happy**G** is coming

2005

Sustainability Report

SK telecom

Contents

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These advances are commonly referred to as 1G, 2G, 3.5G, etc.

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About Sustainability Report

- **Reporting Period**
  This Sustainability Report covers the period from January 1, 2005 to December 31, 2005. Information on activities and performance in 2003 and 2004 are included when necessary to examine past trends as well as our activities in 2006, when deemed important.

- **Compliance with GRI Guidelines**
  This is the first report on corporate social responsibility issued by SK Telecom and was prepared based on GRI guidelines.

- **Future Edition**
  We plan to issue the next edition of our Sustainability Report in 2008, which will cover our performance and progress in 2006 and 2007.

- **Purpose of Report**
  This Report is intended to disclose our corporate sustainability management activities and performance in a transparent manner and to solicit feedback from diverse stakeholders to help ensure our sustained growth.

- **Scope of Report**
  This Report covers SK Telecom's head office, regional headquarters and other domestic worksites. The activities of our subsidiaries and affiliates are not included.

- **More Information**
  Please refer to the following for additional information:
   - www.sktelecom.com: Company website
     (information on IR, cyber PR, brands and service fees)
   - ethics.sktelecom.com: Information on ethical management (Korean)
   - partneron.sktelecom.com: Information on business partners (Korean)
   - withheart.sktelecom.com: Information on social contribution (Korean)
   - dart.fss.or.kr: Financial Supervisory Service's electronic disclosure system (Korean)
   - www.sec.gov: US Securities and Exchange Commission website (various disclosures)

OUR STEPS TO SUSTAINABILITY

hello
America

喂
China

Allo
France

أَلـو
Saudi Arabia

여보세요
Korea

Halo
Spain

A lô
Vietnam

もしもし
Japan

Our Steps to
Sustainability

SK Telecom has been fulfilling its role as a leading company via corporate sustainability management. In addition to our economic performance, we give due consideration to our environmental and social responsibilities while pursuing creation of value for our diverse stakeholders.

VICE CHAIRMAN & CEO MESSAGE

: 　　　We at SK Telecom will keep our ears and minds open to the diverse voices of our stakeholders, and will continue to do our part as a responsible corporate citizen.

I would like to thank our customers, shareholders, business partners, and other stakeholders, who have stood by SK Telecom over the past 20 years. I am pleased to present to you SK Telecom's Sustainability Report, which reflects our commitment to ensuring our sustainable growth by fulfilling our social responsibilities as a trustworthy enterprise.

SK Telecom started out as a small business outfit with just some 30 employees in 1984. We have since grown into our present status as the first telecom company in Korea to surpass the $10 billion mark in revenues and we have secured a subscriber base exceeding 20 million. These would not have been possible without the dedication of our employees and the encouragement and support of our business partners and numerous stakeholders. Alongside our quantitative growth, we have spearheaded many changes in the Korean IT industry through new services such as wireless Internet, telematics, and satellite DMB. These developments have also spurred advances in our economy, society, and culture.

Our wide-ranging service offerings are more than just communication tools. I believe they are bringing people closer together and will contribute to promoting the happiness of all members of our society.

More than anything, this report, SK Telecom's first Sustainability Report, is a testament to our efforts and commitment to growing and evolving with our community. It is divided into six sections: Increasing our customer value, enhancing our employee competency, raising our economic value, mutual cooperation with our business partners, social issues, and the environment.

In the course of preparing this report, SK Telecom was able to reflect upon its past activities and performance. We were also able to identify our shortcomings compared with global standards. We will bear these in mind as we continuously improve on our activities in line with corporate sustainability management.

We at SK Telecom will keep our ears and minds open to the diverse voices of our stakeholders, and will continue to do our part as a responsible corporate citizen.

December 2006
Vice Chairman & CEO Jung Nam Cho

:　　　　　Creating a world in which everyone can lead satisfying and fulfilling lives is what drives SK Telecom to provide quality communication services.

SK Telecom has been pioneering developments in the world's information and telecommunications industry. We were the first in the world to commercialize CDMA technology, the first to launch a satellite dedicated to digital mobile broadcasting (DMB), and the first to roll out HSDPA service. We provide high-quality services, as evidenced by our No. 1 spot in the Mobile Communications category of Korea's National Customer Satisfaction Index (NCSI) for 9 consecutive years now. Our cutting-edge technologies and customer-oriented services are why around twenty million subscribers, more than 40% of Koreans, are our customers. These are also the engines behind our growth into a global telecom company with revenues surpassing $10 billion in 2005.

We are harnessing our technological strength to seek opportunities for cooperation with telecom service providers abroad. Our aim is to become a world leader in the convergence environment.

Exceptional economic performance is vital to becoming a true world leader. However, businesses now have to go beyond this and respond to what society expects of a pioneering and progressive company. The pursuit of profit alone will no longer guarantee survival. Rather, a company that contributes to driving healthy changes in society, i.e., one that fulfills its obligations as a corporate citizen, will prevail in the long run. Bearing this in mind, we at SK Telecom have made every effort to make our social responsibilities the crux of our strategy and vision, have incorporated them in our systems and processes, and have embedded them in our corporate culture.

This report gave us an opportunity to look back on our activities so that we may return to society the trust and support we received from it over the years. It also reflects our commitment to be a company that customers can trust, a company where employees can work in a fulfilling work environment, a company that grows with its partner firms, and a company that creates a happy world with our communities. Creating a world in which everyone can lead satisfying and fulfilling lives is what drives SK Telecom to provide quality communication services.

SK Telecom is doing all it could to best perform its roles and functions as a responsible corporate citizen. I firmly believe that this commitment will enable us to achieve sustainable growth and will lead to positive changes for our stakeholders and society alike.

We are pleased to issue this Sustainability Report, through which we can communicate our efforts to coexist with our communities. On behalf of everyone at SK Telecom, I reaffirm our pledge to meet our responsibilities as a sound corporate citizen, and I ask for your continued encouragement and support.

December 2006
President & CEO Shin Bae Kim

CSM VISION & STRATEGY

(**CSM Vision & Strategy**)

Vision

Balanced consideration of economic, environmental, and social factors is essential for a company to gain the trust of society and to achieve sustainable growth. SK Telecom is proactively responding to these challenges while solidifying its market leadership and developing new growth engines for the future. We are also actively developing overseas markets in order to achieve critical mass in subscriber base both at home and abroad. Furthermore, we will continue to generate growth momentum in the new convergent and ubiquitous markets. We will pursue corporate sustainability management(CSM) with support from inside and outside the company, creating new value for all stakeholders-customers, employees, shareholders, business partners and the community.

Stakeholder-focused Management
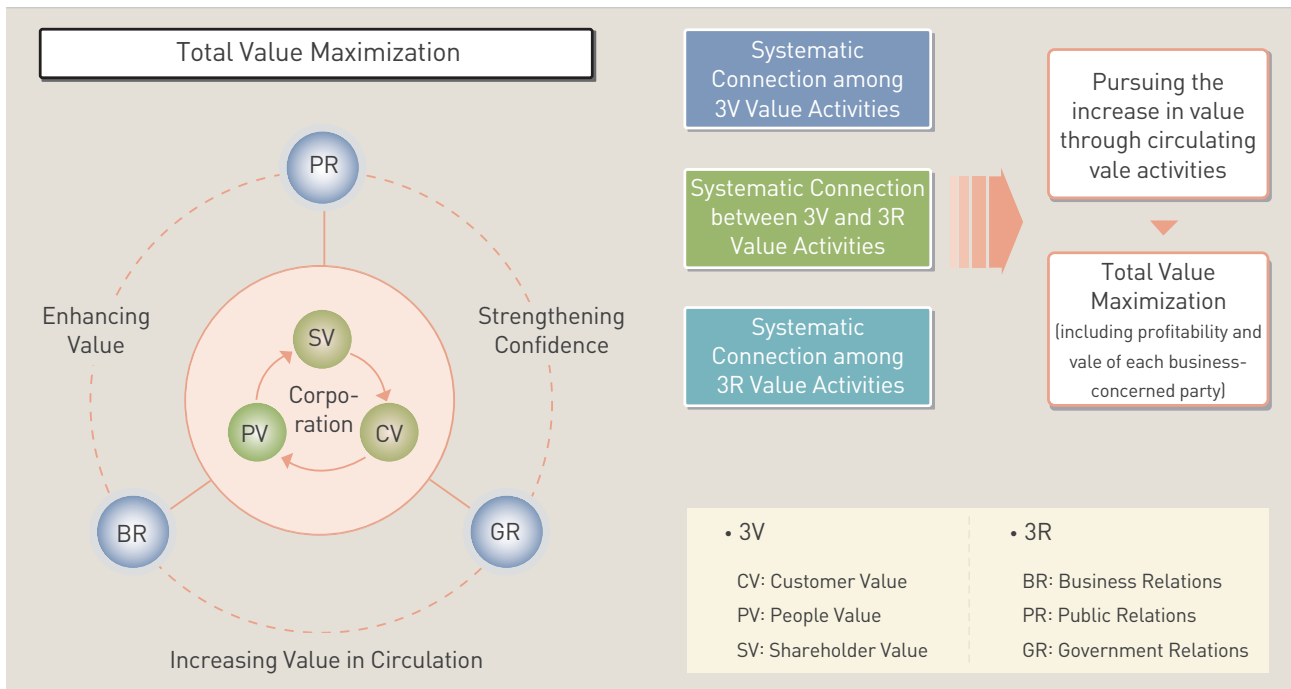
Stakeholder-focused management differs from conventional shareholder-oriented management practices in that it leads to value creation on a long-term basis rather than emphasizing short-term operating results, by giving due consideration to all of the diverse stakeholders. Furthermore, it signifies a paradigm shift in the role of a business entity. That is, the responsibilities of a corporation encompass the social, ethical, and environmental aspects, in addition to its economic performance.

Strategy

In line with our commitment towards corporate sustainability management, SK Telecom undertakes a variety of activities to gain the trust of stakeholders and enhance stakeholder value. On the basis of SK's unique management philosophy of SKMS (SK Management System), we pursue SUPEX (Super Excellent Level) and have adopted Six Sigma to ensure sustainable growth. SKMS is at the root of all our endeavors and has been adopted by all SK affiliates and SK people, while SUPEX is what guides us in our implementation of SKMS.
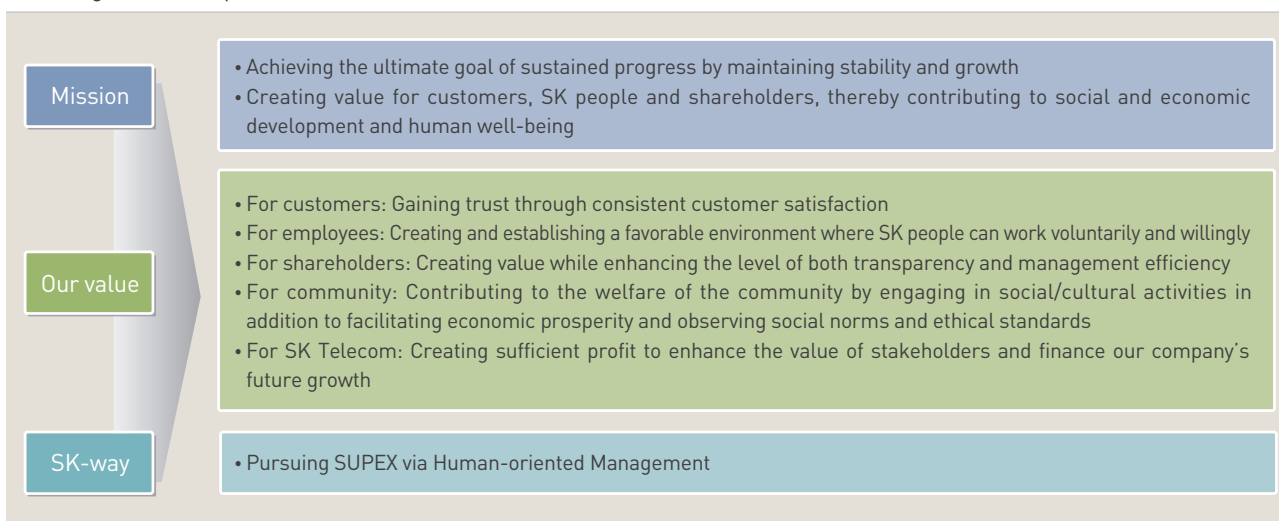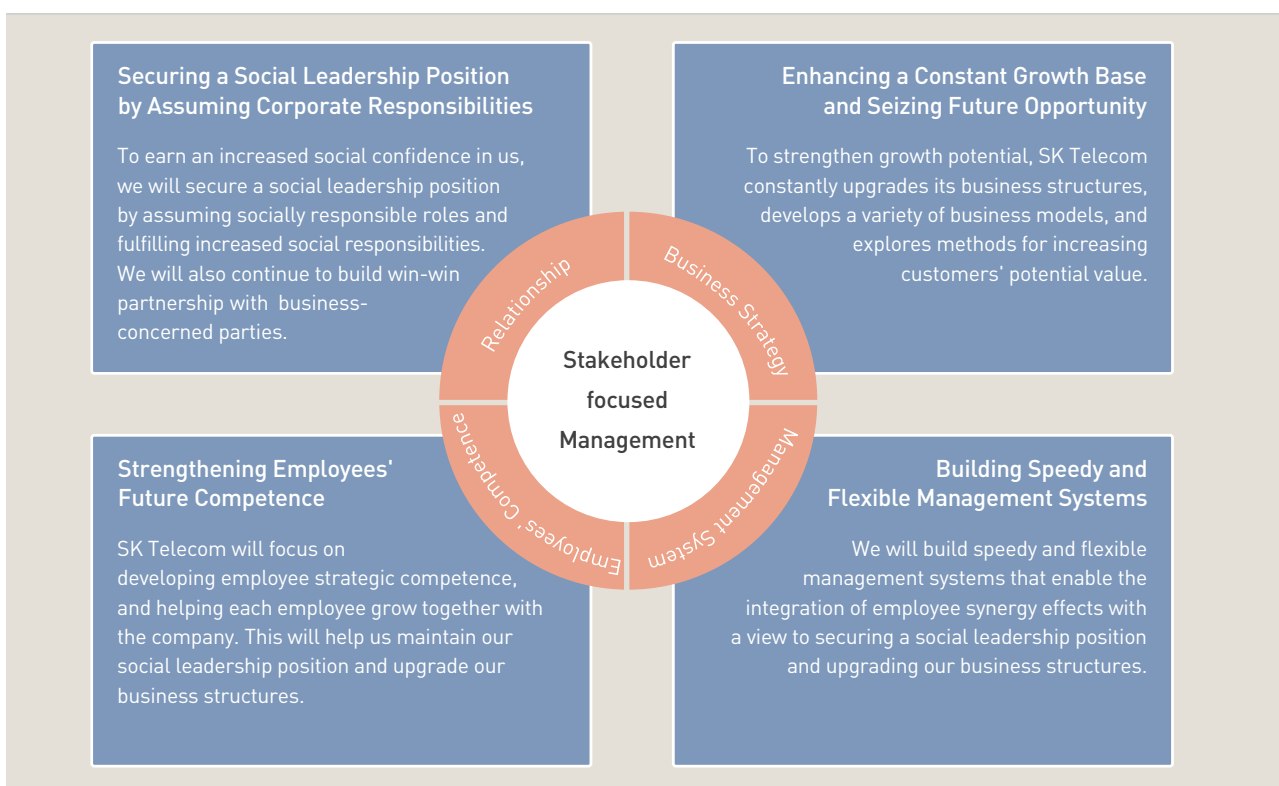
Management Perspective of SKMS

Mission
- Achieving the ultimate goal of sustained progress by maintaining stability and growth
- Creating value for customers, SK people and shareholders, thereby contributing to social and economic development and human well-being

Our value
- For customers: Gaining trust through consistent customer satisfaction
- For employees: Creating and establishing a favorable environment where SK people can work voluntarily and willingly
- For shareholders: Creating value while enhancing the level of both transparency and management efficiency
- For community: Contributing to the welfare of the community by engaging in social/cultural activities in addition to facilitating economic prosperity and observing social norms and ethical standards
- For SK Telecom: Creating sufficient profit to enhance the value of stakeholders and finance our company's future growth

SK-way
- Pursuing SUPEX via Human-oriented Management

Four Implementation Strategies

Securing a Social Leadership Position by Assuming Corporate Responsibilities

To earn an increased social confidence in us, we will secure a social leadership position by assuming socially responsible roles and fulfilling increased social responsibilities. We will also continue to build win-win partnership with business-concerned parties.

Enhancing a Constant Growth Base and Seizing Future Opportunity

To strengthen growth potential, SK Telecom constantly upgrades its business structures, develops a variety of business models, and explores methods for increasing customers' potential value.

Strengthening Employees' Future Competence

SK Telecom will focus on developing employee strategic competence, and helping each employee grow together with the company. This will help us maintain our social leadership position and upgrade our business structures.

Building Speedy and Flexible Management Systems

We will build speedy and flexible management systems that enable the integration of employee synergy effects with a view to securing a social leadership position and upgrading our business structures.

Stakeholder focused Management

Relationship · Business Strategy · Management System · Employees' Competence
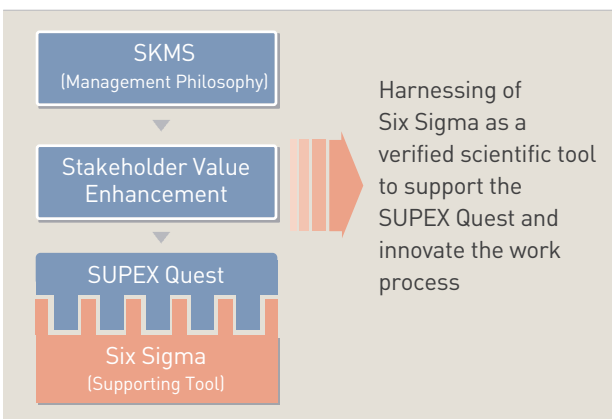
SK TELECOM'S ROLE AS A CORPORATE CITIZEN

Six Sigma

SK Telecom has adopted Six Sigma for its enhanced implementation of SKMS and its continued process improvement from its external clients' point of view, rather than from its internal perspective. The ultimate goal is to innovate the way in which all employees go about performing their duties. A total of 246 Six Sigma projects were implemented within 22-month period that ended in the first half of 2006. In 2006, the direction of Six Sigma activities were as follows: expanded Mega Y (top-down approach) and GB(bottom-up method) projects to address company-wide issues and promote Six Sigma throughout the organization, increased the number of Six Sigma certifications such as MBB and BB, raised employees' understanding and utilization of Six Sigma, and extended the scope of projects to cover business partners. These activities will allow for continued reinforcement of SUPEX to deliver not only satisfaction but also happiness to our customers.

- Mega Y (strategic direction): Projects pursued by departments according to the strategic direction
- BB (Black Belt): A person within the company who leads Six Sigma projects and is responsible for project implementation and progress management
- GB (Green Belt): A member of a project team headed by a BB who participates on a part-time basis or executes Six Sigma tasks independently while carrying out company duties
- MBB (Master Black Belt): A person with substantial knowledge on Six Sigma, leadership, and process; a Six Sigma expert who serves as a mentor and passes on knowledge on the Six Sigma methodology to BB and GB
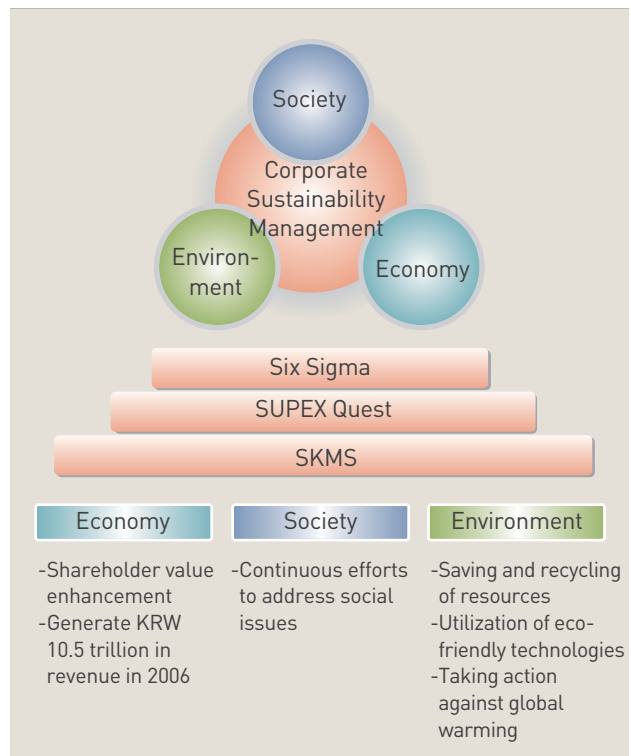
Relationship among SKMS, Six Sigma and CSM

SKMS (Management Philosophy) → Stakeholder Value Enhancement → SUPEX Quest → Six Sigma (Supporting Tool)

Harnessing of Six Sigma as a verified scientific tool to support the SUPEX Quest and innovate the work process

(SK Telecom's Role as a Corporate Citizen)

SK Telecom's Social Responsibility

In 2006, the number of mobile phone subscribers in Korea is expected to exceed 40 million, implying a penetration rate of around 85%. In view of our market share, approximately 42.5% of Korea's total population are customers of SK Telecom. In other words, almost half of the Korean people, excluding children and the elderly who find it difficult to use cellular phones, are patrons of our services. These numbers suggest that mobile telecom service has a significant impact, both direct and indirect, on our society. As the domestic leader in mobile telecommunications, SK Telecom will make every effort to achieve sound performance in the economic, social and environmental aspects. On the economic side, our target is to generate KRW 10.5 trillion in revenues in 2006, thereby enhancing stakeholder value. In terms of social responsibility, we will continue to address social problems at the root by creating jobs, narrowing the information divide, and carrying out volunteer works. To preserve the environment, the very foundation of our daily life, we will strive to conserve and recycle resources, utilize eco-friendly technologies and reduce energy consumption.

Social Responsibility as a Corporate Citizen

Society / Environment / Economy — Corporate Sustainability Management

Six Sigma
SUPEX Quest
SKMS

Economy	Society	Environment
-Shareholder value enhancement -Generate KRW 10.5 trillion in revenue in 2006	-Continuous efforts to address social issues	-Saving and recycling of resources -Utilization of eco-friendly technologies -Taking action against global warming

Economy

1. Leading the growth of mobile telecommunications

SK Telecom is one of the two telecommunications companies included in the list of the 100 most innovative companies compiled by Business Week in April 2006. Through the years, we have been leading trends in the global telecom industry. We were the first in the world to commercialize the innovative CDMA technology, 2.5G CDMA 2000 1X service, 3G synchronous IMT-2000, and HSDPA.

- CDMA: Code Division Multiple Access
- IMT: International Mobile Telecommunication
- HSDPA: High-Speed Downlink Packet Access

2. Setting trends

To respond effectively to the digital convergence environment and to maintain sustainable growth, we are reinforcing our business structure centered on wireless Internet and exploring new businesses such as satellite DMB.

3. Going global

Having established a dominant position at home, we aim to expand our reach beyond Korea by branching out to overseas markets.

4. Creating new technologies through R&D

Our R&D activities are centered on the development of the 4G network, the core technology of next generation information and telecommunications services. Our focus is on developing state-of-the-art wireless multimedia technology and an intelligent network. We aim to serve our customers as a total solution provider by leveraging our superior R&D infrastructure to unlock the infinite possibilities of information and communications technologies.

Society

1. Meeting customer needs and creating added value

SK Telecom is opening the doors to the ubiquitous world with a variety of new services such as combined wired and wireless Internet, new financial services, digital home services, and telematics. We have a strong commitment to meeting customer expectations and enhancing their lives through innovative and tailored services that make their lives more convenient and satisfying.

2. Sharing with the community

Our social contribution activities go beyond one-time donations or charity. Rather, we hope to contribute to society through activities that empower the less fortunate to lead independent and fulfilled lives. Our activities include creating jobs, building a social safety net harnessing mobile technology, and promoting volunteerism among our employees and customers.

3. Pursuing mutual benefits with business partners

Recognizing that the competitiveness of our business partners has an impact on our pursuits, we have been supporting partner firms by strengthening their competencies to realize win-win partnerships.

Environment

1. Resource conservation and recycling

SK Telecom does not engage in the manufacture of mobile phones, but we have maintained a keen interest in recycling handsets as a means of conserving resources and protecting the environment. In addition, SK Telecom has an e-mail billing system (bills are sent via the Internet) and an M billing system (bills are sent via text messages on cell phones) that allows us to use less paper.

2. Environment-friendly technology

SK Telecom is firmly committed to protecting the environment. We are moving towards standardizing mobile handset accessories such as rechargers, memory cards, and earphones. In addition, we are replacing lead storage batteries with lithium polymer batteries in phases.

3. Response to global warming

SK Telecom does its utmost to reduce energy consumption and greenhouse gas emissions through economization of office energy and introduction of energy-efficient equipment.

4. Environmental protection

SK Telecom spares no effort to minimize the environmental impact of mobile telecommunications services on the ecosystem. Our efforts include network sharing and establishment of eco-friendly base stations.
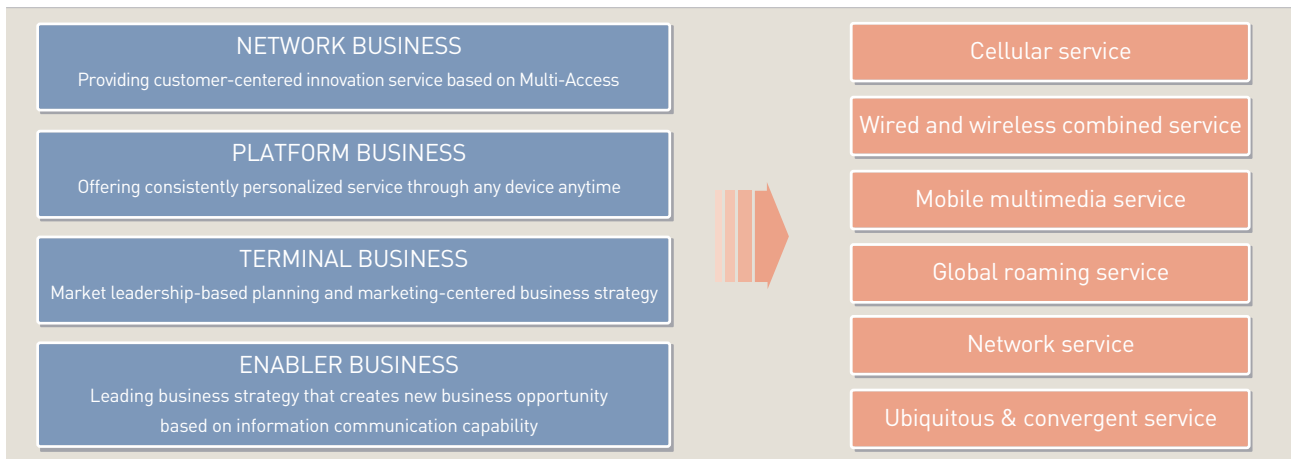
BUSINESS SCOPE

(**Business Scope**)

Business Scope

A ubiquitous environment that transcends the constraints of time and space-that is the happy digital world envisioned by SK Telecom. We are introducing a variety of new services that blend mobile telecommunications technology with services offered by other industries. For instance, we provide a mobile multimedia service called 'June' that lets users watch broadcast contents in real time. We also have an m-Commerce service that allows customers to conduct a vast array of financial transactions via their cellular phones.

