total Shareholders' Equity	KRW 100 million	523	570	618	
201-4	Financial Assistance Received from Government	Total monetary value of investment grants, research and development grants, and other relevant types of grant received from any government		KRW 100 million	-	-	0	
Tax								
207-4	Country-by-country reporting (tax)	Corporate Income Tax	South Korea	KRW 1 million	112	32	-813	- The 2023 figure has changed due to rounding adjustments
		Profit Before Tax		KRW 1 million	4,376	5,119	4,058	
		Effective Tax Rate		%	2.6	0.6	-20.0	
		Net Profit		KRW 1 million	2,488	4,738	4,870	

ESG Data

SOCIAL

SM Life Design Group

GRI No.	Indicators	Detailed Indicators		Unit	2022	2023	2024	Remarks
Employment								
2-7	Employees	Total Number of Employees		Employees	24	27	33	- Total number of employees based on the Business Report, excluding executives
		Number of Permanent Employees		Employees	24	27	33	
		Number of Temporary Employees		Employees	0	0	0	
2-8	Workers who are not employees	Total number of workers who are not employees and whose work is controlled by the organization		Employees	0	0	0	- Figures for 2022 and 2023 have changed due to recalculation based on the Business Report
401-1	Number of New Employee Hires	By Age Group	Under 30	Employees	1	2	3	
			30 to 49	Employees	2	2	5	
			50 and above	Employees	0	1	0	
		By Gender	Male	Employees	2	4	7	
			Female	Employees	1	1	1	
		By Region	Domestic	Employees	3	5	8	
			Total Foreigners	Employees	0	0	0	
	Number of Employee Turnover	By Age Group	Under 30	Employees	1	0	3	
			30 to 49	Employees	7	0	3	
			50 and above	Employees	1	1	0	
		By Gender	Male	Employees	4	1	3	
			Female	Employees	5	0	3	
		Voluntary Turnover Rate	Voluntary Turnover Rate	%	29.0	4.2	22.2	
401-3	Parental Leave	Number of Employees Entitled to Parental Leave	Male	Employees	-	-	8	
			Female	Employees	-	-	0	
		Number of Employees Who Took Parental Leave	Male	Employees	0	0	1	
			Female	Employees	0	0	0	
		Number of employees that returned to work after parental leave ended	Male	Employees	0	0	1	
			Female	Employees	0	0	0	
		Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Male	Employees	0	0	0	
			Female	Employees	0	0	0	
		Return to Work and Retention Rates of Employees Who Took Parental Leave	Male	%	0	0	0	
			Female	%	0	0	0	



ESG Data

SOCIAL

SM Life Design Group

GRI No.	Indicators	Detailed Indicators		Unit	2022	2023	2024	Remarks
Occupational Health and Safety								
403-9	Work-related Injuries (Employees)	Number of fatalities as a result of work-related injury		Cases	0	0	0	
		Number of High-consequence Work-related Injuries		Cases	0	0	0	
		Number of Recordable Work-related Injuries		Cases	0	0	0	
	Work-related Injuries (Workers who are not employees)	Number of fatalities as a result of work-related injury		Cases	0	0	0	
		Number of High-consequence Work-related Injuries		Cases	0	0	0	
		Number of Recordable Work-related Injuries		Cases	0	0	0	
Training and Education								
404-1	Average Annual Training Hours per Employee	By Gender	Male	Hours	16	16	10	
			Female	Hours	16	16	10	
		By Type of Worker (e.g., employees vs. non-employees)	Executives	Hours	0	0	10	
			Employees	Hours	16	16	10	
404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	By Gender	Male	%	100	100	100	
			Female	%	100	100	100	
		By Type of Worker (e.g., employees vs. non-employees)	Executives	%	100	100	100	
			Employees	%	100	100	100	
Diversity and Equal Opportunity								
405-1	Diversity of Governance Bodies and Employees	Employees	Male	%	71	74	76	- The 2022 figure has changed due to data correction
			Female	%	29	26	24	
			Under 30	%	7	11	12	
			30 to 49	%	65.5	66.7	66.7	
			50 and above	%	27.6	22.2	21.2	
405-2	Ratio of Basic Salary and Remuneration of Women to Men	Ratio of Basic Salary and Remuneration of Women to Men		%	74.6	81.9	82.7	
Non-discrimination								
406-1	Number of Incidents of Discrimination	-		Incidents	0	0	0	
Marketing and Labeling								
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-		Incidents	0	0	0	

ESG Data

ENVIRONMENTAL

SM Life Design Group

GRI No.	Indicators	Detailed Indicators		Unit	2022	2023	2024	Remarks
Materials								
301-1	Materials used by weight or volume	Paper		R	12,865	15,832	11,492.4	- SME album printing is carried out by LDG
		Ink			2,065	1,318	1,252.0	- One ream of paper is equivalent to 500 sheets
Energy Consumption								
302-1	Energy consumption within the organization	Energy Consumption	Electricity	TJ	12.9	12.7	13.6	
			Heating Fuel (LNG)	TJ	0.7	0.6	0.6	
			Gasoline	TJ	-	-	1.3	
			Diesel	TJ	-	-	1.4	
302-3	Energy Intensity	-		TJ/KRW 100 million	0.0070	0.0040	0.038	- Energy Consumption per Annual Revenue (Standalone)
Water								
303-3	Water Withdrawal	Water Withdrawal	Total	Ton	2,174.0	2,008.0	2,335.0	
303-5	Water Consumption	Total Consumption		Ton	2,174.0	2,008.0	2,335.0	
GHG Emissions								
305-1	Direct GHG Emissions (Scope 1)	-		tCO <sub>2</sub> -eq	35.5	30.4	215.5	
305-2	Energy Indirect GHG Emissions (Scope 2)	-		tCO <sub>2</sub> -eq	619.7	606.8	653.2	
305-4	GHG Emissions Intensity	-		tCO <sub>2</sub> -eq/억원	1.6	1.4	2.0	- GHG Emissions per Annual Revenue (Standalone)
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Nitrogen Oxides (NOx)		PPM	67.3	62.8	58.6	
		Sulfur Oxides (SOx)		PPM	0.0	Non-Detect	Non-Detect	
		Particulate Matter (PM)		mg/S <sup>3</sup>	0.0	0.70	2.7	
Waste								
306-4	Waste diverted from disposal	-		Ton	11.4	10.5	14.2	

ESG Data

ECONOMIC

SM Culture & Contents

GRI No.	Indicators	Detailed Indicators		Unit	2022	2023	2024	Remarks
Economic Performance								
201-1	Direct Economic Value Generated and Distributed	Direct Economic Value Generated (Consolidated Basis)	Revenue	KRW 100 million	-	-	1,099	- As a first-time reporting company, data has been compiled starting from 2024
			Operating Profit	KRW 100 million	-	-	16	
			Net Profit (Loss)	KRW 100 million	-	-	-142	
		Economic Value Distributed (Consolidated Basis)	SG&A	KRW 100 million	-	-	429	- Based on employee remuneration disclosed in the Business Report
			Interest Expenses	KRW 100 million	-	-	11	
			Personnel Expenses	KRW 100 million	-	-	315	
			Corporate Income Tax	KRW 100 million	-	-	7	
			Donations	KRW 100 million	-	-	0	
		Economic Value Retained (Consolidated Basis)	Total Assets	KRW 100 million	-	-	2,333	
			Total Liabilities	KRW 100 million	-	-	1,500	
			Total Shareholders' Equity	KRW 100 million	-	-	833	
201-4	Financial Assistance Received from Government	Total monetary value of investment grants, research and development grants, and other relevant types of grant received from any government		KRW 100 million	-	-	0	
Anti-corruption								
205-1	Total number and percentage of operations assessed for risks related to corruption	-		Units	-	-	1	
				%	-	-	100	
205-2	Communication and Training about Anti-corruption Policies and Procedures	Number and Percentage of Individuals Who Received the Organization's Anti-corruption Policies and Procedures	Decision-making Body	Employees	-	-	3	
				%	-	-	33.3	
			Employees	Employees	-	-	335	
				%	-	-	100	- 100% based on the number of employees in service at the time of training (excluding internal directors, including full-time auditors)
		Business Partners	-	-	-	-	- Information Not Available / Insufficient Data	
		Total Number and Percentage of Individuals Who Received Training on Anti-corruption	Decision-making Body	Employees	-	-	3	
				%	-	-	33.3	
Employees	Employees			-	-	335		
			%	-	-	100	- 100% based on the number of employees in service at the time of training (excluding internal directors, including full-time auditors)	