Main Businesses

NETWORK BUSINESS
Providing customer-centered innovation service based on Multi-Access

PLATFORM BUSINESS
Offering consistently personalized service through any device anytime

TERMINAL BUSINESS
Market leadership-based planning and marketing-centered business strategy

ENABLER BUSINESS
Leading business strategy that creates new business opportunity based on information communication capability

- Cellular service
- Wired and wireless combined service
- Mobile multimedia service
- Global roaming service
- Network service
- Ubiquitous & convergent service

Service	Details
Cellular service	Korea's leading mobile telecommunications service provider Membership services segmented by customers' age and needs, Ⓣing, TTL, etc
Wired and wireless combined service	NATE, a combined wired and wireless Internet service Instant messenger service offered both in wired and wireless environments; via any device including phone, PDA, VMT Mobile Cyworld enables you to enjoy Cyworld, a community portal, via a cellular phone MelOn, the world's first wired and wireless ubiquitous music portal Cizle, a wired and wireless movie portal service that offers you a variety of exciting movies
Mobile multimedia service	Mobile media in the palm of your hands - 'June', a multimedia service that you can enjoy while on the move. A wide range of multimedia services from TV programs to entertainment content GXG 3D games are all about being able to reproduce a magical environment of high performance.
Global roaming service	Customers can make calls with their own handset and with the numbers they use in Korea while they are overseas. -Automatic roaming service / Rent roaming service
Network service	SK Telecom offers the best business environment for lease services. General lease line / Internet lease line
Ubiquitous and convergent service	M-Commerce offers a variety of mobile banking services. MONETA is a mobile financial service designed to offer mobile banking and stock trading via the Internet and mobile phone Satellite DMB, Take-Out TV that embraces telecommunications and broadcasting You can also enjoy a vast array of multimedia broadcasting programs as well as regular TV programs while on the go. Intelligent Digital Home to improve your future lifestyle SK Telecom's digital home service provides you with a state-of-the-art future housing environment in which you can control every electronic device in the house from a distance. Telematics An interactive service allowing exchange of a broad range of information about entertainment, finance, and vehicle navigation Mobile RFID, a smart touch in the ubiquitous computing environment RFID technology is designed to verify product and distribution channel information with a mobile phone; an electronic tag is attached to products

COMPANY PROFILE

Operational Structure

■ CSM Organization and Role

Name of Organization	Role
Ethics Management Center	Establishment of CSM strategies Protection against legal and ethical risks Operation of Ethics HelpLine
Public Relations Office	Undertaking of corporate social responsibility activities Establishment of company-wide PR strategy External communications including website maintenance
SK Academy	Research on SK management philosophy Development of education/training modules for SK people and family
SK Research Institute for SUPEX Management	Research on mid- to long-term policies related to the information and communications industry Review and forecast of the Korean and global economies Research on innovation of management systems including the global CSR trend
Business Center	Activities on customer satisfaction and protection Collection and recycling of obsolete mobile handsets Obligation related to products and services
Technology Center	Development of new technologies and establishment of eco-friendly base stations
New/Global Business Group	Pursuit new businesses Pursuit global businesses
Strategic & Planning Group	Development of mid- to long-term strategies Promotion of industry cooperation and fair competition
Management Supporting Group	Company-wide energy control activities Employee benefits and education/career development Labor/human rights Communication with the labor union Mutual cooperation with business partners Six Sigma, internal control system management, IR activities
Sports Group	Management of SK Wyverns (pro baseball), SK Knights (pro basketball), T-1 (game) Sports marketing

- CSM: Corporate Sustainability Management
- CSR: Corporate Sustainability Responsibility

(Company Profile)

Company Scale

(unit:KRW billions)

Description	2003	2004	2005
Operating performance			
Operating revenue	9,520	9,704	10,161
Net income	1,943	1,495	1,871
Financial status			
Assets	13,376	14,021	14,522
Liabilities	7,434	6,894	6,264
Shareholders' equity	5,942	7,127	8,258

Ownership

(as of end 2005)

Shareholders	Types of stock	Ownership	Number of shares
Citibank ADR	Common stocks	27.34%	22,491,046
SK Corp.	Common stocks	21.47%	17,663,127
SK Telecom	Common stocks	10.53%	8,662,415
POSCO	Common stocks	3.64%	2,991,496
National Pension Corporation	Common stocks	2.59%	2,126,871
Others	Common stocks	34.43%	29,341,756
Total		100.00%	82,276,711

Major Affiliates

- SK Telink: www.sktelink.co.kr
  (international telephony and VoIP service provider)
- TU Media : www.tu4u.com
  (satellite digital multimedia broadcasting service provider)
- SK Communications: corp.nate.com
  (Cyworld online portal and community portal)

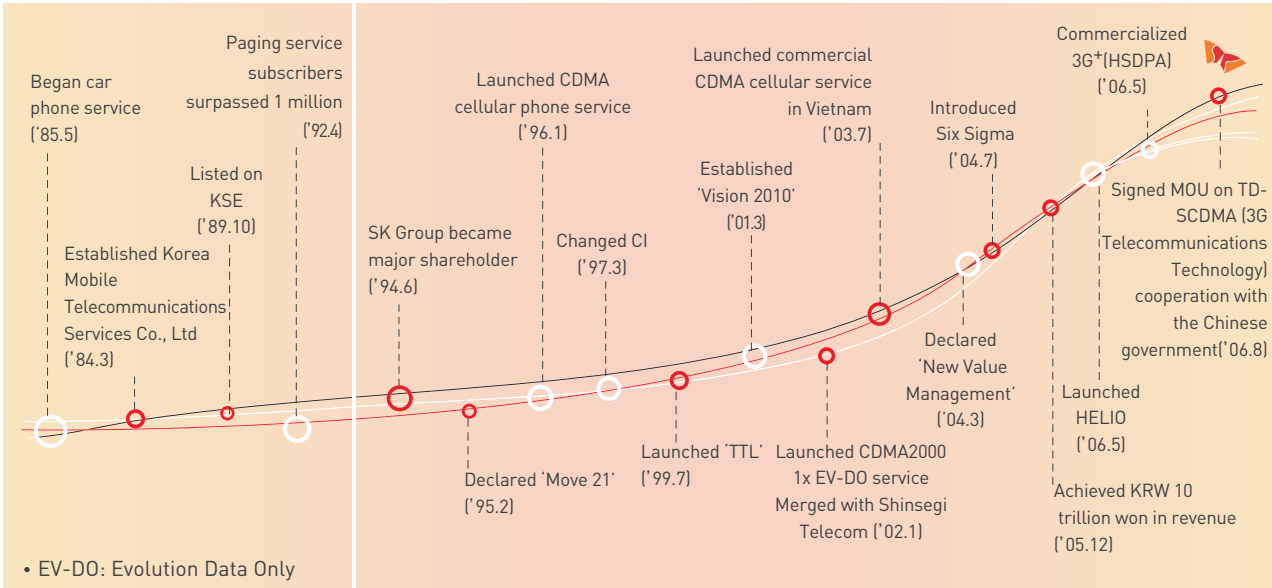*Please refer to pages 90~100 of our Annual Report 2005 for information on our other affiliates

COMPANY PROFILE

Company History

10 years as a public company (1984~1993)   12 years since privatization (1994~2006)

Began car phone service ('85.5)

Paging service subscribers surpassed 1 million ('92.4)

Listed on KSE ('89.10)

Established Korea Mobile Telecommunications Services Co., Ltd ('84.3)

SK Group became major shareholder ('94.6)

Launched CDMA cellular phone service ('96.1)

Changed CI ('97.3)

Launched commercial CDMA cellular service in Vietnam ('03.7)

Established 'Vision 2010' ('01.3)

Introduced Six Sigma ('04.7)

Commercialized 3G+(HSDPA) ('06.5)

Signed MOU on TD-SCDMA (3G Telecommunications Technology) cooperation with the Chinese government('06.8)

Declared 'New Value Management' ('04.3)

Launched HELIO ('06.5)

Declared 'Move 21' ('95.2)

Launched 'TTL' ('99.7)

Launched CDMA2000 1x EV-DO service Merged with Shinsegi Telecom ('02.1)

Achieved KRW 10 trillion won in revenue ('05.12)

• EV-DO: Evolution Data Only

Operating performance	Year	1984	1994	2003	2004	2005
	Number of customers	3 thousand	960 thousand	18.3 million	18.8 million	19.5 million
	Operating revenue (KRW)	0.4 billion	782.9 billion	9.52 trillion	9.70 trillion	10.16 trillion
	Market share	100%	100%	54.5%	51.3%	51.0%

Operations Locations
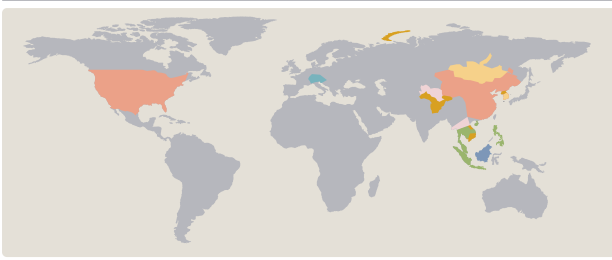
Service Operation

Mongolia	Acquired equity of SkyTel, second largest mobile telecommunications service provider (1999) Launched country's first CDMA service(2001)
Cambodia	Acquired business license to operate CDMA cellular service (2002)
Vietnam	Launched commercial CDMA cellular service (2003)
U.S.	Established joint venture with Earthlink (2005) Started commercial mobile telecommunications service covering the entire country (2006)
China	Established joint venture named UNISK with China Unicom for wireless Internet (2004)

Technology Exports

France	Integrated Alcatel's MMS (Multimedia Messaging Service) solution and our PMV(Photo-Music-Video) solution (2003)
Kazakhstan	Exported Nate platform and wireless Internet platform to NURSAT (2004)
Taiwan	Exported 3G CDMA technologies (2004)
Singapore Indonesia Philippines	Exported COLORing solution (2003, 2004)
China	Providing consulting service covering CDMA network design and related technologies to Unicom Horizon Mobile Communications, an affiliate of China Unicom (2004)
Thailand	Exported wireless Internet platform to TA Orange (2005)
Netherlands	Exported GSM-based safety solution for children called 'i-Kids'

STAKEHOLDER ENGAGEMENT

Other Major Company Developments

- We established SK Telecom USA Holdings, Inc. Allow us to manage and invest in HELIO, Inc., which provides mobile telecommunications service across the US. (Feb. 2005)
- We sold a 60% stake or 4,542,000 shares of SK Teletech to Pantech&Curitel (May 2005)
- Fitch, one of the three major international rating agencies, initiated our rating with single A (June 2005). The A (stable) rating is the same as Korea's sovereign credit rating. SK Telecom is the first company in Korea, aside from financial institutions, to attain a sovereign rating from the three major credit rating agencies (S&P / Fitch: A, Moody's: A2).
- We decided to invest in SLD by participating in its rights offering so that we could enhance competitiveness through resource concentration in Vietnam. Our total investment is expected to reach USD 280 million (USD 100 million in 2006, USD 180 million in 2007).
- We bought USD 1 billion's worth of three-year convertible bonds issued by China Unicom in order to gain an early lead in the Chinese mobile market which will soon open its doors as a result of China's joining the WTO. (July 2006)

(**Stakeholder Engagement**)

Stakeholder Engagement Activities

Stakeholder Group

SK Telecom broadly classifies stakeholders into customers, employees, shareholders, business partners, and society. Depending on the classification, we either work to enhance value or to reinforce trust to realize a virtuous cycle of value enhancement. As the means of creating value, we maintain mutually beneficial relationships through the pursuit of common interest to all stakeholders.

Our Approach and Major Issues

We identify major issues through a wide range of communication channels in order to ensure sustainable growth. Such issues are taken into consideration in our processes and business activities. Our communication channels and major issues are outlined in the table below. How these issues are reflected in our business activities are detailed in this Report.

▎▎▎Stakeholder-related Issues and Communication Channels

Stakeholder	Major Issues	Communication Channels
Customers	Protection of customer information, protection of minors, safety of products and services, increase of customer satisfaction through ubiquitous and convergent services	Customer Counseling Center (VOC Zone), customer satisfaction surveys, Mystery Shopper, website on service fees and product information (www.sktworld.com)
Employees	Enhancement of employee welfare, strengthening of globality, raising of employee value	Ethics HelpLine(ethics.sktelecom.com), CEO Hotline, My Counselor, surveys
Shareholders	Dividends, bases for future growth, global businesses	Non-deal road shows proposed by shareholders, IR conference, one-on-one meetings, IR seminars
Business Partners	Process enhancement to strengthen BPs' competitiveness, assistance in resolving BP difficulties, information disclosure	Website for suggestions and recommendations (partneron.sktelecom.com), forums and camps with BPs, surveys and in-depth interviews
Society	Harnessing of mobile technology for public benefit and promotion of healthy lifestyle, social contribution, environmental preservation, fair trade practices	Cooperation with NGOs in social contribution activities (World Vision, YMCA. etc.), SK Telecom website (www.sktelecom.com), Social Contribution White Paper, social contribution website (withheart.sktelecom.com)

Wise
Prosumers

SK Telecom is working to maximize customer satisfaction. We deliver ubiquitous and convergent services that enhance quality of life and view potential problems from the use of mobile services from our customers' standpoint.
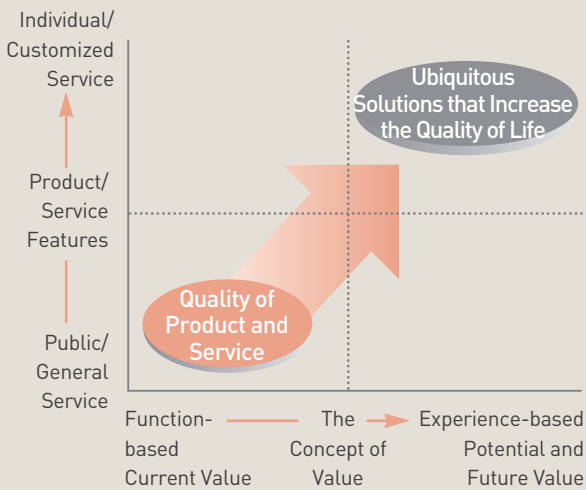
MANAGEMENT APPROACH

CV Customer Value: It provides a ubiquitous solution that increases the quality of life.

Customized Service	▶ Offers special services customized to individual lifestyles.
Potential /Future value	▶ Provides potential and future value through innovative converged services that go beyond customer's expectations.
Overall Experiences	▶ Offers functional and emotional experiences in the overall processes related to customers

(**Management Approach**)

Policy

Driven by our customer-centered philosophy, we aspire to create the greatest value for our customers, employees, and shareholders. This commitment forms the basis of our customer satisfaction (CS) activities that are designed to raise customer value. Customer value (CV) refers to all the benefits that customers receive by taking advantage of our products and services.

We reached an important milestone in 2005 as annual revenue surpassed KRW 10 trillion. Our sights are now on moving beyond the domestic market and evolving into a global leader. Recognizing that customers are integral to achieving that goal, we selected 'customer value innovation' as one of our priority tasks for 2006 and classified our work of raising our customer value into value creation, value delivery and value realization.

Management

In order to increase customer satisfaction levels, one of our four management priorities in 2006 is innovating customer value. To that end, we established the CV division and set up a CV team under the regional marketing division.

We adopted the Six Sigma methodology to systematically innovate customer value. We look at our business from the customers' perspective and are improving our overall process to provide better services. We manage service quality using diverse evaluation tools that allow us to raise service levels at customer contact points. Customer satisfaction is measured with our self-developed Customer Satisfaction Index (CSI) model, while service quality is assessed using the Service Quality Index (SQI). The service quality certification is another mechanism that helps us provide standardized services at each of customer contact channel.

Performance

Mobile telephony has become an everyday necessity. To meet the corresponding rise in customer expectations, SK Telecom carries out various activities. For instance, we seek and implement measures to protect minors from exposure to adult or violent contents. To prevent excessive data billings, we launched the fixed fee plan for data services. We are also making an effort to curb random spam mail. These activities are pivotal to maintaining customer trust.

SK Telecom has held on to first place in the three major customer satisfaction surveys - the Korea National Customer Satisfaction Index (NCSI), the Korean Standard Service Quality Index (KS-SQI), and the Korean Customer Satisfaction Index (KCSI). We are setting our sights higher, though. We continue to seek ways to raise customer satisfaction by identifying and improving on weaknesses in any of the component areas in the CSI surveys.

Awards

2005

- Recognized by the Ministry of Foreign Affairs and Trade for contributing to public safety promotion
- Ranked first in the Membership Service category of the Korea Well-being Consumer Index (KWCI)
- Selected as having the best website in the General Services category of Web Awards Korea
- Won a Webby Award and a Netizen Award for 'Best Use of Animation or Moving Images' and a Netizen Award for Telecommunications at the 9th Webby Awards

2006

- Ranked first in the NCSI's Mobile Communications Category (for 9 consecutive years)
- Ranked first in the KCSI (for 9 consecutive years)
- Ranked first in the KS-SQI (for 7 consecutive years)

Customer Satisfaction Index Surveys
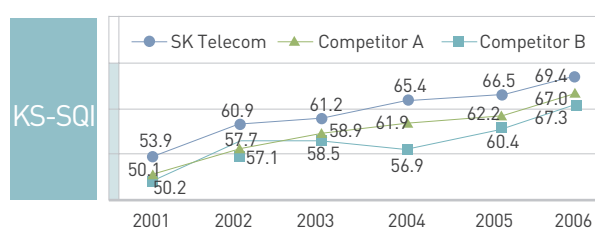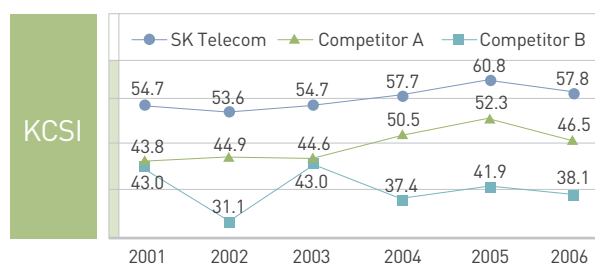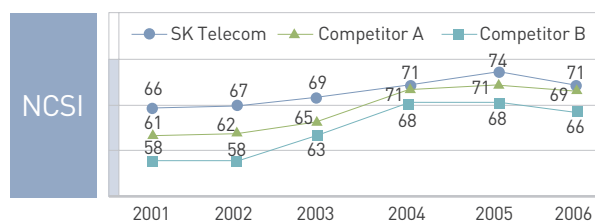
- NCSI:National Customer Satisfaction Index
- KCSI:Korean Customer Satisfaction Index
- KS-SQI:Korean Standard Service Quality Index

CUSTOMER SATISFACTION

(**Customer Satisfaction**)

Customer Satisfaction Survey

SK Telecom has retained its number one position in the three major customer surveys in Korea - NCSI, KS-SQI and KCSI. According to the 2005 survey results, our customer satisfaction levels were relatively lower in the areas of wireless Internet and value-added services, and higher in customer response and call quality. In addition to the CSI surveys by outside agencies, SK Telecom conducts an internal survey each year to improve on its weaknesses. Details of the external and internal CSI surveys are outlined in the following table.
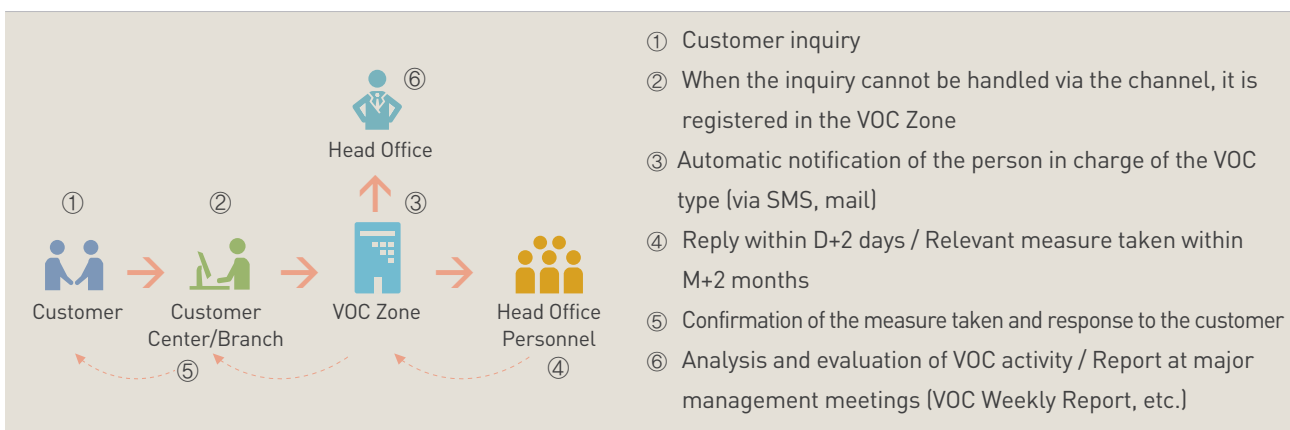
■ CSI Survey

Survey		External			Internal
		NCSI	KS-SQI	KCSI	Annual CSI
Survey organization		Korea Productivity Center / Chosun Ilbo	Korean Standards Association	Korean Management Association Consulting	CV Planning Team survey implementing agency (CFI Group)
Survey overview	Period	Survey in Jan.~Feb./ Results announced in Apr.	Survey in Apr.~Jun./ Results announced in Aug.	Survey in May~Jul./ Results announced in Sep.	Aug.~Sep.
	Region	Seoul, Busan, Daegu, Daejeon, Gwangju	Seoul, Busan, Daegu, Daejeon, Gwangju	Seoul metropolitan area and 6 metropolitan cities	Seoul metropolitan area and 6 metropolitan cities
	Method	One-on-one interviews	One-on-one interviews /Internet panel survey	One-on-one interviews	One-on-one interviews
	Details	Customer satisfaction (Overall/Rel. to expectation/Rel. to ideal)	8 items including basic needs	Overall satisfaction, Satisfaction by component, Intention to reuse service	Customer satisfaction (Overall/Rel. to expectation/Rel. to ideal)

Voice of Customer (VOC) Feedback Process

SK Telecom carries out a wide range of activities to listen to customer views and to reflect their opinions in our business activities. Considering the rise in customer inquiries, we established two more customer centers. We also strengthened monitoring to enhance the quality of customer consultations with us.

The diagram below shows the VOC feedback process. In 2005, the rate of making a reply within the designated timeframe (D+2 days) was 99.79% on average and it took us an average of 0.2 days to reply. We have 149 coordinators and a total of 1,187 personnel who respond to the various types of VOC feedback.

■ VOC Feedback Process via VOC Zone

① Customer
② Customer Center/Branch
③ VOC Zone
④ Head Office Personnel
⑥ Head Office

① Customer inquiry
② When the inquiry cannot be handled via the channel, it is registered in the VOC Zone
③ Automatic notification of the person in charge of the VOC type (via SMS, mail)
④ Reply within D+2 days / Relevant measure taken within M+2 months
⑤ Confirmation of the measure taken and response to the customer
⑥ Analysis and evaluation of VOC activity / Report at major management meetings (VOC Weekly Report, etc.)

Customer Satisfaction Activities

Rainbow is a series of customer-centered innovation programs launched in 2003. It forms the foundation of customer value (CV) enhancement activities we pursued in 2005. The programs are as follows:

Rainbow Patrol

This is a 24-hour service that handles complaints on call quality. Some 800 personnel are available to visit customers and resolve complaints within 24 hours after they are filed.

Rainbow A/S

This service was launched to swiftly respond to requests for handset repairs. Customer can make requests for after sales service (A/S) at SK Telecom dealers and branches. All repairs are completed within 24 hours.

Rainbow Academy

The Rainbow Academy offers courses to SK Telecom employees serving at customer contact points so that they can enhance their CS skills and provide standardized services. All employees at customer contact points receive the training, whether or not they have direct customer contact. About 20,000 of employees had taken Rainbow Academy courses as of end December 2005.

Rainbow Point

This is SK Telecom's main loyalty program under which customers can accumulate points depending on their usage. Various benefits are available such as free calls, waiving of the handset A/S fee, gifts, and dotori (digital cash) that can be used in Cyworld.

Benefits for YT Customers (24 years or below)

Various benefits were available to YT customers in 2005. These benefits included TTL Cinema Zone; Tomorrow Creator, a project supporting self-development; and TTL Winter Extreme Camp. For ⓣing customers, we organized ⓣing 10's Day and offered cyber-privileges.

Other Offerings

Our other offerings are call center staff dedicated to serving VIP customers, discounts on handset after sales service fees, discounts on services provided by partner firms (travel agencies, Walker Hill Duty Free Shop), phone rental, and a service to help celebrate anniversaries and special occasions.

Free Caller ID (CID) Service

As of January 1st, 2006, SK Telecom has made its CID service available for free of charge. CID is one of our most widely used value-added services, with 94% of subscribers using this service. Despite the expected reduction in annual revenue by about KRW 200 billion, with our waiving of CID service fee, we decided to proceed with it to reduce the cost burden of our customers and give them greater convenience.

Diverse Fee Plans

A variety of fee plans are available to satisfy the needs of our diverse subscribe base. For voice services, we offer 11 types of basic plans, six kinds of TTL plans, six ⓣing plans, and a contract-based discount plan. We also have various fee schemes for data and value-added services. SK Telecom also offers fee plans to reduce the cost burden on certain population subgroups with special needs. The Silver Plan is designed for senior citizens, the i-Kids Plan is for children aged 12 years and below, and the Welfare 160/220 Plan is for the disabled. More details on fee schemes can be found on the SK Telecom website (www.sktelecom.com) and T World Internet site (www.tworld.com).

CUSTOMER PROTECTION

(Customer Protection)

Protection of Minors

Public interest in the mobile communications industry is growing with respect to the issue of protecting minors. This issue has two facets - protecting the young from harmful contents and guarding them from burdensome fees.