ESG Data

ECONOMIC

SM Culture & Contents

GRI No.	Indicators	Detailed Indicators		Unit	2022	2023	2024	Remarks
Anti-competitive Behavior								
206-1	Number of legal actions pending or completed regarding anti-competitive behavior, violations of anti-trust, and monopoly legislation in which the organization has been identified as a participant	-		Cases	-	-	0	
Tax								
207-4	Country-by-country reporting (tax)	Corporate Income Tax	South Korea	KRW 1 million	-	-	725	
		Profit Before Tax		KRW 1 million	-	-	-13,468	
		Effective Tax Rate		%	-	-	-5	
		Net Profit		KRW 1 million	-	-	-14,193	

ESG Data

SOCIAL

SM Culture & Contents

GRI No.	Indicators	Detailed Indicators		Unit	2022		2023	2024	Remarks
Employment									
2-7	Employees	Total Number of Employees		Employees	-		-	339	- Total number of employees based on the Business Report, excluding executives
		Number of Permanent Employees		Employees	-		-	331	
		Number of Temporary Employees		Employees	-		-	8	
2-8	Workers who are not employees	Total number of workers who are not employees and whose work is controlled by the organization		Employees	-		-	11	
401-1	Number of New Employee Hires	By Age Group	Under 30	Employees	-		-	24	
			30 to 49	Employees	-		-	29	
			50 and above	Employees	-		-	2	
		By Gender	Male	Employees	-		-	22	
			Female	Employees	-		-	33	
		By Region	Domestic	Employees	-		-	55	
			Total Foreigners	Employees	-		-	0	
	Number of Employee Turnover	By Age Group	Under 30	Employees	-		-	29	
			30 to 49	Employees	-		-	39	
			50 and above	Employees	-		-	6	
		By Gender	Male	Employees	-		-	32	
			Female	Employees	-		-	42	
401-3	Parental Leave	Number of Employees Entitled to Parental Leave	Male	Employees	-		-	19	
			Female	Employees	-		-	31	
		Number of Employees Who Took Parental Leave	Male	Employees	-		-	2	
			Female	Employees	-		-	8	
		Number of employees that returned to work after parental leave ended	Male	Employees	-		-	0	
			Female	Employees	-		-	5	
		Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Male	Employees	-		-	2	
			Female	Employees	-		-	2	
2-30	Collective Bargaining Agreements	Percentage of total employees covered by collective bargaining agreements			-		-	100	- There is no labor union, but a labor-management council is in operation

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SM Culture & Contents

GRI No.	Indicators	Detailed Indicators		Unit	2022	2023	2024	Remarks
Occupational Health and Safety								
403-9	Work-related Injuries (Employees)	Number of fatalities as a result of work-related injury		Cases	-	-	0	
		Number of High-consequence Work-related Injuries		Cases	-	-	0	
		Number of Recordable Work-related Injuries		Cases	-	-	0	
	Work-related Injuries (Workers who are not employees)	Number of fatalities as a result of work-related injury		Cases	-	-	0	
		Number of High-consequence Work-related Injuries		Cases	-	-	0	
		Number of Recordable Work-related Injuries		Cases	-	-	0	
Training and Education								
404-1	Average Annual Training Hours per Employee	By Gender	Male	Hours	-	-	21.3	
			Female	Hours	-	-	25.4	
		By Type of Worker (e.g., employees vs. non-employees)	Executives	Hours	-	-	25.5	
			Employees	Hours	-	-	23.7	
404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	By Gender	Male	%	-	-	100	
			Female	%	-	-	100	
		By Type of Worker (e.g., employees vs. non-employees)	Executives	%	-	-	100	
			Employees	%	-	-	100	
Diversity and Equal Opportunity								
405-1	Diversity of Governance Bodies and Employees	Employees	Male	%	-	-	41.6	
			Female	%	-	-	58.4	
			Under 30	%	-	-	19.2	
			30 to 49	%	-	-	74.9	
			50 and above	%	-	-	5.9	
405-2	Ratio of Basic Salary and Remuneration of Women to Men	Ratio of Basic Salary and Remuneration of Women to Men		%	-	-	81.9	
Non-discrimination								
406-1	Number of Incidents of Discrimination	-		Incidents	-	-	0	



ESG Data

SOCIAL

SM Culture & Contents

GRI No.	Indicators	Detailed Indicators		Unit	2022	2023	2024	Remarks
Marketing and Labeling								
417-1	Requirements for Product and Service Information and Labeling	Percentage of significant product or service categories covered by and assessed for compliance with procedures for product and service information and labeling		%	-	-	100	- The Terms of Service are publicly disclosed
417-2	Incidents of Non-compliance Concerning Product and Service Information and Labeling	Number of Incidents of Non-compliance	Number of Incidents of Non-compliance (Total)	Incidents	-	-	0	
			Incidents of non-compliance with regulations resulting in a fine or penalty	Incidents	-	-	0	
			Incidents of non-compliance with regulations resulting in a warning	Incidents	-	-	0	
			Incidents of non-compliance with voluntary codes	Incidents	-	-	0	
417-3	Incidents of Non-compliance Concerning Marketing Communications	Number of Incidents of Non-compliance	Number of Incidents of Non-compliance (Total)	Incidents	-	-	0	
			Incidents of non-compliance with regulations resulting in a fine or penalty	Incidents	-	-	0	
			Incidents of non-compliance with regulations resulting in a warning	Incidents	-	-	0	
			Incidents of non-compliance with voluntary codes	Incidents	-	-	0	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-		Incidents	-	-	0	

ESG Data

ENVIRONMENTAL

SM Culture & Contents

GRI No.	Indicators	Detailed Indicators		Unit	2022		2023	2024	Remarks
Energy Consumption									
302-1	Energy consumption within the organization	Energy Consumption	Electricity	TJ	-	-	-	2.7	- Electricity consumption was calculated based on utility bills. For electricity included in general building management fees, the company's exclusive usage could not be separately identified and was therefore allocated based on leased floor area
			Heating Fuel (LNG)	TJ	-	-	-	2.5	- LNG consumption related to building HVAC operations could not be separated by company use and was therefore allocated based on leased floor area
			Gasoline	TJ	-	-	-	1.3	
			Diesel	TJ	-	-	-	1.4	
302-3	Energy Intensity	-	TJ/KRW 100 million	-	-	-	0.0074	- Energy Consumption per Annual Revenue (Standalone)	
Water									
303-3	Water Withdrawal	Water Withdrawal	Total	Ton	-	-	-	8,619.7	- For water withdrawal included in general building management fees, the company's exclusive withdrawal could not be separately calculated and was allocated based on leased floor area
303-5	Water Consumption	Total Consumption			-	-	-	8,619.7	
GHG Emissions									
305-1	Direct GHG Emissions (Scope 1)	-		tCO <sub>2</sub> -eq	-	-	-	313.1	
305-2	Energy Indirect GHG Emissions (Scope 2)	-		tCO <sub>2</sub> eq	-	-	-	130.4	
305-4	GHG Emissions Intensity	-		tCO <sub>2</sub> eq/KRW 100 million	-	-	-	0.42	- GHG Emissions per Annual Revenue (Standalone)
Waste									
306-3	Total Waste Generated	-		Ton	-	-	-	11.6	
306-4	Waste diverted from disposal	-		Ton	-	-	-	8.5	- For waste recycled included in building management fees, the company's specific volume could not be separately calculated and was allocated based on leased floor area
306-5	Waste directed to disposal	Total weight of waste generated		Ton	-	-	-	3.0	- For waste disposed included in building management fees, the company's specific volume could not be separately calculated and was allocated based on leased floor area
		Non-hazardous Waste							
			Landfilling	Ton	-	-	-	0.0	- General waste disposed in standard volume-based waste bags was converted at a rate of 75L = 19kg
			Incineration	Ton	-	-	-	0.0	
	Others	Ton	-	-	-	3.0			