Youth Protection from Harmful Contents

SK Telecom implements the following measures to protect minors from exposure to adult contents.

▶ Blocking access to adult contents on mobile phones registered under minors
▶ Blocking access to adult contents on mobile phones used by minors but registered under their parent's name (request to block adult contents is a checkpoint included in cellular service application form)
▶ Education and posters at distribution channels, notice on website, promotion via SMS, notice on bills

SK Telecom has been at the forefront of efforts to protect the younger generation. We have selected protection of minors as one of four actions plans to ensure customer safety. In view of adult contents' adverse impact on the wireless Internet business, we decided to discontinue providing such contents from July 2006, which means giving up a business generating annual revenue exceeding KRW 70 billion. This decision was prompted by our desire to grow the wireless Internet business and fulfill our social and ethical responsibilities.

Youth Protection from Excessive Fees

A program to benefit wireless Internet users is being implemented so that they may enjoy wireless Internet without worrying about data usage fees. When a customer who does not subscribe to the fixed rate plan inadvertently incurs a hefty data usage fee while using wireless Internet, the amount in excess of KRW 200,000 will be exempted. Also, if the sum of data service and information usage exceeds a certain level, the customer is notified via SMS at various stages (notice is also given to parents in the case of minors).

Blocking Random Spam Mail

Due to the growing number of complaints with regard to spam messages sent via *SMS, SK Telecom is doing its part to reduce SMS spam. Tough sanctions are imposed on content providers (CPs) that send out illegal spam, and biz-SMS resellers now can transmit only 50 SMS messages per second (versus the previous 500). We have set up a group in each of our customer centers that exclusively handles SMS spam, and we have launched an internal campaign to encourage our employees to report spam. We will tighten our control over spam by applying a 'strikeout' system to CPs that send spam, introduce a filtering process for customers who do not wish to receive SMS messages from our Nate business partners, and promote spam response measures among our customers.

• SMS: Short Message Service

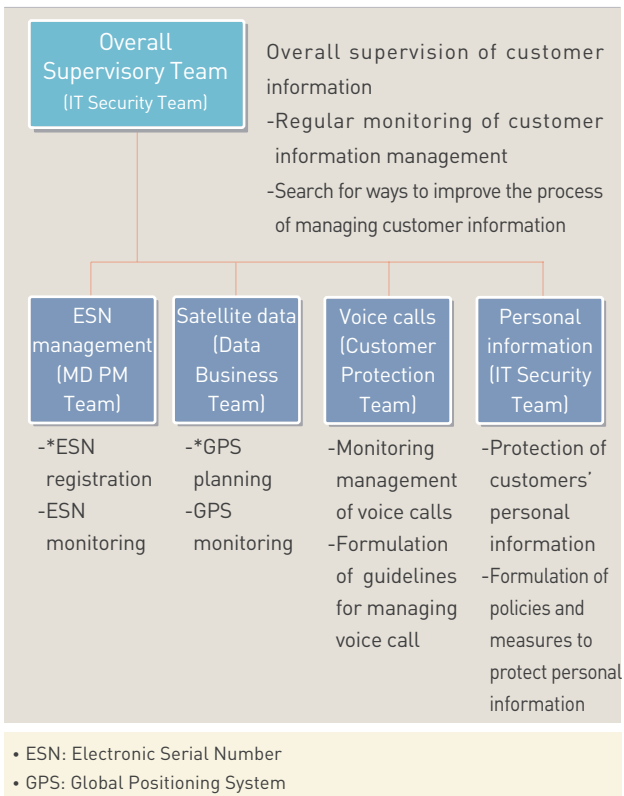## Voluntary Standards for Mobile Contents

SK Telecom has formulated the following voluntary ethical standards for the mobile contents we provide to our customers.

Ethical Standards on Mobile Contents

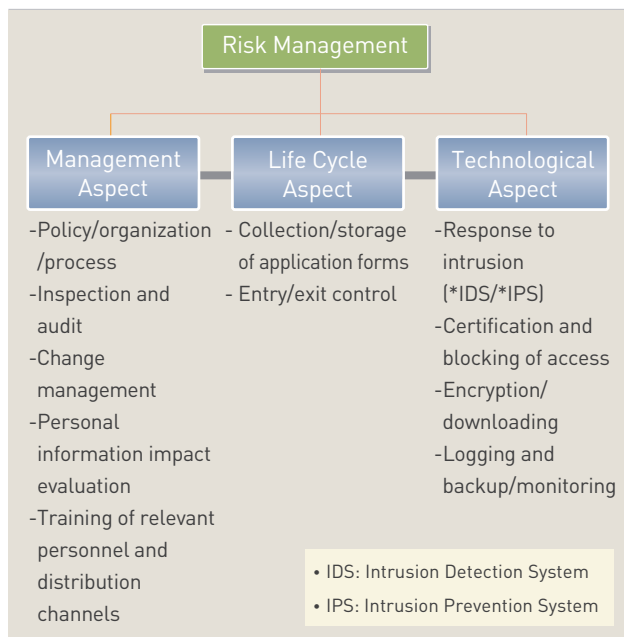| Classification	Description
Criteria for Photo Contents	• Ban sexually explicit, violent, and other expressions that are harmful to all age groups in audio and video. • Preclude expressions that are mentally/physically harmful to all age groups such as those involving beliefs, religions or customs that are not generally accepted. • Excessive bodily exposure, expression or suggestion of a sexual act, or distortion of sexual ethics
Criteria for Adult Club	• Prohibit contents that induce sexual desire or shame • Prohibit obscenity, vulgar titles, and direct/indirect sex portrayal • Prohibit immoral contents • Ban words that connote force, illegal or abnormal expressions, invasion of privacy (hidden camera), etc.

Protection of Customer Information

We consider protection of customer information not only as our corporate responsibility but also as vital to winning our customers' trust. As such, we are strengthening the process by which we could better protect such information, and we have a team dedicated to overseeing this matter.

Overall Supervisory Team (IT Security Team)	Overall supervision of customer information

Overall supervision of customer information
-Regular monitoring of customer information management
-Search for ways to improve the process of managing customer information

ESN management (MD PM Team)	Satellite data (Data Business Team)	Voice calls (Customer Protection Team)	Personal information (IT Security Team)
-*ESN registration -ESN monitoring	-*GPS planning -GPS monitoring	-Monitoring management of voice calls -Formulation of guidelines for managing voice call	-Protection of customers' personal information -Formulation of policies and measures to protect personal information

• ESN: Electronic Serial Number
• GPS: Global Positioning System

We analyzed the risk factors in each stage of the customer information life cycle (collection-storage-transmission-use-disposal). Safeguarding measures have been formulated for each factor to keep risks at a minimum.

Life Cycle	Risk
Collection	- Illegal or excessive collection of personal information
Storage	- Non-retrieval of documents - Saving of copies - Document theft - Possession of private database
Transmission	- Transmission theft - Transmission error - Hacking
Use	- Internal leak - Misuse/abuse of information
Disposal	- Failure to dispose of information

We are managing risks from three perspectives - the management, life cycle and technological perspectives.

Risk Management		
Management Aspect	Life Cycle Aspect	Technological Aspect
-Policy/organization /process -Inspection and audit -Change management -Personal information impact evaluation -Training of relevant personnel and distribution channels	- Collection/storage of application forms - Entry/exit control	-Response to intrusion (*IDS/*IPS) -Certification and blocking of access -Encryption/ downloading -Logging and backup/monitoring

• IDS: Intrusion Detection System
• IPS: Intrusion Prevention System

Providing customer information to a third party without consent is prohibited by law. At SK Telecom, we protect customer information through integrated control over customer documents and separate storage of our database on our former subscribers. Additionally, we ban checking of customer information unless it is job-related and keep records of such checks. We also mask personal information when customer data are viewed. These processes have been implemented from 2004. Starting 2005, we require SMS certification for checking of voice call logs, and we send an SMS notice to our customers when they sign up for our fee-based value-added services. We have also formulated company rules that protect customer information and conducted a personal information impact evaluation. Each year, we train our employees whose duties are related to our distribution channels and to customer information. In 2006, we tightened our control and supervision of our dealers. We visited each of our dealers and thoroughly inspected how they protect and manage customer information. Meanwhile, we have expanded the target of our personal information impact evaluation to content providers. The evaluation enables us to examine and forecast how customer privacy will be affected. It is conducted prior to introducing a new information system or to collecting customer information.

CUSTOMER PROTECTION

Electromagnetic Radiation

Cell phones, like other electronic products such as TVs, radios, and cordless phones, emit electromagnetic waves. Much research has been undertaken over the past 60 years to find out if electromagnetic radiation is harmful to the human body. However, the effect of the electromagnetic radiation given off by mobile phones and base stations remains a subject of debate. Over the 10-year period from 1996 to 2005, the World Health Organization (WHO) carried out a research to determine the effect of electromagnetic waves on the human body and on the electromagnetic environment. At this time, however, concrete proof has yet to be found that electromagnetic radiation from mobile phones causes serious harm.

▐▌ Conclusion of WHO Research on Electromagnetic Radiation

According to recent domestic and overseas researches, we cannot yet conclude that exposure to electromagnetic radiation from mobile phones and base stations poses a health risk. Still, more in-depth research to assess such health hazards was carried out under WHO's EMF Project. Across the globe, more than USD 250 million has been invested in researches on the health effects of electromagnetic waves. It will likely take another two to three years before related research is concluded and the results are incorporated in WHO's health hazards assessment.

-Extract from the WHO website (http://www.who.int)

• EMF: Electromagnetic Field

Led by the Ministry of Information and Communication (MIC), the Electronics and Telecommunications Research Institute (ETRI), the Korea Electromagnetic Engineering Society (KEES), and the Radio Research Laboratory (RRL) took part in a joint research on 'The Effect of Electromagnetic Radiation on the Human Body' from 2000 to 2004. The outcome of the first phase was the same as WHO's conclusion. SK Telecom contributed a total of KRW 750 million over five years to support research on electromagnetic radiation.

Many years of experiments and research will be necessary to scientifically prove whether or not electromagnetic waves are indeed harmful, so it is not possible to conclude this issue one way or the other in the near future. For the time being, international regulatory bodies have presented guidelines on the level of permissible exposure.

Electromagnetic Radiation from Base Stations

The guidelines on electromagnetic waves announced by MIC in December 2000 are based on the *ICNIRP standard, which is the most stringent in the world. According to the measurements taken by KEES and RRL, SK Telecom base stations emit 1/10~1/1,000 of the ICNIRP standard. SK Telecom measured electromagnetic radiation on about 40 occasions in 2005. All the results showed levels below 1/10 of the government standard.

Electromagnetic Radiation from Mobile Handsets

*ICNIRP has published guidelines on the Specific Absorption Rate (SAR) for electromagnetic radiation emitted from mobile handsets. The standard we adhere to is that exposure (head) must not exceed the 1.6 W/kg SAR limit, as averaged over a 1-gram cube of tissue. This is the same standard applied in the U.S. and Australia and is the strictest in the world. In Europe and Japan, the limit is 2.0 W/kg, as averaged over a 10-gram cube of tissue. SK Telecom provides services only for handsets that have been verified by the RRL as meeting the abovementioned standard.

• ICNIRP: International Commission on Non-Ionizing Radiation Protection

▐▌ Measurement of Electromagnetic Radiation around Base Stations

Category	Base stations measured	Branches measured	Value (Minimum~Maximum)		Government standard	
			Electric field (V/m)	Magnetic field (A/m)	Electric field (V/m)	Magnetic field (A/m)
Urban	6	65	0.57~5.24	0.0015~0.0139	40.8	0.11
Suburban	6	66	0.49~4.17	0.0016~0.0111		
Rural	6	63	0.51~2.94	0.0014~0.0078		

*Source: KEES Final Research Report (Oct. 2001)

PRODUCT INFORMATION

(Product Information)

In step with advances in mobile communications technology, SK Telecom has developed a wide array of products. We provide clear and sufficient information on these products to customers through both the online and offline media.

U-zone
Situated on the fourth floor of the passenger terminal at Incheon International Airport, U-zone allows users to experience the ubiquitous world and see how telecommunications evolved over the years. They may get a taste of cutting-edge services and the new mobile life by visiting the 'ubiquitous town' and 'ubiquitous club.'

T World - Stores for Customer Experience
SK Telecom introduced the T World stores in July 2006. T World is the brand name for premium stores that allow customers to directly experience the latest service offerings from SK Telecom. These outlets give customers a chance to try out the latest handset models and diverse contents. By providing ample product information, we are helping customers make rational consumption decisions. T World stores also offer self-cleaning equipment for handsets, free phone charging and photo printing services. With their bright interiors, the stores also serve as a resting place for visiting customers.

T World - Online Experience Zone
SK opened its integrated online portal, T World (www.tworld.co.kr), on October 10, 2006. Offering a unique space for cyber experience, T World provides one-stop services by bringing together the existing online customer center site (www.e-station.com), the cyber experience site SKTWorld, and the membership sites TTL and ⓣing.

What brought SK Telecom to where it is today?
What was the force that made it possible?
It was the support of our customers.

It is true that everyone at SK Telecom strove to develop leading-edge technologies
and roll out services ahead of the competition.

The backing of our diverse stakeholders
also played an important role.

Such support would not have been
forthcoming, however,
if not for the encouragement
of our customers.

This is the underlying belief
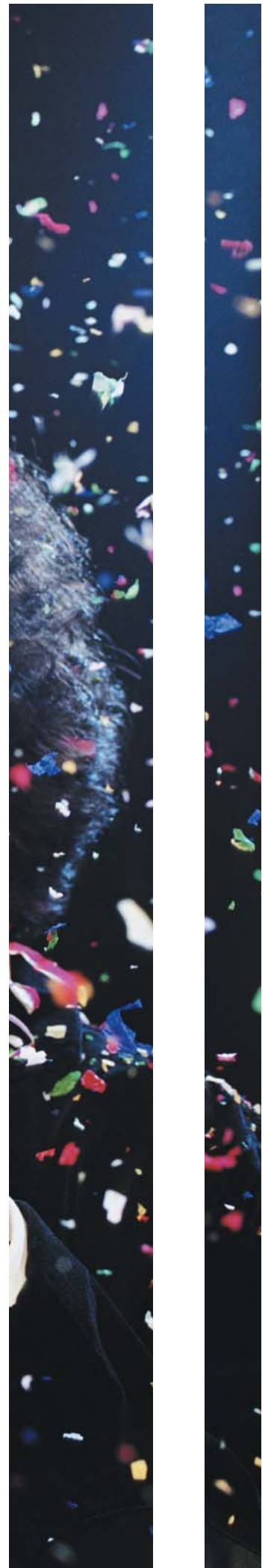that guides SK Telecom every step of the way.

EMPLOYEES

Happiness
Deliverers

Good people form the foundation of a good company. SK Telecom provides its employees with a wealth of opportunities for self-development and a diverse range of programs for a safe and comfortable work environment.

MANAGEMENT APPROACH

PV People Value: It pursues the most valuable professional(MVP) community by sharing values.

Horizontal Partnership

MVP Community that Shares Values

Value/ Relationship

Job Promotion and Rewards for Achievements

Dependent Hierarchy

Organization Dependent Value — Rewards Training → Individual Market Value

Growth Opportunity	▶ Offers an opportunity to all employees to show their potential abilities, and increase their individual value, thereby accelerating the development of the company
Common Sense	▶ Sharing of common sense between employees based on mutual respect, cooperation, and horizontal partnerships.
Pride	▶ Provides an environment that lets all employees work with motivation and pride as members of a company that faithfully assumes its social responsibilities.

(Management Approach)

Policy

Having the right people is paramount to growing a company. SK Telecom spares no expense and effort to encourage its employees' self-development. By providing a secure work environment and a diverse employee benefits program, our employees are able to work comfortably to their full potential. We also introduce our corporate vision and social responsibility endeavors to our employees' family members to make them proud that they are part of the SK Telecom family.

SK Telecom's Model Employee

Our model employee is a person who can grow with the company into an MVP (Most Valuable Biz-Professional). SK Telecom defines the qualities and abilities that an SKTizen must possess as T-DNA. We are striving to cultivate T-DNA in our employees so that they will become MVPs.

Ⅰ
Vision & Value

Ⅱ
Growth & Development

Most Valuable Biz-Professional (MVP)

Ⅲ
Work Life & Emotional Energy

Ⅳ
Reward

Ⅰ: Promoting cooperative relations by sharing vision and values

Ⅱ: Providing opportunities for challenging duties, growth potential and development

Ⅲ: Offering work which is enjoyable, creative and incites passion

Ⅳ: Awarding highest levels of compensation by sharing goals and results

EMPLOYEE BENEFITS

▍▍ T-DNA

Challenge DNA: Drives one to constantly strive for a higher goal and not be content with past successes

Creativity DNA: Encourages one to create new value through voluntary brainstorming

Teamwork DNA: Promotes one to work with others for the success of the entire team

(Employee Benefits)

SK Telecom has the Refresh Holiday system for its long-term employees so that they can relax, refresh, and recharge. The system provides opportunities for self-development and family/health management. Anyone who has been with the company for over ten years is eligible to apply for a Refresh Holiday for a period of one to three months. As of June 2006, a total of 1, 295 (cumulative total after 2002) employees had taken advantage of the scheme. Other benefit programs are shown in the following table.

▍▍ Employee Benefit Programs

Type	Full-time employees	Part-time employees
National pension	Paid	Paid
Medical insurance	Paid	Paid
Employment insurance	Paid	Paid
Industrial insurance	Paid	Paid
Scholarship for employee children	Paid	Not paid
Mortgage loan	Paid	Not paid
Summer holidays	5 days	5 days
Congratulatory & condolence expenses	Paid	Paid
Self-development costs	Paid	Not paid

SK Telecom offers industry-leading benefits to its part-time employees and will continue to improve and expand such benefits.

▍▍ No. of Employees
(unit: person)

Year	Full-time	Part-time	Total
2003	4,162	461	4,623
2004	4,172	505	4,677
2005	4,308	485	4,793

Awards

2004

- Named outstanding organization in e-learning (Ministry of Labor)

2005

- Recognized for excellent labor-management relations (Ministry of Labor)

2006

- Received Presidential Citation for excellence in on-the-job-training (Ministry of Labor)

# LABOR-MANAGEMENT RELATIONS

(Labor-Management Relations)

In relation to our major investment agreements that have resulted in considerable company changes (e.g., our merger with Shinsegi Telecom in 2002 and our acquisition of Seoul Records in 2005), SK Telecom enabled the employees of the companies it merged with to continue working without the fear of artificial restructuring, dismissal, or discrimination. Our employee composition by gender and age is shown below.

Employee Composition

No. of New Recruits
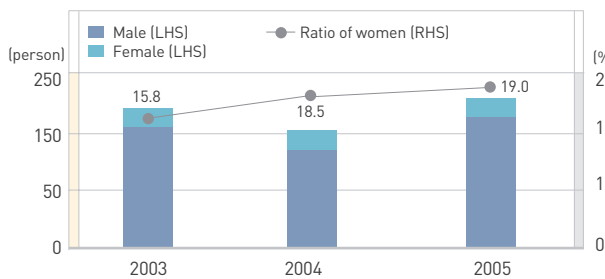
No. of Employees by Age Group
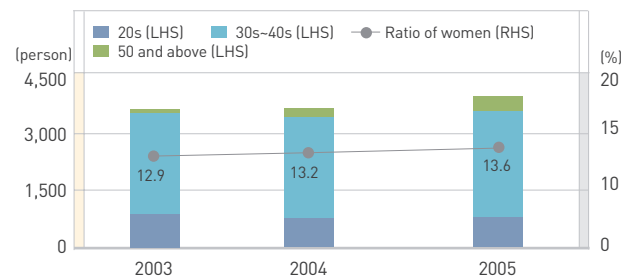
Employee Compensation

SK Telecom offers the highest levels of compensation in the telecom industry to all its employees, including new recruits.

Average Wage per Employee (As of end of 2005)

(unit: KRW million)

Sex	Ratio	Average wage		Comparison with competitors	
		SK Telecom	Competitors	SK Telecom	Competitors
Male	86.4%	63	42~62	100%	66.7~98.4%
Female	13.6%	47	31~41	100%	66.0~87.2%
Total	100%	61	41~59	100%	67.2~96.7%

* Source: Annual reports of competitor firms on DART (Financial Supervisory Service's electronics disclosure system)

Labor Union Members

No. of Labor Union Members

(unit: person)

Year	Labor union members	Eligible for labor union	Total
2003	2,894	3,594	4,162
2004	2,888	3,531	4,172
2005	2,851	3,570	4,308

* Based on our labor-management agreement, team managers and managers are excluded from the list of those eligible to join the labor union

EMPLOYEE RIGHTS

Freedom of Association and Collective Bargaining

SK Telecom's labor union was established in 1988. To this day, labor and management continue to work closely together for the company's growth. There have been no violations related to freedom of association and collective bargaining.

Operational Changes

When any employee disadvantage is forecast due to a change in company operations such as with an M&A, the company engages in prior negotiations with the labor union according to their agreement on collective bargaining. Any change such as in our labor union's Articles of Association, the opening or closing of organizations, and our work conditions are immediately passed on to our labor union.

(**Employee Rights**)

Dealing with Complaints and Difficulties

SK Telecom's Ethical Counseling Center (HYPERLINK "http://ethics.sktelecom.com" http://ethics.sktelecom.com) deals with any incident of human rights abuse involving our clients, employees, and business partners, in addition to any unfair treatment from our company. Our 'My Counselor' service offers our employees advice on various problems including human rights issues that arise while they are on the job. Linked to the websites of other organizations, My Counselor offers psychological consultations and advice on health issues, financial planning, sexual harassment, and others. The consultations and the identity of the person seeking counsel are kept strictly confidential without the person's expressed consent.

Ethical Counseling Center (ethics.sktelecom.com)

Protecting the identity of persons seeking counseling
- Without clear consent, a person's identity and contents of consultation are kept strictly confidential
- Confidentiality regarding a person's identity and contents of consultation is maintained in the process of verification and rewarding or punishing that ensues

Prevention of disadvantages
- PA (personal administration) related retaliation is forbidden
  - If a person requests a department change, the request must be actively considered through negotiations with the PA department
- Protection from disadvantages arising from consultation
- Protection from disadvantages arising from rejecting an order to commit a wrongful act

HEALTH AND SAFETY

Human Rights Training for Security Personnel

No. of Security Personnel (as of end-2005)
• Total: 51 (34 male, 17 female)

Training for All Security Personnel
• Daily training
  - Prior to the day shift (07:40-08:00)
  - Prior to the night shift (18:00-18:50)
• Monthly training: Two hours a month
• Training of new recruits
  - Korea Security Association training (entrusted to police station): 3 nights / 4 days program

Training Content
• Preventing safety accidents, appearance/attire, work attitude
• Greeting and responding to the public, entrance security, etc.

(Health and Safety)

SK Telecom adheres to strict standards for preventing industrial accidents and spares no effort to ensure the health and safety of its employees by giving them a secure work environment. Under our labor-management agreement, our company has the following mechanisms related to health and safety.

Health and Safety Committee

The Health and Safety Committee oversees company efforts to prevent industrial accidents and improve the working environment.

Health and Safety Committee
• Management representatives: Five, including CEO
• Employee representatives: Five, including head of labor union

Key Issues
• Training to prevent industrial accidents
• Health check-ups for employees
• Improving the working environment, etc.

▌▌ Injuries/Illnesses
(unit: person)

Year	Injuries	Illness	Fatalities	Total
2003	2	1	-	3
2004	8	-	-	8
2005	10	-	-	10

Employee Health Promotion Program

• Actium (employee-only fitness center)
 - Treadmills (35), stationary bikes (20), weight machines (24), free weights (18)
 - T-ground: Basketball, kickball, table tennis
 - Meditation room: Chi exercises, meditation, yoga
• Annual health check-up for all employees
• Support for medical expenses
 - Medical expense support expenditures for 2005 : 1,355 persons or KRW 1,525 million

Health Check-ups for Employees' Families

We sponsor annual health check-ups for our employees' spouses who are over 35 years of age. For their other family members requesting for the service, a check-up can be arranged at the contract price. My Counselor also provides counseling for our employees regarding family matters.

▌▌ 2005 Consultations

Category	Stress/Psychological	Health-related
No. of consultations	172	1,205

EDUCATION AND TRAINING

(**Education and Training**)

SK Telecom runs various educational systems to nurture the capabilities of its employees. Through our Individual Development Plan (IDP), each of our employees formulates a self-regulated learning program that will help him/her realize his/her personal growth and development and that will ultimately also help SK Telecom achieve its vision.

Employee Education

SK Telecom enrolls its employees in local and international MBA courses to develop them into world-class employees.

▌▌Domestic/International MBA courses

Division	Details
Domestic MBA course	• MBA courses at leading Korean schools to foster future business leaders with new business perspectives and strategic decision making abilities in the convergence environment (Sponsored 54 employees in 2006, cumulative total of 295 employees since 2002)
US/ European MBA course	• Each year, a number of exemplary employees are selected for sponsored MBA courses at leading US and European schools (Sponsored 5 employees in 2006, cumulative total of 58 employees since 2002)
Chinese/ Asian MBA course	• MBA courses and IT-specialist masters degrees at leading Chinese and Asian schools to promote understanding of the Asian (Chinese) business environment and network-building (Sponsored 10 employees in 2006, cumulative total of 16 employees since 2002)

▌▌Education Received (2005, on/offline)

Job level	Average no. of courses /employee	Average no. of hours /employee
Senior Manager, General Manager	8.2	168.9
Manager	8.4	177.4
Assistant Manager	9.9	199.9
All employees	9.0	185.1

Life-time Learning Program

SK Telecom runs an educational program for employees to maintain their skills and employability as well as to support their retirement plans. By supporting in-company hobby clubs and VLS (Virtual Learning System), we offer our employees a range of ways to further cultivate their interests and skills in leisure, culture, languages, technical areas, and marketing, among others.

Achievement and Development Evaluation

Every member of the SK Telecom family is required to identify his/her personal KPIs (Key Performance Indicators). His/her progress in following through with these KPIs is evaluated on a quarterly basis through PR&C (People Review and Coaching). The evaluation results are reflected in our personnel decisions.

Human Rights Education

To root out discrimination and sexual harassment in its workplace, SK Telecom developed a related educational course as part of the company's compulsory education program. Each of its employees takes the course annually online.