## ECONOMIC

## SM BRAND MARKETING

GRI No.	Indicators	Detailed Indicators	Unit	2022	2023	2024	Remarks
Economic Performance							
201-1	Direct Economic Value Generated and Distributed	Direct Economic Value Generated (Consolidated Basis)	Revenue	KRW 100 million	882	868	606
			Operating Profit	KRW 100 million	42	-1	-31
			Net Profit (Loss)	KRW 100 million	23	-101	-33
		Economic Value Distributed (Consolidated Basis)	SG&A	KRW 100 million	283	301	195
			Interest Expenses	KRW 100 million	1	2	2
			Personnel Expenses	KRW 100 million	69	89	61
			Corporate Income Tax	KRW 100 million	8	-40	1
			Donations	KRW 100 million	2	4	4
		Economic Value Retained (Consolidated Basis)	Total Assets	KRW 100 million	636	284	223
			Total Liabilities	KRW 100 million	416	169	142
			Total Shareholders' Equity	KRW 100 million	220	115	80
201-4	Financial Assistance Received from Government	Total monetary value of investment grants, research and development grants, and other relevant types of grant received from any government	KRW 100 million	Information Not Available	Information Not Available	0	
Anti-corruption							
205-2	Communication and Training about Anti-corruption Policies and Procedures	Number and Percentage of Individuals Who Received the Organization's Anti-corruption Policies and Procedures	Decision-making Body	Employees	Information Not Available	Information Not Available	3
				%	Information Not Available	Information Not Available	60
			Employees	Employees	Information Not Available	Information Not Available	89
				%	Information Not Available	Information Not Available	100
Anti-competitive Behavior							
206-1	Number of legal actions pending or completed regarding anti-competitive behavior, violations of anti-trust, and monopoly legislation in which the organization has been identified as a participant	-	Cases	0	0	0	
Tax							
207-4	Country-by-country reporting (tax)	Corporate Income Tax Expense	South Korea	KRW 100 million	789	-4,017	80
			Indonesia	KRW 100 million	Not Applicable	Not Applicable	15
			United States	KRW 100 million	Not Applicable	Not Applicable	0
			Vietnam	KRW 100 million	Not Applicable	Not Applicable	0
			Singapore	KRW 100 million	Not Applicable	Not Applicable	0
		Profit Before Tax		KRW 100 million	3,089	-14,098	-3,178
		Effective Tax Rate		%	25.5	28.5	-3.0
		Net Profit		KRW 100 million	2,300	-10,081	-3,273
							- The 2023 figure has changed due to a correction



ESG Data

SOCIAL

SM BRAND MARKETING

GRI No.	Indicators	Detailed Indicators		Unit	2022	2023	2024	Remarks		
Employment										
2-7	Employees	Total Number of Employees		Employees	132	112	119	- Including Executives in the Total Count		
		Number of Permanent Employees		Employees	92	95	84			
		Number of Temporary Employees		Employees	40	17	35			
2-8	Workers who are not employees	Total number of workers who are not employees and whose work is controlled by the organization		Employees	-	-	1	Outsourced workers		
401-1	Number of New Employee Hires	By Age Group	Under 30	Employees	23	12	10			
			30 to 49	Employees	23	21	13			
			50 and above	Employees	0	1	0			
		By Gender	Male	Employees	11	11	4			
			Female	Employees	35	23	19			
		By Region	Domestic	Employees	-	-	23			
			Total Foreigners	Employees	-	-	0			
	Number of Employee Turnover	By Age Group	Under 30	Employees	2	4	6			
			30 to 49	Employees	4	31	17			
			50 and above	Employees	0	0	0			
		By Gender	Male	Employees	2	9	3			
			Female	Employees	4	26	20			
		Voluntary Turnover Rate		Voluntary Turnover Rate	%	8.6	26.5	20.5		
		401-3	Parental Leave	Number of Employees Entitled to Parental Leave	Male	Employees	-	-	2	
					Female	Employees	-	-	2	
Number of Employees Who Took Parental Leave	Male		Employees	0	0	0				
	Female		Employees	0	1	1				
Number of employees that returned to work after parental leave ended	Male		Employees	0	0	0				
	Female		Employees	1	0	0				
Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Male		Employees	0	0	0				
	Female		Employees	1	0	0				
Return to Work and Retention Rates of Employees Who Took Parental Leave	Male		%	0	0	0				
	Female		0	0	0					

## SOCIAL

## SM BRAND MARKETING

GRI No.	Indicators	Detailed Indicators		Unit	2022	2023	2024	Remarks
2-30	Collective Bargaining Agreements	Percentage of total employees covered by collective bargaining agreements		%	100	100	100	
Occupational Health and Safety								
403-9	Work-related Injuries (Employees)	Number of fatalities as a result of work-related injury		Cases	0	0	0	
		Number of High-consequence Work-related Injuries		Cases	0	0	0	
		Number of Recordable Work-related Injuries		Cases	0	0	0	
	Work-related Injuries (Workers who are not employees)	Number of fatalities as a result of work-related injury		Cases	0	0	0	
		Number of High-consequence Work-related Injuries		Cases	0	0	0	
		Number of Recordable Work-related Injuries		Cases	1	0	0	
Training and Education								
404-1	Average Annual Training Hours per Employee	By Gender	Male	Hours	26	26	20.5	
			Female	Hours	26	26	20.9	
		By Type of Worker (e.g., employees vs. non-employees)	Executives	Hours	26	26	15.8	
			Employees	Hours	26	26	20.8	
404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	By Gender	Male	%	100	100	100	
			Female	%	100	100	100	
		By Type of Worker (e.g., employees vs. non-employees)	Executives	%	100	100	100	
			Employees	%	100	100	100	
Diversity and Equal Opportunity								
405-1	Diversity of Governance Bodies and Employees	Employees	Male	%	26.5	29.5	25	
			Female	%	73.5	70.5	75	
			Under 30	%	47.7	42.0	40	
			30 to 49	%	51.5	55.3	55	
			50 and above	%	0.8	2.7	5	
405-2	Ratio of Basic Salary and Remuneration of Women to Men	Ratio of Basic Salary and Remuneration of Women to Men		%	90.3	93.2	86.0	- From 2024, the figures have been calculated based on the average number of all employees, excluding executives and without differentiating by job level
Non-discrimination								

ESG Data

SOCIAL

SM BRAND MARKETING

GRI No.	Indicators	Detailed Indicators		Unit	2022	2023	2024	Remarks
406-1	Number of Incidents of Discrimination	-		Incidents	0	0	0	
Customer Health and Safety								
416-2	Incidents of Non-compliance Concerning the Health and Safety Impacts of Products and Services	Number of Incidents of Non-compliance	Incidents of non-compliance with regulations resulting in a fine or penalty	Incidents	0	0	0	
			Incidents of non-compliance with regulations resulting in a warning	Incidents	0	0	0	
			Incidents of non-compliance with voluntary codes	Incidents	0	0	0	
Marketing and Labeling								
417-1	Requirements for Product and Service Information and Labeling	Percentage of significant product or service categories covered by and assessed for compliance with procedures for product and service information and labeling		%	100	100	100	
417-2	Incidents of Non-compliance Concerning Product and Service Information and Labeling	Number of Incidents of Non-compliance	Number of Incidents of Non-compliance (Total)	Incidents	0	0	1	- Legal requirements are complied with in the sale of MD (MDs) products
			Incidents of non-compliance with regulations resulting in a fine or penalty	Incidents	0	0	1	- Payment of fines for a violation of the Act on Consumer Protection in Electronic Commerce
			Incidents of non-compliance with regulations resulting in a warning	Incidents	0	0	0	
			Incidents of non-compliance with voluntary codes	Incidents	0	0	0	
417-3	Incidents of Non-compliance Concerning Marketing Communications	Number of Incidents of Non-compliance	Number of Incidents of Non-compliance (Total)	Incidents	0	0	0	
			Incidents of non-compliance with regulations resulting in a fine or penalty	Incidents	0	0	0	
			Incidents of non-compliance with regulations resulting in a warning	Incidents	0	0	0	
			Incidents of non-compliance with voluntary codes	Incidents	0	0	0	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-		Incidents	-	-	0	

ESG Data

ENVIRONMENTAL

SM BRAND MARKETING

GRI No.	Indicators	Detailed Indicators		Unit	2022	2023	2024	Remarks
Energy Consumption								
302-1	Energy consumption within the organization	Energy Consumption	Electricity	TJ	0.3	0.8	1.9	- Not calculated for 2024 due to inability to measure separately after relocation of headquarters
			Heating Fuel (LNG)	TJ	29.0	17.0	-	
			Gasoline	TJ	-	-	-	
			Diesel	TJ	-	-	-	
302-3	Energy Intensity	-	TJ/KRW 100 million	0.035	0.022	0.0033		
Water								
303-3	Water Withdrawal	Water Withdrawal Volume	Total	Ton	258.3	185.7	-	- Not calculated for 2024 due to inability to measure separately after relocation of headquarters
303-5	Water Consumption	Total Consumption		Ton	258.3	185.7	-	
GHG Emissions								
305-1	Direct GHG Emissions (Scope 1)	-		tCO <sub>2</sub> -eq	1,469.7	861.6	-	- 0 Mobile combustion is excluded from the calculation
305-2	Energy Indirect GHG Emissions (Scope 2)	-		tCO <sub>2</sub> -eq	14.4	38.8	93.2	
305-4	GHG Emissions Intensity	-		tCO <sub>2</sub> -eq/KRW 100 million	1.80	1.10	0.16	- GHG Emissions per Annual Revenue (Standalone)



ESG Data

ECONOMIC

DREAM MAKER Entertainment

GRI No.	Indicators	Detailed Indicators		Unit	2022	2023	2024	Remarks
Economic Performance								
201-1	Direct Economic Value Generated and Distribute	Direct Economic Value Generated (Consolidated Basis)	Revenue	KRW 100 million	593	943	359	
			Operating Profit	KRW 100 million	11	98	-14	
			Net Profit (Loss)	KRW 100 million	3	77	-25	
		Economic Value Distributed (Consolidated Basis)	SG&A	KRW 100 million	61	61	58	- The 2022 figure has changed due to rounding
			Interest Expenses	KRW 100 million	1.19	1.08	0.93	- The 2023 figure has changed due to rounding
			Personnel Expenses	KRW 100 million	41	32	33	- Figures for 2022 and 2023 have changed due to recalculation based on employee remuneration
			Corporate Income Tax	KRW 100 million	6	26	-0.4	
			Donations	KRW 100 million	0	0	0	
		Economic Value Retained (Consolidated Basis)	Total Assets	KRW 100 million	592	694	581	
			Total Liabilities	KRW 100 million	278	291	199	
			Total Shareholders' Equity	KRW 100 million	314	403	383	
201-4	Financial Assistance Received from Government	Total monetary value of investment grants, research and development grants, and other relevant types of grant received from any government		KRW 100 million	0.60	0.04	0.17	- Figures for 2022 and 2023 have changed due to recalculation
Anti-competitive Behavior								
206-1	Number of legal actions pending or completed regarding anti-competitive behavior, violations of anti-trust, and monopoly legislation in which the organization has been identified as a participant	-		Cases	0	0	0	
Tax								
207-4	Country-by-country reporting (tax)	Corporate Income Tax Expense	South Korea	KRW 1 million	560	2,581	-273	- The 2023 figure has changed due to recalculation
			Hong Kong	KRW 1 million	15	9	0	
			United States	KRW 1 million	-	14	227	
			Thailand	KRW 1 million	-	-	5	
		Profit Before Tax		KRW 1 million	841	10,330	-2,505	
		Effective Tax Rate		%	68.3	25.2	1.7	
		Net Profit		KRW 1 million	266	7,726	-2,463	

ESG Data

SOCIAL

DREAM MAKER Entertainment

GRI No.	Indicators	Detailed Indicators		Unit	2022	2023	2024	Remarks
Employment								
2-7	Employees	Total Number of Employees		Employees	79	69	71	- Executives Included in the Total Count
		Number of Permanent Employees		Employees	54	57	63	
		Number of Temporary Employees		Employees	25	12	8	
2-8	Workers who are not employees	Total number of workers who are not employees and whose work is controlled by the organization			1,032	2,792	1,299	- Figures for 2022 and 2023 may have changed due to the aggregation of total staff per performance, which could result in duplicate counting
401-1	Number of New Employee Hires	By Age Group	Under 30	Employees	22	12	7	
			30 to 49	Employees	15	10	14	
			50 and above	Employees	4	0	0	
		By Gender	Male	Employees	19	8	6	
			Female	Employees	22	14	15	
		By Region	Domestic	Employees	41	22	21	
			Total Foreigners	Employees	0	0	0	
	Number of Employee Turnover	By Age Group	Under 30	Employees	9	13	4	
			30 to 49	Employees	12	19	12	
			50 and above	Employees	2	1	1	
		By Gender	Male	Employees	13	8	7	
			Female	Employees	10	25	10	
		Voluntary Turnover Rate		Voluntary Turnover Rate	%	39.0	41.8	24.6
401-3	Parental Leave	Number of Employees Entitled to Parental Leave	Male	Employees	2	2	3	
			Female	Employees	4	4	5	
	Number of Employees Who Took Parental Leave	Male	Employees	0	0	0		
		Female	Employees	4	3	1		
	Number of employees that returned to work after parental leave ended	Male	Employees	0	0	0		
		Female	Employees	1	2	0		
	Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Male	Employees	0	0	0		
		Female	Employees	0	1	2		
	Return to Work and Retention Rates of Employees Who Took Parental Leave	Male	%	0	0	0		
		Female	%	0	100	100		
2-30	Collective Bargaining Agreements	Percentage of total employees covered by collective bargaining agreements		%	100	100	100	- All Employees and Performance Staff for the Reporting Year

ESG Data

SOCIAL

DREAM MAKER Entertainment

GRI No.	Indicators	Detailed Indicators		Unit	2022	2023	2024	Remarks
Occupational Health and Safety								
403-9	Work-related Injuries (Employees)	Number of fatalities as a result of work-related injury		Cases	0	0	0	
		Number of High-consequence Work-related Injuries		Cases	0	0	0	
		Number of Recordable Work-related Injuries		Cases	0	0	0	
	Work-related Injuries (Workers who are not employees)	Number of fatalities as a result of work-related injury		Cases	0	0	0	
		Number of High-consequence Work-related Injuries		Cases	0	0	0	
		Number of Recordable Work-related Injuries		Cases	0	0	0	
Training and Education								
404-1	Average Annual Training Hours per Employee	By Gender	Male	Hours	12.6	12.6	16.8	
			Female	Hours	12.6	12.6	16.8	
		By Type of Worker (e.g., employees vs. non-employees)	Executives	Hours	12.6	12.6	16.8	
			Employees	Hours	12.6	12.6	16.8	
404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	By Gender	Male	%	100	100	100	
			Female	%	100	100	100	
		By Type of Worker (e.g., employees vs. non-employees)	Executives	%	100	100	100	
			Employees	%	100	100	100	
Diversity and Equal Opportunity								
405-1	Diversity of Governance Bodies and Employees	Employees	Male	%	32.9	34.8	31.0	
			Female	%	67.1	65.2	69.0	
			Under 30	%	39	36	34	
			30 to 49	%	56	59	63	
			50 and above	%	5	4	3	
405-2	Ratio of Basic Salary and Remuneration of Women to Men	Ratio of Basic Salary and Remuneration of Women to Men		%	69.4	71.3	93.0	
Non-discrimination								
406-1	Number of Incidents of Discrimination	-		Incidents	0	0	0	
Customer Health and Safety								
416-2	Incidents of Non-compliance Concerning the Health and Safety Impacts of Products and Services	Number of Incidents of Non-compliance	Incidents of non-compliance with regulations resulting in a fine or penalty	Incidents	0	0	0	
			Incidents of non-compliance with regulations resulting in a warning	Incidents	0	0	0	
			Incidents of non-compliance with voluntary codes	Incidents	0	0	0	