Investing
Supporters

SK Telecom raises value for our shareholders by pursuing growth and profits based on trust. Overseas expansion, ubiquitous and convergence projects, mobile R&D, management innovation – these are just a few of the engines that will drive future growth of SK Telecom.
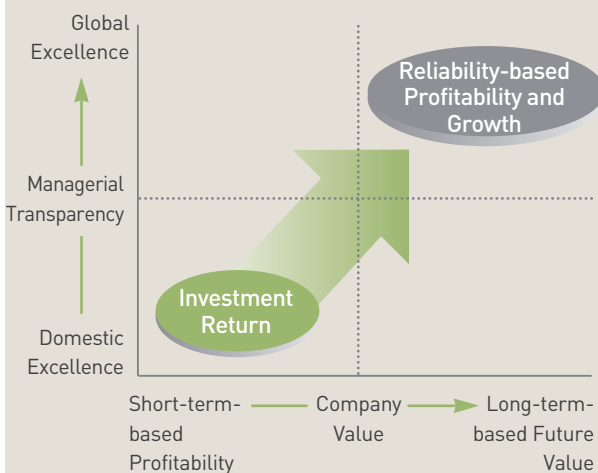
MANAGEMENT APPROACH

**SV** **Stockholder Value: It pursues profitability and growth based on reliability**

Profitability and Growth	▶ Placing the utmost emphasis on continued profitability and growth by securing leadership in the ubiquitous businesses
Transparency and Ethics	▶ Striving to build mutual confidence through transparent and ethical information provision, as well as management activities
Participation in Management	▶ Offers right to participate in the process of major decision-making, in order to accelerate the company growth

(**Management Approach**)

Policy

The year 2005 saw SK Telecom sharpen its competitive edge by raising its managerial efficiency, maintaining its market leadership, and developing its employees' competency. At the same time, by building up our strategic content group, we established a solid foundation for our future growth in the emerging convergent environment. We will continue our efforts to maximize our corporate value by pursuing our growth in today's new convergent and ubiquitous markets and by solidifying our position in the wireless telecommunications industry. Always striving to be at the leading edge, SK Telecom will focus on strengthening its global operations, convergent services, and core cellular services. To support these businesses, we will further reinforce our R&D capabilities and management infrastructure so as to create synergy and lay a solid foundation for our sustainable growth.
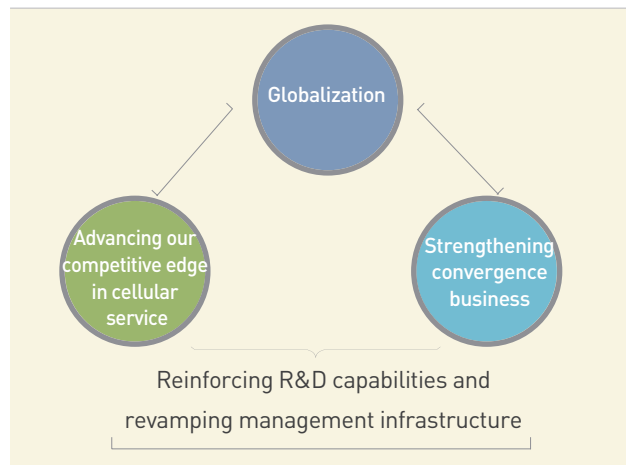
Enhancing Global Business

We are generating new momentum for growth by strengthening our global competitiveness in the mobile business arena. Currently, we are concentrating on the Vietnamese wireless telecommunications market by expanding our CDMA network coverage across the country. In the US market, our efforts are centered on introducing advanced wireless data services. HELIO is enjoying success in the U.S. through distinctive, personalized marketing programs. In addition, SK Telecom signed a Memorandum of Understanding (MOU) on TD-SCDMA (3G telecommunications technology) cooperation with the

Chinese government in August 2006. In doing so, we became the first overseas telecommunications service provider to have forged an agreement with the Chinese government on the development of TD-SCDMA technology. We will continue to explore new global business opportunities that leverage our core competencies.

SK Telecom and China's National Development and Reform Commission (NDRC) signed an MOU on August 29 at the Lotte Hotel, with the top management of SK Group, Korea's Information and Communications Minister, and the head of NDRC in attendance. Under the MOU, SK Telecom and NDRC agreed on building a cooperative model for joint Korea-China development of telecommunications, including TD-SCDMA.

Exploring Convergence Business

The information and communications sector is embracing a new paradigm called 'digital convergence.' The rapid development of technology is accelerating digital convergence between telecommunications and other industries. SK Telecom has taken center stage with respect to this trend, on account of its strong presence in the convergence of telecommunications with both broadcasting and financial services. We will continue to develop and provide new types of convergent services to enhance our leading position in this emerging sector.

Reinforcing Mobile Business

SK Telecom continues to maintain its leadership in the domestic cellular service market by expanding its strong customer base through services customized to each subscriber's lifestyle and needs. We are also solidifying another platform for the growth of our cellular services by focusing on expanding the usage of wireless data services. To support this effort, we plan to launch a nationwide commercial HSDPA (3G+) service in 2007.

Strengthening R&D and Management Infrastructure

To stay ahead of the intense competition from major global enterprises, SK Telecom is making significant efforts to reinforce its R&D capabilities and revamp its overall management system. We are enhancing our technological leadership through mid- to long-term research and development activities focused on expanding our business areas. We are also developing our R&D systems to facilitate our cooperative efforts with global players in other industries. Moreover, we are building more responsive and flexible management systems to better respond to today's rapidly changing business environment.

Responsibility

We believe that corporate responsibility means making ceaseless efforts to deliver a continuous stream of positive results in shareholder and corporate value. We should do this while maintaining a balance among sound financial structure, business growth, and shareholder return. Towards this end, SK Telecom carries out a variety of activities such as exploration of global business opportunities and enhancement of our corporate value through maximization of our customer value.

Performance

In 2005, SK Telecom recorded over KRW 10 trillion in revenue for the first time among local cellular service providers on the back of its data business, which represented 24% of its total revenue for the year. We are working to achieve even better results in 2006. We are strengthening our new businesses by leveraging our competencies in our core businesses and by offering differentiated services based on customer-focused marketing in our new convergent environment.

Awards

President Shin Bae Kim selected as Best Leader by Business Week

- Included in Business Week's list of Top 100 Most Innovative Companies in 2005
- Selected by Business Week as Best Leader in 2005

MANAGEMENT APPROACH

IR Awards

	Year	Awards name	Presented by	Details
Annual Report	2006	2006 International ABC Award (The World's Best Annual Report)	Mercomm, Inc	• Gold and Silver Prize in IT Service Solution Category • Gold and Silver Prize in Telecommunication (Other Countries) Category
IR Practice	2006	Best Corporate Governance Company	CGS (Corporate Governance Service)	Corporate Governance Award
	2005	5th Korea IR Award	Korea IR Association	Second Place Award

Performance

The following selected non-consolidated financial information was taken from the audited non-consolidated financial statements of SK Telecom for the years ended December 31, 2004 and December 31, 2005.

SK Telecom recorded KRW 10.16 trillion in revenue backed by the continued increase in subscriber base and expansion of wireless Internet in 2005. Revenue from the wireless Internet business for the year increased 34.9%YoY to post KRW 2.46 trillion.

Selected Financial Information
(Non-consolidated basis)

(KRW billion)

	2004	2005	%YoY
(Summary Income Statement)			
Revenue	9,703.7	10,161.1	4.7%
EBITDA[1]	4,059.1	4,287.8	5.6%
Operating income	2,359.6	2,653.6	12.5%
Net income	1,494.9	1,871.4	25.2%
(Summary Balance Sheet)			
Total assets	14,020.7	14,521.7	3.5%
Cash & marketable securities	761.1	970.2	27.4%
Total liabilities	6,893.6	6,263.8	(9.1%)
Interest-bearing debt	3,790.1	3,133.9	(17.3%)
Total shareholders' equity	7,127.1	8,257.9	15.9%
(Financial Ratios(%))			
EBITDA margin	41.8	42.2	0.4%p
Operating income margin	24.3	26.1	1.8%p
Net income margin	15.4	18.4	3.0%p
Debt-to-equity ratio[2]	53.2	38.0	(15.2%p)

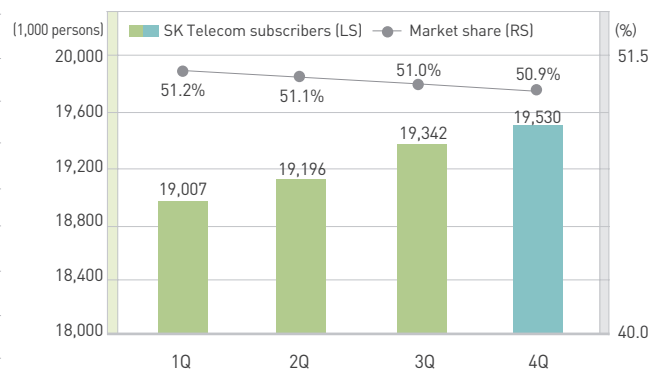(1)EBITDA = Operating income+Depreciation+R&D related depreciation within R&D expenses

(2)Debt-to-equity ratio = Interest-bearing debt/ Shareholders' equity

Wireless Internet Revenue in 2005
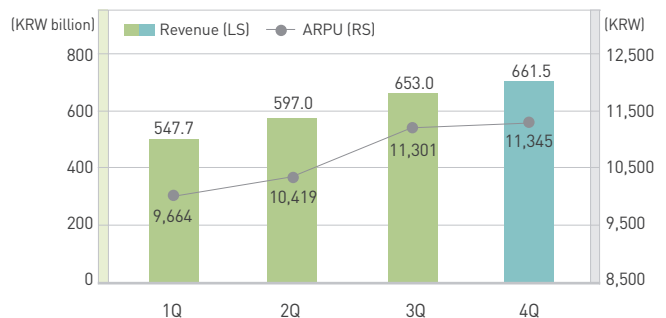
Subscriber Base and Market Share in 2005

SK Telecom continued to gain new subscribers throughout 2005, and ended the year with 19.5 million subscribers compared to 18.8 million in the previous year.

GOVERNANCE

(**Governance**)

Structure of the Board of Directors

SK Telecom has established a global standard of corporate governance, operating within a structure whose focal point is the Board of Directors(BOD). This enhances our transparent and sound management practices that enable corporate sustainability management. As of the end of June 2006, the Board has eleven directors, seven of whom are independent and from outside the company. (64% of the Board) We ensure the independence and transparency of the Board through the appointment of an independent director recommended by the People's Solidarity for Participatory Democracy, a prominent non-governmental organization in Korea which speaks for individual investors'rights. For two consecutive years in 2005 and in 2006, SK Telecom won the corporate governance award given by the Corporate Governance Service, an affiliate of the Korea Exchange (KRX). The award was in recognition of all aspects of SK Telecom's initiatives to improve corporate governance, including the support for shareholders' interests, the active role of the Board of Directors, and the operating efficiency of the Board and its Audit Committee.

Committees under the BOD

In July 2005, SK Telecom established a new Global Committee, to review overseas business strategies and investments. As of June 2006, SK Telecom has five committees-the Audit Committee, the Independent Director Recommendation Committee, the CapEx Review Committee, the Compensation Committee, and the Global Committee. These committees met 21 times in 2005 and 13 times in the first half of 2006 to discuss major corporate agendas.

CEO as the Chair of the Board

The Board of Directors deliberates and decides on matters stipulated in regulations and the articles of incorporation and on major issues related to managing the company. According to article 4.2 of the Board of Directors regulations, the CEO serves as the chairman of the Board. As the CEO has the broadest understanding of business activities across the company, having the CEO concurrently serve as the Board chair allows for efficient operation of the BOD.

Mechanism for Shareholder/Employee Recommendations

Shareholders, as defined in the Commercial Act and the Securities and Exchange Act, have the right to propose agenda items to a company's directors for its general shareholders' meeting. In SK Telecom, aside from this, all of the company's stakeholders--including its shareholders and employees--may directly communicate with its Audit Committee (one of the committees under the BOD) via the Ethical Counseling Center. In August 2006, we set up CEO T-Talk, the company intranet. CEO T-Talk is a forum in which SK Telecom employees' ideas and questions and the CEO's response and opinions on important company issues can be freely expressed. It is a venue for transparent communication on matters of interest to employees.

Compensation of Directors

The ceiling for the total remuneration is approved via shareholder resolution at the general shareholders' meeting annually, while the Compensation Committee oversees the overall compensation plan for top-level executives.

Name of Committee	Chairman	Committee Member	Major Role
Audit Committee	Dae Sik Kim	Yong Woon Kim, Hyun Chin Lim	Reporting corporate status, appointing independent auditors, defining the scope of their services, evaluating the independent auditors' reports
Independent Director Recommendation Committee	Jung Nam Cho	Jae Seung Yoon, Sang Chin Lee, Sung Min Ha	Recommending candidates for independent directors, promoting fairness and transparency in the nomination of candidates
CapEx Review Committee	Seung Taik Yang	Dae Kyu Byun, Jae Seung Yoon, Sang Chin Lee, Bang Hyung Lee	Reviewing capital expenditure plan and any major revisions, monitoring progress of capital expenditure
Compensation Committee	Sang Chin Lee	Dae Sik Kim, Yong Woon Kim, Dae Kyu Byun, Seung Taik Yang, Jae Seung Yoon, Hyun Chin Lim (All independent directors)	Overseeing overall compensation plan for top-level executives and directors
Audit Committee	Sang Chin Lee	Dae Sik Kim, Dae Kyu Byun, Sung Min Ha	Providing basic direction regarding global business strategies and professional advice, reviewing investments in global operations

*Please refer to pages 22 and 23 of our 2005 Annual Report for the profiles of the members of our Board of Directors.

Synergy
Creators

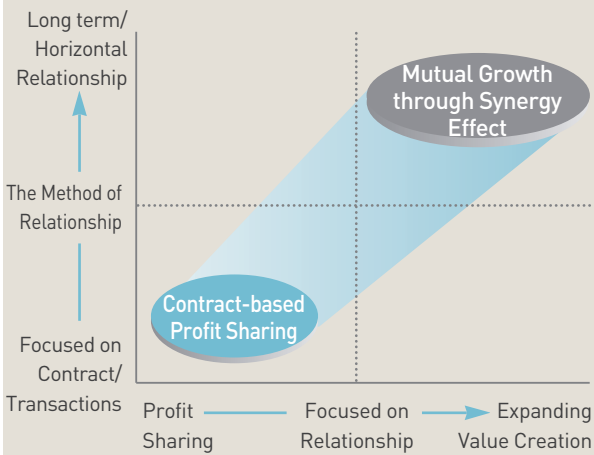SK Telecom is building mutual trust with its business partners through fair and rewarding collaborations. Mutual cooperation creates synergy that reinforces our competitive edge and creates win-win partnerships.

MANAGEMENT APPROACH

BR Business Relations: SK Telecom grows together with its business partners based on synergy effects.


| Information Sharing | ▶ Develops and extends the range of information sharing by strengthening the cooperative ties between business partners |

| Mutual Confidence | ▶ Builds mutual confidence by forming friendly and fair relations between business partners |

| Long-term Partnership | ▶ Establishes partnerships on a long-term basis with a review toward pursuing mutual growth and sharing visions, between business partners |

(**Management Approach**)

Policy

Under the SK Group's three key principles on mutual gains, SK Telecom is executing a wide range of business relations activities to develop alliances with its business partners (BPs) so as to realize its corporate vision of building win-win partnerships.
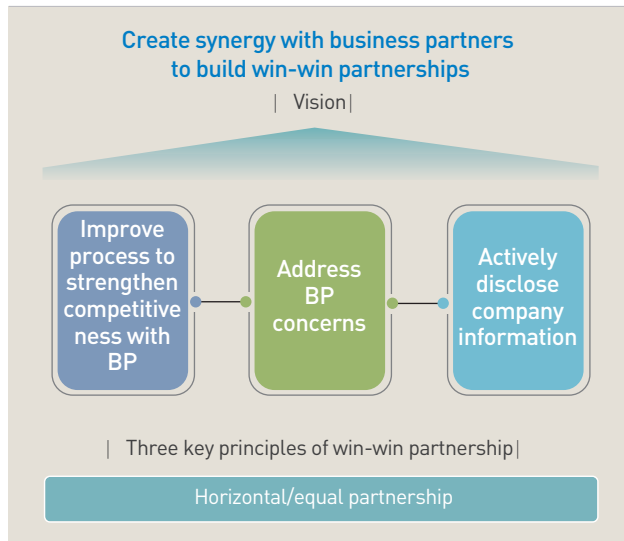
SK Telecom receives Presidential Award in 'Small, Medium, and Large Enterprise Cooperation'

On Dec. 22nd, 2005, SK Telecom received a presidential citation in the group awards in the category of "Small, Medium, and Large-sized Enterprises Cooperation" at a win-win partnership meeting held in the Presidential House of Cheongwadae. SK Telecom launched a workgroup for win-win partnership management in July 2003 under the brand name "Partner-On." Since then, the company has been running a variety of programs designed to help its business partners sharpen their competitive edge. In October, SK Telecom established a KRW 660 billion fund to support small and medium-sized companies, in cooperation with Hana Bank and the Korea Credit Guarantee Fund. Kim Shin-Bae, president of SK Telecom, stressed, "This is the time when all enterprises, regardless of size, must focus on reinforcing their competitiveness by helping each other. I believe it is the role of a major conglomerate to establish systems and programs for win-win partnerships." Earlier in November, SK Telecom won the first "Small and Medium-sized

WIN-WIN PARTNERSHIP

Companies' Information and Communications Award of the Year" given by the Ministry of Information and Communications.
- Excerpt from Digital Times article on Dec.23, 2005

(Win-win Partnership)

Examples of Win-win Partnership

▌▎Joint entry with Business partner i-Kids service into the European market

■ Background
- SK Telecom and its business partners that provide location-based services (LBSs) under the CDMA environment in Korea have been eying the business potential of Europe's LBS market, which uses *GSM technology.
- With children's safety emerging as a major social issue in Europe, SK Telecom confirmed the need for mobile services for children using the *GPS solution.

■ Key Details
- 'i-Kids' is a service that allows parents to find out their children's current location and travel routes using GPS technology.
- Progress: SK-Alert, a mobile security firm, was set up in the Netherlands in February 2005. SK Telecom secured a 20% stake in the company.
- Partnership: Nexmore provides service applications and Bellwave developed the i-Kids handset, leading to the commercialization of our i-Kids service in the Netherlands.

- Global System for Mobile Communication (GSM): Europe wireless communications standard
- Global Positioning System (GPS): Satellite navigation system

Awards

November 2005

Ministry of Information and Communication sponsored 'Small and Medium-sized Companies' Information Communications Awards of the Year'
- Ranked first in four evaluations on the execution of win-win partnership agreements between small, medium, and large IT enterprises (2Q, 3Q, 4Q of 2005, 1H of 2006)
- Contributed to strengthening competitiveness of small to mid-sized firms and implementing a win-win partnership culture

December 2005

Federation of Korean Industries sponsored Presidential citation in the group category of 'Small, Medium, and Large-Sized Enterprises Cooperation Awards'
- Selected as an exemplary company active in practicing win-win partnership management

ACHIEVEMENTS AND PLANS

(**Achievements and Plans**)

Achievements (2005)

Principle	Task	Key Details
Strengthening BP Competitiveness	Improve purchasing process	• Ensure fairness in purchasing through greater competitive bidding
	Secure comprehensive evaluation system	• Secure foundation to foster BPs through implementation of evaluation standard • Introduce BP credit evaluation system
	Implement incentive system	• Award prizes to BPs for excellence (16 firms) • Provide benefits for those awarded prizes:simplification of contract procedures, etc.

Addressing BP concerns	Provide financial resources	• Operating funds for BPs:
		  cash settlement, loan to wireless phone vendors, network loan, etc.
		• Financial assistance program (with Hana Bank & Korea Credit Guarantee Fund):
		  CP loan, fund contribution, etc.
		• Financial support for R&D and joint technology development
		  -Joint R&D and technology development via operation of Collaborative R&D Program (CRP)

	Support business activities	• Joint entry into global market
		  -Support export via joint exploration of overseas markets and provision of solutions
		    UNISK in China (22 firms), HELIO in US (23 firms), i-Kids in Europe (2 firms)
		  - Support marketing activities via joint participation in SME exhibitions R&D infrastructure
		• R&D infrastructure
		  - Mobile Test Lab: Technology testing for mobile telecommunications environment
		  - 3G Reality Center: Provide GSM network based test-bed
		  - Nate Business Center: Provide wireless contents testing environment

	Support management capabilities	• BP training: Online training twice a year (May/Nov.) 689 firms 7,320 employees Seminar -3 times a year (Apr./ Jun./Sep.) Attendance by a total of 300 firms • Management support: Provide management info email service (300 firms)
Active disclosure of company information	Reinforce consistent sharing of information	• Operate ParterOn site: Receive/deal with BP proposals/suggested improvements • PartnerOn Camp: Share SK Telecom's corporate strategy & vision (7 times) • Publish Partner Magazine: Share information on new technology trend / professional knowledge (9 times)

• BP: Business Partner

*Annual purchasing amount

- SK Telecom purchases over KRW 2 trillion worth of products and services from business partners annually.

- 2003 (KRW 2,289 billion), 2004 (KRW 2,405 billion), 2005 (KRW 2,583 billion)

WIN-WIN PARTNERSHIP PROGRAM

Plans (2006)

SK Telecom is committed to enhancing the mid- to long-term competitiveness of its business partners, building win-win relationships and solidifying the foundation for mutual growth.

Principle	Task	Key Details
Strengthening BP Competitiveness	Support SME purchasing	• Improve payment conditions: abolish retention system(for early payment of KRW 58 billion annually) • Improve purchase related system/process
	Strengthen BP management system	• Strengthen evaluation system per type of business partner • Implement strategy for differentiated support / fostering & execution by phase

	Reinforce performance-based reward system	• Discover and execute performance sharing tasks
		  -Form (proposed): profit sharing, incentive payment, intellectual property rights
		   sharing, preferential treatment regarding contract conditions, etc.

Addressing BP concerns	Strengthen training for BPs	• Develop professional technology course
		  (Platform development methodology, etc.): 200 people
		• Open SK win-win partnership academy: CEO course (150 people).
		  Mini-MBA course for key executives and employees (40 people)

	Strengthen financial and business support	• Financial support • Joint business, joint entry into global market • R&D infrastructure support, etc.
Active disclosure of company information	Bolster two-way communication with BPs	• Regular field visits: 3 BP groups, 60 firms (CP, R&D, N/W equipment) • Business partner survey: Twice a year in 1H and 2H • Strengthen communication function via PartnerOn Site/PartnerOn Camp

(Win-win Partnership Program)

Key Program

SK Telecom's win-win partnership programs are designed to help make our business partners more competitive and strengthen mutual ties.

Financial Support for Business Partners

SK Telecom is providing KRW 670 billion in financial assistance to its business partners every year. The programs include 'small and medium enterprise privilege settlement system,' 'low interest rate loan and sales promotion support for vendors' and 'network loan.' In addition, the company established a KRW 660 billion fund in conjunction with Hana Bank and Korea Credit Guarantee Fund (contributed KRW 2 billion).

Nate Business Center

In April 2005, SK Telecom opened the NATE Business Center to support the R&D activities of business partners that develop wireless contents. The center provides one stop services to some 1,000 contents and solution providers. It serves more than 40 firms a day. The services includes proposing new content, registration, making payments, technology training and wireless Internet business consultation.

PartnerOn Academy

SK Telecom offers 58 online training courses on subjects such as management, finance/ accounting, and marketing for executives and employees of its business partners. An offline training course on IT and technology was added in 2006.

PartnerOn Camp

PartnerOn Camp is a regular offline meeting between SK Telecom's business departments and key business partners in CP, R&D and N/W equipment. The meeting is aimed at strengthening relationships with business partners and building an efficient communication channel by sharing the vision, business plans and future BR direction.

Love-Sharing
Communities

Under the slogan of "Maximizing happiness for members of society," SK Telecom has devised a systematic social contribution program covering social welfare, culture, and the environment based on active volunteerism. By weaving in processes and systems supporting fair play, including ethics management and a compliance program, into our corporate fabric, we will continue to generate greater value for our diverse stakeholders.

MANAGEMENT APPROACH

PR Public Relations: SK Telecom actively assumes its social responsibilities.
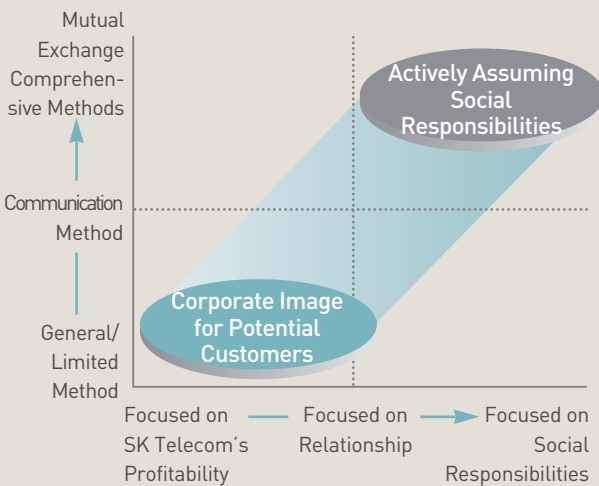
Community Relations	▶ Conducts a broad spectrum of social contributions in the fields of culture, environment, social welfare etc., with a view toward increasing the quality of life
Ethics Management	▶ Executes company management activities in accordance with ethical standards and social norms.
Open Communication	▶ Collects public opinions in an open and active manner

(**Management Approach**)

Policy

SK Telecom's belief in 'Maximizing happiness' reflects its corporate philosophy of maximizing the happiness of its diverse stakeholders. Based on this philosophy, we are committed to playing a hands-on role and continually participating in solving social problems through volunteerism, rather than making one-time donations or sponsorships. Our system enables our entire company to take part in social contribution activities. Additionally, we practice ethics management to firmly establish a process and system that enable fair play. We have also introduced and are actively enforcing a compliance program.

Our vision is to become a company that constantly moves forward through sustained growth and stability; that creates value for its customers, employees, and shareholders; and that plays a key role in the development of society and the economy. Our ultimate goal is to bring greater happiness to all. Our people-centered management philosophy is based on our priority of maximizing the happiness of the greater part of society, to which we also belong.

Responsibility

Companies are aligning their social contribution activities with the fast-changing perception of corporate social responsibility. Around the world, we are seeing a shift in the focus of such activities from 'charity' to 'participation.' The business world is doing more than just taking part in volunteer work; it is aiming to make a difference by addressing the root cause of social problems. We are guided in our social contribution activities by our goal of bringing greater happiness to all members of society. Going further than merely returning our company profits to society or engaging in one-time charity events, the aim of our social contribution program is "To invest in society' so as to find fundamental solutions to social problems. Our efforts in ethics management and fair competition also underline our desire to be a trusted member of society.