ESG Data

SOCIAL

DREAM MAKER Entertainment

GRI No.	Indicators	Detailed Indicators		Unit	2022	2023	2024	Remarks
Marketing and Labeling								
417-1	Requirements for Product and Service Information and Labeling	Percentage of significant product or service categories covered by and assessed for compliance with procedures for product and service information and labeling		%	100	100	100	- Performance-related information is disclosed on the concert reservation detail page
417-2	Incidents of Non-compliance Concerning Product and Service Information and Labeling	Number of Incidents of Non-compliance	Number of Incidents of Non-compliance (Total)	Incidents	0	0	0	
			Incidents of non-compliance with regulations resulting in a fine or penalty	Incidents	0	0	0	
			Incidents of non-compliance with regulations resulting in a warning	Incidents	0	0	0	
			Incidents of non-compliance with voluntary codes	Incidents	0	0	0	
417-3	Incidents of Non-compliance Concerning Marketing Communications	Number of Incidents of Non-compliance	Number of Incidents of Non-compliance (Total)	Incidents	0	0	0	
			Incidents of non-compliance with regulations resulting in a fine or penalty	Incidents	0	0	0	
			Incidents of non-compliance with regulations resulting in a warning	Incidents	0	0	0	
			Incidents of non-compliance with voluntary codes	Incidents	0	0	0	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-		Incidents	-	-	0	



ESG Data

ENVIRONMENTAL

DREAM MAKER Entertainment

GRI No.	Indicators	Detailed Indicators		Unit	2022		2023	2024	Remarks
Energy Consumption									
302-1	Energy consumption within the organization	Energy Consumption	Electricity	TJ	-	-	-	0.47	- Electricity consumption was calculated based on utility bills. For electricity included in general building management fees, the company's exclusive usage could not be separately identified and was therefore allocated based on leased floor area
			Heating Fuel (LNG)	TJ	-	-	-	0.43	- LNG consumption related to building HVAC operations could not be separated by company usage and was therefore allocated based on leased floor area
			Gasoline	TJ	-	-	-	0.28	
			Diesel	TJ	-	-	-	0.14	
302-3	Energy Intensity	-		TJ/KRW 100 million	-	-	-	0.0064	- Energy Consumption per Annual Revenue (Standalone)
Water									
303-3	Water Withdrawal	Water Withdrawal량	Total	Ton	-	-	-	1,486.1	- For water withdrawal included in general building management fees, the company's exclusive withdrawal could not be separately calculated and was therefore allocated based on leased floor area
303-5	Water Consumption	Total Consumption			-	-	-	1,486.1	
GHG Emissions									
305-1	Direct GHG Emissions (Scope 1)	-		tCO <sub>2</sub> -eq	-	-	-	50.6	
305-2	Energy Indirect GHG Emissions (Scope 2)	-		tCO <sub>2</sub> -eq	-	-	-	22.8	
305-4	GHG Emissions Intensity	-		tCO <sub>2</sub> -eq/KRW 100 million	-	-	-	0.36	- GHG Emissions per Annual Revenue (Standalone)
Waste									
306-3	Total Waste Generated	-		Ton	-	-	-	3.5	
306-4	Waste diverted from disposal	-		Ton	-	-	-	1.5	- For waste recycled included in building management fees, the company's specific volume could not be separately calculated and was therefore allocated based on leased floor area
306-5	Waste directed to disposal	Total weight of waste generated		Ton	-	-	-	2.0	- For waste disposed included in building management fees, the company's specific volume could not be separately calculated and was therefore allocated based on leased floor area - General waste was disposed of using volume-based standard garbage bags and converted at a rate of 75L = 19kg
		Non-hazardous Waste	Others	Ton	-	-	-	2.0	

ESG Data

ECONOMIC

Kreation Music Rights

GRI No.	Indicators	Detailed Indicators		Unit	2022		2023	2024	Remarks
Economic Performance									
201-1	Direct Economic Value Generated and Distributed	Direct Economic Value Generated (Consolidated Basis)	Revenue	KRW 100 million	-	-	-	30	- As a first-time reporting company, data has been compiled starting from 2024
			Operating Profit	KRW 100 million	-	-	-	-94	
			Net Profit (Loss)	KRW 100 million	-	-	-	-109	
		Economic Value Distributed (Consolidated Basis)	SG&A	KRW 100 million	-	-	-	88	
			Interest Expenses	KRW 100 million	-	-	-	0	
			Personnel Expenses	KRW 100 million	-	-	-	21	
			Corporate Income Tax	KRW 100 million	-	-	-	-1	
			Donations	KRW 100 million	-	-	-	0	
		Economic Value Retained (Consolidated Basis)	Total Assets	KRW 100 million	-	-	-	204	
			Total Liabilities	KRW 100 million	-	-	-	71	
			Total Shareholders' Equity	KRW 100 million	-	-	-	133	
201-4	Financial Assistance Received from Government	Total monetary value of investment grants, research and development grants, and other relevant types of grant received from any government		KRW 100 million	-	-	-	0	
Anti-competitive Behavior									
206-1	Number of legal actions pending or completed regarding anti-competitive behavior, violations of anti-trust, and monopoly legislation in which the organization has been identified as a participant			Cases	-	-	-	0	
Tax									
207-4	Country-by-country reporting (tax)	Corporate Income Tax Expense	South Korea	KRW 1 million	-	-	-	-59	
			Sweden	KRW 1 million	-	-	-	Data not available	
		Profit Before Tax		KRW 1 million	-	-	-	-10,949	
		Effective Tax Rate		%	-	-	-	0.5	
		Net Profit		KRW 1 million	-	-	-	-10,890	

ESG Data

SOCIAL

Kreation Music Rights

GRI No.	Indicators	Detailed Indicators		Unit	2022	2023	2024	Remarks
Employment								
2-7	Employees	Total Number of Employees		Employees	-	-	35	- Executives Included in the Total Count
		Number of Permanent Employees		Employees	-	-	22	
		Number of Temporary Employees		Employees	-	-	13	
2-8	Workers who are not employees	Total number of workers who are not employees and whose work is controlled by the organization		Employees	-	-	0	
401-1	Number of New Employee Hires	By Age Group	Under 30	Employees	-	-	7	
			30 to 49	Employees	-	-	13	
			50 and above	Employees	-	-	0	
		By Gender	Male	Employees	-	-	10	
			Female	Employees	-	-	10	
		By Region	Domestic	Employees	-	-	14	
			Total Foreigners	Employees	-	-	6	
			Portugal	Employees	-	-	1	
			Sweden	Employees	-	-	5	
	Number of Employee Turnover	By Age Group	Under 30	Employees	-	-	6	
			30 to 49	Employees	-	-	3	
			50 and above	Employees	-	-	0	
		By Gender	Male	Employees	-	-	3	
			Female	Employees	-	-	6	
401-3	Parental Leave	Number of Employees Entitled to Parental Leave	Male	Employees	-	-	1	
			Female	Employees	-	-	0	
		Number of Employees Who Took Parental Leave	Male	Employees	-	-	0	
			Female	Employees	-	-	0	
		Number of employees that returned to work after parental leave ended	Male	Employees	-	-	0	
			Female	Employees	-	-	0	
		Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Male	Employees	-	-	0	
			Female	Employees	-	-	0	
2-30	Collective Bargaining Agreements	Percentage of total employees covered by collective bargaining agreements		%	-	-	Not Applicable	- Not subject to reporting requirements due to having fewer than 30 full-time employees

ESG Data

SOCIAL

Kreation Music Rights

GRI No.	Indicators	Detailed Indicators		Unit	2022	2023	2024	Remarks
Occupational Health and Safety								
403-9	Work-related Injuries (Employees)	Number of fatalities as a result of work-related injury		Cases	-	-	0	
		Number of High-consequence Work-related Injuries		Cases	-	-	0	
		Number of Recordable Work-related Injuries		Cases	-	-	0	
	Work-related Injuries (Workers who are not employees)	Number of fatalities as a result of work-related injury		Cases	-	-	0	
		Number of High-consequence Work-related Injuries		Cases	-	-	0	
		Number of Recordable Work-related Injuries		Cases	-	-	0	
Training and Education								
404-1	Average Annual Training Hours per Employee	By Gender	Male	Hours	-	-	5.3	- Average Number of Hours Completed for Statutory Mandatory Training
			Female	Hours	-	-	5.3	
		By Type of Worker (e.g., employees vs. non-employees)	Executives	Hours	-	-	5.3	
			Employees	Hours	-	-	5.3	
404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	By Gender	Male	%	-	-	-	- Established in 2024; HR and performance evaluation systems will be finalized starting in 2025
			Female	%	-	-	-	
		By Type of Worker (e.g., employees vs. non-employees)	Executives	%	-	-	-	
			Employees	%	-	-	-	
Diversity and Equal Opportunity								
405-1	Diversity of Governance Bodies and Employees	Employees	Male	%	-	-	54.3	
			Female	%	-	-	45.7	
			Under 30	%	-	-	26	
			30 to 49	%	-	-	74	
			50 and above	%	-	-	0	
405-2	Ratio of Basic Salary and Remuneration of Women to Men	Ratio of Basic Salary and Remuneration of Women to Men		%	-	-	94.2	
Non-discrimination								
406-1	Number of Incidents of Discrimination	-		Incidents	-	-	0	
Customer Health and Safety								
416-2	Incidents of Non-compliance Concerning the Health and Safety Impacts of Products and Services	Number of Incidents of Non-compliance	Incidents of non-compliance with regulations resulting in a fine or penalty	Incidents	-	-	0	
			Incidents of non-compliance with regulations resulting in a warning	Incidents	-	-	0	
			Incidents of non-compliance with voluntary codes	Incidents	-	-	0	