Performance

SK Telecom's social contribution activities focus on creating a platform for the needy to eventually lead independent lives, rather than giving them temporary help. With the understanding that only stable jobs can lead to economic independence, our company has developed a job training program in addition to helping create jobs.

Along with other SK affiliates, we have designed a roadmap for job creation and plan to generate approximately 4,000 new jobs in three years, starting from 2005. SK Telecom is also an active participant in the Habitat for Humanity program, which helps build homes for people in need. Our plans include creating sustainable jobs for 600 people that call for preparing and delivering hot lunches for needy children and the elderly, and training 1,000 education assistants for disabled students. In addition, we are working closely with groups such as the Korean Foundation for Working Together to receive and provide valid help. Under the common goal of serving society, this sharing of expertise enables those in need to receive systematic and varied support. It also incites greater public interest in social issues, resulting in synergies. This, in turn, means that a company's social contribution activities do not end at merely the corporate level but permeate throughout society to address the fundamental problems of the needy. Our social contribution activities are thus deeply embedded in the lives of such people since our continued volunteerism is helping heal feelings of isolation. Our employee volunteerism remains the basis of our social contribution activities. In 2004, the SK Telecom Volunteer Group was launched to aid the disabled, teenagers, and the elderly who are living alone, who are suffering not only economic and social alienation but also face physical and mental challenges.

▌▌Social Contribution Principle

A Company that Shares Happiness

| Goal |

Bring happy change (value) to society through a corporate culture (culture) that promotes sharing with society and employee participation (personality).

| Mission Statement |

Culture "Happy Togetherness"	Personality "Happy Participation"	Value "Happy Change"
We have formed a corporate culture that brings happiness along with the government, NGOs and other members of society.	SK activities are defined as active involvements to society by its truly participating employees.	We are striving for valuable changes of society and are actually leading changes to bring greater independence to those in need.

Awards

Grand Prize in 6th Youth Protection Award (Oct. 13, 2003)

Silver Tower Order of Industrial Service Merit, Month of Information-Culture (June 3, 2004)

Top prize in Korean CSR Award (Aug. 10, 2004)

- Sponsored by Seoul Economic Daily, hosted by Baeksang Economic Research Institute

Social Contributions Award, IMI Management Awards (Dec. 7, 2005)

- International Management Institute (management education institute for CEO under FKI)

President Shin Bae Kim receives Moran Medal, Order of Civil Merit (June 27, 2006)

- 2006 awards ceremony for model practitioners of helping others

HELPING THE NEEDY GAIN INDEPENDENCE

(**Helping the Needy Gain Independence**)

Job Creation

SK Telecom, together with the government, NGOs, and local government units, is involved in efforts to create jobs. The purpose of such efforts is to help the needy get back on their feet and lead independent lives. SK Telecom plans to provide jobs for 1,720 persons until 2007 through these endeavors.

Meal Provisions Center

SK Telecom has developed a standard model for meal provisions to undernourished children and the elderly that incorporates hygienic facilities (based on *HACCP), systematic operation and qualified dieticians. To apply this model nationwide, SK is investing KRW 12.9 billion over three years and seeking participation from the central and regional governments. The Ministry of Labor selected our meal provision model as a 'corporate-linked service project' and will provide KRW 3.9 billion over a three-year period. The ministry is also reviewing related laws on social enterprises. At present, seven meal centers are in operation with active support from local governing bodies.

- HACCP (Hazard Analysis Critical Control Point): System for food safety assurance covering all food preparation activities including raw materials, processing, storage and distribution.

Trained Education Assistants for Helping the Disabled Students

In 2005, we stepped up our commitment to train education assistants, which we launched in 2003. In 2006, we assigned about 1,000 trained education assistants to various schools to help some 4,000 physically challenged students. We have organized a secretariat to professionally support this project and developed various activities for related policies. As a result, the Ministry of Education is hiring more education assistants to help students with special needs.

1318 Happy Zone

1318 Happy Zone is the name of the education support facilities for underprivileged teenagers that we will establish together with the Ministry of Education, the Ministry of Health and Welfare, local government units, and NGOs. The facilities will meet the unique educational needs of the

respective regions, whether they are set up in urban or rural areas. The SK Group, including SK Telecom, will invest KRW 10.5 billion to open 40 centers. Work is underway to gather NGOs to take part in this undertaking.

Support for the Disabled

We engage in a wide range of activities to help people with physical and mental disadvantages, who are often left out of mainstream society. To help them lead fulfilling lives, we provide programs that raise their IT skills and give them the chance to experience cultural and sports events.

2005 IT Contest for Physically and Mentally Challenged Youth

Organized by SK Telecom and sponsored by the Ministry of Information and Communications, this contest aims to bridge the digital divide suffered by disabled youth. The year 2005 marked the 7th annual contest. Over the years, 814 teams composed of a total of 1,628 youngsters with various disabilities took part in the contests. Previously, only Internet search skills were tested, but in 2005, the contest participants were given the chance to demonstrate their ability to use the Internet for everyday activities such as online ticket reservation. The competition is divided into four categories: hearing impairments, physical disabilities, visual disabilities, and mental handicaps. Four teams were awarded in each category and they received scholarships worth KRW 22.4 million. The winners of the Grand Prize and the Gold Prize, along with their teachers, were given the chance to attend an overseas training program. In addition, the school of the Grand Prize winner received state-of-the-art audio-visual teaching equipment.

Love-sharing Camp

The Love-sharing Camp began as the SK Telecom Camp of Love and Hope in 1998 that benefited the children of low-income households. In 2002, the Camp was renamed and expanded to include disabled youth, and the Art Therapy Department of Wonkwang University began participating in it. The Love-sharing Camp aims to treat disabled youth and instill healthy values among teenagers who are the de facto heads of their households, through the arts. Starting in 2005, the Camp has been offering programs for autistic children and their parents, such as art therapy and seminars.

BUILDING A MOBILE SOCIAL SAFETY NET

National Wheelchair Basketball Tournament

This tournament started in 1997 to promote wheelchair basketball under the title Chairman's Cup National Wheelchair Basketball Tournament. In 2002, the competition's sixth year, its title was changed to SK Telecom Cup National Wheelchair Basketball Tournament. In 2005, the tournament's 9th year, 15 physically challenged teams and four non-physically challenged teams participated in the tournament, which included a variety of events such as a friendly match with SK Knights Professional Basketball players and an autograph session.

Leisure Buddy

This program aims to break the traditional notion of the physically challenged always on the receiving end and the non-physically challenged always giving help, by having both groups participate in leisure activities together. The program's monthly activities cover a variety of themes such as cultural events, sports, tourism, and cultural camps.

Social Facility Investment

(unit: KRW million)

Facility Name	Independence Center (2005)	Happy Meal Provisions Center (2006)
Purpose	Build an Independence Center to increase the social welfare of those who fought for Korea's independence	Provide free lunches for children/elderly
Status	5-story building with a total floor space of 1,485m^2 in Mapo-gu district, Seoul	24 stations nation-wide
Investment Amount	200	4,022

*For Happy Meal Provisions Center, the figure above represents the expected facility and the total investment amount by the end of 2006.

(Building a Mobile Social Safety Net)

SK Telecom utilizes its mobile telecommunications infrastructure to be at the forefront of expanding the social safety net for missing children and the elderly with Alzheimer's disease. Our facilities are also used to provide mobile messaging services for disaster information and 119 emergency help.

Mobile Search for Missing Children & the Elderly with Alzheimer's

To effectively search for missing children, SK Telecom entered into an agreement with the National Policy Agency and the Korea Welfare Foundation for the launch of a service to find lost children using mobile phones. Information on the children is sent to SK Telecom customers who have cell phones in which the Nate Air mobile platform is embedded, and customers who find the lost children with such information are asked to contact the National Policy Agency and the Korea Welfare Foundation. This service has helped locate 11 children since its launch. In May 2005, SK Telecom expanded the service to include the elderly suffering from Alzheimer's Disease and the disabled.

Disaster Information Messaging Broadcast

Since April 2005, we have been providing, with the National Emergency Management Agency, disaster information by SMS to our customers in areas where an accident or disaster has occurred. A broadcast message is immediately sent to our customers who own a cell phone in which the Nate Air mobile platform is embedded, if a disaster such as a hurricane, an earthquake, or a fire is expected to occur or has occurred.

CUSTOMER VOLUNTEER ACTIVITIES

Mobile Overseas Safety Service

Since we entered into an agreement with the Ministry of Foreign Affairs in May 2005, we have been offering an 'overseas safety service' to SK Telecom customers who use our global roaming services so as to give them information on overseas emergency situations and emergency medical service. For example, when the terrorist attack on the British subway occurred in July 2005, we sent text messages in real time about the terrorist incident and emergency evacuation methods to our customers in the affected London area.

119 Emergency Rescue Service

SK Telecom offers a 119 emergency rescue service using our mobile telecommunications system, to track down the location of a customer who requests help using his/her cell phone. When a customer calls 119, his/her whereabouts is pinpointed using SK Telecom's location verification system. The information is then automatically transferred to the National Emergency Management Agency. This type of emergency service is especially useful in a situation when the caller, due to a fire or a serious injury, has difficulty reporting his/her location to the 119 rescue squad.

(Customer Volunteer Activities)

Since 2003, SK Telecom has been operating the 'Sunny' volunteer group for university students to freely participate in volunteer activities as part of the company's goal of expanding the spirit of volunteerism throughout Korea. The Sunny volunteer program supports university students' engagement in a variety of volunteer activities, through which SK Telecom takes the lead in creating value for society. In 2005, we opened a website for our Sunny volunteer group (www.besunny.com). Currently, the group has 30,000 volunteer members who share details on their activities through a monthly newsletter.

University Student Volunteer Group Competition

We launched our university student volunteer competition in 2004. It is open to any university student who has an interest or passion in volunteerism. We hope this competition will provide college students opportunities for self-development and cultivate in them the spirit of sharing. We supported 60 teams in 2004. In the following year, we helped 100 teams, 50 each in the first and second halves of the year. Our financial assistance ranges from KRW 500,000 to KRW 2,000,000, based on the nature and scale of the group's volunteer work and the number of its members. SK Telecom also encourages student groups to develop cooperative relationships with NGOs and related government organizations in carrying out volunteer work.

Happy Hospital

We launched this volunteer program in 2003 for the benefit of hospitalized children. Some 20 Sunny 'troops' have visited children's wards in hospitals to cheer them up with their caretakers through a variety of performances and gifts. In 2004, about 200 Sunny volunteers visited places such as the Soon Chun Hyang University Hospital, the Keimyung University Dongsan Medical Center, the Korea University Anam Hospital, the Kwangju Christian Hospital, and the Pusan National University Hospital. In 2005, about 400 Sunny members participated in our 'happy hospital' activities nationwide.

Guardian Angel for the Elderly Who Live Alone

This program involves visiting 50 elderly people who live alone in the Seoul and Gyeonggi-do areas, to give them volunteer services and medical attention in cooperation with the Silver Medical Organization. Some 150 Sunny guardian angel volunteers visit the elderly more than three times each month to help them and spend time with them. One of the visits is made with a medical doctor for health checkups and medical services.

Hi Teacher

This is a 1:1 teaching program under which Sunny volunteers teach the young at children's homes. In 2005, 90 'Hi Teachers' were selected in the first and second halves of the year and taught in 13 facilities. Since the program was launched in 2004, a total of 290 Hi Teachers have volunteered their time and effort to tutoring children in care facilities.

IT Volunteering

Four to five Sunny members form a team to visit children's homes, schools, and teaching centers in low-income areas, to spread IT-related education and a sound and healthy Internet culture. In 2005, a total of 200 Sunny IT volunteers-100 from the Seoul and Gyeonggi-do areas and 100 from other regions-visited around 40 facilities and schools to provide free IT education and foster a sound and healthy IT culture.

SKT PEOPLE VOLUNTEER ACTIVITIES

(SKT People Volunteer Activities)

SK Telecom's social contribution activities center on our employees' volunteerism. The SK Telecom volunteer group was launched in 2004 with the goal of promoting happiness through sharing. The volunteer group extends a helping hand to people with social and economic difficulties and physical and mental challenges, troubled youth, and the elderly. SK Telecom also has programs that contribute to the development of regional communities, through each of its regional offices. To expand our scope of support, we launched our volunteer portal site (http://volunteer.sktelecom.com) in May 2004. The SK Telecom volunteer group carries out volunteerism in various fields through each department. Each volunteer team internally designates and manages its target activity and scope of service.

'Love-sharing' Mentoring

'love sharing' Mentoring is an SK Telecom program that is being implemented in cooperation with the Korea Welfare Society. Thirty-six SK employees act as mentors on a 1:1 basis to children who have lost their parents or are being raised by relatives or foster parents. Unlike other one-time mentoring programs that focus on simple educational or financial assistance, or end after one or two meetings, this program aims to mentor a child for at least a year to form an emotional tie between the mentor and the child and to let the mentor serve as a role model.

Beautiful Sharing Bazaar

SK Telecom has been organizing 'Heart of Togetherness' annually since 2003 with KBS. Funds raised from the event are donated to the Beautiful Foundation and other relevant organizations to support the needy.

To encourage greater participation, SK Telecom organized a Corporate Community Relations Team in 2003. In 2004, we formed a volunteer group that consists of SK Telecom employees, thus strengthening our internal social contribution infrastructure. The group started off with 41 volunteer teams in 2004 but has now grown to 51 teams with about 4,400 members.

▋ Organization Map of Employees Volunteer Group in SK Telecom
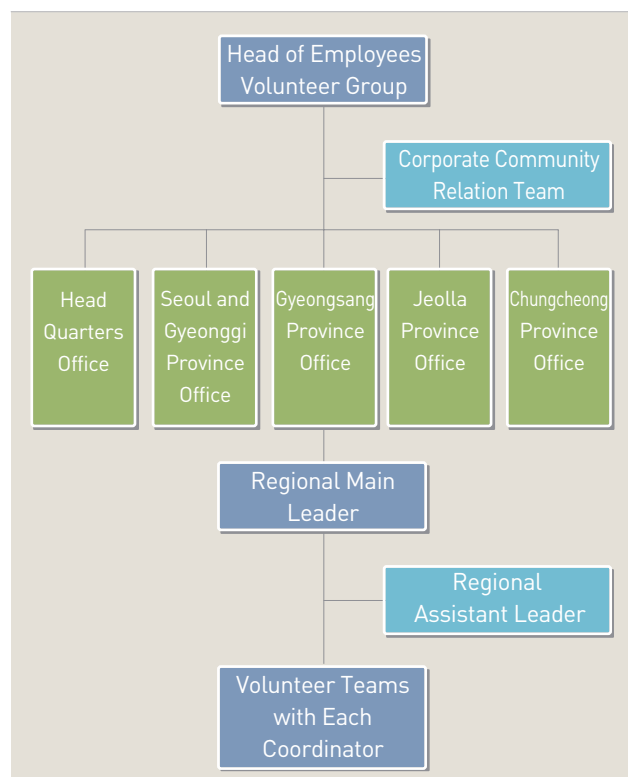
Our Employee Volunteer Group reaches out to those in need around the nation in conjunction with our Sunny volunteer group (our university students volunteer group), regional social groups, and NGOs. In 2004, our Employee Volunteer Group spent an average of 30.6 hours doing volunteer activities per person, the highest level in Korea. In 2005, about 3,500 of our employees spent around 75,000 hours participating in volunteer activities.

GLOBAL CORPORATE SOCIAL RESPONSIBILITY

(**Global Corporate Social Responsibility**)

Global Corporate Social Responsibility

SK Telecom's social contribution extends beyond national borders. In Vietnam, we have been providing free surgeries to children with facial deformities since 1996. In August 2003, we donated funds raised by our company and our customers to Korea Food for the Hungry International to support its reconstruction work and meal provisions to elementary schools in Iraq. Since 2004, we have been supporting a long-term model project for a livestock raising village in Mongolia. We also carried out campaigns to help regions damaged by the tsunami in Southeast Asia in January 2005, particularly to help with relief efforts in the region. We used the funds that we and our customers raised to purchase emergency rescue supplies that we delivered to NGOs that were working on medical support, food distribution, and facility reconstruction.

Overseas Medical Support/Free Surgery for Children with Facial Deformities in Vietnam

With the Smile for Children organization, SK Telecom has been providing medicine and surgical equipment for free surgeries for Vietnamese children with facial deformities such as cleft palates. As of June 2006, we have helped some 2,300 Vietnamese children smile better and find new hope. Each year, we spend from KRW 120 million to KRW 200 million for this cause. This activity first came to our attention when the Vietnamese government made a worldwide appeal to help children in the country with facial deformities in the mid-1990s, which was then a serious social issue in Vietnam. SK Telecom and Smile for Children were the first in Asia to support the movement. On June 17, 2005, SK Telecom celebrated the 10th anniversary of its free surgical operations for children with facial deformities in Vietnam at the Daewoo Hanoi Hotel. Some 20 children who received surgery and their families were invited to the event, during which SK Telecom gave the children scholarships.

Global Youth Volunteering Work Project

Under the slogan of "Freedom, equality, and charity," SK Telecom started its youth global volunteerism project in 2004 to support overseas volunteerism among the youth. This project gives the young opportunities to become aware of global issues such as discrimination, hunger, and the environment. In addition, this program allows the youth to directly experience what it means to carry out volunteerism on a global scale. In 2004, the project took volunteers to Mongolia, the Lake Baikal region, Slovakia, and Uzbekistan to support village repair work, help elderly ethnic Koreans living alone, and provide Korean language education to local children.

Experimental Livestock Farm in Mongolia

Since 2004, SK Telecom has been supporting an experimental livestock farm to help improve the income level and living environment of nomadic tribes in Ulaanbaatar, Mongolia. Jointly conducted with Global Civic Sharing, this program focuses on ways to increase the nomadic tribes' income level through a livestock bank, a construction fund, a credit union, and vegetable planting education. Other support activities include constructing waste disposal facilities and simple restrooms. We also donate funds for children's meals to increase the tribes' overall standard of living.

Reconstruction of Peace School in Iraq

In August 2003, with Korea Food for the Hungry International, we started rebuilding a 'peace school' for children and local communities in Iraq. Through this project, we provided a space for children to run around safely and build their dreams by reconstructing the Almohad Elementary School, an Iraqi school that suffered under long dictatorship and various wars.

▎▎▎ Free Surgery for Vietnamese Children with Facial Deformities

Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Region	Hanoi	Hue	Hanoi	Ho Chi Minh	Hanoi	Ho Chi Minh	Thai Nguyen	Mito	BacCan	Hanoi	Nam Dinh
No. of children receiving surgery	193	250	155	251	197	250	240	166	200	200	200

ETHICS MANAGEMENT

(**Ethics Management**)

Principles

Ethics management is defined as adhering to economic and legal responsibilities in doing business and reflecting ethical standards widely accepted as social norms in business decisions and activities.
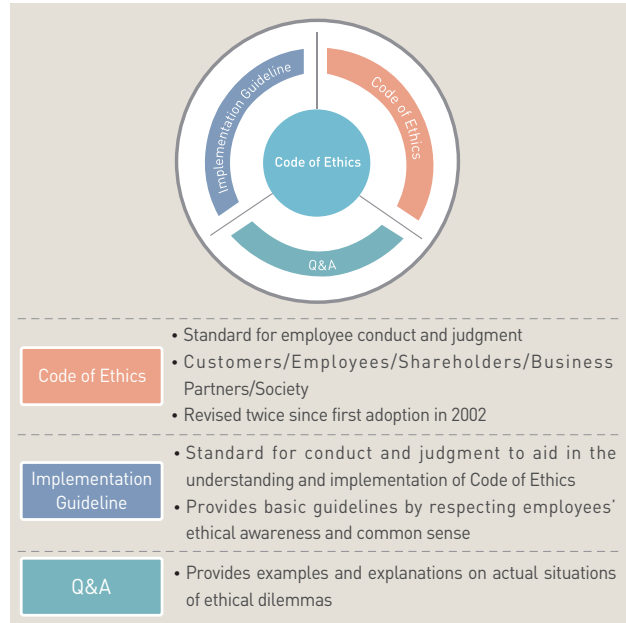
Companies' direct and indirect influence on the national economy and society have been growing recently in tandem with the importance of their social responsibility. Existing business practices and customs no longer guarantee company survival. Through ethics management, a company can boost customer preference for its products and services. Thus, ethics management is an important tool for corporate competitiveness. SK Telecom is actively responding to such changes in the business environment and is committed to practice transparent and ethics management that adheres to social norms and ethical standards, in addition to SK's management philosophy of SKMS (SK Management System).

Ethics Management Organization

SK Telecom established the Ethics Management Office to pursue its ethics management more effectively in 2004. The organization headed by an executive vice president, was reshuffled to bolster its role and function in 2005.

Code of Ethics

SK Telecom protects its employees from ethical risks through its Code of Ethics, which provides a standard for their conduct and decision-making. Adopted in 2002, our Code of Ethics contains an outline of the Code, guidelines for its implementation, and a Q&A section.

Code of Ethics	• Standard for employee conduct and judgment • Customers/Employees/Shareholders/Business Partners/Society • Revised twice since first adoption in 2002
Implementation Guideline	• Standard for conduct and judgment to aid in the understanding and implementation of Code of Ethics • Provides basic guidelines by respecting employees' ethical awareness and common sense
Q&A	• Provides examples and explanations on actual situations of ethical dilemmas

All SK Telecom employees sign a pledge each year to show their compliance with the company's Code of Ethics. As of 2005, 99% of our employees (excluding our long-term employees stationed overseas or those on overseas training) had signed and submitted their written pledge to observe our Code of Ethics.

Promoting Unity through Ethics Management Education

The importance of ethics management is constantly instilled in SK Telecom employees through ongoing education. Our education system features both on- and offline channels. As of 2005, a total of 2,466 new and existing SK Telecom employees underwent a total of 33 education sessions, while an online course was conducted for all our employees (participation rate: 94%). Additionally, CEO letters and in-house broadcasts stress the importance of voluntarily implementing ethics management. To promote employee participation, SK Telecom introduced in 2006 a voluntary ethics management system by division so as to come up with more specific tasks and establish ethical behavior guidelines.

Enhanced Coaching and Counseling Role of Team Leaders

- Focus interviews conducted for team leaders of major departments (79 persons in Feb~Mar 2006)
- Ethics management checklist drawn up and distributed (Feb 2006)
- News on in-company and external cases of ethics management and various related materials distributed (bi-monthly webzine published since May 2006)

Encouraging Business Partners to Partake in Ethics Management

- Collection of written pledges for transparent/fair transactions from all companies with which SK Telecom has contracts (since 2002)
- Request for cooperation of business partners in ethics management through their participation in PartnerOn Camp (conducted 7 times in 2005)
- Holding of Social Dialogue sessions with business partners to uncover possible ethical risks in transactions and to search for solutions (focus interviews and online surveys were conducted with 69 business partners in June 2006)
- Operation of a catering service to support meetings with business partners (from May 2005)

Strengthened Ethics Management System

- Reinforce the company's audit function centering on management process audit rather than results audit
- Introduction of IT in auditing: Monitoring of transactions and expenditures with the introduction of ACL (Audit Command Language: widely used auditing software for analyzing computerized data)

Operation of Ethics HelpLine

SK Telecom's Ethics HelpLine is where its employees can go for advice and to report unfair business activities, improper demands, giving and receiving of bribes, entertainment or favors, accounting-related complaints (accounting, accounting-related internal controls, audit), as well as other unlawful and improper activities. Employees may directly consult the chairman of the Audit Committee. All details of the consultation, in addition to the consultant's identity, are kept private throughout the process.

Introduction of SK Telecom's Ethics Management Activities

1) Featured in the July (2006) edition of Corporate Ethical Briefs, published by the Korea Independent Commission against Corruption
2) Featured in the May (2006) edition of Quality Management, published by the Korea Standards Association Media, under the Korea Standards Association
3) Acted as the lead company in the Distribution/Services Subdivision of the Federation of Korean Industries' Corporate Ethics Committee and gave a presentation on the company's pursuit of ethics management at the Committee meeting in May 2006

Anti-corruption Measures

With regard to corruption, including receiving entertainment from business partners, a total of 16 SK Telecom employees were subjected in 2005 to punitive measures according to the company regulations. Measures were also taken against the business partners in question to prevent repeat incidences.

Message from Executive Vice President of Ethics Management Center/Office

The purpose of SK Telecom's ethics management practice is not simply to point out and punish acts of improper nature and corruption, but to establish a process and system that enables fair play, so as to ultimately increase value for our various stakeholders including our customers, shareholders, and employees. By instilling in our employees the understanding that ethics management is a requisite for the development and continued existence of a company, we are promoting voluntary participation in ethics management. SK Telecom's particular style of ethics management can be defined by the two characteristics that follow. The first characteristic is the establishment of a system and process that can guarantee the implementation of ethics management. The second characteristic is the encouragement of the voluntary participation of our stakeholders, including our employees, by making them understand that ethics management is a barometer of global competitiveness and by promoting it as part of SK Telecom's corporate culture.

FAIR TRADE

(**Fair Trade**)

Contributing to Culture of Fair Competition

SK Telecom conducts its business with a large number of customers who make small payments. The effects of our business on people's incomes are significant, and there is a growing number of issues related to consumer interests in line with the movement for consumer sovereignty.

As a result, class action suits by civic groups are becoming more frequent, and government institutions such as the Fair Trade Commission are tightening regulations to prevent actions that are counterproductive to consumer interests or that hinder competition, such as unfair trade activities and abuse of dominant status.

With the emergence of such diverse stakeholders, SK Telecom recognized the need to study and adhere to regulations regarding fair trade, consumer protection, and privacy leaks, and thereby minimize related risks. Outlined below are our activities in regard to our compliance program.

Introduction

• Recognizing the importance of ethical corporate management and compliance with the Fair Trade Act for sustainable growth and development, SK Telecom established its Employee Behavior Guidelines in September 2001 and implemented them with the signatures of all its employees.
• By declaring its compliance with the Fair Trade Act in 2002, the company publicly stated its intention to strictly comply with related regulations.
• Planned and implemented its compliance program
• Added 'Code of Ethics' and 'Punitive Measures' to its company regulations to lay the groundwork for personnel disciplinary measures against those who violate the Fair Trade Act

Compliance Program

■ CEO declaration of the compliance program
All SK Telecom employees, including the CEO, pledged to comply with the Fair Trade Act in a ceremony in April 2002.

■ Appointment of a compliance officer
A Compliance Officer was appointed with the Board of Directors' approval.

■ Establishment of an internal audit, consulting, and reporting system for the compliance program
• SK Telecom organized a compliance team in its ethics management Center (August 2005).
• Consulting and communication channels were erected, including the compliance CoP (Community of Practice).
  - Information and education were provided on violations of fair trade regulations.
  - A preliminary review of regulation violations was conducted through a self-audit menu and checklist.
  - The Program was used as a consulting and communications channel for risks of fair trade regulation violations in various value creation processes, including product development, marketing, and sales promotions.

■ Punitive personnel measures against violators

Reasons for disciplinary action
1) The Disciplinary Committee may take punitive actions after deliberating on those persons who commit the following acts:
   • Violate laws, employment contract, company regulations, written pledge or Code of Ethics
   • Inflict damages on company or customer through deliberate or grave error.
   • Neglect duties without a reasonable cause.
   • Damage company reputation through other unlawful, improper activities.
2) The direct supervisor and the person next in rank may also face disciplinary action to assume responsibility for supervising the person subject to disciplinary action.

-Cited from disciplinary regulations

■ Publication and distribution of the compliance guidebook
By publishing and distributing a company-wide guidebook on compliance, SK Telecom employees gain a clear understanding of the do's and don'ts of fair trade standards with regard to their work responsibilities.

■ Fair trade education program
• Compliance workshop
  - Target: Employees from all departments
  - Content: Fair trade regulations and major issues and cases relevant to the company (conducted twice a year)
• Lectures by regulatory authorities (once a month)
  - Target: Employees working in fair trade-related departments and those interested in related laws and systems
  - Content: Abusing market leading position, case procedures and other major issues including market demarcation
• Additionally, an online education program related to fair trade is conducted for all employees.

■ Information on violating fair trade regulations
From 2003 to 2005, SK Telecom was ordered to take corrective action on four occasions with regard to fair trade regulations. The details of such orders are as follows:
• Corrective order for a stipulation in a customer agreement that suggested an unfair trade practice in September 2003
• Fine and corrective order for payment of a subsidiary's advertising fees in October 2003
• Fine and corrective order for erroneous advertising activities in April 2004
• Corrective order for erroneous advertising activities in October 2004

SK Telecom's Compliance Team is helping its employees to strictly abide by these regulations and thereby promote the company's growth. The Team is also striving to minimize related violations and is taking measures to avoid the occurrence of similar cases.

■ Disclosure of compliance program results
By disclosing the status of its Compliance Program, SK Telecom provides the general public and its shareholders a transparent view of its business activities, thereby proving its firm commitment to its Compliance Program.
• Implementation results and current status of SK Telecom's Compliance Program
• Updates on the SK Telecom BOD's approval of appointments and changes in its Compliance Officer

INDIRECT ECONOMIC IMPACT

(Indirect Economic Impact)

Changing the World with Mobile Technology

Mobile phone services have powered the growth of Korea's IT and telecom services industries. They have transformed our daily lives and culture, as well as our national economy.

The mobile telecoms industry is contributing to people's incomes not only through the direct effects of its creation of jobs in the manufacturing and service industries, but also through the indirect effects of its building of a telecoms infrastructure.

Today, it is hard to imagine life without mobile phones, which offer navigation systems, mobile banking, and digital home services, aside from basic telephony functions. Mobile telecommunications is a key phrase in ubiquitous networks because the number of services and functions being added onto cell phones is growing at a rapid pace, as are their effects on our daily lives and related industries.
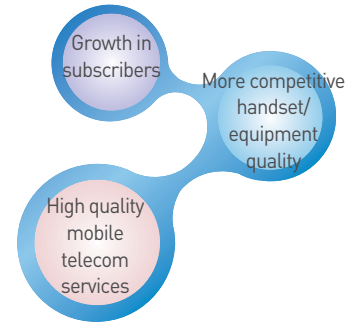
Mobile World

As of 2006, there are 40 million Korean subscribers to mobile telecoms services, meaning that 85% of the entire Korean population uses a mobile handset. This high diffusion rate has led to immense developments in related technologies and services, changing the way we view moving pictures and our society. We are now truly living in a mobile world.

Creation of Jobs in Services Industry

According to a report by the Institute for Information Technology Advancement, the mobile telecoms industry induced production worth KRW 220 trillion from the start of commercial CDMA services in 1996 to 2003. The added value and number of jobs created over the same period were calculated at KRW 83 trillion and 2.13 million jobs, respectively. In terms of employment, 1.66 million jobs were created in the equipment industry and 460,000 in the service industry.

Spillover Effect in Equipment Industry

Mobile telecommunications also ushered in major changes in the manufacturing industry. The number of companies producing handset-related goods, including display, antenna, PCB, and molding companies, was estimated at 900 as of 2004.

Growth in subscribers

More competitive handset/ equipment quality

High quality mobile telecom services

Thanks to the high quality of Korea's mobile telecoms services market, the competitiveness of its equipment exports has risen to the extent that Korean products now account for approximately 26% of the global mobile handset market. Handsets account for 8.3% of Korea's total exports, ranking third only to semiconductors and automobiles.

Production inducement (1996~2003)

(KRW trillion)

- Mobile telecom services industry
- Mobile telecom equipment industry

158.7	61.7
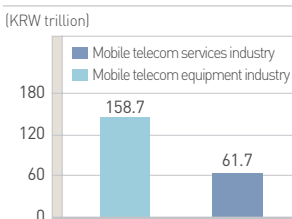
Creation of added value (1996~2003)

(KRW trillion)

- Mobile telecom services industry
- Mobile telecom equipment industry

49.4	33.0

Job creation (1996~2003)

(1,000 persons)

- Mobile telecom services industry
- Mobile telecom equipment industry

1,667	462

Mobile handset exports

(USD million)

2001	2002	2003
17,227	24,455	26,079
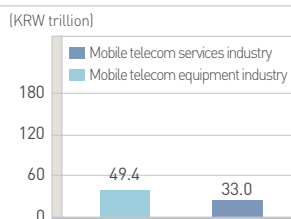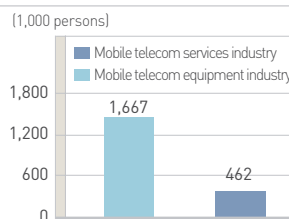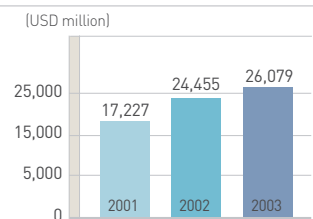
Design Convergence

With the evolution of mobile phones from luxury items to basic necessities, even to becoming the representative device of digital convergence, they have taken on a vast array of additional functions. The GPS system, electronic wallets, MP3 players, video players, digital cameras, and game machines are among the other mobile phone functions and services that are currently available in the market. The mobile phone is now able to replace four to five mobile devices.

Mobile phones are expected to take on a greater role as a personal handhold information device, with the added function of telematics.

Mobile Digital Media Contents Market

In just a year, sales of mobile music soared by 29.3% from KRW 176.7 billion in 2003 to KRW 228.5 billion in 2004.

Despite the continued slide in offline album sales due to piracy and free, streaming music sites, the mobile music market has been able to secure stable profits, and its growth potential is regarded as highly promising.

In addition, the mobile game market is showing fast gains, leading to forecasts of greater demand for mobile digital contents.

▐▌ Digital Media Contents
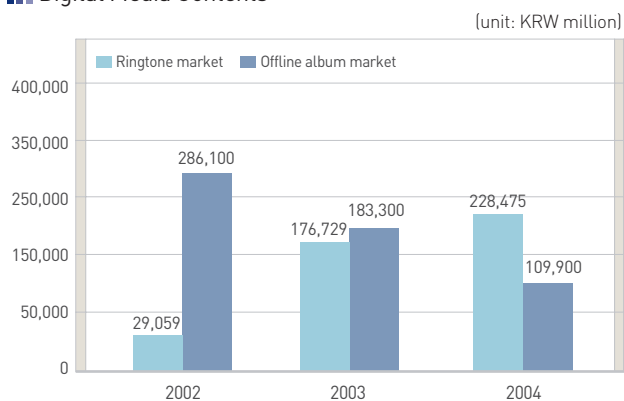
(unit: KRW million)

Year	Ringtone market	Offline album market
2002	29,059	286,100
2003	176,729	183,300
2004	228,475	109,900

Mother
Nature

SK Telecom is committed to preserving the environment for future generations. Along with our efforts to conserve resources, prevent global warming, and protect our ecosystem, we are striving to develop environment-friendly mobile communications technologies.

MANAGEMENT APPROACH

Awards

Grand Prize in the Jeju Eco-friendly Base Station Contest

SK Telecom received the Grand Prize at the Jeju Eco-friendly Base Station Contest for the second straight year in 2004. This contest is organized by the Jeju Regional Communications Office to reduce the environmental damage caused by the installation of base stations and to maintain the natural beauty of the Jeju region. SK Telecom's shield kite base station was the first of its kind to be set up in Jeju Island. The sculpture, shaped like a shield kite, a traditional kite of Korea, received good reviews from the competition's judges.

Award for Outstanding Facility Maintenance

In July 2003, SK Telecom received an award for outstanding facility maintenance from Korea's Commerce, Industry, and Energy Minister. The award was based on points given in 7 categories, including top management's commitment to facility maintenance and activities so as to keep facilities in top form. The evaluation process included reviews of the 7 categories and site visits.

(**Management Approach**)

Policy

SK Telecom aspires to create a future in which everyone can lead happy and fulfilling lives in a pleasant and abundant environment. Our business activities are led by our dedication to pass on a clean and well-preserved environment to future generations. Environmental management has become integral to maintaining competitiveness on the global stage. SK Telecom is proactively responding to this trend, and towards this end, we have selected environmental management as one of our key mid-term initiatives.

In general, the service sector, which includes the telecoms industry, has less impact on the environment compared to the manufacturing industry. SK Telecom is well aware, however, that its activities do have an effect on the environment, no matter how small such effect may be. The environmental impacts of the telecoms service industry include gas emissions from the use of energy to run motor vehicles and offices, and the generation of waste handsets with customers' replacement of their old cell phones.

On the other hand, some of our services help reduce the emission of pollutants. Services such as wireless communications, mobile banking, and mobile bookstore eliminate the need for customers to move from one place to another, resulting in less traffic pollution. Nate Drive, our navigation service, informs users of the fastest travel route, thereby reducing traffic time. Mobile services based on new technologies help conserve energy while enhancing customer satisfaction.

We will not be complacent on environmental issues under the belief that the telecoms service sector has a relatively smaller impact on the ecosystem than other industries. In addition to energy conservation, we will work to minimize any negative effect we may have on the environment and to develop eco-friendly services. Environmental management holds the key to our promotion of a rich and fulfilling life for our customers, shareholders, employees, and communities. These stakeholders, in turn, form the foundation of sustainable development and the survival of our business.

Responsibility

The major adverse consequences on the environment of SK Telecom's business activities are as follows:

- Emission of greenhouse gases from the use of energy to operate our network, offices, and motor vehicles;
- Waste materials generated by our offices, branches, and network operations;
- Waste handsets from our sale of mobile phones;
- Environmental damage related to our installation of base stations and repeaters; and
- Refrigerants and fire extinguishers containing substances that deplete the ozone layer.

SK Telecom makes every effort to comply with environmental laws and regulations. Our environmental management system is broadly classified into three areas. One is the network category, which encompasses network setup and operation, including base stations. The second is the customer category, which covers matters related to handset sourcing and sales. Lastly, the business support area oversees matters regarding our office space and company automobiles.

SK Telecom Head Office

RESOURCE CONSERVATION & RECYCLING

(**Resource Conservation & Recycling**)

Handset Recycling

SK Telecom does not engage in the manufacturing of mobile phones, but we do oversee a distribution network that sells the handsets. As cell phones have a relatively short life span, we have maintained a keen interest in recycling handsets as a means of conserving resources and protecTing the environment.

▌▌▌ No. of Retrieved Used Handsets

⟨unit: 1,000 units⟩
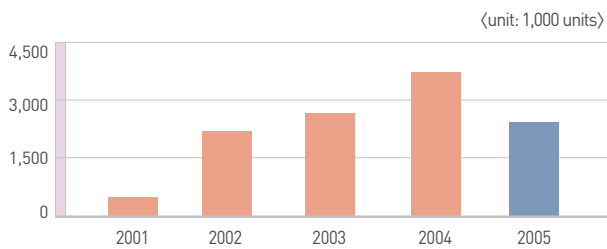
SK Telecom retrieved 2,105 thousand used handsets in 2005. The figure is equivalent to 28% of the new handsets sold during the year. The retrieval rate was higher than usual in 2004 as it was the first year that the mobile number portability (MNP) scheme went into effect. To retain subscribers in the face of MNP, we reinforced our handset trade-in policy. Among the total retrievals in 2005, 74% were sold to SK Networks on the condition that they are exported overseas. Around 4% were recycled as handsets for lease, while 22% were sold to a waste handset recycling firm designated by the Association of Electronics Environment. The designated firm crushes waste handsets and sends metal parts to smelters to be recycled.

▌▌▌ Treatment of Retrieved Handsets in 2005

Used as handsets for lease 4%
Sold for recycling 22%
Sold to SK Networks (export) 74%
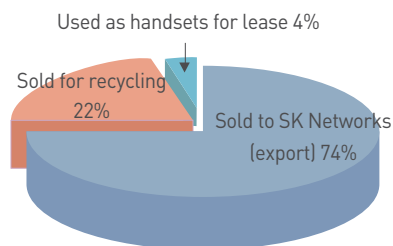
Previously, SK Telecom gave all its customers the option of trading in their old handsets for new models. However, this system could be misconstrued as a form of handset subsidy. Therefore, starting in May 2006, we have been recommending to our customers who received handset subsidies from us to voluntarily return their old models to us when switching to a new phone.

Electronic Billing

An average of three A4 sheets goes into making one paper bill. To use less paper, SK Telecom has an e-mail billing system (via the Internet) and an M billing system (via text messages on cell phones). As of the end of 2005, 2,243 thousand of our subscribers received their bills via e-mail and 936 thousand signed up for the M billing service. These billing systems have lowered annual paper usage by an estimated 916 tons.

Moving Toward a Paperless Company

The pursuit of 'creating a paperless company to bolster operational efficiency' has been selected as one of the Six Sigma tasks led by the CEO. The objective is to do away with wasteful use of resources and personnel by improving the report preparation process. The anticipated benefit is annual reduction of about 3.8 million sheets of paper and about 190 toners.

Support for Beautiful Flea Market

The Beautiful Flea Market is a place where sellers contribute a part of their profits to meaningful causes and visitors donate recycled products instead of paying an entrance fee. It is a venue where people come to share and care for the environment. SK Telecom is promoting the concept of recycling through its support for the Beautiful Flea Market.

Treatment of Waste Materials

In 2005, garbage from SK Telecom workplaces nationwide amounted to 6.037 thousand liters excluding items that were recycled. All garbage was treated by waste treatment agencies designated by regional governing bodies. Network equipment and consumables such as UPS, air conditioners and batteries are either sold or scrapped. Scrapped materials are handled by relevant companies designated by the city.

▌▌▌ Treatment of Network Equipment and Consumables ⟨unit: units⟩

Year	2003		2004		2005	
Item	Sold	Scrapped	Sold	Scrapped	Sold	Scrapped
UPS	7	27	26	9	7	3
Air conditioner	143	4	119	4	175	7
Battery	409	39	438	4	809	9
Total	559	70	583	17	991	19

UTILIZING ENVIRONMENT-FRIENDLY TECHNOLOGY

(**Utilizing Environment-friendly Technology**)

Standardization of Cell Phone Peripherals

Prior to 2002, rechargers varied from one manufacturer to another and from one model to the next. This incompatibility created inconvenience for cell phone users--the need to buy a new recharger with the purchase of a new device increased the cost burden on customers. At the same time, obsolete rechargers implied a waste of resources and environmental pollution. SK Telecom has been working to standardize cell phone rechargers since the second half of 2002. The new models we launched from 2003 were fitted with a standardized recharging input/output terminal. For new models that we launched after the release of our standardized rechargers, the rechargers were sold separately from the handset, for added customer convenience and less waste.

SK Telecom is also moving to standardize memory cards and earphones. For memory cards, a trial handset was launched in the latter half of 2006 and standardized memory cards will be applied to a wider variety of models from 2007. We launched our earphone standardization initiative in 2005 and launched a standardization committee comprising carriers, TTAs, and manufacturers. Our target is to release a handset with standardized earphones in 2007. Standardized earphones will eliminate the need to buy new ones upon the purchase of a new handset.

• TTA : Telecommunication Technology Association

Use of Clean Energy

We have adopted environment-friendly lithium polymer batteries for standby power in our optical repeaters. Beginning in 2006, we will replace our lead storage batteries with lithium polymer batteries in phases. We expect to use the eco-friendly batteries in about 84% of our new optical repeaters in 2006.

▐▐▐ Lead vs. Lithium Polymer Storage Batteries

	Environmental characteristics
Lead storage batteries	Contains lead, whose use is being restricted around the world.
Lithium polymer batteries	Contains no environmental pollutants. Can be recycled or safely thrown out after being completely discharged with salt water. Has a three times longer life span than lead storage batteries.

Inclusion of Anti-UV PVC (poly vinyl chloride) in *Radome Standard

When reporting the standard for new Wibro antennas, SK Telecom plans to add on anti-UV PVC, which is easier to dispose of and recycle compared to *FRP.

• Radome: A combination of the words radar and dome. A dome-shaped structure that covers and protects revolving antenna from rainstorms and other severe weather conditions.
• FRP (Fiber glass Reinforced Plastic): Contains glass fibers which make it difficult to break up or incinerate. Regarded as a major environmental pollutant.

Reducing Harmful Gas Emissions

As of the end of June 2006, SK Telecom operated a total of 548 motor vehicles, of which 168 are company-owned and 380 are leased. While 364 of them, or 66% of the total, run on gasoline, 184 (34%) run on diesel. Separately, another 686 automobiles are used by our business partners in relation to maintaining and repairing our base stations. To minimize the environmental pollution caused by car exhaust emission, SK Telecom plans to replace the diesel-powered cars managed by the company with vehicles that comply with Euro 4 (one of the stages related to European emission standards). Down the road, we plan to request our business partners to make the same switch for their diesel-powered cars.

*F-OTA

We are in the process of developing a function that will enable our customers to receive software upgrades for mobile communications devices through wireless Internet. Our aim is to launch a device with that function in 2006. Firmware upgrade via the Internet will remove the need for our service users to go to after-sales service centers, which will result in savings in time and energy.

• F-OTA stands for Firmware Over The Air: It is a solution that enables automatic, wireless upgrade of firmware for handsets.

RESPONSE TO GLOBAL WARMING

(**Response to Global Warming**)

Our Response to Global Warming

International efforts to prevent global warming have been gaining pace since the Kyoto Protocol was adopted at the third session of the Conference of Parties (COP) during the United Nations Framework Convention on Climate Change(UNFCCC) in December 1997 in Kyoto, Japan. The issue has received weaker attention in Korea, which is not in the list of countries obligated to reduce GHG emissions under the Kyoto Protocol. While we acknowledge that more can be done, we are working to reduce our greenhouse gas emissions to fulfill our responsibilities as a global corporate citizen. We are taking action to reduce our energy consumption in our base stations and offices so as to curb our generation of carbon dioxide (CO_2), one of the main greenhouse gases. We are also reviewing plans to replace the halon fire extinguishers at our base stations and switching centers with eco-friendly ones.

CO_2 Emission Survey

SK Telecom conducted a study to assess the amount of the major energy sources consumed at our domestic worksites, and converted the data to CO_2 emission. This study covered only our office space. We plan to set up a system to measure emissions from our motor vehicles and other sources in the near future. The total amount of CO_2 emitted by our workplaces in 2005 was 321 thousand tons. Indirect emission from electricity accounted for 95.5% of the total.

▌▌ Annual Emission Trend

(unit: 1,000 CO_2 tons)

Energy Consumption

Electric Power

Electric power is SK Telecom's primary energy source. In 2005, our electricity consumption totaled 635 thousand MWh, which accounted for an increase of 12% over the previous year. Of the total, 237 thousand MWh (37%) was consumed in our offices while 398 thousand MWh (63%) went towards operating our base stations located nationwide. Although gross floor area of our office increased, our energy consumption per square meter, a measure of energy efficiency, is on a downward trend. The unusually sharp rise in 2004 was caused by a large increase in the number of our equipment for value-added services such as Cyworld. The figure dropped by 12% year-on-year to 375 kWh/m^2 in 2005.

▌▌ Electricity Consumption per Square Meter of Office Space

▌▌ CO_2 Emission by Energy Source

Type	Unit	2003	2004	2005	As % of Total CO_2
Electric Power	MWh	471,267	565,708	634,517	95.5%
	CO_2 ton	227,920	273,595	306,874	
Natural Gas	1000Nm³	4,670	4,357	5,178	4.0%
	CO_2 ton	11,453	10,684	12,699	
Oil	ℓ	520,430	547,730	598,223	0.5%
	CO_2 ton	1,469	1,547	1,689	
Converted to CO_2	CO_2 ton	240,843	285,826	321,262	100.0%

*Source: KEPCO (electricity) and in-house measurements (natural gas, oil)
*Figures for 'As % of Total CO_2' are for 2005.

Liquefied Natural Gas (LNG)

SK Telecom consumed a total of 5,178,000m³ of LNG in 2005. This full amount powered our heating and cooling devices. Our total consumption is increasing, but our ongoing conservation efforts are keeping our LNG use per square meter on a declining path.

LNG Consumption Trend
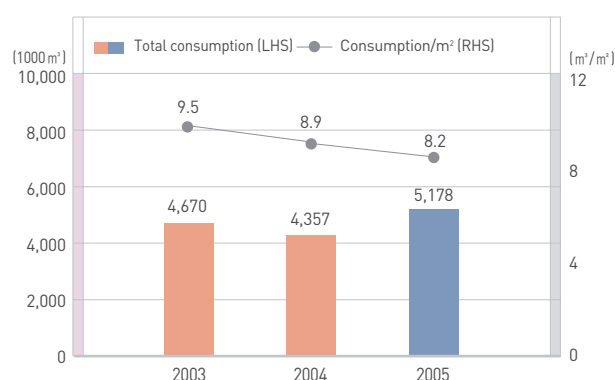
Oil

Our oil consumption reached 598 thousand liters in 2005. We us oil in our emergency power supply systems for heating devices in our offices. While we use eco-friendly LNG to run our heating/cooling devices, we unavoidably use diesel in regions that do not have access to LNG supply.

Energy Conservation Efforts

Office Energy Consumption

SK Telecom uses electricity, gas, and oil as sources of energy. Our efforts to reduce our energy consumption include our use of economizers for air conditioning, our adjustment of the mix of air and fuel in the burners of our HVAC systems, our use of new humidifiers and low-temperature HVAC systems, and our temperature differential. In 2005, we realized annual savings of 8,195 MWh in power usage, which corresponds to 3,963 CO_2 tons in terms of CO_2 emission. We also encourage outside companies that maintain our facilities to help us save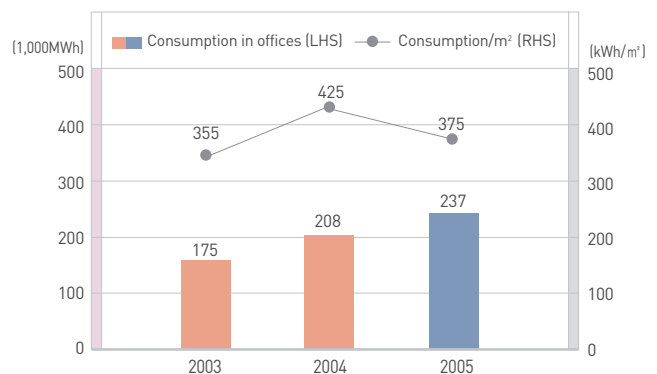 energy through a suggestion scheme. Since we introduced this scheme in 1999, we have received and implemented 255 suggestions on ways to use less energy.

Office Energy Savings in 2005

Classification	Description	Savings
Economizer	• Year-round air conditioning is necessary at SK Telecom buildings due to switching centers. • Using electric- and gas-powered air conditioning systems • Using economizer to use cold outside air for cooling in the winter to save on energy consumption	6,800MWh/year
Air fuel mix	• Operating boilers and cooling devices for HVAC and water heating. • Boilers and gas-powered cooling devices contain burners. The air and fuel mix is adjusted once a year to maximize operating efficiency of burners.	230MWh/year
Humidifier for switching centers	• Humidifiers are used to maintain humidity at around 50% in winter. • Previously humidifiers with electric heaters were used to evaporate water, requiring large amounts of energy. • The above were replaced with humidifiers that cause water to evaporate when it comes into contact with air from 2003, leading to less energy usage.	-
Low temperature HVAC (SK T-Tower)	• To reduce costs, we keep our air temperature about 5℃ lower than that in regular buildings when our cooling system is in use (less cost to operate ventilators) • Regular buildings: 15℃, SK T-Tower: 10℃	940MWh/year (40% reduction from previous system)
Temperature differential (SK T-Tower)	• To reduce costs, we keep our cold water temperature about 4℃ higher/lower than that in regular buildings when our cooling system is in use (less cost to operate pumps) • Regular buildings: 5℃(7℃→12℃); SK T-Tower: 9℃(5℃→14℃)	225MWh/year (40% reduction from previous system)

RESPONSE TO GLOBAL WARMING

Energy Savings with Improved Signboards

SK Telecom's 'Customer Exploratorium Outlet' received a Distinguished Service Medal from the Ministry of Culture and Tourism in June 2006 for its design excellence, eco-friendliness, and energy efficiency. The signboard at the outlet has an outstanding design that suits well the urban street culture and reduces visual disturbance by minimizing internal and external lighting. It also reduces environmental pollution, as it is made of recyclable materials with strong durability. In addition, the signboard minimizes lighting effects, meaning it consumes 75% less power than a conventional signboard.

High-Efficiency Equipment

Replacing old telecommunications equipment with new models that require less electricity is another way by which SK Telecom is conserving energy. Our annual savings from our adoption of new equipment is 5,431 MWh, based on our maximum output. Converted to CO_2 emission, the figure becomes 2,627 CO_2 tons.

New equipment	Old equipment	Energy Savings (Maximum output basis)	No. of Units Delivered
SF-C60	Common B+	852W → 560W	About 1,000
SF-W20	WAFMCA	468W → 386W	About 4,000
SF-DUO	Common B+ /WAFMCA	1,320W → 965W	

Flexible Equipment Operation

Cellular service call volume exhibits a high degree of seasonality. The volume peaks in November and December. SK Telecom has adopted a flexible operating system for telecoms equipment that run based on the peak season (yearend) call volume. When there is leeway, power is shut off on certain equipment to curb electricity consumption.