ESG Data

SOCIAL

Kreation Music Rights

GRI No.	Indicators	Detailed Indicators		Unit	2022	2023	2024	Remarks
Marketing and Labeling								
417-1	Requirements for Product and Service Information and Labeling	Percentage of significant product or service categories covered by and assessed for compliance with procedures for product and service information and labeling		%	-	-	0	
417-2	Incidents of Non-compliance Concerning Product and Service Information and Labeling	Number of Incidents of Non-compliance	Number of Incidents of Non-compliance (Total)	Incidents	-	-	0	
			Incidents of non-compliance with regulations resulting in a fine or penalty	Incidents	-	-	0	
			Incidents of non-compliance with regulations resulting in a warning	Incidents	-	-	0	
			Incidents of non-compliance with voluntary codes	Incidents	-	-	0	
417-3	Incidents of Non-compliance Concerning Marketing Communications	Number of Incidents of Non-compliance	Number of Incidents of Non-compliance (Total)	Incidents	-	-	0	
			Incidents of non-compliance with regulations resulting in a fine or penalty	Incidents	-	-	0	
			Incidents of non-compliance with regulations resulting in a warning	Incidents	-	-	0	
			Incidents of non-compliance with voluntary codes	Incidents	-	-	0	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-		Incidents	-	-	Not Applicable	- Due to the nature of the publishing business, customer personal information is neither collected nor retained



ESG Data

ENVIRONMENTAL

Kreation Music Rights

GRI No.	Indicators	Detailed Indicators		Unit	2022	2023	2024	Remarks
Energy Consumption								
302-1	Energy consumption within the organization	Energy Consumption	Electricity	TJ	-	-	1.2	
302-3	Energy Intensity	-		TJ/KRW 100 million	-	-	0.046	
GHG Emissions								
305-2	Energy Indirect GHG Emissions (Scope 2)	-		tCO <sub>2</sub> -eq	-	-	59.6	
305-4	GHG Emissions Intensity	-		tCO <sub>2</sub> -eq/KRW 100 million	-	-	0.046	- GHG Emissions per Annual Revenue (Standalone)

GRI Index

Statement of Use	SM Entertainment has reported sustainability information for the period from January 1, 2024 to December 31, 2024 in accordance with the GRI Standards 2021.
GRI 1 used	GRI 1 : Foundation 2021
Applicable GRI Sector Standards	Not applicable (as of June 2025, the standards for the industry to which SM Entertainment belongs have not been published)

GRI No.	Disclosure	Reporting Company						Location	Remarks
		SME	LDG	C&C	BM	DM	KMR		
2-1	Organizational details	O						6p	
2-2	Entities included in the organization's sustainability reporting	O						2p	
2-3	Reporting period, frequency and contact point	O						2p	
2-4	Restatements of information	O						Footnotes have been added where data differs from last year's report	
2-5	External assurance	O						126-127p	

GRI No.	Disclosure	Reporting Company						Location	Remarks
		SME	LDG	C&C	BM	DM	KMR		
2-6	Activities, value chain and other business relationships	O						7-19p	
2-7	Employees	O	O	O	O	O	O	60p, 90p, 97p, 102p, 107p, 112p, 117p	
2-8	Workers who are not employees	O	O	O	O	O	O	90p, 97p, 102p, 107p, 112p, 117p	
2-9	Governance structure and composition	O	O	O	O	O	O	84-87p, 92p, 98p, 103p, 108p, 114p, 118p	
2-10	Nomination and selection of the highest governance body	O						84-87p	
2-11	Chair of the highest governance body	O						85-86p	
2-12	Role of the highest governance body in overseeing the management of impacts	O						23p, 84-87p	
2-13	Delegation of responsibility for managing impacts	O						23p, 32p, 40p, 43p, 50p, 52-53p, 57p, 76p, 78-81p	
2-14	Role of the highest governance body in sustainability reporting	O						23p, 86-87p	
2-15	Conflicts of interest	O						84p	
2-16	Communication of critical concerns	O						23p, 87p	
2-17	Collective knowledge of the highest governance body	O						85p, 87p	
2-18	Evaluation of the performance of the highest governance body	O						87p	
2-19	Remuneration policies	O						86-87p	
2-20	Process to determine remuneration	O						86-87p	
2-21	Annual total compensation ratio	O						87p	
2-22	Statement on sustainable development strategy	O						4p	
2-23	Policy commitments	O						22p, 32p, 43p, 50p, 57p, 65p, 76p, 78p	
2-24	Embedding policy commitments	O						23p, 32-33p, 43-44p, 50-52p, 77p	
2-25	Processes to remediate negative impacts	O						52-53p	