Classification	Applicable equipment
Flexible equipment operation	702 parts of the network run as 7FA
Power shutoff	2G base stations with 7FA parts and 1X base stations with 11FA parts

While the number of facilities we operate has increased, our average operating cost per facility is decreasing, thanks to our energy and cost saving efforts. Our average operating cost fell by 9.2% in 2005 from a year earlier. We expect another decline of 8.3% in 2006.

No. of Facilities and OPEX

▶ Curbing growth in OPEX despite increase in facilities

Accumulated facilities *(parts of network)   OPEX (100 million won)   · Facility CAGR(19.8%)   · OPEX CAGR(9.4%)

	2004	2005	2006
Accumulated facilities	16,206	19,448	23,275
OPEX	7,774	8,471	9,300
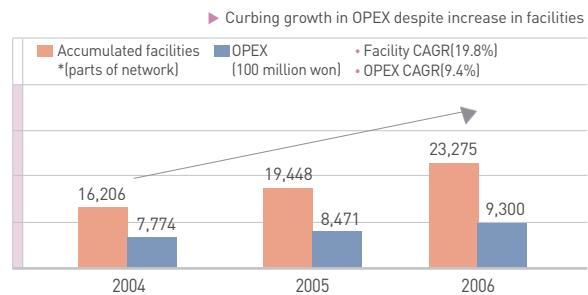
Average OPEX per Network Part

▶ Expected 8.3% decrease from 2005

⟨unit: KRW 1,000/year⟩

2004	2005	2006
47,967	43,558	39,957
▲ 9.2%	▲ 8.3%	
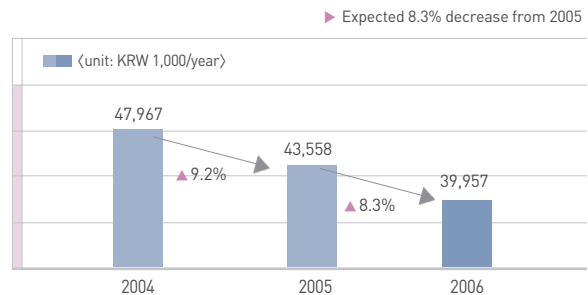
- OPEX: Operating Expense (for maintenance and repair)
- Accumulated facilities = BTS + optical repeater + RF repeater (converted to avg. OPEX, BTS : optical : RF repeater = 1 : 3.55 : 1281)
- CAGR: Compound Average Growth Rate

Teleconference and Conference Call

SK Telecom actively uses teleconferencing and conference calls to curtail its expenses and energy consumption arising from business trips. In 2005, we held 61 teleconferences in which 8,935 people took part.

We also use teleconferencing and conference calls for transactions related to our overseas businesses such as in the U.S., China, Japan, Vietnam, and India.

ENVIRONMENTAL PROTECTION

(**Environmental Protection**)

Mobile Telecom Facilities in Environmental Conservation Zones

SK Telecom has 50 base stations and 104 repeaters located in ecosystem conservation zones (27 regions, 293.545㎢) and wetland conservation zones (15 regions, 186.59㎢) designated by the Ministry of Environment, the Ministry of Maritime Affairs and Fisheries, and local government units. We set up 20 base stations and 28 repeaters in existing leisure facilities such as shelters, mountain lodges, and stores, which do not affect the environment. This means we set up our remaining 30 base stations and 76 repeaters in ecosystem and wetland conservation zones. These were set up to meet the telecom needs of people traveling through such regions and to assist in rescue operations in case of emergencies such as natural disasters. We are sparing no effort to minimize the environmental impact of our equipment in conservation zones.

Sharing of Eco-friendly Wireless and Base Stations

To proactively respond to stronger calls from the government for network sharing and adoption of laws requiring eco-friendly wireless stations, SK Telecom formed a working group in November 2005 to set up eco-friendly wireless stations. The group, which is composed of 21 teams from 7 divisions at SK Telecom, is divided into three subgroups. Its duties are to formulate standards for eco-friendly wireless stations, to map out the company's future direction on environmental issues, to form eco-friendly models, and to promote the development of green materials and process standardization, among others. As of the end of 2005, SK Telecom had about 6,700 eco-friendly wireless stations, which represent 21% of our network. We have pursued open wireless stations since the fourth quarter of 2002, and they now number about 13,000 (42% of all wireless stations in Korea) as of the end of 2005. Sharing of wireless stations is intended to prevent redundant investments by telecoms carriers and to curb costs. The initiative is estimated to have reduced environmental impact over an area of about 216,000㎡.

Reduction in Environmental Damage from Sharing of Wireless Stations

	Self-supporting tower	Pole	Access road	Total
Area (㎡)	115,206	50,677	50,184	216,067

In the future, when setting up new wireless stations, SK Telecom will classify areas into three categories (common zone, eco-friendly zone, eco-friendly common zone), and will draw up separate standards for each zone. We will also give due consideration to the efficient utilization of wireless facilities and environmental protection.

Water Quality Preservation

Water usage at SK Telecom totaled 674,000㎡ in 2005, which went towards operating sanitation facilities and cooling devices. As we do not need water to run our base stations, we do not generate sewage or waste water from our network operations. To prevent damage from the sewage from our offices, we have installed sewage treatment facilities.

Green Map Grand Journey

The Green Map Grand Journey takes participants from the east coast to the west and southern coasts so that they can experience nature and observe the extent of pollution. It contributes to preserving our natural surroundings by raising public awareness of coastal pollution through a variety of activities. Data compiled during the outings are utilized by related agencies. About 100 persons took part in our Green Map Grand Journey in 2005, including volunteers, representatives from Green Korea, and regional environmental experts. The event took them to Uljin, Youngdeok, Ulsan, Busan, Geoje, Suncheon, Goheung, Jindo, Gochang, and Buan to get a closer look at environmental issues affecting coastal areas in Korea. The venture included numerous activities such as pollution assessment (measurement of water and air quality), waste material monitoring, a public environmental campaign, a coastal cleanup, and visits to eco-system conservation zones.

Appendix

CODE OF ETHICS AND IMPLEMENTATION GUIDELINE

〔 Code of Ethics and Implementation Guideline 〕

Code of Ethics

Based on SK's unique corporate culture, SKMS, SK Telecom ("Company") employees ("Employee(s)") shall play an essential role in improving society and the economy by creating value for the Company's stakeholders (including the Company's customers, Employees, and shareholders). To achieve this as well as to ensure fair and transparent business management, this Code of Ethics, which will serve as the basis for the Employees' conduct and judgment, shall be enacted and complied with so that the Employees build a world-class company that society trusts, permanently survives, and continuously develops.

Customers

Implement customer-focused business management by:

- Embracing values desired by customers as the overriding basis for all business decisions;
- Creating and providing products and services that will satisfy customers; and
- Respecting the voice of customers with the mindset that "the customer's demand is always right," speak only the truth, and always keep promises to customers.

Employees

The Company and the Employees shall create an environment in which the Employees can voluntarily and willingly work, and mutually develop by enhancing the Employees' capabilities and, in turn, producing the Company's high performance by:

- Understanding and implementing SKMS;
- Equipping themselves with the highest competitiveness by enhancing capabilities; and
- Preserving honor and dignity on the basis of sound ethical standards.

Shareholders

Create shareholders' value through shareholder-oriented and transparent business management by:

- Enhancing the Company's value through efficient business management, and respecting shareholders' needs, suggestions, and resolutions; and
- Preparing business management documents in accordance with the relevant laws, regulations and accounting principles, and disclosing them fairly, accurately, completely, and timely in accordance with the relevant regulations.

Business Partners

Provide fair opportunities to the Company's business partners, support them to enhance their competitiveness, and seek mutual benefits and joint development. Engage in fair competition with competitors.

Society

Comply with social norms as a sound member of society, and build a company that society trusts by:

- Complying with the relevant laws and regulations of the region where business is being carried out and respecting the local culture;
- Contributing to social development by community service activities and by joining and supporting educational, cultural, and welfare charities; and
- Executing environment-friendly business management and participating in environment protection activities.

Code of Ethics Implementation Guideline

The objective of this Code of Ethics Implementation Guideline ("Code of Ethics Implementation Guideline" or "Guideline") is to provide a standard for Employees' conduct and judgment so that Employees can correctly understand and implement the Code of Ethics. This Guideline merely provides the minimum standards without any specific dollar amounts permitted to give and take for gifts, Treats and Accommodations, and is respectful of the Employees' integrity and sound ethical consciousness, under the premise that each Employee is capable of making sound decisions and taking appropriate actions on the basis of his or her conscience.

Fair Execution of Work

a. Money or Other Valuables

Employees should not receive from, nor offer to, the Company's Business Partners, Money or Other Valuables.

1) When Employees have received unavoidable Money or Other Valuables, they shall take the following steps and report the incident to their immediate supervisor and the "Help Line operated by the Ethics Management Team(http://ethics.sktelecom.com).

  - If possible, immediately return the received Money or Other Valuables.

• If it is difficult to return it:

-Send the Money or Other Valuables to one of the Company's Social Volunteering Groups (or to the Ethics Management Team when received by the Employees of the head office).

-The relevant Social Volunteering Group (or the Ethics Management Team) shall donate the relevant Money or Other Valuables to its sister organization.

＊In relation to a promotion, death, or an inauguration, the offering of a flowerpot or wreath shall be properly disposed of and the substitute money shall be given to one of the Company's Social Volunteering Groups.

2) Exceptions

• PR or promotional event item.

-The item will have the logo or name of either the Company or its Business Partner, and the price of the item shall be reasonable according to prevailing social norms.

• Money given to congratulate or express condolence.

-In the spirit of lending a helping hand, the amount shall be reasonable according to prevailing social norms.

b.Treats and Accommodations (Favors)

Employees should not receive from, nor offer to, the Company's Business Partners, Treats or Accommodations (Favors).

1) Employees should report to their immediate supervisors in the event of contact (including visit, reception, or dinner) with Company's Business Partners.

2) Employees are permitted to have a simple dinner with Business Partners if inevitable (which shall be paid by the Company), but not permitted to receive from, nor offer, them additional Treats after dinner.

3) Specifically, Employees are not permitted to participate in any conduct, including receiving Treats for playing golf, which can be considered means of Treats and Accommodations according to prevailing social norms.

c. Conflict of Interest

Employees should distinguish between Company business and personal affairs when performing work, and should not create a situation where there is a conflict of interest between themselves and the Company. If such a situation arises, report it to the "Help Line operated by the Ethics Management Team (ethics. sktelecom.com)".

Below are examples of a conflict of interest:

1) If an Employee can exercise influence on the work for personal gain, or an Employee's conduct or judgment can be influenced by:

• an Employee directly or through a 3rd party signing a contract or otherwise transacting business with the Company;

• transacting business with a competitor or a Business Partner through an Employee's personal business;

• taking a position at a company that has an interest or some kind of business relationship with the Company without prior approval;

• borrowing money from, jointly investing with, receiving a guarantee for a loan from, or renting real estate or tangible property from the Company's Business Partner;

• receiving compensation rendered in return for some economic value from the Company's Business Partner;

• acquiring shares or bonds of the Company's Business Partner; and

• act of a family member or a relative transacting with the Company, or the Company's Business Partner, etc.

2) If work-related information is used for improper personal gain: receiving any benefit by improper means by using information acquired while performing work (for example, acquiring an asset or marketable security in a business the Company plans on buying, etc.)

Protection of Assets and Information

a. Protection of Assets

1) Without the approval of the Company, Employees shall not use or provide to a 3rd party any of the Company's assets for their personal benefit, or for the benefit of the 3rd party.

2) Employees shall not transfer or lease the Company's assets to themselves or a 3rd party at a low price, nor shall they have the Company buy or lease their asset or a 3rd party's asset at a high price.

3) Employees shall immediately report to the Company and take measures to minimize loss of any Company asset if a situation arises that would bring about a material loss to any Company asset.

4) Employees shall appropriately use the Company's budget according to its proper purpose.

b. Protection of Information

1) Employees shall not illegally provide customer information to a 3rd party.

2) Employees shall not disclose internally and externally, the Company's confidential internal information (including Business Partners' information) without prior approval.

3) Employees shall not wrongfully acquire information, nor use such wrongfully acquired information, even though the information may be useful to the Company.

CODE OF ETHICS AND IMPLEMENTATION GUIDELINE

Self-reporting and Reporting of Others

a. Procedure

If the Head of the Ethics Management Team receives any reports (whether by self-reporting or by the reporting of others) in relation to the violation of this Guideline, or notices any violation of this Guideline, he or she shall deal with the matter according to the following procedures:

1) If deliberation on the matter is considered to be necessary, the Head of the Ethics Management Team may report such matter to the Ethics Committee or relegate it to the relevant department.

2) If Consideration is acknowledged in relation to the matter, the Head of the Ethics Management Team shall explain the objective of the Company's ethics policies to the related Employee and the relevant Business Partner and politely request that there be no recurrence. Also, in the event that the violation impairs the Employee's fair and transparent performance of work by going beyond the reasonable level allowed by prevailing social norms, the Company may take necessary measures, such as restriction of transaction volume, termination of contract, etc., and concurrently, may ask for the return of the economic value equivalent to the accepted Money or Other Valuables, Treats and/or Accommodations (Favors) received by the Employee.

b. Protect Sources

1) Protect the identity and maintain confidentiality.

   • A source's identity and the reported information need to be protected, and the source shall not be discriminated against or disadvantaged in any manner as a result of reporting such information.

2) Reward for the information.

   • If reporting the information greatly contributes to the Company's profits, a reward may be given.

   • If the source has been involved in a breach of this Code of Ethics and Implementation Guideline but reported the fact, the Company may take the extenuating circumstances into consideration with respect to the punishment or discipline for the wrongful act.

Code of Ethics Implementation Guideline Compliance and Pledge Obligations

a. All Employees shall have the obligation to comply with and to sign this Code of Ethics and Implementation Guideline annually.

b. All Employees shall have the obligation to report any acknowledged violations of this Guideline to the "Help Line operated by the Ethics Management Team ("http://ethics. sktelecom.com").

c. Any violation of this Guideline shall be punished in accordance with the relevant regulations of the Company.

Definitions

a. Reasonable according to prevailing social norms

It should be acceptable to the majority of those who possess good common sense, not being of a level that would hinder anyone from performing work fairly.

b. Money or Other Valuables

Cash, marketable securities (including gift certificates and club memberships), goods, etc.

c. Treats

In return for Consideration, the act of paying for the other party, or having the other party pay for, expenses generated through any gathering or exchange, such as dining, drinking, sports, entertainment, etc., with a Business Partner.

d. Favors

Apart from Money or Other Valuables and Treats, receiving or providing lodging, transportation, sightseeing events, event support, etc., for the other party's personal enjoyment.

e. Consideration

Providing as Money or Other Valuables, Treats and/or Accommodations as an explicit or implicit condition rendered in return for some economic value.

f. Employee(s)

All Employees including officers, regular and contracted employees (including the members of the Company's Board of Directors).

g. Relatives

Includes one's immediate family, as well as maternal, paternal, and spousal parents, grandparents, aunts/uncles, and cousins.

h. Business Partner(s)

Includes any company, corporation, entity (including its employees) with which the Company transacts and has business relations. Furthermore, such company, corporation, entity (including its employees) will be deemed a Business Partner(s) even if preexisting personal relations with the Employees already exist.

NON-CONSOLIDATED BALANCE SHEETS

December 31, 2005 and 2004

	In Millions of Korean won		In Thousands of U.S. Dollars	
	Dec. 31, 2005	Dec. 31, 2004	Dec. 31, 2005	Dec. 31, 2004
ASSETS				
CURRENT ASSETS :				
Cash and cash equivalents	151,766	112,966	150,263	111,848
Short-term financial instruments	73,062	7,700	72,339	7,624
Trading securities	745,360	640,389	737,980	634,049
Current portion of long-term investment securities	-	3,600	-	3,564
Accounts receivable - trade (net of allowance for doubtful accountsof ₩121,319 million at December 31,2005 and ₩58,248 million at December 31, 2004)	1,607,596	1,562,774	1,591,679	1,547,301
Short-term loans (net of allowance for doubtful accounts of ₩648 million at December 31,2005 and ₩562 million at December 31, 2004)	64,150	55,613	63,515	55,062
Accounts receivable - other (net of allowance for doubtful accounts of ₩14,246 million at December 31, 2005 and ₩13,665 million at December 31, 2004)	1,333,238	1,365,226	1,320,038	1,351,709
Inventories	5,986	10,961	5,927	10,852
Prepaid expenses	101,274	80,768	100,271	79,968
Deferred income tax assets, net	61,152	-	60,547	-
Accrued income and other	28,901	14,348	28,614	14,206
Total Current Assets	4,172,485	3,854,345	4,131,173	3,816,183
NON-CURRENT ASSETS :				
Property and equipment, net	4,595,883	4,605,253	4,550,379	4,559,656
Intangible assets, net	3,386,547	3,448,619	3,353,017	3,414,474
Long-term investment securities	1,203,333	923,537	1,191,419	914,393
Equity securities accounted for using the equity method	925,904	826,246	916,737	818,065
Long-term loans (net of allowance for doubtful accounts of ₩23,737 million at December 31,2005 and ₩19,173 million at December 31, 2004)	14,204	28,284	14,063	28,004

*Foreign exchange rate has been made at ₩1,010.0 to US$, the Noon Buying Rate in the city of New York.   (Continued)

NON-CONSOLIDATED BALANCE SHEETS

December 31, 2005 and 2004

	In Millions of Korean won		In Thousands of U.S. Dollars	
	Dec. 31, 2005	Dec. 31, 2004	Dec. 31, 2005	Dec. 31, 2004
Guarantee deposits (net of allowance for doubtful accounts of ₩311 million at December 31, 2005 and nil at December 31, 2004)	122,846	242,387	121,630	239,987
Long-term deposits and other	100,474	92,034	99,479	91,124
Total Non-Current Assets	10,349,191	10,166,360	10,246,724	10,065,703
TOTAL ASSETS	14,521,676	14,020,705	14,377,897	13,881,886
LIABILITIES & STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES :				
Accounts payable	971,558	1,070,588	961,939	1,059,988
Short-term borrowings	-	400,000	-	396,040
Income taxes payable	366,579	267,797	362,950	265,146
Accrued expenses	362,178	378,303	358,592	374,557
Dividend payable	298	263	295	260
Withholdings	205,060	188,197	203,030	186,334
Current portion of long-term debt, net	809,490	498,278	801,475	493,345
Current portion of subscription deposits	14,875	13,405	14,728	13,272
Other	17,230	42,880	17,058	42,454
Total Current Liabilities	2,747,268	2,859,711	2,720,067	2,831,396
LONG-TERM LIABILITIES :				
Bonds payable, net	2,314,208	2,891,843	2,291,295	2,863,211
Subscription deposits	23,770	31,440	23,535	31,129
Long-term payables - other (net of present value discount of ₩58,413million at December 31,2005 and ₩72,663 million at December 31, 2004)	591,587	577,337	585,730	571,621
Obligations under capital lease	10,204	-	10,103	-
Accrued severance indemnities, net	64,029	75,409	63,395	74,662
Deferred income tax liabilities, net	409,715	323,096	405,658	319,897
Long-term currency swap	73,450	96,743	72,723	95,785
Guarantee deposits received and other	29,565	38,034	29,272	37,656
Total Long-Term Liabilities	3,516,528	4,033,902	3,481,711	3,993,961
Total Liabilities	6,263,796	6,893,613	6,201,778	6,825,357

(Continued)

December 31, 2005 and 2004

	In Millions of Korean won		In Thousands of U.S. Dollars	
	Dec. 31, 2005	Dec. 31, 2004	Dec. 31, 2005	Dec. 31, 2004
STOCKHOLDERS' EQUITY :				
Capital stock	44,639	44,639	44,197	44,197
Capital surplus	2,966,198	2,983,166	2,936,830	2,953,630
Retained earnings				
Appropriated	5,470,701	4,733,936	5,416,536	4,687,066
Unappropriated	1,799,160	1,422,772	1,781,347	1,408,685
Capital adjustments				
Treasury stock	(2,047,105)	(2,047,105)	(2,026,837)	(2,026,837)
Unrealized profit (loss) on valuation of long-term investment securities, net	(42,134)	(89,842)	(41,717)	(88,952)
Equity in capital adjustments of affiliates, net	77,119	124,145	76,355	122,916
Loss on valuation of currency swap, net	(14,178)	(49,452)	(14,038)	(48,962)
Stock options	3,480	4,833	3,446	4,786
Total Stockholders' Equity	8,257,880	7,127,092	8,176,119	7,056,529
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	14,521,676	14,020,705	14,377,897	13,881,886

Years ended December 31, 2005 and 2004

	In Millions of Korean won		In Thousands of U.S. Dollars	
	Dec. 31, 2005	Dec. 31, 2004	Dec. 31, 2005	Dec. 31, 2004
OPERATING REVENUE	10,161,129	9,703,681	10,060,524	9,607,605
OPERATING EXPENSES				
Labor cost	(380,383)	(402,734)	(376,617)	(398,747)
Commissions paid	(2,895,214)	(2,827,159)	(2,866,549)	(2,799,167)
Depreciation and amortization	(1,512,919)	(1,577,434)	(1,497,940)	(1,561,816)
Network interconnection	(935,217)	(858,754)	(925,957)	(850,251)
Leased line	(392,834)	(365,444)	(388,945)	(361,826)
Advertising	(260,699)	(328,552)	(258,118)	(325,299)
Research and development	(204,698)	(203,741)	(202,671)	(201,724)
Rent	(179,726)	(167,671)	(177,947)	(166,011)
Frequency usage	(156,098)	(143,047)	(154,552)	(141,631)
Repair	(128,311)	(108,533)	(127,041)	(107,458)
Cost of goods sold	(12,372)	(5,915)	(12,250)	(5,856)
Other	(449,088)	(355,116)	(444,640)	(351,601)
Sub-total	(7,507,559)	(7,344,100)	(7,433,227)	(7,271,387)
OPERATING INCOME	2,653,570	2,359,581	2,627,297	2,336,218
OTHER INCOME				
Interest income	54,988	68,319	54,444	67,643
Dividends	26,515	23,843	26,252	23,607
Commissions	33,331	32,843	33,001	32,518
Equity in earnings of affiliates	55,943	53,825	55,389	53,292
Foreign exchange and translation gains	1,862	10,897	1,844	10,789
Reversal of allowance for doubtful accounts	437	283	433	280
Gain on disposal of investment assets	196,522	1,312	194,576	1,299
Gain on disposal of property and equipment	4,645	2,054	4,599	2,034
Gain on foreign exchange transactions and valuation of currency swap	2,545	2,850	2,520	2,822
Other	33,005	40,903	32,678	40,497
Sub-total	409,793	237,129	405,736	234,781

(Continued)

Years ended December 31, 2005 and 2004

	In Millions of Korean won		In Thousands of U.S. Dollars	
	Dec. 31, 2005	Dec. 31, 2004	Dec. 31, 2005	Dec. 31, 2004
OTHER EXPENSES :				
Interest and discounts	(252,464)	(302,491)	(249,964)	(299,496)
Donations	(75,983)	(19,796)	(75,231)	(19,600)
Foreign exchange and translation losses	(2,223)	(6,248)	(2,201)	(6,186)
Loss on foreign exchange transactions and valuation of currency swap	-	(15,819)	-	(15,662)
Equity in losses of affiliates	(90,801)	-	(89,902)	-
Loss on impairment of long-term investment securities	(1,793)	(32,074)	(1,775)	(31,756)
Loss on disposal of investment assets	(2,265)	(810)	(2,243)	(802)
Loss on disposal of property, equipment and intangible assets	(6,079)	(18,344)	(6,019)	(18,162)
Other	(77,142)	(85,350)	(76,379)	(84,506)
Sub-total	(508,750)	(480,932)	(503,714)	(476,170)
ORDINARY INCOME	2,554,613	2,115,778	2,529,319	2,094,829
INCOME BEFORE INCOME TAXES	2,554,613	2,115,778	2,529,319	2,094,829
PROVISION FOR INCOME TAXES	(683,233)	(620,926)	(676,468)	(614,778)
NET INCOME	1,871,380	1,494,852	1,852,851	1,480,051
NET INCOME PER SHARE (In Korean won and U.S. dollars)	25,421	20,307	25.169	20.106
DILUTED NET INCOME PER SHARE (In Korean won and U.S. dollars)	25,015	20,137	24.767	19.938

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REPORT PREPARATION PROCESS

Procedure

The Ethics Management Team, under the Ethics Management Office, was responsible for the overall planning of this Report. Some 20 teams and working groups, duties of which are directly related to the information in this Report, were set up to compile the report contents and basic data.

Reliability of Data

Majority of the data in this Report was measured and reviewed according to SK Telecom's internal standards. Some of the data, such as the CSI results in the Customers section and the electricity usage in the Environment section, were obtained from related external agencies to enhance objectivity. For economic performance, we used audited data, including financial statements, which were prepared based on generally accepted accounting principles and IR reports.

Verification

The contents of this Report have been verified by the Korean Foundation for Quality (KFQ) to ensure data reliability. The KFQ provided third-party verification after holding interviews with relevant company staff and reviewing related processes, results, and data.

COMMENT FROM EXTERNAL EXPERT

• President, Yuhan College
• Former Minister of Commerce, Industry and Energy
• Chair Professor, Korea University
• Professor of Economics, Kyungpook National University
• Chair Professor, University of Tokyo, Japan
• Ph.D. in Economics, Osaka City University, Japan

A new wind is sweeping through the global corporate scene - the wind of corporate sustainability management (CSM) or corporate social responsibility (CSR). This trend is extending its reach to the business world in Korea.

It is welcome news that a major corporation such as SK Telecom is advocating CSM with respect to its economic, environmental, and social aspects, and openly communicating and reporting such process to its diverse stakeholders.

SK Telecom's Sustainability Report is based on GRI guidelines. While observing international standards, this Report also retains the company's unique features. I hope this Sustainability Report will have a meaningful impact on other companies and will spur an even greater wave of CSR in Korea. I hope this tide will lead to a vast social integration, in which businesses will fulfill their social responsibilities while consumers and the public can trust and respect the corporate sector. That, in turn, should empower Korean corporations to be competitive on the global stage.

October 2006
Young Ho Kim

STATEMENT OF VERIFICATION

• Introduction

Korean Foundation of Quality (hereinafter "KFQ") have performed engagement on verification of SK Telecom's 2005 Sustainability Report(hereinafter "Report"). The report is the responsibility of SK Telecom with whom the objective and terms of the engagement were agreed. We are responsible for expressing our conclusions based on the engagement.

• Independence of Verification

KFQ has no conflict of interest with SK Telecom in terms of profit generation-related activities except providing third party verification service on the report. And we do not have any biased opinion on SK Telecom's stakeholders.