GRI Index

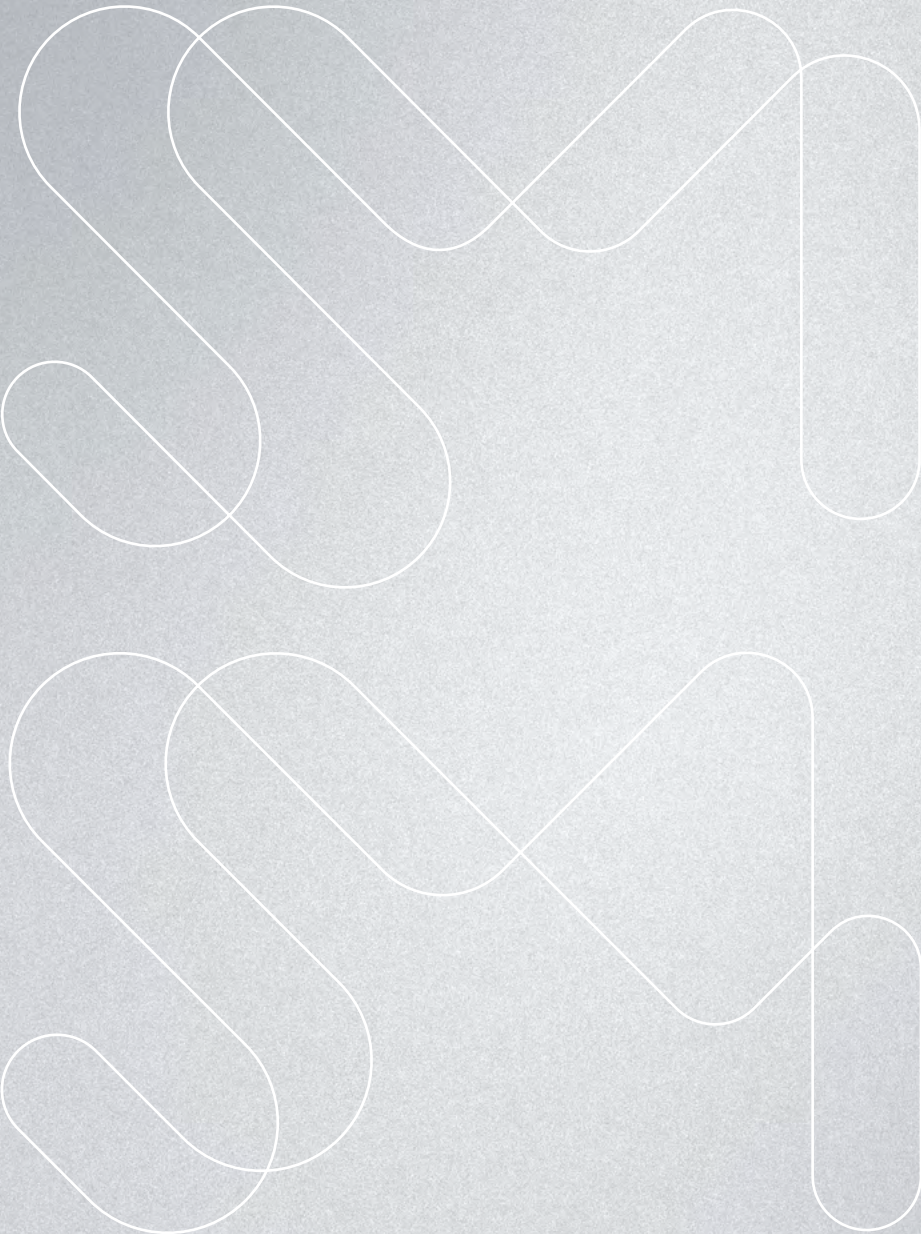
GRI No.	Disclosure	Reporting Company						Location	Remarks
		SME	LDG	C&C	BM	DM	KMR		
2-26	Mechanisms for seeking advice and raising concerns	O						77p, 80-81p	
2-27	Compliance with laws and regulations	O		O	O	O	O	89p, 92-93p, 98p, 101p, 104p, 106p, 109p, 111p, 114p, 116p, 119p	SM BRAND MARKETING received a notice of fine for violating the Act on Consumer Protection in Electronic Commerce
2-28	Membership associations	O						125p	
2-29	Approach to stakeholder engagement	O						24p, 79p	
2-30	Collective bargaining agreements	O		O	O	O	O	64p, 91p, 102p, 107p, 113p, 117p	
3-1	Process to determine material topics	O						27-29p	
3-2	List of material topics	O						29-30p	
3-3	Management of material topics	O						30p	
201-1	Direct economic value generated and distributed	O	O	O	O	O	O	89p, 96p, 100p, 106p, 111p, 116p	
201-4	Financial assistance received from government	O	O	O	O	O	O	89p, 96p, 100p, 106p, 111p, 116p	
203-1	Infrastructure investments and services supported	O						68-74p	
205-1	Operations assessed for risks related to corruption	O		O				89p, 100p	
205-2	Communication and training about anti-corruption policies and procedures	O		O	O			77p, 100p, 106p	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	O		O	O	O	O	89p, 101p, 106p, 111p, 116p	
207-1	Approach to tax	O						80-81p	
207-4	Country-by-country reporting	O	O	O	O	O	O	89p, 96p, 101p, 106p, 111p, 116p	
301-1	Materials used by weight or volume		O					99p	
302-1	Energy consumption within the organization	O	O	O	O	O	O	34p, 94p, 99p, 105p, 111p, 116p, 122p	
302-3	Energy intensity	O	O	O	O	O	O	34p, 94p, 99p, 105p, 111p, 116p, 122p	
303-3	Water withdrawal	O	O	O	O	O		94p, 99p, 105p, 111p, 116p	
303-5	Water consumption	O	O	O	O	O		94p, 99p, 105p, 111p, 116p	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	O						40-41p	
304-2	Significant impacts of activities, products and services on biodiversity	O						40-41p Creation of KWANGYA Forest in Seoul Forest for biodiversity conservation	
304-3	Habitats protected or restored	O						40-41p	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	O						40-41p	
305-1	Direct (Scope 1) GHG emissions	O	O	O	O	O		34p, 94p, 99p, 105p, 110p, 115p	Emissions from affiliates excluding SME are unverified figures
305-2	Energy indirect (Scope 2) GHG emissions	O	O	O	O	O		34p, 94p, 99p, 105p, 110p, 115p	Emissions from affiliates excluding SME are unverified figures



GRI Index

GRI No.	Disclosure	Reporting Company						Location	Remarks
		SME	LDG	C&C	BM	DM	KMR		
305-3	Other indirect (Scope 3) GHG emissions	○						34p, 94p	Emissions are unverified figures
305-4	GHG emissions intensity	○	○	○	○	○	○	34p, 94p, 99p, 105p, 110p, 115p	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		○					99p	
306-3	Waste generated	○		○		○		36-39p, 95p, 105p, 115p	
306-4	Waste diverted from disposal	○	○	○		○		36-39p, 95p, 99p, 105p, 115p	
306-5	Waste directed to disposal	○		○		○		36-39p, 95p, 105p, 115p	
401-1	New employee hires and employee turnover	○	○	○	○	○	○	60p, 90p, 97p, 102p, 107p, 112p, 117p	
401-3	Parental leave	○	○	○	○	○	○	91p, 97p, 102p, 107p, 113p, 117p	
403-1	Occupational health and safety management system	○						43-47p	
403-2	Hazard identification, risk assessment, and incident investigation	○				○		45p	
403-3	Occupational health services	○						44-45p, 64p	
403-4	Worker participation, consultation, and communication on occupational health and safety	○						44p	
403-5	Worker training on occupational health and safety	○						44p	
403-6	Promotion of worker health	○						64p	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	○						43-47p	
403-8	Workers covered by an occupational health and safety management system	○						43-44p	
403-9	Work-related injuries	○	○	○	○	○	○	91p, 98p, 103p, 108p, 113p, 118p	
404-1	Average hours of training per year per employee	○	○	○	○	○	○	62p, 98p, 103p, 108p, 113p, 118p	
404-2	Programs for upgrading employee skills and transition assistance programs	○						62p	
404-3	Percentage of employees receiving regular performance and career development reviews	○	○	○	○	○	○	61p, 98p, 103p, 108p, 113p, 118p	
405-1	Diversity of governance bodies and employees	○	○	○	○	○	○	92p, 98p, 103p, 108p, 114p, 118p	
405-2	Ratio of basic salary and remuneration of women to men	○	○	○	○	○	○	92p, 98p, 103p, 108p, 114p, 118p	
406-1	Incidents of discrimination and corrective actions taken	○	○	○	○	○	○	52-53p, 56p, 92p, 98p, 103p, 108p, 114p, 118p	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	○			○	○	○	92p, 109p, 114p, 118p	
417-1	Requirements for product and service information and labeling	○		○	○	○	○	93p, 104p, 109p, 114p, 119p	
417-2	Incidents of non-compliance concerning product and service information and labeling	○		○	○	○	○	93p, 104p, 109p, 114p, 119p	
417-3	Incidents of non-compliance concerning marketing communications	○		○	○	○	○	93p, 104p, 109p, 114p, 119p	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	○	○	○	○	○	○	65-66p, 93p, 98p, 104p, 109p, 114p, 119p	






# APPENDIX

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# Participation in Global Initiatives and Certifications



COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

The UN Global Compact is a global initiative that encourages companies to integrate ten principles in the areas of human rights, labor, environment, and anti-corruption into their operations and strategies, while providing practical implementation guidance. SM Entertainment systematically implements activities that align with and internalize the principles of the UN Global Compact across all areas of its business operations, and transparently discloses its progress through its annual Communication on Progress (COP) reports.

Category	Principles	Pages in the Report
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights 2. Businesses should make sure they are not complicit in human rights abuses	p. 50-56
Labor Standards	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining 4. The elimination of all forms of forced and compulsory labor 5. The effective abolition of child labor 6. The elimination of discrimination in respect of employment and occupation	p. 50-56
Environment	7. Businesses should support a precautionary approach to environmental challenges 8. Undertake initiatives to promote greater environmental responsibility 9. Encourage the development and diffusion of environmentally friendly technologies	p. 31-41
Anti-Corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery	p. 76-77

## Membership in Associations



대한상공회의소  
KOREA CHAMBER OF COMMERCE AND INDUSTRY



K I T A  
한국무역협회



KMCA  
한국음악콘텐츠협회



사단법인 한국연예매니지먼트협회  
KOREA ENTERTAINMENT MANAGEMENT ASSOCIATION



사단법인 한국연예제작자협회  
KOREA ENTERTAINMENT PRODUCER'S ASSOCIATION



(사)한국매니지먼트연합  
KOREA MANAGEMENT FEDERATION



### ISO 14001 Certification

SM Entertainment has been certified for ISO 14001, the international standard for environmental management systems, by the British Standards Institution (BSI).  
Certification Period: December 20, 2022 - December 19, 2025

# Third-Party Assurance Statement for the Report

## SM Entertainment Co., Ltd. Dear Stakeholders

Korean Foundation for Quality (hereinafter ‘KFG’) has been engaged to independently verify the 2024 Sustainability Report (hereinafter ‘the Report’)<sup>2)</sup> of SM Entertainment Co., Ltd<sup>1)</sup> (hereinafter ‘the Company’). KFG is responsible for providing an independent third-party verification opinion on the report based on the verification criteria and scope specified below. The responsibility for the preparation of this report lies with the Company’s management.

1) Organization Address (based on headquarters) : 83-21, Wangsimni-ro, Seongdong-gu, Seoul, Republic of Korea

2) Data Collection Period : Based on fiscal year 2024 (Jan. 1, 2024-Dec. 31, 2024), with some data through the first half of 2025.

Includes the last three years (2022-2024) of data to show year-over-year trends in quantitative performance.

## Verification Purpose

The purpose of this verification is to ensure the reliability of the data and information stated in the Company’s report.

## Verification Scope

1. Verification Boundary : SM Entertainment Co., Ltd. and 5 affiliates

※ 5 Affiliates : SM Culture & Contents Co., Ltd., SM Life Design Group Co., Ltd.,

SM BRANDMARKETING CO.,LTD., DREAMMAKER Entertainment Ltd., Kreation Music Rights Co.,Ltd.

2. Verification Items (Based on the GRI Standards 2021)

Category	GRI Standards
Universal Standards	<div><div>• 2-1 to 2-5 (The organization and its reporting practices)</div><div>• 2-6 to 2-8 (Activities and workers)</div><div>• 2-9 to 2-21 (Governance)</div><div>• 2-22to2-28(Strategy,policies,andpractices)</div><div>• 2-29 to 2-30 (Stakeholder engagement)</div><div>• 3-1 to 3-3 (Material Topics Disclosures)</div></div>
Topic Standards	<div><div>• GRI 306 (Waste)</div><div>• GRI 403 (Occupational Health and Safety)</div><div>• GRI 406 (Non-Discrimination)</div><div>• GRI 418 (Customer Privacy)</div></div>

\* Topic Standards : Provisions Criteria for Material Issues

3. Excluded Items from Verification: The following items are not included within the scope of verification

- 1) Performance and reporting practices of subsidiaries, affiliates, partners, and third parties
- 2) Items related to other sustainability initiatives not based on the GRI Standards 2021 presented in the report
- 3) Other related information such as periodic disclosure reports and financial statements
- 4) Greenhouse gas emissions data excluding Scope 1,2 emissions of SM Entertainment Co., Ltd.’s domesticbusiness sites (headquarters)

## Verification Criteria

This verification has been conducted based on [AA1000AS (v3)], [AA1000AP (2018)], and [Type 1 - Moderate]

## Verification Method

The audit team reviewed relevant procedures, systems, and control mechanisms, along with available performance data, to verify the reliability of the report’s content based on the aforementioned criteria. The documents reviewed during the verification process are as follows:

- **Non-financial Information** :Data provided by the company, disclosed Business Reports, and information obtained from media and/or the internet.
- **Financial Information** : Data disclosed in the electronic disclosure system (dart.fss.or.kr) of the Financial Supervisory Service and data posted on the homepage.

※ However, the contents of the above data are not included in the verification scope.

The verification was conducted through document review, on-site visits, and interviews with the responsible personnel. The validity of the materiality assessment procedure in the Report, the selection of material issues considering stakeholders, the data collection, management, and report preparation procedures, as well as the accuracy of the descriptions, were evaluated through interviews with the responsible personnel. Subsequently, it was confirmed that any errors, inappropriate information, or unclear expressions identified in the above steps were appropriately corrected before the publication of the Report.

## Verification Limitations

This verification inherently contains limitations that may arise in the process of applying the criteria and methodology.

## Competency and Independence

The audit team for this verification was duly composed in accordance with KFG’s internal regulations. KFG has no conflicts of interest that could compromise the independence and impartiality of the verification, apart from providing third-party verification services.



# Third-Party Assurance Statement for the Report

## Verification Opinion

As a result of the verification, it is the opinion of KFQ that:

1) It has been confirmed that the Report was prepared in compliance with the four principles of AA1000AP (2018)

### Inclusivity

The company has appropriately defined stakeholder groups and communicates with them through tailored communication channels that consider the characteristics of each group. The audit team did not identify any missing key stakeholders in this process and confirmed that the company is making efforts to incorporate stakeholder feedback into its management strategy.

### Materiality

The company has identified material issues through an appropriate process and has thoroughly reviewed the relevant impacts to enhance the validity of its materiality assessment. The audit team confirmed that the identified material issues were given due emphasis in this report and that all material issues recognized during the materiality assessment process were reported without omission.

### Responsiveness

The company strives to respond promptly to stakeholders' requirements and key concerns. The audit team did not find any evidence indicating that the organization's response activities and performance regarding material issues were inappropriately reported.

### Impact

The company identifies and monitors the impact of stakeholder-related material issues across its business activities and reports the findings to the extent possible. The audit team did not find any evidence indicating that the impact of material issues was inappropriately measured or reported.

- 2) The report has been appropriately prepared in accordance with the applicable reporting standards, such as (GRI Standards (2021) - Accordance, UNSDGs)
- 3) The data and information used for verification were limited to the provided materials and were found to be appropriate, with no significant errors or omissions that could affect the verification opinion.
- 4) Therefore, an “Unmodified Opinion” is provided for the company’s 2024 Sustainability Report.

JUNE 26 2025  
Ji Young Song, CEO  
Korean Foundation for Quality (KFQ)

Ji Young Song



# Greenhouse Gas Verification Statement

SM Entertainment Co., Ltd.

### Subject of Verification

The Korea Foundation for Quality (hereinafter referred to as the "Foundation") conducted an independent verification of the 2024 Scope 1 and Scope 2 greenhouse gas (GHG) emissions (hereinafter referred to as the "GHG emissions") of SM Entertainment Co., Ltd. (hereinafter referred to as the "Company") as a third-party verification body. The Foundation is responsible for providing a verification statement based on the scope and standards outlined below, while the Company holds responsibility for the claims regarding the GHG emissions.

1) Organization address (head office): 83-21, Wangsimni-ro, Seongdong-gu, Seoul, Korea

### Purpose of Verification

The purpose of this verification is to provide an independent opinion on the voluntary GHG emissions inventory.

### Scope of Verification

The verification covered major emission sources at the Company's domestic business site (head office) under operational control as of 2024.

### Verification Standards

At the request of the Company, the verification was conducted based on the following standards and guidelines:

- ISO 14064-1:2018
- ISO 14064-3:2019
- 2006 IPCC Guidelines for National Greenhouse Gas Inventories
- Guidelines on Reporting and Verification of Emissions for the Emissions Trading Scheme (Ministry of Environment Notification No. 2025-64)

### Verification Methodology

This verification was carried out under a limited level of assurance in accordance with the principles and requirements of ISO 14064-3:2019. It includes inherent limitations that may arise during the application of criteria and methodologies.

### Verification Conclusion

Based on the verification conducted in accordance with the standards and guidelines outlined above, KFQ presents the following opinion:

- 1) The greenhouse gas emissions have been appropriately calculated in accordance with the relevant standards.
- 2) The data and information used for the calculation of greenhouse gas emissions are appropriate and reasonable, and no material errors or omissions that could affect the verification opinion were identified. The materiality assessment result for the greenhouse gas emissions meets the agreed threshold of less than 5%.
- 3) Accordingly, we express a reasonable assurance opinion on the 2024 greenhouse gas emissions.

Unit : tCO<sub>2</sub>eq

Category	Scope 1	Scope 2	Total
Domestic Business Site (Head Office)	1,019.384	511.806	1,531

\* Emissions from each business site are rounded down to the nearest whole number, which may result in a discrepancy of less than ±1 tCO<sub>2</sub>eq between the total and actual values.

June 20, 2025

Ji Young Song

CEO Ji-Young Song  
Korean Foundation for Quality



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