• Scope of Verification

KFQ has applied verification procedures specified by KFQ referring to the '2002 GRI Sustainability Reporting Guideline' and '2003 AA 1000 Assurance Standard', which are already accepted internationally. Verification was planned and performed to achieve reasonable assurance to whether there is any material error or misrepresentation in the report. Thus, verification was focused on economic, environmental and social performances and activities of SK Telecom's head office and local division from January 1 through December 31.2005.

• Verification Procedure

KFQ has verified credibility of report contents and effectiveness of the internal process and systems for preparing the Report according to the following steps:

- Desk review

We have conducted GAP analysis against '2002 GRI Sustainability Reporting Guidelines' and then analysed key issues and performance data described in the report. Also we have reviewed the performance data and activities in the report and then, planned for on-site verification.

- On-site verification

We have applied sampling principle after due consideration of information materiality from various stakeholders of view and evaluate systems to manage opinions and perceptions of stakeholders. Also, we examined performance activities related evidences through interviewing staff and related internal documents.

- Resolution of findings

We have discussed the issues identified during the procedures above, and reviewed the final version of the report again to check the correction and reflection of the founded facts. Then, gap analysis against the GRI guidelines was conducted on the final report.

• Considerations and Limitations

We have performed verification of financial information in the report by comparing it with 'Audit Report on Financial Statements of 2005 SK Telecom' which has already been assured. For the complete understanding of financial status, refer to 'Audit Report on Financial Statements of 2005 SK Telecom'.

• Conclusion

We believe that we have obtained reasonable basis to express the conclusion below through verification procedure above.

1. SK Telecom adequately used the system to collect, archive and integrate data and processes for preparing report are used effectively.
2. Minor error and/or misrepresentation identified during the verification were appropriately corrected and reflected to the final report.
3. In conclusion, SK Telecom disclosed reliable information on sustainable vision and strategy, management system and performance in the report.

• Highlights

We have found and confirmed that SK Telecom was well-aware of the triple-bottom line risk in mobile communication service sector and these awareness were expressed well in stakeholder-oriented management vision and strategy. As a part of this, SK Telecom has operated various communication channels with stakeholders and has recognized the Issues by these channels. And all the identified issues and concerns were controlled through feedback process and many social contribution activities were promoted with government and citizen communities.

SK Telecom has performed the process to collect and analyse data systematically to compile the Report and we have found that they are putting many efforts to improve the internal system. Also we have found SK Telecom's visible efforts to exclude biased opinion and avoiding exaggerate performances in reporting process.

• Suggestions for Improvement

We suggest that SK Telecom set specific target and develop performance index referring to the G3, Sustainability Report Preparation Guideline (ver.3) by GRI, to raise SK Telecom's efforts and performance. Also, we recommend expanding Sustainability activities considering SK Telecom's social affection to resolve social/environmental issues caused by growth of mobile communication service sector.

Lastly, We suggest further elevation the report to fully accommodate the three principles provided by the AA1000(materiality, completeness and responsiveness) by establishing systematic communication with various stakeholders.

Nov. 29, 2006
CEO Jae Ryong Kim

kfq Korean Foundation for Quality

GRI INDEX (2002)

GRI Index		Indicators		Remark	Page
Vision & Strategy	1.1	Statement of the organization's vision and strategy regarding its contribution to sustainable development		●	8~9
	1.2	Statement from the CEO		●	4~7
Profile	2.1	Name of reporting organization		●	Cover
	2.2	Major products and/or services, including brands if appropriate		●	12
	2.3	Operational structure of the organization		●	13
	2.4	Description of major divisions, operating companies, subsidiaries, and joint ventures		●	13
	2.5	Countries in which the organization's operations are located		●	14
	2.6	Nature of ownership; legal form		●	13
	2.7	Nature of markets served		●	14,36,58,60,61
	2.8	Scale of the reporting organization		●	13, 14, 30
	2.9	List of stakeholders, key attributes of each, and relationship to the reporting organization		●	15
	2.10	Contact person(s) for the report, including e-mail and web addresses		●	95
	2.11	Reporting period (e.g., fiscal/calendar year) for information provided		●	1
	2.12	Date of most recent previous report (if any)		N/A	-
	2.13	Boundaries of report		●	1
	2.14	Significant changes in size, structure, ownership		N/A	-
	2.15	Basis for reporting on joint ventures etc. affecting comparability from period to period	●	1
	2.16	Explanation/nature of any re-statements of earlier reports (e.g.mergers/acquisitions)	N/A	-
	2.17	Decisions not to apply GRI principles or protocols in the preparation of the report	●	1
	2.18	Criteria/definitions used in accounting for cost/benefits		●	82
	2.19	Significant changes in measurement methods		N/A	-
	2.20	Policy and internal practices to enhance accuracy, completeness and reliability		●	82
	2.21	Policy and current practice on independent assurance		●	82
	2.22	Means by which report users can obtain additional information		●	1
Governance Structure & Management Systems	3.1	Governance structure of the organization (incl. major committees)		●	39
	3.2	Percentage of the board of directors that are independent, non-executive directors		●	39
	3.3	Process for determining the expertise board members need to guide strategic direction	●	39
	3.4	Board-level processes for overseeing economic/environmental/ social risks and opportunities		◑	39
	3.5	Linkages between executive compensation and achievement of non-financial goals		◑	39
	3.6	Organizational structure/responsibilities for oversight, implementation and audit of relevant policies		●	39
	3.7	Mission/values/codes of conduct/principles and status of implementation		●	8, 9, 74~76
	3.8	Mechanisms for shareholders to provide recommendations to Board of Management		●	39
	3.9	Basis for identification and selection of major stakeholders		●	15
	3.10	Approaches to stakeholder consultation in terms of frequency of consultation by type	●	15
	3.11	Type of information generated by stakeholder consultations		●	15
	3.12	Use of information resulting from stakeholder engagements		●	15
	3.13	Explanation of how the precautionary principle is addressed by the organization's policies		●	22
	3.14	Subscription to externally developed/voluntary charters/principles/initiatives		◑	74~76
	3.15	Principal industry and business association membership		◑	57

● : Disclosed　◑ : Partly disclosed　○ : Not disclosed　N/A : Not available

GRI Index		Indicators	Remark	Page
	3.16	Policies and/or systems for managing upstream and downstream impacts	●	42
	3.17	Approach to managing indirect impacts resulting from activities	●	18,44,60,61
	3.18	Major decisions regarding locations or changes of operations	●	15
	3.19	Programs and procedures for improvement programs/actions	●	18, 48, 64
	3.20	Status of certification of environmental, labor, social accountability management systems	●	19, 38, 43, 49, 65
GRI Content Index	4.1	A table identifying location of each element of the GRI Report Content, by section and indicator	●	86~93
Performance Indicators	EC1	Net sales	●	13, 14, 38
	EC2	Geographic breakdown of markets	●	14
	EC3	Cost of all goods, materials, and services purchased	●	44
	EC4	Percentage of contracts paid in accordance with agreed terms	◑	58, 59
	EC5	Total payroll and benefits broken down by country/region	●	30
	EC6	Distribution to providers of capital broken down by interest /dividends on all classes of shares	●	78~81
	EC7	Increase/decrease in retained earnings at end of period	●	79
	EC8	Total sum of taxes per geographic region	●	81
	EC9	Subsidies received broken down by country or region	○	-
	EC10	Donations to community/civil society, broken down in terms of cash/in-kind	●	50~55
	EC11	Supplier breakdown by organization and country	N/A	-
	EC12	Total spent on non-core business infrastructure development	●	51
	EC13	The organization's indirect economic impacts	●	60, 61
	EN1	Total materials use other than water, by type	◑	66
	EN2	Percentage of materials used that are waste from sources external to the reporting organization	●	66
	EN3	Direct energy use segmented by primary source	●	68, 69
	EN4	Indirect energy use	●	68, 69
	EN5	Total water use	◑	71
	EN6	Location and size of land owned, leased or managed in biodiversity-rich habitats	●	71
	EN7	Description of the major impacts on biodiversity in terrestrial, freshwater and marine environments	○	-
	EN8	Greenhouse gas emissions	●	68
	EN9	Use and emissions of ozone-depleting substances	◑	68
	EN10	NOx, SOx, and other significant air emissions by type	◑	68
	EN11	Total amount of waste by type and destination	◑	66
	EN12	Significant discharges to water by type	N/A	-
	EN13	Significant spills of chemicals/oils/fuels in terms of total number and total volume	N/A	-
	EN14	Significant environmental impacts of principal products and services	●	65, 68, 69, 70, 71
	EN15	Percentage of weight of products sold reclaimable/reclaimed after use	●	66
	EN16	Incidents of and fines for non-compliance associated with environmental issues	◑	65
	EN17	Initiatives to use renewable energy sources and to increase energy efficiency	◑	70
	EN18	Energy consumption footprint (i.e., annualised lifetime energy requirements) of major products	N/A	-
	EN19	Other indirect (upstream/downstream) energy use and implications	●	68, 69
	EN20	Water sources and related ecosystems/habitats affected by use of water	N/A	-

GRI INDEX (2002)

GRI Index	Indicators		Remark	Page
Performance Indicators	EN21	Annual withdrawals of ground and surface water as a percent of annual renewable quantity of water	○	-
	EN22	Total recycling and reuse of water	○	-
	EN23	Total amount of land owned, leased, or managed for production activities or extractive use	○	-
	EN24	Amount of impermeable surface as a percentage of land purchased or leased	○	-
	EN25	Impacts of activities and operations on protected and sensitive areas	◑	71
	EN26	Changes to natural habitats resulting from activities and operations	◑	71
	EN27	Objectives, programmes, and targets for protecting and restoring native ecosystems	◑	71
	EN28	Number of IUCN Red List species with habitats in areas affected by operations	○	-
	EN29	Business units currently operating or planning operations in or around protected or sensitive areas	●	71
	EN30	Other relevant indirect greenhouse gas emissions	○	-
	EN31	All production, transport, import, or export of any waste deemed 'hazardous' under the Basel Convention	N/A	-
	EN32	Water sources and related ecosystems/habitats significantly affected by discharges of water and runoff	N/A	-
	EN33	Performance of suppliers relative to environmental components of programmes and procedures	◑	66
	EN34	Significant environmental impacts of transportation used for logistical purposes	◑	65, 67
	EN35	Total environmental expenditures by type	○	-
	LA1	Breakdown of workforce	●	29
	LA2	Net employment creation and average turnover segmented by region/country	◑	30
	LA3	Percentage of employees represented by independent trade union organizations	●	30
	LA4	Policy and procedures on changes in operations	●	31
	LA5	Practices on recording and notification of occupational accidents /diseases (relation to ILO)	●	32
	LA6	Description of formal joint H&S committees/proportion of workforce represented in committees	●	32
	LA7	Standard injury, lost day, and absentee rates and number of work-related fatalities	●	32
	LA8	Description of policies or programs on HIV/AIDS	N/A	-
	LA9	Average hours of training per year per employee by category of employee	●	33
	LA10	Description of equal opportunities policies or programs	◑	30
	LA11	Composition of senior management and corporate governance bodies	◑	39
	LA12	Employee benefits beyond those legally mandated	●	29
	LA13	Provision for formal worker representation in decision-making or management	◑	39
	LA14	Evidence of substantial compliance with the ILO Guidelines for Occupational Health Management System	◑	32
	LA15	Formal agreements with trade unions or other bona fide employee representatives covering health and safety	●	32
	LA16	Description of programmes to support the continued employability of employees and to manage career endings	●	33
	LA17	Specific policies and programmes for skills management or for lifelong learning	●	33
	HR1	Human rights policies, procedures and monitoring	◑	31
	HR2	Human rights in investment and procurement decisions	○	-

● : Disclosed   ◑ : Partly disclosed   ○ : Not disclosed   N/A : Not available

GRI Index	Indicators		Remark	Page
	HR3	Human rights performance of suppliers	○	-
	HR4	Policy, procedures and programs to prevent discrimination	◑	31, 33
	HR5	Freedom of association	●	30
	HR6	Child labor	●	31
	HR7	Forced and compulsory labor	●	31
	HR8	Employee training on policies and practices concerning all aspects of human rights relevant to operations	●	33
	HR9	Description of appeal practices, including, but not limited to, human rights issues	●	31
	HR10	Description of non-retaliation policy and effective, confidential employee grievance system	●	31
	HR11	Human rights training for security personnel	●	32
	HR12	Description of policies, guidelines, and procedures to address the needs of indigenous people	○	-
	HR13	Description of jointly managed community grievance mechanisms/authority	●	24, 31, 48, 49
	HR14	Share of operating revenues from the area of operations that are redistributed to local communities	○	-
	SO1	Description of policies to manage impacts on communities in areas affected by activities	●	51, 52, 71
	SO2	Bribery and corruption	●	59
	SO3	Political lobbying and contributions	◑	56, 57
	SO4	Awards received relevant to social, ethical, and environmental performance	●	19,29,37,43,49,65
	SO5	Amount of money paid to political parties and institutions	○	-
	SO6	Court decisions regarding cases pertaining to anti-trust and monopoly regulations	●	59
	SO7	Policy, procedures/management systems, and compliance mechanisms for preventing anti-competitive behavior	●	58, 59
	PR1	Customer health and safety	○	-
	PR2	Description of policy on product information and labeling, and compliance mechanisms	●	25
	PR3	Description of policy and management system for consumer privacy, and compliance mechanisms	●	23
	PR4	Number and type of instances of non-compliance with regulations concerning customer health and safety	◑	23
	PR5	Number of complaints upheld by regulatory or similar official bodies to oversee or regulate the health and safety	○	-
	PR6	Voluntary code compliance, product labels or awards with respect to social and/or environmental responsibility	◑	22
	PR7	Number and type of instances of non-compliance with regulations concerning product information and labeling	●	59
	PR8	Description of policy, procedures/management systems, and compliance related to customer satisfaction	●	18
	PR9	Description of policies, procedures/management systems, and compliance related to advertising	●	58
	PR10	Number and types of breaches of advertising and marketing regulations	◑	58, 59
	PR11	Number of substantiated complaints regarding breaches of consumer privacy	○	-

GRI INDEX (G3 DRAFT)

GRI Index		Indicators		Remark	Page
Strategy and Analysis	1.1	Statement from the CEO and chair, or head of the organization who is independent of the reporting organization's executive management about the relevance of sustainability to the organization and its strategy		●	4~7
	1.2	Description of Key Risks and Opportunities		●	9
Organizational Profile	2.1	Name of the reporting organization		●	Cover
	2.2	Major brands, products and/or services, including volume or quantity of products/services provided		●	12
	2.3	Operational structure of the organization and major divisions, operating companies, subsidiaries, and joint ventures		●	13
	2.4	Countries in which the organization's operations are located.		●	94
	2.5	Nature of ownership and legal form.		●	13
	2.6	Markets served (including geographic breakdown, sectors served, types of customers/beneficiaries)		●	14,36,58,60,61
	2.7	Scale of the reporting organization		●	13, 14, 30
	2.8	Major decisions during the reporting period regarding the location of, or changes in operations, including facility openings, closings, and expansions		●	15
Report Parameters	3.1	Contact point for questions regarding the report or its contents		●	95
	3.2	Reporting period (e.g., fiscal/calendar year) for information provided		●	1
	3.3	Date of most recent previous report (if any)		N/A	-
	3.4	Significant changes from previous years in the inclusion of, and measurement methods applied to, economic, environmental, and social issues and indicators		N/A	-
	3.5	Plans for future reporting		●	1
	3.6	Identify which GRI reporting framework documents have been applied, including supplements and protocols, and the extent of their application		●	1
	3.7	Process for defining report content, including the process for determining the materiality and prioritization of issues within the report, and identification of the stakeholders that the organization expects to use the report		●	15
	3.8	State any specific limitations on the scope of the report		●	1
	3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report		●	82
	3.10	Approaches to stakeholder engagement activities undertaken specifically for the report, broken down by type of engagement and by stakeholder group		●	15
	3.11	Type of information (such as key issues and concerns) generated by stakeholder engagement activities implemented specifically for the purposes of report preparation		●	15
	3.12	Boundary of the report (countries/regions, divisions/facilities/ joint ventures/subsidiaries)		●	1
	3.13	Significant changes in size, structure, ownership, or products/services that have occurred since the previous report		N/A	-
	3.14	Basis for reporting on joint ventures, partially owned subsidiaries, leased facilities, outsourced operations, and other situations that can significantly affect comparability from period to period and/or between reporting organizations		●	1
	3.15	Explanation of the nature and effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods)		N/A	-
	3.16	Table identifying the location of the standard disclosures in the report		●	86~93
	3.17	Policy and current practice with regard to seeking independent assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any independent assurance provided as well as nature of the relationship with the assurance provider		●	1
Governance, Commitments & Engagement	4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or oversight of the organization		●	39

● : Disclosed　◐ : Partly disclosed　○ : Not disclosed　N/A : Not available

GRI Index		Indicators		Remark	Page
	4.2	Indicate if the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement)		●	39
	4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members		●	39
	4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body		●	39
	4.5	Linkage between compensation (including departure arrangements) and the organization's performance (including social and environmental performance) for members of the highest governance body, senior managers, and executives		●	39
	4.6	Process for determining required qualifications and expertise of the members of the highest governance body to guide the strategy of the organization, including on issues related to economic, environmental, and social performance		◐	39
	4.7	Processes of the highest governance body to ensure conflicts of interest are avoided		●	39
	4.8	Internally developed mission and values statements, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation		◐	8, 9, 74~76
	4.9	Processes of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including the identification and management of relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles		◐	39
	4.10	Processes for evaluating the performance of the highest governance body, particularly with respect to economic, environmental, and social performance		◐	39
	4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization		●	22
	4.12	Externally developed, voluntary economic, environmental, and social charters, sets of principles, or other initiatives to which the organization subscribes or which it endorses		◐	57
	4.13	Significant memberships in associations (such as industry associations), and/or tional/international advocacy organizations		○	-
	4.14	List of stakeholder groups engaged by the organization		●	15
	4.15	Basis for identification and selection of stakeholders to engage		●	15, 39
	4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group		●	15
	4.17	Key issues and concerns that have been raised through stakeholder engagement and how the organization has responded to those key issues and concerns		●	15
Performance Indicators					
Economic Performance Indicators	EC1	Economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and to governments		●	14, 30, 38
	EC2	Financial implications of climate change		●	68~70
	EC3	Coverage of the organization's defined benefit pension plan obligations		●	29
	EC4	Financial assistance received from government		○	-
	EC5	Entry level wage compared to local minimum wage for significant locations of operation		◐	30
	EC6	Practices and proportion of spending on locally-based suppliers at significant locations of operation		◐	44, 45
	EC7	Procedures for local hiring, and proportion of senior management in locations of significant operation from the local community		◐	29, 30
	EC8	Description of infrastructure investments and services supported that provide public benefit		●	50~52
	EC9	Indirect economic impacts		●	60, 61
Environmental Performance Indicators	EN1	Weight of materials used		◐	66, 67
	EN2	Percentage of materials used that are recycled		●	66
	EN3	Direct energy consumption broken down by primary energy source		●	69
	EN4	Indirect energy consumption broken down by primary source		●	68, 69

GRI INDEX (G3 DRAFT)

GRI Index	Indicators		Remark	Page
Environmental Performance Indicators	EN5	Percentage of total energy consumption met by renewable resources	○	-
	EN6	Total energy saved due to conservation and efficiency improvements	●	69
	EN7	Initiatives to provide energy-efficient products and services	●	70
	EN8	Initiatives to reduce indirect energy consumption	●	69, 70
	EN9	Total water withdrawal by source	●	71
	EN10	Water sources and related habitats significantly affected by withdrawal of water	N/A	-
	EN11	Percentage and total volume of water recycled and reused	○	-
	EN12	Location and size of land owned, leased, or managed in	●	71
	EN13	Description of significant impacts of activities on protected areas	◑	71
	EN14	Area of habitats protected or restored	◑	71
	EN15	Programs for managing impacts on biodiversity	◑	71
	EN16	Number of IUCN Red List species with habitats in areas affected by operations broken down by level of extinction risk	○	-
	EN17	Greenhouse gas emissions	●	68
	EN18	Emissions of ozone-depleting substances	◑	68
	EN19	NOx, SOx, and other significant air emissions by weight	◑	68
	EN20	Total amount of waste by type and destination	◑	66
	EN21	Total water discharge and quality	N/A	-
	EN22	Total number and volume of significant spills	N/A	-
	EN23	Other relevant indirect greenhouse gas emissions	○	-
	EN24	Weight of transported, imported, or exported waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII	N/A	-
	EN25	Water sources and related habitats significantly affected by discharges of water and runoff	N/A	-
	EN26	Initiatives to manage the environmental impacts of products and services and extent of impact reduction	●	67, 70, 71
	EN27	Percentage of products sold that is reclaimed at the end of the products' useful life by product category	●	66
	EN28	Incidents of, and fines or non-monetary sanctions for, non-compliance with applicable environmental regulations	◑	65
	EN29	Significant environmental impacts of transportation used for logistical purposes	◑	65, 67
	EN30	Total environmental protection expenditures by type	○	-
Social Performance Indicators	LA1	Breakdown of total workforce by employment type and by region	●	29
	LA2	Total number and rate of employee turnover broken down by age group and gender	○	-
	LA3	Minimum benefits provided to full-time employees, which are not provided to temporary or part-time employees	●	29
	LA4	Percentage of employees represented by independent trade union organizations or covered by collective bargaining agreements	●	30
	LA5	Minimum notice period(s) and consultation and negotiation practices with employees and/or their representatives regarding operational changes	●	31
	LA6	Percentage of workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	●	32
	LA7	Rates of injury, occupational diseases, lost days, and absenteeism and number of work-related fatalities	●	32
	LA8	Education, training, counseling, prevention and risk-control programs in place for assisting workforce members, their families or community members affected by HIV/AIDS or other serious communicable diseases	◑	32
	LA9	Elements of occupational health and safety management approach	●	32
	LA10	Health and safety topics covered in formal agreements with trade unions	●	31, 32
	LA11	Average hours of training per year per employee broken down by employee category	●	33
	LA12	Programs for skills management and lifelong learning that support the continued employability of employees	●	33

● : Disclosed ◐ : Partly disclosed ○ : Not disclosed N/A : Not available

GRI Index	Indicators		Remark	Page
	LA13	Percentage of employees receiving regular performance and career development review	●	33
	LA14	Composition of governance bodies' and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	◐	30
	LA15	Ratio of average remuneration of men and women broken down by employee category	●	30
	HR1	Percentage of significant investment agreements that include human rights clauses or that underwent human rights screening	◐	31
	HR2	Percentage of major suppliers and contractors that underwent screening on human rights	○	-
	HR3	Type of employee training on policies and procedures concerning aspects of human rights relevant to operations, including number of employees trained	●	33
	HR4	Incidents of discrimination	●	30
	HR5	Incidents of violations of freedom of association and collective bargaining	●	31
	HR6	Incidents of child labor	N/A	-
	HR7	Incidents of forced or compulsory labor	N/A	-
	HR8	Procedures for complaints and grievances filed by customers, employees, and communities concerning human rights, including provisions for non-retaliation	●	31
	HR9	Percentage of security personnel trained in organization's policies or procedures regarding human rights	●	32
	HR10	Incidents involving rights of indigenous people	○	-
	SO1	Programs and practices for assessing and managing the impacts of operations on communities, including entering, operating and exiting	●	52, 71
	SO2	Extent of training and risk analysis to prevent corruption	●	56, 57
	SO3	Actions taken in response to instances of corruption	●	57
	SO4	Participation in public policy development and lobbying	●	50, 51
	SO5	Total value of contributions to political parties or related institutions broken down by country	○	-
	SO6	Instances of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	●	59
	PR1	Procedures for improving health and safety across the life cycle of products and services	●	22〜24
	PR2	Number and type of instances of non-compliance with regulations concerning health and safety effects of products and services	○	-
	PR3	Procedures for product and service information and labeling	●	25
	PR4	Number and type of instances of non-compliance with regulations concerning product and service information and labeling	●	59
	PR5	Procedures related to customer satisfaction, including results of surveys measuring customer satisfaction	●	18〜21
	PR6	Procedures and programs for adherence to laws, standards, and voluntary codes related to marketing communications including advertising, promotion and sponsorship	●	58
	PR7	Number and type of instances of non-compliance with regulations concerning marketing communications including advertising, promotion and sponsorship	◐	58, 59
	PR8	Percentage of customer data covered by the data protection procedures	●	23
	PR9	Number of substantiated complaints regarding breaches of customer privacy	○	-

● ● ● Domestic Network ● ● ●

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FEEDBACK QUESTIONNAIRE

We at SK Telecom sincerely care about your opinions. Please fill in this feedback questionnaire and send it to us by mail or fax. Your opinions will be reflected in our improvement of our future sustainability reports.

1. Which of the following best describes you or your affiliation?

☐ Customer   ☐ SKT Staff   ☐ Shareholder or Investor

☐ Business Partner   ☐ Citizen's Group   ☐ Public Officer

☐ Media   ☐ Academia   ☐ Other Company Staff

☐ Other (   )

2. What are your major areas of interest?

☐ Vision & Strategy   ☐ Customers   ☐ Employees

☐ Shareholders   ☐ Business Partners   ☐ Society   ☐ Environment

3. How would you rate this Report on the following aspects? Please rate them on a scale of 1 to 5.

a. Terminologies are clear and easy to understand   ◀ Unsatisfactory ① ② ③ ④ ⑤ Satisfactory ▶

b. Sufficient and useful information is provided on important issues   ◀ Unsatisfactory ① ② ③ ④ ⑤ Satisfactory ▶

c. Contents are reliable   ◀ Unsatisfactory ① ② ③ ④ ⑤ Satisfactory ▶

d. Design is good   ◀ Unsatisfactory ① ② ③ ④ ⑤ Satisfactory ▶

4. How satisfied are you with the following parts of this Report? Please rate them on a scale of 1 to 5.

a. Vision & Strategy   ◀ Unsatisfactory ① ② ③ ④ ⑤ Satisfactory ▶

b. Customers   ◀ Unsatisfactory ① ② ③ ④ ⑤ Satisfactory ▶

c. Employees   ◀ Unsatisfactory ① ② ③ ④ ⑤ Satisfactory ▶

d. Shareholders   ◀ Unsatisfactory ① ② ③ ④ ⑤ Satisfactory ▶

e. Business Partners   ◀ Unsatisfactory ① ② ③ ④ ⑤ Satisfactory ▶

f. Society   ◀ Unsatisfactory ① ② ③ ④ ⑤ Satisfactory ▶

g. Environment   ◀ Unsatisfactory ① ② ③ ④ ⑤ Satisfactory ▶

5. Further comments

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Thank you for responding to the questionnaire.

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